

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 931092-TL
tariff filing to introduce) ORDER NO. PSC-94-0043-FOF-TL
Integrated Services Digital) ISSUED: January 12, 1994
Network-Individual Residence and)
Integrated Services Digital)
Network-Individual Business)
Services by BELLSOUTH)
TELECOMMUNICATIONS, INC. d/b/a)
SOUTHERN BELL TELEPHONE AND)
TELEGRAPH COMPANY (T-93-633)
filed 11/3/93).)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

ORDER APPROVING TARIFF FILING

BY THE COMMISSION:

On November 3, 1993, BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company (Southern Bell or the Company) filed a tariff to introduce Integrated Services Digital Network (ISDN)-Individual Residence and ISDN-Individual Business Services into its General Subscriber Services Tariff. The Company states that the proposed services are being offered as an enhancement to existing residence and small business service offerings.

ISDN is a telecommunications network architecture that provides for the simultaneous transmission of voice and data over a single access line. One can also think of ISDN as an "information pipeline" providing end-to-end digital connectivity between an end-user's premise and a central office.

Transmission of voice and data over ISDN architecture is done through the use of two types of channels or pathways. The "B" or bearer channels are used to carry voice and data. The "D" or delta channel is used to provide signalling. The "D" signal determines if information is ready to be received. There are two types of ISDN mediums: Basic Rate Interface (BRI) and Primary Rate

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Interface (PRI). BRI is provided using two "B" channels and one "D" channel, whereas PRI is provisioned using twenty-three "B" channels and one "D" channel.

At this time, the Company is proposing two new services: ISDN-Individual Residence Service (ISDN-IRS) and ISDN-Individual Business Service (ISDN-IBS). Both services are BRI ISDN services and are being offered to enhance existing residence and small business services offerings. Existing ISDN offerings serve larger multi-line customers. This offering extends ISDN services to the smaller single line customers. ISDN-IRS and ISDN-IBS both provide an end-user with simultaneous transmission of voice and data over a single access line.

The configuration and functionalities of both services are the same and contain the same rate elements. Basic Rate Digital Subscriber Line (DSL) Access Arrangement provides a customer with access to the telephone network. This is the actual "pipeline" facility. It provides access for up to two 64 kilobit per second (kbps) "B" channels and one 16 kbps "D" channel. The Company is proposing a nonrecurring charge of \$130.00 for both residence and business, with a monthly charge of \$42.00 for residential customers and \$55.00 per month for business customers. There is also a choice of channels activated; that is, the "B" and "D" channels used to transmit voice/data and provide signalling services. The "B" channels can be used for the provisioning of switched voice and/or switched data services, as well as the optional provisioning of packet services. Additional optional features such as call forwarding, call pickup, and conference calling will be available to both ISDN-IBS and ISDN-IRS subscribers.

The Basic Rate DSL charge for residential ISDN customers is an additive to the customer's R-1 rate. When determining the appropriate rate for ISDN-IRS, the Company calculated the cost of providing ISDN-IRS over and above the cost of providing regular residential service. The Company designed the rate this way to keep the rate for this service as low as possible. At first blush, the combined nonrecurring and monthly charge for the B-Channel High Speed Packet option appears high. This rate, however, is lower than the Company's tariffed high speed interface packet service (PulseLink). The B-Channel Permanent High Speed Packet option offers a less expensive alternative for those customers that wish to transport data via packet switching.

The Basic Rate DSL charge for business ISDN customers is not an additive as it is for residential service, but as in the residential offering, the rate for the B-Channel Permanent High Speed Packet option is lower than that of the Company's PulseLink

option. Southern Bell has decided to rate the charge for access to the local exchange network differently for residential and business customers, primarily as a marketing strategy.

Customers subscribing to these services obtain the benefit of simultaneous transmission of voice and data over one access line. A residential customer that works at home can transmit information from her home computer to her office while explaining the data over the telephone. Without this new service, a residential customer would have to purchase two or three different services to accomplish the same result.

The Company estimated its costs for providing ISDN-IBS and ISDN-IRS based on estimated demand for the service and the period under study. The Company used direct, forward-looking incremental costs that include material and labor, capital costs, and directly assignable overhead costs. While some rate elements are priced close to cost, in the aggregate, a typical ISDN configuration will yield significant contribution. Total gross revenues over the first three years of this offering are estimated at \$38,696,283. Total costs over the same three years are estimated at \$26,787,433. This would provide net revenues of \$11,908,939 over the first three years of the service.

Upon consideration, we find Southern Bell's tariff proposal to introduce ISDN-IBS and ISDN-IRS to be appropriate. This filing will offer advanced communication opportunities, previously reserved for larger customers, to small business and residential customers. Accordingly, the tariff proposal shall be approved as filed, to become effective January 2, 1994.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company's tariff proposal to introduce ISDN-IRS and ISDN-IBS (T-93-633 filed November 3, 1993) is hereby approved effective January 2, 1994. It is further

ORDERED that if a timely protest is filed, this tariff shall remain in effect, with any increase in revenues held subject to refund pending resolution of the protest. If no timely protest is filed, this docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 12th
day of January, 1994.



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 February 2, 1994.

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 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.