

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for extended area service) DOCKET NO. 870790-TL
 (EAS) throughout Gilchrist County) ORDER NO. 23856
 _____) ISSUED: 12-10-90

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 DENYING REQUEST FOR EXTENDED AREA SERVICE

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.

This docket was initiated upon a resolution filed with this Commission by the Gilchrist County Board of County Commissioners. This resolution requested that we consider requiring implementation of extended area service (EAS) throughout Gilchrist County. Four exchanges are affected by this request: Branford, High Springs, Newberry and Trenton. The Branford and High Springs exchanges are served by ALLTEL Florida, Inc. (ALLTEL), while the Newberry and Trenton exchanges are served by Southern Bell Telephone and Telegraph Company (Southern Bell). Both companies are subject to regulation by this Commission pursuant to Chapter 364, Florida Statutes.

In addition to involving intercompany routes, this request also involves interLATA (local access transport area) routes. The Branford and High Springs exchanges are located in the Jacksonville LATA, while the Newberry and Trenton exchanges are located in the Gainesville LATA. Not one of the four exchanges is located exclusively in Gilchrist County.

By Order No. 17943, issued August 6, 1987, we directed ALLTEL and Southern Bell to prepare and submit traffic studies on the routes affected by this resolution so that we could determine if a sufficient community of interest existed pursuant to Rule 25-4.060, Florida Administrative Code. For those studies, we requested that

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the companies 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.

At the time we issued Order No. 17943, Gilchrist County consisted of the following non-EAS routes:

<u>ROUTE</u>	<u>MILEAGE</u>
Branford to High Springs	22
Trenton to Newberry	13
Branford to Trenton*	25
High Springs to Trenton*	21
Branford to Newberry*	30

*InterLATA routes

The High Springs to Newberry route, an interLATA route, already had flat rate, two-way, nonoptional EAS, which had been implemented prior to divestiture.

Subsequently, both ALLTEL and Southern Bell filed their respective traffic studies in response to Order No. 17943. As part of their traffic studies, the companies also submitted demographic information as described below.

The Gilchrist County seat is located in Trenton. The average income level in the Trenton exchange ranges from lower to middle income. Medical facilities, schools, and some stores are located in Trenton. The Newberry exchange is comprised of many retirees and second homes. The average income level in the Newberry exchange is lower to middle income. The western twenty percent (20%) of the Newberry exchange is located in Gilchrist County, while the rest of the exchange lies in Alachua County. The residents in the western twenty percent (20%) of the county go to school, shop, and have post office delivery in Trenton. The residents of the middle sixty percent (60%) of the Newberry exchange, located in Alachua County, are tied to Newberry for schools and shopping. For medical treatment, some residents go south to Williston, but most go east to Gainesville. The residents of the eastern twenty percent (20%) of the exchange have a community of interest with Gainesville. ALLTEL reports that the community of interest for the Gilchrist County residents in the

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Branford, Newberry and High Springs exchanges are the governmental offices, banks and other businesses located in Trenton.

The traffic studies submitted by the companies in response to Order No. 17943 revealed the following one-way calling rates on the affected routes, including foreign exchange (FX) data:

<u>ROUTE</u>	<u>M/M/Ms</u>	<u>% MAKING 2 OR MORE CALLS</u>
Branford to High Springs	.89	13.44%
High Springs to Branford	.93	8.49%
Trenton to Newberry	1.88	22.65%
Newberry to Trenton	4.09	21.31%
Branford to Trenton*	1.78	16.50%
Trenton to Branford*	n/a	n/a
High Springs to Trenton*	1.15	7.76%
Trenton to High Springs*	n/a	n/a
Branford to Newberry*	.17	2.45%
Newberry to Branford	n/a	n/a

*Interlata routes - ALLTEL filed traffic study results, but Southern Bell did not.

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 indicate a sufficient community of interest to warrant EAS. The results of the traffic studies indicated that the one-way calling rates on the routes for which we had traffic study data fell below this threshold rule requirement

At our February 2, 1988, Agenda Conference, we heard comments from two members of the Gilchrist County Board of County Commissioners (the County Commission) requesting a survey for countywide calling. While we believed the calling rates were very low, nevertheless, we instructed ALLTEL and Southern Bell to develop a countywide flat rate on which the customers could be surveyed.

Subsequently, the companies filed the requested countywide flat rates, along with a corresponding revenue impact statement. The matter was scheduled to be taken up again at our October 18, 1988, Agenda Conference. However, prior to that Agenda Conference, the Office of Public Counsel requested indefinite deferral of this

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item on behalf of the County Commission. The County Commission believed that the probability of the survey passing was very low because all four of the exchanges in Gilchrist County also partially lie in other counties.

Following this deferral, our staff continued to pursue various possibilities for providing toll relief to the customers in Gilchrist County. The County Commission has stressed the need for those subscribers living outside Trenton to be able to call their county seat. One customer sent a letter to our staff in December of 1988, outlining the calling problems in the county and making suggestions for a solution. This customer described the rural nature of the county and the problems this causes for those in outlying areas, particularly the need of those subscribers whose children attend school in Trenton to be able to contact the schools and vice versa, along with the need to contact county offices in Trenton. This customer noted that while some government offices did have FX lines to other exchanges, he believed a more efficient use of access lines could be achieved with EAS. One of his suggestions was to survey only the customers living within the Gilchrist County portions of the four exchanges for a flat rate, two-way, nonoptional calling plan. His second suggestion was to implement a two-way optional plan, recognizing the need for manual implementation through billing in the Branford exchange because of its step-by-step switch.

As to this customer's first proposal, while feasible, we have been against implementation of flat rate two-way EAS to pocket areas in the past. Among our reasons for this are the scarcity of NXX codes and issues of fairness. Nevertheless, because of assertions of both the county attorney and county residents that the portions of the exchanges outside Gilchrist County obscured the calling patterns within Gilchrist County, we issued Order No. 20607 on January 17, 1989, directing the companies to perform pocket area traffic studies.

In the meantime, in an attempt to provide some relief to customers, our staff filed a recommendation that County Seat Calling be implemented in Gilchrist County. This plan basically provides for free calling to particular county governmental agencies, schools, etc., as determined by the most frequently called numbers within the county. At our March 21, 1989, Agenda Conference where we considered this proposal, ALLTEL registered its opposition, stating that it had not been given sufficient time to

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study the proposal and did not know the costs to the company for implementation. Interexchange carriers (IXCs) also had concerns with the precedent-setting nature of such a proposal, considering the interLATA routes involved. Accordingly, we deferred the matter and directed the companies and our staff to gather further information on the proposal.

After the Agenda Conference, our staff received a number of letters outlining problems and concerns with County Seat Calling. Our staff also had conversations with the county attorney and others who stated that County Seat Calling was not a solution because calls to businesses and many other necessary places would not be included. Our staff then awaited the results of the pocket traffic studies.

Subsequently, both ALLTEL and Southern Bell filed the requested traffic studies, along with a request for specified confidential treatment of certain portions of the data. By Orders Nos. 21452 and 21453, issued June 27, 1989, we denied these requests. On July 11, 1989, both ALLTEL and AT&T Communications of the Southern States, Inc. (ATT-C) filed Protests of Order No. 21452. On July 13, 1989, Southern Bell filed a Motion for Extension of Time in which to respond to Order No. 21453. On July 14, 1989, ATT-C filed its Protest of Order No. 21453, along with a Motion to Accept Protest Filed Out of Time. On July 26, 1989, Southern Bell filed its Protest of Order No. 21453. After consideration of the arguments advanced in these protests, we issued Order No. 23654 on October 23, 1990, and granted specified confidential treatment to the traffic data for the interLATA routes in this docket.

On September 7, 1989, Gilchrist County filed a Motion Requesting Issuance of Proposed Agency Action Order (Motion), along with a Draft of Proposed Agency Action Order Granting Countywide Extended Area Service (Draft Order). This Motion, as well as the results of the pocket traffic studies, were considered at our November 6, 1990, Agenda Conference.

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Each of the involved exchanges currently has EAS as follows:

<u>EXCHANGE</u>	<u>ACCESS LINES</u>	<u>EAS CALLING SCOPE</u>
Branford	2,582	Dowling Park, Florida Sheriff's Boys Ranch, Live Oak, Luraville, Mayo, Wellborn
High Spring	3,075	Alachua, Fort White, Gainesville, Newberry
Trenton	2,517	Chiefland
Newberry	2,797	Alachua, Archer, Gainesville, High Springs

The route with the highest calling rate in both the initial traffic study and the second traffic study was the Newberry to Trenton route. In the initial study, the calling rate was 4.00 M/M/Ms, with 21.31% of the customers making two or more calls per month. The pocket study revealed calling rates from the Gilchrist County pocket of the Newberry exchange to the Trenton exchange of 5.44 M/M/Ms, with 49.67% of the customers making two or more calls per month. Toll relief was recently provided for this route. By Order No. 23200, in Docket No. 880069-TL, we ordered Southern Bell to implement its Enhanced Optional EAS (EOEAS) plan on this route. The company was ordered to implement EOEAS at the following rates effective June 20, 1990:

RESIDENCE OPTIONS

Premium (Option 2)	\$ 4.70
Discount (Option 3)	2.20
Incoming (Option 5)	4.95
Drop-Back (Option 4)	8.40

BUSINESS OPTIONS

Discount (Option 3)	\$ 4.40
Incoming (Option 5)	10.80
Drop-Back (Option 4)	22.90

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ESSX/PBX TRUNK OPTIONS

Discount (Option 3)	\$ 8.80
Incoming (Option 5)	16.20

The pocket studies showed calling rates from the Gilchrist County pocket of the Branford exchange to the Trenton exchange that met the rule requirement for M/M/Ms, but was far below the requirement for percentage of customers making two or more calls per month. Under some circumstances in the past, we have ordered implementation of Toll-Pac on such routes. In this instance, however, we do not believe such action is appropriate because this is an interLATA route and such routes have been deemed competitive since divestiture. The situation on this route is further complicated by the existence of a step-by-step switch in the Branford exchange; therefore, any type of discounted toll plan would have to be manually implemented through the billing system. It is our understanding that ALLTEL plans to convert this switch by December, 1991. The pocket studies revealed that for the rest of the routes, both interLATA and intraLATA, calling rates were very low. Accordingly, we announce our intention to deny further consideration of EAS in this docket.

In addition, we shall deny the Motion filed by Gilchrist County. As detailed at length above, none of the non-EAS routes meet the threshold of Rule 25-4.060. Accordingly, there is no factual or legal basis for granting the relief requested in the Draft Order.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the resolution filed by the Gilchrist County Board of County Commissioners requesting extended area service between all Gilchrist County exchanges is hereby denied for the reasons set forth herein. It is further

ORDERED that the Motion Requesting Issuance of Proposed Agency Action Order filed September 7, 1989, by Gilchrist County is hereby denied for the reasons set forth herein. 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

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proper protest to this proposed agency action is filed within the time frame set forth below. It is further

ORDERED that if no proper protest is filed within the time frame set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 10th day of DECEMBER, 1990.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

ABG

by: Kay Hizon
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

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Reporting at his office at 101 East Gaines Street, Tallahassee,
Florida 32399-0870, by the close of business on
December 31, 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 must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.