

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Resolution by the Taylor
County Board of Commissioners
for countywide extended area
service (EAS) within Taylor
County.

DOCKET NO. 930235-TL
ORDER NO. PSC-98-0068-PHO-TL
ISSUED: January 12, 1998

Pursuant to Notice, a Prehearing Conference was held on January 9, 1998, in Tallahassee, Florida, before Commissioner Susan F. Clark, as Prehearing Officer.

APPEARANCES:

Nancy B. White, Esquire; George B. Hanna, Esquire, 150
South Monroe Street, Suite 400, Tallahassee, Florida
32301.

On behalf of BellSouth Telecommunications, Inc.

David B. Erwin, Esquire, 225 South Adams Street, Suite
200, Tallahassee, Florida 32301.

On behalf of GTC.

Conrad C. Bishop, Jr., Esquire, Post Office Box 167,
Perry, Florida 32348.

On behalf of the Taylor County Commission.

Beth Keating, Esquire, Florida Public Service Commission,
2540 Shumard Oak Boulevard, Tallahassee, Florida
32399-0850

On behalf of the Commission Staff.

DOCUMENT NUMBER-DATE

00543 JAN 12 88

FPCO-RECORDS/REPORTING

PREHEARING ORDER

I. CASE BACKGROUND

This docket was opened in response to a resolution filed by the Board of County Commissioners of Taylor County on January 29, 1993, requesting extended area service (EAS) between all exchanges in Taylor County. Taylor County contains all or part of the Perry, Keaton Beach, and Cross City exchanges. The Cross City exchange is served by BellSouth Telecommunications, Inc. (BellSouth) and is located in the Gainesville LATA, while the Perry and Keaton Beach exchanges are served by Gulf Telephone Company (Gulf) and are located in the Tallahassee LATA.

By Order No. PSC-97-1317-PCO-TL, issued October 23, 1997, the Commission reset this docket for hearing on community of interest issues.

By Order No. PSC-97-1382-PCO-TL, issued October 31, 1997, the procedural and filing dates for this matter were established. By Order No. PC-97-1521-PCO-TL, issued December 3, 1997, Taylor County was granted an extension to December 9, 1997, to file its testimony, and the dates for filing rebuttal testimony and prehearing statements were also modified.

This matter has been set for a customer and technical hearing on January 29, 1998, in Steinhatchee, Florida.

II. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 364.183(2), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 364.183, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- 1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 364.183, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.
- 2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- 4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.

- 5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Records and Reporting confidential files.

Post-hearing procedures

Rule 25-22.056(3), Florida Administrative Code, requires each party to file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. The rule also provides that if a party fails to file a post-hearing statement in conformance with the rule, that party shall have waived all issues and may be dismissed from the proceeding.

A party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 60 pages, and shall be filed at the same time. The prehearing officer may modify the page limit for good cause shown. Please see Rule 25-22.056, Florida Administrative Code, for other requirements pertaining to post-hearing filings.

III. PREFILED TESTIMONY AND EXHIBITS

Testimony of all witnesses to be sponsored by the parties has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

IV. ORDER OF WITNESSES

<u>WITNESS</u>	<u>APPEARING FOR</u>	<u>ISSUE NO.</u>
<u>DIRECT</u>		
Lynda Bordelon	GTC	All issues
Nancy H. Sims	BellSouth	All issues
Jack Brown	Taylor County	All issues

V. BASIC POSITIONS

TAYLOR:

In summary, Mr. Brown testified that Taylor County is a large County with a small population with a need for local service throughout the County. That the County has no scientific survey but that the subject has come before the Board the last several years 24 times at County Commission meetings. Mr. Brown testified that Steinhatchee is 40 miles from Perry, the County seat, and Steinhatchee is the largest unincorporated area of the County. Mr. Brown testified as to the effect of having to call Steinhatchee businesses, family and the County. It is the County's position that all phone calls within the County should be local calls.

GTC: The basic position of GTC, Inc. is that there is probably no community of interest on an exchange-to-exchange basis and that even if there is a community of interest for the Taylor County pocket in the Cross City Exchange, the costs and administrative burdens of providing EAS would be prohibitive. Nevertheless, GTC believes that there exists a need for Steinhatchee residents in Taylor County to be able to call their county offices in Perry without paying traditional toll charges. GTC, Inc. does not, however, feel that EAS with a 25/25 plan and regrouping

is appropriate. GTC could implement an alternative interLATA toll plan for calling from the Perry and Keaton Beach exchanges to the Taylor County pocket area, but this would not satisfy needs and would create an unworkable administrative billing problem. If there is any solution, it must be implemented by BellSouth.

BELLSOUTH:

The routes at issue in this docket that involve a BellSouth exchange are the Cross City to Keaton Beach and the Cross City to Perry routes; Cross City is a BellSouth exchange. Because these are interLATA routes, BellSouth has no traffic data. Without this data, BellSouth cannot take a position as to whether a sufficient community of interest exists to justify surveying for non-optional flat rate Extended Area Service (EAS). BellSouth does not recommend that Extended Calling Service (ECS) be adopted by the Commission as an alternative toll plan because the provision of ECS requires an FCC waiver; the FCC has clearly indicated that the only form of waiver it will approve are for non-optional flat rate EAS. Accordingly, if the Commission finds a sufficient community of interest to exist and if BellSouth were ordered to provide flat rate EAS, one alternative would be to utilize the 25/25 plan with regrouping.

STAFF:

Staff has no position at this time.

VI. ISSUES AND POSITIONS

ISSUE 1:

Is there a sufficient community of interest on the Cross City (Taylor County pocket)/Keaton Beach, and Cross City (Taylor County pocket)/Perry routes to justify surveying for nonoptional extended area service as currently defined in the Commission rules or implementing an alternative interLATA toll plan?

POSITION

TAYLOR:

In summary, Mr. Brown testified that Taylor County is a large County with a small population with a need for local service throughout the County. That the County has no scientific survey but that the subject has come before the Board the last several years 24 times at County Commission meetings. Mr. Brown testified that Steinhatchee is 40 miles from Perry, the County seat, and Steinhatchee is the largest unincorporated area of the County. Mr. Brown testified as to the effect of having to call Steinhatchee businesses, family and the County. It is the County's position that all phone calls within the County should be local calls.

GTC: No position. GTC has no current traffic data. GTC does have one-way data from 1993, but that data is exchange to exchange data; it does not address any pocket route traffic.

BELLSOUTH:

BellSouth has no position as to whether non-optional, flat rate EAS is appropriate. In the absence of traffic data, BellSouth can reach no conclusion as to whether a community of interest exists. If the Commission orders an alternative plan, BellSouth believes the 25/25 plan with regrouping would be the most appropriate alternative.

STAFF:

Staff has no position at this time.

ISSUE 2:

If a sufficient community of interest is found on either of the routes identified in Issue 1, what is your position regarding each of the following plans (summarize in chart form and discuss in detail) and how should they be implemented?

- a) EAS with 25/25 plan and regrouping;
- b) Alternative InterLATA toll plan; and
- c) Other (specify)

POSITION

TAYLOR:

It is County's position that all phone calls within the County should be local calls.

GTC: Even though the 1993 traffic studies show a low calling volume (less than .99 M/A/M), GTC, Inc. realizes that there exists a need for Steinhatchee residents in Taylor County to be able to call their county offices in Perry without paying traditional toll charges. GTC, Inc. does not, however, feel that EAS with a 25/25 plan and regrouping is appropriate. GTC could implement an alternative interLATA toll plan for calling from the Perry and Keaton Beach exchanges to the Taylor County pocket area, but this would not satisfy needs and would create an unworkable administrative billing problem. If there is any solution, it must be implemented by BellSouth.

BELLSOUTH:

Plan	Position
EAS with 25/25 plan and regrouping	Appropriate
Alternative InterLATA toll plan	Inappropriate
Other	Inappropriate

If a sufficient community of interest is found to exist, the only type of waiver that BellSouth could obtain from the FCC is for non-optional flat rate EAS. See Statement of Basic Position. Because Cross City customers (located in the 352 Numbering Plan area (NPA)) versus Keaton Beach and Perry customers (located in the 850 NPA) do not share a common NPA, it would be difficult to provide 7-digit dialing on these routes and customer confusion could occur. Based on Commission Order No. PSC-96-0558-FOF-TP in Docket No. 960090-TP (addressing appropriate dialing patterns for various local and toll scenarios) the recommended dialing pattern for inter and intra NPA EAS is 10-digits. Therefore, if flat rate EAS is ordered on these routes, 10 digit dialing should be required.

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STAFF:

Staff has no position at this time.

ISSUE 3:

Should subscribers be required to pay an additive as a prerequisite for flat rate, two-way, non-optional extended area service? If so, who should pay the additive, how much of a payment is required, and how long should it last?

POSITION

TAYLOR:

No position.

GTC: If this issue relates only to the pocket (See Issue 1), GTC has no position on this issue. This is a matter that must be resolved by BellSouth, since the subscribers in question are BellSouth subscribers only. If this is viewed as an exchange to exchange issue, then, of course all of GTC's and BellSouth's subscribers in all the affected exchanges should be required to pay an additive to defray expenses.

BELLSOUTH:

Yes. If this Commission orders flat rate, non-optional EAS, the subscribers in the pocket area should be required to pay an additive sufficient to allow BellSouth to recover the costs of implementing the plan. The most commonly used type of additive in recent years has been the 25/25 plan with regrouping. Because this EAS request involves a pocket, and, as noted in BellSouth's prefiled direct testimony, there could be additional costs associated with providing EAS to an interLATA pocket, the amount of the additive should more directly reflect the actual costs to provide the EAS. The additive should remain in effect for a sufficient period of time to allow for the recovery of costs incurred by BellSouth.

STAFF:

Staff has no position at this time.

ISSUE 4:

If a sufficient community of interest is found, what are the appropriate rates and charges for any alternative plan and how should it be implemented on either of the routes identified in Issue 1?

POSITION

TAYLOR:

No position.

GTC: GTC assumes that this issue involves only pocket calling. If that assumption is correct, GTC has no position about rates that affect only BellSouth's subscribers. However, if pocket calling is approved, there will be significant, although as yet unquantified, express to GTC that will be unrecoverable. For example, the cost of two T1's from Perry to Gainesville (the location of the Cross City switch) would cost GTC \$7,000.00 per month.

BELLSOUTH:

BellSouth is in the process of developing the costs for providing the facilities for EAS to the pocket area. These costs will be filed in this docket as an exhibit to testimony prior to the hearings. The Commission should consider these costs in deciding upon the appropriate additive, but, at a minimum, the following rates are proposed for the BellSouth pocket area of Taylor County for calling into Keaton Beach and Perry utilizing the 25/25 plan with regrouping (Cross City will be regrouped from Rate Group 2 to Rate Group 3):

Class of Service	Present Rate	Proposed Rate	25/25 Additive	Total Rate
Residence	\$7.70	\$8.10	\$2.03	\$10.13
Business	\$20.80	\$21.90	\$5.48	\$27.38
PBX Trunk	\$35.36	\$37.23	\$9.31	\$46.54

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STAFF:

Staff has no position at this time.

ISSUE 5:

If extended area service or any alternative plan is determined to be appropriate, which customers should be surveyed?

POSITION

TAYLOR:

No position.

GTC: GTC believes that any subscribers who will pay an additive should be balloted.

BELLSOUTH:

With a typical EAS request, the entire Cross City exchange would be surveyed. But, in this case, if the Commission decides that there is sufficient community of interest to survey for non-optional EAS, then the pocket area of Taylor county in BellSouth's territory should be surveyed.

STAFF:

Staff has no position at this time.

VII. EXHIBIT LIST

<u>WITNESS</u>	<u>PROFFERED BY</u>	<u>I.D. NUMBER</u>	<u>DESCRIPTION</u>
Nancy H. Sims	BellSouth	<u> </u> (NHS-1)	Estimates of costs for provisioning EAS service to the Taylor County pocket.

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Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

It is therefore,

ORDERED by Commissioner Susan F. Clark, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Susan F. Clark, as Prehearing Officer, this 12th day of January, 1998.


SUSAN F. CLARK, Commissioner
and Prehearing Officer

(S E A L)

BK

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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) 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

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the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

FLORIDA PUBLIC SERVICE COMMISSION - RECORDS AND REPORTING

Requisition for Photocopying and Mailing

Date 1/12/98
 Number of Originals 13 Copies Per Original 352
 Requested By Kurtz (K)

Item Presented _____
 Agenda For (Date) _____ Order No. 98-0068 In Docket No. 430235
 Notice of _____ For (Date) _____ In Docket No. _____
 Other _____

Special Handling Instructions
Must Be mailed today

Distribution/Mailing		Distribution/Mailing	
Number	Distributed/Mailed To	Number	Distribution/Mailed To
<u>19</u>	<u>Commission Offices</u>	<u>30</u>	<u>Search - please</u>
<u>3</u>	<u>Docket Mailing List - Mailed</u>		<u>Call it back</u>
	<u>Docket Mailing List - Faxed</u>		<u>(2) Pick up - 3.6.214</u>

Note: Items must be mailed and/or returned within one working day after issue unless specified here:

Print Shop Verification
 Job Number 78 Verified By W.S.
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3:40

FPSC - Records/Reporting

M E M O R A N D U M

January 9, 1998

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (B. KEATING) *BK*
RE: DOCKET NO. 930235-TL - RESOLUTION BY THE TAYLOR COUNTY
BOARD OF COMMISSIONERS FOR COUNTYWIDE EXTENDED AREA
SERVICE (EAS) WITHIN TAYLOR COUNTY

PSC-98-0068-PHo-TL

Attached is a PREHEARING ORDER, be issued in the above
referenced docket. (Number of pages in order - 13)

BK/anr
Attachment
cc: Division of Communications
I: 930235po.bk

*2 called -
3 mailed -*