

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filing to)	DOCKET NO. 900941-TL
include Clear Channel Capability)	ORDER NO. 24304
optional feature for point-to-point)	ISSUED: 3/29/91
DS1/1.544 MBPS Services to the)	
Special Access and Private Line)	
tariffs, by SOUTHERN BELL TELEPHONE)	
AND TELEGRAPH COMPANY.)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 BETTY EASLEY
 FRANK S. MESSERSMITH
 MICHAEL McK. WILSON

ORDER APPROVING TARIFF

BY THE COMMISSION:

Southern Bell seeks with this filing to introduce an optional feature known as Clear Channel Capability (CCC). CCC is a proposed option for Private Line/Special Access Service digital channels which connect two customer premises, or for channels between a customer premises and a DS3 to DS1 multiplexer. CCC is available in conjunction with the Company's Megalink Service or DS1 Service. Southern Bell proposes to include CCC rates and tariff language in Section B2 and Section B7 of its Private Line Tariff and Section E2 and Section E7 of its Access Tariff.

While CCC would be an optional feature for digital channels, its principal function is to enable customers to use Integrated Services Digital Network (ISDN) technology. CCC supports ISDN by providing the code format for allowing full use of the 64 Kps digital channel, rather than the limited 56 Kps bandwidth, the current standard. ISDN will allow different types of services (voice, data, telex, and facsimile) to be transmitted concurrently on the same channel. Southern Bell plans to file its first ISDN tariff later this year.

Southern Bell is introducing CCC prior to ISDN in order to establish the new Uniform System of Accounts Codes required for incorporating CCC rates in the Company's tariffs and billing system. Once customers subscribe to CCC via the new codes, Southern Bell will be able to identify those customers which can be expected to subscribe to ISDN. Introduction of CCC will also allow customers an opportunity to adapt or replace their terminating equipment to accommodate CCC, and in turn, ISDN.

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According to the Company, there are no incremental costs associated with this option when installed concurrently with Private Line or Special Access Service. No equipment or installation requirements beyond what is normally required for service installation of channel services is required to install CCC. However, installing the CCC option for a previously installed channel service involves substantial nonrecurring costs, including service order handling, engineering, connecting, testing, and travel. The Company states that the nonrecurring cost associated with Megalink CCC is \$605.92, while the nonrecurring cost associated with DS1 CCC is \$650.04.

Since there are no costs associated with CCC when installed concurrently with the digital channel, the Company proposes no nonrecurring rate for those CCC installations which are performed at the time of channel installation. Nonrecurring rates are proposed for CCC only when this option is added to existing digital channels. In such cases, the two rate elements proposed for the CCC optional feature supporting both Megalink and DS1 Service include Subsequent Nonrecurring Charge [Superframe Format (SF)] and Subsequent Nonrecurring Charge [Extended Superframe Format (ESF)]. The nonrecurring charge per CCC is \$655 per channel installed, for both Megalink CCC and DS1.

Revenue associated with the filing is expected to be generated only during the first year that the optional feature becomes available. Only first year revenue is expected since Southern Bell forecasts CCC units for existing Megalink Service and DS1 Service only during the first year of the three years included in the marketing study conducted by the Company. The forecasted first-year total revenues associated with CCC, including revenues associated with both Megalink and DS1 CCC, are \$34,060. Related costs are shown to be \$32,258, which yields a contribution of \$1,802.

The implementation of CCC is an important preparatory step toward deployment of the new features and services that ISDN will offer. Customers of Megalink Service and DS1 Service will need to prepare their facilities for ISDN capability. Therefore, we find it appropriate to approve Southern Bell's proposed addition of Clear Channel Capability optional feature to the Company's Private Line or Special Access Services tariffs, to become effective February 1, 1991.

In addition to the implementation of CCC, Southern Bell also proposes with this filing to modify its existing contract rate periods as they apply to Private Line or Special Access Services in order to allow customer flexibility through a variable term payment

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plan. Currently, rates for digital services such as Megalink Service, Megalink Channel Service, LightGate Service, and Access High Capacity Service (DS0, DS1, etc.) are administered as either monthly or contractual rate periods of 36, 60, or 84 months duration. The current payment method is described in Section B2 of the Company's Private Line Tariff and Section E2 of the Company's Access Tariff. This method of payment is part of Southern Bell's Channel Services Payment Plan (CSPP).

The tariff allows customers of the current 36 month term payment plan to select payment periods from 24 months to 48 months based on the current 36 month rates. It would also allow customers of the current 60 month term payment plan to select payment periods from 49 months to 72 months in length, at 60 month rates. Finally, it would allow customers of the current 84 month term payment plan to select payment periods of 73 to 96 months in length, at 84 month rates. Southern Bell's proposal would modify the CSPP to allow customers the flexibility to choose any monthly increment of service desired gain an appropriate discount for agreeing to purchase service over an extended period of time.

The new flexibility will be offered only to new installations. Each current customer under contract will be offered these flexible terms only when their contract expires.

It is important that Southern Bell adapt all of its current offerings to better accommodate customers' needs whenever it is in a position to do so. Accordingly, we find it appropriate to approve Southern Bell's proposal to modify its existing contract rate periods as they apply to Private Line/Special Access Services, to become effective February 1, 1990.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Southern Bell Telephone and Telegraph Company's tariff to provide Clear Channel Capability is approved as set forth in the body of this Order. It is further

ORDERED that Southern Bell's proposal to offer a variable length contract period is approved as set forth in the body of this Order. It is further

ORDERED that if a protest is filed in accordance with the requirement set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

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

By ORDER of the Florida Public Service Commission, this 29th day of MARCH, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

SFS

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 April 19,
1991.

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

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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.