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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 11th
day of September, 1997.

In the Matter of AT&T Communications of the)
Southwest, Inc.'s Tariff Filing to Introduce AT&T) **Case No. TT-98-87**
One Rate Mobile Promotion.)
)

**ORDER APPROVING TARIFF SHEETS
AND DENYING MOTION TO CONSOLIDATE**

AT&T Communications of the Southwest, Inc. (AT&T) submitted a tariff filing (File No. 9800135) to the Commission for approval on August 14, 1997, with an effective date of September 15. AT&T is proposing to introduce the AT&T One Rate Mobile (One Rate) plan as a promotional add-on to the interstate One Rate Mobile Promotion. One Rate would allow customers to receive promotional rates on intrastate dial station and calling card calls billed to the customer's account between September 15 and December 31. Customers must be presubscribed to AT&T's long distance services in order to qualify for the promotion which is offered under the terms and conditions of AT&T's federal tariff.

The Staff of the Commission (Staff) filed a Motion to Suspend on August 28, stating that the tariff filing would violate Section 392.200.2, RSMo 1994, which prohibits rate discrimination, i.e., the charging of differing rates for the same service. Staff argues that the intrastate portion of the One Rate plan results in AT&T charging differing rates for identical services. Staff stated that AT&T's position is that the plans are differentiated at the interstate level and that intrastate service is

only a portion of a total calling rate package that includes a federally tariffed monthly recurring charge. Staff's position is that, because the plans are indistinguishable at the intrastate level AT&T's proposal would result in discriminatory pricing.

Staff points out that the Commission has the discretion to waive the application of certain statutory provisions and Commission rules, but asserts that the prohibition against discriminatory pricing is not among those provisions that can be waived. Staff argues that the tariff sheets should be suspended. Staff also filed, on August 28, a Motion to Consolidate this case with numerous other tariff filings to which the Staff has similar objections.

The Commission has reviewed AT&T's tariff filing and Staff's motions to suspend and consolidate. The Commission finds that the Motion to Consolidate this case with other tariff cases is inappropriate in that, although Staff makes the same objections to all the proposed tariffs, the tariffs have been submitted by various companies and differ in substance. Consolidation of this case with TT-98-88 and TT-98-89, based on similar AT&T tariff filings, would be appropriate if the Commission intended to suspend the tariff sheets and conduct a contested case proceeding. Since the Commission does not intend to suspend the tariff sheets, each case will be considered on its own merits.

The Commission has considered the provisions of AT&T's proposed One Rate promotional offering and finds no violation of the prohibition against discriminatory pricing. The concept of discriminatory pricing is relevant only as applied to customers. The Commission must ask whether a proposed calling plan would result in similarly situated customers being forced to pay differing rates for the same services. See State of

Missouri, ex rel. DePaul Hospital School of Nursing v. Missouri Public Service Commission, 464 S.W.2d 737, 740 (Mo. App. 1970). Although the intrastate portion of the One Rate package may not differ from AT&T's other intrastate services, the plan must be considered as a whole. Taken as a whole, the terms of the One Rate plan constitute a variation from a simple offering of intrastate services. Customers are free to choose the package most appropriate to their calling patterns. AT&T's proposal is a valid promotional discount. Accordingly, the Commission finds that AT&T's proposed tariff sheets are just, reasonable, and nondiscriminatory and they shall be approved.

IT IS THEREFORE ORDERED:

1. That the following tariff sheets submitted by AT&T Communications of the Southwest, Inc. on August 14, 1997, are approved to become effective on September 15, 1997:

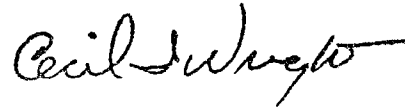
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2. That this order shall become effective on September 15, 1997.

BY THE COMMISSION



Cecil L. Wright
Executive Secretary

(S E A L)

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

ALJ: Wickliffe