

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: TARIFF PROPOSAL BY SOUTHERN ) DOCKET NO. 891096-TL  
 BELL TELEPHONE AND TELEGRAPH COMPANY TO )  
 EXTEND THE LIMITED SERVICE OFFERING (LSO))  
 FOR EXCHANGE LINE DATA SERVICES (ELDS) )  
 WITHIN THE JACKSONVILLE LATA. )  
 (T-89-384 FILED 7/24/89) ) ORDER NO. 22029  
 ) ISSUED: 10-10-89

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

BY THE COMMISSION:

In Docket No. 881153-TL, the Commission approved a Limited Service Offering (LSO) for Exchange Line Data Services (ELDS) within the Jacksonville LATA for Southern Bell Telephone and Telegraph Company. ELDS was offered due to a growing need for a service for residential and small business customers who use telephone modems with an increasingly larger capacity to transmit data over standard voice grade R-1 and B-1 lines. ELDS offers a superior grade analog line that can be used for voice and/or data transmission. The service is intended to meet more stringent transmission standards than those required for voice-only circuits. The local loop facility is provided over metallic pairs, fiber, or a digital loop carrier. Modifications to the customer's line may include additional testing of the circuit and/or physical improvement of the line.

The rates for the LSO for ELDS are in addition to the subscriber's basic local service rates. ELDS rates include a \$145.00 nonrecurring installation charge and a monthly recurring charge of \$7.00.

The LSO was approved with an effective date of September 29, 1988 to expire on September 29, 1989. On July 24, 1989, Southern Bell filed tariff revisions requesting to extend the LSO period until September 29, 1990 to gather further data.

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Southern Bell states that the introduction and active marketing of ELDS were delayed approximately 6 months due to internal administrative concerns about problems with the network methods and procedures for ELDS. During that time, the company only accepted orders if a customer requested the service but did not actively market the service. As a result, sales have been minimal.

Southern Bell states that the service has only been actively marketed for less than three months, beginning in May of 1989, and the company feels that this limited time period is not sufficient to draw any conclusions about ELDS' market acceptability, price, marketing methods and procedures or revised network methods and procedures.

The purpose of an LSO is to allow a company to offer a new service to a specific area, track the costs and revenues, and determine the feasibility of a permanent offering without the extensive cost support studies of a regular offering. The fact that cost support information is not required creates an opportunity for anti-competitive pricing. Therefore, in Order No. 17669, issued June 5, 1989, we limited these offerings to periods of no longer than one year, except in two circumstances, neither of which apply in this case.

However, we believe the company has outlined circumstances sufficient to justify an extension. The company has shown that its marketing and cost studies are incomplete because it has not had sufficient time since active marketing began for its efforts to be tested. The reasons for the delay in active marketing appear to be reasonable. Further, we believe that this decision is consonant with our desire to encourage new services. Finally, there were no allegations or evidence that any harm would result from an extension. Therefore, we believe that the company should have the additional time requested to fully develop its market and cost studies.

Based on the foregoing, it is

ORDERED that Southern Bell Telephone and Telegraph Company's request to extend the Limited Service Offering period for Exchange Line Data Service within the Jacksonville LATA to September 29, 1990, is approved. It is further

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ORDERED that this docket is closed.

By ORDER of the Florida Public Service Commission,  
this 10th day of October, 1989

STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

JSR

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 (1985), as amended by Chapter 87-345, Section 6, Laws of Florida (1987), 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.