

ORIGINAL

NOTICE OF PROPOSED RULEMAKING
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030405-TL

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DEPARTMENT OF STATE
TALLAHASSEE, FLORIDA

RULE TITLE:	RULE NO.:
Uniform System of Accounts	25-4.017
Telephone Directory Advertising Revenues	25-4.0405
Annual Reports	25-4.135
Earnings Surveillance Report	25-4.1352
Annual Separations Cost Study	25-4.1357

PURPOSE AND EFFECT: To update the version of the Uniform System of Accounts that telecommunications companies are required to follow and to streamline or eliminate certain reporting requirements applicable to rate-of-return regulated local exchange telecommunications companies.

SUMMARY: Most of these rules were last revised in 1996, in response to the 1995 changes in the Florida Statutes. The 1995 changes required that the Commission streamline its reporting requirements for small local exchange companies. Since 1996, all but one small local exchange company has elected price cap

AUS _____ regulation. The one remaining company is the smallest, therefore
CAF _____
CMP _____
COM _____ we are simplifying our reporting requirements even further. Rule
CTR _____
ECR _____ 25-4.017 is to be amended to update the reference to the most
GCL _____
OPC _____
MMS _____ recent Uniform System of Accounts, Code of Federal Regulations,
SEC I _____
OTH _____ Part 32, as of October 1, 2002. Rule 25-4.0405 is to be amended

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

to update for changes in the number of rate-of-return regulated local exchange telecommunication companies. The amendment eliminates companies to which the rule no longer applies. Rule 25-4.135 is to be amended to update the reference to the revised annual report form. Some schedules have been deleted, while other schedules have been consolidated in the form. The audit report requirement is removed. Rule 25-4.1352 is to be repealed as the earnings surveillance report has been incorporated as part of the annual report form.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: None prepared. Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 350.127(2), FS

LAW IMPLEMENTED: 350.115, 350.117(1), 364.03(1), 364.07(2), 364.17, 364.037, FS

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THESE RULES ARE: Christiana

T. Moore, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6245.

THE FULL TEXT OF THESE RULES ARE:

25-4.017 Uniform System of Accounts.

(1) Each rate-of-return regulated local exchange telecommunications company shall maintain its accounts and records in conformity with the Uniform System of Accounts for Telecommunications Companies (USOA) as prescribed by the Federal Communications Commission in Title 47, Code of Federal Regulations, Part 32 Class A, revised as of October 1, 2002 ~~1994~~, and as modified below. Inquiries relating to interpretation of the USOA shall be submitted in writing to the Commission's Division of Economic Regulation.

(2) - (4) No Change.

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,_____.

25-4.0405 Telephone Directory Advertising Revenues.

(1) The provisions of this rule, in conjunction with the provisions of Section 364.037, Florida Statutes (2002) ~~(1995)~~, shall govern the ratemaking treatment for telephone directory advertising revenues and expenses of rate-of-return regulated

local exchange telecommunication companies.

(2) No Change.

(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
Florida Telephone Company, Inc.	\$1,780
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
Frontier Telephone Company	\$8,830
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

Floralata Telephone Company, Inc.	1,417
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 Tele- graph Company	16,229
Southern Bell Telephone & Tele- graph Company - Florida	
Frontier Telephone Company	2,993,084
Vista United Telecommunications	2,279
	1,706

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,_____.

25-4.135 Annual Reports.

(1) Each rate-of-return regulated local exchange telephone company shall file annual reports with the Commission on Commission Form PSC/ECR 018-T (/)(3/96) which is incorporated by reference into this rule. Form PSC/ECR 018-T, entitled "Annual Report of Local Exchange Telephone Companies", may be obtained

from the Commission's Division of Economic Regulation. These reports shall be verified by a responsible accounting officer of the company 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 Economic Regulation 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. Good cause means a demonstration that the company has worked diligently to prepare the report and that the additional time period requested to complete and submit the report is both reasonable and necessary given the company's particular circumstances.

~~(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/ECR-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,_____.

25-4.1352 Earnings Surveillance 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, Repealed.

25-4.1357 Annual Separations Cost Study

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

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

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

NAME OF PERSON ORIGINATING RULES: Dave Mailhot

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULES:

Florida Public Service Commission.

DATE PROPOSED RULES APPROVED: July 1, 2003

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: March 14, 2003, Volume 29, Number 11.

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of the Commission Clerk and Administrative Services at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).