

# **BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION**

Nashville, Tennessee

February 7, 1996

**IN RE: INVESTIGATION OF 1994 EARNINGS AND BALANCE IN THE DEFERRED REVENUE ACCOUNT FOR UNITED TELEPHONE - SOUTHEAST, INC.**

**DOCKET NO. 95-02577**

## **ORDER**

This matter is before the Tennessee Public Service Commission upon its own motion to investigate and determine the balance in the deferred revenue account for United Telephone - Southeast, Inc. (UTSE) for the calendar year 1994.

## **BACKGROUND**

In its December 30, 1994 Order in Dockets 93-04818, 94-00388, and 94-0389 the Commission ordered UTSE to provide an accounting of the monies in the deferred revenue account and refund that amount to its customers in March, 1995. The company made its filing, however certain disputes concerning the amount in the deferred revenue account arose. At its February 21, 1995 Conference the Commission ordered UTSE to refund the undisputed amount and directed the Staff to investigate the disputed amounts so a decision could be made on those issues at a later date.

In July, 1995 the Staff issued the results of its investigation and subsequently UTSE, the Consumer Advocate and AT&T filed comments on the report. A settlement conference was set in this matter and held on November 3, 1995 before Administrative Judge Ralph B. Christian, II.

## **FINDINGS**

On November 22, 1995 Judge Christian issued an Initial Order stating that the parties had successfully negotiated a settlement that the remaining amount in the deferred revenue account available for disposition by the Commission was \$1.140 million. It was also stated that the parties left for Commission decision the method of disbursement to the ratepayers. Initial Order and Settlement Agreement attached.

Each of the parties filed proposals for the disbursement of the \$1.140 million. The Company, Consumer Advocate and the Staff proposed that the amount be refunded to the ratepayers through a one-time credit on the ratepayers bills. AT&T proposed that the money be used to make a one year reduction in access charges in belief that the reduction

would stimulate toll usage so that the resulting revenue increase would allow the access reductions to be made permanent.

### CONCLUSIONS

At the November 30, 1995 Commission Conference, the Commission adopted the Initial Order of the Administrative Law Judge but made no decision on the disbursal of the deferred revenue monies.

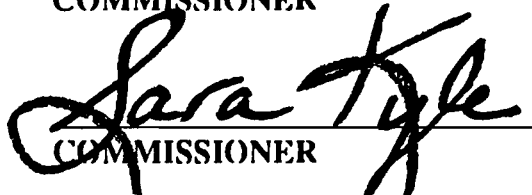
After careful consideration of all of the proposals made by the parties regarding the disbursal of the \$1.140 million in deferred revenue monies, the Commission ordered, at its December 19, 1995 Conference, that the monies be refunded to the ratepayers through one-time credits on the bills beginning with the earliest possible billing cycles but not later than the March, 1996 cycles. The Commission also adopts the Staff's recommendation that a brief description of the reason for the credit be included on the customers bill.

### **IT IS THEREFORE ORDERED:**

1. That the Administrative Law Judge's Initial Order of November 22, 1995 is adopted;
2. That the \$1.140 million in deferred revenues be refunded to ratepayers through one-time credits on the bills and that a description of the reason for the refund be included on the bill;
3. That any party aggrieved with the Commission's decision in this matter may file a Petition for Reconsideration within ten (10) days from the entry of this Order;
4. That any party aggrieved with the Commission's decision in this matter has a right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from the entry of this Order.

  
CHAIRMAN

  
COMMISSIONER

  
COMMISSIONER

ATTEST:

  
EXECUTIVE DIRECTOR