

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 951336-TL
tariff filing to remove P.01) ORDER NO. PSC-96-0083-FOF-TL
Grade of Service optional) ISSUED: January 17, 1996
feature for CentraNet)
Service/Digital CentraNet)
Service by GTE Florida)
Incorporated (T-95-706 filed)
11/01/95))

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

BY THE COMMISSION:

On November 1, 1995, GTE Florida Incorporated (GTEFL or the Company) filed a tariff requesting removal of the P.01 grade of service optional feature for the CentraNet Service/Digital CentraNet Service offering from its General Services Tariff. The P.01 optional feature was introduced in a recent Company filing. See Order No. PSC-95-1333-FOF-TL, issued November 1, 1995.

On June 22, 1995, GTEFL filed tariffs with the Commission to introduce some new services and restructure some existing services. One of the new services that was introduced was a CentraNet Service/Digital CentraNet Service P.01 grade of service optional feature. P.01 grade of service optional feature is a variation of a Network Access Register (NAR). In a CentraNet environment, access from the main stations to the exchange network is limited by the number of Network Access Registers to which the customer subscribes. Generally, one NAR services 8 - 10 lines. A single NAR allows only one main station line access to the exchange network at any time. This arrangement does not allow small size customers access to the exchange network on a per station basis, unless the number of NARs equals the number of main stations.

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The P.01 grade of service is a variation of a NAR that permits extremely low probability of blocking of CentraNet stations' access to the exchange network at peak busy hour/busy season. The per station NAR benefits small customers because the concentration ratio of 8:1 with a regular NAR is reduced to 1:1 using the P.01 grade of service optional feature. This optional feature allows customers in the lower line size categories to take greater advantage of the CentraNet capability, provides access to services of Enhanced Service Providers, and it is priced at about half the price of a regular NAR.

The P.01 grade of service was intended to address the needs of small customers that needed a greater than normal number of paths outside the business group for access to Enhanced Service Providers. However, subsequent analysis of the existing customer base indicated that the initial assumptions were inaccurate. It was discovered that as much as 65% of the current base of small customers' NARs are installed as 'square systems'. The term 'square system' indicates that each main station has one NAR, instead of the sharing of a single NAR by multiple stations. For these customers, the P.01 option would effectively provide the same service at half the price of a regular NAR.

The P.01 optional offering is a perfect substitute for the standard NAR. As existing customers become aware that the P.01 optional offering is a perfect substitute, most customers will migrate to the P.01 optional offering. With such action, the customers will benefit by receiving the same quality of service at approximately half the price. This action will affect the Company's revenues. The Company has estimated that revenues of approximately \$2 million are at risk in the event of such migration. The Company contends that prompt removal of the P.01 optional offering will minimize the potential Company loss, and no existing customer will be impacted by the withdrawal of this optional feature.

Accordingly, we hereby approve GTEFL's request to remove the P.01 grade of service optional feature for CentraNet Service. We acknowledge that it was not the Company's initial intent to offer, in essence, a "deep discount" on NARs. There will be no negative impact on current CentraNet customers by removing P.01 service from the tariff. The tariff shall become effective December 31, 1995. If a protest is filed within 21 days of the issuance of this Order, this tariff shall remain in effect pending resolution of the protest. If no timely protest is filed, this docket shall be closed.

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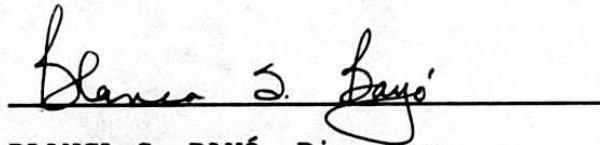
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that GTE Florida Incorporated's tariff requesting removal of the P.01 grade of service optional feature for the CentraNet Service/Digital CentraNet Service offering from its General Services Tariff is approved. It is further

ORDERED that this tariff filing shall be effective December 31, 1995. It is further

ORDERED that if a timely protest is filed in accordance with the requirements set forth below, 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.

By ORDER of the Florida Public Service Commission, this 17th day of January, 1996.



BLANCA S. BAYÓ, 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on February 7, 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.