**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 16, 1993**

**TO : DIRECTOR OF RECORDS AND REPORTING**

**FROM : DIVISION OF COMMUNICATIONS (COLEMAN)**

 **DIVISION OF LEGAL SERVICES (ADAMS)**

**RE : DOCKET NO. 930832-TL - TARIFF PROPOSAL TO WAIVE NONRECURRING CHARGES FOR OPEN AND OPTION 800 SERVICE BY SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY (T-93-441 FILED 8/2/93)**

**AGENDA: SEPTEMBER 28, 1993 - CONTROVERSIAL - PARTIES MAY PARTICIPATE**

**CRITICAL DATES: 60 DAY SUSPENSION EXPIRES NOVEMBER 27, 1993**

**SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\930832.RCM PLEASE PLACE AFTER DOCKET NO. 930842-TL**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **DISCUSSION OF ISSUES**

**ISSUE 1:** Should Southern Bell Telephone and Telegraph Company's tariff request to waive nonrecurring charges for Open and Option 800 Services from October 1, 1993 through November 30, 1993 be approved?

**RECOMMENDATION:** Yes, Southern Bell Telephone and Telegraph Company's tariff to waive nonrecurring charges for Open and Option 800 Services for sixty days should be approved with an effective date of October 1, 1993.

**STAFF ANALYSIS:** On August 2, 1993 Southern Bell Telephone and Telegraph Company filed a tariff request to waive nonrecurring charges for Open and Option 800 Services, for the period October 1, 1993 until November 30, 1993.

 Southern Bell wants to promote customer use of these services within the state of Florida. The Company believes that by waiving nonrecurring charges on Open and Option 800 services, it will become more attractive to customers. Southern Bell is offering the two promotions simultaneously because both are intraLATA 800 services.

 Southern Bell's Open 800 is an 800 Service which is provided by the Company using 800 Number Service. The Area of Service for Open 800 is the entire state and an interexchange carrier (IXC). The Area of service can be the State of Florida or the whole United States (if Docket No. 930842-TL is approved today).

 Southern Bell's Option 800 is also an intraLATA 800 Service. The Area of Service for Option 800 is the geographic location (LATA) within a state from which the subscriber desires to accept calls for a 800 Number. A waiver for nonrecurring charges for Option 800 was approved in a previous docket, (Docket NO.910978-TL). An order (25307) to waive these nonrecurring charges was issued on November 7, 1991.

 The nonrecurring charge per 800 number, terminating on an exchange access line per LATA, is $10.00 for residential customers and $55.00 for business customers. The nonrecurring charge for Open 800 is normally $35.00, but the Company assumes that most customers will subscribe to Option 800 services. Therefore, the revenue gained may be higher than estimated at the end of the promotion.

 The Company estimates an annual net gain of $15,628 for Open and Option 800 Service residence and business customers. A detailed list of the impact on revenue can be found as Attachment A.

 Southern Bell should be required to provide data to the Commission from the results of this promotion if asked. The Company is required to keep track of expenses, revnues gained or loss for one year, so that staff may obtain the information if needed.

 Staff believes that this is an appropriate tariff filing. This promotion will encourage customer subscription, thereby increasing revenues. Therefore, staff recommends that this tariff filing be approved with an effective date of October 1, 1993.

 Any future tariff filings for comparable promotions will be approved administratively as stated in section 2.08, (c) (18) (n) of the Administrative Procedures Manual. Under A.P.M. terms, promotions such as this are limited to 90 days.

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

**RECOMMENDATION:** Yes, if Issue 1 is approved this tariff should become effective on 10/01/93. If a timely protest is filed this tariff shall remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed.

**STAFF ANALYSIS:** At the conclusion of the protest period, if no protest is filed this docket should be closed.