

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filing to)	DOCKET NO. 910884-TI
implement a \$.75 surcharge for certain)	
operator-assisted calls by AT&T)	ORDER NO. 25112
COMMUNICATIONS OF THE SOUTHERN STATES,)	
INC.)	ISSUED: 9/24/91
_____)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY
MICHAEL McK. WILSON

ORDER APPROVING TARIFF FILING

BY THE COMMISSION:

AT&T Communications of the Southern States, Inc. (ATT-C or the Company) has submitted a tariff to impose a surcharge of \$.75 for certain Operator Station and Person-to-Person calls where a customer has the capability to dial the number but elects instead to have an ATT-C operator dial the number. The surcharge would only apply to Operator Station and Person-to-Person calls. It would not apply to Calling Card calls, to individuals identified as handicapped and unable to dial the call, or in situations where there is defective equipment or technical difficulties. The charge would be assessed in addition to the applicable charges for the type of operator service requested.

According to ATT-C, the purpose of the charge is to reduce the volume of this type of "0-" call. The Company asserts that placing a surcharge on operator-dialed calls which the customer can dial herself will create an incentive to use the more efficient "0+" dialing method, where the customer dials the digits.

DOCUMENT NUMBER-DATE

09472 SEP 24 1991

FPSC-RECORDS/REPORTING

The customer impact of the surcharge on an operator-dialed call is shown below:

	<u>Current</u>	<u>Proposed Surcharge if Operator-Dialed</u>	<u>Total</u>
Calling card	\$.80	0	\$.80
Station-to-Station	\$1.00	\$.75	\$1.75
Person-to-Person	\$2.50	\$.75	\$3.25

ATT-C states that the estimated revenue impact would be \$2,171,000 at current units. The Company noted, however, that it does not expect to realize that level of revenue since the charge should repress unnecessary requests for operator dialing. The Company's operators will ask each customer who requests that an operator dial a number if she is aware that she can dial the number herself. Additionally, the Company's operators shall inform each customer who requests operator assistance in dialing that there will be a \$.75 surcharge for the service, and that the surcharge can be avoided if the customer dials the call herself. This notification shall continue for a 16 month period.

ATT-C's current charges for operator assistance cover its costs including the costs of operator dialing. ATT-C did not cite insufficient cost recovery as a reason for imposing this charge. The Company did state in its filing that "0-" calls are highly labor intensive and costly. It outlined the work that an operator must perform and described how the interaction between an operator and a customer can lead to further call handling time.

Upon consideration, we find that imposition of a \$.75 surcharge is an appropriate method to repress demand for this labor intensive service. The charge will not apply in circumstances where a customer is identified as handicapped, or where an equipment failure results in the inability of a customer to dial the desired number herself. Included in the concept of an equipment failure is the circumstance where a customer is blocked by the equipment and is thus unable to dial a call.

ORDER NO. 25112
DOCKET NO. 910884-TI
PAGE 3

We recognize that imposition of this charge may be perceived by customers as a degradation of service since the service has historically been provided free of charge. However, this Commission is conducting a forbearance experiment with respect to setting prices and profits for ATT-C. We find that ATT-C should be allowed to operate freely within the constraints of the experiment.

We approve the ATT-C tariff filing with an effective date of September 16, 1991. If a timely protest is filed, this tariff shall remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket shall be closed.

Pursuant to Order No. 22243, the ATT-C rates and surcharges constitute a rate cap for AOS providers. With this in mind, we find that AOS providers may file tariffs which incorporate a surcharge for this service provided the tariff filings include caveats---regarding handicapped callers, defective equipment, and a 16 month charge notification provision--- which are consistent with those set forth in the body of this order.

Based upon the foregoing, it is

ORDERED by the Florida Public Service Commission that AT&T Communications of the Southern States Inc.'s filing to implement a \$.75 surcharge on certain operator assisted calls where the user has the capability to dial, but requests that the operator perform this service, is hereby approved. It is further

ORDERED that AT&T Communications of the Southern States, Inc. shall inform customers who request the Company to dial calls that there is a \$.75 surcharge for the service which can be avoided by the customer dialing the call herself. It is further

ORDERED that this tariff shall become effective on September 16, 1991. If a timely protest is filed this tariff shall remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket shall be closed at the end of the protest period. It is further

ORDERED that AOS providers may file tariffs which incorporate a surcharge for operator dialed calls with caveats---regarding handicapped callers, equipment failures, and a 16 month charge

ORDER NO. 25112
DOCKET NO. 910884-TI
PAGE 4

notification provision---which are consistent with the requirements set forth in the body of this order.

By ORDER of the Florida Public Service Commission, this 24th day of SEPTEMBER, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

COMMISSIONER DEASON DISSENTS AS FOLLOWS:

I respectfully dissent from the Commission's decision to approve AT&T's request to add a \$.75 charge to operator assisted station-to-station and person-to-person calls. The record before us in this case is crystal clear that current rates cover AT&T's operator costs for these calls and make a contribution to remaining cost recovery. I found little or no support for AT&T's claim that the surcharge is intended to cause customers to not request operator dialing for calls they can dial themselves. AT&T could provide no evidence that the same charge resulted in repression when implemented in the interstate jurisdiction. I believe that, if achieving repression is the true goal of the company, deaveraging cost recovery of those labor intensive operator assistance expenses would be the most appropriate method of achieving the goal.

Furthermore I would like to express a continuing discomfort with the Commission approving rate increases for AT&T absent a showing that the company is experiencing a revenue deficiency. The question of AT&T's earnings forbearance is currently being addressed in Docket No. 870347-TI. Therefore, it is not proper to decide this - or any other tariff filing - based on an assumption of earnings forbearance. That is why I believe that a revenue neutral deaveraging approach would be preferred in this case. This does not mean, however, that I am expressing any opinion as to what

ORDER NO. 25112
DOCKET NO. 910884-TI
PAGE 5

the current ratemaking regime is or should be for AT&T. That question will be resolved in Docket No. 870347-TI.

(S E A L)

CWM

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 10/15/91

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

ORDER NO. 25112
DOCKET NO. 910884-TI
PAGE 6

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.

M E M O R A N D U M

September 23, 1991

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (MURPHY)
RE: DOCKET NO. 910884-TI

cm *H*

25112

Attached is an ORDER APPROVING TARIFF FILING in the above-referenced docket, which is ready to be issued.

CWM/mgf
Attachment
cc: Division of Communications

910884a.mgf

*Protests
due 10/15/91*

DOCUMENT NUMBER-DATE
09472 SEP 24 1991
FPSC-RECORDS/REPORTING