

FLORIDA PUBLIC SERVICE COMMISSION

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

M E M O R A N D U M

July 22, 1993

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS [DREW/REITH] *ASD M*
DIVISION OF LEGAL SERVICES [KURLIN] *pal R*

RE : DOCKET NO. 930584-TL REQUEST FOR APPROVAL OF TARIFF
FILING TO PROVIDE AN ADDITIONAL ENHANCEMENT TO ITS
SWITCHED DATA SERVICE OFFERING BY GTE FLORIDA
INCORPORATED (T-93-336, FILED 6-11-93)

AGENDA: AUGUST 3, 1993 -CONTROVERSIAL- PARTIES MAY PARTICIPATE

CRITICAL DATES: 60 DAY SUSPENSION EXPIRES AUGUST 10, 1993.

SPECIAL INSTRUCTIONS: I:PSC\CMU\WP\930584.RCM

CASE BACKGROUND

On August 15, 1991, the Commission approved GTE Florida Incorporated's (GTEFL or the Company) filing to introduce Switched Data Services (See Order Number 24916). Switched Data Services is a data transport offering that provides end-to-end digital connectivity via the public network between two switched data service users. The Company asserted that SDS would provide the performance characteristics of digital private line service as well as the flexibility of a switched service.

On November 30, 1992 the Commission approved GTEFL's filing to introduce Switched Data Channel Access Service (See Order Number PSC-92-1376-FOF-TL). This offering would provide 24 digital channels supporting the transmission of large amounts of data over a DS-1 facility. The purpose of this offering was to extend switched data services to customers served from non-ISDN GTD-5 central offices.

As a further enhancement to switched data service provision, GTEFL filed a tariff on June 11, 1993 to introduce Switched Data Individual Line Loop Extension. Switched Data Individual Line Loop Extension provides a digital extension of the local loop in order to provide switched data beyond the normal operating limits of the technology. With the offering of this service, the Company expects to open up untapped markets for its switched data service.

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provide the service using the nearest capable central office.

Switched Data Individual Line Loop Extension not only allows for the provision of switched data services beyond the limitations of the loop, it also allows for termination of switched data services on digital data service customer premise equipment. When Switched Data Service was initially introduced in 1991 the Company's intent was to offer the service as an alternative to its analog and digital private line services. High speed Switched Data Service in particular would provide back up to private line and would target the large business private line customer. Switched Data Individual Line Loop Extension allows for switched data service to be terminated on DDS Digital Service Unit/Customer Service Unit or compatible customer premise equipment.

How Does Switched Data Extension Work

Under regular Switched Data Service, voice and/or data is transmitted from the customer premise directly to their local switched data capable central office. The data is switched from the central office to a tandem. From the tandem it may be switched to an IXC point of presence for interLATA transport or switched to another switched data capable central office (See diagram on page 2 of Attachment A). Under Switched Data Individual Line Loop Extension, digital data is transmitted over a four-wire loop that is prepared or "groomed" specifically for digital data transmission only to the local serving central office. Grooming means that existing cable is stripped of all unnecessary electronics in order to provide digital data transmission. The data is then transmitted to a switched data capable central office and then follows the same transmission process as in regular Switched Data Service.

Reason for the Proposal

The Company's reason for introducing Switched Data Individual Line Loop Extension is to open up three additional markets for Switched Data Service: customers who are beyond the local loop distance limitation; customers who are served from non-equipped central offices; and customers who wish to terminate switched data on a DDS Customer Service Unit/Digital Service Unit termination device.

Financial Impact on the Company

The Company's offering has two rate elements: **Switched Data Individual Line Loop Extension Access** and **Switched Data Individual Line Loop Extension Channel**.

Switched Data Individual Line Loop Extension Access is a four wire local loop which transports Switched Data between the customer's premises and the local serving central office. The total outside plant (cable) and circuit equipment cost per access loop is \$1,008.97. The Company intends to recover the cost of providing extension access with a non-recurring charge of \$50.00 and a monthly recurring charge of \$50.00.

Switched Data Individual Line Loop Extension Channel provides the digital Switched Data Service capability and digital Switched Data "dial tone". Its costs vary depending on whether a single line or CentraNet customer is being served. The following table summarizes the cost for central office and circuit equipment for single line and CentraNet customers.

Extension Channel Costs for Single Line and CentraNet Customers

Types of Costs	Single Line	CentraNet
Central Office Equipment Cost	\$43.87	\$71.94
Central Office Equipment Installation	\$92.88	\$92.88
Central Office Equipment Software	\$69.25	\$75.33
Circuit Equipment Cost	\$116.09	\$116.09
Circuit Equipment Installation	\$12.50	\$12.50
Circuit Equipment Engineering	\$6.25	\$6.25
Total	\$340.84	\$374.99

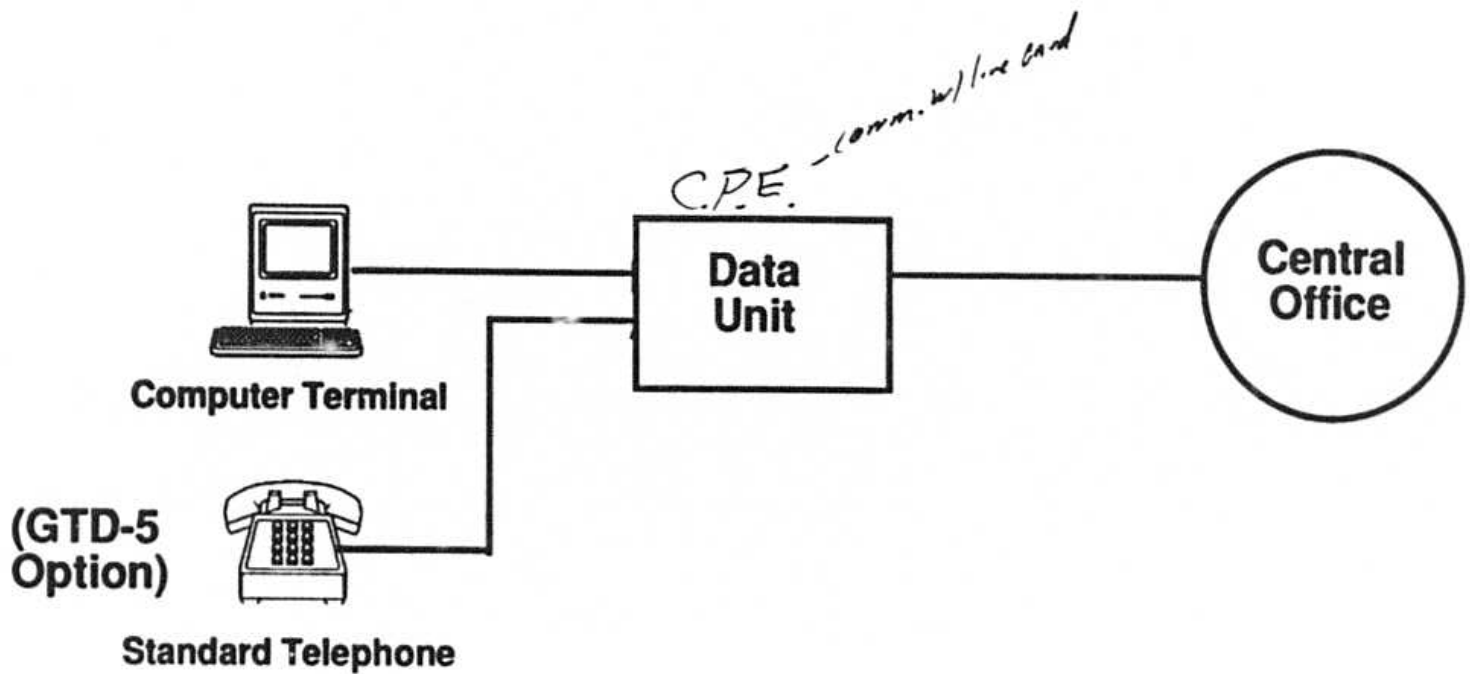
The Company is proposing a non-recurring charge of \$50.00 for both the Single Line and CentraNet customer. The proposed monthly recurring charge for Single Line and CentraNet customers is \$12.00 and \$15.00 respectively. Applicable tariffed Digital Interoffice Channel rates for 56 kbps Digital Private Line service as well as tariffed usage rates shall apply.

GTEFL expects significant contribution to be generated from its Switched Data Individual Line Loop Extension. The following table summarizes the Company's projected total revenues, costs, contribution, and percent contribution.

GTE

SWITCHED DATA SERVICES

Switched Data Network



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Attachment A

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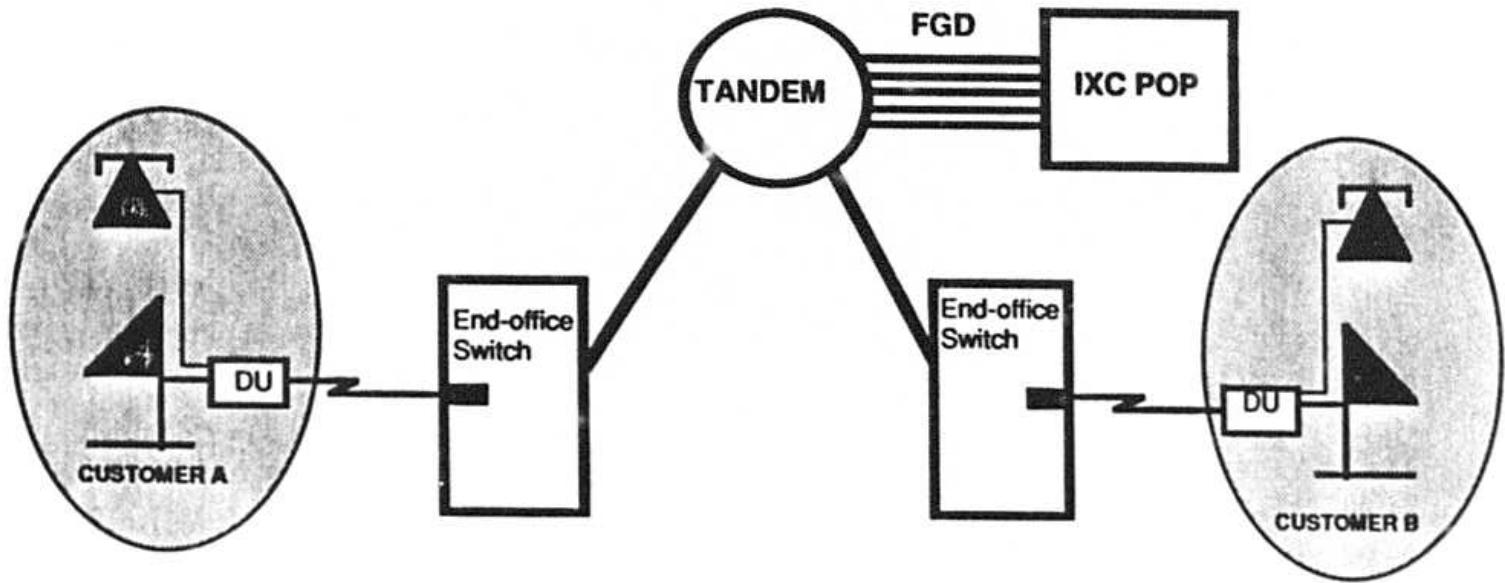
GTE

SWITCHED DATA SERVICES

Switched Data

Switched Data is an end-to-end switched digital service. The customer requires a data unit which is compatible with the serving Central Office switch. Note, the GTD-5 technology supports simultaneous voice and data over a single subscriber loop (Voice Option).

DU - Customer premise equipment which is compatible with the central office switch



GTE- Restricted