

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filing by )	DOCKET NO. 891307-TL
SOUTHERN BELL TELEPHONE AND TELEGRAPH )	
COMPANY to provide new WATS and 800 )	ORDER NO. 22451
service access line rate elements for )	
use with the new high capacity channel )	ISSUED: 1-23-90
service, MegaLink(R) Channel Services. )	
)	

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:

On October 30, 1989 Southern Bell filed tariff revisions to provide a reduced access line charge for WATS and 800 service access when used in conjunction with the new high capacity channel service, MegaLink(R) Channel services.

MegaLink(R) is a high capacity transmission facility service that uses only digital signals and digital transmission facilities. The basic MegaLink(R) service has only one channel. MegaLink(R) Channel service is an intraLATA digital service which provides the capability to separate the transmission capacity into channels for customers in the company's central office or customer premises location. MegaLink(R) Channel services are provided in packages based on multiple voice grade channel equivalents where 24 voice grade channels are equal to a DS1. This service provides local channels or interoffice channels for network exchange access, Foreign Exchange Service (FX), ESSX service station lines, off-premises stations (OPS), tie lines, WATS lines, analog data channels, and digital data services.

At present, existing WATS and 800 Service Access Line rate elements provide a separate recurring rate of \$37.45 for the loop facility to the customer premises. Loop facilities can also effectively be provided with MegaLink(R) Channel Services. The company proposes to allow customers to

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discontinue the separate loop facility rates and instead receive WATS and 800 service over excess capacity on MegaLink(R) Channel Services at a lower recurring rate. The reason they propose this lower charge is because the company would not have to provide a separate loop facility to the customer premises for WATS and 800 service.

In addition, the company also proposes to waive the nonrecurring installation charges for WATS and 800 Service. These charges would be covered by the Feature Activation nonrecurring charges found in section B7 of the Private Line Tariff, which outlines the charges for MegaLink(R) Channel Services.

For customers who request WATS and 800 Service Access Lines on MegaLink(R) Channel Services, the company proposes a monthly access line rate of \$10.00. The proposed monthly rate of \$10.00 for WATS and 800 service access lines provided over MegaLink(R) was developed using the actual additional cost of switching the WATS and 800 service off the MegaLink(R) Channel Service.

The company states that the appropriate recurring costs would only be those associated from the central office main distribution frame (MDF) to the central office switch, including the line termination circuit. The weighted average cost for the provision of this service is \$2.85. All other costs, both recurring and nonrecurring, are included in the MegaLink(R) Channel Service Tariff, except for the monthly usage charges for WATS and 800 service. The monthly usage charges for WATS and 800 service will remain the same.

The company used a direct long-run incremental cost methodology for determining the cost of the required switching. Investments were calculated using the BellCore Switching Cost Information System (SCIS). Using the adjusted total investment, which includes the SCIS cost with loadings for Telco Engineering and Labor, Miscellaneous Common Equipment and Power, Land and Building, and sales tax, the annual cost of the service was developed and included capital costs and operating expenses associated with the investment.

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We believe that the new rate element for WATS and 800 services subscribers who may also have MegaLink(R) is appropriate as customers will have the ability to make more economical use of their telecommunications services. MegaLink(R) channel services have a high capacity which is rarely used fully. It seems reasonable for the company, due to the technological feasibility, to provide customers the ability to better utilize their services.

We also believe that the proposed rates will cover the associated cost of providing the service as well as some contribution. We believe the cost methodology used is appropriate and takes into account the factors needed to determine the cost of this service. We also believe that the company may derive some additional benefit by not having to provide additional facilities to future customers of both MegaLink(R) and WATS or 800 service. Therefore, we believe that the tariff should be approved.

Based on the foregoing, it is hereby

ORDERED by the Florida Public Service Commission that Southern Bell's tariff proposal to provide new WATS and 800 Service Access Line rate elements for use with the new high capacity channel service, MegaLink(R) Channel Services, is approved effective December 29, 1989. It is further

ORDERED that this docket be and the same is hereby closed.

By ORDER of the Florida Public Service Commission,  
this 23rd day of JANUARY, 1990.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

JSR

by: Kay Ferguson  
Chief, Bureau of Records

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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.