FLORIDA PUBLIC SERVICE COMMISSION
FLETCHER BUILDING
101 EAST GAINES STREET
TALLAHASSEE, FLORIDA 32399-0850

MEMORANDUM

JULY 18, 1991

TO : DIRECTOR OF RECORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS [CIMERMAN, O'PRY, WIDELL]
DIVISION OF LEGAL SERVICES [GREEN]

RE : DOCKET NO. 900039-TL EAS - RESOLUTION BY THE ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS FOR EXTENDED AREA SERVICE BETWEEN THE MOUNT DORA EXCHANGE AND THE APOPKA, EAST ORANGE, LAKE BUENA VISTA, ORLANDO, REEDY CREEK, WINDERMERE, WINTER GARDEN AND WINTER PARK EXCHANGES.

AGENDA: JULY 30, 1991 - CONTROVERSIAL - PROPOSED AGENCY ACTION - PARTIES MAY PARTICIPATE

PANEL: FULL COMMISSION

CRITICAL DATES: NONE

CASE BACKGROUND

This recommendation came before the Commission on April 2, 1991 and was deferred at that time so that United could study some perceived technical problems with staff's recommendation. Staff originally recommended the $.25 message plan be implemented on the Mt. Dora/Apopka, Mt. Dora/Orlando, and Mt. Dora/Winter Park routes. United expressed concern that billing problems and switching problems might arise if this plan were implemented. United filed comments with the Commission on May 17, 1991. Attachment A is a copy of the comments which were filed.

This docket was initiated pursuant to a resolution passed by the Orange County Board of Commissioners. The resolution requested implementation of EAS service between the Mount Dora exchange and the exchanges in Orange County (Apopka, East Orange, Lake Buena Vista, Reedy Creek, Orlando, Windermere, Winter Garden, and Winter Park exchanges). All of these exchanges are served by United Telephone Company except for the East Orange and Orlando exchanges, which are served by Southern Bell Telephone and Telegraph Company, and the Lake Buena Vista exchange, which is served by Vista-United Telecommunications. The Mt. Dora exchange is located in the Gainesville LATA while the remaining exchanges are located in the

Orlando LATA. Attachment B is a map of the involved exchanges. Attachment C contains pertinent exchange data. Order No. 22807, issued April 12, 1990 required the three companies to conduct traffic studies on these routes. Because all of the routes are interLATA routes, Southern Bell, United and Vista-United requested and were granted confidential treatment.

Significant traffic was measured on the Mt. Dora/Apopka, Mt. Dora/Orlando, and Mt. Dora/Winter Park routes. However, the number of customers making calls during the study period was below the Commission's threshold for ordering a customer survey for traditional EAS. Significant traffic was not measured on any of the other routes in question. The Commission approved staff's recommendation to survey the subscribers in the Orange County portion of the Mt. Dora exchange for a transfer to the Apopka exchange. The majority of the Mt. Dora exchange is in Lake County, however, approximately 10% of the 80.4 square miles which comprise the Mt. Dora exchange lies within Orange County. If the transfer were approved, the transferred customers would pay the same rates as other Apopka subscribers (Order No. 23635 issued 10-18-90). Attachment D is a copy of the survey letter and Attachment E is a copy of the ballot. The purpose of this recommendation is to report the survey results and respond to United's technical concerns with the $.25 message plan.

DISCUSSION OF ISSUES

ISSUE 1: Based on the results of the survey, should the Commission order the transfer of the Orange County pocket of the Mt. Dora exchange to the Apopka exchange?

RECOMMENDATION: No. Since the survey did not pass, United Telephone Company should not be ordered to transfer the Orange County pocket of the Mt. Dora exchange to the Apopka exchange.

STAFF ANALYSIS: United Telephone Company mailed 744 ballots to all customers of record in the Orange County pocket of the Mt. Dora exchange. The results of the survey are as follows:

	NUMBER	PERCENT
Ballots Mailed	744	100
Ballots Returned	531	71
Ballots Not Returned	213	29
For Transfer	192	26
Against Transfer	335	45
Invalid	4	0
Ballots Needed to Pass	373	>50

Since 373 ballots were needed for the survey to pass the survey failed.

ISSUE 2: Should any alternative plan be offered to Mt. Dora subscribers.

RECOMMENDATION: Yes. Calls between the Mt. Dora exchange and the Apopka, Orlando, and Winter Park exchanges should be rated at $.25 per call, regardless of call duration. Non-LEC pay telephone providers will charge end users as if these calls were local $.25 calls, and the providers will pay the standard measured usage rate to the LEC. United Telephone Company and Southern Bell should be ordered to implement this change within twelve (12) months of the final order in this docket. Southern Bell should immediately seek a waiver of the MFJ from Judge Greene to carry the traffic on these routes. Toll alternatives should not apply to any other routes.

STAFF ANALYSIS: Confidential treatment has been granted for the interLATA traffic studies in this docket. Therefore, the actual calling volumes for the routes studied have not been provided in this recommendation. Staff will provide the traffic study results to the Commissioners upon request.

Taken as a whole, the Mt. Dora exchange exhibits calling volumes which would qualify for traditional EAS to Apopka, Orlando, and Winter Park exchanges under the Commission's rules. However, the percentage of customers making two or more calls on those routes is below the threshold requirement for a survey for traditional EAS. The calling rates for the Orange County pocket of the Mt. Dora exchange to the Apopka, Orlando, and Winter Park exchanges meet the Commission's stated criteria for a survey for nonoptional EAS. However, it has generally been the Commission's policy that EAS not be granted to pocket areas. Staff would generally have recommended an optional EAS plan on these routes except that they are all interLATA routes, and it has been shown in several previous dockets that optional plans are not technically feasible for interLATA routes.

Since the original recommendation in this docket a new toll alternative plan has come into favor. In several recent dockets the Commission has ordered an alternative to traditional EAS known as the $.25 plan. This plan has gained favor for several reasons. Among them are its simplicity, its message rate structure, and the fact that it can be implemented as a local calling plan on an interLATA basis. Optional EAS plans, particularly OEAS plans are somewhat confusing to customers, the additives or buy-ins are generally rather high, and the take rates for most OEAS plans are rather low. The Commission has expressed concern that when Toll-PAC is implemented a three minute message will still have a substantial cost to the customer. For example, in the peak period a three minute message from Mt. Dora to Orlando would only be reduced from $.7050 to $.4950. However, the most important reason in this particular instance is that the $.25 plan (which converts the traffic to local status, and is implemented on a seven digit basis) is feasible for interLATA routes whereas most other usage sensitive alternatives to EAS are feasible only for intraLATA routes.

The Mt. Dora/Apopka, Mt. Dora/Orlando, and Mt. Dora/Winter Park routes were the only routes with substantial traffic. Therefore these are the only routes for which staff is recommending the $.25 plan. Specifically, the $.25 plan means that all toll traffic on these routes will be reclassified as local and be message rated at $.25 per message regardless of the duration of the call. Customers may make an unlimited number of calls at $.25 per 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.

ISSUE 3: Should United Telephone Company be required to implement the $.25 message plan on a seven digit basis or a ten digit basis on the Mt.Dora/Apopka, Mt. Dora/Orlando, and Mt. Dora/Winter Park routes?

RECOMMENDATION: The $.25 message plan should be implemented on a seven digit basis on the Mt.Dora/Apopka, Mt. Dora/Orlando, and Mt. Dora/Winter Park routes. No free call allowance should be put in place. No time limit should be imposed. Mt. Dora subscribers should be provided with directory listings of Apopka, Orlando, and Winter Park subscribers. Apopka, Orlando, and Winter Park subscribers should be provided with directory listings of Mt. Dora subscribers.

STAFF ANALYSIS: When staff's recommendation for the $.25 message plan came before the Commission at the April 2, 1991 agenda conference, United Telephone Company expressed concern that the plan might present technical and billing problems. Based on the comments filed by United with the Commission on May 17, 1991 (Document No. 04975) the Company can implement the $.25 message plan on a seven digit basis, and has no objection to implementing the plan on a seven digit basis, except where the proposed route crosses an NPA boundary (area code boundary). The Mt.Dora/Apopka, Mt. Dora/Orlando, and Mt. Dora/Winter Park routes do cross an NPA boundary (904/407).

United argues that seven digit dialing should not apply where the proposed route crosses an NPA boundary "because of the expected exhaustion of NPA's and three-digit prefix codes (NXXs), and the industry's need to implement interchangeable codes to resolve the exhaustion problem... Further, implementing the plan [with 1+ten digit dialing] provides for more efficient use of NXX codes by allowing the NXX codes in these exchanges to be used in both NPAs." (Attachment A, p.3) Although the exhaustion of NNXs is a legitimate concern, staff does not believe it to be a relevant concern in this case. (This problem would only exist if the $.25 plan for Mt. Dora was proposed on a one + seven digit basis. Staff's recommendation is to establish the plan with seven digit dialing like all other local calls.)

Proper assignment of NNXs has historically avoided the problem of the same NNX used in two NPAs, yet both within the local calling area, or potentially within the local calling area, of one exchange. As an example, NXXs which are assigned to the Orlando exchange in the 407 area code would not be assigned in the Lake County area (near Orlando, but in the 904 area code). Rather, NXXs used in Orlando should be assigned in Jacksonville or Pensacola (904 area code but more distant from Orlando). Since there is little likelihood of local calling between Orlando and Jacksonville, or Orlando and Pensacola the use of the same NXX in both areas would not pose any switching or dialing problems. Although seven digit dialing across NPA boundaries may make future assignment of NXXs slightly more difficult, staff does not believe the additional difficulty to be very significant. In fact, seven digit local calling across NPA boundaries already exists in several areas of the state.

While the comments above apply, in general, to the issue of seven digit versus ten digit dialing, in the specific instance at hand staff believes that the efficient assignment of NNXs is not an issue. This is because of the calling scope of the Montverde exchange. The Montverde exchange has local calling to all exchanges which the Mt. Dora exchange can presently call. In addition the Montverde exchange has local calling to the Apopka, Orlando, and Winter Park exchanges, as well as several others in the 407 area. Because of this large calling scope, into two NPAs (407 and 904), no NNXs can be assigned in both NPAs which would be a local call from Montverde. And therefore, regardless of whether seven digit or ten digit dialing is ordered in this docket, the future assignment of NNXs will be unaffected. Therefore, staff recommends that the $.25 message rate plan be implemented on a seven digit basis.

In its general comments on the $.25 message plan United stated that the company does not oppose the $.25 message plan as an alternative to flat-rate EAS on certain short-haul toll routes where sufficient community of interest exists. However, the company expressed reservations about the plan on longer haul routes (over 23 miles) because of the "long-term impacts" of the plan. These impacts were described as "the potential negative impact on revenues, the additional cost associated with implementing the plans and, more generally, the overall lack of a long-term plan which addresses pricing for local services and/or short-haul toll services." (Attachment A, p.1)

Staff believes that United's comments concerning the negative impact on revenues, and the costs of implementing such plans, are based on the inaccurate assumption that the choice before this Commission is the $.25 plan or no plan at all. If the $.25 plan is compared with traditional EAS it is clear that the revenue impact and costs of implementing the $.25 plan are not as great as those associated with flat rate EAS. In fact, the $.25 plan offers the opportunity for additional revenue if there is sufficient stimulation. The same cannot be said of flat-rate EAS. Similarly other optional plans do not offer the possibility of revenue enhancement. While the initial revenue impact of the $.25 plan may be greater than the revenue impact of other optional EAS plans, staff believes that stimulation may be a significant factor. Initial reports concerning the $.25 plan in Gadsden County show that the number of calls has increased dramatically. While the demographics of Gadsden County and Central Florida may differ, staff does believe that some stimulation is inevitable.

Staff agrees with United that a free call allowance is not appropriate in this instance. However, there may be other situations in which a free call allowance is appropriate. Staff is not willing to dismiss out of hand the idea of a free call allowance when the $.25 plan is recommended.

United has stated that its toll billing system is not capable of distinguishing between residential and business users. Because of this, United cannot selectively implement a one-hour time limit on business customers alone. If a time limit were imposed, United states that it should be applied uniformly to all customer groups. Staff recommends that no time limit be imposed.

United does not believe that implementation of the $.25 plan should change the current distribution of telephone directories. Staff disagrees. It is staff's position that since $.25 calls are considered local traffic the standard EAS rules for directories should apply. Rule 25-4.040(2) states "... 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." This is consistent with the Commission's policy in Gadsden County.

ISSUE 4: Should the toll alternative plan permit full recovery of costs and lost revenues, including incremental costs?

RECOMMENDATION: No, the toll alternative plan should not permit full recovery of costs and lost revenues, including incremental costs. Rule 25-4.062(4) should be waived.

STAFF ANALYSIS: Although this recommendation is for an alternative to traditional EAS, similar cost issues arise. Under EAS rules, in situations where the qualification for extended area service 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), F.A.C.).

Therefore, on any two-way plan, according to the Rule, the subscribers in the petitioning exchange should bear the burden and the telephone company will recover the costs in whatever manner the Commission deems.

It has been shown in every EAS docket (e.g. Docket No. 870436-TL, Hastings-St. Augustine EAS) for which cost information has been submitted that full recovery of cost would result in unacceptably high rates to customers. For this reason, the Commission has waived this rule in every EAS docket for which traditional EAS has been recommended. Similarly staff believes that full recovery of costs in this case would result in unacceptably high rates to customers. In the original recommendation in this docket staff recommended that this cost recovery rule be waived. The Commission agreed and ordered that the rule be waived. The original recommendation and order in this docket called for a survey for a boundary transfer, and that survey has failed. Therefore, with this new proposal the issue of cost recovery must be addressed once again. Staff recommends that full cost recovery not be permitted.

Although staff believes that costs need not be considered in this docket some cost information has been calculated and is presented below. It should be noted that as regards the originally proposed boundary transfer United submitted some preliminary cost information which stated that providing the appropriate facilities for the transfer of the pocket area would incur a cost of approximately $435,000. That cost would have been offset by regrouping revenues of approximately $2,000 per month.

In considering the costs associated with this recommendation staff addresses only the lost toll revenue versus the new revenues from the $.25 message charge. Staff has no information on the possible facilities cost associated with this recommendation.

To calculate (or estimate) the lost toll revenue on the routes in question it must be recognized that each of the routes is an interLATA route. Therefore, the revenues collected by United and Southern Bell for traffic carried over these routes, is purely access revenue, and not MTS revenue.

The data used to estimate the access revenues is data which has been held confidential (since it is not LEC data, per se, but IXC data). Although LEC access revenues would not normally be held confidential, staff has not revealed the disaggregated access revenue here since it was developed from confidential data. However, the aggregate access revenue for the three routes is revealed. The actual disaggregated access revenue estimates, as well as the data from which those estimates were developed, is available for review by the Commissioners.

The traffic studies which were provided to staff show, on a route-specific basis, the minutes of use for calls between two exchanges. The data is broken into time-of-day usage so that MTS toll revenue may be calculated. In the case of interLATA routes only the usage data, not the reported MTS revenue data, is pertinent, since the LEC only receives access revenues for such traffic.

The access revenue calculation results are only an estimate rather than a hard figure, for several reasons. First and foremost is that access revenues depend upon both originating and terminating usage and neither figure is directly available from the traffic studies. The traffic studies report only billed MTS conversation minutes which must be converted to originating and terminating minutes. Because of the difficulty in estimating access revenues staff reports a range of access revenues. Staff is confident that the true amount of access revenue on these routes lies somewhere within this range.

The basic method used to calculate access revenues begins by calculating the per minute equivalent cost of access. There are five access rate elements and each of the originating rate elements except BHMOC have time-of-day discounts. Terminating rate elements have no time-of-day discounts. Once the originating and terminating usage is known (by time-of-day periods) then it is a relatively simple matter to multiply the usage by the rates to determine revenues. The uncertainty arises in determining the originating and terminating usage. Staff calculated the access revenues in two ways and the range is reported below.

To calculate the revenue offset which will result from the imposition of a $.25 message charge staff has simply taken the number of messages on each route, totaled them, and multiplied by $.25. It should be noted that this figure does not include any usage stimulation. While it is difficult to estimate the level of stimulation it should be evident that some stimulation will occur.

The pertinent routes are Mt. Dora/Apopka, Mt. Dora/Orlando, and Mt. Dora/Winter Park. United serves each of the exchanges except for the Orlando exchange which is served by Southern Bell. Therefore, United collects originating and terminating access revenues on any call on these routes except for originating access revenue on calls from Orlando, and terminating access revenues on calls to Orlando. Staff's calculations show the following:

ACCESS REVENUES VS. MESSAGE RATE REVENUES			
COMPANY	**MONTHLY ACCESS REVENUES**	**$.25 MESSAGE REVENUE**	**MONTHLY LOSS IF NO STIMULATION**
United	$93,775-$99,923	$41,509	$52,266-$58,414
Southern Bell	$25,023-$25,681	$15,801	$9,222- $9,880

Although, the loss seems substantial it must be remembered that these figures include no stimulation. While it is difficult to determine the level of stimulation basic economics clearly says that when the price of a normal good is halved (3 minute call from Mt. Dora to Apopka will fall from $.585 to $.25) there will be additional demand. In flat rate EAS the busy hour usage has generally been reported to increase sixfold. If the number of calls on these routes were to little more than double the revenue loss on these routes would be negated. A doubling of calls is not an unreasonable assumption. The following chart shows the price of a three minute call on each of the routes in question.

3 MINUTE CALL - ATT-C INTRASTATE RATES		
ROUTE **TIME-OF-DAY**	Mt. Dora/Apopka	Mt. Dora/Orlando Mt. Dora/ Winter Park
Day	$.5850	$.7050
Evening	$.4388	$.5288
Night	$.2925	$.3525

ISSUE 5: Should Docket No. 900039-TL be closed?

RECOMMENDATION: Yes. Docket No. 900039-TL should be closed. Staff should place the matter on monitor status to ensure that United and Southern Bell makes the necessary tariff revisions and comply with the implementation date.

STAFF ANALYSIS: Docket No. 900039-TL should be closed with the issuance of a final order. Staff should place this matter on monitor status to ensure that United and Southern Bell submit appropriate tariff revisions and comply with the implementation date.

United Telephone System

United Telephone Company of Florida
Box 5000 • Altamonte Springs, Florida 32716-5000 • (407) 889-6405

F. B. (Ben) Poag
Director - Revenue Planning & Regulatory

May 17,1991

Mr. Steve Tribble
Director, Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0865

Dear Mr. Tribble:

In Docket No. 900039-TL United Telephone and Southern Bell were ordered to implement $.25 message rate calling between Mt. Dora and United's Apopka and Winter Park exchanges and between Mt. Dora and Bell's Orlando exchange. In addition, in Docket No. 900755-TL the Staff recommended implementation of the $.25 message rate plan between United's Kissimmee and Reedy Creek exchanges.

At the April 2, 1991 Agenda Conference, United requested and was granted 45 days to study the proposed $.25 message plans and to report back to the Commission on its capabilities to implement the plan. Following are the results of United's analysis and how, if ordered, United would implement the $.25 plans. In addition, comments are provided which address United's concerns about implementation of the $.25 plan on routes other than routes within the 0 to 10 mile toll rate band as ordered in United's rate case.

General Comments:

United does not oppose the $.25 message rate plan as an alternative to flat-rate EAS on certain short-haul toll routes where sufficient community of interest exists. However, on longer haul routes such as, Mt. Dora/Winter Park (23 miles) and Mt. Dora/Orlando (24 miles), there are concerns about the long-term impacts of implementing the $.25 message rate plan. These concerns are the potential negative impact on revenues, the additional cost associated with implementing the plans and, more generally, the overall lack of a long-term plan which addresses pricing for local services and/or short-haul toll services. Also, implementing the $.25 plan on selected routes has the potential to create a series of new EAS/toll alternative requests. For example, allowing the $.25 Orlando/Mt. Dora route will lead many Orlando subscribers to believe they should have the Sanford exchange (same area code and only 21 miles away) for $.25 as well as Mt. Dora. It is these differences in calling scopes and/or the charges for the calls that lead to petitions to change exchange boundaries and extend local calling areas. For example, we have already received an inquiry for a Groveland to Clermont exchange boundary change resulting from the recent decision to expand the Clermont exchange EAS area. The introduction of the $.25 message rate plan if approved for the Mt. Dora/Orlando route will surely result in requests for Sanford/Orlando. Because of the potential additional requests that the $.25 message plan may generate, United proposes that the offering be limited to the 0 to 10 mileage band at this time.

While it is recognized that customers have stimulated calling where the $.25 plan has been initiated, it is not clear whether the stimulation is driven more by the $.25 rate or the elimination of one-plus dialing.

United has also had very good response to its OEAS plans, which are flat-rate residence calling and discounted toll rates for business usage. These plans should not be discarded without further study.

Further, United opposes providing any free call allowance in connection with the $.25 message rate plan. If a free call allowance were to be included with the plan, directories should be made available to subscribers in both exchanges. In addition, the rate grouping plan should be applied to offset some of the lost toll revenues and the cost associated with providing the directories.

Seven-Digit or 1+ Dialing Requirements

The message rate service would be implemented on a seven-digit dialing basis where United has digital switches that are capable of providing message rate dialing on a seven-digit basis, except where the proposed route crosses a Numbering Plan Area (NPA) boundary. Because of the expected exhaustion of NPAs and three-digit prefix codes (NXXs), and the industry's need to implement interchangeable codes to resolve the exhaustion problem, implementation of the $.25 message rate plan on any inter-NPA routes should be on a 1+ ten-digit basis. This will be consistent with the dialing requirements after interchangeable codes are implemented, i.e., all intraLATA toll calls within an NPA will require 1+ ten-digit dialing after interchangeable codes are implemented. Customers would understand and accept 1+ ten-digit dialing between NPAs when also required within an NPA for a chargeable call.

Further, implementing the plan in this manner provides for more efficient use of NXX codes by allowing the NXX codes in these exchanges to be used in both NPAs. In addition, implementation on a 1+ ten-digit basis minimizes confusion and potential misrouting of calls to the wrong exchange. For example, the 422 code which is in both the Orlando and Tallahassee exchanges, could be routed by an operator to either Orlando or Tallahassee.

Implementing the plan consistent with the interchangeable code plan would result in 1+ ten-digit dialing between the Mt. Dora exchange, in the 904 NPA, and the Apopka, Winter Park and Orlando exchanges in the 407 NPA.

Seven-digit dialing could be implemented between Kissimmee and Reedy Creek since both of these exchanges are in the same NPA.

Custom Code Restrictions

The Custom Code Restriction (CCR) options described in the General Exchange Tariff provide restricted calling for certain types of calls, e.g., 1+, 411. However, there is no option for restricting chargeable $.25 local calls in the tariff. These calls will be blocked where 1+ dialing is required but will not be blocked where only seven digits are required.

Time and Charges (T&C)

T&C can be provided where an entire toll band has the same rate; however, providing this service for specific routes within a band is not technically possible with current T&C equipment. Therefore, United will not be providing T&C on $.25 message routes that are not within the 0-10 mileage band.

PAY TELEPHONES

LEC Pay Telephones (LPATS)

Inter-NPA calls, e.g., Mt. Dora/Apopka, will be completed at the $.25 rate; however, the customer will dial 1+ ten digits. 0-/0+ (same NPA or different NPAs) will be handled the same as other operator handled local calls. For example, the charge for a customer-dialed credit card call would be $1.00, the $.25 local call plus the $.75 operator surcharge.

Intra-NPA routes will be seven-digit dialing where digital switching capability exists. Charges will be the same as for other local calls.

NonLEC Pay Telephones (NPATS)

Same as for LPATS except NPATS providers will collect the $.25, the PATS provider will be billed the local usage rate for seven-digit and 1+ ten-digit inter-NPA calls. For a credit card, third number or collect call, the LEC will bill the appropriate operator surcharge plus the $.25. The NPATS will not be charged local usage since the LEC will keep the $.25.

INTERCONNECTION OF MOBILE SERVICES

Mobile-to-Land

United's tariff rate for mobile-to-land traffic within a LATA is $.0382 per access minute for non-discounted usage, and $.0279 per access minute for discounted usage. These rates also apply for local interLATA mobile-to-land traffic.

Therefore, these usage rates are applicable to mobile-to-land traffic on the proposed $.25 routes.

Land-to-Mobile

Land-to-mobile intraLATA toll usage is billed to the landline subscriber, unless the mobile carrier elects to have these charges reverse-billed at the per access minute toll component usage rate in Section A25 of United's General Exchange Tariff.

On those routes where the $.25 Message Plan is implemented, the landline subscriber will be billed on all land-to-mobile calls. This will be consistent with the application of charges for SmallTalk usage as well. Thus, mobile carriers will not have the option of having these calls reverse-billed.

<u>One Hour Time Limit</u>

The Staff's recommendations also included a per call time limit of one hour for all non-residential customers. United assumes that the intent of this recommendation is to charge $.25 per hour rather than actually disconnecting the call after one hour of usage.

However, since United's toll billing system is not able to distinguish between messages originated from residential versus non-residential access lines, the per hour charge cannot be implemented on a selective basis. Therefore, if United is required to implement a $.25 per hour structure, it should be applied uniformly to all customer groups.

<u>Telephone Directories</u>

Implementation of this plan should not change the current distribution of telephone directories.

<u>Directory Assistance</u>

Directory assistance on these routes will be provided on a 411 basis. Southern Bell and United will need to exchange the data associated with the new intercompany route (Mt. Dora/Orlando). Different arrangements may be required if other telephone companies' service territories are involved.

Remote Call Forwarding (RCF)

The General Exchange Tariff states that "the subscriber to Remote Call Forwarding is responsible for all applicable local and long distance charges between the forwarding central office and the terminating station." The tariff also includes an additional provision for usage rating "when the central office which forwards the calls and the terminating station are in the same local calling area."

The usage charges provide a method to allow for the use of RCF service on a local basis and recover some of the revenues displaced where RCF is used in EAS configurations as an alternative to toll. Where RCF service is used on a $.25 route, the $.25 message rate would apply instead of the local usage rates. This is consistent with the application of toll charges associated with RCF service.

Bill Detail

In order for United to appropriately bill the $.25 message charge under the various scenarios, United will use its existing toll rating system to rate these calls. Because these calls will be processed by the system as toll calls, full message detail will be retained and printed on customers' bills. This will be true for seven-digit dialing as well as 1+; that is, the toll rating system will also be used to bill the seven-digit message rate calls.

Implementation

A. Kissimmee/Reedy Creek

Implementation on this route will require some billing system changes and switch translations to effect the seven-digit dialing. The necessary changes can be implemented within the six months proposed in the Staff Recommendation.

B. Implementation between the Mt. Dora exchange and the Apopka, Winter Park and Orlando exchanges would require billing system changes, switch translations and facilities additions. Due to a planned equal access conversion in the Mt. Dora switch, scheduled for December 7, 1991, it is not anticipated that these routes could be implemented prior to the first quarter of 1992. This would allow sufficient time to implement and test the changes subsequent to the equal access conversion and still be within the 12 months proposed in the Staff Recommendation.

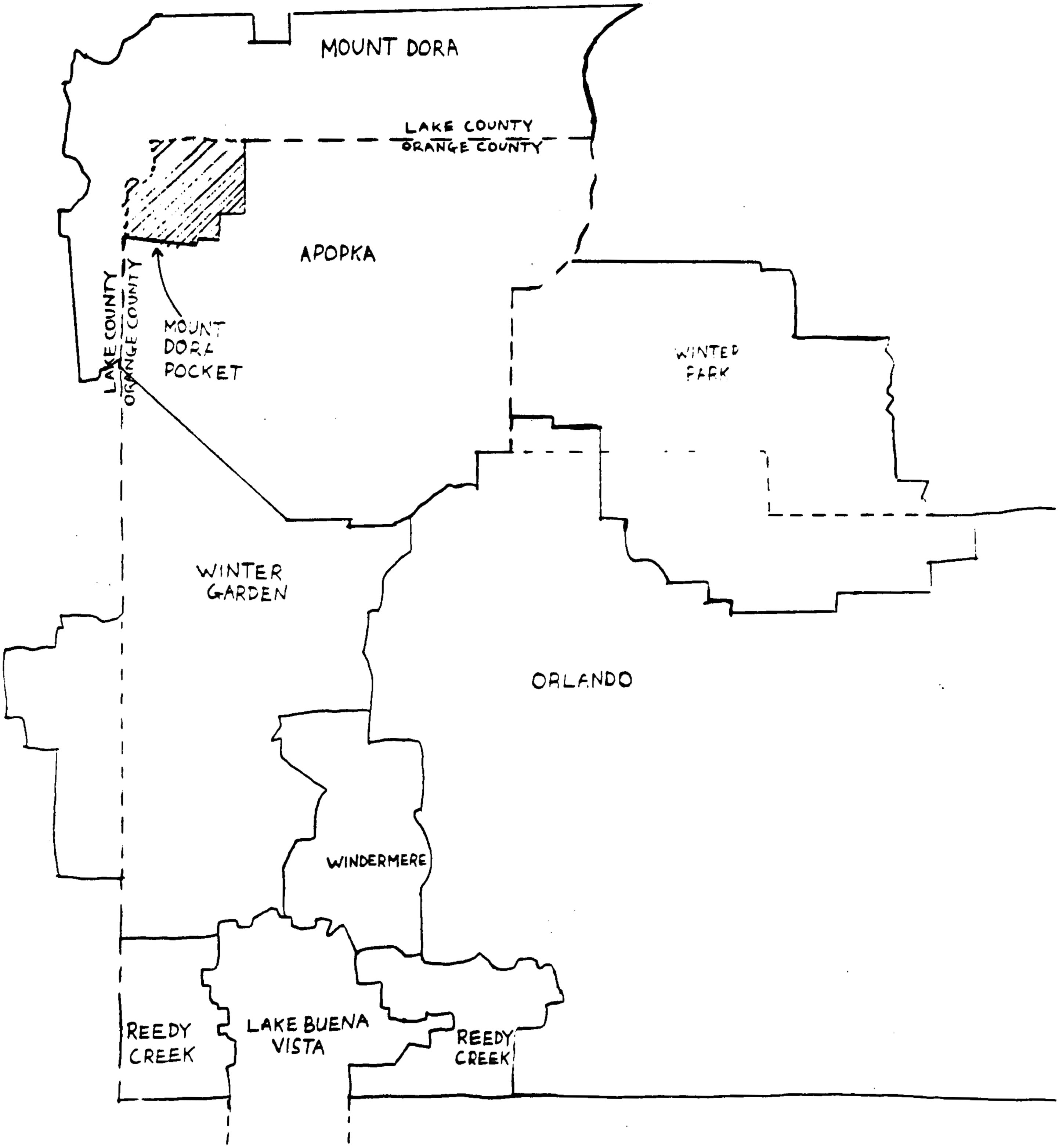
Sincerely,

F. B. Poag/FRL

F. B. Poag

FBP/ab

cc: R. Cimerman


MOUNT DORA
LAKE COUNTY
ORANGE COUNTY
APOPKA
LAKE COUNTY
ORANGE COUNTY
MOUNT DORA POCKET
WINTER PARK
WINTER GARDEN
ORLANDO
WINDERMERE
REEDY CREEK
LAKE BUENA VISTA
REEDY CREEK

DOCKET NO. 900039-TL
JULY 18, 1991

Attachment C
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EXCHANGE DATA						
EXCHANGE	LEC	LATA	ACCESS LINES EAS LINES	EAS CALLING SCOPE	BASIC RATES	EQUAL ACCESS
MT. DORA	United	Gainsvlle	10,061 83,079	Astor,Clermont,Eustis,Grovelnd, Hwy-Hills,Lady Lake, Leesburg, Montverde,Tavares, Umatilla	R-1 $ 7.95 B-1 $18.65 PBX $37.35	No
APOPKA	United	Orlando	22,283 514,059	E.Orange, Lk Bna Vsta, Montverde, Orlando, Reedy Creek, Windermere, Winter Garden, Winter Park	R-1 $10.20 B-1 $23.95 PBX $47.90	Yes
ORLANDO	SBT	Orlando	286,579 530,526	Apopka, E. Orange, Lk Bna Vsta, Montverde, Oviedo, Reedy Creek, Windrmere, Wntr Garden, Wntr Prk, (W. Kissimmee - optional)	R-1 $10.30 B-1 $28.00 PBX $62.81	Yes
WINTER PARK	United	Orlando	168,116 565,034	Apopka, E. Orange, Geneva, Lk Bna Vsta, Montverde, Orlando, Oviedo, Reedy Creek, Sanford, Windermere, Winter Garden	R-1 $10.20 B-1 $23.95 PBX $47.90	Yes

(Date)

Dear Customer:

Please read this letter carefully. The results of this survey may change your local calling area and increase the amount you pay for basic local telephone service by $2.30, per line, per month for individual residence subscribers and $5.27 per line, per month for individual business subscribers. It could also result in a change to your area code and phone number. It is extremely important that you make your wishes known to the Florida Public Service Commission by <u>(Date)</u>.

This matter was brought before the Florida Public Service Commission through a petition filed by the Orange County Board of County Commissioners. They requested that the Commission consider requiring implementation of extended area service (EAS) between the Mount Dora exchange and all exchanges in Orange County. The Florida Public Service Commission directed United, Southern Bell and Vista-United to conduct traffic studies with regard to these exchanges. None of the traffic studies met the Commission rule to qualify for EAS as petitioned by Orange County.

However, the Commission is considering transferring the portion of the Mount Dora exchange which lies within Orange County from the Mount Dora exchange into the Apopka exchange. That is the reason for this letter and ballot.

Presently, you are part of the Mount Dora Exchange and are able to call all of Lake County without a toll charge. Lake County includes the exchanges of Astor, Clermont, Eustis, Groveland, Howey-In-The-Hills, Leesburg, Lady Lake, Mount Dora, Montverde, Tavares and Umatilla. If the majority of votes are <u>AGAINST</u> the transfer, you will keep the calling scope you have today.

If the majority of votes are <u>FOR</u> the transfer, you will be transferred to the Apopka exchange. You will be able to dial the Orange County exchanges of Apopka, East Orange, Montverde, Lake Buena Vista, Orlando, Windermere, Winter Garden, Winter Park and Reedy Creek as a local call. Presently, calls to these exchanges, with the exception of Montverde, are toll calls. Calls to Astor, Clermont, Eustis, Groveland, Howey-In-The-Hills, Leesburg, Lady Lake, Mount Dora, Tavares and Umatilla, <u>which are now local calls</u>, <u>will become toll calls</u>.

Your current monthly basic service rates for the Mount Dora Exchange are as follows:

Residence One-Party	$ 7.67
Residence Two-Party	6.10
Residence Four-Party	5.30
Business One-Party	$17.95
Business Two-Party	14.32
Business Four-Party	12.50
PBX	$36.37

The monthly basic service rates for the Apopka exchange are as follows:

Residence One-Party	$ 9.97
Residence Two-Party	7.93
Residence Four-Party	6.91
Business One-Party	$23.22
Business Two-Party	18.54
Business Four-Party	16.19
PBX	$46.92

The preceding rates, for both the Mount Dora exchange and the Apopka exchange, do not include zone charges, FCC interstate toll access charge, other features, or applicable taxes. For some customers, zone charges may also increase if this transfer is approved.

If the transfer is approved, your area code will change from 904 to 407 and your telephone number will be changed to an Apopka number. An intercept message will be placed on your old number which will direct callers to your new number. This intercept message will remain in effect until a new telephone directory is issued.

In order for this boundary change to be instituted, a simple majority of customers eligible to vote in the survey must vote FOR approval of the change. If approved, the transfer will be completed within twelve months of the date of survey approval.

The enclosed postage paid ballot is the only acceptable way to advise the Commission of your opinion in this matter. The Commission will base its decision on the results of this customer survey; it is very important for every telephone subscriber to return their ballot promptly.

Sincerely,

United Telephone Company of Florida

Enclosure

POSTCARD BALLOT

TO THE FLORIDA PUBLIC SERVICE COMMISSION

I have read the letter dated ______________ from United Telephone Company of Florida relating to the transfer of my telephone service from the Mount Dora exchange to the Apopka exchange, and associated changes in callable exchanges. I also understand this transfer will result in an increase in my monthly telephone rates and a telephone number change. I am the person responsible for the telephone account below.

Signed ________________________________

Note: Only signed ballots with complete information below will be counted (comments are optional).

( ) FOR TRANSFERRING FROM MOUNT DORA TO APOPKA EXCHANGE

( ) AGAINST TRANSFERRING FROM MOUNT DORA TO APOPKA EXCHANGE

NAME (As phone is listed) ________________________________

Telephone Number ( ) ____________ Comments (Optional) ________________

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MUST BE POSTMARKED BY TO BE COUNTED