

Telegraph Company's subsidy was reduced and Central Telephone Company of Florida was removed from the pool, effective January 1, 1990. By Order No. PSC-92-0337-AS-TL, Northeast Florida Telephone Company, Inc.'s subsidy was reduced to \$23,000, effective July 1, 1992. By Order No. PSC-93-0228-FOF-TL, Northeast was removed from the interLATA subsidy pool, effective January 1, 1993. By Order No. PSC-93-0562-FOF-TL, ALLTEL's subsidy was reduced by \$690,000 and GTE Florida Incorporated was removed from the pool, effective April 1, 1993. By Order No. PSC-94-1176-FOF-TL, ALLTEL's subsidy was further reduced by \$140,000, effective October 1, 1993. By Order No. PSC-94-0383-FOF-TL, ALLTEL's subsidy was reduced by \$443,000, effective January 1, 1995. The current status of the interLATA subsidy pool is shown in Appendix A attached to this Order.

The subsidy receipts and payments do not change each year except by specific action of the Commission. We have reduced subsidies and removed LECs from the interLATA subsidy pool when it appeared that the LEC no longer needed the subsidy. Each such action has always been on a case by case basis and has occurred when a LEC's earnings would support a reduction in the subsidy.

By Order No. PSC-94-0383-FOF-TL, issued in Docket No. 940196-TL, we approved a proposal by ALLTEL which, inter alia, reduced ALLTEL's authorized return on equity (ROE), capped 1994 earnings, reduced ALLTEL's interLATA subsidy receipts by \$443,000 annually, effective January 1, 1995, and required that ALLTEL's remaining \$100,000 of subsidy be reduced or eliminated, effective July 1, 1995, to the extent that the company earned in excess of 12.5% ROE for 1994.

II. ALLTEL'S 1994 EARNINGS

As discussed above, ALLTEL's ROE was reduced to 12.5% and its 1994 earnings were capped at that level. The issue now before us is whether ALLTEL's achieved earnings are sufficient to warrant a further reduction to the Company's interLATA access charge subsidy pursuant to Order No. PSC-94-0383-FOF-TL. Based on ALLTEL's most recent earnings surveillance report, the Company's 1994 earnings are approximately \$450,000 in excess of 12.5% ROE. Accordingly, we find that ALLTEL's 1994 earnings in excess of its cap are sufficient to warrant a reduction to the Company's current interLATA access subsidy of \$100,000.

III. ELIMINATION OF ALLTEL'S INTERLATA ACCESS BILL AND KEEP SUBSIDY

As discussed above in Section II, ALLTEL's 1994 earnings are substantially in excess of the Company's remaining \$100,000 access subsidy. Accordingly, consistent with Order No. PSC-94-0383-FOF-TL, ALLTEL's remaining interLATA subsidy receipts shall be eliminated effective July 1, 1995. This will remove ALLTEL from the interLATA access subsidy pool. Concomitant with the reduction, the interLATA subsidy pool receipts and payments shall also be modified, effective July 1, 1995. The new interLATA subsidy pool payments and receipts reflected on Appendix B attached to this Order shall be effective July 1, 1995.

IV. DISPOSITION OF SOUTHERN BELL'S REVENUE RESULTING FROM A REDUCED SUBSIDY PAYMENT

As discussed above, we have eliminated ALLTEL's remaining \$100,000 interLATA access subsidy. A reduction in subsidy receipts results in a commensurate decrease in subsidy payments by Southern Bell. As a result Southern Bell's earnings will increase by \$100,000. In the past, when a company's payments into the subsidy pool have decreased, we have disposed of the money by applying it to some specific purpose. However, we are not now prepared to make a determination of the final disposition of the revenues resulting from the reduction in subsidy payments by Southern Bell. Therefore, we find it appropriate that Southern Bell's revenues related to the reduction in subsidy payments be held subject to later disposition in Docket No. 920260-TL.

Based on the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that, pursuant to ALLTEL Florida Inc.'s surveillance report, ALLTEL has earned more than \$100,000 in excess of 12.5% return on equity for 1994, as set forth in the body of this Order. It is further

ORDERED that ALLTEL's interLATA bill and keep subsidy shall be eliminated effective July 1, 1995, as set forth in the body of this Order. It is further

ORDERED that ALLTEL shall be removed from the subsidy pool, effective July 1, 1995. It is further

ORDERED that the interLATA subsidy pool receipts and payments reflected on Appendix B to this Order are approved, effective July 1, 1995, as set forth in the body of this Order. It is further

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DOCKETS NOS. 950261-TL, 920260-TL
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ORDERED that Southern Bell's revenues related to the reduction of interLATA access subsidy payments shall be held subject to later disposition in Docket No. 920260-TL as set forth in the body of this Order. It is further

ORDERED that Docket No. 920260-TL shall remain open. It is further

ORDERED that, if no person whose substantial interests are affected by the action proposed in Section II of this Order files a timely protest in accordance with the requirements set forth below in the Notice of Further Proceedings or Judicial Review, Docket No. 950261-TL shall be closed.

By ORDER of the Florida Public Service Commission, this 13th day of April, 1995.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Ferguson
Chief, Bureau of Records

(S E A L)

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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.

As identified in the body of this order, the Commission's action in Section II of the Order 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 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on May 4, 1995. In the absence of such a petition, this order shall become effective on the date 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 the action proposed in Section II of 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.

Any party adversely affected by the Commission's final action in Sections III and IV of this Order may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or 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 after the issuance 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.

APPENDIX A

INTERLATA TOLL BILL AND KEEP
 CALCULATION OF SUBSIDY PAYMENTS
 January 1, 1995
 (\$000)

<u>COMPANY</u>	<u>1</u> INTERLATA BILL/KEEP IMPACT	<u>2</u> DA & COIN REVENUE	<u>3</u> REVENUE EFFECT OF PREVIOUS COMM ACTION	<u>4</u> TOTAL IMPACT (1+2+3)	<u>5</u> SUBSIDY CONTRIB	<u>6</u> SUBSIDY RECEIPT
ALLTEL	(2,110)	265	1,745 *	(100)		(100)
ST. JOSEPH	(1,674)	151	300 **	(1,223)		(1,223)
SO. BELL	12,456	19,949	(27,481)	4,924	<u>1,323</u>	
TOTAL					<u>\$1,323</u>	<u>(\$1,323)</u>

* ALLTEL INCLUDES \$472,000 REDUCTION APPROVED IN DOCKET NO. 911108-TL, \$830,000 REDUCTION APPROVED IN DOCKET NO. 920193-TL, AND \$443,000 REDUCTION APPROVED IN DOCKET NO. 940196-TL.

** ST. JOSEPH INCLUDES \$300,000 REDUCTION APPROVED IN DOCKET NO. 891238-TL.

APPENDIX B

INTERLATA TOLL BILL AND KEEP
 CALCULATION OF SUBSIDY PAYMENTS
 July 1, 1995
 (\$000)

<u>COMPANY</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
	INTERLATA BILL/KEEP IMPACT	DA & COIN REVENUE	REVENUE EFFECT OF PREVIOUS COMM ACTION	TOTAL IMPACT (1+2+3)	SUBSIDY CONTRIB	SUBSIDY RECEIPT
ST. JOSEPH	(1,674)	151	300 *	(1,223)		(1,223)
SO. BELL	12,456	19,949	(27,481)	4,924	<u>1,223</u>	
TOTAL					<u>\$1,223</u>	<u>(\$1,223)</u>

* ST. JOSEPH INCLUDES \$300,000 REDUCTION APPROVED IN DOCKET NO. 891238-TL.