

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

December 26, 1996

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

FROM: DIVISION OF COMMUNICATIONS (WIGGINS) *WJ*
DIVISION OF COMMUNICATIONS (CULPEPPER) *McB*

RE: DOCKET NO. 961502-TL- PROPOSED TARIFF FILING BY NORTHEAST
FLORIDA TELEPHONE COMPANY, INC. INTRODUCING CENTREX
SERVICE (FILED 12/2/96, T-96-1043) *Legal*

AGENDA: JANUARY 7, 1997 - REGULAR AGENDA - TARIFF FILING -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 30-DAY SUSPENSION DATE: WAIVED

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\961502TL.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Northeast Florida Telephone Company's tariff filing to introduce Centrex Service?

RECOMMENDATION: Yes. the Commission should approve Northeast Florida Telephone Company's tariff filing to introduce Centrex Service.

STAFF ANALYSIS: On December 2, 1996, Northeast Florida Telephone Company, Inc. (the Company) filed a tariff to introduce Centrex Service. The Company's Centrex Service is a central office based business communications service which provides capabilities similar to those offered by a PBX, but without requiring switching equipment on the customer's premises. This service will integrate all of a business customer's lines into a single telecommunications system. The myriad of features available from Northeast's Centrex Service combines to perform the following functions:

DOCUMENT CONTROL DATE

13677 DEC 23 96

RECORDS AND REPORTING

1. Direct Inward Dialing (DID) and Direct Outward Dialing provide calling to and from stations without the assistance of an attendant.
2. Business Group Dialing Plan enables a Centrex group to have a unique dialing scheme which includes Intercom Dialing, access to an attendant, private network, and special facilities using 1 to 5 digit codes.
3. Distinctive Alerting/Call Waiting Indication allows a station user to determine the source of incoming calls by the Distinctive Ringing pattern or the Call Waiting tone.
4. Dial Access to Special CPE Circuits provides access to special customer-provided equipment, such as paging equipment, code calling equipment, dictation, and radio paging equipment by dialing an intercom or access code.
5. Network Access Registers (NARs) restrict the number of simultaneous calls between the Centrex group and the public network.
6. Off-Premises Stations enable secondary or additional business locations to access the same Centrex features and services as the main business location.

The Company's proposed filing will be incorporated under Section A13 in its General Subscriber Service Tariff. This offering will initially be available to subscribers served out of the Macclenny and Blackwell host offices, as well as the Sanderson and Glen St. Mary remote offices. These offices have new digital switches, which have the capability to support Centrex Services.

Northeast's proposed Centrex rates are consistent with the rates that have been approved for other LECs with similar basic feature packages (Attachment A). The Company contends that the proposed rates will not lead to unwarranted migration from its B1, Rotary, and PBX services, but are designed to create an attractive alternative for those customers whose service needs are best satisfied by Centrex.

The Company has not provided a revenue impact assessment or detailed cost study. Given the reasonableness of the proposed rates, the company believes this information is not needed to determine the appropriateness of this filing.

Staff recommends that the Commission approve Northeast's tariff filing to introduce a Centrex Service. Staff believes the

Docket No. 961502-TL
December 26, 1996

addition of this service will allow the Company to provide a service at rates comparable to rates charged by other LECs for a similar service.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If Issue 1 is approved, this tariff filing should become effective January 7, 1997. If a protest is filed within 21 days from the issuance date of the order, this tariff should 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 should be closed.

STAFF ANALYSIS: If the Commission approves the recommendation in Issue 1, and no timely protest is filed, this docket should be closed. If a protest is filed within 21 days from the issuance of the order, this tariff should 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 should be closed.

	<u>NEFTC</u>	<u>United</u>	<u>GTE</u>	<u>St. Joseph</u>
Monthly Centrex Rates/Line	\$ 7.00	\$ 5.50	\$ 9.75	\$ 5.50
NAR	<u>20.00</u>	<u>15.20</u>	<u>21.76</u>	<u>17.25</u>
Total	\$27.00	\$20.70	\$31.51	\$22.75
Rotary	\$34.50	\$23.27	\$34.97	\$22.40
PBX	\$34.50	\$30.40	\$46.10	\$33.15
Centrex Total/Rotary Rate	78%	89%	90%	102%
Centrex Total/PBX Rate	78%	68%	68%	69%

Notes: Where volume discounts are present, rate reflects minimum number of lines.
 Where there is a rate group sensitivity, rate group 1 was used.