

State of Florida



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

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**DATE:** November 18, 2004

**TO:** Director, Division of the Commission Clerk & Administrative Services (Rayo)

**FROM:** Division of Competitive Markets & Enforcement (T. Williams) *RW dm*  
Office of the General Counsel (J. Susac) *JS*

**RE:** Docket No. 041321-TL – Basic Rate Changes and Refund by ALLTEL Florida, Inc. to bring it in compliance with Section 364.051, Florida Statutes.

**AGENDA:** 11/30/04 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

**CRITICAL DATES:** Effective date of Tariff is 12/01/04

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\CMP\WP\041321.RCM.DOC

### Case Background

On June 7, 2004, ALLTEL Florida, Inc. (ALLTEL) filed a tariff (T040583) to increase several of its basic and non-basic local exchange rates within the State of Florida, effective July 7, 2004. Pursuant to Section 364.051 (3), Florida Statutes, a local exchange telecommunications company may on 30 days' notice adjust its basic service revenues once in any 12-month period in an amount not to exceed the change in inflation less 1 percent. Inflation is measured by the changes in the Gross Domestic Product Fixed Weights Price Index published in the Survey of Current Business or publication by the United States Department of Commerce. Upon review of ALLTEL's tariff filing, staff noted that ALLTEL had calculated the allowable increase using the wrong Bureau of Economic Analysis (BEA), National Economic Accounts, Gross Domestic Product Price Index. Upon notification of the error, ALLTEL submitted a new tariff filing (T041084) incorporating the correct Gross Domestic Product Price Index and advised staff it would provide a credit/refund, with interest, to affected customers in accordance with Rule 24-4.114, Refunds, Florida Administrative Code. The impact of the miscalculation was very minor, and the per line credit amount will be typically a \$1.00 or less.

DOCUMENT NUMBER-DATE

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## Discussion of Issues

**Issue 1:** Should the Commission approve the refund procedure submitted by ALLTEL Florida, Inc. as bringing ALLTEL into compliance with Section 364.051, Florida Statutes?

**Recommendation:** Yes. (Williams)

**Staff Analysis:** On June 7, 2004, ALLTEL Florida, Inc. (ALLTEL) filed a tariff (T040583) to increase several of its local exchange service rates within the State of Florida, effective July 7, 2004, pursuant to Section 364.051, Florida Statutes. Section 364.051 (3), Florida Statutes, allows a local exchange telecommunications company upon 30 days' notice to adjust its basic service revenues once in any 12-month period in an amount not to exceed the change in inflation less 1 percent. Inflation is measured by the changes in the Gross Domestic Product Fixed Weights Price Index published in the Survey of Current Business or a publication by the United States Department of Commerce. Upon review of ALLTEL's tariff filing, staff noticed that ALLTEL had calculated the allowable increase using the wrong Bureau of Economic Analysis (BEA), National Economic Accounts, Gross Domestic Product Index. Upon notification, ALLTEL recalculated and resubmitted a new tariff filing (T041084) incorporating the correct BEA National Economic Accounts, Gross Domestic Product Index and advised Commission staff that it would provide a refund/credit to affected customers in accordance with Rule 24-4.114, Refunds, F.A.C. Rule 24-4.114 (3), F.A.C., specifies that where the refund is the result of a specific rate change, the refund will be computed on a per customer basis where feasible. Interest is to be applied based on the 30-day commercial paper rate, in accordance with Rule 25-4.114 (4), F.A.C. Rule 24-4.114 (5), F.A.C., specifies that customers still on the system receive a credit on their bill or if the customer so requests, a check be sent within 10 days of the request. For those customers entitled to a refund but no longer on the system, the company shall mail a refund check to the last known billing address. The only exception, however, is that no refund check for less than a \$1.00 will be mailed to customers that are no longer on the system. Further, pursuant to Rule 24-4.114 (8), F.A.C., any unclaimed money should be forwarded to the General Revenue Fund.

Staff believes this action will bring ALLTEL into compliance with Section 364.051, Price Regulation, Florida Statutes. Staff's review of the miscalculation indicates that the typical per line credit will be a \$1.00 or less.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. (Susac)

**STAFF ANALYSIS:** At the conclusion of the protest period, if no protest is filed, this docket should be closed upon the issuance of a consummating order.