

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filing to add the ) DOCKET NO. 910513-TL  
 aggregated optional calling plan by ) ORDER NO. 24860  
 SOUTHERN BELL TELEPHONE AND TELEGRAPH ) ISSUED: 7/29/91  
 COMPANY )  
 )

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON  
 BETTY EASLEY  
 GERALD L. GUNTER  
 MICHAEL MCK. WILSON

ORDER APPROVING DISCOUNT TOLL TARIFF

BY THE COMMISSION:

On May 23, 1990, Southern Bell Telephone and Telegraph Company (Southern Bell or the Company) filed a tariff proposing to offer Aggregated Optional Calling Plan (T-90-309). The plan would permit large volume toll customers to purchase a minimum block of time at a flat monthly rate for intraLATA long distance message telecommunications service (MTS). Southern Bell has proposed three different options under the Aggregate Plan: 2,500, 5,000, and 7,500 hours of guaranteed toll usage per month. The Company also proposed a banded rate structure for each of the options as follows:

		BANDS		PROPOSED RATES	
		MINIMUM	MAXIMUM	CURRENT	EACH ADD'L MIN
(1)	PLAN 2500	\$12,600	\$14,100	\$13,500	\$.0900
(2)	PLAN 5000	\$24,600	\$27,600	\$25,500	\$.0850
(3)	PLAN 7500	\$35,775	\$40,500	\$35,775	\$.0795

According to the Company, Plan 7500 is priced at the minimum band due to the bid restrictions included in the Department of General Services' Invitation to Bid for the intraLATA portion of the SUNCOM system.

The Aggregated Plan is essentially discounted Message Telecommunications Service (MTS). The benefits of the discounts to

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subscribers of the plan will be significant when compared to current MTS rates. The actual savings for each subscriber would vary depending on the distance of the call, the number of calls, the length of calls and the plan options chosen.

According to Southern Bell, revenue impact estimates were not provided with the filing because the service will be offered on an individual case basis due to the high calling volumes. However, Southern Bell has committed to report to this Commission the estimated gross revenue impact when a customer subscribes to the proposed service.

Based on the cost information submitted by the Company, it appears that the revenues from the proposed rates will exceed the cost of providing the services. However, because the plan is essentially discounted toll service we must also consider whether the discounted rates cover access charges consistent with our current policy.

In Docket No. 900708, we proposed a methodology for establishing the floor price for LEC toll rates. Under that methodology a LEC is allowed to impute switch access rates on one end and special access at the other. We also proposed a formula for converting flat rate special access to a per minute equivalent for inclusion in the price floor for LEC toll service. In this case, the proposed methodology yields a floor price of \$.0635 for a configuration imputing originating switched access and terminating special access. For a converse configuration, the methodology yields a floor price of \$.0761.

Based on the respective price floors derived from our proposed access imputation methodology, the rates for each of the plan options appear to exceed the appropriate price floor.

However, in conjunction with our proposed methodology, certain restrictions are imposed on a LEC that opts to take advantage of the formula. We required that the LEC limit the availability of discounted toll service to access lines that could only be used for the toll service. Since Southern Bell's proposed tariff does not reflect this proposed restriction, we find it appropriate to deny the tariff as filed. If Southern Bell refiles a tariff consistent with our decisions herein, it would be our intent to approve such a filing.


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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Southern Bell Telephone and Telegraph Company's proposed tariff to provide Aggregated Optional Calling Plan is denied as set forth in the body of this Order. It is further

ORDERED that this docket be closed in no protest is filed consistent with the timeframes and requirements set forth below.

By ORDER of the Florida Public Service Commission, this 29th day of JULY, 1991.

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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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

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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 8/19/91.

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

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.