

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for county-wide toll )	DOCKET NO. 900302-TL
free telephone service by the Franklin )	ORDER NO. 23962
County Board of Commissioners. )	ISSUED: 1/7/91
)	

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 ACTIONORDER REQUIRING IMPLEMENTATION OF EXTENDED AREA SERVICE

BY THE COMMISSION:

This docket was initiated upon a resolution filed with this Commission by the Franklin County Board of County Commissioners. This resolution requested that we consider requiring implementation of extended area service (EAS) between all exchanges in Franklin County. Four exchanges are affected by this request: Alligator Point, Apalachicola, East Point, and Carrabelle. These exchanges are served by St. Joseph Telephone and Telegraph Company (St. Joe or the Company), which is subject to regulation by this Commission pursuant to Chapter 364, Florida Statutes. By Order No. 23044, issued June 7, 1990, we directed St. Joe 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. The Company was required to prepare and submit these studies to us within sixty (60) days of the issuance of Order No. 23044, making the studies due by August 6, 1990. Subsequently, St. Joe submitted the required traffic studies.

Calls between the Apalachicola exchange and the East Point exchange are local calls. All other interexchange calls within Franklin County are toll calls.

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

Demographics

Franklin County is primarily a rural county with employment mainly in the fishing and timber industries. The residents of Alligator Point are seasonal, with major interests elsewhere. The

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primary impetus for this docket was the concern expressed by residents of Carrabelle for toll free calling to Apalachicola, the county seat. The Company is not aware of any proposed changes in surface transportation for the county. Growth in the county is expected to be moderate. Residents of Franklin County are dependent upon Apalachicola as the primary source of in-county medical facilities. The only hospital in Franklin County is located in Apalachicola, as well as several other clinics and medical facilities. Virtually all Franklin County branches of state agencies, in particular, HRS offices, are located in Apalachicola.

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

ALLIGATOR POINT

R-1	\$ 5.90
B-1	16.15
Rotary	21.00
PBX	31.15

APALACHICOLA, CARRABELLE, AND EAST POINT

R-1	\$ 6.30
B-1	17.25
Rotary	22.40
PBX	33.15

DISCUSSION

By Order No. 23044, St. Joe 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 on the affected routes are as follows:

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<u>ROUTE</u>	<u>M/M/M</u>	<u>% MAKING 2 OR MORE CALLS</u>
Alligator Point to Apalachicola	.19	4.5
Alligator Point to Carrabelle	.48	8.0
Alligator Point to East Point	.34	2.0
Apalachicola to Alligator Point	.02	.5
Apalachicola to Carrabelle	1.22	15.0
Carrabelle to Alligator Point	.12	2.5
Carrabelle to Apalachicola	2.09	29.0
Carrabelle to East Point	2.12	25.0
East Point to Alligator Point	.02	.04
East Point to Carrabelle	1.94	21.0

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. As the results of the studies above indicate, none of the routes involved in this request met the threshold requirement of the Rule.

Since this docket was opened, our staff has met with the Carrabelle City Council and has had several discussions with the Company regarding the situation in Franklin County. The County Commission has continued to advocate toll free access to the county seat, as well as county-wide toll free calling.

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We have considered the feasibility of a wide variety of calling plans in reaching our decision in this docket. In so doing, we have attempted to strike a fair balance between the subscribers' desire for toll relief and the Company's need to recover its costs for providing such relief. While we do agree that there is a community of interest between the residents of Carrabelle and the Alligator Point, Apalachicola, and East Point exchanges, the traffic volumes do not justify implementation of nonoptional, flat rate, two-way calling between these exchanges without providing cost recovery to the Company. The expected costs to the Company include lost toll revenue plus the additional facilities necessary to convert the existing toll traffic to local traffic. The additional facilities needed are primarily additional trunking and switching costs.

Upon consideration, we hereby propose requiring St. Joe to survey all Franklin County subscribers for nonoptional, flat rate, two-way calling between all exchanges in Franklin County. The rates at which the customers shall be surveyed are as follows:

ALLIGATOR POINT

<u>Customer Class</u>	<u>Current Rate</u>	<u>New Rate</u>
R-1	\$ 5.90	\$ 7.80
B-1	16.15	19.75
Rotary	21.00	25.00
PBX	31.15	38.00

APALACHICOLA, CARRABELLE, AND EAST POINT

<u>Customer Class</u>	<u>Current Rate</u>	<u>New Rate</u>
R-1	\$ 6.30	\$ 7.80
B-1	17.25	19.75
Rotary	22.40	25.00
PBX	33.15	38.00

Under this calling plan, all four Franklin County exchanges would receive toll free calling to and from each other. The new rates would be uniform throughout the four exchanges.

St. Joe has stated that the expected costs of the additional facilities necessary for county-wide toll free calling are

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approximately \$200,000. The costs would be much greater, except that the Company, as part of its on-going modernization plans, will already be laying substantial fiber facilities in Franklin County in 1991, irrespective of the outcome of this docket. The expected cost of \$200,000 for trunking and switching is over and above the cost of the fiber facilities already being planned. To this figure, the loss of toll revenue for the routes must be added.

Based upon the traffic study data provided in this docket, the total toll revenue for intra-county toll calls for the one month June 1, 1990, billing period was \$8,028.96. Annualized, this comes to \$96,347.52 in lost toll revenue. The total revenue increase on a monthly basis using our proposed rates for county-wide calling would be \$9,672.25, which comes to \$116,067.00 on an annual basis. This revenue increase would replace the lost toll revenue of \$96,347.52 and leave an additional \$19,719.48 annually toward the stated \$200,000 cost of additional facilities required to implement EAS.

The subscribers in the Alligator Point, Apalachicola, Carrabelle, and East Point exchanges shall be surveyed by St. Joe within thirty (30) days of the date this Order become final. Prior to conducting the survey, St. Joe 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, St. Joe shall then implement the county-wide, toll free calling plan within twelve (12) months of the issuance date of our order on survey approval. By our requiring a simple majority, we are hereby waiving the fifty-one (51%) favorable vote requirement of Rule 25-4.063(5)(a), Florida Administrative Code.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the resolution filed by the Franklin 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, St. Joseph Telephone and Telegraph Company shall, within thirty (30) days of the date this Order becomes final, survey the subscribers in the Alligator Point, Apalachicola, Carrabelle, and East Point exchanges on the implementation of a

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flat rate, two-way, nonoptional extended area service plan that complies with the terms and conditions set forth herein. It is further

ORDERED that St. Joseph Telephone and Telegraph Company shall submit its survey letter and ballot to our staff for approval prior to their distribution. It is further

ORDERED that certain rules as described herein have been waived 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 St. Joseph Telephone and Telegraph Company within twelve (12) months of the issuance date of our Order on survey approval. 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  
7th day of JANUARY, 1991.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

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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 January 28, 1991.

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.