

ORIGINAL
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Southern Bell

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September 18, 1989

Mr. Steve C. Tribble
Director, Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Re: Docket No. 870790-TL - Gilchrist County EAS

Dear Mr. Tribble:

Enclosed please find an original and fifteen copies of Southern Bell Telephone and Telegraph Company's Response in Opposition to Gilchrist County's Motion Requesting Issuance of Proposed Agency Action Order, which we ask that you file in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely yours,
E. Barlow Keener
E. Barlow Keener

Enclosures

cc: All Parties of Record
A. M. Lombardo
Harris R. Anthony
R. Douglas Lackey

- ACK
- AFA _____
- APP _____
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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Extended Area Service)
Request throughout Gilchrist)

Docket No. 870790-TL

Filed: September 18, 1989

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S
RESPONSE IN OPPOSITION TO GILCHRIST COUNTY'S
MOTION REQUESTING ISSUANCE OF PROPOSED AGENCY ACTION ORDER

COMES NOW Southern Bell Telephone and Telegraph Company ("Southern Bell" or "Company"), pursuant to Rule 25-22.037, Florida Administrative Code, and files its Response in Opposition to Gilchrist County's Motion Requesting Issuance of Proposed Agency Action Order.

1. On July 22, 1987, the Gilchrist County Board of County Commissions filed a resolution requesting extended area service ("EAS") in Gilchrist County. On August 6, 1987, the Florida Public Service Commission (the "Commission") issued Order No. 17943, requesting Southern Bell and ALLTEL Florida, Inc., ("ALLTEL") to conduct traffic studies of the exchanges located in Gilchrist County. The results of the traffic studies showed that none of the routes met the community of interest requirements of Rule 25-4.060(2)(a), Florida Administrative Code. Indeed, the studies showed that the highest calling rate in the county was from Newberry to Trenton County Seat exchanges at a rate of 1.9 calls per line per month, with 21.31% of the customers making two or more calls per month. These results, which were highest in

Gilchrist County, were still far below the requirement set forth in Rule 25-4.060.

2. At the February 2, 1988 agenda, the Commission Staff ("Staff") recommended that the docket be closed; however, the Commission deferred the item until the February 16, 1988 agenda, at which time it ordered Southern Bell and ALLTEL to develop flat rate additives which would recover costs associated with a county-wide EAS plan in Gilchrist County. On September 6, 1988, Southern Bell filed proposed flat rate additives on behalf of ALLTEL and Southern Bell, showing that if two-way non-optional EAS were established throughout Gilchrist County, Southern Bell would lose \$128,717 per year and ALLTEL \$109,974 per year. In order to recover these costs, the EAS additives would be \$1.75, \$4.50 and \$9.41 for residence, business and PBX customers respectively.

3. In preparation for the October 18, 1988 agenda conference, the Staff recommended that the Gilchrist customers be surveyed at the EAS recommended rate additive levels, despite the low calling rates. Prior to the October 18, 1988 agenda, however, the Office of Public Counsel requested an indefinite deferral on behalf of the Gilchrist County Commissioners, who feared the survey would fail. (See, Staff's Recommendation, March 17, 1989, p.7)

4. Thereafter, the Staff and representatives from Gilchrist County met and realized that the primary concern of Gilchrist

County citizens was to be able to call toll free to the County Seat of Trenton. As a result, Staff recommended adoption of a Gilchrist County Seat Calling Plan at the March 21, 1989 agenda. Staff also noted in its recommendation that it had requested Southern Bell and ALLTEL to perform pocket studies because a number of customers in the Gilchrist County exchanges did not live in Gilchrist County. At the March 21, 1989 agenda the Commission deferred the matter.


5. On March 29, 1989, Southern Bell filed the pocket studies which showed that the subscribers in the Newberry pocket made 5.44 calls per line per month to Trenton with 49.67% of the pocket subscribers making two or more calls per month. The call rates on the other routes were diminimus.

6. As set forth above, the traffic studies failed to show a community of interest in Gilchrist county. In accord with Rule 25-4.064, Florida Administrative Code, either "other alternatives" than EAS, such as County Seat Calling, should be considered or the docket should be closed. While the Gilchrist County Board of Commissioners has argued in its motion that other counties have been granted EAS without cost recovery, Southern Bell contends that in each case where this occurred the Commission has circumvented its own substantive rules. Also, in those orders the Commission articulated community of interest factors that it asserted justified the imposition of EAS in such cases. Those

factors are not present in Gilchrist County. As described above, the primary interest of Gilchrist County subscribers is to call toll free to the county seat. This can be accomplished through implementation of a County Seat Calling Plan as recommended by the Staff, rather than requiring a county-wide EAS plan which is neither needed to meet the desires of the County's residents nor appropriate given the calling volumes within the County. Furthermore, when the Commission has approved county-wide EAS with traffic studies that show a lack of community interest as defined by Rule 25-4.060(2)(a), Florida Administrative Code, the Commission has ignored its own substantive rules. The Commission's existing rules regarding EAS should thus be adhered to in this matter.

WHEREFORE, Southern Bell respectfully requests that the Commission deny the Motion of Gilchrist County for Issuance of Proposed Agency Action Order.

Respectfully submitted,


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Attorneys for Southern Bell
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CERTIFICATE OF SERVICE
Docket No. 870790-TL

I HEREBY CERTIFY that a copy of the foregoing has been
furnished by United States Mail this *18th* day of *Sept.*, 1989 to:

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