

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

DATE: March 1, 2007

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

FROM: Office of the General Counsel (Tan, Teitzman)
Division of Competitive Markets & Enforcement (Casey, Wright)

RE: Docket No. 060598-TL – Petition to recover 2005 tropical system related costs and expenses, by BellSouth Telecommunications, Inc.

AGENDA: 03/13/07 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Edgar

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\GCL\WP\060598.RCM.DOC

Case Background

On September 1, 2006, BellSouth Telecommunications Company, Inc. (BellSouth, or company), filed a Petition to Recover 2005 Tropical System Related Costs and Expenses sustained as a result of the six named tropical storm systems. On September 20, 2006, BellSouth filed an Amended Petition to Recover 2005 Tropical System Related Costs and Expenses (Petition) pursuant to Section 364.051(4), Florida Statutes, and Rule 28-106.202, Florida Administrative Code. On January 10, 2007, Order No. PSC-07-0036-FOF-TL (Final Order) was issued.

BellSouth's Motion

On January 18, 2007, BellSouth filed a Motion to Modify the Final Order. BellSouth requests the Commission to modify the Final Order to incorporate a subsequent stipulation (Attachment A) that was reached between BellSouth, NuVox Communications, Inc. (NuVox) and Competitive Carriers of the South, Inc. (CompSouth).

In its Motion, BellSouth states that the Final Order requires BellSouth to initially use a 47% utilization factor in calculating the number of storm recovery line item surcharges that will apply to UNE high capacity loops. BellSouth states further that the Final Order requires BellSouth to recalculate the factor monthly using the most recent available billing data.

BellSouth contends that in order to efficiently implement the Final Order without incurring burdensome administrative changes, BellSouth, NuVox and CompSouth have reached an agreement on the manner in which the storm recovery line item surcharge will be implemented on UNE high capacity loops. BellSouth asserts that the stipulation provides that during the time period that the storm recovery line item surcharge is in effect, BellSouth will apply a 42% utilization factor in calculating the number of storm recovery line item surcharges that will apply to UNE high capacity loops, without fluctuation or recalculation. BellSouth notes that as a result of the parties stipulation, ten (10) storm recovery line item surcharges will be assessed on each DS1 loop (totaling \$5.00 per month per DS1 loop) and two hundred eighty-two storm recovery line item surcharges will be assessed on each DS3 loop (totaling \$141.00 per month per DS3 loop).

Staff's recommendation addresses BellSouth's Motion to Modify the Final Order.

Discussion of Issues

Issue 1: Should the Commission grant BellSouth's Motion to Modify Order No. PSC-07-0036-FOF-TL?

Recommendation: Yes. Staff recommends the Commission grant the Motion to Modify Order No. PSC-07-0036-FOF-TL. The requested modification is the result of a stipulation the parties agreed will allow for the efficient implementation of the Order's requirement that a line item surcharge be applied to UNE high capacity loops. **(Teitzman)**

Staff Analysis: Staff recommends the Commission grant the Motion to Modify Order No. PSC-07-0036-FOF-TL. The requested modifications are the result of a stipulation the parties have agreed will allow for the efficient implementation of the Order's requirement that a line item surcharge be applied to UNE high capacity loops. Additionally, the stipulation states that the requested modification provides certainty to the parties as to the amount of the storm recovery line item surcharge for high capacity loops purchased by CLECs.

Issue 2: Should this docket be closed?

Recommendation: No. Staff recommends the docket should remain open pending the filing of BellSouth's report on the total storm recovery amount collected.

Staff Analysis: Staff recommends the docket should remain open pending the filing of BellSouth's report on the total storm recovery amount collected.