

**NEVADA BELL TELEPHONE COMPANY
DESCRIPTION AND JUSTIFICATION
TRANSMITTAL NO. 59
JANUARY 23, 2004**

PURPOSE

Nevada Bell Telephone Company (NBTC) proposes the following modifications to the Cancellation of an Access Order found in NBTC's Tariff F.C.C. No. 1:

- Restructure the cancellation charges application for the following Special Access Services: Voice Grade Service, Digital Data Service, High Capacity DS1/DS3 Service, Gigabit Ethernet Metropolitan Area Network (GigaMAN), Multi-service Optical Network (MON) Ring Service and Optical Carrier Network (OCN) Point-to-Point Service.
- 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

Under the current cancellation charges structure for Access Services, where installation of access facilities has been started prior to the cancellation, the lesser of (a) the charge for the minimum period of Switched or Special Access service ordered by the customer, or (b) the number of business days from the access order application date through the access order cancellation date (i.e., the service interval), multiplied by the average daily charge, plus the access order charge, shall apply, except for Switched Access service. For Switched Access service, (b) preceding will always apply. A separate charge will be assessed for Switched Transport (i.e., EF, DTT and TST) and Switched Access lines or

trunks. An access order is treated as a cancellation when the customer cancels an access order prior to, on or after the service date of application date.

With this filing, NBTC is proposing to restructure the cancellation charges to introduce a new billing arrangement for the following Special Access Services: Voice Grade Service, Digital Data Service, High Capacity DS1/DS3 Service, Gigabit Ethernet Metropolitan Area Network (GigaMAN), Multi-service Optical Network (MON) Ring Service and Optical Carrier Network (OCN) Point-to-Point Service. The cancellation charges structure for all other access services will remain the same.

With this filing cancellation charges are applied based upon the type of special access service being cancelled, which is categorized as either, 1) “point to point” service or 2) “non-point to point” service. Cancellation charges for “point to point” services are based upon the date that a customer cancels an Access Order. Cancellation charges for “non-point to point” services are based upon actual costs incurred by the Telephone Company.

In some cases construction of facilities must take place before the Telephone Company can accept an Access Order (e.g., a new installation of Multi-service Optical Network (MON) Ring Service). When facilities must be constructed and the Telephone Company agrees to construct such facilities the customer will be required to execute a Request For Service (RFS). A RFS may be cancelled by verbal notice, which must be followed by written confirmation within 10 days. When a customer cancels a RFS, appropriate cancellation charges will apply.

PRICE CAP COMPLIANCE

Base period quantities and revenue for point to point services billed under the current structure were converted to the proposed structure by first determining the number of

cancellations requested before, on, or after the Records Issue Date (RID), then multiplying the restructured quantities times the applicable proposed rates. Exhibit 1 details the proposed restructured quantities and revenue. There were no base period quantities or revenue for cancellation charges billed for non-point to point services.

The proposed filing results in revenue changes that increase the Actual Price Index (API) for the Special Access basket. 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. Cancellation charge related revenue under the current and proposed structures 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.