

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation into the) DOCKET NO. 921280-TL
depooling of IntraLATA) ORDER NO. PSC-93-1759-FOF-TL
interexchange Private Line) ISSUED: December 8, 1993
Service.)
_____)

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION
ORDER REGARDING DEPOOLING CENTEL'S
PRIVATE LINE SERVICE AND RELATED REVENUE OFFSETS

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.

All local exchange companies (LEC) in Florida except Centel have been removed from the intraLATA interexchange private line service revenue pool. Centel has been addressed last in order for the Company to submit revised proposals to offset revenue losses associated with depooling. With the submission of the revised proposals, we find it appropriate to depool Centel and now review the Company's revenue loss offset proposals.

Centel estimates its revenue shortfall as a result of depooling to be \$1,376,314 and has filed amended proposals and tariff revisions to offset the loss of revenue. Centel proposes the same offsets that were approved for United per Order PSC-93-0993-FOF-TL, issued on July 6, 1993, (\$.25 Set Use Charge and associated loss of NPATS Message Provisioning, the increase of Nonpublished Number Service by \$0.35, and increase of Directory Assistance by \$0.05); the Company also proposes to adjust rates for

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its custom calling features and packages. The estimated annual revenue for each part of Centel's proposal is set forth in the table below:

Private Line Depooling Revenue Shortfall	\$ 1,376,314
PROPOSED REVENUE OFFSETS	
• \$0.25 Set Use Charge (\$0.00 to \$0.25)	\$ 116,291
Loss of NPATS Billing and Collection	(14,653)
• Nonpublished Number Service, (\$2.00 to \$2.35)	148,222
• Directory Assistance, (\$.35 to \$.40)	262,140
• Custom Calling Features	795,759
• Removal of Secondary Service Order Charge for addition of CCF *	(133,788)
• Service Connection Charges-Residence	
Primary Service Order (\$15 to \$20)	377,160
Line Connection Charge (\$32 to \$30)	<u>(152,938)</u>
Total	\$ 1,398,193
Difference	\$ 21,879

1. \$0.25 Set Use Charge and NPATS Billing and Collection

Centel proposes to use the net gain from implementation of the \$.25 set use charge to offset revenue losses from depooling. We previously approved a similar depooling offset for United.

The intraLATA toll \$0.25 set use charge has been approved by previous decisions. As a result, Centel expects an increase in revenue from the \$0.25 use charge and a decrease in revenue associated with the loss of NPATS surcharge message provisioning functions. The estimated impact due to the loss of the NPATS surcharge is an annual revenue decrease of \$14,653. The estimated annual revenue impact of the \$0.25 set use charge is an increase of \$116,291. The net impact is an increase of \$101,638. Upon review, we find this revenue increase to be an appropriate means of offsetting the revenue loss due to depooling.

2. Nonpublished Telephone Number Service

Centel proposes a rate increase from \$2.00 to \$2.35 per month for Nonpublished Telephone Number Service is appropriate to offset its revenue losses due to depooling. We previously approved the same increase for United. While the proposed increase will give Centel (along with United) the highest Nonpublished Telephone Service rates, those rates are not unreasonably higher than the other LECs. We observe that Nonpublished Telephone Number Service is a discretionary service, thus an increase in the rate will not widely affect the general body of ratepayers. Upon review, we find the \$0.35 per month rate increase for Nonpublished Telephone Number Service to be an appropriate offset. The annual revenue impact of the increase for Centel is estimated to be \$148,222.

3. Directory Assistance

Centel proposes a rate increase for Directory Assistance from \$0.35 to \$0.40 per call. This is the same increase which we approved for GTEFL in its rate case, and for United in its depooling tariff filing. Directory Assistance is also a discretionary service, and an increase in the rate will not widely affect the general body of ratepayers.

The increase is proposed for both local and intraLATA Directory Assistance, and the free call allowance associated with local Directory Assistance will not be affected. Upon review, we find the proposal to be an appropriate offset. The annual revenue impact of the increase for Centel is estimated to be \$262,140.

4. Custom Calling Features

The Company has made several proposals regarding custom calling features to adjust the rates of several custom calling individual features and packages as a means to offset the revenue losses due to the depooling of intraLATA interexchange private line service. The Company proposes to introduce banded rates for its custom calling features. Centel also proposes to obsolete all custom calling features and packages that contain Speed Calling (30).

¹ Under the proposal, those currently subscribing to services which involve Speed Calling (30) may continue to subscribe, but no new subscribers will be permitted.

Upon review, we find the proposed changes in Centel's Custom Calling Rates to be appropriate to offset the revenue losses due to depooling. These are discretionary services that do not widely affect the general body of ratepayers. The estimated annual revenue impact for the changes to the custom calling features and packages is \$795,759. We have previously approved banded rates for custom calling features and find them to be appropriate in this case. Obsolescence of custom calling features which contain Speed Calling (30) is also found to be appropriate since there is little or no demand for this service and most customer provided equipment has the capability to program numbers.

5. Removal of Secondary Service Order Charge for CCF

Centel proposes to remove the secondary service order charge associated with the addition of custom calling features. This charge will remain in effect for other services, but will not apply to Custom Calling Services, Custom Calling II Services, and Custom Calling Service-Packaged Feature offerings. By removing the charge the Company will not have to ask for a waiver of the charge when filing for special promotions. In addition, in the long run, with a high contribution from the recurring charges the Company may increase revenues and penetration rates for custom calling features. The estimated impact of the change is an annual revenue decrease of \$133,788. We approve this proposal which is similar to one approved for United in that company's rate case.

6. Service Connection Charges

Centel proposes to increase its Primary Service Order Charge for Residential customers from \$15.00 to \$20.00 and to reduce its rate for Central Office Line Connection Charge for Residential customers from \$32.00 to \$30.00. Since both of these charges apply to a customer who obtains new service, the net rate increase would be \$3.00. We have reviewed Centel's costs and determined that the combined costs are reasonably close to the proposed rates. The estimated annual revenue increase for the Residential Primary Service Order Charge is \$377,160. The estimated annual revenue decrease for the Residential Central Office Line Connection Charge is \$152,938. The estimated net revenue impact of the proposed rate changes is \$224,222. Upon review, we find that these changes are appropriate to offset revenue losses due to depooling.

7. Customer Notification

Centel has requested an effective date for the tariff revisions of January 1, 1994. The Company has represented that it will be able to notify all of its customers of the rate changes before January 1, 1993. To begin this process, we find it appropriate for Centel to include a notice of the changes with its first bill after the November 24, 1993, Commission Agenda Conference.

Therefore, it is

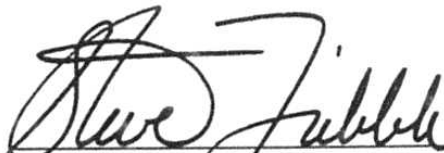
ORDERED by the Florida Public Service Commission that we hereby remove Centel from the intraLATA interexchange private line service revenue pool with the revenue offsets and tariff revisions which are set forth in the body of this Order. It is further

ORDERED that the effective date of the depooling and tariff revisions shall be January 1, 1994. It is further

ORDERED that Centel shall send a notice to its customers affected by the proposed changes in the first bill after the Commission's November 23, 1993, Agenda Conference. It is further

ORDERED that this docket shall be closed at the conclusion of the proposed agency action protest period which is set forth below, assuming no timely protest is filed.

By ORDER of the Florida Public Service Commission, this 8th day of December, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

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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 December 29, 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.