

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of SOUTHERN BELL	)	DOCKET NO. 880069-TL
TELEPHONE AND TELEGRAPH COMPANY for Rate	)	
Stabilization and Implementation Orders	)	ORDER NO. 21055
and Other Relief	)	
<hr/>		ISSUED: 4-17-89

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD  
 GERALD L. GUNTER  
 JOHN T. HERNDON

ORDER APPROVING OEAS RATE REDUCTIONS  
TO MAINTAIN MTS AND OEAS RATE RELATIONSHIPS

BY THE COMMISSION:

In the extended area service (EAS) portion of Southern Bell Telephone and Telegraph Company's Petition for Implementation and Other Relief, filed in Docket No. 880069-TL the Company asked for implementation of an Optional Extended Area Service (OEAS) plan with five options: Option 1 - current local rate, Option 2 - flat rate outward, Option 3 - discounted toll, Option 4 - drop-back and Option 5 - inward calling option. By Order No. 20162, we approved the plan for implementation on twenty-one intraEAEA routes and one interEAEA route that had five or more messages per main station per month (M/M/M). This includes six routes on which the company had previously been ordered to implement the OEAS plan.

In Order No. 20162 we determined that the rates originally filed for Options 2, 3 and 5 were too high and should be reduced. We did not address the rates for Options 1 or 4 since Option 1 rates are the subscriber's basic service rates, and Option 4 rates are what the subscriber would pay for basic service in a given area without the current extended area calling scope.

In compliance with Order No. 20162 Southern Bell filed a tariff on October 24, 1988 to reduce the recurring flat rates for Options 2, 3 and 5. The purpose of the rate reductions is to maintain the rate relationships between the OEAS options and Southern Bell's intraLATA toll rates. The October 24th filing raised certain concerns regarding the consistency of the methodology with the intent of Order No. 20162 to "maintain the rate relationships between OEAS benefits to customers and toll rates established in the Petition."

As a result of work done on the rates by Southern Bell and our Staff, the Company filed a new matrix of reduced OEAS rates. The revised rates, which are outlined below, were filed on January 13, 1989. These rates are lower than those originally proposed; however Southern Bell agrees that they are financially sound and that the methodology used to calculate the new rates is more consistent with the intent of the Commission.

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The OEAS rates set forth in Order No. 20162 were set by reducing all of Bell's originally proposed rates in the 0-10 mile band by \$1.50; in the 11-22 mile band by \$3.00; and in the 23-55 mile band by \$4.00. We also determined that it would be appropriate to lower the OEAS rates to reflect the approximate 30% reduction in message toll service (MTS) rates, and reductions in Southern Bell's basic local rates. The following tables show the new rates for Option 2, 3 and 5, respectively.

OPTION 2 - FLAT RATE OUTWARD OPTION (Residence Only)

ACCESS LINES IN ADDED EXCHANGE	MILEAGE BANDS		
	0-10	11-22	23-55
up to 2,000	\$ 3.65	\$ 4.30	\$ 6.85
2,001 - 7,000	4.00	4.70	7.50
7,001 - 22,000	4.30	5.10	8.15
22,001 - 55,000	4.55	5.40	8.60
55,001 - 120,000	4.90	5.80	9.25
120,001 - 195,000	5.20	6.15	9.80
195,001 - 280,000	5.50	6.50	10.35
280,001 - 375,000	5.75	6.80	10.85
375,001 - 450,000	5.95	7.05	11.25
450,001 - 550,000	6.15	7.30	11.65
550,001 - 700,000	6.30	7.45	11.90
over 700,000	6.45	7.65	12.20

OPTION 3 - DISCOUNTED TOLL OPTION

ACCESS LINES IN ADDED EXCHANGE	MILEAGE BANDS		
	0-10	11-22	23-55
Residence	\$ 1.75	\$ 2.20	\$ 3.80
Business	3.50	4.40	7.60
PBX/ESSX	7.00	8.80	15.20

OPTION 5 - INCOMING DISCOUNTED TOLL OPTION

Residence	\$ 4.95(must also subscribe to Option 2 or 3)
Business	10.80(must also subscribe to Option 3)
PBX/ESSX	16.20(must also subscribe to Option 3)

Upon consideration, we find it appropriate to approve the OEAS rates set forth above. The net result of these new rates is a greater than 30% reduction in the OEAS rate matrix consonant with Order No. 20162 which also brings consistency to the method of deriving the OEAS rates. The recommended OEAS rates for the previously ordered routes are set forth in Appendix A attached to this Order.

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In Order No. 20162, we reserved \$10,000,000 for 1989 and 1990 for OEAS implementation. Southern Bell's estimated net revenue impact from the OEAS rate reductions approved above is \$4,400,100 for 1989 and \$7,930,800 for 1990. As a result, the amount of unused funds set aside for OEAS is estimated at \$5,599,900 for 1989 and \$2,069,200 for 1990. We have reviewed the methodology and assumptions for the revenue analysis and find the calculation of the net revenue loss to be reasonable. The total excess amount of \$7,669,100 shall continue to be set aside in accordance with Order No. 20162.

Several of the OEAS routes in this docket have older optional calling plans in place. We are examining all other optional calling plans in the Southern Bell tariff to determine whether they should be grandfathered or whether their rates should be adjusted to reflect the reduction in MTS rates. These plans will be addressed in Docket No. 880095-TL. We anticipate that the revenue effect of these adjustments, if any, would come from the money set aside in this docket.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the reduced rates for Options 2, 3 and 5 of Southern Bell Telephone and Telegraph Company's Optional Extended Area Service Plan are approved as set forth in the body of this Order. It is further

ORDERED that each and every specific finding set forth in the body of this Order is affirmed in all respects.

By ORDER of the Florida Public Service Commission,  
this 17th day of APRIL, 1989.

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

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Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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APPENDIX A

EXCHANGE ROUTE	IMPL. DUE	OPTION 1		OPTION 2		OPTION 3			OPTION 4			OPTION 5		
		RES.	BUS.	RES.	BUS.	RES.	BUS.	ESSX PBX	RES.	BUS.	ESSX PBX	RES.	BUS.	ESSX PBX
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Flagler Beach to Daytona Beach	09/88	8.10	21.90	5.80	n/a	2.20	4.40	8.80	7.70	20.80	46.97	4.95	10.80	16.20
Palm Coast to Daytona Beach	09/88	8.10	21.90	9.25	n/a	3.80	7.60	15.20	7.70	20.80	46.97	4.95	10.80	16.20
Bunnell to Daytona Beach	09/88	8.10	21.90	5.80	n/a	2.20	4.40	8.80	7.70	20.80	46.97	4.95	10.80	16.20
Sanford to Orlando	01/89	9.50	25.75	6.50	n/a	2.20	4.40	8.80	8.40	22.90	51.59	4.95	10.80	16.20
Geneva to Orlando	01/89	9.15	24.90	6.50	n/a	2.20	4.40	8.80	7.30	19.80	44.77	4.95	10.80	16.20
Ft. Pierce to Vero Beach	03/89	8.40	22.90	5.40	n/a	2.20	4.40	8.80	8.40	22.90	51.59	4.95	10.80	16.20
Vero Beach to Ft. Pierce	03/89	8.40	22.90	5.40	n/a	2.20	4.40	8.80	8.40	22.90	51.59	4.95	10.80	16.20
Holley-Navarre to Milton	06/89	9.15	24.90	5.10	n/a	2.20	4.40	8.80	7.70	20.80	46.97	4.95	10.80	16.20
Bronson to Gainesville	09/89	8.10	21.90	9.25	n/a	3.80	7.60	15.20	7.30	19.80	44.77	4.95	10.80	16.20
Fernandina Beach to Jacksonville	09/89	8.10	21.90	10.85	n/a	3.80	7.60	15.20	8.10	21.90	49.39	4.95	10.80	16.20
Yulee to Jacksonville	09/89	8.10	21.90	6.80	n/a	2.20	4.40	8.80	7.70	20.80	46.97	4.95	10.80	16.20
Hobe Sound to West Palm Beach	09/89	8.80	23.85	10.35	n/a	3.80	7.60	15.20	7.70	20.80	46.97	4.95	10.80	16.20
St. Augustine to Jacksonville	09/89	8.40	22.90	10.85	n/a	3.80	7.60	15.20	8.40	22.90	51.59	4.95	10.80	16.20
Delray Beach to West Palm Beach	11/89	9.50	25.75	6.50	n/a	2.20	4.40	8.80	8.80	23.85	53.68	4.95	10.80	16.20
North Port St. Lucie to Stuart	11/89	8.80	23.85	4.55	n/a	1.75	3.50	7.00	8.10	21.90	49.39	4.95	10.80	16.20
South Port St. Lucie to Ft. Pierce	11/89	8.80	23.85	5.40	n/a	2.20	4.40	8.80	8.10	21.90	49.39	4.95	10.80	16.20
North Dade to Ft. Lauderdale	11/89	10.65	29.10	6.80	n/a	2.20	4.40	8.80	9.15	24.90	55.99	4.95	10.80	16.20
Hollywood to Miami	11/89	10.45	28.60	7.65	n/a	2.20	4.40	8.80	9.15	24.90	55.99	4.95	10.80	16.20
Big Pine Key to Key West	11/89	8.10	21.90	8.15	n/a	3.80	7.60	15.20	7.70	20.80	46.97	4.95	10.80	16.20
Belle Glade to West Palm Beach	11/89	8.10	21.90	10.35	n/c	3.80	7.60	15.20	8.10	21.90	49.39	4.95	10.80	16.20
Stuart to West Palm Beach	11/89	8.80	23.85	10.35	n/a	3.80	7.60	15.20	8.40	22.90	51.59	4.95	10.80	16.20
Pahokee to West Palm Beach	11/89	8.10	21.90	10.35	n/a	3.80	7.60	15.20	7.70	20.80	46.97	4.95	10.80	16.20
North Key Largo to Miami	11/89	8.10	21.90	12.20	n/a	3.80	7.60	15.20	7.30	19.80	44.77	4.95	10.80	16.20
North Key Largo to Homestead	11/89	8.10	21.90	5.40	n/a	2.20	4.40	8.80	7.30	19.80	44.77	4.95	10.80	16.20
Boca Raton to Ft. Lauderdale	11/89	10.05	27.40	6.80	n/a	2.20	4.40	8.80	8.80	23.85	53.68	4.95	10.80	16.20

\*Implemented as scheduled  
 n/a not applicable