

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 941167-TL
tariff filing to provide) ORDER NO. PSC-94-1546-FOF-TL
intraLATA toll rates and) ISSUED: December 13, 1994
discount periods by NORTHEAST)
FLORIDA TELEPHONE COMPANY, INC.)
(T-94-570 FILED 10/21/94))

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING TARIFF FILING

BY THE COMMISSION:

On October 21, 1994, Northeast Telephone Company, Inc. (Northeast or the Company) submitted a proposed tariff filing to add Long Distance Message Telecommunications Service (MTS) to its tariff. Prior to that time, from August 25, 1985 to June 1, 1989, Northeast concurred in BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company's (Southern Bell's) Long Distance MTS, General Subscriber Service Tariff, Section 18. From June 2, 1989 to the present, Northeast concurred in ALLTEL Florida, Incorporated's (ALLTEL's) MTS rates and toll discounts for independent companies.

Northeast is the only LEC which has not reduced its MTS rates since LATAs (local access transport area) were established in 1984. Northeast's current MTS rates are the highest in the state. With the addition of MTS to its tariff, Northeast's proposed MTS rates will accord with rates of other local telephone companies (LECs) in Florida.

Northeast's proposed MTS rates cover access charges in the aggregate, in accordance with the guidelines established in Order No. PSC-92-0146-FOF-TL, issued April 1, 1992, in Docket No. 900708-TL. The reduction in MTS rates and associated discount periods are reasonable and appropriate. Northeast has also reduced touchtone

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(2/28/94) and access charges (6/1/94) this year. The Company's local rate levels are at mid-point compared to the other LECs, so there are no immediate pressures to reduce local rates. In addition, there do not appear to be any current extended area service (EAS) problems within Northeast's territory.

The revenue impact to Northeast, with no stimulation, is a decrease in annual revenues of approximately \$133,000. This is a significant decrease in revenue for Northeast. However, the Company is unlikely to seek a compensatory increase in other rates because its September 1994 surveillance report, indicates that its return on equity (ROE) earnings are at 17.1%. After this reduction, the Company will be earning 13.6% ROE, which is within its allowed earnings range. By a previous Commission order (Docket No. 910731-TL, Order No. PSC-92-0337-AS-TL, issued May 12, 1992), the Company has an earnings cap in effect for 1994. Therefore, no action needs to be taken currently regarding 1994's earnings.

Upon consideration, the reduction in MTS rates will allow Northeast to better compete in the intraLATA toll market. Northeast's proposed tariff to add long distance MTS to its own tariff, reduce intraLATA MTS rates, and reduce associated discounts is approved, effective December 16, 1994. The Company shall provide notice to customers in its next billing cycle, informing them of the reduction in MTS rates and change in the discount periods.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Northeast Telephone Company, Inc.'s tariff filing to add Long Distance Message Telecommunications Service to its tariff is approved. The effective date of the filing will be December 16, 1994. It is further

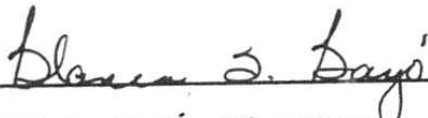
ORDERED that the Company shall provide notice to customers in its next billing cycle, informing them of the reduction in MTS rates and change in the discount periods.

ORDERED that if a protest is filed in accordance with the requirement set forth below in the Notice of Further Proceedings or Judicial Review, the tariff shall remain in effect with an increase in revenues held subject to refund pending resolution of the protest. It is further

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

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By ORDER of the Florida Public Service Commission, this 13th
day of December, 1994.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on January 3, 1995.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

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If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater 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 of the date this Order becomes final, 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.