

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request by Palm Beach) DOCKET NO. 921193-TL
County Board of County) ORDER NO. PSC-93-1828-FOF-TL
Commissioners for Extended Area) ISSUED: December 27, 1993
Service (EAS) between all)
exchanges in Palm Beach County)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION
ORDER REGARDING 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.

I. BACKGROUND

This docket was initiated pursuant to a resolution filed by the Palm Beach County Board of County Commissioners requesting extended area service (EAS) between all exchanges in Palm Beach County. Southern Bell provides service to the West Palm Beach, Belle Glade, Boca Raton, Boynton Beach, Delray Beach, Jupiter and Pahokee exchanges, which are located in the Southeast LATA. United Telephone provides service to the Clewiston exchange, which is located in the Fort Myers Market Area.

Several orders have been issued in this docket: 1) by Order No. PSC-93-0029-PCO-TL, issued January 6, 1993, we required Southern Bell and United to conduct traffic studies on these routes; 2) by Order No. PSC-93-0321-PCO-TL, issued March 2, 1993, Order No. PSC-93-0029-PCO-TL was reissued to ensure adequate notice to United since it was inadvertently left off of the mailing list for this docket and was not furnished a copy of the order at the time it was issued; 3) by Order No. PSC-93-0764-PCO-TL, issued May 20, 1993, we granted Southern Bell's second motion for extension of time and found the first motion for extension of time moot; 4) by Order No. PSC-93-1042-CFO-TL and PSC-93-1043-CFO-TL, issued July

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FPSC-RECORDS/REPORTING

19, 1993, we granted Southern Bell and United's requests for confidential treatment of the intraLATA and interLATA traffic data filed by the companies in this docket; 5) by Order No. PSC-93-1168-FOF-TL, issued August 10, 1993, the Commission partially modified Order No. PSC-93-0029-PCO-TL which required Southern Bell to file traffic studies on specific interLATA routes. This Order relieved Southern Bell from the requirement of providing traffic data on interLATA routes in this docket (this involved only calls into the Clewiston exchange).

II. ROUTES TO BE SURVEYED

In order to qualify for an EAS survey, Rule 25-4.060(2), Florida Administrative Code, requires a calling rate of at least three M/A/M's in cases where the petitioning exchange contains less than half the number of access lines as the exchange to which EAS is desired. The Rule also requires that at least 50% of the subscribers in the petitioning exchange make two or more calls per month to the larger exchange to qualify for traditional EAS. Upon review, we find that calling rates on three (3) of the twelve (12) routes reviewed in this docket are sufficient to warrant a survey for nonoptional, flat rate, two-way toll free calling. Delray Beach/West Palm Beach and Boynton Beach/ Boca Raton shall also be surveyed to avoid leapfrogging and shall be balloted under the same terms and conditions as the routes that met the EAS qualifications. The Five routes which shall be surveyed are listed below:

Belle Glade/West Palm Beach
Boynton Beach/Boca Raton
Pahokee/West Palm Beach
Delray Beach/West Palm Beach
Boca Raton/West Palm Beach

The surveys shall be conducted within forty-five (45) days of the date this Order becomes final. Southern Bell shall submit its newspaper advertisement for review by our staff prior to publication. Likewise, the survey letter and ballot shall be submitted to staff for review prior to distribution to its customers. The Company shall provide our staff with a copy of the published newspaper advertisement and the dates run.

If the Boca Raton survey passes, the existing OEAS plan for the Boca Raton/West Palm Beach and the West Palm Beach/Boca Raton routes shall be discontinued simultaneously with the implementation of EAS. The EOEAS plan for the Belle Glade/West Palm Beach, Delray Beach/West Palm Beach and Pahokee/West Palm Beach shall also be discontinued simultaneously with the implementation of EAS, if the Belle Glade, Delray Beach and Pahokee surveys pass. If the Delray

Beach/West Palm Beach survey passes, OEAS on the West Palm Beach/Delray Beach route shall be discontinued simultaneously. If the Boynton Beach/Boca Raton survey passes, the \$.25 plan will be discontinued with the implementation of EAS. If the surveys pass (each survey is independent of the other), EAS shall be implemented within twelve months of the our Order approving the survey. Furthermore, if the surveys pass, the additive shall stay in place for two years after implementation of EAS or until Southern Bell's next earnings review, which ever comes later.

III. Rates

The Belle Glade, Pahokee, Delray Beach, and Boca Raton exchanges shall be surveyed for nonoptional, flat rate, two-way EAS to West Palm Beach at the rates listed below:

EXCHANGE	RESIDENTIAL 1-PARTY	BUSINESS 1-PARTY	PBX
Belle Glade	\$14.91	\$40.51	\$90.83
Pahokee	\$14.95	\$40.63	\$91.09
Delray Beach	\$14.26	\$39.03	\$87.52
Boca Raton	\$14.04	\$38.36	\$86.00

At these rates, subscribers will pay for 25% of Southern Bell's toll loss in addition to the regrouping and 25/25 additives. We find that imposition of the 25% toll recovery additive to be appropriate because, without it, the loss to Southern Bell could create upward pressure to local rates. Indeed, without the additive, Southern Bell would lose over \$6.2 million annually. With the 25% toll recovery additive Southern Bell's annual loss would be reduced to \$1.8 million.

Boynton Beach/Boca Raton shall be surveyed with the 25/25 plan and regrouping additives only because analysis of this route indicates the addition of these additives would recover 99% of Southern Bell's toll loss for this route. The rates for the Boynton Beach/Boca Raton route are:

R-1 \$12.74;
B-1 \$34.83;
PBX \$78.13.

IV. Alternative Plan

None of the calling rates on the remaining routes (those that did not meet the EAS requirements) exhibited calling rates and/or distribution sufficient to warrant an alternative toll plan except the Clewiston/Belle Glade route. This route is an interLATA route involving Southern Bell and shall be evaluated for an alternative plan, along with similar routes, once an acceptable interLATA plan is developed.

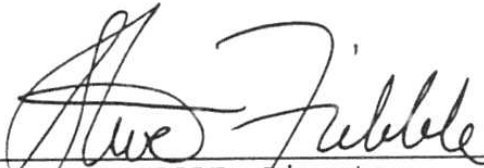
Therefore, it is

ORDERED by the Florida Public Service Commission that EAS surveys shall be conducted for the routes and at the rates set forth in the body of this Order. It is further

ORDERED that the Clewiston/Belle Glade route shall be evaluated for an alternative plan, along with similar routes, once an acceptable interLATA plan is developed. It is further

ORDERED that this docket shall remain open to review the results of customer surveys.

By ORDER of the Florida Public Service Commission, this 27th day of December, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)
CWM

Commissioner Luis Laurodo concurs as follows:

While I vote with the majority in this case, I am concerned that we are addressing EAS and boundary change requests in a piecemeal fashion. A better strategy might be to defer all EAS decisions until the Commission has an opportunity to develop a comprehensive approach to address the various scenarios presented by such requests. In this regard, I observe that our staff currently is preparing a generic study of EAS issues for presentation in June of 1994. As this time approaches, it is my preference that EAS and boundary change requests be deferred so that they can be treated in a consistent fashion.

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 17, 1994.

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.