

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Flow-through of 1997 LEC
switched access reductions by
IXCs, pursuant to Section
364.163(6), F.S.

DOCKET NO. 970274-TP
ORDER NO. PSC-97-1028-FOF-TP
ISSUED: August 27, 1997

The following Commissioners participated in the disposition of
this matter:

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

ORDER APPROVING SWITCHED ACCESS
RATE REDUCTION TARIFFS

BY THE COMMISSION:

Section 364.163(6), Florida Statutes, requires any local exchange carrier (LEC) whose current intrastate switched access rates are higher than its December 31, 1994, interstate switched access rates to reduce its intrastate switched access rates by 5 percent annually, beginning October 1, 1996. Reductions are required until such time as a LEC's current intrastate switched access rates reach December 31, 1994, interstate levels.

Section 364.163(6), Florida Statutes, also requires that the intrastate switched access rate reductions be "flowed-through" to long distance customer rates by any interexchange telecommunications company (IXC) whose switched access rates are reduced by the section. By Order No. PSC-96-1265-FOF-TP, issued October 8, 1996, we required facility-based IXCs to flow through the reductions in order to reduce long distance rates by the amount necessary to return the benefits of the rate reductions to their long distance customers.

By Order No. PSC-97-0604-FOF-TP, issued May 27, 1997, we required all LECs to file supporting documentation with their tariffs for the October 1, 1997, switched access rate reductions. This documentation was to include a calculation of the LEC's

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current intrastate composite switched access rate per minute using the same methodology that the LEC used to calculate its intrastate composite switched access rate and its December 31, 1994, interstate composite switched access rate in the LEC's October 1, 1996, filing.

By Order Nos. PSC-96-1543-FOF-TL, PSC-96-1543A-FOF-TL, and PSC-96-1578-FOF-TL, issued in Docket No. 961362-TL, Centel's Certificate of Public Convenience and Necessity No. 33 was merged into United's Certificate of Public Convenience and Necessity No. 22, and the name was changed on United's certificate to Sprint-Florida, Incorporate. (Sprint), effective January 2, 1997.

On August 1, 1997, Sprint filed revised tariffs and supporting documentation for its 1997 intrastate switched access rate reduction. Sprint calculated its 1997 intrastate switched access rate reduction on a weighted total company basis. On this basis, the total company rate reduction is 5.2 percent, with a total dollar reduction of \$10,247,364. United's rates are reduced 1.4 percent, with a dollar reduction of \$1,999,160. Centel's rates are reduced by 16.9 percent, bringing them in parity with United's rates. The impact of Centel's dollar reduction is \$8,248,204.

We note that because Sprint is a price-regulated LEC, Sprint's tariff filings are presumptively valid pursuant to Chapter 364.051(6)(a). Nevertheless, we found it appropriate to review Sprint-Florida's tariffs more closely due to the fact that they reduced switched access rates for United only 1.4 percent.

Upon review, we find that Sprint's effort to bring the rates for Centel and United into parity is reasonable. Lowering Centel's rates to achieve parity is likely to produce cost savings for Sprint-Florida, in addition to lowering access charges for the IXCs that purchase access from Sprint, particularly in its Centel area. In addition, we acknowledge that Sprint's composite reduction is greater than that required by the statute. As such, we find that Sprint's switched access reduction tariff is in compliance with Section 364.163(6), Florida Statutes, and Commission Order No. PSC-97-0604-FOF-TP.

Based on the foregoing, it is therefore

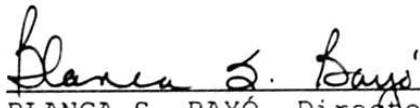
ORDERED by the Florida Public Service Commission that Sprint-Florida, Incorporated's, switched access reduction tariffs are approved. It is further

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ORDERED that if a protest is filed within 21 days of the issuance of this Order, Sprint-Florida, Incorporated's tariffs shall remain in effect with any revenues held subject to refund pending resolution of the protest. It is further

ORDERED that this docket shall remain open to ensure compliance with Section 364.163(6), Florida Statutes, for the year 1997.

By ORDER of the Florida Public Service Commission this 27th day of August, 1997.



BLANCA S. BAYO, Director
Division of Records and Reporting

(S E A L)

BC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 17, 1997.

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

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

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.