

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filing by)	DOCKET NO. 910038-TL
SOUTHERN BELL TELEPHONE AND TELEGRAPH)	
COMPANY to introduce a trial of an)	ORDER NO. 24219
improved discount pricing structure)	
for certain vertical services called)	ISSUED: 3/11/91
Multi-Feature Discount Plan (MFDP))	
)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 J. TERRY DEASON
 BETTY EASLEY
 GERALD L. GUNTER
 MICHAEL MCK. WILSON

ORDER APPROVING TARIFF

BY THE COMMISSION:

On December 21, 1990, Southern Bell Telephone and Telegraph Company (Southern Bell or the Company) proposed revisions to its general subscriber services tariff introducing a one year trial of discount pricing for certain vertical services called the Multi-Feature Discount Plan (MFDP). The MFDP will allow residence and business customers with a minimum of two selected vertical service features to receive discounts on their monthly recurring rates. In addition to the discount plan, the Company has proposed revisions in the individual tariff sections of some of the affected services. These changes are proposed to remove the current package options and make adjustments to the feature rates within the previously approved rate bands.

I. Multi-Feature Discount Plan Features (MFDP)

The groups of services which will be affected by MFDP include Custom Calling Service, TouchStar Service, Prestige Communications Service, and RingMaster Service. Currently, each service group, or family, has a distinct banded rate structure and specific discounts built within the product line as the customer increases the number of services. However, no discounts are available to customers who choose multiple features from different product families. This tariff will enable customers subscribing to multiple product families to obtain discounts based on the total number of features they subscribe to. Those discounts will be applicable on a per line bases, and all features must be provisioned to a single

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customer at a single location. The discount is based on the total number of features purchased and is limited only by the technical compatibility of the various features.

The discount structure for the MFDP includes rate banding. Thus, the level of the discount is banded to give the Company greater flexibility in pricing. The Company proposes the current rates as follows. A residential customer would receive a \$.50 discount for two features, an additional \$1.00 discount for the third feature, and an additional \$1.50 for the fourth and each successive feature. A business customer would receive a \$.75 discount on two features, an additional \$1.50 discount for the third feature, and an additional \$2.25 discount for the fourth and each successive feature.

Since the greatest discount applied to the features also covers costs with some contribution, we believe the level of discount offered by the plan is appropriate and will allow the customer to custom tailor his phone, as well as stimulate sales. Upon consideration, we find that Southern Bell's tariff filing to introduce the Multi-Feature Discount Plan is appropriate and hereby approve it. The Company has proposed the MFDP as a one year trial in order to determine the success of the plan. Therefore, the trial shall begin February 25, 1991, and will end February 25, 1992.

II. Rate Increases

Southern Bell has also proposed an increase in rates to some of its currently banded rate services. The Company's objective is to produce a revenue-neutral effect. Accordingly, the individual feature rate adjustments reflected in the filing were selected to produce a close to zero revenue effect and still remain within the customer's willingness to pay. The changes are proposed for certain Custom Calling, Prestige Communications, and RingMaster Service rates.

We were again concerned whether feature rates continue to cover costs under any and all of the possible feature combination. Southern Bell provided us with the cost data for each call feature for both residential and business customers, and the rates with the highest applicable discount applied cover relevant costs with contribution to joint and common cost. Additionally, the proposed rates for the existing features are within the preapproved bands,

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and we believe they are appropriate and justified. We have given Southern Bell the authority to maximize contribution for its discretionary services within the preapproved bands as the Company deems appropriate. We therefore, approve the rate changes as filed.

Finally, we find that it is appropriate for Southern Bell to file reports pertaining to this tariff. The Company shall file two reports, six months and one year past the effective date of the tariff, which is February 25, 1991. The reports shall show the old and new units rates and revenue, the elasticity of demand, and the old and new penetration rate for each service.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Southern Bell Telephone and Telegraph Company's tariff filing to introduce a one-year trial for a discount pricing structure for certain vertical services called the Multi-Feature Discount Plan is hereby approved. It is further

ORDERED that the trial shall begin February 25, 1991, and end February 25, 1992, and that customers shall be notified of this change via a bill stuffer. It is further

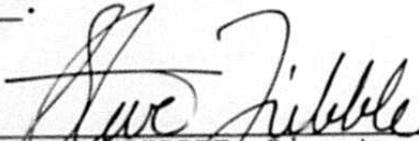
ORDERED that Southern Bell Telephone and Telegraph Company's proposed increases for certain Custom Calling, Prestige Communications and RingMaster Services rates are hereby approved, effective February 25, 1991. It is further

ORDERED that Southern Bell Telephone and Telegraph shall file two reports, at six months and one year past the effective date of this tariff, containing the information described in the body of this Order. It is further

ORDERED that this docket shall be closed if no protest is filed in accordance with the requirement set forth below.

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By ORDER of the Florida Public Service Commission, this 11th
day of MARCH, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

PAK

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.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on April 1, 1991

In the absence of such a petition, this Order shall become final on the day subsequent to the above date.

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Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.