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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 July, 1998.

In the Matter of Southwestern Bell Telephone)
Company's Tariff Revised Designed to Expedite) Case No. TT-98-571
the Promotion Process at the Missouri Public)
Service Commission.)
)

ORDER APPROVING TARIFF

Southwestern Bell Telephone Company (SWBT) filed tariff revisions on June 12, 1998 that would permit SWBT to offer certain promotions by submitting a ten-day notice filing with the Commission. SWBT stated that the affected promotions would be priced high enough to cover long run incremental costs and the ten-day methodology would be in place for a one-year trial period.

COMPTEL-MO (COMP-TEL) filed a Motion to Suspend and Application to Intervene on June 19; the Mid-Missouri Group filed an Application to Participate on June 22; the Office of the Public Counsel filed a Motion to Suspend on June 23. These parties proposed various grounds for suspension, including the following: (a) a ten-day notice period is not adequate for customers or competitors to object to an unlawful, misleading, or anticompetitive promotion; the revisions would allow a promotion to last for up to 12 months; SWBT could avoid tariffing its offerings by treating them all as promotions; these promotional offerings may not be available to competitive local exchange carriers (CLECs) at the resale discount; the tariff language says the promotions will not be priced

below "long run incremental cost" whereas COMP-TEL contends that the appropriate criterion is "imputed access" cost; such a major change in how promotions are handled should be done by rulemaking.

The Staff of the Commission (Staff) filed a memorandum on July 1 recommending approval of the tariff. Staff pointed out that the tariff would only be in effect for a one-year trial period. Staff believes this method of handling promotions offers benefits to telecommunications service providers, their customers, and the Commission by making promotions easier to implement and reducing the administrative burden to the Commission. Staff also states that the specific promotions covered by this methodology are promotions that the Commission has approved in the past. Staff referred to the Commission's statement in TR-94-364 that "[t]he Commission further finds that a more expeditious treatment of IXC [interexchange] promotions would be beneficial" Although this reference is to IXC promotions and SWBT is a basic local provider, Staff believes the same reasoning should be applied to this case and to other basic local service providers.

SWBT filed a response to the motions to suspend on July 7, stating that the promotions tariff was developed with Staff's input and provides benefits to SWBT, customers, and the Commission. The program is a trial program and will end in one year; it will be reevaluated at that time to determine how well it works and whether it creates inequities. SWBT stated that CLECs providing service in SWBT exchanges routinely get a 30-day notice of any proposed promotion under the terms of SWBT's interconnection agreement with AT&T. Although SWBT's agreements with some CLECs provide for a shorter notice period, SWBT

gives notice to all CLECs at the same time regardless of the terms of the individual agreements.

The Commission has reviewed the tariff sheets, the motions to suspend, SWBT's response, and Staff's recommendation and finds that the tariff should be approved. The promotions that are affected by this new implementation methodology are promotions that have been approved by the Commission in the past. The ten-day notice method should offer benefits to SWBT and its end users by making the introduction of promotions faster and easier, and should reduce the administrative burden on the Commission. Any problems that may arise can be addressed at the end of the one-year trial period.

IT IS THEREFORE ORDERED:

1. That the tariff filed by Southwestern Bell Telephone Company on June 12, 1998, is approved. The tariff sheets approved are:

P.S.C. Mo.-No. 35 General Exchange Tariff

Section 44:

Original Sheet 10.01

Section 47:

Original Sheet 12.05

P.S.C. Mo.-No. 24 Local Exchange Tariff

2nd Revised Sheet 1.02 Replacing 1st Revised Sheet 1.02

P.S.C. Mo.-No. 26 Long Distance Message Telecommunications Service Tariff

Original Sheet 52

2. That the Motion to Suspend and Application to Intervene filed by COMPTel-MO on June 19, 1998 is denied.

3. That the Application to Intervene filed by the Mid-Missouri Group on June 22, 1998 is denied.

4. That the Motion to Suspend Tariff filed by the Office of the Public Counsel on June 23, 1998 is denied.

5. That this order shall become effective on July 15, 1998.

BY THE COMMISSION

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Drainer,
Murray and Schemenauer, CC.,
concur.

Wickliffe, Deputy Chief Regulatory Law Judge

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JUL 15 1998
COMMISSION COUNCIL
PUBLIC SERVICE COMMISSION