

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| In re: Proposed tariff filing to add options to Saver Service and WATS Saver Services, and to add discounts for off peak usage by SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY |) | DOCKET NO. 910804-TL |
| |) | ORDER NO. 25231 |
| |) | ISSUED: 10/18/91 |

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 SUSAN F. CLARK
 J. TERRY DEASON
 MICHAEL MCK. WILSON

ORDER APPROVING TARIFF

BY THE COMMISSION:

On July 8, 1991, Southern Bell Telephone and Telegraph Company (Southern Bell or the Company) filed revisions to its General Subscriber Services Tariff proposing to add options to its Saver Service (SS) and WATSSaver Service (WS) plans and to add discounts for off peak usage of the plans. By Order No. 23418, issued August 29, 1990, we approved Southern Bell's original Saver Service and WATSSaver Service plans for both residential and business customers. The plans permits customers to purchase blocks of time at a flat monthly rate for intraLATA long distance telephone service. Currently Saver Service allows residential customers 120 minutes of use per account per month of intraLATA calling for a flat rate. WATSSaver Service is specifically for business customers and consists of three options permitting the customer to purchase either two, ten, or twenty-five minimum hours of Wide Area Telephone Service (WATS) at a flat rate. By Order No. 24814, issued July 15, 1991, we approved the Company's tariff filing lowering Saver Service and WATSSaver rates within the preapproved banded rate structure to better meet competition in those markets.

In this filing, Southern Bell seeks to add additional hourly options as well as off peak discounts to increase the number of options available to subscribers. First, the Company wishes to add Option SS30 to Residential Saver Service. This option will allow residential customers 30 minutes of use per account per month. The Company also seeks to increase the amount of hourly options available to WATSSaver Service customers. Those choices would include Options WS5, and WS50, which allow the business customer to

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purchase 5 hour and 50 hour blocks of time per account per month, respectively.

Southern Bell is also proposing off peak usage discounts, which would be in effect from 5:00 p.m. until 8:00 a.m. The flat rates for the various options, or monthly settlement amount, is based on the option minutes multiplied by the peak rate. Additional usage charges at the appropriate rate, peak or off peak, will be incurred only after the settlement amount has been satisfied. However, the monthly settlement amount may be achieved through any combination of peak and off peak calling. Thus, the customer gains additional minutes of usage for off peak calling.

The Company is also proposing similar discounts to its Aggregated Optional Calling Plan. The Aggregated Plan permits large volume toll customers to purchase a minimum block of time at a flat monthly rate for intraLATA long distance message telecommunications service. As with Saver Service and WATSSaver Service, the flat rate, or monthly settlement amount, is based on the option minutes multiplied by the peak rate.

On August 12, 1991, the Florida Interexchange Carriers Association (FIXCA) filed a petition for Rejection of Southern Bell's Proposed Tariff Modifying Saver Service. In its petition, FIXCA asserted that Southern Bell's tariff filing violates the guidelines for the coverage of access charges from toll rates, as set forth in Order No. 24859, issued in Docket No. 900708-TL. On September 3, 1991, Southern Bell filed a Response and Motion to Dismiss FIXCA's petition. Specifically, FIXCA asserts that the minimum rates for WATSSaver Option 50 fail to cover switched access costs. On August 28, 1991, Southern Bell filed an amended tariff which increased the rates to adequately cover cost for that service. FIXCA also states that Guideline 5 of Order No. 24859 requires that products which are allowed to mimic the cost of special access should be provided on an access line that can be used only for that service. FIXCA asserts that the proposed tariff contains no such restriction applicable to WATSSaver Options 114, 250, and 500, even though the proposed rate levels for these options cannot be justified without using the special access imputation contained in Guideline 5. Southern Bell's amended tariff contains language to limit the aggregated plan options to exchange facilities used only to originate outgoing toll traffic.

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FIXCA also contends that a Southern Bell WATSSaver 114 customer would have under 7,000 minutes, which is not enough to require a single DS1 circuit which requires 1600 hours per month of calling. FIXCA argues that Southern Bell should not be allowed to impute the access cost efficiency of a much larger customer who would utilize high capacity digital access. Southern Bell asserts that typically, customers do not purchase DS1 strictly for toll traffic, but use the DS1 for other services such as data channels, WATS and local trunks. We believe that a DS1 should be used for data channels, WATS, local trunks and any other private line or toll type offering; however, a special access line going to an interexchange carrier should only be used for toll.

Additionally, Southern Bell proposed a 114 hour option when it originally filed the tariff. FIXCA asserts that Southern Bell's 114 hour option appears tied to the example of the 113 hour breakpoint used in Order No. 24589. But the 113 hour crossover point was calculated using special access prices that are no longer in effect. FIXCA believes that as Southern Bell continues to increase its special access prices scheduled for January 16, 1992, the crossover point will exceed 114 hours and this option will no longer comply with the policy established by Order No. 24589. In its amended tariff, Southern Bell modified the 114 hour plan to a 135 hour plan. We believe that the 135 hour plan is appropriate.

Finally, FIXCA is concerned that Southern Bell's proposed tariff filing does not cover the billing and collection cost as required by Guideline 6, which states that the price floor for LEC toll services shall include the LECs incremental cost of providing billing and collection service. We have reviewed Southern Bell's billing and collection costs and we find that the proposed rates cover the appropriate cost of billing and collection in addition to the relevant access charges. Additionally, the original tariff provided that "the service is available where billing capability exists." Southern Bell has since removed this language from the tariff.

We believe that by amending the original tariff filing, Southern Bell has adequately addressed FIXCA's concerns. Therefore, we hereby deny FIXCA's petition for Rejection of Southern Bell's Proposed Tariff Modifying Saver Service, and approve Southern Bell's tariff as modified. Because we have denied FIXCA's petition, Southern Bell's motion to dismiss is moot.

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Based on the foregoing, it is

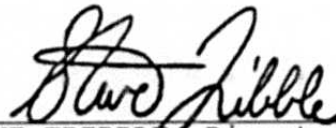
ORDERED by the Florida Public Service Commission that the Florida Interexchange Carriers Association's petition for Rejection of Southern Bell's Proposed Tariff Modifying Saver Service is hereby denied. It is further

ORDERED that Southern Bell Telephone and Telegraph Company's tariff filing to add options to Saver Service and WATSSaver Service and to add discounts for off peak usage is hereby approved, effective September 30, 1991. It is further

ORDERED that if a protest is filed in accordance with the requirement set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

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

By ORDER of the Florida Public Service Commission, this 18th
day of OCTOBER, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

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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 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 11-8-91.

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.