

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Comprehensive review of) DOCKET NO. 920260-TL
the revenue requirements and) ORDER NO. PSC-95-0852-FOF-TL
rate stabilization plan of) ISSUED: July 17, 1995
SOUTHERN BELL TELEPHONE AND)
TELEGRAPH COMPANY.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER SUSPENDING TARIFF

BY THE COMMISSION:

This docket was initiated pursuant to Order No. 25552, issued December 31, 1991, to conduct a full revenue requirements analysis and to evaluate the Rate Stabilization Plan under which BellSouth Communications, Inc. d/b/a Southern Bell Telephone and Telegraph Company (Southern Bell or the Company) had been operating since 1988. Hearings were rescheduled several times in an effort to address all the concerns and issues that arose with the five consolidated proceedings over the ensuing two and a half years.

On January 5, 1994, a Stipulation and Agreement Between Office of Public Council (OPC) and Southern Bell was submitted. On January 12, 1994, Southern Bell filed an Implementation Agreement for Portions of the Unspecified Rate Reductions in Stipulation and Agreement Between OPC and Southern Bell. Other parties filed motions in support of the Stipulation and Implementation Agreement. We approved the terms of the settlement by Order No. PSC-94-0172-FOF-TL, February 11, 1994. The terms require, among other things, that rate reductions be made to certain services of Southern Bell. Some of the reductions have already been implemented and other reductions are scheduled to occur on October 1, 1995 and October 1, 1996.

According to the terms of the Stipulation and Implementation Agreement, approximately four months before the scheduled effective dates of the unspecified rate reductions, Southern Bell will file its proposals for the required revenue reductions. Interested

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parties may also file proposals at that time. Parties who have already received or are scheduled to receive rate reductions for the services to which they subscribe, are generally precluded from taking positions that would benefit themselves.

On May 15, 1995, Southern Bell filed a tariff to introduce Extended Calling Service (ECS) to satisfy the unspecified outstanding \$25 million revenue reduction in accordance with the Stipulation. In addition to Southern Bell, McCaw Cellular Communications and Locals 3121, 3122, and 3107 of the Communications Workers of America filed proposals for the \$25 million in unspecified rate reductions scheduled to be implemented October 1, 1995.

Southern Bell proposes to introduce Extended Calling Service (ECS) on 252 intra-company routes. ECS rates residential calls at \$.25 per call regardless of duration, and rates business calls at \$.10 for the first minute and \$.06 for each additional minute. Southern Bell's proposal would convert 212 intraLATA (local access transport area) toll routes and 40 flat-rated \$.25 plan routes, which residential and business customers pay \$.25 per call regardless of duration, to ECS.

The Company states that it selected these intracompany routes based on the following criteria: 1) routes with optional extended area service; 2) routes with a demonstrated community of interest; and 3) routes where the flat rated \$.25 plan is offered. In addition, Southern Bell proposes to eliminate, except for the Enhanced Optional Extended Area Service (EOEAS) residential premium rate, the Basic Optional Extended Area Service, Optional Calling Service, and flat-rated \$.25 plans on routes where ECS is implemented.

Southern Bell states that by introducing ECS on these routes and routes to intermediate locations, it can standardize statewide the expanded local service that it offers to its customers. The Company states that this should reduce customer confusion regarding the number of offerings currently available and provide customers with a better understanding of the services available throughout the state.

The Company estimates that there will be \$43.4 million of annual revenue reduction before stimulation associated with introducing ECS on the proposed additional routes. Stimulation is expected to be about 50%, which probably consists of the \$25 million at issue in this case.

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Upon review, we shall suspend Southern Bell's tariff and shall review it in the context of the rate case. Southern Bell has not provided adequate support for implementation of the ECS plan at this time. In addition, other parties in Southern Bell's rate case have filed proposals for dispensing the \$25 million rate reduction. Since the parties' proposals will be reviewed at the hearing set for July 31, 1995, we find it is appropriate to review Southern Bell's proposal at that time.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the tariff filed by BellSouth Communications, Inc. d/b/a Southern Bell Telephone and Telegraph Company to meet the outstanding revenue reduction of \$25 million is hereby suspended as discussed within the body of this Order. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission, this 17th day of July, 1995.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Meyer
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 this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) 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 wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.