

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by SOUTH PONTE VEDRA) DOCKET NO. 880602-TL
 ASSOCIATION, INC. for extended area)
 service from St. Augustine to Ponte Vedra) ORDER NO. 21328
 Beach, Jacksonville Beach and Jacksonville) ISSUED: 6-5-89

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 JOHN T. HERNDON

NOTICE OF PROPOSED AGENCY ACTION
ORDER REQUIRING IMPLEMENTATION OF OPTIONAL
EXTENDED AREA SERVICE ON A MULTI-ROUTE BASIS

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 formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

This docket was initiated by Petitions filed with this Commission by the residents of the South Ponte Vedra area of the St. Augustine exchange, located in St. Johns County, Florida. The petitioners requested toll-free calling from their area of the St. Augustine exchange to the Jacksonville, Ponte Vedra Beach and Jacksonville Beach exchanges, located in Duval and St. Johns Counties, Florida. These areas are served by Southern Bell Telephone and Telegraph Company (Southern Bell), which is subject to our regulation, pursuant to Chapter 364, Florida Statutes.

By Order No. 19323, issued May 12, 1988, we directed Southern Bell to conduct traffic studies on the affected routes to determine if a sufficient community of interest existed pursuant to Rule 25-4.060, Florida Administrative Code. Based upon the results of those traffic studies, we issued Order No. 20514 on December 23, 1988, by which we directed Southern Bell to implement its Optional Extended Area Service (OEAS) plan on the St. Augustine to Jacksonville route. Additionally, we instructed our staff to further explore calling options from the St. Augustine exchange to the Ponte Vedra Beach and Jacksonville Beach exchanges

DISCUSSION

Rule 25-4.064, Florida Administrative Code, provides that where a request for extended area service (EAS) does not fully meet the requirements for flat-rate, nonoptional, two-way EAS, but higher than average calling rates exist, the Commission may

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give consideration to other alternative forms of toll relief, such as optional calling plans. We believe that the higher than average calling rates existing on the routes in this docket justify such relief. As we stated in Order No. 20514, Southern Bell itself has acknowledged the existence of a high level of calling interest from the South Ponte Vedra Beach pocket area of the St. Augustine exchange to Jacksonville, Jacksonville Beach and Ponte Vedra Beach. Accordingly, we find it in the public interest to offer additional optional toll relief to the customers in the St. Augustine exchange (which includes the South Ponte Vedra Beach pocket area) and announce our intention to direct Southern Bell to implement a multi-route OEAS plan in this docket.

Optional Extended Area Service Plan

In the last few years, several EAS plans have been presented and implemented in an effort to accommodate both the subscribers' request for relief from toll rates and the local exchange companies' (LECs') need to maintain revenues. For various reasons these plans have fallen into disfavor either with the Commission, the LECs or the ratepayers.

One primary reason for dissatisfaction has been the customers' lack of choice. EAS, by definition, is a nonoptional plan and, therefore, has often penalized the infrequent user. Southern Bell's OEAS plan is unique in that it does provide options to the type of toll relief a customer may choose.

The OEAS plan gives residential customers the following options: to keep current service (Option 1), subscribe to a flat rate option (Option 2), a discounted toll option (Option 3), a dropback option (Option 4), or an incoming calling option (Option 5). Business customers can choose between maintaining current service (Option 1) or subscribing to the discounted toll option (Option 3), the dropback option (Option 4), or to the incoming calling option (Option 5). Option 4 (dropback option) is not applicable on the St. Augustine to Jacksonville, Jacksonville Beach and Ponte Vedra Beach routes since St. Augustine does not have EAS to any other exchange.

We have carefully considered the simultaneous implementation of OEAS from one exchange to three other exchanges. The previously ordered implementation of OEAS on the St. Augustine to Jacksonville route would not be complicated or delayed by simply adding the access lines in each of the desired exchanges and establishing a multi-route OEAS rate based on the three exchanges' access line total. In this instance, each of the requested routes lie in the same mile band (23-55 miles) and the tariffed rates for OEAS are easily applied. By adding the access lines in Jacksonville (308,603), Jacksonville Beach (23,124) and Ponte Vedra Beach (8,196) for a total of 339,923 access lines, and selecting the range of 280,001-375,000 from the tariffed OEAS chart, one can readily obtain the applicable rates for the multi-route service. In this instance, the applicable rates are the same rates which we ordered for OEAS on the St. Augustine to Jacksonville route by Order No. 20514, issued December 23,

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1988, and as subsequently modified in Docket No. 880069, Order No. 21055, issued April 17, 1989. Accordingly, the company shall have an approved route-specific tariff in place to implement multi-route OEAS by the end of September, 1989, or sooner if it is determined that an earlier implementation date is possible. The tariff shall reflect the rate structure outlined below.

OEAS - ST AUGUSTINE TO JACKSONVILLE
JACKSONVILLE BEACH AND PONTE VEDRA BEACH

	<u>OPTION 1</u>	<u>OPTION 2</u>	<u>OPTION 3</u>	<u>OPTION 4</u>	<u>OPTION 5</u>
	<u>(Current Rate)</u>	<u>(Flat Rate)</u>	<u>(Discounted Toll)</u>	<u>(Drop Back)</u>	<u>(Inward)</u>
R1	\$ 8.40	\$ 10.85	\$ 3.80	\$ N/A	\$ 4.95
B1	22.90	N/A	7.60	N/A	8.80
PBX	51.59	N/A	15.20	N/A	16.20

The above OEAS rates are consistent with our decisions in other dockets and with Southern Bell's currently tariffed rates for the OEAS calling plan. It should be noted that OEAS will not be available on a route-by-route basis for each route in this docket, but rather that a subscriber who desires toll relief on any of these routes would need to subscribe to the multi-route OEAS offering. The economy of offering the plan on these routes in this manner is only realized by limiting the number of choices which may apply to each subscriber.

During the six-month period following initial implementation the company shall not charge any service order fee for initial subscription to the plan and shall allow customers to change options free of charge one time. Also, for those customers subscribing to the inward calling option, we will require that they be given the opportunity to have an unpublished number in the other exchange free of charge. This will solve the problem of customers being discouraged from subscribing to the option because they have to pay for unwanted and unsolicited calls on a minutes of use basis. There shall be no recurring charge associated with the nonpublished number, as the availability of the number is intended to encourage customers to select Option 5 if they need it. However, a customer initially selecting the inward calling option who fails to request a nonpublished number shall pay a secondary service order charge should they subsequently request this service.

We believe it is extremely important that customers understand the OEAS plan before choosing which option is appropriate for them. Therefore, Southern Bell shall mail a letter and ballot to each customer in the St. Augustine exchange; this mailing shall be separate from the customer's bill. The letter shall clearly explain the OEAS plan and instruct the customer to indicate his choice(s) on the ballot

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and return it to the company. The ballot shall also state that, within the six month period after initial implementation of the plan, there is no secondary service order charge for initial subscription and that a customer may change options free of charge one time during that period.

Any customer who fails to return the ballot shall retain existing toll service. Southern Bell shall submit the letter and ballot to this Commission for approval at least thirty (30) days prior to mailing.

Because OEAS itself is still a relatively new EAS plan, we lack historical data on its feasibility. Therefore, to monitor the level of customer acceptance, as well as impact on the company due to implementation, Southern Bell shall file a follow-up report with this Commission within eight (8) months after implementation of the plan. This report shall cover the first six months of implementation of the multi-route plan and shall contain the following information:

1. Trunking and central office requirements before and after implementation of the multi-route OEAS plan;
2. Trunking and central office equipment that would have been required as a result of normal growth (without OEAS);
3. The cost of any additional trunking and central office equipment necessary as a result of the implementation of the multi-route OEAS plan;
4. The estimated and actual take rates for each option under the multi-route OEAS plan, by customer class;
5. The monthly revenues received for each option; and
6. A record of any customer contact regarding 1+ dialing for the flat rate Option 2.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that our decision on the Petitions filed by the residents of the South Ponte Vedra area of the St. Augustine exchange reflected in Order No. 20514 is hereby modified to the extent outlined in the body of this order. It is further

ORDERED that Southern Bell Telephone and Telegraph Company shall offer a multi-route Optional Extended Area Service Plan which satisfies the terms of this Order. It is further

ORDERED that the effective date of our action described herein is June 27, 1989, if no protest to this Proposed Agency Action is filed within the time-frames set forth below. It is further

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ORDERED that if no protest is filed within the time-frames set forth below, this docket shall remain open pending receipt of the follow-up report to be submitted by Southern Bell Telephone and Telegraph Company after the implementation of multi-route OEAS.

By ORDER of the Florida Public Service Commission,
this 5th day of June, 1989.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

ABG

by: Kay Flynn
Chief, Bureau of Records

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.

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 at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on June 26, 1989. In the absence of such a petition, this order shall become effective June 27, 1989 as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

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.

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If this order becomes final and effective on June 27, 1989, any party adversely 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 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 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.