BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

n Re: Resolution by the Palm each County Board of County ommissioners for extended area ervice (EAS) between all schanges in Palm Beach County. DOCKET NO. 921193-TL

n Re: Resolution by Alachua)
ounty Board of County)
ommissioners for extended area)
ervice (EAS) throughout Alachua)
ounty.

DOCKET NO. 921267-TL

n Re: Resolution by the Marion)
bunty Commission for countywide)
ctended area service (EAS))
ithin Marion County.

DOCKET NO. 930236-TL

1 Re: Petition by subscribers E Live Oak for extended area Prvice (EAS) to Lake City. DOCKET NO. 930979-TL

Re: Petition by the sidents of Mexico Beach (The taches exchange) for extended tea service (EAS) between the taches exchange and the Panama ty and Tyndall Air Force Base tchanges.

DOCKET NO. 940335-TL

Re: Resolution by Walton ounty Board of Commissioners or extended area service (EAS) tween all Walton County changes and Fort Walton Beach change.

DOCKET NO. 940420-TI. ORDER NO. PSC-95-1135-FOF-TL ISSUED: September 12, 1995

The following Commissioners participated in the disposition of his matter:

SUSAN F. CLARK, Chairman J. TERRY DEASON JOE GARCIA JULIA L. JOHNSON DIANE K. KIESLING

08924 SEP 128

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Resolution by the Palm) DOCKET NO. 921193-TL

Beach County Board of County)

Commissioners for extended area)
service (EAS) between all)
exchanges in Palm Beach County)

In Re: Resolution by Alachua) DOCKET NO. 921267-TL

County Board of County)
Commissioners for extended area)
service (EAS) throughout Alachua)
County)

In Re: Resolution by the Marion) DOCKET NO. 930236-TL

County Commission for countywide)
extended area service (EAS)
within Marion County.

In Re: Petition by subscribers of Live Oak for extended area service (EAS) to Lake City.

DOCKET NO. 930979-TL

In Re: Petition by the residents of Mexico Beach (The Beaches exchange) for extended area service (EAS) between the Beaches exchange and the Panama City and Tyndall Air Force Base exchanges.

DOCKET NO. 940335-TL

In Re: Resolution by Walton County Board of Commissioners for extended area service (EAS) between all Walton County exchanges and Fort Walton Beach exchange.

DOCKET NO. 940420-TL ORDER NO. PSC-95-1135-FOF-TL ISSUED: September 12, 1995

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

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FESCHELOGIC TESTATING

NOTICE OF PROPOSED AGENCY ACTION

ORDER REGARDING 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

The decisions in these dockets were postponed until after the conclusion of the extended area service (EAS) rulemaking docket, Docket No. 930220-TL. This delay was to enable us to investigate the problems regarding EAS and to revise the rules. One of the areas to review was alternative toll plans.

Because of the revisions to Chapter 364, the proposed EAS rules will not be considered. The pending EAS dockets will be considered based on subject type. The subject area of this Order are pending dockets that were to be considered for "intraLATA alternative toll plans" after the EAS rulemaking docket.

Because different local exchange companies (LECs) have different names for the same alternative toll plan, we will refer to what has previously been called the "\$.25 hybrid plan" from now on as extended calling service (ECS). This should reduce confusion in the future when referring to \$.25 plans.

II. Docket No. 921193-TL

By Order No. PSC-94-1109-FOF-TL, issued September 9, 1994, we denied EAS on the following routes, because subscribers voted against increasing their rates for flat rate EAS: Boca Raton/West Palm Beach; Delray Beach/West Palm Beach; Belle Glade/West Palm Beach; Pahokee/West Palm Beach; and Boynton Beach/Boca Raton. We made no determination regarding any alternative toll plans for these routes until after the conclusion of the EAS rule revision docket, except that the Boynton Beach/Boca Raton route already had \$.25 plan.

Historically, we have considered alternative toll plans on routes that met the calling rate requirement and exhibited a substantial showing on the distribution factor. Typically, these cases were close to meeting our requirements but fell short by a small percentage on the distribution factor.

We also have implemented alternative toll plans on routes that met the EAS rule requirements but failed the balloting process. Since the purpose of alternative toll plans is to provide toll relief on routes that have a demonstrated community of interest, these routes were considered to have met that criteria. The four routes in this docket are being considered for ECS, because they did not pass the ballot for nonoptional, two-way, flat rate EAS.

The calling rates and distribution factors on the Boca Raton/West Palm Beach, Delray Beach/West Palm Beach, Pahokee/West Palm Beach, and Belle Glade/West Palm Beach routes exhibit a community of interest sufficient to warrant ECS. In addition, the Boynton Beach/Boca Raton route, which currently has the \$.25 plan, where residential and business calls are rated at \$.25 per call, shall be converted to ECS. This ensures that the alternative toll plans within Palm Beach County are uniform.

We believe it is appropriate to allow IXCs to continue to carry the same types of traffic on these routes that they are now authorized to carry. This is consistent with the Settlement Agreement in Order No. PSC-94-0572-FOF-TL, issued May 16, 1994, in Docket No. 911034-TL - Request by the Broward County Commission for EAS between Fort Lauderdale, Hollywood, North Dade and Miami.

We used a 50% stimulation factor to compute revenue impact. This is consistent with the stimulation factor used by Southern Bell to determine the revenue impact of its ECS proposal in Docket No. 920260-TL. With stimulation, we estimate the annual revenue loss on the four toll routes to be \$5,390,477 for Southern Bell. Including the conversion of the Boynton Beach/Boca Raton route from the \$.25 plan to ECS, we estimate an annual revenue loss of \$5,785,457. Absent stimulation the annual revenue loss on the four toll routes would be \$8,958,344, and \$9,353,324, the latter including the Boynton Beach/Boca Raton route.

We note that in Docket No. 920260-TL Southern Bell has filed a tariff proposal to satisfy the outstanding rate reduction of \$25 million. This tariff proposes to introduce ECS on 252 intracompany routes. On July 28, 1995, Southern Bell filed a request to

add 36 more routes to this proposal. The 5 routes discussed in this section are included in Southern Bell's proposal. A hearing was held on July 31, 1995, regarding Southern Bell's revenue reduction of \$25 million.

We believe the decision to implement an alternative to flat rate EAS or for the \$.25 plan for these five routes should be considered here in Docket No. 921193-TL. These routes have met specific rule criteria, and ECS should be considered based on our EAS policy. The decision regarding how Southern Bell should reduce its rates by \$25 million should be left to the rate case docket. We have not made a determination on whether the qualifying criteria used by Southern Bell are appropriate, and the issue in Southern Bell's docket is how to reduce its rates by \$25 million.

We estimated an annual revenue loss with stimulation of \$5,785,457. Whether this money should be considered as part of the \$25 million in rate deduction will be decided in Docket No. 920260-TL. However, we believe ECS should be implemented on these routes regardless of our decision to include or exclude this reduction in the \$25 million.

Upon review, we find that ECS shall be implemented on the Boca Raton/West Palm Beach; Delray Beach/West Palm Beach; Belle Glade/West Palm Beach; Pahokee/West Palm Beach; and Boynton Beach/Boca Raton routes. Residential customers shall pay \$.25 per call regardless of duration, and business calls on these routes shall be rated at \$.10 for the first minute and \$.06 for each additional minute. Pay telephone providers shall charge end users \$.25 per message and pay the standard measured interconnection usage charge. IXCs may continue to carry the same types of traffic on these routes that they are now authorized to carry. ECS shall be implemented on these routes as soon as possible but not to exceed six months from the issuance date of this Order.

III. Docket No. 921267-TL

By Order No. PSC-93-1635-FOF-TL, issued November 8, 1994, in Docket No. 921267-TL - Resolution by Alachua County Commission for countywide EAS, we denied EAS on all of the 70 routes within Alachua County. We decided, with the exception of the McIntosh/Gainesville route, that the calling rates and distribution on the remaining 69 routes did not exhibit a sufficient community of interest to warrant an alternative toll plan. The McIntosh/Gainesville route was identified to be evaluated after the conclusion of the EAS rule revision docket.

Historically, we have considered an alternative toll plan on routes that met the calling rate requirement and exhibited a substantial showing on the distribution factor. The McIntosh/Gainesville route exceeded the M/A/M requirement but missed the distribution criteria by a very small fraction. We believe the calling rates and distribution factors on this route exhibit community of interest factors sufficient to warrant ECS.

We also believe it is appropriate to allow IXCs to continue to carry the same types of traffic on this route that they are now authorized to carry. This is consistent with the Settlement Agreement in Order No. PSC-94-0572-FOF-TL, issued May 16, 1994, in Docket No. 911034-TL.

We used a 50% stimulation factor to compute revenue impact, which is consistent with the stimulation factor used by Southern Bell in Docket No. 920260-TL. With stimulation, we estimate an annual revenue loss for ALLTEL of \$17,588; absent stimulation, the annual revenue loss is projected to be \$49,736. Southern Bell would experience, with stimulation, an estimated annual revenue loss of \$41,775; absent stimulation, the annual revenue loss would be \$62,897.

Upon review, we find that ECS shall be implemented on the McIntosh/ Gainesville route. Residential customers shall pay \$.25 per call regardless of duration, and business calls on these routes shall be rated at \$.10 for the first minute and \$.06 for each additional minute. Pay telephone providers shall charge end users \$.25 per message and pay the standard measured interconnection usage charge. IXCs may continue to carry the same types of traffic on these routes that they are now authorized to carry. ECS shall be implemented on these routes as soon as possible but not to exceed six months from the issuance date of this Order.

IV. Docket No. 930236-TL

By Order No. PSC-93-1586-FOF, issued November 1, 1993, in Docket No. 930236-TL - Resolution by Marion County Commission for countywide EAS, we denied EAS on all routes except the Williston/Ocala and Williston/McIntosh routes, which were to be balloted for EAS. We decided that none of the remaining routes had calling rates and distribution factors sufficient to warrant an alternative toll plan.

By Order No. PSC-94-0428-FOF-TL, issued April 11, 1994, we denied EAS on the Williston/Ocala and Williston/McIntosh routes because the subscriber survey failed. We decided that the Williston/Ocala route, including the Williston/McIntosh route to avoid leapfrogging, will be reviewed for an alternative plan after the conclusion of the EAS rulemaking docket.

Historically, we have considered an alternative toll plan on routes that met the calling rate requirement and exhibited a substantial showing on the distribution factor. We have also implemented alternative toll plans on routes that met the EAS rule requirements but failed the balloting process. Since the purpose of alternative toll plans is to provide toll relief on routes that have a demonstrated community of interest, these routes were considered to have met those criteria. The Williston/Ocala and Williston/McIntosh routes are being considered for ECS, because they did not pass the ballot for nonoptional, two-way, flat rate EAS.

We find that it is appropriate to allow IXCs to continue to carry the same types of traffic on these routes that they are now authorized to carry. This is consistent with the Settlement Agreement in Order No. PSC-94-0572-FOF-TL, issued May 16, 1994, in Docket No. 911034-TL.

We were unable to accurately compute the revenue impact for United on the Williston/Ocala route, because the revenue information provided by United did not take into consideration the optional toll plan from Williston to Ocala. Therefore, no revenue impact information is provided by United. In computing revenue impact for ALLTEL, we used a 50% stimulation factor. With stimulation, we estimate an annual revenue loss for ALLTEL of \$5,038; absent stimulation, an estimated annual revenue loss is projected to be \$12,733.

Upon review, we find that ECS shall be implemented on the Williston/Ocala and Williston/McIntosh routes. Residential customers shall pay \$.25 per call regardless of duration, and business calls on these routes shall be rated at \$.10 for the first minute and \$.06 for each additional minute. Pay telephone providers shall charge end users \$.25 per message and pay the standard measured interconnection usage charge. IXCs may continue to carry the same types of traffic on these routes that they are now authorized to carry. ECS shall be implemented on these routes as soon as possible but not to exceed six months from the issuance date of this Order.

V. Docket No. 930979-TL

By Order No. PSC-94-0437-FOF-TL, issued April 20, 1994, in Docket No. 930979-TL - Petition by subscribers of Live Oak for EAS to Lake City, we denied EAS on this route. We also decided to review the Live Oak/Lake City route for an alternative plan after the EAS rulemaking docket.

Historically, we have considered an alternative toll plan on routes that met the calling rate requirement and exhibited a substantial showing on the distribution factor. The Live Oak/Lake City route exceeded the M/A/M requirement but missed the distribution criteria by a small fraction. We find that the calling rates and distribution factors on this route exhibit community of interest factors sufficient to warrant ECS.

We also believe it is appropriate to allow IXCs to continue to carry the same types of traffic on these routes that they are now authorized to carry. This is consistent with the Settlement Agreement in Order No. PSC-94-0572-FOF-TL, issued May 16, 1994, in Docket No. 911034-TL.

We used a 50% stimulation factor to compute revenue impact, which is consistent with the stimulation factor used by Southern Bell in Docket No. 920260-TL. With stimulation, we estimate an annual revenue loss for ALLTEL of \$14,622; absent stimulation, the annual revenue loss is projected to be \$79,512. Southern Bell would experience, with stimulation, an estimated annual revenue loss of \$117,922; absent stimulation, the annual revenue loss would be \$157,059.

Upon review, we find that ECS shall be implemented on the Live Oak/Lake City route. Residential customers shall pay \$.25 per call regardless of duration, and business calls on these routes shall be rated at \$.10 for the first minute and \$.06 for each additional minute. Pay telephone providers shall charge end users \$.25 per message and pay the standard measured interconnection usage charge. IXCs may continue to carry the same types of traffic on this route that they are now authorized to carry. ECS shall be implemented on this route as soon as possible but not to exceed six months from the issuance date of this Order.

VI. Docket No. 940335-TL

By Order No. PSC-94-1367-FOF-TL, issued November 10, 1994, in Docket No. 940335-TL - Petition by residents of Mexico Beach for EAS between the Beaches exchange and the Panama City and Tyndall Air Force Base exchanges, we denied EAS on these routes. We also decided to review the Beaches/Panama City route for an alternative plan after the EAS rulemaking docket.

Historically, we have considered an alternative toll plan on routes that met the calling rate requirement and exhibited a substantial showing on the distribution factor. The Beaches/Panama City route exceeded the M/A/M requirement but missed the distribution criteria by a small fraction. We find that the calling rates and distribution factors on this route exhibit community of interest factors sufficient to warrant ECS.

We also believe it is appropriate to allow IXCs to continue to carry the same types of traffic on this route that they are now authorized to carry. This is consistent with the Settlement Agreement in Order No. PSC-94-0572-FOF-TL, issued May 16, 1994, in Docket No. 911034-TL.

We used a 50% stimulation factor to compute revenue impact, which is consistent with the stimulation factor used by Southern Bell in Docket No. 920260-TL. With stimulation, we estimate an annual revenue loss for St. Joseph Telephone Company of \$33,863; absent stimulation, the annual revenue loss is projected to be \$56,129. Southern Bell would experience, with stimulation, an estimated annual revenue loss of \$20,474; absent stimulation, the annual revenue loss would be \$30,028.

Upon review, we find that ECS shall be implemented on the Beaches/Panama City route. Residential customers shall pay \$.25 per call regardless of duration, and business calls on these routes shall be rated at \$.10 for the first minute and \$.06 for each additional minute. Pay telephone providers shall charge end users \$.25 per message and pay the standard measured interconnect usage charge. IXCs may continue to carry the same types of traffic on this route that they are now authorized to carry. ECS shall be implemented on this route as soon as possible but not to exceed six months from the issuance date of this Order.

VII. Docket No. 940420-TL

By Order No. PSC-94-1378-FOF-TL, issued November 14, 1994, in Docket No. 940420-TL - Resolution by Walton County Commission for EAS between all of Walton County and Fort Walton Beach exchange, we denied EAS on all requested toll routes. We decided to review, after the conclusion of the EAS rulemaking docket, the Freeport/Valparaiso route, which currently has the \$.20 plan, to determine if it qualified for EAS. We also decided to review the Freeport/Fort Walton Beach route for an alternative plan after the EAS rulemaking docket.

A. Freeport/Fort Walton Route

Historically, we have considered an alternative toll plan on routes that met the calling rate requirement and exhibited a substantial showing on the distribution factor. The Freeport/Fort Walton Beach route exceeded the M/A/M requirement but missed the distribution criteria by a small fraction. We find that the calling rates and distribution factors on this route exhibit community of interest factors sufficient to warrant ECS.

We also believe it is appropriate to allow IXCs to continue to carry the same types of traffic on this route that they are now authorized to carry. This is consistent with the Settlement Agreement in Order No. PSC-94-0572-FOF-TL, issued May 16, 1994, in Docket No. 911034-TL.

We used a 50% stimulation factor to compute revenue impact, which is consistent with the stimulation factor used by Southern Bell in Docket No. 920260-TL. With stimulation, we estimate an annual revenue loss for Centel of \$128,630; absent stimulation, the annual revenue loss is projected to be \$165,465.

Upon review, we find that ECS shall be implemented on the Freeport/Fort Walton Beach route. Residential customers shall pay \$.25 per call regardless of duration, and business calls on this route shall be rated at \$.10 for the first minute and \$.06 for each additional minute. Pay telephone providers shall charge end users \$.25 per message and pay the standard measured interconnection usage charge. IXCs may continue to carry the same types of traffic on this route that they are now authorized to carry. ECS shall be implemented on this route as soon as possible but not to exceed six months from the issuance date of this Order.

B. Freeport/Valparaiso Route

Our staff developed qualifying criteria for the Freeport/Valparaiso route; however, because of the revision to Chapter 364, Florida Statutes, the EAS rulemaking docket has been closed. In an attempt to determine if the Freeport/Valparaiso route would have met the proposed qualifying criteria, we applied the requirements to the information which we had available on this route. Since we granted an alternative toll plan on this route, we assume that some community of interest exists. Using the proposed rule criteria, in order to be considered for EAS, the route must have, at a minimum, at least 8 M/A/Ms. If this factor is met, then we may consider distribution and qualitative information that was used in our decision to implement the \$.20 plan to determine if a sufficient community of interest exists to warrant a survey for EAS. This route had 8 M/A/Ms and a distribution level of 49%.

It is our opinion that 8 M/A/Ms with a distribution factor of 49% does not warrant further action. This route would not qualify for nonoptional, flat rate, two-way EAS if it were a toll route. In fact, 41% of the customers make no calls to Valparaiso and only 58.9% made one or more. It appears that the \$.20 plan is meeting the needs of the subscribers; therefore, we deny EAS on this route.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that extended calling service shall be implemented on the Boca Raton/West Palm Beach; Delray Beach/West Palm Beach; Belle Glade/West Palm Beach; Pahokee/West Palm Beach; and Boynton Beach/Boca Raton routes as discussed in the body of this Order for Docket No. 921193-TL. It is further

ORDERED that extended calling service shall be implemented on the McIntosh/Gainesville route as discussed in the body of this Order for Docket No. 921267-TL. It is further

ORDERED that extended calling service shall be implemented on the Williston/Ocala and Williston/McIntosh routes as discussed in the body of this Order for Docket No. 930236-TL. It is further

ORDERED that extended calling service shall be implemented on the Live Oak/Lake City route as discussed in the body of this Order for Docket No. 930979-TL. It is further

ORDERED that extended calling service shall be implemented on the Beaches/Panama City route as discussed in the body of this Order for Docket No. 940335-TL. It is further

ORDERED that extended calling service shall be implemented on the Freeport/Fort Walton Beach route as discussed in the body of this Order for Docket No. 940420-TL. It is further

ORDERED that Freeport exchange shall not be balloted for nonoptional, flat rate, two-way extended area service to the Valparaiso exchange as discussed in the body of this Order for Docket No. 940420-TL. It is further

ORDERED that for the ECS routes ordered above, residential customers shall pay \$.25 per call regardless of duration. Business calls on these routes shall be rated at \$.10 for the first minute and \$.06 for each additional minute. It is further

ORDERED that ECS shall be implemented on these routes as soon as possible but shall not exceed six months from the issuance date of this Order. It is further

ORDERED that pay telephone providers shall charge end users \$.25 per message and pay the standard measured interconnection usage charge on these ECS routes. It is further

ORDERED that interexchange carriers may continue to carry the same types of traffic on these routes that they are now authorized to carry as discussed in the body of this Order. 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. It is further

ORDERED that a protest regarding one route shall not keep the action regarding the other routes from becoming final. It is further

ORDERED that Docket No. 921193-TL shall remain open. It is further

ORDERED that in the event this Order becomes final, the remaining dockets shall be closed.

By ORDER of the Florida Public Service Commission, this 12th day of September, 1995.

BLANCA S. BAYO, Director

Division of Records and Reporting

(SEAL)

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 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 2, 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.