

FLORIDA PUBLIC SERVICE COMMISSION
FLETCHER BUILDING
101 EAST GAINES STREET
TALLAHASSEE, FLORIDA 32399-0850

M E M O R A N D U M

FEBRUARY 22, 1990

TO : DIRECTOR OF RECORDS AND REPORTING
FROM : DIVISION OF COMMUNICATIONS [CHECK] *AMG JR JB PM*
DIVISION OF LEGAL SERVICES [RICHARDSON] *RZ F*
RE : DOCKET NO. 891374-TL - PROPOSED TARIFF FILING BY SOUTHERN BELL
TELEPHONE AND TELEGRAPH COMPANY FOR A TRIAL OF THE MARKET REACH
PLAN IN THE LAKE MARY WIRE CENTER OF THE SANFORD EXCHANGE
(T-89-597 FILED NOVEMBER 29, 1989 AND T-89-622 FILED
DECEMBER 14, 1989)
AGENDA : MARCH 6, 1990 - CONTROVERSIAL - PARTIES MAY PARTICIPATE
PANEL : FULL COMMISSION
CRITICAL DATES: COMPANY REQUESTED EFFECTIVE DATE OF MARCH 6, 1990

ISSUE AND RECOMMENDATION SUMMARY

ISSUE 1: Should Southern Bell Telephone and Telegraph Company's proposed tariff filings dealing with a 2-year experimental trial of the Market Reach plan in the Lake Mary Wire Center of the Sanford exchange be approved?

RECOMMENDATION: No. Southern Bell Telephone and Telegraph Company's proposed tariffs dealing with a 2-year experimental trial of the Market Reach plan in the Lake Mary Wire Center of the Sanford exchange should be denied for the following reasons:

1. because the LATA-wide reduced toll rates are too low since most of the rates fail to cover relevant access charges,

DOCUMENT NUMBER-DATE
01725 FEB 22 1990
FPSC-RECORDS/REPORTING

2. because Southern Bell has not taken advantage of this opportunity to begin unbundling the network, in particular the access elements to put business customers on an equal pricing basis. Had this been done staff would not be as concerned about implementing mandatory LMS for business,
3. because Southern Bell has failed to define the purposes of the trial and how to evaluate the "success" of the trial when completed,
4. because Southern Bell has not convinced us why the network should be billed for on a usage sensitive basis given the high percentage of nontraffic sensitive costs. Had this been done we would not be as concerned about implementing LMS,
5. because Southern Bell has failed to justify the value of a trial costing \$255,600 when it does not appear the company would be able to afford a similar plan if implemented statewide,
6. because Southern Bell proposes to exclude payphone providers and shared tenant service providers from subscribing to the Market Reach Plan,
7. because Southern Bell does not plan to send potential residential customers a separate notification to explain the optional Market Reach Plan.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. This docket should be closed.

DISCUSSION OF ISSUES

ISSUE 1: Should Southern Bell Telephone and Telegraph Company's proposed tariff filings dealing with a 2-year experimental trial of the Market Reach plan in the Lake Mary Wire Center of the Sanford exchange be approved?

RECOMMENDATION: No. Southern Bell Telephone and Telegraph Company's proposed tariffs dealing with a 2-year experimental trial of the Market Reach plan in the Lake Mary Wire Center of the Sanford exchange should be denied for the following reasons:

1. because the LATA-wide reduced toll rates are too low since most of the rates fail to cover relevant access charges,
2. because Southern Bell has not taken advantage of this opportunity to begin unbundling the network, in particular the access elements to put business customers on an equal pricing basis. Had this been done staff would not be as concerned about implementing mandatory LMS for business,
3. because Southern Bell has failed to define the purposes of the trial and how to evaluate the "success" of the trial when completed,
4. because Southern Bell has not convinced us why the network should be billed for on a usage sensitive basis given the high percentage of nontraffic sensitive costs. Had this been done we would not be as concerned about implementing LMS,

5. because Southern Bell has failed to justify the value of a trial costing \$255,600 when it does not appear the company would be able to afford a similar plan if implemented statewide,
6. because Southern Bell proposes to exclude payphone providers and shared tenant service providers from subscribing to the Market Reach Plan,
7. because Southern Bell does not plan to send potential residential customers a separate notification to explain the optional Market Reach Plan.

STAFF ANALYSIS:

Overview

On November 29, 1989, Southern Bell Telephone and Telegraph Company (Southern Bell) proposed revisions (Attachment A) to its general subscriber services tariff for an experimental trial of the Market Reach plan (Market Reach) in the Lake Mary Wire Center which is the central office of the Sanford exchange. This plan will mandate local measured service (LMS) for all Lake Mary business customers. The plan will be optional for residence customers. Southern Bell has stated that they do not plan initially to offer Market Reach in any other locations other than the Lake Mary Wire Center of the Sanford exchange. However, we conclude that Southern Bell will analyze the reactions and calling patterns of the Lake Mary customers during the experiment before potentially filing to expand the plan's availability.

On December 14, 1989, Southern Bell proposed additional revisions (Attachment B) to its general subscriber tariffs to allow the sale of ESSX Service with measured network access registers in Lake Mary (T-89-622). This filing was supposed to be filed with the original filing (T-89-597); however, was filed separately. These revisions are necessary for the trial of Market Reach and are solely dependent upon the approval of T-89-597.

The Market Reach Plan is a LATA-wide calling plan which expands the local calling area and discounts all intra-LATA toll charges along with mandating LMS for business customers.. Southern Bell believes that a LATA-wide plan helps respond to customer requests for expanded local calling areas and is in line with the recent movement of intraLATA toll rates towards cost. A discount on outgoing calls to the entire LATA is included as part of the basic Market Reach plan in order to make it more attractive (i.e., a discount on intraLATA toll calls helps to balance usage sensitive pricing for the local calling area). Basically, all Market Reach plan customers would have all their outgoing local calls billed on a usage sensitive basis, with a cap for subscribing residence customers and a volume usage discount for business customers.

The Lake Mary Wire Center was chosen for a number of reasons. The first is because customers requested an extended calling plan which allows discounted toll to further points in the LATA due to the proximity to Orlando. Second, the customers wanted a better discount deal than the current EOEAS plan presented. Further, Southern Bell has worked more closely with

these customers because of the ISDN and fiber to the home trials in Heathrow, a very advanced telecommunications housing development. Finally, the small size of Lake Mary/Heathrow provides for a trial that is easily monitored. The Sanford exchange was chosen for this experiment because it is not considered a seasonal exchange, therefore, any month would be appropriate for conducting a usage study in this location. Other central offices besides Lake Mary were not chosen because the additional facilities costs associated with equipping all central offices in the LATA to service the new plan would be too costly.

Southern Bell's primary goals and objectives associated with the Market Reach plan have two parts. First, the plan was designed to provide the Lake Mary business customers with an opportunity to further expand their market coverage, or calling area. Second, the plan is to permit a trial of mandatory local measured service with expanded calling options for business accounts.

Southern Bell plans to measure the success of the plan by their customers' overall acceptance. Although the expected level of success has not been quantified in our requests, Southern Bell plans to monitor the revenue effect on the customer. This will include analyzing customer usage, customer reaction to the plan, call stimulation/repression, accuracy of estimated lost revenues, percent development for the residential market, percent development for the incoming options, and the impact of the plan on switching and facilities equipment. Depending upon the results, Southern Bell may expand the plan's availability to other exchanges.

The Company arrived at the rates in the following manner: Southern Bell estimated expected demand for the service and determined rates that would

DOCKET NO. 891374-TL
 FEBRUARY 22, 1990

yield total revenue as close to revenue neutrality as possible while considering customer willingness to pay. The proposed rates for the experimental Market Reach plan in the Lake Mary wire center in the Sanford exchange are as follows:

SANFORD MARKET REACH PLAN
LAKE MARY CENTRAL OFFICE

<u>RATES AND CHARGES</u>	<u>CURRENT MONTHLY RATES</u>	<u>PROPOSED MONTHLY RATES</u>	<u>RATE CHANGE</u>
(1) <u>Residence</u>			
(a) Per access line	\$ 9.50	\$ 7.50	\$ (2.00)
(2) <u>Business</u>			
(a) Per access line - w/o hunting	25.75	19.00	(6.75)
(b) Per access line - w/hunting	38.90	28.50	(10.40)
(3) <u>PBX trunk</u>	57.86	37.50	(20.36)
(4) <u>Direct dialing service</u>	57.86	37.50	(20.36)
(5) <u>ESSX, MegaLink, Lightgate, Channel Service NAR</u>	26.62	6.80	(19.82)

MARKET REACH PLAN
WITHIN THE EXISTING LOCAL CALLING AREA

<u>USAGE CHARGES</u>	<u>PROPOSED RATES</u>	
	<u>INITIAL MINUTE</u>	<u>EACH ADDITIONAL MINUTE</u>
(a) Band O (within Lake Mary central office area)	\$.02	\$.01
(b) Band A (calls to other telephone numbers currently included in the Lake Mary local calling area)	\$.04	\$.02
(c) Band B (calls to telephone numbers in the Orlando exchange) (currently available via EOEAS)	\$.08	\$.04
		(See footnotes)

-
- (1) 50% discount will be applied between 8 p.m.-8 a.m. every day, all hours Saturday and Sunday
 - (2) Local messages are charged for at least one minute then rounded to the nearest 1/10th minute
 - (3) Total monthly usage charges capped at \$8.50 per access line (residence only)
 - (4) Market Reach business customers will be discounted 50% for usage above \$25.00 average usage/line per line, \$50.00 average usage/line per PBX trunk, and \$50.00 average usage/line per NAR

OUTSIDE THE LOCAL CALLING AREA
WITHIN THE ORLANDO LATA

- (1) For DDD calls to exchanges in the Orlando LATA outside the Market Reach plan local calling area, a 40% discount is applied to the MTS rates.

OPTION A

(Special incoming option for receiving calls from Orlando.)

- | (1) <u>Recurring Charges</u> | <u>MONTHLY RATE</u> | |
|------------------------------|---------------------|-------|
| (a) Residence | \$ | 4.95 |
| (b) Business | | 10.80 |
| (c) PBX | | 16.20 |
| (d) ESSX/Mega Link/Lightgate | | 16.20 |
-
- | (2) <u>Usage Rate</u> | <u>INITIAL MINUTE</u> | <u>EACH ADDITIONAL MINUTE</u> |
|-----------------------|-----------------------|-------------------------------|
| (a) Band B | \$.08 | \$.04 |
- (3) 50% discount will be applied 8:00 p.m. - 8:00 a.m. every day, all hours Saturday and Sunday
- (4) Local messages are charged for at least one minute of use rounded to the nearest 1/10th minute.

OPTION B

(Incoming calls within Southern Bell long distance calling zone.)
(i.e., LATA-wide)

- | (1) <u>Recurring Charges</u> | <u>Monthly Rate</u> |
|------------------------------|---------------------|
| (a) Residence | \$ 15.00 |
| (b) Business | 20.00 |
| (c) PBX | 30.00 |
| (d) ESSX/Mega Link/Lightgate | 30.00 |
- (2) Usage Rate - Noncoin originated, intraLATA DDD calls received from Southern Bell exchanges will be billed to Market Reach plan customers at a 50% discount on the MTS rates.

Attachment C is a map of the Sanford EAS plans. Three EAS plans currently exist in the Sanford exchange. They are as follows:

(1) Non-optional Two-Way EAS

Sanford to DeBary, Geneva, Oviedo and Winter Park

(Rates for non-optional two-way EAS are built into the rate structure)

(2) Optional Point-to-Point EAS

Sanford to Orlando (17-22 mileage band)

- (a) Business 1 hr or equiv. $\$7.80 / 60 = \$.13$ min
 1/2 hr or equiv. $\$3.90 / 30 = \$.13$ min
- (b) Residence 1/2 hr or equiv. $\$3.90 / 30 = \$.13$ min
 1/4 hr or equiv. $\$1.95 / 15 = \$.13$ min
- (c) Not applicable from 10:00 a.m to 11:00 a.m. or from 7:00 p.m. to 9:00 p.m. week days except holidays. Minimum 1 minute per message.

(3) Optional EOEAS

Sanford to Orlando (17-22 mileage band)

Residence Options

- (a) Premium (per line) 16.00
- (b) Discount (min. per account) 50% 2.20
- (c) Incoming discount (additive per line) 50% 4.95
- (d) Drop back per line 8.40¹

Business Options

- (a) Discount (Min. per account) 50% 4.40
- (b) Incoming discount (additive per line) 50% 10.80
- (c) Drop back (per line) 22.90

PBX/ESSX²

- (a) Discount (Min. per account) 50% 8.80
- (b) Incoming discount (additive per line) 50% 16.20

¹ Lake Mary C.O. Calls to DeBary, Oviedo and Winter Park 0-10 mileage MTS rate.

² Not available to Lake Mary C.O. customers.

	<u>Day</u>	<u>Night</u>	<u>Evening/Weekend</u>
EOEAS	.10 .06	.07 .04	.04 .03

* Note EOEAS rates are 50% of MTS

Description of Service

The Market Reach Plan in the Lake Mary wire center of the Sanford exchange will expand the current local calling area of the Lake Mary Business subscribers to include Orlando for seven (7) digit outgoing calls, decrease their intraLATA long distance bills, in some cases increase and in other cases decrease bills for current local service, and provide business customers with options to further expand their market coverage. Market Reach is a proposed two-year trial that would be mandatory for business customers and optional for residential customers.

If approved, the proposed Market Reach Plan will revise the current Enhanced Optional Extended Area Service (EOEAS) plan for the Sanford exchange in the following manner:

- (1) The current EOEAS options will not be available to business customers served by the Lake Mary wire center,

- (2) Residential customers who had the EOEAS plan in the Lake Mary wire center of the Sanford exchange to Geneva, Oviedo and Winter Park exchanges will still be able to have the EOEAS plan or the Market Reach Plan, as this option will not be superseded by Market Reach.

Southern Bell states that due to the company's billing system limitation, the residential Market Reach calls to Geneva, Oviedo, and Winter Park must be rated at the 0-10 mileage band MTS rates instead of the current 11-22 mileage band MTS rates. Southern Bell also states that since the drop-back option would only appeal to customers with few, if any, local calls outside their home exchange, the revenue impact of this revision would be negligible. However, staff believes that this rating will appear to make the Local Measured Service plan more attractive to the consumer since the rates will be dropped back a band.

Two additional options are available for the Market Reach Plan. Option A (special incoming option for receiving calls from Orlando) proposes to provide Market Reach customers with an Orlando telephone number such that calls to that Orlando number will be forwarded to the Lake Mary Market Reach customers. This allows the Lake Mary customers to receive calls from the Orlando local calling area at no cost to the calling party. These calls will be billed to the Market Reach plan customers at the proposed Sanford-to-Orlando usage rate.

Option B (incoming calls within Southern Bell long distance calling zone) allows a Market Reach plan customer to pay for all noncoin originated, DDD, intraLATA toll calls received from other Southern Bell exchanges at a 50% discount on the existing toll rates plus a fixed monthly charge for the option. A Market Reach subscriber could choose either or both of these options.

Customer Impact

Southern Bell previously provided ballots (Attachment A) to each Lake Mary business customer to explain the proposed Market Reach plan. These ballots indicate their preference for/against the plan and were mailed to the independent accounting firm of Peat, Marwick and Mitchell Company to analyze the results of the ballot. Each business customer was given a comparison bill to show what their rates would be under the proposed plan versus the current plan. The bills showed that out of 338 business accounts, 243 accounts are projected to save and 95 accounts are projected to lose. Because the Market Reach plan is optional for residential customers served out of the Lake Mary wire center, Southern Bell did not provide ballots to those customers. Of the 197 business customers balloted, 135 ballots were returned, with 123 for and 11 against and 1 indicating no preference.

Economic Impact to Southern Bell

Southern Bell estimates that the yearly gross revenue impact of this plan is to be a \$127,800 loss. This estimate was based on the existing 1418 residential and 338 business account customers' calling patterns. Of the 1418 residential customers eligible, 900 customers could save with Market Reach and the company projected that 217 of those customers would choose the plan. Since the proposed Market Reach plan would be mandatory for businesses, all 338 accounts were regarded.

DOCKET NO. 891374-TL
FEBRUARY 22, 1990

Applying the estimated incremental costs for total switched investment, yearly planning, engineering and implementation that would be associated with the experimental trial, it is anticipated that there will be an additional \$120,800 cost to Southern Bell for the two-year period. Therefore, the total gross cost to Southern Bell for the two-year experimental period is estimated to be \$255,600.

The estimated revenue impact of the Market Reach plan is found on the following page.

ESTIMATED REVENUE IMPACT OF THE MARKET REACH PLAN

		% of CUSTOMERS
<u>RESIDENTIAL COST</u>		
Total Customers	1, 418	
Customers projected to SAVE	909	63.5%
Customers Projected to SELECT	217	15.3%
Average Monthly Savings	\$ 14.85	
Total Monthly Savings (217 x \$14.85)	3,222.00	
LESS EOEAS Adjustment ¹	205.00	
Southern Bell Monthly LOSS (calculated from monthly customer savings)	3,017.00	
Southern Bell ANNUAL LOSS	<u>\$36,204.00</u>	(a)
<u>BUSINESS COST²</u>		
Total Accounts	338	
Accounts projected to SAVE	243	71.9%
Accounts Projected to SELECT	338*	100.0%
Average Monthly Savings	\$ 7.69	
Total Monthly Savings (338 x \$7.69)	2,599.00	
LESS EOEAS Adjustment	0	
Southern Bell Monthly LOSS (calculated from monthly customer savings)	\$ 2,559.00	
Southern Bell ANNUAL REVENUE LOSS	<u>\$31,188.00</u>	(b)
<u>ADDITIONAL COSTS</u>		
Total Switching Investment \$99,300 (Associated Annual Carrying Chg.)		34,100
Yearly Planning, Engineering, Administration and Implementation Cost for billing and measuring. (Annualized over 2 years)		26,300
No Cost for directives due to small size of trial location		N/A
Total Additional Costs Per Year		<u>60,400</u> (c)
TOTAL Southern Bell Cost for Trial Period (2 years)		<u>\$255,600</u> 2(a+b+c) approximately due to rounding

¹ Not yet realized. Residential revenue loss from EOEAS.

² All accounts that could save with EOEAS were assumed to have EOEAS.

All repression of local usage and stimulation of toll usage were assumed.

* Nonoptional since it is mandatory.

The local usage rates associated with Southern Bell's experimental trial for the proposed Market Reach Plan are based on incremental local usage costs from the 1988 LIUC study. The costs are as follows:

Market Reach Plan Within Local Calling Area

<u>Usage Charges</u>	<u>Cost</u>		<u>Proposed Rate</u>		<u>Contribution %</u>	
	<u>Initial Minute</u>	<u>Add'l Minute</u>	<u>Initial Minute</u>	<u>Add'l Minute</u>	<u>Initial Minute</u>	<u>Add'l Minute</u>
(a) <u>Band Q</u> (within Lake Mary area)	\$0.01971	\$0.00828	\$0.02	\$0.01	1.47%	20.77%
(b) <u>Band A¹</u> (calls to other telephone numbers currently included in Lake Mary calling area)	.03880	.01952	.04	.02	3.09%	2.46%
(c) <u>Band B²</u> (calls to telephone numbers in the Orlando exchange)	.04226	.02215	.08	.04	89.30%	80.59%

The LIUC study operates with a massive data file consisting of information on every local central office within a state. The study is used to determine the usage sensitive incremental costs of adding one more additional message to the local network. There are six separate cost modules considered in the LIUC. They are as follows:

- Operator Services - Cost associated with increased operator traffic load in handling additional credit and rate requests

- Comptroller - Additional costs of handling and processing incremental billed message volume
- Service Center - Business office costs of additional time and expense associated with incremental billing inquiries and bill adjustments
- Switching - Costs of switching equipment for a local call
- Measurement - Costs of recording measured calls (at the originating office)
- Trunking - Costs of trunks and terminating equipment for an interoffice call

Southern Bell used an incremental cost methodology study, more specifically the Levelized Incremental Unit Cost (LIUC) study. Levelized means to spread costs over equipment capacity i.e., if an additional call causes an investment in additional equipment, the cost would be spread over units used up to the capacity of the equipment, not to the one additional call. Incremental refers to a change in cost. The change in cost in an LIUC study is caused by a change in call volume which is stimulated by a factor as input by the program user.

Traffic volume is used to determine the equipment requirements. A stimulation factor is applied to the existing traffic volume to determine the increase in costs as a result of implementing local measured service.

Southern Bell believes the LIUC method is appropriate for determining costs and subsequent rates associated with provisioning its network for a calling plan arrangement such as Market Reach. The Commission has seen the LIUC study often used by Southern Bell to accompany its proposals to reprice local service when it is associated with resold local service such as with PATS or STS.

The methodology seems reasonable but it may not capture all the costs associated with mandatory local measured service. Often, the data that is fed into the study is generated by looking at exchanges in which there may be optional measured service rather than mandatory measured service. This creates a situation whereby costs may be underestimated. To illustrate, a customer is far less likely to complain about incorrect billing and request backup information for such billing when the customer chooses optional measured service because it is beneficial for him to do so. Conversely, the customer who is mandated to local measured service and experiences a large rate increase will be far more likely to complain and hence generate higher costs. Therefore, while the methodology is reasonable, it may underestimate the costs associated with mandatory local measured service.

Local Measured Service

The subject of Local Measured Service (LMS) was initially brought up in Docket No. 74629-TP (Usage Sensitive Pricing). LMS was subsequently included in Docket No. 810415-TP, Local Exchange Pricing. For this reason, Docket No. 74629-TP was closed in 1983. Additionally, Docket No. 810415-TP was closed in 1985. To date, the subject of LMS is still very controversial

DOCKET NO. 891374-TL
 FEBRUARY 22, 1990

and Southern Bell has approached the Commission several times with various experimental trials. Attachment D is a chronology of decisions made by the Commission which relate to local measured service. The following matrix provides all locations in which Southern Bell currently has LMS experiments which were either grandfathered by the Commission or are currently available:

LOCAL MEASURED SERVICE TRIALS - PILOTS IN FLORIDA

<u>EXCHANGE</u>	<u>IMPLEMENTATION DATE</u>	<u>STATUS</u>
Jupiter	12-31-78	Grandfathered on 12-1-81
Delray Beach	04-01-79	Grandfathered on 12-1-81
Miami-Metro (WC)	04-01-79	Grandfathered on 12-1-81
Orange Park	06-16-79	Grandfathered on 12-1-81*
Hollywood-Pembroke Pines (WC)	09-15-79	Grandfathered on 12-1-81*
Cocoa	12-08-79	LMS currently available
Cocoa Beach	12-08-79	LMS currently available
Eau Gallie	12-08-79	LMS currently available
Melbourne	12-08-79	LMS currently available
Titusville	12-08-79	LMS currently available
Green Cove Springs	06-08-80	Grandfathered on 12-01-81*
Cocoa, Cocoa Beach, Eau Gallie, Melbourne, Titusville	09-03-89	LMS availability expanded to include multi-line customers
Cocoa, Cocoa Beach, Eau Gallie, Melbourne, Titusville	01/90	The Company will voluntarily begin a 6-month LMS comparative billing for customers. Southern Bell will analyze the results which will be available for the Commission's review.
Sanford-Lake Mary (WC)		Tariff filed 11/29/89

*Extended Flat Rate Option still available.
 WC - Wire Center

With regard to implementing LMS in the State of Florida, staff is concerned that as the Commission makes available new information services to encourage increased use of the network, the move toward a measured structure may either result in a hidden rate increase or in call repression.

In order to monitor the effectiveness of LMS it is important to realize what the goals are of such a plan. Staff believes there is no cost basis for implementing LMS. Already about 80% of the cost of the network is nontraffic sensitive costs, and with digital switches, the percent that is nontraffic sensitive is increasing. With the introduction of fiber in the interoffice facilities, the actual costs are decreasing (i.e. a declining percent of a declining number is traffic sensitive costs.) Therefore, the marginal cost of the switching becomes negligible and one may question the basis for charging for the network on a minute of use basis.

The monthly rate impact, based on estimated business and residential customer savings on current flat rate service with and without EOEAS compared to the Market Reach Plan is as follows:

DOCKET NO. 891374-TL
 FEBRUARY 22, 1990

BUSINESS RATE COMPARISON

(Based on August 1989 Average Usage Study)

<u>BUSINESS LINE</u>	<u>RECURRING RATE FOR LINE</u>	<u>BILLED LOCAL USAGE</u>	<u>FOR CALLS TO ORLANDO</u>	<u>FOR OTHER INTRALATA TOLL CALLS</u>	<u>TOTAL</u>
<u>BUSINESS LINE</u>					
Current Flat w/o EOEAS	\$ 25.75	N/A	\$ 12.47	\$ 3.67	\$ 41.89
Current Flat with EOEAS	\$ 25.75	N/A	\$ 6.24	\$ 3.67	\$ 35.66
Market Reach	\$ 19.00	\$ 7.73	\$ 3.92	\$ 2.20	\$ 32.85
<u>PBX TRUNK</u>					
Current Flat w/o EOEAS	\$ 57.86	N/A	\$ 16.07	\$ 6.99	\$ 80.92
Current Flat with EOEAS	\$ 57.86	N/A	\$ 8.04	\$ 6.99	\$ 72.89
Market Reach	\$ 37.50	N/A	\$ 5.33	\$ 4.19	\$ 47.02
<u>NAR</u>					
Current Flat w/o EOEAS	\$ 26.62	N/A	\$ 16.07	\$ 6.99	\$ 49.68
Current Flat with EOEAS	\$ 26.62	N/A	\$ 8.04	\$ 6.99	\$ 41.65
Market Reach	\$ 6.80	\$ 29.15	\$ 5.33	\$ 4.19	\$ 45.47

RESIDENTIAL RATE COMPARISON

(Based on August 1989 Usage Study)

<u>RESIDENTIAL LINE</u>	<u>RECURRING RATE FOR LINE</u>	<u>BILLED LOCAL USAGE</u>	<u>FOR CALLS TO ORLANDO</u>	<u>FOR OTHER INTRALATA TOLL CALLS</u>	<u>TOTAL</u>
<u>RESIDENTIAL LINE</u>					
Current Flat w/o EOEAS	\$ 9.50	N/A	\$ 7.86	\$ 3.78	\$ 21.14
Current Flat with EOEAS	\$ 9.50	N/A	\$ 6.50	\$ 3.78	\$ 19.78
PROPOSED Market Reach	\$ 7.50	-----\$ 8.50 (cap)-----		\$ 2.27	\$ 18.27

Note: For the above data, neither repression of local usage nor stimulation of toll usage was assumed for the Market Reach calculations.

The chart calculates the total bill for business and residential customers who have current flat rate service with or without EOEAS compared to the Market Reach plan. Based on the August 1988 Usage Study for Business customers, Southern Bell assumes \$12.47 for the average toll usage for calls to Orlando for flat rate service and \$6.24 (1/2 of \$12.47 because of the 50% EOEAS discount) for average flat rate with EOEAS. Next, Market Reach assumes \$7.73 for average billed local usage based on the 1988 usage study and adds in \$3.92 for calls to Orlando and \$2.20 for other intraLATA toll calls. Toll usage for other intraLATA toll calls is not affected by EOEAS, therefore their average toll usage remains constant at \$3.67 for both categories. For the business customer subscribing to Market Reach, Southern Bell estimates that on average, the customer will save \$9.04 or \$2.81 per month with Market Reach versus current flat rate service and current flat rate service with EOEAS, respectively. It should be pointed out that there may be some business customers who won't experience toll savings and thus they may see an increase in their telephone bill.

For residential customers, the chart shows that the average usage for calls to Orlando is \$7.86 for flat rate service. For current flat rate service with EOEAS, Southern Bell assumed \$6.50 for calls to Orlando because with EOEAS the residential customer has an option to chose a premium option which allows unlimited calling to Orlando for \$6.50. Under the proposed Market Reach plan, the customer will pay \$7.50 for access and have an \$8.50 cap on usage (Southern Bell calculated \$8.50 by taking \$9.50 for flat rate

access, adding \$6.50 for the premium rate under the EOEAS plan and subtracting \$7.50 for access under Market Reach.) plus an average of \$2.27 for other interLATA toll calls. Therefore, for the residential customer subscribing to Market Reach, Southern Bell estimates that on average, the customer will save \$2.87 or \$1.51 per month with Market Reach versus current flat service and current flat rate service with EOEAS, respectively. Only residential customers that would save significantly would take the plan, but the calculations are based on the average usage of all customers, so the actual impact to those customers expected to take the plan will be greater savings than the average.

Staff Concerns

Staff has numerous small concerns and two major concerns regarding Southern Bell's tariff filing. We will address the minor concerns first. The first is that Southern Bell is requiring mandatory LMS for business accounts. We are concerned that requiring all business accounts to subscribe to Market Reach may not be in the best interest of the consumer. Staff believes that such a policy could possibly squeeze the smaller business accounts as they begin to feel pressure from higher telephone business rates. Therefore, Market Reach would not be a well served plan in this instance. Southern Bell states that the Market Reach plan was designed to enable the Lake Mary/Heathrow business customer to expand his market reach via lower priced calling to intraLATA points and in particular to Orlando. Since only those

business accounts which would benefit will subscribe, Southern Bell states that Market Reach will be mandatory for businesses because not all the benefits of a usage sensitive plan would be experienced if only a portion of the businesses subscribed.

Another concern staff has is that Southern Bell is proposing a tariff for basic service that generates a loss. Traditionally, when measured service is provided as an option, a loss results initially, since generally only those customers who could benefit economically subscribe to the service. Market Reach is a two-year experimental trial that is expected to generate a loss of \$255,600 to Southern Bell; however, some revenue will be received from those business customers with exceptionally high local usage which will offset the intraLATA toll calling. Although Southern Bell will incur a loss with this experimental trial, the company believes they will be able to analyze aspects associated with a true usage sensitive pricing plan from the mandatory business customers and at the same time perform studies using residential customers.

The Market Reach plan is optional for residential customers. Southern Bell estimates that of the potential 900 out of 1418 customers that would save from the plan, only 214 (15.3%) would subscribe basically because the plan is not promoted as a residential offering. Southern Bell believes that only a small percentage would subscribe since the company believes that mandatory LMS is not appropriate for customers at this time. Southern Bell

does not plan to contact potential residential customers via a separate notification to explain the optional Market Reach plan because the plan is optional for residence customers. Staff believes that the potential customer that may subscribe to Market Reach should be aware of the plan and therefore Southern Bell should notify individual residential customers by a bill stuffer.

We also have major concerns that while the company has proposed local measured service, they continue to show a PBX trunk access rate which is higher than the business line rate. It seems to us that Southern Bell, in this filing had a golden opportunity to begin moving toward the goals of an open network architecture. Specifically, we believe that Southern Bell should unbundle the price of access into the loop and any other additions needed to make the circuit perform--such as hunting, signalling, trunk termination, etc. One of the principal reasons staff might look favorably on an LMS proposal is because it can place all similarly situated business users on a similar rate structure and rate level. Taken to its logical end, this could do away with the many differing prices we have in place for various types of business customers we have today--STS, PATS, hotel/motel guest room lines, leaky PBX, the problems in tariffing hybrid key systems, etc. Today these are all priced differently. It is our notion that the primary benefit of LMS pricing should be to put them on an equal basis, discouraging tariff shopping and arbitrage. For example, Southern Bell in this proposed filing has proposed that the rate for a PBX trunk access be \$37.50, while the rate for a business one-party line with hunting is \$28.50 and without hunting is \$19.00.

In setting basic local rates during rate cases historically, a major reason that PBX trunks (and lines with hunting) were rated at a higher rate than B-1 lines was the heavier usage that tended to occur. Putting these services on LMS takes care of that issue, leaving the access lines and equipment to make them perform as required the only outstanding issue. If there is a cost differential in the loop between a B-1, trunk and ESSX station line, this should be reflected in the rates. If the difference in cost is because of enhancements to the loop, those should be separated, in our opinion.

We believe that in this plan, Southern Bell has missed the opportunity to introduce elements from the Open Network Architecture (ONA) concept, unbundling the network into its component parts. Our belief is that another LMS experiment, in and of itself, is not sufficient justification to warrant approval if it does not move toward pricing businesses on an equal basis.

Staff requested Southern Bell to propose a business tariff rate which unbundles the loop from any other optional services (such as hunting, signaling, etc.) as is envisioned by the ONA plan. Southern Bell responded by stating that single business access lines rate for both lines and trunks with additional rates for other requirements was the appropriate pricing objective for Market Reach; and charging for all local usage was considered sufficient unbundling for this experiment. Additionally, Southern Bell stated that Bell South's ONA plan does not propose to "unbundle the loop from any requirements". The Basic Service Arrangement (BSA) concept does not unbundle

and make separately available the piece parts of a service (i.e., loop, connection to the switch and local transport) required for basic connectivity through the network. Staff believes that Southern Bell had an opportune time to test the ONA plan, however this was not proposed. Southern Bell has stated that they are not opposed to the idea of further unbundling the network. However, since they have already surveyed business customers on one set of rates, they are reluctant to change them so late in the game. However, they might be willing to work on this idea in the next LMS trial. Our opinion is that now is the time to begin.

Also relating to this concern is that Southern Bell excludes pay telephone providers (PATS) and shared tenant services (STS) lines from its tariff filing. Southern Bell stated that it does not include PATS providers as part of the Market Reach Plan experiment for the following reasons:

1. Considerable expense would be involved in physically arranging the pay phone equipment to accommodate usage sensitive pricing for local coin calls.
2. The stipulation agreement signed with the Florida Public Telephone Association establishes the usage sensitive rates Southern Bell charges pay phone providers.

The Florida Pay Telephone Association has approached staff and voiced their concerns regarding Market Reach. Their main concerns are the lack of availability of EAS to pay phone providers and intra central office rates of \$.02/\$.01 which are lower than what Southern Bell would charge to PATS providers.

DOCKET NO. 891374-TL
 FEBRUARY 22, 1990

Finally and most importantly, we are concerned whether the discounted toll rates cover access charges. Assuming a 3-minute call the Chart shown below illustrates current and proposed rates compared to access charges in each mileage band.

SOUTHERN BELL RATES VS. ACCESS RATES

Band	3-minute Rate*	Access Charges		Total Access	3-Minute Rate-Access
		Orig.	Term.		
<u>DAY</u>					
1) 0 - 10 miles	\$.22	.0696	.0774	.4410	(.2210)
2) 11 - 22 miles	\$.26	.0696	.0774	.4410	(.1810)
3) 23 - 55 miles	\$.42	.0696	.0774	.4410	(.0210)
4) 56 - 124 miles	\$.58	.0696	.0774	.4410	.1390
5) more than 124	\$.65	.0696	.0774	.4410	.2090
<u>EVENING</u>					
1) 0 - 10 miles	\$.14	.0472	.0774	.3738	(.2338)
2) 11 - 22 miles	\$.17	.0472	.0774	.3738	(.2038)
3) 23 - 55 miles	\$.27	.0472	.0774	.3738	(.1038)
4) 56 - 124 miles	\$.38	.0472	.0774	.3738	(.0062)
5) more than 124	\$.43	.0472	.0774	.3738	.0562
<u>NIGHT/WEEKEND</u>					
1) 0 - 10 miles	\$.09	.0280	.0774	.3162	(.2262)
2) 11 - 22 miles	\$.11	.0280	.0774	.3162	(.2062)
3) 23 - 55 miles	\$.17	.0280	.0774	.3162	(.1462)
4) 56 - 124 miles	\$.23	.0280	.0774	.3162	(.0862)
5) more than 124	\$.26	.0280	.0774	.3162	(.0562)

* Note: These rates do not include any applicable volume discount, which could reduce rates additional 50%.

We have received a letter from Mr. Joseph Gillan of the Florida Interexchange Carriers Association (FIXCA) who has voiced the Association's opinion regarding Southern Bell's proposal of usage sensitive pricing (Attachment E). The Association's main concerns are cross-subsidization and below cost pricing. The letter states

"The Market Reach plan exhibits classic characteristics of cross-subsidy. Under this plan, competitive toll prices are reduced while the prices for the monopoly product - local service - are increased.

Importantly, the converse is equally true - higher revenues from the usage sensitive pricing of the monopoly local service are used to support reductions in the price of a competitive product. This is precisely the type of strategic pricing behavior that is possible when a monopoly participates in a related market where there exists the potential for competition."

With regard to below cost pricing, the Association states

"The toll price levels accomplished under the Market Reach plan - whether supported by local rates or not - are themselves anticompetitive (if not, in fact, predatory) since most of the prices fail to cover relevant access cost."

As the chart on page 27 indicates, under the Market Reach Plan, Southern Bell's first 3 mileage bands would be priced below access costs. These price levels are lower than the rates rejected in the first two mileage bands in the Rate Stabilization docket (Docket No. 880069-TL, Order No. 20162).

DOCKET NO. 891374-TL
FEBRUARY 22, 1990

When the staff approached Southern Bell with this concern, the company stated that in the aggregate, rates covered access. However, since then, we have received an additional letter from FIXCA (Attachment F) which illustrates that access is not covered in the aggregate. The staff agrees that in order to consider this plan access should at least be covered in the aggregate. Southern Bell has revised, somewhat, their answer regarding whether the rates cover access in the aggregate. They said that based on the statewide distribution (versus Lake Mary distribution) the access charges are covered in the aggregate. However, we do not have information that they are covered for this route. The Association's second letter demonstrates that Southern Bell's Market Reach prices fall below its access costs by an average of almost 1.7 cents/minute. The letter states:

"The fact that Market Reach fails to cover access charges in the aggregate is not surprising since fully 86% of the toll minutes occur in mileage bands which are priced below access. With only two mileage bands covering access costs massive and dramatic shifts in calling patterns would need to occur before the "aggregate" test could be satisfied."

In addition, the Association states that:

"Any one of the competitive concerns presented by the Market Reach proposal warrants its rejection; the combination of deficiencies contained in the filing - which now includes its failure to cover access costs in the aggregate - demands it."

We have requested what the company's goals are with this experiment and how they will measure success in meeting these goals. The Company's goals are to determine the following:

1. Patterns that are likely to be generated from this kind of trial, including:
 - (a) Stimulation that might occur on the intraLATA toll routes where discounts have been provided.
 - (b) Stimulation that might occur on the OEAS portion of plan.
 - (c) Repression that might occur on the local portion now that usage sensitive pricing is in place.
 - (d) How accurate is our estimate of lost revenues.
2. Customer acceptance, both positive and negative.
3. Profile of the usage generated by segments of the business community, (i.e. 5% make more than 50 hours per month per access line, 25% make more than 35 hours per month per access line).
4. Is this type of plan realistic for other locations in Florida?
5. How many customers will experience a decrease/increase in their local bills.
6. Percent development of the residence market.
7. Percent development of the incoming options.
8. Added facilities required to carry increased toll volumes.

DOCKET NO. 891374-TL
FEBRUARY 22, 1990

While these are good areas to look at for the purpose of gathering information, the list is inconclusive in that it fails to show how Southern Bell will determine if the trial is a success or failure. Furthermore it fails to show expansion plans or reasons for discontinuance or grandfathering. While the company has been extremely responsive to our requests, staff believes that recommending mandatory LMS even on a trial basis for business accounts in the State of Florida is not appropriate at this time until we have a quantified list of goals which can be learned from this experiment. The issue of unbundling the network into its component parts vis-a-vis the ONA concept and the discrepancy concerning access charges with regard to pricing below price levels which the Commission itself rejected when it considered Southern Bell's incentive plan have not been sufficiently addressed in this docket. Staff recognizes that LMS may be appropriate in some applications in the future, however, we believe that these issues must first be substantial. Staff would welcome a revised tariff which addresses these concerns and would reevaluate the filing at a future date.

Therefore, based on the number of concerns we have and the significance of this filing in this docket, it is staff's recommendation that Southern Bell's proposed tariff filing for the Market Reach Plan be denied.

DOCKET NO. 891374-TL
FEBRUARY 22, 1990

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. This docket should be closed.

STAFF ANALYSIS: With the approval of staff's recommendation in issue 1, this docket may be closed.

1076C

MC/an



T-89-597

Southern Bell

A. M. Lombardo
Assistant Vice President -
Regulatory Relations

150 West Flagler Street, Suite 1901
Miami, Florida 33130
305 530-5330

November 29, 1989

RECEIVED

NOV 30 1989

Florida Public Service Commission
Communication Department

Mr. Walter D'Haeseleer
Director, Communications Department
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Dear Mr. D'Haeseleer:

Pursuant to Florida Statute 354.05, we are filing herewith revisions to our General Subscriber Service Tariff. Following is a list of the pages being filed:

General Subscriber Service Tariff

- Section A3 - Contents - Eighth Revised Page 2.1
- Sixth Revised Page 39.7
 - Fourth Revised Page 83.2.18
 - Original Page 83.2.18.1
 - Original Page 83.2.18.2
 - Original Page 83.2.18.3
 - Original Page 83.2.18.4 - 83.2.18.4

The purpose of these revisions is to provide for a trial of the MarketReachSM plan in the Lake Mary wire center of the Sanford exchange. This plan will expand the current local calling area of Lake Mary subscribers to include Orlando for outgoing calls (on a 7 digit dialing basis), decrease their IntraLATA long distance bills and provide business customers with options to further expand their market coverage. This proposed two year trial would be universal for business and optional for residence.

Acknowledgment, date of receipt and authority number of this filing are requested. A duplicate letter of transmittal is attached for this purpose. *John J. [unclear]*

Your consideration and approval will be appreciated.

Yours very truly,

A. M. Lombardo

Assistant Vice President -
Regulatory Relations

Attachments

033

Executive Summary

INTRODUCTION

This experimental tariff filing proposes to implement the MarketReachSM plan for customers served by the Lake Mary wire center in the Sanford Exchange. This plan would replace the current Basic Local Service for all Lake Mary business customers and would be an option for residence customers. (The MarketReachSM plan would not apply to coin customers.)

PLAN DESCRIPTION

The MarketReachSM plan provides residence and business customers with access line (trunk and NAR) rates that are lower than the current associated flat rates and also provide lower rates for DDD intraLATA toll calls. Also, outgoing local calling would be extended to include the Orlando exchange on a 7 digit basis. All MarketReachSM plan customers would have their outgoing local calls billed on a usage sensitive basis, with a maximum amount billed (i.e., cap) for residence and a volume usage discount for business.

In addition to the above described basic plan, two additional options would be available to each MarketReachSM plan customer. One option would provide for an Orlando telephone number such that any call received would be call forwarded to the Lake Mary MarketReachSM plan customer and thus allow the customer to receive calls from the Orlando local calling area at no cost to the calling party. These calls would be billed to the MarketReachSM plan customer at the same local usage rates as his/her calls to the Orlando exchange. The second option would allow a MarketReachSM plan customer to pay for all non-coin originated, DDD, intraLATA toll calls received from other Company exchanges at a 50% discount on the existing toll rates plus a fixed monthly charge for the option. A MarketReachSM plan customer could subscribe to either or both of these incoming options.

RATIONALE

Southern Bell's reason for proposing the usage sensitive local rates associated with the MarketReachSM plan is that such a rate structure provides benefits to both our customers and to the company. The potential benefits are as follows:

Customers

Promotes equity; customers pay for their Basic Local Service based on each individual's local usage

Promotes efficiency; provides customer incentive/ability to make economic choices

Lowers local bills for customers with average or lower than average usage

Provides flexibility; allows customers to tailor application, service options, and cost to individual needs

Enhances universal service objective through a lower buy-in (i.e., access line) rate for access to the network

Southern Bell

Increases efficiency; allows efficient investment based on network utilization

Provides flexibility; creates additional options for the company and regulators

Enhances the attractiveness of new uses and usage made possible by technology

Eliminates need for customer and use restrictions

Reduces reliance on access line growth

The discount on outgoing intraLATA toll calls combined with the even lower local usage rates for calls to Orlando make the plan a more viable offering (i.e., these discounts help to balance the local usage sensitive rate structure). In addition, the 7 digit dialing to the Orlando exchange responds to customer requests for expanded local calling areas. As the name implies, the MarketReachSM plan with its discount on outgoing intraLATA calls and the option of paying for intraLATA calls received provides our Lake Mary business customers with an economic incentive to further expand their market coverage.

CUSTOMER BALLOTING

Southern Bell personnel have met with or corresponded with each Lake Mary business customer to explain the proposed MarketReachsm plan. Ballots were provided to each business customer in order for them to indicate their preference for or against the plan and mail to the independent accounting firm of Peat Marwick. (A sample ballot and the associated letter describing the plan are provided as Attachment C.) As of November 27, 1989, all 197 business customers have been provided with ballots, with 135 ballots returned to Peat Marwick. Of the 135 completedsm ballots, 123 indicate a preference for the MarketReachsm plan, 11 are against the plan, with 1 customer indicating no preference. The Company will continue to monitor the results of the balloting with this information available to the Commission upon request. (Note that there are 197 Lake Mary business customers but, as stated in the following Customer and Revenue Impact statement, 338 business accounts. The higher number of business accounts is due to multi-account customers.)

RELATED ENHANCED OPTIONAL EXTENDED AREA SERVICE (EOEAS) REVISION

In association with the MarketReachsm plan, the EOEAS offering for the Sanford exchange, of which the Lake Mary wire center is a part, is revised as follows:

- to indicate that the EOEAS options are not available to business customers served by the Lake Mary wire center,sm as these options would be superseded by the MarketReachsm plan, if approved; and
- to revise the rating of calls from Lake Mary residence Drop-back customers to the Geneva, Oviedo and Winter Park exchanges. Due to a billing system limitation, these calls must be rated at the 0-10 mileage band MTS rates instead of the current 11-22 mileage band MTS rates. (Note that since the Drop-back option would only appeal to customers with few if any local calls outside their home exchange, the revenue impact of this revision would be negligible.)

Customer and Revenue Impact

Residence

Total customers	1418	
Customers that <u>could</u> save with the plan (based on existing calling patterns)	900	63.5%
Customers projected to select the plan	217	15.3%
Average monthly savings for each	\$14.85	
Maximum monthly savings	\$253.59	
Total monthly customer savings	\$3222	
Less adjustment for potential EOEAS ¹	<u>-205</u>	
Projected gross monthly Southern Bell loss	\$3017	

Business¹

Total accounts	338	
Avg. monthly customer savings (per account)	\$7.69	
Local only	(\$1.34)	
Calls to Orlando (including EOEAS)	\$5.25	
Other intraLATA toll	\$3.78	
Maximum monthly savings/account (lines)	\$208.52	
(trunks & NARs)	\$177.53	
Maximum monthly loss/account (lines)	\$206.31	
(trunks & NARs)	\$515.37	
Accounts that would save	243	71.9%
Projected gross monthly Southern Bell loss	\$2599	

TOTAL GROSS YEARLY SB REVENUE IMPACT (\$67,400)

Note 1 - Residence revenue adjustment due to difference between estimated and actual EOEAS percent takes and the resulting revenue loss that has yet to be realized. For business calculations, all trunk and NAR accounts that could save with EOEAS and all line accounts that could save at least \$15 per month with EOEAS were assumed to have EOEAS. Also, repression of local usage and stimulation of toll usage was assumed.

T-89-597

Southern Bell Florida
Attachment B
Page 2 of 2

Additional Costs

Total Switching Investment \$99,300
Associated Annual Carrying Charge \$34,100

Yearly Planning, Engineering,
Administration, and Implementation Cost \$26,300
(annualized over 2 years of trial)

No Cost For Directories Due To Small Size Of Trial Location

Total Additional Costs Per Year \$60,400

GRAND TOTAL NET YEARLY SOUTHERN BELL REVENUE IMPACT (\$127,800)

T-89-597

Southern Bell Florida
Attachment C
Page 1 of 3

SAMPLE BALLOT

006

I have read the letter from Southern Bell explaining the proposed MarketReach™ Plan to be trialed in the Lake Mary area.

() FOR PROPOSED PLAN () AGAINST PROPOSED PLAN

Name as it appears on your telephone bill: _____

Address: _____

Telephone Number: _____

Comments (Optional) _____

Authorizing Signature: _____ Date: _____

To be counted your ballot must be returned within 30 days.



Southern Bell

A BELLSOUTH Company

500 N. Orange Avenue

Room 568

Orlando, FL 32801

MarketReach™
c/o KPMG Peat Marwick
P.O. Box 3031
Orlando, FL 32802

.039



Southern Bell

IMPORTANT NOTICE TO ALL BUSINESS CUSTOMERS IN THE LAKE MARY AREA

Please read this letter carefully. Southern Bell has proposed a new plan called MarketReach™ which, if approved by both the Lake Mary business subscribers and the Florida Public Service Commission, will be trialed in the Lake Mary area (telephone numbers beginning with 333 and 444). This is your chance to voice your choice on this important matter.

If a majority of Lake Mary business subscribers vote in favor of MarketReach and it is subsequently approved by the Florida Public Service Commission, the following rates will apply to all Lake Mary business subscribers, replacing today's rates.

LOCAL RATES

When MarketReach is implemented, monthly access line charges will change from a flat rate per month to a usage rate structure as follows:

<u>ACCESS LINE CHARGES</u> (per month)	<u>Current</u>	<u>MarketReach</u>
Business Line	\$25.75	\$19.00
W/Hunting	13.15	9.50
PBX Trunk	57.86	37.50
ESSX NAR	26.63	6.80

All local calls will be billed based on minutes of use. For calls exceeding one minute, usage charges will be based on actual conversation time rounded to the nearest one tenth of a minute.

<u>Peak Time Period Rates</u>	<u>1st Min.</u>	<u>Add'l Min.</u>
Within Lake Mary area (telephone numbers beginning with 333 and 444)	\$.02	\$.01
Calls to other telephone numbers currently included in the Lake Mary local calling area. (telephone numbers beginning with 260, 263, 321, 322, 323, 327, 330, 331, 332, 339, 349, 365, 366, 539, 574, 623, 628, 629, 644, 645, 646, 647, 657, 660, 661, 668, 669, 671, 672, 677, 678, 679, 682, 695, 696, 699, 740, 767, 774, 788, 830, 831, 834, 860, 862, 869, 875)	.04	.02
Calls to telephone numbers in the Orlando Exchange	.08	.04

(OVER)

.040

Off Peak Period

50% Discount - 8PM-8AM and Weekends

A 50% volume discount will be applied to each business line's local usage rate when local usage exceeds \$25.00 per month. The 50% volume discount will be applied to each PBX trunk and ESSX NAR when local usage exceeds \$50.00 per month. This is in addition to off peak discounts.

Local calls within the Lake Mary area, calls to other telephone numbers currently included in the Lake Mary local calling area and calls to telephone numbers within the Orlando exchange will be billed showing the total number of calls and total number of minutes.

LONG DISTANCE RATES

Outgoing Calls

Direct dialed long distance calls made from your business to locations within your LATA calling zone (see map included in brochure) will be discounted 40% from the long distance rate existing today. The 40% discount will be in addition to time of day and day of week discounts existing today.

Incoming Calls

When this plan is approved, the following incoming options will be available to business subscribers. One or both of the options shown below may be selected.

I. Special Incoming Option for receiving calls from Orlando

With this option, callers in the Orlando exchange can call you toll free. For an additional monthly fee of \$10.80 for business line accounts and \$16.20 for PBX or ESSX accounts, you will be assigned a special Orlando number. This special number may be listed at no charge in the white pages of the Orlando directory. Calls received from Southern Bell's Orlando local calling area using the special number will be billed to you as follows:

<u>Peak Period Time</u>		<u>Off Peak Period Time</u>
<u>1st Min.</u>	<u>Add'l Min.</u>	<u>8PM - 8AM and weekends</u>
\$.08	\$.04	50% discount

II. Incoming Calls Within Your Southern Bell Long Distance Calling Zone

With this option, callers within all Southern Bell's exchanges located in your LATA calling zone can call you at your Lake Mary number at no charge to them. If you choose this option, you will be billed an additional monthly fee per designated number of \$20.00 for business line accounts and \$30.00 for PBX or ESSX accounts. You will also be billed for 50% of the existing long distance rates that the incoming caller would normally be charged. This service will apply only to non-coin, direct dialed long distance calls received from Southern Bell exchanges within your LATA calling zone.

If MarketReach is approved by the Lake Mary business subscribers and the Florida Public Service Commission, it will replace existing optional calling plans, flat rate, and message rate telephone service within the LATA currently being offered to Lake Mary business subscribers.

If you find that you need further information prior to making your decision, please call 333-2911.

To be counted, your ballot must be returned within 30 days.

SOUTHERN BELL TELEPHONE
AND TELEGRAPH COMPANY
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

~~Eighth~~ Ninth Revised Page 2.1
Cancels ~~Eighth~~ Revised Page 2.1
~~Seventh~~

ISSUED: November 29, 1989
BY: Vice President
Miami, Florida

January 19, 1990

EFFECTIVE: March 17, 1990
March 9, 1990

A3. BASIC LOCAL EXCHANGE SERVICE

CONTENTS

	<u>Page</u>
A3.8 Local Exceptions	(Cont'd)
A3.8.37 Havana	83.2.7
A3.8.38 Julington	83.2.8
A3.8.39 Port St. Lucie - South Area	83.2.9
A3.8.40 Port St. Lucie - North Area	83.2.9
A3.8.41 Ft. Pierce	83.2.10
A3.8.42 Stuart	83.2.10
A3.8.43 Fernandina Beach	83.2.11
A3.8.44 Jacksonville	83.2.12
A3.8.45 Palatka	83.2.12
A3.8.46 Holley-Navarre	83.2.13
A3.8.47 Milton	83.2.13
A3.8.48 Jacksonville Beach	83.2.14
A3.8.49 Ft. George	83.2.15
A3.8.50 West Palm Beach, Jacksonville, Miami, Hollywood, Gainesville, No. Dade and Ft. Lauderdale - Two-Way Measured Service (Experimental) Measured	83.2.15
A3.8.51 Orlando	83.2.18
A3.8.52 Yulee	83.2.18 (N)
A3.8.53 Sanford - MarketReach* Plan (Experimental)	<u>83.2.18.3</u> (N)

* Service Mark of BellSouth Corporation

TARIFF REVISIONS
LEGISLATIVE FORMAT
NOT FOR APPROVAL

~~August 21, 1989~~

~~October 31, 1989~~

A3. BASIC LOCAL EXCHANGE SERVICE

A3.7 Optional Extended Area Service (Cont'd)

A3.7.2 Enhanced Optional Extended Area Service (Cont'd)

B. Rates and Charges (Cont'd)

2. Authorized Plans (Cont'd)

e. Sanford to Orlando

(1) Residence Options

- (a) Premium (per line)¹
- (b) Discount (minimum per account)
- (c) Incoming Discount (additive per line)²
- (d) Drop-back (per line)²

(2) Business Line Options⁴

- (a) Discount (minimum per account)
- (b) Incoming Discount (additive per line)²
- (c) Drop-back (per line)

(3) PBX Trunk Options⁴

- (a) Discount (minimum per account)
- (b) Incoming Discount (additive per line)²

(4) ESSX⁶ service Options⁴

- (a) Discount (minimum per account)
- (b) Incoming Discount (additive per line)²

f. Ft. Pierce to Vero Beach

(1) Residence Options

- (a) Premium (additive per line)
- (b) Discount (minimum per account)
- (c) Incoming Discount (additive per line)²
- (d) Drop-back (per line)

(2) Business Line Options

- (a) Discount (minimum per account)
- (b) Incoming Discount (additive per line)²
- (c) Drop-back (per line)

Monthly Rate	USOC
\$16.00	1KM
2.20	TT83W
4.95	TT85W
8.40	1EA (C)
	(C)
4.40	TT83W
10.80	TT85W
22.90	MMB
	(C)
8.80	TT8PW
16.20	TT88W
	(C)
8.80	TT8QW
16.20	TT89W

Note 1: The Premium option monthly rate includes the Individual Residence Line rate plus an EOEAS additive.

Note 2: The Incoming Discount option monthly additive is per line number assigned in the added exchange.

Note 3: For EOEAS Drop-back customers served by the Lake Mary Central Office, calls to the Geneva, Oviedo and Winter Park exchanges will be rated at the 0-10 mileage band MTS rates (see Section A18.) (N)

Note 4: EOEAS Options not available to customers served by the Lake Mary Central Office (See A3.8.53). (N)

ISSUED: ~~November 29, 1989~~ *NOVEMBER 17, 1989*
BY: Vice President
Miami, Florida

EFFECTIVE: February 1, 1990

January 16, 1990

A3. BASIC LOCAL EXCHANGE SERVICE

A3.8 Local Exception (Cont'd)

A3.8.50 West Palm Beach, Jacksonville, Miami, Hollywood, Gainesville, No. Dade and Ft. Lauderdale - Two-Way Measured Service (Experimental) (Cont'd)

C. Rates and Charges¹ (Cont'd)

2. Network Usage Charges (Cont'd)

a. (Cont'd)

(5) Tapered Usage:

- Effective with Phase I²: No tapered discounts apply.
- Effective with Phase II - January 1, 1991: For each billing period a 10% discount will apply to the average usage per line in excess of \$50.00, up to and including \$100.00; a discount of 20% will apply to the average usage per line in excess of \$100.00 up to and including \$150.00; a discount of 25% will apply to all average usage in excess of \$150.00.
- Effective with Phase III - July 1, 1992: For each billing period a 20% discount will apply to the average usage per line in excess of \$50.00, up to and including \$100.00; a discount of 40% will apply to the average usage per line in excess of \$100.00 up to and including \$150.00; a discount of 50% will apply to all average usage in excess of \$150.00.

b. Premium Flat Rate Network Usage Package Option - Available only in the Jacksonville and Miami exchanges.

(1) For unlimited calling within the local serving area - Per Access Line²

	Nonrecurring Charge	Monthly Rate	USOC
(a) Phase I	\$-	\$71.00	AASBL
(b) Phase II	-	89.00	AASBL
(c) Phase III	-	86.00	AASBL

A3.8.51 Orlando

A. Optional Calling Service from Orlando to West Kissimmee

1. General

This calling plan allows Orlando subscribers the option of placing toll calls to West Kissimmee with a discount of 30% applied to the direct dial rate appropriate for the period in which the call was made.

When a customer subscribes to this service, the rate remains in effect for a minimum of one billing cycle period for that customer. Thereafter, it will remain in effect until discontinued by the customer with such ending period coinciding with the customer's billing cycle.

The service is available only to one or two-party Residence and Business services. It is not available on four-party, semipublic, Public Access Telephone or FX services.

As covered in A2.2.1.B of this Tariff, the resale of this service is not permitted.

A3.8.52 Sanford-MarketReach[®] Plan (Experimental)

A. MarketReach[®] Plan - Lake Mary Central Office

1. General

Note 1: For locations where the two-way measurement capability is unavailable, the premium flat rate network usage package rate element will apply.

Note 2: Applicable effective dates as shown in a. preceding.

A3. BASIC LOCAL EXCHANGE SERVICE

A3.8 Local Exception (Cont'd)

A3.8.52 Sanford-MarketReach* Plan (Experimental) (Cont'd)

A. MarketReach* Plan - Lake Mary Central Office (Cont'd)

1. General (Cont'd)

- a. The Lake Mary Central Office of the Sanford exchange is a trial location for a usage sensitive Basic Local Exchange plan referred to as the MarketReach* plan. (N)
- b. The MarketReach* plan replaces the current Basic Local Service for all existing Lake Mary business customers (including Shared Tenant Service) and is an option available to all residence customers. However, the MarketReach* plan is not available to subscribers of Semi-Public Telephone Service, Public Telephone Access Service for Customer Provided Equipment, or Public Telephone Service. (N)

2. Description

- a. The MarketReach* plan is a Basic Local Service pricing plan with monthly access line rates that are lower than the existing flat rates and includes the billing of outgoing local messages based on minutes of use. For outgoing messages, Orlando is added to the Local Calling Area. The plan also provides for DDD IntraLATA calling at rates that are less than existing Long Distance Message Telecommunications Service (MTS). In addition, there are two options that will provide Lake Mary MarketReach* plan customers with the ability to pay for IntraLATA toll calls received, including calls from Orlando, at rates that are lower than existing MTS rates. (N)
- b. The monthly access line rates specified in 4. following of this Tariff provide customers with access to the local switched network and unlimited incoming messages from lines in the Sanford Local Calling Area as specified in A3.3. Outward local calls, including calls to the Orlando exchange, are priced based on the minutes of use of each call as specified in 4. following of this Tariff. Other IntraLATA messages will be discounted 40 percent from the Long Distance Message Telecommunications Service (MTS) rates, provided in Section A18, in effect with the implementation of the MarketReach* plan. (N)
- c. One option to the basic plan provides MarketReach* plan customers with an Orlando telephone number and an associated directory listing, if desired. (This number can be non-published at no additional charge.) Calls to that Orlando number will be forwarded to the Lake Mary customer with the associated Orlando to Lake Mary portion of the call billed to the Lake Mary customer at the same local usage rates that apply to calls from Lake Mary to Orlando, as specified in 4. following of this Tariff. There is also a fixed monthly charge associated with this option, also specified in 4. following. (N)
- d. An additional MarketReach* plan option allows customers to pay for all non-coin, DDD IntraLATA calls received from Company exchanges at a 50 percent discount on the MTS rates in effect with the implementation of the MarketReach* plan plus a monthly fixed charge as specified in 4. following of this Tariff. (N)

3. Applications and Regulations

- a. The basic MarketReach* plan replaces all other Basic Local Service options for all Lake Mary business customers and is optional for residence customers. If a residence customer chooses the basic MarketReach* plan, it will apply to all lines on that residence account. (N)
- b. The 40 percent discount on existing IntraLATA MTS rates applies to DDD calls within the Orlando LATA from MarketReach* plan customers. Other IntraLATA toll calls from, or billed to, Lake Mary customers are rated at the tariffed MTS rates. (N)
- c. In order to subscribe to one or both of the Incoming Options, a customer must subscribe to the basic MarketReach* plan. (N)

ISSUED: November 29, 1989
BY: Vice President
Miami, Florida

EFFECTIVE: February 1, 1990

A3. BASIC LOCAL EXCHANGE SERVICE

A3.8 Local Exception (Cont'd)

A3.8.52 Sanford-MarketReach® Plan (Experimental) (Cont'd)

A. MarketReach® Plan - Lake Mary Central Office (Cont'd)

3. Applications and Regulations (Cont'd)

d. Suspension of the MarketReach® plan is allowed subject to the terms and conditions specified in A2.3.16 of this tariff. During the suspension period, the monthly recurring access line rates for the service are rated at one-half their normal MarketReach® plan amounts.

e. During the first six months of this trial the normal service order charge will be waived for all inward and outward movement to/from the basic MarketReach® plan, including the addition and deletion of the incoming options. (This waiver does not apply to new connect service orders involving the MarketReach® plan.) Following this six month period the appropriate service order charge as specified in Section A4, will apply to all MarketReach® plan activity. Residence and business customers selecting Incoming Option A (for receiving calls from the Orlando Local Calling Area), who do not at the time of initial selection request a non-published number (for the line number assigned in Orlando), will pay a secondary service order charge if they later order non-published number service. Note that as stated above in 2. preceding, there will be no monthly recurring charge for this non-published number service.

4. Rates and Charges

a. The Lake Mary Wire Center MarketReach® plan local calling area will be subdivided into three bands for application of usage charges. Band 0 will include the Lake Mary Wire Center. Band A will include the remainder of the Sanford exchange (served by the Sanford Main Wire Center) and the DeBary, Geneva, Oviedo and Winter Park exchanges. Band B will include the Orlando exchange.

b. The following monthly access line rates are applicable per line, trunk or Network Access Register (NAR) for the MarketReach® plan.

(1) Residence

(a) Per access line

Monthly Rate	USOC
<u>\$7.50</u>	<u>B8R</u>

(2) Business

(a) Per access line - without hunting

19.00 B8W

(b) Per access line - with hunting

29.50 B8H

(3) PPX Trunk

(a) Per Combination trunk

37.50 B8LX

(b) Per Two-Way trunk

37.50 B8LX

(c) Per Out dial trunk

37.50 B8LOX

(d) Per Inward only trunk

37.50 B8L1X

(4) Direct - In-Dialing Service

(a) Per Combination trunk

37.50 B8MCX

(b) Per Out dial trunk

37.50 B8MOX

(c) Per Inward only trunk

37.50 B8M1X

ISSUED: ~~January 19, 1990~~ NOVEMBER 29, 1989
BY: Vice President
Miami, Florida

EFFECTIVE: ~~March 9, 1990~~

MARCH 17 1990

A3. BASIC LOCAL EXCHANGE SERVICE

A3.8 Local Exception (Cont'd)

A3.8.52 Yulee (Cont'd)

C. Network Access Register (NAR) Package (Cont'd)

1. Flat Rate NAR Package (Cont'd)

a. Rates (Cont'd)

(2) Per ESSX® service NAR

(a) Combination

Monthly
Rate USOC

\$34.35 EQA

(b) One-way incoming

34.35 EQB

(c) One-way outgoing

34.35 EQC

(3) Per MegaLink® channel service NAR

(a) Combination

34.35 NQM

(b) One-way incoming

34.35 NQP

(c) One-way outgoing

34.35 NQT

(4) Per LightGate® service NAR

(a) Combination

34.35 NQG

(b) One-way incoming

34.35 NQJ

(c) One-way outgoing

34.35 NQK

2. Message Rate NAR Package¹

a. Rates

(1) General Derivation

(a) Rate Group 3

5.56 NA

(b) Jacksonville EAS Differential

2.84 NA

(c) Total Monthly Rate

8.40 NA

(2) Per ESSX® service NAR

(a) Combination, initial

8.40 EQE

(b) Combination, additional

8.40 EQG

(c) One-way outgoing, initial

8.40 EQF

(d) One-way outgoing, additional

8.40 EQK

(3) Per MegaLink® channel service NAR

(a) Combination

8.40 NNM

(b) One-way outgoing

8.40 NNT

(4) Per LightGate® service NAR

(a) Combination

8.40 NNG

(b) One-way outgoing

8.40 NNK

Note 1: See A3.13.2 for message allowance and rates per message in excess of allowance.

A3.8.53 Sanford - MarketReach* Plan (Experimental)

A. MarketReach* Plan - Lake Mary Central office

1. General

047

Note 1: See A3.13.2 for message allowance and rates per message in excess of allowance

A3. BASIC LOCAL EXCHANGE SERVICE

A3.8 Local Exception (Cont'd)

A3.8.53 Sanford MarketReach® Plan (Experimental) (Cont'd)

(N)

A. MarketReach® Plan - Lake Mary Central Office (Cont'd)

(N)

1. General (Cont'd)

(N)

a. The Lake Mary Central Office of the Sanford exchange is a trial location for a usage sensitive Basic Local Exchange plan referred to as the MarketReach® plan.

(N)

b. The MarketReach® plan replaces the current Basic Local Service for all existing Lake Mary business customers (including Shared Tenant Service) and is an option available to all residence customers. However, the MarketReach® plan is not available to subscribers of Semi-Public Telephone Service, Public Telephone Access Service for Customer Provided Equipment, or Public Telephone Service.

(N)

2. Description

(N)

a. The MarketReach® plan is a Basic Local Service pricing plan with monthly access line rates that are lower than the existing flat rates and includes the billing of outgoing local messages based on minutes of use. For outgoing messages, Orlando is added to the Local Calling Area. The plan also provides for DDD IntraLATA calling at rates that are less than existing Long Distance Message Telecommunications Service (MTS). In addition, there are two options that will provide Lake Mary MarketReach® plan customers with the ability to pay for IntraLATA toll calls received, including calls from Orlando, at rates that are lower than existing MTS rates.

(N)

b. The monthly access line rates specified in 4. following of this Tariff provide customers with access to the local switched network and unlimited incoming messages from lines in the Sanford Local Calling Area as specified in A3.3. Outward local calls, including calls to the Orlando exchange, are priced based on the minutes of use of each call as specified in 4. following of this Tariff. Other IntraLATA messages will be discounted 40 percent from the Long Distance Message Telecommunications Service (MTS) rates, provided in Section A18, in effect with the implementation of the MarketReach® plan.

(N)

c. One option to the basic plan provides MarketReach® plan customers with an Orlando telephone number and an associated directory listing, if desired. (This number can be non-published at no additional charge.) Calls to that Orlando number will be forwarded to the Lake Mary customer with the associated Orlando to Lake Mary portion of the call billed to the Lake Mary customer at the same local usage rates that apply to calls from Lake Mary to Orlando, as specified in 4. following of this Tariff. There is also a fixed monthly charge associated with this option, also specified in 4. following.

(N)

d. An additional MarketReach® plan option allows customers to pay for all non-coin, DDD IntraLATA calls received from Company exchanges at a 50 percent discount on the MTS rates in effect with the implementation of the MarketReach® plan plus a monthly fixed charge as specified in 4. following of this Tariff.

(N)

3. Applications and Regulations

(N)

a. The basic MarketReach® plan replaces all other Basic Local Service options for all Lake Mary business customers and is optional for residence customers. If a residence customer chooses the basic MarketReach® plan, it will apply to all lines on that residence account.

(N)

b. The 40 percent discount on existing IntraLATA MTS rates applies to DDD calls within the Orlando LATA from MarketReach® plan customers. Other IntraLATA toll calls from, or billed to, Lake Mary customers are rated at the tariffed MTS rates.

(N)

c. In order to subscribe to one or both of the Incoming Options, a customer must subscribe to the basic MarketReach® plan.

(N)

A48

A3. BASIC LOCAL EXCHANGE SERVICE

A3.8 Local Exception (Cont'd)

A3.8.53 Sanford-MarketReach® Plan (Experimental) (Cont'd)

A. MarketReach® Plan - Lake Mary Central Office (Cont'd)

3. Applications and Regulations (Cont'd)

d. Suspension of the MarketReach® plan is allowed subject to the terms and conditions specified in A2.3.16 of this Tariff. During the suspension period, the monthly recurring access line rates for the service are rated at one-half their normal MarketReach® plan amounts.

e. During the first six months of this trial the normal service order charge will be waived for all inward and outward movement to/from the basic MarketReach® plan, including the addition and deletion of the incoming options. (This waiver does not apply to new connect service orders involving the MarketReach® plan.) Following this six month period the appropriate service order charge as specified in Section A4. will apply to all MarketReach® plan activity. Residence and business customers selecting Incoming Option A (for receiving calls from the Orlando Local Calling Area), who do not at the time of initial selection request a non-published number (for the line number assigned in Orlando), will pay a secondary service order charge if they later order non-published number service. Note that as stated above in 2. preceding, there will be no monthly recurring charge for this non-published number service.

4. Rates and Charges

a. The Lake Mary Wire Center MarketReach® plan local calling area will be subdivided into three bands for application of usage charges. Band 0 will include the Lake Mary Wire Center. Band A will include the remainder of the Sanford exchange (served by the Sanford Main Wire Center) and the DeBary, Geneva, Oviedo and Winter Park exchanges. Band B will include the Orlando exchange.

b. The following monthly access line rates are applicable per line, trunk or Network Access Register (NAR) for the MarketReach® plan.

(1) Residence

(a) Per access line

Monthly Rate	USOC
\$7.50	B8R

(2) Business

(a) Per access line

19.00	B8W
-------	-----

(3) PBX Trunk

(a) Per Combination trunk

37.50	B8LCX
-------	-------

(b) Per Two-Way trunk

37.50	B8L2X
-------	-------

(c) Per Out dial trunk

37.50	B8LOX
-------	-------

(d) Per Inward only trunk

37.50	B8L1X
-------	-------

(4) Direct - In-Dialing Service

(a) Per Combination trunk

37.50	B8MCX
-------	-------

(b) Per Out dial trunk

37.50	B8MOX
-------	-------

(c) Per Inward only trunk

37.50	B8M1X
-------	-------

A3. BASIC LOCAL EXCHANGE SERVICE

A3.8 Local Exception (Cont'd)

A3.8.53 Sanford-MarketReach* Plan (Experimental) (Cont'd)

A. MarketReach* Plan - Lake Mary Central Office (Cont'd)

4. Rates and Charges (Cont'd)

b. (Cont'd)

(5) ESSX* Service NAR

(a) Combination

(b) One-way incoming

(c) One-way outgoing

(6) MegaLink* channel service NAR

(a) Combination

(b) One-way incoming

(c) One-way outgoing

(7) LightGate* service NAR

(a) Combination

(b) One-way incoming

(c) One-way outgoing

c. Arrangements for Rotary Service

The MarketReach* plan arrangements for rotary service are the same as that for Flat Rate Rotary Service (see A3.4.2.B.3).

(1) Rotary Line Service Rates

(a) Per residence line made rotary

(b) Per business line made rotary

d. The following usage charges apply to calls to the Local Calling Area associated with the MarketReach* plan:

(1) Peak period Rates

(a) Band 0

(b) Band A

(c) Band B

(2) A 50 percent discount will be applied to charges for calls in the following time periods:

8 P.M. - 8 A.M. everyday, and

all hours on Saturdays and Sundays.

(3) Local messages are each charged for at least one minute of use. For local messages that exceed one minute, usage charges are based on conversation time rounded up to the nearest 1/10 minute.

	Monthly Rate	USOC	
(a) Combination	\$6.80	EQLCL	(N)
(b) One-way incoming	6.80	EQL1L	(N)
(c) One-way outgoing	6.80	EQL0L	(N)
(6) MegaLink* channel service NAR			(N)
(a) Combination	6.80	NNYCL	(N)
(b) One-way incoming	6.80	NNY1L	(N)
(c) One-way outgoing	6.80	NNY0L	(N)
(7) LightGate* service NAR			(N)
(a) Combination	6.80	NNZCL	(N)
(b) One-way incoming	6.80	NNZ1L	(N)
(c) One-way outgoing	6.80	NNZ0L	(N)

	Initial Minute	Each Additional Minute	USOC	
(a) Band 0	\$.02	\$.01	NA	(N)
(b) Band A	.04	.02	NA	(N)
(c) Band B	.08	.04	NA	(N)

A3. BASIC LOCAL EXCHANGE SERVICE

A3.8 Local Exception (Cont'd)

A3.8.53 Sanford-MarketReach* Plan (Experimental) (Cont'd)

A. MarketReach* Plan - Lake Mary Central Office (Cont'd)

4. Rates and Charges (Cont'd)

d. (Cont'd)

(4) For residence MarketReach* plan customers, total monthly local usage charges per line will be capped at \$8.50.

(5) Monthly MarketReach* plan local usage charges for business customers will be discounted 50 percent for usage above the following amounts:

\$25.00 average usage per line,

\$50.00 average usage per PBX trunk

\$50.00 average usage per NAR

e. For Direct Distance Dialed (DDD) calls to exchanges in the Orlando LATA outside the MarketReach* plan Local Calling Area, a 40% discount is applied to the MTS rates specified in Section A18. of this Tariff.

The USOC associated with this discount is DDL40.

f. Option A (for receiving calls from Orlando)

(1) Recurring charges per Orlando number assigned and based on the type of MarketReach* plan account

	Monthly Rate	USOC	
(a) <u>Residence</u>	<u>\$4.95</u>	<u>TBA</u>	<u>(N)</u>
(b) <u>Business Line</u>	<u>19.80</u>	<u>TBA</u>	<u>(N)</u>
(c) <u>PBX</u>	<u>16.20</u>	<u>TBA</u>	<u>(N)</u>
(d) <u>ESSX* service</u>	<u>16.20</u>	<u>TBA</u>	<u>(N)</u>

(2) Usage rate (for calls forwarded from the Orlando number to the Lake Mary customer)

	Initial Minute	Each Additional Minute	USOC	
(a) <u>Band B</u>	<u>\$.08</u>	<u>\$.04</u>	<u>NA</u>	<u>(N)</u>

(3) A 50% discount will be applied to the above usage charges for calls in the following time periods:

8 P.M. - 8 A.M. all days, and

all hours on Saturdays and Sundays

(4) Local messages are each charged for at least one minute of use. For local messages that exceed one minute, usage charges are based on conversation time rounded up to the nearest 1/10 minute.

ISSUED: November 29, 1989
BY: Vice President
Miami, Florida

EFFECTIVE: March 17, 1990

A3. BASIC LOCAL EXCHANGE SERVICE

A3.8 Local Exception (Cont'd)

A3.8.53 Sanford-MarketReach® Plan (Experimental) (Cont'd)

A. MarketReach® Plan - Lake Mary Central Office (Cont'd)


4. Rates and Charges (Cont'd)

g. Option B (for receiving MTS calls from the LATA)

(1) Recurring charges per designated customer phone number for receipt of IntraLATA calls

	Monthly Rate	USOC	
(a) Residence	\$15.00	BB82A	(N)
(b) Business Line	20.00	BB92A	(N)
(c) PBX	30.00	BB9PA	(N)
(d) ESSX® service	30.00	BB9QA	(N)

- (2) Non-coin originated, IntraLATA DDD calls received from Southern Bell exchanges will be billed to the MarketReach® plan customer at a 50% discount on the normal MTS rates specified in Section A18. of this Tariff. (N)

 T-89-622

Southern Bell

A. M. Lambardo
Assistant Vice President-
Regulatory Relations

150 West Flagler Street, Suite 1901
Miami, Florida 33130
305 530-5330

December 14, 1989

RECEIVED

DEC 14 1989

Florida Public Service Commission
Communication Department

Mr. Walter D'Haeseleer
Director, Division of Communications
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Dear Mr. D'Haeseleer:

Pursuant to Florida Statute 364.05, we are filing herewith revisions to our General Subscriber Service Tariff. Following is a list of the pages being filed:

General Subscriber Services Tariff

- Section A12 - Fourth Revised Page 3
 - Fourth Revised Page 4
 - Fourth Revised Page 5
 - Third Revised Page 24
 - Third Revised Page 25
 - Fourth Revised Page 27
 - Fifth Revised Page 28
 - Fifth Revised Page 41
 - Fifth Revised Page 53
 - Second Revised Page 132
 - Second Revised Page 152
 - Second Revised Page 153
 - Second Revised Page 155
 - Third Revised Page 157
 - Third Revised Page 161
 - Third Revised Page 167

The purpose of these revisions is to allow for the sale of ESSX^R service with measured Network Access Registers. These revisions are necessary for the trial of the MarketReachSM plan in the Lake Mary wire center of the Sanford exchange.

Approval of this filing in less than the 60 day interval is requested in order for it to have the same effective date as the MarketReach plan filing which was filed November 29, 1989.

^RRegistered Service Mark of BellSouth Corporation
SMService Mark of BellSouth Corporation

T-89-622

12/14/58

Acknowledgment, date of receipt and authority number of this filing are requested. A duplicate letter of transmittal is attached for this purpose.

Your consideration and approval will be appreciated.

Yours very truly,

A. M. Lombardo mm

Assistant Vice President-
Regulatory Relations

Attachments

T-89-622

EXECUTIVE SUMMARY

This filing will allow the sale of ESSX^R service with measured Network Access Registers. These revisions are necessary for the provisioning and tracking necessary for the trial of the MarketReachSM plan in the Lake Mary wire center of the Sanford exchange.

^R Registered Service Mark of BellSouth Corporation
SM Service Mark of BellSouth Corporation

T-89-622

RATE AND REVENUE

The rate for measured Main Station Lines will be the same as the flat rate and message rate currently offered.

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.1 ESSX® Service¹ (Cont'd)

A12.1.2 Regulations (Cont'd)

- F. Tie lines for direct connections between a basic subscriber's system and other systems are provided primarily for communication between stations of the two systems. In such cases, rates and charges for tie line service as specified in Section A13 of this Tariff and miscellaneous line termination charges apply. In addition, these tie line connections may be arranged to provide completion of incoming or outgoing local and long distance calls through the subscriber's system to or from other systems (ESSX® service or non ESSX® service) provided such connections to the exchange or long distance network are only made one system at a time.
- G. Where completion of incoming and outgoing local and long distance calls through a subscriber's system is furnished to or from main station lines of a separate subscriber's system in another exchange or a non subscriber's system in the same or different exchange, the charges applicable for the following features apply in addition to the regular charges for the facilities connecting the systems except for Subsidiary System Arrangements furnished under the regulations specified in A12.1.12 of this Tariff.
1. Rates and charges as specified in Section B3 of the Private Line Service Tariff apply to miscellaneous lines furnished with unique access codes (trunk level access) except for tie lines furnished in connection with Subsidiary System Arrangements as specified in A12.1.12 of this Tariff.
 2. Optional features charges for ESSX® service as outlined in Section A12.1.12 apply for each trunk terminated main station line as offered in Section A12.1.7 of this Tariff, as appropriate.
- H. Where the lines are arranged to switch calls through the system to or from one or more tie lines or private lines, charges for Dial Cut-Through Arrangement as specified in A12.1.7 of this Tariff shall apply per tie line so equipped. The charge is in addition to the regular charges for the facilities connecting the systems.
- I. Dormitory service is furnished in accordance with the rules and regulations for Dormitory Communications Service specified in Section A13 of this Tariff.
- J. A system may not be provided for Intercommunication (stand alone) service only. Access to the exchange network must be provided.
- K. A mixture of Flat Rate and Message or Measured Rate Service will not be allowed within a single customer system except where that single customer system serves a Hotel/Motel or Hospital. For Hotel/Motel and Hospital applications, Message or Measured Rate Service, if provided for guest/patient service, must have a separate dial access code from the flat rate service provided for administrative stations and be restricted from use of the administrative flat rate service.
- L. Suspension of Service - With the exception of Network Access Registers, suspension of ESSX® service is not permitted.
- M. A twelve month minimum service period shall be required for subscription to ESSX® service-M or ESSX® service-L. The minimum service period as specified in Section A2 of this Tariff applies for ESSX® service-S.
- N. Touch-Tone service will be furnished subject to the regulations, specified in Section A13 of this Tariff. The rates and charges for ESSX® service include the provision of Touch-Tone Service. Rates and charges as specified in Section A13 of this Tariff do not apply for the provision of Touch-Tone Service to ESSX® service.
- O. Directory Listings will be furnished subject to the rates and regulations specified in Section A6 of this Tariff.

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff.

~~Material appearing on this page previously appeared on pages 1-6 of this section.~~
~~Material previously appearing on this page now appears on page(s) 1-6 of~~
*Registered Service Mark of BellSouth Corporation

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.1 ESSX® Service¹ (Cont'd)

A12.1.2 Regulations (Cont'd)

- P. The number of simultaneous exchange and toll network calls to and from main station lines and attendant positions of a subscriber's system is limited by the number of Network Access Registers subscribed to by the customer. Each Network Access Register may be arranged for two-way, one way incoming or one-way outgoing operation depending upon the option of the customer at the time the Network Access Register is installed. When a change in the type of operation is requested by the customer, the appropriate Service Charges as specified in Section A4 of this Tariff apply per occasion. The Central Office Line Charges (COLC) in Section A4 is applicable only to ESSX® service main station lines. DX
- Q. Service charges, as specified in Section A4 of this Tariff, apply to all subscriber's systems except as provided in A12.1.5 of this Tariff. DX
- R. ESSX® service installation charges due on an initial installation or subsequent addition may be paid in full at the time of installation or deferred over a predetermined period of time as specified in Section A22 of this Tariff. DX
- S. If the subscriber of an ESSX® service elects a Message or Measured Rate Service option, Message or Measured Rate Service usage charges specified in Section A3 of this Tariff are applicable on calls to locations outside the subscriber's system in addition to rates and charges in this and other tariff sections for ESSX® service and other associated services. Usage charges are not applicable on calls originated and terminated within the same subscriber's system. DX (C)
- T. ESSX® service main station lines may be restricted from dialing three-digit central office and service codes by applying Code Restriction to the line. The three-digit codes which may be restricted constitute those codes to which Public Announcement, Directory Assistance or Dial-It Services (e.g. 900 and 976 calls) are assigned which could generate billing to the originating main station line. Code Restriction arrangements may also be used to prohibit toll calls to a carrier other than the Presubscribed Interexchange Carrier (dialed 10XXXX). Interlata calls dialed 0- (operator handled) calls cannot be restricted. The term "Public Announcement Services" as used herein are those services which, in the judgement of the Company, furnish advertised recorded announcement messages to the general public (e.g., time, weather, sport scores and stock market reports). The Public Announcement Service central office codes will be determined by the Company and will be commonly denied access in the office serving the subscriber's systems subscribing to this service arrangement. DX
1. At the time a Code Restriction Arrangement is installed, the subscriber's system will be arranged for the code restriction specified by the customer and the main station lines designated by the customer will be so equipped. When the customer requests the subsequent addition or removal of code restriction on a main station line, the Service Order No Premises Visit (SONPV) charge as specified in Section A4 of this Tariff for a change in line termination applies per main station line affected except that no such charge applies when the Code Restriction Arrangement is disconnected in its entirety. DX
2. Where Code Restriction applies to a particular central office code, direct outward dialed main station line access is denied to telephone numbers associated with that central office code.
3. Code Restriction Arrangements to deny access to Directory Assistance and/or Public Announcement Services are not assured. These features are intended to limit main station line direct dialed outgoing calls but such calls may, in certain circumstances be completed and charges will apply as specified elsewhere in this Tariff. DX
- U. The first system established per customer within a Local Calling Area must consist of a minimum of fifteen (15) Main Station Lines. Systems installed or ordered prior to December 17, 1985 are not subject to this regulation. All additional systems must be established with a minimum of two (2) Main Station Lines. DX (T)

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff. DX

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.1 ESSX[®] Service¹ (Cont'd)

A12.1.2 Regulations (Cont'd)

- ~~X~~ V. ESSX[®] service subscribers with rates and charges applicable out of the Vintaged Section A112 of this Tariff may subscribe to features found in Section A12 of this Tariff but not offered in Section A112 of this Tariff. (T)
- ~~X~~ W. ESSX[®] service subscribers with rates and charges applicable out of the Vintaged Section A112 of this Tariff wishing to add or change features must apply nonrecurring charges as indicated in Section A12 of this Tariff. (T)
- ~~X~~ X. For purposes of application of End User Access Charges only, as set forth in BellSouth F.C.C. No. 4, ESSX[®] service main station lines for use by residents of dormitory living quarters will be considered residential service. Main station lines terminated in dormitory housing for administrative or other business use will not fall in this classification. (T)

A12.1.3 Definitions

ACCESS CODE RESTRICTION GROUP (ACRG/CAT CODES)

An ACRG will allow stations (assigned to that ACRG) access to predefined facilities. Station access to facilities is restricted by the station ACRG assignment to the predefined facilities. Up to eight ACRGs can be established by the Company for each ESSX[®] service group.

ACCESS LINES TO CUSTOMER ORIENTED FACILITIES (AUXILIARY SERVICE)

Allows dial access from ESSX[®] service for connection to customer oriented facilities. (Recorded Telephone Dictation, Dial Code Sending Equipment and Loudspeaker Paging)

ADVANCED PRIVATE LINE TERMINATIONS

See Miscellaneous Line Terminations.

ATTENDANT ACCESS CIRCUIT

An attendant access circuit connects customer provided attendant terminal equipment to the serving central office. These circuits are used for the completion of calls directed to the attendant, extension of those calls to stations and attendant assistance for stations.

ATTENDANT CALL-THROUGH TEST (AUXILIARY SERVICE)

This feature provides the large business customer with the ability to select tie facilities. Foreign Exchange (FX) trunks, network access trunks, and intermachine groups from a customer provided terminal. From one location, the customer attendant can dial up, test and busy/verify these facilities.

ATTENDANT CAMP-ON AND CAMP-ON MODE OPTIONS (AUXILIARY SERVICE)

This feature allows incoming listed number calls, which the attendant attempts to complete to a busy main station line, to be held waiting and then automatically connected when the called main station line becomes available. An indication of camp-on will be given to the busy main station line each time the attendant attempts a completion.

Attendant Camp-On options are available as follows: Audible Ringing (no additional charge), Silence, Music, and Recorded Announcement.

ATTENDANT CONFERENCE (AUXILIARY SERVICE)

Using a six-port conference circuit, an attendant may interconnect up to five conferees on one call. The sixth port is required for attendant access.

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff.

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.1 ESSX[®] Service¹ (Cont'd)

A12.1.7 Common Rates And Charges (Cont'd)

B. Nonrecurring Charges (Cont'd)

1. (Cont'd)

a. Service Establishment Charge

(1) Initial Service Establishment Charge

- (a) Each ESSX[®] service-S system
- (b) Each ESSX[®] service-M system
- (c) Each ESSX[®] service-L system

Nonrecurring Charge	USOC
\$1,000.00	NA (IT) (LH)
1,500.00	NA (IT) (LH)
2,000.00	NA (IT) (LH)

b. Installation Charges

These charges apply as specified, when an optional feature is added or changed. These charges apply in addition to other applicable nonrecurring charges.

One or more optional features may be provided at the same time and in such instances the specified installation charge will apply for each feature provided.

~~c. Deleted~~

d. c. Service Connection Charges

Service Charges as specified for business service in Section A4 of this Tariff are applicable for each main station line, console access loop, extension station line, etc.

C. Recurring Charges

1. Common Equipment

	Installation Charge	Term Payment Plan Monthly Rate				USOC
		1 Month	36 Months	60 Months	84 Months	
(a) Each ESSX [®] service-S system	\$-	\$1.35	\$1.25	\$1.20	\$1.15	ESS (IT)
(b) Each ESSX [®] service-M system	-	2.05	1.90	1.85	1.80	ESS (IT)
(c) Each ESSX [®] service-L system	-	6.40	5.70	5.60	5.50	ESS (IT)

2. ESSX[®] service Exchange Access Charge

a. Network Access Limiter

(1) Flat Rate, Message Rate or Measured Rate

	Monthly Rate	USOC
(a) Per Network Access Register Group	\$9.90	LNG (IT)

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff.

Material appearing on this page previously appeared on page(s) 23 of this section.
 Material previously appearing on this page now appear on page(s) 25 of this section.
 *Registered Service Mark of BellSouth Corporation

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.1 ESSX[®] Service¹ (Cont'd)

A12.1.7 Common Rates And Charges (Cont'd)

C. Recurring Charges (Cont'd)

2. ESSX[®] service Exchange Access Charge (Cont'd)

b. Network Access Registers

(1) Flat Rate Service

- (a) Two-way operation each²
- (b) One-way incoming operation each²
- (c) One-way outgoing operation each²

Monthly
Rate

USOC

(2) Message Rate Service

- (a) Two-way operation initial each³
- (b) Two-way operation, additional, each³
- (c) One-way outgoing operation initial, each³
- (d) One-way outgoing operation additional, each³

(3) Measured Rate Service

- (a) Both Way⁴
- (b) Inward Only⁴
- (c) Outward Only⁴

(3) (4) Toll Terminals

- (a) Each⁵

- 3. Additional Directory Listings apply as specified for Business Additional Directory Listings in Section A6 of this Tariff.
- 4. Service Charges apply as specified in Section A4 of this Tariff to service establishment, moves and changes of ESSX[®] service.

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff. (N)

Note 2: Apply appropriate rates and charges as specified in Section A3 of this Tariff for Network Access Register Flat Rate Package. (T)

Note 3: Apply appropriate rates and charges as specified in Section A3 of this Tariff for Network Access Register Message Rate package. (T)

Note 4: Apply appropriate rates and charges as specified in Section A3 of this Tariff for Network Access Register Measured Rate Package. (N)

~~Note 4:~~ Note 5: Apply appropriate rates and charges as specified in Section A13 of this Tariff for Long Distance Trunk Service (Toll Terminals). (T)

~~Material appearing on this page previously appeared on page(s) 24 of this section.~~

December 14, 1989

Fourth
Third Revised Page 27
Cancels Second Revised Page 27
Third

EFFECTIVE: November 22, 1988

March 17, 1990

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.1 ESSX® Service¹ (Cont'd)

A12.1.7 Common Rates And Charges (Cont'd)

D. Miscellaneous Line Terminations (Dial or Touch-Tone Operation)²

1. Line Termination Rates and Charges

a. Network Access Terminals (Terminals for Local, Interstate and Intrastate Channels)

(1) Interexchange Carrier Access Line

	Installation Charge	1 Month	Term Payment Plan Monthly Rate			USOC	
			36 Months	60 Months	84 Months		
(a) Per Simulated Facilities Group established	\$40.00	\$-	\$-	\$-	\$-	EOV	(-)(-)
(b) Per Termination via Simulated Facilities Group	.00	2.20	2.00	1.95	1.90	EOE	(+)(+)
(c) Per Common Group of Dedicated Facilities established ³	40.00	.10	.05	.05	.05	EOK	(+)(+)
(d) Per Termination via Dedicated Facility	1.65	87.00	76.00	76.00	76.00	EOM	(+)(+)
b. Other Access Terminals							
(1) Tie Lines^{4,5}							
(a) Per Termination	54.00	87.00	76.00	76.00	76.00	ESJ	(+)(+)
(b) Per Common Group Established ³	130.00	.10	.05	.05	.05	EYJ	(+)(+)
(2) Foreign Exchange (FX) Lines							
(a) Per Group of FX Lines Established ³	145.00	.10	.05	.05	.05	EYQ	(+)(+)
(b) Per FX Termination	52.00	85.00	74.00	74.00	74.00	ESQ	(+)(+)
(3) Foreign Central Office (FCO) Terminations							
(a) Per Group of FCO Lines Established ³	145.00	.10	.05	.05	.05	EYV	(+)(+)
(b) Per FCO Termination	52.00	85.00	74.00	74.00	74.00	ESV	(+)(+)

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff.

Note 2: Each of the rate elements shown provide only the basic auxiliary line termination equipment and facilities located at the central office where the basic service is provided and is in addition to other rates and charges applicable for the associated service. (Private Line Service and Channels, WATS, FX, etc.)

Note 3: One installation charge applies when any number of miscellaneous lines of the same type are installed at the same time, *per occasion, per same group.*

Note 4: Tie Line Terminations are furnished to connect a system to Enhanced Private Switched Communications Service (EPSCS) Type A channels.

Note 5: Tie Lines are not furnished to connect a flat rate system with a message^{or measured} rate system.



SOUTHERN BELL TELEPHONE
AND TELEGRAPH COMPANY
FLORIDA
ISSUED: December 14, 1989
BY: Vice President
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

~~Fourth~~
Fifth Revised Page 28
Cancels ~~Fourth~~ Revised Page 28
EFFECTIVE: March 17, 1990

February 1, 1989

April 1, 1989

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.1 ESSX® Service¹ (Cont'd)

A12.1.7 Common Rates And Charges (Cont'd)

D. Miscellaneous Line Terminations (Dial or Touch-Tone Operation)² (Cont'd)

1. Line Termination Rates and Charges (Cont'd)
b. Other Access Terminals (Cont'd)

(4) Electronic Tandem Switching (ETS)
Type Tie Line Termination³

	Installation Charge	Term Payment Plan Monthly Rate				USOC
		1 Month	36 Months	60 Months	84 Months	
(a) Each termination	\$72.00	\$82.00	\$72.00	\$72.00	\$72.00	ETX
(5) Optional Dial Cut-Through Arrangement (TANDEM)						
(a) Per Tie Line so arranged	\$4.00	\$30.00	\$115.00	\$115.00	\$115.00	ETM
(6) Advanced Private Line Terminations ⁴						
(a) Each termination	\$72.00	\$178.00	\$153.00	\$153.00	\$153.00	EVW

A12.1.8 ESSX® Service-S

A. Main Station Lines

1. Rates and Charges

a. The ESSX® service-S main station line rate will be composed of the intercom charge and the appropriate wire center line charge or equivalent.

(1) Intercom Charge

		10.20	9.00	8.60	8.50	
(a) Per Flat Rate Main Station	-	10.20	9.00	8.60	8.50	NRX3X (E) (U)
(b) Per Message Rate Main Station	-	10.20	9.00	8.60	8.50	NUM3X (E) (U)
(c) Per Measured Rate Main Station	-	10.20	9.00	8.60	8.50	NRMSX (N)

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff.

Note 2: Each of the rate elements shown provide only the basic auxiliary line termination equipment and facilities located at the central office where the basic service is provided and is in addition to other rates and charges applicable for the associated service. (Private Line Service and Channels, WATS, FX, etc.)

Note 3: An ETS-type Tie Line Termination is provided in association with the ETS features of Automatic Route Selection-Deluxe and/or Uniform Numbering Automatic Alternate Routing specified in A12.5 of this Tariff.

Note 4: APLT may be provided only when the equipment and features of the associated ESS equipment will permit its use (1A, 1E6 or later generic program).

063

TARIFF REVISIONS
LEGISLATIVE FORMAT
NOT FOR APPROVAL

SOUTHERN BELL TELEPHONE
AND TELEGRAPH COMPANY
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

ISSUED: ~~December 14, 1989~~ February 1, 1989
BY: Vice President
Miami, Florida

~~Fourth~~
Fifth Revised Page 41
Cancels ~~Fourth~~ Revised Page 41
~~Third~~
EFFECTIVE: March 17, 1990
April 1, 1989

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.1 ESSX® service¹ (Cont'd)

A12.1.9 ESSX® Service-M

A. Main Station Lines

1. Rates and Charges

a. The ESSX® service-M Main Station Line Rate will be composed of the intercom charge and the appropriate wire center line charge or equivalent.

(1) Intercom Charge

	Installation Charge	Term Payment Plan Monthly Rate				USOC
		1 Month	36 Months	60 Months	84 Months	
(a) Per Flat Rate Main Station	\$-	\$10.35	\$9.10	\$8.70	\$8.80	NRX3X (E) (u)
(b) Per Message Rate Main Station	-	10.35	9.10	8.70	8.80	NUM1X (E) (u)
(c) <u>Per Measured Rate Main Station</u>	-	<u>10.35</u>	<u>9.10</u>	<u>8.70</u>	<u>8.80</u>	<u>NRMSX (N)</u>

b. Airline mileage for main station lines is measured from the network interface location to the serving central office location.

(1) Wire Center Lines

(a) Up to 2 1/2 miles	-	8.10	7.10	5.70	4.90	EXMHX
(b) Greater than 2 1/2 miles	-	15.00	13.00	12.90	12.80	EXMOX

(2) Wire Center Lines (Provision for Office Equipment only)

(a) Up to 2 1/2 miles	-	8.10	7.10	5.70	4.90	EFWNX
(b) Greater than 2 1/2 miles	-	15.00	13.00	12.90	12.80	EFWOX

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff.

ISSUED: ~~December 14, 1989~~ February 1, 1989
BY: Vice President
Miami, Florida

~~Fourth~~
Fifth Revised Page 53
Cancels ~~Fourth~~ Revised Page 53
~~Third~~

EFFECTIVE: March 17, 1990

~~April 1, 1989~~

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.1 ESSX® Service¹ (Cont'd)

A12.1.9 ESSX® Service-M (Cont'd)

D. Group B System Features

Features previously offered in this section are listed in A12.1.12.K.

A12.1.10 ESSX® Service-L

A. Main Station

1. Rates and Charges

a. The ESSX® service-L Main Station Line Rate will be composed of the intercom charge and the appropriate wire center line charge or equivalent.

(1) Intercom Charge

	Installation Charge	Term Payment Plan Monthly Rate				USOC
		1 Month	36 Months	60 Months	84 Months	
(a) Per Flat Rate Main Station	\$-	\$10.00	\$8.65	\$8.65	\$8.65	NR3X (E) (U)
(b) Per Message Rate Main Station	-	10.00	8.65	8.65	8.65	NUM3X (E) (U)
(c) <u>Per Measured Rate Main Station</u>	-	<u>10.00</u>	<u>8.65</u>	<u>8.65</u>	<u>8.65</u>	<u>HRMSX (N)</u>
b. Airline mileage for main station lines is measured from the network interface location to the serving central office location.						
(1) Wire Center Lines						
(a) Up to 2 1/2 miles	-	7.60	6.00	4.45	4.35	EXMX
(b) Greater than 2 1/2 miles	-	13.20	11.50	10.75	10.65	EXMX
(2) Wire Center Lines (Provision for Office Equipment only)						
(a) Up to 2 1/2 miles	-	7.60	6.00	4.45	4.35	EFWX
(b) Greater than 2 1/2 miles	-	13.20	11.50	10.75	10.65	EFWX

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff.

065

ISSUED: ~~September 23, 1988~~
BY: Vice President
Miami, Florida

December 14, 1989

Second
~~First Revised Page 132~~
Cancels ~~Original Page 132~~
First

EFFECTIVE: ~~November 22, 1986~~
March 17, 1990

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.13 Digital ESSX® Service¹ (Cont'd)

(TT)

A12.13.2 Regulations (Cont'd)

- H. Dormitory service is furnished in accordance with the rules and regulations for Dormitory Communications Service specified in Section A13 of this Tariff. (TT)
- I. A system may not be provided for Intercommunication (stand alone) service only. Access to the Exchange Network must be provided. (TT)
- J. A mixture of Flat Rate and Message Rate Service will not be allowed within a single customer system except where that single customer system serves a hotel/motel or hospital. For hotel/motel and hospital application, Message Rate Service, if provided for guest/patient service, must have a separate dial access code from the flat rate service provided for administrative stations and be restricted from use of the administrative flat rate service. (TT) (C)
- or Measured
- K. Suspension of Service
With the exception of Network Access Registers, suspension of Digital ESSX® service is not permitted. (TT)
- L. A twelve month minimum service period shall be required if the subscriber's system is a Digital ESSX® service -M or L. The normal minimum service period as specified in Section A2 of this Tariff will be applicable to Digital ESSX® service-S. (TT)
- M. Touch-Tone service will be furnished subject to the regulations, specified in Section A13 of this Tariff. The rates and charges for Digital ESSX® service station lines include the provision of Touch-Tone service. Rates and charges for Touch-Tone service as specified in Section A13 of this Tariff do not apply for the provision of Touch-Tone service to Digital ESSX® service. (TT)
- N. Directory Listings will be furnished subject to the rates and regulations specified in Section A6 of this Tariff. (TT)
- O. The number of simultaneous exchange and toll network calls to and from main station lines and attendant positions of a subscriber's Digital system is limited by the number of Network Access Registers subscribed to by the customer. Each Network Access Register may be arranged for two-way, one-way incoming or one-way outgoing operation depending upon the option of the customer at the time the Network Access Register is installed. When a change in the type of operation is requested by the customer, the appropriate Service Charges as specified in Section A4 of this Tariff apply per occasion. The Central Office Line Charge (COLC) in Section A4 is applicable only to Digital ESSX® service main station lines. (TT)
- P. Service charges, as specified in Section A4 of this Tariff, apply to all subscriber's of Digital systems except as provided in A12.13.5 of this Tariff. (TT)
- Q. Digital ESSX® service installation charges are due on initial installation or subsequent additions unless deferred over a predetermined period of time as specified in Section A22 of this Tariff. or Measured (TT)
- R. If the subscriber of Digital ESSX® service elects a Message Rate Service option, Message Rate Service usage charges specified in Section A3 are applicable on calls to locations outside the subscriber's Digital system in addition to rates and charges in this and other tariff sections for Digital ESSX® service and other associated services. Usage charges are not applicable on calls originated and terminated within the same subscriber's Digital system. (TT) (C)

Note I: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff. (TT)

~~Material appearing on this page previously appeared on page(s) 131 of this section.~~
~~Material previously appearing on this page now appears on page(s) 133 of this section.~~
*Registered Service Mark of BellSouth Corporation

066

TARIFF REVISIONS
LEGISLATIVE FORMAT
NOT FOR APPROVAL

SOUTHERN BELL TELEPHONE
AND TELEGRAPH COMPANY
FLORIDA
ISSUED: ~~September 23, 1988~~
BY: Vice President
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

Second
~~First Revised Page 152~~
~~Original Page 152~~
~~First~~
EFFECTIVE: ~~November 23, 1988~~
March 17, 1990

December 14, 1989

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.13 Digital ESSX[®] Service¹ (Cont'd)

~~(T)~~

A12.13.7 Common Rates And Charges (Cont'd)

B. Nonrecurring (Cont'd)

1. (Cont'd)

~~c. (DELETED)~~

~~(D)~~

C. ~~d.~~ Service Connection Charges

~~(M)~~ (T)

(1) Service charges as specified for business service in Section A4 of this Tariff are applicable for each main station line, console access loop, extension station line, etc.

~~(M)~~

C. Recurring

~~(M)~~

1. Common Equipment

~~(M)~~

	Installation Charge	Term Payment Plan Monthly Rate				USOC	
		1 Month	36 Months	60 Months	84 Months		
(a) Each Digital ESSX [®] service-S system	\$-	\$-	\$-	\$-	\$-	ESS	(N)
(b) Each Digital ESSX [®] service-M system	ESS	(N)
(c) Each Digital ESSX [®] service-L system	ESS	(N)

2. Digital ESSX[®] Service Exchange Access Charge

~~(M)~~

a. Network Access Limiter

~~(M)~~

(1) Flat Rate, or Message Rate or Message Rate

~~(M)~~

Monthly Rate

USOC

(C)

(a) Per Network Access Register

\$-

LNG

~~(M)~~

b. Network Access Registers²

~~(M)~~

(1) Flat Rate Service

~~(M)~~

(a) Two-way operation, each

.

EQA

~~(M)~~

(b) One-way incoming operation, each

.

EOB

~~(M)~~

(c) One-way outgoing operation, each

.

EOC

~~(M)~~

(2) Message Rate Service

~~(M)~~

(a) Two-way operation initial, each

.

EQE

~~(M)~~

(b) Two-way operation additional, each

.

EOG

~~(M)~~

(c) One-way outgoing operation initial, each

.

EQF

~~(M)~~

(d) One-way outgoing operation, additional each

.

EQK

~~(M)~~

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff.

~~(M)~~

Note 2: Apply appropriate rates and charges as specified in Section A3 of this Tariff for Network Access Register Usage Packages.

~~(M)~~

EFFECTIVE: March 17, 1990

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.13 Digital ESSX® Service¹ (Cont'd)

A12.13.7 Common Rates And Charges (Cont'd)

C. Recurring (Cont'd)

2. Digital ESSX® Service Exchange Access Charge (Cont'd)

b. Network Access Registers² (Cont'd)

(3) Measured Rate Service

	Monthly Rate	USOC	(N)
(a) <u>Both Way³</u>	\$-	EOP	(N)
(b) <u>Inward Only³</u>	-	EOR	(N)
(c) <u>Outward Only³</u>	-	EOS	(N)

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff.

Note 2: Apply appropriate rates and charges as specified in Section A3 of this Tariff for Network Access Register Usage Packages.

Note 3: Apply appropriate rates and charges as specified in Section A3 of this Tariff for Network Access Register Measured Rate Package. (N)

SOUTHERN BELL TELEPHONE
AND TELEGRAPH COMPANY
FLORIDA
ISSUED: September 23, 1988
BY: Vice President
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

December 14, 1989

Second
First Revised Page 153
Cancels Original Page 153
EFFECTIVE: ~~November 23, 1988~~
March 17, 1990

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.13 Digital ESSX® Service¹ (Cont'd)

A12.13.7 Common Rates And Charges (Cont'd)

C. Recurring (Cont'd)

2. Digital ESSX® Service Exchange Access Charge (Cont'd)

b. Network Access Registers² (Cont'd)

(4) ~~(3)~~ Toll Terminals

- (a) Each³
- c. Facility Group (FG)
- (1) Network Access

Monthly Rate \$- USOC EQD ~~(M)~~ ~~(M)~~ ~~(M)~~

Term Payment Plan Monthly Rate

Installation Charge	1 Month	36 Months	60 Months	84 Months	USOC
\$-	\$-	\$-	\$-	\$-	F52

- (a) Each facility group
- 3. Additional Directory Listings apply as specified in Section A6 of this Tariff. ~~(M)~~
- 4. Service Charges apply as specified in Section A4 of this Tariff to service establishment, move and change of Digital ESSX® service. ~~(T)(M)~~
- 5. Digital ESSX® Service Extension Station Line Charge ~~(T)(M)~~
 - (a) (DELETED) ~~(D)~~
 - (b) Located on different premises from main station line on non-continuous property, each^{4,5,6} EC8 ~~(T)(M)~~ ~~(M)~~

- Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff. ~~(N)~~
- Note 2: Apply appropriate rates and charges as specified in Section A3 of this Tariff for Network Access Register Usage Packages. ~~(T)(M)~~
- Note 3: Apply appropriate rates and charges as specified in Section A13 of this Tariff for Toll Terminals. ~~(M)~~
- Note 4: When the different premises is located in the same central office as that served by the subscriber's system, apply wire center line rates based on the distance from the central office to the different premises as specified in this section. ~~(N)~~
- Note 5: When the different premises is located in a different central office in the same exchange as that served by the subscriber's system, apply rates and charges for Foreign Central Office Service as specified in Section A9 of this Tariff. ~~(N)~~
- Note 6: When the different premises is located in a different exchange from that served by the subscriber's system, apply rates and charges for Foreign Exchange Service as specified in Section A9 of this Tariff. ~~(N)~~

Material appearing on this page previously appeared on page(s) 148 of this section.
Material previously appearing on this page now appears on page(s) 158 of this section.
®Registered Service Mark of BellSouth Corporation

TARIFF REVISIONS
LEGISLATIVE FORMAT
NOT FOR APPROVAL

December 14, 1989

Second
~~First Revised Page 155~~
~~Cancels Original Page 155~~

EFFECTIVE: ~~November 23, 1988~~
March 17, 1990

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.13 Digital ESSX® Service¹ (Cont'd)

~~(TT)~~

A12.13.7 Common Rates And Charges (Cont'd)

D. Miscellaneous Line Terminations (Dial or Touch-Tone Operation)² (Cont'd)

1. Line Termination Rates and Charges (Cont'd)

a. Network Access Terminals (Terminals for Local, Interstate and Intrastate Channels) (Cont'd)

(1) Interexchange Carrier Access Line (Cont'd)

~~(TT)~~

	Installation Charge	Term Payment Plan Monthly Rate				USOC	
		1 Month	36 Months	60 Months	84 Months		
(c) Per Common Group of Dedicated Facilities ³	\$37.00	\$3.95	\$3.50	\$3.45	\$3.40	EOK	(TT)
(d) Per Dedicated Analog Termination	13.75	20.00	17.75	17.25	17.00	EOM	(TT)
(e) Per Dedicated Digital Termination	13.75	6.90	6.10	6.00	5.90	EOG	(TT)
b. Other Access Terminals							(TT)
(1) Tie Lines^{4,5}							(TT)
(a) Per Termination, Analog	13.25	38.50	34.00	33.50	33.00	ESJ	(TT)
(b) Per Termination, Digital	13.25	25.00	22.00	21.75	21.25	EJ9	(TT)
(2) Foreign Exchange (FX) Lines⁶							(TT)
(a) Per FX Termination - Analog	10.25	38.50	34.00	33.50	33.00	ESQ	(TT)
(b) Per FX Termination - Digital	10.25	25.00	22.00	21.75	21.25	EKG	(TT)

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff. ~~(TT)~~

Note 2: Each of the rate elements shown provide only the basic auxiliary line termination equipment and facilities located at the central office where the basic service is provided and is in addition to other rates and charges applicable for the associated services (Private Line Service and Channels, WATS, FX, etc.). ~~(TT)~~

Note 3: One installation charge applies when any number of miscellaneous lines of the same type are installed at the same time, per occasion, per same group. ~~(TT)(M)~~

Note 4: Tie Lines terminations are furnished to connect a system to Enhanced Private Switched Communications Service (EPSCS) Type A Channels. ~~(TT)~~

Note 5: Tie Lines are not furnished to connect a flat rate system with a message^{or message} rate system. ~~(TT)~~ (C)

Note 6: The type of termination (Analog or Digital) will vary and will be determined by the terminating central office. ~~(TT)~~

Material appearing on this page previously appeared on page(s) 149, 150 of this section

Material previously appearing on this page now appears on page(s) 160, 161 of this section

*Registered Service Mark of BellSouth Corporation

070

TARIFF REVISIONS
LEGISLATIVE FORMAT
NOT FOR APPROVAL

SOUTHERN BELL TELEPHONE
AND TELEGRAPH COMPANY
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

~~Second~~
Third Revised Page 157
Cancels ~~Second~~ Revised Page 157
~~First~~
EFFECTIVE: March 17, 1990

ISSUED: December 14, 1989 ~~February 1, 1989~~
BY: Vice President
Miami, Florida

~~April 1, 1989~~

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.13 Digital ESSX® Service¹ (Cont'd)

A12.13.8 Digital ESSX® Service-S

A. Main Station Lines

1. Rates and Charges

The Digital ESSX® service-S main station line rate will be composed of the intercom charge and the appropriate wire center line charge or equivalent.

a. Intercom Charge

(1) Flat Rate Main Station

	Installation Charge	Term Payment Plan Monthly Rate				USOC
		1 Month	36 Months	60 Months	84 Months	
(a) Per Station	\$-	\$12.40	\$10.00	\$10.00	\$10.50	NRX3X (I) (u)
(2) Message Rate Main Station						
(a) Per Station	-	12.40	10.00	10.00	10.50	NUM3X (I) (u)
(3) <u>Measured Rate Main Station</u>						(N)
(a) <u>Per Station</u>	-	<u>12.40</u>	<u>10.00</u>	<u>10.00</u>	<u>10.50</u>	<u>NRMSX (N)</u>

b. Airline mileage for main station lines is measured from the network interface location to the serving central office location.

(1) Wire Center Lines

(a) Up to 2 1/2 miles	-	9.20	8.00	6.70	5.90	EXMNX
(b) Greater than 2 1/2 miles	-	16.10	14.00	13.50	13.35	EXMOX

(2) Wire Center Lines (Provision for Office Equipment only)

(a) Up to 2 1/2 miles	-	9.20	8.00	6.70	5.90	EPWNX
(b) Greater than 2 1/2 miles	-	16.10	14.00	13.50	13.35	EPWOX

(3) Wire Center Lines, Terminates in Electronic Telephone Set

(a) Up to 2 1/2 miles	-	9.20	8.00	6.70	5.90	R6JNX
(b) Greater than 2 1/2 miles	-	16.10	14.00	13.50	13.35	R6JDX

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff.

071

TARIFF REVISIONS
LEGISLATIVE FORMAT
NOT FOR APPROVAL

~~February 1, 1989~~

~~April 1, 1989~~

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.13 Digital ESSX® Service¹ (Cont'd)

A12.13.8 Digital ESSX® Service-S (Cont'd)

B. Features(Cont'd)

2. Rates and Charges (Cont'd)

b. "A" Line Features - Individual² (Cont'd)

(9) Call Waiting Originating³

	Installation Charge	1 Month	Term Payment Plan Monthly Rate			USOC
			36 Months	60 Months	84 Months	
(a) Per System ⁴	\$2.45	\$-	\$3.50	\$3.45	\$3.40	ESZPS
(b) Per Line	2.85	.50	-	-	-	ESZ
(10) Speed Calling Short ^{3, 5}						
(a) Per System ⁴	4.80	-	1.35	1.30	1.25	EGZPS
(b) Per Line	3.80	.50	-	-	-	EGZ
(11) Three-Way Conference, Consultation, Transfer ^{3, 6}						
(a) Per System ⁴	3.85	-	-	-	-	ESAPS
(b) Per Line	2.20	2.10	1.25	1.20	1.15	ESA

c. "B" Line Features

Features previously offered in this section are listed in A12.13.11.M.

A12.13.9 Digital ESSX® Service-M

A. Main Station Lines

1. Rates and Charges

The Digital ESSX® service-M main station line rate will be composed of the intercom charge and the appropriate wire center line charge or equivalent.

a. Intercom Charge

(1) Flat Rate Main Station

(a) Per Station - 12.20 10.75 10.45 10.10 NRX3X ~~(=)~~ (u)

(2) Message Rate Main Station

(a) Per Station - 12.20 10.75 10.45 10.10 NUM3X ~~(=)~~ (u)

(3) Measured Rate Main Station

(a) Per Station - 12.20 10.75 10.45 10.10 NRMSX (N)

Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff.

Note 2: Availability is based on the type of central office in which the Digital ESSX® service-S system is based.

Note 3: The Installation Charge applies per common block per system.

Note 4: Installation Charges as shown in A12.13.8.B.2.b. apply per initial activation of that feature per system.

Note 5: Speed call parameters will be determined by the serving central office. Speed calling as offered in "A" Line Features - Individual will not exceed a 10 member list.

Note 6: Options available on Call Transfer will vary depending on the serving central office.

SOUTHERN BELL TELEPHONE
AND TELEGRAPH COMPANY
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

~~Second~~
Third Revised Page 167
Cancels ~~Second~~ Revised Page 167

ISSUED: ~~December 14, 1989~~ February 4, 1989
BY: Vice President
Miami, Florida

EFFECTIVE: March 17, 1990
~~April 4, 1989~~

A12. CENTRAL OFFICE NON-TRANSPORT SERVICE OFFERINGS

A12.13 Digital ESSX® Service¹ (Cont'd)

A12.13.10 Digital ESSX® Service-L

A. Main Station Lines

1. Rates and Charges

- a. The Digital ESSX® service-L main station line rate will be composed of the intercom charge and the appropriate wire center line charge or equivalent.

(1) Intercom Charge

	Installation Charge	Term Payment Plan Monthly Rate				USOC
		1 Month	36 Months	60 Months	84 Months	
(a) Per Flat Rate Main Station	\$-	\$12.15	\$10.50	\$9.00	\$9.00	NRX3X (E) (U)
(b) Per Message Rate Main Station	-	12.15	10.50	9.00	9.00	NUM3X (E) (U)
(c) <u>Per Measured Rate Main Station</u>	-	<u>12.15</u>	<u>10.50</u>	<u>9.00</u>	<u>9.00</u>	<u>NRMSX (N)</u>

- b. Airline mileage for main station lines is measured from the network interface location to the serving central office location.

(1) Wire Center Lines

(a) Up to 2 1/2 miles	-	7.00	6.00	4.45	4.35	EXMNX
(b) Greater than 2 1/2 miles	-	13.20	11.50	10.75	10.65	EXMOX

(2) Wire Center Lines (Provision for Office Equipment only)

(a) Up to 2 1/2 miles	-	7.00	6.00	4.45	4.35	EFWNX
(b) Greater than 2 1/2 miles	-	13.20	11.50	10.75	10.65	EFWOX

(3) Wire Center Lines, Terminates in Electronic Telephone Set

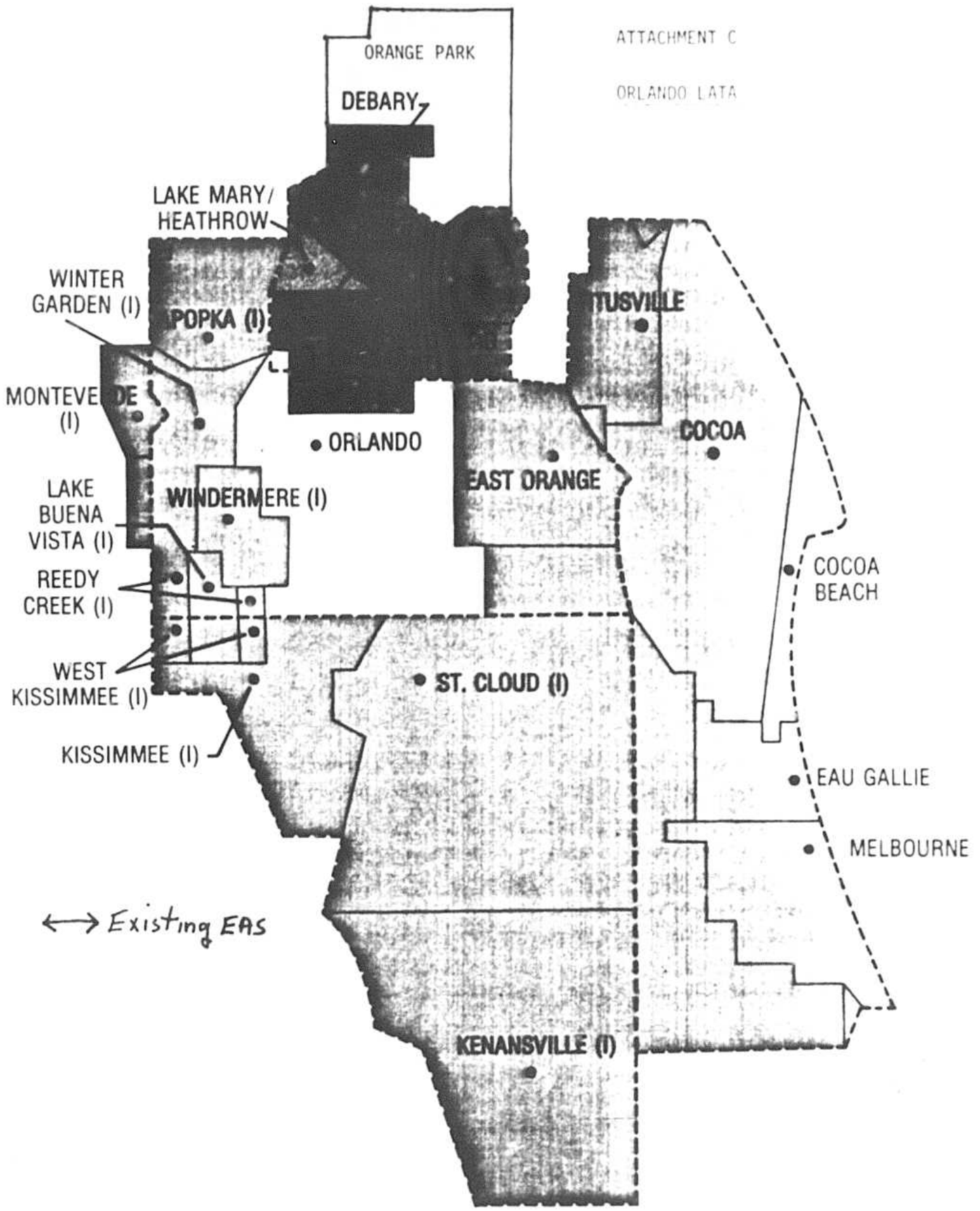
(a) Up to 2 1/2 miles	-	7.00	6.00	4.45	4.35	R63NX
(b) Greater than 2 1/2 miles	-	13.20	11.50	10.75	10.65	R63OX

B. Features

1. General

- a. The features offered for Digital ESSX® service-L customers are "A" Line Features-Grouped, "A" Line Features - Individual and Optional Service Features.


Note 1: Certain items which previously appeared in this section have been vintaged in 1988 and may be found in Section A112 of this Tariff.



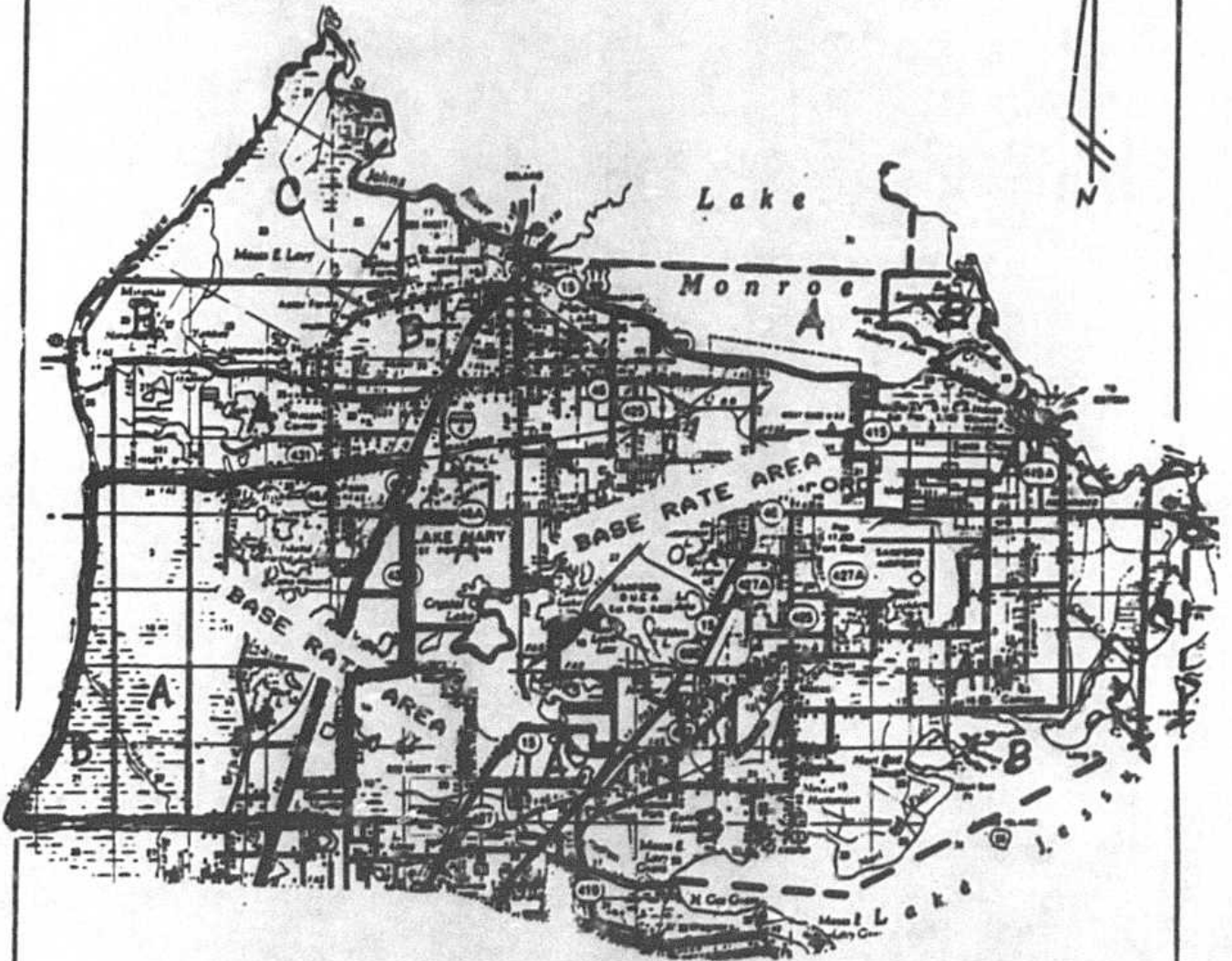
SOUTHERN BELL TELEPHONE
AND TELEGRAPH COMPANY
FLORIDA

ISSUED: January 12, 1990

SANFORD, FLA.
Sixth Revised Sheet 2
Cancels Fifth Revised Sheet 2
EFFECTIVE: February 17, 1990

 Lake Mary Wire Center

EXCHANGE SERVICE AREA MAP



BY: H. C. Henry, Vice President - Florida

CHRONOLOGY OF LOCAL MEASURED SERVICE DECISIONS BY
THE FLORIDA PUBLIC SERVICE COMMISSION

<u>Date</u>	<u>Docket No.</u>	<u>Order No.</u>	<u>Description</u>
12/16/74	74629	6400	*Order initiating investigation of usage sensitive pricing - companies should show cause why Commission should not establish a schedule for conversion of exchange flat rate tariffs.
6/18/76	760464		GTF request for measured rate service.
3/4/77	760464	7669	*Order allowing GTF to implement MRS in exchanges with electronic central office equipment on a one-year experimental basis.
4/4/77	74629	7730	*Order directing Southern Bell & Florida Telephone to conduct traffic studies in certain exchanges for the purpose of investigation USP
11/6/78			Memo re: GTF message rate plan & participation levels in the plan.
2/79			Survey of customer attitudes toward flat rate & measured rate service - by independent consulting firm for AT&T.
5/29/79			SBT presentation to FPSC at USP Workshop.
7/28/80			GTE-LMS experiment in Illinois - Survey results.
12/80			SBT final report - implementation of LMS in Florida.

* Copy attached

<u>Date</u>	<u>Docket No.</u>	<u>Order No.</u>	<u>Description</u>
1/16/81			National Telecommunications & Information Administration Report - Evaluating Local Measured Telephone Service: Elements of a Benefit/Cost Approach.
10/5/81	810339	10322	*Order denying Centel's proposal to implement a test local measured option for two central office service areas.
12/8/81	760464		GTF's 3rd quarter report on MRS.
12/15/81	810035	10449	*Order rejecting SBT's proposal to implement LMS.
12/82			FAU report - Telephone Consumer Attitudes Toward Measured vs. Flat Rates.
6/4/82	810415	10853	*Order requiring all telephone companies to perform study on (Local Exchange Pricing), using an order of magnitude study format.
7/14/82	810415	10993	*Order adding additional requirements to study methodology set out in Order No. 10853 (LEP).
9/3/82			GTF - Residence Measured Service Stratification Report
3/29/83	74629	11761	*Order closing docket - will continue investigation of USP in LEP docket. Requires SBT to submit final report on the implementation of pilot projects.
4/21/83	820294	11880	Prehearing Order - SBT rate case - Questions related to LMS.

<u>Date</u>	<u>Docket No.</u>	<u>Order No.</u>	<u>Description</u>
5/31/83	74629		SBT final report on measured service pilot projects.
6/9/83	810415	12019	*Order requiring certain companies to perform further LEP studies.
7/13/83	820294	12221	SBT - request for LMS in rate case. Spun out of docket, to be included in LEP docket.
12/21/83	810415		Staff recommendation - 12/21/83 Agenda.
1/10/84	810415	12856	*Order requiring companies to submit estimates of the costs of implementation of the Flower Plan and variations of the plan.
2/17/84	820263		SBT's initial CPE divestiture petition.
2/27/84			List of all Bell measured service locations with more than frequency measured.
9/4/84	810415	13654	*Order denying the restructuring and implementation of rates proposed by the LECs in accordance with the Flower Plan. Order further reactivated existing Extended Area Service (EAS) requests, which had been held in abeyance until a decision was reached on the Flower Plan. Order concluded that it would not be fruitful to pursue implementation of the Flower Plan as studied to that point, but that variations of the plan would continue to be investigated.

<u>Date</u>	<u>Docket No.</u>	<u>Order No.</u>	<u>Description</u>
9/17/84	810415	13683	*Order requiring all LECs to continue to submit their estimates of the cost of studying alternatives to the Flower Plan, as set out in Order No. 12856.


**FLORIDA INTEREXCHANGE
CARRIERS ASSOCIATION**

P.O. Box 547276
Orlando, FL 32854
(407) 649-9161

January 29, 1990
FAXED

Monique Cheek
Division of Communications
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399

Dear Ms. Cheek;

Re: **Southern Bell's Proposed Market Reach Experiment
Docket No. 891374-TL**

The Florida Interexchange Carriers Association has recently concluded an abbreviated review of the above cited pricing proposal of Southern Bell. Our review demonstrates that the plan's basic provision -- a 40% discount on toll tied to the implementation of usage sensitive local pricing -- exemplifies the type of local exchange pricing behavior in (potentially) competitive markets that the Commission must guard against.

The principal issues:

1. Cross-subsidization

The Market Reach Pricing Plan exhibits classic characteristics of cross-subsidy. Under this plan, competitive toll prices are reduced while the prices for the monopoly product -- local service -- are increased. As the staff noted in its January 18th analysis and recommendation:

A discount on outgoing calls to the entire LATA is included as part of the basic Market Reach plan in order to make it more attractive (i.e., a discount on intraLATA toll calls helps to balance usage sensitive pricing for the local calling area).

Importantly, the converse is equally true -- higher revenues from the usage sensitive pricing of the monopoly local service are used to support reductions in the price of a competitive product. This is *precisely* the type of strategic pricing behavior that is possible when a monopoly participates in a related market where there exists the potential for competition.

2. Below Cost Pricing

The toll price levels accomplished under the Market Reach plan -- whether supported by local rates or not -- are themselves anti-competitive (if not, in fact, predatory) since most of the prices fail to cover relevant access costs. The following table compares the average

discounted price under the Market Reach plan to access costs.¹

Comparison of Market Reach Prices to Access Costs

<u>Mileage Band</u>	<u>Average Price</u>	<u>Average Access Cost</u>
0 - 10	\$.07	\$.14
11 - 22	.08	.14
23 - 55	.13	.14

Under the Market Reach plan, Southern Bell's first three mileage bands² would be priced below access costs.³ These price levels are contrary to established Commission policy -- in fact, the discounted prices for the first two mileage bands are below price levels which the Commission itself rejected when it considered Southern Bell's incentive rate plan.⁴

	<u>Market Reach Prices</u>		<u>Rejected Prices</u>	
	<u>1st Minute</u>	<u>Add'l</u>	<u>1st Minute</u>	<u>Add'l</u>
0 - 10	\$.11	.05	\$.12	.05
10 - 22	.12	.07	.19	.08

Market Reach is not "... in line with the recent movement of intraLATA toll rates towards cost", but rather is a proposal to price toll service below access costs to levels previously rejected by the Commission.

¹ These comparisons are calculated for the average call duration of 4.16 minutes. Data was developed from Southern Bell's "compensation" filing of 1/20/89, except for the per-minute equivalent of the BHMOC which uses Southern Bell's actual data filed in Docket 88-0812. Attachment A provides the supporting documentation for this calculation.

² While the Association does not have information on the exact distribution of Southern Bell's intraLATA toll traffic, GTE has testified that the "vast majority of toll traffic is fifty miles or less." The below cost pricing of these mileage bands, therefore, would have a substantial impact on conditions in the intraLATA market.

³ The Association notes the inconsistency between this pricing system and Southern Bell's positions with respect to intraEAEA compensation. Whereas Southern Bell argues that it is *entitled* to an additional margin over access charges when a customer chooses an IXC's intraEAEA service, Southern Bell is perfectly willing to receive revenues below access when it is the intraLATA provider.

⁴ See Order 20162, Dockets 88-0069 and 87-0832, page 16.

3. Discriminatory Provisions

In addition to the rate levels contained in the Market Reach plan, other elements of the proposal raise other, equally troubling, regulatory concerns.

As the staff has noted, the Market Reach proposal is inconsistent with a policy to similarly price unbundled network components. This is particularly ironic since Southern Bell has gone so far as to list, as one of the virtues of the plan, that it "...eliminates the need for customer and use restrictions." The plan contains, however, several such restrictions. The proposal explicitly excludes pay phones, and may also prevent resale at the discounted rate structure by its placement in the Exchange Services Tariff.⁵

Further, irrespective of the plan's pricing implications, Southern Bell's Market Reach program is essentially a "tying" arrangement. Under Market Reach, only customers which agree to monopoly service under Southern Bell's "local measured service" (LMS) pricing are eligible to receive the dramatic discounts for the (potentially competitive) intralata toll service. In this way, Southern Bell has tied the availability of a competitive product to the subscribers commitment to a higher priced monopoly service.

The Association supports increasing competition within the intra-ATA market and expects (and encourages) greater competition from the incumbent local exchange carrier. The LEC's pricing proposals must satisfy basic guidelines, however, such as the absence of use restrictions, the coverage of relevant access charges, protections against cross-subsidy, and the unbundling of competitive products from monopoly exchange service. In each of these areas, Market Reach fails the test.

Sincerely,



Joseph Gillan
Executive Secretary

⁵ It is the Association's understanding that services described as Basic Local Exchange Service (such as the Market Reach Plan) cannot be resold.

Mileage	Per Minute Comparisons			
	Current	Discount	Access	
0 - 10	0.11	0.07	0.14	
11 - 22	0.14	0.08	0.14	below access
23 - 55	0.22	0.13	0.14	

56 - 124	0.31	0.19	0.14	above access
125 +	0.35	0.21	0.14	

Calculation of Average Access Charge

	Orig	Term
ccic	0.0304	0.0382
Trans	0.0160	0.0160
LS2	0.0098	0.0098
LTerm	0.0079	0.0079
TOD (74.6%)	-0.0163	
BHMOc	0.0071	0.0071
Subtotal	0.0549	
times NCF	1.113	
Total	0.0611 + 0.0790 = 0.1401	


**FLORIDA INTEREXCHANGE
CARRIERS ASSOCIATION**

 P.O. Box 547276
 Orlando, FL 32854
 (407) 649-9161

 February 14, 1990
 FAXED

 Monique Cheek
 Division of Communications
 Florida Public Service Commission
 101 East Gaines Street
 Tallahassee, FL 32399

Dear Ms. Cheek;

 Re: **Southern Bell's Proposed Market Reach Experiment**
Docket No. 891374-TL

My January 29th letter first outlined to you the Association's preliminary concerns with the captioned pricing proposal of Southern Bell. The Association's principal concerns centered on: (a) the use-restrictions contained in the filing, (b) the potential for cross-subsidy between a monopoly and (potentially) competitive service, (c) the bundling of a toll product to a local exchange service, and (d) the pricing of toll service below access cost.

In the initial correspondence, we demonstrated that the first three mileage bands were priced below access. At the time that the analysis was performed, data concerning the distribution of Southern Bell's traffic was not available to perform additional tests. While the Association believes that the proposal's failure to cover access costs in the first three mileage bands is more than adequate to demonstrate its anti-competitive nature, additional analysis indicates that the prices also fail to cover access costs in the aggregate.

Comparison of Market Reach Prices to Access Costs

<u>Mileage Band</u>	<u>Average Price</u>	<u>Average Access Cost</u>	<u>Margin</u>	<u>Percent of Traffic</u>	<u>Weighted Margin</u>
0 - 10	\$.07	\$.14	\$ -.07	0.82	\$ -.001
11 - 22	.08	.14	-.06	35.90	-.020
23 - 55	.13	.14	-.01	49.30	-.003
56 - 124	.19	.14	.05	12.09	.006
125 +	.21	.14	.07	1.89	.001

Weighted Average Margin = -.017

This analysis demonstrates that Southern Bell's Market Reach prices fall below its access costs by an average of almost 1.7 cents/minute. The fact that Market Reach fails to cover access charges in the aggregate is not surprising since fully 86% of the toll minutes occur

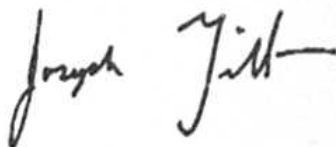
Monique Cheek
February 14, 1990
Page 2

in mileage bands which are priced below access.¹ With only two mileage bands covering access costs, massive and dramatic shifts in calling patterns would need to occur before the "aggregate" test could be satisfied.

The Association believes that any *one* of the competitive concerns presented by the Market Reach proposal warrants its rejection; the *combination* of deficiencies contained in the filing -- which now includes its failure to cover access costs in the aggregate -- demands it.

If you have any questions concerning this analysis, or the concerns expressed in my previous correspondence, please contact me.

Sincerely,



Joseph Gillan
Executive Secretary

¹ The traffic distribution is from the annual publication: Bell Operating Company Long Distance Message Telephone Rates, from the National Association of Regulatory Utility Commissioners. Table 3: Distribution of Intrastate IntraLATA Calls - Florida (Data is cited as being compiled May, 1987 - April, 1988).