

FLORIDA PUBLIC SERVICE COMMISSION
FLETCHER BUILDING
101 EAST GAINES STREET
TALLAHASSEE, FLORIDA 32399-0850

M E M O R A N D U M

August 29, 1991

TO : DIRECTOR OF RECORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS (LONG) *gr*
DIVISION OF LEGAL SERVICES (KURLIN) *pac* *AM* *TH*

RE : DOCKET NO. 910878-TL - PROPOSED TARIFF FILING TO
ELIMINATE MOBILE TELEPHONE SERVICE BY ALLTEL FLORIDA,
INC. (T-91-325 FILED 7/9/91)

AGENDA: SEPTEMBER 10, 1991 - CONTROVERSIAL - PARTIES MAY
PARTICIPATE

CRITICAL DATES: TARIFF SUSPENSION DEADLINE - 9/7/91
CO. REQUESTED EFFECTIVE DATE - 9/10/91

DISCUSSION OF ISSUES

ISSUE 1: Should the proposed tariff filing to eliminate Mobile Telephone Service by ALLTEL Florida, Inc. be approved?

RECOMMENDATION: Yes, the proposed tariff filing to eliminate Mobile Telephone Service by ALLTEL Florida, Inc. should be approved. The service should be obsoleted effective 9/10/91 such that no new customers will be permitted to subscribe to the service. The service should be eliminated effective May 1, 1992. The customers should be notified by separate mailing no later than October 1, 1991 of the elimination of the service and be given an explanation that they may choose to subscribe to mobile service with ALLTEL Mobile Communications of Florida (as it is the only carrier serving the area). This will give the customers adequate notice in which to make alternative arrangements. The tariff should become effective on September 10, 1991.

STAFF ANALYSIS: ALLTEL Florida, Inc. (ALLTEL or Company) filed proposed revisions to its General Subscriber Services Tariff on July 9, 1991. The Company's purpose for this filing was to eliminate Mobile Telephone Service from its tariffed offerings.

ALLTEL maintains that the cost of providing an outdated technology such as Mobile Telephone Service far outweighs the revenue derived from it. Cellular service is a more current technology and an effective substitute for mobile service. The

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Company proposes that a delayed implementation exist so as to give the customer time to make alternative arrangements. (The Company originally proposed a December 9, 1991 elimination date but has since changed the date to May 1, 1992 at the urging of staff.)

Based on a monthly rate of \$37.00, the revenue impact to ALLTEL will be an annual decrease of approximately \$4,400.00. However, the decline in subscribers indicates that the revenue decrease would probably be less than the \$4,400.00 annually. Some of that \$4,400.00 in revenues is offset by the infrastructure expenses so the loss in revenues are less than \$4,400.00.

Staff believes this filing should be approved. The Commission has previously approved the obsolescence and/or deletion of mobile service for other companies, with a variety of grandfathering/cutoff dates. Staff believes that the availability of cellular service in ALLTEL's territory will enable the 10 affected customers find a reasonable alternative. (ALLTEL Mobile will serve the area by May 1, 1992. There is no other cellular carrier available in the area.) Therefore staff recommends that the proposed tariff filing to eliminate Mobile Telephone Service by ALLTEL Florida, Inc. should be approved. The service should be obsoleted effective September 10, 1991 such that no new customers may subscribe to the service. The service should be eliminated on May 1, 1992. The customers should be notified by separate mailing no later than October 1, 1991 of the elimination of the service and be given an explanation that they may choose to subscribe to mobile service with ALLTEL Mobile Communications of Florida, (as it is the only carrier serving the area). This will give the customers adequate notice in which to make alternative arrangements. The tariff should become effective on September 10, 1991.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if Issue 1 is approved this tariff should become effective on September 10, 1991. If a timely protest is filed this tariff should remain effective pending resolution of the protest. If no timely protest is filed, this docket should

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be closed.

STAFF ANALYSIS: At the conclusion of the protest period, if no protest is filed this docket should be closed.

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