

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff to obsolete basic) DOCKET NO. 900855-TL
 Optional Extended Area Service (OEAS) plans))
 and Toll-Pac plans for routes that have) ORDER NO. 23854
 Enhanced Optional Extended Area Service)
 (EOEAS), by SOUTHERN BELL TELEPHONE AND) ISSUED: 12-10-90
 TELEGRAPH COMPANY)

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 APPROVING TARIFF PROPOSAL

BY THE COMMISSION:

On September 17, 1990, Southern Bell Telephone and Telegraph Company (Southern Bell or the Company) filed a proposed tariff (T-90-425) to obsolete its basic Optional Extended Area Service (OEAS) plans and Toll-Pac plans on those routes that currently have an Enhanced Optional Extended Area Service (EOEAS) plan available to subscribers. It is the Company's position that EOEAS plans are more economically attractive to subscribers. Upon approval of this tariff proposal, the Company intends to file a second tariff revision in December, 1990, with a proposed February, 1991, effective date. This second tariff proposal would delete the plans obsoleted by the present filing. The specific plans the company proposes to obsolete are those listed below:

| <u>ROUTE</u> | <u>PLAN</u> |
|------------------------------------|-------------|
| Palm Coast to Daytona Beach | OEAS |
| Sanford to Orlando | OEAS |
| Boca Raton to Ft. Lauderdale | OEAS |
| Bunnell to Daytona Beach | OEAS |
| Flagler Beach to Daytona Beach | OEAS |
| Hollywood to Miami | OEAS |
| Delray Beach to West Palm Beach | OEAS |
| Keystone Heights to Gainesville | Toll-PAC |
| Ft. George to Jacksonville Beach | Toll-PAC |
| South Port St. Lucie to Ft. Pierce | Toll-PAC |
| Fernandina Beach to Jacksonville | Toll-PAC |
| North Port St. Lucie to Stuart | Toll-PAC |
| Holley-Navarre to Milton | Toll-PAC |

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The Toll-PAC plan is a toll discount plan for calling to a specified exchange(s) outside of a subscriber's local calling area but within the same LATA. Toll calls may be placed with a discount of thirty percent (30%) applied to the DDD rates appropriate for the period in which the call was made. There is a monthly minimum charge per account to subscribe to this service but the minimum charge is applied to a customer's toll usage for calls to those specific exchanges. That is, if the minimum charge is \$2.00, then a customer receives up to \$2.00 of toll calls discounted thirty percent (30%) from the time-of-day DDD rates to the specified exchanges, and pays for any additional calls at rates discounted thirty percent (30%).

Basic Optional Extended Area Service (OEAS) is also a toll discount plan for calling to exchanges which are outside of a subscriber's local calling area but within the same LATA. A subscriber to an OEAS plan is billed in usage blocks. The rates for usage blocks are lower than equivalent toll rates. Subscribers are billed for a minimum of one-hour of usage if a Business customer and one-half hour if a Residential customer. Additional usage is billed in 1/10 of an hour blocks (six minutes). Monthly usage is totaled and a minimum of one minute per message is applicable. Messages of more than one minute are measured in units of 1/10 of a minute (six second billing).

Enhanced Optional Extended Area Service (EOEAS) offers a subscriber several options. These options include alternative billing plans and toll discount plans, also for calling to exchanges which are outside of a subscriber's local calling area but within the same LATA. Option 2, known simply as the EOEAS Discount plan, is the most similar to Toll-PAC and Basic OEAS, with a lower effective rate. Option 2 is the option to which subscribers will be automatically converted if this tariff revision and the second tariff revision (to be filed December, 1990) are approved. Option 2 provides a fifty percent (50%) discount from the prevailing DDD rates for calls to specific exchanges. A monthly minimum charge is applied, just as with Toll-PAC, except that usage above the minimum is discounted at fifty percent (50%), rather than thirty percent (30%). The tables below compare Toll-Pac, Basic OEAS, and EOEAS Option 2.

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| OEAS vs. EOEAS vs. DDD Rates | | | | | | |
|------------------------------|-----------------|-------|--------------|-----------------|---------------|-----------------|
| Mileage Band | DDD Toll Rates* | | OEAS Minimum | Per Min. Addtnl | EOEAS Minimum | Per Min. Addtnl |
| 0-10 | \$.19 | \$.09 | \$2.40 | \$.080 | \$1.75 | \$.045 |
| 11-16 | \$.20 | \$.12 | \$3.00 | \$.100 | \$2.20 | \$.060 |
| 17-22 | \$.20 | \$.12 | \$3.90 | \$.125 | \$2.20 | \$.060 |
| 23-30 | \$.30 | \$.20 | \$5.20 | \$.173 | \$3.80 | \$.100 |
| 31-40 | \$.30 | \$.20 | \$6.20 | \$.207 | \$3.80 | \$.100 |
| 41-55 | \$.30 | \$.20 | NA | NA | \$3.80 | \$.100 |

*DDD rates are initial minute and additional minute rates

Toll-PAC rates are route-specific rather than mileage band-specific; thus, Toll-PAC rates are compared with EOEAS rates on a route-specific basis.

| Toll-PAC vs. EOEAS vs. DDD Rates | | | | | | |
|------------------------------------|-----------------|-------|------------------|-----------------|---------------|-----------------|
| Pt. to Pt. Route | DDD Toll Rates* | | Toll-Pac Minimum | Per Min. Addtnl | EOEAS Minimum | Per Min. Addtnl |
| Fernandina Beach to Jacksonville | \$.30 | \$.20 | \$5.30 | \$.140 | \$3.80 | \$.100 |
| Ft. George to Jacksonville Beach | \$.20 | \$.12 | \$3.25 | \$.084 | \$2.20 | \$.060 |
| Keystone Heights to Gainesville | \$.20 | \$.12 | \$1.86 | \$.084 | \$2.20 | \$.060 |
| Holley-Navarre to Milton | \$.20 | \$.12 | \$3.25 | \$.084 | \$2.20 | \$.060 |
| North Port St. Lucie to Stuart | \$.19 | \$.09 | \$1.95 | \$.063 | \$1.75 | \$.045 |
| South Port St. Lucie to Ft. Pierce | \$.02 | \$.12 | \$1.95 | \$.084 | \$2.20 | \$.060 |

*DDD rates are initial minute and additional minute rates

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In every case except two (South Port St. Lucie to Ft. Pierce, and Keystone Heights to Gainesville) the EOEAS minimums are lower than the OEAS or Toll-PAC minimums. Without exception, the rates for additional usage above the minimum are lower under the EOEAS plans than under the OEAS or Toll-PAC plans.

The Company ultimately intends to delete optional calling plans other than EOEAS on these particular routes. In order to delete these services, the Company has proposed a two-step process. First, the services will be obsoleted. Once obsoleted, no new customers may subscribe to the service. The present subscribers to the service will then be notified that the Company intends to switch them (at no charge) to the more economically priced EOEAS plans. Once those customers have been switched over, the Company can file a tariff to delete the services entirely from its tariff book, as there will be no remaining subscribers. We believe that this is an appropriate method to delete the tariff and that this method will minimize customer impact.

Following approval of this tariff, the Company shall notify customers of the changes through bill inserts. The bill inserts shall state that the customer is being converted from either an OEAS or Toll-PAC plan to the more economically priced EOEAS Discount plan (Option 2). The bill insert shall also state that Residential customers will have until their February, 1991, billing period to contact the Business Office to select the EOEAS Premium option, if desired, without incurring Service Order charges. The Premium option allows unlimited flat-rate calling to specified exchanges outside the subscriber's local calling area but within the same LATA. Should a customer select the EOEAS Premium option after their February, 1991, billing period, they will be billed for the associated Service Order charges.

The Company estimates that 1752 Residential and Business customers will be affected by this conversion process. The Company shall file the revenue impact of this tariff with the second tariff filing (to be filed December, 1990, with an effective date of February, 1991) which will (if approved) delete the Optional Calling plans that this filing has proposed to obsolete. This first tariff, on its own, will have very little or no revenue impact since it only obsoletes an existing service.

As the Optional Calling plans are essentially toll-discount plans, there could be a slight positive revenue impact if these

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Optional Calling plans are obsoleted, to the extent that customers wanting toll discounts do not sign up for the plan and make their calls at regular toll rates. However, the EOEAS plans are still available to those searching for a toll discount plan. On the other hand, to the extent that toll calling might be stimulated by the existence of a toll discount plan, and the toll plan is not available (having been obsoleted), there could be a slight negative revenue impact to the Company. Again, however, the EOEAS plans are still available. Overall, then, the revenue impact should be slight. In almost no case will customers be adversely affected by this tariff filing. In fact, customers will virtually all face a lower price for an essentially identical service, while being notified of other options which are available. Only the customers subscribing to the South Port St. Lucie to Ft. Pierce Toll-PAC plan and the Keystone Heights to Gainesville Toll-PAC plan will face a slight increase in the minimum charge (\$.25 and \$.34 respectively), while the rate they pay for additional minutes will be reduced by \$.024.

Upon consideration, for the reasons set forth above, we find it appropriate to approve this tariff proposal.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the proposed tariff (T-90-425) filed on September 17, 1990, by Southern Bell Telephone and Telegraph Company is hereby approved as set forth herein. It is further

ORDERED that Southern Bell Telephone and Telegraph Company shall notify its affected customers as described herein in accordance with the terms and conditions specified in the body of this Order. It is further

ORDERED that Southern Bell Telephone and Telegraph Company shall file a follow-up tariff proposal as described herein. It is further

ORDERED that this docket shall be closed if no protest is filed in accordance with the requirement set forth below.

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By ORDER of the Florida Public Service Commission, this 10th
day of DECEMBER, 1990.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

by: Kay Flynn
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.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on December 31,
1990.

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In the absence of such a petition, this Order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by 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 of the date this Order becomes final, 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.