### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Proposed Repeal of Rules ) DOCKET NO. 951315-TI 25-24.460, F.A.C., Major and ) ORDER NO. PSC-95-1497-NOR-TI Minor Interexchange Companies; ) ISSUED: December 1, 1995 25-24.495, F.A.C., Revenue Requirements; Rules Incorporated; and Proposed Amendment of Rules 25-24.465 to 25-24.490, Relating to Interexchange Telephone Companies

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 RULEMAKING

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has proposed to repeal Rules 25-24.460, 25-24.495 and amend Rules 24-24.465 to 25-24-490, Florida Administrative Code, relating to interexchange telephone companies.

The attached Notice of Rulemaking will appear in the December 8, 1995, edition of the Florida Administrative Weekly.

If timely requested, a hearing will be held at the following time and place:

> Florida Public Service Commission 9:30 a.m., February 21, 1996 Betty Easley Conference Center Room 152, 4075 Esplanade Way Tallahassee, Florida

Written requests for hearing and written comments or suggestions on the rules must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0870, no later than December 29, 1995.

> 12023 DEC-18 FFSC-RELEASIATEPORTING

By ORDER of the Florida Public Service Commission, this  $\underline{\text{1st}}$  day of  $\underline{\text{December}}$ ,  $\underline{\text{1995}}$ .

BLANCA S. BAYÓ, Director

Division of Records & Reporting

(SEAL)

#### FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 951315-TI

RULE TITLE:	RULE NO.:
Major and Minor Interexchange Companies	25-24.460
Terms and Definitions; Rule Incorporated	25-24.465
Application for Certificate	25-24.471
Application for Approval of Sale, Assignment	
or Transfer of Certificate	25-24.473
Cancellation of a Certificate	25-24.474
Company Operations; Rules Incorporated	25-24.475
Records & Reports; Rules Incorporated	25-24.480
Tariffs	25-24.485
Customer Relations; Rules Incorporated	25-24.490
Revenue Requirements; Rules Incorporated	25-24.495

PURPOSE AND EFFECT: The purpose of the amendments and repeal of certain rules relating to interexchange carriers is to eliminate the distinction between major and minor carriers. The elimination of this distinction reflects the trends in Commission policy, Florida law, and federal regulation that the interexchange marketplace has become more competitive. Other amendments were made to the rules to relax the Commission's regulation of this service to allow for greater competition.

SUMMARY: The repeal of Rule 25-24.460, F.A.C., would eliminate the major/minor distincton between interexchange carriers, and would eliminate AT&T Communications of Southern States (ATT-C) as a major

interexchange company (IXC). Repeal of rule 25-24.495, F.A.C., would eliminate any revenue requirement for ATT-C. This rule is unnecessary since neither ATT-C nor any other IXC in the state is earnings regulated.

The Amendments to the various rules make changes to certification requirements required by revisions to ch. 364, Florida Statutes. These changes include eliminating reporting requirements and make permanent, various exemptions which the Commission has previously granted by order.

RULEMAKING AUTHORITY: 350.127(2), F.S.

LAW IMPLEMENTED: 350.113, 350.115, 350.117, 350.127(1), 364.01, 364.02, 364.03, 364.04, 364.05, 364.08, 364.09, 364.10, 364.11, 364.14, 364.15, 364.16, 364.17, 364.18, 364.30, 364.32, 364.33, 364.035, 364.057, 364.185, 364.285, 364.335, 364.337, 364.345, F.S. WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

HEARING: IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE,
A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., February 21, 1996.

PLACE: Room 152, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THESE RULES AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399.

THE FULL TEXT OF THESE RULES ARE:

PART X RULES GOVERNING INTEREXCHANGE <u>TELECOMMUNICATIONS</u>

TELEPHONE COMPANIES

25-24.460 Major and Minor Interexchange Companies.

- (1) For purposes of this Part, AT&T Communications of the Southern States, Inc. is determined to be a major interexchange company. All other interexchange companies are minor interexchange companies.
- or an interexchange company, or on its own motion, the Commission may by order change the status of an interexchange company. In determining whether the status of an interexchange company should be changed, the Commission may consider, but is not limited to, the following factors: market share, number of exchanges served, range of services offered, access to finances, technological resources in areas such as one plus dialing, availability of answer supervision, automatic number identification, and the number, relative size and scope of firms in the market. Except as otherwise provided, rules that are applicable only to a major interexchange company shall apply to a company upon a change in its designation to major

interexchange company and shall be inapplicable to a company upon its change to a minor interexchange company.

Specific Authority: 350.127(2), F. S.

Law Implemented: 364.01, 364.337, F.S.

History: New 2/23/87; Amended .......

25-24.465 Terms and Definitions; Rule Incorporated.

- (1) For purposes of this Part, the <u>term following definitions</u> apply:
  - (a) "Company" means an Interexchange Company.
- (b) "Equal Access Exchange Areas" or "EAEA" means a geographic area, configured based on 1987 planned toll center/access tandem areas, in which local exchange companies are responsible for providing equal access to both carriers and customers of carriers in the most economically efficient manner.
- (2) In addition to the above, the <u>The</u> following rule is incorporated herein by reference.

Portions not

Section Title Applicable

25-4.003 Definitions Subsection (8) (9)

Specific Authority: 350.127(2), F. S.

Law Implemented: 364.01, 364.02, 364.337, F.S.

History: New 2/23/87.

25-24.471 Application for Certificate.

- (1) An applicant desiring to apply for a certificate shall submit an application on Commission Form PSC/CMU 31 (4/91), which is incorporated into this rule by reference. Form PSC/CMU 31 (4/91), entitled "Application Form for Authority to Provide Interexchange Telecommunications Service Between Points Within the State of Florida," may be obtained by contacting the Commission's Division of Communications. An non-refundable application fee of \$250.00 must accompany the filing of all applications. This is a non-refundable fee to cover the costs of processing the application and it has no relevance on the approval or denial of a certificate.
  - (2) No change.
  - (3) No change.
- (4) Any authority granted to interexchange companies (IXCs) previously or hereafter is subject to the following:
- (a) Toll authority granted to all companies is statewide. A company may provide toll service over its own or resold facilities. However, the local exchange company shall be the sole carrier for 1++, 0+ local, and 0- local and 0- intraLATA local and toll calls dialed by end users. Call aggregators and IXCs shall not change or augment the dialing pattern of end users for such calls. IXCs may only provide intraLATA toll services to end users with whom they have a prior and ongoing relationship or who dial the appropriate access code, e.g.i.e., 950, 800, or 10XXX, or autodial.

- (b) Minor Iinterexchange companies are not required to provide service throughout their certificated service area, but must accept customers on a nondiscriminatory basis. up to the limits of their capacity from customers meeting the company's credit rating requirements. Companies deemed major Major interexchange companies on December 31, 1994, are required to provide service in any exchange that is not equal access capable to all customers in that exchange making a request for service.
- (c) Where only one interexchange carrier is available in a confinement facility, that interexchange carrier shall provide for completion of all inmate calls allowed by the confinement facility.
- (d) A certificate to provide interexchange service does not carry with it the authority to provide local exchange, shared tenant, alternative access, alternative local exchange, or pay telephone service. A separate application must be made for such authority.

Specific Authority: 350.127(2), F. S.

Law Implemented: 364.03, 364.32, 364.33, 364.335, 364.337, 364.345, F.S.

History: New 2/23/87, Amended 5/8/91, 11/20/91, 12/22/92, 10/10/94.

25-24.473 Application for Approval of Sale, Assignment or Transfer of Certificate.

- (1) A person desiring to obtain a certificate by sale, assignment or transfer from the holder thereof shall submit jointly with the certificate holder an application on Commission Form PSC/CMU 31 (XX/96) (4/91), which is incorporated into this rule by reference. Form PSC/CMU 31 (XX/96) (4/91), entitled "Application Form for Authority to Provide Interexchange Telecommunications Service Between Points Within the State of Florida," may be obtained by contacting the Commission's Division of Communications.
- (2) An original and 12 twelve (12) copies of the application shall be filed with the Division of Records and Reporting.
- (3) An application for a sale, assignment or transfer of a certificate will be granted if the Commission determines that such approval is in the public interest.
- (4) A certificate may be sold, assigned or transferred only as a whole.

Specific Authority: 350.127(2), F. S.

Law Implemented: 364.32, 364.33, 364.335, 364.337, 364.345, F.S. History: New 2/23/87, Amended 11/20/91.

## 25-24.474 Cancellation of a Certificate.

- (1) The Commission may on its own motion cancel a company's certificate for any of the following reasons:
- (a) Violation of the terms and conditions under which the authority was originally granted;
  - (b) Violation of Commission raules or orders; or

- (c) Violation of Florida Statutes ... or
- (d) Failure to provide service for a period of six (6) months.
  - (2) No change.
  - (3) No change.

Specific Authority: 350.127(2), F. S.

Law Implemented: 350.113, 350.127(1), 364.03, 364.285, 364.337, 364.345, F.S.

History: New 2/23/87.

## 25-24.475 Company Operations; Rules Incorporated

(1) The following rules are incorporated herein by reference and apply to Interexchange Companies. In these rules, the word "local" should be omitted or interpreted as "toll", as they shall apply only to interexchange and not local service.

# (a) The following rules apply to all Companies:

	Portions Not
Section Title	_Applicable_
25-4.022 Complaint - Trouble Reports, etc.	None
25-4.036 Design and Construction of Plant	None
25-4.038 Safety	None
25-4.039 Traffic	None
25-4.071 Adequacy of Service	Subsections
	(1),(2),(3),
	(4),(5),(6)

25-4.076	Pay Telephone Service Provided	All Subsections
	By Local Exchange Companies	except (12)
25-4.077	Metering and Recording Equipment	(5)
24-4.160	Operation of Telecommunications	Subsections
	Relay Service	(2), (3)

(b) The following rules apply to Major Interexchange Companies only.

	Portions Not
Section <u>Title</u>	Applicable
25 4.023 Report of Interruptions	None
25 4.069 Maintenance of Plant and Equipment	Subsection (3)
25 4.070 Customer Trouble Reports	Subsections (1),
	(3),(5),(6),(7)
25 4.071 Adequacy of Service	Subsection (3),
	(4), (5), (6)
25 4.072 Transmission Requirements	Subsection (2),
	<del>(3)</del>
25 4.073 Answering Time	None
25 4.077 Metering and Recording Equipment	None
25 4.078 Emergency Operation	Subsection (2)
(2) No change.	

(3) A company shall not lease intrastate tariffed private line, or foreign exchange (FX) services or facilities of local

exchange companies for the purpose of routing its customers' traffic, except as indicated in subsection (4).

- (4) Foreign exchange (FX) service provided by local exchange companies may be used by an interexchange company to originate calls for subsequent routing over the company's facilities. An Interexchange Company may not use FX service to terminate traffic.
- facilities between the local exchange carrier's end office or tandem serving the interexchange company and the interexchange company's point of presence to meet the following service standard during the average business day busy hour during the busy season. At least 99% percent of all calls entering or exiting the local exchange carrier's local network at the interexchange company's point of interface on a Feature Group A or B basis will not encounter an all trunk busy condition. Each interexchange company will maintain the required Busy Hour Minutes of Capacity to attain the 1% blockage requirement. For end to end Feature Group C & D service, the call completion rate shall not be less than the company's tariff standard, which in no case shall be less than 90 percent.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03, 364.035, 364.17, 364.14, 364.15, 364.16, 364.18, 364.185, 364.30, 364.337, 364.345, F.S.

History: New 2/23/87, Amended 6/25/90, 9/16/92, 2/3/93.

# 25-24.480 Records & Reports; Rules Incorporated.

(1) The following rules are incorporated herein by reference and apply to interexchange companies. In these rules, the word 'local' should be omitted or interpreted as 'toll', as they shall apply only to interexchange and not local service.

# (a) The following rules apply to all companies:

		Portions not
Section	<u>Title</u>	Applicable
25-4.019	Records and Reports in General	None
25-4.020	Location and Preservation of Records	(1), (3)
25-4.043	Inquiries	None
25-4.0161	Regulatory Assessment Fees	None
25-4.079	Hearing/Speech Impaired Persons	Subsections (1),
		(2), (3), and (5)
25-4.115	Directory Assistance	Subsections (1)
		and (2)
<del>(b)</del>	The following rules apply to majo	r interexchange
companies	-only:	
		Portions not
Section	Title	Applicable
25 4.017	Uniform System	Subsections
	of Accounts	(2), (3), (4),
		(5), (6), (7)

(8), (9), (10)

# 25 4.135 Annual Reports Subsection (2) 25 4.1352 Earnings Surveillance None Report

- (2) Each minor interexchange company shall file, with the Commission's Division of Communications, an updated list of exchanges where originating service is offered. This exchange list shall be filed within 10 days of service being offered or discontinued in an exchange area, on Appendix A of Form PSC/CMU 31 (4/91).
- (2)(3) Each company shall file updated information for the following items with the Division of Communications and the Division of Records and Reporting within 10 days after such changes occur.
  - (a) No change.
  - (b) No change.

Specific Authority: 350.127(2), F. S.

Law Implemented: 350.113, 350.115, 350.117, 364.17, 364.18, 364.185, 364.337, F.S.

History: New 2/23/87, Amended 4/5/88, 7/11/88, 6/30/90, 10/25/90, 11/20/91, 12/29/91, 12/22/92, 12/27/94.

25-24.485 Tariffs.

All tariffs must be filed with the Commission, using the following guidelines, before becoming effective.

(1) General.

- Each company shall maintain on file with the Commission tariffs which set forth all of the rates and charges for customer services, the different services available to subscribers and the conditions and circumstances under which service will be furnished. However, minor <u>I</u>interexchange carriers are authorized to provide services to other certificated telephone companies by individually negotiated contract rates in addition to filing and providing those services to end users pursuant to tariffs. When an a minor interexchange carrier chooses to utilize such individually negotiated contract rates for services to other certificated telephone companies, and in any other instances in which the Commission has authorized contract rates for specific offerings, the conditions under which such contracts may be offered shall be clearly stated in the company's tariff but the contracts themselves need not be part of the tariff. The contracts must, however, be available for Commission review. The tariff shall not include charges for customer premises equipment.
  - (b) No change.
  - (c) No change.
  - (d) No change.
  - (e) No change.
  - (f) No change.
- (g) All proposed changes to the existing tariff shall be directed to the Director of the Division of Communications, Florida

Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-086601. A filing must be received by the Division of Communications before 5:00 p.m. of a normal Commission workday in order for it to be "filed" on that day.

- (h) No change.
- Companies shall charge only the rates contained in their tariff. If a company desires to charge rates or charges at a lower level than is contained in an existing tariff and wishes to charge those lower rates only temporarily and afterwards return to the existing tariff level, it may, instead of filing two tariff revisions to decrease and then later increase the rate, file a single tariff change reflecting the conditions of the temporary tariff change. Such tariff provision shall include the heading "Promotion," and shall state the specific tariff charges to be reduced, the temporary level of charges, a description of the customers who would be eligible for the decrease, the conditions under which customers would receive a decrease, and the beginning and ending dates of the reduction. The tariff page(s) describing the terms and rates of the temporary reduction shall immediately precede the permanent tariff pages for the service in the same section of the tariff. Temporary reductions should not result in any individual customer being able to receive temporary reduced rates for a given service offering for more than 90 days in any twelve (12) month period. Any tariff provisions in existing

tariffs on the effective date of this rule which do not contain the above information or meet the above requirements must be refiled within ninety (90) days after the effective date of this rule to comply with the above.

- (j) No change.
- (2) Effective Date.
- (a) No change.
- (b) For all companies, changes to an existing tariff will become effective on the 30th day following the day it is filed with the Division of Communications unless the company requests a later effective date, or the Commission suspends or denies the filing prior to the effective 30th datey.
  - (3) No change.
  - (4) Information to Accompany Tariff Filings.
  - (a) No change.
  - (b) No change.

(e) Each tariff filing shall also include one coded format copy of each tariff page filed showing changes to the existing tariff page. Changes shall be indicated by inserting and underlining new words; words to be deleted shall be lined through with hyphens. In the case where all changes to a sheet cannot be fitted onto one page, for the purpose of providing the coded format copy only, the changes may be carried over to an additional sheet.

- (d) For major interexchange companies, the Commission may establish a rate cap or floor or both for new and existing services. Where no such range has been established, existing tariff rates are both the floor and cap. In addition to the items contained in (a) through (c) above, the following are also required:
  - 1. For existing offerings where the proposed rate is between the authorized floor and cap and the charge is, to the extent practicable, an equal percentage change to all rate elements for a given service category:
  - a. A tabulation in typical bill form setting forth, at representative consumption levels, the charges applicable under the present and proposed rates, together with the differences expressed in dollars and in percent;
  - b. A statement that the proposed rates are above the floor and below the cap.
  - 2. For existing offerings where the proposed rate is below the floor or above the cap or where the charge is not, to the extent practicable, an equal percentage change to all rate elements for a given service category:

- a. A tabulation in typical bill form setting forth, at representative consumption levels, the charges applicable under the present and proposed rates, together with the difference expressed in dollars and in percent;
- b. The estimated gross increase or decrease in annual revenues resulting therefrom, if ascertainable.
- c. A cost information statement where available, containing a summary of the cost study performed, including:
  - (i) All underlying assumptions;
  - (ii) The cost study number, if assigned;
  - (iii) The cost of providing the service or equipment;
  - (iv) The proposed contribution above or below direct cost, stated in both dollars and percent; and,
  - (v) A statement as to why each above cost or below cost contribution rate was chosen.
  - (vi) The anticipated effect on the company's rate of
     return; and
  - (vii) A statement as to why the proposed rate is above
    the cap or below the floor.
- 3. For new service offerings:
- a. An estimate of the annual revenue to be derived from the new service offering and the change in

- overall revenue expected from the offering of the new service.
- b. An estimate of the number of customers to be served by the new service offering.
- c. A description of the offering and a statement explaining the reason for the new offering.
- d. A statement that the aggregate revenues from the new service offering at the proposed rates exceed the floor.
- (e) Major interexchange companies who request a change in rates, charges, terms or conditions of private line/special access service or who propose a new private line/special access service shall, upon staff request, provide cost support for the request in accordance with Rule 25 4.044.

Specific Authority: 350.127(2), F. S.

Law Implemented: 364.03, 364.035, 364.04, 364.05, 364.057, 364.08, 364.09, 364.10, 364.11, 364.14, 364.337, F.S.

History: New 2/23/87, Amended 11/20/89.

## 25-24.490 Customer Relations; Rules Incorporated.

(1) The following rules are incorporated herein by reference and apply to interexchange companies. In the following rules, the word 'local' should be omitted or interpreted as 'toll', as they shall apply only to interexchange and not local service.

# (1) The following rules apply to all companies:

		Portions not
Section	<u>Title</u>	Applicable
25-4.111	Customer Complaint and	Subsection (2)
	Service Requests	
25-4.112	Termination of Service	None
	by Customer	
25-4.113	Refusal or Discontinuance	None
	of Service by Company	
25-4.114	Refunds	None
25-4.117	800 Service	None
25-4.118	Interexchange Carrier	None
	Selection	

(2) The following rules apply to major interexchange companies only:

		Portions not
Section	<u>Title</u>	Applicable_
25 4.109	- Customer Deposits	None
25 4.110	Customer Billing	Subsection (4)
25 4.111(2)	Customer Complaints	None
	& Service Reports	

(2)(3) An minor interexchange company may require a deposit as a condition of service and may collect advance payments for more than one month of service if it maintains on file with the

Commission a bond covering its current balance of deposits and advance payments (for more than one month's service). A company may apply to the Commission for a waiver of the bond requirement by demonstrating that it possesses the financial resources and income to provide assurance of continued operation under its certificate over the long term. This subsection applies to all minor interexchange companies that apply for a certificate of public convenience and necessity on or after the effective date of this rule and will become applicable to all other minor interexchange companies 90 days after the effective date of this rule.

(3)(4) Upon request, each company shall provide verbally or in writing to any person inquiring about the company's service:

- (a) any nonrecurring charge,
- (b) any monthly service charge or minimum usage charge,
- (c) company deposit practices,
- (d) any charges applicable to call attempts not answered,
- (e) a statement of when charging for a call begins and ends,
- (f) a statement of billing adjustment practices for wrong numbers or incorrect bills.

In addition, the above information shall be included in the first bill, or in a separate mailing no later than the first bill, to all new customers and to all customers presubscribing on or after the effective date of this rule, and in any information sheet or

brochure distributed by the company for the purpose of providing information about the company's services. The above information shall be clearly expressed in simple words, sentences and paragraphs. It must avoid unnecessarily long, complicated or obscure phrases or acronyms.

Specific Authority: 350.127(2), F. S.

Law Implemented: 364.03, 364.14, 364.15, 364.337, F.S.

History: New 2/23/87, Amended 10/31/89, 3/5/90, 3/4/92.

25-24.495 Revenue Requirements; Rules Incorporated.

The following rules are incorporated herein by reference and apply to interexchange carriers. In the following rules, the word 'local' should be omitted or interpreted as 'toll', as they shall apply only to interexchange and not local service.

(1) The following rules apply to major interexchange companies only:

Section Title Applicable

25 4.140 Applicability, Test Year None
Approval

25 4.141 Contents of a Rate None

Case Application
and Number of Copies

25 4.142 Burden of Proof and Audit None

Provisions

Ch. 25 14 Corporate Income Tax

None

Specific Authority: 350.127(2), F. S.

Law Implemented: 364.05, 364.337, F.S.

History: New 2/23/87.

NAME OF PERSON ORIGINATING PROPOSED RULES: Wayne Stavanja

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULES:

Florida Public Service Commission.

DATE PROPOSED RULES APPROVED: November 21, 1995

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 Records and Reporting at (904) 413-6770 at least five calendar days prior to the hearing. If you are hearing or speech impaired, please contact the Florida Public Service Commission using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).