



Public Service Commission

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-M-E-M-O-R-A-N-D-U-M-

MARCH 3 1999

DATE: MARCH 4, 1999

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

FROM: DIVISION OF COMMUNICATIONS (M BARRETT) *MCB* *RD*
DIVISION OF LEGAL SERVICES (B KEATING) *bik* *MCB*

RE: DOCKET NO. 941281-TL - PETITION BY SUBSCRIBERS OF THE GROVELAND EXCHANGE FOR EXTENDED AREA SERVICE (EAS) TO THE ORLANDO, WINTER GARDEN, AND WINDERMERE EXCHANGES.

AGENDA: MARCH 16, 1999 - REGULAR AGENDA - POST HEARING DECISION - MOTION FOR EXTENSION OF TIME - PARTICIPATION IS LIMITED TO COMMISSIONERS AND STAFF

CRITICAL DATES: FEBRUARY 23, 1999

SPECIAL INSTRUCTIONS: MOTION BY SPRINT-FLORIDA INCORPORATED FOR A LIMITED EXTENSION OF TIME TO COMPLY WITH THE REQUIREMENTS OF ORDER PSC-98-0308-FOF-TL

FILE NAME AND LOCATION: S:\PSC\LEG\WP\941281.RCM

CASE BACKGROUND

This docket was initiated pursuant to a petition filed on November 11, 1994, by the subscribers of the Groveland exchange requesting extended area service (EAS) to the Orlando exchange. The Winter Garden and Windermere exchanges were included to prevent "leapfrogging." Leapfrogging occurs when all or a portion of a non-EAS exchange lies between the requesting and desired exchanges. The Groveland, Winter Garden, and Windermere exchanges are served by Sprint-Florida, Inc. (Sprint or the Company). The Orlando exchange is served by BellSouth Telecommunications, Inc. (BellSouth or BST). The Groveland exchange is located in the Gainesville local access and transport area (LATA). The Windermere, Winter Garden, and Orlando exchanges are located in the Orlando LATA.

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By Order No. PSC-97-1309-FOF-TL, issued October 22, 1997, the Commission ordered the Groveland subscribers balloted to determine if they were in favor of EAS to Orlando, Windermere, and Winter Garden. The survey results were favorable; therefore, by Order No. PSC-98-0308-FOF-TL, issued February 23, 1998, the Commission required that EAS be implemented on these routes. Sprint was ordered to implement EAS on these routes by February 23, 1999, and BellSouth was ordered to contact the Federal Communications Commission (FCC) within twelve (12) months for a waiver on the interLATA route. Because BellSouth is restricted from carrying interLATA traffic, a waiver from the FCC was necessary on the Groveland/Orlando route. BellSouth received its waiver on July 14, 1998.

By Commission Order No. PSC-98-0308-FOF-TL, BellSouth and Sprint are required to implement the Groveland/Orlando route on or before July 14, 1999. BST and Sprint are currently scheduled to implement the Groveland/Orlando route on or about April 30, 1999. The other two routes (Groveland/Windermere) and (Groveland/Winter Garden) are Sprint routes and intraLATA. Order No. PSC-98-0308-FOF-TL requires Sprint to implement EAS on these routes by February 23, 1999.

On February 9, 1999, Sprint filed a motion for a limited extension of time to comply with the requirements of Order No. PSC-98-0308-FOF-TL. (Attachment A) This request pertains to the Groveland/Windermere and Groveland/Winter Garden routes. Sprint seeks a delay of approximately sixty (60) days to allow all of the routes to be implemented at the same time so as to avoid customer confusion about the status of calling Orlando. No responses to the Motion were filed.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant Sprint's motion for a limited extension of time to comply with the requirements of Order No. PSC-98-0308-FOF-TL?

RECOMMENDATION: Yes. The Commission should grant Sprint's motion for a limited extension of time to comply with the requirements of Order No. PSC-98-0308-FOF-TL. (Barrett)

STAFF ANALYSIS: Sprint states that unless the limited extension of time to comply with the requirements of Order No. PSC-98-0308-FOF-TL is granted, the implementation of the secondary routes, Groveland/Windermere and Groveland/Winter Garden, would precede the implementation of the Groveland/Orlando route by approximately sixty (60) days. The secondary routes were included to avoid "leapfrogging," which would have occurred on the Groveland/Orlando route.

Sprint maintains that the balloted customers approved the 25/25 additive with regrouping (\$3.87 residential and \$ 9.13 business), which encompassed all of the subscribers from the three exchanges that would be added to Groveland's calling scope (Winter Garden, Windermere, and Orlando). For residential subscribers, this figure was the sum of the EAS additive of \$2.37 and the \$1.50 regrouping additive. Sprint indicates that if only the Winter Garden and Windermere subscribers were figured into the calculation, the net result would change both the additive and the regrouping determination, perhaps even the balloting results. Staff agrees with Sprint's assertion.

Staff supports Sprint's contention that a short-term delay, from February 23, 1999 to April 30, 1999, in the implementation of these routes is reasonable and warranted. Staff agrees that customer confusion about the status of calling to the Orlando exchange will be minimized if all of the routes are implemented simultaneously.

Furthermore, the Company reports that they have encountered delays in acquiring a sufficient number of Central Florida telephone directories for all of the affected subscribers. The extension of time would allow Sprint to increase its supply of these directories, so as not to risk violating Rule 25-4.040(2), Florida Administrative Code, which states, in part,

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Each subscriber served by a directory shall be furnished one copy of that directory for each access line....When expanded calling scopes are involved, as with extended area service, each subscriber shall be provided with directory listings for all published telephone numbers within the local service area.

Based on the above, staff recommends that the Commission grant Sprint's motion for a limited extension of time from February 23, 1999 to April 30, 1999, to comply with the requirements of Order No. PSC-98-0308-FOF-TL.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open pending the final implementation of EAS on all the routes herein. Staff should place this matter on monitor status to ensure that Sprint-Florida and BellSouth make the necessary tariff revisions to comply with the implementation of the EAS routes in this docket. **(B Keating)**

STAFF ANALYSIS: This docket should remain open pending the final implementation of EAS on all the routes herein. Staff should place this matter on monitor status to ensure that Sprint-Florida and BellSouth make the necessary tariff revisions to comply with the implementation of the EAS routes in this docket.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition by subscribers) Docket No. 941281-TL
of the Groveland exchange for)
extended area service (EAS) to)
the Orlando, Winter Garden, and) Filed: February 8, 1999
Windermere exchanges)

Motion by Sprint-Florida, Incorporated for a Limited Extension of Time to Comply with the Requirements of Order No. 98-0308-FOF-TL

Sprint-Florida, Incorporated (Sprint) requests a limited modification of the requirements of Order No. PSC-98-0308-FOF-TL, Issued February 23, 1998.¹ Sprint seeks relief in the form of an extension of time of approximately 60 days to implement Extended Area Service (EAS) on the Groveland to Windermere and Groveland to Winter Garden routes ("intermediate routes"). In support, Sprint states:

On November 11, 1994, the Commission opened this docket to evaluate a petition by Groveland customers for EAS to Orlando. The Windermere and Winter Garden routes were evaluated due to "leapfrogging."² Traffic studies demonstrated that EAS from Groveland to Orlando was warranted. Balloting at the 25/25 plus regrouping additive (\$3.87, residential; \$9.13, business) passed. EAS on the primary route (Groveland to Orlando) and

¹Sprint does not seek a waiver pursuant to Section 120.542, Fla. Stat. which only applies to waivers of rules.

²Leapfrogging occurs when all or a portion of a non-EAS exchange lies between a requesting and the desired exchange.

the intermediate routes was ordered.

Because BellSouth is currently prohibited from carrying certain interLATA traffic, BellSouth was ordered to seek a waiver from the FCC. In the order, the Commission directed Sprint to implement EAS on the intermediate routes by February 23, 1999 since the routes are intracompany. BellSouth was ordered to implement EAS within twelve months of receiving a waiver. BellSouth received its waiver on July 14, 1998. Under the Commission's Order, service from Groveland to Orlando must be in place twelve months from that date.

In ordering the intermediate routes to be implemented ahead of the Groveland/Orlando route, the Commission did not establish an interim EAS additive. The ordered residential EAS additive, for example, was calculated at time of hearing based on the 25/25 plan consisting of an EAS additive of \$2.37³, plus a regrouping additive of \$1.50.⁴ If, hypothetically, an additive was to be derived for the intermediate exchanges only, the combined number of subscribers in the two exchanges of Windermere and Winter Garden would fall within Sprint's rate group 2 (United) and the resulting twenty five percent of the residential rate is \$1.81.

Of course, the Commission did not order an interim additive. The order did

³This additive is based on 25% of the hypothetical Sprint rate group price that the total incremental calling scope (Windermere, Winter Garden and Orlando exchanges) would require if a stand alone exchange.

⁴Total Groveland calling scope will place it in rate group 5 (United). The regrouping additive is the difference between the existing Groveland rate of \$8.73 (rate group 4) and the rate group 6 rate of \$10.23

not expressly foreclose the possibility of one in the event Sprint was required to implement EAS on the intermediate routes substantially in advance of the implementation date of the Groveland to Orlando Route. Sprint would have likely sought to implement an interim additive had this been the case.

Fortunately, the waiver from the FCC was received in a timely fashion such that all routes can be reasonably implemented at the same time and within the general time frame that the Commission desired. Sprint and BellSouth are scheduled to implement the Groveland/Orlando route on or about April 30. A delay of approximately 60 days in the implementation of the intermediate routes would allow all routes to go in at the same time and avoid customer confusion about the status of calling to Orlando and avoid the inequity to Sprint of implementing EAS without compensation for lost toll revenues. This is especially appropriate since intermediate EAS would not have been warranted on a stand-alone basis if Groveland/Orlando EAS had not been ordered under the Commission's longstanding "leapfrogging" policy.⁵

Sprint further submits that the additional time will allow the company to acquire a sufficient number of Central Florida telephone directories required to meet the provisions of FPSC rule 25-4.040, F.A.C. Currently these directories are in short supply due to rapid growth in the area. At this time Sprint may not have enough on hand to provide one to each Groveland

⁵See Order No. PSC-97-1309-FOF-TL, Issued October 22, 1997 (*Ordering balloting by the Groveland customers*). Both the intermediate routes "failed to meet either of the minimum requirements." Order at 5.

subscriber. Additional time afforded by an extension will allow Sprint to insure adequate directory distribution.

Wherefore, for the above reasons, Sprint respectfully requests the Commission allows a brief extension from February 23, 1999 until April 30, 1999 for implementation of EAS on the Groveland/Windermere and Groveland/Winter Garden exchanges.

Submitted this 8th day of February 1999.



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CERTIFICATE OF SERVICE

**I HEREBY CERTIFY THAT THE FOREGOING WAS SERVED BY U.S. MAIL OR
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