

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building  
101 East Gaines Street  
Tallahassee, Florida 32399-0850

M E M O R A N D U M

OCTOBER 3, 1991

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF COMMUNICATIONS [CIMERMAN, O'PRY, WIDELL] *SAS P*  
DIVISION OF LEGAL SERVICES [GREEN] *US FL*

RE : DOCKET NO. 870790-TL - REQUEST FOR EXTENDED AREA SERVICE (EAS) THROUGHOUT GILCHRIST COUNTY

AGENDA: OCTOBER 15, 1991 - CONTROVERSIAL - PROPOSED AGENCY ACTION - PARTIES MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

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CASE BACKGROUND

This docket was initiated by a resolution filed with this Commission on July 22, 1987 by the Gilchrist Board of County Commissioners. The resolution requested that toll-free local calling be implemented throughout Gilchrist County (Trenton, Newberry, Branford and High Springs exchanges). The Southern Bell and ALLTEL telephone companies were required to conduct traffic studies on all non-EAS toll routes in Gilchrist County by Order No. 17943, issued August 6, 1987. At the time, Gilchrist County consisted of the following non-EAS routes (since then, Southern Bell implemented its EOEAS plan on the Newberry to Trenton route - see explanation below):

<u>ROUTE</u>	<u>MILEAGE</u>
Branford to High Springs	22
Trenton to Newberry	13
Branford to Trenton *	25
High springs to Trenton *	21
Branford to Newberry *	30

NOTE: \* These routes are interLATA routes.

DOCUMENT NUMBER-DATE

09806 OCT-3 1991

FD-500 (REV. 05-08-80) (PREVIOUS EDITIONS OBSOLETE)

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Attachment A is a map of the involved exchanges. All of the exchanges in Gilchrist County (Trenton, High Springs, Newberry, and Branford) are also partially located in other counties.

Southern Bell serves the Trenton and Newberry exchanges, while ALLTEL serves the Branford and High Springs exchanges. The High Springs to Newberry route, an interLATA route, currently has flat rate two-way EAS, which was implemented prior to divestiture. Order No. 23200, issued July 16, 1990, required Southern Bell to implement its EOEAS plan on the Newberry to Trenton route.

Staff recommended at the February 2, 1988 Agenda Conference that none of the routes for which we had traffic study information met the rule requirements for further EAS consideration of 3.00 M/M/M and 50% of the customers making two or more calls per month. At the Agenda Conference, two members of the Gilchrist Board of County Commissioners requested that a survey for countywide calling be conducted, despite the fact that the calling rates were very low. The Commission deferred the item and instructed the companies to develop a countywide flat rate on which the customers could be surveyed.

On September 6, 1988, Southern Bell, who had worked with ALLTEL, filed the required countywide flat rates, along with a corresponding revenue impact statement. On October 6, 1988, staff filed a recommendation, to be presented at the October 18, 1988 Agenda, which recommended that Gilchrist County subscribers be surveyed at the recommended countywide rates.

Prior to the October 18th Agenda, Public Counsel requested indefinite deferral of the item on behalf of the Gilchrist County Commission, who had realized that the probability of a countywide survey passing was very low since the four exchanges in Gilchrist County also partially lie in other counties.

After much discussion with the Gilchrist County attorney concerning the extremely rural nature of the county and the need for those residents living outside the county seat (Trenton) to be able to call their county seat, staff considered proposing a county seat calling plan. On December 13, 1988, staff also received a letter from Charles V. Watson, a resident of Gilchrist County, which outlined the calling problems in the county and his suggestions for a solution. One of his suggestions was to survey only those customers living within the Gilchrist County portions of the four exchanges on a flat rate two way plan, and the second suggestion was to implement a two way individual customer option plan.

In considering these options, staff recognized that Mr. Watson's first proposed solution - i.e. surveying only those

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customers living in the Gilchrist County portion of the four exchanges, was feasible, but that this Commission has generally been against implementing flat rate two way EAS to exchange pockets. Among the reasons for this policy are the scarcity of NXX codes (a separate NXX would be required for the pocket) and issues of fairness. Nevertheless, because of the problems stemming from the extremely rural nature of the county and the assertions of both the Gilchrist County attorney and county residents that the portions of the exchanges not lying in Gilchrist County obscure the calling within Gilchrist County, the Commission did issue Order No. 20607, issued January 17, 1989 requiring the companies to perform pocket traffic studies. The studies were to cover the portions of the Branford, High Springs, Trenton, and Newberry exchanges that lie within Gilchrist County to the rest of the exchanges in the county.

In the meantime, however, staff attempted to bring some relief to the area by writing a recommendation that County Seat Calling be implemented in Gilchrist County. County Seat Calling is a plan that Southern Bell had previously implemented in Georgia. It basically provides for free calling to particular county governmental agencies, schools, etc., as determined by the most frequently called numbers within the county. Staff explored the feasibility of Southern Bell implementing such a plan on its routes in Gilchrist County, and decided that while it would not entirely provide the relief sought by the County, it would provide more relief than was currently available. The recommendation was presented at the March 21, 1989 Agenda Conference, whereupon ALLTEL protested the implementation of County Seat Calling, saying that it had not had time to study the proposal and did not know the costs to the company of implementing it. The company also stated that the County already had FX lines for some offices. Interexchange carriers also had concerns with the precedent-setting nature of the proposal, considering the interLATA routes involved. The Commission deferred the item, giving the companies 45 days to study the proposal, project costs, etc. Staff was then to return with an appropriate recommendation.

Subsequent to that agenda conference, many parties wrote letters to staff outlining their problems and concerns with County Seat Calling. Staff also had conversations with the attorney for Gilchrist County and others who said that County Seat Calling would not solve their problem because it would still not allow for calling to businesses and many other numbers to which they viewed calling as necessary. Staff, therefore, decided against recommending County Seat Calling as a solution for Gilchrist County.

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The results of the pocket traffic studies were filed by Southern Bell and ALLTEL, along with requests for confidential treatment of interLATA traffic data. The Commission issued two orders denying the requests for confidential treatment (Order No. 21452, issued June 27, 1989 denying ALLTEL's request; and Order No. 21453, issued June 27, 1989, denying Southern Bell's request). The companies filed protests of the order (AT&T - July 11, 1989; Southern Bell - July 26, 1989; ALLTEL - July 11, 1989). Based upon the arguments presented in the protests to these orders, staff reversed its opinion on whether the traffic data should be accorded confidential treatment. The companies successfully argued that the data, even though interLATA in nature, was obtained through LEC billing and collection services provided to the IXC (in this case, only AT&T serves the interLATA routes in Gilchrist County). They argued that such information is an important tool in LEC network planning, and a denial of confidential treatment could hamper the LEC's efforts to conduct meaningful network planning and maximize network efficiency. Therefore, the companies argued, the data should be afforded confidential treatment, just as any other customer information is treated. Since that time the Commission has generally granted confidential treatment to interLATA traffic data.

On September 7, 1989, the attorney for Gilchrist County filed a Motion Requesting Issuance of Proposed Agency Action Order. Staff brought a recommendation to the Commission November 6, 1990 which recommended that the motion be denied and that no EAS be implemented in Gilchrist County. Order No. 23856 issued December 10, 1990, denying Gilchrist County's Request for EAS was protested December 27, 1990. A hearing was set for July 17, 1991, to be held in Gilchrist County. The hearing was postponed on July 16, 1991 at the request of the parties, so that a settlement could be worked out. Attachment B is a copy of the proposed settlement.

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DISCUSSION OF ISSUES

**ISSUE 1:** Should the proposed settlement of the issues which were set for hearing in this docket be accepted.

**RECOMMENDATION:** Yes. The proposed settlement of the issues which were set for hearing in this docket should be accepted. Calls on the Branford/High Springs, Branford/Newberry, Branford/Trenton, High Springs/Trenton, and Newberry/Trenton routes should be rated at \$.25 per call, regardless of call duration. These calls should be furnished on a seven-digit basis. Non-LEC pay telephone providers should charge end users as if these calls were local \$.25 calls. ALLTEL and Southern Bell should be ordered to implement this change by July 1, 1992. Southern Bell should immediately seek a waiver of the Modification of Final Judgement (MFJ) from Judge Greene to carry the traffic on these routes.

**STAFF ANALYSIS:** The proposed settelement is as follows:

1. Southern Bell agrees to charge a local message rate of \$.25 per call regardless of the call duration for calls made between Southern Bell's Trenton exchange and Newberry exchange and to treat such calls as local calls.

2. ALLTEL agrees to charge a local message rate of \$.25 per call regardless of the call duration for calls made between ALLTEL's High Springs exchange and Branford exchange and to treat such calls as local calls.

3. Southern Bell will not object to the Commission ordering a local message rate of \$.25 per call to be applied to calls which are currently transported over a LATA boundary from the Trenton exchange to the High Springs or Branford exchange or over a LATA boundary from the Newberry exchange to the Branford exchange. ALLTEL will not object to the Commission ordering a local message rate of \$.25 per call to be applied to calls which are currently transported over a LATA boundary from the High Springs or Branford exchanges to Trenton exchange or over LATA boundary from the Branford exchange to the Newberry exchange. All parties recognize that Southern Bell's ability to provide such service is contingent upon obtaining appropriate relief of the court having jurisdiction over the Modification of Final Judgment ("MFJ"). Southern Bell agrees to use due diligence in seeking a waiver of the MFJ restrictions. The existing rates and services between the Newberry and High Springs exchanges shall remain in effect.

4. It is the intent of Southern Bell and ALLTEL to implement the \$.25 local message rate, if so ordered by the Commission, by July 1, 1992.

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5. Southern Bell will discontinue all its Enhanced Optional Extended Area Service ("EOEAS") options in Gilchrist County with the exception of the EOEAS premium option. Notwithstanding the foregoing, Southern Bell's EOEAS options will continue to be offered to customers in the Trenton exchange for calls made between the Trenton exchange and the Gainesville exchange. All other existing local rates in Gilchrist County will remain in effect. The parties agree that this Agreement shall not preclude ALLTEL, Southern Bell or Gilchrist County from requesting rate relief in the future for any rates associated with the exchanges in Gilchrist County.

6. The parties agree that this Agreement shall not have precedential value for other proceedings and has been entered into solely for the purpose of resolving all disputes regarding the provision of EAS in Gilchrist County.

In dockets where calling rates and community of interest considerations were not sufficient to justify traditional EAS, the Commission has considered various optional toll discount plans. The specific plan offered is generally dependent on the traffic volumes on the routes under consideration. In cases where traffic volumes are extremely low, or where community of interest factors are insufficient, the Commission has sometimes rejected any toll alternative. As for the specific routes in this docket, the \$.25 plan (which converts the traffic to local status, and is implemented on a seven digit basis) is the only alternative EAS plan which would be feasible since these are interLATA routes.

In several recent dockets the Commission has ordered the \$.25 plan as an alternative to traditional EAS. Recent examples include Franklin, Jackson, Holmes, Okaloosa, and Walton Counties where the plan was ordered on a countywide basis (with the rate subsequently reduced to \$.20 per call in all but Franklin County). The plan has also been ordered recently in the Central Florida area on the Reedy Creek/Kissimmee, Mt. Dora/Orlando, Mt. Dora/Winter Park, Mt. Dora/Apopka, Sanford/Orange City, and Sanford/Deland routes.

Staff believes that through its actions the Commission has begun moving in the direction of allowing toll relief on intracounty toll routes. To that end, staff is presently assessing the economic impact of a draft rule which would require all local exchange companies to implement a \$.25 message rate on all intracounty toll routes unless an alternate plan were approved by the Commission. Staff expects to bring this draft rule before the Commission in December. In keeping with that draft rule, staff recommends that the proposed settlement be accepted. The proposed

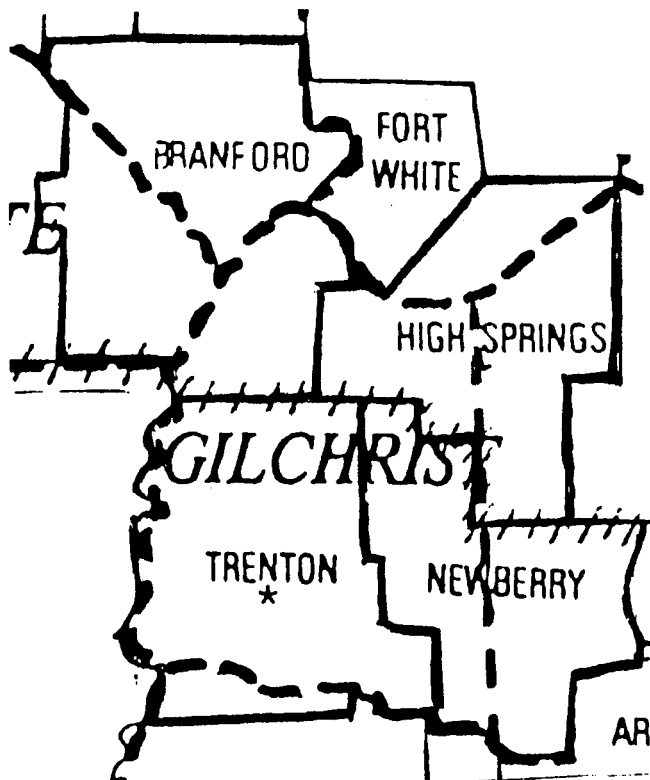
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settlement of the issues is essentially the same as the \$.25 plan which the Commission has ordered in other counties.

Calls on the Branford/High Springs, Branford/Newberry, Branford/Trenton, High Springs/Trenton, and Newberry/Trenton routes should be rated at \$.25 per call, regardless of call duration. These calls should be furnished on a seven-digit basis. Non-LEC pay telephone providers should charge end users as if these calls were local \$.25 calls. Alltel and Southern Bell should be ordered to implement this change by July 1, 1992. Southern Bell should immediately seek a waiver of the MFJ from Judge Greene to carry the traffic on these routes.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes. This docket should be closed after the expiration of the protest period if no protest is filed in a timely manner. Staff should monitor this docket to ensure that ALLTEL and Southern Bell make the necessary tariff revisions and comply with the implementation date.





BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for Extended ) Docket No. 870790-TL  
Area Service (EAS) Through )  
Gilchrist County. )  
\_\_\_\_\_ )

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into this 16th day of July, 1991, by the Board of County Commissioners of Gilchrist County ("Gilchrist County"), Southern Bell Telephone and Telegraph Company ("Southern Bell") and ALLTEL Florida, Inc. ("ALLTEL").

WHEREAS, on May 22, 1987, Gilchrist County requested that the Florida Public Service Commission ("Commission") consider requiring the implementation of countywide extended area service ("EAS") in Gilchrist County;

WHEREAS, on December 27, 1990, Gilchrist County protested the Commission's Notice of Proposed Agency Action Order dated December 10, 1990, Denying Gilchrist County's Request for Extended Area Service, Order No. 23856, and requested a hearing; and

WHEREAS, Gilchrist County, ALLTEL and Southern Bell desire to resolve the EAS request presented by the petition filed in this docket by Gilchrist County.

NOW THEREFORE, Gilchrist County, ALLTEL and Southern Bell agree as follows:

1. Southern Bell agrees to charge a local message rate of \$.25 per call regardless of the call duration for calls made between Southern Bell's Trenton exchange and Newberry exchange and to treat such calls as local calls.

2. ALLTEL agrees to charge a local message rate of \$.25 per call regardless of the call duration for calls made between ALLTEL's High Springs exchange and Branford exchange and to treat such calls as local calls.

3. Southern Bell will not object to the Commission ordering a local message rate of \$.25 per call to be applied to calls which are currently transported over a LATA boundary from the Trenton exchange to the High Springs or Branford exchange or over a LATA boundary from the Newberry exchange to the Branford exchange. ALLTEL will not object to the Commission ordering a local message rate of \$.25 per call to be applied to calls which are currently transported over a LATA boundary from the High Springs or Branford exchanges to Trenton exchange or over LATA boundary from the Branford exchange to the Newberry exchange. All parties recognize that Southern Bell's ability to provide such service is contingent upon obtaining appropriate relief of the court having jurisdiction over the Modification of Final Judgment ("MFJ"). Southern Bell agrees to use due diligence in seeking a waiver of the MFJ restrictions. The existing rates and

services between the Newberry and High Springs exchanges shall remain in effect.

4. It is the intent of Southern Bell and ALLTEL to implement the \$.25 local message rate, if so ordered by the Commission, by July 1, 1992.

5. Southern Bell will discontinue all its Enhanced Optional Extended Area Service ("EOEAS") options in Gilchrist County with the exception of the EOEAS premium option. Notwithstanding the foregoing, Southern Bell's EOEAS options will continue to be offered to customers in the Trenton exchange for calls made between the Trenton exchange and the Gainesville exchange. All other existing local rates in Gilchrist County will remain in effect. The parties agree that this Agreement shall not preclude ALLTEL, Southern Bell or Gilchrist County from requesting rate relief in the future for any rates associated with the exchanges in Gilchrist County.

6. The parties agree that this Agreement shall not have precedential value for other proceedings and has been entered into solely for the purpose of resolving all disputes regarding the provision of EAS in Gilchrist County.