

MEMORANDUM

MARCH 23, 1996

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FPSC-RECORDS/REPORTING
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TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (HATCH, CANZANO)
RE: DOCKET NO. 921074-TP - PETITION FOR EXPANDED
INTERCONNECTION FOR ALTERNATE ACCESS VENDORS WITHIN LOCAL
EXCHANGE COMPANY CENTRAL OFFICES BY INTERMEDIA
COMMUNICATIONS OF FLORIDA, INC.

0417-FOF

Attached is an ORDER APPROVING EXPANDED INTERCONNECTION TARIFFS, to be issued in the above-referenced docket. (Number of pages in Order - 8)

TWH/DLC/clp
Attachment
cc: Division of Communications
I: 921074TI.TWH

27/4

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for expanded) DOCKET NO. 921074-TP
interconnection for alternate) ORDER NO. PSC-96-0417-FOF-TP
access vendors within local) ISSUED: March 26, 1996
exchange company central offices)
by INTERMEDIA COMMUNICATIONS OF)
FLORIDA, INC.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JULIA L. JOHNSON

ORDER APPROVING EXPANDED INTERCONNECTION TARIFFS

BY THE COMMISSION:

I. BACKGROUND

On October 16, 1992, Intermedia Communications of Florida, Inc. (Intermedia or ICI) filed a petition seeking authorization for Alternative Access Vendors (AAVs) to provide certain services through collocation arrangements in local exchange company (LEC) central offices. In order to address Intermedia's petition, broader questions regarding private line and special access expanded interconnection had to be resolved. In Phase I of this proceeding we addressed expanded interconnection for special access and private line. Phase II was devoted to expanded interconnection for switched access.

Expanded interconnection is a collocation arrangement that permits access providers other than the LECs to interconnect with the LECs' networks on the LECs' premises. Under this arrangement, the LECs are required to provide space at designated points within their networks for locating, either virtually or physically, the transmission equipment of competing access providers. Customers can use the LECs' local loops to connect with LEC central offices and then, via expanded interconnection, select from available access providers the switched transport services that connect a LEC central office with an interexchange carrier's point of presence. Expanded interconnection also makes special access and private lines available to customers through collocation.

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By Order No. PSC-94-0285-FOF-TL (Phase I Order), issued March 10, 1994, we determined that expanded interconnection for private line and special access services was in the public interest. We initially required physical collocation in conjunction with our other requirements for its implementation.

The Federal Communications Commission (FCC) in its initial decision on expanded interconnection mandated physical collocation. However, on June 10, 1994, the United States Court of Appeals for the District of Columbia Circuit rejected the FCC's adoption of physical collocation on the basis that the FCC did not have statutory authority to require physical collocation. In recognition of the court's decision, we stayed our Phase I Order and held in abeyance all outstanding motions until Phase II was resolved.

After the District Court's decision, the FCC modified its original decision and established a mandatory virtual collocation policy for special and switched access expanded interconnection. However, the local exchange companies were exempted from this requirement in offices where they instead opt to provide physical collocation; once space for physical collocation is exhausted, the local exchange company must provide virtual collocation.

Subsequently, by Order No. PSC-95-0034-FOF-TP, issued January 9, 1995 (Phase II Order), we determined that expanded interconnection for switched access was in the public interest, and that the local exchange companies should be required to provide virtual collocation for switched access expanded interconnection to all interconnectors upon request. We also exempted the local exchange companies from this requirement in offices where they instead opted to provide physical collocation; once space for physical collocation is exhausted, the local exchange company must provide virtual collocation. Our Phase II Order requires that all Tier 1 local exchange companies file tariffs conforming to our decisions in Phases I and II.

By Order No. PSC-95-1188-FOF-TP, issued September 21, 1995, we lifted the stay of our Phase I Order and revised the Phase I Order to require virtual collocation, consistent with our decision in Phase II. Further, we required all LECs to file revisions to their special access and private line expanded interconnection tariffs in conformance with the Phase II Order.

II. BELLSOUTH'S TARIFF

On November 20, 1995 BellSouth Telecommunications, Inc. (BellSouth) filed revisions to its Private Line and Special Access Tariffs to comply with the Phase I and Phase II Orders, Order No. PSC-95-0680-FOF-TP, issued June 6, 1995 (Phase II Reconsideration), and Order No. PSC-95-1188-FOF-TP, issued September 21, 1995 (Phase I Reconsideration). The purpose of the revisions is to implement expanded interconnection service and zone density pricing for private line and special access as mandated.

BellSouth filed a tariff, T-94-191, which contains rates, terms, and conditions for private line, special access and switched access expanded interconnection service. This tariff also contains BellSouth's zone density pricing plan for its private line and special access services.

Upon review of the expanded interconnection tariff, it appears that it is appropriate. As required, the tariff mirrors BellSouth's interstate filing. In addition, the rates, terms and conditions that were specifically ordered are contained in the tariff, including checkerboarding, warehousing, fresh look, and tariffing at the DS0 level.

BellSouth also proposes a zone density pricing plan for private line and special access using a system of three zones to reflect density differences. Zone 1 is the most dense zone with more than 500 DS1 equivalent circuits. Zone 2 is the medium density zone with between 100 and 500 DS1 equivalent circuits. Zone 3 is the least dense zone with fewer than 100 DS1 equivalent circuits. The zone designation of each central office in Florida is the same as the interstate zone designation.

The interstate plan assigned central offices to zones on the basis of the relative traffic densities in those offices. All central offices are ranked on the basis of DS1 equivalent circuits for switched access, high capacity dedicated access, and high capacity private line.

All of the access data used in determining density zones was obtained from BellSouth's Carrier Access Billing System (CABS) billing records. The private line high capacity quantities were obtained from customer billing records. At this time, BellSouth proposes that the rates for all three zones be equal to the currently tariffed rates for private line and special access. BellSouth states that it is currently modifying and testing its billing systems at both the intrastate and interstate levels. When

these changes and tests are complete, BellSouth will have the ability to file separate tariffs to revise the rates in each zone.

Based on our review, it appears that BellSouth's zone density pricing tariff is appropriate. The tariff adheres to the guidelines established by the FCC in its Report and Order adopted September 17, 1992 in CC Docket No. 91-141. BellSouth's intrastate plan is identical to its interstate plan except for the portions that relate to the federal price cap indices. We note that BellSouth's interstate plan was approved by the FCC in its Order numbered DA 93-726, released June 18, 1993.

Upon consideration, we find that BellSouth's tariff (T-94-191) implementing expanded interconnection service and zone density pricing for private line and special access is approved, effective February 6, 1996.

III. GTEFL'S TARIFFS

On November 20, 1995, GTE Florida Incorporated (GTEFL) filed revisions to its General Services Tariff and Dedicated Access Tariffs in compliance with the Phase I and II Orders and the Phase I and Phase II Reconsideration Orders. The purpose of the revisions is to implement expanded interconnection service and zone density pricing for private line and special access as mandated.

GTEFL filed separate tariffs for expanded interconnection, private line zone density pricing, and special access zone density pricing. As ordered, the tariffs mirror GTEFL's interstate filing. In addition, the rates, terms, and conditions that were ordered are contained in the tariff, including checkerboarding, warehousing, fresh look, and tariffing at the DS0 level.

GTEFL's proposed zone density pricing plan proposes a system of density pricing zones, with rates that are averaged in each zone, but the rates may vary among zones. Zone 1 is the most dense zone with more than 112 DS1 equivalent circuits. Zone 2 is the medium density zone with greater than 50 DS1 equivalents or less than or equal to 112 DS1 equivalent circuits. Zone 3 is the least dense zone with less than or equal to 50 DS1 equivalent circuits. The zone designation of each central office in Florida is the same as the interstate zone designation.

The plan assigns central offices to zones on the basis of the relative traffic densities in those offices. All central offices are ranked on the basis of DS1 equivalent circuits for switched access, high capacity dedicated access, and high capacity private

line quantities. At this time, GTEFL proposes that the rates for all three zones be equal to the currently tariffed rates for private line and special access.

Upon review, it appears that GTEFL's zone density pricing tariffs are appropriate. They adhere to the guidelines established by the FCC in its Report and Order adopted September 17, 1992 in CC Docket No. 91-141. The plan is consistent with the federal filing methodology. We note that GTEFL's interstate plan was approved by the FCC in its Order numbered DA 93-726, released June 18, 1993.

Accordingly, we find that GTEFL's tariffs (T-94-195, T-94-305, and T-94-306) implementing expanded interconnection service and zone density pricing for private line and special access is approved, effective February 6, 1996.

IV. CENDEL'S TARIFFS

On September 5, 1995 and November 21, 1995, Central Telephone Company of Florida (Centel) filed revisions to its General Customer Services Tariff and Access Tariffs in compliance with the Phase I and II Orders and the Phase I and Phase II Reconsideration Orders. The purpose of the revisions is to implement expanded interconnection service and zone density pricing for private line and special access as mandated.

Centel filed separate tariffs for expanded interconnection and private line and special access zone density pricing. As ordered, the tariffs mirror Centel's interstate filing. In addition, the rates, terms and conditions that were ordered are contained in the tariff, including checkerboarding, warehousing, fresh look and tariffing at the DS0 level.

Centel's proposed zone density pricing plan is a three-zone structure similar to the zone-density plan proposed in the interstate jurisdiction. Each of Centel's wire centers has already been designated to one of the three zones in the interstate jurisdiction, and Centel proposes that this designation be used for the intrastate jurisdiction as well.

Centel proposes zone designations similar to those of BellSouth and GTEFL. Zone 1 is the most dense zone with more than 3 DS3 equivalents. Zone 2 is the medium density zone with 1-3 DS3 equivalents. Zone 3 is the low density zone, with fewer than 1 DS3 equivalents. The intrastate zone designation of each central office in Florida is the same as the interstate zone designation.

The plan assigns central offices to zones on the basis of the relative traffic densities in those offices. All central offices are ranked on the basis of the total access traffic (intrastate and interstate), switched and special access. All of the traffic is based on actual 1992 level demand for each central office. Demand is expressed as DS1 equivalents. Switched access minutes are converted to DS1 equivalents by assuming that, on average, a DS1 carries 300,000 minutes of use per month.

Unlike BellSouth and GTEFL, Centel proposes different rates for the three zones. Zone 2 is equal to current tariffed rates for private line and special access. Zone 1, the most dense, contains rates that are 10% below Zone 2 rates. Zone 3, the least dense, contains rates that are 5% above the Zone 2 rates. Centel filed supporting cost information to support the rates for each zone. Based on review of the cost data, the rates in each zone filed by Centel are above the average incremental cost.

Upon review, Centel's zone density pricing tariffs appear appropriate. They adhere to the guidelines established by the FCC in its Report and Order adopted September 17, 1992 in CC Docket No. 91-141. The plan is consistent with the federal filing methodology. We note that Centel's interstate plan was approved by the FCC in its Order numbered DA 93-726, released June 18, 1993.

Accordingly, we find that Centel's tariffs (T-94-197 and T-94-409) implementing expanded interconnection service and zone density pricing for private line and special access should be approved, effective February 6, 1996.

V. UNITED'S TARIFFS

On September 5, 1995 and November 21, 1995, United Telephone Company of Florida (United) filed revisions to its General Customer Services Tariff and Access Tariffs in compliance with the Phase I and II Orders and the Phase I and Phase II Reconsideration Orders. The purpose of the revisions is to implement expanded interconnection service and zone density pricing for private line and special access as mandated.

United filed separate tariffs for expanded interconnection and private line and special access zone density pricing. The rates, terms, and conditions contained in United's tariffs for expanded interconnection and special access and private line zone density pricing are identical to Centel's tariff discussed above. The underlying cost for each of the rate elements for the tariffs is also the same.

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Upon consideration, we find that United's tariffs (T-94-196 and T-94-410) implementing expanded interconnection service and zone density pricing for private line and special access should be approved, effective February 6, 1996.

Therefore, based on the foregoing, it is

ORDERED by the Florida Public Service Commission that BellSouth Telecommunications, Inc.'s revisions to its Private Line and Special Access Tariffs are approved effective February 6, 1996 as set forth in the body of this Order. It is further

ORDERED that GTE Florida Incorporated's revisions to its General Services Tariff and Dedicated Access Tariffs are approved effective February 6, 1996 as set forth in the body of this Order. It is further

ORDERED that Central Telephone Company of Florida's revisions to its General Customer Services Tariff and Access Tariffs are approved effective February 6, 1996, as set forth in the body of this Order. It is further

ORDERED that United Telephone Company of Florida's revisions to its General Customer Services Tariff and Access Tariffs are approved effective February 6, 1996, as set forth in the body of this Order. It is further

ORDERED that unless a protest of any of the tariffs is filed in the form and by the date specified in Notice of Further Proceedings or Judicial Review below, the tariffs shall become final. It is further

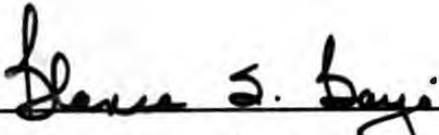
ORDERED that if a protest to any tariff is filed, the tariff shall remain in effect, with any increase in revenues held subject to refund, pending resolution of the protest. It is further

ORDERED that a protest of any tariff must be specific as to the tariff being protested and that a protest of one tariff shall not prevent any other tariff not protested from becoming final. It is further

ORDERED that this docket remain open.

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By ORDER of the Florida Public Service Commission, this 26th
day of March, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

TWH

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 16, 1996.

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

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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.

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 wastewater 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.