

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: PROPOSED TARIFF BY AT&T) DOCKET NO. 890317-TI
 COMMUNICATIONS OF THE SOUTHERN STATES,) ORDER NO. 21130
 INC. REDUCING THE MONTHLY RECURRING) ISSUED: 4-26-89
 CHARGE FOR PRO WATS FLORIDA SERVICE.)
 _____)

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 JOHN T. HERNDON

ORDER APPROVING TARIFF

BY THE COMMISSION:

On February 10, 1989, AT&T Communications of the Southern States (ATT-C) filed a proposed tariff to reduce the monthly recurring charge for its PRO WATS Florida service from \$15 to \$12. In Order No. 19758, issued on August 3, 1988, we approved ATT-C's plan allowing it flexibility from strict regulation of its earnings and rates. Monthly recurring charges, however, were not among those items eligible for this treatment; thus, our approval is required for the filing in this docket.

PRO WATS is a discounted long distance service, offered to small business customers, that does not require installation of dedicated facilities as in other WATS offerings. The monthly recurring charge is an economic threshold or "buy in" to target the service to the desired market.

Our critical concern in evaluating this proposal is a determination of whether its effect is anticompetitive. If relative market prices were driven lower than associated costs by this filing, it would reflect an attempt to eliminate competitors. A review of comparable offerings of ATT-C's competitors reveals similar prices as will appear in PRO WATS from this tariff proposal, leaving ATT-C above the lowest recurring charge in the market. Further, it is important to note that usage rates must cover all costs of providing the service while the recurring charge has no associated cost. It serves as a guarantee of contribution up to a specified volume. ATT-C has chosen to reduce its contribution from this service as a strategic action. We find that this reduction is not detrimental to this market and that ATT-C will cover its costs to provide PRO WATS. Thus, the tariff is approved.

Therefore, based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the proposed tariff revision of AT&T Communications of the Southern States to reduce the monthly recurring charge for its PRO WATS Florida service is hereby approved. It is further

ORDERED that this docket be closed.

DOCUMENT NUMBER-DATE

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By ORDER of the Florida Public Service Commission,
this 26th day of APRIL, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

ELJ

by: Kay Dizon
Chief, Bureau of Records

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes (1985), as amended by Chapter 87-345, Section 6, Laws of Florida (1987), 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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or 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 after the issuance of this order, 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.