

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 951289-TL
tariff filing to change rates) ORDER NO. PSC-95-1545-FOF-TL
and structure of IntraLATA) ISSUED: December 15, 1995
Message Telecommunications)
Service (MTS) toll service in)
General Subscriber Services by)
GTE Florida Incorporated. (T-)
95-630 filed 10/5/95))
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING TARIFF TO REVISE RATES AND
RATE STRUCTURE OF INTRALATA MTS TOLL SERVICE

BY THE COMMISSION:

On October 5, 1995, GTE Florida Incorporated (GTEFL) filed proposed revisions to the rates and structure of its intraLATA toll service. GTEFL claims the restructure will better meet the needs of its customers by offering one rate for all mileage bands and reducing the number of time-of-day rating periods from Day, Evening and Night, to Peak and Off-Peak only.

Description of Present Rate Structure

The current rate structure provides rates by mileage band with a rate for the initial minute and a separate rate for each additional minute of use (MOU). GTEFL's rates also differ by time of day. GTEFL charges the full rate for calls made between 8:00 a.m. and 5:00 p.m. on Monday through Friday. It offers a 25 percent discount between 5:00 p.m. and 11:00 p.m., Sunday through Friday, and a 50 percent discount between 11:00 p.m. and 8:00 a.m., 7 days a week, and all day Saturday.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

Description of Proposed Rate Structure

GTEFL's proposed tariff contains four rate tables for the different classes of service. There are separate schedules for station to station customer dialed, station to station customer dialed calling card, operator assisted dialed call, and station to station coin telephone calls. Each rate table contains the same peak and off-peak rates without regard to mileage bands. The peak rate is \$.21 for the initial and each additional minute.

GTEFL proposes to replace the current time of day discounts with peak and off-peak rates. The peak rate is applicable for calls made between 7:00 a.m. and 7:00 p.m., Monday through Friday. The off-peak rate, which represents a 42.5 percent discount off of the peak rate, will be applied between 7:00 p.m. and 7:00 a.m. and all day Saturday and Sunday. There are no discounts associated with basic MTS service; however, customers who subscribe to optional calling plans will still receive volume discounts.

GTEFL's Easy Savings for Residential plan uses the basic MTS rate schedule with full one-minute rounding. Discounts are applied based on total monthly usage. The Easy Savings for Business and Total Solutions plans use different rate schedules which have sub-minute rates as opposed to full minute rates in the basic MTS schedule. These sub-minute rates have been revised to effectively equal the peak MTS rates on a "per minute" basis. In other words, if the initial rate for 18 seconds is added to seven times the rate for each additional 6 seconds (i.e., one minute), the sum equals the \$.21 per minute peak MTS rate.

Customer Impact

GTEFL asserts that its customers want simple, easy to understand long distance service. GTEFL believes that its customers will be able to determine charges for intraLATA toll calls much easier with one rate for all distances within GTEFL's service territory. Although the off-peak discount will begin 2 hours later than the current evening discount, the off peak discount is greater.

The proposed rate of \$.21 per minute represents an increase for the 0-10 mile band, as well as for the 11-22 mileage band for additional MOUs. A comparison of GTEFL's current and proposed IntraLATA MTS toll rates is depicted below:

Current and Proposed Rate Comparison

Rate Mileage	Current Day Rates		Proposed Peak Rates	
	Initial One Minute	Each Add'l Minute	Initial One Minute	Each Add'l Minute
0 - 10	\$.14	\$.07	\$.21	\$.21
11 - 22	\$.21	\$.12	\$.21	\$.21
23 - 55	\$.28	\$.21	\$.21	\$.21
56 - 124	\$.37	\$.27	\$.21	\$.21

Whether the proposed rate structure results in an increase or a decrease in charges to customers depends on individual calling patterns. Calls made within the two lower bands (i.e., less than 23 miles) will result in higher charges under the proposed rate structure. According to GTEFL, however, there are no land-originated calls that would fall within the lowest band, and the vast majority of MOUs are generated on calls of greater than 22 miles distance.

Impact on GTEFL

GTEFL estimates that the proposed MTS rate structure will produce an overall revenue reduction of \$24,729 per year. A breakdown of the total revenue changes for each toll service is set forth below:

Summary of Revenue Impact

	Present Annual Revenue	Proposed Annual Revenue	Revenue Change
Two Point Service	\$41,259,227	\$40,914,708	(\$344,519)
Easy Savings - Residential	7,055,113	7,035,436	(19,677)
Easy Savings - Business	5,286,772	5,570,563	283,791
Total Solutions	1,038,873	1,094,549	55,676
Totals	\$54,639,985	\$54,615,256	(\$24,729)

Currently, MTS rates are required to cover corresponding access charge rates. The proposed rates for MTS, Easy Savings for Residential, Easy Savings for Business and Total Solutions for Business are above GTEFL's imputation floor, as depicted below:

Comparison of proposed rates and imputation floor

Toll Service	Effective Rate
1. MTS	\$0.17882
2. Easy Savings for Residential users	\$0.13294
3. Easy Savings for Business	\$0.14455
4. Total Solutions for Business	\$0.14004
* Imputation Floor	\$0.13273

GTEFL's proposed revisions to intraLATA toll rates and rate structure appears to result from the increase in competition for intraLATA toll service. Although 1+ intraLATA toll service is currently reserved for local exchange carriers, end users do receive discounts on intraLATA calls when they dial around and use an interexchange carrier to complete the calls. The proposed intraLATA toll rates and rate structure should result in increased competition and, ultimately, lower charges for most end users. GTEFL's proposed revisions to its intraLATA toll rates and rate structure are, therefore, approved, effective December 4, 1995.

It is, therefore,

ORDERED by the Florida Public Service Commission that GTE Florida Incorporated's proposed tariff to change rates and structure of IntraLATA Message Telecommunications Service toll service (tariff T-95-630) is approved, effective December 4, 1995. It is further

ORDERED that if a protest is filed in the form and by the date specified in the Notice of Further Proceedings or Judicial Review, this tariff shall remain in effect, with any increase in revenues held subject to refund pending resolution of the protest. If no timely protest is filed, this docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 15th
day of December, 1995.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Fejn
Chief, Bureau of Records

(S E A L)

RJP

Commissioners J. Terry Deason and Julia L. Johnson dissented
on this matter.

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 5, 1996.

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.