

STATE OF FLORIDA

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Public Service Commission

October 14, 2002

Joint Administrative Procedures
Committee
Room 120 Holland Building
Tallahassee, FL 32399-1300

RE: Docket No. 010774-TP - Rule No. 25-24.491, F.A.C.

Dear Mr. Webb:

Enclosed is an original copy of the following materials concerning the above referenced proposed rule:

1. A copy of the rule.
2. A copy of the F.A.W. notice.
3. A statement of facts and circumstances justifying the proposed rule.
4. A federal standards statement.
5. No statement of estimated regulatory costs was prepared.

If there are any questions with respect to this rule, please do not hesitate to call me.

Sincerely,

Samantha M. Cibula
Senior Attorney

010774ADM.SMC

Enclosures

cc: Division of the Commission Clerk
and Administrative Services

DOCUMENT NUMBER DATE

1114 OCT 14 2002

FPSC-COMMISSION CLERK

1 25-24.491 Notice to Customers Prior to Increase in Rates or Charges

2 (1) All interexchange telecommunications companies shall
3 provide reasonable notice of any increase in intrastate
4 telecommunications rates, or any changes in terms or conditions
5 that would cause a material increase in customer charges, to each
6 of their affected residential and single-line business retail
7 subscribers, prior to implementation of the increase.

8 (2) The notice shall be clear and conspicuous, shall be
9 identified with the heading: "Notice of Price Increase," or "Notice
10 of Price Change," if the change will result in a price increase for
11 some customers and a price decrease for some customers, and shall
12 be presumed reasonable if provided in any of the following manners:

13 a) First class mail postmarked at least 15 days prior to the
14 effective date of the increase in rates or charges to the customer;

15 b) A bill insert or bill message mailed to the customer no
16 later than one billing cycle prior to the effective date of the
17 increase in rates or charges to the customer;

18 c) For those customers who have elected to receive
19 electronic billing, an electronic message sent at least 7 days
20 prior to the effective date of the increase in rates or charges to
21 the customer; or

22 d) Pursuant to a written contract that specifically and
23 conspicuously prescribes a method for notice of price increases.

24 Specific authority: 350.127; 364.0252; 364.19, F.S.

25 Law implemented: 364.0252; 364.19, F.S.

CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

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CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from existing law.

NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 010774-TP

RULE TITLE:

RULE NO.:

Notice to Customers Prior to

25-24.491

Increase in Rates or Charges

PURPOSE AND EFFECT: To require interexchange telecommunications companies to provide reasonable prior notice to their customers of any increase in price or changes in terms and conditions of service that would increase the customers' cost of service.

SUMMARY: The proposed rule requires that interexchange telecommunications companies give reasonable prior notice to their customers of any increase in price or changes in terms and conditions of service that would increase the customers' cost of service. The proposed rule provides flexibility in the way such notice may be given and also provides circumstances in which the notice will be presumed reasonable.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: No statement of estimated regulatory cost was prepared.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 350.127, 364.0252, 364.19, F.S.

LAW IMPLEMENTED: 364.0252, 364.19, F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS:

Samantha Cibula, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6199.

THE FULL TEXT OF THE PROPOSED RULE IS:

25-24.491 Notice to Customers Prior to Increase in Rates or Charges

(1) All interexchange telecommunications companies shall provide reasonable notice of any increase in intrastate telecommunications rates, or any changes in terms or conditions that would cause a material increase in customer charges, to each of their affected residential and single-line business retail subscribers, prior to implementation of the increase.

(2) The notice shall be clear and conspicuous, shall be identified with the heading: "Notice of Price Increase," or "Notice of Price Change," if the change will result in a price increase for some customers and a price decrease for some customers, and shall be presumed reasonable if provided in any of

the following manners:

a) First class mail postmarked at least 15 days prior to the effective date of the increase in rates or charges to the customer;

b) A bill insert or bill message mailed to the customer no later than one billing cycle prior to the effective date of the increase in rates or charges to the customer;

c) For those customers who have elected to receive electronic billing, an electronic message sent at least 7 days prior to the effective date of the increase in rates or charges to the customer; or

d) Pursuant to a written contract that specifically and conspicuously prescribes a method for notice of price increases.

NAME OF PERSON ORIGINATING PROPOSED RULE: Office of Public Counsel

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE: Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: October 1, 2002.

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: Vol. 27, Number 27, July 6, 2001

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence

forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of the Commission Clerk and Administrative Services at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

Rule 25-24.491, F.A.C.
Docket No. 010774-TP

**STATEMENT OF FACTS AND CIRCUMSTANCES
JUSTIFYING RULE**

The Office of Public Counsel petitioned the Commission to initiate rulemaking. The Commission's Division of Consumer Affairs had documented interexchange carriers who have raised rates without prior notice to their customers. Material provided by the Office of Public Counsel indicates that other states have also experienced this problem and are addressing it by state statutes or rules. Without prior notice of price changes, customers cannot adjust their consumption or seek a lower cost provider of service. The proposed rule requires interexchange companies to provide such notice.

STATEMENT ON FEDERAL STANDARDS

There is no federal standard on the same subject.