OA 12-8-97

IN THE SUPREME COURT
OF THE STATE OF FLORIDA

BELLSOUTH TELECOMMUNICATIONS, INC., a Georgia corporation,

appellant,

v.

Julia L. Johnson, Susan F. Clark, J. Terry Deason, Joe Garcia and Diane K. Kiesling, in their official capacities as members of the FLORIDA PUBLIC SERVICE COMMISSION,

appellees.

Case No. 90,671

SUPPLEMENTAL BRIEF OF APPELLANT BELLSOUTH TELECOMMUNICATIONS, INC.

On Appeal From Florida Public Service Commission Order No. PSC-97-0488-FOF-TL

William W. Deem, Esq.
MAHONEY ADAMS & CRISER, P.A.

Robert G. Beatty, Esq.
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J. Phillip Carver, Esq.
BELLSOUTH TELECOMMUNICATIONS

Appellant, BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to this Court's Order of November 7, 1997, files this supplemental brief to address the Florida Public Service Commission's October 22, 1997, order and opinion in In re: Petition by subscribers of the Groveland exchange for extended area service (EAS) to the Orlando, Winter Garden, and Windermere Exchanges, Florida PSC Docket No. 941281-TL, Order No. PSC-97-1309-FOF-TL (hereinafter the "Groveland Opinion"). A copy of the Groveland Opinion is attached for purposes of convenience.

Introductory Statement

The Groveland Opinion provides for non-optional extended area service ("EAS") if a majority of the affected rate payers who cast ballots vote in favor of it. The Groveland Opinion is significant here because of its acknowledgement that rate regrouping would be appropriate as Groveland's local calling scope is increased.

The Commission takes the position in this appeal that rate regrouping, to the extent it increases the amount rate payers have to pay, constitutes a "rate increase" in violation of section 364.051. That statute, however, is absolute. It makes no distinction among the various contexts in which a purported rate increase might occur. Therefore, the Groveland Opinion's acknowledgement that rate regrouping is appropriate in the context of EAS conflicts -- irreconcilably -- with the Commission's position in this appeal, highlighting the fallacy of that position.

Extended Area Service

EAS is simply an enlargement of the geographic area in which telephone customers can make local, flat-rate calls. See Rules 25-

4.057-.064, F.A.C. It has the effect of increasing the number of access lines available for local calling, and thereby increasing the value of the local service provided. EAS may be imposed where there is a substantial community of interest between different local exchange areas. Many people living in Groveland, for example, are dependent upon Orlando for employment, medical care, schooling, and the like. EAS would increase these rate payers' local calling scope such that calls to Orlando can be made on a local, flat-rate basis. EAS can, however, also increase the number of access lines available for local calling beyond the threshold for the next higher rate group, just as (in the instant appeal) demographic growth caused the West Palm Beach, Jensen Beach and Holley-Navarre exchanges to grow beyond their next higher thresholds. It is this similarity in effect, and the manner in which the Commission deals with it, that is pertinent here.

Supplemental Argument

Telecommunications rates in Florida apply not on an individualized rate-payer basis, but rather are set according to the level of service provided in the "local exchange area" in which rate payers reside. The "level of service" is a function of how many telephone lines can be accessed within the exchange on a local, flat-rate basis. See Rules 25-4.053-.056, F.A.C. Local exchange areas are "grouped" according to how many local access lines they have -- e.g. all exchanges in Rate Group 10 have between 450,000 and 550,000 local access lines -- and rate payers in all of these exchanges pay the standard rate applicable to that group.

This ensures that all similarly-situated rate payers pay the same rate, no matter who they are or where they happen to live.

"Rate regrouping" is the long-standing process of reassigning a local exchange from one standard rate group to another as the level of service being provided there (i.e. the number of local access lines) increases or decreases. This process does not change the amount charged under any particular rate -- it merely selects a different standard rate to apply to the new level of service, according to set criteria. The question on appeal is whether rate regrouping constitutes a "rate increase" in violation of the rate cap imposed by section 364.051(2)(a). If so, then rate regrouping may be inappropriate, at least in the event that a local exchange grows larger instead of smaller.

Section 364.051(2)(a) provides that the "rates for basic local telecommunications service . . . shall be capped at the rates in effect on July 1, 1995, and ... shall not be increased prior to January 1, 2001". The statute is absolute in its mandate, with no exceptions. It does not provide that rates shall not be increased unless the Commission feels that an increase would be warranted-l It does not provide that rates shall not be increased unless (as in the Groveland situation) 51% of the rate payers voting vote for more extensive service. It states that rates for basic local service "shall not be increased". Therefore, if rate "regrouping" is the equivalent of a rate "increase" within the meaning of

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'There is a vehicle for telephone companies to seek increased rates based on a compelling showing of changed circumstances. See §364.051(5), Fla. Stat. (1995). That provision was not invoked in the Groveland Opinion.

section 364.051, then any regrouping of a local exchange area to a higher rate group should violate section 364.051.

The Commission contends that rate regrouping does in fact constitute a rate increase, and that it is inappropriate under section 364.051 to regroup an exchange to a higher rate group as the local calling scope in that exchange increases. In the Groveland Opinion, however, the Commission specifically directs that if Groveland's local calling scope increases beyond the threshold for the next higher rate group, the exchange is to be regrouped so that the higher rate applicable to the new calling scope applies:

> As stated by witness Harrell, the 25/25 plan is calculated based on the additional calling scope gained. There are approximately 370,000 access lines in the combined exchanges, which would place the Groveland exchange in rate group 5 . . . In addition, if enlarging the local calling area causes the requesting exchange to regroup, the rate for the new rate group will also apply. In this case, the addition of the Orlando exchange to the Groveland exchange would result in a regrouping of the Groveland exchange to rate group 6.

Groveland Opinion at 9 (emphasis added). In other words, if 51% of those casting ballots in the Groveland Exchange vote in favor of EAS, then the number of lines accessible on a local, flat-rate basis will be increased and the exchange (i.e. 100% of Groveland's rate payers) will be regrouped into a higher rate group based on this increase.[2]

[2]The Commissions requires no more than a 40% voter turn-out. Rule 25-4.063(6), F.A.C. Therefore, an affirmative vote of just 20% plus one of the affected rate payers could cause the entire exchange to be regrouped.

The Groveland EAS petition is subject to section 364.051.[3] The rate cap imposed by that statute is absolute, without any exception for EAS and without providing any basis for Commission discretion. Therefore, the Commission's requirement of regrouping in Groveland cannot be reconciled with its prohibition of regrouping in the exchanges at issue here. This inconsistency highlights the flawed logic of the Commission's argument on appeal. On the other hand, the Groveland Opinion is perfectly consistent with BellSouth's argument that rate regrouping is not an increase in the amount charged under any rate but rather the selection of an already extant rate -- unchanged from its July 1995 cap level -- to apply to the new level of service, according to Commission-approved criteria which were themselves in effect as of July 1995. BellSouth respectfully submits that the correct construction of section 364.051 could not be any more clear, and asks that the Order below be reversed.

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[3]EAS imposed pursuant to a petition filed prior to March 1, 1995, is to be considered a basic local service subject to section 364.051. See § 364.385(2), Fla. Stat. (1995). The petition at issue in the Groveland Opinion was filed November 11, 1994. Groveland Opinion at 1.

Certificate of Service

I certify that a copy of the foregoing was furnished by facsimile and U. S. Mail to the following on this 14 day of November, 1997:

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by eubecribere of the Groveland exchange for extended area service (EAS) to the Orlando, Winter Garden, and Windermere exchanges.

DOCKET NO. 941281-TL
ORDER NO. PSC-97-1309-FOF-TL
ISSUED: October 22, 1997

The following Commissioners participatedinthe diepoeition of thie matter:

JULIA L. JOHNSON, Chairman
SUSAN F. CLARK
DIANE K. KIESLING

ORDER REQUIRING SURVEY FOR EXTENDED AREA SERVICE

BY THE COMMISSION:

We opened this docket in response to a petition filed on November 11, 1994, by the eubecribere of the Groveland exchange requeating extended area service (EAS) to the Orlando exchange. We included the Winter Garden and Windermere exchanges in our investigation in order to prevent leapfrogging. The Groveland, Windermere, and Winter Garden exchanges are served by United Telephone Company of Florida (United),, while the Orlando exchange is served by BellSouth Telecommunications, Inc. (BellSouth). The Groveland exchange is located in the Gainesville LATA (local access and transport area) and the Windermere, Winter Garde?, and Orlando exchanges are located in the Orlando LATA.

By Order No. PSC-95-0875-FOF-TL, issued in Docket No. 941281-TL, on July 19, 1995, we set thie matter for hearing-to consider community of interest criteria other than traffic data.

On April 18, 1996, we held public and technical hearings in Groveland.

By Order No. PSC-96-1033-PCO-TL, issued August 8, 1996, in this docket, we ordered the parties to file briefs regarding the issue of the feaeibility of implementing either extended area service (EAS) or extended calling service (ECS) on the Groveland to Orlando interLATA route based on Sections 271 and 272 of the Telecommunications Act of 1996 (Act). Thereafter, by Order No. PSC-96-1335-FOF-TL, issued November 5, 1996, we directed Commission

etaff to conduct a etaff workehop in order to gather additional information and to allow the parties in this docket, as well as numerous other affected toll relief dockets, an opportunity to participate. Our staff conducted the workshop on November 18, 1996, and the participants were asked to file post-workshop comments.

By Order No. PSC-97-0620-FOF-TL, we decided to postpone a poet-hearing decision in thie docket pending our determination of whether one-way interLATA toll relief was feasible. We determined that it was appropriate to suspend further action in thie docket because of the Act's provisions prohibiting Bell Operating Companies (BOCs) from originating interLATA traffic until the BOCs have met the requirements of Section 271 of the Act. In a separate order, Order No. PSC-97-0622-FOF-TL, issued May 30, 1997, we ordered that the issue of the feasibility of one-way ECS be set for hearing.

On July 15, 1997, the FCC issued Order 97-244. That order addressed several petitions for modification of LATA boundaries to allow Ameritech, Bell Atlantic, BellSouth, Southwestern Bell, and US West to provide expanded local calling service. Therein, the FCC determined that the need for ctrtaia expanded local calling routes outweighed any anticompetitive risks, and therefore, it approved 23 of the requeete to modify LATA boundaries. In approving these requests, the FCC emphasized that the LATAs were being modified solely to allow the BOCs to offer non-optional, flat rate local calling service. Any other types of service off ered between the identified exchanges would still be considered interLATA. See FCC Order 97-244 at ¶ 19. In addition, in Section V of Order 97-244, Future LATA Modification Requests, the FCC set forth specific guidelines to assist BOCs in filing future LATA modification petitions.

In view of the FCC's apparent willingness to continue to consider requeete for modification of LATA boundaries to allow BOCs to provide expanded local calling, we find it appropriate to proceed with coneideratiox of the record evidence in this docket.

I. Survey

The Subscribers contended that there is a sufficient community of interest in the Groveland exchange to warrant balloting, for nonoptional EAS to the Orlando, Winter Garden, and Windermere Exchangea. Of the 55 citizens who testified during the public hearings about the community of interest factors, all but three supported the request for nonoptional EAS. Witnesses Timmons,

Smith, Fulmer, and Savage stated that EAS waa supported with full. knowledge that it would require a rate increase. The subscribers further aneerted in their brief that the Groveland exchangedepends on the Orlando, Winter Garden, and Windermere exchanges for their medical services, business services, *and* personal needs.

The subscribers also argued in their brief that, as demonstrated during the public hearing, there is a sufficient community of interest ta grant nonoptional EAS. In their brief; the Subscribers asserted that witnesses testified about numerous factors that reasonably demonstrated a community of intereet between the Groveland exchange and the Orlando, Winter Garden, and Windermere exchangea.

Witneasee Hall, Harrell, and Wolf contended that many of the Groveland residents use doctors, dentists and hospitals in the Orlando, Winter Garden, and Windermere exchangee. In addition, witness Reid noted that *many* Groveland subscribers who work in Orlando are required by their health insurance (HMOs) to uee doctors who are located in the Orlando area. Witnesses Anderson and Kurfiss also tcetified regarding the cost and inconvenience when patients must be put on "hold" while trying to reach their doctors in Orlando. Witnesses Anderson and Woods further contended that some people in the Groveland exchange see medical specialists located in Orlando, either because the specialist was recommended by their family physician or because the eptcialiete in Orlando are the only ones associated with their HMOs in Orlando.

The Subscribers argued in their brief that the community of intereet is not only from Groveland to the Orlando area, but also from Orlando to Groveland. Witness Stephens asserted that many Orlando, Winter Garden. and Windermere residents work in the Groveland exchange area. The witnesses stated that these people also pay toll charges to communicate between the Orlando area and the Groveland exchange. In their brief; the:. subscribers also stated that several Groveland businesses indicated that their employees from the Orlando area need to call into the Orlando, Winter Garden, and Windermere exchanges on a daily baeie. Witness Fulmer stated in his testimony that 34 percent of his employees reside in the Orlando, Winter Garden, and Windermere exchange areas. For various reasons ranging from children in school to medical emergencies, witness Fulmer asserted that his employees have a need to call from work to those exchanges from the Groveland area. In his testimony, witnese Peters's stated *that nine* out of ten of his employees live in the Orlando, Winter Garden, and Windermere exchanges and have similar calling needs as thoee of witness Fulmer's employees.

Witneee Reid, as well as others, al60 testified that he has modified his telephone behavior to avoid the toll charges to the Orlando area. Witnesses Reid, Loeey, and McKinney tertified that they use cellular phones, the public telephones in Clermont, the phones of family and friends in the Clermont exchange, or a form of call forwarding to avoid toll charges. In their brief, the subscribers argued that all of these witnesses are, to some degree, frustrated with the present situation, because their ability to communicate with people in the Orlando, Winter Garden and Windermere exchange is necessary for many essential element6 of their lives. In addition, witneee Ferrell noted that since it is a toll call between the Groveland and Orlando exchanges, he, along with other Groveland subscribers, feel isolated from their friend6 and family who work-or live in the Orlando area.

The subscribers further asserted ix their brief that it is obvious that businesses in the Groveland exchange have a regular and recurring need to maintain contact with businesses, suppliers, and customers in the other exchanges. Witnesses Fulmer, Hayden, Peters, Tighe, Wright, Whitaker, Hamilton, Kurfiss, and Moore asserted that large and small businesses need to maintain regular contact for the benefit of their customers and businesses. The owners of various businesses stated that they depend on professionals and suppliers within the Orlando, Winter Garden, and Windermere exchanges for services and supplies. Witness Turner, speaking for the People'6 State Bank of Groveland, noted in hi6 testimony that the bank' s professionals, computer company, correspondent and participating banks, loan customers, and employees living in the Groveland area all indicated a strong and varied community of intereet with the Orlando, Winter Garden, and Windermere exchangee. Witneee Turner also noted, as other businesses did,. that the bank's anticipated- expansion would continue to enlarge the community of interest between the exchangee. Witneee William of Sumter Electric. indicated in hie testimony that hie company makes and- receive6 numerous calls from developers of new projects between the Orlando, Winter Garden, and Windermere exchanges, demonstrating further contact between the areas and additional community of. interest that the. Commission should consider.

Government officials from the Groveland exchange, witnesses Sherbourne, Thompson, *and* Sloan, also agreed that there is a suf f icicnt community of int crest. In addition,. the Board of County Commissioners for Lake County supported the subscriber's petition for EAS by also passing a reeolution requesting EAS from the Groveland exchange to the Orlando exchange. Furthermore, witness Gadwell, who is coordinator of Lake County Economic Development, stated in his testimony that EAS would greatly assist in bringing new businesses to the Groveland exchange area.. The witness stated

that Lake County markets itself as part of the Metro-Orlando region, He further indicated that granting HAS would allow bath businesses and individuals to havefreer access to services, goods and markets in the area comprising the Orlando, Winter Garden, and Windermere exchanges.

In addition, the aubecribere indicated in their brief that they do not believe an alternative toll plan would be appropriate, BellSouth witness Stanley also etatedthat an alternative toll plan would not be a reasonable option because of federal prohibitions. Counsel for BellSouth further indicated that specific criteria had to be met before BellSouth could compete in the interLATA market, and it is not clear when BellSouth will meet theee criteria. Because of the *federal* requiremente for BellSouth, the Subscribers argued in their brief that the failure to grant balloting to determine the support of the people in the Groveland exchange would apparently result in no relief at all.

BellSouth hastaken no position on this issue because the only route at ioeue in thie docket that involves a BellSouth exchange is the Groveland to Orlando route (Orlando is a BellSouth exchange). Because the Groveland to Orlando route is interLATA, BellSouth has no data regarding traffic over thie route. Witness Stanley stated that without traffic data, BellSouth is unable to determine whether a eufficient community of interest exists on thie route to justify nonoptional, flat rate EAS. Accordingly, BellSouth stated that it does not take a position regarding whether EAS is appropriate.

United's witness Harrell argued that based on Rule 25-4.060(3), Florida Administrative Code, the routes in this docket do not warrant balloting for flat rate HAS. Two traffic studies were conducted on the routes at issue in this docket, one in October 1994, and the other in March 1995. Witness Harrell stated that both traffic studies reflected eufficient messages per access line per month (M/A/Me) on the Groveland to Orlando route. However, the frequency distribution, or number of subscribers making 2 or more calls per month fell short of the minimum requirements. The witness also asserted that the remaining routes, Groveland to Winter Garden and Windermere, failed to meet either of the minimum requirements.

United contended inito brief that the routee' failure to pass the distribution requirement shows that while a few large users make multiple calls, the majority of callers do not make enough calls to juetify EAS. Witnesa Harrell further stated that the March 1995 traffic study ehowed that 41% of residential customers did not make any calls, and that 52% of. residential customers make fewer than 2 calls per month. United argued in its brief that these statistics are important, because under nonoptional EAS, all

customers must pay an additive and regrouping charges, even though less than a majarity of the customers actually make enough calls to eupport a strong community of interest. Witness Harrell aeeerted that the implementation of nonoptional EAS allows high volume users to benefit at the expense of low volume users.

In ite brief, United also pointed out that historically the mathematical requirements in the rule have been used to determine. community of interest standards and traffic studies as the basis for defining whether a community of interest exists. United aeeerted that the advantage of this approach is that it allows the Commission to baee its decision on empirical evidence and reduces the riek of inconsistencies that can arise when subjective factors are considered. United further asserted in its brief that in past cases *routee* that did not pass the numerical *criteria* in the rule were found to have no community of interest. Thus, United's witness Harrell contended that calling patterns on these routes do not eupport EAS. Instead, the witness argued that extended calling service (ECS) should be implemented- Witness Harrell stated that ECS would place the burden of paying for calls on those customere who are placing the calls.

United's witneee Harrell also disagreed that the Windermere exchange ehould be included because of leapfrogging, Witness Harrell stated that since the Windermere exchange would be involved only when calls from the southernmost point of the Groveland exchange were placed to the Orlando exchange, the Windermere exchange should be excluded.

Based on the evidence and testimony presented in this docket, we find that there is a sufficient community of interest between the Groveland exchange and the Orlando, Winter Haven and Windermere exchanges to warrant balloting for non-optional EAS. We find persuasive the testimony of Groveland residents Stephens, Fulmer, and Petere, who stated that they depended OR the Orlando, Winter Haven and Windermere areas for employment. We also find important the testimony of residents Hall, Wolf, Reid, and Woods regarding the need for tall fret access to medical facilities such as doctors, dentiatr and hospitals. The testimony of witnesses Fulmer, Tighe, wright, Whitaker, Hamilton, Kurfiss, *Moore,* Hayden, Turner, and Williams regarding the need for area businesses to make "regular" and "recurring" calls to the orlando, winter Haven,. and Windermere areas for suppliers, customers, and other service related business, and the testimony presented by witnesses Hayden and Fulmer that the Orlando area was the closest supplier for many of the goods and services required to conduct business in Groveland also assisted us in- our decision.

In addition, the testimony of witnesses Reid, McKinney, and Losey brought into question the accuracy of the traffic data presented in this docket. The witncesca stated that because of the toll charges into the Orlando, Winter Haven and Windermere exchanges, they have modified their calling behavior. Witness Reid etatcd that ohe user her cellular phone instead of calling long distance. Witness McKinney stated he subscribed to call forwarding, but it wae an expeneive alternative. Witneee Loeey stated he waited until he went to Clermont (a nearby exchange with toll-free calling to Orlando) so that he could make calls from friends' homes or from payphones.

We also find it appropriate to include the Windermere exchange and the Winter Haven exchange in order to avoid leapfrogging. Evidence wae presented that more than 50% of the area in the Windermare exchange would be leapfrogged if it were omitted, as illustrated in document 2 of witness Harrell's composite exhibit.

Since we will include the Winter Haven and Windermere routes to avoid leapfrogging, it is appropriate to have only one ballot including all three exchanges (Orlando, Winter Haven, and Windermere).

II. Communitv of Interest Factors

The subscribers stated that there are numerous factors that demonstrate a significant community of interest between the Groveland exchange and the Orlando, Winter Haveh, and Windermere exchanges, including the location of medical facilities, workplace, goods and services.

BellSouth took no position on thieieeue. However-,. Witness Stanley stated in his testimony that he was not aware of any other significant community of interest consideration that would justify flat rate EAS.

United disagreed with the subscribers. United contended that the basic community of interest factors such as echoole, fire/police departments, medical/emergency facilities and county governments are already accessible toll-free within Lake County. Therefore, these traditional community of interest factors do not support the implementation of flat rate, nonoptional EAS on the Groveland to Orlando route.

United noted in its brief that witnesses Wolf, Hodges,' and Schmidt exprseecdoppositionto the HAS plan. United argued that, as noted by Witnesses Wolf and Schmidt, there is a large retiree population that neither needs nor wants nonoptional EAS, and that businesses that relocated to Groveland did not have EAS when they

decided to move to Groveland. United stated that 800 numbers and other calling plans are available for those who choose to take advantage of them.

United also argued in its brief that the experience of the Carroll Fulmer Group, Inc., which received a Clermont number in error, should not be used as evidence in favor of a nonoptional plan. While Mr. Fulmer may have been given erroneous information about his phone number and local calling scope, United's witness Harrell argued that the information Mr. Fulmer was apparently given was not given to him by an employee of United, but by an employee of a long distance company. While the experience of the Fulmer Company war unfortunate, United argued in its brief, it is not relevant to the issues in this case.

Upon consideration, we agree that the location of schools, fire and police departments, medical and *emergency* facilities, and access to local government are not the only community of interest factors that should be considered. Many witneaeea indicated that their place of employment, and doctors, dentiete and hospitals were located in the Orlando, Winter Haven, and Windertnere areas. Witnesses Fulmer, Tighe, Wright, Whitaker, Hamilton, Kurfiss, Moore, Hayden, Turner, and Williams also testified they need to have regular access to these areas to contact suppliers, customers, and other businesses for goods and services.

We also believe that the large number of customers that attended. the public hearing and the number of customers that testified in favor of EAS (55 in favor/3 against) is an indication that the majority of the customers are in favor of EAS.

In addition, We art also concerned about, the incorrect information that Witness Fulmer received when purchasing property in. Groveland for his trucking bueinese. While United contended that this wae the error of a long distance company and not United, since United assigns all local telephone numbers, such as the 394-0000, we find it unusual that a long distance company would have provided this telephone number without the involvement of the local exchange company.

Based on the foregoing, we find that community of interest factors include location of schools, fire and police departments, medical and emergency facilities, access to local government, location of workplace, access to goods and services, such as shopping centers, and location of social activities.

III. Economic Impact

In its brief, the subscribers acknowledged that United should recover the costs of any ordered change. However, United'e witneee Harrell hae acknowledged that normally we do not allow full cost *recovery.*

BellSouth stated in its brief that each plan would have an economic impact on BellSouth because the company would have to incur costs to provide facilities to implement any given plan. BellSouth states that it does not, however, have the data necessary to quantify these costs.

United's witneee Harrell stated that if we determine that a sufficient community of interest exists, ECS would be the beet solution. Witneee Harrell further stated that the second alternative would be that subscribers should be surveyed for EAS with the 25/25 plan and regrouping. The witness asserted that ueing this plan, the residential and business customers in Groveland would be charged a total additive (including regrouping) of $3.87 and $9.13, respectively, to their basic monthly rate. Witneee Harrell asserted that without etimulation, the estimated annual revenue impact to United would be $30,648, which does not reflect the additional costs incurred by United to implement the plan.

Upon *consideration,* we find that the Groveland subscribers ehall be balloted for nonoptional EAS under the 25/25 plan with regroupingtothe Orlando, Winter Garden, and Windermere exchanges. As stated by Witneee Harrell, the 25/25 plan is calculated based on the additional calling scope gained. *There* are approximately 370,000 access lines ix the combined exchanges, which would place the Groveland exchange in rate group 5. The additive for each type of line is computed by multiplying 25 percent by the various access line rate8 in rate *group* 5. This amount is then added to the exieting Groveland rate. In addition, if enlarging the local calling area cauaee the requesting exchange to regroup, the rate for the new rate group will also apply. fnthie case, the addition of the Orlando exchange to the Groveland exchange would result in a regrouping of the Groveland exchange to rate group 6. In addition, we note that if the ballot pasties-, the 25/25 additive shall remain in effect no longer than four years after which time this additive shall be removed. Groveland subscribers shall be balloted for EAS at the rates list in Table A, which were determined under the 25/25 plan with regrouping,:

TABLE A

	PRESENT RATE	25/25 ADDITIVE	REGROUPING	TOTAL ADDITIVE	NEW RATE
R-l	$ 8.37	$ 2.37	$ 1.50	$ 3.87	$12.60
B-1	$20.47	$ 5.57	$ 3.56	$ 9.13	$29.60
PBX	$40.98	911.13	$ 7.00	$18.21	$59.19

The survey shall be conducted in accordance with Rule 25-4.063, Florida Administrative Code, and within 45 days of the date issuance of thia Order. United shall submit the newspaper advertisement for Commieeion staff's review prior to publication. The survey letter and ballot shall also be submitted to Commission staff for review prior to distribution to United customers. In addition, United shall provide Commission staff with a copy of the published newspaper advertisement.

Based on the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that, in accordance with Rule 25-4.063, Florida Administrative Code, United Telephone Company of Florida shall survey the subscribers of the Groveland exchange for extended area service under the 25/25 plan with regrouping to the Orlando, Winter Haven, and Windermere exchanges with the terms and conditions eet forth herein within 45 daye of the issuance of this Order. It is further

ORDERED that United Telephone Company of Florida shall submit a copy of the survey letter and ballot to Commission staff prior to distribution to customers. It is further

ORDERED that United Telephone Company of Florida shall submit the newspaper advertisement explaining the survey to Commission staff for review prior to publication and shall also provide Commission etaff with a copy of the published advertisement. It is further-

ORDERED that this docket shall remain open pending the outcome of the survey.

By ORDER of the Florida Public Service Commission this 22nd day of October, 1997.

/s/ Blanca S Bayó
BLANCA S. BAYÓ, Director
Division *of* Records and Reporting

This is a facsimile copy. A eigned copy of the order may be obtained by calling 1-850-413-6770.

(SEAL)

BC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutee, to notify parties *of* any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutee, 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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance *of* this order in the form prescribed by Rule 25-22.060, Florida ?&ministrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/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 after the issuance 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.