

**NEVADA BELL TELEPHONE COMPANY  
DESCRIPTION & JUSTIFICATION  
TRANSMITTAL NO. 54  
NOVEMBER 5, 2003**

**PURPOSE**

Nevada Bell Telephone Company (NBTC) proposes the following modifications to the Expedite Charges found in NBTC's Tariff F.C.C. No. 1:

- Restructure the expedite charges application for High Capacity DS3 Access Services.
- Establish new standard service intervals for High Capacity DS3 Access Services.
- Adjust base period demand quantities and offset rates to ensure price cap compliance.
- Miscellaneous text changes and additions to existing tariff language for clarification purposes.

**SERVICE DESCRIPTION**

An access order is treated as an expedited order when the customer requests a service installation interval that is less than the published standard interval or earlier than the date agreed upon for the access order. Under the current expedite charges structure, additional labor hours are billed when a customer requests an expedited service interval and overtime or irregular work days are required to meet the customer's request. NBTC is proposing to restructure the existing expedite charges to introduce a new billing arrangement for High Capacity DS3 Access Services. The expedite charges structure for all other access services (excluding High Capacity DS3 Access Services) will remain the same. The current standard interval for High Capacity DS3 Access Services is fifteen days.

This filing establishes new standard service intervals for High Capacity DS3 Access Services. This filing is also modifying the expedite charges by changing the options to daily service intervals. The standard service interval for High Capacity DS3 Access Services will remain as fifteen days. Expedited service intervals, beginning at fourteen days through seven days are proposed for which expedite charges apply. The following table illustrates the new expedite charge application:

USOC	High Capacity DS3 Access Services	
	Expedited Service Intervals	Expedited Circuit Charge
EODX9	14 days	\$375.00
EODX8	13 days	\$425.00
EODX7	12 days	\$475.00
EODX6	11 days	\$525.00
EODX5	10 days	\$575.00
EODX4	9 days	\$625.00
EODX3	8 days	\$675.00
EODX2	7 days	\$725.00

## **EXPEDITE CHARGE RESTRUCTURE METHODOLOGY**

### **Overview**

The proposed filing meets the definition of a restructure as outlined in Part 61.3(II) of the Commission’s Rules. As a result, necessary modifications are incorporated with this filing including adjustments to base period demand quantities and rate offsets to ensure price cap compliance.

### **Demand**

Under the existing structure, customers may be billed additional labor and extraordinary costs resulting in revenue generated for only certain expedited occurrences.

Extraordinary charges are outside of price caps and not affected by this restructure.

Additional labor hours are under price caps but are only billed if it is determined that additional labor costs are required to meet the requested service date. Also, the revenue for additional labor hours is not distinguished by service type or activity when billed and a

fixed method does not exist to detail additional labor charges billed for expedited services versus those billed for other reasons making it extremely difficult to identify and recast only expedite related additional labor hours. However, the new structure will bill charges for each expedited DS3 circuit by type and interval day. All access orders were examined to identify circuits completed on an expedited basis to ensure each expedite occurrence was captured in lieu of recasting additional labor hours. The process used to recast billed and unbilled base period expedited circuits to ensure compliance with restructure requirements as defined in Parts 61.46 (c) and 61.47 (d) is described below.

**Step 1 - Identify customer circuits requested and completed in less than the standard interval**

NBTC obtained network access order reports by circuit, which detail the application date, due date, and the completed date. Expedited circuits were identified by counting the number of circuits requested and completed in less than the standard interval by subtracting the application date from the due date. These circuits were then reviewed to ensure the completion date was on or before the scheduled due date. Circuits completed after the scheduled due date were not counted as expedited circuits. Each circuit was assigned to an interval day by determining the difference in the completion day from the standard interval.

**Step 2 – Apportion expedited circuits to the service basket**

The new structure will bill expedited circuits by expedited interval and circuit type. It is necessary to apportion the switched and special access expedited circuits under the new structure to the appropriate price cap basket, since services should be designated by service type in accordance with Part 61.42. The ratio of access order charge type by basket vs. total access orders was used to determine the number of circuits to assign to each. The number of circuits was also adjusted to include only those circuits associated with interstate access. Apportioning circuits to the appropriate baskets does not adversely affect price cap indices. As previously discussed, additional labor hours were

not recast as part of this filing because expedite only additional labor hours were not identified. This process, however, ensures that expedited revenue generated under the new structure is in the correct price cap basket. **Exhibit 1** details the Expedited Circuits under the new structure as a result of steps 1 and 2 described in the above methodology.

### **PRICE CAP COMPLIANCE**

This filing proposes billing of expedited circuit charges on a service and interval basis and results in revenue changes that increase the Actual Price Index (API) for the affected baskets. Therefore, rate offsets as necessary are included with this filing to ensure that the API remains below the Price Cap Index (PCI) and all Service Band Indexes (SBIs) are below the associated SBI Upper Limits as indicated on the IND-1 form of the Tariff Review Plan (TRP). The additional rate offsets are detailed on **Exhibit 2**.

### **REVENUE EFFECT**

Expedited circuit charge related revenue is detailed on **Exhibit 1**. The full revenue impact of this filing including revenue increases and rate offsets is displayed on the SUM-1 form of the TRP.