

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for extended area)	DOCKET NO. 910377-TL
service between Wellborn and Lake City.)	ORDER NO. 25448
<hr/>		ISSUED: 12/9/91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 SUSAN F. CLARK
 J. TERRY DEASON
 BETTY EASLEY
 MICHAEL McK. WILSON

NOTICE OF PROPOSED AGENCY ACTION
ORDER REQUIRING SURVEY OF CUSTOMERS FOR
IMPLEMENTATION OF 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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

This docket was initiated pursuant to petitions filed with this Commission by subscribers of the Wellborn exchange. The petitions requested that we consider requiring implementation of extended area service (EAS) between the Wellborn exchange and the Lake City exchange. The Wellborn exchange is located in Suwannee County and is served by ALLTEL Florida, Inc. (ALLTEL), while the Lake City exchange is located primarily in Columbia County and is served by Southern Bell Telephone and Telegraph Company (Southern Bell).

By Order No. 24297, issued March 27, 1991, we directed the companies to perform traffic studies between these exchanges to determine whether a sufficient community of interest exists, pursuant Rule 25-4.060, Florida Administrative Code. The companies were to prepare and submit the traffic studies to us within sixty (60) days of the issuance of Order No. 24297, making the studies due by May 27, 1991. Subsequently, the companies filed the required traffic studies.

DOCUMENT NUMBER-DATE

12136 DEC -9 1991

FPSC-RECORDS/REPORTING

ORDER NO. 25448
 DOCKET NO. 910377-TL
 PAGE 2

Each of the involved exchanges currently has EAS follows:

<u>Exchange</u>	<u>Access Lines</u>	<u>EAS Calling Scope</u>
Lake City	16,595	Fort White, White Springs
Wellborn	1,014	Branford, Dowling Park, Florida Sheriff's Boys Ranch, Live Oak, Luraville, Mayo

Current basic local service rates for the exchanges involved in this EAS request are shown below:

BASIC LOCAL RATES

Lake City

R-1	\$ 8.10
B-1	21.90
PBX	49.39

Wellborn

R-1	\$ 9.60
B-1	24.10
PBX	45.85

DISCUSSION

By Order No. 24297, ALLTEL and Southern Bell were directed to conduct traffic studies on the affected exchanges to determine if a sufficient community of interest existed pursuant to Rule 25-4.060. For these studies, we requested that the companies measure the messages per main and equivalent main station per month (M/M/M) and percentage of subscribers making two (2) or more calls monthly to the exchanges for which EAS was proposed.

The results of the traffic studies indicate that the calling rates on these routes, including foreign exchange (FX) service, are as follows:

ORDER NO. 25448
DOCKET NO. 910377-TL
PAGE 3

<u>Route</u>	<u>M/M/M</u>	<u>Customers Making 2 or More Calls</u>
Wellborn to Lake City	13.80	71%
Lake City to Wellborn	.87	9%

Rule 25-4.060(2)(a) requires a minimum of 3.00 M/M/Ms, with at least fifty percent (50%) of the exchange subscribers making two (2) or more calls per month, to qualify for nonoptional EAS. Clearly, the calling volume from Wellborn to Lake City more than meets this rule requirement. Accordingly, we find it appropriate to require ALLTEL to survey its Wellborn subscribers for nonoptional, flat rate, two-way calling between Wellborn and Lake City under the 25/25 plan with regrouping. The rates at which the Wellborn customers shall be surveyed are as follows:

<u>Customer Class</u>	<u>Current Rate</u>	<u>25/25 Additive</u>	<u>Regrouping Additive</u>	<u>New Rate</u>
R-1	\$ 9.60	\$ 2.40	\$.15	\$12.15
B-1	\$24.10	\$ 6.05	\$.30	\$30.45
PBX	\$45.85	\$11.45	\$.65	\$57.95

Under this calling plan, the Wellborn and Lake City exchanges would receive toll free calling to and from each other. Rates for the Lake City exchange would not increase; therefore, the Lake City subscribers are not included in the survey. Rates for the 25/25 plan with regrouping are derived by developing two additives. The 25/25 additive is twenty-five percent (25%) of the rate group schedule for the number of access lines to be added to the exchange's calling scope. The regrouping additive is the difference in rates between the exchange's original rate group and the new rate group into which the exchange will fall with its expanded calling scope.

The subscribers in the Wellborn exchange shall be surveyed by ALLTEL within thirty (30) days of the date of this Order becomes final. Prior to conducting the survey, ALLTEL shall submit its explanatory survey letter and ballot to our staff for approval.

If the survey passes by a simple majority of the customers in the Wellborn exchange, ALLTEL and Southern Bell shall then implement toll free calling between Wellborn and Lake City within

ORDER NO. 25448
DOCKET NO. 910377-TL
PAGE 4

twelve (12) months of the issuance date of our order on survey approval. By our requiring a simple majority, we are hereby waiving the fifty-one percent (51%) favorable vote requirement of Rule 25-4.063(5)(a), Florida Administrative Code.

In addition, we find it appropriate to waive Rule 25-4.061, Florida Administrative Code. Because the traffic studies reflect a sufficient community of interest and the toll relief plan being authorized does not consider costs to set rates, we do not believe it is necessary to require ALLTEL or Southern Bell to conduct cost studies on these routes.

We also find it appropriate to waive the requirements of Rule 25-4.062(4), Florida Administrative Code, which provides for full recovery of costs from the subscribers in the petitioning exchange upon implementation of traditional, two-way, nonoptional EAS. Our experience with cost information that has been submitted to date in other EAS dockets has shown that to permit full recovery of costs would require us to approve rates that would be unacceptable to customers. Surveying customers on such high rates would ensure failure of the survey. Based on the high community of interest exhibited along this route, we believe EAS is warranted and that a survey with more reasonable rates should be conducted. Additionally, we have not required cost recovery in any docket for which traditional EAS has been ordered since the effective date of this rule. Therefore, we intend to waive Rule 25-4.062(4).

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the petitions filed with this Commission by the subscribers of the Wellborn exchange are hereby approved to the extent outlined in the body of this Order. It is further

ORDERED that if no proper protest is filed within the time frame set forth below, ALLTEL Florida, Inc. shall, within thirty (30) days of the date of this Order becomes final, survey the subscribers in the Wellborn exchange for implementation of a flat rate, two-way, nonoptional extended area service plan that complies with the terms and conditions set forth herein. It is further

ORDERED that ALLTEL Florida, Inc. shall submit its survey letter and ballot to our staff for approval prior to distribution. It is further

ORDER NO. 25448
DOCKET NO. 910377-TL
PAGE 5

ORDERED that certain rules as described herein have been waived for the reasons set forth in the body of this Order. It is further

ORDERED that if the survey passes, the plan described herein shall be implemented by ALLTEL Florida, Inc. and Southern Bell Telephone and Telegraph Company within twelve months of the issuance date of our order on survey approval. It is further

ORDERED that the effective date of our action described herein is the first working day following the date specified below, if no proper protest to this Proposed Agency Action is filed within the time frame set forth below. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission, this 9th day of DECEMBER, 1991.


STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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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.

ORDER NO. 25448
DOCKET NO. 910377-TL
PAGE 6

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 at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on 12/30/91.

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 adversely 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.