

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of ) DOCKET NO. 921209-TL  
proposed tariff to modify the ) ORDER NO. PSC-92-1495-FOF-TL  
Subscriber Line Charge structure ) ISSUED: 12/28/92  
for Digital Centrex by ALLTEL )  
FLORIDA, INC. )  
\_\_\_\_\_)

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 November 23, 1992, Alltel Florida, Inc. (Alltel or the Company) filed a proposed revision to its General Services Subscriber Tariff. The purpose of the proposed revision was to modify the Company's current Subscriber Line Charge (SLC) structure for Alltel's Digital Centrex customers. Presently, Alltel bills all centrex lines for SLCs on a per line basis versus on a Network Access Register (NAR) basis. By allowing Alltel to bill the SLC on a per NAR basis instead of a per line basis, the centrex customers will be billed similar to PBX customers.

Previously, in an effort to make centrex a more equally priced service, several local exchange companies (LECs) such as Quincy, Southern Bell and Centel, have requested and been granted approval to use a trunk or a NAR equivalency to calculate the SLC from end users.

In a Centrex system, network access is limited by the number of NARs. The NAR limits the number of simultaneous outside calls to and from a centrex system and provides a mechanism for charging for use of the switched network. In the case of a PBX, network access is limited by the number of trunks. The NAR is, in effect, a trunk equivalent.

The concept of trunk equivalency allows the LEC to base the SLC collected from the customer on a per trunk basis rather than a

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per station line basis, thus significantly reducing the charge to the customer. The LECs are required to record \$6.00 per multi-line business access line as interstate revenue. If the Company charges less than \$6.00 per line, this revenue shortfall must be recovered from other sources.

By applying the equivalency, the centrex service will be more competitively priced with PBX. With a centrex service, the customer is billed the full SLC, then receives a trunk equivalency credit. This credit creates a difference between the actual interstate and intrastate revenues recognized by the FCC.

Currently, the SLC charge is \$6.00 per line. Under the current tariff, if a customer has 3 centrex lines, the customer is charged \$6.00 for each of the three centrex lines. However, using the modified subscriber line structure, a customer with three centrex lines and one NAR would be charged only \$6.00 for all three lines. Thus, the proposed charge is considerably less than the current charge. Further, the proposed centrex rates exceed the fully allocated costs of the service and provide a contribution to the common costs of the Company. This helps assure that the LEC does not price the service below cost, which could create an inequitable price relationship and harm the competitiveness of the PBX vendor who supplies a functionally comparable alternative to centrex. Additionally, Alltel's, Centel's, Southern Bell's, and Quincy's rates are similar.

Finally, since centrex service is very similar to and competitive with PBX service, customers should not be penalized for utilizing centrex. In many cases, absent implementation of an equivalency, large users are priced out of the centrex market due to the large recurring SLCs. This tariff filing allows Alltel to partially offset the SLC by basing the rates on the number of NARs required to serve the centrex, instead of basing rates on individual lines. Accordingly, Alltel's proposed tariff filing to bill subscriber line charges to centrex customers based on the number of NARs is hereby approved with an effective date of January 4, 1993.

Therefore, based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Alltel, Florida, Inc.'s tariff revisions to its General Subscriber Service Tariff are hereby approved to the extent outlined in the body of this order. It is further

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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. It is further

ORDERED that the effective date of this tariff shall be January 4, 1993.

By ORDER of the Florida Public Service Commission this 28th day of December, 1992.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

PLT

by: Kay Jeyen  
Chief, Bureau of Records

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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 January 19, 1993.

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.