

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Resolution for extended ) DOCKET NO. 911186-TL  
area service between the Vernon, ) ORDER NO. PSC-92-0674-FOF-TL  
Bonifay and Westville exchanges ) ISSUED: 07/20/92  
by Washington County Commission. )  
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The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
SUSAN F. CLARK  
J. TERRY DEASON  
BETTY EASLEY  
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION  
ORDER IMPLEMENTING MODIFIED \$.25 PLAN  
AND RELEASING INFORMATION HELD CONFIDENTIAL  
BY ORDER NO. PSC-92-0599-PCO-TL

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.

This docket was initiated pursuant to a resolution passed by the Washington County Board of Commissioners. The petition requested implementation of extended area service (EAS) between the Vernon and Bonifay, and Vernon and Westville exchanges. Southern Bell Telephone and Telegraph Company (Southern Bell) serves the Vernon exchange (Washington County), and Central Telephone Company of Florida (Centel) serves the Bonifay (Holmes County) and Westville (Holmes and Washington County) exchanges. These exchanges are all located within the Panama City LATA. Bonifay and Westville currently have EAS to one another.

By Order Number 25617, issued January 21, 1992, we required the companies to conduct traffic studies on these routes. By Orders Nos. PSC-92-0137-PCO-TL and PSC-92-0138-PCO-TL, issued April 1, 1992, we granted Southern Bell and Centel an extension of time to file the required traffic studies. Southern Bell requested confidential treatment of intraLATA traffic data filed by the Company. This request was granted by Order No. Order No. PSC-92-0599-PCO-TL, issued on July 1, 1992.

Rule 25-4.060(2), Florida Administrative Code, sets forth the requirements for EAS. Upon review of the traffic data for the

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routes at issue, we find that none of the routes meet the requirements of this Rule.

However, the Vernon to Bonifay route exhibits a one-way calling volume significant enough to indicate a community of interest. This route meets the requirements in Rule 25-4.064, Florida Administrative Code, which provides that "whenever interexchange traffic patterns are such that subscriber needs may be adequately served by alternative service offerings, or requests may not fully meet the requirement of these rules but higher than average interexchange calling may exist, the Commission may give consideration to other alternatives." The remaining routes had a low calling volume with a small percentage of customers making calls.

In considering an alternative to traditional EAS, we note that the message rate plan has gained favor for several reasons. These include the plan's simplicity, its message rate structure, and its implementation as a local calling plan on an intraLATA or interLATA basis. In contrast, optional EAS plans, particularly OEAS plans, are confusing to customers, the additives or buy-ins are generally rather high, and the take rates for most OEAS plans are rather low. Additionally, we have expressed concern that under such plans, when Toll-PAC is implemented a three minute message will still have a substantial cost to the customer.

The Vernon to Bonifay route, which showed a community of interest, leapfrogs the Westville exchange. It has been our policy that whenever two exchanges meet the requirements for EAS, or an alternative plan, and have exchanges between them which do not qualify, that the leapfrogged exchanges receive the same EAS considerations as the routes which qualified.

Upon review, we find that a modified \$.25 plan shall be implemented on the routes at issue. In this instance, the message rate plan shall be rated at \$.20 per message instead of \$.25. This is consistent with the rates which Bonifay and Westville customers currently pay for message rated routes in Centel's territory and also is consistent with Order No. 24985, issued on August 28, 1991, in Docket No. 891246-TL. The message rate plan shall be implemented on a two-way basis for Vernon to Bonifay and Vernon to Westville since the Westville route would be leapfrogged by allowing Vernon to call Bonifay.

Specifically, the \$.20 calling plan means that all toll traffic on these routes will be reclassified as local and be message rated at \$.20 per message regardless of the duration of the call. Customers may make an unlimited number of calls at \$.20 per

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call. These local calls will be dialed on a seven digit basis and will be handled by pay telephone providers as any other local call (\$.25). These routes shall be implemented within six months of this Order becoming final. The revenue loss for Centel and Southern Bell shall be addressed in future rate cases.

Since these routes will now be local, we find the intraLATA traffic data which has been held confidential, pursuant to Order No. PSC-92-0599-PCO-TL, shall be released upon implementation of the service.

Inasmuch as the traffic studies reflect sufficient community of interest to warrant implementation of an alternative to toll rates, and the alternatives being recommended in this docket do not consider the costs in order to set the rates, the companies shall be relieved of the burden of conducting the cost studies required by Rule 25-4.061, Florida Administrative Code.

Although this Order requires an alternative to traditional EAS, similar cost issues arise. Under our rules, in situations where the qualification for EAS relies on the calling interest of the petitioning exchange as well as subscriber approval of the plan, recovery of costs is assigned as follows:

[T]he 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. Rule 25-4.062(4), Florida Administrative Code.

However, it has been shown in every EAS docket for which cost information has been submitted that full recovery of costs would result in unacceptably high rates to customers. For this reason, we have waived this Rule in every EAS docket for which traditional EAS has been approved. Similarly, we find that full recovery of cost in this case would result in unacceptably high rates to customers. Therefore, we find that full cost recovery shall not be permitted and that Rule 25-4.062(4) shall be waived.

Therefore, based upon the forgoing, it is

ORDERED by the Florida Public Service Commission that none of the routes at issue qualify for nonoptional, flat rate, two-way toll free calling. It is further

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ORDERED that calls on the Vernon to Bonifay and Vernon to Westville routes shall be rated at \$.20 per call in both directions, regardless of the call duration. These calls shall be furnished on a seven-digit basis. Non-LEC pay telephone providers shall charge end users as if these calls were a local \$.25 call, and the providers shall pay the standard measured usage rate to the LEC. Southern Bell and Centel shall implement this change within six (6) months of this order becoming final. It is further,

ORDERED that intraLATA traffic data now held confidential pursuant to Order No. PSC-92-0599-PCO-TL shall be released upon implementation of the service. It is further

ORDERED that Rule 25-4.061, Florida Administrative Code, which requires certain cost studies, is hereby waived. It is further

ORDERED that Rule 25-4.062(4), Florida Administrative Code, is hereby waived. The toll alternative plan shall not require full recovery of costs and lost revenues, including incremental costs. It is further

ORDERED that this docket shall be closed at the conclusion of the proposed agency action protest period, assuming no timely protest is filed.

By ORDER of the Florida Public Service Commission, this 20th day of July, 1992.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

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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.

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 August 10, 1992.

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.