

FLORIDA PUBLIC SERVICE COMMISSION
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M E M O R A N D U M

June 13, 1996

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

FROM: DIVISION OF COMMUNICATIONS (WIGGINS)
DIVISION OF LEGAL SERVICES (EDMONDS)

RE: DOCKET NO. 960694-TL - REQUEST FOR APPROVAL OF A TARIFF
FILING TO INTRODUCE A NEW DIGITAL SWITCHED SERVICE,
SWITCHED 56 SERVICE, BY ST. JOSEPH TELEPHONE AND
TELEGRAPH COMPANY (T-96-447, FILED 5/29/96)

AGENDA: JUNE 25, 1996 - REGULAR AGENDA - TARIFF FILING -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 30-DAY SUSPENSION DATE: 6/29/96

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\960694TL.RCM

CASE BACKGROUND

On May 29, 1996 St. Joseph Telephone and Telegraph Company (St. Joe or the Company) filed a proposed revision to its present tariff. The Company is proposing the addition of a new digital switched service, Switched 56 Service. Switched 56 Service is a digital switched service which will allow bulk information transfer, up to 56 kbps, via a specially equipped four wire access line.

DOCUMENT NUMBER-DATE

06379 JUN 13 96

PSC-RECORDS/REPORTING

DOCKET NO. 960694-TL
DATE: June 13, 1996

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve St. Joseph Telephone and Telegraph's tariff filing to introduce Switched 56 Service?

RECOMMENDATION: Yes. The Commission should approve St. Joseph Telephone and Telegraph's tariff filing to introduce Switched 56 Service.

STAFF ANALYSIS: Through its tariff filing, St. Joe seeks approval to introduce a digital switched service, Switched 56 Service. This new digital service will allow St. Joe to enhance its existing services.

Switched 56 Service is a digital switched service that provides full duplex (two way) data transport over a specially equipped four wire access line at speeds up to and including 56 kbps. The Company believes this service will be used to provide bulk data transfer, distributions, video teleconferencing, and other applications. The flexibility of Switched 56 Service will allow customers to communicate among a number of locations where it may not be cost effective to use private line services. Switched 56 Service is not voice functional.

Switched 56 Service is provided in conjunction with intraLata communications. InterLata communications are supported by the Access Service Tariff section E6. Switched 56 Service is an end-to-end digital information transport service that provides data signals in a manner which is similar to the way the message telecommunications service network provides circuit switched capability for voice frequency signals. Switched 56 Service is provided through DMS 10 or DMS 100/200 digital switches.

Technically, Switched 56 Service is a premises to premises switched data service which transports up to 56 kbps of data over a non-loaded local loop. The loop is non-loaded because it is an end-to-end digital service and loaded coils interfere with digital transmission. This service transmits data back and forth so fast that it is transparent to the end user.

DOCKET NO. 960694-TL
DATE: June 13, 1996

Switched 56 can be provided directly to customers within 18 kilofeet (18,000 feet) of the Switched 56 equipped central office. If customers are not within 18 kilofeet of an equipped central office, they must subscribe to Switched 56 Service Remote Capability. This service provides a specially equipped T-1 carrier from the subscriber central office to the switch where Switched 56 equipment is located. The special equipment is necessary to extend a Switched 56 Service Access Line to certain customers who are served by central offices other than a Switched 56 serving central office.

The rate structure for Switched 56 Service is largely usage based. (See attachment No. 1 - Tariff Pages 5 and 6 for the rates and charges.) The customer pays for the Switched 56 Service Arrangement, which refers to the equipment required per line to support the 56 kbps data transport. The customer then pays for the first minute and each additional minute. The company's MTS time of day discounts are applied, since this is a measured service, to both local and long distance calls. Also, if customers are not within 18 kilofeet of the Switched 56 equipped office they must pay for Switched 56 Remote Capability. The rates and charges proposed by St. Joe are identical to the rates charged by BellSouth for similar services.

Since no sales projections have been made, the revenue impact to the company is unknown. There is no customer impact, since there is no existing service which provides this capability.

The cost to the company consists of the purchase and installation of central office based equipment. Engineering and Programming costs are recouped with the nonrecurring charges. The estimated cost of the special equipment is \$350.00 and the nonrecurring charge is \$725.00.

In summation, Switched 56 Service appears to be a very viable service which provides the customer with a data transport system capable of transmitting information up to 56 kbps at rates identical to the rates charged by BellSouth for a similar service. Staff believes that the addition of Switched 56 Service will allow St. Joe to provide a digital switched service currently available to customers of other local exchange companies.

DOCKET NO. 960694-TL
DATE: June 13, 1996

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If Issue 1 is approved this tariff should become effective June 28, 1996. If a protest is filed within 21 days from the issuance date of the Order, this tariff should remain in effect with any revenues held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed.

STAFF ANALYSIS: If the Commission approves Issue 1, this tariff should become effective June 28, 1996. If a protest is filed within 21 days from the issuance date of the Order, this tariff should remain in effect with any revenues held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed.

GENERAL EXCHANGE TARIFF

ST. JOSEPH TELEPHONE
& TELEGRAPH COMPANY
FLORIDA

SECTION 211
ORIGINAL SHEET 5

ISSUED BY: JOHN H. VAUGHAN
VICE PRESIDENT

EFFECTIVE:

DATA TRANSPORT SERVICE

21.1 SWITCHED 56 SERVICE (Cont'd)

21.1.3 RATES AND CHARGES

A. These rates and charges are applicable in addition to the rates and charges for other services and features.

1. Switched 56 Service Arrangement

	<u>Nonrecurring Charge</u>	<u>Monthly Rate</u>
a. Per line within Switched 56 Service Normal Serving Area	\$245.00	\$30.00

2. Switched 56 Service Access Lines

a. Each, Switched 56 Service Access Line	480.00	20.00
b. Each, Switched 56 Service Remote Access Line (use instead of a. preceding when Switched 56 Service Remote Capability is purchased)	480.00	20.00

B. Switched 56 Service Network Call Usage Charges

The following charges apply whenever a Switched 56 Service Network Call is established.

1. Switched 56 Service Network Call

	<u>Rate</u>
a. Initial one minute or fraction thereof, per call	\$.12
b. Additional minute increment or fraction thereof	.10

GENERAL EXCHANGE TARIFF

ST. JOSEPH TELEPHONE
& TELEGRAPH COMPANY
FLORIDA

SECTION 21
ORIGINAL SHEET 6

ISSUED BY: JOHN H. VAUGHAN
VICE PRESIDENT

EFFECTIVE:

DATA TRANSPORT SERVICE

21.1 SWITCHED 56 SERVICE (Cont'd)

21.1.3 Rates and Charges (Cont'd)

B. (Cont'd)

2. Applicable rate discount periods are the same as for Message Toll Service as found in Section 14 of this Tariff. Following are the discount percentages applicable to the Switched 56 Service Network Call.

- a. Evening Discount 35%
- b. Night Discount 60%

3. When messages span more than one rate period, total charges for the minutes in each rate period are summarized. The results for each rate period are totaled to obtain the total message charge.

C. Switched 56 Service Remote Capability Charge

When a customer who is served by an office other than a Switched 56 Service Serving Central Office and who is within the Switched 56 Service Serving Area of that office orders Switched 56 Service, the following charges apply in addition to those in 21.3.A. These charges apply to each line that is extended.

1. Switched 56 Service Remote Capability, Interoffice Channel Charge (per line)

	<u>Nonrecurring Charge</u>	<u>Monthly Rate</u>
a. First mile	\$95.00	\$40.00
b. Each additional mile or fraction thereof	-	1.50

D. Service Charges

All service connection charges for Switched 56 Service Arrangement, Switched 56 Service Access Line and Switched 56 Service Remote Capability are included in their respective nonrecurring charges preceding. Service connection charges from Section 6 of this Tariff are not applicable.