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MAY 20, 1992

Decision 92-05-059 May 20, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
GTE CALIFORNIA INCORPORATED  
(U 1002 C), a corporation, for  
authority to establish a tariff  
schedule for ControlLink<sup>sm</sup>, Digital  
Channel Service.

ORIGINAL

Application 90-12-069  
(Filed December 24, 1990)

O P I N I O N

Applicant GTE California Incorporated (GTEC) requests this Commission's authority to provide digital channel service (DCS) under its ControlLink service mark. The original application stated that GTEC intended to offer this as a tariffed Category I service, but GTEC subsequently amended the application by substituting "Category II" for "Category I".<sup>1</sup> The tariff schedule for this service, which is reproduced in the Appendix, consists of four basic rate elements respectively identified as digital channel capacity, digital channel activation, service activation, and customer premises channelization capacity.

DCS will provide local loop digital access to a variety of network services over a single high-capacity digital facility. This service will be offered from the customer premises to the serving central office. DCS integrates the transport of switched and dedicated services in increments of 24 digital channels (DSOs) within a DS1 (1.544 mbps) high capacity digital signal.

<sup>1</sup> In Re: Alternative Regulatory Framework for Local Exchange Carriers (1989) 33 CPUC 2d 43, the Commission established three categories of services for pricing purposes. Category I services are those for which rates and charges will only be set or changed upon approval by the Commission. Category II services are those for which GTEC only has downward pricing flexibility from Commission-approved price caps. (See 33 CPUC 2d 125-128.)

Channelization of the DSI at the central office is integral to providing this service, and channelization at the customer location will be available either as a network functionality or by customer premises equipment, at the customer's option.

DCS is an aspect of the telecommunications industry's trend toward digital technology in the local loop, in digital customer premises switching systems, and in T1 multiplexing equipment. Customers also wish to control their communications facilities so as to reduce costs, improve reliability, and maximize functionality, without increased complexity of management. GTEC's ControLink service is designed to serve this demand.<sup>2</sup>

GTEC asserts that it will benefit from offering a service which facilitates economic deployment of digital loop technology consistent with the company's long-term network management plans. It states that DCS is most suitable for medium to large business customers with a large number of trunks and/or a combination of several switched and dedicated network services. With DCS, these business customers with bulk requirements for channelized network services will be able to reduce their telecommunications costs for a quantity of channels of the same type, compared with the purchase of the same number of individual channels requested separately. After a DCS basic system has passed the threshold of cost effectiveness, any additional services activated, up to its capacity limit, will result in further savings. In support of its

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<sup>2</sup> According to GTEC's application, "The increasing use of digital PBXs and data multiplexing equipment is creating a growing demand for local loop services to be encoded in DSI digital channels to the customers' premises. Modern PBX systems are more efficient and cost effective for the customer. A [local exchange carrier's] transport medium is more efficient and cost effective when large quantities of individual services are delivered on high-capacity digital facilities. These cost and efficiency economies, coupled with gains in service performance, provide significant network improvements for large business customers." (Pp. 4-5.)

proposed rates for DCS, GTEC submitted a cost study as part of its application. GTEC claims this study demonstrates that the rates were developed on the basis of a fully allocated costing methodology, including contribution.<sup>3</sup>

The Commission's Division of Ratepayer Advocates (DRA) filed a timely protest. The gist of DRA's protest is that, although DRA does not object to GTEC's offering the service per se, it objects to GTEC's request to offer DCS as a Category I service. DRA believes the service should be offered as a Category II service because the proposed tariff conditions are not permitted for Category I, and DRA further protests the proposed tariff rates and GTEC's plan to offer a discount on the service for specific contract periods.

In view of the more global inquiry into the costs of GTEC's services in the Implementation Rate Design (IRD) portion of the Commission's Alternative Regulatory Framework (ARF) proceeding, Investigation (I.) 87-11-033, DRA's protest urges that any authority granted in this proceeding be of an interim nature, and require that GTEC conform its tariffs to the final IRD decision.

At the prehearing conference GTEC and DRA stated that they had arrived at an agreement to resolve their differences, and put a stipulation embodying that agreement on the record. DRA stipulated that it was prepared to withdraw its protest upon GTEC's filing of certain new tariff provisions and cost justification figures, and upon GTEC's agreement on two points: first, that the order herein be considered an interim order pending a decision on the IRD in the Phase III ARF proceeding; and second, that the floor to ceiling ratio in the Controlink service apply to this service

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3 GTEC submitted this information with a motion that it be filed under seal pursuant to General Order 66-C as information which is both confidential and proprietary.

only, and not be considered precedential as to the parties in this proceeding. GTEC agreed to this stipulation on the record at the prehearing conference (Tr. 5). Accordingly, GTEC orally tendered appropriate revisions to its application on the record, and agreed to serve a written copy of these revisions on all persons who had been served with the original application.

The administrative law judge ruled that the orally tendered revisions would suffice to modify the original application without the filing of a fully amended application, and that DRA's protest would be deemed withdrawn upon the filing of a revised tariff sheet and cost study. The latter items were duly filed on June 26, 1991, along with the text of the revisions and a certificate of service of the changes upon all parties originally served by GTEC.<sup>4</sup> The conditions of the stipulation were thereby satisfied, and DRA's protest is deemed withdrawn.

The terms of the order proposed under the parties' stipulation are reasonable, and are sufficient to insure that the public interest is protected until GTEC's rate structure is comprehensively examined in the Phase III ARF proceeding. The authority granted by the order herein is of an interim nature only, and will enable GTEC to go forward with its plans to offer DCS to its customers, subject to any change mandated by this Commission by subsequent order. Accordingly, GTEC's application is granted.<sup>5</sup>

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4 GTEC filed its revised cost study with a motion that it be filed under seal.

5 GTEC's motions to file its original and revised cost studies under seal should be denied. As a general policy, disclosure in agency proceedings is favored, FCC v. Schreiber (1965) 381 U.S. 279, and trade secrets are not automatically protected from disclosure. As the Commission recently observed in Re AT&T Communications of California, Inc. (1989) 34 CPUC 2d 77, it is

(Footnote continues on next page)

Findings of Fact

1. GTEC herein asks for authority to provide DCS under its ControLink service mark.
2. ControLink service will be offered as a tariffed Category II service.
3. ControLink will provide local loop digital access to a variety of network services over a single high-capacity digital facility.
4. ControLink will be offered from the customer premises to, the serving central office pursuant to the tariff schedule included as the Appendix to the Commission's order herein.
5. DRA filed a timely protest which is now deemed withdrawn. GTEC's application is, accordingly, uncontested.
6. The parties, by stipulation, have proposed certain terms to be included in the order herein, which are reasonable.
7. The terms proposed for inclusion in the order will assure that the public interest relating to the provision of ControLink service is adequately protected until GTEC's rate structure is comprehensively examined in the Phase III ARF proceeding.
8. GTEC has made no showing that its original and revised cost studies are confidential.

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(Footnote continued from previous page)

inappropriate to grant such a motion where the applicant has made no showing that information filed with an application should be treated confidentially. No such showing has been made by the applicant here, and the cost study should therefore be filed, unsealed, as part of the public record in this proceeding.

Conclusions of Law

1. GTEC's application should be granted, subject to the terms and conditions contained in the order.
2. GTEC's motions to file its original and revised cost studies under seal should be denied.

O R D E R

IT IS ORDERED that:

1. Authority is granted for GTE California Incorporated (GTEC) to provide Digital Channel Service (DCS) under its ControLink service mark, as is more particularly set forth in its tariff schedule filed herein as a Category II service, subject to the additional terms and conditions contained in this order.
2. GTEC shall file an advice letter with its Digital Channel Service tariff as set forth herein (Appendix A), to be effective on not less than 15 days' notice. Changes to the tariff may be made pursuant to General Order 96-A and Decision 89-10-031, Ordering Paragraph 4.
3. The authority granted herein is of an interim nature, pending the conclusion of the Implementation and Rate Design portion of the Alternative Regulatory Framework proceeding, Investigation (I.) 87-11-033.
4. The floor to ceiling ratio in the ControLink DCS applies to this service only, and is not to be considered precedential as to GTEC or to the Commission's Division of Ratepayer Advocates.

5. GTEC's motions to file its original and revised cost studies in this proceeding under seal are denied.

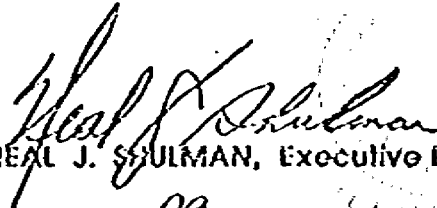
This order is effective today.

Dated May 20, 1992, at San Francisco, California.

DANIEL Wm. FESSLER  
President  
JOHN B. OHANIAN  
NORMAN D. SHUKWAY  
Commissioners

Commissioner Patricia M. Eckert,  
being necessarily absent, did not  
participate.

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY

  
NEAL J. SHULMAN, Executive Director  
PB

DIGITAL NETWORK SERVICES

(N)

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DIGITAL NETWORK SERVICES

I. GENERAL

APPLICABILITY

Applicable to the provision of intraexchange multifunctional digital transport between a customer's premise and the serving central office.

TERRITORY

Within the exchange area of all exchanges, as the exchange areas are defined on maps filed as part of the tariff schedules.

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DIGITAL NETWORK SERVICES

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II. RATES

DIGITAL CHANNEL SERVICE

A. Nonrecurring Charges

1. Service Establishment Charge

Initial \$ 150.00

Subsequent 150.00

2. Service Change Charge

Per Digital Channel Capacity

Each, increment of 24 channels 108.00

3. Configuration Charge

Per Occurrence 50.00

4. Premises Visit Charge

Per Visit, Each 35.00

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II. RATES - Continued

Digital Channel Service - Continued

B. Digital Channel Capacity

1. Per System

	NRG	Monthly Rate	Rate Ceiling	Rate Floor
24 Digital Channels	\$ 300	\$ 468	\$ 468	\$ 306
48 Digital Channels	550	681	681	486
72 Digital Channels	800	894	894	670
96 Digital Channels	1,050	1,067	1,067	854
120 Digital Channels	1,300	1,240	1,240	1,037
144 Digital Channels	1,550	1,413	1,413	1,221
192 Digital Channels	2,050	1,759	1,759	1,588
240 Digital Channels	2,550	2,105	2,105	1,956
288 Digital Channels	3,050	2,451	2,451	2,323
384 Digital Channels	4,050	3,143	3,143	3,058
480 Digital Channels	5,050	3,835	3,835	3,792
576 Digital Channels	6,050	4,527	4,980	4,527
672 Digital Channels	7,050	5,261	5,787	5,261
1344 Digital Channels	14,050	10,828	10,828	10,404
2016 Digital Channels	15,500	15,672	15,672	13,868

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II. RATES - Continued

Digital Channel Service - Continued

B. Digital Channel Capacity - Continued

2. Digital Interoffice Transport

Refer to Tariff Schedule G-14, Section F.3.a. and b. for rates.

C. Digital Channel Activation <sup>1</sup>

	<u>NRG</u>	<u>Monthly Rate</u>	<u>Rate Ceiling</u>	<u>Rate Floor</u>
Per Digital Channel Activated	\$ 6.00	\$ 2.00	\$ 2.00	\$ 0.63

D. Service Activations - Per Network Service

	<u>NRG</u>	<u>Monthly Rate</u>	<u>Rate Ceiling</u>	<u>Rate Floor</u>
1. Analog Service (Exchange Line/Trunk, CentraNec <sup>SM</sup> , Station Line)	\$ 32.00	\$ 5.50	\$ 5.50	\$ 4.39
2. Foreign Exchange, Off Premises Extension, Private Line, Tie Line Intrastate Wats/800	35.00	15.00	17.25	15.00
3. Digital Data Service 2.4 Kbps, 4.8 Kbps, 9.6 Kbps, 19.2 Kbps	35.00	30.00	34.50	30.00
4. Digital Data Service 56 Kbps	35.00	38.00	43.70	38.00
5. DSL Service 1.544 Mbps	500.00	65.00	74.75	65.00

E. Measured Rate Service-Local Calling Rates

Applies to Service Activations - Analog Service listed in II.D.1.  
above. Refer to Tariff Schedule A-1, Section II.C. for usage  
rates.

Note 1: Does not apply to DSL Service.

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II. RATES - Continued

Digital Channel Service - Continued

F. Customer Premises Channelization - Company Provided on Customer Premises

1. Digital Channel Capacity

	NRG	Monthly Rate	Rate Ceiling	Rate Floor
24 Digital Channels	N/A	\$ 296	\$ 296	\$ 282
48 Digital Channels	N/A	332	332	317
72 Digital Channels	N/A	477	477	456
96 Digital Channels	N/A	514	514	490
120 Digital Channels	N/A	658	658	628
144 Digital Channels	N/A	694	694	663
192 Digital Channels	N/A	1,001	1,001	956
240 Digital Channels	N/A	1,183	1,183	1,129
288 Digital Channels	N/A	1,363	1,363	1,301
384 Digital Channels	N/A	1,877	1,877	1,791
480 Digital Channels	N/A	2,365	2,365	2,258
576 Digital Channels	N/A	2,727	2,727	2,603
672 Digital Channels	N/A	3,240	3,240	3,092
1344 Digital Channels	N/A	6,584	6,584	6,284
2016 Digital Channels	N/A	9,724	9,724	9,282

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II. RATES - Continued

Digital Channel Service - Continued

F. Customer Premises Channelization - Company Provided on Customer  
Premises - Continued

2. Service Activation, Per Channel

	<u>NRG</u>	<u>Monthly Rate</u>	<u>Rate Ceiling</u>	<u>Rate Floor</u>	
a. Analog Service (Exchange Line/Trunk, CentraNet <sup>SM</sup> , Station Line)	\$ 20.00	\$ 9.00	\$ 10.35	\$ 9.00	
b. Foreign Exchange, Off Premises Extension, Private Line, Tie Line Intrastate Wats/800	20.00	9.00	10.35	9.00	
c. Digital Data Service 2.4 Kbps, 4.8 Kbps, 9.6 Kbps	20.00	23.00	26.45	23.00	
d. Digital Data Service 56 Kbps	20.00	31.00	35.65	31.00	(N)

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III. SPECIAL CONDITIONS - Continued

Digital Channel Service - Continued

A. Description of Service

1. Digital Channel Service is an intraexchange multifunctional digital channel service which provides access transport between the customer's premises and the serving central office over a single high-capacity digital facility on a channelized basis.
2. Digital Channel Service is provided in capacity increments of 24 digital channels (DSOs) over a single DS1 facility.
3. The following network services may be furnished on a link (partial channel) basis across multiple jurisdictions when connected with Digital Channel Service.
  - Analog Voice Service (exchange lines/trunks, CentraNet<sup>SM</sup>, foreign exchange lines, off premises extensions, voice private lines, tie lines, intrastate WATS/800)
  - Analog Data Service
  - Digital Data Service (2.4; 4.8; 9.6; 19.2; 56 Kbps)
  - DS1 Service (1.544 Mbps)
4. Digital Channel Service is comprised of the following components.

Digital Channel Capacity  
Digital Channel Activation  
Service Activation  
Customer Premises Channelization

Digital Channel Capacity, Digital Channel Activation and Service Activation will be provided at the rates and charges specified in Section II. of this Tariff Schedule.

Customer Premises Channelization may be provided by the Company or by the customer. When provided by the Company, rates and charges specified in Section II. of this Tariff Schedule will be applicable. When provided by the customer, rules and regulations specified in III.D. will apply.

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III. SPECIAL CONDITIONS - Continued

Digital Channel Service - Continued

B. Digital Architecture -

Digital Channel Service differs in provisioning method and numbering format from end-to-end services. Services listed in III.A.3. will be available from the Company on a link (partial channel) basis rather than on an end-to-end basis. This architecture is intended to promote efficient connectivity of analog and digital networks.

Digital Channel Service will be available on a digital basis at the network interface located on the customer's premises. Digital Channel Service enables traditional analog services, such as tie lines, off-premises stations, and PBX trunks, to be provided on a digital basis when the customer desires them encoded in a DS1 bit stream. These traditionally analog services will be delivered to the customer's premises via DS0 channels.

Both the Company and the customer have joint responsibilities to ensure proper transmission of the provided services. Normal analog channel network interface specifications will be superseded by electrical specifications for the 1.544 Mbps (DS1) channel. Each DS0 channel provided will have identity only as a "time slot" within a DS1 channel.

Compatible digital to analog conversion equipment must be provided to derive analog services, as required. Channelization at the customer premises may be provided by the Company or the customer.

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III. SPECIAL CONDITIONS - Continued

Digital Channel Service - Continued

C. Definitions

Digital Channel Capacity is a multifunctional DS1 signal between the customer premises and the serving central office. This digital link can be used to transport switched and dedicated services. Digital Channel Capacity is the transport medium for service activations ordered by the customer. Digital Channel Capacity is available in increments of 24 DS0s.

Digital Channel Activation is the quantity of channels activated at the serving central office. The quantity of Digital Channel Activations cannot exceed the Digital Channel Capacity.

Service Activation is the connection between Digital Channel Service and the network service accessed.

Customer Premises Channelization provides the DS1 termination and DS1 demultiplexing to the DS0 level at the customer premises. Customer Premises Channelization utilizes D4 channel banks.

Channel Service Unit (CSU) is network channel terminating equipment used to terminate digital channel facilities at the customer premises.

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III. SPECIAL CONDITIONS - Continued

Digital Channel Service - Continued

C. Definitions - Continued

DS0 denotes a channel service expressed in terms of its digitally encoded data bit rate in accordance with the North American hierarchy of digital signal levels. It is generally referred to as having a 64 Kbps transmission bit rate signal; however, customer transmitted bit rates are limited to 56 Kbps. The required format and interface specifications are stated in Section 7000 of the GTE Technical Interface Reference Manual.

DS1 denotes a channel service expressed in terms of its digitally encoded bit rate in accordance with the North American hierarchy of digital signal levels. It has a 1.544 Mbps transmission data rate and provides for the two-way simultaneous transmission of isochronous timed, Bipolar Return-to-Zero (BPRZ) bit stream format. Unframed signal formats are not permitted or compatible with Company equipment. The required format and interface specifications are stated in Section 7000 of the GTE Technical Interface Reference Manual.

D. General

1. Digital Channel Service is furnished subject to the availability of facilities. Special Construction charges may apply.
2. 1.5 Special Transport Facility and mileage rates specified in Schedule Cal. P.U.C. No. G-14, Section F.3.a. and b. or F.6.a. will be applicable per Digital Channel Capacity when a customer requested Digital Channel Service must be provisioned in a central office other than the customer's serving central office.

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III. SPECIAL CONDITIONS - Continued

Digital Channel Service - Continued

D. General - Continued

3. The customer may activate any number of digital channels within the limitations set forth in D.6. following. Once activated, a digital channel is subject to a minimum service period.
4. All Digital Channel Service must be channelized in a single equipment location at the customer's premises. Digital Channel Service cannot be split between customer premises or delivered to multiple locations within a customer premises. Tie lines or extensions may be furnished on a link basis between multiple locations. Standard network interfaces will be provided by the Company for analog and digital services consistent with existing practices.
5. Individual digital channels (DSOs) may be activated and furnished on a link (partial channel) basis with services offered in other tariff schedules. Regulations, rates, and charges specified in this Tariff Schedule are applicable to the Digital Channel Service component of the customer's end-to-end service. Regulations, rates, and charges in other tariff schedules are applicable to the customer's interconnected services (i.e., tie lines, private lines, special access lines, etc.), for the non-Digital Channel Service component of the end-to-end service.
6. The total number of digital channels activated by the customer may not at any time exceed the total Digital Channel Capacity.

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III. SPECIAL CONDITIONS - Continued

Digital Channel Service - Continued

D. General - Continued

7. Central office channelization, which is a component of Digital Channel Capacity, generally provides analog to digital conversion to permit individual exchange services and private line channel services to be transported over digital high capacity facilities. Channelization is also intended for use at Company or customer locations where different high capacity digital network links terminate in the same central office and must be converted to individual analog or digital channels before individual service links can be cross-connected. Digital Channel Capacities are provided in groups of 24 DSO channels, and are subject to the limits as set forth in D.6 above.
8. Customer Premises Channelization generally provides analog to digital conversion at the customer premises. This allows individual exchange services and private line services to be transported over digital high capacity facilities. The termination of this channelization will be in a single equipment location at the customer premises. When Customer Premises Channelization is provided by the Company, the customer must provide suitable floor space, controlled environment, and a source of non-switched 120 volt, 60 Hz, AC power to support this service. Emergency backup power and ring generating equipment capabilities are available for an extra charge on an individual case basis.

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III. SPECIAL CONDITIONS - Continued

Digital Channel Service - Continued

D. General - Continued

9. Channelization at the customer premises may be provided by the customer or the Company. Joint provisioning of channelized services introduces joint responsibilities between the customer and the Company.

a. Responsibilities of the Company

- 1) The Company will endeavor to activate its portion of joint service in a timely manner on the negotiated date to support installation requirements.
- 2) The Company will provide the customer with information regarding the type and the manufacturer of central office channelization equipment to be used in each application.
- 3) The Company reserves the right to change its equipment vendors should equipment availability, price or technological advantages make such a change attractive or necessary.
- 4) The Company will notify the customer, generally a minimum of six months in advance, of any need to change its central office equipment to allow the customer sufficient time to respond, make any necessary changes, and schedule cooperative testing for cutover if required.
- 5) Digital synchronization timing for Digital Channel Service will be provided by the Company.

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DIGITAL NETWORK SERVICES

III. SPECIAL CONDITIONS - Continued

Digital Channel Service - Continued

D. General - Continued -

9. Continued

b. Responsibilities of the Customer

- 1) The customer must be prepared to activate his portion of joint service in a timely manner on the negotiated date, providing testing equipment and personnel to support installation requirements, as may be necessary.
- 2) Customer equipment must be compatible with Company provided channelization at the central office.

c. Trouble Resolutions

The Company will assist the customer in resolving any installation or day to day channel service problems. However, the Company does not assume responsibility for the compatibility or suitability of the customer's equipment. Premises Visit Charges as set forth in II.A.4. of this Tariff Schedule will be applied when an employee is dispatched at the customer's request to the customer's premises for the purpose of locating trouble and the trouble is caused by customer provided equipment.

10. When the Company provides Digital Channel Service channelization equipment at a customer premises, it is not necessary for the customer to provide Channel Service Units (CSU's) for associated channels.

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III. SPECIAL CONDITIONS - Continued

Digital Channel Service - Continued

D. General - Continued

11. Technical specifications and standard network interfaces for DS1 and associated channelized services are stated in Section 7000 of the GTE Technical Interface Reference Manual. Channelized DS1 service is available only with D4 channel bank equipment or compatible, equivalent equipment.
12. Certain technology, such as low bit rate voice multiplexing techniques, may permit additional quantities of individual channels to be channelized on a single DS1 signal. Equipment providing this capability does not generally assure compatibility between different manufacturers. Some equipment may not be suitable for data transmission of tandem network line application. Rates, charges, and availability of this equipment will be negotiated with the customer on an individual case basis.
13. When a customer's Digital Channel Service is interrupted due to any cause other than the negligence or willful act of the subscriber or the failure of the facilities provided by the subscriber, a pro rata adjustment of the monthly charges involved will be allowed automatically for the service and facilities rendered useless and inoperative by reason of the interruption during the time said interruption continues in excess of 24 hours from the time it is reported to or detected by the Company except as otherwise specified in this tariff. The adjustment shall not be applicable for the time that the Company stands ready to repair the service and the subscriber does not provide access to the Company for such restoration work.
14. End User Common Line Charges as authorized by the FCC and Joint Board will apply to Digital Channel Service. For each Digital Channel Capacity (increments of 24 DS0s), the End User Common Line charge will apply two times.

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III. SPECIAL CONDITIONS - Continued

Digital Channel Service - Continued

E. Application of Rates.

1. The following rate elements are applicable to Digital Channel Service:

Digital Channel Capacity  
Digital Channel Activation  
Service Activation

In addition, rates and charges for Customer Premises Channelization apply where channelization equipment is provided by the Company at the customer premises. Measured Rate Service-Local Calling Rates set forth in Schedule Cal. P.U.C. No. A-1, Section II.C. apply when exchange and long-distance calling is provided in connection with Digital Channel Service.

2. Digital Channel Capacity

The Digital Channel Capacity rate will apply for transport and central office channelization. Customers will select capacity in increments of 24 digital channels.

Monthly rates and charges for Digital Channel Capacity apply according to the requested channel capacity. These rates apply regardless of the number of digital channels actually activated. The minimum service period for Digital Channel Capacity is 12 months.

3. Digital Channel Activation

The Digital Channel Activation rate will apply for each digital channel (DS0) activated within the Digital Channel Capacity.

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III. SPECIAL CONDITIONS - Continued

Digital Channel Service - Continued

E. Application of Rates - Continued

4. Service Activation

The Service Activation rate will apply on a per channel basis to each network service (switched or dedicated) requested by the customer.

When Digital Channel Service facilities are used to transport DSI Service, the DSI Service Activation rate is applied in lieu of the Digital Channel Activation rate. DSI Service Activation can only be ordered when provided in conjunction with other service activations.

In addition to Service Activation rates, Measured Rate Service-Local Calling Rates described in E.5. following may apply.

5. Measured Rate Service-Local Calling Rates

Rates listed in Schedule Cal. P.U.C. No. A-1, Section II.C., Measured Rate Service-Local Calling Rates, will apply to each Service Activation that utilizes basic exchange access from the serving central office, with the exception of foreign exchange service and WATS/800. These rates are in addition to other applicable Digital Channel Service rates and charges.

6. Customer Premises Channelization

Customer Premises Channelization is optional. When provided by the Company, Customer Premises Channelization Digital Channel Capacity and Customer Premises Service Activation rates as set forth in II.F. will apply.

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Digital Channel Service - Continued

E. Application of Rates - Continued

7. Rates and charges specified in other tariff schedules for services connected to or extended beyond Digital Channel Service (ie. Touch-Tone, Smart Call, off-premises stations, tie lines, private lines, etc.) are in addition to rates specified for Digital Channel Service. This includes Nonrecurring Charges for activities involving the non-Digital Channel Service portion of the end-to-end service.
8. Transfer of service responsibility between customers is permitted subject to the rules and regulations specified in Schedule Cal. P.U.C. No. D&R, Rule No. 8. Charges specified in III.F.2. will apply.
9. 1.5 Special Transport Facility and mileage rates specified in Schedule Cal. P.U.C. No. G-14, Section F.3.a. and b. will apply per Digital Channel Capacity for interconnection between Digital Channel Services provisioned from two or more central offices. These rates will apply in addition to Digital Channel Service rates for each premises for which Digital Channel Service is provisioned.
10. This tariff sets forth current and minimum rates for Digital Channel Service. Minimum rates are established in Section II. under the heading "Rate Floor". Digital Channel Service rates may be lowered by the Utility toward the levels established by the Rate Floor listings with 30 days prior notice to the C.P.U.C. before the effective date.

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Digital Channel Service - Continued

F. Types of Rates and Charges

There are two basic types of rates and charges that apply to Digital Channel Service; monthly rates and nonrecurring charges.

1. Monthly Rates

Monthly rates are recurring charges that apply each month or fraction thereof. For billing purposes, each month is considered to have 30 days.

2. Nonrecurring Charges

Nonrecurring charges are one time charges that apply for specific work activity (i.e., installation of service or change to an existing service). The following types of nonrecurring charges apply for Digital Channel Service.

a. Service Ordering Charges

1) Service Establishment Charge

This charge applies to the initial Digital Channel Capacity(s) ordered by a customer for receiving, recording and processing the request for service. This charge includes processing orders to establish initial Digital Channel and Service Activations and/or Company provided Customer Premises Channelization. This charge includes common centralized testing, coordination and accounting activities.

This charge also applies to subsequent orders received to establish additional Digital Channel Capacity(s) and Customer Premises Channelization.

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III. SPECIAL CONDITIONS - Continued

Digital Channel Service - Continued

F. Types of Rates and Charges

2. Nonrecurring Charges - Continued

a. Service Ordering Charges - Continued

2) Service Change Charge

This charge applies on a per Digital Channel Capacity basis (increments of 24 channels) associated with a customer request for modifications to an existing Digital Channel Service. This would include activities such as but not limited to the following:

- Inside Move
- Change name, same customer
- Administrative record changes

3) Configuration Charge

This charge applies on a per occurrence basis to customer requests for modifications to existing service. This includes activities such as, but not limited to, the following:

- Change of associated channel assignment
- Additions of supplemental features
- Activate/deactivate Digital Channel Activations
- Activate/deactivate Service Activations

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Digital Channel Service - Continued

F. Types of Rates and Charges - Continued

2. Nonrecurring Charges - Continued

b. Premises Visit Charge

This charge applies on a per visit basis for the termination or rearrangement of facilities at the customer premises. Only one charge applies when more than one channel is terminated or rearranged at the same time.

This charge applies to inside moves as specified in 2.e. following.

This charge also applies when a Company representative is dispatched to a customer premises for the purpose of locating trouble and the trouble is caused by customer equipment as stated in III.D.9.c.

c. Installation of Digital Channel Service

These are nonrecurring charges associated with work performed by the Company in connection with physical installation activities involving central office and/or outside plant facilities. These charges apply to initial installation requests and to requests for additional terminations to existing service.

In addition to these charges, the appropriate Service Ordering Charge will apply.

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Digital Channel Service - Continued

F. Types of Rates and Charges - Continued

2. Nonrecurring Charges - Continued

d. Service Rearrangements

Service Rearrangements are changes to existing (installed) services which may be administrative only in nature or involve an actual physical change to the service.

In cases where multiple service rearrangements or an additional termination or a move and a rearrangement are requested by the customer, the total charge will never exceed the full nonrecurring charge for the initial service.

- 1) Changes in ownership or transfer of responsibility from one customer to another requires the discontinuance of service and the start of new service. A new Term Payment Plan will also be applicable. The Service Establishment Charge and any appropriate minimum period charges will apply.
- 2) Changes in the physical location of the point of termination are treated as Moves which are described and charged for as set forth in F.2.e. following.
- 3) Changes to existing services for the establishment of Digital Channel Service will require a discontinuance of service and establishment of new service. All applicable nonrecurring and recurring charges for the establishment of Digital Channel Service will apply.

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Digital Channel Service - Continued

F. Types of Rates and Charges - Continued

2. Nonrecurring Charges - Continued

e. Moves

A move involves a change in the physical location of the point of termination at the customer premises. The charge for the move depends on whether the move is within the same customer premises (same address and/or same building) or to a different customer premises (different address and different building).

- 1) Inside Move is a move to a new point within the same customer premises. The charge for the move will be the Service Change Charge, Premises Visit Charge, and an amount equal to one half the nonrecurring charge per Digital Channel Capacity (per group of 24 Digital Channels) terminations(s) affected.
- 2) Outside Move is a move to a different customer premises and will be treated as a disconnect and an installation of new service. The Service Establishment Charge will apply in addition to all applicable nonrecurring charges for the service terminations(s) affected. A new Term Payment Plan will be established for the installed service. The customer will remain responsible for all minimum period charges and Termination Liability charges associated with the disconnected service(s).

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