## FLORIDA PUBLIC SERVICE COMMISSION Capital Circle Office Center 9 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

## MEMORANDUM

August 6, 1997

# RECEIVED

2:00 1997

TO:

DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO) Records/Reporting

FROM:

100 DIVISION OF COMMUNICATIONS (WIGGINS DIVISION OF LEGAL SERVICES (CULPEPPER)

RE:

DOCKET NO. 970990-TL - PROPOSED TARIFF FILING BY GTE FLORIDA INCORPORATED TRANSFERRING A PORTION OF THE SARASOTA EXCHANGE INTO THE BRADENTON EXCHANGE.

AGENDA:

AUGUST 18, 1997 - REGULAR AGENDA - TARIFF FILING -INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES:

NONE

SPECIAL INSTRUCTIONS: 3:\PSC\CMU\K>\970990TL.RCM

#### CASE BACKGROUND

On July 10, 1997, GTE Florida Incorporated (GTE) filed a tariff proposing to transfer a portion of the Sarasota exchange (Lakewood Ranch area) into the Bradenton exchange. Attachment A is a map of the involved exchanges.

To expedite this request, GTE has filed a proposed customer information notice, survey, and ballot. GTB requested that the information notice be mailed to the affected customers one day after the order is issued from this recommendation to inform the customers of the proposed area transfer.

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### DISCUSSION OF ISSUES

<u>ISSUE 1</u>: Should GTE's tariff request to transfer a portion of the Sarasota exchange (Lakewood Ranch area) into the Bradenton exchange be approved?

RECOMMENDATION: Not at this time. The 26 business customers and 29 residential customers located in the Lakewood ranch area of the Sarasota exchange should be surveyed to determine if they are in favor of moving into the Bradenton exchange with a decrease in rates, a telephone number change, and a reduction in calling scope.

Staff recommends that GTE's information notice, survey letter, and ballot be approved, since they sufficiently advise customers that their rates will decrease, telephone numbers will change, and their local calling scope will be reduced if they are moved to the Bradenton exchange. The notice should be mailed one day after the order from this recommendation is issued. If no protest is received within 21 days of the issuance of the order, the survey letter and ballot should be mailed no later than 45 days from the date the order from this recommendation becomes final.

In order for the survey to pass, at least 50 percent of the customers balloted must respond, and of those responding at least 60 percent must be in favor or the boundary change.

STAFF ANALYSIS: On July 10, 1997, GTE filed a tariff requesting that the Lakewood Ranch area of the Sarasota exchange be moved into the Bradenton exchange. GTE serves both exchanges. There are 26 business customers and 29 residential customers in the area at this time. The purpose of this filing is to provide service to the Lakewood Ranch area from one exchange. The area transfer would insure that all Lakewood ranch area residences and businesses pay the same rates and have the same local calling scope.

Under GTE's proposal, customers' local rates will decrease (\$.45 per month for residential service and \$1.20 per month for business service), telephones numbers will change, and the customers will lose EAS to Venice and ECS to the Palmetto, North Port, and Englewood exchanges. Customers will gain EAS to Palmetto. The transfer will decrease the number of access lines the Lakewood Ranch area customers can call, moving them from a Rate Group 5 to a Rate Group 4. The exchanges' local calling scopes and rates are listed in Table A.

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Table A

EXCHANGE	R-1	B-1	EAS	ECS
Bradenton	\$11.36	\$28.70	Myakka, Palmetto, Sarasota	NONE
Sarasota	\$11.81	\$29.90	Bradenton, Myakka, Venice	Palmet o, North Port, Englewood

Staff believes that the customers should be surveyed on the proposed boundary change, since their local rates will decrease, telephone numbers will change, and their calling scope will decrease. There are no rules covering requirements for such a survey; however, in recent boundary change requests (Docket Nos. 951099-TL-North Golden Gate/Corkscrew, and 961048-TL-Wide Waters/Port St. Lucie), the Commission ordered that at least 50 percent of the balloted subscribers must respond and at least 60 percent of those responding must vote in favor of the boundary change for the survey to pass. Staff believes that the requirements cited above are reasonable and should also apply to this docket.

GTE submitted the customer information notice, survey letter, and ballot with its tariff filing for staff's review. Upon review, staff concludes the customer information notice, survey letter, and ballot sufficiently advise the customers that their rates will decrease, telephone number will change, and their local calling scope will decrease if they are moved to the Bradenton exchange. GTE requested that the notice be mailed one day after the order from this recommendation is issued. This notice will inform customers of the proposed area transfer and that if a protest is not received within the protest period, then GTE will mail out the survey letters and ballots.

Staff recommends that GTE's information notice, survey letter, and ballot be approved. Staff believes that the documents submitted by GTE sufficiently inform the affected customers that their rates will decrease, telephone numbers will change, and local calling scope will be reduced if they are moved to the Bradenton exchange. Staff agrees with GTE's request that the notice should be mailed one day after the order from this recommendation is issued. If no protest is received within 21 days of the issuance

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of the order, the survey and ballot should be mailed to conduct the survey no later than 45 days from the date the order from this recommendation becomes final. In order for the survey to pass, at least 50 percent of the customers balloted must respond, and of those responding at least 60 percent must be in favor of the boundary change. Staff believes that the boundary change should be approved if the survey passes by the requirements discussed above.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. If issue 1 is approved, this docket should remain open pending the outcome of the subscriber survey.

STAFF ANALYSIS: No. If issue 1 is approved, this docket should remain open pending the outcome of the subscriber survey.

