

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by residents of Ft. White requesting extended area service between Ft. White exchange in Columbia County and Gainesville exchange in Alachua County.

DOCKET NO. 971627-TL
ORDER NO. PSC-98-1758-PHO-TL
ISSUED: December 24, 1998

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on December 14, 1998, in Tallahassee, Florida, before Commissioner E. Leon Jacobs, as Prehearing Officer.

APPEARANCES:

J. JEFFRY WAHLEN, ESQUIRE, AUSLEY & MCMULLEN, P.O. BOX 391, TALLAHASSEE, FL 32302
On behalf of ALLTEL Florida, Inc.

NANCY B. WHITE, ESQUIRE, 150 WEST FLAGLER STREET, SUITE 1910, MIAMI, FLORIDA 33130.
On behalf of BellSouth Telecommunications, Inc.

J. MICHAEL ZIMMERMAN, 9192 State Road 47 South, P.O. Box 567, FORT WHITE, FLORIDA 32038-0567.
On behalf of the residents of Fort White.

BETH KEATING, ESQUIRE, FLORIDA PUBLIC SERVICE COMMISSION, 2540 SHUMARD OAK BOULEVARD, TALLAHASSEE, FLORIDA 32399-0850
On behalf of the Commission Staff.

PREHEARING ORDER

I. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, Florida Administrative Code, this Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

DOCUMENT NUMBER-DATE

14540 DEC 24 88

FPSC-RECORDS/REPORTING

II. CASE BACKGROUND

On September 17, 1997, the residents of the Fort White exchange filed a petition with the Commission asking that extended area service (EAS) be implemented between the Fort White and Gainesville exchanges. The Fort White/Gainesville route is an interLATA route served by two local exchange companies (LECs), ALLTEL, Florida, Inc. (ALLTEL) and BellSouth Telecommunications, Inc. (BellSouth). ALLTEL serves the Fort White exchange, which is located in the Jacksonville Local Access Transport Area (LATA) and covers approximately sixty-five (65) square miles in the southwestern portion of Columbia County. BellSouth serves the Gainesville exchange, which is located in the Gainesville LATA in the central portion of Alachua County. ALLTEL is subject to rate-of-return regulation, pursuant to Chapter 364.052(2), Florida Statutes, while BellSouth has elected price regulation, in accordance with Section 364.051(1)(a), Florida Statutes. This matter has been set for hearing January 11, 1999.

III. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 364.183(2), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 364.183, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- 1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 364.183, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.
- 2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- 4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- 5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Records and Reporting's confidential files.

IV. POST-HEARING PROCEDURES

Each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

A party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages, and shall be filed at the same time.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

VI. ORDER OF WITNESSES

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
Harriet E. Eudy	ALLTEL	All
Conrad D. Martin*	BELLSOUTH	All
J. Michael Zimmerman	FT. WHITE	All
Truett George, Jr.	FT. WHITE	All

* At the prehearing conference, the parties agreed that the testimony of this witness may be entered into the record of the hearing as though read, and that cross-examination of this witness is waived. This witness has, therefore, been excused from attendance at the hearing.

VII. BASIC POSITIONS

ALLTEL: The issues in this docket should be resolved in a manner that promotes the public interest and protects the interests of ALLTEL and its customers who do not make calls on the route involved in this docket.

BELLSOUTH: BellSouth does not have a position on whether EAS, one-way ECS or another form of toll relief is justified because traffic data on these routes is not available. If the Commission determines that a sufficient community of interest exists, BellSouth is willing to implement Gainesville to Fort White EAS if BellSouth can recover its cost. If one-way interLATA ECS is ordered, BellSouth should charge terminating switched access rates for terminating traffic on these routes.

FT. WHITE: Residents with the 497 telephone exchange, only seek to call Gainesville, FL., our community of interest, as a local call, just as the 454 exchange within our same community does. The residents endorse the 25/25 plan. The residents believe that the long distance charges being impinged on the residents and businesses of the

Fort White area of Southern Columbia County (not being limited to the city limits of Fort White, FL.) who have the 497 telephone exchange and the 32038 zip code are discriminatory and create a hardship for many people living in this area where the majority of the community of interest is in Gainesville, Florida, while the residents and businesses in the Fort White community, in the 454 exchange and the zip code 32038, have local access to Gainesville, Florida. The residents and small businesses currently in the 497 exchange are requesting equality with the 454 exchange and economic relief.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

VIII. ISSUES AND POSITIONS

ISSUE 1: Is there a sufficient community of interest on the Ft. White/Gainesville route to justify non-optional extended area service (EAS) as currently defined in Commission Rules or implementing an alternative toll plan?

POSITIONS

ALLTEL: There is a high volume of calling on this route; however, ALLTEL cannot tell from the data whether the calling volumes are being generated by a few customers making a huge number of calls or a large number of customers most of whom are regularly calling from Ft. White to Gainesville.

BELLSOUTH: BellSouth does not have traffic data available on this route to determine whether a sufficient community of interest exists.

FT. WHITE: Residents with the 497 telephone exchange, only seek to call Gainesville, FL., our community of interest, as a

local call, just as the 454 exchange within our same community does. The residents endorse the 25/25 plan.

STAFF: Staff has no position at this time.

ISSUE 2: If a sufficient community of interest is found to exist, what is the economic impact for the subscribers and the involved companies in implementing an alternative plan on the Ft. White/Gainesville route? (Summarize and discuss in detail the alternative toll plan and its rate structure):

- A) EAS with a 25/25 plan and re-grouping
- B) One-way extended calling service(ECS)
- C) Other (specify)

ALLTEL:

- A) Under EAS with a 25/25 plan and regrouping, ALLTEL's subscribers would pay an additive of \$2.49 for Residential and \$.18 for B-1. The estimated annual loss to ALLTEL would be \$49,372.
- B) Under a one-way ECS plan, ALLTEL's residential subscribers would pay \$.25 per message, and ALLTEL's business subscribers would pay \$.10 for the first minute and \$.06 for each additional minute. The estimated annual loss to ALLTEL would be \$83,970.
- C) No position at this time.

BELLSOUTH:

- A) No position at this time.
- B) No position at this time.
- C) No position at this time.

FT. WHITE:

Residents with the 497 telephone exchange, only seek to call Gainesville, FL., our community of interest, as a local call, just as the 454 exchange within our same community does. The residents endorse the 25/25 plan.

STAFF: Staff has no position at this time.

ISSUE 3: What are the appropriate rates for the alternative toll plan on the Ft. White/Gainesville route?

ALLTEL: For EAS, the proposed additives would be \$4.71 for a residential customer and \$11.79 for business customers, and should be permanent. For ECS, the minute-of-use rate necessary to recover ALLTEL's cost of implementing the plan is \$.16 per minute, and should be permanent.

BELLSOUTH: If EAS is determined to be appropriate, BellSouth should recover its costs. If one-way ECS is determined to be appropriate BellSouth should charge terminating switched access rates.

FT. WHITE: No position at this time.

STAFF: Staff has no position at this time.

ISSUE 4: What dialing pattern should be implemented if the Commission determines that toll relief is appropriate?

ALLTEL: 10-digit dialing would need to be implemented on this route.

BELLSOUTH: No position at this time.

FT. WHITE: No position at this time.

STAFF: Staff has no position at this time.

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
<u>Direct</u>			
Harriet E. Eudy	ALLTEL	_____ (HEE-1)	Fort White Map
Harriet E. Eudy	ALLTEL	_____ (HEE-2)	Economic Impact Statement Flat-Rate Non-Optional Two-Way EAS with Dedicated Trunks Extended Area Service Plan
Harriet E. Eudy	ALLTEL	_____ (HEE-3)	E c o n o m i c I m p a c t Statement Non- Optional One- Way ECS with D e d i c a t e d Trunks Toll Relief Plan
Harriet E. Eudy	ALLTEL	_____ (HEE-4)	Proposed Rate for Flat-Rate Non-Optional Two-Way EAS to Recover Cost
		_____ (HEE-5)	Proposed Rate For ECS to Recover Cost
Truett George, Jr.	FT. WHITE	_____ (TG-1)	Geographic Map of the 497 exchange

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Truett George, Jr.	FT. WHITE	<u> </u> (TG-1A)	Geographic Map of the Fort White area in the 454 exchange

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.


X. STIPULATION and RULING

At the prehearing conference, the parties agreed that the testimony of BellSouth's witness Conrad D. Martin may be entered into the record of the hearing as though read, and that cross-examination of the witness is waived. Witness Martin is, therefore, excused from attendance at the hearing.

It is therefore,

ORDERED by Commissioner E. Leon Jacobs, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner E. Leon Jacobs, Jr. as Prehearing Officer, this 24th day of December, 1998.



E. LEON JACOBS, JR.
Commissioner and Prehearing Officer

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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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) 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 wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.