**FLORIDA PUBLIC SERVICE COMMISSION**

 **Fletcher Building**

 **101 East Gaines Street**

 **Tallahassee, Florida 32399-0850**

 **M E M O R A N D U M**

 **SEPTEMBER 17, 1992**

**TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING**

**FROM : DIVISION OF COMMUNICATIONS [YATES]**

 **DIVISION OF LEGAL SERVICES [KURLIN]**

**RE : DOCKET NO. 920790-TL - REQUEST FOR APPROVAL OF TARIFF TO REVISE AND OFFER NEW STATION MESSAGE DETAIL RECORDING (SMDR) FEATURES BY BELLSOUTH TELECOMMUNICATIONS, INC. d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY. (T-92-470 FILED 8-03-92)**

**AGENDA: SEPTEMBER 29, 1992 - CONTROVERSIAL - PARTIES MAY PARTICIPATE**

**CRITICAL DATES: NONE**

**SPECIAL INSTRUCTIONS: NONE**

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 **DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission approve Southern Bell Telephone and Telegraph's (SBT or the Company) proposal to modify its General Subscriber Service Tariff with revised and/or a new array of Network Usage Information Services, plus delete certain traffic data elements?

**RECOMMENDATION:** Yes, the proposed tariff should be approved with an effective date of October 2, 1992.

**STAFF ANALYSIS:** On August 3, 1992, the Company filed a tariff proposal to introduce a new service called Network Usage Information Service in Section A32, obsolete the existing Station Message Detail Recording-Premises (SMDP-P) feature in Section A112 and provide a restructured SMDR-P as a new feature called SMDR in Section A12. SBT also proposes to delete certain traffic data rate elements. Specifics of the tariff include:

 (1) Introduction of a new service category, Integration Plus Management Services (IPMS) in Section A32 of the General Subscriber Service Tariff (GSST);

 (2) Introduction of a new service, Network Usage Information Service under IPMS;

 (3) Obsoleting the current Station Message Detail Recording

 - Premises (SMDR-P) feature with a new restructured SMDR feature;

 (4) Change the name from Station Message Detail Recording to Station Message Detail Recording via Revenue Accounting Office (RAO);

 (5) Deletion of the Selected Traffic Data to Customers (ESS- CTRF) feature, and

 (6) Deletion of traffic data and associated rate elements in the Electronic Tandem Switching Features and Digital Electronic Tandem Switching Features.

 Integration Plus Management Services (IPMS) is a new family of services to provide customers with the on-premises control to integrate, monitor and manage communications services purchased from SBT. Network Usage Information Service, a sub-category of IPMS, is a service that collects customer-specific data and presents the information to the customer's premises. Network Usage Information Service functions includes Station Message Detail - Premises, Traffic Data - Premises, and Traffic Reports with a service establishment charge rate element and shared/dedicated port connection rate elements. The new SMDR feature will provide the capability to record station message detail and consists of per system rate elements for very small, small, medium and large business customers. Typical customers include Banking; State and Federal Government; Hotel/Motels and Universities.

 The existing Station Message Detail Recording - Premises (SMDR-P) will be replaced with a restructured SMDR feature under the new Network Usage Information Service. The current service is tariffed as an optional feature of ESSX (analog and digital) service that provides call record information data to a customer's premises. The data may be delivered to the customer's collection device via DDD (direct-distance-dialed) facilities or an ESSX service main station line. The 17 existing SMDR-P customers will be allowed to continue purchasing obsoleted SMDR-P at the current rates until their contract period expires or they opt to subscribe to the new restructured SMDR feature.

 The Selected Traffic Data to Customers (ESS-CTRF) feature will be deleted from the current tariff. There are no existing customers. This feature provides the customer with reports of selected traffic data related to queues, trunk groups and other miscellanous events. Additionally, the traffic data and associated rate elements in the respective sections of the Electronic and Digital Tandem Switching Features will be deleted. This feature permits the customer to poll the switching equipment on a daily or hourly basis to obtain various traffic measurements. There are no existing customers.

 The forecasted revenue for the first year is $698,223. The three-year cumulative present worth revenue estimate is $5,178,151, with contribution projected at 85% of projected revenue (Attachment 1). Projections for the 3-year period are:

 **COST REVENUE**

 Year 1 $944,674 $698,223

 Year 2 1,090,827 2,013,450

 Year 3 1,625,889 4,360,205

 TOTAL $3,661,390 $7,071,878

 The cost study used levelized long run incremental costs. The first year projections result in a negative contribution, however, the remaining years result in significant contribution for the total 3-year period. Attachment 2 is an annual Cost Summary for the repriced tariff elements and the total cost for the first year. Attachments 3 and 4 are the Revenue Summaries for the first and third years respectively, and illustrate how demand increases between these periods.

 Attachment 5 is an example of the rates and charges that a customer pays under the current tariff in comparison with the proposed revision. SBT indicates that the typical customer subscribes to Analog ESSX service of medium size with 262 lines in service. This example demonstrates that the total recurring cost will greatly depend upon the number of messages produced by the customer, however, it should be noted that the customer will benefit from the reduced nonrecurring charge.

 SBT indicates that station message detail will now be provided by a different means of technology and at more economical rates under the proposed Network Usage Information Service. Also, Traffic Data - Premises and Traffic Data Reports will enable customers to allocate telecommunications costs and more effectively manage their network by means of a traffic performance statistical analysis either on-line or by printed report.

 Staff recommends approval of the tariff. We recognize that the estimated amount of contribution is significant for the 3-year period, however, these are discretionary services, thus competitive pressures may affect demand and the final contribution amount.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes.

**STAFF ANALYSIS:** If the Commission approves Issue 1, this tariff will become effective October 2, 1992. If an affected party files a timely protest, the tariff should remain in effect with any increase in revenues held subject to refund pending resolution of the protest. If no timely protest is filed, the docket should be closed.

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