

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by MCI
Telecommunications Corporation
for an order requiring BellSouth
Telecommunications, Inc. to
remove its deregulated payphone
investment and associated
expenses from its intrastate
operations and reduce the
Carrier Common Line rate element
of its intrastate switched
access charges by approximately
\$36.5 million as required by the
Federal Telecommunications Act
of 1996.

DOCKET NO. 970172-TP

In re: Petition by MCI
Telecommunications Corporation
for an order requiring GTE
Florida Incorporated to remove
its deregulated payphone
investment and associated
expenses from its intrastate
operations and reduce Carrier
Common Line rate element of its
intrastate switched access
charges by approximately \$9.6
million as required by the
Federal Telecommunications Act
of 1996.

DOCKET NO. 970173-TP

In re: Establishment of
intrastate implementation
requirements governing federally
mandated deregulation of local
exchange company payphones.

DOCKET NO. 970281-TL
ORDER NO. PSC-97-0914-PHO-TP
ISSUED: August 4, 1997

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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PREHEARING ORDER

Pursuant to Notice, a Prehearing Conference was held on July 30, 1997, in Tallahassee, Florida, before Commissioner Susan F. Clark, as Prehearing Officer.

APPEARANCES:

Robert G. Beatty, Esquire, Nancy B. White, Esquire, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301, and
William J. Ellenberg, II, Esquire, and J. Phillip Carver, Esquire, 675 West Peachtree Street, Suite 4300, Atlanta, Georgia 30375
On behalf of BellSouth Telecommunications, Inc.

Anthony P. Gillman, Esquire, and Kimberly Caswell, Esquire, Post Office Box 110, FLTC0007, Tampa, Florida 33601
On behalf of GTE Florida Incorporated

Charles J. Rehwinkel, Esquire, Post Office Box 2214, MCFLTLHO0107, Tallahassee, Florida 32301
On behalf of Sprint-Florida, Incorporated

J. Jeffry Wahlen, Esquire, and Lee L. Willis, Esquire, Ausley & McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of ALLTEL Florida, Inc., Northeast Florida Telephone Company, Inc., and Vista-United Telecommunications

David B. Erwin, Esquire, Young van Assenderp & Varnadoe, 225 South Adams Street, Suite 200, Tallahassee, Florida 32301
On behalf of Florala Telecommunications, Frontier Communications of the South, Inc., Gulf Telecommunications, Indiantown Telephone System, Inc., Quincy Telephone Company and St. Joseph Telecommunications

Tracy Hatch, Esquire, AT&T Communications of the Southern States, Inc., 101 North Monroe Street, Suite 700, Tallahassee, Florida 32301
On behalf of AT&T Communications of the Southern States, Inc.

Richard D. Melson, Esquire, Hopping Green Sams & Smith,
P.A., Post Office Box 6526, Tallahassee, Florida 32314
and
Thomas K. Bond, Esquire, and Michael J. Henry, Esquire,
MCI Telecommunications Corporation, 780 Johnson Ferry
Road, Suite 700, Atlanta, GA 30342
On behalf of MCI Telecommunications Corporation

Angela B. Green, Esquire, 125 South Gadsden Street, Suite
200, Tallahassee, Florida 32301-1525
On behalf of Florida Public Telecommunications
Association

William P. Cox, Esquire, Martha Carter Brown, Esquire,
and Charles J. Pellegrini, Esquire, Florida Public
Service Commission, 2540 Shumard Oak Boulevard,
Tallahassee, Florida 32399-0850
On behalf of the Commission Staff

PREHEARING ORDER

I. CASE BACKGROUND

On September 20, 1996, the Federal Communications Commission (FCC) issued its First Report and Order, Order No. 96-388, CC Docket No. 96-128, implementing the Telecommunications Act of 1996, 47 U.S.C. § 276(b)(1)(B) (the Act). On November 8, 1996, the FCC issued its Order on Reconsideration, Order No. 96-439, on the same issues presented in Order No. 96-388. As the FCC indicated in its Order No. 96-388, Section 276(b)(1)(B) of the Act requires that incumbent local exchange carriers (LECs) remove from their intrastate rates charges that recover the costs of their pay telephones. Further, FCC Order No. 96-388 requires that the revised intrastate rates must be effective no later than April 15, 1997. Also by this date, FCC Order No. 96-388 directs the states to determine the intrastate rate elements that must be reduced to accomplish this elimination of any intrastate subsidies. FCC Order No. 96-388, ¶ 186.

Paragraph 145 of FCC Order No. 96-388 requires that all LECs deregulate their pay telephone operations by separating the pay telephone operation from the local exchange carrier. The LEC can accomplish this separation with either of two options: structural safeguards (separate subsidiary) or non-structural safeguards (accounting separations).

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On February 7, 1997, MCI Telecommunications Corporation (MCI) filed a petition requesting that we order BellSouth Telecommunications Inc. (BellSouth) to remove its deregulated payphone investment and associated expenses from its intrastate operations and reduce its intrastate Common Carrier Line (CCL) charge by 36.5 million dollars (Docket No. 970172-TP). On the same date, MCI filed a similar petition for GTE Florida Incorporated (GTEFL) to reduce its intrastate CCL charge by 9.6 million dollars (Docket No. 970173-TP). On February 26, 1997, BellSouth filed a revised tariff (T-97-156). On February 27, 1997, BellSouth and GTEFL responded to MCI's petitions. MCI subsequently filed a response to GTEFL's answer to the MCI petition and particularly GTEFL's motion to dismiss.

On March 31, 1997, the Commission issued Proposed Agency Action (PAA) Order No. PSC-97-0358-FOF-TP denying both of MCI's petitions. This Order also established several generic implementation requirements that apply to all LECs (Docket No. 970281-TL). The implementation requirements dealt with the LEC pay telephone operation separation and the removal of the intrastate pay telephone subsidy. The Order required that LEC tariff changes regarding the removal of the intrastate subsidy should be filed and become effective by April 15, 1997.

On April 21, 1997, MCI filed a Petition on Proposed Agency Action, protesting the Commission's PAA Order with regard to all three dockets: Docket Nos. 970172-TP, 970173-TP, and 970281-TL. MCI's protest requests a hearing: (a) to determine the amount of rate reductions required to eliminate the intrastate pay telephone subsidies for BellSouth and GTEFL; and (b) to determine the specific rate elements to which such reductions should be applied.

On May 15, 1997, BellSouth filed a Response to MCI's Petition and Motion for Expedited Resolution. On May 16, 1997, Sprint-Florida Incorporated (Sprint-Florida) filed its Response to MCI's Petition.

MCI's protest also requested that the Commission suspend the tariff filed by BellSouth to implement its estimate of the required rate reduction pending resolution of the protest. MCI requested that the Commission also require BellSouth to hold the amount of such reductions subject to disposition by further order of the Commission. On June 10, 1997, the Commission voted to deny these requests. On June 19, 1997, the Prehearing Officer issued Order No. PSC-97-0721-PCO-TP establishing the procedural schedule for

this hearing process. This hearing will address the issues raised by MCI's protest as well as other implementation matters associated with the removal of the intrastate payphone subsidy.

II. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 364.183(2), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 364.183, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- 1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 364.183, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

- 2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- 4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- 5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Records and Reporting confidential files.

Post-hearing procedures

Rule 25-22.056(3), Florida Administrative Code, requires each party to file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. The rule also provides that if a party fails to file a post-hearing statement in

conformance with the rule, that party shall have waived all issues and may be dismissed from the proceeding.

A party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 60 pages, and shall be filed at the same time. The prehearing officer may modify the page limit for good cause shown. Please see Rule 25-22.056, Florida Administrative Code, for other requirements pertaining to post-hearing filings.

III. PREFILED TESTIMONY AND EXHIBITS

Testimony of all witnesses to be sponsored by the parties has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

IV. * ORDER OF WITNESSES

<u>WITNESS</u>	<u>APPEARING FOR</u>	<u>ISSUE NO.</u>
DIRECT/REBUTTAL (COMBINED)		
Thomas F. Lohman	BellSouth	All
DIRECT		
Mike Guedel	AT&T	1, 2, 3
Melba Reid	MCI	2, 3, 4, 5

* Steven A. Olson and Charles M. Scobie, GTEFL, F. Ben Poag, Sprint-Florida, and Harriet E. Eudy, ALLTEL, will not appear at the August 7, 1997, hearing as witnesses. If the Commission approves the appropriate stipulations, the Commission may excuse these witnesses from the hearing. If the Commission does not approve the stipulations, the hearing will be rescheduled for a later date.

V. BASIC POSITIONS

BELLSOUTH:

The amount of intrastate payphone subsidy in BellSouth's rates is \$6,501,000. BellSouth submits that FCC Order 96-388 requires incumbent LECs to remove any intrastate payphone subsidy from intrastate rates. It is this Commission's duty to determine the intrastate rates that must be reduced to fully remove the subsidy. BellSouth filed and this Commission approved a tariff filing reducing BellSouth's intrastate hunting rates by the amount of the subsidy. BellSouth's tariff filing is appropriate, beneficial to end users, was properly approved by this Commission, and is consistent with the requirements of the FCC Order.

GTEFL:

Section 276(B)(1)(b) of the Telecommunications Act of 1996 requires incumbent LECs to remove any subsidies provided to their payphone operations by basic and exchange access revenues. The present docket has been

opened to address the specific question of whether the payphone operations of Florida LECs are being subsidized. In order to determine whether a subsidy exists, the costs of a company's payphone operations must be compared with its payphone revenues. If the revenues exceed the costs, no subsidy exists.

The annual revenue associated with GTEFL's intrastate pay telephone operations for 1995 is \$20,873,637 and the total annual intrastate costs incurred to provide payphone service in the same year was \$16,776,835. Because GTEFL's intrastate payphone revenue exceeds its intrastate payphone costs, no subsidy exists with respect to GTEFL. GTEFL believes Stipulation 2 is consistent with its basic position.

SPRINT-FLORIDA:

Sprint-Florida's basic position is that Stipulation 3 should be approved.

ALLTEL: Stipulation 1 should be approved.

FLORALA: Stipulation 1 should be approved.

GULF: Stipulation 1 should be approved.

INDIANTOWN:

Stipulation 1 should be approved.

NORTHEAST:

Stipulation 1 should be approved.

QUINCY: Stipulation 1 should be approved.

ST. JOE: Stipulation 1 should be approved.

VISTA-UNITED:

Stipulation 1 should be approved.

AT&T: Each LEC has been granted the right to receive dial-around compensation from the IXCs. In conjunction with requiring dial-around compensation, the FCC has required the LECs to remove charges that recover the costs of payphones and any intrastate subsidies. The interstate portion of the payphone subsidies has been removed by reductions to the interstate CCL charge. The FCC delegated to the states the task of removing the payphone subsidies from intrastate rates. The most widely acknowledged source of subsidies in intrastate rates is switched access charges, particularly the CCL. In the context of the Florida Public Service Commission's task to remove payphone subsidies from intrastate rates, this is by far the most appropriate rate to be reduced.

MCI: The FCC's Payphone Order requires the Florida Public Service Commission to determine what intrastate rate elements must be reduced to eliminate any intrastate payphone subsidies. The Commission should direct BellSouth to remove the entire amount of its payphone subsidy from the intrastate carrier common line (CCL) charge.

FPTA: The FCC Orders require each LEC to remove all pay telephone equipment from its regulated operations and eliminate all subsidies or cost recovery for its pay telephone operations from regulated local exchange and exchange access services by April 15, 1997. The Commission must determine what rate reductions are appropriate to reflect the removal of payphone subsidy burdens from regulated services. It logically follows that this review should be undertaken in conjunction with the review of the rates that payphone service providers (PSPs) are charged by the LECs so that cost savings for regulated services from the removal of subsidies for LEC payphones are used to reduced LEC charges to PSPs to cost-based levels.

STAFF: None pending discovery.

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based

upon all the evidence in the record and may differ from the preliminary positions.

VI. ISSUES AND POSITIONS

ISSUE 1: What is the amount of intrastate payphone subsidy, if any, that needs to be eliminated by each local exchange company pursuant to Section 276(B)(1)(b) of the Telecommunications Act of 1996?

1A. BELLSOUTH:

POSITION:

BELLSOUTH:

The amount of intrastate payphone subsidy in BellSouth's rates is \$6,501,000.

GTEFL: No position.

SPRINT-FLORIDA:

No position.

AT&T: The subsidy amount for BellSouth is no less than \$6,501,000.

MCI: The amount of BellSouth's intrastate subsidy is no less than \$6,501,000 and no greater than \$7,502,000.

FPTA: The subsidy amount is at least \$6,501,000, but FPTA's final position awaits completion of the hearing.

STAFF: Staff has identified a subsidy amount of \$7,502,000 for BellSouth. This figure is tentative and subject to change pending analysis of responses to discovery and testimony at the hearing.

1B. GTEFL: See Stipulation 2 in this Order.

- 1C. SPRINT-FLORIDA: See Stipulation 3 in this Order.
- 1D. ALLTEL: See Stipulation 1 in this Order.
- 1E. FLORALA: See Stipulation 1 in this Order.
- 1F. GULF: See Stipulation 1 in this Order.
- 1G. INDIANTOWN: See Stipulation 1 in this Order.
- 1H. NORTHEAST: See Stipulation 1 in this Order.
- 1I. QUINCY: See Stipulation 1 in this Order.
- 1J. ST. JOE: See Stipulation 1 in this Order.
- 1K. VISTA-UNITED: See Stipulation 1 in this Order.

ISSUE 2: If an intrastate payphone subsidy is identified in Issue 1, do the FCC's Payphone Reclassification Orders require the Florida Public Service Commission to specify which rate element(s) should be reduced to eliminate such subsidy?

POSITION:¹

BELLSOUTH:

The FCC's Order states that the subsidy must be removed from intrastate rates. This Commission has authority, under the Order, to determine what elements should be reduced in order to eliminate the subsidy. The

¹ See Stipulation 1 regarding the nine small LECs.

Commission has exercised that authority by reducing BellSouth's hunting charges.

GTEFL: No position as a result of the stipulation.²

SPRINT-FLORIDA:

This issue is inapplicable to Sprint³.

INDIANTOWN:

If there is a subsidy to be eliminated, the states must determine the intrastate rate elements; however, the FCC Order does not specify specific rate elements to be reduced.

QUINCY: If there is a subsidy to be eliminated, the states must determine the intrastate rate elements; however, the FCC Order does not specify specific rate elements to be reduced.

AT&T: Yes. The FCC has delegated to the state commissions the responsibility to determine that payphone costs and subsidies have been removed from intrastate rates. The Commission's determination must logically specify the rate being reduced to remove the subsidy.

MCI: Yes.

FPTA: Yes.

STAFF: No position at this time.

² See Stipulation 2 regarding GTEFL.

³ See Stipulation 4 regarding Sprint-Florida.

ISSUE 3: If an intrastate payphone subsidy is identified in Issue 1, what is the appropriate rate element(s) to be reduced to eliminate such subsidy?

POSITION:⁴

BELLSOUTH:

Business hunting charges.

GTEFL: No position due to the stipulation.⁵

SPRINT-FLORIDA:

This issue is inapplicable to Sprint.⁶

AT&T:

The Commission should utilize all available revenues to reduce switched access charges - specifically to reduce the Carrier Common Line (CCL) charge or the Interconnection Charge (RIC). In taking this action the Commission should consider: 1) Access charges are still priced significantly above their underlying costs (10 to 24 times underlying cost), 2) the mark-up on switched access charges is significantly higher than the mark-up LECs enjoy on any other major revenue producing service that they offer, 3) the incremental cost incurred in providing the RIC or the CCL is zero, 4) switched access has traditionally been recognized to be priced high in an effort to "keep other rates low" - this cannot be said of "hunting arrangements" or other local service offerings, 5) price cap LECs already have sufficient opportunity to reduce end user rates to meet potentially or perceived competitive markets and, 6) because of price cap opportunities granted by the Florida legislature, this docket may offer one of the last opportunities for this Commission to move access charges closer to cost.

⁴ See Stipulation 1 regarding the nine small LECs.

⁵ See Stipulation 2 for GTEFL.

⁶ See Stipulation 3 for Sprint-Florida.

MCI: The carrier common line (CCL) charge is the appropriate rate element to be reduced to eliminate any payphone subsidies.

FPTA: The Commission should first reduce the rates the LECs charge PSPs to cost-based levels since these reductions will have to be made by the Commission in any event.

STAFF: No position at this time.

VII. EXHIBIT LIST

<u>WITNESS</u>	<u>PROFFERED BY</u>	<u>I.D. NUMBER</u>	<u>DESCRIPTION</u>
Thomas F. Lohman	BellSouth	<u>TFL-1</u>	Florida Payphone Subsidy Calculation

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

VIII. PROPOSED STIPULATIONS

STIPULATION 1: This stipulation resolves all issues in this proceeding as to the nine small LECs. The annual subsidies for the nine small LECs are as follows:

Vista-United	\$234,900
ALLTEL	\$ 66,600
St. Joseph	\$ 25,740
Quincy	\$ 10,980
Gulf	\$ 9,900
Northeast	\$ 7,020
Indiantown	\$ 5,760
Frontier	\$ 1,980
Floralta	\$ 1,080

With the exception of Quincy and Indiantown, these subsidy amounts will be eliminated by the small LECs via intrastate switched access rate reductions effective April 15, 1997. Indiantown and Quincy's subsidy will be eliminated in accordance with the Commission's decision on Issue 3 in this proceeding.

To the extent that a small LEC is required to reduce its switched access rates by 5% on or before October 1, 1997, the rate reductions made to eliminate the subsidy in this docket will be considered to be a part of, rather than in addition to, the 5% rate reductions required by the statute.

If the small LEC is required to reduce intrastate switched access rates by 5% on or before October 1, 1997, the tariff changes necessary to make the required rate reductions to eliminate the subsidy in this docket shall be made in accordance with the time schedule in Order No. PSC-97-0604-FOF-TP. Otherwise, the tariff filings shall be made no later than 30 days after the issuance of the final order in this case.

No party objects to this stipulation proposal, and staff agrees with the proposal.

STIPULATION 2: The amount of the intrastate payphone subsidy for GTEFL in this proceeding is zero. Since there is no subsidy, the Commission will not require GTEFL to make any rate reductions through this proceeding. No party objects to this stipulation proposal, and staff agrees with the proposal.

STIPULATION 3: The amount of the intrastate payphone subsidy for Sprint-Florida is zero. Sprint-Florida will not revise its previous tariff filing reducing MABC intraLATA access charges and based on a preliminary calculation showing a subsidy of approximately \$1.5 million. Since there is no subsidy, the Commission will not require Sprint-Florida to make any rate reductions through this proceeding. No party objects to this stipulation proposal, and staff agrees with the proposal.

STIPULATION 4: If the Commission makes the same decision that it did in Proposed Agency Action Order No. PSC-97-0358-FOF-TP in Docket Nos. 970172-TP, 970173-TP, and 970281-TL, the revised tariff filings made by BellSouth shall remain effective as filed. If the Commission makes a different decision in this docket and a different rate reduction is required by the Commission, the revised tariff filings for the removal of the subsidy should be made within 30 days of the issuance of the final order in this docket. No party objects to this stipulation, and staff agrees with the proposal. This stipulation does not apply to the nine small LECs who reached their own separate stipulation. (See Stipulation 1)

STIPULATION 5: If the Commission makes the same decision that it did in Proposed Agency Action Order No. PSC-97-0358-FOF-TP in Docket Nos. 970172-TP, 970173-TP, and 970281-TL, the effective date of BellSouth's tariff filed in compliance with this Order shall

remain as filed. If the Commission makes a different decision and a rate reduction is required, the effective date of the revised tariff with the appropriate rate reduction would be April 15, 1997, per FCC Order No. 96-388. No party objects to this stipulation, and staff agrees with the proposal. This stipulation does not apply to the nine small LECs who reached their own separate stipulation. (See Stipulation 1)

IX. PENDING MOTIONS

None.

X. RULINGS

The FPTA's July 29, 1997, motion to accept its late-filed prehearing statement is granted.

Sprint-Florida withdrew its July 28, 1997, motion for reconsideration of the Prehearing Officer's Order No. PSC-97-0860-PCO-TL and Request for Oral Argument without prejudice to file the motion at another time if the Commission does not approve Stipulation 3.

It is therefore,

ORDERED by Commissioner Susan F. Clark, as 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 Susan F. Clark, as Prehearing Officer, this 4th day of August, 1997.

/s/ Susan F. Clark
SUSAN F. CLARK
Commissioner and Prehearing Officer

This is a facsimile copy. A signed copy of the order may be obtained by calling 1-904-413-6770.

(S E A L)

WPC

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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

remain as filed. If the Commission makes a different decision and a rate reduction is required, the effective date of the revised tariff with the appropriate rate reduction would be April 15, 1997, per FCC Order No. 96-388. No party objects to this stipulation, and staff agrees with the proposal. This stipulation does not apply to the nine small LECs who reached their own separate stipulation. (See Stipulation 1)

IX. PENDING MOTIONS

None.

X. RULINGS

The FPTA's July 29, 1997, motion to accept its late-filed prehearing statement is granted.

Sprint-Florida withdrew its July 28, 1997, motion for reconsideration of the Prehearing Officer's Order No. PSC-97-0860-PCO-TL and Request for Oral Argument without prejudice to file the motion at another time if the Commission does not approve Stipulation 3.

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ORDERED by Commissioner Susan F. Clark, as 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 Susan F. Clark, as Prehearing Officer, this 4th day of August, 1997.



SUSAN F. CLARK
Commissioner and Prehearing Officer

(S E A L)

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