

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation to) DOCKET NO. 951159-TL
determine categories of non-) ORDER NO. PSC-96-0012-FOF-TL
basic services provided by local) ISSUED: January 4, 1996
exchange telephone companies)
pursuant to Chapter 364.051(6),)
Florida Statutes.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER ADOPTING PROPOSAL

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.

On September 27, 1995, we opened this docket to establish categories of non-basic services as described in Section 364.051(6)(a), Florida Statutes. Section 364.051(6)(a), Florida Statutes, provides in pertinent part:

Each company subject to this subsection shall maintain tariffs with the commission containing the terms, conditions and rates for each of its non-basic services, and may set or change, on 15 days' notice, the rate for each of its non-basic services, except that a price increase for any non-basic service category shall not exceed six percent within a twelve-month period until there is another provider providing local telecommunications service in an exchange area at which time the price for any non-basic service category may be increased in an amount not to exceed twenty percent

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within a twelve-month period, and the rate shall be presumptively valid.

A workshop was held on October 13, 1995, to address the following topics:

1. Identification of the categories of non-basic services and development of criteria by which non-basic services can be categorized.
2. Identification of issues to be addressed should a hearing be necessary.
3. The possibility of stipulating the issues in this proceeding.

Additional workshops were held on October 31, 1995 and November 27, 1995. On December 20, 1995, the attached proposal was filed with the Commission. The terms of the proposal are summarized below.

The parties have set forth service categories by function and have grouped similar services into these categories. They agree that the price increases for non-basic service categories should not be applicable on a company-wide basis. Further, in those exchanges where a Local Exchange Company (LEC) does not have another company providing local telecommunications services, the aggregate prices for all non-basic services in a category should not be increased more than 6% in a 12 month period. Likewise, in those exchanges where a LEC does have another provider of telecommunications services, the aggregate prices for all non-basic services in a category should not be increased more than 20% in a 12 month period.

Section 364.051 (6) (a), Florida Statutes, provides that once there is another provider providing local telecommunications service in an exchange area, the price for any non-basic service category may be increased in an amount not to exceed 20% within a 12 month period. The parties agree that this issue should be dealt with at a later time.

When filing non-basic service tariffs, the parties agree that certain information, similar to what is currently required by the LECs, should continue to be provided. This information includes a transmittal letter to the Director of Communications, an executive summary, and copies of the tariff. The filings should also include an explanation of the proposed rate increase's effect on the Company's 6/20% cap.

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The parties also agree that the non-recurring charges associated with the initiation of basic local telecommunications services should not be included in a non-basic service category. They state that these charges should be associated with their corresponding basic local telecommunications service and be capped pursuant to Section 364.051(2)(a), Florida Statutes.

Finally, the parties agree that the capped non-basic services, described in Section 364.051(6)(a) 1. and 2., Florida Statutes, should not be included in the respective non-basic service categories when computing the allowable increases to non-basic service categories.

Upon consideration, we find that the attached proposal is appropriate. It establishes the categories and descriptions of non-basic services. Moreover, the descriptions will act as a guideline to ensure that future services are placed in the appropriate categories.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the attached proposal is adopted and incorporated by reference into this Order. It is further

ORDERED that the time available for filing a protest shall be 14 days from the issuance date of this Order. It is further

ORDERED that this Order shall become final and effective and this docket shall be closed unless a person whose substantial interests are affected files a protest pursuant to the requirements set forth below.

By ORDER of the Florida Public Service Commission, this 4th day of January, 1996.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay DeLeon
Chief, Bureau of Records

(S E A L)
MMB

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 18, 1996.

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 substantially 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.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation to Determine)
Categories of Non-Basic Services)
Provided by Local Exchange Telephone)
Companies Pursuant to Chapter)
364.051(6), F.S.)

DOCKET NO. 951159-TL
Filed: 12/20/95

STIPULATION

THIS STIPULATION is entered into between the undersigned parties to this docket.

Recitals

1. During 1995, the Florida Legislature passed Chapter 95-403, Laws of Florida, which revised Chapter 364, Florida Statutes.
2. Chapter 95-403, Laws of Florida, created Section 364.051, Florida Statutes. That section addresses price regulation for local exchange telecommunications companies.
3. Section 364.051(6), Florida Statutes, addresses price regulation of non-basic services.
4. During the last half of 1995, the parties to this docket, the Staff of the Florida Public Service Commission, and others met informally to identify issues relating to the non-basic service categories referred to in Section 364.051(6), Florida Statutes. As a result of these meetings, the parties identified seven issues.
5. In addition, the parties have stipulated to language that resolves the issues identified by the parties. The purpose of this Stipulation is to memorialize the stipulation of the parties.

6. It is the intent of the parties that the Florida Public Service Commission approve the stipulation set forth below, thereby eliminating the need for an administrative hearing on these issues.

Stipulation

The undersigned parties to this docket agree as follows:

1. The recitals set forth above are not a part of the agreement between the parties, but serve to explain the circumstances under which this Stipulation was reached.

2. This Stipulation shall become effective upon approval by the Florida Public Service Commission. If this Stipulation is not approved by the FPSC without modification, the whole Stipulation shall be void and shall have no force or effect.

3. The parties agree to the following issues and positions as set forth below:

ISSUE 1. For purposes of Section 364.051(6)(a), Florida Statutes, what are the non-basic service categories within which non-basic services should be placed?

Stipulation: See non-basic service categories list attached as Exhibit "A".

ISSUE 2. What criteria should determine in which non-basic service category a given LEC non-basic service should be included?

Stipulation: The functional service descriptions set forth in the non-basic service categories list (Exhibit "A") should determine service placement.

ISSUE 3. For purposes of Section 364.051(6)(a), Florida Statutes, what constitutes having "another provider providing local telecommunications services?"

Stipulation: The parties agree that this issue need not be decided at this time.

ISSUE 4. If a LEC does not have ALECs operating in all of its exchange areas, should the price increases that result from Section 364.051(6)(a), Florida Statutes, be applicable on a company-wide basis?

Stipulation: The price increases should not be applicable on a company-wide basis. The price increases should be distinguished in the following manner:

Exchanges without another provider

In the aggregate, across all services in a category and all exchanges where there is not another company providing local telecommunications services, prices may not be increased more than 6% within a 12-month period.

Exchanges with another provider

In the aggregate, across all services in a category in the aggregate and all exchanges where there is another company providing local telecommunications services, prices may not be increased more than 20% within a 12-month period.

ISSUE 5. What type of information should the LEC submit to the Commission with its non-basic service tariff filings?

Stipulation: Tariff filings should continue to have a transmittal letter to the Director of Communications stating the nature of the filing and what pages it involves, an executive summary of what it is they are doing and why, and copies of the tariff. Tariffs should provide an explanation and calculation of the proposed rate increase's effect on the Company's 6/20% cap (e.g., an explanation that service X has been increased by 5.5%, accompanied by a price/units calculation to back it up and that the category service X falls in has not exceeded its cap (6/20%) within the 12-month period). If the price/units calculations are used, it should be based on the most current month's data available at the time of the company's initial tariff for the category. Subsequent tariff filings made by the company, for a specific category, would use the same months data for the next 12 months. In addition to the general requirements, an incremental cost study should not be required; however, a study should be made available upon request by the Commission staff on 5 working days notice.

ISSUE 6. Should non-recurring charges associated with the initiation of basic local telecommunications services be placed in a separate non-basic service category? If not, in which non-basic service category, if any, should they be placed?

Stipulation: No. The non-recurring charges associated with the initiation of basic local telecommunications services should not be included in a non-basic service category. These charges should be associated with their corresponding basic local telecommunications service and be capped pursuant to Section 364.051(2)(a), Florida Statutes.

ISSUE 7. Section 364.(6)(a)1. and 2., Florida Statutes, cap the rates for certain non-basic services. Should these capped services be included in the respective non-basic service categories when computing the allowable increases to non-basic service categories?

Stipulation: No, the capped non-basic services should not be included in the respective non-basic service categories when computing the allowable increases to non-basic service categories.

4. The non-basic service categories list referred to in issues 1 and 2, and attached to this Stipulation as Exhibit A, is a part of this Stipulation as though fully set forth under issues 1 and 2. The list of examples attached to this stipulation as Exhibit "B" is included for illustrative purposes only and is not intended to alter the definitions of the categories shown in Exhibit "A."

5. This Stipulation and Agreement shall be interpreted under the laws of the State of Florida. If this Stipulation and Agreement is not approved by the Commission in its entirety without modification, the Stipulation and Agreement shall not be binding on the parties and shall have no force and effect.

6. Each of the persons signing below represents that he or she has complete actual authority to bind the party on whose behalf her or his signature is given.

Non-Basic Service Categories Definitions

1. Business Non-Basic Exchange Access

A service or family of services (excluding basic single line flat-rate business service) offered to business customers that provides access to, and usage of, the switched local exchange network.

2. Residence Non-Basic Exchange Access

A service or family of services (excluding basic single line flat-rate residence service) offered to residence customers that provides access to, and usage of, the switched local exchange network.

3. Business Optional Services

A service or family of services offered to business customers that provides enhanced calling features or functions complementary to business basic or non-basic exchange access services.

4. Residential Optional Services

A service or family of services offered to residential customers that provides enhanced calling features or functions complementary to residential basic or non-basic local exchange access services.

5. Local Directory Assistance and Directory Services

Local directory assistance and local directory-based services, including, but not limited to, additional listings, miscellaneous listings, non-published and non-listed service.

6. Toll Services

A non-dedicated service that provides non-basic extended local or long distance calling between locations using the public switched network, and toll directory assistance.

7. Operator Services

Local and toll services which utilize a live operator or automated equipment to assist end user-initiated calls. Such services would include, but are not limited to, billing or completion of third-party, person-to-person, collect, or calling card or credit card calls, and conference services.

8. Transport Service

A service that provides a reserved path(s) between customer designated locations.

9. Public and Semi Public Telephone

Pay Telephone services provided by the company.

10. Miscellaneous Services

Company-provided ancillary services other than those indicated in preceding categories. Examples of such services: provision of 911 and E911 equipment; equipment for the hearing impaired.

Non-Basic Service Categories - Examples of Services

1. **Business Non-Basic Exchange Access**

Measured Rate Service
Centrex Services
ESSEX Services
PBX Trunks*
NARS*
Dormitory Service*
Centrex and ESSEX Line
Charges*

* Capped Services

2. **Residential Non-Basic Exchange Access**

Measured Rate Service

3. **Business Optional Services**

Custom Calling
AIN
ISDN
ACD Service
Dual Service
DID/100
Prestige
Remote Call Forwarding
Touchstar
Call Screening
Ringmaster
Hot Line
Warm Line
Toll Restriction
Optional Billing and Collection
Services
SMDI
SMDR

4. **Residential Optional Services**

Custom Calling
AIN
ISDN
ACD Service
Dual Service
DID/100
Prestige
Remote Call Forwarding
Touchstar
Call Screening
Ringmaster
Hot Line
Warm Line
Toll Restriction
Optional Billing and Collection
Services

5. Local Directory Assistance
and Directory Services

Local Directory Assistance
Additional Listings
Non-Published
Non-List
Miscellaneous

6. Toll Services

Two-Point Service
Calling Plans-Saver Service
Wide Area Telecommunications
Service
Long Distance Directory
Assistance

7. Operator Services

Credit Card, Third Number, Collect
Conference Services
Verification Service

8. Transport Services

TAS Facilities
Extension Service and Tie Lines
Foreign Exchange Service
Foreign Co Service
Area Communication Service
Pulselink
Accupulse
Flexserv
Data Transport
Megalink
Synchronet
Lightgate
Smartprim
Smarring
Private Line

9. Public and Semi-Public
Telephone

Public Telephone Service
Semi-Public Telephone Service

10. Miscellaneous

Special Number Assignment
Apartment Door Answering
High Voltage Protection
Trouble Location Charge
911