

FLORIDA PUBLIC SERVICE COMMISSION
FLETCHER BUILDING
101 EAST GAINES STREET
TALLAHASSEE, FLORIDA 32399-0850

M E M O R A N D U M

DECEMBER 3, 1992

TO : DIRECTOR OF RECORDS AND REPORTING *DAB*

FROM : DIVISION OF COMMUNICATIONS [SHELPER, WIDELL] *Raw*
DIVISION OF LEGAL SERVICES [GREEN] *JL*

RE : DOCKET NO. 911185-TL - EAS - REQUEST BY THE VOLUSIA
COUNTY COUNCIL FOR EXTENDED AREA SERVICE BETWEEN ALL
EXCHANGES WITH VOLUSIA COUNTY.

AGENDA: DECEMBER 15, 1992 - CONTROVERSIAL - ONLY ISSUE 2 IS
PROPOSED AGENCY ACTION - PARTIES MAY PARTICIPATE

PANEL: FULL COMMISSION

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:PSC\CMU\WP\911185.RCM

CASE BACKGROUND

- This docket was initiated pursuant to a resolution by the County Council of Volusia County for countywide toll-free calling. Volusia County consists of the following exchanges: Daytona Beach, Debary, Deland, DeLeon Springs, New Smyrna Beach, Oak Hill, Orange City, Pierson, and Sanford (pocket). Daytona Beach, Deland, DeLeon Springs, New Smyrna Beach, Oak Hill and Pierson exchanges are located in the Daytona Beach LATA and Orange City, Debary and Sanford exchanges are located in the Orlando LATA. Southern Bell provides service to all of the exchanges except Orange City, which is served by United Telephone. Attachment A is a map of the involved exchanges.
- By Order No. 25675, issued February 3, 1992, the Commission required Southern Bell and United to conduct traffic studies on these routes. By Order No. PSC-92-0085-PCO-TL, the Commission granted Southern Bell and United's motions for extension of time to complete the required traffic study. In addition, by Order No. PSC-92-0471-PCO-TL, the Commission

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granted Southern Bell's second motion for extension of time to complete the required traffic study. By Order No. PSC-92-0694-CFO-TL, the Commission granted Southern and United's request for confidential treatment of the intraLATA and interLATA traffic data filed by the companies in this docket.

- By Order No. PSC-92-0982-FOF-TL, issued September 11, 1992, the Commission directed Southern Bell to survey the customers in the New Smyrna Beach exchange for flat rate, two-way nonoptional EAS between New Smyrna Beach and Daytona Beach using the 25/25 plan with regrouping. It was further ordered that the fifty-one (51%) favorable vote requirement of Rule 25-4.063(5)(a), F.A.C., is waived, and a simple majority of the total subscribers in the New Smyrna Beach exchange voting favorable shall be considered sufficient for passage of the survey. Under this Order, it was established that if an alternative plan was approved the confidential information would no longer be considered confidential.
- This recommendation reports the outcome of the survey.

DISCUSSION OF ISSUES

ISSUE 1: Based on the results of the survey, should the Commission order the implementation of flat rate, two-way, nonoptional EAS for toll free calling between New Smyrna Beach and Daytona Beach?

RECOMMENDATION: No. Based on Rule 25-4.063(5)(a), the survey did not pass, and does not qualify for flat rate, two-way, nonoptional EAS.

STAFF ANALYSIS: Southern Bell mailed 25,262 ballots to all customers of record in the New Smyrna Beach exchange (See Attachment B for survey letter). The results of the survey are follows:

BALLOTS	NUMBER	PERCENT
Mailed	25,262	100.00%
Returned	13,753	54.44%
Not Returned	11,509	45.56%
For EAS	5,937	23.50%
Against EAS	7,779	30.79%
Invalid	59	.23%
Needed to Pass	12,632	50% + 1

The results of the survey are based on the old EAS rules, which were in effect at the time this docket was decided. Even if the new EAS rules were in effect, the survey still would not have passed. Therefore, the survey failed.

Based on the results of the survey, staff recommends that Southern Bell not implement two-way, flat rate, nonoptional EAS for toll free calling between New Smyrna Beach and Daytona Beach.

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ISSUE 2: (PAA) Should any alternative plan be offered on the New Smyrna Beach/Daytona Beach route?

RECOMMENDATION: Yes. Calls between New Smyrna Beach and Daytona Beach should be rated at \$.25 per call, regardless of call duration. These calls should be furnished on a seven-digit basis. NonLEC pay telephone providers should charge end users \$.25 as if the calls were local, and the providers will pay the standard measured usage rate to the LEC. Southern Bell should be ordered to implement this change simultaneously with the implementation of the other ordered \$.25 plan routes in this docket. In addition, the OEAS and OELC plans should be discontinued at the time the \$.25 plan is implemented.

STAFF ANALYSIS: Since the survey for flat rate, two-way nonoptional EAS on the New Smyrna Beach to Daytona Beach route failed, this route should receive the same alternative plan as was ordered on the remaining routes in this docket, which was the \$.25 plan. The calls should be furnished on a seven-digit basis regardless of call duration. NonLEC pay telephone providers should charge end users \$.25 as if the calls were local, and the providers will pay the standard measured rate to the LEC.

The \$.25 plan means that all toll traffic on these routes will be reclassified as local and be message rated at \$.25 per message regardless of duration of the call. These local calls will be dialed on a seven digit basis and will be handled by pay telephone providers as any other local call.

In computing revenue impact, staff developed a model, using 74 existing EAS routes, to predict new calling rates based on the old calling rate and the percent change in price. Using this model, staff estimates an overall stimulation of 44.52% and an associated annual revenue loss of \$1,001,312.12. Absent stimulation, the annual revenue loss would be \$2,072,268.60.

Staff recommends that the \$.25 plan be implemented on a two-way basis regardless of call duration on the New Smyrna Beach/Daytona Beach route. This route should be implemented simultaneously with the implementation of the other ordered \$.25 plan routes in this docket. The two optional plans (OEAS and OELC) currently offered between the New Smyrna Beach and Daytona Beach exchanges should be discontinued at the same time that the \$.25 plan is implemented.

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ISSUE 3: Should Docket No. 911185-TL be closed?

RECOMMENDATION: Yes. Docket No. 911185-TL should be closed at the conclusion of the PAA protest period for Issue 2, assuming no timely protest is filed. Staff should place the matter on monitor status to ensure that the local exchange company makes the necessary tariff revisions to comply with the implementation date.

STAFF ANALYSIS: This docket should be closed at the conclusion of the PAA protest period for Issue 2, assuming no timely protest is filed. Staff should place this matter on monitor status to ensure that the local exchange company submits appropriate tariff revisions and comply with the implementation date.

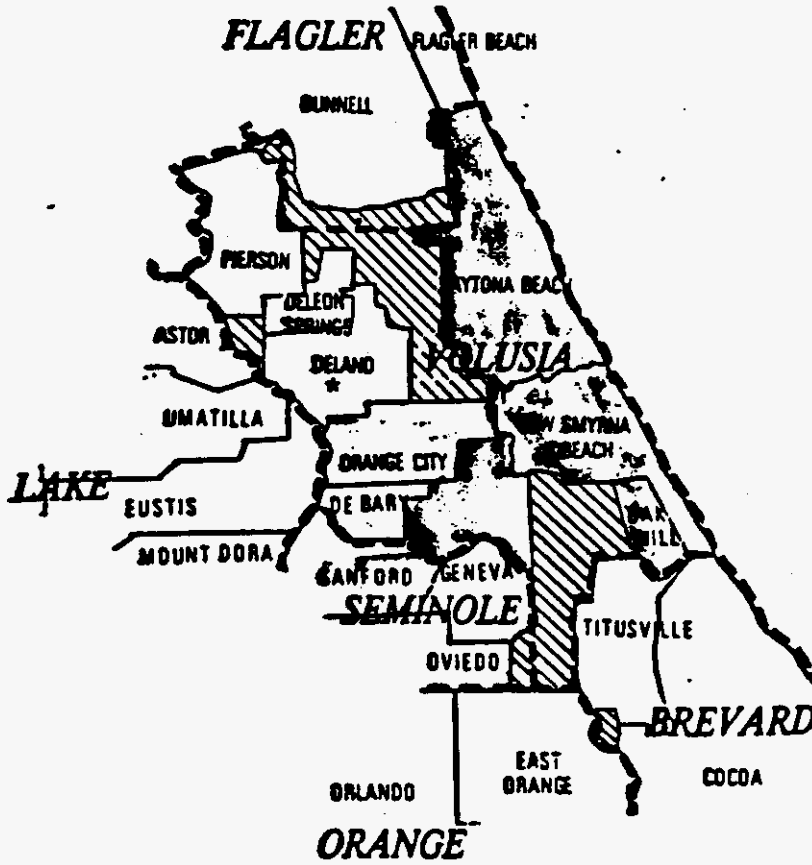
911185S.AHS

KEY TO EXCHANGES WITH SERVICE IN COUNTY

(*) County Seat

▨ Local Calling to County Seat

● Toll Calling to County Seat





ATT. B
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Southern Bell

**PLEASE RETURN YOUR ENCLOSED POSTAGE PAID BALLOT
POSTMARKED NO LATER THAN NOVEMBER 6, 1992
IN ORDER FOR YOUR VOTE TO COUNT!**

October 6, 1992

Dear New Smyrna Beach Customer:

Please read this letter carefully. The result of this survey may increase your local toll free calling scope to include Daytona Beach. If this survey passes, your monthly telephone bill will increase as shown below. This is your chance to voice your choice on this important matter. The Volusia County Council has requested that dialing between Daytona Beach and New Smyrna Beach be toll free. The Florida Public Service Commission (FPSC) has ordered this customer survey to determine whether a sufficient number of customers are willing to pay a monthly increase in their local service telephone bill in order to call Daytona Beach without a long distance charge.

If a simple majority of all New Smyrna Beach customers vote in favor of the proposal, the following three digit prefixes will be able to call each other in addition to their current local calling area without a long distance charge.

NEW SMYRNA BEACH

423, 424, 426, 427, 428

DAYTONA BEACH

226, 238, 239, 248, 250, 252, 253, 254, 255, 257, 258, 274, 295,
322, 441, 451, 672, 673, 676, 677, 679, 756, 760, 761, 767, 788

If this proposal is approved by a majority of all New Smyrna Beach telephone customers, the local service rates for New Smyrna Beach customers will increase as shown below:

	<u>Present Monthly Charge*</u>	<u>Proposed Increase</u>	<u>Proposed Monthly Charge*</u>
Residence	\$ 8.40	\$ 2.95	\$11.35
Business	\$22.90	\$ 7.96	\$30.86
PBX	\$51.59	\$17.82	\$69.41

*NOTE: This charge includes only basic local service

If this proposal is approved, optional extended area calling between New Smyrna Beach and Daytona Beach will be discontinued.

If a simple majority of the New Smyrna Beach customers vote in favor of this plan, Southern Bell will implement toll free dialing between New Smyrna Beach and Daytona Beach within 12 months. The enclosed prepaid post card ballot is the only way to make your choice known. Failure to return your ballot will result in a vote against increasing the toll free area.

TO BE COUNTED, YOUR BALLOT MUST BE POSTMARKED BY NOVEMBER 6, 1992.

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TO: THE FLORIDA PUBLIC SERVICE COMMISSION

I have read the letter dated October 6, 1992 from Southern Bell relating to the provision of calling without incurring a long distance charge between New Smyrna Beach and Daytona Beach. I understand that if toll charges are eliminated, my local service rate will increase as shown in the letter. I am the person responsible for the telephone account below.

NAME (as it appears on account) _____

TELEPHONE NUMBER: _____ COMMENTS: _____

Note: Only signed ballots with complete information below will be counted (comments are optional).

() FOR INCREASING THE LOCAL CALLING AREA

() AGAINST INCREASING THE LOCAL CALLING AREA

Signed: _____

MUST BE POSTMARKED BY NOVEMBER 6, 1992 TO BE COUNTED.



Southern Bell
A BELL SOUTH Company



Florida Public Service Commission
Communications Department
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