

FLORIDA PUBLIC SERVICE COMMISSION
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MEMORANDUM

April 30, 1998

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FPSC - Records/Reporting

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (HAWKINS) *CHH*
DIVISION OF AUDITING & FINANCIAL ANALYSIS (CATER) *DM*
DIVISION OF LEGAL SERVICES (JAYE) *NCR*

RE: DOCKET NO. 980551-TL - ALLTEL FLORIDA, INC. - REQUEST FOR APPROVAL OF TARIFF FILING TO INTRODUCE ADVANCED DIGITAL SERVICES - PRIMARY RATE ACCESS (ADS-PRA) (T-98-0486, FILED 04/14/98)

AGENDA: 05/12/98 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 30-DAY TARIFF DATE MAY 14, 1998

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\980551TL.RCM

CASE BACKGROUND

On April 14, 1998, ALLTEL Florida, Inc., (ALLTEL or the Company) filed a tariff to introduce Advanced Digital Services-Primary Rate Access. Primary Rate Access is an optional service arrangement that must be configured as 24 PBX Trunks. This service arrangement uses the Integrated Services Digital Network (ISDN) architecture to provide customers with the capability to transmit voice and data simultaneously over the same digital facility. Under various optional arrangements, PRA provides customers with access to Circuit Switched Voice Services and Circuit Switched Data Services. The PRA Facility provides a high capacity digital link over which the Advanced Digital Services PRA capabilities are delivered. This facility is comparable to a 1.544 Mbps DS1 carrier (T1 facility). The typical PRA Access Facility configuration is known as 23B+D, where twenty-three (23) of the channels are B (Bearer) and one is D (Delta). The B channel is a bi-directional synchronous channel capable of supporting digital transmission speeds of 56 kilobits per seconds (kbps) or 64 kilobits per second, where available. The D channel is a 56 or 64 kilobits digital

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signaling channel that carries signaling and control for the B channels.

DISCUSSION OF ISSUES

ISSUE 1: Should ALLTEL's tariff filing to introduce Advanced Digital Services-Primary Rate Access (ADS-PRA), to become effective on May 13, 1998, be approved?

RECOMMENDATION: Yes. ALLTEL's tariff filing to introduce Advanced Digital Services-Primary Rate Access (ADS-PRA) should be approved, to become effective May 13, 1998.

STAFF ANALYSIS: On April 14, 1998, ALLTEL filed a tariff to introduce Advanced Digital Services-Primary Rate Access (ADS-PRA) into its General Exchange Tariff. The Company states that ADS-PRA is an optional service arrangement that must be used as 24 PBX trunks. This service arrangement uses the ISDN architecture to provide customers with the capability to transmit voice and data simultaneously over the same digital facility. ISDN architecture can provide two (2) access methods that connect customers' premises to network switching systems: Primary Rate Access (PRA) for large quantities of connections and Basic Rate Access (BRA) for smaller numbers of connections. PRA facilities are typically used for business only.

The PRA Facility provides a high-capacity digital link over which the Advanced Digital Services PRA capabilities are delivered. This facility is comparable to a 1.544 Mbps DS1 carrier (T1 facility).

Multiple PRA Facility Arrangements can be used in situations where there are more than 23 (twenty three) channels needed at a particular customer's premises. With the Multiple PRA Facility Arrangement, the D channel in the first PRA facility is used to provide signaling for up to four (4) additional facilities. The first facility would be configured as 23B+D and the other facilities would be configured as 24B. This use of Non-Facility Associated Signaling (NFAS) allows the overhead of the D channel to be distributed over multiple PRA facilities, thereby increasing channel efficiency.

D channel backup is used in Multiple PRA Facility Arrangements when a second D channel can be assigned (where available) to the primary D channel to provide redundancy of the signaling channel.

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Charges for PRA customers will be based on the combination of circuit switched features selected. (See Table 1.)

Table 1: RATES and CHARGES

FEATURES	SERVICE ESTABLISHMENT (Non-recurring)	MONTHLY RATES (Recurring)
Primary Rate Access	\$ 1,200	\$ 1,179
Clear Channel Capability	N/C	N/C
Caller ID - Number (per PRA facility)	80	15
Caller ID - Name (per PRA facility, requires Caller ID Number)	160	84
Directory Numbers	1	N/A
Call-by-Call Capability	125	10
D Channel Back up	275	40
Distance Extension Charge (per repeater)	N/C	95

The Company states that the following Circuit Switched Features are available through its ADS-PRA offering:

- ◆ Primary Rate Access Facility provides a high capacity digital link over which the Advanced Digital Services PRA capabilities are delivered.
- ◆ Clear channel capability is a characteristic of the transmission paths on the B channels that allows the full bandwidth of 64 kbps to be available to its customers.
- ◆ Caller ID (Number) allows the central office and the customer's CPE to communicate the calling party's directory number.
- ◆ Caller ID (Name) allows the central office and customer's CPE to communicate the calling party's name information.

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- ◆ PRA allows the purchase of specific Directory Numbers.
- ◆ Primary Rate Call-by-Call is a feature that offers access to additional services via the B channels of PRA. With this feature, any B channel can be used to offer Foreign exchange, OutWATS or InWATS on a per call basis.
- ◆ D channel backup is used in Multiple PRA/Facility Arrangements when a second D channel can be assigned (where available) to the primary D channel to provide redundancy of the signaling channel.
- ◆ Distance Extension Charge provides an additional approximately one mile of transmission facility beyond the 12,000 Ft. provided with the PRA Facility. If a customer is located a great distance from the Company central office, it is possible that several Distance Extension Charges could be required per PRA Facility.

Staff has reviewed the cost data provided by the Company, and believes that the proposed rates for this service will more than adequately cover incremental costs and provide a reasonable contribution to the Company. ALLTEL has projected that the annual revenue impact of this tariff filing will be a net increase of \$25,000. This will raise ALLTEL's achieved Return On Equity to 10.90%, an increase of 0.04%. The Company's authorized midpoint ROE is 11.50%.

Customers will benefit from this service because it will allow them to get more from the public switched network. With the simultaneous transmission of voice and data over the same facility, ADS-PRA will allow customers to maximize the use of their facilities, thus adding value for the customers. ADS-PRA service will allow the Company to meet the high speed voice and data needs of its customers.

Staff recommends that ALLTEL's tariff filing to introduce Advanced Digital Services-Primary Rate Access (ADS-PRA) be approved to become effective May 13, 1998.

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ISSUE 2: Should Docket No. 980551-TL be closed?

RECOMMENDATION: Yes. If staff's recommendation for Issue 1 is approved, this tariff should become effective on May 13, 1998. If a protest is filed within 21 days from the issuance date of the order, the tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed.

STAFF ANALYSIS: If staff's recommendation for Issue 1 is approved, this tariff should become effective May 13, 1998. If a protest is filed within 21 days from the issuance date of the order, the tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed.

ISSUED: April 13, 1998
President, Richard H. Brashear
Live Oak, Florida

EFFECTIVE: May 13, 1998

DIGITAL DATA COMMUNICATION SERVICE

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29.6.1. GENERAL

- A. ISDN architecture provides two access methods that connect customers' premises to network switching systems. Primary Rate Access (PRA) for large quantities of connections and Basic Rate Access (BRA) for smaller numbers of connections. PRA facilities are typically used for business only.
- B. PRA is an optional service arrangement that must be configured with 24 PBX Trunks. This service arrangement uses the ISDN architecture to provide the customer with the capability to transmit voice and data simultaneously over the same digital facility. Under various optional arrangements, PRA provides the customer with access to Circuit Switched Voice Services and Circuit Switched Data Services. In general, this tariff addresses standardized National ISDN-I (NI-1) capabilities and features.
- C. PRA is offered on Term Payment Plans of 12, 24, 36, 48 or 60 months.

29.6.2. PRIMARY RATE INTERFACE SERVICE ARRANGEMENT

- A. PRA Service Arrangement connects an ISDN-capable Telephone Company central office switch to ISDN-capable Class II Customer Premises Equipment (CPE). Depending on the application, the CPE might be a PBX, a router, a multiplexer, etc. Each PRA service arrangement provides twenty-three or twenty-four digital communications channels.

These communication channels can be either B (Bearer) Channels or D (Delta) Channels:

- 1. **B Channel** - The B Channel is a bi-directional synchronous channel capable of supporting digital transmission speeds of 56 kilobits per second (kbps) or 64 kilobits per second, where available. Each B Channel of an Advanced Digital Services PRA may carry:
 - (1) Circuit Switched Voice
 - (2) Circuit Switched Data, or
- 2. **D Channel** - The D Channel is a 56 or 64 kbps digital signaling channel that carries signaling and control for the B Channels.
- B. **Primary Rate Access Facility** - The Primary Rate Access Facility provides a high-capacity digital link over which the Advanced Digital Services PRA capabilities are delivered. This facility is based on a 1.544 Mbps DS1 carrier (T1 facility). The typical PRA Access Facility configuration is known as 23B+D, where twenty-three of the channels are B Channels and one is a D Channel.
- C. **Multiple PRA Facility Arrangement** - There may be situations where more than 23 B Channels are needed at a particular customer premise. In those situations, depending on facility availability, multiple PRA facilities can be assigned to an Advanced Digital Services PRA Service Arrangement. With the Multiple PRA Facility Arrangement, the D Channel in the first PRA facility is used to transport signaling for up to four additional PRA facilities. The first facility would be configured as 23B+D and the other facilities would be configured as 24B. This use of Non-Facility Associated Signaling (NFAS) allows the overhead of the D Channel to be distributed over multiple PRI facilities thereby increasing channel efficiency.
- D. **D Channel Backup** - In Multiple PRA Facility Arrangements, a second D Channel can be assigned (where available) to the primary D Channel to provide redundancy of the signaling channel.
- E. **Distance Extension Charge** - provides an additional approximately one mile of transmission facility beyond the 12,000 ft provided with the PRA Facility. If a customer is located a great distance from the Company central office, it is possible that several Distance Extension Charges could be required per PRA Facility.

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29.6.3. CIRCUIT SWITCHED SERVICE DESCRIPTIONS

Circuit Switching is a switching arrangement in which an entire circuit or B Channel is dedicated to a given call. The circuit is connected on a per-call basis and can carry circuit switched voice or circuit switched data. Circuit switched related services include:

- A. Clear Channel Capability - This feature is a characteristic of the transmission paths on the B Channels that allows the full bandwidth of 64 kbps to be available to the customer. (Clear Channel Capability cannot be guaranteed outside the serving central office. Interoffice traffic may be subrated to 56 kbps.) Clear Channel Capability is applicable to CPE that supports clear channel capability.
- B. Dedicated Trunk Groups - The B Channels of PRA can be dedicated for calls to and from the public network. Trunk Group types include Incoming, Outgoing, 2-way, Direct Outward Dialing (DOD) or Direct Inward Dialing (DID).
- C. Primary Rate Call-by-Call Service - The Primary Rate Call-by-Call feature offers access to additional services via the B Channels of PRA. These additional services include:
- Foreign Exchange
 - OutWATS
 - InWATS

With this feature, any B Channel can be used to offer the above services on a per-call basis, in addition to supporting trunk calls to/from the public network (i.e., DOD/DID).

Simulated Facility Groups (SFG) are used to control the number of B Channels that can be used for a particular service or for calls to the public network. The SFG is a logical relationship between the services (or public network calls) and the number of B Channels. Any B Channel may be used for any service (or for public network calls) provided the actual number of calls currently active for that service does not exceed the maximum-allowed value associated within the SFG.

- D. Directory Numbers - Directory numbers may be purchased at rates specified in Section 29.6.6 below.
- E. Caller ID (Number) - This feature allows the central office and the customer's suitably equipped CPE to communicate the calling party's directory number. On calls carried by the PRA, the number can then be made available to be displayed on a properly equipped telephone set or adjunct equipment.
- F. Caller ID (Name) - This feature (where available) allows the central office and the customer's suitably equipped CPE to communicate calling party name information (associated with the calling party's directory number) on calls carried by the PRA. The name can then be made available to be displayed on a properly equipped telephone set or adjunct equipment.

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29.6.4. TECHNICAL SPECIFICATIONS

- A. Transmission Specifications - The PRA facility requires a high-capacity digital link over which PRA is delivered. This facility is based on a 1.544 Mbps DS1 carrier (T1 facility) whose characteristics are as follows:

•	Line Code	=	Bipolar 8 Zero Substitution (B8ZS)
•	Framing Format	=	Extended Super Frame (ESF)
•	Signaling	=	Common Channel Signaling (CCS)
•	Data Rate	=	64 kbps clear or 56 kbps restricted
•	D Channel	=	24th channel on the appropriate PRA access facility

- B. Customer Premises Equipment Facilities - Compatible customer premises equipment is required for PRA. All equipment used with these services is required to conform with National ISDN guidelines, as referenced in the following Bellcore specifications:

<u>Document Number</u>	<u>Description</u>
TR-NWT-001268	ISDN Primary Rate Access Call Control Switching and Signaling Generic Requirements for Class II Equipment
SR-NWT-002343	ISDN Primary Rate Access Generic Guidelines for Customer Premises Equipment

The Telephone Company shall not be responsible if changes in any of the equipment, operations, or procedures of the Company used in the provisioning of PRA render any facilities provided by the customer obsolete or require modification of such equipment or system, or otherwise affect its use or performance.

29.6.5. REGULATIONS AND CONDITIONS

- A. Unless specifically exempted, PRA shall be subject to all general regulations applicable to the provision of service by the Telephone Company as stated in this tariff.
- B. PRA and its optional services are furnished subject to central office switching capacity, capability, and the availability of outside plant facilities.
1. The availability, functionality, and capabilities of PRA may vary, or may not be available, dependent upon type of serving central office switch, related software controlling that switch, and associated outside plant.
 - (a) Where facilities are not available, or where facilities may be required outside this tariff provision, such as foreign serving office arrangements, the customer may be required to pay additional charges to cover the cost of these facilities, or to subscribe to additional services as provided in other portions of the tariff.

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29.6.5. REGULATIONS AND CONDITIONS (Cont'd)

B. (Cont'd)

2. **Alternate Serving Arrangements:** Where the customer's serving central office is not PRA capable, the Company, at its discretion, may provide service from an alternate serving central office at no additional charge to the customer. Such provisioning may be elected when, at the discretion of the Company, the service can be provided at a reasonable cost to the Company. The customer must accept the serving location assigned by the Company, and must agree to revert to service from the normal serving central office when PRA is available in that office.
 - (a) This arrangement may require that the customer accept a directory number change to a number associated with the alternate central office.
 - (b) Calls that are originated by, and terminated to, a customer using this service arrangement will be billed as if the calls were placed from the customer's normal serving central office.
 - (c) When PRA subsequently becomes available from the customer's normal serving central office, the customer will be reconnected to the normal serving central office. This may also require a directory number charge. If such changes occur, the nonrecurring charge associated with the change will not be applicable. If the customer does not wish to take service from the normal central office after such service becomes available, but continues to use service from the alternate serving central office, charges for distance extensions (foreign exchange service or special outside facilities) will apply. If foreign exchange service is used, the rates for foreign exchanges will be applied in addition to the PRA rates. Any other special outside plant facilities used to provide PRA will be tariffed on an individual case basis.
 - (d) The availability, functionality, and capabilities of PRA may vary when a customer's serving central office is equipped to provide such services.
 - (e) Situations where the customer specifically requests service from a central office other than its normal serving central office will be handled on an individual case basis.

C. Interconnection with Intermediary Customer

1. Where a PRA Service Arrangement interconnects with an Intermediary Customer (e.g., Interexchange Carrier or other service provider) and is resold, the PRA Access is viewed as an interoffice connection.

D. Payment for Service

1. The minimum charge period for services provided under this tariff is one year.
2. Suspension of service is not allowed during the minimum charge period without penalty. If the customer disconnects PRA prior to the 12, 24, 36, 48 or 60 month service term agreement, the customer will pay a charge equal to the PRA monthly rate in effect on the date of the contract, multiplied by the remaining number of months on the term agreement for each PRA disconnected.
3. In the event the customer cancels the contract after installation of the required equipment and facilities but before service is established, the customer will pay the applicable installation charges.

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29.6.5. REGULATIONS AND CONDITIONS (Cont'd)

- E. Nonrecurring charges may be reduced or waived during promotional campaigns (minimum service periods will apply).
- F. Directory Listings - Directory Listings may be provided as specified for in Section 5 of this Tariff.
- G. Billable Call Treatment
1. Normal toll charges (including InWATS and OutWATS charges) shall apply to calls that are made outside the Local Service Area.
 2. PRA customers who use the Call Forwarding or Call Transfer features are responsible for the payment of any applicable charges for each billable call connected via these features over the public network. The charge is applicable to each call answered, including the Call Forwarding set-up call. It also applies to collect and person-to-person calls, which may be refused at the answering station.
- H. Customer Premise Equipment
1. This tariff does not include terminal equipment on the customer's premises. Terminal equipment may be covered under a separate tariff, sold or leased separately by the Telephone Company (under a separate contract), or may be provided by the customer.
 2. The customer is responsible for providing the power required for any customer premises equipment connected to PRA.
- I. End User Common Line (EUCL) Charges: PRA is subject to Federal Communications Commission (FCC) End User Common Line (EUCL) charges under the rates and application rules specified by the FCC.
- J. The Company shall not be liable for any loss or damages arising out of error, interruption, defects, failure, or malfunctions of PRA or associated equipment. Damages arising out of such interruptions, defects, failures, or malfunctions of the services after the Company has been notified, and has reasonable time for repair, shall in no event exceed an amount equivalent to the charges made for the service affected for the period following notice from the customer until service is restored.

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PRIMARY RATE ACCESS

29.6.6. RATES AND CHARGES

A. Primary Rate Access (PRA) Facility

1. Basic PRA Service is provided assuming a Dedicated Trunk Configuration. Optional PRA capabilities may be used to alter that configuration. Additional charges for the PRA capabilities as shown below:

B. Circuit-Switched Features

Feature	Service Establishment	Monthly Rate
Primary Rate Access	\$1,200.00	\$1,179.00
Clear Channel Capability	N/C	N/C
Caller ID - Number (per PRA facility)	\$80.00	\$15.00
Caller ID - Name, where available (per PRA facility, requires Caller ID - Number)	\$160.00	\$84.00
Directory Numbers \$1.00	\$1.00	
Call-by-Call Capability (per facility equipped)	\$125.00	\$10.00
D-Channel Back Up	\$275.00	\$40.00
Distance Extension Charge (per repeater)	N/C	\$95.00

C. Subsequent Feature Additions and Changes

When the above features are ordered or modified after the initial installation of PRA, the nonrecurring feature addition and change charge reflected below is applied in addition to the normal charges reflected in this tariff:

Feature Additions and Changes (per PRA facility)	Charge
Feature Additions and Changes (per PRA facility)	\$35.00

Only one service charge will apply when multiple features are added or changed on a PRA facility as part of the same service order.

E. Term Discounts - applicable only to the Primary Rate Access monthly rate:

One Year	0%
Two Years	2%
Three Years	7%
Four Years	14%
Five Years	18%