

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Tariff revision by GTE FLORIDA,)	DOCKET NO. 890431-TL
INC. to Establish a Rate for Long)	
distance trunk service (toll terminals))	ORDER NO. 21224
used Primarily by Hotels/Motels and)	
Hospitals.)	ISSUED: 5-11-89

The following Commissioners participated in the disposition of this matter:

MICHAEL MCK. WILSON, CHAIRMAN
 THOMAS M. BEARD
 BETTY EASLEY
 JOHN T. HERNDON
 GERALD L. (JERRY) GUNTER

ORDER APPROVING TARIFF

BY THE COMMISSION:

On March 3, 1989, GTE Florida, Incorporated's (GTEFL) filed a tariff to establish a rate for long distance trunk service (toll terminals). Long distance trunks are facilities that connect a subscriber's PBX (hotel, motel or hospital) to the local exchange company's (LEC's) central office for access to toll switchboard positions or the direct distance dialing network. The toll switchboard then screens each call for appropriate billing (i.e. credit card, collect, third party calls, billed to room), preventing the call from being charged to the hotel, motel or hospital's account. This service is inapplicable to incoming toll messages, local exchange messages or messages of any nature other than long distance.

Historically, GTEFL provided toll terminals to hotels without charge as a means of promoting long distance usage. By providing operator switchboard service and funnelling the long distance traffic over the network of AT&T Communications of the Southern States (ATT-C), GTEFL provided zero-rated toll terminals to the hotel industry in order to provide toll service to customers and/or guests. Today, toll terminals accompany several long distance alternatives available to the hotel/motel and hospital industries. After obtaining access to GTEFL's central office, a toll call routed on a toll terminal may now be screened by a LEC, an alternate operator service (AOS) provider, an interexchange company (IXC), in addition to GTEFL's toll switchboards. Other alternatives for screened long distance traffic include special access lines and PBX trunks, which in the near future will allow a rated code screening and blocking service for local and long distance.

Though demand for toll terminals has fluctuated in recent years, it has generally accelerated with subscriber interest in this function and market demand for more flexibility. GTEFL, however, continues to incur embedded loop costs associated with the toll terminals that are not currently recovered. The increased usage of toll terminals accelerates the nonrecovery of embedded costs associated with toll terminals. We find that this underrecovery, combined with the availability of other competitive alternatives, justifies rating this product. We approved a similar provision for Southern Bell in Order No. 19713 (Docket No. 8800736-TL, issued July 25, 1988). Prior to that time, toll terminals were a nonrated service for Southern Bell also. The rates we approved for Southern Bell were equal to its B-1 rate.

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GTEFL proposes to rate toll terminals equal to its 1-party business (B-1) flat rate, which came closest to the estimated embedded cost of the toll terminal loop. The proposed tariff rate, however, is slightly lower than the estimated embedded cost. We find that the remaining difference between the estimated embedded cost and the tariff rate is not significant, and should be viewed as substantially recovering costs. Approval of this tariff filing would result in an increase in revenues which would result in an estimated .06% increase in GTEFL's achieved return on equity (ROE) which will leave GTEFL below its authorized cap and within a reasonable range.

We concur in GTEFL's plans to implement the new rate for toll terminals. The B-1 rate will be applied initially to all existing toll terminal customers beginning September 1, 1989. Service installed after the date of this order will be subject to the nonrecurring charges for new service installed. By June 1, 1989, all existing customers will receive written notification from GTEFL regarding the change in rates. This notice should include the average dollar amount by which the bill will increase for a customer with one toll terminal. Additional notification will be sent to all toll terminal customers thirty (30) days prior to receiving a monthly bill for their service. This implementation procedure should allow ample time for the current customers to consider alternatives.

We find that GTEFL's proposed rate for toll terminals is appropriate for a trunk which is dedicated to business use, and the company's plan for notification to customers of the proposed rates is adequate. Thus, the tariff is approved.

Therefore, based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the proposed tariff revision of GTE Florida, Incorporated to establish a rate for long distance trunk service (toll terminals) is hereby approved. It is further

ORDERED that GTEFL shall by letter notify customers of this revision in terms set out in the body of this Order. This notice shall be mailed no later than June 1, 1989, separate from the bill, and once more thirty (30) days prior to implementation. It is further.

ORDERED that this docket remain open until September 1, 1989, at which time all letters will have been mailed and the toll terminal rates will be in effect.

By ORDER of the Florida Public Service Commission,
this 11th day of MAY, 1989.


STEVE TRIBBLE Director
Division of Records and Reporting

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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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer 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 after the issuance of this order, 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.