

MEMORANDUM

SEPTEMBER 19, 1995

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TO: DIVISION OF RECORDS AND REPORTING  
FROM: DIVISION OF LEGAL SERVICES (ELIAS)  
RE: DOCKET NO. 950814-TL -REQUEST FOR APPROVAL OF TARIFF  
FILING PROPOSING CELLULAR SERVICE FOR DOG ISLAND BY ST.  
JOSEPH TELEPHONE AND TELEGRAPH COMPANY. (T-95-404 FILED  
6/26/95)

EPSC-RECORDS/REPORTING

RVE 10/11 2:40

# 1178-FOF

Attached is an ORDER APPROVING EXPERIMENTAL TARIFF to be issued in the above-referenced docket. (Number of pages in Order - 6)

RVE/mw  
Attachment  
cc: Division of Communications  
I: 950814.RVE

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of ) DOCKET NO. 950814-TL  
tariff filing proposing cellular ) ORDER NO. PSC-95-1178-FOF-TL  
service for Dog Island by St. ) ISSUED: September 20, 1995  
Joseph Telephone and Telegraph )  
Company. (T-95-404 filed )  
6/26/95) )  
\_\_\_\_\_)

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

ORDER APPROVING EXPERIMENTAL TARIFF

BY THE COMMISSION:

More than fifty residents of Dog Island have requested that St. Joseph Telephone & Telegraph Company ("St. Joseph" or "the Company") provide telephone service. The residents of Dog Island are in the Carrabelle exchange which is in the service territory of St. Joseph. Providing service to Dog Island requires no exchange boundary change or extension. However, the task of providing telephone service to Dog Island residents presents the Company with unusual conditions.

Dog Island is located approximately four miles from the mainland of Florida. Access to Dog Island is limited. There is no bridge or highway connecting Dog Island to the mainland. Ferry service to and from Dog Island is limited. A small airstrip is located on the island. The Company's service personnel would be dependent on the limited ferry service to reach the island.

There are approximately 125 residences on the island and, of these, the Company estimates approximately 50 residences will initially subscribe to telephone service. The overwhelming majority of people with residences at Dog Island consider the residences their second or vacation homes.

Due to its location off the coast of Florida, Dog Island is vulnerable to storms in the Gulf of Mexico. Residents of Dog

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Island enjoy the natural beauty of the island. While many of these residents desire telephone service, some are concerned that it could harm the environment and the scenic beauty of the island. However, power poles are already located on the island as well as water facilities.

On June 26, 1995, the Company filed a one-year experimental tariff, effective September 1, 1995, to provide local exchange service via cellular technology for Dog Island at monthly rates equal to those being currently paid by subscribers in the Carrabelle exchange. There would be no usage charges for the cellular service offered by the Company. St. Joseph would implement an experimental premise visit charge to Dog Island residents of \$43.00 from December 1, 1995 through September 1, 1996. The Company also plans a non-tariffed offering of programmed cellular units at only \$40.00 per unit to Dog Island residents; considerably less than the Company's cost.

The cellular instrument the Company will use to provide service will be a standard unit equipped with an AC/DC converter. Roaming restrictions will be programmed into the units to allow customers to have the same local calling scope as current subscribers of the Carrabelle exchange. The units could be purchased through the telephone company at a cost of \$40.00, or elsewhere at market prices; if purchased elsewhere, the Company would have to program the roaming restrictions. The Company is offering the cellular units at below their cost to price them at a rate closer to what customers would normally pay for customer premise equipment units.

Dog Island customers will be provided a Carrabelle (697) telephone number and Carrabelle's calling scope:

Alligator Point	\$.25 extended calling plan
Apalachicola	\$.25 extended calling plan
Eastpoint	\$.25 extended calling plan
St. George Island	\$.25 extended calling plan
Tallahassee	Toll free EAS
Sopchoppy	Toll free EAS
Crawfordville	Toll free EAS

Dog Island customers will be billed appropriate toll charges by the Company in the same manner as other local exchange customers.

It is the Company's belief that serving Dog Island through cellular technology is the most acceptable method of providing service because of the higher capital cost for alternative means of

providing service (submarine cable, radio or microwave). The Company estimates its capital cost to provide cellular service to Dog Island will be less than \$20,000. The Company believes the sunk investment for each of the other alternatives (submarine cable, radio and microwave) would exceed \$250,000.

The Company proposes to recover some of the costs of initiating service by applying a premise visit charge of \$43.00 for service requested on or after December 1, 1995. Dog Island residents requesting service before December 1, 1995 would be assessed the \$4.25 premise visit charge currently paid by St. Joseph customers requesting service.

The \$43.00 charge, effective December 1, 1995, would cover the \$18.00 cost of the ferry trip to the island, plus an additional hour of travel time for the installer at the loaded labor rate of \$25.00 an hour. This premise visit charge would be an experimental, transitional rate. If approved, the \$43.00 premise visit charge would not be assessed to Dog Island residents the first 3 months the tariff was in effect because the Company could, if it had a backlog of service connection orders, process several of them at a time thus spreading the transportation costs of sending a telephone serviceman to and from the island over several service connections.

The Company seeks approval of the \$43.00 premise visit charge for Dog Island customers as an experimental, transitional rate, pursuant to the provisions of Section 364.057, Florida Statutes. The \$43.00 rate would last from December 1, 1995 until September 1, 1996. St. Joseph indicated that after this charge has been in effect, the Company may review whether or not the service connection charges adequately cover its cost of service. The Company may request to adjust its premise visit charge for service connections to Dog Island if it believes such an adjustment is needed to achieve a closer relationship between the costs and charges for Dog Island residents.

Most Florida local exchange companies are allowed to charge service connections rates which approximate their costs. The Commission has previously allowed the Company to impose a service connection charge surcharge within an exchange to recoup unique expenses. When there was a toll for all vehicles entering St. George Island, the Commission allowed the Company to charge a \$4.00 surcharge for service connections for new installations and a \$2.00 surcharge per move or change order for residences on St. George Island. The surcharges remained in effect until the toll charges to cross the St. George Island bridge were eliminated. For these

reasons, the experimental service connection surcharge for Dog Island is approved.

The Company believes that sometimes bad weather, rough seas, sporadic ferry schedules and the presence of most island property owners only on weekends and holidays, will prevent St. Joseph from meeting the time requirements for installations and repair. Failures and the reason for such failures will be noted on the quarterly service reports to the Commission. The Company requests that such reports list the customers of Dog Island separately because of the difficulty of serving such subscribers. We recognize the unique characteristics of Dog Island. It is acceptable to show the Dog Island reports separately, rather than with other Carrabelle quarterly service reports filed with the Commission.

Some residents of Dog Island have been seeking telephone service from the Company for more than two years. We are concerned that service be provided to the residents of Dog Island in an expeditious manner. However, we are also concerned with the high cost of providing this service, and the potential impact on the general body of ratepayers. Therefore, we approve the tariff with the modification that the Commission will review this experiment within six months after cellular service is implemented. Based on customer satisfaction and the actual costs of providing the service, the Company may be required to conduct a feasibility study, including cost data, for providing service to Dog Island.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that St. Joseph Telephone & Telegraph Company's tariff filing to provide local exchange service via cellular technology for Dog Island is approved, effective September 1, 1995. It is further

ORDERED that the Commission will review this experiment within six months after cellular service is implemented. It is further

ORDERED that if a protest is filed in accordance with the requirements set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest. It is further

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ORDERED that if no protest is filed in accordance with the requirements set forth below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 20th day of September, 1995.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

by: *Kay Ferguson*  
Chief, Bureau of Records

( S E A L )

RVE

Commissioner Johnson dissents.

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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This

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petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 11, 1995.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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 on the date described above, any party adversely 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 date this Order becomes final, 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.