

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DATE: June 30, 1992

RE: DOCKET NO. 910980-TL - Application for a rate increase by UNITED TELEPHONE COMPANY OF FLORIDA.
DOCKET NO. 910027-TL - Petition by Bonita Springs residents for extended area service between Bonita Springs and the Fort Myers and Naples exchanges.
DOCKET NO. 910529-TL - Request by PASCO COUNTY BOARD OF COUNTY COMMISSIONERS for extended area service between all Pasco County exchanges.

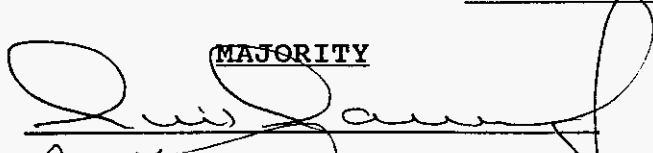
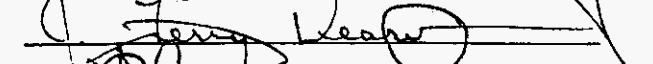
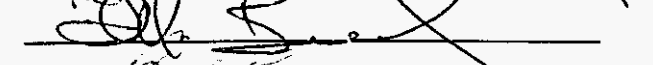
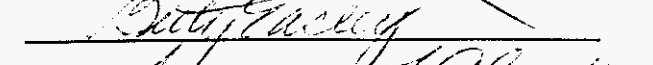
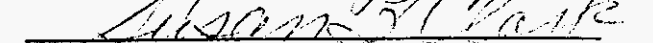
Issue 31: United Telephone Company of Florida (UTF or United) has proposed a reduction in switched access service rates. However, the company has proposed no rate changes for message toll service. UTF has proposed the following switched access rate changes:

- a) To reduce Busy Hour Minutes of Use (BHMOC) rates from \$3.95 to \$1.98.
- b) To reduce Modified Access Based Compensation (MABC) BHMOC rates from \$3.95 to \$1.98.
- c) To change time-of-day discount amounts which will increase access revenues by \$2.632 million.
- d) To reduce cellular mobile interconnection rates as a result of the proposed reduction of BHMOC charges.

Should UTF's proposed changes be approved? Should there be any other changes in switched access, toll or cellular mobile interconnection services?

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

<u>MAJORITY</u>	<u>DISSENTING</u>
	_____
	_____
	_____
	_____
	_____

REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE
07041 JUL -1 1992
FPSC-RECORDS/REPORTING

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Recommendation: The Company's proposal to reduce BHMOC, MABC BHMOC and mobile interconnection rates by \$8.46 million should be denied. However, the Commission should approve United's proposal to decrease time-of-day discount amounts, which will increase access revenues by \$2.632 million. In conjunction with the increase in time-of-day discounts, the Commission should reduce BHMOC revenues in the same amount. United made no other proposals and staff believes that the rate changes made in Docket No. 891239-TL (United's last earnings review) were sufficient, and no other changes in switched access, toll or mobile interconnection rates should be made.

APPROVED

Issue 32: UTF proposed to increase Optional Extended Local Calling (OELC) plans by the same percentage amount as that proposed for local residential rates. Is this appropriate?

Recommendation: Yes. If United is granted an increase for local residential rates, then OELC Plans should be increased by the same percentage amount. If United's local residential rates are decreased, then OELC should be decreased by the same percentage amount. Revenue impact will be dependent on the local rate change approved in this case.

APPROVED

Issue 32a: Should the Clermont to Orlando EAS additive be reduced or removed?

Recommendation: The 25/25 additive of \$2.36 should be removed. The \$1.50 regrouping additive is incorporated in the basic rate for rate group 5 and will not change. The annual revenue impact of removing the 25/25 additive is \$434,381.

DENIED

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Alternative Recommendation: No, because the 25/25 additive has only been in place since December 1, 1991. It should remain in place at least two years from the time of implementation or until United's next earnings review, whichever comes later.

APPROVED

Issue 32b: Should existing Toll-Pac plans be converted to the \$.25 plan?
Recommendation: (Proposed agency action on Williston to Gainesville due to inter-company route) The following routes should be converted to the \$.25 calling plan: Cape Haze to Port Charlotte, Moore Haven to Clewiston, and Williston to Gainesville. These routes should be converted to the \$.25 calling plan because of their high calling rates (greater than 4 MMs). Toll-PAC should be deleted on these routes. The revenue loss of this conversion, excluding stimulation, is expected to be \$688,830. However, stimulation should reduce the revenue loss. Using a conservative estimate of stimulation (31.8%), the revenue loss would be reduced to \$545,323. The Commission should include this conservative estimate of stimulation for computing rates. Also, United should be ordered to keep track of this stimulation and also true up the reverse calling volumes for six months after the plans are put in place. Then, the additional revenues will be used to implement other interLATA EAS routes which show strong communities of interest.

DENIED

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Issue 32c: Should EAS to Bonita Springs be implemented in the context of this rate case? If so, at what rate?

Recommendation: No. EAS to Bonita Springs was ordered in Docket No. 910027-TL, Order No. PSC-92-0322-FOF-TL, and will be implemented on June 28, 1992. The regrouping additive of \$2.24 should remain; however, the 25/25 additive of \$2.20 should be removed. In addition, the revenue impact of \$688,800 should be included in the test year.

DENIED

Alternative Recommendation: EAS to Bonita Springs has already been ordered, but not yet implemented, with regrouping plus a 25/25 additive. Both the regrouping and the 25/25 additive should stay in place for two years after implementation or until United's next earnings review, whichever comes later.

APPROVED

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Issue 32d: Are there any routes in UTF's territory that are currently facing EAS pressures and should the Commission take any action at this time to address these pressures?

Recommendation: (Proposed agency action on Trilacoochee to Brooksville route - due to inter-company route) Yes. The Everglades to Naples, Immokalee to Naples, and Immokalee to Ft. Myers routes are all intraLATA routes with greater than a 4MMM calling rate. The \$.25 plan should be ordered on these routes, and the Commission should include the conservative estimate of stimulation contained in the staff analysis for computing rates. On the Trilacoochee to Brooksville route, which has been recently surveyed for the 25/25 plan, flat rate two-way nonoptional EAS with regrouping only should be implemented. In addition, there are seven interLATA routes with a greater than 4MMM calling rate (Ft. Meade to Lakeland, Boca Grande to Englewood, Clewiston to Belle Glade, Groveland to Orlando, Astor to Pierson, Dade City to Tampa, and San Antonio to Tampa). The Commission should address these interLATA routes, according to an MMM priority basis, after the effects of stimulation are known, and the true-up from reverse calling resulting from the conversion of the three Toll-PAC routes and the three routes listed above.

DENIED

Alternative Recommendation: Yes, same recommendation as the primary staff recommendation, except that the vote on the Trilacoochee route does not pass under the current EAS rules. Instead of flat rate EAS with regrouping, the \$.25 plan should be ordered, including the conservative estimate of stimulation contained in the staff analysis. The stimulation on this route should be measured after six months, and the money used to implement additional high volume interLATA toll routes listed in the recommendation. OEAS Option I should remain and OEAS Option II should be deleted on this route.

APPROVED

Issue 32e: What changes, if any, should be made regarding EAS in the UTF territory?

Recommendation: No further change in EAS is warranted at this time.

APPROVED

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Issue 33: Should the Company's proposal to change rates for Custom Calling Features as outlined in the table in the staff's recommendation dated 6/18/92 be approved?

Recommendation: Yes. The proposed rate changes are appropriate. The revenue impact of this change is \$1,677,606. UTF has also filed separate tariff filings on the SignalRing (T-92-220 filed 3-24-92) and Special Identity Number Arrangement (T-92-222 filed 3-24-92) and staff recommends:

1) Approval of tariff filing T-92-220 to permit United to expand SignalRing into fifteen of its 1210 central offices serving areas where it was previously not available. The effective date should coincide with the approval date for rate changes in the rate case issues.

2) Denial of tariff filing T-92-222 to allow United to increase the recurring rate of \$0.75 to \$2.00 for the Special Identity Number Arrangement (SINA) "grandfathered" subscribers. Instead, the SINA tariffed rate increase should be limited to the equivalent 43% increase that is being requested on the SignalRing 1 service. The new rate for SINA should be \$1.10, for a total annual revenue increase of \$7,132. The effective date should coincide with the approval date for rate changes in the rate case.

APPROVED

Issue 33a: UTF has proposed to eliminate rates for secondary service order charges for subscribers adding Custom Calling Features, SignalRing and ExpressTouch. Should this be approved?

Recommendation: Yes. Removal of the secondary service order charge should stimulate revenues over the long term, and eliminate the need for future tariff filings requesting a waiver of the charge. The revenue effect of this removal is \$224,640.

APPROVED

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Issue 34a: UTF has proposed to increase basic local exchange access line revenues (R-1 and B-1) by \$59.7 million or, a 37% increase over current revenues. Should this be approved?

Recommendation: The Commission should deny United's request for a \$59.7 million increase in local exchange access line revenues. The Commission should make no changes in local rates other than those outlined in Issue 32 (EAS). The Commission should not change the rate relationships for business services due to lack of substantive discussion of the concept prior to the hearing, thus not allowing the parties to adequately address all concerns with such a revision of rate relationships.

APPROVED

Alternative Recommendation: The Commission should implement the revision of rate relationships for business services. The proposed changes would not affect total revenues, but would change the relationships between business service classes. The Commission should adopt the phase-in approach and only implement the rates at 25% of the proposed final rates at this time. The Commission should not change residential rates.

DENIED

Issue 34b: UTF has proposed to continue the restructure of Direct-Inward-Dial (DID) service. Should this be approved?

Recommendation: The restructure in DID services should continue. Staff believes that it is appropriate to continue the restructure and repricing of DID services. The Commission started the restructure in United's last rate case and this is an appropriate point to continue. The restructure will provide a decrease in revenues of \$131,220.

APPROVED

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Issue 34c: United has proposed changes in its Advanced Business Connection (ABC) service rates. Should this be approved?

Recommendation: The Commission should deny the increase in Advanced Business Connection (ABC) service rates if it denies the request to increase local exchange rates. The amount of revenue requested on those ABC services that are tied to the local rates is \$642,648. The Company's proposal also requests rate changes in certain ABC Custom Calling Feature rates, and staff recommends approval in the revenue decrease of \$147,163.

APPROVED

Issue 34d: United proposes to implement a Subscriber Line Charge (SLC) credit for ABC service. Should this be approved?

Recommendation: The Commission should approve UTF's proposal to implement a Subscriber Line Charge (SLC) credit for ABC subscribers, which will result in a revenue decrease of \$91,512.

APPROVED

Issue 34e: How should the Commission tariff local service for telephones installed in elevators?

Recommendation: Under the current United tariff, the elevator telephones at issue should be charged business rates. This is appropriate at the present time, but may not be consistent with Commission policy with respect to electric service provided to common areas of condominiums, boarding houses and apartments. In Docket No. 7697-EU, Order No. 4150 (issued March 2, 1967), the Commission required electric utilities to amend their tariffs to provide for the application of residential rates for energy used in commonly-owned facilities in condominium and cooperative apartment buildings subject to certain criteria. The Commission may wish to revise its policy regarding telephone service provided to common areas of condominiums, boarding houses and apartments. If the Commission wishes to revise its policy, and because this is a generic matter that affects all LECs, the Commission should initiate a generic proceeding to determine how telephones installed in elevators and telephones in common areas of condominiums, boarding houses and apartments should be tarified.

APPROVED

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Issue 35: Should United be required to itemize its bills on a monthly basis?

Recommendation: No. United is in compliance with Rule 25-4.110(1)(a)(b), F.A.C., which requires that the telephone companies itemize bills upon customer request, with the first bill rendered after service is initiated or service order activity has resulted in a change in the bill, and at least once a year. Further, staff does not recommend that the Commission commence rulemaking on this issue. There is no evidence that this is a significant problem.

APPROVED

Issue 36: The following services have not been addressed in other issues and no changes have been proposed:

Tariffed Items (Listed by tariff section)

- A2, General Regulations.
- A4, Service Charges (other than secondary service connection charge).
- A5, Charges Applicable Under Special Conditions.
- A6, Directory Listings.
- A7, Coin Telephone Service.
- A8, Telephone Answering Service.
- A9, Foreign Exchange Service.
- A13, Miscellaneous Service Arrangements (other than Custom Calling, SignalRing, and ExpresTouch).
- A14, Auxiliary Equipment.
- A15, Connection with Certain Facilities and/or Equipment of Others.
- A19, Wide Area Telecommunications Service.
- A20, Private Line Service and Channels.
- A24, Emergency Reporting Services.
- A29, Data Transport Service.
- A108-A124, Obsolete Tariff Offerings.
- E2, General Regulations.
- E7, Special Access Services.
- E8, Billing and Collection Services.
- E16, Access Service for Local Exchange Companies' completion of IntraLATA-Intercompany Long Distance MTS and WATS calls (other than the MABC BHMOC flow through).

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Non-Tariffed Items

- Directory Advertising.
- Rent Revenues (Pole attachments, IXC floor space, etc.).
- Miscellaneous Other Operating Revenues (UTLD royalty, COBRA, etc.).
- Non-Access Revenues (IXC contracts for Operator Services).
- E-911 Contracts and Private Line Settlements with Southern Bell, GTEFL, and Vista-United.
- InterLATA Private Line Terminal Equipment.
- Intrastate InterLATA FG A EAS Contract.
- MessageLine.

Is this appropriate?

Recommendation: Yes, with the exception of private line and special access services, which are being addressed in separate dockets, and secondary service connection charge, Custom Calling, SignalRing, ExpressTouch, and MABC BHMOC flow through, which are being addressed in Issues 31, 33, and 33a in this docket.

Issue 37: What should be the effective date of any rate changes?

Recommendation: The effective date should be five days after a complete set of tariffs has been filed. Revised tariffs should be filed five days after the final vote. New rates should apply to all service received on or after the effective date even if it is not actually billed until the following month. Any customer requesting discontinuance of service prior to the due date of the first bill should receive a credit for the increased amount back to the effective date of the increased amount. In addition, if the Commission should order United to implement the EAS changes noted in Issue 32, United should monitor revenue changes and file revenue impact data in six months. If additional revenues exist, they should be used to implement interLATA EAS.

APPROVED

Issue 37a: When should customers be notified of any rate changes?

Recommendation: United should notify its customers by a bill stuffer reflecting any rate changes in the first billing cycle following the rate changes.

APPROVED

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Issue 37b: What should be contained in the bill stuffer to UTF customers announcing any rate changes?

Recommendation: The bill stuffer to United's customers should contain the following:

- 1) An overview of the case and a summary of the final order;
- 2) A summary of services for which rates have been adjusted (Current rates and approved rates listed side by side);
- 3) A statement that information on new rates is available from each of the Company's business offices and service centers; and,
- 4) An explanation of the credit for discontinuance or modification of service and how it may be obtained.

The bill stuffer should be submitted to staff for review within five days of the Commission's vote.

APPROVED

NOTE:

To dispose of the approximately \$972,000 in revenue remaining after the application of the above issues, the Company was directed to record \$1,093,500 annually to an unclassified intrastate depreciation reserve account.

The docket was closed.