

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Bonita)
Springs residents for extended)
area service between Bonita)
Springs and the Fort Myers)
and Naples exchanges.)
_____)

DOCKET NO. 910027-TL
ORDER NO. PSC-92-0322-FOF-TL
ISSUED: 05/11/92

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION
ORDER REQUIRING IMPLEMENTATION OF
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.

BACKGROUND

This docket was initiated pursuant to petitions filed with this Commission by residents of the Bonita Springs exchange. The petitions requested that we consider requiring implementation of extended area service (EAS) between the Bonita Springs exchange and the Fort Myers and Naples exchanges. The Bonita Springs and Fort Myers exchanges are located in Lee County, while the Naples exchange is located in Collier County. All three exchanges are served by United Telephone Company of Florida (United or the Company), which is subject to regulation by this Commission pursuant to Chapter 364, Florida Statutes.

By Order No. 24089, issued February 8, 1991, we directed United to perform traffic studies between these exchanges to determine whether a sufficient community of interest exists, 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. 24089, making

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the studies due by April 9, 1991. Subsequently, United submitted the required traffic studies.

By Order No. 25005, issued September 3, 1991, we proposed requiring United to survey the Bonita Springs subscribers for implementation of flat rate, two-way, nonoptional EAS under the 25/25 plan with regrouping, at rates set forth in that Order. With the plan we proposed, the Bonita Springs, Fort Myers, and Naples exchanges would all receive toll-free calling to and from each other. Only the rates in the Bonita Springs exchange would increase; therefore, the Fort Myers and Naples exchanges were not included in the customer survey. No protest was filed to our proposed action, so Order No. 25005 became final and effective on September 25, 1991. United then proceeded to conduct the survey.

We reported the results of the first customer survey in Order No. 25728, issued February 17, 1992. Because of several perceived and actual problems with this survey, we directed United to resurvey the Bonita Springs subscribers under the terms and conditions specified in order No. 25005, with one change. The new survey would also include calling to and from the Fort Myers Beach exchange at the same rates originally proposed. For this second survey, the Company was directed to develop separate and readily identifiable ballots to be sent to those customers subscribing to the Local Exchange Pricing (LEP) plan (also known as the Optional Extended Local Calling (OELC) plan). United then proceeded to conduct the second survey as directed.

SURVEY RESULTS

Our rules outline two methods by which an EAS survey may pass. The first method is specified in Rule 25-4.063(5)(a), Florida Administrative Code (the Rule), which requires that a majority of all eligible voters respond favorably in order for the survey to pass. Alternatively, Subsection (5)(b) of the Rule states that a survey will pass if 60% of the respondents in the exchange vote favorably and at least 70% of all subscribers required to be surveyed respond. The effect of Subsection (5)(b) is that at least 42% (60% of 70%) of the ballots must be in favor of EAS for the survey to pass. The results of the second survey are as follows:

	<u>NUMBER</u>	<u>% OF TOTAL MAILED</u>	<u>% OF TOTAL RETURNED</u>
Ballots Mailed	19,626	100.00%	N/A
Ballots Returned	12,959	66.03%	100.00%
Ballots Not Returned	6,667	33.97%	N/A
For EAS	7,764	39.56%	59.92%
Against EAS	5,184	26.41%	40.00%
Invalid	11	.06%	.08%

Under the Rule, the survey has failed. However, we believe that the Bonita Springs customers have convincingly expressed their desire for EAS to Fort Myers and Naples. Residents of Bonita Springs have tried three times since 1978 to get flat rate EAS to Fort Myers and Naples. 7,500 signatures were gathered on the initial petitions which were filed to open this docket. In addition, 4,459 subscribers presently self-impose a minimum additive of \$6.60 per month for flat rate calling to either Fort Myers or Naples, while another 4,700 non-OELC subscribers voted to pay a minimum additive of \$4.45 per month.

In consideration of the factors set forth above, as well as the higher than average interexchange calling rates, we hereby propose waiving the requirements of the Rule and finding that the survey has passed. Accordingly, United shall be required to implement flat rate, two-way, nonoptional toll free calling between Bonita Springs, Fort Myers, Fort Myers Beach, and Naples in accordance with the terms and conditions set forth in Order No. 25005, as modified by Order No. 25728. This service shall be implemented as soon as possible, but no later than twelve (12) months from the date this Order becomes final.

We recognize that our proposed rate increases are substantial. However, United offers an optional message rate service, known as Smalltalk, at 70% of the basic local service rate. We believe this optional service is an excellent choice for those customers who make a limited number of calls each month. With EAS, a Smalltalk subscriber would be allowed 30 free calls per month, including calls to the EAS exchanges, for a net increase of only \$.95 per month from normal basic local service rates. Additional calls

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would be rated at \$.10 each. Customers who are concerned about the \$4.45 additive should be encouraged to consider switching to Smalltalk, since they would get the benefit of the increased calling scope, but for a much smaller increase. Therefore, we shall require United to include a bill stuffer describing Smalltalk, at the time subscribers are notified of the impending EAS changes. In addition, United shall be required to waive the non-recurring charge for Bonita Springs subscribers who choose to subscribe the Smalltalk, from the time of the bill stuffer, until sixty (60) days after the implementation date of EAS.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Rule 25-4.063(5), Florida Administrative Code, is hereby waived and the survey conducted pursuant to Order No. 25728 is found to have passed. It is further

ORDERED that if no proper protest is filed within the time frame set forth below, United Telephone Company of Florida shall, within twelve months of the date this Order becomes final, implement an extended area service plan between the Bonita Springs, Fort Myers, Fort Myers Beach, and Naples exchanges that complies with the terms and conditions set forth in the body of this Order. It is further

ORDERED that our proposed action shall become final following 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. It is further

ORDERED that this docket shall remain open until a final order is issued in Docket No. 910980-TL.

By ORDER of the Florida Public Service Commission, this 11th day of May, 1992.



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 June 1, 1992.

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.