

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of
tariff filing to introduce
Integrated Services Digital
Network-Primary Rate Interface
(ISDN-PRI) by Quincy Telephone
Company d/b/a TDS Telecom/Quincy
Telephone. (T-98-0434 filed
4/1/98)

DOCKET NO. 980550-TL
ORDER NO. PSC-98-0758-FOF-TL
ISSUED: June 1, 1998

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

ORDER APPROVING TARIFF

BY THE COMMISSION:

On April 1, 1998, Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone (TDS or company) filed a tariff to introduce Integrated Services Digital Network - Primary Rate Interface (ISDN-PRI). The company stated that this offering is part of the overall upgrading of services and features that are now available in the central office as a result of its switch upgrade. ISDN is similar to an information pipeline that provides end-to-end digital connectivity for simultaneous data and voice transmission. PRI is an optional service arrangement which can be used in conjunction with the customer's individual line business or residential service. The line uses the ISDN architecture to provide customers with the capabilities of simultaneous access, transmission, and switching of voice, data and video services via channelized transport. In addition, PRI provides the customer with access to Circuit-Switched Voice Services and Circuit-Switched Data Services.

An ISDN-PRI arrangement connects an ISDN-capable telephone company central office switch to ISDN-capable customer premises equipment (CPE). Depending on the application, the CPE might be a PBX, a router, a multiplexer, etc. The ISDN-PRI arrangement provides a total of twenty-four (24) digital communications

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channels within a single facility. Twenty-three (23) of these channels are Bearer (B) channels and they carry the actual voice or data. The B Channel is a bi-directional synchronous channel capable of supporting digital transmission speeds of 64 kilobits per second (kbps). Each B Channel can carry Circuit-Switched Voice and Circuit-Switched Data. Clear channel capability is a characteristic of the transmission paths on the B channel that allows the full bandwidth on the B channel, 64 kbps, to be available to the customer. The B channels can be dedicated for calls to and from the public network: Incoming, Outgoing, 2-way, Direct Outward Dialing (DOD) or Direct Inward Dialing (DID).

One of the 24 channels is the Delta (D), which is used to transport signaling for the other 23 channels. The D Channel is a 64 kbps digital signaling channel that carries signaling and control for the B channels. The company stated there might be situations where more than 23 channels are needed at a particular premise. In those situations, multiple PRI facilities can be assigned to a PRI arrangement. When D channel backup is used in a multiple PRI arrangement, the D Channel in the first PRI facility is used to transport signaling for additional PRI facilities. The first PRI would be configured as 23B+D and the other PRIs would be configured as 24B. This use of Non-Facility Associated Signaling (NFAS) allows the overhead of the D Channel to be distributed over multiple PRI facilities, thereby increasing channel efficiency. In multiple PRI arrangements, a second D Channel (D Channel Backup) can be assigned (where available) as an automatic backup to the primary D Channel. This can be offered when more than one PRI is provided to the same customer in order to provide redundancy for the signaling channel.

TDS will offer ISDN-PRI as a flat rated service. PRI customers will be charged at the rate of \$700 per month.

We have reviewed the cost data provided by the company. We believe that the proposed rates for this service will more than adequately cover incremental cost and provide a reasonable contribution. TDS projected that the annual revenue impact of the service will be a net increase of \$25,200. This will raise TDS's achieved ROE to 5.15%, an increase of 0.26%, assuming there is no incremental expense. The company's authorized midpoint return on equity is 11.65%.

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We believe that customers will benefit from this service because it will allow them greater access to the public switched network. ISDN-PRI will provide a cost effective solution to many customers' data needs. Customers, such as schools and Internet Service Providers, will be able to use this service to provide faster Internet access for their users. In addition, sales of this service will provide the Company with a positive revenue stream. This positive revenue stream will enable the Company to keep local rates, such as residence and business one-party rates, at a minimum.

Based on the foregoing, it is

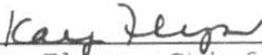
ORDERED by the Florida Public Service Commission that TDS's tariff filing to introduce Integrated Service Digital Network - Primary Rate Interface (ISDN-PRI) is hereby approved, effective May 12, 1998. It is further

ORDERED that if a protest is timely filed, the tariff revisions shall remain in effect pending resolution of the protest. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission this 1st day of June, 1998.

BLANCA S. BAYÓ, Director
Division of Records and Reporting



Kay Flynn, Chief
Bureau of Records

(S E A L)

JCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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 June 22, 1998.

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.