



Marceil Morrell**
Vice President & General Counsel - Florida

Associate General Counsel
Anthony P. Gillman**
Leslie Reicin Stein*

Attorneys*
Lorin H. Albeck M. Eric Edgington
Kimberly Caswell Joe W. Foster
Franklin H. Deak Ernesto Mayor, Jr.

* Licensed in Florida
** Certified in Florida as Authorized House Counsel

GTE Telephone Operations

One Tampa City Center
Post Office Box 110, FLTC0007
Tampa, Florida 33601
813-224-4001
813-228-5257 (Facsimile)

May 2, 1996

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

Re Docket No. *960556-TL*
 GTE Florida Incorporated's Petition for Exemption from
 Commission Rule 25-4.113(1)(f)

Dear Ms. Bayo:

Please find enclosed for filing an original and fifteen copies of GTE Florida Incorporated's Petition 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) 228-3087.

Very truly yours,

for

Anthony P. Gillman

APG:tas
Enclosures

A part of GTE Corporation

DOCUMENT NUMBER DATE

04949 MAY-28

FPSC-REG. DIV. REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: GTE Florida Incorporated's Petition for
Exemption from Commission Rule 25-4.113(1)(f)

) Docket No. 76-1009
) Filed: May 2, 1996
)

**GTE FLORIDA INCORPORATED'S PETITION FOR
EXEMPTION FROM COMMISSION RULE 25-4.113(1)(F)**

GTE Florida Incorporated (GTEFL) requests an exemption from Florida Administrative Code Rule 25-4.113(1)(f) to the extent that it requires five days' notice of discontinuation of service to be given separately from the regular monthly bill for service. This exemption will allow GTEFL to implement a post-billing toll block (PBTB) procedure that will give delinquent customers an additional opportunity to avoid disconnection, while reducing GTEFL's uncollectible amounts.

PBTB would be a new step incorporated into GTEFL's treatment process for delinquent residential accounts. If a high-risk customer fails to pay his bill, and the unpaid amount exceeds GTEFL's treatment parameter (currently \$50.00), a toll block will be initiated two days after the "please pay by" date shown on the bill. Existing customers will be classified as high-risk if they fall into one of the following categories: (1) six or more telephone bills not paid by the due date or in full for the preceding 12 months; (2) three or more bad checks for telephone bill payments during the preceding 12 months; (3) two or more service denials due to nonpayment during the preceding 12 months; or (4) six or more reminder notices during the preceding 12 months. New customers will be assessed as high-risk based on third-party credit reporting information which shows collection judgments, written-off accounts, outstanding collection accounts, and/or a delinquency history.

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FPSC-REG-REG-REPORTING

Delinquent, high-risk customers will be notified of the possibility of a toll block by a prominent, bold-faced message on the face of the bill in the margin next to the total amount due. It will say "if payment is not received by the due date, your long distance service may be restricted". After the post-billing toll block is imposed, late payment treatment notices will be rendered as usual. If payment or payment arrangements are not made, a temporary disconnection and an out-of-service order will eventually follow.

Concurrent with the initiation of the PBTB program, all residential customers' bills will carry a message fully explaining this change in policy for customers without an established history of timely payment in full or with other previous payment problems.

The PBTB procedure fully complies with all applicable law and Commission regulations, except for the aspects of Rule 25-4.113(1)(f) that prescribe five-day written, separate notification to be given in cases of service discontinuation. To the extent that a toll block would be considered discontinuation of service, PBTB would deviate from the Rule in that notification of the block will be given on the bill itself, two days ahead of the block. GTEFL believes this deviation will not compromise the level of notice the Rule contemplates. As noted, all residential customers will receive notice that the credit policy for high-risk customers is changing. In cases where the toll block will be initiated, customers will be clearly notified on the face of the bill, in the place where they are most likely to see the notice. In addition, GTEFL believes two day notice of the toll block (rather than five) is sufficient. Five days' notice is the Commission's standard for total service discontinuation, so a slightly shorter period for restriction of toll service should not work

a significant hardship. The customer will still retain his local service while the block is in effect.

This last point is perhaps the most important in assessing GTEFL's Petition. While the PBTB procedure will depart in minor respects from the Commission's notification rule, the benefits of the program will outweigh any theoretical drawbacks. PBTB helps customers who have shown difficulty in controlling their debt. PBTB gives these delinquent customers a greater opportunity to avoid local service disconnection because it is inserted into the beginning of the treatment process, when steps toward total service disconnection would be initiated under the current process.

Indeed, all of GTEFL's customers--not just the high credit risks--should benefit from the PBTB program. In recent years, GTEFL has experienced an upward trend in uncollectibles, due in large part to the increase in subscription fraud on new accounts. Failure to stem this trend will result in ever-more revenue loss for GTEFL, and ultimately higher prices for its customers.

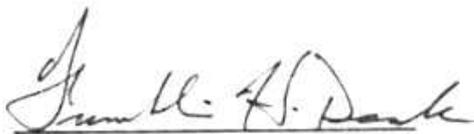
Creative solutions, such as PBTB, are necessary because other, more traditional measures, such as deposits, are not effective enough. For instance, Commission Rules permit GTEFL to seek new or additional deposit amounts to secure payment of current bills when necessary, this provision is not practical. (Rule 25-4 109(3)) If a customer will not pay his bill, he is not likely to pay an additional deposit.

Finally, the PBTB program also avoids the problems the Commission raised in connection with GTEFL's Advanced Credit Management (ACM) program. (See Order No. PSC-96-0530-FOF-TL, dated April 15, 1996.) That program triggered a toll block before

a customer failed to pay his bill. The PBTB will be implemented only after a customer fails to pay his bill or make payment arrangements. Thus, there is no doubt about the Commission's authority to approve the PBTB program. Nonpayment of telephone bills, as the Commission has recognized, is sufficient cause to approve a program that limits or denies service. (Order No. PSC-96-0530-FOF-TL at 2.)

For all the reasons discussed in this filing, GTEFL asks the Commission to grant the exemption it needs from Rule 25-4.113(1)(f) to implement its PBTB program.

Respectfully submitted on May 2, 1996.


for Anthony P. Gillman
Kimberly Caswell
P. O. Box 110, FLTC0007
Tampa, Florida 33601-0110
Telephone No. (813) 228-3087

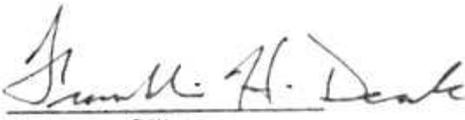
Attorneys for GTE Florida Incorporated

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of GTE Florida Incorporated's Petition for Exemption from Commission Rule 25-4.113(1)(f) were sent by U.S. mail on May 2, 1996 to the parties listed below

Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Office of Public Counsel
c/o The Florida Legislature
111 W. Madison St., Room 812
Tallahassee, FL 32399-1400


for Anthony Gillman