

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for review of rates	)	DOCKET NO. 860723-TP
and charges paid by PATS providers to	)	ORDER NO. 25629
LECs	)	ISSUED: 1/22/92

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The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
 SUSAN F. CLARK  
 J. TERRY DEASON  
 BETTY EASLEY

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING AGREEMENT TO REDUCE NONRECURRING  
CHARGE AND REFUND CERTAIN REVENUES BEING HELD  
SUBJECT TO REFUND, RELEASING OTHER REVENUES BEING  
HELD SUBJECT TO REFUND, AND REQUIRING CONTINUED  
COLLECTION OF NONRECURRING CHARGE

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.

On January 9, 1990, we issued Order No. 22385, approving the local exchange companies' (LECs') tariff filings for billing, collecting, and remitting the \$.75 surcharge for 0- and 0+ intraLATA LEC-handled calls placed from nonLEC pay telephones (NPATS). The tariff proposals filed by the LECs were similar in most respects. Each tariff provided for a nonrecurring charge at the time the service was initially established, as well as a recurring charge on a per message basis. The nonrecurring and recurring charges established by the LECs were as follows:

DOCUMENT NUMBER-DATE

00784 JAN 22 1992

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<u>COMPANY</u>	<u>NONRECURRING CHARGE</u>	<u>RECURRING CHARGE</u>
ALLTEL	\$ 33.00	\$ .06
Centel	17.57	.0666
Floral	30.00	.09
GTEFL	30.00	.09
Gulf	30.00	.09
Indiantown	23.35	.07
Northeast	23.35	.07
Quincy	30.00	.09
St. Joe	30.00	.09
Southern Bell	23.35*	.07**
Southland	30.00	.245
United	12.00	.0837
Vista-United	30.00	.11

\*Subsequently reduced to \$13.50.

\*\*Subsequently reduced to \$.03.

Although we approved the tariff filings, we had some concerns about the variations in nonrecurring charges from LEC to LEC. Rather than suspend or deny the tariff filings and delay implementation of collecting and remitting the surcharge to the NPATS providers, we instead directed that all nonrecurring charges be held subject to refund, pending further investigation into the matter.

We have already addressed the nonrecurring charge for Southern Bell Telephone and Telegraph Company (Southern Bell) and approved a reduction in the nonrecurring charge from \$23.35 to \$13.50 per line. In addition, Southern Bell was ordered to refund \$9.85 per line, with interest, to those NPATS providers who had originally subscribed to the service at the old rate of \$23.35. That action is reflected in Order No. 23428, issued September 5, 1990. This Order addresses the status of the remaining LECs.

GTE Florida, Inc. (GTEFL) has informed us that it has reached an agreement with the Florida Pay Telephone Association, Inc. (FPTA) to reduce its nonrecurring charge to \$20.00 and refund the difference of \$10.00, without interest, to NPATS providers who have subscribed to this service. If we accept this settlement, based upon the 5,942 NPATS access lines subscribed to this service since January, 1989, GTEFL would refund \$59,420 to NPATS providers.

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While we have some concerns about the cost of this service, we are persuaded to approve this agreement because it was reached freely between these parties and appears to represent a reasonable compromise by parties on both sides of the issue. Accordingly, we find it appropriate to approve GTEFL's tariff revision to implement this agreement. Once GTEFL complies with the terms of this agreement, it will have satisfied its obligation under Order No. 22385, and any remaining monies being held subject to refund pursuant to that Order shall be released.

As for the remaining LECs, although the cost information is limited, we believe that the current tariffed rates are appropriate and that no reduction or refunds should be ordered. Accordingly, none of the other LECs will be required to reduce the amount of their nonrecurring charge. Each of these LECs shall be relieved of any further obligation under Order No. 22385, and any revenues being held subject to refund pursuant to that Order shall be released.

On February 14, 1991, we issued Order No. 24101, which established new rate caps for NPATS providers for 0- and 0+ local and intraLATA toll calls. We eliminated the \$.75 surcharge and substituted a \$.25 set use charge to be applied to local and intraLATA 0- and 0+ toll calls placed from NPATS pay telephones. In addition, we directed the LECs to remit the entire \$.25 to the NPATS provider, without applying a recurring per message billing and collection charge. However, the nonrecurring charge associated with the PATS surcharge was not addressed in Order No. 24101.

Based on the cost information originally filed when we approved the tariff filings in Order No. 22385, it appears that many LECs have not recovered the programming costs of modifying their systems for billing and collection of the surcharge. For Southern Bell and GTEFL, their nonrecurring charges were designed to recover these costs over a five year period. Considering that additional costs will be necessary to modify the LECs' billing systems to reduce the surcharge from \$.75 to a \$.25 set use charge and to include the set use charge on 0- and 0+ local calls, we believe it is appropriate that the nonrecurring charge should remain in place as currently approved in the LECs' tariffs. In so doing, we wish to remove any doubt that may have resulted from our decision to remove the recurring message charge in Order No. 24101. We believed it was appropriate to eliminate the recurring charge since the LECs were already billing and collecting the call. It

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should also be recognized that our decision in Order No. 24101 requires all NPATS to subscribe to the set use charge. This will require those NPATS providers that did not originally want the surcharge added to their 0+ and 0- intraLATA calls to pay the nonrecurring charge. However, we find this consistent with our intent in Order No. 24101 that the set use charge be mandatory.

However, we also find it appropriate that once the LEC has recovered the cost of modifying its billing system, this nonrecurring charge should be eliminated. At this time, it appears that only United Telephone Company of Florida (United) and Central Telephone Company of Florida (Centel) are close to recovering these costs. Accordingly, both United and Centel shall either eliminate the nonrecurring charge or file an update on the number of NPATS subscribing to the set use charge and the remaining nonrecurring cost to be recovered.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that GTE Florida, Inc. shall reduce its nonrecurring charge and make associated refunds in accordance with the terms and conditions set forth herein. It is further

ORDERED that GTE Florida, Inc., having complied with the directives specified in the body of this Order, shall have satisfied its obligation pursuant to Order No. 22385, with regard to revenues being held subject to refund. It is further

ORDERED that each of the other local exchange companies (except Southern Bell Telephone and Telegraph Company which was already released by Order No. 23428), shall be deemed to have satisfied any obligation under Order No. 22385, with regard to revenues being held subject to refund. It is further

ORDERED that the nonrecurring charge discussed herein shall be continued for the reasons set forth herein. It is further

ORDERED that Central Telephone Company of Florida and United Telephone Company of Florida shall file certain reports as detailed herein. It is further

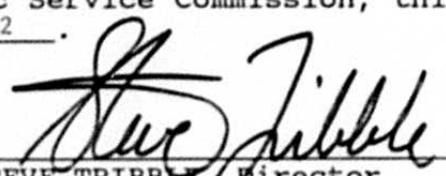
ORDERED that our proposed actions described herein shall become final and effective on the first working day following the

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date set forth below, if no timely protest is filed in accordance with the requirements set forth below. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission, this 22<sup>nd</sup>  
day of JANUARY, 1992.

  
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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,

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Florida 32399-0870, by the close of business on  
2/12/92.

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.