

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filings by)	DOCKET NO. 890505-TL
SOUTHERN BELL TELEPHONE AND TELEGRAPH)	
COMPANY to restructure and reprice)	ORDER NO. 21878
private line and special access)	
services and to waive nonrecurring)	ISSUED: 9-12-89
charges for high capacity services)	
(T-89-191 & T-89-192, filed 3/31/89))	
)	

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

ORDER APPROVING TARIFF REVISION
UNDER CERTAIN CONDITIONS

BY THE COMMISSION:

On March 31, 1989, Southern Bell Telephone and Telegraph Company (Bell) filed two separate tariff revisions (T-89-191 & T-89-192). The former (Revision 191) proposes to restructure and reprice Private Line (PL) and Special Access (SA) Services, with intraexchange, interexchange and SA offerings being combined into a single, common structure. Revision 191 also proposes to eliminate Series 5000 Channels (TELPAK) as well as SA Services with bulk-discounted rates. In view of the numerous rate increases being sought in these tariffs, Bell has made a commitment to file future revisions to "offset" the presently-proposed revenue increases.

The latter (Revision 192) proposes to waive the nonrecurring charges for customers who are currently being furnished TELPAK and SA Services with bulk-discounted rates and who elect to move to an alternative Bell offering. The offerings for which nonrecurring charges would be waived under this circumstance are Synchro Net, Megalink, MegaLink Channel and LightGate PL Services and Digital Data, 1.544 Mbps High Capacity and 44.736 Mbps SA Services. These services are all digital services. The nonrecurring charges would be waived so that the economic impact on customers of TELPAK and SA Services with bulk-discounted rates would be lessened when they switched to digital services.

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Both revisions were suspended by Order No. 21307, issued June 1, 1989. This action was taken because the company had not included a cost study, proper legislative format and other required information; however, these inadequacies related specifically to Revision 191. Revision 192 is related to Revision 191 because it seeks to provide some incentive for current customers to switch to the digital services by waiving nonrecurring charges. However, since the waiver sought in Revision 192 was combined with the restructure of the PL and SA Services tariffs, Revision 192 was also suspended by Order No. 21307.

Bell has requested that we consider the the two revisions separately. Specifically, we have been asked to approve Revision 192 and to defer consideration of the decrease and increase in revenues until Revision 191 is addressed. The company believes that several of its large customers would take advantage of the waiver to save money and begin converting their networks. Due to the complexity of Revision 191, it will be considered at a later date; however, we are ready now to deal with Revision 192 and that is the subject of this Order. We believe that this proposal has merit, and we will grant Bell's request to consider the two revisions separately.

Upon review, we find that the waiver proposed by Revision 192 is appropriate because it is designed to encourage transition to the newer digital services which is desirable for two reasons. First, we believe subscribers should be encouraged to transition from older, higher-cost analog services to newer, lower-cost digital services for both economical and technological reasons. Also, we believe TELPAK should be deleted for the same reasons justifying the deletion of this service by AT&T Communications of the Southern States, Inc. The deletion of TELPAK will leave a void for customers that can be filled by the other services whose nonrecurring charges are being waived through our approval of Revision 192. For these reasons, a waiver is found to be appropriate.

We find that Revision 192 should be approved; however, our approval is subject to two conditions. Revision 192 proposed that the waiver of nonrecurring charges become effective on May 31, 1989, and continue until 60 days prior to the effective billing date of the restructure proposed in Revision 191. Due to the uncertain length of time it may take to resolve the

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issues presented by Revision 191, we shall grant this waiver for a period of only nine months.

Bell proposed that, in the event that we approved Revision 192, the revenues which would not be collected during this period would be tracked and used as an "offset" against other revenue increases being sought in Revision 191. Our second condition on the approval of Revision 192 is that the foregone revenues shall be tracked and a record of these revenues shall be submitted at our Staff's request for consideration in connection with Revision 191. We make no decision regarding the "offset" of these lost revenues against any increases that may result from our action with respect to Revision 191. This condition is designed to keep track of these revenues for our later disposition.

At our Agenda Conference, on August 1, 1989, Bell agreed to accept the two conditions explained above as modifications to its proposals in Revision 192.

Now therefore it is

ORDERED by the Florida Public Service Commission that the tariff revision, T-89-192, filed on March 31, 1989, by Southern Bell Telephone and Telegraph Company is hereby approved subject to the conditions explained in the body of this Order. It is further

ORDERED that the effective date of Bell Telephone and Telegraph Company's tariff revision, T-89-192, filed on March 31, 1989, shall be August 7, 1989, for the nine-month period ending May 7, 1990. It is further

ORDERED that this docket shall remain open for other proceedings.

By ORDER of the Florida Public Service Commission,
 this 12th day of SEPTEMBER, 1989.


 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.

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 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.