



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

RECORDS AND REPORTING
FEB-4 PM 12:02
PSC

DATE: FEBRUARY 4, 1999

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (BARRETT) *BB*
 DIVISION OF AUDITING AND FINANCE (CATER) *AC*
 DIVISION OF LEGAL SERVICES (McKINNEY) *jam*

RE: DOCKET NO. 990049-TL - REQUEST FOR APPROVAL OF TARIFF FILING TO INCREASE RATES FOR BASIC CUSTOM CALLING FEATURES AND EXTRA BILL COPIES, AND TO INCREASE CERTAIN PRIVATE LINE CONNECTIONS AND MILEAGE CHARGES BY FRONTIER COMMUNICATIONS OF THE SOUTH, INC. (T-99-0012, FILED 1/6/99)

AGENDA: FEBRUARY 16, 1999 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: COMPANY REQUESTED EFFECTIVE DATE OF FEBRUARY 20, 1999

SPECIAL INSTRUCTIONS: 30-DAY SUSPENSION DATE: WAIVED BY THE COMPANY

FILE NAME AND LOCATION: S:\PSC\CMU\WP\990049.RCM

CASE BACKGROUND

On January 6, 1999, Frontier Communications of the South, Incorporated (Frontier or the Company) filed a tariff to increase the rates for certain custom calling features, to increase select private line services, and to raise the charge for additional bill copies. The original filing also included text changes to raise the interest rate assessed for late payments and to increase the charge for non-sufficient funds (NSF) checks. On January 8, 1999, the Company filed a request to withdraw the latter items from the original filing. As such, the late payment interest charge and the NSF check charges remain unchanged. The tariff, with these modifications, is included as Attachment A. The Company has waived

DOCUMENT NUMBER-DATE

01438 FEB-4 99

FPSC-RECORDS/REPORTING

Attachment A. The Company has waived the 30-day suspension rule and requests an effective date of February 20, 1999.

DISCUSSION OF ISSUES

ISSUE 1: Should Frontier's proposed tariff filing to increase the rates for certain custom calling features, to increase select private line services and to raise the charge for additional bill copies be approved?

RECOMMENDATION: Yes. The proposed tariff filing to increase the rates for certain custom calling features, to increase select private line services and to raise the charge for additional bill copies should be approved, with an effective date of February 20, 1999. (Barrett, Cater)

STAFF ANALYSIS: Frontier seeks approval of this tariff filing to bring the Florida exchanges into parity with the Company's Alabama exchanges. Attachment B lists all of the affected services and their projected financial impact on subscribers. All services are billed on a per-line, per-month basis, except two. The assessments for 'extra bill copies' are levied on a per-case basis and the 'call trace' feature is charged on a per-activation basis. Staff notes that the subscriber information represents billing data from December 1998 customer accounts. Staff believes the information is an accurate representation of the billing for these services.

Upon review of the annual revenue impact information provided by Frontier, staff estimates annual revenue attributable to this tariff action to be \$19,880 and believes that these estimates are reasonable. The company's Earnings Surveillance Report indicates that on June 30, 1998, Frontier had an achieved Return on Equity (ROE) of -9.32%. This tariff filing should raise its ROE by 0.61%, bringing its ROE to -8.71%.

Staff notes that Frontier had filed a tariff similar to this which involved many of the same custom calling features. That filing was presented (and approved) in Docket 980161-TL in the March 10, 1998 Agenda Conference.

Additionally, staff conducted an informal comparison of the rates for a sampling of the services noted herein. Staff consulted Order No. PSC-98-1753-FOF-TP (1998 Statewide Averages) and concludes that these rates are not out of line with the statewide averages. On this basis and the belief that this tariff change will not put Frontier in a position of over-earning, staff recommends that this tariff filing be approved.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If the Commission approves staff's recommendation in Issue 1, this tariff should become effective on February 20, 1999. If a protest is filed within 21 days from the issuance date of the Order, this tariff should remain in effect, pending resolution of the protest with any revenues held subject to refund. If no timely protest is filed, this docket should be closed. (McKinney)

STAFF ANALYSIS: If the Commission approves staff's recommendation in Issue 1, this tariff should become effective on February 20, 1999. If a protest is filed within 21 days from the issuance date of the Order, this tariff should remain in effect, pending resolution of the protest with any revenues held subject to refund. If no timely protest is filed, this docket should be closed.

SUBSCRIBER SERVICES TARIFF

Frontier Communications of the South, Inc.
201 South Pensacola Avenue
Atmore, Alabama 36502

Florida
Public Service Commission
Schedule 2
6th Revised Sheet 7
Cancelling 5th Revised Sheet 7

RULES AND REGULATIONS (Continued)

26. Alabama Rule.

An administrative charge of \$25.00 will be applied to each insufficient funds check received. Telephone service will be subject to the discontinuance as specified in Schedule 18 of this tariff. (I)

Florida Rule.

A service charge of \$20 shall be added to the customer's bill for telephone service for each check dishonored by the bank upon which it is drawn. Termination of service shall not be made for failure to pay the returned check charge. (C)

27. When telephone service being furnished to a married couple was applied for in the name of both individuals or when the service is listed in the name of both individuals or when the service is listed in the name of both individuals, the telephone company considers that they are each jointly and severally liable for payment of all charges. Should they subsequently separate, the telephone company reserves the right to refuse to furnish service, or to disconnect service which may already have been established, to either or both of them until acceptable arrangements for payment have been made.

28. The Company may offer special promotions of new or existing services or products for limited periods as approved by the Public Service Commission. These promotions are a temporary waiver of certain recurring and/or non-recurring charges as stated in a completely non-discriminatory basis with each subscriber in the classification of service and area for which the promotion is offered having an equal opportunity for participation.

Issued by: Richard Burgess
General Manager

Date Issued: January 7, 1999

Effective: _____

Order Number: _____

SUBSCRIBER SERVICES TARIFF

Frontier Communications of the South, Inc.
201 South Pensacola Avenue
Atmore, Alabama 36502

Florida
Public Service Commission
Schedule 13
5th Revised Sheet 6
Cancelling 4th Revised Sheet 6

SERVICE CHARGES (Continued)

H. Certain customers require or request that their telephone bills be non-standard in some respect (duplicate copies, specially notarized copies, reproduced copies, etc.). The charges for non-standard bills will be as follows:

1. Charges for extra copies of current bills requested before bills are mailed (or on a continuing basis) each extra copy regardless of the number of pages in each bill:

\$2.50

(I)

2. Charges for notarization or special certification per copy notarized or certified:

\$.25

3. Charges for reconstituting telephone bills after the bills have been made:

	<u>First Copy</u>	<u>Subsequent Copies</u>
Recreating bill 1 or 2 months old	\$10.00	\$2.00
Recreating bill 3 to 6 months old	\$30.00	\$2.00

NOTE: The necessary records to recreate bills more than six month old will ordinarily not be available and therefore cannot be provided at any price.

4. Charges for typing summary copies (no toll or miscellaneous billing detail included) from one to 12 months old.

Typed summary bill for one month	\$ 7.00	\$ 2.00
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Issued by: Richard Burgess,
General Manager

Date Issued: January 7, 1999

Effective Date: _____

Order Number: _____

SUBSCRIBER SERVICES TARIFF

Frontier Communications of the South, Inc.
201 South Pensacola Avenue
Atmore, Alabama 36502

Florida
Public Service Commission
Schedule 20
4th Revised Sheet 2
Cancelling 3rd Revised Sheet 2

PRIVATE LINE SERVICE (Continued)

1. 2 terminal connections
2. 2/10 of a route mile of circuit.

Additional charges of \$1.00 each for:

1. A connection through a central office.
2. Each additional terminal connection over 2.
3. Each additional 1/10 of a route mile of circuit above the first 2.

- b. The monthly charge for each telephone provided is the rate shown in Schedule 9 of this tariff.
- c. Service charges shall be applied as shown in Schedule 13.
- d. Any other facilities required will be furnished by the telephone company at rates quoted else-where in this tariff.

2. When the terminals are located in the operating area of more than one exchange, the following charges apply:
 - a. Such charges are determined in accordance with appropriate tariffs of the Bell System Company operating in this area, or of the AT&T Communications Company.
 - b. If Frontier Communications of the South, Inc. furnishes any of the terminal equipment involved, recurring charges shall be as set forth in Schedule 9, and non-recurring charges as set forth in Schedule 13, of this tariff.

Issued by: Richard Burgess
General Manager

Date Issued: January 7, 1999

Effective: _____

Order Number: _____

SUBSCRIBER SERVICES TARIFF

Attachment A
Docket No. 990049-T1

Frontier Communications of
the South, Inc.
201 South Pensacola Avenue
Atmore, Alabama 36502

Florida
Public Service Commission
Section 30
9th Revised Sheet 4
Superseding 8th Revised Sheet 4

FLEXIBLE PRICING SERVICES

1. Custom Calling Feature - rates per line:

	Monthly Rates							
	Residence			Business				
<u>Basic Features</u>	Min.	Max.	Actual	(T)	Min.	Max.	Actual	(T)
Call Wait/Cancel Call Wait	\$.50	\$6.00	\$3.00		\$.50	\$7.00	\$3.00	
Three-Way Calling	.50	6.00	3.00		.50	7.00	3.00	
Call Forwarding	.50	6.00	3.00		.50	7.00	3.00	
Call Forward Busy/Don't Answer	.50	6.00	3.00		.50	7.00	3.00	
Speed Calling (8 Code)	.50	6.00	3.00		.50	7.00	3.00	
Speed Calling (30 Code)	.50	6.00	3.00		.50	7.00	3.00	
Call Transfer	.50	6.00	3.00		.50	7.00	3.00	
Auto Off-Hook Dialing	.50	6.00	3.00		.50	7.00	3.00	
Call Wake-Up	.50	6.00	3.00		.50	7.00	3.00	
Shared Speed Calling	.50	6.00	3.00		.50	7.00	3.00	
Warm Line	.50	6.00	3.00		.50	7.00	3.00	
Remote Access-								
Call Frwd Var.	.50	6.00	3.00	(T)	.50	7.00	3.00	(T)
Visual Message Waiting Indication	.30	6.00	.50		.30	7.00	.50	
Audible Message Waiting Indication	.30	6.00	.50		.30	7.00	.50	
 <u>Advanced Features</u>								
Do Not Disturb	.50	10.00	3.25		.50	10.00	3.25	
Personal Ringing	.50	10.00	3.25		.50	10.00	3.25	
** Caller ID	.50	10.00	6.00		.50	10.00	6.00	
Caller ID Plus Name	.50	11.00	6.00		.50	11.00	6.00	
Call Return	.50	10.00	3.25		.50	10.00	3.25	
Repeat Dialing	.50	10.00	3.25		.50	10.00	3.25	
Call Selector	.50	10.00	3.25		.50	10.00	3.25	
Preferred Call Forwarding	.50	10.00	3.25		.50	10.00	3.25	
Call Block	.50	10.00	3.25		.50	10.00	3.25	
Operator Call Screening	N/A	N/A	N/A		.50	10.00	2.00	
Anonymous Call Rejection	.50	10.00	3.00		.50	10.00	3.00	
Toll Control with PIN	.50	10.00	3.00		.50	10.00	3.00	
Priority Ringing	.50	10.00	3.25		.50	10.00	3.25	
Special Call Acceptance	.50	10.00	3.25		.50	10.00	3.25	
Call Waiting Deluxe	.50	10.00	3.25		.50	10.00	3.25	

Per Activation Rates

	Residence			Business		
	Min.	Max.	Actual	Min.	Max.	Actual
<u>Usage Sensitive Features</u>						
Call Tracing (per activation)	.50	4.00	2.00 (T)	.50	4.00	2.00 (T)
Three Way Calling (per activation)	.50	4.00	.75	.50	4.00	.75

** Caller ID Service is not available to new subscribers after May 6, 1997. The service remains available to current customers with caller ID until such time that they discontinue service or upgrade to Caller ID Plus Name.

Issued By: Richard Burgess,
General Manager

Date Issued: January 7, 1999

Effective: _____

Order Number: _____

SUBSCRIBER SERVICES TARIFF

Attachment A
Docket No. 91043-TL

Frontier Communications of
the South, Inc.
201 South Pensacola Avenue
Atmore, Alabama 36502

Florida
Public Service Commission
Section 30
4th Revised Sheet 4.1
Superseding 3rd Revised Sheet 4.1

FLEXIBLE PRICING SERVICES

2. Multiple Custom Calling Feature Rates

a. Monthly Rates Per Additional Feature*

		<u>Monthly Rate</u>						
		<u>Residence</u>			<u>Business</u>			
		<u>Min.</u>	<u>Max.</u>	<u>Actual</u>	<u>Min.</u>	<u>Max.</u>	<u>Actual</u>	
i.	Basic Features	\$5.50	\$4.00	\$2.00	50	\$4.00	\$2.00	(I)
ii.	Advanced Features	\$5.50	\$5.00	\$3.00	50	\$5.00	\$3.00	(I)

b. Feature Packages

		<u>Monthly Rate</u>					
		<u>Residence</u>			<u>Business</u>		
		<u>Min.</u>	<u>Max.</u>	<u>Actual</u>	<u>Min.</u>	<u>Max.</u>	<u>Actual</u>
i.	Total Package **	\$5.50	\$25.00	\$14.95	\$50	\$25.00	\$17.95
ii.	Super Package***	\$5.50	\$25.00	\$9.95	\$50	\$25.00	\$12.95
iii.	Frontier Freedom Pack	\$5.50	\$25.00	\$15.50		N/A	
iv.	Frontier Savers Pack	\$5.50	\$25.00	\$9.95		N/A	

* Excludes Caller ID and Caller ID Plus Name

** Total Package is not available to new subscribers after April 10, 1998. The package remains available to current customers with Total Package until such time that they discontinue the package.

*** Super Package is not available to new subscribers after July 15, 1998. The package remains available to current customers with the Super Package until such time that they discontinue the package.

Issued By: Richard Burgess,
General Manager

Date Issued: January 7, 1999

Effective: _____

Order Number: _____