

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Comprehensive review of) DOCKET NO. 920260-TL
the revenue requirements and) ORDER NO. PSC-96-0949-FOF-TL
rate stabilization plan of) ISSUED: July 22, 1996
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:

By Order No. PSC-94-0172-FOF-TL, issued February 11, 1994 in this docket, we approved a Stipulation and Implementation Agreement between BellSouth Telecommunications, Inc. (BellSouth) and the parties to the proceedings. Among other things, the Stipulation provided for various rate reductions to be implemented over a three-year period. Some of the rate reductions were targeted at specific services and others specified only the dollar amounts, with proposals by interested parties to be submitted to dispose of the designated amounts for each year, 1994 through 1996.

BellSouth and interested parties are required to submit proposals on the disposition of the unspecified amounts not less than 120 days prior to the scheduled effective date of October 1 of each year. Accordingly, on May 31, 1996, BellSouth submitted proposals for disposition of the \$48 million in rate reductions scheduled for 1996. BellSouth has submitted tariff revisions to implement its proposal which includes the following:

- 1) to reduce switched access rates by an additional \$16.4 million over and above the \$40 million specified in the stipulation that would bring BellSouth's switched access rates down to the January 11, 1994 interstate levels. The

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additional amount proposed here would introduce zone density pricing differentials to four switched access rate elements:

- * the terminating Carrier Common Line charge;
- * the DS-1 interoffice piece of switched transport;
- * the Residual Interconnection Charge (RIC);
- * and Local Switching.

2) to reduce PBX trunk rates and DID charges by approximately \$16 million, and to introduce term contracts for periods up to five years;

3) to reduce or eliminate various service connection charges by approximately \$6 million;

4) to introduce an expanded calling plan for business customers called Area Plus. This offering would provide for a flat rated basic local calling area, expanded calling area rates of \$.08 per minute out to forty miles, and a 30% discount off intraLATA toll rates. Monthly recurring charges for Area Plus would apply, and would differ by rate group. The expected revenue reduction from this offering would be approximately \$2.2 million.

5) to eliminate the usage charge on Remote Call Forwarding. The revenue impact of this proposal would be approximately \$2 million.

Four counterproposals have been filed. First, ATT, MCI, Sprint Communications, FIXCA, Ad Hoc and McCaw Communications filed a joint proposal as follows:

- 1) Reduce PBX and DID trunk charges by \$11 million
- 2) Eliminate the RIC (\$35 million)
- 3) Reduce mobile interconnection rates by \$2 million

Second, the Office of Public Counsel, at the request of Senator James Scott, proposed that a reserve fund be established to assist BellSouth customers who have experienced problems with conversion to the 954 NPA. Third, FCTA has proposed that the nonrecurring charges for interconnection trunks and special access be eliminated for ALECs. Fourth, Palm Beach Newspapers, Inc. and Florida Today have proposed that usage rates for N11 service be reduced to \$.02 per minute.

Under the terms of the Stipulation and the subsequent order, the Commission is required to conduct hearings, if requested, to determine the disposition of the unspecified amounts. Although

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BellSouth has elected to be a price regulated local exchange company pursuant to Section 364.051, Florida Statutes, we have the authority of Section 364.385(3) to operate under the former version of Chapter 364, Florida Statutes, for determination of the 1996 rate reductions. Thus, we have the authority to suspend BellSouth's proposed tariff in this docket. We will therefore suspend BellSouth's tariff revisions to provide the opportunity to analyze all parties' proposals and conduct hearings if necessary.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that BellSouth's tariff revisions to implement its 1996 rate reduction proposals are suspended. It is further

ORDERED that this docket will remain open pending resolution of the remaining issues.

By ORDER of the Florida Public Service Commission, this 22nd day of July, 1996.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

(S E A L)

DLC/MCB

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 12, 1996.

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 wastewater 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.