

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request of SOUTHERN BELL	)	DOCKET NO. 890648-TL
TELEPHONE AND TELEGRAPH COMPANY to	)	
reduce its direct-in-dialing (DID)	)	ORDER NO. 21563
trunk termination charge in its	)	
direct-in-dialing shared tenant and	)	ISSUED: 7-17-89
mobile interconnection tariffs	)	

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman  
 THOMAS M. BEARD  
 BETTY EASLEY  
 GERALD L. GUNTER  
 JOHN T. HERNDON

ORDER APPROVING TARIFF

BY THE COMMISSION:

I. BACKGROUND

By Order No. 20162 in Docket No. 880069, the Petition of Southern Bell Telephone and Telegraph Company for Rate Stabilization and Implementation Orders and Other Relief, this Commission ordered, among other things, that Southern Bell restructure its Direct-In-Dialing (DID) rates for PBX DID customers. With this we hoped to accomplish two things-- to bring PBX customer DID rates in line with those of other DID customers such as shared tenant services and radio common carriers and to have DID rates reflect the same cost savings as ESSX rates, taking into account the differences in technology. We did this because ESSX rates have been revised over time to reflect the newer, less expensive technology, whereas DID rates have not. At the time the Order was issued Southern Bell had stated that the restructure would result in an annual revenue decrease of \$521,917. The restructured rates took effect October 15, 1988 pursuant to Order No. 20162. According to Southern Bell, a detailed individual customer analysis subsequently revealed that more DID trunk terminations were in service than had been originally estimated; and that the restructure resulted in a revenue increase of approximately \$791,000 instead of a decrease.

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ORDER NO. 21563  
DOCKET NO. 890648-TL  
PAGE 2

Southern Bell has discovered, in addition, that about 40% of its DID customers have received rate increases, 54 of them in the range of \$1,000 or more a month, as a result of the restructure. As a result, Southern Bell has now filed a revision to one element of its DID rate structure, the DID trunk termination charge, to reduce its annual revenues by approximately \$1.3 million dollars.

## II. DID TRUNK TERMINATION RATE REDUCTIONS

Southern Bell has proposed revisions to the DID trunk termination rate element in three of its offerings which incorporate DID Service. The revisions reflect a decrease of \$5.25, from \$40 to \$34.75, in the DID trunk termination rate of the PBX, Shared Tenant, and Mobile Interconnection tariffs.

According to Southern Bell, the purpose of the filing is to achieve the reduction in revenues that the Company originally intended from the restructure of the PBX DID tariff in Docket No. 880069. Since the Company, by its own customer analysis, will actually experience an increase of about \$791,000 annually, it proposes to decrease revenues by approximately \$1.3 million annually in order to achieve the approximate \$522,000 reduction originally proposed.

According to Southern Bell, the error in its projected revenue impact was caused by too low an estimate in the number of DID trunk termination units. The Company has revised the number of units to about 21,000 per month. However, we note that the revised number of units includes not only the PBX DID trunk termination units, but also those for Shared Tenant and Mobile Carriers. When questioned whether the proposed monthly rate decrease would have been larger had it not been spread over more units, Southern Bell responded that the PBX DID trunk terminations constituted the vast majority of the ones in place, and the rate would not decrease significantly if the other two tariffs were excluded. We do not disagree. In addition, it is appropriate to keep the DID trunk termination rate uniform across the three tariffs since the service is provided the same way.

Southern Bell submitted cost data for DID Service with its filing and has requested confidential treatment of those costs on the basis that the costs constitute a trade secret and that revealing the costs would impair its ability to compete with

ORDER NO. 21563  
DOCKET NO. 890648-TL  
PAGE 3

PBX attendants and key systems. Southern Bell's request for specified confidential treatment will be addressed by subsequent Order.

We must point out that we are concerned with the apparent severe customer impact that has occurred with the restructure of Southern Bell's PBX DID rates. The Ad Hoc Telecommunications Users Committee has indicated that some of its clients have experienced increases of up to \$5000 monthly. A summary of the customer impact experienced by Southern Bell's DID subscribers shows roughly 23 percent experienced increases of \$200 or more a month, with 40 percent experiencing some increase. This impact was not intended. However, it should be noted that the degree of this impact was difficult to project since the effect of the restructure depends on the DID number-to-trunk ratio of each individual subscriber. We further note that Southern Bell has allowed its DID subscribers to treat the increase as a billing dispute pending the Commission's decision on this filing. Unfortunately, many of those subscribers with the largest increases will not get much relief from the reduction proposed by Southern Bell here, since they have large numbers of trunk terminations.

Upon consideration, we find it appropriate to approve Southern Bell's request to decrease the trunk termination charges effective June 6, 1989. However, the reduction for the PBX DID subscribers shall be effective from October 15, 1988, the date the restructured DID tariffs took effect. This will effectuate our initial decision to reduce revenues in conjunction with the restructure of PBX DID rates.

We will also add that we have some concern about Southern Bell's PBX and DID rates. This subject is currently being investigated in Docket No. 881257-TL in relation to the Company's ESSX rates. Because of the relevance of the cost data and other information submitted in this docket to our investigation in the ESSX docket, this information shall be retained for consideration in Docket No. 881257-TL. This information will assist us in determining whether further reductions to PBX and DID rates are warranted.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Southern Bell Telephone and Telegraph Company's tariff filing

ORDER NO. 21563  
DOCKET NO. 890648-TL  
PAGE 4

to reduce its direct-in-dialing trunk termination rates is approved as set forth in the body of this Order. It is further

ORDERED that the DID rates shall be effective as set forth in the body of this Order. It is further

ORDERED that the information submitted in this docket shall be retained and considered in Docket No. 881257-TL as set forth in the body of this Order. It is further

ORDERED that this docket be closed.

By ORDER of the Florida Public Service Commission,  
this 17th day of July, 1989.

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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.

ORDER NO. 21563  
DOCKET NO. 890648-TL  
PAGE 5

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 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 after the issuance of this order, 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.