

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a rate) DOCKET NO. 920188-TL
increase by GTE FLORIDA)
INCORPORATED.)
_____))
In re: Resolution by the City) DOCKET NO. 920939-TL
Commission of the City of Plant) ORDER NO. PSC-93-0048-FOF-TL
City and the Hillsborough County) ISSUED: 01/12/93
Board of County Commissioners)
for extended area service between)
the Plant City exchange and all)
of Hillsborough County.)
_____))

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK

NOTICE OF PROPOSED AGENCY ACTION
ORDER REGARDING ACCESS CHARGES,
INTRALATA PRIVATE LINE DEPOOLING,
AND THE FLOWBACK OF EXCESS DEFERRED TAXES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Several matters in this proceeding were addressed as proposed agency actions (PAA). This Order sets forth our decisions regarding those issues.

I. Flowback of Excess Deferred Taxes

In its brief, GTE Florida Incorporated (GTEFL or the Company) quantifies its position on the flowback of excess deferred taxes. According to the Company, the depreciation stipulation will increase the flowback of such taxes by \$127,626. As a result, the revenue requirement will decrease. This adjustment is equivalent to a voluntary reduction in revenue requirements by the Company.

We accept the Company's adjustment to excess deferred taxes as a voluntary reduction to expenses and shall consider it in the determination of revenue requirements.

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II. Access Charges

One issue before us is whether AT&T Communications of the Southern States, Inc. (ATT-C) should be required to flow-through any reduction in access charges determined to be appropriate. ATT-C asked that the issue be addressed as a PAA so that it would have the opportunity to argue the matter at the Rate Case Special Agenda. We note that no significant access charge reductions have been approved in this case.

ATT-C asserts that consistent with our decision in Order No. PSC-92-0572-FOF-TI, issued in Docket No. 870347-TI on June 25, 1992, we should permit the competitive market to control the flow-through of any reduction in access charge found to be appropriate in this case. ATT-C argues that the Order precludes any requirement that it flow-through access charge reductions.

Upon review, we find that, in this case, ATT-C shall not be required to flow-through access charge reductions. However, we disagree with ATT-C regarding its interpretation of Order No. PSC-92-0572-FOF-TI. It is true that, by that Order, we removed the requirement that ATT-C flow-through access charge reductions. However, we went on to state: "[t]his does not preclude consideration of such a requirement on a case-by-case basis." That being the case, we note that in recent decisions we have not required ATT-C to pass such reductions through to its customers and that this issue has been dropped in both the Central Telephone Company of Florida and BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company rate cases. Moreover, we have expressed a desire in these dockets to observe ATT-C's behavior in the marketplace with regard to price changes and flow-through of cost savings.

III. IntraLATA Private Line Pool

In this case, GTEFL has reflected intraLATA private line depooling effective January 1, 1993, as one of its assumptions regarding 1993 revenues. We have not yet made a decision regarding industry wide depooling of intraLATA private line services. GTEFL currently receives more revenue from the pool than it contributes. Therefore, if GTEFL is allowed to discontinue its participation in the pool, the overall impact to the intraLATA private line pool would be an increase in revenue.

In the past, we have allowed companies to be removed from pooling arrangements under similar circumstances. In this instance, we find it appropriate that GTEFL be allowed to

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discontinue its participation in the intraLATA private line pool effective January 1, 1993. Revenue changes associated with this decision shall be recognized in this case. In the event of a protest to this PAA, revenues associated with the depooling shall be held subject to refund.

Therefore, based on the foregoing it is

ORDERED by the Florida Public Service Commission that the flowback of excess deferred income taxes shall be increased by \$127,626, to reflect the increase in depreciation expense resulting from the depreciation stipulation. It is further

ORDERED that AT&T Communications of the Southern States, Inc. shall not be required to flow-through any reductions in access charges authorized in this proceeding. It is further

ORDERED that GTE Florida, Incorporated shall be allowed to discontinue its participation in the intraLATA private line pool effective January 1, 1993. Revenue changes associated with this decision shall be recognized in this case. In the event of a protest, revenues associated with the depooling shall be held subject to refund. It is further

ORDERED that protest of one decision set forth in this Proposed Agency Action shall not prevent other decisions set forth herein from becoming final.

By ORDER of the Florida Public Service Commission this 12th day of January, 1993.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

CWM

by: Kay Flynn
Chief, Bureau of Records

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on February 2, 1993.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.