

970172-TP



**GTE Telephone Operations**

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**Ms. Blanca S. Bayo, Director**  
Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

May 19, 1997

Re: Docket No.  
Tariff filing of GTE Florida Incorporated pursuant to  
FCC Docket No. 96-128 in compliance with FCC Order No. 97-805

Dear Ms. Bayo:

Please find enclosed an original and fifteen copies of GTE Florida Incorporated's Notice of Intent to Seek Confidential Classification for filing in the above matter. If there are any questions regarding this matter, please contact me at (813) 483-2615.

Very truly yours,

Anthony P. Gillman

APG:tas  
Enclosures

this Notice of Intent was filed with Confidential Document NO. 04940-97. The document has been placed in the confidential files pending receipt of a request for confidential treatment.

c: Walter D'Haeseleer (w/e)

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Tariff filing of GTE Florida Incorporated )  
pursuant to FCC Docket No. 96-128 in )  
Compliance With FCC Order No. 97-805 )  
\_\_\_\_\_ )

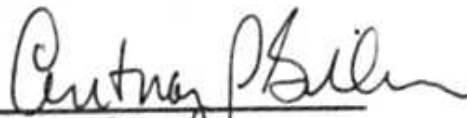
Docket No.  
Filed: May 19, 1997

**GTE FLORIDA INCORPORATED'S  
NOTICE OF INTENT TO SEEK CONFIDENTIAL CLASSIFICATION**

GTE Florida Incorporated (GTE) hereby gives notice of its intent to seek confidential classification of certain information included with GTE's tariff filing for payphone related services. The information provided includes cost information designated by GTE as "proprietary confidential business information" under Section 364.183(3) of the Florida Statutes.

This Notice exempts the above described material from §119.07(1) of the Florida Statutes and §24(a), Art. 1 of the State Constitution and protects it from public disclosure. All of this information falls within Florida Statutes §364.183(3)(e), which defines the term "proprietary confidential business information" to include "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of that information." In a competitive business, any such knowledge obtained about a competitor can be used to the detriment of the entity to which it pertains. This unfair advantage skews the operation of the market, to the ultimate detriment of the consumer. GTE will follow up this Notice with a request for permanent confidential classification within 21 days.

Respectfully submitted on May 19, 1997.

By:   
Anthony Gillman  
Kimberly Caswell  
P. O. Box 110, FLTC0007  
Tampa, Florida 33601  
Telephone: 813-483-2615

Attorneys for GTE Florida Incorporated

GTE Florida  
Executive Summary

This filing relates to FCC Docket No. 96-128 and GTE's compliance with FCC Order No. 97-805.

The FCC requires GTE ("the company") to file intrastate tariffs for payphone related services consistent with the new services test of the federal guidelines required by said order. In essence, this requirement applies a cost based test for new services under the jurisdiction of the FCC to existing payphone related intrastate services which, in some cases, have been priced using residual pricing mechanisms and/or value of service pricing mechanisms. Restating, this requirement applies a cost based federal pricing guideline to intrastate services.

The new services test requires rates to be between a cost floor and a cost ceiling. The company believes the best representations of the cost floors are the costs that have been provided in arbitration proceedings, where applicable. The best representations of the cost ceilings are the cost floors plus allocations of joint & common costs, where applicable. The intrastate services that do not have arbitration cost studies were evaluated in a similar manner.

The company believes that the best way to evaluate the rates is to determine a statewide composite rate for those services that are not uniform. If the statewide composite rate did meet the new services test, then no rates were changed for that service. If the statewide composite rate did not meet the new services test, then the rates were changed. The company believes that the best way to change rates that do not meet the new services test is to do so as consistently as possible.

It would be convenient to supply a theoretical example with numbers to better portray the mechanics used to meet the new services test. However, no example could portray the complexities of the different types of services, the wide ranging impacts that a statewide, weighted average rate could have on individual rates, and the many different scenarios on the potential rate design impacts and revenue impacts.

The different categories of payphone related services are Public Telephone Access Service, (PATS), Customer-Owned Pay Telephone (COPT) Coin Line Service, PATS Optional Service Features, Answer Supervision and Billed Number Screening.

PATS - Item I on page 1 of Exhibit A shows that the current composite line rate, which consists of both measured and flat rate services, does not meet the new services test. Currently, the measured rate is approximately 80% of the Flat rate. This relationship was maintained throughout the rate restructure activity for this service. The proposed composite line rate of \$ [REDACTED] represents a [REDACTED]% decrease to the individual tariffed flat rates. The annual revenue impact of the proposed rate change is ([REDACTED]).

COPT Coin Lines - Item II on page 1 of Exhibit A shows that the current composite line rate

**REDACTED**

does not meet the new services test. The proposed composite line rate of \$[REDACTED] represents a [REDACTED] decrease to the individual tariffed rates for the two-way and outward only services. The annual revenue impact of the proposed rate change is ([REDACTED]).

PATS Optional Service Features (outbound screening) - Item III on page 2 of Exhibit A shows that the current composite line rate for the Central Office Blocking with Operator Selective Class of Call Screening optional services does not meet the new services test. The proposed composite line rate of \$[REDACTED] represents a [REDACTED] decrease to the individual tariffed rates for two-way and outward-only services. The annual revenue impact of the proposed rate change is ([REDACTED]).

Answer Supervision - Item IV on page 2 of Exhibit A shows that the rate did not meet the new services test. The proposed rate of \$13.00 represents a [REDACTED] increase to the tariffed rate. The annual revenue impact of the proposed rate change is [REDACTED].

Billed Number Screening - Item V on page 2 of Exhibit A shows that the inbound screening rates for No Collect Billing, Third Number Billing and No Collect/Third Number Billing did not meet the new services test. The proposed rate of \$0.35 represents a [REDACTED] decrease to the tariffed rates. The annual revenue impact of the proposed rate change is ([REDACTED]).

The overall annual revenue impact of the proposed rate changes is ([REDACTED]) as shown on Item VII on Page 3 of Exhibit A.

**REDACTED**

## GTE FLORIDA

Service	Units	Present Rate	Proposed Rate	Present Monthly Revenue	Proposed Monthly Revenue	Monthly Revenue Change	Annual Revenue Change
<b>I. Public Telephone Access Service (PATS)</b>							
Measured Ser							
Rate Group 1		\$19.20	\$17.56				
Rate Group 2		21.04	\$19.25				
Rate Group 3		22.00	\$20.13				
Rate Group 4		23.00	\$21.05				
Rate Group 5		23.96	\$21.93				
Sub Total Usage Total Measure							
Flat Rate Serv							
Rate Group 1		23.95	\$21.91				
Rate Group 2		26.25	\$24.02				
Rate Group 3		27.45	\$25.12				
Rate Group 4		28.70	\$26.26				
Rate Group 5		29.90	\$27.36				
Total Flat Rate							
State PATS Federal SLC Total PATS							
Cost Floor Proposed Comp Cost Floor + Fax Present Composite Line							
<b>II. COPT Line</b>							
2-Way / 1-Way							
Rate Group 1			\$24.38				
Rate Group 2			\$26.81				
Rate Group 3			\$29.49				
Rate Group 4			\$32.44				
Rate Group 5			\$35.69				
Total COPT Line Federal SLC Total COPT Line							
Cost Floor Proposed Composite Line Cost Floor + Fixed Allocation Present Composite Line f							

REDACTED

## GTE FLORIDA

Service	Units	Present Rate	Proposed Rate	Present Monthly Revenue	Proposed Monthly Revenue	Monthly Revenue Change	Annual Revenue Change
<b>III. PATS Optional Services:</b>							
Outbound Options							
Option 1		\$2.00	\$1.90				
Option 2		2.00	1.90				
Option 3		1.00	0.95				
Option 4		1.00	0.95				
Option 5		3.00	2.85				
Option 6		3.00	2.85				
Option 7		2.00	1.90				
Option 8		2.00	1.90				
Option 9		3.00	2.85				
Option 10		3.00	2.85				
Total							
Cost Floor							
Proposed Composite Line Rate							
Cost Ceiling (per LAPP model)							
Present Composite Line Rate							
<b>IV. Answer Supervision</b>							
		\$5.00	\$13.00				
Cost Floor							
Proposed Rate							
Cost Ceiling (per LAPP model)							
Present Rate							
<b>V. Billed Number Screening:</b>							
Inbound Options							
No Third Number Billing and / or Collect Billing - Options A, B and C		\$1.00	\$0.35				
Cost Floor							
Proposed Composite Line Rate							
Cost Ceiling (per LAPP model)							
Present Composite Line Rate							
<b>VI. Miscellaneous Services *</b>							
Set Use Fee - Billing & Collection	N/A	!			!		

REDACTED

GTE FLORIDA

Service	Units	Present Rate	Proposed Rate	Present Monthly Revenue	Proposed Monthly Revenue	Monthly Revenue Change	Annual Revenue Change
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VII. Summary of Revenue Impact

PATS Lines							
COPT Lines							
PATS Optional Services							
Answer Supervision							
Billed Number Screening							
Miscellaneous Services *							
<b>GRAND TOTAL</b>				--			

Note (\*) No Impact on this Rate Element from the New Services test.

**REDACTED**



08/31/96

**GTE TELEPHONE OPERATIONS - FLORIDA**  
**SERVICE SUMMARY**  
**AUGUST 1996**  
**BUSINESS ONE-PARTY**

HIGH MEDIUM LOW WEIGHTED REFERENCE

**BUSINESS 1 PARTY SERVICE**

LOOP (w/o DROP)  
DROP FACILITY  
MDF & PROTECTOR  
JUMPER WIRE  
SWITCH INTERFACE - LINE TERM.  
USAGE (LOCAL/EAS)  
DTMF  
DIRECTORY (BOOK)  
DIRECTORY ASSISTANCE  
BILLING AND COLLECTION

TOTAL

DENSITY PERCENTAGES

**REDACTED**

**CONFIDENTIAL INFORMATION**

Highly Sensitive Confidential Information

State: Florida  
Jurisdiction: TE

*Measured*

Rate Grp 1	Rate Grp 2	Rate Grp 3	Rate Grp 4	Rate Grp 5
\$19.20	\$21.04	\$22.00	\$23.00	\$23.96

Usage

Per Completed Call	Per Minute			
\$ .0125*	\$ .0125*	<u>Calls</u>	<u>MOU</u>	<u>Tot Usage</u>

\*REPRESENTS 50% PEAK AND 50% OFF-PEAK

CONFIDENTIAL

REDACTED

GTE Florida  
Customer Owned Pay Telephone Service and  
Answer Supervision Revenue  
Requirement Summary

COPT Coin

- 1 COMPONENTS
- 2
- 3 Central Office Switching Equipment (Page
- 4
- 5 Local Loop Facility (Page 27, L11)
- 6
- 7 Billing System Modification Cost
- 8 Florida Prorate Percentage
- 9 Florida Prorate Amount
- 10 Forecasted Lines/Feature
- 11 Cost by Lines/Feature
- 12 Amortization of Cost (See Note)
- 13 Allocated Cost per Month
- 14
- 15 Call Completion Calculator (Page 28, P10)
- 16
- 17 Total Monthly Rev. Requirement (L3 + L5 +
- 18
- 19 Proposed Monthly Rate, per
- 20 Rate Group 1
- 21 Rate Group 2
- 22 Rate Group 3
- 23 Rate Group 4
- 24 Rate Group 5
- 25

Note: The amortization is calculated at [REDACTED] Cost of Money per month for [REDACTED] months. The monthly factor is based on an annual Cost of Money of [REDACTED].

**REDACTED**

GTE TELEPHONE OPERATING COMPANIES  
INVESTMENT AND COST DATA  
SUMMARY

PAGE 1 OF 1

Service: PATS Optional Service Features

State: FLORIDA

- I. Cost and Salvage Value of Equipment
  1. Circuit Equipment Material
  2. Outside Plant Material
  3. Central Office Equipment Material
  4. Total Material Cost (1)+(2)+(3)
  5. Circuit Equipment Net Salvage (Incl. Cost of Removal)
  6. Outside Plant Net Salvage (Incl. Cost of Removal)
  7. Central Office Equipment Net Salvage (Incl. Cost of Removal)
  8. Net Material Cost (4)-(5)-(6)-(7)
  
- II. Installation Cost
  9. Circuit Equipment Engineering Labor
  10. Outside Plant Engineering Labor
  11. Central Office Equipment Engineering Labor
  12. Total Engineering Labor (9)+(10)+(11)
  13. Circuit Equipment Installation Labor
  14. Outside Plant Installation Labor
  15. Central Office Equipment Installation Labor
  16. Total Installation Labor (13)+(14)+(15)
  17. Total Installed Cost (4)+(12)+(16)
  
- III. Non-Reusable Cost
  18. Engineering/Installation Labor Cost (12)+(16)
  19. Cost of Removal Net of Salvage
  20. Total Non-Reusable Cost (18)+(19)
  
- IV. Net Investment
  21. Total Net Investment (17)-(8)-(6)-(7)
  
- V. Total Annual Cost
  22. Circuit Equipment Depreciation
  23. Outside Plant Depreciation
  24. Central Office Equipment Depreciation
  25. Return
  26. Federal and State Income Tax
  27. Maintenance
  28. Administration/Marketing
  29. Other Taxes
  30. Other
  31. Total Annual Cost (22)..(30)
  
- VI. Amounts to be Tariffed
  32. Proposed Non-Recurring Charge
  33. Credit for RMC
  34. Fully Allocated Monthly Cost (31)/12 - (33)
  35. Proposed Monthly Recurring Charge
  36. Unit Cost (34) - (35)/12

REDACTED

GTE TELEPHONE OPERATING COMPANIES  
INVESTMENT AND COST DATA  
SUMMARY

PAGE 1 OF

Service: COPT ANSWER SUPERVISION  
Rate Element: COPT ANSWER SUPERVISION

State: FLORIDA

- I. Cost and Salvage Value of Equipment
  1. Circuit Equipment Material
  2. Outside Plant Material
  3. Central Office Equipment Material
  4. Total Material Cost (1)+(2)+(3)
  5. Circuit Equipment Net Salvage (Incl. Cost of Removal)
  6. Outside Plant Net Salvage (Incl. Cost of Removal)
  7. Central Office Equipment Net Salvage (Incl. Cost of Removal)
  8. Net Material Cost (4)-(5)-(6)-(7)
  
- II. Installation Cost
  9. Circuit Equipment Engineering Labor
  10. Outside Plant Engineering Labor
  11. Central Office Equipment Engineering Labor
  12. Total Engineering Labor (9)+(10)+(11)
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  15. Central Office Equipment Installation Labor
  16. Total Installation Labor (13)+(14)+(15)
  17. Total Installed Cost (4)+(12)+(16)
  
- III. Non-Reusable Cost
  18. Engineering/Installation Labor Cost (12)+(16)
  19. Cost of Removal Net of Salvage
  20. Total Non-Reusable Cost (18)+(19)
  
- IV. Net Investment
  21. Total Net Investment (17)-(5)-(6)-(7)
  
- V. Total Annual Cost
  22. Circuit Equipment Depreciation
  23. Outside Plant Depreciation
  24. Central Office Equipment Depreciation
  25. Return
  26. Federal and State Income Tax
  27. Maintenance
  28. Administration/Marketing
  29. Other Taxes
  30. Other
  31. Total Annual Cost (22)..(30)
  
- VI. Amounts to be Tariffed
  32. Proposed Non-Recurring Charge
  33. Credit for NRC
  34. Fully Allocated Monthly Cost (31)/12 - (33)
  35. Proposed Monthly Recurring Charge
  36. Unit Cost (34) - (28)/12

REDACTED

GTE TELEPHONE OPERATING COMPANIES  
INVESTMENT AND COST DATA  
SUMMARY

PAGE 1 OF 3

Service: ONA

Rate Element: BILLED NUMBER SCREENING

State: FLORIDA

- I. Cost and Salvage Value of Equipment
  1. Circuit Equipment Material
  2. Outside Plant Material
  3. Central Office Equipment Material
  4. Total Material Cost (1)+(2)+(3)
  5. Circuit Equipment Net Salvage (Incl. Cost of Removal)
  6. Outside Plant Net Salvage (Incl. Cost of Removal)
  7. Central Office Equipment Net Salvage (Incl. Cost of Removal)
  8. Net Material Cost (4)-(5)-(6)-(7)
  
- II. Installation Cost
  9. Circuit Equipment Engineering Labor
  10. Outside Plant Engineering Labor
  11. Central Office Equipment Engineering Labor
  12. Total Engineering Labor (9)+(10)+(11)
  13. Circuit Equipment Installation Labor
  14. Outside Plant Installation Labor
  15. Central Office Equipment Installation Labor
  16. Total Installation Labor (13)+(14)+(15)
  17. Total Installed Cost (4)+(12)+(16)
  
- III. Non-Reusable Cost
  18. Engineering/Installation Labor Cost (12)+(16)
  19. Cost of Removal Net of Salvage
  20. Total Non-Reusable Cost (18)+(19)
  
- IV. Net Investment
  21. Total Net Investment (17)-(18)-(19)-(7)
  
- V. Total Annual Cost
  22. Circuit Equipment Depreciation
  23. Outside Plant Depreciation
  24. Central Office Equipment Depreciation
  25. Return
  26. Federal and State Income Tax
  27. Maintenance
  28. Administration/Marketing
  29. Other Taxes
  30. Other
  31. Total Annual Cost (22)..(30)
  
- VI. Amounts to be Tariffed
  32. Proposed Non-Recurring Charge
  33. Credit for MRC
  34. Fully Allocated Monthly Cost (31)/12 - (33)
  35. Proposed Monthly Recurring Charge
  36. Unit Cost (34) - (28)/12

REDACTED