

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for extended area service )	DOCKET NO. 900288-TL
between Palatka and Green Cove Springs )	
by the Clay County Board of County )	ORDER NO. 23747
Commissioners )	
	ISSUED: 11-13-90

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman  
 THOMAS M. BEARD  
 BETTY EASLEY  
 GERALD L. GUNTER  
 FRANK S. MESSERSMITH

NOTICE OF PROPOSED AGENCY ACTION  
ORDER REQUIRING SURVEY OF CUSTOMERS  
FOR AN EXCHANGE TRANSFER

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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

This docket was initiated pursuant to a resolution filed with this Commission by the Clay County Board of County Commissioners, requesting that we consider requiring implementation of extended area service (EAS) between the Clay County pocket area of the Palatka exchange and the Green Cove Springs exchange. By Order No. 22985, issued May 25, 1990, we directed Southern Bell Telephone and Telegraph Company (Southern Bell or the Company) to perform traffic studies between these exchanges to determine whether a sufficient community of interest existed, pursuant to Rule 25-4.060, Florida Administrative Code. In particular, Southern Bell was directed to submit studies of the traffic between the Palatka exchange (with separate studies for the Clay County pocket area of the Palatka exchange) and the Green Cove Springs exchange. Both of these exchanges are served by Southern Bell and both are located in the Jacksonville LATA (local access transport area). The Company was required to prepare and submit these studies to us within sixty (60) days of the issuance of Order No. 22985, making the studies due by July 24, 1990. Subsequently, Southern Bell submitted the required traffic studies.

DOCUMENT NUMBER-DATE

10116 NOV 13 1990

FPSC-RECORDS/REPORTING

ORDER NO. 23747  
 DOCKET NO. 900288-TL  
 PAGE 2

Each of the involved exchanges currently has EAS as follows:

<u>EXCHANGE</u>	<u>ACCESS LINES</u>	<u>EAS CALLING SCOPE</u>
Palatka	14,623	Florahome, Hastings, Interlachen, Pomona Park, Welaka
Green Cove Springs	5,686	None

The demographics of the areas involved in this EAS request are described below.

#### Demographics

The majority of the Palatka exchange is in Putnam County; however, a small portion of the exchange lies in Clay County. The City of Palatka is located in Putnam County approximately 20 miles south of Green Cove Springs on U.S. 17. The Palatka wire center consists of approximately twelve (12) thousand residence access lines (of a total of 14,623 access lines). Residents of Palatka have access to medical, educational, recreational, and shopping facilities locally. They do not have a significant community of interest with Green Cove Springs with one minor exception.

As noted above, a small portion of the Palatka exchange lies in Clay County. In this one-half mile strip just north of the Putnam County/Clay County line, there are 15 subscribers. These people, located in Clay County but served by the Palatka Wire Center (Putnam County), have a need to communicate with Green Cove Springs - the location of their schools, county government, and other facilities. The community of interest for the Putnam County portion of the Palatka exchange is Putnam County. The community of interest for the Clay County pocket area of the Palatka exchange is Clay County.

Green Cove Springs is approximately 20 miles north of Palatka and is approximately 15 miles south of Orange Park. There are approximately 5,000 residence access lines in the Green Cove Springs exchange. The area has educational facilities to serve the local residents. They have some medical care facilities and some shopping facilities. However, the residents of Green Cove Springs

ORDER NO. 23747  
DOCKET NO. 900288-TL  
PAGE 3

go to Orange Park for hospital care, shopping, entertainment, and other recreational facilities. They do not have a community of interest with Palatka. There are likely a few residents along the southern boundary of the exchange who work in Putnam County at Georgia Pacific or Seminole Electric. However, for the most part, their community of interest is still Green Cove Springs.

Current basic local service rates for the exchanges involved in this EAS request are shown below.

PALATKA

R-1 \$ 8.40  
B-1 22.90  
PBX 51.59

GREEN COVE SPRINGS

R-1 \$ 7.70  
B-1 20.80  
PBX 46.97

DISCUSSION

By Order No. 22985, Southern Bell was directed to conduct traffic studies on the exchanges affected by the resolution to determine if a sufficient community of interest existed pursuant to Rule 25-4.060. For these studies, we requested that the Company measure the messages per main and equivalent main station per month (M/M/M) and percentage of subscribers making two (2) or more calls monthly to the exchanges for which EAS was proposed.

The results of the traffic studies indicate that the one-way calling rates, including foreign exchange (FX), on the affected routes are as follows:

<u>ROUTE</u>	<u>M/M/M</u>	<u>% MAKING 2 OR MORE CALLS</u>
Palatka to Green Cove Springs	.41	5.35

ORDER NO. 23747  
 DOCKET NO. 900288-TL  
 PAGE 4

Green Cove Springs to Palatka	1.19	14.24
Palatka (Clay County pocket) to Green Cove Springs	19.67	86.67
Green Cove Springs to Palatka (Clay County pocket)	.04	.76

Rule 25-4.060(2)(a) requires a minimum of 3.00 M/M/Ms, with at least fifty percent (50%) of the exchange subscribers making two (2) or more calls per month, to qualify for nonoptional EAS. The calling rates to and from the entire Palatka exchange are well below the minimum required for any sort of EAS. The calling rates from the Clay County pocket of the Palatka exchange, however, are extremely high and would be sufficient to warrant a survey for non-optional EAS if pocket areas were treated separately from their base exchanges. Although the calling rates for the Clay County pocket meet our stated criteria for a survey for nonoptional EAS, it has generally been our policy that EAS not be granted to pocket areas. Among the reasons for this policy are the scarcity of NXXs and issues of fairness. To implement EAS to the pocket area alone would, in this instance, require that 10,000 numbers be set aside for only 15 access lines. If EAS is thus excluded as a solution for the pocket area, the only means of addressing the concerns of those customers for calling to the requested exchange is a transfer of the pocket customers from the Palatka to the Green Cove Springs exchange. We note that the EAS request was submitted by the Clay County Board of County Commissioners and that the Putnam County customers of the Palatka exchange have not requested EAS to Green Cove Springs.

A transfer of the Clay County pocket area of the Palatka exchange would affect these customers in several ways. First and foremost, reclassification into the Green Cove Springs exchange would give these customers exactly the same calling scope of all other customers in the Green Cove Springs exchange (Green Cove Springs only), no more and no less. The affected customers would lose the calling scope they presently enjoy in the Palatka exchange (about 10,000 non-Palatka access lines in five exchanges, as well as Palatka). In addition, the rates for these customers would

ORDER NO. 23747  
 DOCKET NO. 900288-TL  
 PAGE 5

decrease somewhat (from a basic residential rate of \$8.40 per month to \$7.70 per month). The decrease in the basic rate would occur because subscribers in the Palatka exchange presently pay more than customers in the Green Cove Springs exchange (because of the difference in the size of their respective calling scopes). The customers' telephone numbers would change and these customers would be assigned a Green Cove Springs NXX code.

Upon consideration, we hereby propose requiring Southern Bell to survey its customers in the Clay County pocket area of the Palatka exchange for a transfer to the Green Cove Springs exchange. We see this as the best possible way to provide toll relief to these customers. The rates at which the customers shall be surveyed are those of the new exchange, Green Cove Springs, as follows:

<u>CUSTOMER CLASS</u>	<u>CURRENT RATE</u>	<u>NEW RATE</u>
R-1	\$ 8.40	\$ 7.70
B-1	22.90	20.80
PBX	51.59	46.97

A boundary change, as herein ordered, differs from a typical EAS implementation in that EAS involves the addition of local calling scope, while a boundary change may involve a change of calling scope. That is, while EAS extends the number of access lines a subscriber may call without any reduction in calling scope, a subscriber faced with a boundary change may have a new calling scope (and would, in this case). The boundary change subscriber may gain the ability to call some exchanges toll-free, while losing the ability to call other exchanges toll-free. EAS subscribers are generally charged some type of additive for their increased calling scope. Boundary change subscribers, on the other hand, should pay the same rates as those subscribers in the exchange to which they are transferred; they should not face any additive charges because they are faced with the loss of a portion of their previous calling scope. In this case, customers would lose calling to Palatka, Florahome, Hastings, Interlachen, Pomona Park, and Welaka in exchange for toll-free calling to Green Cove Springs.

The subscribers in the Clay County pocket area of the Palatka exchange shall be surveyed by Southern Bell within thirty (30) days

ORDER NO. 23747  
DOCKET NO. 900288-TL  
PAGE 6

The subscribers in the Clay County pocket area of the Palatka exchange shall be surveyed by Southern Bell within thirty (30) days of the date this proposed agency action becomes final. Prior to conducting the survey, Southern Bell shall submit its explanatory survey letter and ballot to our staff for approval. If the survey passes by a simple majority of the customers surveyed, Southern Bell shall implement the transfer within twelve (12) months of the date of survey approval.

While our action herein is not strictly EAS and, therefore, not bound by our EAS rules, we still believe many of the same issues must be considered. Inasmuch as the traffic studies reflect a sufficient community of interest to warrant consideration of an alternative to toll rates for the pocket area, we believe that the issues of cost and cost recovery should be examined. However, since the alternative being proposed in this docket does not consider costs in setting rates, we do not believe it is appropriate to require Southern Bell to conduct cost studies for this boundary change. We also do not believe it is appropriate to require cost recovery in the case of a boundary change, as additives of any sort would result in disparate basic local service rates within one exchange. Finally, we have been guided by our EAS rules in setting the voting requirement of a simple majority as sufficient for passage of the survey. While Rule 25-4.063(5)(a), Florida Administrative Code, requires a 51% majority for EAS survey approval, we have waived this rule in a number of recent EAS dockets, choosing to interpret the intent of the rule to mean a simple majority, rather than 51%, of those eligible to vote. We believe the same requirement is appropriate here.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the resolution filed with this Commission by the Clay County Board of County Commissioners is hereby approved to the extent outlined in the body of this Order. It is further

ORDERED that if no proper protest is filed within the time frame set forth below, Southern Bell Telephone and Telegraph Company shall, within thirty (30) days of the effective date of this Order, survey the subscribers in the Clay County pocket area of the Palatka exchange for a transfer to the Green Cove Springs

ORDER NO. 23747  
DOCKET NO. 900288-TL  
PAGE 7

exchange that complies with the terms and conditions set forth herein. It is further

ORDERED that Southern Bell Telephone and Telegraph Company shall submit its survey letter and ballot for our staff's approval prior to its distribution. It is further

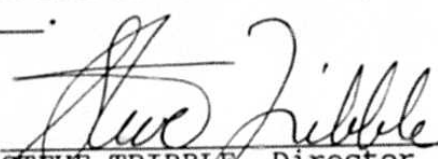
ORDERED that certain rules as described herein have been considered and determined to be inapplicable to the proposal ordered for the reasons set forth in the body of this Order. It is further

ORDERED that if the survey passes, the plan described herein shall be implemented by Southern Bell Telephone and Telegraph Company within twelve (12) months of the date of survey approval in this docket. It is further

ORDERED that the effective date of our action described herein is the first working day following the date specified below, if no proper protest to this Proposed Agency Action is filed within the time frame set forth below. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission, this 13th day of NOVEMBER, 1990.

  
\_\_\_\_\_  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

ABG

ORDER NO. 23747  
DOCKET NO. 900288-TL  
PAGE 8

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 December 4, 1990.

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 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



ORDER NO. 23747  
DOCKET NO. 900288-TL  
PAGE 9

must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.