BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Resolution by Putnam County Board of Commissioners for extended area service (EAS)) ISSUED: September 22, 1995 between all exchanges in Putnam) County, and petition by residents of the Florahome 659 exchange for EAS to the Keystone) Heights exchange in Putnam County.

) DOCKET NO. 940026-TL) ORDER NO. PSC-95-1197-FOF-TL

The following Commissioners participated in the disposition of this matter:

> SUSAN F. CLARK, Chairman J. TERRY DEASON JOE GARCIA JULIA L. JOHNSON DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION

ORDER DENYING EXTENDED AREA SERVICE

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.

Ι. BACKGROUND

This docket was initiated pursuant to a resolution filed on May 28, 1993, by Putnam County requesting extended area service (EAS) between all exchanges in Putnam County. A petition by the subscribers was also filed on January 4, 1994, for EAS from the Florahome exchange (659) to Keystone Heights. Including pocket areas, this request involves 168 one-way routes, of which 36 are interLATA. The Crescent City, Florahome, Hastings, Interlachen, Melrose, and Orange Springs exchanges are served by ALLTEL Florida, Inc. (ALLTEL), and the Hawthorne, Keystone Heights, Palatka, Pomona Park, and Welaka exchanges are served by BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company (Southern Bell). The Florahome, Palatka, Hastings, Interlachen, Pomona Park, Welaka, and Crescent City

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exchanges are located in the Jacksonville LATA (local access and transport area), and the Keystone Heights, Melrose, Hawthorne, and Orange Springs exchanges are located in the Gainesville LATA.

We denied EAS on all the requested routes and ordered the \$.25 plan on the following routes: Crescent City/Palatka; Interlachen/Orange Springs; Melrose/Interlachen; Melrose/Palatka; Hawthorne/Interlachen; Keystone Heights/Florahome; Hawthorne/Palatka; Heights/Interlachen; Keystone Orange Springs/Palatka; and Keystone Heights/Palatka. See Order No. 25772, issued February 24, 1992, in Docket No. 910528-TL. Of the 10 two-way routes ordered, seven were interLATA routes involving Southern Bell and could not be implemented. These interLATA routes are the last seven in the list above. By our directive, Southern Bell filed a request for waiver of its Modified Final Judgment (MFJ) with the Department of Justice. It was denied by Judge Greene of the United States District Court.

By Order No. PSC-94-0169-FOF-TL, issued February 10, 1994, we required ALLTEL and Southern Bell to conduct traffic studies on the EAS routes proposed in this docket. By Order No. PSC-94-0586-PCO-TL, issued May 18, 1994, we granted Southern Bell's Motion for extension of time and ordered that the required traffic studies be filed on or before July 11, 1994. We granted Southern Bell's motion to modify Order No. PSC-94-0169-FOF-TL and relieved it of the requirements to file traffic data on the interLATA routes. <u>See</u> Order No. PSC-94-0763-FOF-TL, issued June 21, 1994. By Order No. PSC-94-0712-CFO-TL, issued June 13, 1994, we granted Southern Bell's request for confidential classification of the intraLATA traffic studies.

II. EXTENDED AREA SERVICE

Section 364.385(2), Florida Statutes (1995), provides that all applications for extended area service or extended calling service pending before the Commission on March 1, 1995, shall be governed by the law as it existed prior to July 1, 1995. Because this EAS request was pending prior to March 1, 1995, the existing EAS rules apply. Thus, Rule 25-4.060(3), Florida Administrative Code, requires a calling rate of at least three M/A/Ms (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 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.

Of the routes studied, only the Florahome (659)/Keystone Heights route met the 3 M/A/M requirement. All the routes failed the distribution requirement. Because the calling rate, except for the Florahome (659)/Keystone Heights route, and distribution factors fell significantly below the required standards, we do not believe it is appropriate to consider additional community of interest factors. We do not believe that this information would alter the conclusion based on the traffic study.

There are still 36 Southern Bell interLATA routes within Putnam County for which we do not have traffic data available. Southern Bell was granted relief from providing this information since it no longer performs the recording and rating of interLATA traffic on certain routes for AT&T. Southern Bell stated that it does not possess or have access to this data.

We granted Southern Bell's motion for relief from the interLATA portion of the traffic study because we were reviewing this problem in the EAS rulemaking docket. Because of the new legislation, we closed the EAS rulemaking docket on August 15, 1995. We expect to address the pending EAS dockets based on type of problem areas. The 36 interLATA routes in this docket should be addressed with the remaining dockets with "interLATA traffic study" problems.

Based on Rule 25-4.060(3), Florida Administrative Code, we find that none of the routes that had traffic data available in this docket meet the requirements to qualify to be balloted for nonoptional, two-way, flat rate EAS.

III. ALTERNATIVE TOLL PLAN

We find that the calling rates on the routes at issue do not have sufficient calling volumes or distribution to warrant an alternative toll plan. As previously stated, of the routes studied, only the Florahome (659)/Keystone Heights route met the 3 M/A/M requirement, and the remaining routes fell below the threshold. In addition, none of the routes met the distribution criteria.

Historically, we have considered alternative calling plans on routes that met the calling rate threshold and exhibited a substantial showing on the distribution requirement. Typically these cases were close to meeting our requirements but fell short by a small percentage on the distribution criteria.

The calling rates on the routes studied herein do not exhibit a sufficient community of interest to warrant any form of toll relief. Therefore, we find that no alternative toll plans shall be offered on these routes.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the request by Putnam County for nonoptional, flat rate, two-way extended area service between all exchanges in Putnam County is hereby denied for the reasons set forth in the body of this Order. It is further

ORDERED that the petition by the subscribers requesting nonoptional, flat rate, two-way extended area service from Florahome (659) to Keystone Heights is hereby denied for the reasons set forth in the body of this Order. It is further

ORDERED that no alternative toll plans shall be offered on any of the toll routes listed herein for the reasons set forth in the body of this Order. It is further

ORDERED that this Order shall become final and effective on the date set forth below in the Notice of Further Proceedings if no timely protest is filed pursuant to the requirements set forth below. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission, this <u>22nd</u> - day of <u>September</u>, <u>1995</u>.

BLANCA S. BAYÓ, Director Division of Records and Reporting

by: Chief, Bu reau 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 13, 1995.

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 substantially 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.