

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of ) DOCKET NO. 951509-TI  
tariff filing to introduce ) ORDER NO. PSC-96-0033-FOF-TI  
customer specific contract ) ISSUED: January 9, 1996  
service arrangements in the )  
custom network services tariff )  
and the private line services )  
tariff by AT&T Communications of )  
the Southern States, Inc. and )  
d/b/a Connect 'N Save (T-95-746 )  
filed 11/17/95) )

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman  
J. TERRY DEASON  
JOE GARCIA  
JULIA L. JOHNSON  
DIANE K. KIESLING

ORDER APPROVING TARIFF

BY THE COMMISSION:

I. BACKGROUND

On November 17, 1995 AT&T Communications of the Southern States, Inc. (ATT-C or the Company) filed a tariff to introduce customer specific contract service arrangements (CSA) in the Company's Custom Network Services tariff and Private Line Services tariff. Local exchange carriers (LECs) are currently authorized to provide CSAs for certain services and have done so since August of 1984. A customer specific CSA for an authorized service may be used in lieu of existing tariffed offerings when the potential for uneconomic bypass of the local exchange company's facilities is identified by the company. Uneconomic bypass occurs when an alternative service arrangement is utilized, in lieu of company services, at prices below the company's tariffed rates but above the company's incremental cost.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

By Order No. 13603 we granted BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company CSA authority for Private Line, Special Access facilities and WATS access lines. Since 1984, CSA authority has been granted to other LECs as well.

ATT-C has been authorized to provide customer specific rates only in response to invitations to bid (ITB). By Order No. 21512, we approved a tariff proposal by ATT-C to provide an ACCUNET T1.5 network to the Florida State Government under a special service arrangement. The tariff offering was in response to an ITB by the Florida Department of General Services. In approving the tariff, we recognized that the competitive nature of the bidding process forces carriers to offer lower rates than those which are tarified. As we stated in Order No. 21512:

[O]ur approval of ATT-C's tariff proposal is consistent with our decision to allow ATT-C some flexibility to respond to the competitive market. If ATT-C is prevented from responding to ITBs..., ATT-C would be effectively prevented from competing in certain market segments. Such a decision is inimical to competition.

Prior to the issuance of Order 21512, ATT-C had not been allowed to engage in any form of customer specific contract rates.

## II. ATT-C'S CSA TARIFF

ATT-C seeks CSA authority to provide CSAs to customers obtaining service from the Company's Private Line Services and Custom Network Services tariffs. In support of its request, ATT-C argues that CSAs are needed to meet the needs of the Company's business customers and to respond to competition in the industry. ATT-C further states that the majority of states currently allow the Company to provide CSAs to its customers.

Upon consideration, we find that ATT-C's tariff proposal to provide CSAs in conjunction with the Company's Private Line Services and Custom Network Services tariffs should be approved effective December 20, 1995. It appears clear that ATT-C faces a significant competitive threat. With CSA authority, ATT-C will have the pricing flexibility necessary to more ably compete with other service providers.

We note that our approval here of ATT-C's CSA proposal is consistent with our recent decision to overhaul our IXC rules and our decision to treat ATT-C like any other IXC. We note also that

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the FCC has also recently removed the dominant carrier status from ATT-C. In addition, the Company has provided interstate CSAs since 1993 with FCC permission.

We have historically imposed certain reporting requirements on those providing CSA. However, at this time, it does not appear that we should impose such requirements on ATT-C. We will be examining whether and to what degree IXCs' use of CSAs should be monitored.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that AT&T Communications of the Southern States, Inc.'s tariff filing to introduce Contract Service Arrangements in the Company's Custom Network Services and Private Line Services tariffs is approved as set forth in the body of this Order. It is further

ORDERED that the tariff shall be effective December 20, 1995. It is further

ORDERED that if a protest is filed in accordance with the requirements set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 9th day of January, 1996.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

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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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 30, 1996.

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 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.