STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 11th day of September, 1997.

In the Matter of GTE Card Services Incorporated d/b/a GTE Long Distance's Tariff Filing to Introduce Calling Card and Platinum Value Plan – 36 Months Promotions.	))))	**Case No. TT-98-84**

ORDER APPROVING TARIFF SHEETS AND DENYING MOTION TO CONSOLIDATE

GTE Card Services Incorporated d/b/a GTE Long Distance (GTELD) submitted a tariff filing (File No. 9800127) to the Commission for approval on August 13, 1997, with an effective date of September 15. GTELD is proposing to introduce two new promotions.

The Calling Card Promotion, which runs from September 15 until October 30, offers 50 free minutes of long distance usage to business customers that order the GTELD Calling Card. GTELD will credit the customer's account with another 50 free minutes of usage when the customer uses the card for the first time.

The Platinum Value Plan – 36 Months Promotion (Platinum Plan) offers an additional 10 percent discount to new business customers who request the promotion and commit to the plan for a three-year term. Platinum Plan customers must also generate a minimum of $25.00 in monthly usage charges to qualify. The Platinum Plan promotion will run from September 15 until November 15.

The Staff of the Commission (Staff) filed a Motion to Suspend on August 28, stating that the tariff filing would violate Section 392.200.2,

RSMo 1994, which prohibits rate discrimination, i.e., the charging of differing rates for the same service. Staff argues that, once the Platinum Plan promotion ends on November 30, there will be two classes of business customers receiving the same services at different rates. Customers who qualified for the Platinum Plan would continue to receive a ten percent discount for three years over the rates paid by other business customers. Staff also complained about the tariff language stating that the Platinum Plan is available "to new customers in all states who request this promotion . . ." (GTELD's P.S.C. Mo. No. 1, proposed tariff Original Sheet 46). Staff's position is that GTELD's tariff is discriminatory in providing the discount only to customers who request it. According to its motion, "Staff questions why this promotion would not be made known to any and all potential new business customers."

Staff points out that the Commission has the discretion to waive the application of certain statutory provisions and Commission rules, but asserts that the prohibition against discriminatory pricing is not among those provisions that can be waived. Staff argues that the tariff sheets should be suspended. Staff also filed, on August 28, a Motion to Consolidate this case with numerous other tariff filings to which the Staff has similar objections.

The Commission has reviewed GTELD's tariff filing and Staff's motions to suspend and consolidate. The Commission finds that the Motion to Consolidate this case with other tariff cases is inappropriate in that, although Staff makes the same objections to all the proposed tariffs, the tariffs have been submitted by various companies and differ in substance. The Commission will consider each proposal on its own merits.

The Commission has considered the provisions of GTELD's proposed promotional offerings and finds no violation of the prohibition against discriminatory pricing. In order to qualify for the Platinum Plan customers must commit to a three-year plan term and, to obtain the ten percent price discount, must generate at least $25.00 in long distance usage charges. The Commission finds Staff's objection to the tariff language regarding a customer's "request" for the promotion unpersuasive. There is nothing in the tariff language to suggest any particular marketing approach or to indicate what information new customers will, or will not, be given. The Platinum Plan constitutes a valid term and volume discount based upon a reasonable and fair difference in conditions of service. *See* State of Missouri, ex rel. DePaul Hospital School of Nursing v. Missouri Public Service Commission, 464 S.W.2d 737, 740 (Mo. App. 1970). Accordingly, the Commission finds that GTELD's proposed tariff sheets are just, reasonable, and nondiscriminatory and they shall be approved.

IT IS THEREFORE ORDERED:

1. That the following tariff sheets submitted by GTE Card Services Incorporated d/b/a GTE Long Distance on August 13, 1997, are approved to become effective on September 15, 1997:

P.S.C. MO. No. 1
15th Revised Sheet 3, Canceling 14th Revised Sheet 3
Original Sheet 46

2. That this order shall become effective on September 15, 1997.

BY THE COMMISSION

Cecil I. Wright
Executive Secretary

(S E A L)

Lumpe, Ch., Crumpton,
Drainer and Murray, CC.,
concur.

ALJ: Wickliffe