

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filing to)	DOCKET NO. 901011-TL
establish Centrex service and contract)	ORDER NO. 24314
service arrangements by QUINCY)	ISSUED: 4/2/91
TELEPHONE COMPANY.)	
)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 J. TERRY DEASON
 BETTY EASLEY
 GERALD L. GUNTER
 MICHAEL MCK. WILSON

ORDER APPROVING TARIFF

BY THE COMMISSION:

I. BACKGROUND

On December 17, 1990, Quincy Telephone Company (Quincy or the Company) filed a tariff to introduce Centrex Service as a new digital service to be made available throughout the Company's service area. Recently, Quincy has received requests for Centrex Service from the State of Florida, specifically the Department of Health & Rehabilitative Services, as well as several other entities. Quincy has responded with this filing.

II. CENTREX TARIFF

Centrex Service is a basic local exchange offering, providing dial tone and direct inward dialing (DID) as part of the basic offering. For several years, other Florida local exchange companies (LECs) have offered centrex service, under a variety of names, as a competitive alternative to PBX Service and key systems. Centrex Service requires digital central office facilities in addition to special central office software. All switching and features are performed by this software. No terminal equipment is provided by the Company. Centrex Service offers a wide variety of call management techniques and optional features, similar to those provided by unregulated customer premises equipment (CPE) providers through private branch exchanges (PBXs) and key systems.

The Centrex Service monthly station line rate includes not only dial tone and DID, but also several features, such as Call Hold and Three-Way Calling. The station line rate varies according to the size of the service and the length of the contract. The lowest monthly rate per line is \$18.00 for 101 or more lines with a 48 months contract period. The highest monthly rate per line is

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\$25.00 for 2 - 5 lines with a monthly contract basis. In addition to station lines, customers must subscribe to Network Access Registers (NARs) in order to gain access to the switched network. NARs are purchased based on an optimal ratio NARs to station lines. The monthly rate for a NAR ranges from \$14.50 to \$15.00, depending upon the number of NARs purchased. To complete the basic service, customers must also subscribe to Touchtone at \$1.00.

Quincy provided the results of its fully-allocated cost study performed by the Company in support of the proposed rates. Based on this information, it appears that the proposed Centrex Service rates exceed the fully-allocated costs of the service and provide a contribution to the common costs of the Company. Further, it appears that the proposed rates are competitive with similar PBX offerings.

Quincy projects first year demand for Centrex Service of 207 station lines. The Company projects a demand for 180 lines from the State of Florida. The demand for the remaining 27 lines is expected from local government and small businesses. Quincy projects first year revenues in a range from \$54,117 to \$64,053.

Upon consideration of the foregoing, we find that Quincy's proposed Centrex Service is appropriate and should be approved. The tariff is approved with an effective date of February 21, 1991.

III. CONTRACT SERVICE ARRANGEMENTS

Quincy's tariff filing also includes a provision allowing the Company to establish competitive rates under Contract Service Arrangement (CSAs). CSAs are developed on an individual case basis in lieu of existing tariff offerings for specific competitive services when it can be shown that there is a reasonable potential for uneconomic bypass of such services. Uneconomic bypass occurs when a non-LEC service is utilized by customers at rates below the LEC's rate but above the LEC's incremental costs.

Quincy's filing mirrors the CSA tariff section previously approved for Southern Bell Telephone and Telegraph, with two exceptions. First, Quincy's filing includes CSA authority for centrex service only, and not the other services which are included in the Southern Bell CSA tariff. Second, the filing includes the following statement: "The Florida Public Service Commission has the right to modify the terms, conditions, rates, and charges during the period of the contract." It should be noted that Quincy proposes the same rate for centrex service under CSA to the State of Florida as it proposes in its proposed tariff offering.

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We have previously set forth the requirements for LECs to provide CSAs in Orders Nos. 13603 and 15317. In accordance with those Orders, LECs offering CSAs were directed to file monthly reports for the first year, and quarterly reports thereafter. Accordingly, Quincy shall file the following information on the schedule described above:

1. A brief description of all new service arrangements for the month/quarter.
2. The applicable rates, charges and contract period involved (if applicable).
3. The comparable tariff rates and charges for each contract.
4. A cumulative total of the revenues generated by the contract service offerings, as well as those of corresponding tariff rates.
5. The justification for this offering on a case-by-case basis.
6. The number of CSAs requested, the number of CSAs quoted, and the number of CSAs requested but canceled by the customer prior to a price quotation. Also, the number of CSA offers accepted and the number of CSAs rejected.

It appears that the Company has proposed CSAs in a manner consistent with our policy. Therefore, we find Quincy's filing to establish Contract Service Arrangements appropriate and hereby approve it with an effective date of February 21, 1991.

Based on the foregoing, it is, therefore,

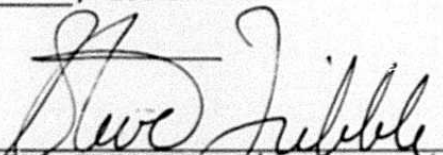
ORDERED by the Florida Public Service Commission that Quincy Telephone Company's proposed tariff filing to introduce Centrex Service and for authority to offer Contract Service Arrangements is hereby approved as set forth in the body of this Order. It is further

ORDERED that if a protest is filed in accordance with the requirements set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

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By ORDER of the Florida Public Service Commission, this
2nd day of APRIL, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, 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.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on April 23,
1991.

In the absence of such a petition, this Order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

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If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by 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 of the date this Order becomes final, 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.