

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filing by Southern Bell Telephone and Telegraph Company for a trial of the market reach plan in the Lake Mary Wire Center of the Sanford Exchange (T-890597 Filed November 29, 1989 and T-89-622 filed December 14, 1989))

DOCKET NO. 891374-TL  
ORDER NO. 22550  
ISSUED: 2-14-90

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman  
THOMAS M. BEARD  
BETTY EASLEY  
GERALD L. GUNTER  
JOHN T. HERNDON

ORDER SUSPENDING TARIFF

BY THE COMMISSION:

On November 29, 1989, Southern Bell Telephone and Telegraph Company (Southern Bell) proposed revisions to its general subscriber's tariff for an experimental trial of the Market Reach plan (Market Reach) in the Lake Mary Wire Center of the Sanford exchange. This plan will mandate local measured service (LMS) for all Lake Mary business customers. The plan will be optional for residence customers. Southern Bell has stated that they do not plan to initially offer Market Reach in any other locations other than the Lake Mary Wire Center of the Sanford exchange. However, it can be concluded that Southern Bell will analyze the reactions and calling patterns of the Lake Mary customers during the experiment before potentially filing to expand the plans availability.

On December 14, 1989, Southern Bell proposed additional revisions to its general subscriber tariffs to allow the sale of ESSX Service with measured network access registers.

The Market Reach Plan is a LATA-wide calling plan which expands the local calling area and discounts toll charges along with mandating business customers to LMS. Southern Bell believes that a LATA-wide plan helps respond to customer requests for expanded local calling areas and is in line with the recent movement of intraLATA toll rates towards cost.

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A discount on outgoing calls to the entire LATA is included as part of the basic Market Reach plan in order to make it more attractive. Basically, all Market Reach plan customers would have their outgoing local calls billed on a usage sensitive basis, with a cap for subscribing residence customers and a volume usage discount for business customers.

Upon review of the Market Reach Plan, we have a number of concerns. First, Southern Bell is requiring mandatory LMS for business accounts. Requiring all business accounts to subscribe to Market Reach may not be in the best interest of the consumer. Such a policy could possibly squeeze the smaller business accounts as they begin to feel pressure from higher telephone business rates.

Second, we wonder why the Market Reach plan is being proposed only in the Lake Mary wire center of the Sanford exchange.

Third, while the company has proposed local measured service, it continues to show a PBX trunk access rate which is higher than the business line access rate. One of the favorable aspects of a LMS proposal is that it places all similarly situated users on a similar rate structure and rate level. The plan's differentiation between the trunk and line rate neglects to address this point. Also relating to this concern is that Southern Bell excludes pay telephone providers (PATS) and shared tenant services (STS) lines from its tariff filing. In addition, Southern Bell has the opportunity to introduce elements from its ONA plan, unbundling the network into its component parts. This has not been proposed. Further, we are concerned about whether the discontinued toll rates cover access costs.

Finally, in addition to our concerns, stated above, we are still seeking additional information. Some of this information relates to Southern Bell's access analysis on intraLATA toll discounts rates with regard to current access charges. Also, we need a better understanding of the company's levelized incremental usage cost (LIUC) study and the background on LIUC vs. the basis for flat rate pricing. We also need more information in order to analyze the access line, trunk, and NAR differential within the filing. Further, customer impact data should be clarified to show customer rather than account impact. While the company has been extremely responsive to requests, additional time is needed to analyze this filing.

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Therefore, based on our concerns and the significance of this filing, we find that Southern Bell's proposed tariff filing for the Market Reach Plan should be suspended.

Based on the foregoing, it is hereby

ORDERED that Southern Bell's proposed tariff filing for the Market Reach Plan is hereby suspended. It is further,

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service commission, this 14th day of FEBRUARY, 1990.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

JSR

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 the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15)

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days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 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 after the issuance of this order, 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.