

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation into the) DOCKET NO. 950360-TL
affiliated transactions of GTE) ORDER NO. PSC-95-0597-FOF-TL
Florida Incorporated.) ISSUED: May 11, 1995
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER CLOSING DOCKET

BY THE COMMISSION:

During GTE Florida Incorporated's (GTEFL or the company) last rate case, Docket No. 920188-TL, several issues were raised concerning GTEFL's transactions with affiliates. After consideration of the evidence at hearing and argument, we issued Order No. PSC-93-FOF-0108-FOF-TL, reducing the Company's rates \$14,475,000, including a \$4,750,000 disallowance of expenses related to GTEFL's transactions with affiliates. GTEFL filed a Motion for Reconsideration on January 21, 1993, and the Commission subsequently (in Order No. PSC-93-0818-FOF-TL, issued May 27, 1993) modified its original order and decreased the Company's revenue reduction to \$13,641,000.

On June 25, 1993, GTEFL gave notice of administrative appeal to the Florida Supreme Court of the above two rate case orders. GTEFL did not ask for a stay of the orders from either the Commission or the Court. The Company's appeal was focused on certain issues, including certain post-retirement benefits, the appropriate capital structure, and costs associated with purchases made by GTEFL from GTE Data Services and GTE Supply. On July 7, 1994, the Court issued its decision GTE Florida Incorporated v. Deason, 642 So.2d 545 (Fla. 1994). The Court affirmed in part and reversed in part the Commission's orders, and remanded the case to the Commission for further action consistent with the Court's opinion. Both GTEFL and the Office of Public Counsel (OPC) filed motions for rehearing of the Court's decision, which were denied on September 22, 1994.

DOCUMENT NUMBER-DATE

04587 MAY 11 85

FPSC-RECORDS/REPORTING

ORDER NO. PSC-95-0597-FOF-TL
DOCKET NO. 950360-TL
PAGE 2

The Court found that the Commission should not have disallowed certain costs associated with transactions between GTEFL and two of its affiliates, GTE Data Services and GTE Supply, and reversed the Commission's determinations concerning these expense items.

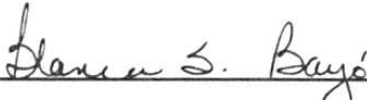
By Order No. PSC-95-0512-FOF-TL, issued April 26, 1995, in Docket No. 920188-TL, we granted GTEFL an annual increase of \$4,750,000 to implement the Court's remand.

On April 8, 1994, the Federal Communications Commission entered a consent decree concerning the GTE operating companies (including GTEFL) and their transactions with affiliated companies. Based on certain audit findings that were part of that settlement, this docket was opened. The Commission staff is in the process of auditing GTEFL's transactions with certain affiliates. We believe that the audit should be completed before further investigation of the transactions between GTEFL and affiliated companies. Therefore, we find that this docket should be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 11th day of May, 1995.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

RVE

ORDER NO. PSC-95-0597-FOF-TL
DOCKET NO. 950360-TL
PAGE 3

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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) 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. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.