

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: TARIFF PROPOSAL BY AT&T) DOCKET NO. 891127-TI
 COMMUNICATIONS OF THE SOUTHERN STATES,) ORDER NO. 22198
 INC. TO INCREASE THE SERVICE CHARGE FOR)
 OPERATOR-HANDLED CONFERENCE CALLS FROM)
 \$2.50 to \$8.00 (T-89-448 FILED 8/30/89)
) ISSUED: 11-20-89

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

FINAL ORDER APPROVING TARIFF FILING

BY THE COMMISSION:

On August 30, 1989, AT&T Communications of the Southern States, Inc., (ATT-C) filed this tariff proposal to increase its service charge for operator handled conference calls from \$2.50 to \$8.00. ATT-C adopted its current operator handled conference call charge (the person-to-person charge) at divestiture from Southern Bell Telephone and Telegraph Company. At that time, conference calls were completed at the same cord board as other operator handled services, such as mobile and marine services, making identification of costs associated with only conference calls impossible. In late 1986, ATT-C established its first operator center dedicated to the completion of conference calls. By early 1988, ATT-C completed four conference centers for nationwide service. At that time ATT-C was able to begin to identify cost directly associated with conference calls.

The charges for this service consist of the usage charges between the originating station and each called station on the call and the application of a service charge for each called station. ATT-C's requested increase for this service is to recover the costs incurred in "setting up" the call. If we approve this tariff proposal, the Company estimates it will receive a net revenue increase of \$145,602.

DOCUMENT NUMBER-DATE

11307 NOV 20 1989

FPSC-RECORDS/REPORTING

ORDER NO. 22198
DOCKET NO. 891127-TI
PAGE 2

On August 3, 1988, by Order No. 19758, we granted ATT-C's petition to forbear from earnings regulation for a trial period of two years. The trial period began on July 11, 1988, and will run through July 10, 1990. At the end of the trial period, we will take whatever action is appropriate, whether it be to impose full rate of return regulation on ATT-C, to extend the forbearance period, or to choose alternative method to regulate ATT-C that appears to be more in the public interest. Our purpose in approving that experiment was to minimize regulatory constraints on ATT-C and observe how the Company reacted to or was influenced by the competitive market.

It appears that ATT-C over the past year has attempted to align all of its rates to, at a minimum, cover cost plus provide some revenue. We have reviewed ATT-C's cost information for the provision of this service and we agree that it does not currently cover the Company's costs. Although the rate increase proposed by ATT-C appears excessive, the cost information supports that this service has been priced significantly below cost. The rate of \$8.00 will allow ATT-C to recover the cost of providing this service and provide some contribution to the Company.

Conference calling is a discretionary service used primarily by business end users. Telus, an interexchange carrier operating in Florida, provides a teleconference service similar to ATT-C's. The operator assistance charge associated with Telus' service is \$10. Conference calling service is not limited to ATT-C and Telus. Many IXCs offer some form of conference calling, thus providing alternatives to the end user. The competitive aspects of conference calling and the desire for IXCs to attract business customers allows the market place to best serve as the mechanism to establish price.

We find that approving this tariff filing is consistent with our decision to grant ATT-C forbearance. Therefore, we find it appropriate to approve ATT-C's tariff proposal to increase the service charge associated with operator handled conference calls from \$2.50 to \$8.00. Since no further action is required, this docket is hereby closed.

Based on the foregoing, it is, therefore,

ORDER NO. 22198
 DOCKET NO. 891127-TI
 PAGE 3

ORDERED by the Florida Public Service Commission that AT&T Communications of the Southern States, Inc.'s tariff proposal to increase the service charge for operator handled conference calls from \$2.50 to \$8.00 is hereby approved. It is further

ORDERED that this docket is hereby closed.

By ORDER of the Florida Public Service Commission,
 this 20th day of NOVEMBER, 1989.

 STEVE TRIBBLE, Director
 Division of Records and Reporting

(S E A L)

SFS

by: Kay Flynn
 Chief, Bureau of Records

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) 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

ORDER NO. 22198
DOCKET NO. 891127-TI
PAGE 4

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.