

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Modified Minimum Filing Requirements Report of ALLTEL FLORIDA, INC.)	DOCKET NO. 920193-TL
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)	
)	
In Re: Comprehensive review of the revenue requirements and rate stabilization plan of SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY.)	DOCKET NO. 920260-TL
)	ORDER NO. PSC-93-1176-FOF-TL
)	ISSUED: August 10, 1993
)	
)	

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION

ORDER RESOLVING FINAL TRUE-UP AND
MODIFYING INTERLATA SUBSIDY MECHANISM

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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

I. BACKGROUND

By Order No. PSC-93-0562-FOF-TL, issued April 13, 1993, this Commission set rates for ALLTEL Florida, Inc. (ALLTEL or the Company), effective April 1, 1993, based on a 1993 budget. We ordered net rate reductions and a reduction to ALLTEL's interLATA subsidy receipts totaling \$1,103,000, annually. We also required true-ups for depreciation expense due to the then pending depreciation represcription and revenue from stimulation resulting from implementation of the \$.25 calling plans. The true-up for depreciation expense was addressed in Order No. PSC-93-0895-FOF-TL. We now address the final true-up for the \$.25 calling plans.

DOCUMENT NUMBER-DATE

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FILED-RECORDS/REPORTING

II. TRUE-UP FOR IMPLEMENTATION OF \$.25 PLAN

At the time of preparing its 1993 budget, ALLTEL did not have sufficient experience with the \$.25 calling plan to predict the effects of stimulation. Therefore, the Company did not estimate any stimulation. Order No. PSC-93-0562-FOF-TL requires a true-up of the revenue which ALLTEL receives from implementing the \$.25 calling plan. The true-up is to be completed in the third quarter of 1993, based on actual data for the six months ended June 30, 1993.

Due to unexpected delays in the schedule of this docket, some actual data was already available on the revenues from the \$.25 calling plans at the time we issued Order No. PSC-93-0562-FOF-TL. Based on this information, we approved a preliminary true-up of \$160,000 and reduced ALLTEL's interLATA subsidy, effective April 1, 1993.

Actual revenues from implementing the \$.25 calling plans indicate that a total true-up of \$300,000 is required. Since the Commission has already disposed of \$160,000 through previous action, a final true-up of \$140,000 is necessary.

We believe that it is appropriate to continue to reduce ALLTEL's interLATA subsidy, consistent with the Commission goal of placing each LEC on a true bill and keep basis. Accordingly, we find that ALLTEL's interLATA subsidy should be reduced by \$140,000 annually, effective October 1, 1993, and the concomitant modifications to the interLATA subsidy pool receipts and payments shown on ATTACHMENT A should be approved.

In the past, when a company's payments into the subsidy pool have decreased, the Commission has disposed of the money by applying it to some specific purpose. Consistent with our prior actions, we find that the reduction in subsidy payments by Southern Bell be added to the set aside amount to be disposed of in Docket No. 920260-TL.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that ALLTEL Florida, Inc.'s interLATA access subsidy be reduced effective October 1, 1993, by \$140,000 annually to reflect the final true-up of ALLTEL's earnings in accordance with Order No. PSC-93-0562-FOF-TL as set forth in the body of this Order. It is further

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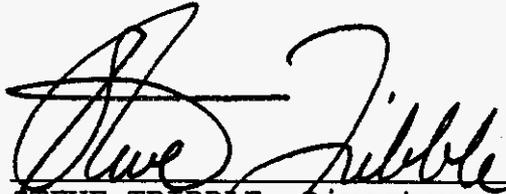
ORDERED that the modifications to the interLATA subsidy pool receipts and payments shown on ATTACHMENT A are approved as set forth in the body of this Order. It is further

ORDERED that the reduction in subsidy payments by BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company shall be added to the set aside amount to be disposed of in Docket No. 920260-TL as set forth in the body of this Order. It is further

ORDERED that Docket No. 920193-TL be closed if no protest is filed within the time frame set forth below. It is further

ORDERED that Docket No. 920260-TL remain open.

By ORDER of the Florida Public Service Commission this 10th day of August, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on August 31, 1993.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

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

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

INTERLATA TOLL BILL AND KEEP
 CALCULATION OF SUBSIDY PAYMENTS
 October 1, 1993
 (\$000)

<u>COMPANY</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
	INTERLATA BILL/KEEP IMPACT	DA & COIN REVENUE	REVENUE EFFECT OF PREVIOUS COMM ACTION	TOTAL IMPACT (1+2+3)	SUBSIDY CONTRIB	SHORTFALLS REQUIRING SUBSIDY
ALLTEL	(2,110)	265	1,302 **	(543)		(543)
ST. JOSEPH	(1,674)	151	300 ***	(1,223)		(1,223)
SO. BELL	12,456	19,949	(27,481)	4,924	<u>1,766</u>	<u> </u>
TOTAL					<u>\$1,766</u>	<u>(\$1,766)</u>

* EXCLUDING CENTRAL, FLORALA, GTE, GULF, INDIANTOWN, NORTHEAST, QUINCY, SOUTHLAND, UNITED AND VISTA-UNITED

** ALLTEL INCLUDES \$472,000 REDUCTION APPROVED IN DOCKET NO. 911108-TL, \$690,000 REDUCTION APPROVED IN DOCKET NO. 920193-TL AND THE \$140,000 REDUCTION CURRENTLY PROPOSED.

*** ST. JOSEPH INCLUDES \$300,000 REDUCTION APPROVED IN DOCKET NO. 891238-TL.