

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 931239-TL
tariff filing to reduce touch) ORDER NO. PSC-94-0247-FOF-TL
calling rates, to increase) ISSUED: March 7, 1994
directory assistance and)
returned check charges, to)
introduce non-listed telephone)
number service, and to)
separately bill gross receipts)
taxes by NORTHEAST FLORIDA)
TELEPHONE COMPANY, INC. (T-93-)
698 FILED 11/30/93))

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING TARIFF FILING

BY THE COMMISSION:

On November 30, 1993, Northeast Florida Telephone Company (Northeast or Company) filed proposed revisions to its General Subscriber Service Tariff. The purpose of the filing was to revise several rates and services for local and directory assistance customers.

The Company proposes changes to several services. An analysis of each proposal follows.

Gross Receipts Tax

The Company proposes to separate state gross receipts taxes (GRT) from local service rates and bill the entire rate as a separate line item. Traditionally, GRT was imbedded into local service rates. However, the GRT has increased a number of times since its inception. Companies not wishing to raise their local rates every time the tax was increased began billing the incremental rate increases as separate line items, then offsetting any revenue increase with touchtone and other decreases. Northeast wishes to remove all GRT from its local rates and bill it as a

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separate line item while keeping local rates at present levels. This is consistent with Commission decisions in several recent rate proceedings. The estimated annual revenue impact of this proposal is an increase of \$42,956.

Tone-Phone/Touch Calling Service

Northeast proposes to change the name of its touchtone phone service from Tone-Phone to Touch Calling. In addition, it proposes to reduce its touchtone rates as follows:

	<u>Present rate</u>	<u>Proposed rate</u>
residence	\$2.00	\$1.00
business	\$2.50	\$1.50

This reduction is consistent with both this Commission's past decisions and other companies' rates. Because touchtone is becoming increasingly more a part of basic local service and not just an optional discretionary service, the Commission has approved or required reductions, and even eliminated various companies' touchtone rates in recent proceedings. Northeast's proposal will bring its touchtone rates more in line with those charged by other companies. The annual revenue impact is expected to reduce the Company's earnings by \$62,088 per year.

Directory Assistance

Northeast has its directory assistance (DA) provided by Southern Bell. Southern Bell charges Northeast \$.30 per call for the service. Northeast proposes to raise its local DA charge from \$.25 to \$.35 in order to recover the its costs. The annual revenue impact is estimated to be an increase of \$3,400 per year.

Returned Check Charges

The Company also proposes to increase its returned check charge from \$15.00 to \$20.00. This increase will keep the returned check charge within the Florida limit of \$20.00 or 5% of the amount of the check, whichever is greater. The annual revenue impact is estimated to be an increase of \$1,080 per year.

Non-Listed Telephone Number Service

Northeast also proposes to introduce Non-Listed Telephone Number service at \$1.00 per month. The Company currently provides Non-Published Telephone Number service, which excludes a subscriber's number both from the directory and from directory

assistance. Non-listed service will exclude the customer's number from the telephone book, but will make the number available through directory assistance. Most other local exchange companies offer a non-listed as well as non-published number service. The annual revenue impact is estimated at an increase of \$4,284 per year.

The net revenue impact of this filing is as follows:

Touch Calling	(\$62,088)
Directory Assistance	3,400
Returned Checks	1,080
Non-Listed Telephone Numbers	4,284
Gross Receipts Tax	<u>42,956</u>
TOTAL REVENUE IMPACT	(\$10,368)

As shown, the proposal will reduce the Company's overall earnings slightly. The current achieved ROE (September, 1993 surveillance report) is 12.63%, which is within Northeast's authorized range of 11.40% to 14.40%. An annual revenue decrease of \$10,368 will decrease ROE by 0.28% which will not drive earnings below the authorized range.

Most customers will benefit from this proposal. Although each customer's bill will increase by the imbedded amount of gross receipts taxes, 80% of Northeast's customers will experience a larger rate decrease from the reduction in touchtone charges. Customers who exceed their free DA call allowance will experience a \$.10 increase in DA rates, and customers with returned checks will also experience an increase. Non-listed service is new to Northeast, so there will be little or no impact to existing customers.

Upon review, we find the proposed changes to be appropriate and shall approve the tariff filing.

Therefore, it is

ORDERED by the Florida Public Service Commission that the tariff filing by Northeast Florida Telephone Company is hereby approved. It is further

ORDERED that this tariff shall become effective on 2/28/94. If a timely protest is filed, this tariff shall remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this Docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 7th
day of March, 1994.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

CWM

by: Kay Selman
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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), 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 March 28, 1994.

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In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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 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 date this Order becomes final, 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.