

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for county-wide toll	)	DOCKET NO. 900302-TL
free service by the Franklin County	)	ORDER NO. 24835
Board of Commissioners	)	ISSUED: 7/19/91
	)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
 J. TERRY DEASON  
 BETTY EASLEY  
 MICHAEL McK. WILSON

ORDER DENYING REQUEST FOR EXTENDED AREA SERVICE  
AND  
NOTICE OF PROPOSED AGENCY ACTION  
ORDER REQUIRING IMPLEMENTATION OF ALTERNATIVE TOLL PLAN

BY THE COMMISSION:

I. BACKGROUND

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 study data.

By Order No. 23962, issued January 7, 1991, we proposed requiring St. Joe to survey all of its Franklin County subscribers for implementation of nonoptional, flat rate, two-way calling between all exchanges in the County, at rates set forth in the Order. No protest was filed to our proposed action, so Order No. 23962 became final on January 29, 1991, following expiration of the protest period.

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## II. SURVEY RESULTS

In accordance with the directive contained in Order No. 23962, St. Joe proceeded to survey its Franklin County customers. St. Joe mailed 5397 ballots to all customers of record in Franklin County. The results of the survey are as follows:

	<u>NUMBER</u>	<u>PERCENT</u>
Ballots Mailed	5397	100%
Ballots Returned	2651	49%
Ballots Not Returned	2746	51%
Ballots for EAS	1717	32%
Ballots Against EAS	889	16%
Invalid Ballots	45	1%

In order for the survey to pass, we required a margin of fifty percent (50%) plus one (1) favorable vote (at least 2699 votes) out of all subscribers surveyed. Therefore, the survey has failed and we shall not require St. Joe to implement EAS on any of the routes in Franklin County.

## III. ALTERNATIVE TOLL PLAN

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.

Although the survey has failed, we believe there are several compelling reasons why some form of toll relief should be offered to the residents of Franklin County. Among these are community of interest factors other than traffic volume. Presently, calls from both the Alligator Point and Carrabelle exchanges to Apalachicola (the county seat) are toll calls. Residents are dependent upon Apalachicola as the primary source of in-county medical facilities. The only hospital in Franklin County is located in Apalachicola, along with numerous clinics and medical service providers. In addition, virtually all Franklin County branches of state agencies, in particular HRS offices, are located in Apalachicola. These are the same factors we recognized when we issued our Order in January.

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Upon consideration, we hereby propose requiring St. Joe to implement the alternative toll plan known as the \$.25 plan in Franklin County. Calls between all exchanges in Franklin County shall be rated at \$.25 per call, regardless of call duration, except between Apalachicola and Eastpoint, where toll free calling is already in place. These calls shall be furnished on a seven-digit basis and shall be reclassified as local. They shall be handled by pay telephone providers as any other local call. Customers may make an unlimited number of calls at \$.25 per call.

St. Joe shall implement this calling plan within twelve (12) months of the date this Order becomes final. The optional calling plan presently in place between Alligator Point and Carrabelle shall be eliminated simultaneously with implementation of the \$.25 plan.

We recognize that there is an economic impact to St. Joe as a result of our proposed calling plan. 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. Based upon the number of messages shown in the traffic study data, implementation of the \$.25 plan would yield \$3,209 in monthly revenue. Annualized, the \$.25 plan would yield \$38,508 in revenue, resulting in an annual revenue loss of \$57,840. A loss of this magnitude would represent a 0.43% reduction in return on equity for St. Joe, which we do not see as significant, given St. Joe's present healthy earnings position. It should be noted that these figures do not include any stimulation. Although stimulation levels can be difficult, even impossible to predict, if the number of calls on these routes were to little more than double, the projected revenue loss would be negated. Accordingly, we find it appropriate to waive Rule 25-4.062(4), Florida Administrative Code, which provides for full recovery of costs where the qualification for EAS is dependent upon calling levels and subscriber approval of the petitioning exchange (the entire county here).

Finally, following implementation of the calling plan, St. Joe shall file quarterly reports with our staff, broken down on a monthly basis. These reports shall include a detailed analysis of the distribution of calling usage among subscribers, over each route, segregated between business and residential users and combined, showing for each category the number of customers making zero (0) calls, one (1) call, et cetera, through twenty-five (25)

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calls, and in ten (10) call increments thereafter, to ninety-five (95) calls, and ninety-six (96) or more calls. These reports on usage shall be filed for a one year period following implementation. These usage reports shall also include a record of any customer contact, along with the reason for such contact, regarding the \$.25 calling plan.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the survey required by Order No. 23962 has failed and that St. Joseph Telephone and Telegraph Company shall not be required to implement the extended area service plan contemplated by Order No. 23962. 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 twelve months of the date this Order becomes final, implement an alternative toll plan in Franklin County in accordance with the terms and conditions set forth in Section III of this Order. It is further

ORDERED that Rule 25-4.062(4), Florida Administrative Code, has been waived for the reasons discussed in the body of this Order. It is further

ORDERED that St. Joseph Telephone and Telegraph Company shall file certain reports as set forth herein. It is further

ORDERED that our actions described in Section III of this Order shall become final and this docket shall be closed following the expiration of the protest period specified below, if no proper protest to our proposed agency action is filed in accordance with the requirements set forth below.

By ORDER of the Florida Public Service Commission, this 19th  
day of JULY, 1991

  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )  
ABG

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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.

As identified in the body of this Order, our action in Section III of this Order 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 8/9/91. In the absence of such a petition, this Order shall become effective on the date 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 the relevant portion of 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.

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Any party adversely affected by the Commission's final action in Section II of this Order may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or 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 after the issuance 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.