

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Publication by Florida
Public Service Commission of
1997 statewide average rates for
municipal tax purposes, in
accordance with Sections
166.231(9) and 203.01(9), F.S.

DOCKET NO. 971461-TP
ORDER NO. PSC-98-0065-FOF-TP
ISSUED: January 9, 1998

The following Commissioners participated in the disposition of
this matter:

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

NOTICE OF PROPOSED AGENCY ACTION
ORDER REGARDING STATEWIDE AVERAGE RATES

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.

Section 166.231(10), Florida Statutes, states that a
municipality may levy a tax on the purchase of telecommunication
services. Section 166.231(10)(f)(3) provides that, where the sale
of a taxable telecommunications service also involves the sale of
an exempt cable television service and where the company does not
offer the taxable telecommunications service separately, the amount
identified as taxable shall not be less than the statewide average
tariff rates set forth by local exchange companies in tariffs filed
with the Public Service Commission on January 1 of each year for
equivalent services. This is reiterated in Section 203.01(9),
Florida Statutes, Tax On Gross Receipts For Utility Services. Both
statutory sections require the Commission to publish statewide
average rates for tax purposes annually, beginning on January 1,
1996.

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The Commission adopted a methodology for computing the statewide average rates at its December 5, 1995, Agenda Conference in Docket No. 951353-TL, Order No. PSC-96-0008-FOF-TL, issued January 2, 1996. The methodology was developed in two workshops during October, 1995, in which local exchange companies (LECs), alternative local exchange companies (ALECs), and the cable industry were represented. This methodology resulted in an aggregate representation of the statewide average tariff rates for approximately 100 services.

The rates were based on the percent of total Florida access lines served by each LEC providing the service as of January 1, 1995. We required an aggregate representation across all LECs because averaging tariff rates on a company-wide basis (as opposed to statewide) would cause administrative problems as an ALEC's service area may cross LEC boundaries, and because the Legislature intended for these average rates to include all LECs in Florida, not merely an average within a LEC's service territory. The underlying reasons for this methodology have not changed; therefore, we hold that the statewide average rates for 1997 should be generated using the methodology established in 1995 and consistent with the prior Order.

A statewide average rate is calculated by weighing the rate a LEC charges for a given service as of January 1, 1997, and adding the results for all LECs. The weighing mechanism is calculated for each LEC that provides a given service by dividing the number of access lines for each LEC by the total number of access lines for all LECs providing the specific service. Access line data was obtained from the 1997 Comparative Cost Statistics report. We researched each LEC's tariff, as of January 1, 1997, and updated the rates charged for each service where they have changed since last year.

Attachment A provides the statewide average rates for municipal tax purposes for 99 services. The services listed are the same services listed in the first publication of the statewide average rates. These services are those that are most likely to be bundled with an exempt cable service and may not be offered separately.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the methodology for computing and publishing the statewide average rates for municipal tax purposes, adopted in Order No. PSC-96-0008-FOF-TL, shall be maintained. It is further

ORDERED that the statewide average rates shown in Attachment A to this Order are hereby adopted. 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 in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission this 9th day of January, 1998.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

JRB

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 30, 1998.

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 substantially 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.

1997 - STATEWIDE AVERAGE RATES FOR TAX PURPOSES

<u>GENERIC NAME OF SERVICE</u>	<u>STATEWIDE AVERAGE RATE</u>
RESIDENTIAL EXCHANGE SERVICES	
1 Party - Residence	\$10.16
Rotary Line - Residence	\$15.02
Message (Access Lines Only) - Residence	\$ 6.25
Remote Call Forwarding (Flat Rate) - Residence	\$14.12
PBX - Residence	\$18.21
Local Usage Detail, per Call Listed - Residence	\$ 0.01
Foreign Exchange/Local Channel - Residence	\$20.77
BUSINESS EXCHANGE SERVICES	
1 Party - Business	\$26.54
Rotary Line - Business	\$36.79
Message (Access Lines Only) - Business	\$19.71
Direct Inward Dialed Trunk	\$24.23
Remote Call Forwarding (Flat Rate) - Business	\$13.94
PBX Flat Rate - Business	\$46.66
PBX Message Rate - Business	\$23.64
STS Trunk (Flat Rate) - Business	\$31.52
Local Usage Detail, per Call Listed - Business	\$ 0.01
Foreign Exchange/Local Channel - Business	\$20.75
Centrex Network Access Registers (NARs)	\$18.91
Centrex Station Lines	\$ 5.51
CENTRAL OFFICE FEATURES	
Call Forwarding - Residence	\$ 2.35
Call Forwarding - Business	\$ 3.83
Call Forwarding Don't Answer - Residence	\$ 1.00
Call Forwarding Don't Answer - Business	\$ 2.71
Call Forwarding Busy - Residence	\$ 1.00

<u>GENERIC NAME OF SERVICE</u>	<u>STATEWIDE AVERAGE RATE</u>
CENTRAL OFFICE FEATURES	
Call Forwarding Busy - Business	\$ 2.14
Call Forwarding Customer Busy - Residence	\$ 2.62
Call Forwarding Customer Busy - Business	\$ 5.22
Speed Calling (8 codes) - Residence	\$ 2.10
Speed Calling (8 codes) - Business	\$ 2.59
Three Way Calling - Residence	\$ 3.10
Three Way Calling - Business	\$ 3.67
Call Tracing - Residence	\$ 3.91
Call Tracing - Business	\$ 4.13
Caller ID - Residence	\$ 6.59
Caller ID - Business	\$ 8.80
Caller ID w/ name - Residence	\$ 6.49
Caller ID w/ name - Business	\$ 7.86
Hot Line - Residence	\$ 0.53
Hot Line - Business	\$ 0.96
Repeat Dialing - Residence	\$ 4.02
Repeat Dialing - Business	\$ 4.64
Call Return - Residence	\$ 4.02
Call Return - Business	\$ 4.64
Call Waiting (w/o Cancel Call Waiting) - Residence	\$ 3.75
Call Waiting (w/o Cancel Call Waiting) - Business	\$ 4.52
Enhanced Call Waiting (Call Waiting w/ Cancel Call Waiting)- Residence	\$ 3.79
Enhanced Call Waiting (Call Waiting w/ Cancel Call Waiting)- Business	\$ 5.51
Selective Call Rejection - Residence	\$ 3.60
Selective Call Rejection - Business	\$ 4.21
Selective Call Ringing - Residence	\$ 3.60
Selective Call Ringing - Business	\$ 4.09
Voice Dialing - Residence	\$ 5.55
Voice Dialing - Business	\$ 6.06
Touch Tone - Residence	\$ 0.18
Touch Tone - Business	\$ 0.18
Enhanced Call Waiting, 3-Way Calling, and Call Forward- Residence	\$ 7.63

<u>GENERIC NAME OF SERVICE</u>	<u>STATEWIDE AVERAGE RATE</u>
CENTRAL OFFICE FEATURE PACKAGES	
Enhanced Call Waiting, 3-Way Calling, and Call Forward- Business	\$ 9.56
Enhanced Call Waiting, 3-Way Calling, and Call Return- Residence	\$ 8.88
Enhanced Call Waiting, 3-Way Calling, and Call Return- Business	\$11.26
Enhanced Call Waiting, 3-Way Calling, Return Call, Repeat Dialing, and Call Forward - Residence	\$11.99
Enhanced Call Waiting, 3-Way Calling, Return Call, Repeat Dialing, and Call Forward - Business	\$14.61
Enhanced Call Waiting, 3-Way Calling, Return Call, Repeat Dialing, Call Forward, Selective Call Rejection, and Caller ID w/ name - Residence	\$18.53
Enhanced Call Waiting, 3-Way Calling, Return Call, Repeat Dialing, Call Forward, Selective Call Rejection, and Caller ID w/ name - Residence	\$21.29
Enhanced Call Waiting, Return Call, and Caller ID w/ name- Residence	\$12.12
Enhanced Call Waiting, Return Call, and Caller ID w/ name- Business	\$15.31
Call Waiting, Call Forwarding, and Speed Calling (8 code)- Residence	\$ 4.27
SCREENING AND BLOCKING SERVICES	
Operator Screening - Residence	\$ 3.99
Operator Screening - Business	\$ 3.45
Operator Screening - Residence - PBX	\$ 4.00
Operator Screening - Business - PBX	\$ 4.00
Billed Number Screening - Residence	\$ 1.36
Billed Number Screening - Business	\$ 1.36

<u>GENERIC NAME OF SERVICE</u>	<u>STATEWIDE AVERAGE RATE</u>
SCREENING AND BLOCKING SERVICES	
Custom Code Restriction - Residence (for restricted codes: 411, 1+, 0+, 0- & 1DDD)	\$ 2.50
Custom Code Restriction - Business (for restricted codes: 411, 1+, 0+, 0- & 1DDD)	\$ 3.75
DIRECTORY ASSISTANCE	
Directory Assistance - Residence	\$ 0.31
Directory Assistance - Business	\$ 0.31
Directory Assistance, Home NPA - Residence	\$ 0.31
Directory Assistance, Home NPA - Business	\$ 0.31
Directory Assistance (List Service - Each Area Code) - Residence	\$ 9.96
Directory Assistance (List Service - Each Area Code) - Business	\$ 9.96
Directory Assistance w/ Call Completion	\$ 0.38
DIRECTORY LISTING	
Non Published Number - Residence	\$ 1.91
Non Published Number - Business	\$ 1.91
Non Listed Number - Residence	\$ 0.93
Non Listed Number - Business	\$ 0.93
Additional Listing - Residence	\$ 1.15
Additional Listing - Business	\$ 1.21
Additional Listing (800 Services) - Business	\$ 1.21
SERVICE CONNECTION CHARGES	
Primary Service Order Charge - Residence	\$31.79
Primary Service Order Charge - Business	\$45.40

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<u>GENERIC NAME OF SERVICE</u>	<u>STATEWIDE AVERAGE RATE</u>
SERVICE CONNECTION CHARGES	
Secondary Service Order Charge - Residence	\$10.20
Secondary Service Order Charge - Business	\$17.26
Central Office Charge - Residence	\$32.13
Central Office Charge - Business	\$34.36
Premises Visit Charge - Residence	\$24.10
Premises Visit Charge - Business	\$24.94
Trouble Location - Residence	\$34.74
Trouble Location (Simple) - Business	\$34.74
Trouble Location (Complex) - Business	\$35.93