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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Proposed revisions to Rules	)	DOCKET NO. 880073-TL
25-4.042 and 25-4.057 through	)	
25-4.064, F.A.C., Extended Area	)	ORDER NO. 25481
Service.	)	
<hr/>		ISSUED: 12/17/91

NOTICE OF RULEMAKING

NOTICE is hereby given that the Commission, pursuant to section 120.54, Florida Statutes, has initiated rulemaking to amend Rules 25-4.057, Application and Scope; 25-4.058, Conditions for Approval; 25-4.059, Filing Requirements; 25-4.60, Community of Interest Considerations; 25-4.061, Determination of Costs; 25-4.063, Subscriber Survey; and 25-4.064, Alternatives to Non-Optional Extended Area Service, F.A.C.

The attached Notice of Rulemaking will appear in the December 20, 1991 edition of the Florida Administrative Weekly. If requested, a hearing will be held at the following time and place:

9:30 a.m., April 28, 1992  
Room 106, Fletcher Building  
101 East Gaines Street  
Tallahassee, Florida

Written requests for hearing and written comments or suggestions on the rules must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32399, no later than January 10, 1992.

By Direction of the Florida Public Service Commission, this  
17th day of DECEMBER, 1991.



STEVE TRIBBLE Director  
Division of Records & Reporting

( S E A L )  
CBM  
AMD4057.smj

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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25-4.057 Application and Scope.

(1) The rules set forth in this Sub-Part are intended to establish uniformly consistent guidelines, standards and procedures for the filing, acceptance and processing of requests for Extended Area Service (EAS) which may be pending on, or applied for after, the effective date of these rules.

(2) For the purpose of the rules in this Sub-Part, Extended Area Service is defined as a switching and trunking arrangement which provides for a nonoptional non-optimal, unlimited, two-way, flat-rate calling service between two or more exchanges, provided at exchange rates where cost is minimal, or at an increment to exchange rates, rather than at toll message charges.

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03, 364.14, 364.15, F.S.

History: New 4/14/81, formerly 25-4.57.

25-4.058 Conditions for Approval. In the absence of proper and compelling reasons to the contrary, the Commission will order New Extended Area Service established when the following general conditions are satisfied:

(1) There exists a sufficient degree of community of interest between exchanges, as defined in Rule 25-4.060, and

(2) As required, the incremental rates to be charged for the Extended Area Service arrangement, as determined by the Commission, will generate revenues within the affected exchanges(s) to the

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extent possible, sufficient to meet the increased cost resulting from the provision of EAS, considering the strength of the community of interest, the overall rate level, and effect on earnings of the telecommunications companies which will provide the proposed EAS, and

(3) The proposed Extended Area Service, when offered at a price determined by the Commission ~~sufficient to meet the increased costs~~, is approved by the prescribed majority of affected subscribers.

Specific Authority: 350.127, F.S.

Law Implemented: 364.03, 364.14, 364.15, F.S.

History: New 4/14/81, formerly 25-4.58.

25-4.059 Filing Requirements.

(1) In order to be considered by the Commission for further handling, a request for Extended Area Service shall be initiated by one or more of the following actions; provided, however, that a determination by the Commission of the need for establishment of a particular Extended Area Service or other toll alternative arrangement shall not be undertaken more frequently than once in any three year period:

(a) A petition signed by at least five (5%) percent, but not less than fifty (50), of the subscribers in the telephone exchange from which the petition originates; or a petition signed by at least two (2%) percent of the subscribers in the telephone exchange

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from which the petition originates accompanied by a petition, request, or resolution adopted and filed with the Commission by the governing body of the political subdivision or where the subscribers requesting EAS are located in an exchange which has a minority of its subscribers in another county (pocket community within an exchange) at least ten (10%) percent of the subscribers in the pocket community within an exchange. Any such petition filed with the Commission shall set forth the name and telephone number of each signatory and be signed. It shall also include ~~and~~ the name of the exchange from which the individuals are served, and the name of the exchange(s) to which EAS is desired and a statement that such subscribers are willing to pay higher local service rates, if necessary, for the desired EAS.

~~(b) A petition, request or resolution adopted and filed with the Commission by the governing body of a political subdivision.~~

~~(b) (e) A proposal by a telecommunications telephone company or telecommunications telephone companies.~~

(2) All requests for EAS, regardless of how initiated, shall state the name of the originating exchange and the name of the exchanges(s) to which the Extended Area Service is sought.

Specific Authority: 350.127, F.S.

Law Implemented: 364.03, F.S.

History: New 4/14/81, formerly 25-4.59.

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25-4.060 Community of Interest Considerations.

(1) Upon receipt of a proper filing under the provisions of Rule 25-4.059, the company or companies involved will be directed by the Commission to initiate appropriate calling usage studies. The results of such studies shall be filed with the Commission and, thereafter, within ninety (90) sixty (60) days of receipt of such notification, ~~it file with the Commission the results of such studies.~~ The data to be filed shall be developed from and based upon a minimum thirty (30) day study of representative calling patterns, shall be in such form, detail and content as the Commission may reasonably require and shall include, as a minimum, the following information:

(a) The number of messages and calculated calling rates, with and without Foreign Exchange (FX) Service, expressed in messages per access line main and equivalent main station per month, (M/A/M), over each interexchange route and in each direction, segregated between business and residence users and combined for both, sample FX data may be submitted with adequate information to show sample adequacy and appropriateness), and

(b) A detailed analysis of the distribution of calling usage among subscribers, over each route and in each direction, segregated between business and residence users and combined, showing, for each category, the number of customers making 0 calls, 1 call, etc., through 25 calls and 26 or more calls per month.

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(c) Access line Station classification data showing, by classes of service, the number of access lines ~~main and equivalent main stations~~ in service for each of the exchanges being studied.

(d) The interexchange ~~inter-exchange~~ toll rates, distance between rate centers, the number and duration of calls by time of day and the average revenue per message (ARPM) for the calls studies.

(e) The number of Foreign Exchange (FX) lines in service and the average calling volumes carried on these lines expressed, ~~(a) in as~~ messages per month and, ~~(b) in CCS units.~~

(2) In all exchanges where traffic studies are ordered, the company will also be directed to file usage studies for any alternative toll calling plan which is already in place. This study shall include, as a minimum,

(a) the date the alternative calling plan was implemented and the tariff referenced,

(b) the number of subscribers currently signed up for the plan,

(c) a statement indicating whether the alternative calling plan messages are included in the M/A/M listed for the traffic studies.

(3) ~~(2)~~ A preliminary showing that a sufficient degree of community of interest between exchanges, sufficient to warrant further proceedings, will be considered to exist when the combined

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two-way calling rate over each interexchange ~~inter-exchange~~ route under consideration equals or exceeds two (2) messages per access line main and equivalent access line main station per month (M/A/M) ~~(M/M/M)~~ and fifty (50%) percent or more of the subscribers in the exchanges involved make one or more calls per month, except that:

(a) On any given route between two exchanges, when the petitioning exchange has less than half the number of access lines main and equivalent main stations as the larger exchange, studies of one-way oneway traffic originating in the smaller exchange may be used, in which case the community of interest qualification will require a calling rate of three (3) or more (M/A/M) ~~M/M/M~~ with at least fifty (50%) percent of the exchange subscribers making two (2) or more calls per month.

(4) The Commission shall consider the impact of the EAS plan on interexchange competition.

(5) (3) In the event that the interexchange inter-exchange traffic patterns over any given route do not meet prescribed community of interest qualifications, the Commission may consider other community of interest factors to warrant further proceedings would determine that no further investigation would be warranted or necessary for that portion of the request at this time.

Specific Authority: 350.127, F.S.

Law Implemented: 364.03, 364.14, F.S.

History: New 4/14/81, formerly 25-4.60.

25-4.061 Hearings Determination of Costs.

(1) Following a determination of the extent of the community of interest, the Commission, may order that no toll relief is warranted or order an EAS plan, a boundary change, or a toll alternative, depending on the strength of the community of interest, the effect on the telecommunication companies' earnings and other factors. The order shall include information on the rates to be charged and whether a subscriber survey is required. Pursuant to a section 120.57 protest of the Proposed Agency Action or on the commission's own motion, a public hearing shall be held to provide for the proper examination and verification of data required by these rules, the introduction of such additional testimony, evidence, and information as may be germane to the issues and to afford an opportunity for all interested parties to be fully heard. Following a determination that the appropriate requirements of Rules 25-4.059 and 25-4.060 have been met, the company or companies involved will be ordered by the Commission to initiate, without delay,

(2) If a request for a hearing is granted, the affected telecommunication companies shall file, unless otherwise ordered by the Commission, the studies necessary to a determination of the changes in costs which may reasonably be expected to result from establishment of the requested Extended Area Service. These studies will consider and develop, for each year and over each

route, relevant revenues and costs over a five (5) year period immediately following the potential date for initiation of the service, as follows:

(a) Net increases in capital costs resulting from required additions to network capacity less reductions in required quantities of facilities and equipment utilized for toll services between the exchanges. The added investment will be based upon the additional switching and trunking needs necessary to accommodate the incremental usage at prescribed levels of service, as may be determined from realistic estimates of call stimulation factors and holding time effects due to the toll alternative ~~Extended Area Service~~. Appropriate annual charges will be applied to the added investment to obtain the additional annual costs attributable to this source.

(b) Analysis of increases and decreases in expenses including, but not limited to, separations impacts, Modified Access Based Compensation access charge changes, and the net effect on operating expenses ~~Analysis of increases and decreases in expenses and the net effect on operating expenses.~~

(c) A separate schedule showing ~~local~~ revenue increases and decreases, including but not limited to, toll Modified Access Based Compensation access charge revenues, interLATA access revenues and revenues resulting from exchange regrouping, as applicable.

(d) Analysis of increases and decreases in toll revenues

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separately identifying interstate ~~Inter-state~~ and intrastate  
~~Intra-state~~ amounts:

1. Effect of increases and decreases of capital costs, expenses and revenues, as described in 25-04.61(1-a) through (1-c) above, upon intercompany settlements.

2. Effect upon intercompany settlements of change in separation factors resulting from the proportionate increase in local usage (including EAS) to total usage.

3. Loss of toll revenue billed, identifying the effect upon intercompany settlements.

~~(e)(2)~~ On or before ninety (90) days from the date of the request for hearing, ~~notification~~ the respondent(s) shall file with the Commission the summary results of these studies, together with supporting schedules and detail as will permit the identification of study components and verification of study results.

(3) If a hearing is requested, the affected telecommunication companies ~~Coincident with the filing of cost study results,~~ ~~respondent(s)~~ shall submit recommendations for proposed incremental rate increases, by classes of service, necessary to support the added service.

~~(4) At this point in the investigative process, public hearings may be held to provide for the proper examination and verification of data required by these rules, the introduction of such additional testimony, evidence and information as may be~~

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~~germane to the issues and to afford an opportunity for all parties in interest to be fully heard.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03, F.S.

History: New 4/14/81, formerly 25-4.61.

25-4.062 Assigned Recovery of Costs.

~~(1) Having established the annual average incremental cost created by the new EAS, the Commission will determine the rate increment to be charged to subscribers in the affected exchange(s) in such a way that no increase in rates and charges would be incurred by the subscribers of non-benefited exchanges.~~

~~(2) New Extended Area Service will be priced using those rate increments designed to recover the added costs for each route and the total increment chargeable to subscribers will be the sum of the increments of all new Extended Area Service routes established for that exchange after the effective date of these rules.~~

~~(3) The annual average incremental cost for each new EAS route will be evenly divided between the two participating exchanges on each route. Any additional annual revenues derived from regrouping shall be deducted from the cost of implementing the service in the exchange generating the regrouping revenues. In establishing the EAS increment, main station and trunk rates shall be increased by equal percentages.~~

~~(4) In the event that only the subscribers in the petitioning~~

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~~exchange approve of the new EAS route as provided in Rule 25-4.063(5)(c), the requested service may still be implemented, provided that the entire incremental cost for the new service, less any additional revenues generated by regrouping in either or both exchanges, shall be borne by the subscribers of the petitioning exchange.~~

Specific Authority: 350.127(2), F.S.

Law Implemented: 364.03, F.S.

History: New 4/14/81, formerly 25-4.62.

25-4.063 Subscriber Survey.

(1) In all cases where a request for Extended Area Service conforms to the requirements of these rules and the customers of either exchange would be subject to increased rates from either regrouping or the use of a mandatory an incremental charge for EAS, or both, the Commission will order a survey to be made by the company by mail of all subscribers so affected, one ballot per account.

(2) If the Commission determines that a group of exchanges (more than one) is to be surveyed, the Commission shall specify whether the vote shall be calculated individually for each exchange or on a consolidated basis.

(3) (2) The customer survey explanatory letter shall include all pertinent information that would enable the customer to exercise a rational choice of acceptance or rejection of the

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proposal and shall contain at least the following items:

- (a) A brief explanation of the purpose of the survey.
- (b) A tabulation showing, by classes of service, the increases in rates to which subscribers would be subject.
- (c) A listing of the telephone exchanges and three-digit telephone number prefixes which would become accessible if the Extended Area Service were approved.

(d) A statement indicating that only those voting by a signed return postcard will be counted. The statement shall also include information specifying the threshold for voter approval of a request for EAS as specified in Rule 25-4.063(6)(a) and (b).

(e) The date by which the postcard ballots must be returned to be considered. This return date will provide, as a minimum, a period of thirty days from the date on which the survey letter is mailed.

(4) ~~(3)~~ The customer survey letter ~~shall be a separate mailing,~~ shall contain no additional material or information not contemplated by these rules and shall include a pre-addressed, stamped postcard ballot which shall provide at least the following information:

- (a) A brief statement of the service proposal being voted on as more fully described in the customer survey letter.
- (b) Spaces for the customer to indicate his or her preference for or against the proposal.

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(c) Lines for signature, telephone number and date.

(d) A space for customer comments, if desired.

(e) The date by which the postcard ballots must be returned to be considered. This return date will provide, as a minimum, a period of thirty days from the date on which the survey letter is mailed.

(5) ~~(4)~~ Both the subscriber survey letter and the return postcard ballot shall have prior approval of the Commission staff before mailing and the postcard ballot shall be returnable to the Commission staff for tabulation of results.

(6) ~~(5)~~ The requested Extended Area Service shall be approved and ordered by the Commission upon a finding that:

(a) A majority Fifty-one (51%) percent of all ballots sent subscribers in each exchange if route-by-route, or the consolidated results if so ordered, required to be surveyed vote favorably; or

(b) Seventy Sixty (70 60%) percent of the ballots returned respondents in each exchange if route-by-route, or the consolidated results if so ordered, vote favorably and at least sixty seventy (60 70%) percent of all ballots sent are returned. subscribers in each exchange required to be surveyed respond; or

~~(c) The prescribed majorities of (a) or (b) above are met by the subscribers of the petitioning exchange as provided for under Rule 25-4.062(4).~~

(7) ~~(6)~~ If the vote is ordered to be route-by-route, the The

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subscriber survey material shall state separately for each exchange ~~required to be surveyed the amount of local service rate increases applicable to that exchange both in the event all exchanges vote for the EAS or only the petitioning exchange. In no event shall the percentage of responses or affirmative votes be aggregated or averaged over the exchanges involved, but the results shall be separately completed for each exchange.~~

~~(7) Whenever the Commission determines that the EAS increment to any exchange is of such magnitude that it believes a substantial majority of the customers would not desire the service at the determined rates, it may dispense with the survey.~~

Specific Authority: 350.127, F.S.

Law Implemented: 364.03, F.S.

History: New 4/14/81, formerly 25-4.63.

25-4.064 Alternatives to Non-Optional Extended Area Service.

Whenever interexchange ~~inter-exchange~~ traffic patterns are such that subscriber needs may be adequately served by alternative service offerings, or requests may not fully meet the requirements of these rules but higher than average interexchange ~~inter-exchange~~ calling may exist, the Commission may give consideration to other alternatives such as one-way Optional Calling Plans, interexchange ~~inter-exchange~~ message rate service, Usage Sensitive Pricing options, discounted toll offering, etc.

Specific Authority: 350.127(2), F.S.

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Law Implemented: 364.93, 364.14, F.S.

History: New 4/14/81, formerly 25-4.64.