

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Refund of excess 1989 earnings	)	DOCKET NO. 900602-TL
by GULF TELEPHONE COMPANY.	)	ORDER NO. 23356
<hr/>		ISSUED: 8/15/90

The following Commissioners participated in the disposition of this matter:

- MICHAEL McK. WILSON, Chairman
- THOMAS M. BEARD
- BETTY EASLEY
- GERALD L. GUNTER
- FRANK S. MESSERSMITH

FINAL ORDER REQUIRING REFUND

BY THE COMMISSION

Order No. 21092, issued in Docket No. 890180-TL on April 21, 1989, states that Gulf Telephone Company (Gulf or the Company) agrees to cap its 1989 earnings at 14.8% return on equity (ROE). Gulf also agrees that if its earnings exceed this cap, this Commission shall decide on the disposition of such excess earnings. Order No. 22289, issued in Docket No. 890478-TL on December 11, 1989, states that Gulf agrees to make a preliminary refund of \$200,000 for 1989 overearnings through a credit on customers' December 1, 1989, billings. It also states that if the final true-up amount for 1989 is less than \$15,000 or if the Company has over-refunded, the final amount will be considered in determining the level of Gulf's earnings for 1990.

Gulf refiled its Earnings Surveillance Report (ESR) for the 12 months ended December 31, 1989, on July 17, 1990. The Company incorporated in its revised ESR the following: (1) 1989 separation factors based on the preliminary 1989 cost study; (2) 1989 Private Line revenue settlement amount; and (3) our Staff's audit adjustments. Southern Bell Telephone and Telegraph Company, Inc., has 60 days to approve Gulf's 1989 cost study. However, we believe it is unnecessary to delay this refund for another 60 days. If there are any changes made on Gulf's final cost study, the difference will be considered in determining the level of Gulf's 1990 earnings.

We believe that all the necessary adjustments are reflected on the revised ESR and that a \$137,672 refund amount, which includes \$13,108 of interest, is appropriate. Gulf and the

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Office of Public Counsel have agreed to our calculation of this 1989 true-up amount as the correct amount to settle the Company's 1989 overearnings.

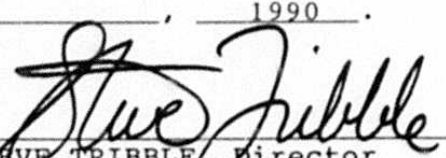
Therefore, we find it appropriate to require Gulf to make a final refund of \$137,672 as a credit to its residential and business customers of record in its September billing cycle. This refund shall be made in the same proportion as the various local exchange rates bear to each other.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Gulf Telephone Company shall make a final refund, in its September billing cycle, of \$137,672, as a credit to its residential and business customers of record in the same proportion as the various local exchange rates bear to each other. It is further

ORDERED that this docket shall be closed upon our Staff's review of the Company's report of the actual amount refunded.

By ORDER of the Florida Public Service Commission,  
this 15th day of AUGUST, 1990.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

SFS

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

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administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter 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 sewer 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.