

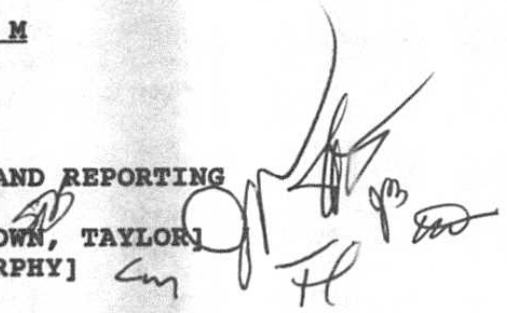
FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building  
101 East Gaines Street  
Tallahassee, Florida 32399-0850

MEMORANDUM

APRIL 4, 1991

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS [BROWN, TAYLOR]   
DIVISION OF LEGAL SERVICES [MURPHY]

RE : DOCKET NO.: 910324-TL - TARIFF PROPOSAL TO INTRODUCE  
TELEPHONE SERVICE PRIORITY (TSP) SERVICE BY GENERAL  
TELEPHONE COMPANY OF FLORIDA (T-91-018, FILED 1/15/91)

AGENDA: APRIL 16, 1991 - CONTROVERSIAL - PARTIES MAY  
PARTICIPATE

CRITICAL DATES: COMPANY WAIVED 60 DAY STATUTORY PERIOD

SPECIAL INSTRUCTIONS: NONE

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DISCUSSION OF ISSUES

ISSUE 1: Should the tariff request by General Telephone (GTE) to introduce Telecommunications Service Priority (TSP) service be approved?

RECOMMENDATION: No, the Commission should not approve GTE's request to introduce Telecommunications Service Priority (TSP) service as filed. However, should the company make the recommended changes, the resubmitted tariff should be approved administratively by staff.

STAFF ANALYSIS: On January 15, 1991 General Telephone (GTE) filed tariff revisions to introduce the TSP service. At that time, staff began its investigation, (in conjunction with a similar filing made by Southern Bell), to identify the impact of this tariff revision on existing rules and tariffs. The Commission approved the Southern Bell tariff at the April 2, 1991 agenda.

TSP service is designed to meet today's emergency preparedness needs under the National Security Emergency Preparedness (NSEP) telecommunication service. The TSP system for NSEP ensures that priority restoration is given to vital telecommunications services. TSP assignments are given to

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telecommunication service vendors (i.e., LECs and IXCs) based on priority levels established by the TSP system. The service vendors then use the TSP assignments to guide them on the sequence in which the vendors are to respond to restoration and provisioning requirements. The TSP designation can only be granted by the TSP program office and the vendor (company) has no control over the designation.

The FCC has ordered the phase out of the current Restoration Priority service with the implementation of the new TSP program. GTE stated that the company currently does not participate in the Restoration Priority (RP) system. Staff's concern is whether vital services will receive the priority they should. Staff believes Rule 25-4.070 (4), Florida Administrative Code, which states: "Priority shall be given to service interruptions which affect public health and safety that are reported to and verified by the company and such service interruptions shall be corrected as promptly as possible on an emergency basis." alleviates our concern. Services that are unable to obtain a TSP designation but meet the requirements of Rule 25-4.070 (4) would be expected to receive priority treatment under the rule. While the treatment may follow TSP circuits, these circuits are so few that there should be no noticeable difference in treatment.

The proposed tariff only impacts those circuits that receive the TSP designation. Staff believes that the tariff should be limited to only those services which receive official designation through the TSP program office. The Commission recently approved Southern Bell's tariff which contained restrictions as to who could receive TSP service. TSP service is limited to qualifying state and local government, the federal government, foreign governments and certain private telecommunications services.

Staff finds that GTE does not intend to offer the TSP service differently than Southern Bell except for the rates. GTE has proposed rates for TSP service based on cost, however, the company intends to recover the cost in a different manner than Southern Bell proposed. GTE intends only to recover a portion (20%) of its nonrecurring cost with the nonrecurring charge. The company intends to recover the major portion of its nonrecurring cost through its recurring monthly rate (cost plus approximately 60% contribution). Staff recommends that the nonrecurring charge recover its associated cost and the recurring rate recover its cost with some contribution. This is similar to the way the recently approved Southern Bell rate structure. GTE has stated that it wishes to maintain the proposed rates since these are the

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same rates that were approved on the federal level. Staff believes that the rates should more closely reflect the cost and should be consistent with Southern Bell's rate as to contribution. GTE's and staff's proposed rates are outlined below:

GTE TSP RATES COST	GTE PROPOSED RATES	STAFF RECOMMENDED RATES	GTE COSTS	SOUTHERN BELL RATES
PRIORITY PROVISIONING	\$14.50 NRC	\$77.00 NRC	\$75.88	\$42.00 TO \$83.00
RESTORATION PRIORITY IMPLEMENTATION	\$14.50 NRC	\$77.00 NRC	\$75.88	\$65.00
PRIORITY LEVEL CHANGE	\$14.50 NRC	\$77.00 NRC	\$75.88	\$65.00
RESTORATION PRIORITY	\$4.90 RECURRING	\$3.75 RECURRING	\$3.12	\$3.00

Staff recognizes that GTE and Southern Bell have different cost, but staff believes that the rates should be similar. The major reason for the difference in the proposed rates is the companies different approach to recovering cost, staff believes that Southern Bell's approach to cost recovery is more appropriate.

Staff recommends that GTE's proposed tariff filing to introduce TSP service be denied. While the introduction is in response to a nationwide program which is administered through the TSP program office, staff believes that GTE's proposed rates are not appropriate. Staff believes that in every other respect the tariff is appropriate and should the company refile its tariff and modify its rates to reflect staff's proposal, the tariff should be approved administratively by staff.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, If Issue 1 is approved this tariff should become effective on April 23, 1991. If no timely protest is filed, this docket will be closed.

STAFF ANALYSIS: At the conclusion of the protest period, if no protest is filed, this docket should be closed.

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