

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Boynton Beach )	DOCKET NO. 910471-TL
subscribers for extended area service )	
to the Boca Raton, Deerfield Beach, )	ORDER NO. 25493
Coral Springs, Pompano Beach, and Ft. )	
Lauderdale exchanges )	ISSUED: 12/17/91
)	

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION  
ORDER DENYING EAS AND REQUIRING IMPLEMENTATION OF  
AN ALTERNATIVE TOLL PLAN

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 pursuant to a petition submitted by subscribers of the Boynton Beach exchange. The petition requested implementation of EAS between the Boynton Beach, Boca Raton, Deerfield Beach, Coral Springs, Pompano Beach, and Ft. Lauderdale exchanges. Southern Bell Telephone and Telegraph Company (Southern Bell or the Company) serves all of these exchanges, and all of the exchanges are located in the Southeast LATA (local access transport area).

Each of the involved exchanges currently has EAS as follows:

<u>EXCHANGE</u>	<u>ACCESS LINES</u>	<u>EAS CALLING SCOPE</u>
BOCA RATON	124,467	Coral Springs, Deerfield Beach, Delray Beach, Pompano Beach
BOYNTON BEACH	47,204	Delray Beach, West Palm Beach

DOCUMENT NUMBER-DATE

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<u>EXCHANGE</u>	<u>ACCESS LINES</u>	<u>EAS CALLING SCOPE</u>
CORAL SPRINGS	43,271	Boca Raton, Deerfield Beach, Ft. Lauderdale, Pompano Beach
DEERFIELD BEACH	47,627	Boca Raton, Coral Springs, Delray Beach, Ft. Lauderdale, Pompano Beach
FT. LAUDERDALE	363,142	Coral Springs, Deerfield Beach, Hollywood, Pompano Beach
POMPANO BEACH	162,433	Boca Raton, Coral Springs, Deerfield Beach, Ft. Lauderdale

Order No. 24422, issued April 23, 1991, required Southern Bell to conduct traffic studies on these routes. The calling rates on the routes at issue are as follows:

<u>ROUTES TO/FROM</u>	<u>CALLING RATE M/M/M</u>	<u>CUSTOMERS MAKING 2+ CALLS PER MONTH</u>
Boynton Beach/Boca Raton	4.89	35.17%
Boca Raton/Boynton Beach	1.73	21.23%
Boynton Beach/Coral Springs	.50	5.11%
Coral Springs/Boynton Beach	.52	6.80%
Boynton Beach/Deerfield Beach	1.02	9.62%
Deerfield Beach/Boynton Beach	1.21	9.20%
Boynton Beach/Ft. Lauderdale	2.78	19.69%
Ft. Lauderdale/Boynton Beach	.34	3.49%
Boynton Beach/Pompano Beach	1.71	15.20%
Pompano Beach/Boynton Beach	.55	5.68%

None of the routes qualify for nonoptional, flat rate, two way toll free calling. Rule 25-4.060(2), Florida Administrative Code requires a two-way calling rate of two (2) M/M/Ms or greater with at least 50% of the exchange subscribers making calls per month. Alternatively, a one-way calling rate of three (3) M/M/Ms or greater with at least 50% of the exchange subscribers making two (2) or more calls per month is adequate if the petitioning exchange is less than half the size of the exchange to which EAS is sought.

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In cases where calling rates and community of interest considerations are not sufficient to justify traditional EAS, we have considered various optional toll relief plans. The specific plan offered is generally dependent upon the traffic volumes on the routes under consideration. In cases where traffic volumes are extremely low, or where community of interest factors are insufficient, we have sometimes rejected any toll alternative.

In several recent dockets we have ordered the \$.25 plan as an alternative to traditional EAS. Recent examples include Franklin, Jackson, Holmes, Okaloosa, and Walton Counties where the \$.25 plan was ordered on a countywide basis (with the rate subsequently reduced to \$.20 per call in all but Franklin County). The plan has also been ordered recently on the Reedy Creek/Kissimmee, Mt. Dora/Orlando, Mt. Dora/Winter Park, Mt. Dora/Apopka, Sanford/Orange City, and Sanford/Deland routes.

The \$.25 plan has gained favor for several reasons. Among these are its simplicity, its message rate structure, and the fact that it can be implemented as a local calling plan on an interLATA basis. Optional EAS plans, particularly OEAS plans, are somewhat confusing to customers, the additives or buy-ins are generally rather high, and the take rates for most OEAS plans are rather low.

The Boynton Beach to Boca Raton route exhibits average calling volumes which would qualify for traditional EAS under our rules. However, the percentage of customers making two or more calls on this route is below the threshold requirement for a survey for traditional EAS. Upon review, we find that the \$.25 plan, is appropriate, in both directions, on the Boynton Beach to Boca Raton route.

Although the Boynton Beach/Ft. Lauderdale route exhibits average calling volumes of 2.78 calls per month, we find that no alternative plan should be offered on this route at this time. The percentage of customers making two or more calls per month is only 19.69%, and three exchanges would be "leapfrogged" by the Boynton Beach/Ft. Lauderdale route.

Since we find that the \$.25 plan is appropriate for the Boynton Beach/Boca Raton route, all toll traffic on this route shall be reclassified as local and be message rated at \$.25 per message regardless of the duration of the call. Customers may make an unlimited number of calls at \$.25 per call. These local calls

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will be dialed on a seven digit basis and will be handled by pay telephone providers as any other local call.

Inasmuch as the traffic study reflects a sufficient community of interest to warrant implementation of an alternative to toll rates on a route, and the alternative chosen does not consider the costs in order to set the rates, the Company shall be relieved of the cost studies required by Rule 25-4.061, Florida Administrative Code.

Although this decision involves an alternative to traditional EAS, similar cost issues arise. Under Rule 25-4.062(4), Florida Administrative Code, in situations where the qualification for extended area service relies on the calling interest of the petitioning exchange and subscriber approval of the plan, recovery of costs is assigned as follows:

[T]he requested service may still be implemented, provided that the entire incremental cost for the new service, less any additional revenues generated by regrouping in either or both exchanges, shall be borne by the subscribers of the petitioning exchange.

Therefore, on any two-way plan, according to the Rule, the subscribers in the petitioning exchange must bear the burden and the telephone company will recover the costs in whatever manner the Commission deems.

However, it has been shown in every EAS docket (e.g. Docket No. 870436-TL, Hastings-St. Augustine EAS) for which cost information has been submitted that full recovery of cost results in unacceptably high rates to customers. For this reason, we have waived this Rule in every EAS docket for which traditional EAS has been ordered. Similarly, we find that full recovery of costs in this case will result in unacceptably high rates to customers. Therefore, full cost recovery shall not be permitted and Rule 25-4.062(4) shall be waived.

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Although we find that this Rule shall be waived, we have calculated the following approximate revenue impact:

Existing Monthly Toll Revenue	\$ 194,044
Proposed Local Revenue (\$.25 plan)	\$ 110,252
Monthly Revenue Impact	\$ 83,792
Annual Revenue Impact	\$1,005,504

Docket No. 910471-TL shall be closed at the end of the protest period, assuming no timely protest is received. Our staff shall place this matter on monitor status to ensure that Southern Bell submits appropriate tariff revisions and complies with the implementation date.

Therefore, based upon the foregoing, it is

ORDERED by the Florida Public Service Commission that the calling rates on the Boynton Beach/Boca Raton, Boynton Beach/Coral Springs, Boynton Beach/Deerfield Beach, Boynton Beach/Ft. Lauderdale, and Boynton Beach/Pompano Beach toll routes do not qualify for nonoptional, flat rate, two-way toll free calling. It is further

ORDERED that calls on the Boynton Beach/Boca Raton route shall be rated at \$.25 per call, regardless of call duration. These calls shall be furnished on a seven-digit basis. Non-LEC pay telephone providers shall charge end users as if these calls were local \$.25 calls, and the providers will pay the standard measured usage rate to the LEC. Southern Bell Telegraph and Telephone Company is hereby ordered to implement this change within six (6) months of the date that this Order becomes final. No alternative plan shall be offered on the Boynton Beach/Coral Springs, Boynton Beach/Deerfield Beach, Boynton Beach/Ft. Lauderdale, or Boynton Beach/Pompano Beach toll routes. It is further

ORDERED that the Commission hereby waives Rule 25-4.061, Florida Administrative Code, and shall not require Southern Bell Telephone and Telegraph Company to conduct cost studies on these routes. It is further

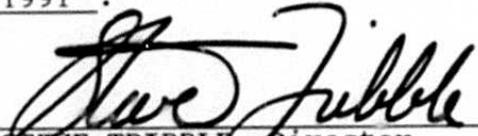
ORDERED that Rule 25-4.062(4), Florida Administrative Code, is hereby waived. Thus, the toll alternative plan is not required to

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permit full recovery of costs and lost revenues, including incremental costs. It is further

ORDERED that Docket No. 910471-TL shall be closed at the end of the PAA protest period assuming no timely protest is received in accordance with this requirements set forth below.

By ORDER of the Florida Public Service Commission, this 17th day of DECEMBER, 1991.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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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

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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 01/07/92.

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 wastewater 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.