

FLORIDA PUBLIC SERVICE COMMISSION
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RECEIVED

MEMORANDUM

July 2, 1997

JUL 02 1997
11:55
FPSC - Records/Reporting

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (MUSSELWHITE) *BM*
DIVISION OF LEGAL SERVICES (PELLEGRINI) *NCB for CP*
DIVISION OF AUDITING AND FINANCE (WRIGHT) *DM T*

RE: DOCKET NO. 970714-TL - REQUEST FOR APPROVAL OF TARIFF FILING TO REVISE RATES FOR DIRECTORY ASSISTANCE, DIRECTORY LISTINGS AND CUSTOM CALLING FEATURES, AND TO INTRODUCE TWO CUSTOM CALLING FEATURE PACKAGES BY FRONTIER COMMUNICATIONS OF THE SOUTH, INC. (T-97-0501 FILED 6/4/97)

AGENDA: 07/15/97 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 30-DAY SUSPENSION DATE: WAIVED BY THE COMPANY

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\970714TL.RCM

CASE BACKGROUND

On June 4, 1997 Frontier Communications of the South, Inc. (Frontier or the Company) filed a tariff to revise its rates for directory assistance, directory listings, inside wire maintenance, custom calling features, and to introduce two custom calling feature packages.

DISCUSSION OF ISSUES

ISSUE 1: Should Frontier's proposed tariff filing to revise its rates for directory assistance, directory listings, custom calling features, and to introduce two custom calling feature packages be approved?

RECOMMENDATION: Yes. Frontier's proposed tariff filing to revise its rates for directory assistance, directory listings, custom calling features, and to introduce two custom calling feature packages should be approved, with an effective date of July 15, 1997. (Musselwhite, Wright)

DOCUMENT NUMBER-DATE

06684 JUL-25

FPSC-RECORDS/REPORTING

DOCKET NO. 970714-TL
DATE: JULY 2, 1997

STAFF ANALYSIS: Through its tariff filing, attached hereto as Attachment A, Frontier seeks approval to revise its rates for directory assistance, directory listings, custom calling features, and to introduce two custom calling feature packages. By Order No. PSC-93-1167-FOF-TL, in Docket No. 930493-TL, issued August 10, 1993, the Commission approved Frontier's request to provide minimum and maximum (banded) rates for all custom calling features. The Commission further ordered that Frontier could adjust its actual rates for custom calling features provided that the rates stayed within the approved range and thirty (30) days notice was given to the Commission and to Frontier's customers. In its decision, the Commission stated:

...a permanent banded rate structure will give the Company the flexibility to modify its rates within a established band upon thirty day notice to the Commission. This will enable the Company to generate maximum contribution from discretionary services because this, in turn, minimizes the pressure for increased local basic service rates.

Custom Calling Features

Currently, Frontier charges \$1.75 for all basic residential custom calling features, excluding Visual and Audible Message Waiting Indication whose rates are not being changed. Under its proposal, Frontier seeks to increase these basic residential custom calling features to \$2.00. Frontier is also proposing to increase rates of two of its advanced residential custom calling features, Caller ID and Caller ID Plus Name. Caller ID, which is currently \$4.00, and Caller ID Plus Name, which is currently \$5.00, would both be increased to \$6.00.

Frontier is also proposing to change its custom calling features rates for business customers. Currently, Frontier charges \$2.25 for all basic business custom calling features, excluding Visual and Audible Message Waiting Indication whose rates are not being changed. Under its proposal, the Company seeks to decrease these basic custom calling features to \$2.00. Frontier is also proposing to decrease the charge for one of its advanced business custom calling features, Caller ID Plus Name, from \$7.00 to \$6.00.

Staff would note that the proposed rates for all residential and business services are in line with the rates other local exchange telecommunications companies are charging for the same services.

DOCKET NO. 970714-TL
DATE: JULY 2, 1997

Miscellaneous Charges

Through its tariff filing Frontier also seeks approval to increase the Company's rates for directory assistance, non-published numbers, non-listed numbers, additional listings, and extra line matter in reference listings. Table A below shows the current and proposed rate for each service.

TABLE A

SERVICE	CURRENT RATE	PROPOSED RATE
Directory Assistance	\$.25	\$.30
Non-published number	\$1.75	\$2.50
Non-listed number	\$.40	\$2.00
Additional listings	\$.35	\$1.00
Extra line matter	\$.35	\$1.00

In comparison to the rates being charged by other incumbent local exchange telecommunication companies, Frontier's current rates are low. Table B shows the current rates for the above miscellaneous services by BellSouth, Sprint, GTEFL, and ALLTEL.

TABLE B

COMPANY	NONPUB NOS.	NONLIST NOS.	ADD. LISTING	DA
BellSouth	\$1.75	\$.80	\$1.20	\$.25
Sprint	\$2.35	\$1.60	\$1.25	\$.40
GTEFL	\$2.00	\$1.10	\$.95	\$.40
ALLTEL	\$1.50	\$1.50	\$1.00	\$.25

In Docket No. 960776-TL, Frontier's Petition for a limited scope proceeding to change existing rate relationships, staff performed a review of earnings for the twelve month period ending December 31, 1996. Based on that limited review, it appears that Frontier will not over earn when the increased revenues resulting from this tariff filing are taken into account. The increased revenues of approximately \$35,609 results in an increase

DOCKET NO. 970714-TL
DATE: JULY 2, 1997

in ROE of 1.56%. Frontier reported earning a negative 12.2% ROE for the twelve month period ending December 31, 1996. As shown in the tables above, Frontier's current rates are low for the majority of services compared to the rates charged by other companies. Frontier's proposed rates more closely follow the approved rates for the companies above. Therefore, staff believes that the increases in rates are appropriate.

In addition to the above rate changes, Frontier is proposing two custom calling feature packages called Total Package and Super Package. Frontier's Total Package includes: Caller ID Name & Number, Anonymous Call Rejection, Call Forward, Call Waiting Deluxe, Voice Mail (10 Message), Repeat Dial (*66), Message Waiting Indication, Speed Dial 8, Three-Way Calling, and Maestro 1500CW Rental. The Total Package is available to residential customers for \$14.95, and to business customers for \$17.95, per month. The Super Package includes: Caller ID Name & Number, Anonymous Call Rejection, Voice Mail, Message Waiting Indication, and Maestro 1500 CW Rental. The Super Package also includes a choice of two of the following custom calling features: Call Waiting, Speed Call 8, Speed Call 30, or Three-Way Calling. The Super Package is available to residential customers for \$9.95, and to business customers for \$12.95, per month. These custom calling feature packages are similar to offerings already approved by the Commission for other local exchange telecommunications companies such as Sprint-Florida and ALLTEL.

In summary, the Commission has found banded rates to be an appropriate policy for maximizing revenues while reducing upward pressure on local rates. The services that will be affected are discretionary services that can be used at the customers option. Frontier has provided the Commission with thirty (30) days' notification, as well as provided thirty (30) days' notification to Frontier's customers through two (2) billing inserts, attached hereto as Attachment B. Also, the rate changes proposed by the Company will help Frontier improve its negative return on equity percentage, without putting the Company in an overearnings situation.

Based on the reasons cited above, staff recommends that the Commission approve Frontier's request to revise its rates for directory assistance, directory listings, custom calling features, and to introduce two custom calling feature packages.

DOCKET NO. 970714-TL
DATE: JULY 2, 1997

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If the Commission approves staff's recommendation in Issue 1, this tariff should become effective on July 15, 1997. If a protest is filed within 21 days from the issuance date of the Order, the tariff should remain in effect pending resolution of the protest. If no timely protest is filed, this docket should be closed. (Pellegrini)

STAFF ANALYSIS: If the Commission approves staff's recommendation in Issue 1, this tariff should become effective on July 15, 1997. If a protest is filed within 21 days from the issuance date of the Order, the tariff should remain in effect pending resolution of the protest. If no timely protest is filed, this docket should be closed.

Frontier Communications of the South, Inc.
~~South and Telephone Company~~
201 South Pensacola Avenue
Atmore, Alabama 36502

SUBSCRIBER SERVICES TARIFF

T-97-501

Florida
Public Service
Commission
Schedule 4

Attachment A
Pocket No. 970714-TL
Date: July 2, 1997

^{3rd}
~~2nd~~ Revised Sheet 6
Cancelling ~~1st~~ ^{2nd} Revised Sheet 6

DIRECTORY SERVICES (Continued)

E. CHARGES (Continued):

2. All listing charges are automatically discontinued upon the termination of subscriber line service. Charges for additional listings are also discontinued when, (a) the listed party dies, (b) when the listed party subscribes for similar exchange service, (c) when the listed party moves from the premises at which the exchange service is furnished. Minimum charges for additional listing is the amount of such charges for one full directory period.

3. The following monthly charges apply for additional listings and extra line matter in reference listings:

Additional listings.....\$	1.00 1.00	(C)
Extra Line Matter, Each Line.....\$	1.00 1.00	(C)

4. The telephone company reserves the right to reject additional listings when, in its judgment, such listings would tend to delay or impede the use of the service.

5. Subscribers who ask that they not be listed in the telephone directory impair the service of those who try to reach them by telephone and increase the cost of furnishing Directory Assistance Service.

- a. Non-publish indicates the subscriber will not be listed in the telephone directory nor will his number be shown on the Directory Assistance files. The monthly charged for non-publish service is ~~\$1.75~~ ^{\$2.50} in addition to other applicable charges. (C)
- b. Service charges (Schedule 13) apply when changing to non-publish, or when changing a number at the subscriber's request.
- c. Non-List indicates the subscriber will be listed in the directory assistance files but will not have his number shown in the telephone directory the monthly charge for non-list service is ~~\$1.00~~ ^{\$2.00}. (C)

Issued by: Jeff L. McGehee, Manager Date Issued June 6, 1997
Vice President - Southern Region
Effective: ~~APR 14 1985~~ Order Number _____

Frontier Communications of the South = IC

Florida
Public Service Commission
Schedule 30
Original Sheet 3A

b. Feature Packages

These feature packages include custom calling features and 1014 mail products at a special package rate. (N)

i TOTAL PACKAGE

- Caller ID Name & Number
- Anonymous Call Rejection
- Call Forward
- Call Waiting Deluxe
- Voice Mail(10 Message)
- Repeat Dial (*66)
- Message Waiting Indication
- Speed Dial 8
- Three Way Calling
- Maestro 1500CW Rental

ii SUPER PACKAGE

- Caller ID Name & Number
- Anonymous Call Rejection
- Voice Mail
- Message Waiting Indication
- 2 CCF of Choice*
- Maestro 1500CW Rental

* Applicable CCF of Choice

- Call Waiting
- Speed Call 8
- Speed Call 30
- Three Way Calling

Issued by: Jeff L. McGehee
Vice President - Southern Region

Date: June 6, 1997

Effective: _____

Order Number: _____

(N)

SUBSCRIBER SERVICES TARIFF

Frontier Communications of
the South, Inc.
201 South Pensacola Avenue
Atmore, Alabama 36502

Attachment A
Docket No. 970714-TL
Date: July 2, 1997

Florida
Public Service Commission
Section 30

Sixth ~~Fifth~~ Revised Sheet 4
Superseding ~~Fourth~~ Revised Sheet 4
Fifth

FLEXIBLE PRICING SERVICES

← 1. Custom Calling Feature - rates per line:

Basic Features	Monthly Rates					
	Residence			Business		
	Min.	Max.	Actual	Min.	Max.	Actual
Call Wait/Cancel Call Wait	\$1.50	\$6.00	\$1.75 ^{2.00}	\$1.50	\$7.00	\$2.25 ^{2.00}
Three-Way Calling	.50	6.00	1.75 ^{2.00}	.50	7.00	2.25 ^{2.00}
Call Forwarding	.50	6.00	1.75 ^{2.00}	.50	7.00	2.25 ^{2.00}
Call Forward Busy/Don't Answer	.50	6.00	1.75 ^{2.00}	.50	7.00	2.25 ^{2.00}
Speed Calling (8 Code)	.50	6.00	1.75 ^{2.00}	.50	7.00	2.25 ^{2.00}
Speed Calling (30 Code)	.50	6.00	1.75 ^{2.00}	.50	7.00	2.25 ^{2.00}
Call Transfer	.50	6.00	1.75 ^{2.00}	.50	7.00	2.25 ^{2.00}
Auto Off-Hook Dialing	.50	6.00	1.75 ^{2.00}	.50	7.00	2.25 ^{2.00}
Call Wake-Up	.50	6.00	1.75 ^{2.00}	.50	7.00	2.25 ^{2.00}
Shared Speed Calling	.50	6.00	1.75 ^{2.00}	.50	7.00	2.25 ^{2.00}
Warm Line	.50	6.00	1.75 ^{2.00}	.50	7.00	2.25 ^{2.00}
Remote Access- Call Frwd Var.	.50	6.00	1.75 ^{2.00}	.50	7.00	2.25 ^{2.00}
Visual Message Waiting Indication	.30	6.00	.50	.30	7.00	.50
Audible Message Waiting Indication	.30	6.00	.50	.30	7.00	.50
Advanced Features						
Do Not Disturb	.50	10.00	2.75	.50	10.00	3.25
Personal Ringing	.50	10.00	2.75	.50	10.00	3.25
**Caller ID	.50	10.00	4.00 6.00	.50	10.00	6.00
Caller ID Plus Name	.50	11.00	5.00 6.00	.50	11.00	7.00 6.00
Call Return	.50	10.00	2.75	.50	10.00	3.25
Repeat Dialing	.50	10.00	2.75	.50	10.00	3.25
Call Selector	.50	10.00	2.75	.50	10.00	3.25
Preferred Call Forwarding	.50	10.00	2.75	.50	10.00	3.25
Call Block	.50	10.00	2.75	.50	10.00	3.25
Operator Call Screening	N/A	N/A	N/A	.50	10.00	2.00
Anonymous Call Rejection	.50	10.00	3.00	.50	10.00	3.00
Usage Sensitive Features						
Call Tracing (per activation)	.50	4.00	4.00	.50	4.00	4.00

← 2. Multiple Custom Calling Feature Rates *

Q. ← Monthly Rates Per Additional Feature

	Residence			Business		
	Min.	Max.	Actual	Min.	Max.	Actual
i. Basic Features	\$1.50	\$4.00	\$1.00	.50	\$4.00	\$1.00
ii. Advanced Features	\$1.50	\$5.00	\$2.00	.50	\$5.00	\$2.00

*Excludes Caller ID and Caller ID Plus Name

**Caller ID Service is not available to new subscribers after May 6, 1997. The service remains available to current customers with caller ID until such time that they discontinue service or upgrade to Caller ID Plus Name.

June 6, 1997

Issued By: Jeff L. McGehee
Vice President - Southern Region

Date Issued: ~~April 1997~~

Effective: _____

Order Number: _____

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(m)
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(N)
(N)

T-97-501

Florida
Public Service Commission
Section 30
Original Sheet 4A

Attachment A
Docket No. 970714-TL
Date: July 2, 1997

Frontier Communications of the South Inc

2. }
a. } moved over from previous page

b. Feature Packages

	<u>Monthly Rates</u>					
	<u>Residence</u>			<u>Business</u>		
	<u>min</u>	<u>max</u>	<u>Actual</u>	<u>min</u>	<u>max</u>	<u>Actual</u>
i. Total Package	.50	25.00	\$14.95	.50	25.00	\$17.95
ii. Super Package	.50	25.00	\$9.95	.50	25.00	\$12.95

(N)
|
(N)

Issued by: Jeff L. McGhee
Vice President - Southern Region

Date: June 6, 1997

Effective: _____

Order Number: _____

Attachment B
 Docket No. 970714-TL
 Date: July 2, 1997

BILL MESSAGE REQUEST FORM - GENERAL

TODAY'S DATE: June 2, 1997

REQUESTER: Rose Quinn and Kelly Goodnight

BILL CYCLE(S): July 20, 1997

(Is message to be run in some, one, or all cycles? Please list mo. & cycle to be run, ie: 2/1/97 thru 2/25/97
 or just the 2/10/97 cycle)

SERVICE TYPE(S) (if applicable):

COMPANY: Frontier of the South - Florida customers only

S&E CODE (S) (if applicable):

TAX DISTRICT (if applicable):

BILL MESSAGE (please type exactly as you want to appear)

Beginning July 20, 1997 prices on select calling
 features/services will change. The new monthly prices, for
 both residential and business customers, are as follows:

Call Waiting	\$2.00
Three Way Calling	\$2.00
Call Forwarding	\$2.00
Call Forwarding Busy/Don't Answer	\$2.00
Call Forward Variable-Remote Access	\$2.00
Speed Call 8 or 30	\$2.00
Call Transfer	\$2.00
Call Wake-Up	\$2.00
Warm Line	\$2.00
Caller ID and Caller ID Plus Name	\$6.00
Inside Wire Maintenance	\$2.50
Additional Listing-Directory	\$1.00
Extra Line-Directory	\$1.00
Non Published-Directory	\$2.50
Non Listed-Directory	\$2.00
Directory Assistance	\$.30

Also effective July 20, 1997, a new standard price of \$3.00
 per month will occur on discontinued leased sets. Remember,
 we offer the latest in calling feature sets from the Quick Touch
 100 to the Maestro 1500CW.

frontier

UPDATE

Frontier Communications of Mississippi, Inc.

Volume 6 Number 6

June 1997

RATE CHANGES

Attachment B 876-34/2657 887

Docket No. 970714-TL

Date: July 2, 1997

Effective July 20, 1997 there will be a rate increase on the Basic Custom Calling Features, Inside Wire Maintenance and Caller ID.

The Calling Features that will be changing from \$1.75 to \$2.00 are:

Call Waiting
Call Forwarding
Speed Dialing 8 or 30
Call Return

Inside Wire Maintenance will be increasing from \$2.25 a month to \$2.50.

Caller ID Number Only Subscribers.....BEGINNING JULY 20, 1997 TAKE ADVANTAGE OF FREE CONNECTION ON CALLER ID PLUS NAME!!! The price of Caller ID Number Only service will increase from \$4.00 to \$6.00 per month. CALLER ID PLUS NAME will increase from \$5.00 to \$6.00 per month. CALLER ID PLUS NAME will be the standard service which will allow you to get the most out of CALLER ID as it makes it easier to identify callers. We hope you enjoy all the benefits CALLER ID PLUS NAME offers. Call between June 20, 1997 and August 20, 1997 and receive free connection to CALLER ID PLUS NAME!!!

AREA CODE CHANGE FOR NORTHWEST FLORIDA

Effective June 23, 1997 all telephone service customers living in Northwest Florida will receive a new 850 area code. This new area code will be received by the following customers served by Frontier Communications of the South:

Molino, Florida	587
Walnut Hill, Florida	327

Permissive dialing, which allows the customers effected by the change to dial either the 904 or 850 area code, will continue until midnight of March 22, 1998. Beginning March 23, 1998, mandatory dialing will occur. Mandatory dialing will require the applicable customers to dial the new 850 area code.

TELEPHONE CHANGE AUTHORIZATION

For the protection of our customers, only authorized members of a household or business are allowed to add, change, move or disconnect service. Authorized members are those names in which the phone is listed and/or persons listed in our records as having authority. Call customer service if you wish to make authorization changes.