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Telecommunications Intervention
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December 4, 1993

Steven C. Tribble
Director, Division of Records and Reporting
FLORIDA PUBLIC SERVICE COMMISSION
101 E. Gaines Street
Tallahassee, FL 32301

RE: Docket No. 920260-TL
Southern Bell Rate Case

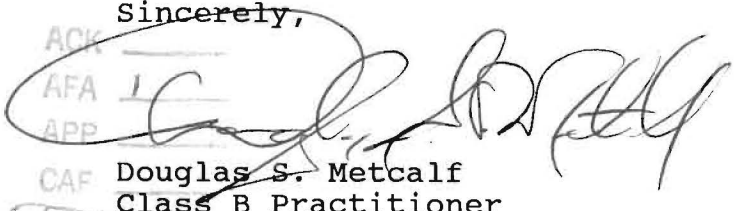
Dear Mr. Tribble:

Enclosed for filing please find a floppy disk in Wordperfect 5.1 and fifteen copies of the Prehearing Statement of the Florida Ad Hoc Telecommunications Users' Committee in the above docket.

Service has been provided to all parties of record in accordance with the attached Certificate of Service.

Thank you.

Sincerely,



Douglas S. Metcalf
Class B Practitioner

ACK _____
AFA 1 _____
APP _____
CAF _____
CMU _____
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EAG _____
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SEC 1 _____
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DOCUMENT NUMBER-DATE

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Comprehensive review of the revenue
requirement and rate stabilization plan of Southern
Bell Telephone and Telegraph Company.

)
) Docket No: 920260-TL
) Filed: December 8, 1993
)

FLORIDA AD HOC TELECOMMUNICATIONS USERS' COMMITTEE
PREHEARING STATEMENT

This is the prehearing statement of the Florida Ad Hoc Telecommunications Users' Committee ("Ad Hoc"). Ad Hoc's responses to the Commission's Order on prehearing procedure follow:

- (a) **Witnesses** - Ad Hoc will present one witness in this proceeding. Douglas S. Metcalf will address the appropriate method for costing and pricing business exchange and private line services and Ad Hoc's concerns with the ELS plan.
- (b) **Exhibits** - No exhibits are contemplated at this time.
- (c) **Basic Position** - Ad Hoc states that Southern Bell Telephone Company ("SBT" or "Company") and the Commission must begin to cost and price business exchange and private line services in a manner appropriate for an evolving competitive market. A threshold requirement for such pricing is the consistent application of costing and pricing methodologies for these services. Under SBT's current tariffs, these methodologies are inconsistently applied and hence, are flawed.
- (d) **Questions of fact** - Whether SBT has appropriately priced services utilized by business users. Ad Hoc submits that SBT has incorrectly priced such services.
- (e) **Questions of law** - Whether SBT's proposed rate structure for business users is unreasonably discriminatory. Ad Hoc submits that it is.
- (f) **Policy questions** - Whether SBT has appropriately priced services utilized by business users. Ad Hoc submits that SBT has incorrectly priced such services.
- (g) **Ad Hoc positions** -

Issue 1 through Issue 24d: - No position at this time.

Issue 25a: - The Commission should compare statistical data provided by SBT with other statistical data provided by similarly sized telephone companies in other jurisdictions who are not subject to incentive regulation.

Issue 25b: - No position at this time.

Issue 26: - The Commission should not approve an incentive regulation plan for SBT. SBT's prices should be regulated by traditional cost of service regulation with some minor modifications. Modifications to traditional regulation should include the elimination of business services from the residual calculation. Business services should be consistently costed (including contribution) and priced as shown in Ad Hoc's testimony. Ad Hoc submits that traditional cost of service regulation is consistent with the public interest, has historically demonstrated the ability to provide affordable and reliable telephone service, and otherwise provides safeguards against unreasonable or discriminatory rates, cross-subsidy and poor quality of service.

Issue 27 and Issue 27a: - No position at this time.

Issue 28a: - No, SBT's ELS plan should not be approved. While Ad Hoc has no position at this time on the local portion of Company's local measured service offering, the seven-digit dialing to forty mile toll plan is anticompetitive and regressive. By Commission Order, intraLATA toll became competitive as of 1/1/92. Ad Hoc recommends that users be able to presubscribe for their intraLATA toll and that SBT be allowed to compete for this business using 1+ ten digit dialing, the commonly recognized and accepted method for dialing toll calls.

Issue 28b: - Yes, if the Company's ELS plan is accepted. No, if presubscription and true intraLATA competition are allowed.

Issue 28c: - Regardless of whether the Commission approves a version of ELS, 1+ intraLATA presubscription should be implemented as soon as possible. Further, intraLATA switched access charges paid to SBT by the IXCs should be no higher on any route than the rate at which they are imputed by SBT to itself.

Issue 28d: - No position at this time.

Issue 29: - At a minimum, these reductions should take place. Further, using the excess revenue determined to be available at the conclusion of these hearings, access charge rates should again be lowered to the maximum extent possible after the business service rate restructuring proposed by Ad Hoc has taken place.

Issue 30a: - No position at this time.

Issue 30b: - Ad Hoc advocates the elimination of the touchtone rate element by melding its cost into the basic service charge and making all R-1 and B-1 service touchtone capable. The Commission is well aware of the additional costs the Company incurs to restrict some customers

to rotary service. Further, the touchtone rate element is not charged to all services (ESSX) which use it. It should be added to that competitive offering, or removed from the competing basic exchange services (PBX and B-1) to which it is now applied.

Issue 30c: - Call Forward-Busy is a legitimate method for transferring calls among lines within a business. If a revenue loss has occurred because this technology accomplishes the same result as hunting, that is because hunting is severely overpriced. As with most other business service price anomalies, repricing all business offerings based on the underlying elemental costs would eliminate the problem.

Issue 30d: - No. While there is no charge for billed number screening for collect and third party calls in Georgia and some other states, it would seem that there could be a cost, and therefore some justification for a one-time charge, to restrict third party billing — even though there is no such charge for 900 or 976 calls. There is however, no justification for a recurring charge.

Issue 31: - Service connection charges, like all charges for any service, should be structured and repriced to approach cost.

Issue 32a: - Lower access charges will foster competition and will lower toll rates for users. This is preferable to any plan which permits SBT to remonopolize its territory and which would, in any event, conflict with the Commission's previous Order in the toll monopoly area docket.

Issue 32b: - The benefits of EAS-like pricing will occur for all users on all routes if access charges are lowered and competition is encouraged.

Issue 32c: - No position at this time.

Issue 33a: - Yes, the direction of the changes in the business service rate relationships are appropriate, but the changes were selectively applied and they do not go far enough. Cost support for all business services should have been provided, and an overall costing/pricing restructure should have been proposed.

Issue 33b: - This proposal is not a major issue to Ad Hoc, but the tariff rules should be consistently applied to any similar services. In the case of DA, this change is fair.

Issue 33c: - No. If the costs to provide CCR are the same for B-1, PBX and ESSX, the rates should be the same.

Issue 33d: - SBT has selectively repriced some of its local exchange services. SBT should be required to reprice all of its business services based on the principles set forth in Ad Hoc's testimony. The contribution from all those services should also be similar.

Issue 34: - No position at this time.

Issue 35 through Issue 36: - No position at this time.

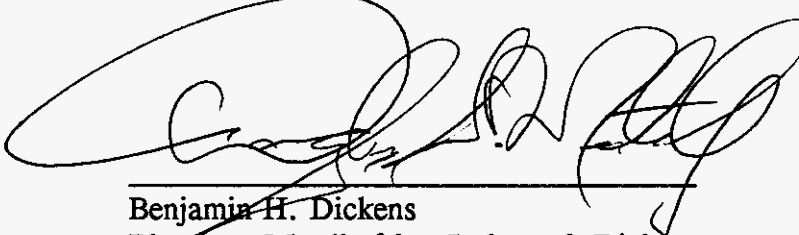
Issue 37: - The Commission should direct SBT to recost and reprice all business services including private lines, special access and ESSX station lines according to the method prescribed by Ad Hoc. SBT has not proposed any changes to private lines and ESSX. The result unfairly burdens other business users. The total cost of ESSX, including station lines and usage factors should be included in the restructure and repricing.

Issue 38a through Issue 404: - No position at this time.

- (h) **Stipulations** - None
- (i) **Pending motions** - Ad Hoc has no pending motions before the Commission in this docket.
- (j) **Requirements** - Ad Hoc has complied with all requests and discovery by any party or the Commission in this docket.

Respectfully submitted,

FLORIDA AD HOC TELECOMMUNICATIONS USERS COMMITTEE:



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CERTIFICATE OF SERVICE
Docket No. 920260-TL

I certify that a correct copy of the foregoing was sent by
U.S. Mail to the following parties on December 6, 1993.

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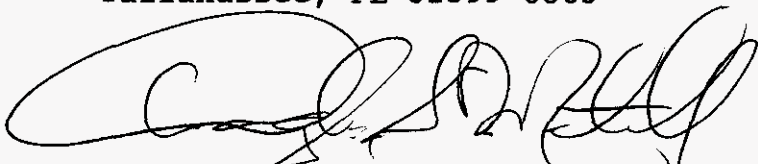
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