

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Resolution by Town of) DOCKET NO. 940699-TL
Hastings requesting extended) ORDER NO. PSC-95-0353-FOF-TL
area service (EAS) from Flagler) ISSUED: March 14, 1995
Estates (Palatka) exchange to)
the St. Augustine exchange.)
_____)

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
DENYING 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 Resolution No. 94-04 filed by the Town of Hastings requesting extended area service (EAS) from Flagler Estates (Palatka exchange) to the St. Augustine exchange. BellSouth Communications, Inc. d/b/a Southern Bell Telephone and Telegraph Company (Southern Bell or the Company) provides service to both the Palatka and St. Augustine exchanges. These exchanges are located within the Jacksonville LATA (local access transport area).

By Order No. PSC-94-0922-PCO-TL, issued July 27, 1994, we required Southern Bell to conduct traffic studies on the Palatka/St. Augustine and Palatka (St. Johns County pocket)/St. Augustine toll routes.

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FPSC-RECORDS/REPORTING

II. EVALUATION FOR EAS

In order to be considered for balloting for EAS, Rule 25-4.060(3), Florida Administrative Code, requires a calling rate of at least three (3) Messages per Access Line per Month (M/A/Ms) in cases where the petitioning exchange contains less than half the number of access lines as the exchange to which extended area service 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 calling rates and distribution level on the Palatka/St. Augustine route fell below the rule requirements for balloting for EAS. The Palatka (St. Johns County pocket)/St. Augustine route had calling rates and distribution that exceeded the rule requirements for EAS. This pocket area contains less than 1% of the total number of subscribers in the Palatka exchange. Even though this pocket area met the rule requirements for EAS regarding exchanges, our rules do not address qualifications for pocket areas. Historically, EAS has not been approved for pocket areas or for the entire exchange based on the calling rates and distribution criteria of the pocket, because the exchange as a whole did not exhibit a community of interest. Instead, we have evaluated these pocket areas for alternative plans.

Thus, based on the requirements of Rule 25-4.060(3), Florida Administrative Code, we find that the Palatka/St. Augustine route does not qualify for nonoptional, flat rate, two-way extended area service. Even though the Palatka (St. Johns County pocket)/St. Augustine route met the rule requirements for EAS regarding exchanges, we find that EAS shall not be implemented on this route because pocket areas historically have not been approved for EAS.

III. ALTERNATIVE TOLL PLANS

Historically, we have implemented the \$.25 calling plan on routes that exhibited a substantial calling volume or distribution. Typically, these cases were close to meeting the flat rate EAS requirements but failed either on the distribution or volume level by a small percentage.

The Palatka/St. Augustine route does not have sufficient calling rates or distribution to warrant an alternative toll plan. Because these calling rates and distribution level for this route fell below the EAS rule requirements, we do not believe that a significant community of interest exists.

The Palatka (St. Johns County pocket)/St. Augustine route has calling rates and distribution levels that exceed the rule requirement for EAS. However, this route only involved less than 1% of the Palatka exchange, and the rules apply to an entire exchange.

Pocket areas have always been a problem when extended area service is involved. Because city and county boundary lines often differ from exchange boundaries, consumers within one county could be provided telephone services from an exchange in another county. This creates "pocket communities". Generally when reviewing an EAS request, the calling volumes from an exchange which includes a pocket will not meet the EAS requirements, because the exchange as a whole is located in another county and does not have a community of interest with the requested exchange.

Alternative toll relief plans should not be granted when only the pocket of an exchange has met the rule requirements for EAS. It does not seem reasonable to give an entire exchange an alternative toll plan when the exchange as a whole has very little community of interest to the requested exchange. In this case, the exchange had a significant number of customers that made less than 3 calls per month.

We are currently in the process of revising the EAS rules in Docket No. 930220-TL. One of the areas that is being addressed is pocket areas. We find that the Palatka (St. Johns County pocket)/St. Augustine route shall be reevaluated after the conclusion of the EAS rules to determine what further action, if any, should be taken. In addition, the Palatka/St. Augustine route shall be reviewed simultaneously to determine if an appropriate alternative plan involves the entire exchange.

It is therefore

ORDERED by the Florida Public Service Commission that the request by the Town of Hastings for extended area service from the Palatka exchange to the St. Augustine exchange is hereby denied for the reasons set forth in the body of this Order. It is further

ORDERED that no alternative plans shall be offered on Palatka/St. Augustine route or the Palatka (St. Johns County pocket)/St. Augustine route at this time. It is further

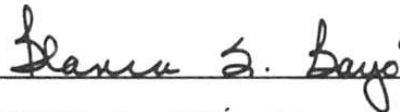
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ORDERED that we find that the Palatka (St. Johns County pocket)/St. Augustine route shall be reevaluated after the conclusion of Docket No. 930220-TL to determine what further action, if any, should be taken. The Palatka/St. Augustine route shall be reviewed simultaneously to determine if an appropriate alternative plan involves the entire exchange. It is further

ORDERED that this docket shall remain open pending resolution of Docket No. 930220-TL. 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.

By ORDER of the Florida Public Service Commission, this 14th day of March, 1995.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

DLC

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

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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, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on April 4, 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.

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.