

FLORIDA PUBLIC SERVICE COMMISSION
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Tallahassee, Florida 32399-0850

M E M O R A N D U M

November 20, 1995

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

FROM: DIVISION OF COMMUNICATIONS (SHELPER, WIDELL) *AW*
DIVISION OF LEGAL SERVICES (CANZANO, BARONE) *AW*

RE: DOCKET NO. 870248-TL - HOLMES COUNTY BOARD OF COUNTY
COMMISSIONERS FOR EXTENDED AREA SERVICE IN HOLMES COUNTY,
FLORIDA.

DOCKET NO. 870790-TL - REQUEST BY GILCHRIST COUNTY
COMMISSIONERS FOR EXTENDED AREA SERVICE THROUGHOUT
GILCHRIST COUNTY.

DOCKET NO. 900039-TL - RESOLUTION BY THE ORANGE COUNTY
BOARD OF COUNTY COMMISSIONERS FOR EXTENDED AREA SERVICE
BETWEEN THE MOUNT DORA EXCHANGE AND THE APOPKA, ORLANDO,
WINTER GARDEN, WINTER PARK, EAST ORANGE, REEDY CREEK,
WINDERMERE, AND LAKE BUENA VISTA EXCHANGES.

DOCKET NO. 910022-TL - RESOLUTION BY BRADFORD COUNTY
COMMISSION REQUESTING EXTENDED AREA SERVICE WITHIN
BRADFORD COUNTY AND BETWEEN BRADFORD COUNTY, UNION COUNTY
AND GAINESVILLE.

DOCKET NO. 910029-TL - REQUEST BY VOLUSIA COUNTY COUNCIL
FOR EXTENDED AREA SERVICE BETWEEN THE SANFORD EXCHANGE
(OSTEEN AND DELTONA) AND THE ORANGE CITY AND DELAND
EXCHANGES.

DOCKET NO. 910528-TL - REQUEST BY PUTNAM COUNTY BOARD OF
COUNTY COMMISSIONERS FOR EXTENDED AREA SERVICE BETWEEN
THE CRESCENT CITY, HAWTHORNE, ORANGE SPRINGS, AND MELROSE
EXCHANGES, AND THE PALATKA EXCHANGE.

DOCKET NO. 910529-TL - REQUEST BY PASCO COUNTY BOARD OF
COUNTY COMMISSIONERS FOR EXTENDED AREA SERVICE BETWEEN
ALL PASCO COUNTY EXCHANGES.

DOCKET NO. 911185-TL - REQUEST FOR EXTENDED AREA SERVICE
BETWEEN ALL EXCHANGES WITHIN VOLUSIA COUNTY BY VOLUSIA
COUNTY COUNCIL.

DOCUMENT NUMBER-DATE

11631 NOV 20 95

FPSC-RECORDS/REPORTING

DOCKET NOS. 870248-TL, 870790-TL, 900039-TL, 910022-TL, 910029-TL, 910528-TL, 910529-TL, 911185-TL, 920642-TL, 921193-TL, 930172-TL, 930235-TL

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DOCKET NO. 920642-TL - RESOLUTION BY CITY COUNCIL OF PORT RICHEY FOR EXTENDED AREA SERVICE BETWEEN THE HUDSON EXCHANGE AND THE TARPON SPRINGS, CLEARWATER, ST. PETERSBURG AND TAMPA EXCHANGE; ALSO BETWEEN THE NEW PORT RICHEY AND CLEARWATER, ST. PETERSBURG AND TAMPA EXCHANGES.

DOCKET NO. 921193-TL - RESOLUTION BY THE PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS FOR EXTENDED AREA SERVICE (EAS) BETWEEN ALL EXCHANGES IN PALM BEACH COUNTY.

DOCKET NO. 930172-TL - PETITION BY RESIDENTS OF BOCA GRANDE REQUESTING EXTENDED AREA SERVICE (EAS) BETWEEN BOCA GRANDE AND NORTH FT. MYERS, NORTH PORT, VENICE, ENGLEWOOD, PINE ISLAND, NORTH CAPE CORAL AND CAPE CORAL.

DOCKET NO. 930235-TL - RESOLUTION BY THE TAYLOR COUNTY BOARD OF COMMISSIONERS FOR COUNTYWIDE EXTENDED AREA SERVICE (EAS) WITHIN TAYLOR COUNTY.

AGENDA: DECEMBER 5, 1995 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\870790TL.RCM

CASE BACKGROUND

- There are two groups of EAS requests that are being addressed in this interLATA alternative toll plan recommendation. The first group deals with the interLATA routes, which involve Southern Bell and GTEFL, that were granted alternative toll plans by the Commission but were subsequently denied at the federal level (Southern Bell filed a waiver request for Docket No. 911185-TL with the Department of Justice on August 20, 1992, but no ruling has been made. Staff is assuming it will be denied since it is identical to the other dockets that were denied.) The second group addresses the interLATA routes, involving Southern Bell and GTEFL, that the Commission identified as warranting consideration for an interLATA alternative toll plan, but postponed any decisions until after the EAS rulemaking docket (930220-TL).

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- On May 18, 1993, Judge Greene of the United States District Court for the District of Columbia rejected Southern Bell's request for waiver of its Modified Final Judgment (MFJ) to implement the \$.25 plan on specific interLATA routes.
- On December 22, 1993, the United States District Court for the District of Columbia rejected GTEFL's request for waiver of its federal consent decree to implement the \$.25 plan on specific interLATA routes.
- The court denied the request for waivers to implement the \$.25 plan on specific interLATA routes because there were insufficient communities of interest. The court further stated that if the requisite community of interest between the exchanges is lacking, the court cannot under the decree permit such LATA boundary expansions. Such arrangements are merely discounted toll rates and thus anti-competitive. The court also noted that once sufficient communities of interest between these areas develop, nonoptional EAS plans may be appropriate.
- By Order No. PSC-93-1175-FOF-TL, issued August 10, 1993, the Commission granted Southern Bell and the other involved local exchange companies (Centel, ALLTEL, GTEFL and United) relief from implementing the \$.25 plan on 36 interLATA routes (Docket Nos. 870248-TL, 870790-TL, 900039-TL, 910022-TL, 910029-TL, 910528-TL, and 910529-TL).
- By Order No. PSC-94-0682-FOF-TL, issued June 6, 1994, the Commission granted GTEFL and Southern Bell relief from implementing the \$.25 plan on two interLATA routes (Docket No. 910529-TL).
- Because of revisions to Chapter 364, Florida Statutes, by Chapter 95-403, Laws of Florida, the proposed EAS rule docket was closed at the August 15, 1995 agenda conference. Staff was directed to address the pending EAS dockets grouped together based on subject type. Docket Nos. 920642-TL, 921193-TL, 930172-TL, and 930235-TL, which are interLATA routes, are the last of the EAS dockets that were delayed due to the EAS rulemaking docket.

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- It should be noted that S.652/H.R. 1555 are pending in the United States House and Senate. These bills could allow Southern Bell entry into the interLATA market; however, staff does not believe that these dockets should be delayed pending the result of these bills.

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DISCUSSION OF ISSUES

ISSUE 1: Should the Commission, based on its previous actions in Docket Nos. 870248-TL, 870790-TL, 900039-TL, 910022-TL, 910029-TL, 910528-TL, 910529-TL and 9511185-TL ballot the exchanges listed in Table A, Column 1 for a modified extended calling service (MECS) plan?

TABLE A

| FROM (1) | TO (2) | DOCKET NO. | LOCAL EXCHANGE COMPANY(S) INVOLVED |
|------------------|------------------|---------------|--|
| Graceville | Ponce Deleon | 870248-TL | Centel and Southern Bell |
| Graceville | Defuniak Springs | 870248-TL | Centel and Southern Bell |
| Deland | Sanford | 910029-TL | Southern Bell |
| Mt. Dora | Orlando | 900039-TL | United and Southern Bell |
| Trenton | Branford | 870790-TL | Southern Bell and ALLTEL |
| Trenton | High Springs | 870790-TL | Southern Bell and ALLTEL |
| Newberry | Branford | 870790-TL | Southern Bell and ALLTEL |
| Lawtey | Gainesville | 910022-TL | Centel and Southern Bell |
| Raiford | Gainesville | 910022-TL | ALLTEL and Southern Bell |
| Starke | Gainesville | 910022-TL | Centel and Southern Bell |
| Hawthorne | Interlachen | 910528-TL | Southern Bell and ALLTEL |
| Hawthorne | Palatka | 910528-TL | Southern Bell and ALLTEL |
| Keystone Heights | Palatka | 910528-TL | Southern Bell |
| Keystone Heights | Interlachen | 910528-TL | Southern Bell and ALLTEL |

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| FROM (1) | TO (2) | DOCKET NO. | LOCAL EXCHANGE COMPANY(S) INVOLVED |
|------------------|----------------|---------------|--|
| Keystone Heights | Florahome | 910528-TL | Southern Bell and ALLTEL |
| Melrose | Palatka | 910528-TL | ALLTEL and Southern Bell |
| Orange Springs | Palatka | 910528-TL | ALLTEL and Southern Bell |
| Dade City* | Tampa-North | 910529-TL | United and GTEFL |
| San Antonio* | Tampa-North | 910529-TL | United and GTEFL |
| Hudson | Brooksville | 910529-TL | GTEFL and Southern Bell |
| DeBary | Daytona Beach | 911185-TL | Southern Bell |
| DeBary | New Smyrna Bch | 911185-TL | Southern Bell |
| DeBary | DeLeon Springs | 911185-TL | Southern Bell |
| DeBary | Oak Hill | 911185-TL | Southern Bell |
| DeBary | Pierson | 911185-TL | Southern Bell |
| Orange City | Daytona Beach | 911185-TL | United and Southern Bell |
| Orange City | New Smyrna Bch | 911185-TL | United and Southern Bell |
| Orange City | Oak Hill | 911185-TL | United Southern Bell |
| Orange City | Pierson | 911185-TL | United and Southern Bell |
| Orange City | DeLeon Springs | 911185-TL | United and Southern Bell |
| Sanford | Daytona Beach | 911185-TL | Southern Bell |
| Sanford | DeLeon Springs | 911185-TL | Southern Bell |
| Sanford | New Smyrna Bch | 911185-TL | Southern Bell |
| Sanford | Oak Hill | 911185-TL | Southern Bell |
| Sanford | Pierson | 911185-TL | Southern Bell |

* The Dade City and San Antonio to Tampa-North routes were also identified as warranting interLATA toll relief in Docket No. 920642-TL. These routes will be addressed in Docket 910159-TL.

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RECOMMENDATION: Yes, customers in the exchanges listed in Table A, Column 1 should be balloted for the modified extended calling service plan to the exchanges indicated in Column 2. The survey will pass if a majority of the customers responding vote in favor of the modified expanded calling service plan. Residential and business customers should be balloted at the rates provided in Table B, column 5 using a 10% additive. Residential customers will have a call allowance equal to the amount of the 10% additive divided by a per call rate of \$.25 with all residential calls over the allowance rated at \$.25 per call. Business calls will be rated at \$.10 for the first minute and \$.06 for each additional minute. Business customers will have a usage allowance equal to the amount of the additive.

TABLE B

| FROM (1) | TO (2) | PRESENT RATES (3) | 10% ADDITIVE (4) | PROPOSED RATES (5) |
|-------------|---------------------|-------------------------|------------------------|-----------------------|
| Graceville | Ponce Deleon | R-1 \$ 8.10 | R-1 \$.75 | R-1 \$ 8.85 |
| | | B-1 \$21.90 | B-1 \$2.00 | B-1 \$23.90 |
| | | PBX \$37.90 | PBX \$3.50 | PBX \$41.40 |
| Graceville | Defuniak Springs | R-1 \$ 8.10 | R-1 \$.75 | R-1 \$ 8.85 |
| | | B-1 \$21.90 | B-1 \$2.25 | B-1 \$24.15 |
| | | PBX \$37.90 | PBX \$3.75 | PBX \$41.65 |
| Deland | Sanford | R-1 \$ 8.80 | R-1 \$.75 | R-1 \$ 9.55 |
| | | B-1 \$23.85 | B-1 \$2.25 | B-1 \$26.10 |
| | | PBX \$40.55 | PBX \$4.00 | PBX \$44.55 |
| Mt. Dora | Orlando | R-1 \$ 8.73 | R-1 \$1.00 | R-1 \$ 9.73 |
| | | B-1 \$20.47 | B-1 \$2.25 | B-1 \$22.72 |
| | | PBX \$40.98 | PBX \$4.50 | PBX \$45.48 |
| Trenton | Branford | R-1 \$ 7.70 | R-1 \$.75 | R-1 \$ 8.45 |
| | | B-1 \$20.80 | B-1 \$2.00 | B-1 \$22.80 |
| | | PBX \$35.36 | PBX \$3.50 | PBX \$38.86 |
| Trenton | High Springs | R-1 \$ 7.70 | R-1 \$.75 | R-1 \$ 8.45 |
| | | B-1 \$20.80 | B-1 \$2.00 | B-1 \$22.80 |
| | | PBX \$35.36 | PBX \$3.50 | PBX \$38.86 |
| Newberry | Branford | R-1 \$ 8.80 | R-1 \$.75 | R-1 \$ 9.55 |
| | | B-1 \$23.85 | B-1 \$2.00 | B-1 \$25.85 |
| | | PBX \$40.55 | PBX \$3.50 | PBX \$44.05 |
| Lawtey | Gainesville | R-1 \$ 7.40 | R-1 \$1.00 | R-1 \$ 8.40 |
| | | B-1 \$16.65 | B-1 \$2.00 | B-1 \$18.65 |
| | | PBX \$33.30 | PBX \$4.00 | PBX \$37.30 |

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| FROM (1) | TO (2) | PRESENT RATES (3) | 10% ADDITIVE (4) | PROPOSED RATES (5) |
|------------------|---------------|---|--|---|
| Raiford | Gainesville | R-1 \$ 9.60 B-1 \$24.10 PBX \$45.85 | R-1 \$1.00 B-1 \$2.50 PBX \$4.75 | R-1 \$10.60 B-1 \$26.60 PBX \$50.60 |
| Starke | Gainesville | R-1 \$ 7.85 B-1 \$17.65 PBX \$35.30 | R-1 \$1.00 B-1 \$2.00 PBX \$4.00 | R-1 \$ 8.85 B-1 \$19.65 PBX \$39.30 |
| Hawthorne | Interlachen | R-1 \$ 8.80 B-1 \$23.85 PBX \$40.55 | R-1 \$.75 B-1 \$2.00 PBX \$3.50 | R-1 \$ 9.55 B-1 \$25.85 PBX \$44.05 |
| Hawthorne | Palatka | R-1 \$ 8.80 B-1 \$23.85 PBX \$40.55 | R-1 \$.75 B-1 \$2.25 PBX \$3.75 | R-1 \$ 9.55 B-1 \$26.10 PBX \$44.30 |
| Keystone Heights | Palatka | R-1 \$ 8.10 B-1 \$21.90 PBX \$37.23 | R-1 \$.75 B-1 \$2.25 PBX \$3.75 | R-1 \$ 8.85 B-1 \$24.15 PBX \$40.98 |
| Keystone Heights | Interlachen | R-1 \$ 8.10 B-1 \$21.90 PBX \$37.23 | R-1 \$.75 B-1 \$2.00 PBX \$3.50 | R-1 \$ 8.85 B-1 \$23.90 PBX \$40.73 |
| Keystone Heights | Florahome | R-1 \$ 8.10 B-1 \$21.90 PBX \$37.23 | R-1 \$.75 B-1 \$2.00 PBX \$3.50 | R-1 \$ 8.85 B-1 \$23.90 PBX \$40.73 |
| Melrose | Palatka | R-1 \$ 9.95 B-1 \$24.70 PBX \$47.20 | R-1 \$1.00 B-1 \$2.50 PBX \$4.50 | R-1 \$10.95 B-1 \$27.20 PBX \$51.70 |
| Orange Springs | Palatka | R-1 \$ 9.95 B-1 \$24.70 PBX \$47.20 | R-1 \$1.00 B-1 \$2.50 PBX \$4.50 | R-1 \$10.95 B-1 \$27.20 PBX \$51.70 |
| Dade City | Tampa-North | R-1 \$ 7.22 B-1 \$16.96 PBX \$33.91 | R-1 \$.75 B-1 \$1.75 PBX \$3.50 | R-1 \$ 7.97 B-1 \$18.71 PBX \$37.41 |
| San Antonio | Tampa-North | R-1 \$ 7.22 B-1 \$16.96 PBX \$33.91 | R-1 \$.75 B-1 \$1.75 PBX \$3.50 | R-1 \$ 7.97 B-1 \$18.71 PBX \$37.41 |
| Hudson | Brooksville | R-1 \$10.68 B-1 \$27.27 PBX \$49.42 | R-1 \$1.00 B-1 \$2.25 PBX \$4.50 | R-1 \$11.68 B-1 \$29.52 PBX \$53.92 |
| DeBary | Daytona Beach | R-1 \$ 8.80 B-1 \$23.85 PBX \$40.55 | R-1 \$1.00 B-1 \$2.50 PBX \$4.25 | R-1 \$ 9.80 B-1 \$26.35 PBX \$44.80 |

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| FROM (1) | TO (2) | PRESENT RATES (3) | 10% ADDITIVE (4) | PROPOSED RATES (5) |
|-------------|----------------|---|--|---|
| DeBary | New Smyrna Bch | R-1 \$ 8.80 B-1 \$23.85 PBX \$40.55 | R-1 \$.75 B-1 \$2.25 PBX \$4.00 | R-1 \$ 9.55 B-1 \$26.10 PBX \$44.55 |
| DeBary | DeLeon Springs | R-1 \$ 8.80 B-1 \$23.85 PBX \$40.55 | R-1 \$.75 B-1 \$2.00 PBX \$3.50 | R-1 \$ 9.55 B-1 \$25.85 PBX \$44.05 |
| DeBary | Oak Hill | R-1 \$ 8.80 B-1 \$23.85 PBX \$40.55 | R-1 \$.75 B-1 \$2.00 PBX \$3.50 | R-1 \$ 9.55 B-1 \$25.85 PBX \$44.05 |
| DeBary | Pierson | R-1 \$ 8.80 B-1 \$23.85 PBX \$40.55 | R-1 \$.75 B-1 \$2.00 PBX \$3.50 | R-1 \$ 9.55 B-1 \$25.85 PBX \$44.05 |
| Orange City | Daytona Beach | R-1 \$ 7.98 B-1 \$18.71 PBX \$37.47 | R-1 \$.75 B-1 \$2.00 PBX \$4.00 | R-1 \$ 8.73 B-1 \$20.71 PBX \$41.47 |
| Orange City | New Smyrna Bch | R-1 \$ 7.98 B-1 \$18.71 PBX \$37.47 | R-1 \$.75 B-1 \$1.75 PBX \$3.50 | R-1 \$ 8.73 B-1 \$20.46 PBX \$40.97 |
| Orange City | Oak Hill | R-1 \$ 7.98 B-1 \$18.71 PBX \$37.47 | R-1 \$.75 B-1 \$1.50 PBX \$3.00 | R-1 \$ 8.73 B-1 \$20.21 PBX \$40.47 |
| Orange City | Pierson | R-1 \$ 7.98 B-1 \$18.71 PBX \$37.47 | R-1 \$.75 B-1 \$1.50 PBX \$3.00 | R-1 \$ 8.73 B-1 \$20.21 PBX \$40.47 |
| Orange City | DeLeon Springs | R-1 \$ 7.98 B-1 \$18.71 PBX \$37.47 | R-1 \$.75 B-1 \$1.50 PBX \$3.00 | R-1 \$ 8.73 B-1 \$20.21 PBX \$40.47 |
| Sanford | Daytona Beach | R-1 \$ 9.50 B-1 \$25.75 PBX \$43.78 | R-1 \$1.00 B-1 \$2.50 PBX \$4.25 | R-1 \$10.50 B-1 \$28.25 PBX \$48.03 |
| Sanford | DeLeon Springs | R-1 \$ 9.50 B-1 \$25.75 PBX \$43.78 | R-1 \$.75 B-1 \$2.00 PBX \$3.50 | R-1 \$10.25 B-1 \$27.75 PBX \$47.28 |
| Sanford | New Smyrna Bch | R-1 \$ 9.50 B-1 \$25.75 PBX \$43.78 | R-1 \$1.00 B-1 \$2.25 PBX \$4.00 | R-1 \$10.50 B-1 \$28.00 PBX \$47.78 |
| Sanford | Oak Hill | R-1 \$ 9.50 B-1 \$25.75 PBX \$43.78 | R-1 \$.75 B-1 \$2.00 PBX \$3.50 | R-1 \$10.25 B-1 \$27.75 PBX \$47.28 |

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| FROM (1) | TO (2) | PRESENT RATES (3) | 10% ADDITIVE (4) | PROPOSED RATES (5) |
|-------------|-----------|---|--|---|
| Sanford | Pierson | R-1 \$ 9.50 B-1 \$25.75 PBX \$43.78 | R-1 \$.75 B-1 \$2.00 PBX \$3.50 | R-1 \$10.25 B-1 \$27.75 PBX \$47.28 |

The survey should be conducted within forty-five (45) days of the date the order from this recommendation becomes final. Southern Bell, GTEFL, United, Centel and ALLTEL should submit the newspaper advertisement for staff's review prior to publication. The survey letter and ballot should be submitted to staff for review prior to distribution to customers. In addition, Southern Bell, GTEFL, United, Centel and ALLTEL should provide staff with a copy of the published newspaper advertisement and the dates run.

STAFF ANALYSIS: Since Judge Greene's decision that denied Southern Bell and GTEFL's requests for waiver of the MFJ and consent decree to carry interLATA traffic on the routes listed in Table A (except the routes in Docket No. 911185-TL, which is still pending), the Commission directed staff to consider other alternatives that would be acceptable to the court. Staff held several rulemaking workshops involving local exchange companies, interexchange carriers, and county representatives to review and propose modifications to the EAS rules, which included developing an appropriate interLATA alternative plan.

Once staff had developed a plan that we believed would meet Judge Greene's concerns and meet the needs of the customers, staff sent a draft of the proposed plan to the Department of Justice (DOJ) for its review. Staff also met with the DOJ and received favorable feedback on the proposed plan. Because of revisions to Chapter 364, Florida Statutes, by Chapter 95-403, Laws of Florida, the proposed EAS rules docket was closed.

Staff believes, however, that the alternative toll plan that was developed during the rulemaking process is appropriate for interLATA toll relief. In order to avoid confusion with other alternative toll plans, staff will refer to this plan as the modified extended calling service (MECS) plan. The modified extended calling service (MECS) plan is similar to the extended calling service (ECS) plan; however, MECS requires a 10% additive. The 10% additive is calculated by taking the number of access lines that will be gained and applying it to the rate group schedule of the requesting exchange's local exchange company and then taking

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10% of those rates and rounding to the nearest \$.25 increment. The additive is in addition to the customer's regular monthly basic rate.

The MECS usage rates for residential calls will be \$.25 regardless of duration, and business calls will be \$.10 for the first minute and \$.06 for each additional minute. In addition, MECS provides that the call allowance for residential customers will be equal to the amount of the 10% additive divided by a per call rate of \$.25. For example, if a residential customer's additive is \$1.25, the customer will have five free calls. Once the call allowance has been used, residential calls will be rated at \$.25 per call regardless of duration. Business customers will have a usage allowance equal to the amount of the additive. For example, if the business customer's additive is \$2.50, this amount will be credited toward MECS calls on the customer's bill.

Because MECS involves a monthly additive, Rule 25-4.063, Florida Administrative Code, requires that the affected customers must be surveyed. This will allow the customers an opportunity to decide if they are in favor of increasing their local rates to have the added calling area. The survey will pass if a majority of the customers responding vote in favor of the modified expanded calling service plan. Approval of the plan will require the entire exchange to participate regardless of whether the customer voted in favor of the plan or not. MECS is not an optional plan.

Staff believes this plan resolves the community of interest concern expressed by Judge Greene. If there is a true community of interest, the customers will vote in favor of the plan. If there is not, the plan will fail. Therefore, toll relief will only be granted if customers are willing to pay more to gain additional calling.

Exchanges which have more than one route will only receive one ballot, but the ballot will allow the customer to vote for each route individually. For example, a customer located in the Deland exchange will receive one ballot but will have five routes for which to vote. The customer may select one, none or any combination of the five routes. Staff believes that balloting by individual route is appropriate because it will allow customers to select the areas with which they have a true community of interest. If the routes are bundled together, this would not be possible.

If approved, these routes will be implemented in both directions. Only the exchanges which are balloted will pay an

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additive or receive the call allowance. Calls in the opposite direction will be rated just like ECS calls (Residential calls will be rated at \$.25 per call regardless of duration, and business calls will be rated at \$.10 for the first minute and \$.06 for each additional minute).

It should be noted that staff did not calculate the revenue effect on any of the routes in this issue. Staff did not have the appropriate data to estimate the revenue impact. Even if all the information was available, the calling rates indicate that on a majority of the routes the revenue difference between lost toll and MECS will be negligible.

In addition, staff will bring a recommendation to the Commission outlining the results of balloting. If any of the surveys pass which involve Southern Bell or GTEFL, staff will recommend that the Commission require the LECs to request waivers of their Modified Final Judgment and consent decree to implement the modified extended calling service plan.

Staff recommends that the customers in the exchanges listed in Table A, Column 1, be balloted for the modified extended calling service plan to the routes indicated in Column 2. Residential and business customers should be balloted at the rates provided in Table B, column 5, using a 10% additive. The usage rate for residential customers will be \$.25 per call regardless of duration, and business calls will be rated at \$.10 for the first minute and \$.06 for each additional minute. Residential customers will have a call allowance equal to the amount of the 10% additive divided by a per call rate of \$.25 with all residential calls over the allowance rated at \$.25 per call. Business customers will have a usage allowance equal to the amount of the additive.

The survey should be conducted within forty-five (45) days of the date the order from this recommendation becomes final. Southern Bell, GTEFL, United, Centel and ALLTEL should submit the newspaper advertisement for staff's review prior to publication. The survey letter and ballot should be submitted to staff for review prior to distribution to customers. In addition, Southern Bell, GTEFL, United, Centel and ALLTEL should provide staff with a copy of the published newspaper advertisement and the dates run.

DOCKET NOS. 870248-TL, 870790-TL, 900039-TL, 910022-TL, 910029-TL, 910528-TL, 910529-TL, 911185-TL, 920642-TL, 921193-TL, 930172-TL, 930235-TL

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ISSUE 2: Should the Commission, based on its previous actions in Docket Nos. 920642-TL, 921193-TL, 930172-TL, and 930235-TL, ballot the exchanges listed in Table C, Column 1 for a modified extended calling service (MECS) plan?

TABLE C

| FROM (1) | TO (2) | DOCKET NO. | LOCAL EXCHANGE COMPANY(S) INVOLVED |
|--------------|--------------|---------------|--|
| Clewiston | Belle Glade | 921193-TL | United and Southern Bell |
| Dade City* | Tampa-North | 920642-TL | United and GTEFL |
| San Antonio* | Tampa-North | 920642-TL | United and GTEFL |
| Boca Grande | Englewood | 930172-TL | United and GTEFL |
| Cross City | Perry | 930235-TL | Southern Bell and Gulf |
| Cross City | Keaton Beach | 930235-TL | Southern Bell and Gulf |

* The Dade City and San Antonio to Tampa-North routes are being addressed in Docket No. 910529-TL in Issue 1.

RECOMMENDATION: Yes, customers in the exchanges listed in Table C, Column 1 should be balloted for the modified extended calling service plan to the exchanges indicated in Column 2. The survey will pass if a majority of the customers responding vote in favor of the modified expanded calling service plan. Residential and business customers should be balloted at the rates provided in Table D, column 5 using a 10% additive. Residential customers will have a call allowance equal to the amount of the 10% additive divided by a per call rate of \$.25 with all residential calls over the allowance rated at \$.25 per call. Business calls will be rated at \$.10 for the first minute and \$.06 for each additional minute. Business customers will have a usage allowance equal to the amount of the additive.

DOCKET NOS. 870248-TL, 870790-TL, 900039-TL, 910022-TL, 910029-TL, 910528-TL, 910529-TL, 911185-TL, 920642-TL, 921193-TL, 930172-TL, 930235-TL

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TABLE D

| FROM (1) | TO (2) | PRESENT RATES (3) | 10% ADDITIVE (4) | PROPOSED RATES (5) |
|-------------|--------------|---|--|---|
| Clewiston | Belle Glade | R-1 \$ 6.47 B-1 \$15.20 PBX \$30.40 | R-1 \$.75 B-1 \$1.50 PBX \$3.00 | R-1 \$ 7.22 B-1 \$16.70 PBX \$33.40 |
| Boca Grande | Englewood | R-1 \$ 6.47 B-1 \$15.20 PBX \$30.40 | R-1 \$.75 B-1 \$1.75 PBX \$3.50 | R-1 \$ 7.22 B-1 \$16.95 PBX \$33.90 |
| Cross City | Perry | R-1 \$ 7.70 B-1 \$20.80 PBX \$35.36 | R-1 \$.75 B-1 \$2.25 PBX \$3.75 | R-1 \$ 8.45 B-1 \$23.05 PBX \$39.11 |
| Cross City | Keaton Beach | R-1 \$ 7.70 B-1 \$20.80 PBX \$35.36 | R-1 \$.75 B-1 \$2.00 PBX \$3.25 | R-1 \$ 8.45 B-1 \$22.80 PBX \$38.61 |

The survey should be conducted within forty-five (45) days of the date the order from this recommendation becomes final. Southern Bell and United should submit the newspaper advertisement for staff's review prior to publication. The survey letter and ballot should be submitted to staff for review prior to distribution to customers. In addition, Southern Bell and United should provide staff with a copy of the published newspaper advertisement and the dates run.

STAFF ANALYSIS: The Commission identified the routes in Table C as having calling rates that warrant an interLATA alternative toll plan. All of the routes exhibited calling rates that exceeded our rule requirement for flat rate, nonoptional extended area service, but fell short of the distribution requirement by a small margin. The Commission voted to postpone making a determination regarding the type of alternative toll plan that should be implemented until after the conclusion of the EAS rulemaking docket. Staff was directed to review the EAS rules and develop qualifying criteria and standards for alternative toll plans. In addition, staff was to develop an alternative toll plan that would satisfy the concerns of Judge Greene and, at the same, time grant the customers the needed toll relief.

As stated earlier because of revisions to Chapter 364, Florida Statutes, by Chapter 95-403, Laws of Florida, the proposed EAS rule docket was closed. Staff believes the alternative toll plan which was developed during the rulemaking process is appropriate. In

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order to avoid confusion with other plans, staff will refer to this plan as the modified extended calling service (MECS) plan.

Because the routes involved in these dockets had significant calling rates and distribution factors, staff proposes to survey the customers to determine if they are in favor of the MECS plan. The customers should be balloted under the same criteria and conditions as provided in Issue 1.

It should be noted that staff did not calculate the revenue effect on any of the routes in this issue. Staff did not have the appropriate data to estimate the revenue impact. Because of the small exchange size, staff believes the revenue effect to the local exchange companies will be quite small.

Staff will bring a recommendation to the Commission outlining the results of balloting. If any of the routes pass the balloting, these routes should be implemented in both directions. Only the exchange which is balloted will pay an additive or receive the call allowance. Calls in the opposite direction will be rated just like ECS calls (Residential calls will be rated at \$.25 per call regardless of duration, and business calls will be rated at \$.10 for the first minute and \$.06 for each additional minute). In addition, staff will recommend that Southern Bell be required to request waivers of the Modified Final Judgement to implement the modified extended calling service plan.

Staff recommends that the customers in the exchanges listed in Table C, Column 1, be balloted for the modified extended calling service plan to the exchanges indicated in Column 2. Residential and business customers should be balloted at the rates provided in Table D, column 5, using a 10% additive. Usage rates for residential customers will be \$.25 per call regardless of duration, and business calls will be rated at \$.10 for the first minute and \$.06 for each additional minute. Residential customers will have a call allowance equal to the amount of the 10% additive divided by a per call rate of \$.25, with all residential calls over the allowance rated at \$.25 per call. Business customers will have a usage allowance equal to the amount of the additive.

The survey should be conducted within forty-five (45) days of the date the order from this recommendation becomes final. Southern Bell and United should submit the newspaper advertisement for staff's review prior to publication. The survey letter and ballot should be submitted to staff for review prior to distribution to its customers. In addition, Southern Bell and

DOCKET NOS. 870248-TL, 870790-TL, 900039-TL, 910022-TL, 910029-TL, 910528-TL, 910529-TL, 911185-TL, 920642-TL, 921193-TL, 930172-TL, 930235-TL

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United should provide staff with a copy of the published newspaper advertisement and the dates run.

ISSUE 3: Should any of the dockets in this recommendation be closed?

RECOMMENDATION: No. If no person whose substantial interests are affected files a protest within 21 days of the issuance date of the order from this recommendation, the order shall become final. A protest of the decision in one docket does not prevent the decision in the other dockets from becoming final. These dockets should remain open pending the outcome of the customer surveys.

STAFF ANALYSIS: No. If no person whose substantial interests are affected files a protest within 21 days of the issuance date of the order from this recommendation, the order shall become final. A protest of the decision in one docket does not prevent the decision in the other dockets from becoming final. These dockets should remain open pending the outcome of the customer surveys.