

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Intrastate Access Charges for)	DOCKET NO. 820537-TP
Toll Use of Local Exchange Services -)	ORDER NO. 20961
Removal of Gulf's Access Subsidy)	ISSUED: 3-29-89

PREHEARING ORDER

The parties in this phase of the Access Charge Docket are:

NORMAN H. HORTON, JR., Esquire, Mason, Erwin and Horton, P.A., 1020 East Lafayette Street, Suite 202, Tallahassee, Florida 32301, on behalf of Gulf Telephone Company.

MICHAEL W. TYE, Esquire, Suite 510, Barnett Bank Building, Tallahassee, Florida 32301, on behalf of AT&T Communications of the Southern States, Inc.

JACK SHREVE, Public Counsel, and CHARLES J. REHWINKEL, Esquire, Office of the Public Counsel, c/o Florida House of Representatives, The Capitol, Tallahassee, Florida 32399-1300, on behalf of the Citizens of the State of Florida.

TRACY HATCH, Esquire, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399-0863, on behalf of the Commission Staff.

NOTE: Gulf is not actively participating in this proceeding.

I. BACKGROUND

Pursuant to Order No. 14452, issued in July of 1985 in this Docket, the Commission implemented its system for bill-and-keep of interLATA access charges. As part of the bill-and-keep system, the Commission also implemented an access subsidy mechanism that was designed to maintain revenue neutrality for each LEC experiencing a loss from access bill-and-keep. Each LEC was kept in the same relative earnings position before and after implementation of bill-and-keep for access charges.

By Order No. 19169 the Commission approved a stipulation between Public Counsel and Gulf to resolve the Commission's and Public Counsel's investigation into the 1986 earnings of Gulf. In the course of approving the stipulation resolving the overearnings issues, we noted that Gulf was also receiving an access charge subsidy from the interLATA access subsidy pool. In light of the level of Gulf's earnings, the Commission proposed to eliminate Gulf's access subsidy on the basis that it was no longer needed to support its earnings. See Order No. 19692. Public Counsel filed a protest of the action proposed in Order No. 19692. ATT-C filed an answer in opposition to Public Counsel's protest. The matter was then scheduled for hearing.

II. PROCEDURE

In the spirit of cooperation and to facilitate an expeditious resolution of this proceeding the actively participating parties have agreed to an abbreviated procedure to be followed in this case in accordance with the following:

1. Each party agrees that this proceeding may be conducted pursuant to Section 120.57(2), Florida Statutes.
2. Each party agrees that the issues raised in Public Counsel's protest of Order No. 19692 do not require the presentation of testimonial evidence for resolution. Accordingly, each party has agreed to submit written briefs advancing its arguments on the respective issues set forth below.
3. The Commission is requested to officially notice Orders Nos. 14452, 15192, 15327, 15821, 18598, 19677 and 19692.

In accordance with the agreements of the parties above, the following procedure will be followed in this case:

1. Each party will file its brief addressing the issues set forth below on March 27, 1989.
2. Each party will be allowed to present Oral argument on its brief before the full Commission on April 5, 1989.
3. Posthearing briefs will not be required.
4. The remainder of the case will follow the schedule outlined on the current CASR.

III. ISSUES AND POSITIONS

ISSUE 1: Whether the Commission's treatment of Gulf Telephone Company by itself, comports with the industry-wide nature of the solution embodied in Order No. 14452 (Docket No. 820537-TP, issued June 10, 1985).

Public Counsel: Citizens contend that the Commission unfairly singles out Gulf for removal of its subsidy because Gulf agreed to a rate reduction and a refund while allowing United to keep its subsidy despite being in an overearnings posture.

ATT-C: AT&T contends that the Commission's decision with respect to Gulf Telephone Company does comport with the nature of the solution embodied in Order No. 14452. AT&T will address this issue further in its brief to be filed March 27, 1989.

Gulf: No position.

ISSUE 2: Whether the Commission's decision to single out Gulf Telephone Company is arbitrary and discriminatory.

Public Counsel: Yes. See position on Issue 1.

ATT-C: AT&T submits that the Commission's decision with respect to Gulf Telephone Company is neither arbitrary nor discriminatory. AT&T will address this issue further in its brief to be filed March 27, 1989.

Gulf: No position.

ISSUE 3: Whether the Commission's decision not to allow Gulf Telephone Company and its customers to receive the intralATA access charges subsidy pool payments is inconsistent with Order No. 15327 (Docket No. 820537-TP, issued November 4, 1985, wherein United Telephone Company was allowed to receive subsidy payments while at the same time the company was overearning and being investigated for such). See Order No. 15327 at page 5.

Public Counsel: Yes. See position on Issue 1.

ATT-C: AT&T submits that the Commission's decision with respect of Gulf Telephone Company is not inconsistent with Order No. 15327. AT&T will address this issue further in its brief to be filed on March 27, 1989.

Gulf: No position.

ISSUE 4: Whether the Commission's decision not to allow Gulf Telephone Company and its customers to receive the interLATA access charge pool payments is inconsistent with Order No. 19677 (Docket No. 860984-TP, issued July 15, 1988).

Public Counsel: Yes. Order No. 19677 embodies the Public Service Commission's decision to continue the subsidy mechanism for all receiving companies (including Gulf) after hearing and after opportunity for all parties to address the specific access subsidy issue.

ATT-C: AT&T submits that the Commission's decision is not inconsistent with Order No. 19677. AT&T will address this issue further in its brief to be filed March 27, 1989.

Gulf: No position.

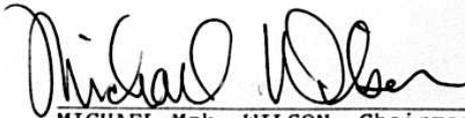
VIII. PENDING MOTIONS:

There are not pending matters.

It is therefore,

ORDERED by Commissioner Michael McK. Wilson, as Chairman and Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Michael McK. Wilson, as Chairman and Prehearing Officer, as Prehearing Officer, this 29th day of MARCH, 1989.



MICHAEL MCK. WILSON, Chairman
and Prehearing Officer

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