

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 950019-TL
tariff filing to make additions) ORDER NO. PSC-95-0279-FOF-TL
and changes to FlexServ Service) ISSUED: March 1, 1995
in General Subscriber Service)
and Access Service by BELLSOUTH)
TELECOMMUNICATIONS, INC. d/b/a)
SOUTHERN BELL TELEPHONE AND)
TELEGRAPH COMPANY OF FLORIDA.)
(T-94-696 filed 12/17/94))

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING TARIFF

BY THE COMMISSION:

By Order Number 16688, issued October 6, 1986, we approved BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company's (Southern Bell or the Company) tariff to introduce FlexServ service. FlexServ allows customers to switch their private lines between different endpoints.

By Order Number PSC-93-0297-FOF-TL, issued February 24, 1993, we approved Southern Bell's tariff filing to restructure FlexServ. The restructure involved relocating FlexServ from Section A29 to Section A32 of the General Subscriber Service Tariff (GSST). The tariff filing also introduced FlexServ service into Section E7 of the Company's Access Tariff.

On December 17, 1994, Southern Bell filed a tariff to further restructure FlexServ service in both the GSST and Access Tariff. The restructure includes additional channel connections, multipoint junction units, and the Dial Access Management Terminal Interface.

I. FlexServ Service

FlexServ Service is a part of Southern Bell's Integration Plus Management Services (IPMS). IPMS is a family of services that gives a customer the capability to integrate, monitor, and manage

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network services provided by the Company via a terminal or workstation located on the customer's premises. FlexServ service is an offering that allows customers to monitor and reconfigure their voice grade, digital and DS1 level private line services without directly interacting with telephone company personnel. Monitoring enables the customer to detect out-of-service alarms, invalid connection alarms, and bit error rate alarms. Reconfiguration provides the customer the capability of directing the Company to connect or disconnect circuits equipped with FlexServ to or from circuits that are also equipped with FlexServ. In other words, a customer can switch private line circuits between different endpoints with the use of FlexServ.

Prime candidates for FlexServ service include medium and large size customers with multiple locations. Target markets include financial institutions, state and local governments, interexchange carriers, manufacturing companies, and data processing companies. Primary applications for FlexServ include: 1) Network Disaster Recovery; 2) Network Diagnostics; 3) Network Monitoring; and 4) Virtual Private Network. A customer may use FlexServ for Network Disaster Recovery to facilitate the transfer of critical circuits to a back-up operations or data center in the event of a severe network outage. Customers who are critically dependent on telecommunications place a priority on identifying network problems early and expediting restoration and may use FlexServ for Network Diagnostics. FlexServ provides the capability to isolate faults for the purpose of facilitating restoration. FlexServ also provides for performance monitoring on critical circuits. FlexServ allows customers to reconfigure network facilities on an as-needed basis without the direct involvement of telephone company personnel. It eliminates the expense of a service order and delay of normal service provisioning.

II. The Company's Proposal

The Company is proposing to make the following additions and changes to its tariffs:

- a. The addition of new channel connections to the GSST. This will allow local exchange services to terminate in FlexServ service.
- b. The addition of one new channel connection into the Access Service Tariff.
- c. Restructure of the Dial Access Management Terminal Interface (MTI) in the GSST.

- d. Relocation of FlexServ service rate elements into one section of the Access Services Tariff.
- e. Revision of Section A3 of the GSST that allows Network Access Registers to be used with local exchange services that terminate in FlexServ service.
- f. Revision of Section E7 of the Access Service Tariff that clarifies the offering of FlexServ under the Channel Services Payment Plan and that the termination liability is equal to 90% of the remaining amount due.
- g. Addition of a 19.2 Kbps Multipoint Junction Unit to the GSST.

A. Addition of new channel connections to the GSST

To obtain the monitoring and reconfiguration capability, a customer's private line channels must first be routed to a FlexServ equipped central office's Digital Crossconnect System (DCS). Currently, all DCSs are used to provision FlexServ service switch internally at the DSO level. While this benefits customers who require DSO connection with DSO switching or DS1 connection with DSO switching, the current tariff does not provide for DS1 customers that do not need access to the 24 DSOs that ride their DS1s. In other words, it does not provide for customers that only need DS1 connection at DS1 switching. The tariff also does not provide for DS3 customers that need to access the DSO and DS1 circuits on their DS3 channels.

The Company proposes two types of connections for customers that want to terminate a DS1 circuit: DSO switching and DS1 switching. If a customer needs to monitor and reconfigure 24 DSOs that ride on a DS1 channel, the customer will purchase a DS1 connection with DSO switching. If the customer does not need access to individual DSOs, the customer will purchase a DS1 connection with DS1 switching. The current tariff already provides for DS1 connection with DSO switching.

There are two types of connections available for terminating a DS3 circuit under the Company's proposal: DSO switching and DS1 switching. If a customer needs monitoring and reconfiguring for 672 DSOs, the customer would purchase DS3 connection with DSO switching. If the customer needs monitoring and reconfiguring for

28 DS1s, the customer would purchase DS3 connection with DS1 switching.

Customers that want DS1 and DS3 channel connections to switch internally on DSO and DS1 levels will benefit from the additional connections in the GSST. The Company contends that the additional channel connections will provide customers with greater network flexibility.

Southern Bell estimates that the recurring cost for DS1 channel connection with DS1 switching is \$11.44 while the nonrecurring cost for this option is \$13.21. The recurring cost for DS3 channel connection with DSO switching is \$713.25 with a nonrecurring cost of \$36.88. For the DS3 channel connection with DS1 switching, the recurring cost is \$158.56 with a nonrecurring cost of \$14.87.

The rates proposed by Southern Bell cover the estimated monthly recurring and nonrecurring cost per unit for providing the additional channel connections. The Company bases the recurring cost per unit for the channel connections on its estimated demand for the service. The smaller the actual demand, the greater the per unit monthly cost and vice versa. Assuming that the Company's demand expectations are met, the proposed rates will cover the estimated monthly cost per unit and provide reasonable contribution.

B. The addition of one new channel connection into the Access Service Tariff

Southern Bell is proposing the addition of DS1 channel connection with DS1 switching into the Access Service Tariff. The nonrecurring and recurring rates proposed for this service are the same as those proposed for DS1 channel connection/DS1 switching in the GSST. The estimated nonrecurring and recurring costs for this service are also the same as those estimated for DS1 channel connection/DS1 switching in the GSST. The impacts on the Company and on customers are the same as those identified in Proposal A. Customers that need DS1 channel connection with DS1 switching for special access service will benefit from this service.

The rates proposed by Southern Bell cover the estimated monthly recurring and nonrecurring cost per unit for providing the additional channel connections. The Company bases the recurring cost per unit for the channel connections on its estimated demand for the service. The smaller the actual demand, the greater the per unit monthly cost and vice versa. Assuming that the Company's demand expectations are met, the rates proposed will cover the

estimated monthly cost per unit and provide reasonable contribution.

C. Restructure of the Dial Access Management Services Terminal Interface

Customers access FlexServ service via the Management Services Terminal Interface (MSTI). Two options for MSTI are dial access or dedicated access. Currently, customers that use the dial access whose terminals are located outside of Southern Bell's territory or local calling area are required to also have remote call forwarding capability in order to access FlexServ. The Company is proposing to delete this requirement from the General Subscriber Service Tariff. Dial access customers instead will be provided with a telephone number with which connection to a FlexServ port will be established. The customer will also be provided with a security card. The card provides the customer with a unique password identification code.

The restructured dial access offering allows customers to transmit instructions from their terminals at speeds from 1.2 through 19.2 Kbps. Currently, the tariff limits transmission speeds to 1.2 and 2.4 Kbps. The proposal will also result in a decrease in rates for the dial access option.

The primary impact to dial access customers will be a decrease in dial access rates. Customers will also benefit from increased transmission rates and will no longer be required to purchase remote call forwarding.

Southern Bell's cost per unit for providing dial access will decrease due to the restructure. Under the current tariff, the nonrecurring and recurring costs for dial access are \$177.04 and \$63.02 respectively. With the restructure the nonrecurring and recurring costs will be \$53.00 and \$5.17 respectively.

The rates proposed by Southern Bell cover the estimated monthly recurring and nonrecurring costs per unit for providing the dial access for MSTI. The Company bases the recurring cost per unit for dial access on its estimated demand for the service. The smaller the actual demand, the greater the per unit monthly cost and vice versa. Assuming that the Company's demand expectations are met, the rates proposed will cover the estimated monthly cost per unit.

D. Relocation of FlexServ service rate elements in the Access Service Tariff

The Company is proposing to relocate FlexServ rate elements into one section of the Access Service Tariff. Currently the rate elements are located in Sections E7.5.3, E7.5.5, and E7.5.6. of the tariff. FlexServ rate elements will be moved to Section E7.5.16. According to the Southern Bell, this proposal is a result of customer requests. Customers have indicated to Southern Bell that putting FlexServ into one section of the tariff will provide an added convenience.

E. Revising Section A3 of the GSST

Network Access Registers (NARs) provide exchange and long distance message network calling to and from main stations and attendant positions of an ESSX service or a system requiring trunk or line applications in conjunction with MegaLink channel service, LightGate service, or MegaLink ISDN service. The Company is proposing that NARs be used in conjunction with FlexServ service. The NAR rates that are being proposed for FlexServ are identical to the current tariffed NAR rates for MegaLink, LightGate, and MegaLink ISDN service.

F. Revision of Section E7 of the Access Service Tariff

The Company is proposing to offer FlexServ under the Channel Services Payment Plan currently tariffed in the Access Service Tariff. The contract periods are: 1) Month-to-Month; 2) 24 to 48 Months; 3) 49 to 72 Months; and 4) 73 to 96 Months.

These contract periods are specified in Section E2 of the Access Service Tariff. Section E2 states that the Company can set a termination liability charge for the specific access service. Southern Bell is proposing a termination liability charge of ninety percent of the remaining amount for contracts other than the Month-to-Month contract. This ninety percent termination liability charge is consistent with the liability charge in the GSST.

G. Addition of a 19.2 Kbps Multipoint Junction Unit to the GSST

Multipoint Junction Units (MJUs) allow a customer to bridge or connect up to five channels. Currently, MJUs can be purchased to connect 2.4, 4.8, 9.6, or 56 Kbps channels. The Company's proposal allows for the bridging of 19.2 Kbps channels as well. The rates for 19.2 MJUs are the same in both the General Subscriber and Access Service tariffs. There is a \$15.00 installation charge.

The recurring rates are as follows: 1) Month-to-Month - \$9.45; 2) 24 to 48 Months - \$8.90; 3) 49 to 72 Months - \$8.40; and 4) 73 to 96 Months - \$7.90. Customers that want to bridge up to five 19.2 Kbps channels will be provided that ability under this tariff.

Upon review, we approve Southern Bell's tariff filing to restructure its FlexServ service in the General Subscriber Service and Access Service Tariffs. The restructure provides customers with additional flexibility and expanded capability in FlexServ service. The proposed rates cover the Company's estimated costs of providing additional FlexServ service.

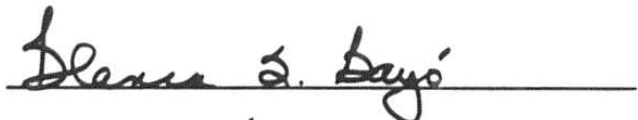
It is therefore

ORDERED by the Florida Public Service Commission that the tariff filed by BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company to restructure FlexServ service in its General Subscriber Service Tariff and the Access Service Tariff is hereby approved with an effective date of February 17, 1995. It is further

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.

By ORDER of the Florida Public Service Commission, this 1st day of March, 1995.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on March 22, 1995.

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.