

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Resolution by Volusia ) DOCKET NO. 950221-TL  
County for extended area service ) ORDER NO. PSC-95-1137-FOF-TL  
(EAS) from the DeBary exchange ) ISSUED: September 12, 1995  
to the Winter Park and Orlando )  
exchanges. )  
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The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman  
J. TERRY DEASON  
JOE GARCIA  
JULIA L. JOHNSON  
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION

ORDER REGARDING REQUEST FOR 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 substantially 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 on February 17, 1995, by Volusia County requesting extended area service (EAS) from the DeBary exchange to the Winter Park and Orlando exchanges. The DeBary and Orlando exchanges are served by BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company (Southern Bell). The Winter Park exchange is served by United Telephone Company of Florida (United). All of the exchanges are located in the Orlando LATA (local access and transport area).

By Order No. PSC-95-0322-FOF-TL, issued March 8, 1995, we ordered United and Southern Bell to conduct traffic studies on the proposed EAS routes in this docket.

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II. Extended Area Service

Southern Bell has filed the calling volumes for the toll routes originating in its DeBary and Orlando exchanges with a request for confidential classification. The calling volumes and distribution factors for United are listed below in Table A.

TABLE A

INTEREXCHANGE CALLING RATE		
FROM/TO	CALLING RATE M/A/M	CUSTOMERS MAKING 2+ CALLS PER MONTH
Winter Park/DeBary	.50	.07%

Section 364.385(2), Florida Statutes (1995), provides that all applications for extended area service, or extended calling service pending before the Commission on March 1, 1995, shall be governed by the law as it existed prior to July 1, 1995. Because this EAS docket was pending prior to March 1, 1995, our existing EAS rules apply. Thus, Rule 25-4.060(3), Florida Administrative Code, requires a calling rate of at least three M/A/Ms (Messages per Access Line per Month) in cases where the petitioning exchange contains less than half the number of access lines as the exchange to which EAS is desired. This rule further 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.

The DeBary/Orlando and DeBary/Winter Park routes have calling rates and distribution factors similar to those in Docket No. 941281-TL. Even though the calling volume and distribution factors in these dockets are almost identical, the significant difference is that the routes involved in Docket No. 941281-TL are interLATA and the routes involved in this docket are intraLATA.

Based on Rule 25-4.060(3), Florida Administrative Code, we find that none of the routes under consideration in this docket meet the distribution requirements to qualify to be balloted for nonoptional, two-way, flat rate EAS.

### III. Alternative Toll Plan

Because different local exchange companies (LECs) have different names for the same alternative toll plan, we will refer to what has historically been called the "\$.25 hybrid plan" as "extended calling service" (ECS). ECS rates residential calls at \$.25 per call regardless of duration, and business calls at \$.10 for the first minute and \$.06 for each additional minute.

We note that Southern Bell filed a proposal to satisfy the outstanding revenue reduction of \$25 million in accordance with Docket No. 920260-TL. Southern Bell proposes to implement extended calling service ECS on 252 intra-company, intraLATA routes. One of these routes is the DeBary/Orlando route.

The calling volumes on the DeBary/Orlando and DeBary/Winter Park routes exceeded the M/A/M requirement for traditional EAS under our rules; however, the distribution factor was below the threshold requirement.

Historically, we have considered an alternative toll plan on routes that met the calling rate requirement and exhibited a substantial showing on the distribution factor. Typically, these cases were close to meeting our requirements but fell short by a small percentage on the distribution factor. The DeBary/Orlando and DeBary/Winter Park routes met this criteria.

However, since September 1993, we have postponed ordering the implementation of alternative toll plans until the conclusion of the EAS rulemaking docket. This delay was to enable us to develop alternative toll plans that could be implemented both intraLATA and interLATA and to revise the EAS rules. Because of the new legislation, we decided not to proceed with the rulemaking process for EAS. The pending EAS dockets will be addressed based on subject type.

The calling rates and distribution factors on the DeBary/Orlando and DeBary/Winter Park routes exhibit a community of interest sufficient to warrant an alternative toll plan. In addition, we believe it is appropriate to allow interexchange carriers (IXCs) to continue to carry the same types of traffic on these routes that they are now authorized to carry. This is consistent with Order No. PSC-94-0572-FOF-TL, issued May 16, 1994, in Docket No. 911034-TL - Request by the Broward County Commission for EAS between Fort Lauderdale, Hollywood, North Dade and Miami.

In computing revenue impact, we considered a 50% stimulation factor. This is consistent with the stimulation factor used by Southern Bell in determining the revenue impact of its ECS proposal in Docket No. 920260-TL. With stimulation we estimate an annual revenue loss of \$676,006 for Southern Bell. Absent stimulation the annual revenue loss is projected to be \$1,100,414.

Accordingly, we find that ECS shall be implemented on the DeBary/Orlando and DeBary/Winter Park routes. Residential customers shall pay \$.25 per call regardless of duration, and business calls on these routes shall be rated at \$.10 for the first minute and \$.06 for each additional minute. Pay telephone providers shall charge end users \$.25 per message and pay the standard measured interconnection usage charge. IXCs may continue to carry the same types of traffic on these routes that they are now authorized to carry. ECS shall be implemented on these routes as soon as possible but not to exceed six months from the issuance date of this order.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the request by Volusia County for extended area service from the DeBary exchange to the Winter Park and Orlando exchanges is hereby denied for the reasons set forth in the body of this Order. It is further

ORDERED that extended calling service shall be implemented on the DeBary/Orlando and DeBary/Winter Park routes. Residential customers shall pay \$.25 per call regardless of duration. Business calls on these routes shall be rated at \$.10 for the first minute and \$.06 for each additional minute. It is further

ORDERED that extended calling service shall be implemented on these routes as soon as possible but not to exceed six months from the issuance date of this Order. It is further

ORDERED that pay telephone providers shall charge end users \$.25 per message and pay the standard measured interconnection usage charge. It is further

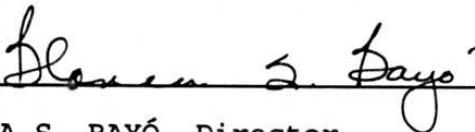
ORDERED that interexchange carriers may continue to carry the same types of traffic on these routes that they are now authorized to carry. It is further

ORDERED that this Order shall become final and effective on the date set forth below if no timely protest is filed pursuant to the requirements set forth below. It is further

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ORDERED that in the event this Order becomes final, this docket should be closed.

By ORDER of the Florida Public Service Commission, this 12th day of September, 1995.

  
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BLANCA S. BAYÓ, 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 Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 2, 1995.

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.

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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 substantially 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.