

FLORIDA PUBLIC SERVICE COMMISSION  
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M E M O R A N D U M

April 4, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (STAVANJA)  
DIVISION OF LEGAL SERVICES (BARONE) *ST* *SW* *R* *for TH*

RE: DOCKET NO. 960402TL - TARIFF FILING TO CLARIFY  
REGULATIONS REGARDING THE APPLICATION OF RATES FOR  
BUSINESS OR RESIDENTIAL ACCESS LINE SERVICE FOR CUSTOMERS  
WHO PROVIDE ELECTRONIC BULLETIN BOARD INFORMATION BY GTE  
FLORIDA, INC. (T-96-026 FILED 1/17/96)

AGENDA: 4/16/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION -  
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE - TARIFF IN EFFECT

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\960402TL.RCM

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CASE BACKGROUND

On January 17, 1996, GTE Florida, Inc. (GTEFL) filed a tariff to change the Company's regulations regarding how it will determine the application of rates for business or residence local access line service for customers that provide Electronic Bulletin Board information and services using local access lines from their residence.

A tariff filed by a LEC which has elected price cap regulation is presumptively valid. GTEFL's tariff went into effect on February 16, 1996.

DOCUMENT NUMBER-DATE

03868 APR-4 96

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### DISCUSSION OF ISSUES

**ISSUE 1:** Should the Commission order GTE Florida, Inc. to withdraw its tariff (referenced as Tariff No. T-96-026) which changes the Company's regulations regarding the application of rates for Business or Residential access line service for customers who provide Electronic Bulletin Board Information?

**RECOMMENDATION:** Yes, the Commission should order GTE Florida, Inc. to withdraw its tariff (referenced as Tariff No. T-96-026) which changes the Company's regulations regarding the application of rates for Business or Residential access line service for customers who provide Electronic Bulletin Board Information.

**STAFF ANALYSIS:** GTE Florida, Inc. (GTEFL or the Company) filed a tariff to change its regulations regarding how the Company will determine the application of rates for business or residence local access line service for customers that provide Electronic Bulletin Board information and services using local access lines from their residence.

GTEFL claims that the growing use of personal computers has increased the number of access lines demanded in residential settings. Since Bulletin Board Service (BBS) providers can operate in a residential setting as a business or for recreation, the Company wants to implement a standard decision making process for its service representatives to determine whether the BBS provider should be classified as a business or residential user when the customer orders a certain number of lines for local access service.

The Company's tariff sets a specific number of local access lines at a residential location as the classification determinant. The tariff states that six or more lines to one location providing BBS shall constitute a business location and five or less shall be considered a residential location. Therefore, if a BBS provider at a residential location subscribes to six or more access lines, then GTEFL automatically determines that the BBS provider is operating as a business, and all six (or more) lines will be charged business rates. GTEFL asserts that this tariff will provide a simple, clear and consistent determination of local line rates for each BBS customer.

Staff believes this classification process is inappropriate. The determination of the rate to be charged should not be based on an arbitrary number of access lines, but should be

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based on how the line(s) are being utilized. The Commission denied a similar tariff filed by Central Telephone Company of Florida (CENTEL) and United Telephone Company of Florida (UNITED) at the October 10, 1995 agenda conference. See Docket Nos. 951138-TL and 951139-TL. At the agenda conference, the Commission stated that the burden of proof that a business is operating at a residential location is placed on the telecommunications company, not on the customer. The filings by CENTEL and UNITED proposed to charge business rates to a residential customer who subscribes to six or more basic access lines. Staff also believes that it is improper for GTEFL to assign a business class of service to a residential customer, based solely on the number of access lines used at the customer's residence.

Staff worked with GTEFL to produce new tariff language that would allow residential rated access lines to BBS providers that are providing the service as a hobby. Although GTEFL agreed to charge residential rates on those lines which the customer designates as being used for domestic purposes, the Company did not agree to change the arbitrary six line determinant for charging business rates to BBS providers at residential locations. Staff recommends that the Commission order GTEFL to withdraw its tariff. The Company's tariff does not provide a satisfactory method to determine appropriate charges for BBS customers operating at residential locations.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes. If no person, whose substantial interests are affected, files a protest within 21 days of the issuance of the Order, this docket should be closed.

**STAFF ANALYSIS:** Yes. If no person, whose substantial interests are affected, files a protest within 21 days of the issuance of the Order, this docket should be closed.