

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 950277-TL
tariff filing to introduce) ORDER NO. PSC-95-0504-FOF-TL
application testing in the) ISSUED: April 24, 1995
General Subscriber Service)
Tariff by BELLSOUTH)
TELECOMMUNICATIONS, INC. d/b/a)
SOUTHERN BELL TELEPHONE AND)
TELEGRAPH COMPANY. (T-95-102)
filed 2/15/95))
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING TARIFF

BY THE COMMISSION:

I. The Company's Proposal

On February 15, 1995, BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company (Southern Bell or Company) filed a tariff to introduce Application Testing into its General Subscriber Service Tariff and offer it specifically with FlexServ* service. This tariff will allow Southern Bell to offer FlexServ* in conjunction with SynchroNet* service without a charge for sixty days in a test service between the Company and a customer.

FlexServ* Service is a part of Southern Bell's Integration Plus Management Services (IPMS). IPMS is a group of services that gives a customer the capability to integrate, monitor, and manage network services provided by the Company via a terminal or workstation located on the customer's premises. FlexServ* service is an offering that allows customers to monitor and reconfigure their voice grade, digital and DS1 level private line services without directly interacting with telephone company personnel. Monitoring enables the customer to detect out of service alarms, invalid connection alarms, and bit error rate alarms. Reconfiguration provides the customer with the capability of directing the Company to connect or disconnect circuits equipped

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with FlexServ* to or from circuits that are also equipped with FlexServ*. In other words, a customer can switch private line circuits (SynchroNet* service) between different endpoints with the use of FlexServ*. SynchroNet* service provides for the simultaneous two-way transmission of synchronous digital signals at speeds of 2.4, 4.8, 9.6, 19.2, 56, and 64 kilobits per second (Kbps) between a customer's multiple locations.

The Company states that such services shall only be provided for use in an application test when it is determined that the facilities and equipment are already available for use. Southern Bell states application testing will enable the Company to be more responsive to the needs of its customers. The customer can be assured the service will work in the customer's specific business application prior to placing a firm order for such service.

Southern Bell believes application testing will allow the Company to tailor telecommunications solutions to satisfy each customer's varied business needs, while preventing the customers from experiencing any unnecessary start-up costs for a service which might not prove to be useful. The Company believes that because of application testing, customers will be more likely to test and buy its services and that an overall increase in sales will result.

Upon completion of the application test, standard rates and charges, including nonrecurring charges, will apply if the customer wants to keep the service; if the customer does not believe that the service meets the customer's business application needs, the service will be removed without any charge.

II. Impact On Customers

There is no negative impact on potential customers due to this proposal. Customers that try a service under this proposed tariff do not pay nonrecurring and recurring charges during the trial period.

Application testing in the Private Line Service Tariff associated with SynchroNet* service was approved by Order No. PSC-94-1528-FOF-TL, issued December 12 1994. With the authorization to allow FlexServ* service to be used in application testing, customers who take advantage of using SynchroNet* service will also be able to choose as an option those facilities with FlexServ* service (Digital DSO Channel Connection) for purposes of testing both services for a specific new business application.

Application testing will allow the customer to try a service first before making a purchase. Business customers are interested in seeking the advantages that new technologies are advertised to deliver; however, customers may hesitate to commit to make a major change in their telecommunications network until they can "experience" that the benefit to them will be worth the cost to implement the new technology. This may increase the likelihood of customer satisfaction with the service purchased.

III. Impact On The Company

The most obvious impact will be foregone revenue due to not assessing the nonrecurring and recurring charges during the trial period. This revenue loss should be offset by the demand stimulated for the services via Application Testing. The Company will not provide application testing for services that require new or additional investment.

The Company anticipates that the success rate of application testing will be 85%. In addition, it is estimated that the need for initial application testing will not exceed 10% of Southern Bell's sales opportunities and that inward movement will be stimulated by approximately 5% as a result of application testing availability.

The Company estimates that the combined total cost of FlexServ* service application testing will be approximately \$354.26 annually. This is an insignificant cost compared to the annual contribution of FlexServ* service at an estimated \$1.4 million. Application testing will result in a slight increase of 0.04% in overall contribution for FlexServ* service.

IV. Impact on Competitors

Although a competitor might lose consumers or potential consumers due to application testing of FlexServ* service, there are no restrictions preventing a competitor from marketing a comparable service in a similar manner.

Accordingly, we find that Southern Bell's tariff to introduce Application Testing in the General Subscribers Tariff, as well as introducing Application Testing to FlexServ* service, is approved with an effective date of April 16, 1995. There is no negative impact to the customers due to this proposal since customers are not assessed a nonrecurring or recurring charge during the trial period. The Company has an opportunity to increase the number of

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subscribers to its FlexServ* service with very little change in contribution.

Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that Southern Bell's tariff to introduce Application Testing in the General Subscriber Service Tariff, as well as introduce Application Testing for FlexServ* service, is hereby approved with an effective date of April 16, 1995. It is further

ORDERED that if a protest is filed in accordance with the requirements 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 requirements set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 24th day of April, 1995.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

(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.

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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, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on May 15, 1995.

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 wastewater 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.