

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: GTE FLORIDA, INC.'s tariff	)	DOCKET NO. 880643-TL
filing to introduce intraLATA toll	)	ORDER NO. 21545
optional calling service	)	ISSUED: 7-14-89
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The following Commissioners participated in the disposition of this matter:

MICHAEL MCK. WILSON, Chairman  
 THOMAS M. BEARD  
 BETTY EASLEY  
 GERALD L. GUNTER  
 JOHN T. HERNDON

ORDER APPROVING CERTAIN CHANGES TO AND  
EXTENSION OF EXPERIMENTAL TARIFF  
AND  
DENYING PERMANENT TARIFF FILING

BY THE COMMISSION:

I. BACKGROUND

GTE Florida, Inc. (GTEFL) filed an experimental intraLATA toll optional calling service Suncoast Preferred <sup>SM</sup> (SPS) on March 1, 1988 on a market-test basis for customer dialed calls originating in the Clearwater-Countryside, Lakeland-Main, New Port Richey-Main and Tampa-East central office areas terminating within the Tampa LATA. By Order No. 19517, issued on June 20, 1988, we approved the experimental SPS tariff. Under SPS, a subscriber will pay a minimum flat monthly rate to receive an additional discount over and above the time-of-day discounts presently applied under GTEFL's MTS tariff. The plan has two options. Subscribers may pay a monthly rate of \$1.75 per access line and receive a twenty percent (20%) discount or pay a monthly rate of \$12.00 per account and receive a discount of ten, twenty or twenty-five percent (10%, 20% and/or 25%) depending upon the total volume of intraLATA calls.

Teltec Saving Communication Company (now Telus Communications, Inc.) appeared at the Agenda Conference at which GTEFL's SPS tariff was considered and requested that the tariff be suspended and set for hearing.

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We considered Teltec's argument and GTEFL's response and decided it appropriate to approve GTEFL's SPS experimental tariff and deny Teltec's request for suspension of and a hearing on the tariff. See Order No. 19517. Subsequently, Telus filed a Petition for Reconsideration of Order No. 19517 and Alternative Request for Hearing. GTEFL timely responded to Telus' pleading. Telus then filed an Amended Motion for Reconsideration of Order No. 19517; Complaint and Petition to Change Rates of GTE Florida, Inc.; and Request for Hearing. GTEFL then filed a Motion to Strike, Motion to Dismiss and Response to Telus Communications, Inc.'s Amended Pleading. GTEFL also requested that the tariff be extended beyond October 31, 1988 until January 31, 1989.

The aforementioned pleadings were disposed of by Order No. 20325, issued November 17, 1988, as follows: Telus's Motion for Reconsideration of Order No. 19517 was denied; Telus's Motion to Amend its Complaint and Petition was granted; GTEFL's Florida Incorporated's Motion to dismiss Telus's amended Complaint was denied and GTEFL was given ten days to file an answer to Telus's amended complaint. Further, GTEFL's experimental SPS was extended until January 31, 1989; required reports were ordered to be filed; and, the docket was held open. Subsequently, GTEFL requested and was granted an additional ninety day extension until May 1, 1989.

In approving this experimental toll plan, we were cognizant of the issue of pricing intraLATA MTS calls in the first two mileage bands below current access charge levels. The SPS discounts further lower the charges below access charges. The problem had been addressed in Docket No. 830489-TI in connection with AT&T Communications of the Southern States, Inc. (ATT-C) where we determined that as long as access charges were recovered in the aggregate from all toll services, we would not require that each time, mileage or service category be priced to fully recover access charges. The data presented by GTEFL showed that its MTS revenues covered access charges in the aggregate.

We note that, in approving revisions to Southern Bell's MTS rates in our decision in Docket 880069-TL (the Southern Bell Docket), we did not order any reductions in the first mileage band (0-10) and ordered a very small reduction in the second band (11-22). Our decision was to avoid further reducing MTS rates below access charges.

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With the exception of mileage band 1-10, where no reductions were ordered in the Southern Bell docket the rates for the mileage-bands in GTEFL's SPS are equal to or higher than Southern Bell's MTS rates. In addition, only .34% of GTEFL's intraLATA toll traffic is in the first mileage block. Further, effective January 22, 1989, Telus, the only intervenor in this docket, filed a tariff to restructure its comparable rate schedule, Super Saver Service, which both increases and reduces its toll rates that were in effect when it initially protested GTEFL's SPS filing. The restructure eliminates the fixed discount amounts and provides for time-of-day discounts instead. Telus' restructured rates are both higher and lower than GTEFL's SPS rates.

As of November 30, 1988, GTEFL had 2,490 residential customers and 660 business customers under Plan 1 (per line). They had 25 business customers under Plan 2 (per account) for a total of 3,175 SPS subscribers.

II. FILING FOR PERMANENT TARIFF

GTEFL's has now filed a tariff seeking approval to modify the discounts under Plan 2, to expand the scope to company-wide and to offer the service on a permanent basis. Under Plan 2 currently, a monthly rate of \$12.00 per account applies and the customer receives a discount of ten, twenty, or twenty-five percent (10%, 20% and/or 25%) depending upon the total volume of intraLATA calls. According to the Company, the marketing results indicate very little customer interest under Plan 2 which possibly was due to the more complex billing structure. GTEFL proposes to simplify Plan 2 and provide a flat 20% discount rather than the tapered discount structure looking to increase customer acceptance of this option. GTEFL also seeks to expand the experimental status from the four (4) central offices in Clearwater Countryside, Lakeland Main, New Port Richey Main, and Tampa East to company-wide application.

Upon consideration, we find it appropriate to deny GTEFL's proposed changes to SPS. It would be inappropriate to expand the geographical scope of SPS and to make it permanent while it is subject to a pending complaint. Suspension of the tariff is inappropriate in this case because the eight-month suspension period would expire before the complaint could be resolved. However, we also find that GTEFL should be permitted to submit revisions to the present tariff offering making the discount

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change under Plan 2. This is consistent with the experimental nature of the tariff. In addition, we also find it appropriate to continue the experimental tariff until April 1, 1990 or until a resolution of the Telus complaint in Docket No. 880812-TP is reached, whichever comes first. Since SPS is an experimental tariff, GTEFL shall continue filing quarterly reports delineating, at a minimum, a breakdown by mileage bands of residence and business subscribers, the number of subscribers under each plan (per line vs. per account), the intraLATA revenues these subscribers generated and the discounted amount as this information will be beneficial in evaluation of the tariff offerings.

Based on the foregoing, it is

ORDERED that GTE Florida, Inc.'s Suncoast Preferred Service <sup>SM</sup> tariff filing is denied as set forth in the body of this Order. It is further

ORDERED that GTEFL's proposed charges to Plan 2 of the SPS are approved for purposes of the experimental tariff subject to GTEFL's submission of revised tariff sheets. It is further

ORDERED that this SPS experimental tariff shall be extended until April 1, 1990 or until the resolution of the Telus Complaint which ever occurs first. It is further

ORDERED that GTEFL shall continue filing reports as set forth in the body of this Order.

By ORDER of the Florida Public Service Commission,  
this 14th day of July, 1989.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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by: Kay Flynn  
Chief, Bureau of Records

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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.