

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Publication by Florida  
Public Service Commission of  
1999 statewide average telephone  
rates for municipal tax purposes  
in accordance with Sections  
166.231(9) and 203.01(9), F.S.

DOCKET NO. 991594-TP  
ORDER NO. PSC-99-2455-PAA-TP  
ISSUED: December 16, 1999

The following Commissioners participated in the disposition of  
this matter:

JOE GARCIA, Chairman  
J. TERRY DEASON  
SUSAN F. CLARK  
E. LEON JACOBS, JR.

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(9), Florida Statutes, states that a  
municipality may levy a tax on the purchase of telecommunication  
services. Section 166.231(9)(d)(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 (LEC) in tariffs  
filed with the Public Service Commission on January 1 of each year  
for equivalent services. This provision is reiterated in Section  
203.01(9)(c), 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.

The Commission adopted a methodology for computing the  
statewide average rates by Order No. PSC-96-0008-FOF-TL, issued  
January 2, 1996, in Docket No. 951353-TP. The methodology was

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FILED RECORDS SECTION

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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 percentage of total Florida access lines served by each LEC providing service as of January 1, 1995. We required an aggregate representation across all LECs. We chose this method 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 1999 shall be generated using the methodology established in 1995 and consistent with the prior Order.

A statewide average rate is calculated by weighing the rate each LEC charges for a given service as of January 1, 1999, 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 January 1999 Periodic Reports filed by the incumbent LECs. We researched each LEC's tariff, as of January 1, 1999, and updated the rates charged for each service where they have changed since last year.

Attachment A, which is attached and incorporated herein, sets forth the results of our calculations and provides the statewide average rates for tax purposes for the sixty (60) services approved by the Commission in 1998 by Order No. PSC-99-1753-FOF-TP, issued December 22, 1998 in Docket No. 981568-TP. Upon request, we are, of course, willing to calculate the statewide average rate for any service not included in Attachment A.

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

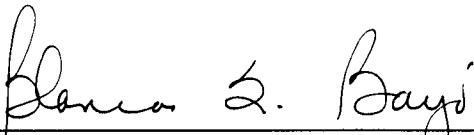
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ORDERED that the statewide average rates shown in Attachment A to this Order are hereby adopted. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. 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 16th day of December, 1999.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

DMC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, 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 6, 2000.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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.

**ATTACHMENT A**

**1999 - STATEWIDE AVERAGE RATES FOR TAX PURPOSES**

<u>GENERIC NAME OF SERVICE</u>	<u>STATEWIDE AVERAGE RATES</u>		
	<u>1999</u>	<u>1998</u>	<u>CHANGE</u>
<b><u>RESIDENTIAL EXCHANGE SERVICES</u></b>			
1 Party - Residence	\$10.16	\$10.16	---
Remote Call Forwarding (Flat Rate) - Residence	\$14.17	\$14.15	\$0.02
Foreign Exchange/Local Channel - Residence	\$21.85	\$21.10	\$0.75
<b><u>BUSINESS EXCHANGE SERVICES</u></b>			
1 Party - Business	\$26.52	\$26.55	(\$0.03)
Rotary Line - Business	\$36.23	\$36.81	(\$0.58)
Direct Inward Dialed Trunk	\$24.85	\$24.28	\$0.57
Remote Call Forwarding (Flat Rate) - Business	\$14.09	\$13.96	\$0.13
PBX Flat Rate - Business	\$46.66	\$46.69	(\$0.03)
STS Trunk (Flat Rate) - Business	\$31.44	\$31.51	(\$0.07)
Foreign Exchange/Local Channel - Business	\$21.85	\$21.08	\$0.77
Centrex Network Access Registers (NARs)	\$18.94	\$18.93	\$0.01
Centrex Station Lines	\$ 5.52	\$ 5.51	\$0.01
<b><u>CENTRAL OFFICE FEATURES</u></b>			
Call Forwarding - Residence	\$ 2.77	\$2.77	---
Call Forwarding - Business	\$ 3.83	\$3.83	---
Call Forwarding Don't Answer - Residence	\$ 1.00	\$1.00	---
Call Forwarding Don't Answer - Business	\$ 2.69	\$2.70	(\$0.01)
Speed Calling (8 codes) - Residence	\$ 2.10	\$2.10	---
Speed Calling (8 codes) - Business	\$ 2.59	\$2.59	---
Three Way Calling - Residence	\$ 3.35	\$3.36	(\$0.01)
Three Way Calling - Business	\$ 3.66	\$3.66	---
Call Tracing - Residence	\$ 3.92	\$3.92	---
Call Tracing - Business	\$ 4.13	\$4.13	---
Caller ID - Residence	\$ 6.80	\$6.60	\$0.20
Caller ID - Business	\$ 8.50	\$8.82	(\$0.32)
Caller ID w/ name - Residence	\$ 6.58	\$6.50	\$0.08
Caller ID w/ name - Business	\$ 8.84	\$7.86	\$0.98
Repeat Dialing - Residence	\$ 4.01	\$4.02	(\$0.01)
Repeat Dialing - Business	\$ 4.63	\$4.64	(\$0.01)

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Call Return - Residence	\$ 4.20	\$4.20	---
Call Return - Business	\$ 4.82	\$4.82	---
Call Waiting (w/o Cancel Call Waiting) - Residence	\$ 3.98	\$3.97	\$0.01
Call Waiting (w/o Cancel Call Waiting) - Business	\$ 4.51	\$4.52	(\$0.01)
Enhanced Call Waiting (Call Waiting w/ Cancel Call Waiting) - Residence	\$ 4.18	\$4.17	\$0.01
Enhanced Call Waiting (Call Waiting w/ Cancel Call Waiting) - Business	\$ 5.18	\$5.18	---
Selective Call Rejection - Residence	\$ 3.58	\$3.59	(\$0.01)
Selective Call Rejection - Business	\$ 4.20	\$4.21	(\$0.01)
<b><u>SCREENING AND BLOCKING SERVICES</u></b>			
Operator Screening - Residence	\$ 3.98	\$3.99	(\$0.01)
Operator Screening - Business	\$ 3.46	\$3.45	\$0.01
Custom Code Restriction - Residence (for restricted codes: 411, 1+, 0+, 0- & 1DDD)	\$ 2.50	\$2.50	---
Custom Code Restriction - Business (for restricted codes: 411, 1+, 0+, 0- & 1DDD)	\$ 3.58	\$3.75	(\$0.17)
<b><u>DIRECTORY ASSISTANCE SERVICES</u></b>			
Directory Assistance - Residence	\$ 0.32	\$0.32	---
Directory Assistance - Business	\$ 0.32	\$0.32	---
<b><u>DIRECTORY LISTING SERVICES</u></b>			
Non Published Number - Residence	\$ 1.90	\$1.90	---
Non Published Number - Business	\$ 1.90	\$1.90	---
Non Listed Number - Residence	\$ 1.09	\$1.14	(\$0.05)
Non Listed Number - Business	\$ 0.84	\$0.90	(\$0.06)
Additional Listing - Residence	\$ 1.20	\$1.15	\$0.05
Additional Listing - Business	\$ 1.26	\$1.21	\$0.05
Additional Listing (800 Services) - Business	\$ 1.26	\$1.21	\$0.05
<b><u>SERVICE CONNECTION CHARGES</u></b>			
Primary Service Order Charge - Residence	\$31.65	\$31.70	(\$0.05)
Primary Service Order Charge - Business	\$45.19	\$45.28	(\$0.09)
Secondary Service Order Charge - Residence	\$10.21	\$10.21	---
Secondary Service Order Charge - Business	\$17.24	\$17.24	---
Central Office Charge - Residence	\$32.15	\$32.13	\$0.02
Central Office Charge - Business	\$34.41	\$34.36	\$0.05
Premises Visit Charge - Residence	\$23.95	\$24.10	(\$0.15)
Premises Visit Charge - Business	\$24.79	\$24.94	(\$0.15)

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Trouble Location - Residence	\$41.73	\$42.22	(\$0.49)
Trouble Location (Simple) - Business	\$41.73	\$42.22	(\$0.49)
Trouble Location (Complex) - Business	\$47.81	\$47.82	(\$0.01)

M E M O R A N D U M

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December 15, 1999

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RECORDS AND  
REPORTING

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (CLEMONS) *DMC/anc*

RE: DOCKET NO. 991594-TP - PUBLICATION BY FLORIDA PUBLIC  
SERVICE COMMISSION OF 1999 STATEWIDE AVERAGE TELEPHONE  
RATES FOR MUNICIPAL TAX PURPOSES IN ACCORDANCE WITH  
SECTIONS 166.231(9) AND 203.01(9), F.S.

*2455 - PAA*

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Attached is a NOTICE OF PROPOSED AGENCY ACTION ORDER REGARDING  
STATEWIDE AVERAGE RATES, with attachments, to be issued in the  
above-referenced docket. (Number of pages in order - 7)

DMC/anc  
Attachment  
cc: Division of Communications  
I: 991594or.dmc

*attach not online*

*338 self mailer*