

Commissioners:
J. TERRY DEASON, CHAIRMAN
SUSAN F. CLARK
LUIS J. LAUREDO
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State of Florida



STEVE TRIBBLE, Director
Division of Records and Reporting
(904) 488-8371

Public Service Commission

ORIGINAL
FILE COPY

DATE: January 12, 1994
TO: Parties of Record
FROM: Steve Tribble, Director *ST*
Division of Records and Reporting
RE: DOCKET NO. 920260-TL - Comprehensive review of the revenue requirements and rate stabilization plan of SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY.
DOCKET NO. 900960-TL - Show cause proceeding against SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY for misbilling customers.
DOCKET NO. 910163-TL - Petition on behalf of Citizens of the State of Florida to initiate investigation into integrity of SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S repair service activities and reports.
DOCKET NO. 910727-TL - Investigation into SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S compliance with Rule 25-4.110(2), F.A.C., Rebates.

This is to inform you that Charles Rehwinkel, Assistant to Chairman Deason, has reported a meeting with Tony Lombardo of Southern Bell, on January 5, 1994. Commissioner Aides Billy Stiles, Jim Dean, Curtis Williams, and Cathy Bedell, and Beth Salak of the Commission's Division of Accounting and Financial Analysis also attended this meeting. The purpose of this meeting was to allow Mr. Lombardo to inform the Commissioners' aides of the existence and main points of the settlement between the Office of Public Counsel and Southern Bell.

This memo, a copy of which is attached, is being made a part of the record in these proceedings and you may file a response to it with this office, within ten days of receipt of this notice.

ST/cp

Attachments

cc: Rob Vandiver/w/memo

DOCUMENT NUMBER - DATE
00423 JAN 12 1994
FPSC-RECORDS/REPORTING



Public Service Commission

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

DATE: January 5, 1994

TO: Steve Tribble, Director
Records & Reporting
(Docket File 920260-TL, 910163-TL, 900960-TL and 910727-TL)

RECEIVED
JAN - 7 1994

FROM: Charles Rehwinkel 
Assistant to the Chairman

FPSC-RECORDS / REPORTING

RE: Meeting Between Tony Lombardo of Southern Bell and Commissioner Aides Billy Stiles, Jim Dean, Curtis Williams, Cathy Bedell, Myself and Beth Salak of the Accounting and Financial Analysis Division.

Please distribute a copy of this memorandum to all parties in the above referenced dockets.

This is to notify the parties to the above-referenced dockets that at approximately 9:30 this morning, Tony Lombardo of Southern Bell called and asked if he could come over at 10:30 and present the details of the settlement between the Office of the Public Counsel and Southern Bell to be announced also at 10:30 at the Press Center. His stated purpose was to inform the Commissioner's aides of the existence and main points of the agreement. I told him that I didn't see any problem with having the meeting and that I would ask the other aides if they wanted to attend one meeting rather than him scheduling meetings with individual aides. Beth Salak heard about the meeting, she called and asked if she could attend so that the staff could get the details of the settlement and start to review it. Mr. Lombardo said he welcomed Beth's attendance.

The meeting was only an informational presentation by Mr. Lombardo. He handed out the attached materials summarizing the settlement and the joint motions (not attached) filed in the dockets and answered questions. This memorandum constitutes, for each of the staff attendees, the required notice, if any, under the staff contact rule (25-27.033 F.A.C.)

CJR/gs

attachment

cc: Billy Stiles
Jim Dean
Curtis Williams
Cathy Bedell
Beth Salak

RATE CASE SETTLEMENT FACTS IN BRIEF

(pending approval by Florida Public Service Commission)

*****TouchTone customers will no longer have a \$1.00 per month per line charge, effective 30 days after FPSC approval.

*****Cap on basic Residential lines, basic Business lines, PBX trunk, and Directory Assistance charges at current levels through 1997.

*****Southern Bell has withdrawn its optional expanded local service proposal, and has agreed not to propose any local measured service request on a statewide basis through the same time period.

*****Service Guarantee Plan begins Oct. 1, 1994, with rebates to customers if it is determined that installation or maintenance services were unsatisfactory. Proposed rebates are \$25 per residential customer and \$100 per business customer.

*****Resolve Dade/Broward toll situation, with up to \$11 million in revenue losses and costs to be absorbed by Southern Bell, effective January 1, 1995.

*****Southern Bell will absorb approximately \$112 million in one-time hurricane casualty and refinancing costs in 1993.

*****Rate Reductions of approximately \$300 million
(specific cuts to be determined at dates of tariff filings)

--TouchTone charge elimination	\$55 million
--July, 1994	60 million
--Oct. 1994 Service Guarantee	3-10 million (estimated)
--October, 1995	80 million
--October, 1996	84 million
--Dade/Broward toll restructure	11 million
--Annual Hurricane Casualty Reserve	10 million

*****Current \$49 million credits converted to permanent rate reductions in service connection charges, some Custom Calling services, hunting charges for business, and Lifeline Service tariff

*****Sharing:

1994-- Begins at 12% return on equity. Cap at 14%
(60/40 split with 60 to customers)

1995-- Begins at 12.5% return on equity. Cap at 14.5%
(60/40 split with 60 to customers)

1996/1997-- Sharing and Cap points to be set based on bond markets