

FLORIDA PUBLIC SERVICE COMMISSION  
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MEMORANDUM

March 26, 1998

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FPSC - Records/Reporting

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (SHELPER) *AMS*  
DIVISION OF LEGAL SERVICES (B. KEATING) *BK MB*

RE: DOCKET NO. 950699-TL - RESOLUTION BY CITY COMMISSION OF  
HAINES CITY REQUESTING EXTENDED AREA SERVICE (EAS) FROM  
HAINES CITY EXCHANGE TO ALL EXCHANGES WITHIN POLK  
COUNTY

AGENDA: APRIL 7, 1998 - REGULAR AGENDA - POST HEARING DECISION  
- PARTICIPATION IS LIMITED TO COMMISSIONERS AND STAFF

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\950699TL.RCM

CASE BACKGROUND

This docket was initiated pursuant to Resolution No. 627 filed by the City Commission of Haines City on May 18, 1995, requesting extended area service (EAS) from the Haines City exchange to all exchanges located within Polk County. GTE Florida Incorporated (GTEFL or the Company) provides service to the Haines City, Lakeland, Bartow, Polk City, Mulberry, and Indian Lakes exchanges. Sprint-Florida, Inc. (Sprint) serves the Fort Meade exchange. The Haines City, Lakeland, Bartow, Polk City, Mulberry, and Indian Lakes exchanges are located in the Tampa LATA, whereas the Fort Meade exchange is located in the Fort Myers LATA. The involved parties agreed that this proceeding should be governed by Chapter 364, Florida Statutes, as it existed prior to July 1, 1995. Attachment A is a map of the involved exchanges.

By Order No. PSC-95-1429-PCO-TL, issued November 27, 1995, the Commission required GTEFL to perform and file traffic studies on the intraLATA routes at issue in this docket. GTEFL was not ordered to conduct traffic studies on the interLATA routes, because it no longer performs billing for AT&T.

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By Order No. PSC-96-0620-FOF-TL, issued May 8, 1996, the Commission denied the request for EAS from the Haines City exchange to all exchanges located within Polk County. The Commission determined that none of the routes qualified for non-optional, flat rate, two-way EAS or an alternative toll relief plan. Since the traffic data on the intraLATA routes did not indicate a community of interest, the Commission concluded that additional interLATA traffic information would not change the result.

On May 28, 1996, the City Commission of Haines City filed a protest of Order No. PSC-96-0620-FOF-TL, and requested a formal hearing.

By Order No. PSC-96-1034-PCO-TL, issued August 8, 1996, the Commission set this matter for hearing to consider community of interest factors other than traffic data.

By Order No. PSC-96-1549-PCO-TL, issued December 19, 1995, the Commission determined the issues to be resolved in this docket.

By Order No. PSC-97-0419-PHO-TL, issued on April 15, 1997, the Commission established the procedures governing the handling of confidential information, prefiled testimony and exhibits, the order of witnesses, and post hearing matters.

On April 22, 1997, the Commission held a public and technical hearing in Haines City, Florida.

At the July 15, 1997, Agenda Conference, the Office of Public Counsel (OPC) requested a deferral in order to allow the parties time to try to negotiate a settlement. The request for deferral was granted.

On September 5, 1997, OPC filed a Request to Address the Commission at the Agenda Conference. By its request, OPC sought to allow each party five minutes to address the Commission regarding staff's recommendation at the October 7, 1997, agenda conference.

On September 8, 1997, GTEFL responded in opposition to OPC's request to address the Commission at the October 7, 1997, agenda conference.

By Order No. PSC-97-1308-FOF-TL, issued October 22, 1997, GTEFL was required to survey the Haines City/Lakeland, Haines City/Bartow, and Haines City/Polk City routes for non-optional,

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two-way EAS within 45 days of the issuance of the Order. In accordance with that Order, the survey should have been mailed to the customers by December 6, 1997.

On November 13, 1997, the Office of Public Counsel (OPC) filed a Motion to Extend Time for Survey by an Additional 45 Days. Therein, OPC asked that the deadline for GTEFL to conduct the survey of the Haines City routes be extended in order to avoid holiday conflicts.

By Order No. PSC-97-1610-PCO-TL, issued December 22, 1997, the Commission granted OPC's Motion to Extend Time for Survey. The survey was to be mailed by January 20, 1998. This recommendation addresses the results of the survey.

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### DISCUSSION OF ISSUES

ISSUE 1: Based on the results of the survey, should the Commission order the implementation of nonoptional, two-way, flat rate EAS on the Haines City/Lakeland, Haines City/Bartow, and Haines City/Polk City routes?

RECOMMENDATION: No. The survey did not meet the requirements of Rule 25-4.063(6), Florida Administrative Code; therefore, EAS should not be granted.

STAFF ANALYSIS: Section 364.385(2), Florida Statutes, provides that all applications for extended area service or extended calling service pending before the Commission on March 1, 1995, shall be governed by the law as it existed prior to July 1, 1995. Proceedings including judicial review pending on July 1, 1995, shall be governed by the law as it existed prior to the date on which that section became law. No new proceedings governed by the law as it existed prior to July 1, 1995, shall be initiated after July 1, 1995. Any administrative adjudicatory proceeding which has not progressed to the stage of a hearing by July 1, 1995, may, with the consent of all parties and the Commission, be conducted in accordance with the law as it existed prior to January 1, 1996.

Because this EAS request was filed after March 1, 1995 but before July 1, 1995, and since all parties agree to abide by the old law, the Commission's existing EAS rules should apply. In order for EAS to be approved, Rule 25-4.063(6), Florida Administrative Code, requires that at least 40% of all ballots mailed must be returned, and a majority of all respondents in each exchange to vote favorable.

GTEFL stated that it mailed 26,885 ballots to all customers of record in the Haines City exchange. Due to a programming error, however, GTEFL notified staff that 605 ballots were not mailed. Time constraints prohibited GTEFL from mailing the 605 ballots because the ballots could not have been returned in the required 30 day time frame as set forth in Order No. PSC-97-1308-FOF-TL. Since the survey failed by over 2,400 votes, staff did not believe reballoting the customers or delaying the survey until the 605 ballots could be mailed would alter the outcome of the ballot. To resolve this issue, staff spoke with representatives of OPC, Haines City and GTEFL to inform all parties that these 605 ballots would be counted as favorable votes. The parties did not object. The results of the survey are shown on Table A.

TABLE A

SURVEY RESULTS			
	NUMBER	PERCENT OF TOTAL MAILED	PERCENT OF TOTAL RETURNED
Ballots Mailed (includes 605)	27,490	100.00%	
Ballots Returned (includes 605)	11,968	43.54%*	100.00%
For EAS (includes 605)	5,058	18.40%	42.26%**
Against EAS	6,879	25.02%	57.43%
Invalid	31	.12%	.26%

\* Rule requires 40% of the ballots mailed must be returned.

\*\* Rule requires a majority (>50%) of the ballots returned must vote favorably (40% requirement must be met regardless of majority vote).

Based on the results of the survey, the routes did not meet the requirements of Rule 25-4.063(6), Florida Administrative Code, for nonoptional, two-way, flat rate EAS. Therefore, EAS should be denied.

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**ISSUE 2:** Should any alternative form of toll relief be ordered on the Haines City/Lakeland, Haines City/Bartow, or Haines City/Polk City routes?

**STAFF RECOMMENDATION:** Yes, staff recommends that the Commission order GTEFL to implement ECS on the Haines City/Lakeland, Haines City/Bartow, and Haines City/Polk City routes. Residential customers should pay \$.25 per call regardless of duration, and business calls should be rated at \$.10 for the first minute and \$.06 for each additional minute. IXCs may continue to carry the same type of traffic on those routes that they are now authorized to carry. ECS should be implemented on these routes as soon as possible but not to exceed six months from the issuance of an order resulting from this recommendation. (SHELPER)

**STAFF ANALYSIS:** Since the Commission determined that a sufficient community of interest existed on these routes to survey for nonoptional EAS, staff believes these routes warrant an alternative toll plan. Specifically, staff recommends that the Commission order GTEFL to implement ECS on the Haines City/Lakeland, Haines City/Bartow, and Haines City/Polk City routes. Residential customers should pay \$.25 per call regardless of duration, and business calls should be rated at \$.10 for the first minute and \$.06 for each additional minute. IXCs may continue to carry the same type of traffic on those routes that they are now authorized to carry. ECS should be implemented on these routes as soon as possible, but not to exceed six months from the issuance of an order resulting from this recommendation.

**ISSUE 3:** Should this docket be closed?

**STAFF RECOMMENDATION:** Yes. With the approval of either Issues 1 or 2 this docket should be closed. Staff will monitor this docket to ensure that GTEFL timely files the appropriate tariff. If Issues 1 and 2 are denied, this docket should be closed with no further action. (KEATING)

**STAFF ANALYSIS:** Yes. With the approval of either Issue 1 or 2 this docket should be closed. Staff will monitor this docket to ensure that GTEFL timely files the appropriate tariff. If Issues 1 and 2 are denied, this docket should be closed with no further action.