

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Resolution by the CITY COUNCIL,)	DOCKET NO. 891339-TL
CITY OF CLERMONT, for toll free calling)	
(extended area service) between Clermont)	ORDER NO. 23433
and the Apopka, Lake Buena Vista, Reedy)	
Creek, Orlando, Windermere, Winter)	ISSUED: 9-5-90
Garden, and Winter Park exchanges)	
)	

The following Commissioners participated in the disposition of this matter:

- MICHAEL MCK. WILSON, Chairman
- THOMAS M. BEARD
- BETTY EASLEY
- GERALD L. GUNTER
- FRANK S. MESSERSMITH

NOTICE OF PROPOSED AGENCY ACTION
AND
ORDER REQUIRING IMPLEMENTATION
OF 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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

This docket was initiated upon a resolution filed with this Commission by the City Council of the City of Clermont. This resolution requested that we consider requiring the implementation of extended area service (EAS) between the Clermont exchange and the Apopka, Lake Buena Vista, Orlando, Reedy Creek, Windermere, Winter Garden, and Winter Park exchanges. By Order No. 22608, issued February 27, 1990, we directed Southern Bell Telephone and Telegraph Company (Southern Bell), United Telephone Company of Florida (United), and Vista-United Telecommunications (Vista-United) to perform traffic studies between these exchanges so that we could determine if a sufficient community of interest existed pursuant to Rule 25-4.060, Florida Administrative Code. All of these exchanges are served by United, except the Orlando exchange, which is served by Southern Bell, and the Lake Buena Vista exchange, which is served by Vista-United. In addition to involving intercompany routes, this request also involves interLATA

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(local access transport area) routes. The Clermont exchange is located in the Gainesville LATA, while the remaining exchanges are located in the Orlando LATA.

All three companies filed the required traffic studies in response to Order No. 22608. On April 27, 1990, Southern Bell filed a request for confidential treatment of certain portions of its traffic study data. Southern Bell requested specified confidential treatment of only that data which represented a quantification of traffic along interLATA routes. By Order No. 22954, issued May 18, 1990, we granted Southern Bell's request. Similar requests for specified confidential treatment were filed by United on July 16, 1990, and by Vista-United on August 2, 1990. By Order No. 23333, issued August 9, 1990, and Order No. 23352, issued August 13, 1990, we granted each of these requests.

Each of the involved exchanges currently has EAS as follows:

<u>EXCHANGE</u>	<u>ACCESS LINES</u>	<u>EAS CALLING SCOPE</u>
Clermont	6,435	Astor, Eustis, Groveland, Howey-in-the-Hills, Lady Lake, Leesburg, Monteverde, Mount Dora, Tavares, Umatilla
Apopka	20,608	East Orange, Lake Buena Vista, Monteverde, Orlando, Reedy Creek, Windermere, Winter Garden, Winter Park
Lake Buena Vista	5,373	Apopka, East Orange, Monteverde, Orlando, Reedy Creek, Windermere, Winter Garden, Winter Park
Orlando	261,415	Apopka, East Orange, Lake Buena Vista, Monteverde, Oviedo, Reedy Creek, Windermere, Winter Garden, Winter Park, (West Kissimmee - optional)

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Reedy Creek	5,147	Apopka, East Orange, Lake Buena Vista, Monteverde, Orlando, Windermere, West Kissimmee, Winter Garden, Winter Park
Windermere	4,131	Apopka, East Orange, Lake Buena Vista, Monteverde, Orlando, Reedy Creek, Winter Garden, Winter Park
Winter Garden	13,016	Apopka, East Orange, Lake Buena Vista, Monteverde, Orlando, Reedy Creek, Windermere, Winter Park
Winter Garden	159,634	Apopka, East Orange, Geneva, Lake Buena Vista, Monteverde, Orlando, Oviedo, Reedy Creek, Sanford, Windermere, Winter Garden

The demographics of the areas involved in this EAS request are described below.

Demographics

The Clermont exchange is located in Lake County west of Orange County. Employment consists mostly of retirees and service-type jobs. The county seat for Lake County is Tavares. Population figures show that the Clermont area is growing by five percent (5%) per year. Clermont's year-round population of about 9000 swells by an additional 4000 in the winter season because of the city's popularity with tourists and seasonal residents.

Much of the area's growth is expected to occur along State Road 50 between Clermont and the Orange County line. Estimates of growth along this corridor range from 700 to 8600 people. Most of the growth is likely to result from a westward migration by current Orlando residents. Three possible developments might greatly influence such migration: (1) the proposed "Killarney Interchange" would provide easy access to the turnpike reducing commute time to downtown Orlando to 20 minutes; (2) a planned Orlando Beltway could have a similar effect; (3) developers may try to escape restrictive

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growth management in Orange County by building in South Lake County instead.

The community of interest for schools, government, and some medical services is Lake County. For entertainment, medical facilities, and major shopping a substantial community of interest for Clermont is towards Orlando in Orange County.

Current basic local service rates for the exchanges involved in this EAS request are shown below.

Clermont (United)

R-1	\$ 7.67
B-1	17.95
PBX	36.37

Winter Park (United)

R-1	\$ 7.67
B-1	20.58
PBX	44.62

Apopka, Reedy Creek, Windermere,
and Winter Garden (United)

R-1	\$ 9.97
B-1	23.22
PBX	46.92

Lake Buena Vista (Vista-United)

R-1	\$ 7.20
B-1	17.65
PBX	29.25

Orlando (Southern Bell)

R-1	\$10.30
B-1	28.00
PBX	62.81

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DISCUSSION

All of the routes under consideration in this docket are interLATA routes. The actual results of the traffic studies were granted confidential treatment by Orders No. 22954, 23333, and 23352. We can report, however, that only the Clermont to Orlando route met the threshold of Rule 25-4.060(2)(a), Florida Administrative Code, which requires three (3) or more messages per main or equivalent main station per month (M/M/M), with at least fifty percent (50%) of the exchange subscribers making two (2) or more calls per month. The M/M/M rates on the Clermont to Winter Garden route were substantial; however, the percentage of subscribers making two (2) or more calls per month was not sufficient to qualify for a nonoptional EAS plan. This route would, however, qualify for some type of optional toll relief plan. The remaining routes involved in this EAS request did not have calling rates sufficient to qualify for any type of toll relief plan.

Our policy in the past has been not to establish EAS where skipping over intermediate exchanges would be involved, because this would create a situation where calls to the more distant exchange were local, while calls to an adjacent exchange incurred toll charges. At the same time, we do not believe the subscribers in Clermont should be denied EAS to Orlando because the calling rates on the intermediate exchanges fall short of the rule requirement. We believe a sufficient community of interest exists on both the Clermont to Orlando and Clermont to Winter Garden routes to warrant toll relief. We would note, also, that all the intermediate exchanges, Lake Buena Vista, Reedy Creek, Windermere, and Winter Garden, presently enjoy EAS to Orlando. We wish to emphasize, however, that our policy has been and will continue to be not to permit "leap-frogging" or skipping of exchanges in an EAS request.

Upon consideration, we hereby propose requiring United to survey its Clermont subscribers for nonoptional, flat rate, two-way calling under the 25/25 plan with regrouping, between the Clermont exchange and the Lake Buena Vista, Orlando, Reedy Creek, Windermere, and Winter Garden exchanges. With this plan, both residential and business customers will pay an EAS additive reflecting twenty-five percent (25%) of the requested exchange's current basic rates, plus regrouping charges. The rates at which the Clermont customers shall be surveyed are as follows:

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<u>CUSTOMER CLASS</u>	<u>CURRENT RATE</u>	<u>NEW RATE</u>
R-1	\$ 7.67	\$12.46
B-1	17.95	29.03
PBX	46.92	58.65

Under this calling plan, Lake Buena Vista, Orlando, Reedy Creek, Windermere, and Winter Garden customers will not pay an additional charge and therefore, are excluded from the survey.

The subscribers in the Clermont exchange shall be surveyed by United within thirty (30) days of the issuance of the consummating order finalizing this proposed agency action. Prior to conducting the survey, United shall submit its explanatory survey letter and ballot to our staff for approval.

If the survey passes by a simple majority of the customers surveyed in the Clermont exchange, United, Vista-United, and Southern Bell shall then implement the 25/25 plan with regrouping within twelve (12) months of the date of survey approval. By our requiring a simple majority, we are hereby waiving the fifty-one percent (51%) favorable vote requirement of Rule 25-4.063(5)(a), Florida Administrative Code. Additionally, because interLATA routes are involved in our proposal, Southern Bell shall immediately begin taking action to obtain a waiver from Judge Greene if the survey of the Clermont subscribers passes.

We also find it appropriate to waive the requirements of Rule 25-4.062(4), Florida Administrative Code, which provides for full recovery of costs from the subscribers in the petitioning exchange upon implementation of traditional, two-way, nonoptional EAS. Our experience with cost information that has been submitted to date in other EAS dockets has shown that to permit full recovery of costs would require us to approve rates that would be unacceptable to customers. Surveying customers on such high rates would ensure failure of the survey. Based on the community of interest exhibited along this route, we believe EAS is warranted and that a survey with more reasonable rates should be conducted. Additionally, we have not required cost recovery in any docket for which traditional EAS has been ordered since the effective date of this rule. Therefore, we intend to waive Rule 25-4.062(4), Florida Administrative Code.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the resolution filed by the City Council of the City of Clermont is hereby approved to the extent outlined in the body of this Order. It is further

ORDERED that if no proper protest is filed within the time frames set forth below, United Telephone Company of Florida shall, within thirty (30) days of the issuance of the consummating order, survey the subscribers in the Clermont exchange on the implementation of a flat rate, two-way, nonoptional extended area service plan that complies with the terms and conditions set forth herein. It is further

ORDERED that United Telephone Company of Florida shall submit its survey letter and ballot for our approval prior to its distribution. It is further

ORDERED that certain rules as described herein have been waived for the reasons set forth in the body of this Order. It is further

ORDERED that if the survey passes, the plan described herein shall be implemented by United Telephone Company of Florida, Vista-United Telecommunications, and Southern Bell Telephone and Telegraph Company within twelve (12) months of the date of survey approval in this docket. It is further

ORDERED that if the survey passes, Southern Bell Telephone and Telegraph Company shall immediately begin taking action to obtain a waiver from Judge Greene for the provision of interLATA services. It is further

ORDERED that the effective date of our action described herein is the first working day following the date specified below, if no proper protest to this Proposed Agency Action is filed within the time frames set forth below. It is further

ORDERED that this docket shall remain open.

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By ORDER of the Florida Public Service Commission, this 5th
day of SEPTEMBER, 1990.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

ABG

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 September 26, 1990

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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, and as reflected in a subsequent order.

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 sewer 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.