

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed tariff filing ) DOCKET NO. 920986-TL  
to establish rates and charges ) ORDER NO. PSC-92-1376-FOF-TL  
for Switched Data Channel Access) ISSUED: 11/30/92  
for both Switched Data and )  
Digital Channel Service by )  
GTE FLORIDA INCORPORATED )

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
SUSAN F. CLARK  
J. TERRY DEASON  
BETTY EASLEY  
LUIS J. LAUREDO

ORDER APPROVING TARIFF

BY THE COMMISSION:

On September 4, 1992, GTE Florida Incorporated (GTEFL or the Company) filed revisions to its General Subscriber Tariff proposing to do the following: establish rates and charges for Switched Data Service as an optional network feature available to subscribers of Digital Channel Service; introduce new rate elements and restructure the existing rates for Switched Data Service; and, establish rates and charges for Switched Data Channel Access Service.

Switched Data Service is a data transmission service which provides a digital data link between two switched subscribers. GTEFL currently offers Switched Data Service on a per channel basis configured for either low speed or high speed access. Rates for the service vary depending on the quantity of channels purchased, how the channel is configured, and minutes of use.

A. ADDITION OF SWITCHED DATA SERVICE TO DIGITAL CHANNEL SERVICE

The Company seeks to establish rates and charges for Switched Data Service as another optional network feature for subscribers of Digital Channel Services. Digital Channel Service is a multifunctional service which provides access transport between a customer's premises and the local service central office on a channelized basis within a high-capacity digital facility (DS1).

Under GTEFL's proposed revisions, a subscriber may designate for switched data use, one or more of the channels on the digital DS1 link terminated on the Digital Cross Connect System used in

DOCUMENT NUMBER-DATE

13909 NOV 30 1992

PSC-RECORDS / DEPARTMENT

providing Digital Channel Services. This will allow additional digital services to co-exist for the subscriber within the digital facility, eliminating the need to purchase unnecessary digital facilities.

GTEFL is proposing a nonrecurring charge of \$40.00 and a monthly recurring charge of \$10.00 for each switched data channel activated as an optional network feature associated with Digital Channel Service. Cost studies submitted by GTEFL indicate that the proposed rates cover the costs associated with the service and provide adequate contribution.

B. RESTRUCTURE OF SWITCHED DATA SERVICE

The proposed changes establish rates and charges for CentraNet high speed and low speed lines (Switched Data CentraNet) beginning with two or more lines. Switched Data CentraNet allows intercom dialing between the customer's switched data lines without incurring usage charges which are otherwise applicable. GTEFL seeks to restructure volume discounts to subscribers of multiple switched data lines. Currently, volume discounts are offered for 1-49 lines, 50-100 lines, and 101 lines or more. GTEFL proposes to offer a single line rate distinct from multiple line discounts with intercom capability. The net effect on rates are as follows:

	Present Rate	Proposed Rate
Low Speed Switched Data Line		
single line w/o intercom	\$37.00	\$31.00
CentraNet w/ intercom*		
2-49 lines	\$37.00	\$34.00
50-100 lines	\$33.00	\$31.00
101 line and above	\$29.00	\$28.00
High Speed Switched Data Line		
single line w/o intercom	\$47.00	\$41.00
CentraNet w/ intercom*		
2-49 lines	\$47.00	\$44.00
50-100 lines	\$40.00	\$41.00
101 lines and above	\$33.00	\$38.00
Non recurring Charge	\$50.00	\$50.00
* intercom not available under the present tariff, multi-line discount comparison only		

GTEFL is proposing no change to the \$50.00 nonrecurring charge for each switched data line (CentraNet or Single Line).

GTEFL's cost study indicates that the cost of providing switched data service is virtually the same regardless of the type or quantity of lines purchased. There is no prerequisite for a customer to be a voice CentraNet customer to subscribe to Switched Data CentraNet. The cost study further establishes that the proposed rates cover the cost of providing the service, and provide adequate contribution. The Company states that five customers (single line switched data service subscribers) will be affected by this restructuring. They will receive a \$6.00 reduction in their monthly recurring charges.

We believe that the proposed rate restructure represents a market based approach to price structure, as the marketplace discerns a difference between single line service and CentraNet Service. We also believe that Switched Data Service is an elastic service and sensitive to price. Alternative services may be Alternate Access Vendors (AAVs) or Customer Premise Equipment. The proposed rate structure represents a reduction of prices to the subscriber and encourages continued and expanded use of Switched Data Service. GTEFL is covering all costs with this service and contributing revenue to the general rate base.

C. SWITCHED DATA CHANNEL ACCESS SERVICE

GTEFL also seeks to establish rates and charges for Switched Data Channel Access. Switched Data Channel Service is a high capacity digital facility that provides 24 digital channels that support data transmission between a customer premise and the local serving central office. Subscribers with extremely large amounts of data transmission requirements are the target market for Switched Data Channel Access.

Prior to this filing, Switched Data Channel Access has not been tariffed. GTEFL's switched digital loop technology of choice is Integrated Services Digital Network (ISDN). GTEFL has tariffed and equipped the Northern Telecom DMS-100 and the AT&T #5-ESS central office switches to provide ISDN in those markets where forecasts support the need for switched digital loop technology. The GTD-5 switch does not have ISDN capability, only switched data capability. In order to serve those GTD-5 markets where forecasts indicate switched digital loop technology is needed, GTEFL is proposing Switched Data Channel Access. There is a common

transmission speed of 56Kbps that allows ISDN customers to communicate with Switched Data customers. However ISDN customers which normally operate at 64Kbps must set their CPE equipment to accommodate the lower speed (56Kbps).

Switched Data Channel Access utilizes a DS1 facility, coupled with a digital termination on the trunk side of the GTD-5 central office switch. This arrangement designates the entire 24 channel DS1 to support data transmission only. In addition to the DS1 presently available under tariff, the provisioning Switched Data Channel Access introduces four new rate elements as follows:

1. Switched Data Central Office Termination, per 24 channel increment, \$125 nonrecurring rate, \$150 monthly recurring rate.
2. Switched Data Central Office Channelization, per channel activated, \$5.00 monthly recurring rate.
3. Switched Data Customer Premise Termination, (optional, customer may provide CPE), per 24 channel increment, \$75 nonrecurring rate, \$125 monthly recurring rate.
4. Switched Data Customer Premises Channelization, (optional, customer may provide CPE), \$20.00 nonrecurring rate \$30.00 monthly recurring rate.

GTEFL has indicated that in order to prevent high installation costs from being a barrier to Switched Data Channel Access, a portion of the nonrecurring costs are recovered in the monthly recurring rate. We generally do not approve of recovering nonrecurring revenues in monthly rates. However, in this case the cost study indicates that GTEFL is recovering all costs. Since this is an elastic service and much more sensitive to price than other services, we believe that it is appropriate to allow GTEFL to spread the relatively high initial costs over the anticipated service life.

We believe that the GTEFL's proposed tariff is appropriate, and hereby approve it as filed. The proposed services promote efficient and expanded use of the network, cover costs and contribute revenue to the overall rate base.

Based on the foregoing, it is

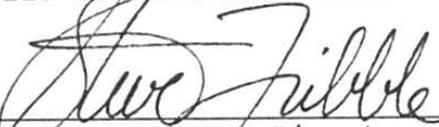
ORDER NO. PSC-92-1376-FOF-TL  
DOCKET NO. 920986-TL  
PAGE 5

ORDERED by the Florida Public Service Commission that GTE Florida Incorporated's tariff to establish rates and charges for Switched Data Channel Access and to restructure rates and charges for Switched Data Service is hereby approved, effective November 3, 1992. It is further

ORDERED that if a protest is filed in accordance with the requirement 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 requirement set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 30th day of November, 1992.

  
\_\_\_\_\_  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

PAK

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 December 21, 1992.

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.

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.