

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 941223-TL
tariff filing to reduce Switched) ORDER NO. PSC-95-0073-FOF-TL
Access Charges, MTS and) ISSUED: January 12, 1995
TeleSaver Service rates, and)
mobile interconnection usage)
rates by UNITED TELEPHONE)
COMPANY OF FLORIDA (T-94-589)
FILED 11/2/94))
_____)

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

BY THE COMMISSION:

On November 2, 1994, United Telephone Company of Florida (United or the Company) submitted a tariff filing to make the following changes:

- 1) reduce the Carrier Common Line (CCL) rate element in its Switched Access Tariff;
- 2) reduce rates for various toll services: MTS and related services, and TeleSaver, United's intraLATA toll volume discount plan;
- 3) reduce its Mobile Interconnection Usage rates according to the requirements of Order No. 20475, issued in DN 870675-TP, the Commission's original mobile interconnection investigation; and
- 4) change the way in which usage is measured and billed for mobile-to-land traffic, i.e., usage will be measured on terminating access minutes rather than on originating access minutes that include call attempts;

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The Company states that the purpose of the proposed reductions is to address competitive challenges. The company believes that its current earnings level permits a rate reduction at this time.

Reduction of CCL Rate

United has proposed to reduce its CCL rates as follows:

	Current Rate	Proposed Rate	Decrease	Percent Decrease
CCL- Originating	\$.0304	\$.0258	(\$.0046)	(15.1)%
CCL- Terminating	\$.0382	\$.0336	(\$.0046)	(12.0)%

The annualized revenue impact of the proposed CCL reduction is \$9,000,743. The rate levels of the proposed reductions are comparable to the CCL reductions approved for Southern Bell, Indiantown and GTEFL earlier this year.

Toll Service Reductions

United has also proposed some slight reductions to its IntraLATA toll services as follows:

Service	Decrease	Percent Decrease
MTS	(\$519,500)	(1.23)%
Toll-Pac	(\$473)	(1.45)%
OEAS II	(\$1,079)	(1.90)%
TeleSaver	(\$29,301)	(6.83)%

The proposed reductions constitute an attempt to remain competitive and maintain a presence in the intraLATA toll market. The Toll-Pac and OEAS II reductions are flowed through automatically from the reduction in MTS rates. The MTS reduction is nominal, a decrease of one cent from the initial minute. United

acknowledges that more reductions for MTS are probably required in order for it to remain competitive. The Company plans to continue reducing these rates as earnings permit.

The Company's TeleSaver offering is the marketing name for its intraLATA toll discount plan. The subscriber purchases a block of time for a discounted rate. Depending on whether the customer is residential or business, and the size of the block of time purchased, the proposed rates range from the equivalent of \$.13-.15 per minute. United has recalculated the required access charge imputation based on the reduced CCL. The price floor for residential TeleSaver is \$.1175 and for business TeleSaver is \$.1084. We have reviewed the company's calculations, and it appears that the proposed TeleSaver rates cover the required access imputation levels.

The proposed toll rates will produce an annual revenue reduction of \$521,052.

Mobile Interconnection Usage Rates

Pursuant to the requirements of Order No. 20475 in Docket Number 870675-TL, the Commission's original mobile interconnection investigation, United has proposed to "flow through" the switched access rate reductions to the mobile interconnection usage rates. The order requires that mobile interconnection usage be calculated according to a formula that incorporates intrastate switched access rates. Therefore, whenever switched access rates are reduced, LECs must file concurrently to reduce their mobile interconnection rates.

Finally, United has proposed to modify the language in its Mobile Interconnection tariff to change the way in which usage is measured and billed for mobile-to-land traffic. Usage will be measured on terminating access minutes rather than on originating access minutes that include call attempts.

The annualized revenue impact to United of these changes is shown below:

Switched access "flow through"	\$ (223,310)
Change in method of usage measurement	\$ <u>(866,012)</u>
	<u>\$(1,089,322)</u>

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The Company projects that the total annual revenue reduction as a result of these proposed changes is \$10,611,117. We find that the proposed tariff filing is reasonable and should be approved.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that United Telephone Company of Florida's tariff filing to reduce its Carrier Common Line Charge, its MTS and TeleSaver rates, and its Mobile Interconnection usage rates is hereby approved. It is further

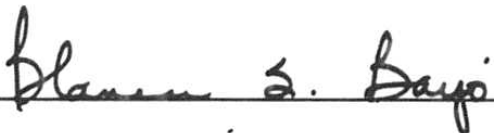
ORDERED that United's proposal to modify the language in its Mobile Interconnection tariff to base mobile-to-land calling rates on terminating access minutes is also approved. It is further

ORDERED that the tariff changes approved herein shall become effective January 1, 1995. It is further

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

ORDERED that if no protest is filed in accordance with the requirements set forth in the Notice of Further Proceedings or Judicial Review, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 12th day of January, 1995.



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, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on February 2, 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.

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.