

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed Tariff to) DOCKET NO. 920117-TL
Restructure and Reprice Non-) ORDER NO. PSC-92-0199-FOF-TL
recurring Switched Access Charges) ISSUED: 04/14/92
Restructure Rearrangement Charges)
for Switched and Special Access)
Services by SOUTHERN BELL)
TELEPHONE AND TELEGRAPH COMPANY.)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY
LUIS J. LAUREDO

ORDER APPROVING TARIFF

BY THE COMMISSION:

On January 15, 1992, Southern Bell Telephone and Telegraph Company (Southern Bell or the Company) filed a proposed tariff to restructure and reprice nonrecurring and rearrangement charges for switched access and to restructure transfer of service charges for switched and special access services. The Company states that the tariff filing is made in response to customer requests and to better reflect cost.

I. Switched Access Installation Restructure and Repricing

Switched access installation charges are being restructured to apply separate Feature Group A line or Feature B, C or D trunk or signaling connection charges on a "first" and "additional" basis per access service request. The new structure will more accurately reflect the different characteristics of lines and trunks and the installation cost differences of multiple line or trunk orders. In other words, the structure provides for rate differences that reflect economies of scale inherent in the installation of like services between the same points requested on the same access service request.

The proposed structure for switched access nonrecurring charges is the same as what this Commission previously approved for special access and private line nonrecurring rates. The proposed structure provides for a more appropriate means of recovering the cost for switched access installations. Much of the administrative

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costs attributed to the first service installation will not be incurred with the installation of additional services, if installed at the same location at the same time.

The following is a comparison of the current and proposed nonrecurring installation charges:

Current rate structure and charges		Proposed rate structure and charges		
Rate Element	Rate	Rate Element	Rate	Cost
Local Transport Installation - Per line, trunk or signaling connection	\$300.00	FG A (per line)		
		First Line	\$285.00	\$657.59
		Additional Line	\$263.00	\$137.61
		FG B, FG C, FG D (per trunk or signaling connection)		
		First	\$915.00	\$878.81
		Additional	\$263.00	\$ 88.61

While the first line element for FG A is rated below cost, FG A lines are usually purchased in multiples. Southern Bell states that the average amount of FG A lines installed per occasion is 5.38. If one assumes a purchase of only four lines the cost would be \$1070.42 and the rate charged would be \$1074.00. From the information provided, it appears that the aggregate purchases of this service will cover cost even if the first line rate element does not cover cost.

Southern Bell is projecting a revenue decrease of \$74,159 with the proposed changes in installation structure and charges.

Customer impact will vary, however, the majority of customers (IXCs) will see a decrease in installation charges. We note that customers who have a large number of lines or trunks installed at the same time to the same location will see a rate reduction. Customers who have a only one trunk installed at a time will see a substantial increase in charges. The latter is a rather rare occurrence, in that most IXCs order groups of lines or trunks at a time.

II. Switched Access Service Rearrangements

Service rearrangements are changes to existing (installed) services, including inside moves. Currently, service rearrangements are billed at the full installation charge. Southern Bell proposes unbundling of the single rate element into four new ones to more accurately recover the cost associated with service rearrangements.

The proposed four rate elements are:

- (1) Change of Service Charge - a common charge for all changes requested on the same access service request;
- (2) Line Side Service (FG A) Charge - a charge for each line side rearrangement;
- (3) Trunk Side Service (FG B, FG C, and FG D) Charge - a charge for each trunk side rearrangement; and
- (4) Common Block/Translation Related Charge - a charge per end office and tandem for rearrangements accomplished for the entire trunk group by making the change in the common block of the switch.

The following is a comparison of the current and proposed rate structure and charges for service rearrangements:

Current rate structure and charges		Proposed rate structure and charges		
Rate Element	Rate	Rate Element	Rate	Cost
Service Rearrangement Charge	\$300.00	Change of Service (per request)	\$92.00	\$70.54
		Line Side Service (FG A)	\$10.00	\$3.43
		Trunk Side Service (FG B, FG C, FG D or Signaling Connection)	\$5.00	\$.76
		Common Block/ Translation Related	\$90.00	\$58.39

The Company is projecting a revenue decrease of \$244,648 due to the restructure of service rearrangement charges.

Customer impact will again vary depending on what a customer has ordered rearranged. Charges for service rearrangements will decrease overall from the current tariff charges.

The proposed changes in service rearrangement charges are an improvement over the current charges that apply. Customers have been responsible for total installation charges; however, with the restructure, customers will be charged for services actually provided. The rates also are more cost based and cover the associated cost as stated by Southern Bell.

III. Switched and Special Access Transfer of Service

A Transfer of Service is a change in the billing data (name, address, or telephone number of customer) in association with a change in customer of record. An example would be an existing access service is transferred (provided and billed) to a different customer and the new customer assumes liability for all current and prior charges.

Under the current tariff, switched access Transfer of Service request are billed the line or trunk installation charge for each line or trunk transferred. Transfer of Service request for special access circuits are billed the full special access installation charge per special access line affected.

The Company proposes the following structure for both switched and special access services:

- (1) Billing Account Number - a common charge for activity on any switched and special access services assigned to a particular billing account number;
- (2) Line Side Service - a specific line charge for FG A service;
- (3) Trunk Side Service - a specific trunk charge for FG B, FG C, or FG D; and
- (4) Special Access per circuit charge - a charge that applies to each circuit transferred.

The current and proposed rate structure and charges for transfer of service are outlined below:

Current rate structure and charges		Proposed rate structure and charges		
Rate Element	Rate	Rate Element	Rate	Cost
Switched Access Transfer of Service Charge (per line or trunk group)	\$300.00	Switched Access Charge Per Billing Account Number	\$170.00	\$163.93
		Switched Access Line Side (FG A per line)	\$7.00	\$6.20
		and Trunk Side (FG B, FG C, and FG D per trunk)	\$8.00	\$8.06
Special Access Transfer of Service Charge	\$270.00	Special Access Charge Per Billing Account Number	\$140.00	\$139.08
Voice Grade (per circuit)		Special Access per circuit charge	\$7.00	\$6.20
Digital Channel (per circuit)	\$745.00			

Currently, the Company is unable to identify the revenue associated with Transfer of Service charges. With the proposed changes, there should be a decrease in revenue.

Customers should see a decrease in charges associated with Transfer of Service charges in all circumstances.

IV. Additional Tariff Changes

Southern Bell is also proposing some text changes to clarify the application of nonrecurring charges for activation of 800 and 900 NXX codes. Specifically, language that states "a nonrecurring charge is applicable to the initial loading of each 800 or 900 NXX code required to establish service" is being deleted. This phrase is being replaced with language specifying that the nonrecurring charge applies to every end office and/or access tandem in which translations are required to route the 800 or 900 NXX calls to the customer. Southern Bell is not changing how it currently applies

the nonrecurring charge, however the additional language should clarify the application of the charges.

V. Conclusion

We are informed that staff has contacted several IXCs to determine if they may have concerns with Southern Bell's proposal and note that all the companies contacted, AT&T, MCI and Sprint, stated that they were aware of the filing and had no problems with the proposal. A couple of the IXC's stated that this tariff was a similar proposal that Southern Bell has had approved in other states.

Upon consideration, we approve Southern Bell's proposal to restructure and reprice nonrecurring and rearrangement charges for switched access and to restructure transfer of service charges for switched and special access services. We find that the proposal unbundles these charges to more accurately reflect cost. Finally, we approve the text changes proposed by the Company to clarify the application of nonrecurring charges to 800 and 900 services.

Therefore, based upon the foregoing, it is

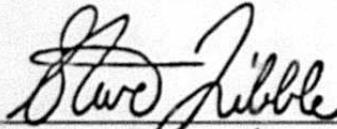
ORDERED by the Florida Public Service Commission that Southern Bell Telephone and Telegraph Company's tariff to restructure and reprice nonrecurring and rearrangement charges for switched access and to restructure transfer of service charges for switched and special access services is approved as filed with an effective date of March 31, 1992. It is further

ORDERED that if a timely protest is filed pursuant to the requirements set forth below, all increased revenues resulting from this filing shall be held subject to refund. It is further

ORDERED that if no protest is received within the time frame set forth below, this docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 14th
day of April, 1992.



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 May 5, 1992.

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.

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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.