

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Tariff Filing by Southern Bell ) DOCKET NO. 890518-TL  
 Telephone and Telegraph Company to ) ORDER NO. 21335  
 Establish TicketTaker<sup>SM</sup> as a Permanent ) ISSUED: 6-5-89  
 Tariff Offering (T-89-158 filed 3/15/89) )  
 \_\_\_\_\_ )

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

BY THE COMMISSION:

Effective March 28, 1987, Southern Bell Telephone and Telegraph Company (Bell) established Pay-Per-View (PPV) Service as an experimental tariff offering. A cable television company (the Subscriber) may subscribe to PPV Service as a means for its viewers (Viewers) to purchase the viewing of video programs on a per program or per view basis. To order particular programs, Viewers employ their telephone instruments to dial the PPV access code followed by additional digits designated by the Subscriber. Bell's PPV equipment automatically accepts the digits dialed by Viewers. This information, along with Viewers' telephone numbers, are then passed on to the Subscriber through a data link between the Viewers' serving central offices and the Subscriber's computers. The Subscriber sets the prices for viewing its programs and bills Viewers who order them.

By Order No. 17669, issued June 5, 1987, Bell was granted authority to provide Limited Service Offerings (LSOs), which are ancillary services that are offered on a trial basis in order to carry out market testing in specified geographical areas. By Order No. 18450, issued November 20, 1987, we approved PPV Service as an LSO in the Ft. Lauderdale local calling area. By Order No. 19873, issued August 23, 1988, this LSO was extended to the Pensacola and Lake Worth local calling areas.

On March 15, 1989, Bell filed a tariff revision (the Revision), proposing to establish TicketTaker<sup>SM</sup> (the Service) as a permanent offering of the PPV LSO. The Revision proposes that the Service be offered on an intraLATA basis. The Service may be accessed by Bell subscribers to either residence or business basic exchange service. Unlike the current procedure for ordering a video program from a Subscriber that requires a touchtone telephone, the Revision proposes that Viewers be permitted to place orders through either touchtone or rotary dial telephones. In addition to ordering video programs, Viewers could employ the Service as a means of changing or cancelling their previously-elected premium channel subscriptions. Viewers receive acknowledgment tones or announcements from Bell that confirm receipt of acceptably dialed telephone numbers associated with a particular video

DOCUMENT NUMBER-DATE

05595 JUN -5 1989

FPSC-RECORDS/REPORTING

ORDER NO. 21335  
DOCKET NO. 890518-TL  
PAGE 2

program. The Subscriber would determine which transaction has been ordered and remotely activate or deactivate viewing through addressable converters that are part of its cable facilities located on Viewers' premises. These converters decode the signals for viewing after the order is processed.

Bell would not bill the Viewers for the Service; therefore, no new telephone charges would appear on Bell's subscribers' telephone bills. Billing for the Service by Bell would be rendered only to the subscribing cable company, and charges would be based, in part, on the number of calls passed to the Subscriber via the data link. A Subscriber would also be charged an amount for the telephone number its Viewers dial to order a program. The charges for these telephone numbers were based on Bell's estimation of Subscribers' willingness to pay.

The Revision has incorporated a discount into the per-call charges as a means of giving credit for nonbillable calls to Subscribers (e.g., duplicate calls, wrong numbers, calls from parties who are not cable customers and calls from cable customers with delinquent cable accounts). The PPV LSO expires on September 1, 1989, and current customers have the option of converting to the Service or continuing the LSO arrangement until its expiration date.

We have considered the proposed expansion in the minimum service period from 6 months under the PPV LSO now in effect to 36 months for the Service. A minimum service period is normally linked to recovery of installation and equipment costs, and the 36-month minimum service period appears to be a reasonable business decision by Bell. We note that the Revision proposes a reduction in the per-call charges, i.e., as the total number of monthly calls exceed 5,000, three additional tiers of decreasing rates below 25¢ per call are proposed for the Service. Also, it proposes a larger discount, 15% compared to 10%, for nonrevenue producing calls. Finally, we observe that the Service is competitive in that it is currently being provided by several companies.

After reviewing the projected revenue and cost data, we find that the proposed rates appear to cover Bell's costs and provide an adequate contribution. The anticipated annual revenues are \$176,010, and annual costs are projected to be \$74,677; therefore, a 57.6% contribution toward joint and common costs is expected. Upon consideration, we approve the Revision.

Therefore, based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Southern Bell Telephone and Telegraph Company's tariff revision to establish TicketTaker<sup>SM</sup> as a permanent tariff offering is hereby approved. It is further

ORDER NO. 21335  
DOCKET NO. 890518-TL  
PAGE 3

ORDERED that this docket is hereby closed.

By ORDER of the Florida Public Service Commission,  
this 5th day of June, 1989.

\_\_\_\_\_  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

DLC

by: Kay Flynn  
Chief, Bureau of Records

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.