

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by Quincy
Telephone Company d/b/a TDS
Telecom/Quincy Telephone for
approval of tariff filing to
introduce Dedicated DS1 Service
and Digital Transport Service.
(T-00-0462 filed 3/24/00)

DOCKET NO. 000383-TL
ORDER NO. PSC-00-1084-TRF-TL
ISSUED: June 5, 2000

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
E. LEON JACOBS, JR.
LILA A. JABER

ORDER APPROVING TARIFF FILING
FOR DEDICATED DS1 SERVICE
AND DIGITAL TRANSPORT SERVICE

BY THE COMMISSION:

On March 24, 2000, Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone (TDS or the Company) filed a tariff to introduce Dedicated DS1 Service (DS1) and Digital Transport Service (DTS.) TDS is still rate base regulated and the company has requested an effective date of May 16, 2000, for this filing.

By its filing, the company proposes to introduce DS1 service. DS1 is a point-to-point intraexchange service that provides for simultaneous two-way transmission at 1.544 megabits per second from the Central Office to the demarcation point on a customer's premises. This service only transmits digital signals, uses only digital transmission facilities and is designed for customers that require dedicated DS1 facilities from a TDS TELECOM Central Office to their location. DS1 is available for a minimum period of one month and can be available on a month-to-month basis or under term plans, with rates based on contracting for 12 months, 36 months, and 60 months.

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FPSC-RECORDS/REPORTING

Rates will not increase for customers who sign contracts for DS1 until the contract period expires. Rates in effect at the time the service is installed will be applicable until the contract expires. When a contract expires, the customer may select a new payment period option at current rates or revert to current monthly rates.

The company states that there are two types of non-recurring charges associated with DS1: a Design Order Charge and an Installation Charge. The Design Order Charge is applied once per order while the Installation Charge will not be applied for each Digital Channel installed. These two charges will apply for the establishment of DS1 when the customer signs an agreement to subscribe to the service for a minimum of three years. If the customer discontinues service prior to the conclusion of the three year agreement, the customer will incur a disconnection charge equal to the Design Order Charge and applicable Installation Charges. The disconnection charge will not apply if the customer purchases other services from the Company which replace DS1 service.

This tariff filing also proposes to introduce the DTS service. DTS is a service which allows a customer to channelize a DS1 Service into 24 voice grade circuits and provides customers with a cost effective option to deliver voice grade service from the serving Central Office to a customer's premises. DTS is only provided with a DS1 Channel (1.544 Mbps) as provisioned through TDS' Local Private Line tariff. DTS supports Direct Inward Dialing (DID) Service, Dedicated 800 Service, and Local Exchange Business Trunks. The primary users of this service include Internet Service Providers and owners of PBX Systems.

DTS is subject to the availability of central office equipment and appropriate outside plant facilities. The rate structure for this service requires charges for Trunk Terminations, DS1 facility, Digital Interface Termination, and Subscriber Line Charges (SLC). The Digital Interface Termination rate is available on a month-to-month basis or under variable term plans with rates based on contracting for 12 months, 36 months, and 60 months. The total number of Trunk Terminations activated by the customer may not exceed the capacity of each DS1 facility.

SLC charges will be assessed based on the number of trunk terminations the customer requests for each DS1. A multi-line SLC charge will apply for each trunk termination. If the number of

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trunk terminations is not specified, the customer will be charged 24 multi-line SLC charges. Calls will be subject to any applicable usage charges for services provisioned on the DTS channels. Message Telecommunications charges will apply to calls outside the Local Service Area. Touch-tone signaling is required for DTS.

Our staff has reviewed the cost data provided by TDS and believes the proposed rate for these services will more than adequately cover incremental cost and provide a contribution to overhead costs. TDS has projected that the annual revenue impact of this tariff filing will be an increase of \$19,656. Total estimated first year costs are \$6,069. This will raise TDS' achieved ROE to 5.85% for the first year as compared to 5.72% on December 31, 1999. The company's authorized midpoint return on equity is 11.65%.

We find that this tariff filing to introduce DS1 service and DTS service is appropriate. Accordingly, we approve this tariff filing and it shall become effective on May 16, 2000. If a protest is filed within 21 days from the issuance date of the Order, this tariff should remain in effect, pending resolution of the protest with any revenues held subject to refund. If no timely protest is filed, this docket should be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service that Quincy Telephone Company d/b/a/ Telecom/Quincy Telephone's (TDS) request for approval of tariff filing to introduce dedicated DS1 service and DTS service is hereby approved. It is further

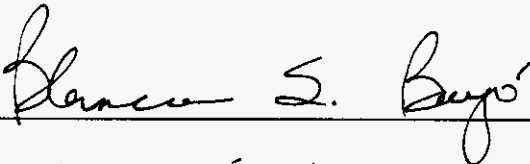
ORDERED that the tariff shall become effective May 16, 2000. It is further

ORDERED that if a protest is filed within 21 days from the issuance date of the Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon issuance of a Consummating Order.

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By ORDER of the Florida Public Service Commission this 5th
day of June, 2000.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

FRB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, 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 June 26, 2000.

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In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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.