

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Resolution by Santa Rosa) DOCKET NO. 961239-TL
County Commission and Escambia) ORDER NO. PSC-97-0444-FOF-TL
County Commission for countywide) ISSUED: April 21, 1997
extended area service (EAS))
within Santa Rosa County and EAS)
between Santa Rosa County and)
Escambia County.)

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING

PROPOSED AGENCY ACTION
ORDER DENYING REQUEST FOR
EXTENDED AREA SERVICE

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Background

By Resolution 96-60, dated April 2, 1996, submitted by the Escambia County Board of County Commissioners, we were asked to consider requiring the implementation of countywide extended area service (EAS) between North Santa Rosa County and North Escambia County and within Santa Rosa County. We also received a request for EAS, dated April 24, 1996, from Ms. Diane Jolly, a telephone subscriber in Cantonment, Florida. Ms. Jolly requested EAS from the Cantonment, Century, Molino and Walnut Hill exchanges to the Jay, Milton, and Pace exchanges. All of the above exchanges are located within Escambia and Santa Rosa counties.

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FPSC-RECORDS/REPORTING

The exchanges in Santa Rosa County, including the Milton, Gulf Breeze, Pace, Jay, Munson, and Holley-Navarre exchanges, as well as the Pensacola and Cantonment exchanges in Escambia County, are served by BellSouth Telecommunications, Inc. (BellSouth). The Molino exchange, which is also in Escambia County, is served by Frontier Communications of the South, Inc. (Frontier). These exchanges are located in the Pensacola LATA (local access transport area). The two remaining Escambia County exchanges are Century, which is served by BellSouth, and Walnut Hill, which is served by Frontier. These two exchanges are located in the Mobile LATA. Thus, calls between the Century and the Walnut exchanges to the other exchanges are interLATA calls and not eligible for EAS.

While BellSouth is price-regulated, Frontier remains under rate base, rate-of-return regulation. As such, we have the authority to order the implementation of EAS from its service area, where appropriate. By Order No. PSC-96-1446-PCO-TL, issued December 2, 1996, we ordered Frontier to conduct a traffic study on one-way routes from the Molino exchange to the Gulf Breeze, Holley-Navarre, Jay, Milton, and Pace exchanges.

Demographic Description

Below is a description of the pertinent exchanges.

The Molino exchange, in Escambia County, is served by Frontier. This exchange is located north of the Pensacola and Cantonment exchanges. The Walnut Hill exchange is to its north. Residents of the Molino exchange go to Pensacola for schools, government facilities, major law enforcement, shopping, and entertainment. The Molino exchange currently has EAS to Pensacola, the county seat.

The Gulf Breeze exchange is in Santa Rosa County across the bay from Pensacola. It is a casual residential community with a small hospital, basic shopping, and a police department. Residents go to Pensacola for major shopping and entertainment. They travel to Milton for schools, government facilities, and major law enforcement. The Gulf Breeze exchange currently has extended calling service (ECS) to Milton, the county seat.

The Holley-Navarre exchange is a small residential rural community in the southern portion of Santa Rosa County. The portion of the exchange along the beach is resort oriented. Basic services are available to residents, but major shopping is done in Fort Walton, 10 miles southeast. Residents go to Milton for schools, government agencies, and major law enforcement. The

Holley-Navarre exchange currently has ECS to Milton, the county seat.

The Jay exchange is a largely rural community located in the northern part of Santa Rosa County approximately 50 miles north of Pensacola. Basic services are available in the community, but residents travel to Pensacola for shopping and to Milton for schools, government facilities and major law enforcement. The Jay exchange currently has EAS to Milton, the county seat.

The Milton exchange is located 25 miles north of Pensacola in Santa Rosa County. It is a rural, residential community with very little growth. Milton is the county seat and has some small businesses, shopping centers, schools, a hospital, government facilities, and law enforcement agencies. Milton residents use Pensacola for more complex services.

The Pace exchange is located in the southwestern part of Santa Rosa County, approximately 10-15 miles north of Pensacola. It is a bedroom community of Pensacola experiencing moderate growth. Residents travel five miles north to Milton for schools, government facilities, and law enforcement. Residents go to Pensacola for work, major medical, shopping, and entertainment. The Pace exchange currently has EAS to Milton, the county seat.

Findings

Pursuant to Rule 25-4.060(3), Florida Administrative Code, a preliminary showing that a sufficient degree of community of interest exists between exchanges is made when the combined two-way calling rate over each interexchange route under consideration equals or exceeds two messages per access line per month (M/A/M), and 50 percent or more of the subscribers make one or more calls per month. Also, if the petitioning exchange has less than half the number of access lines as the larger exchange, studies of one-way traffic originating in the smaller exchange may be used, in which case the community of interest qualification will require a calling rate of three or more (M/A/M), with at least 50 percent of the exchange subscribers making two or more calls per month.

As previously discussed, we ordered only Frontier to provide one-way traffic studies from the Molino exchange to the BellSouth exchanges of Gulf Breeze, Holley-Navarre, Jay, Milton, and Pace. The study results, attached as Attachment A, show that none of the routes meet the required M/A/Ms and distribution percentages. Since calling on these routes failed to meet the requirements of Rule 25-4.060(3), Florida Administrative Code, we hereby deny the

request for EAS as it pertains to the exchanges served by Frontier. In addition, the calling rates on the routes at issue in this docket do not have sufficient calling volumes or distribution to warrant an alternative EAS plan. Therefore, no alternative EAS plan shall be implemented on these routes.

Furthermore, as it pertains to the exchanges served by BellSouth, we note that these requests were filed after July 1, 1995. Section 364.02(2), Florida Statutes, states that basic local telecommunications service for a local exchange telecommunications company includes any extended area service (EAS) routes, and extended calling service in existence or ordered by the Commission on or before July 1, 1995. The savings clause in Section 364.385(2), Florida Statutes, sets forth the situations in which the old law rather than the new law is applied. Specifically, it provides that all applications for EAS or ECS pending before the Commission on March 1, 1995, shall be governed by the law as it existed prior to July 1, 1995, and that upon approval, the EAS or ECS routes shall be considered basic services. Thus, since EAS or ECS requested after July 1, 1995, would become a non-basic service, we have no express statutory authority to require the price-regulated LECs to implement EAS or ECS. Accordingly, we find it is BellSouth's decision whether to implement EAS or an alternative plan from the BellSouth exchanges. We note that this finding is consistent with our findings in Dockets Nos. 951097-TL (EAS between Fernandina Beach and Jacksonville), 951269-TL (EAS - Charlotte County), 960086-TL (EAS from Cherry Lake and Lee to Tallahassee), and 960087-TL (EAS - Orange City to Winter Park and Orlando).

Based on the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that the request by the Escambia County Commission for extended area service between North Santa Rosa County and North Escambia County, and within Santa Rosa County is hereby denied. It is further

ORDERED that the request for extended area service from the Cantonment, Century, Molino, and Walnut Hill exchanges to the Jay, Milton, and Pace exchanges is denied. It is further

ORDERED that no alternative calling plan shall be required. It is further

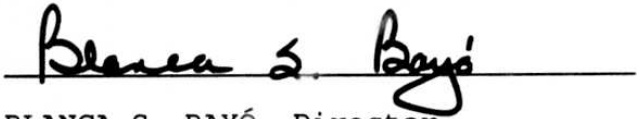
ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee,

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Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission, this 21st day of April, 1997.

A handwritten signature in black ink, reading "Blanca S. Bayó", is written over a horizontal line.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

BC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on May 12, 1997.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater 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 of the effective date 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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Attachment A

CALLING RATE AND DISTRIBUTION
ONE-WAY ROUTES FROM MOLINO EXCHANGE
TO THE PACE, MILTON, GULF BREEZE, JAY
AND HOLLY-NAVARRE EXCHANGES

ROUTE MOLINO TO	MESSAGES	CALLING RATE M/A/M	TOTAL CUSTOMERS	NO. MAKING 2 OR MORE CALLS/MONTH	PERCENT OF TOTAL
PACE	2898	1.26	2292	384	16.75
MILTON	3041	1.33	2292	519	22.64
GULF BREEZE	1303	0.57	2292	220	9.60
JAY	539	0.24	2292	101	4.41
HOLLY - NAVARRE	218	0.10	2292	51	2.23