FLORIDA PUBLIC SERVICE COMMISSION Capital Circle Office Center • 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

MEMORANDUM

November 20, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (WIGHTNS)
DIVISION OF LEGAL SERVICES (COX) WP MS

RE: DOCKET NO. 961365-TL - PROPOSED TARIFF FILING TO ADD AN

UNLIMITED DATA USAGE OPTION TO ADVANCED DATA SERVICES BY

ALLTEL FLORIDA, INC. (T-96-905, FILED 10/18/96)

AGENDA: DECEMBER 2, 1996 - REGULAR AGENDA - TARIFF FILING -

INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 30-DAY SUSPENSION DATE: WAIVED

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\961365TL.RCM

CASE BACKGROUND

On October 18, 1996, ALLTEL Florida, Incorporated filed a tariff to add an unlimited usage option for Advanced Data Services. This option will allow high volume ISDN users that subscribe to (2) B Channels unlimited data usage for a fixed monthly rate.

DOCUMENT NUMBER - DATE

12402 NOV 20 %

DOCKET NO. 961365-TL DATE: November 20, 1996

ISSUE 1: Should the Commission approve ALLTEL's tariff filing to add an unlimited data usage option to Advanced Data Services?

RECOMMENDATION: Yes, the Commission should approve ALLTEL's tariff filing to add an unlimited data usage option to Advanced Data Services.

STAFF ANALYSIS: ALLTEL is proposing to add an unlimited data usage option to its Advanced Data Services (its ISDN Service). This option will allow high volume ISDN users, that subscribe to (2) 3 Channels, the option of unlimited data usage for a fixed monthly rate. Under this filing, ALLTEL will give heavy business users (those having over 80 hours usage per month) the option of purchasing unlimited usage for \$95.00 per month. Currently, customers pay \$.02 per minute for usage exceeding 80 hours. The flat rate option would provide savings to business customers, whose ISDN usage exceeds 160 hours per month.

The Company's projected revenue impact for adding this service offering is \$7,980 in the second year. A revenue projection worksheet is attached (Attachment A).

Staff recommends that the Commission approve ALLTEL's tariff filing to add an unlimited usage option to its Advanced Data Services. The Company's proposed flat rate is comparable to the rates charged by other local exchange companies for similar services. Staff believes the addition of this service will allow ALLTEL to provide a usage option for Advanced Data Services, that is currently available to business customers of other local exchange companies.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If Issue 1 is approved, this tariff should become effective December 17, 1996. If a protest is filed within 21 days from the issuance date of the order, this tariff should remain in effect with any increase in revenues held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed.

STAFF ANALYSIS: If the Commission approves the recommendation in Issue 1, and no timely protest is filed, this docket should be closed. If a protest is filed within 21 days from the issuance of the order, this tariff should remain in effect with any increase in revenue held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed.

Revenue Projections

Year

1997

1998

6

units

4

Revenue

\$4,560

\$7,980

Assuumption: The units are subscribed to evenly through-out the year. Therefore, a half year, or six month subscription for the current year is assumed for the revenue projection.