

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Resolution by Clay County Board) of Commissioners requesting Extended Area) Service between Maxville/Clay Hill areas) and Middleburg and Orange Park)))	DOCKET NO. 871396-TL ORDER NO. 20608 ISSUED: 1-17-89
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BY THE COMMISSION:

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD
 JOHN T. HERNDON
 MICHAEL MCK. WILSON

Upon proper notice, a public hearing was held in the above-noted docket on September 12, 1988, at the Clay County Elementary School, 1634 County Road 218, Maxville, Florida.

APPEARANCES: CHARLES BECK, Esquire, Associate Public Counsel, c/o Florida House of Representatives, The Capitol, Tallahassee, Florida 32399-1300 on behalf of the Citizens of the State of Florida.

SIDNEY J. WHITE, JR., Esquire, c/o H. Frank Meiners, 150 South Monroe Street, Suite 400, Tallahassee, Florida, 32301 on behalf of Southern Bell Telephone & Telegraph Company.

DEBRA W. SCHIRO, Esquire, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida, 32399-0850 on behalf of the Commission Staff.

PRENTICE P. PRUITT, Esquire, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, Florida, 32399-0850, appearing on behalf of the Commissioners.

FINAL ORDER

Upon review of the evidence in this proceeding we have determined that the Maxville exchange shall be merged with the Middleburg exchange, at no additional charge to the subscribers in either exchange, and hereby direct Southern Bell Telephone and Telegraph Company to institute the appropriate steps to accomplish this as soon as possible, but in no event later than the end of the third quarter of 1989.

I. BACKGROUND

This docket was initiated by a Resolution filed by the Board of County Commissioners of Clay County, Florida on December 18, 1987. The Resolution requested that we consider the feasibility of providing the Maxville/Clay Hill residents with Extended Area Service (EAS) to the Orange Park and

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Middleburg exchanges. This area is served by Southern Bell, which is subject to our regulation pursuant to Chapter 364, Florida Statutes.

Order No. 18698 directed Southern Bell to conduct certain traffic studies in order to determine whether the data warranted implementation of EAS. The combined traffic data on the Maxville to Middleburg and Orange Park route, revealed 11.02 messages per main station per month and 61.57% of the customers making two or more calls per month. Due to the high level of calling we directed Southern Bell to implement its Optional Extended Area Service (OEAS) plan on the Maxville to Middleburg and the Maxville to Orange Park routes pursuant to Order No. 19444, issued on June 6, 1988.

On June 23, 1988, we received a letter from the Clay Hill Community Association protesting our action and requesting that a formal proceeding be conducted to address the communities' concerns. On September 12, 1988, a public hearing was held before Commissioners Beard, Herndon and Wilson at the Clay Hill Elementary School located in the Maxville exchange.

A. Community of Interest: Maxville to Middleburg

Upon review of the evidence we find that a sufficient community of interest exists between the previously nontransferred portion of the Maxville exchange and the Middleburg exchange to grant some type of relief. A strong community of interest is evidenced by the fact that the entire Middleburg exchange and two-thirds of the Maxville exchange are located in Clay County.

For example, the Clay Hill Elementary School located in the Maxville exchange serves both exchange areas, even though the majority of the students reside in the Middleburg exchange, thereby causing the Middleburg parents to incur considerable toll charges to contact the school their children attend. Additionally, Clay County junior high and high school students live in both exchanges, but attend school in the Middleburg exchange.

A paper mill located in the Maxville exchange employs many Middleburg residents, thereby increasing the need for phone calls. The evidence received at the public hearing clearly demonstrates that long distance calls between the two exchanges are frequently required to call county offices, doctors, businesses and shopping areas, and to place certain nonemergency calls to fire and police facilities. We believe that the calling pattern in conjunction with the traffic data demonstrates a strong community of interest between the Maxville and Middleburg exchanges.

B. Community of Interest: Maxville and Orange Park:

The Orange Park exchange and the Maxville exchange are separated by the Middleburg exchange, a distance of approximately twenty miles. While Orange Park offers

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shopping, entertainment, medical and banking facilities for Maxville residents, most of the Maxville residents work in the Jacksonville area. In fact, it is the Maxville residents located in the southern half of the exchange that frequent the Orange Park facilities.

The results of the traffic study for just the Maxville to Orange Park route revealed 4.30 M/M/Ms and 46.29% of the customers making two or more calls per month. These numbers failed to meet the requirements for EAS as provided for by the rules (3 M/M/Ms and 50% of the customers making two or more calls per month). However, our decision to merge the Maxville exchange with the Middleberg exchange will result in the Maxville exchange receiving the identical EAS that Middleburg enjoys which includes Orange Park.

II. DISCUSSION

At the hearing evidence was received on the alternatives available to expand Maxville's calling scope. One possible solution, opposed by Southern Bell, was splitting the Maxville exchange into a southern and northern portion. Southern Bell presented evidence demonstrating the extremely high cost the company would incur if the split were ordered. In addition to the problem of cost we also considered the fact that the split would necessitate telephone number changes for customers in either Maxville-North or Maxville-South. In consideration of those obstacles, we rejected the splitting of the Maxville exchange. However, our decision against the splitting of the Maxville exchange has been done upon the facts in this case and is in no way implies we would not consider splitting an exchange as an appropriate solution in another case. It is the availability of other less costly solutions which supports our decision not to split the Maxville exchange as a solution.

The solution that appears most appropriate in this case is the merging of the Maxville exchange with the Middleburg exchange. Southern Bell argued against merger, in part because merger would not result in any regrouping revenues. Southern Bell stated that it is against eliminating any exchange except in rare instances of technical efficiencies, or of reincorporating previously split exchanges and in instances where no changes in two-way nonoptional EAS would result.

Evidence received at the public hearing indicated that in July of 1972 Southern Bell, in response to a Citizens' Petition filed by the subscribers of the Maxville exchange, had transferred a sixteen square mile area located to the east of Black Creek, from the Maxville to the Middleburg exchange. As a result of this transfer the Clay Hill Community was split. Maxville subscribers located on the northwest side of Black Creek could no longer call the Maxville subscribers located southeast of the creek without incurring a toll charge. The transfer resulted in those citizens located northwest of Black Creek petitioning Southern Bell for similar treatment. This request was denied.

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We shall require Southern Bell to retreat from its 1972 boundary change which split the exchange. When merged with Middleburg, the former Maxville exchange will have EAS to Orange Park and will thus eliminate the need for the Optional Point-to-Point Calling Plan currently available from Maxville to Middleburg and Maxville to Orange Park. Accordingly, Southern Bell shall eliminate this Point-to-Point Service Plan from its tariff subsequent to complying with the terms set forth in this Order. Additionally, we find that the merger will not supercede the optional measured/unmeasured calling alternatives available to Orange Park as a Local Exception Area, however, it may negate the need for some participants to maintain the service. Therefore, Southern Bell shall contact customers in the Orange Park exchange currently subscribing to the Local Exception Area optional measured/unmeasured tier plan and advise them of their increased calling scope prior to implementing the merger of the Maxville and Middleburg exchange.

Implementation of the merger shall not require changes in any assigned NXX numbers. Additionally, the merger shall not result in any additional charge to subscribers, therefore there will be no need for a subscriber survey. The current rates for basic local service are identical for the Maxville exchange, the Middleburg exchange, and the Orange park exchange. Those rates which shall remain in effect until regrouping is appropriate are as follows:

<u>Class of Service</u>	<u>Rate</u>
R-1	\$ 9.80
B-1	26.60
PBX	59.73

Southern Bell shall be required to complete the merger plan as soon as possible, but in no event later than the third quarter of 1989. As stated earlier, Southern Bell may accomplish the expanding of Maxville subscribers' calling scope by any feasible technical means, as long as the company conforms to the outlined conditions.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that each and all of the specific findings herein are approved in every respect. It is further

ORDERED that the resolutions filed by the Board of County Commissioners, Clay County Florida is granted to the extent outlined in the body of this Order. It is further

ORDERED that Southern Bell Telephone and Telegraph Company shall expand the local calling scope of the Maxville exchange to include the Middleburg exchange, either through merger or some other technical method, as soon as possible but in no event later than the end of the third quarter of 1989, that complies with the terms set forth herein. It is further

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ORDERED that Southern Bell shall eliminate its Point-to-Point Service Plan from its tariff subsequent to compliance with the terms of this Order. It is further Ordered that Southern Bell shall modify its customers in the Orange Park exchange subscribing to the Local Exception Area Plan that as a result of our decision as set forth herein their local calling scope has increased. This notification shall be done prior to compliance with the terms of this Order. It is further

ORDERED that this docket remain open until Southern Bell has complied with the terms set forth in the body of this Order.

By ORDER of the Florida Public Service Commission,
this 17th day of JANUARY, 1989.



STEVE TRIBBLE, Director
Division of Records and Reporting

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DWS

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 the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 sewer 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 after the issuance 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.