BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filing which provides exceptions to billing inter-office channel mileage to the nearest central office nearest to the customer premises by AT&T Communications of the Southern States.	DOCKET NO. 900764-TI ORDER NO. 23832 ISSUED: 12-4-90

The following Commissioners participated in the disposition of this matter:

MICHAEL MCK. WILSON, Chairman
THOMAS M. BEARD
BETTY EASLEY
GERALD L. GUNTER
FRANK S. MESSERSMITH

ORDER SUSPENDING TARIFF

BY THE COMMISSION:

On September 11, 1990, AT&T Communications of the Southern States, Inc. (ATT-C or the Company) filed a tariff modification proposing to provide exceptions to billing interoffice channel (IOC) mileage to the ATT-C central office nearest the customer premises. ATT-C states that its recent audit of its billing records revealed that the Company's billing of interoffice channel (IOC) mileage for special access service and foreign exchange service in Florida is calculated in some instances in a manner inconsistent with the actual facility routing of the circuits. This anomaly results from a provision in ATT-C's Channel Services Tariff (B3.1.3.C.b) requiring that the customer's premises within the same local access transport area (LATA) must be used to determine the IOC mileage for billing purposes. As mentioned above, in exceptional cases, the customer's circuit proceeds from the customer's premises to the local serving office, the local exchange company's central office, to a Company central office other than the nearest one within the LATA. From this point, the circuit then proceeds to a Company central office in another LATA. It is this leg of the circuit which is the interoffice channel, and it is the basis of the IOC mileage charge associated with the circuit. The reason that the Company central office nearest to the customer's premises is not used to provision the circuit is that the customer's premises is served by one LEC while the ATT-C central office nearest to the customer is served by a different

LEC, and there are no access facilities adjoining the customer's LEC central office to the nearest ATT-C central office. ATT-C reports that there are nine such ATT-C central offices, which are further away from the customer's premises than at least one other ATT-C central office. However, ATT-C now bills IOC mileage for these circuits based on the location of the nearest Company central office instead. To correct this anomaly, ATT-C has submitted this revised filing which allows IOC mileage to be calculated, for billing purposes, based upon the IOC mileage measured from the actual serving Company central office rather than the nearest Company central office.

The Company reports that 354 circuits would be affected by this filing, which would include 154 customers. The circuits are mostly 4 wire data channels (50%), but also include a number of Foreign Exchange Service circuits (28%) and PBX tie-line circuits (22%). The two LECs which provide the local loop and access for these circuits are Southern Bell and United.

We agree with the concept presented in this filing that a circuit should be billed according to the costs that are incurred to provide the circuit. This filing seems to be a positive step to match rates and facilities. Southern Bell has confirmed that the facilities were routed as claimed by ATT-C in its filing.

Confirmation has been sought that channel services connecting current customers to their nearest Company central office could not be made available to the customers at a reasonable cost. The LECs have been queried on this, and according to Southern Bell, significant facility investment may be required to provide access to the nearest ATT-C office. Additional difficulties in the area of billing alterations may exist, which would make it burdensome for the companies to access the nearest ATT-C central office.

The customer impact of this filing could be either a decrease or increase in costs to the customer, depending upon where the originating ATT-C central office is located in relation to the terminating ATT-C central office. The Company has indicated that most customers would experience an increase in rates. For those customers whose rates are increasing, the average monthly increase would be $69. The Company reports that the maximum increase would be $130. However, the Company notes that the FX Service customers served by the affected offices, subscribing to the circuits affected by this filing, will very likely benefit from an offset now being considered. A currently proposed ATT-C tariff filing (T-90-776) to reduce FX charges based on reduced BHMOC expenses would provide an $102 offset per FX circuit.

It seems apparent that the offset related to FX will minimize the impact of increases of this filing to current FX customers affected by this filing. In addition, the Company has a number of close substitutes for this service, such as Optional Calling Plans and 800 Readyline, so reasonable economic alternatives are available.

However, we find it difficult to determine with certainty that there would be no customers of 4 wire data or PBX tie line Special Access services unduly burdened by this filing. Increases in the IOC mileage for current customers which would result from the approval of the proposed filing would impact Special Access customers especially, since these same customers will be experiencing significant increases in the other rate elements associated with their Special Access circuits in January, 1991. Increased rates for these services were approved in Docket 890505-TL, which dealt with the repricing and restructuring of Private Line and Special Access Services in Florida. Also, while Special Access services are said to be competitive services at this time by many local exchange companies and interexchange companies, we are not certain that reasonable economic alternatives exist for these customers. We believe that customers affected by this filing should have the ability to contest these tariff revisions in the event they find that the revisions create unduly burdensome costs for them. As such, we believe that this issue of burden to Special Access customers must be explored in order to give the Commission adequate information to determine the action to be taken with this filing.

Additionally, we believe that ATT-C's IOC mileage billing should be coordinated with the LEC access mileage billing for each of the affected circuits, with no overlap of IOC and access mileage billing. ATT-C has indicated that current billing of access mileage is based on measurements to the distant central office, so that the changes proposed in this filing require no change in access charges to the customers by the LECs. This has been confirmed by Southern Bell. Of course, this means that the current billing arrangement, designed such that IOC mileage is measured from the nearest central office while access mileage is measured from the distant central office, includes a serious billing anomaly that would be corrected by the approval of this tariff filing.

Both ATT-C and Southern Bell have confirmed that such coordination of mileage billing will be achieved for all circuits with the proposed filing.

Finally, this docket raises one additional concern regarding the filing. No notification of the proposed filing had occurred as of October 4, 1990. We believe it is essential that customers receive adequate notification of this change in billing measurement which may significantly increase their costs for their Special Access Service.

In summary, we concur with the intent of this filing since it is appropriate to bill services based on the cost of facilities required to provide the such services, which would be accomplished by this filing. We acknowledge that reasonable economic alternatives exist for the customers affected by this filing in most cases, that the customer impact would be minimal in most cases, and that ATT-C has coordinated IOC mileage billing with the LEC's access mileage billing. However, additional time is required to determine the impact of this filing on Special Access customers, and whether rerouting of channel services to the nearest ATT-C office is not a superior approach to the problem. In addition, current customers have not been given notification of the proposed revisions, which we believe is essential.

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 which provides exceptions to billing interoffice Channel Mileage to the nearest ATT-C Central Office nearest the customer premises be suspended pending further consideration. It is further

ORDERED that customers be notified of the filing and revisions which would impact their monthly bills for Special Access Service. It is further

ORDERED that this docket remain open pending further consideration.

By ORDER of the Florida Public Service Commission, this 4th day of DECEMBER, 1990.

STEVE TRIBBLE, Director
Division of Records and Reporting

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