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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

April 21, 1997

Re: Docket No. 970281-TL
Establishment of Intrastate Implementation Requirements Governing
Federally Mandated Deregulation of Local Exchange Company Payphones

Dear Ms. Bayo:

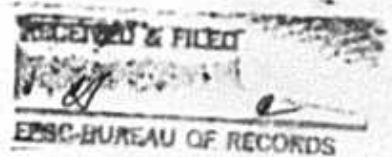
Please find enclosed an original and fifteen copies of GTE Florida Incorporated's Request for Confidential Classification for filing in the above matter. Service has been made as indicated on the Certificate of Service. If there are any questions regarding this matter, please contact me at (813) 483-2615.

Very truly yours,

Anthony P. Gillman

- ACK _____
- AFA 1
- APP 1
- CAF _____
- CMU _____
- CTR _____
- EAG Beas
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH all to

APG:tas
Enclosures



Matilda

A part of GTE Corporation

DOCUMENT NUMBER-DATE
03982 APR 21 5
FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Establishment of Intrastate)
Implementation Requirements)
Governing Federally Mandated)
Deregulation of Local Exchange)
Company Payphones)
_____)

Docket No. 970281-TL
Filed: April 21, 1997

GTE FLORIDA INCORPORATED'S REQUEST FOR CONFIDENTIAL CLASSIFICATION AND MOTION FOR PROTECTIVE ORDER

GTE Florida Incorporated (GTEFL) seeks confidential classification and a permanent protective order for certain documents provided in response to the Commission's requirement that LECs submit specified information deemed necessary in determining "the extent of any intrastate subsidies associated with the LECs' payphone operations." (Staff Rec. at 8). The documents in question are cost studies more specifically listed in GTEFL's Notice of Intent to Seek Confidential Classification which was filed on March 31, 1997.

The information designated as confidential 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." If competitors are able to acquire this detailed and sensitive costing information regarding GTEFL, they could more easily develop entry and marketing strategies to ensure success in competing with GTEFL. These competitors would be more adept at pricing their own services if they possess details about GTEFL's cost structure. This affords them an unfair advantage while severely jeopardizing GTEFL's competitive position. In a competitive business, any such knowledge obtained about a competitor can be used to the detriment of the entity to which

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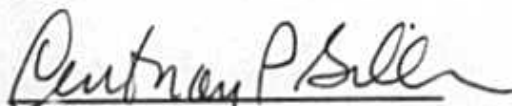
FPSC-RECORDS/REPORTING

it pertains. This unfair advantage skews the operation of the market, to the ultimate detriment of the consumer. Furthermore, because the information would be disclosed to competitors through a regulatory proceeding--rather than through legitimate market trial and error processes--the marketplace will be skewed, to the ultimate detriment of the consumer.

While a ruling on this request is pending, GTEFL understands that the information at issue is exempt from Florida Statutes, Section 119.01(1) and Staff will accord it the stringent protection from disclosure required by Rule 25-22.006(3)(d). A more detailed description of the confidentiality of the information at issue is attached as Exhibit C. Exhibits A and B are highlighted and redacted copies, respectively, of the confidential information.

Respectfully submitted on April 21, 1997.

By:



Anthony Gillman
Kimberly Caswell
Post Office Box 110, FLTC0007
Tampa, Florida 33601
Telephone: 813-483-2615

Attorneys for GTE Florida Incorporated

GTE TELEPHONE OPERATIONS - FLORIDA SERVICE SUMMARY

AUGUST 1998

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

MAIL ROOM
ADMINISTRATION
Highly Sensitive Confidential Information
APR 21 10 43 AM '97

RECEIVED

0000135

REDACTED

GENERAL TELEPHONE COMPANY OF FLORIDA
10/21/67
SHEET 1 OF 2

COST SUPPORT DATA

PATS - IDDD BLOCKING FOR OPTIONS 5,6,7,8
GENERAL SERVICES TARIFF SECTION A7.3

NONRECURRING COST DEVELOPMENT - COMMON
~~~~~

A. COSTS

1. ESTABLISH CLASS OF SERVICE IN THE MARK SYSTEM FOR OPTION 7,8

4 HOURS SLS  
5 MINUTES/SWITCH  
TOTAL

2. DEVELOP AND CHANGE SWITCH

40 HOURS TE(M)

3. LOAD SOFTWARE IN SWITCH

1 HOUR 441(M)

TOTAL NONRECURRING COST

B. FORECAST - YEAR END

OPTION 5,6  
OPTION 7,8 :  
TOT,

P/F  
P/A DE  
LFF

C. SPREAD

NONREC

D. TURN L

A/P

MONTHLY

0000136



REDACTED

GENERAL TELEPHONE COMPANY OF FLORIDA  
10/21/87  
SHEET 2 OF 2

COST SUPPORT DATA

PATS - IDDD BLOCKING FOR OPTIONS 5,6,7,8  
GENERAL SERVICES TARIFF SECTION A7.3

NONRECURRING COST DEVELOPMENT - PER LINE  
~~~~~

A. COSTS

4 MINUTES PER LINE TO INPUT INTO MARK SYSTEM

INC. DEMAN
P/F
HOUR
RATE
COST
P/F

UNIT

A/P

RECU
~~~~

A. CENTRAL  
BASED 0

TOL  
SYST

TOLL RESTRICTED LINE SERVICE INVESTMEI  
ANNUAL COST FACTOR C223 LOCAL SWITCHI  
MONTHLY COST PER LINE

SUMMARY  
~~~~~

NONRECURRING COMMON MONTHLY EQUIVA
NONRECURRING PER LINE MONTHLY EQUIV
RECURRING PER LINE MONTHLY COST
TOTAL MONTHLY COST

0000137

**DOCKET NO. 940370-TL
TARIFF AUTHORITY NO. 94-148
GTE FLORIDA'S LOCAL USAGE DETAIL
COST INFORMATION FOR PATS**

Annual disk storage cost and processing expense*
PATS lines in-service as of 12-31-93
Acceptance rate of proposed service
Estimate of message detail billing for PATS
Monthly incremental cost per PATS line**

*The estimated incremental information system expenses for disk space and processing is \$[REDACTED] per annum. Assuming a carrying charge of [REDACTED]% (e.g., Cost of Capital rounded), the total annual recurring expense is \$[REDACTED].

**Per the attached letter to Mr. Julian O'Pry, dated June 22, 1992, the programming and processing costs/expenses incurred in providing message detail billing were identified as \$[REDACTED] (NRC) and \$[REDACTED] (MRC). These are sunk costs with respect to providing Message Detail Billing to the PATS subscribers. The monthly incremental expense of \$[REDACTED] per PATS line represents the annual expense of \$[REDACTED] divided by the projected acceptance of [REDACTED] PATS lines ordering message detail billing.

In addition the monthly incremental cost of \$[REDACTED] per PATS line, the following per page costs are incurred:

Material Cost:
Printing Cost:

TOTAL PER PAGE COST

TOTAL COST =

PATS line)
x an average of 12 pages)

not include additional postage)

REDACTED

0000138

REDACTED

**GTE Florida
Incorporated**

**One Tampa City Center
Post Office Box 110
Tampa, Florida 33601-0110**

June 22, 1992

**Mr. Julian O'Pry
Division of Communications
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0864**

**Re: Docket No. 910179-TL, Proposed tariff filing to
introduce extended calling service (ECS) plan which
allows the conversion of intraLATA toll routes between
exchanges of Tampa, Clearwater, Tarpon Springs and St.
Petersburg to 7-digit local measured service by GTE
Florida Incorporated**

Dear Mr. O'Pry:

**This letter is in response to your facsimile request dated
June 16, 1992. A breakdown of the cost information provided
to the Commission on May 29, 1992 of retaining Extended
Calling Service (ECS) bill detail for a period of 30-60 days
in those instances where billing detail had not previously
been ordered by the customer was requested. Below is the
breakdown of those costs.**

PROGRAMMING (NRC)

PROCESSING (MONTHLY)

BVT

UMS

BIP STORAGE

TOTAL

Below is a brief explanation of the systems listed above.

BVT:

**The Billing, Voucher and Treatment (BVT) system provides
current customer account information. BVT provides on-line**

**GTE FLORIDA INCORPORATED
PATS SUBSCRIBER SURCHARGE ANALYSIS
COST ANALYSIS ASSUMPTIONS**

1. The PATS surcharge NRC was developed to recover only billing system modification costs.
2. The PATS providers counted herein are those that will be subscribing to the Billing and Collection Service. The surcharge is optional and based on actual 1990 data approximately 93.3% of total PATS customers subscribe to the service.
3. Program development costs of \$ [REDACTED], reflect the required system changes to Customer Records and Billing (CRB); Billing, Voucher and Treatment (BVT); Toll billing; and the Service Office Record and Computer Entry System (SORCES) system.
4. The cost of capital used in the Revenue Requirement calculation was [REDACTED].
5. The revised forecast of PATS lines subscribing to the surcharge are:

Year 1	5,487	
Year 2	1,656	inward movement
Year 3	1,271	inward movement
Year 4	1,393	inward movement
Year 5	767	inward movement
6. At the current tariff price of \$30, GTEFL does not recover its' cost over a five year planning period.

REDACTED

GTE FLORIDA INCORPORATED
 PATS SUBSCRIBER SURCHARGE ANALYSIS

NONLEC PATS LINES -----	1989 ACTUAL -----	1990 FORECAST -----	1991 FORECAST -----	1992 FORECAST -----	1993 FORECAST -----	1994 FORECAST -----
YEAR END						
TOTAL LINES IN SERVICE	3920	4705	5415	5960	6557	6886
LINES WITH SURCHARGE	3656	4390	5052	5561	6118	6425

PATS INWARD MOVEMENT -----	YEAR 1 -----	YEAR 2 -----	YEAR 3 -----	YEAR 4 -----	YEAR 5 -----
TOTAL LINES	1963	1775	1362.5	1492.5	822.5
LINES WITH SURCHARGE	1831	1656	1271	1393	767

PROGRAM DEVELOPMENT COST

 YEAR 1

Customer Records and Billing (CRB)
 Billing, Voucher and Treatment (BVT)
 TOLL
 Service Office Record and
 Computer Entry Sys (SORCES)
 TOTAL COST

GROSS REVENUE -----	YEAR 1 -----	YEAR 2 -----	YEAR 3 -----	YEAR 4 -----	YEAR 5 -----
SETUP @ \$30	\$164,610	\$49,680	\$38,130	\$41,790	\$23,010

REVENUE REQUIREMENT
 SETUP REVENUE

0000144

COPT Coin

Answer Supervision

- 1 COMPONENTS
- 2
- 3 Central Office Switching Equipment
- 4
- 5 Local Loop Facility
- 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*
- 13 Allocated Cost per Month
- 14
- 15 Call Completion Calculator
- 16
- 17 Total Monthly Rev. Requirement (L3 + L5 + L13 + L15)
- 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

* Amortized 18 months at 6.75%.

Line 15, Local loop facility costs based the following elements of business one-party service:

- B1 loop
- drop facility
- mdf & protector
- jumper wire
- Total

EXHIBIT C - LINE BY LINE DESCRIPTION

Page 135. The four columns on this page show the underlying cost components for GTE Business (B1) service. The costs are broken down by high, medium, and low densities for each component and weighting assignments are given. Competing providers of basic business service will be able to use this information to their advantage in structuring their plant and operations in a way that will best ensure their success in competing with GTE without the usual trial and error in the marketplace.

Pages 136-37, all columns containing figures. These pages set forth in detail GTE's costs of providing blocking services. Disclosure of GTE's costs with respect to such services, especially to the detail shown here, would give competitors an unfair advantage in tailoring their marketing and pricing strategies for competing products. With this information, GTE's competitors are more likely to be successful in competing with GTE.

Page 138, all numbers. This page contains costing information regarding GTE's provision of local usage detail for PATS lines. The costs are broken down by component and contain cost figures for programming and processing costs. Competing providers could use this information to structure similar offerings. With detailed costing information, such competitors could devise successful entry and pricing strategies without the usual market disadvantage.

Page 139, columns with numbers. This page contains the costs to provide extended calling service bill detail. The costs are broken down by programming and processing costs and by specific component. With this information, GTE's competitors would be better able to develop marketing and pricing strategies in providing competing products.

Pages 143-44. These pages contain the detailed cost analysis for GTE's PATS subscriber surcharge. The first page contains the assumption used in the study, including GTE's cost of capital and program development costs. The second page breaks down the costs for program development. Disclosure of such detailed costs would give competitors an advantage in designing their own competing offerings.

Page 145, all columns containing figures. These columns reveal the underlying cost for providing answer supervision for customer owned pay telephone service. With this information, especially to the detail shown here, GTE's competitors would be better able to develop marketing and pricing strategies in providing a competing product. Moreover, GTE's competitors would receive this information without undergoing the usual market trial and error process. They could also use this information in designing their own services and/or networks.