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August 7, 1998

Mrs. Blanca S. Bayo  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Lummard Oak Boulevard  
Tallahassee, Florida 32399

RE: Docket No. 960312-TP

Dear Mrs. Bayo:

Enclosed for filing in the above referenced docket is AT&T of the Southern States, Inc.'s (AT&T) Comments and Proposed Lower cost Regulatory Alternatives.

Thank you for your assistance in this matter.

Sincerely,

*Tracy Hatch*  
Tracy Hatch

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP 3/2/98
- CAF \_\_\_\_\_
- CMU 2
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIR \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH 1
- SEL 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

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*[Signature]*  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

88422 AUG-7 88

FLORIDA PUBLIC SERVICE COMMISSION

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Proposed Amendments to Rules 25-4.002, F.A.C., )	Docket No. 960312-TP
Application and Scope; 25-24.600, F.A.C., )	
Application and Scope; 25-24.610, F.A.C., Terms )	
and Definitions; Rules Incorporated; 25-24.620, )	Filed: August 8, 1998
F.A.C., Service Requirements for Companies )	
Providing Operator Services; 25-24.630, F.A.C., )	
Rate and Billing Requirements; and 25-4.800, )	
F.A.C., Scope. )	
_____ )	

**COMMENTS AND  
PROPOSED LOWER COST REGULATORY ALTERNATIVES  
OF AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.**

Pursuant to Order No. PSC-98-0939-NOR-TP and section 120.541, Florida Statutes, AT&T Communications of the Southern States, Inc. (AT&T) hereby files these comments and proposes this lower cost regulatory alternative to proposed Rule 25-24.630, F.A.C. In support, AT&T shows as follows:

1. AT&T, a company incorporated in New York, is authorized to provide telecommunications services in the state of Florida, including operator services.

AT&T's business address is:

AT&T Communications of the Southern States, Inc.  
101 N. Monroe Street, Suite 700  
Tallahassee, Florida 32301

2. On July 13, 1998, the PSC issued Order No. PSC-98-0939-NOR-TP, in which it proposed to proposed to amend certain rules, including Rule 25-24.630, F.A.C. The proposed rule amendments were published in the July 17, 1998 issue of the Florida Administrative Code.

DOCUMENT NUMBER-DATE

08422 AUG-7 88

REG. DIV. OF PUBLIC UTILITIES

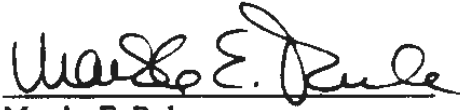
3. In Order No. PSC-98-0939-NOR-TP, the Commission proposed to amend Rule 25-24.630(1) to adopt intrastate operator service rate caps. The rate caps selected by the Commission are lower than the rates currently charged by AT&T. In fact, the Commission set the rate caps at the level charged by AT&T in 1996. Thus, the rule amendments have the effect of overruling Order No. 20489, in which the commission adopted AT&T's operator services rates as the maximum rate to be charged by alternative (non-AT&T, non-LEC) operator service providers.

4. During the agenda conference at which the Commission considered these proposals, Commissioners and Staff indicated that the reason for selecting AT&T's 1996 rates as the cap was that they believed costs have decreased since that time. While many telecommunications costs have decreased – and many of AT&T's rates have been lowered – operator costs have increased, particularly the costs associated with the use of a live operator.

5. AT&T requests that the Commission set the non-person-to-person rate cap at AT&T's presently-tariffed level. AT&T makes no such request with regard the proposed person-to-person rate cap of \$3.25. Setting the rates at this level would produce a lower regulatory cost to AT&T and all providers presently governed by the de facto rate cap provided by AT&T's rates, without increasing costs to consumers who currently pay these rates.

6. The Commission could further reduce the regulatory cost of this rule amendment by allowing allow operator service providers the option of raising their capped rates by an amount not to exceed twenty percent within a twelve month period, similar to the procedure by which price-regulated LECs may raise their rates for non-

Respectfully submitted;



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**ATTORNEY FOR AT&T  
COMMUNICATIONS OF THE  
SOUTHERN STATES, INC.**

basic services. This would eliminate the costs associated with regulatory proceedings to revisit the capped rates, as well as help alleviate the loss of revenue associated with the provision. AT&T requests the Commission to add the following language to Rule 25-24.630:

(to be added after (1)(b):

Beginning September 1, 1999, the rates for operator services set by this paragraph may be increased in an amount not to exceed twenty percent within a twelve-month period.

7. Finally, after the Commission's decision, industry representatives met with Staff in order to better understand the intended scope and purpose of the proposed rate caps. During such meeting, staff and industry representatives jointly developed language to more closely describe the situations in which Rule 25-24.630 is intended to apply. Accordingly, AT&T requests that the Commission adopt the following amendment to proposed Rule 25-24.630 (new language underlined):

(1) "Services charged and billed to any end user by an operator services provider for an intrastate 0+ or 0- call made from a pay phone or in a call aggregator context shall not exceed a rate of \$.30 per minute plus the applicable charges for the following types of calls:

WHEREFORE, AT&T respectfully requests the Commission consider these comments and adopt its proposals for lower cost regulatory alternatives.