

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: PROPOSED TARIFF FILING BY ) DOCKET NO. 891181-TL  
 SOUTHERN BELL TELEPHONE AND TELEGRAPH ) ORDER NO. 22282  
 COMPANY INTRODUCING ESSX STATION MESSAGE ) ISSUED: 12-11-89  
 DETAIL RECORDING - PREMISES SERVICE AS A )  
 ESSX SERVICE OR DIGITAL ESSX SERVICE. )  
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The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman  
 THOMAS M. BEARD  
 BETTY EASLEY  
 JOHN T. HERNDON

FINAL ORDER APPROVING TARIFF FILING

BY THE COMMISSION:

Southern Bell Telephone and Telegraph Company (Southern Bell) has filed a tariff proposal which would replace the existing tariff sections relating to Station Message Detail Recording - Premises (SMDR-P) currently in its General Subscriber Service Tariff as an optional add-on offering for ESSX service terminating in analog central offices. This service is currently offered to customers of analog ESSX who have chosen to receive Electronic Tandem Switching (ETS). SMDR-P provides call record detail data which allows the customer to identify individual stations incurring telephone charges. SMDR-P delivers raw data over a private line or station line to the customer's premises, which is processed by the customer's premises equipment. Such processing allows for customized detail accounting reports that can be used by the customer for allocation of business costs. The present arrangement allows for real time delivery of the data to the customer's premises. Currently there exists only one such customer.

This proposed tariff filing is necessary because the Company is expanding its existing SMDR-P service offering from the restricted analog ETS technology to include digital and non-ETS technology. By incorporating SMDR-P within the digital environment, Southern Bell seeks to increase the competitiveness of ESSX. Southern Bell's ESSX service competes with

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Private Branch Exchange equipment (PBX) and key system equipment, and both technologies are capable of providing call detail recording on a real time basis. SMDR data recorded by PBXs includes date, time of day, duration of call, access code, number of the line used, number dialed, account code, and transfer code. The main difference existing in the service between the ESSX SMDR-P and PBX SMDR is the ability of PBX systems to use account codes. Southern Bell is prohibited by the Federal Communications Commission (FCC) from delivering account code data along with other SMDR-P data at the present time. The FCC has tentatively ruled that the provisioning of such data is an enhanced service which must be provided as a non-regulated activity. Prior to the FCC ruling, Southern Bell offered such service under the name "Customer Dialed Account Recording" (CDAR).

Because we find that a competitive market exists between ESSX service and PBX service, we do not find it appropriate to restrict Southern Bell from new ESSX add-on offerings which allow ESSX to provide benefits related to the basic service which are similar to those offered by its competitors. Southern Bell will, of course, be prohibited from exhibiting anticompetitive behavior, such as pricing below costs. We have reviewed the cost and price information filed by Southern Bell to ensure that such behavior will not occur. Direct, forward looking incremental costs (recurring and nonrecurring) were used by Southern Bell to develop the costs for each element of the SMDR-P proposed offering. New competitive offerings such as ESSX SMDR-P must feature rates that at least meet the incremental cost associated with the service. This is a means of ensuring that cross-subsidization of competitive offerings does not occur.

Southern Bell's proposed rates were established in such a way that revenues exceed costs for each type of ESSX service (small, medium, and large), and for each available term payment plan (1, 36, 60, and 84 months) for both analog and digital ESSEX. While there are cases where the recurring costs exceed the recurring revenues for particular ESSX SMDR-P service arrangements, the evaluation of the discounted cash flows of each service offering always results in revenues exceeding costs due to the impact of large service installation charges on overall revenues. In other words, some of the recurring costs have been absorbed by the installation charge rather than the monthly charges for SMDR-P. Southern Bell believes that

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this pricing strategy will allow the Company to compete more successfully in the market. Since this is a competitive offering, we find such pricing practices to be permissible.

According to Southern Bell's demand estimates and proposed rates, the revenue impact of SMDR-P on Southern Bell during its first three years will be a total of \$2,705,656. The one existing customer currently receiving ESSX SMDR-P service, SUNCOM, will continue to receive service at the current rates until the expiration of its contract with Southern Bell.

We find that the proposed SMDR-P is a competitive offering, which features revenues which are shown to exceed costs. In addition, the proposed offering will allow the end user to make educated business decisions on telecommunications systems. Therefore, we hereby approve this tariff filing.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Southern Bell Telephone and Telegraph Company's proposed tariff filing introducing ESSX Station Message Detail Recording is hereby approved. It is further

ORDERED that this docket is hereby closed.

By ORDER of the Florida Public Service Commission,  
this 11th day of DECEMBER, 1989.

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

Comissioner Thomas M. Beard dissented from this decision.

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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.

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.