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TALLAHASSEE, FLORIDA 32399-0850

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

DATE: September 4, 2008

TO: Office of Commission Clerk (Cole)

FROM: Division of Regulatory Compliance (Isler) *pij*
Office of the General Counsel (McKay) *AT* *WNY* *vsr*

RE: Docket No. 080153-TI – Acknowledgment of cancellation of IXC Registration No. TK150 by Economy Telephone, Inc., effective March 12, 2008.

AGENDA: 09/16/08 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\RCP\WP\080153.RCM.DOC

Discussion of Issues

Issue 1: Should the Commission deny Economy Telephone, Inc., a voluntary cancellation of its intrastate interexchange telecommunications carrier (IXC) tariff and Registration No. TK150 and cancel the tariff and remove the company's name from the register on the Commission's own motion with an effective date of March 12, 2008?

Recommendation: Yes, the company should be denied a voluntary cancellation as listed on Attachment A. (Isler, McKay)

Staff Analysis: See attached proposed Order.

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Issue 2: Should this docket be closed?

Recommendation: Staff recommends that the Order issued from this recommendation will become final and effective upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest that identifies with specificity the issues in dispute, in the form provided by Rule 28-106.201, Florida Administrative Code, within 21 days of the issuance of the Proposed Agency Action Order. As provided by Section 120.80(13)(b), Florida Statutes, any issues not in dispute should be deemed stipulated. If the company fails to timely file a protest and to request a Section 120.57, Florida Statutes, hearing, the facts should be deemed admitted and the right to a hearing waived. If the company pays the Regulatory Assessment Fee and statutory late payment charges prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's tariff and the removal of its name from the register will be voluntary. If the company fails to pay the Regulatory Assessment Fee and statutory late payment charges prior to the expiration of the Proposed Agency Action Order, then the company's IXC tariff should be cancelled administratively and its name removed from the register, and the collection of the past due Regulatory Assessment Fee, including any accrued statutory late payment charges, should be referred to the Florida Department of Financial Services for further collection efforts. If the company's IXC tariff is cancelled and its name removed from the register in accordance with the Commission's Order from this recommendation, the company should be required to immediately cease and desist providing intrastate interexchange telecommunications service in Florida. This docket should be closed administratively either upon receipt of the payment of the Regulatory Assessment Fee, including any accrued statutory late payment charges, or upon cancellation of the company's IXC tariff and removal of its name from the register. (McKay)

Staff Analysis: Staff recommends that the Commission take action as set forth in the foregoing staff recommendation statement.

BEFORE THE PUBLIC SERVICE COMMISSION

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| In re: Acknowledgment of cancellation of IXC Registration No. TK150 by Economy Telephone, Inc., effective March 12, 2008. | DOCKET NO. 080153-TI ORDER NO. ISSUED: |
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The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

NOTICE OF PROPOSED AGENCY ACTION ORDER
CANCELLING INTRASTATE INTEREXCHANGE TELECOMMUNICATIONS TARIFF
AND REGISTRATION ON THE COMMISSION'S OWN MOTION

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Economy Telephone, Inc. currently holds Intrastate Interexchange Telecommunications (IXC) Registration No. TK150, issued by this Commission on June 7, 2007. Pursuant to Section 364.336, Florida Statutes, telecommunications companies must pay a minimum annual Regulatory Assessment Fee (RAF) for each certificate or registration if the certificate or registration was active during any portion of the calendar year. Pursuant to Rule 25-4.0161(2), Florida Administrative Code, the form and applicable fees are due to the Florida Public Service Commission by January 30 of the subsequent year. Pursuant to Section 350.113(4), Florida Statutes, the Regulatory Assessment Fee return forms, for the period of January 1 through December 31, are mailed to entities at least 45 days prior to the date that payment of the fee is due. In addition, Rule 25-24.474, Florida Administrative Code, provides that intrastate interexchange companies must pay any current and past due Regulatory Assessment Fees with its request for cancellation.

On March 12, 2008, our staff received a letter from the company's general manager, Mr. Tom Williams, requesting cancellation of Economy Telephone, Inc.'s IXC registration. On March 17, 2008, this Commission received the company's payment for the 2007 minimum RAF, however, the accrued late payment charges were not included. On March 31, 2008, our staff e-mailed Mr. Williams a note advising the 2008 fee along with the 2007 statutory late payment

charges must be paid before a voluntary cancellation could be granted. A copy of the 2008 RAF return form was attached to the e-mail. The 2008 RAF and the 2007 statutory late payment charges remain unpaid.

For the reasons described above, we deny Economy Telephone, Inc.'s request for voluntary cancellation of its IXC tariff and removal of its name from the register. However, we find it appropriate to involuntarily cancel the IXC tariff and remove the company's name from the register, effective March 12, 2008, on this Commission's own motion for failure to comply with Rule 25-24.474, Florida Administrative Code, and pursuant to Section 364.336, Florida Statutes.

Since it appears Economy Telephone, Inc. does not provide service in Florida and has requested cancellation of its registration, there would be no purpose in requiring the company to pay a penalty. The cancellation of the IXC tariff and removal of its name from the register in no way diminishes the entity's obligation to pay the applicable Regulatory Assessment Fee, including any accrued statutory late payment charges. If this Order is not protested, the company's IXC tariff shall be cancelled, and Registration No. TK150 removed from the register, effective March 12, 2008. If the company pays the Regulatory Assessment Fee and outstanding late payment charges prior to the expiration of the Proposed Agency Action Order, then the cancellation of the company's IXC tariff and removal of its name from the register will be voluntary. If the company fails to protest the Order or pay the Regulatory Assessment Fee and outstanding late payment charges prior to the expiration of the Proposed Agency Action Order, then the company's IXC tariff shall be cancelled administratively and its name removed from the register, and the collection of the unpaid Regulatory Assessment Fee, including any accrued statutory late payment charges, shall be referred to the Florida Department of Financial Services for further collection efforts. If the company's IXC tariff is cancelled and its name removed from the register in accordance with the Commission's Order from this recommendation, the company shall be required to immediately cease and desist providing telecommunications service in Florida. This docket shall be closed administratively either upon receipt of the payment of the Regulatory Assessment Fee or upon cancellation of the company's IXC tariff and removal of its name from the register. If Economy Telephone, Inc.'s IXC tariff is cancelled and its name removed from the register, and the company subsequently decides to reregister as a telecommunications company, that company shall be required to first pay any unpaid Regulatory Assessment Fees, including any accrued statutory late payment charges. We are vested with jurisdiction over these matters pursuant to Sections 364.336, 364.02, and 364.285, Florida Statutes.

Based on the foregoing, it is

ORDERED that pursuant to Rule 25-24.474, Florida Administrative Code, Economy Telephone, Inc.'s IXC tariff and Registration No. TK150 is hereby cancelled and its name removed from the register effective March 12, 2008, on this Commission's own motion for failure to pay the 2008 Regulatory Assessment Fee, including outstanding statutory late payment charges, in full pursuant to Section 364.336, Florida Statutes, and Rule 25-4.0161, Florida Administrative Code. It is further

ORDERED that the cancellation of the IXC tariff, including removal of its name from the register, in no way diminishes Economy Telephone, Inc.'s obligation to pay the applicable Regulatory Assessment Fee, including any accrued statutory late payment charges. If Economy Telephone, Inc.'s IXC tariff is cancelled and its name removed from the register, and the company subsequently decides to reregister as a telecommunications company, that company shall be required to first pay any unpaid Regulatory Assessment Fees, including accrued statutory late payment charges. It is further

ORDERED that if Economy Telephone, Inc. pays the Regulatory Assessment Fee, including any statutory late payment charges, prior to the expiration of the Proposed Agency Action Order, the cancellation of the tariff and removal of its name from the register shall be deemed voluntary. It is further

ORDERED that if Economy Telephone, Inc. does not pay the Regulatory Assessment Fee, including any statutory late payment charges, prior to the expiration of the Proposed Agency Action Order, the collection of the Regulatory Assessment Fee shall be referred to the Florida Department of Financial Services for further collection efforts. It is further

ORDERED that if Economy Telephone, Inc.'s IXC tariff is cancelled and its name removed from the register in accordance with this Order, the company shall immediately cease and desist providing telecommunications service in Florida. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed administratively either upon receipt of the payment of the Regulatory Assessment Fee or upon cancellation of the company's IXC tariff and removal of its name from the register.

By ORDER of the Florida Public Service Commission this ____ day of _____, _____.

ANN COLE
Commission Clerk

(SEAL)
VM

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 that is available under Section 120.57, 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 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.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on _____.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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