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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Notice of Election of Price Regulation)
by BellSouth Telecommunications, Inc.)

Docket No. 951854-TL
Filed: September 11, 1996

BRIEF OF GTE FLORIDA INCORPORATED

In this brief, GTE Florida Incorporated (GTEFL) will comment on only one matter in this proceeding: whether the reclassification of an exchange (i.e., regrouping) constitutes a price increase under section 364.051 of the Florida Statutes. GTEFL agrees with, and adopts the position of, BellSouth Telecommunications, Inc. (BellSouth) in this proceeding that such regrouping is not a price increase.

GTEFL has no regrouping requests currently pending before this Commission. However, the statutory interpretation issue raised in this docket may affect GTEFL in the future if the number of access lines in any of its exchanges increases or decreases significantly. Like BellSouth, GTEFL is a price-regulated carrier subject to caps on local service rates. Specifically, under section 364.051, GTEFL's rates for basic local service cannot be increased before January 1, 1999.

GTEFL believes BellSouth's interpretation of section 364.051 is sound. Regrouping changes the nature of a customer's service by prompting a difference in calling scope—either increasing or decreasing the number of customers within the particular exchange. Regrouping is thus not merely a change in price for the same service. As BellSouth witness Vamer stated in his prefiled testimony, section 364.051 caps prices applicable to existing rate groups, not to individual customers who may move into different rate groups. Because customers in the same rate group category continue to pay the same rates for

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the same services, there is no violation of section 364.051. See Varner Direct Testimony at 3-4.

Indeed, if the Commission halts longstanding regrouping procedures, unreasonable discrimination will occur because customers with the same basic local calling scope will pay different rates. This disparity is unfair, as well as unlawful. See Varner Direct Testimony at 5-6.

For all the reasons set forth here, GTEFL joins BellSouth in urging the Commission to interpret section 364.051 to allow carriers to continue established regrouping procedures.

Respectfully submitted on September 11, 1996.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of GTE Florida Incorporated's Petition to Intervene and Brief in Docket No. 951354-TL were sent by U.S. mail on September 11, 1996 to the parties on the attached list.

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