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May 28, 1996

**BY HAND DELIVERY**

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

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 in the above-styled docket are the original and fifteen (15) copies of Brief and Posthearing Statement of Issues and Positions of United Telephone Company of Florida.

We are also submitting the Brief on a 3.5" high-density diskette generated on a DOS computer in WordPerfect 5.1 format.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,

  
J. Jeffrey Wahlen

cc: All Parties of Record  
Enclosure

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RECEIVED & FILED

ALL OF RECORDS

DOCUMENT NUMBER-DATE

05846 MAY 28 8

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by subscribers ) DOCKET NO. 941281-TL  
of the Groveland exchange for ) Filed: 5/28/96  
extended area service (EAS) to )  
the Orlando, Winter Garden, and )  
Windermere exchanges )  
\_\_\_\_\_)

**BRIEF AND POSTHEARING STATEMENT  
OF ISSUES AND POSITIONS OF  
UNITED TELEPHONE COMPANY OF FLORIDA**

United Telephone Company of Florida ("Sprint-United" or the "Company") files this Brief and Posthearing Statement of Issues and Positions.

I.

**INTRODUCTION**

The purpose of this docket is for the Florida Public Service Commission ("FPSC" or "Commission") to address the petition of certain subscribers in the Groveland Exchange for extended area service ("EAS") to the Orlando, Winter Garden and Windermere exchanges. Two public hearings and the technical hearing were held in Groveland on April 18, 1996. During the technical hearing, Sprint-United sponsored one witness, Sharon Harrell. Her prefiled testimony was inserted into the record at Tr. 160. Ms. Harrell sponsored exhibits 5, 6, 7 and 8. Exhibit number 8 was a late-filed exhibit and was filed on April 29, 1996.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

II.

BASIC POSITION

\* The calling patterns on the routes in this docket do not meet the existing Commission requirements to qualify for balloting for flat-rate, non-optional EAS, but do support the implementation of an Extended Calling Service ("ECS") Plan.

III.

ISSUES AND POSITIONS

ISSUE 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 extended area service as currently defined in the Commission rules, or implementing an alternative interLATA toll plan?

Position:\* Traffic on the Groveland to Orlando route satisfied the M/A/M criteria, but fell short of the distribution requirement in Commission Rule 25-4.060(3); therefore, there is an insufficient interest under the rule.

Discussion: United's position on this issue is supported on the record at Tr. 164, and in Exhibits 7 and 8, which are the two traffic studies performed by United on the routes at issue in this case, and is explained below.

The Commission has historically used the mathematical requirements in the rule to determine community of interest standards and traffic studies as the basis for defining whether a community of interests exists. The advantage of this approach is that it allows the Commission to base its decision on empirical evidence and reduces the risk of inconsistencies that can arise

when subjective factors are considered. In many previous Commission proceedings, the failure of routes to pass the numerical criteria in the rule resulted in a finding that no community of interest exists.

In this case, the failure of the routes at issue to pass the distribution requirement shows that there are a few large users that make multiple calls, but that there is a majority that does not make enough calls to justify EAS. Indeed, the March, 1995 traffic studies showed that:

- ▶ 41% of residence customers did not make any calls.
- ▶ 52% of residential customers made less than 2 calls per month.

These statistics are important, because under a non-optional EAS plan, all customers must pay an additive and regrouping charge, even though less than a majority of the customers actually make enough calls to support a strong community of interest in support of the plan.

Both of the two separate traffic studies completed on these routes support a conclusion that a community of interest does not exist under the numerical criteria in the rule. The original traffic study was conducted in October 1994 (Exhibit 7), and a second study was conducted in March 1995 (Exhibit 8). Indeed, the results of both studies reflected sufficient messages per access line per month ("M/A/Ms") on the Groveland to Orlando route. However, the frequency distribution, or number of subscribers

making 2 or more calls per month fell short of the minimum requirements of the existing FPSC Rules to qualify for balloting for flat rate, non-optional Extended Area Service ("EAS") between Groveland and Orlando. Rather, the calling patterns on this route support the implementation of an Extended Calling Service ("ECS") Plan.

The traffic studies also reflected that the Groveland to Winter Garden and Groveland to Windermere routes failed to meet either minimum requirement as set forth in the existing FPSC Rules to qualify for balloting for flat rate, non-optional EAS.

When interpreting the traffic studies and the statistics contained therein, the Commission should note that the implementation of non-optional plans allows high volume users to benefit at the expense of low volume users. In addition, under a non-optional plan, business customers generally benefit at the expense of residential customers. Implementing an ECS Plan would place the burden of paying for the calls on those customers who are placing the calls. For these reasons United supports the implementation of ECS rather than a non-optional plan.

**ISSUE 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:\* Schools, fire/police departments, medical/emergency facilities and county government are located in Lake County and can be accessed toll free. Therefore, these traditional factors are

not applicable for the implementation of flat-rate, non-optional EAS on the Groveland to Orlando route.

Discussion: United's position on this issue is supported on the record at Tr. 164-166, and is explained below.

In addition to the numerical factors contained in the Commission's rules, there are other factors sometimes mentioned by subscribers desiring EAS. These factors may include the location of schools, fire/police departments, medical/emergency facilities, and county government.

In this case, all of the schools, emergency services and governmental agencies for the Groveland exchange are located in Lake County and can be accessed toll free. Therefore, these traditional community of interest factors do not support the implementation of flat rate, non-optional EAS on the Groveland to Orlando route.

In addition to the above factors, there is the issue regarding the Windermere and Winter Garden exchanges and the need to incorporate them in this EAS issue. The traffic study results do not support including these routes. However due to the issue of leapfrogging, we would agree that only the Winter Garden exchange should be included with any offering of flat rate non-optional EAS with the 25/25 plan and regrouping.

Since the Windermere exchange would be involved only when calls from the southern most point of the Groveland exchange were placed to the Orlando exchange, United does not believe the Windermere exchange should be included. A map showing the

locations of these exchanges may be found in document 2 of my composite exhibit.

While a large number of customers attended the public hearings, the presence of a large number of customers, by itself, should not be a determining factor. Several of the witnesses expressed opposition to the EAS plan (Wolf, Tr. 23; Hodges, Tr. 31-32; Schmidt, Tr. 55). As noted by Mr. Wolf and Mrs. Schmidt, there is a large retiree population that neither needs nor wants non-optional EAS, and that businesses that relocated to Groveland did not have EAS when they decided to move to Groveland. [Tr. 55] The existence of 800 numbers and other calling plans are available for those who choose to take advantage of them. [Tr. 23]

The experience of the Carroll Fulmer Group, Inc. should also not be used as evidence in favor of a non-optional plan. While Mr. Fulmer may have been given erroneous information about his phone number and local calling scope, Ms. Harrell's cross-examination testimony was correct. The information Mr. Fulmer was apparently given was not given to him by an employee of United Telephone Company of Florida, but, as indicted in Exhibit No. 9, by an employee of a long distance company. While the experience of the Carroll Fulmer Group, Inc. is unfortunate, it is not relevant to the issues in this case.

**ISSUE 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 (summarize 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. Residential and business customers in Groveland would be charged a total additive (including regrouping) of \$3.87 and \$9.13, respectively, to their basic monthly rate. Without stimulation, the estimated annual revenue impact to United would be \$30,648, which does not reflect the additional costs incurred by United to implement the plan.
- b. The implementation of ECS impacts only those customers making the calls. Without stimulation, the estimated annual revenue impact to United would be a loss of \$85,000, which does not reflect the additional costs for facilities or other administrative costs.

Discussion: United's position on this issue is supported on the record at Tr. 166-168, and in Exhibit 5. Information on stimulation is included in Exhibit No. 6.

**ISSUE 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 a payment is required and how long should it last?**

Position:\* Yes. If the Commission orders non-optional flat-rate EAS, it should order the 25/25 plan with regrouping. Residential



and business customers in Groveland would be charged a total additive (including regrouping) of \$3.87 and \$9.13, respectively.

Discussion: United's position on this issue is supported on the record at Tr. 166-168, and in Exhibit No. 5.

**ISSUE 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 appropriate rates would be the 25/25 plan with regrouping. Residential and business customers in Groveland would be charged a total additive (including regrouping) of \$3.87 and \$9.13, respectively, for total monthly rates of \$12.60 and \$29.60, respectively.

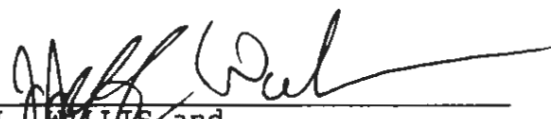
Discussion: United's position on this issue is supported on the record at Tr. 169, and in Exhibit No. 5.

**ISSUE 6: If extended area service or an alternative interLATA toll plan is determined to be appropriate, should the customers be surveyed?**

Position:\* Yes. If a non-optional plan is determined to be appropriate, the subscribers should be surveyed. All subscribers should have a voice in the implementation of such a plan since all subscribers will pay for the plan if implemented.

Discussion: United's basic position on this issue is supported on the record at Tr. 169.

DATED this 28th day of May, 1996.

  
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ATTORNEYS FOR UNITED TELEPHONE  
COMPANY OF FLORIDA

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing  
has been furnished by U. S. Mail or hand delivery (\*) this 28th day  
of May, 1996, to the following:

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