BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

) DOCKET NO. 920260-TL In Re: Comprehensive review of revenue requirements and rate stabilization plan of SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY.) DOCKET NO. 910163-TL In Re: Investigation into the integrity of SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S repair service activities and reports. DOCKET NO. 910727-TL In Re: Investigation into SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S compliance with Rule 25-4.110(2), F.A.C.., Rebates. DOCKET NO. 900960-TL Show cause proceeding In Re: ORDER NO. PSC-93-0588-FOF-TL against SOUTHERN BELL TELEPHONE

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman THOMAS M. BEARD SUSAN F. CLARK JULIA L. JOHNSON LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION ORDER GRANTING MOTION TO REINSTITUTE CUSTOMER CREDIT

BY THE COMMISSION:

AND TELEGRAPH COMPANY for misbilling customers.

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.

BACKGROUND

In Docket No. 880069-TL, BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company's (Southern

OUNTERT NUMBER-DATE

ISSUED: April 15, 1993

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Bell's or the Company's) rate stabilization docket, this Commission identified \$44.9 million that required permanent disposition. It was ultimately decided that permanent disposition of the \$44.9 million would be addressed in Docket No. 920260-TL, Southern Bell's current rate case. In the meantime, Order No. 25558, issued January 2, 1992, required that a monthly credit be applied to customer bills, beginning January 1992, equal to one-twelfth of \$44.9 million, until permanent disposition of the monies was made. The purpose of applying the credit was to prevent accumulation of excess revenues which would require a large refund or other permanent disposition later.

The effective date of permanent rate changes in the current rate case was scheduled to be January 1, 1993. By Order No. PSC-92-1412-FOF-TL issued December 7, 1992, the customer credit was therefore ordered to terminate at the end of 1992. Order No. PSC-92-1412-FOF-TL also identified an additional \$3.9 million to be added to the set aside amount for 1992. The \$3.9 million was used as an offset to the cost of refinancing for 1992.

For 1993, the set aside amount subject to permanent disposition is approximately \$48.1 million. This figure includes interest savings from bond refinancing and an increase in the revenue effect of extended area service implementation compared to the 1992 set aside amount.

Since the rate case has now been postponed, the question arises as to whether we should revisit the \$48.1 million from Docket No. 880069-TL that still needs permanent disposition. To this end, on March 8, 1993, Southern Bell filed a Motion to Reinstitute Customer Credit (Motion).

DISCUSSION

In its March 8, 1993, Motion, Southern Bell proposed that the credits begin with the April 1993 billing cycle. Under the Company's proposal, credit for the months of January through March 1993 would be added to the credit applied for each of the months of April through June 1993. The credit would continue until permanent disposition is made in the Company's pending rate case. On March 17, 1993, the Office of Public Counsel filed a Response in support of Southern Bell's Motion.

Granting Southern Bell's Motion would, in effect, reinstitute the terms of Order No. 25558. The advantage of such action is that

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it would prevent accumulation of monies to be refunded, yet not commit us to permanent disposition of these revenues without having the full array of choices after hearing all of the evidence in the rate case. However, we recognize that approving the credit is only a temporary solution.

Upon consideration, we find it appropriate to approve Southern Bell's Motion with the slight modification that the credit begin with the May 1993 billing cycle. The credit shall continue until permanent disposition of the revenues is made. It shall be applied to customers' bills pro-rata based on current basic local exchange rate levels, including network access registers (NARs), in the same fashion as was approved in Order No. 25558. Southern Bell shall submit its calculations of the total amount subject to disposition, as well as its calculations of the credit amounts. Credit amounts for January through April shall be calculated with interest and applied to the May bills. In addition, Southern Bell shall be required to submit a price-out showing the amount of the monthly credit for each local service by rate group, the billing units, and the total credit amounts.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Motion to Reinstitute Customer Credit filed March 8, 1993, by BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company is hereby granted to the extent outlined herein. It is further

ORDERED that BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company shall implement a monthly credit on customers' bills as set forth in the body of this Order. It is further

ORDERED that our actions described herein shall become final following expiration of the protest period specified below, if no proper protest is filed in accordance with the requirements set forth below. It is further

ORDERED that these dockets shall remain open.

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By ORDER of the Florida Public Service Commission this 15th

day of April, 1993.

STEVE TRIBBLE / Director

Division of Records and Reporting

(SEAL)

ABG

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 May 6, 1993.

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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.