

NYNEX TELEPHONE COMPANIES

TARIFF F. C. C. NO.1

DESCRIPTION AND JUSTIFICATION

NYNEX ENTERPRISE

SONET

PRIVATE NETWORK SERVICE

Clarification of Regulations and Introduction of
OC-3/3c
Central Office Extension

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INTRODUCTION:

The NYNEX Telephone Companies (NTCs) hereby submit tariff revisions and supporting information to introduce a new rate element to NYNEX Enterprise SONET Private Network Service (NESPNS). The new rate element is identified as an Optical Carrier-3/3c (OC-3/3c) Central Office Extension. OC-3/3c may also be referred to as STS-3/3c (Synchronous Transport Signal), which is the electrical equivalent of OC-3/3c. These two terms may be used interchangeably within the NTCs. The proposed new rate element is being added to the rate category which already includes DS-3 and DS-1 Central Office Extensions. This rate category provides for connections between NESPNS and other services within the same Serving Wire Center at the indicated bandwidth (i.e., DS-3, DS-1, OC-3/3c). With the introduction of OC-3/3c Central Office Extensions, the NTCs are able to provide customers with OC3/3c service which has been derived from an OC-12 or OC-48 Central Office Node. Currently, the NTCs can only provide OC-3/3c channels which have been derived from two OC-12 or OC-48 Premises Nodes. Additionally, this filing clarifies the application of the NESPNS-specific rate elements.

SERVICE DESCRIPTION:

A NESPNS network is a customer defined network of SONET components (Premises Nodes and Central Office Nodes) that are interconnected using SONET Distribution Channels and Interoffice fiber facilities. Premises Ports and Central Office Extensions allow for connection to lower capacity services.

The customer requested enhancement being proposed in this filing, an OC-3/3c Central Office Extension, provides for broadband access to the NESPNS Central Office Node. Currently, customers have asynchronous access to the Central Office Node via DS-1 and DS-3 Extensions.

JUSTIFICATION:

Customers need the ability to derive 2-point OC-3/3c service from OC-12 and OC-48 Central Office Nodes, as well as the existing ability of deriving 2- point OC-3/3c service from OC-12 and OC-48 Premises Nodes.

COSTS:

Recurring:

The recurring costs for the OC-3/OC3c Central Office Extension include the plug-in units on the add/drop multiplexer plus fiber optic termination investment.

<u>Node</u>	<u>Investment</u> (a)	<u>MCCF</u> (b)	<u>Direct Cost</u> (c) c=a*b	<u>Amortized NRC</u> (d)	<u>Total Cost</u> (e) e=c+d
OC-12*	\$6,510	.023	\$150	\$5	\$155
OC-48**	\$18,410	.023	\$423	\$5	\$428

* OC-3/3c Extension served from an OC-12 Node

** OC-3/3c Extension served from an OC-48 Node

Nonrecurring:

The nonrecurring costs associated with providing the OC-3/3c Central Office Extension includes activities associated with service order negotiations and processing , engineering design and assignment, equipment wiring, cross-connections and testing.

<u>Work Function</u>	<u>Cost</u>	<u>Amortized Rate*</u>
Service Order	\$14	
Engineering	\$39	
Wiring & Testing	<u>\$94</u>	
Total	\$147	\$5

* Amortization of provisioning costs is $\$147 \times .0329 = \4.84 rounded to \$5.

RATE STRUCTURE:

<u>Rate Element</u>	<u>Monthly Rate</u>	<u>Nonrecurring Charge</u>
OC-3 C.O. Extension	\$750.00	None

REVENUE AND DEMAND:

The average monthly first year demand is expected to be 15 units at an average monthly rate of \$630, resulting in an annual revenue of \$113,400.

$$15 \text{ units} \times \$630 \times 12 \text{ months} = \$113,400.$$

The average monthly rate of \$630 is calculated based upon the 10% discount that is applied for the expected average Service Discount Plan of 36 months - 47 months.

$$\$700 \text{ monthly rate} \times .90 = \$630.$$

RATIOS:

	<u>OC-12</u>	<u>OC-48</u>
1. Investment	\$6,510	\$18,410
2. Direct Cost	\$150	\$423
3. Monthly Rate	\$750	\$750
4. Cost/Inv.(L.2/L.1)	0.023	0.023
5. Cost/Rate(L.2/L.3)	0.20	0.56