

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

AUGUST 4, 1998

RE: DOCKET NO. 970808-TL - Petition of BellSouth Telecommunications, Inc. to remove interLATA access subsidy received by St. Joseph Telephone & Telegraph Company.

Issue 1: What is the interLATA access subsidy and why was the interLATA access subsidy established?

Recommendation: The interLATA access subsidy is a temporary mechanism that the Commission established to ease the transition from an access charge pooling environment to a bill and keep environment for access charges. The parties and staff agree that this was the reason the subsidy was established.


APPROVED


COMMISSIONERS ASSIGNED: Full Commission

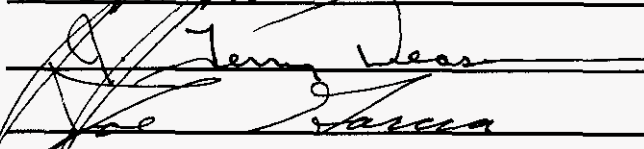
COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING







REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

08268 *AUG -5 88

FPSC-RECORDS/REPORTING

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Issue 1b: What is the history of the interLATA access subsidy and how has Commission policy regarding the subsidy evolved since the subsidy was established?

Recommendation: Under the original interLATA subsidy pool six companies were receiving subsidy payments; however, since the beginning of price cap regulation, GTC, Inc. has been the only company receiving an interLATA access subsidy payment. Originally, all of the LECs contributed to the pool, but at the present time BellSouth is the only contributor to the pool.

Under rate of return regulation, the Commission reduced or eliminated the subsidy when a company was overearning. In turn, the Commission has ordered the payor(s) to either reduce a rate or set aside the monies pending further Commission action, so that the payor(s) of the subsidy would not receive a windfall when the subsidy was eliminated.

APPROVED

Issue 2: Was the interLATA access subsidy pool intended to be a permanent subsidy? If not, what criteria should be used for ending the interLATA access subsidy pool?

Recommendation: No. The interLATA access subsidy pool was not intended to be a permanent subsidy. The primary criterion that should be used for ending the interLATA access subsidy pool is whether there have been changes in a company's circumstances that support termination of the subsidy.

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Issue 3: What is the legal authority for BellSouth Telecommunications, Inc.'s proposal to eliminate the interLATA access subsidy of GTC, Inc.?

Recommendation: As set forth in Order No. 14452, the Commission had the authority to establish the interLATA access subsidy; therefore, it has the authority to eliminate it.

APPROVED

Issue 4: Considering that the rates of a small LEC electing price regulation may not be altered during the period rates are frozen, except as provided for in Section 364.051(5), Florida Statutes, may the subsidy in effect at the time price cap regulation was elected be discontinued during the period rates are frozen?

Recommendation: Yes. The fact that GTC's basic rates are currently frozen does not alter the Commission's ability to terminate the subsidy payment, as explained in Issue 3.

APPROVED

Issue 5: Should the interLATA access subsidy received by GTC, Inc. be removed?

Recommendation: Yes. The interLATA bill and keep access subsidy received by GTC, Inc. should be discontinued.

APPROVED

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Issue 6: If the access subsidy being paid to GTC, Inc. is eliminated, should BellSouth Telecommunications, Inc. be directed to cease collection of the access subsidy funds? If the access subsidy being paid to GTC, Inc. is eliminated, and collection of the access subsidy funds is not terminated, what disposition should be made of the funds?

Recommendation: Yes, the Commission should require BellSouth Telecommunications, Inc. to terminate the subsidy payment to GTC, Inc., and implement a rate reduction in a specific rate at BellSouth's discretion, that will benefit all of its ratepayers, to offset the terminated access subsidy payments to GTC, Inc. BellSouth should be required to file tariffs within sixty (60) days of issuance of the order from this recommendation reflecting its rate reduction.

APPROVED

Issue 7: If the subsidy should be removed, should it be removed entirely at one time, or should the subsidy be phased out over a certain time period?

Recommendation: The subsidy should be removed all at one time.

APPROVED

Issue 8: If the subsidy should be removed entirely at one time, on what date should the removal be effective?

Recommendation: The subsidy should be terminated effective the date of the Commission's Order from this recommendation.

MODIFIED

Subsidy will be terminated effective on the date Bell's tariff is effective.

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Issue 9: If the subsidy should be phased out, over what time period should the phase-out take place and how much should the reduction of the subsidy be in each period?

Recommendation: If the Commission denies staff's recommendations in Issues 7 and 8, the subsidy should be phased out equally over no more than three years beginning with the order issue date.

NO VOTE

Issue 10: Should this docket be closed?

Recommendation: The docket should be closed after the time for filing an appeal has run.

APPROVED