

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 14th
day of October, 1994.

In the matter of Southwestern Bell)
Telephone Company tariff designed to)
consolidate a number of existing)
tariff sections into a new tariff)
section, expand options under)
BizSaver and establish a new package)
of services called "The Works".)

Case No. TT-95-80

ORDER APPROVING TARIFF

On September 19, 1994, Southwestern Bell Telephone Company (SWBT) filed proposed tariff sheets to restructure existing tariff sections which presently provide Custom Call Service, Call Control Options, Personalized Ring, ComCall, Caller ID Service and BizSaver. The proposed restructuring of tariff services would eliminate the product line associated with these services by combining all of these services into a new tariff section called EasyOptions Service. The proposed tariff filing also seeks to expand various combinations or packages of services for which business and residential customers may qualify for rate discounts. These tariff sheets reflected an effective date of August 31, 1994.

On September 19, 1994, the Office of Public Counsel (OPC) filed a Motion to Suspend Tariff in which numerous issues were raised in conjunction with the way in which this tariff filing would relate to the outcome in Case No. TC-93-224 and TR-89-182, et al. On September 23, 1994, the Commission issued a Notice directing any party wishing to respond to OPC's Motion to do so by September 30, 1994. Thereafter, the Commission issued an additional Notice extending the date pursuant to the request of

the parties to October 7, 1994. Subsequently, pursuant to unanimous request of the parties, the Commission did not rule on the Motion to Suspend Tariff pending resolution of this case.

On October 13, 1994, the Public Service Commission Staff (Staff) filed its Memorandum regarding this case and, on that same date, the Office of Public Counsel filed its withdrawal of the Motion to Suspend Tariff. Pursuant to the OPC withdrawal, the Motion to Suspend Tariff is no longer relevant.

The Staff recommendation has stated that the current SWBT offerings are tariffed in a manner which categorizes the service as belonging to one of several groups of services. Restructuring the existing tariff would remove the artificial product line barriers. SWBT's proposed filing would eliminate the product differentiation associated with all of these services by creating a new tariff section which combines all vertical services into a single class of service called EasyOptions. Staff states that it has examined the proposed rate structure and Staff finds that, depending upon the configuration of services subscribed to, some subscribers would experience a rate reduction and other subscribers would experience a rate increase. Staff states that of the nineteen (19) EasyOptions residential services which may be purchased on an individual basis, five (5) of the features will experience a rate decrease while three (3) features will be increased in price. Rates would remain unchanged for all other individually priced services. Staff has pointed out that the rates for SWBT most popular residential services, Caller ID and Call Waiting, would remain unchanged.

Staff states that some subscribers of discounted multiple services will experience a rate reduction while other customers will experience a rate increase. Staff further submits information provided by

SWBT which suggests that the percent of customers who will experience no rate change would be 70 percent for residential customers and 1 percent for business customers. The percentage of customers with a rate decrease is 21 percent for residential and 40 percent for business customers and the percentage of customers with a rate increase is 9 percent for residential customers and 59 percent for business customers.

SWBT's filing also proposes to introduce EasyOptions Packages which would expand upon existing discounts available to customers subscribing to groups of services. One such discounted service, BizSaver, currently offers discounts on two (2) groups of services. The revised BizSaver Package would increase business customer options by expanding the offering to include four (4) groups of services. In support of its advertising efforts, SWBT has also submitted a companion filing which seeks to establish a promotion for its discount package called "The Works". This tariff was filed separately under Commission's File No. 9500109.

SWBT submitted cost information in support of its proposed rates for EasyOptions and Staff has reviewed the data. Staff states that as with the existing rate structure the new rates for EasyOptions cover costs and provide a significant amount of contribution. At the request of Staff, SWBT has also agreed to provide information which will enable Staff to track the impact of the proposed custom calling rate and tariff restructuring.

Staff has stated that this tariff restructuring should stimulate demand for vertical services by eliminating the artificial product line barriers inherent to the current tariff while simultaneously keeping to a minimum the negative rate impact on existing customers.

The Commission has reviewed the Staff recommendation, the tariffs and the entirety of the file and finds that the tariff filing

herein will expand the availability of various services and remove some barriers and restrictions on the ways in which individual services may be offered. The Commission further finds that it is just and reasonable and it approves the tariffs filed herein.

IT IS THEREFORE ORDERED:

1. That the tariffs filed herein are approved for service on and after October 18, 1994:

P.S.C. Mo. No. 35

Section 13 3rd Revised Sheet 117, replacing 2nd Revised Sheet 117

Section 26 4th Revised Sheet 1, replacing:
3rd Revised Sheet 1
3rd Revised Sheet 2
2nd Revised Sheet 2.01
Original Sheet 2.02
12th Revised Sheet 3
4th Revised Sheet 3.01
3rd Revised Sheet 4
2nd Revised Sheet 4.01
2nd Revised Sheet 4.02
9th Revised Sheet 5
Supplemental Schedule 1st Revised Sheet 1

Section 34 2nd Revised Sheet 7, replacing 1st Revised Sheet 7

Section 39 4th Revised Sheet 1, replacing:
3rd Revised Sheet 1
2nd Revised Sheet 2
2nd Revised Sheet 3
3rd Revised Sheet 4
1st Revised Sheet 4.01
1st Revised Sheet 5
Original Sheet 6
Supplemental Schedule 1st Revised Sheet 1

Section 40 1st Revised Sheet 1, replacing:
Original Sheet 1
Original Sheet 2
Original Sheet 3
2nd Revised Sheet 4

Section 41 1st Revised Sheet 1, replacing:
Original Sheet 1
Original Sheet 2

Section 43 2nd Revised Sheet 1, replacing:

1st Revised Sheet 1
Original Sheet 2
Original Sheet 3
Original Sheet 4

Section 44 1st Revised Sheet 1, replacing Original Sheet 1
Section 44 Original Sheets 2, 3, 4, 5
Section 47 Original Sheets 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13,
14.
2. That this order shall become effective on October 18,
1994.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, and
Perkins, Concur.
Crompton, C., Concur with written
opinion to follow.
Kincheloe, C. Absent.