

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for extended area) DOCKET NO. 920028-TL
service between the Sunny Hills) ORDER NO. PSC-92-0791-FOF-TL
and Panama City exchanges by the) ISSUED: 08/10/92
Washington County Board of)
Commissioners.)
_____)

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
ORDER REQUIRING EXTENDED AREA SURVEY AND
ADDRESSING THE CONFIDENTIALITY OF TRAFFIC DATA

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 request by the Washington County Board of Commissioners for extended area service (EAS) between Sunny Hills and the Panama City exchange. We also include Lynn Haven and Youngstown-Fountain to avoid "leapfrogging" exchanges. Thus, the request involves EAS between Sunny Hills and Panama City, Lynn Haven and Youngstown-Fountain. Southern Bell serves all of the affected exchanges, and they are all located within the Panama City LATA. The Sunny Hills exchange is located in Washington County, and the Panama City, Lynn Haven and Youngstown-Fountain exchanges are located in Bay County. Lynn Haven, Youngstown-Fountain and Panama City currently have EAS to each other. Sunny Hills has EAS to Vernon and Chipley and EOEAS to Lynn Haven and Panama City Beach. By Order No. 25688, issued February 4, 1992, we required the Company to conduct traffic studies on these routes. By Order No. PSC-92-0583-PCO-TL, we granted Southern Bell's request for confidential treatment of certain intraLATA traffic data filed by the Company in this docket.

The Sunny Hills exchange is located in southeast Washington County and is approximately 27 miles from the Panama City exchange. Sunny Hills is a major trading center in the County. It has local

DOCUMENT NUMBER-DATE

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calling to its county seat, Chipley. The Lynn Haven exchange is approximately 21 miles from Sunny Hills, and the Youngstown-Fountain exchange is approximately 15 miles from Sunny Hills. These exchanges have local calling to the county seat, Panama City. Sunny Hills is self-sufficient in terms of the availability of retail goods, medical services, education, employment and other services.

The one-way calling volumes on the Sunny Hills to Panama City route as determined by the traffic study are sufficient to qualify for implementation of a non-optional plan under Rule 25-4.060(2), Florida Administrative Code, which requires a calling rate of at least three M/M/M in cases where the petitioning exchange contains less than half the number of access lines as the exchange to which EAS is desired. This Rule further requires that at least 50% of the subscribers in the petitioning exchange make two or more calls per month to the larger exchange to qualify for traditional EAS. Both of these requirements are met on the Sunny Hills to Panama City route. Therefore, Sunny Hills subscribers shall be surveyed for traditional EAS under the 25/25 plan.

In all recent EAS dockets in which calling volumes were sufficient to warrant consideration of non-optional, flat rate, toll free calling the we have approved surveys on the 25/25 plan with regrouping rather than regrouping alone. Under the 25/25 plan with regrouping, subscribers are charged two additives to their standard monthly rates. The 25/25 additive is twenty-five percent (25%) of the rate group schedule for the number of access lines to be newly included in 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.

If two-way EAS were implemented on the Sunny Hills/Panama City route, the Sunny Hills exchange would be able to call toll free to the Panama City, Lynn Haven and Youngstown-Fountain exchanges. Due to the increased local calling scope, the Sunny Hills exchange would move from rate group 2 to rate group 5 resulting in a rate increase. The Panama City, Lynn Haven and Youngstown-Fountain exchanges would be able to call Sunny Hills toll free with no change in local rates because adding the Sunny Hills exchange does not move them to a higher rate group. Since only the Sunny Hills exchange subscriber's rates will increase, they shall be surveyed pursuant to Rule 25-4.063, Florida Administration Code.

The survey shall be conducted within thirty days of this Order becoming final. Southern Bell shall obtain our staff's approval of the survey letter. If the survey passes, the EAS plan shall be

implemented within twelve months of the issuance of our Order approving the survey. The existing EOEAS plan shall be discontinued in the event that EAS is implemented.

The new rates at which the Sunny Hills exchange shall be surveyed are as follows:

Present	25/25 Additive Regrouping	Regroup	Total	New
R-1 \$ 7.70	\$ 2.10	\$ 1.10	\$ 3.20	\$ 10.90
B-1 \$ 20.80	5.73	3.05	8.78	29.58
PBX \$ 46.97	12.90	6.71	19.61	66.58

The 25/25 additive set forth above was derived by first calculating the additional calling scope for the Sunny Hills subscribers. The number of access lines by which the calling scope of the Sunny Hills exchange will increase is simply the number of access lines in the Panama City, Lynn Haven and Youngstown-Fountain exchanges (51,058). The total number of access lines was then applied to Southern Bell's rate group schedule. The additional calling scope would fall into rate group V and the 25/25 additive computes to be R-1 \$2.10, B-1 \$5.73, and PBX \$12.90.

With the addition of 51,058 access lines to the current calling scope in the Sunny Hills exchange (6,889), the new total would be 57,947 which would regroup this exchange from rate group 2 to rate group 5 reflecting the following increases:

Rate Group			
	2	5	Increase
R-1	\$ 7.70	\$ 8.80	\$ 1.10
B-1	20.80	23.85	3.05
PBX	46.97	53.68	6.71

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 Company shall be relieved of the cost studies required by Rule 25-4.061, Florida Administrative Code.

Rule 25-4.063(5)(a), Florida Administrative Code provides that "[t]he requested extended area service shall be approved and ordered by the commission upon a finding that: (a) Fifty-one percent (51%) of all subscribers in each exchange required to be surveyed vote favorably." In several recent dockets we have waived the 51% requirement and interpreted the intent of the Rule to mean a simple majority, rather than 51%, of those eligible to vote. We find this approach to be appropriate in the instant case and waive Rule 25-4.063(5)(a). An affirmative vote of a simple majority of those eligible to vote shall be the criteria for passage of the survey in this docket.

In situations where the qualification for EAS relies on the calling interest of the petitioning exchange as well as subscriber approval of the plan, Rule 25-4.062(4), Florida Administrative Code assigns recovery of costs 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.

However, in every EAS docket for which cost information has been submitted, it has been shown that full recovery of cost 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 implemented. We find it appropriate to waive the Rule in this docket as well.

Once EAS, or an alternative plan, has been implemented the route(s) at issue become local and no longer subject to competition. Thus, it is unnecessary to maintain the confidentiality of such routes. If all routes are granted EAS, or an alternative plan, it will be appropriate to simply remove the traffic study from the Commission's confidential files and place it in the regular case files. If we grant EAS or an alternative plan on some, but not all, route(s), the Company shall resubmit its traffic study data on a nonconfidential basis for the route(s) subject to EAS or an alternative plan. This is necessary because there is no mechanism for our staff to separate the data by route on a line-by-line basis and remove some routes, but not others, from the confidential files. Confidentiality requests typically do not differentiate between routes on a line-by-line basis.

Based upon the foregoing, it is

ORDERED by the Florida Public Service Commission that the calling rates on the Sunny Hills to Panama City route are sufficient to warrant a survey for non-optional, flat rate, two-way toll free calling. It is further

ORDERED that the Company shall survey customers in the Sunny Hills exchange for a 25/25 plan with regrouping. It is further

ORDERED that the survey shall be conducted within thirty days of this Order becoming final. It is further

ORDERED that should the survey pass, the existing EOEAS plan shall be discontinued at the time the EAS is implemented. It is further

ORDERED that should the survey pass, the EAS plan shall be implemented within twelve months of the issuance of our order approving the survey. It is further

ORDERED that Southern Bell shall obtain our staff's approval of the survey letter which the Company will mail to its affected customers. It is further

ORDERED that non-optional, flat rate, two-way, toll free calling shall be surveyed under the 25/25 plan with regrouping at the following monthly rates:

R-1	\$10.90
B-1	\$29.58
PBX	\$66.58

It is further

ORDERED that we hereby waive Rule 25-4.061, Florida Administrative Code, and do not require Southern Bell to conduct cost studies on these routes. It is further

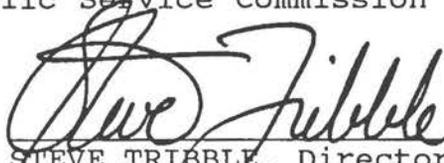
ORDERED that the fifty-one (51%) favorable vote requirement of Rule 25-4.063(5)(a), Florida Administrative Code is hereby waived; a simple majority of the total subscribers in the Sunny Hills exchange voting favorably shall be considered sufficient for passage of the survey. It is further

ORDERED that we hereby waive Rule 25-4.062(4), Florida Administrative Code which provides for full recovery of costs from the subscribers in the petitioning exchange. The toll alternative plan shall not permit full recovery of costs and lost revenues, including incremental costs. It is further

ORDERED that if we implement EAS or an alternative plan for all routes which have been held to be entitled to confidential treatment, the documents shall be no longer entitled to confidential treatment upon implementation of the service. If we implement EAS or an alternative plan for some, but not all, route(s) for which confidential treatment has been granted, the Company shall resubmit its traffic study data for the route(s) subject to EAS or an alternative plan upon implementation of the service. It is further

ORDERED that this docket shall remain open until the Sunny Hills customers have been surveyed.

By ORDER of the Florida Public Service Commission this 10th day of August, 1992.



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 31, 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.