

FLORIDA PUBLIC SERVICE COMMISSION
Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

M E M O R A N D U M

May 27, 1993

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS [STRONG] *JSJ RTD*
DIVISION OF AUDITING AND FINANCIAL ANALYSIS [DAVIS] *MD DM*
DIVISION OF LEGAL SERVICES [MURPHY] *SG*

RE : DOCKET NO. 930460-TL - REQUEST FOR APPROVAL OF TARIFF
FILING TO PROVIDE EMPLOYEE CONCESSIONS FOR RESIDENTIAL
SERVICE AND TO DELETE OUTDATED LANGUAGE FROM THE TARIFF
OF QUINCY TELEPHONE COMPANY (T-930159 FILED 3/31/93)

AGENDA: JUNE 8, 1993 - CONTROVERSIAL - PARTIES MAY PARTICIPATE

PANEL : FULL COMMISSION

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\930460.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the proposed tariff filing by the Quincy Telephone Company to provide free residential telephone services to all of its full time permanent employees residing in the Company's service territory be approved?

RECOMMENDATION: Yes, the proposed filing by the Quincy Telephone Company to provide free residential telephone services to all of its full time permanent employees residing in the Company's service territory should be approved.

The cost or foregone revenue should be recorded as an expense of the Company, similar to any other salary or payroll expense. The concession for non-regulated service should be recorded in non-regulated accounts.

STAFF ANALYSIS: On March 31, 1993, Quincy Telephone Company (Quincy) filed a tariff which, if approved, provides residential service to all full time permanent Company employees residing within Quincy's service territory according to Quincy's Telephone Concession Service Policy. Under the policy full time permanent employees would not be charged for basic residential service, custom calling services, E-911 end user charges, dual party relay

05791 MAY 27 8

05791 MAY 27 8

Docket No. 930460
May 27, 1993

surcharges, voice mail, up to three telephone instruments, inside wiring, (telephone instruments and inside wiring are unregulated) and service connection charges. Since the policy covers only full time permanent employees, temporary and part time employees would not be eligible to receive these services for free or reduced rates.

Chapter 364.08 (2) F.S. in addressing the matter of free service and reduced rates states:

"A telecommunications company subject to this chapter may not, directly or indirectly, give any free or reduced service between points within this state. However, it shall be lawful for the Commission to authorize employee concessions if in the public interest."

CUSTOMER BENEFITS: The direct benefits of this service will be limited to the permanent employees of Quincy. Staff recognizes other Florida LECs currently offer free or discounted telephone services to their employees.

Approval of this tariff filing will provide the 31 permanent employees of Quincy the opportunity to obtain residential services at no cost to the employee.

COST: Quincy has estimated that the annual recurring cost associated with the plan will be approximately \$11,000.

The cost or foregone revenue should be recorded as an expense of the Company, similar to any other salary or payroll expense. The concession for non-regulated service should be recorded in non-regulated accounts.

RECOMMENDATION RATIONALE: Staff acknowledges that a telephone company such as Quincy must compete for hiring and retraining employees in large part through the salaries and fringe benefits it has to offer. Staff believes the provisioning of free residential service would be favorably perceived by employees as a fringe benefit that was not available from most other employers. For all the reasons above Staff believes providing free residential services to Quincy's permanent employees would be in the public interest and that this filing should be approved.

ISSUE 2: Should Quincy Telephone Company be allowed to delete language from its tariff which has become outdated.

RECOMMENDATION: Yes, the Quincy Telephone Company should be allowed to delete language from its tariff which has become outdated.

Docket No. 930460
May 27, 1993

STAFF ANALYSIS: The language Quincy seeks to delete from the tariff has become outdated. Quincy asserts that "The intention is to eliminate language and regulation that is no longer applicable to Quincy Telephone." The language which would be deleted includes (1) language pertaining to party line service (Such language is unnecessary because Quincy no longer offers two party or four party service.) (2) redundant language pertaining to connection of mobile radio services with Quincy.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes, if Issues 1 and 2 are approved this tariff should become effective on May 30, 1993. If a timely protest is filed this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed.

STAFF ANALYSIS: With the approval of Issue 1 and 2, this docket may be closed.