

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 930579-TL
tariff filing to introduce Frame) ORDER NO. PSC-93-1644-FOF-TL
Relay Service by GTE FLORIDA) ISSUED: November 9, 1993
INCORPORATED.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

ORDER APPROVING TARIFF FILING

BY THE COMMISSION:

The growing number of computer applications requiring high speed communications has warranted a demand for a high speed, shared bandwidth service that can connect multiple locations. Currently these capabilities are provided to a limited degree by high speed dedicated lines or privately owned networks. Private lines and dedicated facilities, however, can be inflexible and costly. Accordingly, on June 11, 1993, GTE Florida Incorporated (GTEFL) filed a proposal to introduce Frame Relay Service.

Frame Relay Service

Frame Relay Service is a "fast packet" network service that permits the transmission of data at speeds from 56 Kbps to 1.544 Mbps using permanent virtual circuits (PVCs). PVCs are logical circuits that define a specific one-way path for data sent by a customer to another location. PVC circuits are virtual because they are established in software tables and do not tie up capacity when not in use. This allows a customer to transmit data to multiple destinations over a single access line. The ability to link multiple destinations and share bandwidth over a single access line will significantly reduce network costs, simplify the network for the customer, and provide a significant advantage over traditional point-to-point arrangements.

With Frame Relay Service, customer premises equipment, such as routers, encapsulate data into variable length frames. These frames contain information identifying which PVC in the network

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should be used to forward the frame to the proper destination. The frames are carried to the central office through a DS-0 or DS-1 digital access line, where the Frame Relay switch reads the identifying information and routes the frame to the proper destination based upon a pre-established PVC.

Frame Relay Service will probably be used primarily as a LAN-to-LAN and electronic mail service between customer locations (intraLATA and intrastate only). GTEFL plans to file the equivalent service in the access tariff before the end of 1993. GTEFL initially intends to provide all switching of this service from its Tampa-Main central office. As demand warrants, additional switching capabilities will be installed.

Forecasted Demand and Revenues

GTEFL purchased the demand forecasts for this service from Quantum Electronic Database (QED). QED considers the nationwide demand for Frame Relay service based upon all business lines between 1993 and 1998, and applies that demand to GTEFL's Tampa central office. The first year demand for DS-0 service, based upon business access lines purchased, is projected to be 517. First year demand for DS-1 service is projected to be 81.

For a DS-0 connection, a customer would pay a nonrecurring charge of \$390 and a monthly charge of \$99. A DS-1 connection would carry a \$743 nonrecurring charge and a \$576 monthly charge. First year contribution levels for DS-0 and DS-1 connections are projected to be 58% and 56%, respectively.

Upon consideration, it appears that Frame Relay Service will provide customers with a more cost effective and efficient network option than the private line or dedicated facilities alternatives. Accordingly, we believe that it is appropriate to approve the proposed Frame Relay Service tariff.

It is, therefore,

ORDERED by the Florida Public Service Commission that GTE Florida Incorporated's proposed tariff to introduce Frame Relay Service is hereby approved. It is further

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ORDERED that this tariff shall become effective October 19, 1993. It is further

ORDERED that, if a timely protest is filed, this tariff shall remain in effect with any increase in revenue held subject to refund pending resolution of the protest. It is further

ORDERED that, if a timely protest is not filed, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 9th day of November, 1993.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

RJP

by: Kay Kegan

Chief, Bureau of Records

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

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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 November 30, 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.