

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: AT&T COMMUNICATIONS OF THE)	DOCKET NO. 900776-TL
SOUTHERN STATES, INC. - Proposed Tariff)	
filing to withdraw Foreign Exchange)	ORDER NO. 23746
Surrogate Charge Rate Schedule A and to)	
reduce the rate associated with Foreign)	ISSUED: 11-13-90
Exchange Surrogate Charge Rate Schedule)	
B.)	

The following Commissioners participated in the disposition of this matter:

- MICHAEL MCK. WILSON, Chairman
- THOMAS M. BEARD
- BETTY EASLEY
- GERALD L. GUNTER
- FRANK S. MESSERSMITH

ORDER APPROVING TARIFF

BY THE COMMISSION:

On September 18, 1990, AT&T Communications of the Southern States, Inc. (ATT-C or the Company) filed a tariff modification proposing to withdraw its Foreign Exchange Surrogate Charge Rate Schedule A and to reduce the rate associated with Surrogate Charge Rate Schedule B from 199.02 per circuit to 96.45 per circuit. These modifications are proposed in response to the enhanced abilities of the Local Exchange Companies (LECs) to bill customers of Foreign Exchange Service (FX) directly for Feature Group A access charges (rather than billing ATT-C) and the LECs reductions in their Busy Hour Minute of Capacity (BHMOC) access charges.

FX is a service which allows a customer to establish a presence (via a local telephone number) in an exchange other than the one from which she is served. However, to the calling public, the call placed on an FX line appears to be a local call, since the number assigned to the FX circuit matches an existing local exchange number. Businesses such as car dealerships and other retail firms whose management desire to establish a presence in non-local communities do so in order to provide their services or products to a larger population than would otherwise be possible, so this is a very popular service. ATT-C reports 980 interEAEA/interLATA FX circuits were in use in 1989 and accounted for \$5 million in revenues.

Currently, there are numerous charges associated with interEAEA/interLATA FX service which are assessed to the customer. For the "closed end" of the interEAEA/interLATA FX circuit, which is the part of the circuit connecting the customer's location to the ATT-C point of presence (POP), the customer directly pays the

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LEC for all of the associated Special Access Service rate elements. The customer also directly pays the LEC for the "open end" of the FX circuit, which includes the B1 or PBX rate that applies for connecting the customer to the LEC. The customer directly pays ATT-C for the Channel Terminal and Interoffice Channel rate elements, which represent those interEAEA parts of the circuit connecting the two ends of the circuit together.

In addition to these charges, two additional customer charges were added in recent years. We approved both of ATT-C's proposed Surrogate Charge Rate Schedules A and B on June 30, 1987, which were rate elements paid by customers to compensate ATT-C for Feature Group A access and BHMOC expense. Before this time, ATT-C was responsible for paying to the LEC both Feature Group A and BHMOC charges with no rate elements established for the Company to recoup these expenses. While it was generally recognized at the time of the adoption of the schedules that it was better policy to have Feature Group A access charges billed directly to the customer, not all LECs had the ability to measure and bill Feature Group A direct to the customer, thus the need for ATT-C's Schedule A. ATT-C reports with this filing that all LECs now bill Feature Group A access charges directly to the customer. Thus, ATT-C claims that it no longer has any reason to include Surrogate Charge Rate Schedule A in its tariff since now there exists no current or potential future customers for this rate element. Since there is no longer any need for Schedule A, we approve ATT-C's tariff filing to withdraw Foreign Exchange Surrogate Charge Rate Schedule A.

ATT-C's proposal to reduce the rate associated with Surrogate Charge Rate Schedule B from \$199.02 to \$96.45 comes just a few months after the final rate adjustment per the schedule became effective. The rate changed most recently from \$147.78 to \$199.02 on July 1, 1990, which represents the full phase-in of the rate needed to recover the BHMOC expense associated with interEAEA/interLATA FX. However, the schedule's rates were based on the BHMOC rates which were in effect at the time of the approval of the schedule by the Commission in June 1987. The larger LECs' BHMOC rates have been either eliminated, as in the case of Southern Bell, or reduced significantly since that time, so the schedule is no longer accurate in its representation of ATT-C's BHMOC expense associated with its FX service. ATT-C has recalculated the Schedule B rate based on these changes. The estimated revenue impact for the company would be an annual revenue reduction of \$1.2 million. We find the data used in developing Schedule B to be reasonable and appropriate and we approve ATT-C's tariff filing to reduce the Schedule B rate from \$199.02 to \$96.45.


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Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that AT&T Communications of the Southern States, Inc.'s proposed tariff filing to withdraw Foreign Exchange Surrogate Charge Rate A and to reduce the rate associated with Foreign Exchange Surrogate Charge Rate B is hereby approved. It is further

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

By ORDER of the Florida Public Service Commission, this 13th day of NOVEMBER, 1990.



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

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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 December 4, 1990.

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.

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.