

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Tariff proposal to waive non-)	DOCKET NO. 910048-TL
recurring charges for customers who)	
convert to contract rates for SyncroNet)	ORDER NO. 24191
and Digital Data Access Service from)	
Dataphone Digital Service and Voice)	ISSUED: 3-4-91
Grade Analog Data Service by SOUTHERN)	
BELL TELEPHONE AND TELEGRAPH COMPANY.)	
)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 BETTY EASLEY
 FRANK S. MESSERSMITH
 MICHAEL MCK. WILSON

ORDER DENYING TARIFF PROPOSAL AS FILED

BY THE COMMISSION:

Southern Bell Telephone and Telegraph Company (Southern Bell or the Company) filed a tariff revision on October 19, 1990 to waive nonrecurring charges for customers who convert from Dataphone Digital Service and Voice Grade Analog Data to contract rates for SyncroNet and Digital Data Access Service. The Company requests the waiver last for six months.

This waiver specifically addresses the nonrecurring charges that a customer would incur with an upgrade in service. A customer of Dataphone Digital Service and/or Voice Grade Analog Data may wish to move to a digital offering. The digital offering that this customer would most likely move to would be either SyncroNet or Digital Data Access Service.

The waiver is proposed by the Company in response to our actions in Docket No. 890505-TL dealing with the Private Line/Special Access restructure. Many analog customers will experience a rate increase with the implementation of the restructure. Southern Bell proposes the waiver to give customers with analog service, an option to move to digital services with greater ease.

We agree that this waiver has merit, however it should not be approved as filed. The Company proposes to only waive the NRC's for customers who apply for contract service. We believe the Company is using the waiver as a means to entice customers into long range contracts. Normally, we would not have a problem with

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various marketing strategies but the purpose of this waiver should be to target all customers to move from older technology to newer digital services, as our intent in the private line docket was to entice such movement. We believe that the waiver should apply to all SyncroNet and Digital Data Access rates and not only to contract rates.

Southern Bell has proposed that the revenues waived due to this filing be included in determination of the Phase 2 offsets that are a part of Docket No. 890505-TL. The Company estimates the forgone revenue associated with the waiver to be \$34,600.00.

We have concerns with considering the foregone revenue as an offset in the private line restructure docket. We believe that while the waiver helps the customers affected by the restructure this waiver also assists the company in achieving the objectives of moving analog customers to digital services.

There are several reasons we believe that the waived revenues should not be used as an offset in the private line docket. First, the waiver approved in the private line restructure docket was directed at Telpak customers whose services were being obsoleted. The private line waiver gave those customers digital alternatives. This waiver is for services that will continue to be offered. Second, normally revenues associated with promotional waivers are not offset. The revenues associated with the Telpak waiver were offset due to our action lengthening the waiver period on several occasions which increased the waived revenues. Finally, this waiver is offered as an afterthought to the private line restructure actions. This waiver is not intended to give a new option to customers whose service is being obsoleted. Instead, the waiver is being used to encourage customers of current services to move to digital alternatives. It appears that the revenue impact of the waiver will be more than offset by future revenues generated by customers moving to digital services. The waiver appears more a marketing decision than a decision to lessen the impact of the private line restructure. The Company should not have the revenue impact included in the Phase 2 impacts.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Southern Bell Telephone and Telegraph Company's tariff proposal to waive the nonrecurring charges for customers who convert to contract rate for SyncroNet and Digital Data Access Service from Dataphone Digital Service and Voice Grade Analog Data Service is denied. It is further

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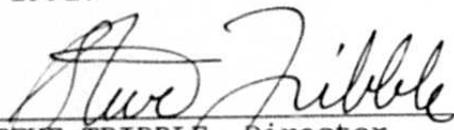
ORDERED that if the tariff proposal is modified so as to apply to both customers who convert to contract rates as well as those who convert to SyncroNet and Digital Access Rates the modified tariff proposal shall be administratively approved. It is further

ORDERED that if Southern Bell Telephone and Telegraph Company modifies the tariff proposal as described above, the modified tariff shall become effective February 1, 1991. It is further

ORDERED that the revenues that are waived if the tariff is modified and becomes effective shall not be recognized in the second phase of the private line/special access restructure Docket No. 890505-TL. It is further

ORDERED that this docket shall be closed at the close of the protest period if no protests are filed pursuant to the requirements described below.

By ORDER of the Florida Public Service Commission, this 4th day of March, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The Commission's decision on this tariff is interim in nature

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and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on March 25, 1991.

In the absence of such a petition, this Order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.