

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Modified Minimum Filing) DOCKET NO. 910731-TL
Requirements report of NORTHEAST) ORDER NO. PSC-94-0546-FOF-TL
FLORIDA TELEPHONE COMPANY, INC.) ISSUED: May 11, 1994
_____)

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

NOTICE OF PROPOSED AGENCY ACTION
ORDER MODIFYING MINIMUM FILING REQUIREMENTS REPORT

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 substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Northeast Florida Telephone Company, Inc. (Northeast) filed its Modified Minimum Filing Requirements (MMFRs) on July 22, 1991. By Order PSC-92-0337-AS-TL, issued May 12, 1992, the Commission approved, with certain modifications, a settlement agreement submitted by Northeast and the Office of Public Counsel. The settlement agreement required rate reductions and addressed earnings through, at least, 1993.

In Dockets Nos. 940196-TL and 920260-TL, the Commission ordered ALLTEL and Southern Bell to reduce their access charges, effective July 1, 1994. As a result of these reductions Northeast will save an estimated \$29,700 annually in access expense that would have been paid to ALLTEL and Southern Bell. In order to offset this expense reduction, Northeast shall reduce revenues by elimination of the BHMOC charge.

DOCUMENT NUMBER-DATE

04560 MAY 11 8

FPSC-RECORDS/REPORTING

ORDER NO. PSC-94-0546-FOF-TL
DOCKET NO. 910731-TL
PAGE 2

Eliminating Northeast's current BHMOC rate of \$1.49 will bring the Company's intrastate access charge rates very close to its interstate access rates. Northeast uses the NECA tariff for interstate, and at last assessment, the NECA rate for originating and terminating access was \$.1397 per minute. Removing Northeast's BHMOC brings its intrastate access rates to \$.136 per minute.

The estimated annual dollar value of eliminating the BHMOC charge is \$54,900. However, due to the scheduled reduction in access charges by Southern Bell and ALLTEL on July 1, 1994, Northeast will save an estimated \$29,700 annually in access expense. Therefore, the net loss in earnings to Northeast is \$25,200 annually. Implementing this change on July 1, 1994, concurrent with the reductions in Southern Bell's and ALLTEL's access rates, yields a 1994 impact of \$12,600. Based on the December 31, 1993 Earnings Surveillance Report, Northeast apparently has sufficient earnings to absorb this loss in revenue without any adverse effect on the company or its ratepayers.

This docket will remain open to allow staff to monitor the effects of previous rate reductions and to true up 1993's earnings. The settlement agreement requires that any earnings in excess of 13.2% return on equity in 1993 and beyond shall be used to reduce the Bill and Keep Subsidy receipts of Northeast until such time as Northeast's subsidy is eliminated. Earnings for 1993 will be trued up after completion of the staff audit and after Northeast submits its 1993 separations cost study on June 30, 1994.

Based on the foregoing, it is, therefore,

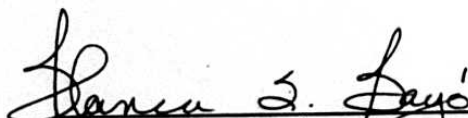
ORDERED by the Florida Public Service Commission that, effective July 1, 1994, Northeast Florida Telephone Company shall eliminate its BHMOC charge. It is further

ORDERED that this Order shall become final and effective unless an appropriate petition is filed in accordance with the "Notice of Further Proceedings or Judicial Review" as set forth below. It is further

ORDERED that Docket No. 910731-TL shall remain open to monitor the effects of previous rate reductions and true up 1993's earnings.

ORDER NO. PSC-94-0546-FOF-TL
DOCKET NO. 910731-TL
PAGE 3

By ORDER of the Florida Public Service Commission, this 11th
day of May, 1994.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

WEW

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 June 1, 1994.

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

ORDER NO. PSC-94-0546-FOF-TL
DOCKET NO. 910731-TL
PAGE 4

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.