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May 24, 1996

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VIA FEDERAL EXPRESS

Ms. Blanca Bayo
Director of Records and Reporting
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

RE: Petition by Subscribers of the Groveland Exchange for Extended Area Service (EAS) to the Orlando, Winter Garden and Windermere Exchanges
Docket No. 941281-TL

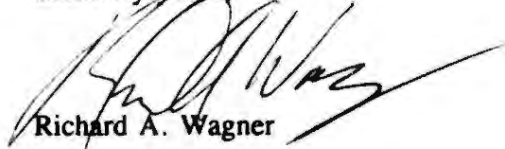
Dear Ms. Bayo:

Enclosed for filing are the original and 15 copies of Post-Hearing Statement and Brief of Subscribers of the Groveland Exchange in the above styled docket. Also enclosed pursuant to Rule 25-22.028, Florida Administrative Code, is a diskette in Word Perfect 5.1 format.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to me at your earliest convenience.

Thank you for your assistance in this matter.

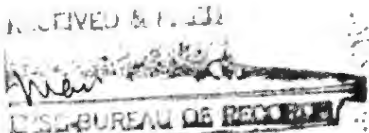
Sincerely yours



Richard A. Wagner

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Enclosure
cc: All parties of record (w/enclosure)



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PPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition by subscribers of
the Groveland exchange for extended
area service (EAS) to the Orlando,
Winter Garden and Windermere exchanges

DOCKET NO. 941281-TL
ORDER NO. PSC-95-1158-PCO-TL
ISSUED: September 19, 1995

**ORIGINAL
FILE COPY**

**POST-HEARING STATEMENT AND BRIEF
OF SUBSCRIBERS OF THE GROVELAND EXCHANGE**

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DOCUMENT NUMBER-DATE

05845 MAY 28 88

FPSC-RECORDS/REPORTING

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STATEMENT OF THE CASE

This docket was initiated pursuant to a petition by the subscribers of the Groveland exchange (Subscribers) for extended area service to the Orlando exchange. The Winter Garden and Windermere exchanges were included to prevent "leapfrogging". The Groveland, Windermere, and Winter Garden exchanges are served by United Telephone Company of Florida (United), and the Orlando exchange is served by BellSouth Telecommunications, Inc. (BellSouth). The Groveland exchange is located in the Gainesville local access transport area (LATA). The Winter Garden, Windermere and Orlando exchanges are located in the Orlando LATA.

By Order No. PSC-95-0080-PCO-TL, issued January 17, 1995, the Commission ordered United and BellSouth to conduct traffic studies on the proposed EAS routes in this docket. By Order No. PSC-95-0596-FOF-TL, issued May 11, 1995, the Commission granted BellSouth's motion for modification of Order No. PSC-95-0080-PCO-TL, and relieved it of the requirement to file traffic data on its interLATA routes.

Under Rule 25-4.060(3), Florida Administrative Code, a calling rate of at least three message per access line per month (MAMs) is required in cases where the petitioning exchange contains less than half the number of access lines as the exchange to which EAS is desired. The rule further requires that at least 50 percent of the subscribers in the petitioning exchange make two or more calls per month to the larger exchange to qualify for flat-rate, two-way, nonoptional EAS.

The routes in this docket did not meet the requirements set forth in Rule 25-4.060(3), Florida Administrative Code, for flat rate, two-way nonoptional EAS. The Groveland/Orlando route did meet the MAM requirement, however, it failed to meet the distribution requirement.

Since the distribution was close to qualifying, United was asked to provide traffic data for a different period. The results were essentially the same.

Since the routes were close to qualifying for EAS, in accordance with Rule 25-4.040(5), Florida Administrative Code, this Commission set this matter for a formal hearing on its own motion. The purpose of the hearing is to determine whether toll relief is warranted and what, if any, other community of interest factors should be considered in our decision whether to implement EAS or an alternative toll relief.

On September 19, 1995, the Prehearing Officer issued the Order Establishing Procedure (PSC-95-1158-PCO-TL), which set the hearing of this matter to take place in Groveland on April 23, 1996. During the hearing, direct testimony was presented by the Subscribers' witness Carroll Fulmer and by his prefiled direct testimony. The Subscribers also prefiled the testimony of 11 additional witnesses. United prefiled the testimony of Ms. Sharon E. Harrell and BellSouth prefiled the testimony of Joseph A. Stanley, Jr. At the public hearing the Commission also heard the statements of approximately 55 citizens. The hearing produced a transcript of 186 pages and eight exhibits.

This brief is submitted in accordance with the post hearing procedures of Rule 25-22.056, Florida Administrative Code. The statement of each issue identified in this matter is followed immediately by a summary of Subscribers' position on that issue and a discussion of the basis for that position. Each summary of Subscribers' position is labeled accordingly and marked by an asterisk. In any instance in which Subscribers' position on several issues are similar or identical, the discussion of these issues has been combined or cross-referenced rather than repeated.

Issue No. 1: Is there a sufficient community of interest from the Groveland exchange to the Orlando, Winter Garden, and Windermere exchanges to justify surveying for nonoptional EAS as defined in the Commission's rules, or implementing an alternative interLATA toll plan?

***Position:** Yes. The Subscribers of the Groveland exchange believe that there are sufficient community of interest factors to implement nonoptional EAS. Alternative interLATA toll plans do not appear to be a viable option under present Federal prohibitions.

While Rule 25-4.060(3), Florida Administrative Code sets forth the call volume and distribution requirements for flat rate, two-way nonoptional EAS, Rule 25-4.060(5), Florida Administrative Code clearly provides that the Commission may consider other community of interest factors to warrant further proceedings when the calling volume or distribution requirements are not met. It should be noted that the Groveland/Orlando route met the MAM's requirement but fell slightly short on the distribution requirement (Exhibits 7 and 8). Obviously in such an event Rule 25-4.060(5), Florida Administrative Code, makes provisions for the Commission to consider the other community of interest factors. Since the routes were close to qualifying for EAS in accordance with Rule 25-4.060(3), a hearing was held to determine the existence and extent of other community of interest factors.

When the strength of the community of interest is measured by the Groveland exchange residents' dependency on the Orlando, Winter Garden, Windermere exchanges the answer to this issue is yes. They depend on the Orlando, Winter Garden and Windermere exchanges for their medical services, business services, professional services and personal needs. Of the 55 citizens who testified during the public hearing about the community of interest factors, all but 3 supported the request for nonoptional extended area service (Transcript: Pages 11 through 76 and Pages 190 through 219). This was supported with full knowledge that EAS would require

a rate increase (Transcript: Page 21, Lines 15 through 22; Page 130, Line 20 through 24; Page 145, Lines 8 through 12; Page 199, Line 20 through Page 200, Line 8). As demonstrated during the public hearing, it is obvious that the subscribers of the Groveland exchange overwhelmingly believe that there is a sufficient community of interest to grant the nonoptional extended area service. These witnesses testified about numerous factors which reasonably demonstrate a community of interest between the Groveland exchange and the Orlando, Winter Garden and Windermere exchanges.

Included in these factors is the fact that there are people who live in the Groveland exchange who utilize doctors, dentists and hospitals in the Orlando, Winter Garden and Windermere exchanges (Transcript: Page 195, Line 21 through Page 196, Line 9; Page 204, Line 23 through Page 205, Line 8; Page 212, Lines 13 through 18). In addition, because some residents work in Orlando and their health insurance comes from their employment, their insurance requires them to use doctors who are in Orlando (Transcript: Page 48, Line 3 through 6). Witnesses also testified about problems and related charges when being put on "hold" while trying to reach their doctors in Orlando (Transcript: Page 19, Lines 19 through 22; Page 202, Line 24 through Page 203, Line 3). There are also people who require specialists in Orlando recommended by their doctors (Transcript: Page 19, Lines 12 through 18) and those whose specialists are associated with their HMO's in Orlando (Transcript: Page 214, Lines 2 through 17; Page 215, Lines 9 through 15).

There were also those people who felt that because the calls from the Groveland exchange to the Orlando exchange were long distance that it was a factor isolating them from their friends in the Orlando area. In addition, when husbands and wives (who live in the Groveland exchange

but work in Orlando) had varied work schedules it required long distance calling charges just to keep in touch, something which we often take for granted and which they obviously do not (Transcript: Page 206, Line 14 through Page 207, Line 12).

In addition, there are people who work in the Groveland exchange area who live in the Orlando, Winter Garden and Windermere exchanges and have a need on a regular basis to have telephone communications with other family members such as mothers, fathers, children, grandchildren, etc., located within the Orlando, Winter Garden and Windermere exchanges (Transcript: Page 15, Lines 21 through Page 16, Line 7; Page 16, Lines 10 through 20). These people presently incur long distance charges for such calls. Several businesses in the Groveland exchange indicated that their employees who work in the Groveland exchange have a need to call into the Orlando, Winter Garden and Windermere exchanges on a daily basis. One business owner in the Groveland exchange testified that 34 percent of his employees reside in the Orlando, Winter Garden and Windermere exchange areas (Transcript: Page 142, Lines 20 through 23) and because of school age children, doctors and emergencies, those employees have a need to call from work to those exchanges from the Groveland exchange (Transcript: Page 142, Line 20 through 143, Line 10). In another business located in the Groveland exchange, 9 out of 10 employees live in the Orlando, Winter Garden and Windermere exchanges and have similar needs (Transcript: Page 84, Lines 24 and 25).

Although a somewhat sad commentary on the state of matters as they presently exist, it is interesting to note at this point that several witnesses testified that they had modified their telephone behavior to avoid the tolls associated with their present needs by utilizing various methods such as cellular phones (Transcript: Page 48, Line 23 through Page 49, Line 4), using

the public telephones in the Clermont exchange, or visiting family and friends in the Clermont exchange to enable them to make those calls from the Clermont exchange which does not incur long distance charges (Transcript: Page 193, Line 19 through 25), or using a form of call forwarding which is expensive (Transcript: Page 211, Line 20 through Page 212, Line 5). All of these witnesses expressed to some degree their sense of frustration with the present situation, as they depend on being able to communicate with people in the Orlando, Winter Garden and Windermere exchanges for many essential elements of their lives.

From the prefiled testimony, it is obvious that businesses in the Groveland exchange have a regular and recurring need to maintain contact with businesses, suppliers, customers, etc., in the Orlando, Winter Garden and Windermere exchanges. From large businesses such as trucking corporations (Transcript: Pages 138 to 153), hospitality suppliers such as Marriott Distributions and American Hotel Register (Transcript: Pages 97 through 101, Pages 83 through 85), and Cherry Lake Farms an international tree farm and nursery operation with over 200 employees (Transcript: Pages 62 through 66), to small realty businesses and other family operated businesses (Transcript: Pages 87 through 91, Pages 132 through 134, Pages 205 through 206), funeral homes (Transcript: Page 202), and churches (Transcript: Page 203 through 204), they all expressed the need to maintain regular contact for the benefit of their customers and businesses. These businesses acknowledge that they depend on professionals and suppliers within the Orlando, Winter Garden and Windermere exchanges for services and supplies (Transcript: Page 100; Page 144, Lines 4 through 10). The People's State Bank of Groveland noted that the bank's professionals, computer company, correspondent and participating banks, loan customers, and employees living in the Orlando, Winter Garden and Windermere exchange

areas all indicate for them strong and varied community of interests (Transcript: Pages 92 through 95). This bank also noted as other businesses did that their anticipated expansion would continue to enlarge the community of interest between the referenced exchanges. Sumter Electric, through their Eastern Division Manager, indicated it makes and receives numerous calls from developers of new projects and those calls come and go to the Orlando, Winter Garden and Windermere exchanges, thus evidencing further contact between the areas and additional community of interest which the Commission should consider (Transcript: Page 103, Lines 13 through 23).

It should be noted at this point that a large trucking business which relocated from Orlando to Lake County; was originally told by United that they would be located in the Clermont exchange and thus would not incur long distance charges on calls between their Lake County location and the Orlando, Winter Garden and Windermere exchanges. He was even assigned a specific number within the Clermont exchange. It was only after the business had purchased the real property, and otherwise committed to the move, that it was discovered that the business was not in the Clermont exchange and the calls would incur long distance charges between the Groveland exchange and the Orlando, Winter Garden and Windermere exchanges. This is significant to him in light of the fact that he averages 2,500 to 2,600 calls per month to Orlando and from 2,000 to 2,500 inbound calls on his 800 number (Transcript: Page 143, Line 12 through Page 144, Line 10; Page 146, Line 3 through Page 147, Line 5; Page 148, Line 21 through Page 153, Line 15).

Further, the various governments in the Groveland exchange believe that there is a sufficient community of interest. The Board of County Commissioners for Lake County, Florida

wholeheartedly supported the petition for extended area service by a Resolution which was adopted by the Board on June 20, 1995 (Transcript: Exhibit 2, identified and admitted, pages 135-136). It is obvious from this Resolution that Lake County believes that the current businesses and prospective businesses to be located at the Lake County Industrial Park would derive a strong economic benefit from the extended area service, thus reflecting that there are other community of interest factors recognized by the County Commission of Lake County which need to be considered by the Public Service Commission.

Alvin B. Jackson, Jr., as coordinator of Lake County Economic Development, noted that the implementation of extended area service would greatly assist in locating potential new businesses to the Groveland exchange area of Lake County or those looking to locate in the Groveland exchange area of Lake County because of its proximity to the Orlando area. In his testimony he noted that they market themselves as being in the Metro-Orlando region and in fact Metro-Orlando Economic Development Commission of Mid-Florida serves Orange, Seminole, Lake and Osceola counties. He further indicated in his testimony that granting of the EAS to the Groveland exchange will "...allow both the businesses and the individuals to have freer access to services, goods and the markets in the area comprising the Orlando, Winter Garden and Windermere exchanges." (Transcript: Pages 125 through 127). Thus it can be seen as an additional community of interest that the continued and further development of the Groveland exchange area of Lake County is also dependent upon the granting of extended area service to the Groveland exchange.

The Mayor of the City of Groveland, Doris Thompson, supported this petition for EAS both on behalf of the City and herself individually (Transcript: Page 69, lines 3 through 5 and

Pages 108 through 109). Likewise Groveland Councilman Ken Everett supports this petition (Transcript: Page 219). Even the Mayor of Mascotte, Stanley Sloan, while expressing some reservations acknowledged that he thought "...to be fair to all concerned, I would be in favor of some type of vote in our community or by the citizens." (Transcript: Page 56, lines 23 through 25). Thus the County and local governments directly affected and involved have lent their support and believe that there is a sufficient community of interest for implementing the nonoptional EAS.

Keith Brooks, as acting Postmaster of the Groveland Post Office, noted in his testimony the close ties which the post office maintains with the Orlando area and the benefit which they would derive from the granting of the EAS (Transcript: Page 52, Line 6 through Page 53, Line 6).

If the Public Service Commission wishes to consider a plan other than Extended Area Service, it would appear from the testimony that because of interLATA concerns that such other plans would doom the hopes of the Groveland exchange for any real and immediate relief. Ms. Ann H. Shelfer of the Public Service Commission staff and J. Philip Carver, Esquire, attorney for BellSouth Telecommunications, Inc. indicated that there are very real difficulties in getting these past the existing Federal prohibitions (Transcript: Pages 36 and 37). Indeed, Ms. Shelfer, pointed out that Mount Dora, a neighboring community, "...has been waiting since 1991 to get the 25-cent calling to Orlando, and they still do not have it." (Transcript: page 38, Lines 8 through 12). Thus the unfortunate realities would indicate that failure to grant balloting to determine the support of the people in the Groveland exchange for extended area service would apparently mean no relief. This position would also appear to be supported by the testimony

of Joseph A. Stanley, Jr. of BellSouth Telecommunications, Inc. (Transcript: Page 113, Lines 3 through 11).

Issue No. 2: What other community of interest factors should be considered in determining if either an optional or nonoptional toll alternative should be implemented on these routes?

***Position:** Individuals, businesses and employees in the Groveland exchange must utilize doctors, hospitals, businesses, suppliers, professionals, etc. in the Orlando, Winter Garden, and Windermere exchanges. They have a strong need to contact family members from work or home in the Groveland exchange to the Orlando, Winter Garden, and Windermere exchanges.

In her prefiled testimony, United's witness, Sharon E. Harrell, acknowledged that certain other factors are generally viewed as an indication of community of interest. However, she further acknowledged on cross-examination that those are not the only community of interest factors (Transcript: Page 175, lines 6 through 14). Without question, all of the prefiled testimony witnesses presented on behalf of the subscribers and virtually all of the public witnesses who testified stated reasons that they believe establish what we believe to be sufficient community of interest factors to serve as a basis for relief in the form of a flat rate, nonoptional EAS. (See generally Transcript: Pages 11 through 76, pages 83 through 153, pages 193 through 219). See further discussion in Issue No. 1 above as to the specific other community of interest factors demonstrated at the public hearing and with prefiled testimony which the Commission should consider.

Issue No. 3: If a sufficient community of interest is found on any of these routes, what is the economic impact of each plan on the customer and the company (summary in chart form and discuss in detail)?

- a) EAS with 25/25 plan and regrouping;
- b) InterLATA toll alternative plan; and
- c) Other (specify)

***Position:**

a) Subscribers in the Groveland exchange would be charged an additive to their standard monthly rate. Subscribers in the Orlando, Winter Garden and Windermere exchanges would have no change to their local rate. United would not fully recover its costs for the implementation of this plan.

b) Residential and business customers would incur additional charges for an ECS plan or modified extended calling service plan. Such plans would have a greater revenue impact on United than an EAS plan.

c) United has not discussed in its testimony or analyzed the potential impact of any other plans.

Issue No. 4: Should subscribers be required to pay an additive as a prerequisite to surveying for extended area service or an alternative interLATA toll plan? If so, how much of an additive is required and how long should it last?

***Position:** If the Commission determines that EAS is appropriate, then an additive, the amount, duration and reasonableness of which should be determined by the Commission, would be appropriate.

United Telephone's Sharon E. Harrell, by her prefiled testimony and by Composite Exhibit 5 indicated what they felt was an appropriate additive as a prerequisite to the implementation of EAS. The subscribers affected by this process acknowledged that United should recover the costs of any ordered change. However, United has acknowledged that the Commission normally does not allow recovery of full costs (Transcript: Page 175, lines 15 through 20). The subscribers are not asking for anything other than fair and equitable treatment when it comes to an additive or associated costs.

Issue No. 5: If a sufficient community of interest is found, what are the appropriate rates

and charges for the plan to be implemented on these routes?

***Position:** The subscribers believe that the rates and charges should be those which are determined by the Commission to be fair and reasonable to all parties.

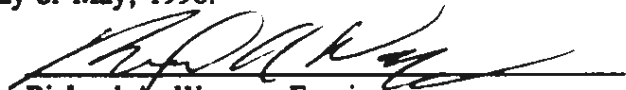
Issue No. 6: If extended area service or an alternative interLATA toll plan is determined to be appropriate, should the customers be surveyed?

***Position:** Yes. If the Commission determines EAS with an additive is appropriate, the subscribers should be surveyed. If the Commission determines that an alternative toll plan is appropriate, no survey is required.

CONCLUSION

Under Rule 25-4.060(5), Florida Administrative Code, the subscribers believe that they have demonstrated that there is a sufficient community of interest on the Groveland exchange route to the Orlando, Winter Garden and Windermere exchanges to warrant balloting for the implementation of flat-rate, nonoptional EAS. There was substantial testimony at the hearing from a variety of witnesses together with prefiled testimony to indicate that a sufficient community of interest exists to grant the flat rate, nonoptional EAS, notwithstanding the fact that the distribution requirement was not met. Further, because of the existing problems incurred with other toll plans involving interLATA concerns, the flat rate, nonoptional extended area of service would appear to be the only plan that would offer any present realistic option to the subscribers of the Groveland exchange for toll relief.

Respectfully submitted this 24th day of May, 1996.



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**CERTIFICATE OF SERVICE
DOCKET NO. 941281-TL**

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S.
Mail this 24th day of May, 1996, to:

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