

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 950125-TL
 tariff filing to revise the) ORDER NO. PSC-95-0627-FOF-TL
 Suncoast Preferred Plan 3) ISSUED: May 23, 1995
 Service offering in the general)
 subscriber services tariff)
 by GTE Florida Incorporated.)
 (T-94-709 filed 12/27/94))
 _____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
 J. TERRY DEASON
 JOE GARCIA
 JULIA L. JOHNSON
 DIANE K. KIESLING

ORDER APPROVING TARIFF FILING

BY THE COMMISSION:

GTE Florida Incorporated (GTEFL or the Company) filed a tariff to provide an option for a lower fixed monthly rate on Suncoast Preferred Plan 3 Service (SPP3) and to introduce Suncoast Preferred Plan 4 Service (SPP4) to business customers situated in a multi-tenant building(s).

Suncoast Preferred Service (Suncoast) is an intraLATA long distance optional calling plan. The plan provides for reduced toll charges on customer dialed station-to-station long distance calls to locations outside of the subscriber's local calling area, but within the same LATA. Calls placed on a Direct Distance Dialing basis receive a discount on the total charges in addition to applicable time-of-day discounts. Suncoast is currently offered under three plans. The following Table summarizes the monthly charge and corresponding usage discount for each plan.

Table: Current Suncoast Preferred Service monthly charge and usage discount per plan

	MONTHLY CHARGE	USAGE DISCOUNT
Suncoast Plan 1	\$1.75 per line	20%
Suncoast Plan 2	\$12.00 per account	20%
Suncoast Plan 3	\$110.00 per account	30%

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PSC-FLORIDA REPORTING

The proposed tariff offers SPP3 on a month-to-month basis, or under a one year contract basis. SPP3 customers who enter into a one year contract will be charged \$40.00 while customers who do not wish to enter into a one year contract will pay a \$110.00 monthly charge. Customers under either option will receive a 30% usage discount.

GTEFL is also proposing to offer SPP4 to business customers located in a multi-tenant building(s). Under this proposal, customers entering into a one year contract will receive a 30% usage discount. Those customers willing to enter into a three year contract will receive a 40% usage discount. There is no monthly recurring charge under either SPP4 contract. The Company will require that the building(s) be under the control of a single owner or management unit. Each tenant will be billed directly by the Company for the toll usage charges which he incurs.

There are three types of current Suncoast Preferred customers who will be impacted by this proposal: 1) current SPP3 customers; 2) current SPP2 customers who may elect to move to SPP3; and 3) business customers in multi-tenant building(s). GTEFL does not believe that many SPP1 customers will move to SPP3 since the monthly charge for SPP3 with a one year contract is \$40 which is substantial relative to the \$1.75 per line monthly charge for SPP1.

The proposed contract option for SPP3 will primarily benefit GTEFL's large volume customers. The Company believes that many, if not all, of its current SPP3 customers will choose the one year contract option in order to benefit from the reduced monthly charge. Customers electing the one year contract will be subject to a liability charge for early termination. Should a customer discontinue service prior to the expiration date of the contract, a \$50 termination liability charge will be assessed.

The proposed offering of SPP4 could benefit small business customers located in multi-tenant buildings. The Company's proposed offering to make SPP4 available to business customers in multi-tenant buildings would allow these small customers to enjoy the benefit of the plan's increased discount on rates. Customers electing either the one year or three year contract do not pay a monthly recurring charge, but will be subject to a liability charge for early termination. The charge will be \$50 for early termination of the one year contract and \$150 for the three year contract.

GTEFL intends to market the new plans by sending its representatives to current customers and to potential multi-tenant customers to explain the options and benefits available to them.

The proposed offering will result in an overall revenue decrease of \$321,782. In GTEFL's revenue analysis, the Company assumed all current SPP3 customers would convert to the one year contract. Using this forecast, the resulting impact is a decrease in recurring monthly charge revenue. The result from current SPP2 customers who move to SPP3 with the term contract is a toll revenue reduction which is partially offset by an increase in monthly recurring charge revenue.

The revenue analysis for the multi-tenant customers included the effects of current Suncoast customers moving to SPP4, as well as new customers subscribing to the Plan. In the analysis the Company considered those customers who currently receive some level of discount and those who do not. In both cases the analysis included stimulation of usage which is consistent when forecasting the impact of lower rates. The results also show a toll revenue reduction with an offsetting increase in recurring monthly charge revenue.

The Company has demonstrated that the proposed rates cover access charges. The proposed changes result in an effective rate of \$.16128 per minute, which is above GTEFL's current imputation floor (i.e., switched access rate) of \$.13275 per minute.

Upon consideration, we believe this tariff filing is appropriate. It offers current and new customers the ability to increase savings with the one year contract option for SPP3 and with the one and three year contract options for multi-tenant business customers through SPP4.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that GTE Florida Incorporated's tariff to provide an option for a lower fixed monthly rate on Suncoast Preferred Plan 3 Service and to introduce Suncoast Preferred Plan 4 to business customers situated in a multi-tenant building(s) is hereby approved. It is further

ORDERED that this tariff filing shall be effective May 8, 1995. It is further

ORDERED that if a protest is filed in accordance with the requirements set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

ORDER NO. PSC-95-0627-FOF-TL
DOCKET NO. 950125-TL
PAGE 4

ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 23rd day of May, 1995.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Hizon
Chief, Bureau of Records

(S E A L)

MMB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, by the close of business on June 13, 1995.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.