

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Tariff filing by GTE FLORIDA, INC.)	DOCKET NO. 880643-TL
to introduce toll optional calling service)	
)	
In re: Proposed tariff filing to modify)	DOCKET NO. 900560-TL
Suncoast Preferred rate structure by GTE)	ORDER NO. 23908
FLORIDA INCORPORATED)	ISSUED: 12-20-90
)	

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 BETTY EASLEY
 GERALD L. GUNTER
 FRANK S. MESSERSMITH

ORDER ELIMINATING EXPERIMENTAL STATUS OF TARIFF,
 ADDING ADDITIONAL OPTION, AND EXPANDING
 SERVICE THROUGHOUT MARKET AREA

BY THE COMMISSION:

By Order No. 19517, issued June 20, 1988, we approved a tariff filing by GTE Florida Incorporated (GTEFL or the Company) to introduce its Suncoast Preferred ServiceSM (SPS) on an experimental basis. SPS is an optional toll discount calling plan for customer-dialed intraLATA toll calls whereby a subscriber pays a minimum flat monthly rate to receive an additional discount over and above the time-of-day discounts normally applied under the Company's tariff. As presently offered, SPS has two options: subscribers can pay a monthly flat rate of \$1.75 per access line and receive a twenty percent (20%) discount on intraLATA toll calls; or, subscribers can pay a monthly flat rate of \$12.00 per account and receive a ten, twenty, or twenty-five percent (10%, 20%, or 25%) discount on intraLATA toll calls, depending upon call volume. GTEFL's initial offering of SPS was on a six-month experimental market test basis for those customers served by the Clearwater-Countryside, Lakeland-Main, New Port Richey-Main, and Tampa-East central office areas.

Telus Communications, Inc. (Telus) formerly Teltec Saving Communications Company (Teltec) and now Advanced Telecommunications, Inc. (ATC) appeared at the Agenda Conference at which we considered the SPS tariff and requested that the tariff be suspended and set for hearing. We considered Teltec's argument and GTEFL's response and decided it was appropriate to approve GTEFL's experimental tariff and deny Teltec's request for suspension of and

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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' Motion for Reconsideration of Order No. 19517 was denied; Telus' Motion to Amend its Complaint and Petition was granted; GTEFL's Motion to dismiss Telus' amended Complaint was denied and GTEFL was given ten days to file an answer to Telus' amended complaint. Further, GTEFL's experimental SPS tariff 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, by Order No. 20835, issued March 1, 1989.

In approving this experimental toll plan, we were cognizant of the issue of pricing intraLATA MTS (Message Toll Service) 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 noted that, in approving revisions to Southern Bell Telephone and Telegraph Company's MTS rates in our decision in Docket No. 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. With the exception of the mileage band 1-10, where no reductions were ordered in the Southern Bell Docket, the rates for the mileage bands in GTEFL's SPS tariff were equal to or higher than Southern

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Bell's MTS rates. In addition, only .34% of GTEFL's intraLATA toll traffic was 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 increased and reduced its toll rates that were in effect when it initially protested GTEFL's SPS filing. The restructure eliminated the fixed discount amounts and provided for time-of-day discounts instead. Telus' restructured rates were both higher and lower than GTEFL's SPS rates.

FILING FOR PERMANENT TARIFF

By Order No. 21545, issued July 14, 1989, we denied a tariff filed by GTEFL to modify the discounts under Plan 2, to expand the scope of SPS to company-wide, and to offer SPS on a permanent basis. At that time, we stated that it would be inappropriate to expand the geographical scope of SPS and to make it permanent while it was subject to a pending complaint. Additionally, we believed that suspension of the tariff would be inappropriate because the eight-month suspension period would expire before the complaint could be resolved. At the same time, we believed that GTEFL should be permitted to make revisions to the existing tariff offering making the discount change under Plan 2. We held such action to be consistent with the experimental nature of the tariff. Additionally, we found it appropriate to continue the experimental tariff until April 1, 1990, or until a resolution of the Telus complaint in Docket No. 880812-TP was reached, whichever came first.

On June 14, 1990, GTEFL filed another tariff (T-90-254; Docket No. 900560-TL) proposing to add a third option to SPS, to offer the service company-wide, and to eliminate the experimental status of SPS. On July 24, 1990, Telus filed a Motion to Suspend or Deny Implementation of T-90-254. GTEFL filed its Response on August 1, 1990. For the reasons stated in Order No. 21545, we still believed it was inappropriate to expand the scope of SPS, to add a new option, or to make it a permanent offering at that time. Accordingly, we found it appropriate to suspend GTEFL's proposed tariff until the final order had been issued in Docket No. 880812-TP and ATC's (Telus') complaint had been addressed. These decisions are reflected in Order No. 23490, issued September 17, 1990. Additionally, we granted the Motion for Extension of Time filed by GTEFL and directed that the SPS experimental offering be extended until

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the permanent tariff is approved or until the final order is issued in Docket No. 880812-TL.

On October 2, 1990, GTEFL filed a Motion for Reconsideration of Order No. 23490. ATC filed its Response to GTEFL's Motion on October 15, 1990. Meanwhile, on October 1, 1990, we issued Order No. 23540, our final order in Docket No. 880812-TP. On October 16, 1990, ATC filed a Motion for Clarification or Reconsideration and Motion for Stay of Order No. 23540. Subsequently, on November 9, 1990, ATC filed a Voluntary Motion to Dismiss its objections and complaints in Docket No. 880643-TL. Simultaneously, ATC filed a Voluntary Partial Motion to Dismiss portions of its October 16, 1990, Motion in Docket No. 880812-TP.

ATC's complaint in this proceeding was based on the contention that the discounted rates in the SPS plan did not cover switched access charges in all mileage bands. It has been our policy, however, that MTS rates must recover access charges in the aggregate. See Order No. 16180 in Docket No. 830489-TI and Order No. 20162 in Docket No. 880069-TL. We have recently reaffirmed this policy in Order No. 23540 in Docket No. 880812-TP.

In light of ATC's concerns, we have examined the issue of covering access charges in the aggregate for SPS from three different perspectives, for all three SPS options (including the third option, which has not yet been authorized). The three methodologies utilized in this process were: 1) using our own current estimate of GTEFL's one minute of access rate of \$.1625; 2) examining GTEFL's presented costs for the service using GTEFL's current estimate of the BHMOC (busy hour minute of capacity) of \$.0155; and 3) using the method proposed by the Florida Inter-exchange Carriers' Association (FIXCA) in Docket No. 900708-TL. Under all three approaches, rates for the three SPS options cover access charges in the aggregate. In view of these findings, ATC has withdrawn its objections to GTEFL's tariff.

Upon consideration, we find it appropriate to grant ATC's November 9, 1990, Voluntary Motion to Dismiss its objections and complaints in Docket No. 880643-TL. Additionally, we note ATC's November 9, 1990, Voluntary Partial Motion to Dismiss portions of its October 16, 1990, Motion in Docket No. 880812-TL.

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We also find it appropriate to approve GTEFL's tariff proposal (T-90-254) to add a third option to SPS, to offer the service company-wide, and to eliminate its experimental status, all to be effective December 11, 1990. With the new Plan 3, subscribers would pay a monthly rate of \$110.00 per account and receive a thirty percent (30%) discount over and above the time-of-day discounts presently applied under GTEFL's MTS tariff. We believe the SPS offering is of interest to the general body of subscribers in GTEFL's territory and, therefore, should be made available throughout its market area on a permanent basis.

By our actions above, GTEFL's October 2, 1990, Motion for Reconsideration of Order No. 23490 has been rendered moot.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the tariff (T-90-254) filed by GTE Florida Incorporated on June 14, 1990, to modify Suncoast Preferred ServiceSM to add a third option, to offer the service company-wide, and to eliminate its experimental status is hereby approved effective December 11, 1990, for the reasons set forth herein. It is further

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

By ORDER of the Florida Public Service Commission, this
20th day of DECEMBER, 1990.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

ABG

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.

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 at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on January 10, 1991.

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 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 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.