

**GTE Telephone Operations** 

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June 28, 1996

Ms. Blanca S. Bayo, Director Division of Records & Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Re: Docket No. 930173-TL

Petition by the residents of Polo Park requesting extended area service (EAS) between the Haines City exchange and the Orlando, West Kissimmee, Lake Buena Vista, Windermere, Reedy Creek, Winter Park, Clermont, Winter Garden and St. Cloud exchanges

Dear Ms. Bayo:

Please find enclosed for filing an original and fifteen copies of GTE Florida
Incorporated's Late-Filed Hearing Exhibit Nos. 4, 5, and 6. Service has been made
as indicated on the Certificate of Service. If you have any questions, please contact
the undersigned at 813-228-3087.

Very truly yours,

CIR -

Anthony P. Gillman

LIN 3+

Enclosures

RCH \_

SEC

0.7072726

NAS \_\_\_\_Apart of GTE Corporation

OTH \_\_\_

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

06961 JUN 28 8

FPSC-RECORDS/REPORTING

## **CERTIFICATE OF SERVICE**

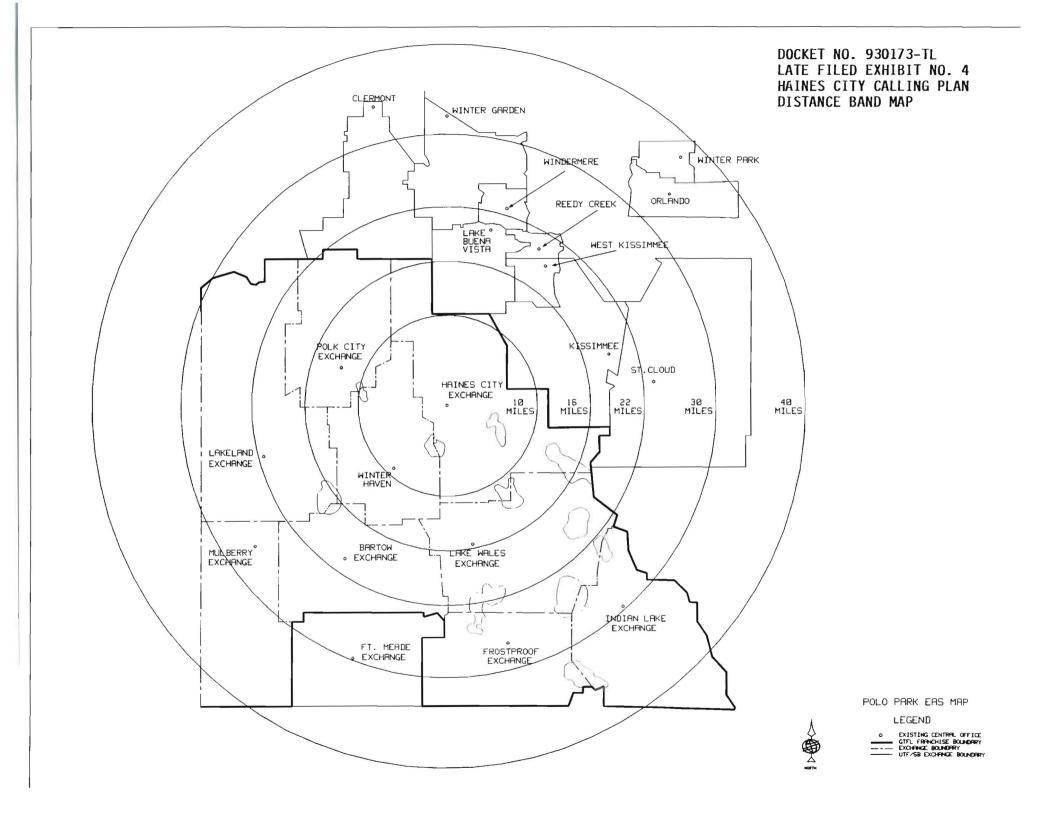
I HEREBY CERTIFY that copies of GTE Florida Incorporated's Late-Filed Hearing Exhibit Nos. 4, 5, and 6 in Docket 930173-TL were sent by U. S. mail on June 28, 1996, to the parties listed below.

Staff Counsel Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Office of Public Counsel c/o The Florida Representatives 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400

John B. Hilkin, President Polo Park Homeowners Association 235 Jackson Park Avenue Davenport, FL 33837

Anthony P. Gillman



## DOCKET NO. 930173 - TL LATE FILED EXHIBIT NO. 5 SUPPORT FOR PROPOSED RATES

The LCP rate ranges recommended in my prefiled testimony were derived by taking several factors into consideration. The first was to look at current local message rate and flat rate levels for both business and residence customers. I also reviewed current local area calling scopes. The current rate for residence message service is \$7.00 per month and includes a 30 message per month allowance. Additional messages are 10 cents each. For the business customer the message rate service is \$17.67 per month with the same 10 cents per message, but no allowance. Message service allows for calling within the local calling area which, as stated in my testimony, is Haines City, Winter Haven and Lake Wales. The flat rate service for the same local calling area is \$10.86 for residence and \$27.45 for business. These rates were considered in developing ranges of rates for LCP options 1 (Basic) and 3 (Community Plus). The proposed ranges have a fairly close rate relationship with the current offerings mentioned above. The other two options would have a relationship as well, but would be priced to recognize the new more valuable calling areas and selection options being introduced for the first time.

I also reviewed the overall general rate ranges of the LCP options being utilized in other GTE Southeastern states (see tables that follow). With these ranges to base some design thoughts and the current rate levels in mind, I constructed ranges of potential rates that would be sustainable in the Haines City local market area after the later determination of total cost and revenue displacement estimates. Final calculations would include the displacement of current toll access revenues that will be lost on calls to the proposed extended local calling areas by those customers choosing one of the four local calling plan options.

The rate range proposals tended to be on the lower side of the LCP range averages in the other states. The proposed rates are somewhat lower in order to maintain a rate relationship with current local service rates and in recognition that the demand by the total body of customers for these optional services probably would not be higher than 10 to 20% of the total. As such, a lower assumption of overall cost is built in to the estimates. The proposed usage rates are on the low side of the ranges as well; GTE would propose to move these rates upward if needed in the final formulation to give the flexibility needed to achieve revenue neutrality in the final design and to stay within the proposed monthly rate ranges shown in testimony if and when the LCP is offered to the Haines City customers.

The final factor considered was that the LCP offering, being fully optional, had to be priced at levels that would be attractive enough to be beneficial to customers that want expanded local calling and yet be a financially viable offering for GTE. GTE is confident that these proposed ranges should allow GTE to deliver a product offering that satisfies all the abovementioned needs.

## LOCAL CALLING PLAN MONTHLY RATE RANGES FOR GTE-LCPs TARIFFED IN OTHER GTE SOUTHEASTERN STATE SERVICE AREAS.

ONE, BASIC		TWO, COMMUNITY		THREE, COMMUNITY PLUS		FOUR, PREMIUM	
RES.	BUS.	RES.	BUS.	RES.	BUS.	RES.	BUS.
\$/MO.	\$/MO.	\$/MO.	\$/MO.	\$ / MO.	\$ / MO.	\$/MO.	\$/MO.
8.15	22.50	13.65	NOT AVAIL.	17.65	47.00	35.65	NOT AVAIL.
9.00	24.00	18.00	NOT AVAIL.	21.00 TO 27.50	44.00 TO 56.00	39.00 TO 49.00	NOT AVAIL.
			3				
10.00	25.00	12.00 TO 16.00	28.75 TO 35.00	13.00 TO 18.50	32.50 TO 48.00	31.00 TO 38.00	125.00 TO 170.00
10.00	23.00	12.00	NOT AVAIL.	15.50 TO 17.50	36.00 TO 40.00	35.00 TO 39.00	NOT AVAIL.
11.00	24.20	13.00	NOT AVAIL.	15.25 TO 17.25	33.60 TO 39.10	37.50 TO 40.00	NOT AVAIL.
11.00	24.20	13.00	NOT AVAIL.	17.75	39.10	40.00	NOT AVAIL.
	RES. \$/MO. 8.15 9.00 10.00 11.00	RES. BUS. \$/MO. \$/MO. \$.15 22.50 9.00 24.00 10.00 25.00 11.00 24.20	RES. BUS. RES. \$/MO. \$/MO. \$/MO.  8.15 22.50 13.65  9.00 24.00 18.00  10.00 25.00 12.00 TO 16.00  11.00 23.00 12.00	BASIC       COMMUNITY         RES.       BUS.         \$/MO.       \$/MO.         8.15       22.50         13.65       NOT AVAIL.         9.00       24.00         18.00       NOT AVAIL.         10.00       25.00         10.00       23.00         12.00       NOT AVAIL.         11.00       24.20         13.00       NOT AVAIL.	BASIC         COMMUNITY         COMMUN           RES.         BUS.         RES.           \$/MO.         \$/MO.         \$/MO.           8.15         22.50         13.65         NOT AVAIL.           9.00         24.00         18.00         NOT AVAIL.         21.00 TO 27.50           10.00         25.00         12.00 TO 35.00         13.00 TO 18.50           10.00         23.00         12.00 NOT AVAIL.         15.50 TO 17.50           11.00         24.20         13.00 NOT AVAIL.         15.25 TO 17.25	BASIC         COMMUNITY         COMMUNITY PLUS           RES.         BUS.         RES.         BUS.           \$/MO.         \$/MO.         \$/MO.         \$/MO.           \$/MO.         \$/MO.         \$/MO.         \$/MO.         \$/MO.           \$/MO.         \$/MO.         \$/MO.         \$/MO.         \$/MO.         \$/MO.	BASIC         COMMUNITY         COMMUNITY PLUS         PREMIU           RES.         BUS.         RES.         BUS.         RES.           \$ / MO.           8.15         22.50         13.65         NOT AVAIL.         21.00 TO 44.00 TO 56.00         39.00 TO 49.00           10.00         25.00         12.00 TO 16.00         28.75 TO 35.00         13.00 TO 18.50         48.00 TO 38.00           10.00         23.00         12.00 NOT AVAIL.         15.50 TO 36.00 TO 70 39.00         35.00 TO 39.00           11.00         24.20         13.00 NOT AVAIL.         15.25 TO 33.60 TO 70 70 39.10         37.50 TO 70 40.00

COM- POSITE RANGES ALL STATES	8.15 TO 11.00	22.50 TO 25.00	12.00 TO 18.00	NOT AVAIL. *	13.00 TO 27.50	32.50 TO 56.00	31.00 TO 49.00	NOT AVAIL.#
FL, SUB- MITTED RANGES	6.75 TO 7.25	17.00 TO 18.00	9.50 TO 10.50	NOT OFFERED	13.25 TO 14.25	32.00 TO 35.00	25.00 TO 40.00	NOT OFFERED

- \* AVAILABLE IN GTE KENTUCKY ONLY AT RANGES OF \$ 28.75 TO \$ 35.00.
- # AVAILABLE IN GTE KENTUCKY ONLY AT RANGES OF \$ 125.00 TO \$ 170.00.

## LOCAL CALLING PLAN USAGE RATE RANGES

USAGE RATE RANGES FOR THE SAME STATES SHOWN ABOVE BY MILEAGE BAND COMPARED TO EXAMPLES SUBMITTED IN PREFILED TESTIMONY OF DAVID E. ROBINSON.

REGULAR DAYTIME RATES 8A TO 9P WEEKDAYS, ALL IN CENTS.

DISTANCE BAND	AIRLINE MILES, V & H, CENTRAL OFFICE TO CENTRAL OFFICE	CALL SET-UP IN CENTS		RATE PER MINUTE IN CENTS		
		ALL STATES	FLORIDA, SUBMITTED EXAMPLES	ALL STATES	FLORIDA, SUBMITTED EXAMPLES	
LOCAL	NONE	2 to 2	2	1 to 2	1	
Α	1-10	3 to 5	3	2 to 5	2	
В	11-16	3 to 6	4	3 to 6	3	
С	17-22	3 to 5	5	6 to 8	4	
D	23-30	3 to 6	5	6.5 to 11	6	
Е	31-40	3 to 5	5	7 to 11	9	

DOCKET NO. 930173-TL
LATE FILED EXHIBIT 6
HAINES CITY EXCHANGE INCLUDING POINCIANA EXCEPTION AREA

