

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 950812-TL
tariff filing to introduce) ORDER NO. PSC-95-1333-FOF-TL
multi-location CentraNet/ISDN) ISSUED: November 1, 1995
services through integration of)
existing CentraNet service and)
ISDN-BRI by GTE Florida)
Incorporated. (T-95-375 filed)
6/22/95))
_____)

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:

On June 22, 1995, GTE Florida Incorporated (GTEFL) filed a tariff to introduce Multi-Location CentraNet Service and merge and integrate existing tariff offerings for CentraNet and ISDN-BRI services. GTEFL proposes the packaging and restructuring of its Integrated Services Digital Network-Basic Rate Interface (ISDN-BRI) business group rate structure under its current CentraNet tariff and proposes a completely new service offering called Multi-Location CentraNet. Multi-Location CentraNet is a new family of features and services providing business customers in geographically dispersed locations an offering similar to private network services. Each proposal will be considered in turn.

I. ISDN-BRI Rate Restructure

Increasing demand for multiple line services with voice/data capability in GTEFL's service territory has brought about the re-evaluation and expansion of services offered under the current tariff filing for CentraNet and ISDN protocol. GTEFL proposes to continue the offering of single line ISDN without modification, while broadening the CentraNet name to include a separate section for business group offerings of ISDN-BRI services.

DOCUMENT NUMBER-DATE

10738 NOV-1 1995

FPSC-REGULATORY/REPORTING

ISDN is a set of standards enabling end-to-end digital transmission. BRI refers to the three (3) channel voice/data interface: two information "B" channels of 64 kilobyte per second (kbps) transmission and one 16 kbps signaling "D" channel. GTEFL intends to merge these two technologies to provide new service offerings under the CentraNet tariff. GTEFL's proposed rates for these new service offerings will cover costs.

We have previously approved, by Order No. 25167, issued October 8, 1991, a similar tariff offering by BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company (Southern Bell). By that tariff, Southern Bell merged ISDN with ESSX to introduce ESSX Integrated Services Digital Network Service.

II. Multi-Location Centranet

Multi-Location CentraNet Service provides new feature and service options as a component of CentraNet. It affords a business customer with geographically dispersed locations a virtual private network over the public switched network, operating as though they were located in the same system. Multi-Location CentraNet is an add-on targeted to existing CentraNet customers served by multiple central offices. Consequently, the new service offering is a niche product designed to expand connectivity for existing customers rather than broaden market penetration by attracting new customers. Typical users will include schools, government offices, corporate campuses, and any entities having similar campus type situations.

The filing establishes pricing for two optional dialing plans and inter-location intercom calling. A customer must select one of two dialing plan options applying to internal station-to-station dialing. Those choices are either a Location Code Dialing Plan or a Portable Extension Dialing Plan. Dialing plans cannot be mixed within the same system.

When recognizing an individual's extension, the location code dialing plan divides location codes into two distinctly different numbering schemes, those used for internal dialing purposes and those used by external callers. The internal dialing code, a one to three digit location code, must begin with the first digit equaling one through eight. The external dialing code consists of a two to seven digit location code corresponding to a portion of the customer's local telephone number. This plan permits the duplication of telephone numbers among locations belonging to a customer serviced by different central offices.

The portable extension dialing plan allows customers to choose from a range of extension numbers, two to seven digits in length. Each portable extension number must begin with a digit one through eight. The service control point will match the dialed extension to the NANP number through the use of tables programmed into the system. This way the public system may be used to route the call. Upon relocation, the portable extension plan allows the extension number to remain the same even though the NANP number changes to reflect the new serving central office.

All lines designated to have multi-location capabilities must subscribe to Inter-Location Intercom. Inter-Location Intercom utilizes the public switched network instead of a private line network to complete calls between CentraNet locations. In instances where calls cross intraLATA toll boundaries or extended calling areas, the customer will be assessed applicable toll or ECS charges.

GTEFL's proposed rate structure for Multi-location CentraNet service consists of seven rate elements: Wire Center Line Charge (Analog or Digital), CentraNet Service Lines (Analog or Digital), Channel Capacity, Network Access Register, Feature Packages, Optional Features, and Data Base Changes.

The Wire Center Line is the two-wire facility which extends from the central office to a point of demarcation at the customer's location. Wire center line pricing will not differentiate between analog or digital services. Instead, pricing will vary based on term and volume commitments.

CentraNet Service Lines must be associated with the appropriate wire center line. For example, analog service lines require an analog loop. A customer's CentraNet system size is dependent upon both the total number of analog lines and digital stations, because more than one digital station can exist on a single digital line.

The proposed tariff renames and restructures ISDN Multipoint Access, renaming it Digital ISDN CentraNet Service. In addition, the proposed tariff restructures Digital ISDN Single Line Services into two rate categories, residential applications and business applications. Each of these single line rate elements is accompanied by Digital ISDN Single Line Access. The current choice of applying either a residential or business single line rate will remain the same. Monthly recurring service line charges will not vary by volume or contract period. Channel Capacity rate elements include a proposed restructuring of both Digital ISDN CentraNet and Single line services. Charges for both current B-Voice and B-

Voice/Circuit Switched Data offerings will move from a per channel basis to a per line basis for all Digital ISDN service offerings. Current B-Packet and D-Packet rates and applications will not change.

The Network Access Register (NAR) rate element provides access to the switched network. Rates and application will not change. In addition, GTEFL is offering an optional NAR providing a P.01 grade of access service on a per station basis. Normally in a CentraNet environment, one NAR serves 8-10 lines, permitting switched network access to only one line at any one time. The P.01 NAR is designed for the small business that wants dedicated switched network access on a per station basis with an extremely low probability of being blocked.

Feature Package and Optional Feature rate elements include a combination of basic packaged features offered to enhance analog and digital system performance. Optional features are priced independently of featured packages. Data base changes include charges for routine software maintenance, changes, and updates for ISDN-BRI services.

Rates for CentraNet ISDN-BRI and Multi-location CentraNet elements were based on costs developed using GTEFL's Switching Cost Information System (SCIS). The SCIS uses industry wide standards to develop switching costs.

We have reviewed GTEFL's contribution analysis for each individual rate element, feature package, and available service option. While it is clear that optional services and feature packages provide a higher contribution than do the basic rate elements embodied in the provision of the basic service offering, each individual service offering on an independent basis provides a positive contribution. Based on GTEFL's forecast, annual recurring and non-recurring revenues from all CentraNet service offerings will be approximately \$17,235,670 by the end of 1995. That figure is expected to increase to \$46,436,110 by 1999. Gross margins for this same time period are expected to reach \$4,230,023 and \$15,796,932 respectively. Product volume sales and mix will have a significant impact on these forecasts, and are susceptible to change as competition is introduced to the marketplace.

We find GTEFL's tariff to restructure and merge ISDN-BRI services into its existing CentraNet offering and to add Multi-Location CentraNet to be appropriate. The tariff offers new services and some rate reductions in other services that will benefit both consumers and GTEFL.

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Based on the foregoing, we approve GTEFL's tariff, effective October 16, 1995.

It is therefore

ORDERED by the Florida Public Service Commission that GTE Florida Incorporated's tariff to introduce Multi-Location CentraNet Service and merge and integrate existing tariff offerings for CentraNet and ISDN-BRI services is hereby approved. It is further

ORDERED that this tariff filing shall be effective October 16, 1995. It is further

ORDERED that if a timely protest is filed in accordance with the requirements set forth below, this tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. If no timely protest is filed, this docket shall be closed.

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

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

(S E A L)

LMB

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.

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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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 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.