

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

MEMORANDUM

February 27, 1992

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS [CHERRY] *AKK*
DIVISION OF LEGAL SERVICES [ADAMS] *RA* *RTT* *H*

RE : DOCKET NO. 891374-TL - PROPOSED TARIFF FILING TO EXTEND
THE LAKE MARY MARKETREACHSM PLAN (T-92-084 FILED FEBRUARY
7, 1992)

AGENDA: MARCH 10, 1992 - CONTROVERSIAL - PARTIES MAY PARTICIPATE

CRITICAL DATES: 60 DAY STATUTORY PERIOD EXPIRES APRIL 7, 1992.
COMPANY REQUESTED EFFECTIVE DATE: MARCH 11, 1992

SPECIAL INSTRUCTIONS: NONE

BACKGROUND AND OBJECTIVES

- In Docket No. 891374-TL, Order No. 22799, the Commission approved the two year trial (March 17, 1990 through March 17, 1992) of the MarketReachSM Plan in the Lake Mary wire center which is the central office of the Sanford exchange.
- MarketReachSM is a LATA-wide calling plan which expands the local calling area of the Lake Mary subscribers to include Orlando for seven (7) digit outgoing calls, and discounts all intraLATA toll charges along with mandating local measured service for business customers (including Shared Tenant Service). Although MarketReachSM is mandatory for business customers, it is available as an option to all Lake Mary residential customers. MarketReachSM is not available to subscribers of Semi-public Telephone Service, Public Telephone Access Service for Customer Provided Equipment, or Public Telephone Service.
- MarketReachSM customers have all their outgoing local calls billed on a usage sensitive basis, with a cap for subscribing residence customers and a volume usage discount for business customers. The usage sensitive rates vary depending whether the customer is in Band 0 (within the Lake Mary central office), Band A (calls to other telephone numbers currently included in the Lake Mary local calling area), or Band B

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FPSC-RECORDS/REPORTING

(calls to telephone numbers in the Orlando exchange).

- Two options are available for customers who call outside the local calling area, but within the Orlando LATA. Option A (special incoming option for receiving calls from Orlando) provides customers with an Orlando telephone number and an associated directory listing, if desired. (This can be non-published at no additional charge). Calls to that Orlando number will be forwarded to the Lake Mary customer with the associated Orlando to Lake Mary portion of the call billed to the Lake Mary customer at the same local usage rates that apply to calls from Lake Mary to Orlando. There is also a fixed monthly charge associated with this option. This allows the Lake Mary customers to receive calls from the Orlando local calling area at no cost to the calling party.
- Option B (incoming calls within the Southern Bell long distance calling zone) allows customers to pay for all non-coin, DDD intraLATA calls received from Southern Bell exchanges at a 50 percent discount on the MTS rates in effect at the time of implementation of the MarketReachsm Plan. There is a fixed monthly charge associated with this option. Attachment A summarizes the MarketReachsm Plan rates.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Southern Bell Telephone and Telegraph Company's proposed tariff filing to extend the MarketReachsm Plan through March 17, 1993?

RECOMMENDATION: Yes. The Commission should approve Southern Bell Telephone and Telegraph Company's proposed tariff filing to extend the MarketReachsm Plan until March 17, 1993, unless modified, extended, or removed. This will allow the Lake Mary customers to continue their current service until resolution of the request for EAS between Sanford and Orlando. The MarketReachsm Plan should be addressed as a separate issue in Docket No. 910762-TL - Request by Lake Mary Commission for Extended Area Service from the Sanford and Geneva exchanges to the Orlando and Apopka exchanges - in order to determine the future of the MarketReachsm Plan. The Hearing for the Docket is currently scheduled for May 12, 1992.

STAFF ANALYSIS: This issue addresses whether Southern Bell Telephone and Telegraph Company's (Southern Bell) MarketReachsm Trial should be extended. Our recommendation is based on the following rationale.

- According to Southern Bell, the response to the plan from the Lake Mary customers has been predominately favorable. As of the end of 1991, 20.5% of Lake Mary residence customers have selected the plan. Also, based on Southern Bell's January 1991 MarketReachsm Plan Survey, 58% of business customers indicated that the plan should be continued after the two year trial and 27% of business customers indicated that the plan had made some improvement in the economy of Lake Mary.
- It would be very confusing to the MarketReachsm Plan customers to eliminate their local calling to Orlando March 17, 1992, pending resolution of the request by Lake Mary City Commission for EAS from the Sanford and Geneva exchanges to the Orlando and Apopka exchanges, Docket No. 910762-TL.
- To eliminate the current plan would cause an increase to current customers which would average \$10.94 and \$ 8.56 for residential and business customers, respectively, based upon the one year marketing report.
- Staff believes to alter the current plan at this point would not be in the best interest of the customer based upon the high acceptance percentages as outlined in the one year report. We also believe that the pending EAS hearings

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scheduled for May 12, 1992 will allow staff a better opportunity to evaluate whether MarketReachSM should be modified, extended, or removed.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: No, with the adoption of staff's recommendation in Issue 1, this docket should remain open until March 17, 1993, unless modified, extended, or removed. This will allow the Lake Mary customers to continue their current service until resolution of the pending EAS docket (Docket No. 910762-TL - Request by Lake Mary Commission for Extended Area Service from the Sanford and Geneva exchanges to the Orlando and Apopka exchanges) affecting this area.

891374.MHC

SANFORD MARKET REACH PLAN
LAKE MARY CENTRAL OFFICE

RATES AND CHARGES

MARKET REACH
MONTHLY RATES

(1) <u>Residence</u>	
(a) Per access line	\$ 7.50
(2) <u>Business</u>	
(a) Per access line - w/o hunting	19.00
(b) Per access line - w/hunting	28.50
(3) <u>PBX Trunk</u>	37.50
(4) <u>Direct Indialing Service</u>	37.50
(5) <u>ESSX, Megalink, Lightgate, Channel Service NAR</u>	6.80

MARKET REACH PLAN
WITHIN THE EXISTING LOCAL CALLING AREA

MARKET REACH RATES

USAGE CHARGES

	<u>INITIAL</u> <u>MINUTE</u>	<u>EACH ADDITIONAL</u> <u>MINUTE</u>
(a) Band O (within Lake Mary central office area)	\$.02	\$.01
(b) Band A (calls to other telephone numbers currently included in the Lake Mary local calling area)	\$.04	\$.02
(c) Band B (calls to telephone numbers in the Orlando exchange) (currently available via EOEAS)	\$.08	\$.04
	(See footnotes)	

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- (1) 50% discount will be applied between 8 p.m.-8 a.m. every day, all hours Saturday and Sunday
 - (2) Local messages are charges for at least one minute then rounded to the nearest 1/10th minute
 - (3) Total monthly usage charges capped at \$8.50 per access line (residence only)
 - (4) Market Reach business customers will be discounted 50% for usage above \$25.00 average usage/line per line, \$50.00 average usage/line per PBX trunk, and \$50.00 average usage/line per NAR

OUTSIDE THE LOCAL CALLING AREA
WITHIN THE ORLANDO LATA

- (1) For DDD calls to exchanges in the Orlando LATA outside the Market Reach plan local calling area, a 40% discount is applied to the MTS rates.

OPTION A

(Special incoming option for receiving calls for Orlando.)

- | <u>(1) Recurring Charges</u> | <u>MONTHLY RATE</u> | |
|------------------------------|---------------------|---------|
| (a) Residence | | \$ 4.95 |
| (b) Business | | 10.80 |
| (c) PBX | | 16.20 |
| (d) ESSX/Mega Link/Lightgate | | 16.20 |
-
- | <u>(2) Usage Rate</u> | <u>INITIAL MINUTE</u> | <u>EACH ADDITIONAL MINUTE</u> |
|-----------------------|-----------------------|-------------------------------|
| (a) Band B | \$.08 | \$.04 |
- (3) 50% discount will be applied 8:00 p.m. - 8:00 a.m. every day, all hours Saturday and Sunday
- (4) Local messages are charged for at least one minute of use rounded to the nearest 1/10th minute.

OPTION B

(Incoming calls within Southern Bell long distance calling zone.)
(i.e., LATA-wide)

- | <u>(1) Recurring Charges</u> | <u>MONTHLY RATES</u> |
|------------------------------|----------------------|
| (a) Residence | \$ 15.00 |
| (b) Business | 20.00 |
| (c) PBX | 30.00 |
| (d) ESSX/Mega Link/Lightgate | 30.00 |
- (2) Usage Rate - Noncoin originated, intraLATA DDD calls received from Southern Bell exchanges will be billed to Market Reach plan customers at a 50% discount on the MTS rates.