BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of tariff filing to introduce a customer-owned pay telephone coin telephone service by GTE FLORIDA INCORPORATED (T-94-026) FILED 1/20/94)

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING TARIFF FILING

BY THE COMMISSION:

I. BACKGROUND

By Order No. PSC-93-0289-FOF-TL (the Order) in Docket No. 920255-TL, the Commission ordered the local exchange companies (LECs) to file a list of pay telephone functions that could be unbundled and sold separately, and then to offer the functions as soon as feasible. On January 20, 1994, GTE Florida Incorporated (GTEFL or Company) filed proposed tariff revisions to introduce Customer-Owned Pay Telephone Coin Telephone Service and Answer Supervision. The purpose of this filing is to introduce a coin line service similar to one recently approved for Southern Bell as well as a separate proposal for coin answer supervision.

II. ANSWER SUPERVISION

Customer-Owned Pay Telephone (COPT, or GTEFL's term for non-LEC pay telephone providers which the Commission terms NPATS providers) answer supervision is one of several "unbundled functionalities" required by the Order. COPT answer supervision is a feature that will provide an electrical signal when the called party goes off-hook (answers) for calls that originate from NPATS telephones. COPT answer supervision is a service long sought by NPATS providers. This feature will help NPATS telephones accurately determine when billing for a specific call should commence. Where NPATS providers do not have sophisticated telephone instruments that can pinpoint the beginning of a billable call, they presently use less reliable software supervision or

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simply delay billing for a predetermined number of seconds in an attempt to guess when a call begins.

GTEFL projects an incremental monthly cost per line of \$2.79 for this service. Its proposed rate is \$5.00 per month. GTEFL is the first company to offer this service in Florida, so no comparison with other companies can be made. However, GTEFL submitted that nationwide, the rate varies between \$1.60 and \$5.75 per month in various Regional Bell Operating Companies' tariffs. The Company expects 25% of its NPATS customers to subscribe to COPT answer supervision and it expects to generate \$114,300 in annual revenues from the service.

III. COIN LINE

COPT Coin Line service was also a requirement of the Order. A coin line is an access line designed to provide pay telephone instruments with features and functions from the LEC's central office. Features such as call screening and blocking, call rating and recording, coin collection, and coin return are provided via a coin line.

This type of access is how LEC pay telephone providers (LPATS) such as GTEFL have traditionally provided payphone service. However, NPATS providers cannot presently use these LEC functions on their pay telephone instruments. They must rely on "smart" phones that have all of the above functions programmed into the payphone itself. This is biggest difference between the two methods: coin lines can use less expensive "dumb" phones to provide service while regular access lines must use the more expensive smart phones.

GTEFL proposes to offer its coin lines with rate groupspecific rates as follows:

Rate Group	Rate
RG1	\$31.25
RG2	\$34.37
RG3	\$37.81
RG4	\$41.59
RG5	\$45.75

No usage charges will be added to these rates. They are comparable to Southern Bell's current flat rate of \$45.00 per month in all rate groups for its coin line service.

The Company's estimated cost for its coin line service is \$27.89. Despite NPATS providers' long-standing arguments in favor

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of coin lines, GTEFL does not expect much demand for them. It expects no existing lines to convert, and only 1% of all new NPATS installations to subscribe to a coin line. This will net the Company approximately \$2500 in additional revenues after the first year.

During our consideration of this tariff, the Florida Pay Telephone Association argued that the proposed rates for both proposed services are too high. FPTA further argued that the projected lack of demand for the services is due to repression stemming from the excessive rates.

Upon consideration we find that the tariff should be approved as filed. It complies with Order No. PSC-93-0289-FOF-TL, and will provide services desired by at least some NPATS providers. We are unpersuaded by the FPTA that the rates for the services are too high.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the proposed tariff revisions to introduce Customer-Owned Pay Telephone Coin Telephone Service and Answer Supervision filed by GTE Florida Incorporated is approved as set forth in the body of this Order. It is further

ORDERED that this tariff shall be effective on April 1, 1994. It is further

ORDERED that if a timely protest is filed according to 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 should be closed.

By ORDER of the Florida Public Service Commission, this 30th day of March, 1994.

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 as provided by Rule 25-22.036(4), proceeding, Rule provided the form Administrative Code, in 25-22.036(7)(a)(d) and (e), Florida Administrative Code. 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 April 20, 1994.

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.