

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

M E M O R A N D U M

June 24, 1993

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING
FROM : DIVISION OF COMMUNICATIONS [DREW] *RED*
DIVISION OF LEGAL SERVICES [ADAMS] *JKY*
RE : DOCKET NO. 930493-TL REQUEST FOR APPROVAL OF TARIFF
FILING TO RESTRUCTURE CUSTOM CALLING FEATURE OFFERINGS
AND ADD NEW SERVICES BY SOUTHLAND TELEPHONE COMPANY (T-
93-259, FILED 5-14-93) *CS for TH*

AGENDA: JULY 6, 1993 -CONTROVERSIAL- PARTIES MAY PARTICIPATE

CRITICAL DATES: 60 DAY SUSPENSION EXPIRES JULY 13, 1993

SPECIAL INSTRUCTIONS: I:PSC\CMU\WP\930493.RCM

CASE BACKGROUND

On May 14, 1993 Southland Telephone Company (Southland or the Company) filed a tariff requesting approval to restructure the Company's custom calling feature offerings and to introduce some new services. The restructuring entails introducing banded rates and flexible pricing regulations for all custom calling features.

DOCUMENT NUMBER DATE

06833 JUN 24 83

11:00 RECORDS/REGISTRATION

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Southland Telephone Company's request to restructure its custom calling feature offerings as well as introduce new custom calling features?

RECOMMENDATION: Yes. The Commission should approve Southland Telephone Company's request to restructure its custom calling feature offerings as well as introduce new custom calling features.

STAFF ANALYSIS:

The Company's Proposal

Southland's proposal to the Commission includes the following: the introduction of new custom calling features; minimum and maximum (banded) rates for all custom calling features; and thirty (30) days notification to the Commission and Southland customers of changes in custom calling rates. These proposals are necessary to the policy of **flexible pricing** that the Company wishes to introduce. With flexible pricing the Company contends that it can best meet changes in a telecommunications market that is becoming more competitive.

Currently Southland offers five custom calling features. The Company is proposing the addition of eighteen (18) new custom calling features. (See Attachment A for list of services and definition of the services). Some of these new features, such as Caller ID, Call Tracing, and Call Block, are also offered by Southern Bell, GTE Florida, and Centel.

Reason for the Proposal

In its transmittal letter to the Commission, Southland indicates that pricing flexibility is necessary in order for the Company "to respond quickly, as its competitors do, to changes in technology, customers' needs, and competitive conditions." Southland indicates that its proposed custom calling offerings, banded rates, and thirty day notification to the Commission and the Company's customers of rate changes are being introduced as a result of competition from key systems, PBXs, and other customer premises equipment.

The Commission's Past Decisions On Banded Rates

The Commission has approved the implementation of banded rates in the past. Currently, all thirteen local exchange companies in Florida offer custom calling features. Of the thirteen, three have banded rates for their custom calling features. These three include

DOCKET NO. 930493-TL
JUNE 24, 1993

Southern Bell, United, and GTEFL.

In its decision to approve the introduction of Southern Bell's Ringmaster service in conjunction with banded rates, the Commission found that "a permanent banded rate structure will give the Company the flexibility to modify its rates within an established band upon thirty day notice to the Commission. This will enable the Company to generate maximum contribution from this discretionary service. We endorse the efforts of local exchange companies to maximize contribution from discretionary services because this, in turn, minimizes the pressure for increased local basic service rates (See Order Number 17908)."

In summary the Commission has approved the implementation of banded rates for local exchange companies in the past. The Commission has found banded rates to be an appropriate policy for maximizing revenues while reducing upward pressure on local rates.

The Commission's Past Decisions On Notice For Changing Rates

Section 364.05(2) states that "the Commission, for good cause shown, may allow changes in rates, tolls, rentals, contracts, or charges without requiring 60 days' notice and publication by an order specifying the change made, the time when it shall take effect, and the manner in which the change shall be filed and published."

The Commission has exercised this authority in the past. In Order Number 18326 the Commission approved Southern Bell's request to modify custom calling services rates upon thirty (30) day notice to the Commission. In the order the Commission found that it was within its authority to approve banded rates, with all rate changes within the banded rates made subject to Commission consent. "By our action taken herein, we are not preapproving tariffs reflecting the individual rates within the Company's proposed band. Each tariff filing altering rates for CCS or SSLS shall be subject to the normal tariff-approval process." Southern Bell, United, and GTE Florida each have provisions in their tariffs for thirty day notice to the Commission when changing banded custom calling rates.

Impact of the Proposal on the Company

The primary impact of the Company's proposal is financial. In order to provide these new services, the Company will have to upgrade its two switches with the purchase of appropriate software. The proportion of the cost that is specific to providing the additional custom calling services is \$36,364.

Using a cost of money of 10% and a recovery period of five years, the Company estimates that it will recover its investment within the fourth year. The features that Southland intends to add are projected to generate additional revenues of \$4,698 in the first year; \$9,432 in the second year; \$14,190 in the third year;

DOCKET NO. 930493-TL
JUNE 24, 1993

\$21,442 in the fourth year; and \$32,256 in the fifth year. It should be noted that the software necessary for providing these new services can also provide the Company with System Signaling Seven (SS7) capability and 800 Portability. The Company was unable to estimate the additional revenue due to implementing SS7 and 800 Portability.

Impact of the Proposal on Customers

Customers will receive the benefit of having an increased number of custom calling features from which to choose.

Recommendation

Staff recommends that the Commission approve Southland's request to restructure its current custom calling features and provide new custom calling features. Customers will benefit from the expanded choice of services brought about by improved technology.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if Issue 1 is approved this tariff should become effective July 13, 1993. If a timely protest is filed this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed.

STAFF ANALYSIS: At the conclusion of the protest period, if no protest is filed this docket should be closed.

SUBSCRIBER SERVICES TARIFF

Southland Telephone Company
201 South Pensacola Avenue
Atmore, Alabama 36502

Florida
Public Service Commission
Schedule 42
Second Revised Page 1
Cancelling First Revised Page 1

CUSTOM CALLING SERVICE

A. Basic Feature Definitions

(D)

1. Call Forwarding - This provides an arrangement for transferring incoming calls to another telephone number within the local area by dialing a code and the number of the service to which calls are being transferred.

* 2. Call Forwarding Busy Line - This feature provides for calls terminating to a subscriber's busy directory number to be forwarded to another telephone number on a premise other than the provisioned premises.

(N)

* Call Forwarding Don't Answer - This feature provides for calls terminating to a subscribers idle directory number to be forwarded, after a customer preselected interval, to another telephone number.

3. Three-Way Calling - This permits an existing call to be held, and by dialing, a second telephone call can be established and added to the connection. Normal transmission performance quality cannot be guaranteed on all calls.

4. Call Waiting - By means of a tone signal, a customer who is using his telephone is alerted when another caller is trying to reach his station. Call Waiting allows the first caller to be put on hold while the second call is answered.

5. Speed Calling - This provides for the calling of a 7 or 10 digit telephone number by dialing an abbreviated code. This arrangement is available in an eight-number capacity.

(M)

* Indicates proposed service

Issued By: Jeff L. McGehee,
Vice President - Southern Region

Date Issued: May 14, 1993

Effective: _____

Order Number: _____

SUBSCRIBER SERVICES TARIFF

Southland Telephone Company
201 South Pensacola Avenue
Atmore, Alabama 36502

Florida
Public Service Commission
Schedule 42
Fourth Revised Page 2
Cancelling Third Revised Page 2

CUSTOM CALLING SERVICE

(D)

A. Basic Feature Definitions

(N)

- * 6. Call Transfer - This is an arrangement that enables a subscriber to receive or originate calls on their number and transfer that call to a second number. This is done by a switchhook of the receiver button and dialing the third party's number. The subscriber hangs up the phone leaving the two parties connected. Call transfer can only be used in connection with individual line service and both lines must be served out of the same central office.
- * 7. Call Wake-Up - This is an arrangement by which a subscriber dials a 2-digit code that allows him to program a wake-up time by a 24 hour clock. The telephone will then ring back the subscriber at the preprogrammed time.
- 8. Cancel Call Waiting - This arrangement will allow a Call Waiting subscriber to disable the Call Waiting feature of their telephone for the duration of a telephone call. The subscriber dials a code prior to placing a call to temporarily disable the Call Waiting feature.
- * 9. Speed Calling 30 - This provides for the calling of a 7 or 10 digit telephone number by dialing an abbreviated code. This arrangement is available in a thirty number capacity.
- * 10. Shared Speed Calling - This arrangement allows 2 or more subscribers to "share" a speed calling list by notifying the Telephone Company which other telephone numbers will be involved in this arrangement.

(M)

(N)

Issued By: Jeff L. McGehee,
Vice President - Southern Region
Effective: _____

Date Issued: May 14, 1993
Order Number: _____

SUBSCRIBER SERVICES TARIFF

Southland Telephone Company
201 South Pensacola Avenue
Atmore, Alabama 36502

Florida
Public Service Commission
Schedule 42
Original Page 3

CUSTOM CALLING SERVICE

A. Basic Feature Definitions

- * 11. Warm Line - This service places a call to a pre-selected number without the caller dialing any digits. The call is placed after the receiver is taken off the telephone set and a number is not dialed within a specified time. Warm line is particularly useful for elderly, handicapped or young people.
- * 12. Remote Access - Call Forward allows customer to activate and deactivate Call Forward from any access line, remotely, rather than only from the base station.
- * 13. Automatic Off-Hook Dialing - This permits a customer to designate a pre-authorized telephone number, either the operator or any 7 digit number, which will be automatically connected when the customer goes off-hook with his telephone.

B. Advanced Feature Definitions

- * 1. Personal Ringing - Provides two or more different phone numbers and rings for a single telephone line. Used to distinguish incoming calls.
- * 2. Do Not Disturb (DND) - Allows a customer to prevent incoming calls from ringing their line by diverting them to a tone or recorded announcement (determined by company facility specifications). A personal identification number (PIN) is provided to the customer which will override the DND feature and allow the call to ring to the premises.

Issued By: Jeff L. McGehee, Date Issued: May 14, 1993
 Vice President - Southern Region
 Effective: _____ Order Number: _____

SUBSCRIBER SERVICES TARIFF

Southland Telephone Company
201 South Pensacola Avenue
Atmore, Alabama 36502

Florida
Public Service Commission
Schedule 42
Original Page 4

CUSTOM CALLING SERVICE

B. Advanced Feature Definitions

- * 3. Call Return - This feature enables a customer to place a call to the telephone number associated with the most recent call received whether or not the call was answered or the number is known. The customer can dial a code to request that the network place the call.

If the called line is not busy, the call is placed. If the called line is busy, a confirmation announcement is heard, the customer hangs up and a queuing process begins. For the next thirty minutes both the calling and called lines are checked periodically for availability to complete the call. If during this queuing process the called line becomes idle, the customer is notified, via a distinctive ring, that the network is ready to place the call. When the customer picks up the telephone the call will automatically be placed.

- * 4. Call Block - This feature provides the customer the ability to prevent incoming calls from up to six different telephone numbers. A screening list is created by the customer either by adding the last number associated with the line (incoming or outgoing), or by pre-selecting the telephone numbers to be blocked. When a call is placed to the customer's number from a number on the screening list, the caller receives an announcement indicating that the party he is attempting to call does not wish to receive his call at this time.

- * 5. Repeat Dialing - Repeat Dialing, when activated, automatically redials the last number the customer attempted to call. If the called line is not busy, the call will be placed.

Issued By: Jeff L. McGehee,
Vice President - Southern Region
Effective: _____

Date Issued: May 14, 1993
Order Number: _____

pg 5 of 6

SUBSCRIBER SERVICES TARIFF

Southland Telephone Company
201 South Pensacola Avenue
Atmore, Alabama 36502

Florida
Public Service Commission
Schedule 42
Original Page 5

CUSTOM CALLING SERVICE

B. Advanced Feature Definitions

5. (Cont'd) If the called line is busy, a confirmation announcement is heard, the customer hangs up and a queuing process begins. For the next thirty minutes both the calling and the called lines are checked periodically for availability to complete the call. If during this queuing process the called line becomes idle, the customer is notified, via a distinctive ring, that the network is ready to place the call. When the customer picks up the telephone the call will automatically be placed.

* 6. Caller Identification - Permits a customer to receive the calling telephone number for calls placed to that customer, if the call is not placed from outside of the Call ID area, through an operator or via telephone credit card, and provided the calling party has not activated the per call restrict options.

Before placing an outgoing local telephone call, customers with per call restrict may designate their number as private and prevent the delivery of their telephone number to the called party through the Call ID feature for that call by dialing the Call ID restrict activation code.

* 7. Call Selector - Call Selector provides a distinctive ringing pattern to the subscribing customer for up to six specific telephone numbers.

The customer creates a screening list of up to six telephone numbers through an interactive dialing sequence. When a call is received from one of the predetermined telephone numbers, the customer is alerted with a distinctive ringing pattern (short, long, short). Calls from telephone numbers not included on the screening list will produce a normal ring.

Issued By: Jeff L. McGehee, Date Issued: May 14, 1993
Vice President - Southern Region
Effective: _____ Order Number: _____

SUBSCRIBER SERVICES TARIFF

Southland Telephone Company
201 South Pensacola Avenue
Atmore, Alabama 36502

Florida
Public Service Commission
Schedule 42
Original Page 6

CUSTOM CALLING SERVICE

B. Advanced Feature Definitions (Cont'd)

- * 8. Preferred Call Forwarding - Preferred Call Forwarding allows the customer to transfer selected calls to another telephone number. A screening list of up to six numbers is created by the customer and placed in the network memory via an interactive dialing sequence. Subsequently, calls are forwarded to the Call Forwarding telephone number only if the calling number can be obtained and is found to match a number on the screening list.

C. Usage Sensitive Feature Definitions

- * 1. Call Tracing - Enables the customer to initiate an automatic trace of the last call received.

D. General

- 1. The services are limited to those areas served by central offices equipped for Custom Calling Services and are subject to the availability of facilities. Some of the Advanced Features utilize the network's ability to forward a calling number between the originating and terminating central offices. These features may only be used on calls originating and terminating in central offices with the technical capability to provide this service.
- 2. Call Return is not available on operator handled calls. In connection with Call Return, the Company will deliver all numbers, subject to technical limitations, including telephone numbers associated with Non-Published Listing Service.

Issued By:	Jeff L. McGehee, Vice President - Southern Region	Date Issued:	May 14, 1993
Effective:	_____	Order Number:	_____

YOUNG, VAN ASSENDERP, VARNADOE & BENTON, P. A.

ATTORNEYS AT LAW

REPLY TO

RE BRUCE ANDERSON
 RICHARD L. BENTON
 TASHIA O. BUFORD
 DAVID L. COOH*
 DAVID B. ERWIN
 C. LAURENCE KELSEY
 MARY A. MARNELL
 G. DONALD THOMPSON
 RENZA VAN ASSENDERP
 GEORGE L. VARNADOE
 ROY C. YOUNG

*INADVERTENTLY CERTIFIED MAIL LETTER

Tallahassee

June 28, 1993

GALLIE'S HALL
 225 SOUTH ADAMS STREET, SUITE 200
 POST OFFICE BOX 1033
 TALLAHASSEE, FLORIDA 32302-1833
 TELEPHONE (904) 222-7206
 TELECOMEX (904) 661-6834

SUN BANK BUILDING
 801 LAUREL OAK DRIVE
 SUITE 300
 POST OFFICE BOX 7907
 NATLER, FLORIDA 32941-7907
 TELEPHONE (813) 997-7514
 TELECOMEX (813) 997-1060

JUN 28 1993
 Mr. Steve Tribble, Director
 Division of Records and Reporting
 Florida Public Service Commission
 101 East Gaines Street
 Tallahassee, Florida 32399-0850

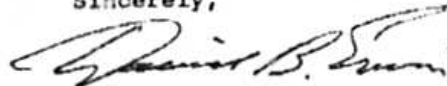
Subject: Docket No. 930493-TL - Request for Approval of Tariff
 Filing to Restructure Custom Calling Feature Offerings
 and Add New Services by Southland Telephone Company

Dear Mr. Tribble:

Please be advised that I have been retained to represent
 Southland Telephone Company in Docket No. 930493-TL.

I understand that you need this letter in order to be able to
 provide me with a copy of the Staff Recommendation for the July 1,
 1993 Agenda Conference.

Sincerely,



David B. Erwin

DBE:akh

cc: Jeff McGehee