

**NEVADA BELL TELEPHONE COMPANY
DESCRIPTION AND JUSTIFICATION
TRANSMITTAL NO. 64
APRIL 26, 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: 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

Currently when a customer cancels an order, a customer is charged the lesser of (1) the charge for the minimum period of service ordered by the customer or, (2) 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. An access order is treated as a cancellation when the customer cancels an access order on or after the application date and prior to the service date.

With this filing, NBTC is proposing to restructure the cancellation charges to introduce a new billing arrangement that simplifies and standardizes the billing rates processes to

insure recovery of costs experienced by the Telephone Company when the customer cancels an order prior to service turn-up for optical services: Gigabit Ethernet Metropolitan Area Network (GigaMAN), Multi-service Optical Network (MON) Ring Service and Optical Carrier Network (OCN) Point-to-Point Service. This tariff also standardizes the billing arrangement across the SBC regions. The structure for cancellation charges will remain the same for all other access services. NBTC plans to restructure the cancellation charges for electrical services at a future date.

With this filing cancellation charges are applied based upon the type of service being cancelled, which is categorized as either, 1) "point to point/point to multipoint" service or 2) "non-point to point" service. However, at no time will cancellation charges apply until costs for installation of facilities have been incurred by the Telephone Company.

Cancellation charges for "point to point/point to multipoint" 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, because rings are more complex than point to point.

When facilities must be constructed prior to the Telephone Company receipt of an Access Order (e.g., construction of Multi-service Optical Network (MON) Ring where facility assignment is not yet available, due to lack of spare capacity), excluding special construction, the customer will be required to submit a written letter of agreement to the Telephone Company. A customer may verbally cancel a letter of agreement, which must be followed by written confirmation within 10 days. When a customer cancels a letter of agreement, appropriate cancellation charges will apply.

PRICE CAP COMPLIANCE

Review of internal records indicated that there were no cancellation charges billed for the point to point and non-point to point services during the current base period. Further

review of internal records also indicated that there were no point to point and no non-point to point service orders cancelled during the base period that would have been billed under the proposed cancellation policy.

The proposed cancellation policy for point to point and non-point to point services is being put in place to simplify and standardize the rates and procedures for billing order cancellations.

There is no impact to the Actual Price Index (API) for the Special Access basket, therefore, 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 full revenue impact of this is displayed on the SUM-1 form of the TRP.