

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Proposed Amendments of) DOCKET NO. 951283-TL
Rules 25-4.003, 25-4.017, 25-) ORDER NO. PSC-96-0250-FOF-TL
4.0171, 25-4.0185, 25-4.024, 25-) ISSUED: February 21, 1996
4.034, 25-4.0345, 25-4.039, 25-)
4.0405, 25-4.066, 25-4.067, 25-)
4.069, 25-4.070, 25-4.071, 25-)
4.072, 25-4.074, 25-4.077, 25-)
4.0770, 25-4.110, 25-4.135, 25-)
4.1352, 25-4.1357, 25-4.141;)
Proposed Repeal of Rules 25-)
4.001, 25-4.035, 25-4.045, 25-)
4.068, 25-4.075, 25-4.0751, 25-)
4.1351, 25-4.1353, 25-4.142; and)
Proposed Rules 25-4.200, 25-)
4.202, 25-4.210, 25-4.214, and)
25-4.215, F.A.C., in Compliance)
With Requirement in Section)
364.052, F.S., to Streamline)
Regulatory Procedures for Small)
LECs)
_____)

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF ADOPTION OF RULES

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has adopted rules to streamline the regulatory procedures for small local exchange companies as required by Section 364.052, Florida Statutes, with changes.

The adopted rules were filed with the Department of State on February 19, 1996, and will be effective on March 10, 1996. A copy of the rules as filed with the Secretary of State is attached to this Notice.

This docket is closed upon issuance of this notice.

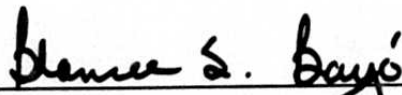
DOCUMENT NUMBER-DATE

02040 FEB 21 96

PSC-RECORDS/REPORTING

ORDER NO. PSC-96-0250-FOF-TL
DOCKET NO. 951283-TL
PAGE 2

By ORDER of the Florida Public Service Commission, this 21st
day of February, 1996.



BLANCA S. BAYÓ, Director
Division of Records & Reporting

(S E A L)

MAH

PART I - GENERAL PROVISIONS

25-4.001 Authorization of Rules. ~~The Statutory power granted to the Florida Public Service Commission to establish rules and fix standards for telephone service is contained in Section 364.20, Florida Statutes, which states as follows:~~

~~"The commissioners may prescribe all rules and regulations appropriate for the execution of any of the powers conferred upon them by law in express terms or by implication. All rules and regulations made and prescribed by the commissioners shall be prima facie evidence. Every rule, regulation, schedule, order or requirement heretofore or hereafter made by the commissioners shall be deemed and held to be within their jurisdiction and their powers, and to be reasonable and just and such as ought to have been made in the premises and to have been properly made and arrived at in due form of procedure and such as can and ought to be executed, unless the contrary plainly appears on the face thereof or can be made to appear by clear and satisfactory evidence, and shall not be set aside or held invalid unless the contrary so appears. All presumptions shall be in favor of every action of the commissioners and all doubts as to their jurisdiction and powers shall be resolved in their favor, it being intended that the laws relative to the railroad commissioners shall be deemed remedial laws to be construed liberally to further the legislative intent to regulate and control in the public interest the persons and~~

~~corporations under their jurisdiction. If in any proceeding to enforce any rules, regulations, schedules or order any part thereof shall be found invalid the court shall proceed to enforce such portion thereof as may be valid if the same can be done."~~

Specific Authority: 364.20, F.S.

Law Implemented: 364.28, F.S.

History: New 12/1/68, formerly 25-4.01, repealed 3/10/96.

25-4.003 Definitions. For the purpose of Chapter 25-4 these rules, the following definitions apply:

(1) "Access Line" or "Subscriber Line." The circuit or channel between the demarcation point at the customer's premises and the serving end or class 5 central office.

(2)(1) "Average Busy Season-Busy Hour Traffic." The average traffic volume for the busy season busy hours.

~~(2) "Base Rate Area." That well developed and contiguous territory within the exchange service area in which local exchange service, except rural multi party line service, is furnished at rates common to all subscribers and without extra exchange line mileage or zone charges. A base rate area shall include all well developed and contiguous territory within the exchange service area whether such territory is within or outside of an incorporated city or town. The term "well developed" as used in this rule shall be construed to mean all land area suitable for either residential~~

~~or business usage which is generally developed to a level of fifty percent (50%) or more.~~

(3) "Busy Hour." The continuous one-hour period of the day during which the greatest volume of traffic is handled in the office.

(4) "Busy Season." The calendar month or period of the year (preferably ~~thirty~~ (30) days but not to exceed ~~sixty~~ (60) days) during which the greatest volume of traffic is handled in the office.

(5) "Call." An attempted telephone message.

(6) "Central Office." A location where there is an assembly of equipment that establishes the connections between subscriber access lines, trunks, switched access circuits, private line facilities, and special access facilities with the rest of the telephone network. ~~A local operating unit by means of which connections are established between subscribers' lines and trunk or toll lines to other central offices within the same exchange or other exchanges. Each three (3) digit central office code (NNX) used shall be considered a separate central office unit.~~

~~(a) "Central Office Unit." Automatic telephone switching equipment whose maximum capacity is 10,000 terminals.~~

~~(b) "Central Office Entity." A facility comprised of two (2) or more central office units which are located on the same premises and which may or may not utilize common equipment.~~

~~(7) "Class of Service." A description of main station service furnished a subscriber in terms of grade of line, type of rate and location use.~~

~~(7)~~(8) "Commission." The Florida Public Service Commission.

~~(8)~~(9) "Company," "Telecommunications Company," "Telephone Company," or "Utility." These terms may be used interchangeably herein and shall mean "telecommunications company" as defined in Section 364.02(12), Florida Statutes ~~any person, firm, partnership or corporation engaged in the business of furnishing communication service to the public under the jurisdiction of the Commission.~~

(9) "Completed call." A call which has been switched through an established path so that two-way conversation or data transmission is possible.

(10) "Disconnect" or "Disconnection." The dissociation or release of a circuit. In the case of a billable call, the end of the billable time for the call whether intentionally terminated or terminated due to a service interruption.

(11) "Drop or Service Wire." The connecting link that extends from the local distribution service terminal to the protector or telephone network interface device on the customer's premises.

~~(12)~~(10) "Exchange." The entire telephone plant and facilities used in providing telephone service to subscribers located in an exchange area. An exchange may include more than one central office unit.

~~(13)-(11)~~ "Exchange (Service) Area." The territory of a local exchange company, ~~including the base rate suburban and rural areas served by an exchange~~, within which local telephone service is furnished at the exchange rates applicable within that area.

~~(14)-(12)~~ "Extended Area Service." A type of telephone service ~~furnished under tariff provisions~~ whereby subscribers of a given exchange or area may complete calls to, and receive messages from, one or more other ~~contiguous~~ exchanges or areas without toll charges, or complete calls to one or more other exchanges or areas without toll message charges.

~~(15)-(13)~~ "Extension Station." An additional station connected on the same circuit as the main station and subsidiary thereto.

~~(16)-(14)~~ "Foreign Exchange Service." A classification of local exchange telecommunications company exchange service furnished under tariff provisions whereby a subscriber may be provided telephone service from an exchange other than the one from which he would normally be served.

~~(15)~~ "~~Grade of Line.~~" ~~The number of subscribers which may be served on a telephone line such as one party, two party, four party.~~

~~(16)~~ "~~Individual Line Service.~~" ~~A classification of exchange service which provides that only one main station shall be served~~

~~by the circuit connecting such station with the central office equipment.~~

(17) "Intercept Service." A service arrangement provided by the telecommunications ~~telephone~~ company whereby calls placed to an unequipped non-working, ~~a~~ disconnected, or discontinued telephone number are intercepted by operator, recorder, or audio response computer and the calling party informed that the called telephone number is not in service, has been disconnected, discontinued, or changed to another number, or that calls are received by another telephone. This service is also provided in certain central offices and switching centers to inform the calling party of conditions such as system blockages, inability of the system to complete a call as dialed, no such office code, and all circuits busy, ~~etc.~~

(18) "Interexchange Company," ~~means~~ Any telecommunications ~~telephone~~ company, as defined in Section 364.02(12) ~~364.02(7)~~, Florida Statutes F.S., which provides telecommunication service between local calling areas as those areas are described in the approved tariffs of individual local exchange companies. "Interexchange Company" includes, but is not limited to, Multiple Location Discount Aggregators (MLDA) as defined in subsection (32) ~~(31)~~ of these definitions.

(19) "Inter-office Call." A telephone call originating in one central office ~~unit or entity~~ but terminating in another central

office, ~~unit or entity~~ both of which are in the same designated exchange area.

(20) "Interstate Toll Message." Those toll messages which do not originate and terminate within the same state.

(21) "Intertoll Trunk." A line or circuit between two toll offices, two end offices, or between an end office and toll office, over which toll calls are passed. ~~(Can also be between two end offices or between end offices and distant toll offices.)~~

(22) "Intra-office Call." A telephone call originating and terminating within the same central office ~~unit or entity~~.

(23) "Intra-state Toll Message." Those toll messages which originate and terminate within the same state.

(24) "Invalid Number." A number comprised of an unassigned area code number or, a non-working central office code (NXX), ~~or a connector terminal number which has no equipment installed to connect to such a number.~~

(25) "Large LEC." A local exchange telecommunications company certificated by the Commission prior to July 1, 1995, that had in excess of 100,000 access lines in service on July 1, 1995.

(26) "Local Access and Transport Area (LATA)" or "Market Area." A geographical area, which is loosely based on standard metropolitan statistical areas (SMSAs), within which a local exchange company (LEC) may transport telecommunication signals.

~~(25) "Line Fill." The ratio of the number of main stations for a specific grade of service divided by the number of lines in use furnishing that grade of service.~~

~~(27)(26) "Local Exchange Telecommunications Company (LEC)." means Any telecommunications telephone company, as defined in Section 364.02(6) 364.02(4), Florida Statutes F.S., which, in addition to any other telephonic communication service, provides telecommunication service within exchange areas as those areas are described in the approved tariffs of the telephone company.~~

~~(28)(27) "Local Service Area" or "Local Calling Area." The area within which telephone service is furnished subscribers under a specific schedule of exchange rates and without toll charges. A local exchange telecommunications company's local service area may include one or more exchange areas or portions of exchange areas.~~

~~(29)(28) "Main Station." The principal telephone associated with each service to which a telephone number is assigned and which is connected to the central office equipment by an individual or party line circuit or channel.~~

~~(30)(29) "Message." A completed telephone call.~~

~~(31)(30) "Mileage Charge." A tariff charge, generally expressed in one quarter (1/4) mile increments, assessed on individual line and two party line service to defray additional costs incurred in providing local exchange service beyond the base rate and suburban rate area boundaries and tariff charges for~~

circuits and channels connecting other services that are auxiliary to local exchange service such as off premises extensions, foreign exchange and, foreign central office services, and private line services, and tie lines, etc. ~~(Also see "Zone Charge.")~~

~~(32)~~~~(31)~~ "Multiple Location Discount Aggregator (MLDA)" ~~is~~
An entity that offers discounted long distance telecommunications services from an underlying interexchange company to unaffiliated entities. An entity is a MLDA if one or more of the following criteria applies:

(a) It collects fees related to interexchange telecommunications services directly from subscribers, ~~or~~

(b) It bills for interexchange telecommunications services in its own name, ~~or~~

(c) It is responsible for an end user's unpaid interexchange telecommunications bill, or

(d) A customer's bill cannot be determined by applying the tariff of the underlying interexchange company to the customer's individual usage.

~~(32) "Multi party (Line) Service." A classification of exchange service which provides that more than two (2) main stations may be served by the same central office circuit. Although two party lines might be considered as multi party, they are excluded from this classification. (See Party Line Service.)~~

(33) "Normal Working Days." The normal working days for installation and construction shall will be all days except Saturdays, Sundays, and holidays. The normal working days for repair service shall will be all days except Sundays and holidays. Holidays shall will be the days which are observed by each individual telephone utility.

(34) "Optional Calling Plan." An optional service furnished under tariff provisions which recognizes the need of some subscribers for extended area calling without imposing the cost on the entire body of subscribers.

(35) "Out of Service." The inability, as reported by the customer, to complete either incoming or outgoing calls over the subscriber's line. "Out of Service" shall not include:

(a) Service difficulties such as slow dial tone, circuits busy, or other network or switching capacity shortages;

(b) Interruptions caused by a negligent or willful act of the subscriber; and

(c) Situations in which a company suspends or terminates service because of nonpayment of bills, unlawful or improper use of facilities or service, or any other reason set forth in approved tariffs or Commission rules.

(36)~~(35)~~ "Outside Plant." The telephone equipment and facilities installed on, along, or under streets, alleys, highways, or on private rights-of-way between the central office and

subscribers' locations or between central offices of the same or different exchanges.

~~(36) "Party Line Service." A classification of exchange service which provides that two or more main stations may be served by the same central office circuit.~~

(37) "Pay Telephone Service Company," means Any telecommunications telephone company, as defined in Section 364.02(4), F.S., other than a Local Exchange Company, which provides pay telephone service as defined in Section 364.3375 364.335(4), Florida Statutes F.S.

~~(38) "Preferred Classes of Service." The classes of service (as specified in approved tariffs) which the company undertakes to furnish at any point within the base rate area at a rate common to all subscribers for the same class. Preferred classes of service may be furnished at points outside the base rate area at base rates plus applicable zone or mileage charges, except as provided by Rule 4.68(2)(b).~~

(38)(39) "Primary Interexchange Company." The pre-subscribed toll service provider interexchange company for a given customer/subscriber.

~~(40) "Primary Service." Individual line service or party line service.~~

~~(41) "Rural (service) Area." That area within the exchange service area which is sparsely developed and lies beyond the base rate and suburban rate areas.~~

~~(42) "Service Interruption." The term "service interruption" shall mean the inability to complete calls over the subscriber's line either incoming or outgoing or both due to facility malfunctions or human errors, except that the term as used in these rules shall not include service difficulties such as slow dial tone, circuits busy or other network and/or switching capacity shortages, nor shall it be construed to apply where service is interrupted by the negligence or willful act of the subscriber, emergency situations, unavoidable casualties and acts of God, or nonservice affecting reports, or where the company, pursuant to approved provisions of its tariff, suspends or terminates service because of non payment of bills due to the company, unlawful or improper use of the facilities or service or any other proper reason covered by filed and approved tariffs or rules of the Commission.~~

~~(39)(43) "Service Objective." The term "service objective" as used in these rules represents a A quality of service which is desirable to be achieved under normal conditions, but failure to fully meet such objectives should not be considered to be a governing factor in determining whether a company is providing adequate service for ratemaking purposes.~~

~~(40)-(44)~~ "Service Standard." ~~The term "service standard" as used in these rules and regulations represents a~~ A level of service which a telecommunications company telephone utility, under normal conditions, is expected to meet in its certificated territory as representative of adequate services.

(41) "Small LEC." A local exchange telecommunications company certificated by the Commission prior to July 1, 1995, which had fewer than 100,000 access lines in service on July 1, 1995.

~~(42)-(45)~~ "Station." A telephone instrument consisting of a transmitter, receiver, and associated apparatus so connected as to permit sending ~~and/or~~ receiving telephone messages.

~~(43)-(46)~~ "Subscriber-" or "Customer." These terms may be used interchangeably herein and shall mean any person, firm, partnership, corporation, municipality, cooperative organization, or governmental agency supplied with communication service by a telecommunications telephone company.

~~(44)-(47)~~ "Subscriber Line." See "Access Line." ~~The circuit or channel used to connect the subscriber station with the central office equipment.~~

~~(48) "Suburban (Service) Area." That area within the exchange service area which is partially developed and lies immediately beyond the base rate area.~~

~~(45)-(49)~~ "Switching Center." Location at which telephone traffic, either local or toll, is switched or connected from one

circuit or line to another. A local switching center may be comprised of several central office units.

(46)~~(50)~~ "Toll Connecting Trunk." A trunk which connects a local central office with its toll operating office.

(47)~~(51)~~ "Toll Message." A completed telephone call between stations in different exchanges for which message toll charges are applicable.

~~(52) "Toll Station." A telephone station connected directly to the toll switchboard installed for the convenience of the public or of a subscriber in a location where the company does not generally furnish exchange service and from which established toll rates are charged for all messages sent over company lines.~~

(48)~~(53)~~ "Traffic Study." The process of recording usage measurements which can be translated into required quantities of equipment.

(49)~~(54)~~ "Trouble Report." Any oral or written report from a subscriber or user of telephone service to the telephone company indicating improper function or defective conditions with respect to the operation of telephone facilities over which the telephone company has control.

(50)~~(55)~~ "Trunk." A communication channel between central office units or entities, or private branch exchanges.

(51)~~(56)~~ "Valid Number." A number for a specific telephone terminal in an assigned area code and working central office which

is equipped to ring and connect a calling party to such terminal number.

~~(57) "Zone Charge." Similar to mileage charge except that the portion of exchanges service area located beyond the base rate area is divided into zones or bands within which rates common to all subscribers for the same class are provided for individual line and two party line service.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.01, 364.02, 364.32, 364.335, 364.337, F.S.

History: Revised 12/1/68, Amended 3/31/76, formerly 25-4.03, Amended 2/23/87, 3/4/92, 12/21/93, 3/10/96.

PART II

A. RECORDS AND REPORTS

25-4.017 Uniform System of Accounts.

(1) Each telecommunications company shall maintain its accounts and records in conformity with the Uniform System ~~and Classification~~ of Accounts for Telecommunications Companies (USOA) as prescribed by the Federal Communications Commission in Title 47, Code of Federal Regulations, Part 32 Class A ~~as adopted on December 2, 1986, and~~ revised as of October 1, 1994 ~~1991~~, and as modified below. Inquiries relating to interpretation of the USOA shall be submitted in writing to the Commission's Division of Auditing and Financial Analysis.

(2) Each company shall establish separate depreciation reserve subaccounts for each corresponding subaccount established in the USOA or by rules of this Commission.

~~(3) Account 1181, Telecommunications Accounts Receivable Allowance, shall be maintained on the allowance (reserve) method for uncollectible accounts with concurrent charges being made to Account 5301, Uncollectible Revenue Telecommunications. This provision shall apply only to the regulated operations of the utility.~~

~~(3)(4)~~ A telecommunications company may use a different account numbering system but shall use the same account descriptions as prescribed in the USOA Uniform System and Classification of Accounts or by this Commission. If a different account numbering system is used, a cross reference of the company's system to the Commission's numbering system shall be shown in the company's chart of accounts.

~~(5) Tax side records shall be maintained for the purpose of identifying deferred taxes, and deferred investment tax credits and related recapture, for each plant subaccount identified in the USOA. Deferred taxes shall be separated between major timing differences such as accelerated depreciation, normal spread items and intercompany profit.~~

~~(6) Cost allocation side records shall be maintained for the purpose of facilitating cost of service studies and shall include~~

~~cost allocations of income taxes, other taxes, general and administrative expenses, and other allocated expenses for each expense account and subaccount identified in the USOA or Commission rules.~~

~~(7) Each telecommunications company shall notify the Division of Auditing and Financial Analysis in writing of all communications written to or received from the Federal Communications Commission, the Financial Accounting Standards Board, or the Internal Revenue Service, that pertain to accounting procedures, separations procedures, or the USOA. Notification shall be provided by the company as an attachment to the Telephone Earnings Surveillance Report and shall include notice of communications that were sent or received by the company during the calendar month or quarter, whichever is the earnings surveillance reporting period for the company, in which the company's previous surveillance report was filed. If no reportable communications have taken place during the month or quarter, the attachment should state "None". "Communication" includes writings sent or received by the company directly or on its behalf by a parent company or representative. Upon request of the Division of Auditing and Financial Analysis, the company shall provide a copy of the written communication to the Division.~~

~~(8) Each telecommunications company with more than 100,000 access lines shall notify the Division of Auditing and Financial~~

~~Analysis, in writing within 45 days of implementation, of each change in accounting methodology, accounting estimates, or underlying assumptions, when the change will alter the company's annual revenue requirements by 25 or more basis points on equity. Notification is not required for changes approved by order of the Commission.~~

~~(9) The Annual Report and the Rate of Return Report shall include either a statement that the underlying accounting records and the report were not prepared with reliance upon the Statement of Financial Accounting Standards (SFAS) No. 71, dated December 1982, SFAS 90, dated December 1986, SFAS 92, dated August 1987, or SFAS 101, dated December 1988, incorporated by reference; or, where reliance exists on SFAS 71, 90, 92, 101, the utility shall disclose the account and the amount along with a reference to the relied upon statute, rule, order or document for each entry or adjustment.~~

~~(4)(10)~~ Each company utility shall file, within 60 days of a final order involving accounting matters, a description of all resultant entries and adjustments to the accounting records.

Specific Authority: 350.127(2), F.S.

Law Implemented: 350.115, 364.17, F.S.

History: Revised 12/1/68, Amended 3/31/76, 8/21/79, 1/2/80, 12/13/82, 12/13/83, 9/30/85, formerly 25-4.17, Amended 11/30/86, 4/25/88, 2/10/92, 8/11/92, 3/10/96.

25-4.0171 Allowance For Funds Used During Construction. No rate-of-return regulated local exchange telecommunications company shall accrue allowance for funds used during construction, also known as Interest During Construction, without prior Commission approval.

~~(1) Telephone plant under construction (TPUC), also known as construction work in progress (CWIP), that is not included in rate base may accrue allowance for funds used during construction (AFUDC), also known as Interest During Construction (IDC), if the construction is a long term TPUC project. Such allowance shall not be permitted on TPUC short term projects.~~

~~(a) A long term TPUC project (Account 2004) is a project which involves gross additions to plant in excess of \$100,000 and is expected to be completed in excess of one year after approval of the work order or was originally expected to be completed in one year or less and is suspended for six months or more, or is not ready for service after one year.~~

~~(b) A short term TPUC project (Account 2003) is a project which includes gross additions to plant which are \$100,000 or less, and expected to be completed in less than one year after approval of the work order.~~

~~(c) Unless otherwise authorized by the Commission, the following projects may not be included in TPUC nor accrue AFUDC:~~

- ~~1. Projects that are reimbursable by another party.~~

- ~~2. Projects that have been cancelled.~~
- ~~3. Purchases of assets which are ready for service when acquired;~~
- ~~4. Portions of projects providing service during the construction period.~~

~~(d) Other conditions. Accrual of AFUDC is subject to the following conditions:~~

- ~~1. Accrual of AFUDC is not to be reversed when a project originally expected to be completed in excess of one year is completed in one year or less;~~
- ~~2. AFUDC may not be accrued retroactively if a project expected to be completed in one year or less is subsequently suspended for six months, or is not ready for service after one year;~~
- ~~3. When a project is completed and ready for service, it shall be immediately transferred to the appropriate plant account(s) and may no longer accrue AFUDC;~~
- ~~4. Where a work order covers the construction of more than one property unit, the AFUDC accrual shall cease on the costs related to each unit when that unit reaches an in service status;~~

- ~~5. When the construction activities for an ongoing project are expected to be suspended for a period exceeding six (6) months, the utility shall notify the Commission of the suspension and the reason(s) for the suspension, and shall submit a proposed accounting treatment for the suspended project, and~~
- ~~6. When the construction activities for a suspended project are resumed, the previously accumulated costs of the project may not accrue AFUDC if such costs have been included in rate base for ratemaking purposes. However, the accrual of AFUDC may be resumed when the previously accumulated costs are no longer included in rate base for ratemaking purposes.~~

~~(2) The applicable AFUDC rate shall be determined as follows:~~

~~(a) The most recent 12 month average embedded cost of capital, except as noted below, shall be derived using all sources of capital and adjusted using adjustments consistent with those used by the Commission in the Company's last rate case.~~

~~(b) The cost rates for the components in the capital structure shall be the midpoint of the last allowed return on common equity, the most recent 12 month average cost of short term debt and customer deposits and a zero cost rate for deferred taxes and all investment tax credits. The cost of long term debt and~~

~~preferred stock shall be based on end of period cost. The annual percentage rate shall be calculated to two decimal places.~~

~~(c) The treatment by the Commission of all investment tax credits at a zero cost rate shall be contingent upon a ruling from the Internal Revenue Service that such treatment will not, for companies elected to be treated under s. 46(f) (2) of the Internal Revenue Code, result in the forfeiture of the tax credits. Pending receipt of such a ruling, each utility shall continue to use the weighted overall cost of capital calculated in a manner consistent with the final IRS Regulation Section 1.46-6 published May 22, 1986, as the cost of the utility's 4% and 10% investment tax credits.~~

~~(d) Any such ruling request must be submitted to the Commission by December 15, 1987. The AFUDC cost rate for the investment tax credit for any company which failed to submit its own letter ruling request to the IRS shall be governed by the first letter ruling issued by the IRS in response to a request submitted pursuant to subsection 2(c) of this rule.~~

~~(3) Discounted monthly AFUDC rate. A discounted monthly AFUDC rate, calculated to six decimal places, shall be employed to insure that the annual AFUDC charged does not exceed authorized levels.~~

~~(a) The formula used to discount the annual AFUDC rate to reflect monthly compounding is as follows:~~

$$M = \frac{[(1 + \frac{A}{100})^{1/12} - 1] \times 100}{100}$$

Where:

~~M = discounted monthly AFUDC rate~~

~~A = Annual AFUDC rate~~

~~(b) The monthly AFUDC rate, carried out to six decimal places, shall be applied to the average monthly balance of eligible TPUC that is not included in rate base.~~

~~(4) The following schedules shall be filed with each petition for a change in AFUDC rate:~~

~~(a) Schedule A. A schedule showing the capital structure, cost rates and weighted average cost of capital that are the basis for the AFUDC rate in subsection (2).~~

~~(b) Schedule B. A schedule showing capital structure adjustments including the unadjusted capital structure, reconciling adjustments and adjusted capital structure that are the basis for the AFUDC rate in subsection (2).~~

~~(c) Schedule C. A schedule showing the calculation of the monthly AFUDC rate using the methodology set out in this rule.~~

~~(5) No utility may charge or change its AFUDC rate without prior Commission approval. The new AFUDC rate shall be effective the month following the date the new AFUDC rate is approved by the Commission and may not be retroactively applied to a previous period unless authorized by the Commission.~~

~~(6) Each utility charging AFUDC shall include in its June and December Rate of Return surveillance reports to the Commission Schedules A and B identified in subsection (4) of this rule, as well as disclosure of the AFUDC rate it is currently charging.~~

~~(7) The Commission may, on its own motion, initiate a proceeding to revise a utility's AFUDC rate.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 350.115, 364.035, 364.17, F.S.

History: New 8/11/86, Amended 11/13/86, 12/7/87, 4/25/88, 3/10/96.

25-4.0185 Periodic Reports. ~~(1)~~ Each local exchange telecommunications telephone company shall file with the Commission's Division of Communications the information required by Commission Form PSC/CMU 28 (xx/xx), ~~(12/86)~~ which is incorporated into this rule by reference. Form PSC/CMU 28 ~~(12/86)~~, entitled "Engineering Data Requirements," may be obtained from the Commission's Division of Communications.

~~(a) The information required by schedules 1 and 21 of Form PSC/CMU 28 (12/86) shall be reported on an annual basis and shall be filed on or before the end of the month following the reporting year.~~

~~(1)(b)~~ The information required by schedules 2, 3, 4, 8, 11, 13, 14, 15, 16 and through 18 inclusive and schedule 20 of Form PSC/CMU 28 ~~(12/86)~~ shall be reported on a quarterly basis by the large LECs and semiannually by the small LECs and shall be filed on

or before the end of the month following the reporting period
quarter.

(2) The information required by Schedules 17 and 18 of Form PSC/CMU 28 shall be reported on a quarterly basis by the large LECs and shall be filed on or before the end of the month following the reporting period.

(3)(e) The information required by Schedule 19 of Form PSC/CMU 28 ~~(12/86)~~ shall be reported on a semiannual ~~semi-annual~~ basis and shall be filed on or before the end of the month following the second and fourth quarters.

~~(d) Each interexchange telephone company shall only report the information required by schedule 13 of Form PSC/CMU 28 (12/86). This information shall be reported on a quarterly basis and shall be filed on or before the end of the month following the reporting quarter.~~

~~(2) Each interexchange telephone company subscribing to Feature Group C or D access from a local exchange telephone company shall file with the Commission's Division of Communications the information required by Commission Form PSC/CMU 29 (12/86), reported on a quarterly basis, on or before the end of the month following the reporting quarter. Form PSC/CMU 29 (12/86), entitled Interexchange Carrier Serving Arrangements, is incorporated into this rule by reference and may be obtained from the Commission's Division of Communications.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03, 364.17, F.S.

History: New 12/16/86, Amended 7/20/89, 12/27/94, 3/10/96.

25-4.024 Held Applications for Service.

(1) Each local exchange telecommunications ~~telephone~~ company shall accept and shall maintain a record of each application for access lines received for

~~(a) Main station change telephone service.~~

~~(b) A change in grade of line.~~

~~(2)~~ dDuring periods when a telecommunications ~~telephone~~ company is unable to supply initial or additional telephone service to applicants ~~or upgrade existing subscribers~~ within ~~thirty~~ ~~(30)~~ days after the date applicant desires service, The telecommunications ~~telephone~~ company shall keep a record, by exchanges, showing the name and address of each applicant for service ~~or upgrade, the applicant location, i.e., inside or outside the base rate area, the date of application, date service desired, date service was promised, the class and grade of service applied for~~ and the reason for the inability to provide the new service or additional access lines ~~or higher grade of service~~ to the applicant.

~~(2)~~ ~~(3)~~ Upon request, each company shall prepare and furnish to the Commission a report, by exchanges, of such held applications.

Specific Authority: 350.127(2), 364.17, F.S.

Law Implemented: 364.17, F.S.

History: Revised 12/1/68, Amended 3/31/76, formerly 25-4.24,
amended 3/10/96.

PART III - GENERAL MANAGEMENT REQUIREMENTS

25-4.034 Tariffs.

(1) Each telecommunications company ~~telephone utility~~ shall maintain on file with the Commission tariffs which set forth all rates and charges for customer services, the classes and grades of service available to subscribers, the conditions and circumstances under which service will be furnished, and all general rules and regulations governing the relation of customer and utility. ~~Such~~ Tariff filings shall be in compliance with the requirements of Chapter 25-9 of the Commission rules entitled "Construction and Filing of Tariffs by Public Utilities."

(2)(a) Each company shall file, as an integral part of its tariff, maps defining the exchange service areas ~~and base rate area~~. These maps shall delineate the boundaries in sufficient detail that they may be located in the field and shall embrace all territory included in the certificate of convenience and necessity ~~unless portions of such territory are included in toll station areas~~.

~~(b) Each telephone company having toll station areas which are beyond its exchange service area boundaries but within its~~

~~certificate of convenience and necessity shall file only with the Commission as an integral part of its tariff a toll station area map for each toll station area. These maps shall show the toll station area boundaries in sufficient detail that they may be located in the field.~~

~~(e) Where zone rate differentials are applicable, the zone boundaries shall be designated on the appropriate filed maps unless the language in the tariff is sufficient to identify the boundary locations.~~

~~(2) Intrastate toll message and WATS rates shall be fixed by Commission Order. The Commission may limit the amount of variation between any two companies' rates.~~

(3) Each telecommunications telephone company shall maintain on file in each of its business offices, available for public inspection upon request, a copy of the local exchange tariff for exchanges under the administration of that office, its ~~the~~ general exchange tariff, and its a schedule of intrastate toll rates ~~for the entire State of Florida~~. Each business office shall likewise make available a copy of Chapter 25-4 of the Florida Public Service Commission Rules and Regulations for public inspection upon request.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.04, F.S.

History: Revised 12/1/68, Amended 3/31/76, 11/29/82, formerly 25-4.34, Amended 9/12/88, 4/16/90, 3/10/96.

25-4.0345 Customer Premises Equipment and Inside Wire.

(1) Definitions: For purposes of this chapter, the following definitions apply ~~definition under this rule:~~

(a) "Customer Premises Equipment (CPE)" includes terminal equipment intended for use on the customer's premises such as telephone sets, teletypewriters, data terminal equipment, mobile telephone terminal equipment, private branch exchange equipment, key system equipment, dialers and other supplemental equipment. CPE does not include "911" public safety answering point equipment (ALI, ANI, ACD equipment), local exchange company pay telephone stations ~~paystations~~, or telecommunications devices required by hearing or speech impaired subscribers.

(b) "Demarcation point" is the point of physical interconnection (connecting block, terminal strip, jack, protector, optical network interface, or remote isolation device) between the telephone network and the customer's premises wiring. Unless otherwise ordered by the Commission for good cause shown the location of this point is:

1. Single Line/Single Customer Building - Either at the point of physical entry to the building or a junction point as close as practicable to the point of entry.

2. Single Line/Multi Customer Building - Within the customer's premises at a point easily accessed by the customer.
3. Multi Line Systems/Single or Multi Customer Building - At a point within the same room and within 25 feet of the FCC registered terminal equipment or cross connect field.
4. Temporary Accommodations Subscriber Premises with Inadequate Grounding (e.g. some mobile homes, trailers, houseboats, construction modules-) - On a permanent stake, pole, or structure with a suitable safety ground.

(c) "Complex Equipment wire+" is the premises wiring owned by the local exchange company which may be used as station wiring and to connect off-premises extensions and is beyond the normal demarcation points.

(d) "Inside wire" is all wire or cable other than complex equipment wire located on the customer's side of the demarcation point.

(e) "Customer Premises" is the discrete real property owned, leased, or controlled by a customer for the customer's own business or residential purposes.

(2) The provision and maintenance of Customer Premises Equipment (CPE) and inside wire+

~~(a) The provision and maintenance of CPE and inside wire,~~ but not complex equipment wire, is deregulated for intrastate purposes.

~~(b) Companies using accounting allocation procedures in lieu of a fully separate subsidiary for the provision and maintenance of CPE and inside wire shall submit annual audit results and a formal opinion, rendered by an independent certified public accountant or auditor, on the reasonableness and accuracy of the allocation procedures employed. The expense of this audit shall be separately identified and shall not be chargeable to expense for ratemaking purposes. The Commission may, upon sufficient showing by a telephone company, modify or waive these requirements.~~

(3) Network facilities up to and including the demarcation point are part of the telephone network, provided and maintained by the telecommunications telephone company under tariff.

(4) CPE Network Responsibility. No CPE may harm the network by introducing signals that interfere or affect other subscribers or network operations.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03, F.S.

History: New 12/13/82, Amended 9/30/85, formerly 25-4.345, Amended 4/16/90, 3/10/96.

25-4.035 Rate Area Boundaries.

~~(1) The boundaries of base rate and zone rate areas in each exchange service area which have been established in accordance with an order or tariff authorization by the Commission are~~

~~approved and no change shall be made in any such boundaries except under authority granted by the Commission.~~

~~(2) At periodic intervals not to exceed three (3) years, each telephone utility shall undertake an examination of the existing base rate area boundary locations in each of its exchanges to evaluate compliance with Commission Rule 25-4.003(2). Upon completion of such surveys each company shall file with the Commission a report setting forth the results of its review.~~

Specific Authority: 364.20, F.S.

Law Implemented: 364.05, 364.17, F.S.

History: Revised 12/1/68, formerly 25-4.35, repealed 3/10/96.

25-4.039 Traffic.

(1) Suitable practices shall be adopted by each telecommunications telephone company concerning the operating methods to be employed by operators with the objective of providing efficient ~~and pleasing~~ service to the customers.

(2) Telephone operators and service observing personnel shall be instructed to comply with the provisions of applicable statutes in maintaining the secrecy of communications.

~~(3) Operator handled calls shall be carefully supervised and disconnects made promptly. A check of the calculagraph or other timing clock will be made at least once each twenty four (24) hours to insure that the clocks are synchronized and that the time is correct.~~

Specific Authority: 350.127(2) ~~364.20~~, F.S.

Law Implemented: 364.03, F.S.

History: Revised 12/1/68, Amended 3/31/76, formerly 25-4.39, amended 3/10/96.

25-4.0405 Telephone Directory Advertising Revenues.

(1) The provisions of this rule, in conjunction with the provisions of Section 364.037, Florida Statutes (1995) ~~(1983)~~, shall govern the ratemaking treatment for telephone directory advertising revenues and expenses of rate-of-return regulated local exchange telecommunication companies.

(2) Adjustments under Section 364.037(1) for customer growth and Consumer Price Index shall be calculated in accordance with paragraph (2)(a), producing a Test Year Regulated Gross Profit. Except as provided in paragraph (2)(e), the Test Year Regulated Gross Profit shall be used to establish the test year gross profit from directory advertising in the local franchise area to be considered in setting rates for telecommunications service.

(a) The Test Year Regulated Gross Profit is determined as follows: Test Year Regulated Gross Profit = 1982 Gross Profit Base x Customer Growth Factor x CPI factor.

(b) The Customer Growth Factor is determined as follows:
Customer Growth Factor = Average test year access lines

Average 1982 access lines.

(c) The CPI Factor reflects CPI adjustments made using the annual average Consumer Price Index - All Urban (CPI-U) as follows:

$$\text{CPI Factor} = \frac{\text{Annual average CPI-U for test year}}{96.5 \text{ } 289.1}$$

(d) An access line is any exchange line that provides residential or business service as follows:

1. Residential lines (~~R1, 2, 4, etc.~~);
2. Business lines (~~B1, 2, 4, etc.~~);
3. Centrex lines;
4. PBX trunks; or
5. Key system lines.

(e) When the Test Year Regulated Gross Profit is less than two-thirds of the actual test year gross profit from directory advertising, two-thirds of the actual test year gross profit shall be used. When the Test Year Regulated Gross Profit is greater than the actual test year gross profit from directory advertising, the actual test year gross profit shall be used.

(f) Each local exchange company shall record its directory advertising revenues in revenue account 5230 (Directory Revenues) and shall record its directory advertising expenses in expense account 6622 (Number Services). Only those expenses formerly recorded in expense account 649 (Directory Expense) shall be recorded in expense subaccount 6622.1. The actual test year gross profit from telephone directory advertising shall be determined by

subtracting the amount recorded in expense subaccount 6622.1 from the amount recorded in revenue account 5230, with such adjustments as the Commission deems appropriate.

(g) Directory advertising revenues, as used in this rule, shall include revenue from both yellow page advertising, including national advertising, and any boldface or other highlighted white page listings for directories within the franchised area of the exchange telephone company. Directory advertising expenses, as used in this rule, shall include expenses incurred in furnishing directories.

(3) The dollar amount of the 1982 Gross Profit Base for each local exchange telephone company is established pursuant to Section 364.037(3) as follows:

<u>Local Exchange Company</u>	<u>1982 Gross Profit Base</u>
ALLTEL Florida, Inc.	\$ 299,380
Central Telephone Company of Florida	\$ 3,265,053
Floralta Telephone Company, Inc.	\$ 1,780
General Telephone Company of Florida	\$ 22,371,496
Gulf Telephone Company	\$ 54,794
Indiantown Telephone System, Inc.	\$ 28,319
Northeast Florida Telephone Company, Inc.	\$ 20,676
Quincy Telephone Company	\$ 68,580
St. Joseph Telephone and	

Telegraph Company	\$	148,538
Southern Bell Telephone & Telegraph		
Company-Florida	\$	102,215,043
<u>Frontier Southland Telephone</u>		
Company	\$	8,830
United Telephone Company of Florida	\$	13,459,664
Vista-United Telecommunications	\$	161,840

(4) The Average 1982 Access Lines for each local exchange telephone company is as follows:

<u>Local Exchange Company</u>	<u>1982 Average Access Lines</u>
ALLTEL Florida, Inc.	36,435
Central Telephone Company of Florida	163,660
Floralta Telephone Company, Inc.	1,417
General Telephone Company of Florida	1,157,203
Gulf Telephone Company	5,934
Indiantown Telephone System, Inc.	1,501
Northeast Florida Telephone	
Company, Inc.	3,874
Quincy Telephone Company	7,089
St. Joseph Telephone and Telegraph	
Company	16,229
Southern Bell Telephone & Telegraph	
Company - Florida	2,993,084
<u>Frontier Southland Telephone Company</u>	2,279

~~United Telephone Company of Florida~~ 574,150
Vista-United Telecommunications 1,706

~~(5) As part of its annual report required by Rule 25-4.018, each local exchange telephone company shall submit the audited financial results of directory advertising operations during the prior calendar year.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.037, F.S.

History: New 4/21/86, formerly 25-4.405, Amended 4/25/88, 3/10/96.

25-4.045 Cross-subsidization of Local Exchange Company Competitive Services by Monopoly Services.

~~(1) Section 364.3381, F.S., prohibits cross subsidization of local exchange company (LEC) competitive services by LEC monopoly services. For purposes of Section 364.3381, "cross subsidization" is defined as pricing of a competitive service below its incremental costs, with the resulting shortfall being recovered through the rates for monopoly services.~~

~~(2) For purposes of Section 364.3381, "competitive service" refers to a LEC service which has been determined to be subject to effective competition in accordance with Section 364.338.~~

~~(3) When a LEC service has been deemed to be subject to effective competition and an order issued, the local exchange company shall file incremental cost data sufficient to demonstrate that the price for the competitive service is not below its~~

~~incremental cost. Such cost data shall be filed within 90 days after the date of the order.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.01(3)(e), 364.338, 364.3381, F.S.

History: New 5/24/94, repealed 3/10/96.

PART V - GENERAL SERVICE PROVISIONS

25-4.066 Availability of Service.

(1) Each telecommunications company ~~telephone utility~~ shall provide central office equipment and outside plant facilities designed and engineered in accordance with realistic anticipated customer demands for basic telephone service within its certificated area in accordance with its filed tariffs or orders of the Commission, subject to its ability to secure and provide, without unreasonable expense, suitable facilities and rights for construction and maintenance of such facilities.

(2) Where central office and outside plant facilities are readily available, at least ~~ninety (90%)~~ percent of all requests for primary service in any calendar month shall normally be satisfied in each exchange or service center within an interval of three ~~(3)~~ working days after receipt of application when all tariff requirements relating thereto have been complied with, excepting those instances where a later installation date is requested by the applicant or where special equipment or services are involved.

(3) Each telecommunications company ~~telephone utility~~ shall establish as its objective the satisfaction of at least ~~ninety-five~~ ~~(95)%~~ percent of all applications for new service ~~in inside the~~ ~~base rate area of~~ each exchange within a ~~thirty~~ ~~(30)~~ day maximum interval and, further, shall have as its objective the capability of furnishing ~~the minimum grade of service offered~~ within each of its exchanges to applicants within ~~sixty~~ ~~(60)~~ days after date of application; ~~excepting~~ those instances where a later installation date is requested by the applicant or where special equipment or services are involved.

(4) Whenever, for any reason, the service installation cannot be made at the time requested by the applicant or within the prescribed interval, the applicant shall be notified promptly of the delay and the reason therefor.

(5) Where facility additions are required to make service available, the applicant shall be further advised as to the circumstances and conditions under which service will be provided and as soon as practicable an estimated date when ~~such~~ service will be furnished. With respect to applications aged over six ~~(6)~~ months all service dates that result in a further delay due to the company's inability to meet the original estimated date of service shall be identified in the appropriate section of the ~~quarterly~~ report of held applications filed with the Commission which shall include an explanation of the reasons therefor.

Specific Authority: 350.127(2), 364.14, ~~364.20~~, F.S.

Law Implemented: 364.03, 364.14, F.S.

History: Revised 12/1/68, Amended 3/31/76, formerly 25-4.66,
amended 3/10/96.

25-4.067 Extension of Facilities -- Contributions in Aid of
Construction.

(1) Each telecommunications ~~telephone~~ company shall make reasonable extensions to its lines and service and shall include in its tariffs filed with the Commission a statement of its standard extension policy setting forth the terms and conditions under which its facilities will be extended to serve applicants for service within its certificated area.

(2) This line extension policy shall have uniform application and shall provide the proportion of construction expense to be borne by the utility in serving the immediate applicant~~(s)~~ shall be not less than five ~~(5)~~ times the annual exchange revenue of the applicants.

(3) If the cost which the serving utility must bear under subsection (2) above (or as provided in its tariff) equals or exceeds the estimated cost of the proposed extension, the utility shall construct it without cost to the subscribers initially ~~intially~~ served. If the estimated cost of the proposed extension exceeds the amount which the utility is required to bear, the excess cost may be distributed equitably among all subscribers

initially served by the extension, ~~provided,~~ however, that no portion of construction shall be assessed to the applicant~~(s)~~ for the provision of new plant ~~(a) within the exchange base rate area or (b) outside the base rate area for the minimum grade of line offered~~ where the new plant parallels and reinforces existing plant or is constructed on or along any public road or highway and is to be used to serve subscribers in general except in those instances where the applicant~~(s)~~ requests that facilities be constructed by other than the normal serving method. The company's utility's tariffs shall provide that such excess may be paid in cash in a lump sum or as a surcharge over a period of five ~~(5)~~ years or such lesser period as the subscriber and company utility may mutually agree upon.

(4) Line extension tariffs shall also contain provisions designed to require that all subscribers served by a line extension during the first five ~~(5)~~ years after it is constructed shall pay their pro rata share of the costs assignable to them.

(5) No company shall be required to extend facilities for new service unless the right-of-way necessary for the construction of line extension is provided by the applicant or group of applicants. Where pole attachments may be made in lieu of new construction costs, the company may charge the subscriber~~(s)~~ the expense or rental charges for such attachments, provided that the applicant~~(s)~~

may elect to pay excess construction costs as though the service were provided without the use of attachments.

(6) Except as provided in filed tariffs, the ownership of all facilities constructed as herein provided shall be vested in the telecommunications ~~telephone~~ company and no portion of the expense assessed against the applicant~~(s)~~ shall be refundable by the company.

(7) Nothing in this rule shall be construed as prohibiting any utility from establishing an extension policy more favorable to customers as long as no undue discrimination is practiced between customers under the same or substantially the same circumstances and conditions.

(8) In the event that a company ~~utility~~ and applicant are unable to agree in regard to an extension, either party may appeal to the Commission for a review.

Specific Authority: 350.127(2), 364.10, ~~364.20~~, F.S.

Law Implemented: 364.03, F.S.

History: Revised 12/1/68, Amended 3/31/76, formerly 25-4.67, 3/10/96.

25-4.068 Grades of Service.

~~(1) Each telephone utility shall provide equipment and facilities designed and engineered in accordance with realistic anticipated subscriber demands for regrading of service and shall have as its objective the satisfaction of at least ninety five~~

~~percent (95%) of all applications for regrades of service inside the base rate area of each exchange within a thirty (30) day maximum interval.~~

~~(2) To ensure a uniform treatment of the various grades and classes of service on a statewide basis, each telephone utility not presently in compliance shall establish as a goal the attainment of the following objectives:~~

~~(a) The minimum grade of service offered shall not exceed a maximum of four (4) main stations per circuit.~~

~~(b) This minimum grade of service offering beyond the base rate area, where offered, shall be provided at that company's prescribed rates for such service without the application of mileage or zone charges.~~

~~(c) Accordingly, each affected telephone company shall, as economic considerations permit, undertake such expansion of its plant and revisions to its tariff as may be necessary to realize these objectives within (5) years from the effective date of these rules. The utility may regroup subscribers in such manner as may be necessary to carry out the provisions of this rule but it shall not deny service to any existing subscriber.~~

~~(3) During the interim period required for compliance with the above, the presently prescribed maximum of five (5) main stations per line for multi party service shall apply.~~

Specific Authority: 364.20, F.S.

Law Implemented: 364.03, 364.15, F.S.

History: Revised 12/1/68, Amended 3/31/76, formerly 25-4.68, repealed 3/10/96.

25-4.069 Maintenance of Plant and & Equipment. ~~(1)~~ Each telecommunications company ~~telephone utility~~ shall adopt and pursue a maintenance program aimed at achieving efficient operation of its system so as to permit the rendering of safe, adequate, and continuous service at all times.

~~(2) Maintenance shall include keeping all plant and equipment in a good state of repair consistent with safety and adequate service performance. Broken, damaged, or deteriorated parts which are no longer serviceable shall be repaired or replaced. Adjustable apparatus and equipment shall be readjusted as necessary when found by preventive routines or fault location tests to be in unsatisfactory operating condition. Electrical faults, such as leakage or poor insulation, noise induction, crosstalk, or poor transmission characteristics, shall be corrected to the extent practicable within the design capability of the plant affected.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03, 364.15, F.S.

History: Revised 12/1/68, amended 12/13/82, 9/30/85, formerly 25-4.69, Amended 4/16/90, 3/10/96.

25-4.070 Customer Trouble Reports.

(1) Each telecommunications company ~~telephone utility~~ shall make all reasonable efforts to minimize the extent and duration of trouble conditions that disrupt or affect customer telephone service. Trouble reports will be classified as to their severity on a service interruption (synonymous with out-of-service or OOS) or service affecting (synonymous with non-out-of-service or non-OOS) basis. Service interruption reports shall not be downgraded to a service affecting report; however, a service affecting report shall be upgraded to a service interruption if changing trouble conditions so indicate.

(a) Companies shall make every reasonable attempt to restore service on the same day that the interruption is reported to the serving repair center.

(b) In the event a subscriber's service is interrupted otherwise than by a negligent ~~negligence~~ or willful act of the subscriber and it remains out of service in excess of 24 hours after being reported to the company, an appropriate adjustment or refund shall be made to the subscriber automatically, pursuant to Rule 25-4.110 (Customer Billing). Service interruption time will be computed on a continuous basis, Sundays and holidays included. Also, if the company finds that it is the customer's responsibility to correct the trouble, it must notify or attempt to notify the customer within 24 hours after the trouble was reported.

(c) If service is discontinued in error by the telephone company, the service shall be restored without undue delay, and clarification made with the subscriber to verify that service is restored and in satisfactory working condition.

(2) Sundays and Holidays:

(a) Except for emergency services providers, such as i.e., the military, medical, police, and fire, ~~etc.,~~ companies are not required to provide normal repair service on Sundays. Where any repair action involves a Sunday or holiday, that period shall be excepted when computing service objectives, but not refunds for OOS conditions.

(b) Service interruptions occurring on a holiday not contiguous to Sunday will be treated as in paragraph (2)(a) of this rule. For holidays contiguous to a Sunday or another holiday, sufficient repair forces shall be scheduled so that repairs can be made if requested by a subscriber.

(3) Service Objectives:

(a) Service Interruption: Restoration of interrupted service shall be scheduled to insure at least 95 percent shall be cleared within 24 hours of report in each exchange as measured on a monthly basis. For any exchange failing to meet this objective, the company shall provide an explanation with its periodic report to the Commission.

(b) Service Affecting: Clearing of service affecting trouble reports shall be scheduled to insure at least 95 percent of such reports are cleared within 72 hours of the report in each exchange as measured on a monthly basis.

(4) Priority shall be given to service interruptions which affect public health and safety that are reported to and verified by the company and such service interruptions shall be corrected as promptly as possible on an emergency basis.

~~(5) Each telephone company shall maintain an accurate record of trouble reports made by its customers and shall establish as its objective the maintenance of service at a level such that the rate of all initial customer trouble reports (trouble index) in each exchange will not exceed six (6) reports per 100 telephone access lines when measured on a monthly basis.~~

~~(6) Margin of Error: When the monthly trouble index exceeds the prescribed level for that exchange by two (2) or more reported troubles per one hundred (100) telephone access lines, the company shall investigate such situation and take corrective action.~~

(5)~~(7)~~ Repeat Trouble: Each telephone company shall establish procedures to insure the prompt investigation and correction of repeat trouble reports such that the percentage of repeat troubles will not exceed 20 percent of the total initial customer reports in each exchange when measured on a monthly basis. A repeat trouble

report is another report involving the same item of plant within 30 ~~thirty~~ days of the initial report.

~~(6)-(8)~~ The service objectives of this rule ~~shall will~~ not apply to subsequent customer reports (not to be confused with repeat trouble reports), emergency situations, such as i.e., acts of GOD ~~or~~ unavoidable casualties where at least 10 percent of an exchange is out of service, ~~or those reported troubles which are beyond the control of the telephone company.~~

~~(7)-(9)~~ Reporting Criteria: - Each company shall periodically report data as specified in Rule 25-4.0185 ~~25-4.185~~, Periodic Reports.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03, 364.17, 364.18, F.S.

History: Revised 12/1/68, Amended 3/31/76. (formerly 25-4.70), Amended 6/25/90, 3/10/96.

25-4.071 Adequacy of Service.

~~(1) Each telephone utility shall furnish local and toll central office switching service on a twenty four (24) hour basis each day of the year in all exchanges.~~

~~(2) Usage studies, including operator intercept, recorded announcement, directory assistance, repair and business office services shall be made and records maintained to the extent and frequency necessary to determine that sufficient equipment is provided during the average busy season busy hour, that an adequate~~

~~operating force is provided to meet the prescribed answering time requirements of Rule 25 4.73 and to permit force adjustments through out the year for greater operating economy.~~

~~(1)(3)~~ Each telecommunications company ~~telephone utility~~ shall provide switching equipment, trunking, and associated facilities within its operating territory for the handling of local and toll traffic, designed and engineered on the basis of realistic forecasts of growth so that during the average busy season busy hour:

~~(a) At least 95 percent of all calls will receive a dial tone within three (3) seconds.~~

~~(b) a~~ At least 97 percent of all calls offered to any trunk group (toll connecting, inter-office, extended area service) shall ~~will~~ not encounter an all-trunk busy condition.

~~(2)(4)~~ Telephone calls to valid numbers should encounter a ring-back tone, line busy signal, or non-working number intercept facilities (operator or recording) after completion of dialing. The call completion standards established for such calls by category of call is as follows:

- (a) Intra-office Calls -- 95 percent,
- (b) Inter-Office Calls -- 95 percent,
- (c) Extended Area Calls -- 95 percent, and
- (d) Intra-LATA DDD Calls -- 95 percent.

~~(3)-(5)~~ All telephone calls to invalid telephone numbers in ~~common controlled central offices, and to vacant selector levels in step by step central offices~~ shall will encounter an operator or suitable recorded intercept facility, preferably a recording other than the non-working number recording used for valid number calls.

~~(4)-(6)~~ Intercept service shall be as outlined in Rule 25-4.074.

~~(5)-(7)~~ A line busy signal (60 impulse per minute tone) shall not be used for any signaling purpose except to denote that a subscriber's line, ~~or~~ other valid terminal, ~~or~~ centrex or PBX trunks, ~~and/or~~ equipment where the quantity is controlled by the customer is in use.

Specific Authority 350.127(2), F.S.

Law Implemented 364.03, 364.17, 364.18, F.S.

History-Revised 12-1-68, Amended 3-31-76 (25-4.71), 6/25/90, 3/10/96.

25-4.072 Transmission Requirements.

(1) Telecommunications companies ~~Telephone utilities~~ shall furnish and maintain the necessary plant, equipment, and facilities to provide modern, adequate, sufficient, and efficient transmission of communications between customers in their service areas. Transmission shall be at adequate volume levels and free of excessive distortion. Levels of noise and crosstalk shall be such as not to impair communications. The maximum loss objective of inter-toll trunks shall be consistent with the requirements of the

nationwide switching plan and overall transmission losses within each trunk group will not vary more than plus or minus two ~~(2)~~ db.

~~(2) The telephone industry and the Public Service Commission, through their test programs, are making constantly increasing demands upon milliwatt supply units. The accessibility and dependability, with respect to accurate frequency setting and correct output level, is of extreme importance. Effective immediately, along with any major addition or changeout, Accurate~~ dependable milliwatt supplies shall be made a part of each central office entity. Additionally, for those central offices having an installed line capacity of ~~one thousand (1,000)~~ lines or more, the buffered access on a minimum three line rotary group basis shall be a part of the milliwatt supply.

~~(3) Within two (2) years from the effective date of these rules~~ Each central office shall ~~will~~ be equipped with a minimum of one ~~(1)~~ termination which shall ~~will~~ trip ringing and terminate the line on a balanced basis so that end to end noise measurements may be made.

Specific Authority: 350.127(2) ~~364.20~~, F.S.

Law Implemented: 364.03, F.S.

History: New 12/1/68, Amended 3/31/76, formerly 25-4.72, amended 3/10/96.

25-4.074 Intercept Service.

(1) Intercept service shall be engineered to provide a ~~ninety~~ ~~(90%)~~ percent completion for changed numbers (with the exception of the ~~thirty~~ ~~(30)~~ day period immediately following an inter-office transfer with directory) and ~~an eighty (80%) completion~~ for vacant or non-working numbers ~~without encountering a false station busy signal; provided that in those central offices designed to use digit absorption in the processing of calls, a period of five (5) years from the effective date of these rules shall be permitted to meet this requirement, except where practical or economic considerations dictate otherwise.~~

(2) Subscriber lines which are temporarily disconnected for nonpayment of bills shall ~~will~~ be placed on intercept (preferably operator intercept).

(3) All private branch exchanges ~~(and In-Dial Paging Systems)~~, whether provided by the company or customer and which are, equipped for direct in-dialing and installed after the effective date of these rules, shall meet the service requirements outlined herein prior to the assignment of a number block by the telephone company.

(4) With the exception of numbers that are changed coincident with the issuance of a ~~the~~ new directory, intercept service shall be provided by each telephone company in accordance with the following:

(a) ~~In terminal per station offices,~~ Intercept service shall be provided for non-working and changed numbers until assigned, re-assigned, or no longer listed in the directory.

~~(b) In terminal per line offices, intercept service shall be provided for changed numbers for business service until re assigned or no longer listed in the directory and for changed numbers for residence service for a minimum period of sixty (60) days, unless re assigned.~~

~~(b)(e)~~ Any 7-digit number (or other number serving a public safety or other emergency agency) when replaced by the universal emergency number "911" shall be intercepted by either a telecommunications telephone company assistant or a public safety agency operator or special recorded announcement for at least one year or until the next directory issue. Also, ~~where economically feasible,~~ intercept service for the universal emergency telephone number "911" shall be provided in central offices where the number is inoperable. The intercept service ~~may~~ can be automated machine with a message indicating the "911" emergency number is inoperable in that area and to consult the directory for the appropriate emergency number or if a directory is not available to dial operator for assistance.

~~(5) All central offices installed after the effective date of these rules shall be provided with sufficient intercept equipment to meet the criteria set out in this section.~~

ORDER NO. PSC-96-0250-FOF-TL
DOCKET NO. 951283-TL
PAGE 56

Specific Authority: 350.127(2) ~~364.20~~, F.S.

Law Implemented: 364.03, F.S.

History: New 12/1/68, Amended 3/31/76, formerly 25-4.74, amended 3/10/96.

25-4.075 Foreign Exchange Service. ~~Foreign exchange service shall be furnished by each telephone company operating in Florida between the exchanges within the territory served by it or to exchanges of another company to any person applying for same who will pay the approved tariff rate for such service when facilities to furnish said service are available. The tariffs of all such telephone companies shall include for Commission approval rates and charges applying to foreign exchange service.~~

Specific Authority: 364.20, F.S.

Law Implemented: 364.16, 364.20, F.S.

History: New 12/1/68, Amended 3/31/76, formerly 25-4.75, repealed 3/10/96.

25-4.0751 Direct Distance Dialing Service.

~~Each telephone utility shall undertake such additions to and modifications of its equipment and facilities as may be required to provide, on customer dialed toll calls and on calls to directory assistance, a method to record automatically the calling number (ANI) for both individual and two party line service. In the event any properly dialed call fails to identify the calling number (ANI failure) the call shall be extended to an operator for recording of~~

~~the calling number. All new central office units and/or additions shall provide ANI service for both individual and two party line service immediately upon being placed into service.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03 F.S.

History: New 3-31-76 (25-4.751), Amended 6/25/90, repealed 3/10/96.

25-4.077 Metering and Recording.

(1) Where mechanical or electronic means are used for registering or recording information which will affect a subscriber's bill, such equipment shall be in good mechanical and electrical condition, shall be accurately read, and shall be inspected daily to insure that it is functioning properly. Where message rate service (MRS) or any type of optional calling that involves customer billing other than by a flatrate method is used, the metering or measuring device~~(s)~~ used to record call data shall be accurate 95 percent of the time.

(2) Every telephone meter and recording device shall be tested prior to its installation, either by the manufacturer, the company utility, or an approved organization equipped for ~~such~~ testing.

~~(3) Each utility shall provide, or have access to, the necessary facilities, instruments, and equipment for testing its metering and recording equipment and shall adopt appropriate practices for the periodic testing and maintenance of such devices to insure the integrity of their operation. Such practices shall include~~

~~specific instruction for verifying with National Standard Time, Boulder, Colorado area code 303 499 7111, including the frequency of such verification, the time of day reflected on the operator calculagraphs and/or DDD ticketing equipment.~~

~~(4) Operator handled calls shall be carefully supervised and disconnects made promptly. A check of the timing clock shall be made at least once each twenty four (24) hours to insure that the clocks are synchronized and that the time is correct. Clock deviations shall not be in excess of 12 seconds.~~

~~(3)~~(5) Metering and timing equipment shall be maintained so that the accuracy of company billing operations enjoy a high confidence level from their customers. After allowance for a one-second variation, timing accuracy shall ~~should~~ be not less than 97 percent.

Specific Authority 350.127(2), F.S.

Law Implemented 364.03 F.S.

History-New 12-1-68, Amended 3-31-76 (25-4.77), Amended 6/25/90, 3/10/96.

25-4.0770 Customer Appointments.

(1) When the company determines that it is likely that a premises visit and entry to the customer's premises (for installation, moves, changes, or repairs) will be necessary, the company shall, with customer approval, advise the customer of the time that its representative will be at the premises. Appointments

shall ~~will~~ be set within the time frames of 7-12 A.M., 12-5 P.M., or 5-9 P.M., or, upon customer and company agreement, appointments may be set for a specific hour or day. Appearance of the company representative to render the service during the set period shall constitute a kept appointment by the company. Failure of the company representative to be present during the prescribed period for the appointment shall constitute a missed appointment by the company. In confirming the appointment, the company shall specifically advise the customer of the hour or hours applicable to the appointment.

(2) Each company shall keep at least 95 percent % of all ~~such~~ appointments each month. Where appointments cannot be kept by the company, the customer shall be notified by telephone call prior to the beginning of the appointment period if a can-be-reached number is obtained from the customer and a new appointment shall be scheduled. No appointment cancelled in this manner shall constitute a kept or missed appointment by the company.

(3) Whenever a company representative is unable to gain admittance to a customer's premises during the scheduled appointment period, the company representative shall leave a notice, indicating the date, time, name of subscriber, telephone number, and signature of the representative. Failure of the customer to be present to afford the company representative entry

to the premises during the appointment period shall constitute a missed appointment by the customer.

(4) Appointments may be cancelled by the customer by telephone or personal notification, prior to the start of the appointment period.

(5) The company shall maintain data and records sufficient to allow the Commission to ascertain compliance with this rule.

(a) Each company shall at least maintain the following information on each appointment made: reason for premises entry (installation, move, change, or repair); the date and time the customer requested service; the appointment date and time period agreed upon; the date and time the appointment is cleared without a premises visit, if applicable; the date and time of cancellation of an appointment by either party; the date and time of arrival at the customer's premises; and the date and time of completion of the service. This information shall be maintained for one year following the completion of the service.

(b) Each company shall report quarterly to the Commission the record of the company with respect to missed appointments. The report shall contain, on both a monthly and annual basis, the total number of customer appointments made pursuant to this rule, the number of appointments cleared without a premises visit, the number of appointments kept by the company, the number of appointments missed by the company, the number of appointments missed by

customers, the number of appointments cancelled by the company, and the number of appointments cancelled by the customers.

~~(c) Each company shall monitor and report to the Commission, for each of the two years following the effective date of this rule, the costs and benefits, to the company and customers, of implementing the rule.~~

~~(c) This rule shall take effect October 1, 1982.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03(1), F.S.

History: New 7/13/82, formerly 25-4.770, amended 3/10/96.

PART VII - CUSTOMER RELATIONS

25-4.110 Customer Billing for Local Exchange Telecommunication Companies.

(1) Each company shall issue bills monthly. Each bill shall show the delinquent date, set forth a clear listing of all charges due and payable, and ~~not later than December 1, 1982,~~ contain the following statement: "Written itemization of local billing available upon request."

(a) Each local exchange company shall provide an itemized bill for local service:

1. With the first bill rendered after local exchange service to a customer is initiated or changed; and
2. ~~To~~ every customer at least once each twelve months.

(b) The annual itemized bill shall be accompanied by a bill stuffer which explains the itemization and advises the customer to verify the items and charges on the itemized bill. This bill stuffer shall be submitted to the Commission's Division of Communications for prior approval. The itemized bill provided to residential customers and to business customers with less than 10 access lines per service location shall be in easily understood language. The itemized bill provided to business customers with 10 or more access lines per service location may be stated in service order code, provided that it contains a statement that, upon request, an easily understood translation is available in written form without charge. An itemized bill shall include, but not be limited to the following information, separately stated:

1. Number and types of access lines;
2. Charges for access to the system, by type of line;
- ~~3. zone charges;~~
- ~~3~~4. Touch tone service charges;
45. Charges for custom calling features, separated by feature;
56. Unlisted number charges;
67. Local directory assistance charges;
78. Other tariff charges; and
89. Other nontariffed, regulated charges contained in the bill.

(c) Each bill rendered by a local exchange company shall:

1. Separately state the following items:

- a. ~~A~~ny discount or penalty, if applicable,
 - b. ~~P~~ast due balance,
 - c. ~~U~~nregulated charges, identified as unregulated,
 - d. ~~L~~ong-distance charges, if included in the bill,
 - e. ~~F~~ranchise fee, if applicable, and
 - f. ~~T~~axes as applicable on purchases of local and long distance service; and
2. ~~C~~ontain a statement that nonpayment of regulated charges may result in discontinuance of service and that the customer may contact the business office (at a stated number) to determine the amount of regulated charges in the bill.

(2) Each ~~F~~company shall make appropriate adjustments or refunds where the subscriber's service is interrupted by other than the subscriber's negligent or willful act, and remains out of order in excess of ~~twenty four (24)~~ hours after the subscriber notifies the company of the interruption. The refund to the subscriber shall be the pro rata~~fe~~ part of the month's charge for the period of days and that portion of the service and facilities rendered useless or inoperative; except that the refund shall not be applicable for the time that the company stands ready to repair the service and the subscriber does not provide access to the company for such restoration work. The refund may be accomplished by a credit on a subsequent bill for telephone service.

(3) (a) Bills shall not be considered delinquent prior to the expiration of ~~fifteen~~-(15) days from the date of mailing or delivery by the utility. However, the company may demand immediate payment under the following circumstances:

1. Where service is terminated or abandoned; ~~-~~
2. Where toll service is two ~~(2)~~ times greater than the subscriber's average usage as reflected on the monthly bills for the three ~~(3)~~ months prior to the current bill, or, in the case of a new customer who has been receiving service for less than four ~~(4)~~ months, where the toll service is twice the estimated monthly toll service; or ~~-~~
3. Where the company has reason to believe that a business subscriber is about to go out of business or that bankruptcy is imminent for that subscriber.

(b) The demand for immediate payment shall be accompanied by a bill which itemizes the charges for which payment is demanded, or, if the demand is made orally, an itemized bill shall be mailed or delivered to the customer within three ~~(3)~~ days after the demand is made.

(c) If the company cannot present an itemized bill, it may present a summarized bill which includes the customer's name and address and the total amount due. However, a customer may refuse to make payment until an itemized bill is presented. The company

shall inform the customer that he may refuse payment until an itemized bill is presented.

(4) Each telephone company shall include a bill insert advising each subscriber of the directory closing date and the subscriber's opportunity to correct any error or make ~~such~~ changes as the subscriber deems necessary in advance of the closing date. It shall also state that at no additional charge and upon the request of any residential subscriber, the exchange company shall list an additional first name or initial under the same address, telephone number, and surname of the subscriber. Such notice shall be included in the billing cycle closest to ~~sixty~~ (60) days preceding the directory closing date.

(5) Annually, each telephone company shall include a bill insert advising each residential subscriber of the option to have the subscriber's ~~his/her~~ name placed on the "No Sales Solicitation" list maintained by the Department of Agriculture and Consumer Services, Division of Consumer Services, and the 800 number to contact to receive more information.

(6) Where any undercharge in billing of a customer is the result of a company mistake, the company may not backbill in excess of 12 ~~twelve~~ months. Nor may the company recover in a ratemaking proceeding any lost revenue which inures to the company's detriment on account of this provision.

(7) Franchise fees and municipal telecommunications taxes.

(a) When a municipality charges a company any franchise fee, or municipal telecommunications tax authorized by Section 166.231 Florida Statutes F.S., the company may collect that fee only from its subscribers receiving service within that municipality. When a county charges a company any franchise fee, the company may collect that fee only from its subscribers receiving service within that county.

(b) A company may not incorporate any franchise fee or municipal telecommunications tax into its other rates for service.

(c) This subsection shall not be construed as granting a municipality or county the authority to charge a franchise fee or municipal telecommunications tax. This subsection only specifies the method of collection of a franchise fee if a municipality or county, having authority to do so, charges a franchise fee or municipal telecommunications tax.

(8) (a) When a company elects to add the Gross Receipts Tax onto the customer's bill as a separately stated component of that bill, the company must first remove from the tariffed rates any embedded provisions for the Gross Receipts Tax.

(b) If the tariffed rates in effect have a provision for gross receipts tax, the rates must be reduced by an amount equal to the gross receipts tax liability imposed by Chapter 203, Florida Statutes, thereby rendering the customer's bill unaffected by the election to add the Gross Receipts Tax as a separately stated tax.

(c) This subsection shall not be construed as a mandate to elect to separately state the Gross Receipts Tax. This subsection only specifies the method of applying such an election.

(d) All services sold to another telecommunications vendor, provided that the applicable rules of the Department of Revenue are satisfied, must be reduced by an amount equal to the gross receipts tax liability imposed by Chapter 203, Florida Statutes, unless those services have been adjusted by some other Commission action.

(e) When a nonrate base regulated telecommunications company exercises the option of adding the gross receipts tax as a separately stated component on the customer's bill then that company must file a tariff indicating such. ~~No corresponding rate reduction is required for nonrate base regulated telephone companies.~~

(9) Each local exchange company shall apply partial payment of an end user/customer bill first towards satisfying any unpaid regulated charges. The remaining portion of the payment, ~~(if any),~~ shall be applied to nonregulated charges.

(10) This section applies to local exchange companies and interexchange carriers that provide transmission services and/or bill and collect on behalf of Pay Per Call providers. Pay Per Call services are defined as switched telecommunications services between locations within the State of Florida which permit communications between an end use customer and an information

provider's program at a per call charge to the end user/customer. Pay Per Call services include 976 Services provided by the local exchange companies and 900 services provided by interexchange carriers.

(a) Charges for Pay Per Call service (900 or 976) shall be segregated from charges for regular long distance or local charges by appearing separately under a heading that reads as follows: "Pay Per Call (900 or 976) nonregulated charges". The following information shall be clearly and conspicuously disclosed on each section of the bill containing Pay Per Call service (900 or 976) charges:

1. Nonpayment of Pay Per Call service (900 or 976) charges will not result in disconnection of local service;
2. End users/customers can obtain free blocking of Pay Per Call service (900 or 976) from the local exchange telephone company;
3. The local or toll-free number the end user/customer can call to dispute charges;
4. With 900 service, the name of the interexchange carrier providing 900 service; and
5. The Pay Per Call service (900 or 976) program name.

(b) Pay Per Call Service (900 and 976) Billing. Local exchange companies and interexchange carriers who have a tariff or contractual relationship with a Pay Per Call (900 or 976) provider

shall not provide Pay Per Call transmission service ~~and/or~~ billing services, unless the provider does each of the following:

1. Provides a preamble to the program which states the per minute and total minimum charges for the Pay Per Call service (900 and 976); child's parental notification requirement is announced on preambles for all programs where there is a potential for minors to be attracted to the program; child's parental notification requirement in any preamble to a program targeted to children must be in language easily understandable to children; and programs that do not exceed \$3.00 in total charges may omit the preamble, except as provided in Section (10) (b) 3~~1-~~
2. Provides an 18 second billing grace period in which the end user/customer can disconnect the call without incurring a charge; from the time the call is answered at the Pay Per Call provider's premises, the preamble message must be no longer than 15 seconds. The program may allow an end user/customer to affirmatively bypass a preamble~~1-~~
3. Provides on each program promotion targeted at children (defined as younger than 18 years of age) clear and conspicuous notification, in language understandable to children, of the requirement to obtain parental permission before placing or continuing with the call. The parental consent notification shall appear prominently in all

- advertising and promotional materials, and in the program preamble. Children's programs shall not have rates in excess of \$5.00 per call, and shall not include the enticement of a gift or premium;
4. Promotes its services without the use of an autodialer or broadcasting of tones that dial a Pay Per Call (900 and 976) number;
 5. Prominently discloses the additional cost per minute or per call for any other telephone number that an end user/customer is referred to either directly or indirectly;
 6. In all advertising and promotional materials, displays charges immediately above, below, or next to the Pay Per Call number, in type size that can be seen as clearly and conspicuously at a glance as the Pay Per Call number. Broadcast television advertising charges, in Arabic numerals, must be shown on the screen for the same duration as the Pay Per Call number is shown, each time the Pay Per Call number is shown. Oral representations shall be equally as clear;
 7. Provides on Pay Per Call services that involve sales of products or merchandise clear preamble notification of the price that will be incurred if the end user/customer stays on the line, and a local or toll free number for consumer complaints; and

8. Meets internal standards established by the local exchange company or the interexchange carrier as defined in the applicable tariffs or contractual agreement between the LEC and the IXC; or between the LEC/IXC and the Pay Per Call (900 or 976) provider which when violated, would result in the termination of a transmission ~~and/or~~ billing arrangement.

(c) Pay Per Call (900 and 976) Blocking. Each local exchange company shall provide blocking ~~(where technically feasible)~~ of Pay Per Call service (900 and 976), at the request of the end user/customer at no charge. Each local exchange company or interexchange carrier must implement a bill adjustment tracking system to aid its efforts in adjusting and sustaining Pay Per Call charges. The carrier will adjust the first bill containing Pay Per Call charges upon the end user's/customer's stated lack of knowledge that Pay Per Call service (900 and 976) has a charge. A second adjustment will be made if necessary to reflect calls billed in the following month which were placed prior to the Pay Per Call service inquiry. At the time the charge is removed, the end user/customer may agree to free blocking of Pay Per Call service (900 and 976).

(d) Dispute resolution for Pay Per Call service (900 and 976). Charges for Pay Per Call service (900 and 976) shall be automatically adjusted upon complaint that:

1. The end user/customer did not receive a price advertisement, the price of the call was misrepresented to the consumer, or the price advertisement received by the consumer was false, misleading, or deceptive;
2. The end user/customer was misled, deceived, or confused by the Pay Per Call (900 or 976) advertisement;
3. The Pay Per Call (900 or 976) program was incomplete, garbled, or of such quality as to render it inaudible or unintelligible, or the end user/customer was disconnected or cut off from the service;
4. The Pay Per Call (900 and/or 976) service provided out-of-date information; or
5. The end user/customer terminated the call during the preamble described in 25-4.110 (10) (b) (2), but was charged for the Pay Per Call service (900 or 976).

(e) If the end user/customer refuses to pay a disputed Pay Per Call service (900 or 976) charge which is subsequently determined by the LEC to be valid, the LEC or IXC may implement Pay Per Call (900 and 976) blocking on that line.

(f) Credit and Collection. Local exchange companies and interexchange carriers billing Pay Per Call (900 and 976) charges to an end user/customer in Florida shall not:

1. Collect or attempt to collect Pay Per Call service (900 or 976) charges which are being disputed or which have been removed from an end user's/customer's bill; or
2. Report the end user/customer to a credit bureau or collection agency solely for non-payment of Pay Per Call (900 or 976) charges.

(g) Local exchange companies and interexchange carriers billing Pay Per Call service (900 and 976) charges to end users/customers in Florida shall implement safeguards to prevent the disconnection of phone service for non-payment of Pay Per Call (900 or 976) charges.

Specific Authority: 350.127, F.S.

Law Implemented: 364.17, 350.113, 364.03, 364.04, 364.05, F.S.

History: New 12/1/68, Amended 3/31/76, 12/31/78, 1/17/79, 7/28/81, 9/8/81, 5/3/82, 11/21/82, 4/13/86, 10/30/86, 11/28/89, 3/31/91, 11/11/91, 3/10/96.

PART IX

ACCOUNTING AND REVENUE REQUIREMENTS

RATE ADJUSTMENT APPLICATIONS

A. Accounting Reports

25-4.135 Annual Reports.

(1) Each rate-of-return regulated local exchange telephone company shall file annual reports with the Commission on Commission Form PSC/AFA 18 (xx/xx) ~~(12/94)~~ which is incorporated by reference

into this rule. Form PSC/AFA 18, entitled "Annual Report of Local Exchange Telephone Companies", may be obtained from the Commission's Division of Auditing and Financial Analysis. These reports shall be verified by a responsible accounting officer of the company utility making the report and shall be due on or before April 30 for the preceding calendar year. A company may file a written request for an extension of time with the Division of Auditing and Financial Analysis no later than April 30. One extension of 31 days will be granted upon request. A request for Commission approval of a longer extension must be accompanied by a statement of good cause and shall specify the date by which the report will be filed.

(2) The company shall also file with the original and each copy of the annual report form, or separately within 30 days, a letter or report, signed by an independent certified public accountant, attesting to the conformity in all material respects of the following schedules and their applicable notes of Form PSC/AFA 18 with the Commission's applicable uniform system of accounts and published accounting releases:

- (a) Schedule B-1 Balance Sheet,
- (b) Schedule B-2 Statement of Cash Flows, and
- (c) Schedule I-1 Income Statement.

(3)(a) Each company shall file with the Commission an audit report issued by an independent auditor commenting on the company's

compliance with its Cost Allocation Manual (CAM) or written accounting procedures for nonregulated operations. Beginning January 1, 1996, the compliance audit shall be performed no less than once every three years. The audit report shall be filed with the annual report or within 30 days of filing the annual report.

(b) Each company shall file, along with the audit report, a list of all incidents of non-compliance with the CAM or written accounting procedures for nonregulated operations. This list shall include all errors and irregularities detected by the independent auditor during the audit, regardless of materiality.

(c) The expense of the audit shall be separately identified and shall not be chargeable to expense for ratemaking purposes. The Commission may, upon sufficient showing, modify or waive these requirements.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.17, F.S.

History: New 12/27/94, amended 3/10/96.

25-4.1351 Diversification Reports.

~~(1) Each local exchange telephone company shall file information on its affiliates and affiliated transactions on Commission Form PSC/AFA 16 (12/94) which is incorporated into this rule by reference. Form PSC/AFA 16, entitled "Analysis of Diversification Activities", may be obtained from the Commission's Division of Auditing and Financial Analysis.~~

~~(2) Definitions~~

~~(a) Affiliate — Any entity that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a local exchange telephone company. Ownership of 5 percent or more of the voting securities of an entity shall be conclusively deemed to constitute the control thereof.~~

~~(b) Affiliated Transaction — Any transaction in which both a local exchange telephone company and an affiliate thereof are each participants other than transactions related to the filing of consolidated tax returns.~~

~~(3) Within 45 days of coming under the jurisdiction of the Commission, each local exchange telephone company shall file Schedules 1, 7, and 8 of Form PSC/AFA 16 with the Division of Auditing and Financial Analysis.~~

~~(4) Each local exchange telephone company shall file Schedules 1-6 of Form PSC/AFA 16 as an attachment to its annual report.~~

~~(5) Each local exchange telephone company shall keep a detailed backup report of the summary report to facilitate auditing and analysis. Each local exchange telephone company shall maintain a clear audit trail from the summary report through the general ledger to the source documents supporting the reported transactions.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.17, F.S.

History: New 12/27/94, repealed 3/10/96.

25-4.1352 Earnings Surveillance Report.

(1) Each rate-of-return regulated local exchange telephone company shall file rate of return data using Commission Form PSC/AFA 15 ~~(x/xx)(6/94)~~, which is incorporated by reference into this rule. Form PSC/AFA 15, entitled "Telephone Earnings Surveillance Report," may be obtained from the Commission's Division of Auditing and Financial Analysis.

(2) The report shall be filed+

~~(a) Monthly, by the 15th day of the third month following the reported month for telephone companies with 100,000 or more access lines.~~

~~(b) semiannually Quarterly, by the 15th day of the second month following the reported period quarter for telephone companies with less than 100,000 access lines.~~

(3) A company may file a written request for an extension of time with the Division of Auditing and Financial Analysis prior to the due date of the report. One extension of 31 days shall be granted upon request. A request for Commission approval of a longer extension must be accompanied by a statement of good cause and shall specify the date by which the report shall be filed. ~~Requests for extensions of time in which to file the report must be submitted in writing to the Commission prior to the due date of the report.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03(1), 350.117(1), F.S.

History: New 11/18/82, formerly 25-4.245, Amended 8/21/90,
formerly 25-4.0245, Amended 6/10/94, 3/10/96.

25-4.1353 Forecasted Earnings Surveillance Report.

~~(1) Each local exchange company with more than 50,000 access lines and not under an incentive regulation plan or not subject to an earnings cap shall file with the Commission its forecasted financial information on Commission Form PSC/AFA 21 (1/95) which is incorporated into this rule by reference. Form PSC/AFA 21, entitled "Telephone Forecasted Earnings Surveillance Report", may be obtained from the Commission's Division of Auditing and Financial Analysis. The report shall be verified by the responsible officer of the company making the report. The report shall be due on or before March 1 of each year, and shall contain the forecasted financial information for that calendar year.~~

~~(2) A company may file a written request for an extension of time with the Division of Auditing and Financial Analysis no later than March 1. One extension of 15 days will be granted upon request. A request for a longer extension must be accompanied by a statement of good cause and shall specify the date by which the report will be filed.~~

~~(3) If during the course of the forecast year the company should revise its forecasted financial information as a result of a change~~

~~in a forecast assumption such that its forecasted annual return on equity changes by more than 25 basis points, whether as a result of a single or several events or assumptions, the company shall provide the Commission with the following information within 30 days of the revised forecast:~~

~~(a) A description of the revised forecast assumptions or other events that caused the forecasted return on equity to be revised.~~

~~(b) An estimate of the revised annual return on equity.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 350.117(1), 364.03(1), F.S.

History: New 1/11/95, repealed 3/10/96.

25-4.1357 Annual Separations Cost Study

(1) Each rate-of-return regulated local exchange telephone company that conducts a cost study on an annual basis shall file a copy of the study that separates operation's investments and expenses by interstate and intrastate with the Commission's Division of Auditing and Financial Analysis on or before July 31 ~~June 30~~ of each year.

(2) A company may file a written request for an extension of time with the Division of Auditing and Financial Analysis no later than July 31. One extension of 31 days shall be granted upon request. A request for Commission approval of a longer extension must be accompanied by a statement of good cause and shall specify the date by which the report shall be filed.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.07(2), F.S.

History: New 10/31/93, amended 3/10/96.

B. Revenue Requirements

25-4.141 Minimum Filing Requirements for Rate-of-Return Regulated Local Exchange Companies ~~Contents of the Petition and Number of Copies~~; Commission Designee.

(1) General Filing Instructions.

(a) Each ~~The~~ petition under Section 364.05 ~~and/or~~ 364.055, Florida Statutes, for adjustment of rates must include or be accompanied by:

1. The information required by Commission Form PSC/CMU 20 ~~(x/xx)-(2/88)~~, which is incorporated into this rule by reference. Form PSC/CMU 20 ~~February 3, 1988~~ and may be obtained from the Commission's Division of Communications; ~~-~~
2. The exact name of the applicant and the address of the applicant's principal place of business; ~~-~~
- ~~3. The number of the most recent Commission order, if any, which previously considered the applicant's rates.~~
- ~~34.~~ Copies of prepared direct testimony and exhibits for each witness testifying on behalf of the company; ~~and-~~
- ~~45.~~ Proposed tariff sheets.

(b) In compiling the required schedules, a company shall follow the policies, procedures, and guidelines prescribed by the

Commission in relevant rules and in the company's last rate case or in a more recent rate case involving a comparable utility. A company may also provide separate, comparable information on a different basis of its own choice, such as ~~(e.g.,~~ year-end versus average rate base~~)~~ as long as it reconciles for each schedule the differences in the required basis and the company basis. Such added filing shall be made on the same date as the required filing. These additional schedules shall be identified appropriately; for example, ~~(e.g.,~~ Schedule B-1 would be designated Company Schedule B-1 - company basis~~)~~.

(c) Each schedule shall be cross-referenced to identify related schedules as either supporting schedules ~~and/or~~ recap schedules.

(d) Each page of the filing shall be numbered and on 8 1/2 x 11 inch paper. Each witness' prefiled testimony and exhibits shall be on numbered pages and all exhibits shall be attached to the proponent's testimony and shall also comply with Rule 25-22.048, Evidence. Each set of the filing, consisting of the petition and its supporting attachments, testimony, and exhibits, shall be bound in order of appearance in this rule in standard three ring binders, with each schedule indexed and tabbed.

(e) Except for handwritten official company records, all data in the petition, testimony, exhibits, and minimum filing requirements shall be typed.

(f) Each schedule shall indicate the name of the witness responsible for its presentation.

(g) All schedules involving investment data shall be completed on an average investment basis. Unless a specific schedule requests otherwise, average is defined as the average of ~~twelve~~ ~~(12)~~ monthly average balances.

(h) Whenever the company proposes any corrections, updates or other changes to the originally filed data, ~~twenty~~ ~~(20)~~ copies shall be filed with the Director of Records and Reporting with copies also served on all parties at the same time.

~~(i) The number of copies required for filing with the Commission are as listed below and shall be filed by the applicant directly with the Director of Records and Reporting.~~

Item	Div. of Records & Reporting	Dep. Ex. Dir/Tech	Div. of Communi- cations	Div. of Audit & Financial Analysis	Div. of Legal Services
Petition	7	1	5	4	2
Testimony & exhibits	7		5	4	2
Tariff sheets	7		2		2
A Schedules	7	1	5	4	2
Schedules B 5a & 5b	7		2		2
Schedules B 6a & 6b	7		2		2
Schedule B 11	7		2		2

Schedule B 13	7	1	1	2	
Schedules B 14a & 14b	7	1	1	2	
All other B Schedules	7	2	1	2	
Schedule C 11b, 11c,					
11d, 11e	7	2	1	2	
Schedules C 22a, 22b	7	2	1	2	
Schedules C 23a-23j	7	2	1	2	
Schedule C 24h	1				
Schedule C 24i	7	2	1	2	
All other C Schedules	7	2	1	2	
D Schedules	7	2	1	2	
Schedule E 5	7	2		2	
Schedule E 8a-8d	7	3		2	
All other E Schedules	7	2		2	
Schedule F 1a	7	3		2	
Schedule F 1b	7	2		2	
Schedule F 2	2	1	1	1	
Schedule F 3	7	2		2	
Schedule G 7 & G 9	7	2	3	2	
All other G Schedules	7	1	3	3	2

(i) ~~In the alternative,~~ The company shall ~~may~~ file 20 ~~twenty~~ copies of the entire filing with the Division of Records and Reporting.

(2) Projected Test Year. When a partially or fully projected test year is used, the company shall provide on Form PSC/CMU 20 ~~(2/88)~~, in addition to the other requirements of this rule:

(a) The most currently available historical data (for a time period equal to the period requested in the schedule) immediately preceding the test year, in addition to test year data. The historical data schedules shall be indexed and tabbed separately from the test year schedules.

(b) A full description of supporting forecast information and methodology including detailed input data requirements, sources of input, and equations employed.

(3) Commission Designee. The Director of the Division of Communications shall be the designee of the Commission for purposes of determining whether the company utility has met the minimum filing requirements imposed by this rule.

(4) Waiver of MFR Requirements. The Commission may grant a waiver with respect to specific data or the number of copies required by this rule upon a showing that production of the data would be impractical or impose an excessive economic burden upon the company.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.05(4), F.S.

History: New 5/4/81, Amended 7/29/85, 6/11/86, 2/3/88, 3/10/96.

25-4.142 Burden of Proof and Audit Provisions.

~~(1) In each instance, the utility must be able to support any schedule submitted, as well as any adjustments or allocations relied on by the utility. The work sheets, etc., supporting the schedules and data submitted must be organized in a systematic and rational manner so as to enable Commission personnel to verify the schedules in an expedient manner and minimum amount of time. The supporting work sheets, etc., shall list all reference sources necessary to enable Commission personnel to track to original source of entry into the financial and accounting system and, in addition, verify amounts to the appropriate schedules.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.05(4), F.S.

History: New 5/4/81, repealed 3/10/96.

PART XI

STREAMLINED REGULATORY PROCEDURES

FOR SMALL LECS

- 25-4.200 Application and Scope
- 25-4.202 Construction and Waivers
- 25-4.210 Service Evaluations and Investigations
- 25-4.214 Tariff Filings
- 25-4.215 Limited Scope Proceedings

25-4.200 Application and Scope. The purpose of this part is to adopt streamlined procedures for regulating small local exchange

companies as required by Section 364.052, Florida Statutes. This part shall apply to all small local exchange companies, except as otherwise noted.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.052, F.S.

History: New 3/10/96.

25-4.202 Construction and Waivers

(1) The intent of this Part is to minimize the regulation of small LECs with respect to audits, investigations, service standards, cost studies, periodic reports, evaluations, and discovery. Where the rules contained in this Part conflict with other provisions in Chapter 25, Florida Administrative Code, the conflicting rules shall be construed so that the less burdensome requirement will apply.

(2) When determining whether regulatory requirements should be imposed on small local exchange companies, the Commission and its staff shall weigh the requirements's benefits against the cost of compliance by considering factors such as the amount of data and resources available, the relative amount of precision needed, and whether the use of outside consultants is necessary.

(3) When compliance with a Commission imposed requirement would result in unreasonable hardship on a small local exchange company, would not be cost-effective, or would not be in the public interest, the small local exchange company may apply for a

temporary rule waiver pursuant to Rule 25-4.002(2), petition the Commission to amend or repeal its rule pursuant to Rule 25-22.012, or seek similar relief as appropriate.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.052, F.S.

History: New 3/10/96.

25-4.210 Service Evaluations and Investigations.

(1) Commission staff shall not conduct a service evaluation of a small local exchange company more frequently than every four years unless there is a compelling reason to do so. Reasons sufficiently compelling to justify service evaluations on a more frequent basis include, but are not limited to, poor results on the most recent service evaluation, a material number of customer complaints received by the Commission against a small local exchange company, service quality deficiencies indicated by the service quality reports filed by the small local exchange company with the Commission, reports of significant rule violations affecting service by a small local exchange company, or a complaint from a county or city regarding violation of one of the Commission's service standards.

(2) During the course of undocketed generic investigations involving issues of general applicability to all or a part of the telecommunications industry, the following shall apply:

(a) Commission staff shall coordinate data requests to small local exchange companies and weigh the benefit that would be gained from the information against the cost of compliance to determine whether the information is needed.

(b) Upon receipt of a Commission staff data request, a small local exchange company may request to decline to respond if the small local exchange company does not have responsive data that will materially contribute to the resolution of the issue under review, or where responding to the data request would be unduly costly or otherwise burdensome. In such event, the small local exchange company shall notify the staff within a reasonable time after receipt of the request and shall state the basis for requesting to not respond. Any dispute arising from a small local exchange company's notification under this subsection shall be resolved by the Director of the division issuing the data request or the Director's designee.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03, 364.052, 364.15, 364.18, F.S.

History: New 3/10/96.

25-4.214 Tariff Filings. Tariff filings for new services and changes to an existing service that are submitted by small local exchange companies subject to the Commission's rate base and rate of return regulation shall go into effect on the 30th day following the day of filing unless:

(1) The company requests a later effective date; or

(2) The Commission suspends or denies the filing prior to the
30th day.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.04, 364.052, F.S.

History: New 3/10/96.

25-4.215 Limited Scope Proceedings. A small local exchange
company may seek to change its existing overall rate relationships
without affecting its total revenues by filing a petition for a
limited scope proceeding pursuant to Sections 364.05 and 364.058,
Florida Statutes, and submitting Schedule E-2 (the priceout
schedule) in Form PSC/CMU 20 (XX/XX), entitled "Minimum Filing
Requirements," which is incorporated herein by reference in Rule
25-4.141 and may be obtained from the Commission's Division of
Communications. The required MFR Schedule E-2 must show that the
revenues generated under the proposed rate relationships shall not
exceed the revenues generated under the small local exchange
company's existing rate relationships, based on data for units and
revenues for the last full calendar year available.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.05, 364.052, 364.058, F.S.

History: New 3/10/96.