

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of ) DOCKET NO. 930586-TL  
tariff filing to upgrade and ) ORDER NO. PSC-93-1344-FOF-TL  
expand Conference Connection ) ISSUED: September 14, 1993  
Service by GTE FLORIDA )  
INCORPORATED. )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK  
JULIA L. JOHNSON  
LUIS J. LAUREDO

ORDER APPROVING TARIFF

BY THE COMMISSION:

On June 6, 1993, GTE Florida Incorporated (GTEFL or Company) proposed revisions to its General Subscribers' Services Tariff to upgrade and expand its Conference Connection Service (formerly Meet-Me-Conference). The proposed filing offers additional features, as well as revises the rates in order for them to be uniform throughout the territories served by GTE telephone companies. The additional features are Dial Out Operator Assistance, Polling, and Question and Answer (Q&A) service. These features are further described below.

GTEFL's proposed tariff filing upgrades and expands its Conference Connections Service. The filing also offers additional features and revises the rates for existing services in order for them to be uniform throughout GTE. The additional features are Dial Out Operator Assistance, Polling, and Question and Answer (Q&A) services.

GTE is in the process of upgrading and expanding all of its Conference Connection equipment to provide additional features and better service to an expanding customer base. In addition, GTE will be including GTEFL in a conference service being offered throughout GTE's territories, and GTEFL states that changes need to be made to offer uniform rates that recover costs and provide an adequate return to GTEFL.

Three types of Conference Connections are offered. An Unassisted Conference Connection is one in which a predetermined conference call is established in advance where the customers are

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provided a calling number and a conference code to enter into the conference call unassisted by an operator.

An Operator Assisted Conference is one in which, at the request of the customer, the operator receives calls from each participant and escorts them into the conference.

A Broadcast Conference is one in which one or more parties are designated as broadcasters and all other parties are designated as listen only participants. There will be no operator intervention or assistance on the call unless supplemental Conference Connections services are requested which require operator intervention.

The minimum charge for any call is for an initial 15-minute period. For Unassisted and Assisted Conference Connections, the per port charges for the initial 15-minute periods are for each port used, with an allowance for a certain number of ports that are reserved but not used. The Broadcast Conference Connection rate is applied for each port reserved regardless of the number of ports used, and is the same for all hours and all days of the week. Economy conference rates are charged for calls on Saturdays, Sundays, and holidays based on the time at the bridge location; this will apply for all calls, other than Broadcast calls. Conference calls at other times are assessed the standard rates.

The current and proposed Bridge Port Usage charges are:

<u>Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Unassisted Conference Connection:		
Initial 15-minute Period, per port	\$.38/Min	\$.50/Min
Initial 15-minute Period, per port, Economy	\$.27/Min	\$.36/Min
Each additional minute, per port	\$.05/Min	\$.08/Min
Each additional minute, per port, Economy	\$.04/Min	\$.06/Min

<u>Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Operator Assisted Conference Connection:		
Initial 15-minute Period, per port	\$.60/Min	\$.66/Min
Initial 15-minute Period, per port, Economy	\$.42/Min	\$.46/Min
Each additional minute, per port	\$.05/Min	\$.08/Min
Each additional minute, per port, Economy	\$.04/Min	\$.06/Min
Broadcast Conference Connection:		
Per port/minute charge	\$.05/Min	\$.08/Min

Supplemental Conference Connection Services may be provided at the customer's request. A charge for these services applies in addition to the Bridge Port Usage charges.

The proposed rate changes to the existing Supplemental Service - Operator Surcharges are:

<u>Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Monitoring:		
Each 30 Minutes	\$29.00	\$00.00
Each 15 Minutes	\$00.00	\$15.00
Taping & Handling		
Regular Mail/90 Minute Tape	\$ 6.00	\$ 5.00
Express:		
Domestic	\$15.00	\$10.00*
International	\$15.00	\$ 5.00**
Time and Charges/Call		
U.S., Canada, Caribbean,	\$ 5.00	\$ 5.00
Mexico	\$ 5.00	\$15.00
International		

\*Plus Regular Mail Per Tape Charges  
 \*\*Plus Actual Cost of Mailing

GTEFL is also introducing three new Supplemental Services in this tariff filing: Dial Out Operator Assistance, Polling, and Question and Answer.

#### Dial Out Operator Assistance

The operator will dial out to customer designated points to connect participants to the conference bridge at the appointed time. Usage charges may apply in addition to the Dial Out Operator Assistance per port charge. That is, any applicable MTS charges would be billed to the originator of the conference instead of the participant.

#### Polling

This feature allows the conference originator to poll the other participants. At any time during the conference call the originator will alert the conference operator and ask the participants to respond to particular questions by voting using designated numbers on their telephone key pad. Each response will have a different designated number. The conference system and operator will tabulate the results for each question.

#### Question & Answer

Following a lecture or information speech on a conference call, the originator or the chairman of the call can alert the conference operator and request that the callers ask questions. The participants are in listen only mode. Participants who have questions press a designated digit on the telephone to place themselves in the queue. As the first caller accesses the operator, the operator obtains the caller's name and enters it next to the caller's line number. The operator then announces the name of the caller. The caller asks his question, and all other participants hear the question and the answer. When that caller is finished, the next caller in queue accesses the operator and the process is repeated. If a caller hears the same question he intends to ask, he can take himself out of queue. The chairman or originator of the call can also ask the operator to put certain callers in priority queue so that each time they ask a question they will be put first in the queue.

The proposed Supplemental Services - Operator rates for these new services are:

<u>Service</u>	<u>Proposed Rate</u>
Dial Out Operator Assistance/Call	\$ 3.00
Polling	\$40.00
Question and Answer	\$50.00

Cost Support and Revenue Impact

A cost study was performed that examined all costs associated with the basic and supplemental Conference Connection services. Information was gathered on the existing and proposed capital costs for the operator systems, circuit equipment and other equipment associated with the services.

GTE is expanding the number of bridges served by the Florida system by putting them in a remote location to better serve customers. This remote equipment will be linked to and served by the Florida operators. Also, a central reservation system is planned to handle the reserving of all conference calls throughout the GTE system.

Once the costs for all these investments were totalled, an annual charge factor was applied to them to determine the total recurring capital charges. To these charges were added costs for other recurring expenses such as central office line costs, communication link costs, software and technical training expenses, advertising, and miscellaneous costs. The total of these costs was divided by the total annual forecasted calls to obtain a cost per call. An operator cost per work second was established by dividing the total operator costs by annual operator work seconds. A cost per port for the multiple basic Conference Connection services was derived by adding an appropriate operator cost to the cost per call. For the supplemental services, additional costs applicable to each service were added to the appropriate operator costs, if any, associated with that service to obtain a total cost.

The cost study shows that both the current and proposed rates generate substantial contribution. The contribution at the current rates is \$921,637 per year. If the proposed rates are approved, the contribution will be \$2,252,889 for year one and will rise to \$2,642,076 by year four.

Revenues, costs and contribution for year 1 are shown below.

	<u>Current Rates</u>	<u>Proposed Rates</u>
Total Revenue	\$3,354,492	\$4,685,744
Cost of Service	\$2,432,855	\$2,432,855
Contribution:		
Amount	\$ 921,637	\$2,252,889
Percent	38%	93%

Although the Company is proposing significant increases to this service, we believe that Conference Connection service is discretionary. It is targeted primarily to medium to large business customers, including retailing, telemarketing, and service and manufacturing companies, who tend to be most knowledgeable on communications matters. The small business and residential market is small, but is expected to grow. Additionally, teleconferencing is subject to market competition. Teleconferencing is available from a number of companies, including AT&T, Sprint, and MCI. Moreover, it appears that this service has been well-received. The revenue for 1991, the first full year the service was available, was \$783,577. The Company expects its 1993 revenue at current rates to be \$3,354,492, a growth of 328% over a two-year period. The additional contribution generated by the Company's proposals will augment the recovery of GTEFL's unattributable joint and common costs, and will mitigate the need for potential increases to nondiscretionary monopoly services. Accordingly, we recommend that the Company's proposals be approved, with an effective date of September 1, 1993.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the tariff amendment filed by GTE Florida Incorporated to upgrade and expand Conference Connection Service is hereby approved as described in the body of this Order. It is further

ORDERED that if a protest is filed in accordance with the requirements set forth below, the tariff shall remain in effect

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with any increase in revenues held subject to refund pending resolution of the protest. It is further

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

By ORDER of the Florida Public Service Commission this 14th day of September, 1993.

  
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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.

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 October 5, 1993.

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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.