[illegible] West [illegible] Street
PO Box [illegible]
Quincy, FL [illegible]

Telephone (904) 875-[illegible]
FAX (904) 875-[illegible]

ORIGINAL
FILE COPY

TDS TELECOM

Quincy
Telephone Company

October 14, 1996

Bianca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Proposed Rules Relating To Pay Telephone Service, Docket No. [redacted]-TP

Dear Ms. Bayo:

Enclosed please find the original and 15 copies of Quincy Telephone Company's comments regarding the Proposed Rules Relating To Pay Telephone Service, in Docket 951560-TP. If you have any questions please contact Tom McCabe at (904) 875-5207.

Sincerely

Thomas M. McCabe

Thomas M. McCabe
Manager -- External Relations

cc: Dave Erwin

ACK ___
AFA ___
APP 1
CAF ___
CMU ___
CTR ___
EAG ___
[illegible] 1
[illegible] ___
[illegible] ___
[illegible] 1
SEC 1
WAS ___
OTH ___

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
10992 OCT 15 [illegible]
FPSC-RECORDS/REPORTING

Quincy Telephone Company
Comments Regarding Proposed Rules
Relating to Pay Telephone Service --
Docket No. 951560-TP
October 14, 1996

Quincy Telephone Company offers the following comments in Docket 951560-TP, regarding the proposed rules relating to pay telephone service. Quincy Telephone Company objects to rule 25-24.515 (17) that exempts pay telephone stations located in confinement facilities from the requirement that each pay telephone station must be connected to an individual access line (25-24.515 (9)). Quincy Telephone Company does not believe that the proposed rule is in the public interest and will be a contributing factor to local rate increases in many areas served by small LECs. Alone, the proposed rule is estimated to reduce Quincy Telephone Company's annual revenues by $21,000.

Quincy Telephone Company is not implying that a $21,000 loss in annual revenues will cause local rate increases. However, we believe that the FPSC should not look at the impact of the proposed rule in isolation. The FPSC should take into account past Commission rule changes and decisions relating to pay telephone service in determining whether or not the proposed rule is in the public interest. Also, the FPSC should consider the impact of the proposed rule on potential local rate increases and their effects on the LECs universal service obligations, especially in small LEC territories.

Since July of 1995, revenues received by Quincy Telephone Company from non-LEC pay stations have or will decrease significantly. The factors contributing to these revenue reductions are the 1995 Legislative mandate that rates for PATS lines be set at the applicable B-1 rate, and the FPSC decision to allow NPATS to handle 0+ local and intraLATA toll from confinement facilities. The reduction of an NPATS line to the applicable B-1 rate resulted in an annual revenue reduction of $32,760. Also, depending on the outcome of Docket 960407 (0+ local and intraLATA issue), the potential exists for Quincy Telephone to experience an additional annual revenue loss in excess of $100,000. Adding the $21,000 revenue loss from the proposed rule, Quincy Telephone Company can expect a loss in annual revenues in excess of $150,000.

Quincy Telephone Company recommends that the proposed rule be amended to limit the exemption of the requirement of one pay station per access line in confinement facilities to large LEC territories. For many of the large LECs, the proposed rule change, as well as past pay telephone rule changes, will have little if any impact, on the company's overall earnings or local rates. However, for Quincy Telephone Company, the impact of the proposed rule and past decision will result in a drop of approximately 180 basis points to the company's ROE. Currently, an intrastate revenue loss of $82,463 represents a 100 basis point change in the company's ROE. Ultimately these revenue losses will need to be replaced. Unfortunately, the revenue replacement will ultimately be born by local ratepayers.