BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Resolution by Santa Rosa) DOCKET NO. 930858-TL County Commission for countywide) ORDER NO. PSC-94-0183-FOF-TL extended area service (EAS)) ISSUED: February 14, 1994 within Santa Rosa County and EAS) between Santa Rosa County and) Escambia County.

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman SUSAN F. CLARK JULIA L. JOHNSON DIANE K. KIESLING LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION ORDER REQUIRING SURVEY

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 substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

This docket was initiated pursuant to Resolution 93-26 submitted by the Santa Rosa County Commission requesting countywide extended area service (EAS) between north Santa Rosa County and Pensacola, and the entire Escambia-Santa Rosa service area. By Order No. PSC-93-1400-PCO-TL, issued September 27, 1993, we required Southern Bell to conduct traffic studies on the routes involved.

Rule 25-4.060(2), Florida Administrative Code requires a calling rate of at least three M/A/M's (Messages per Access Line per Month) 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 also 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.

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Based on the calling rates provided in the traffic study, only the Jay/Pensacola route met the EAS Rule requirements. It should be noted that since this route has Enhanced Optional Extended Area Service (EOEAS), the M/A/M's are higher because of the flat rate residential option. However, this route still met the 50% distribution criteria, which is more difficult to achieve and is not affected by EOEAS. If the survey passes, the EOEAS plan on the Jay/Pensacola route shall be discontinued simultaneously with the implementation of EAS.

The remaining routes do not qualify for nonoptional, flat rate, two-way EAS. Moreover, the calling rates on the remaining routes do not have sufficient calling volumes or distribution to warrant an alternative toll plan.

Upon review, we shall require that the Jay subscribers be surveyed for nonoptional, two-way, flat rate EAS to the Pensacola exchange at the rates set forth below. The subscriber survey shall comply with Rule 25-4.063, Florida Administrative Code, and shall begin within forty-five (45) days of the date that this Order becomes final. Southern Bell shall submit the newspaper advertisement for our staff's review prior to publication; the survey letter and ballot also shall be submitted to staff prior to distribution to customers. In addition, the Company shall provide staff with a copy of the published newspaper advertisement and the dates that it ran.

In all recent EAS dockets in which calling volumes were sufficient to warrant consideration of nonoptional, flat rate, toll free calling 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 exchanges' original rate group and the new rate group into which the exchange will fall with its expanded calling scope. The 25/25 additive is typically removed after two years or in the Company's next rate case, whichever is later.

If two-way EAS were to be implemented on the Jay/Pensacola route, the Jay exchange would move from rate group 4 to 6. As a result, the Jay exchange calling scope would increase along with local rates. Southern Bell shall survey its Jay subscribers

fornonoptional, flat rate, two-way, toll free calling, to the Pensacola exchange under the 25/25 plan plus regrouping at the rates set forth below:

Present Rates	25/25 Additive	Regrouping	Total Additive	New Rate
R-1 \$ 8.40	\$2.29	\$.75	\$ 3.04	\$11.44
B-1 \$ 22.90	6.23	2.00	8.23	31.13
PBX \$ 51.59	13.40	4.40	17.80	69.39

The 25/25 additive shown above was derived by calculating the additional calling scope for the Jay subscribers. The number of access lines by which the calling scope of the Jay exchange will increase is simply the number of access lines in the Pensacola exchange (120,480). This number of access lines was then applied to Southern Bell's rate group schedule to determine the 25/25 additive. With the addition of 120,480 access lines to the current calling scope in the Jay exchange (25,111), the new total would be 145,591 access lines. This will move Jay from rate group 4 to rate group 6.

If the survey passes, the additive should stay in place for two years after implementation or until Southern Bell's next earnings review, whichever comes later.

Therefore, it is

ORDERED by the Florida Public Service Commission that the calling rate on the Jay/Pensacola route is sufficient to warrant a survey for nonoptional, flat rate, two-way EAS. It is further

ORDERED that the Company shall survey of customers in the Jay exchange for nonoptional, flat rate, two-way EAS to the Pensacola exchange at the rates set forth below. The survey shall be conducted within forty-five (45) days of the date that this Order becomes final. It is further

ORDERED that nonoptional, flat rate, two-way, toll free calling for the Jay/Pensacola route shall be surveyed under the 25/25 plan with regrouping at the following monthly rates:

R-1 \$11.44 B-1 \$31.13 PBX \$69.39

If the survey passes, the additive shall remain in place for two years after implementation or until Southern Bell's next earnings review, whichever comes later. It is further

ORDERED that Southern Bell shall submit the newspaper advertisement for our staff's review prior to publication. The survey letter and ballot also shall be submitted to staff prior to distribution to customers. The Company shall provide staff with a copy of the published newspaper advertisement and the dates run. It is further

ORDERED that if the survey passes, the Enhanced Optional Extended Area Service (EOEAS) plan on the Jay/Pensacola route shall be discontinued simultaneously with the implementation of EAS. It is further

ORDERED that the calling rates and distribution on the remaining routes do not exhibit a sufficient community of interest and thus do not warrant an alternative toll plan. It is further

ORDERED that this docket shall remain open to review the survey required by this Order.

By ORDER of the Florida Public Service Commission, this <u>14th</u> day of <u>February</u>, <u>1994</u>.

STEVE TRIBBLE, Director Division of Records and Reporting

(SEAL)

by: Ka

Chief, Bureau of Records

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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 March 7, 1994.

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.