

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filing to change )	DOCKET NO. 910545-TL
billing local service in arrears to )	ORDER NO. 24830
billing in advance by Florala Telephone )	ISSUED: 7/18/91
Company. )	
)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
 J. TERRY DEASON  
 BETTY EASLEY  
 MICHAEL McK. WILSON

ORDER APPROVING TARIFF FILING

BY THE COMMISSION:

On March 20, 1991, Florala Telephone Company (Florala or the Company) filed a tariff requesting that its current practice of billing local service in arrears be changed to one of billing in advance. Currently, Florala Telephone Company is the only local exchange company (LEC) in Florida that bills local service in arrears; the other LECs bill in advance.

Florala requests that the proposed change be phased in over a three month period, adding one-third, \$2.53 of the monthly charge for residential customers, of one month's basic local service charge to each subscriber's bill each month until the change is accomplished. The Company believes the phase-in will be less burdensome to the customer than if the customer were required to remit the entire month's charge in one lump sum.

As of December 31, 1990, the Company was earning 8.64% return on equity (ROE), which is well below its authorized floor of 11.90%. Billing in advance will provide the Company with a temporary increase in revenues of \$11,940 increasing its ROE to 9.21%. This will place the Company approximately 2.69% below its authorized ROE floor of 11.97%

We find that authorizing Florala to convert to billing for local services in advance will make its practice consistent with the other LECs in Florida. In addition, we believe this will reduce the Company's uncollectibles. Based on the calendar year ending December 31, 1990, Florala's uncollectible experience appears to fall in the middle compared to the experience of the other small LECs. Therefore, we find it appropriate to approve Florala's tariff proposal to bill local service in advance effective September 2, 1991.

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The subscribers shall be provided notice one month in advance of the pending change from billing in arrears to billing in advance. The line item on their bills shall inform the customers of the pending increase and refer them to their bill stuffer for further information regarding rates per month and implementation. This will afford the customers, if needed, an opportunity to make prior arrangements with the Company if they are unable to comply with the requirements. It will also provide the customers with notice of the temporary increase in their telephone bill.

At the conclusion of the protest period, if no protest is filed, this docket shall be closed.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Florala Telephone Company's tariff proposal to change its current practice of billing in arrears to one of billing in advance is hereby approved effective September 2, 1991. It is further

ORDERED that Florala Telephone Company shall provide notice to its customers one month in advance of the change in billing one month in arrears to one month in advance. It is further

ORDERED that if no protest is timely filed, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 18th day of JULY, 1991.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( 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