

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for realignment of exchange boundaries of St. Johns, St. Augustine, Ponte Vedra Beach, Jacksonville, and Green Cove Springs, and for consolidation of Julington exchange with St. Johns Exchange, by BellSouth Telecommunications, Inc.

DOCKET NO. 050179-TL
ORDER NO. PSC-05-1123-PAA-TL
ISSUED: November 7, 2005

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
LISA POLAK EDGAR

NOTICE OF PROPOSED AGENCY ACTION ORDER
APPROVING BELL SOUTH TELECOMMUNICATIONS, INC.'S
PETITION FOR REALIGNMENT OF EXCHANGE BOUNDARIES AND CONSOLIDATION

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.

Case Background

On March 11, 2005, BellSouth Telecommunications, Inc. (BellSouth) filed a Petition for Realignment of Exchange Boundaries for Several of BellSouth's Northeast Exchanges and Consolidation of the Julington Exchange with the St. Johns Exchange (Petition). In its Petition, BellSouth asserts that the proposed changes will better align the community of interest that exists within northern St. Johns County; align exchange boundaries with proposed high growth residential developments in St. Johns County; and allow BellSouth to eliminate some potential network service issues.

The St. Johns area is currently served by six different exchanges, each with different calling scopes and rates. BellSouth asserts that the extreme growth and development in the St. Johns area will continue to put pressure on its infrastructure if it is not renovated with the pace of new developments. The possibility exists that new developments could be split by two different rate centers, and neighbors in new developments could have different calling scopes and rates.

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FPSC-COMMISSION CLERK

On April 14, 2005, the U. S. Census Bureau announced that St. Johns County, Florida is the ninth fastest growing county in the United States.¹

BellSouth advised our staff, through responses to data requests, that it is aware of 20 developments in progress that will eventually generate over 41,000 new single family units in addition to many new companies planning moves to the area. On September 29, 2005, the Army Corps of Engineers approved the final hurdle² for the Nocatee development, the largest planned community in Northeast Florida with construction costs estimated between \$2 billion and \$3 billion. Construction of single-family and multi-family homes for the Nocatee development are scheduled to begin in Spring 2006.

BellSouth's realignment proposal would require approximately 4,000 customers to change their 7-digit telephone number, in addition to undergoing a change in calling scopes and rates. Another 12,000 customers moving from the Julington exchange to the new St. Johns exchange would experience a calling scope change and increased rates.

On April 15, 2005, BellSouth held an industry meeting at its Jacksonville office to discuss its proposal to realign parts of St. Johns County. Three CLECs were represented in addition to two members of our staff.

A customer notice of the BellSouth proposal, along with customer meeting dates, were sent to BellSouth customers who would be affected by BellSouth's proposal. In addition to the customer notices, BellSouth provided public notices of the proposed boundary realignment and customer meetings in the Jacksonville and St. Augustine newspapers on June 28, 2005, and July 5, 2005. On July 12-13, 2005, our staff conducted three customer meetings in the affected areas to receive input from customers. According to our staff, thirty customers attended the three meetings, with three of those customers choosing to speak. The speakers expressed their concern regarding the required change of telephone numbers and whether they would receive adequate notice before the actual change would take place. One customer questioned how BellSouth would provide a reference or voice intercept for a facsimile (fax) line similar to the reference of calls it was proposing to provide to voice lines. At the time, BellSouth staff stated that it would investigate a solution to address the issue of fax lines.

Typically, boundary changes are used as a vehicle to consolidate a subdivision into one exchange, resolve pocket area problems, and/or handle extended area service (EAS) issues. This

¹ http://www.census.gov/pubinfo/www/broadcast/photos/census_bureau/004300.html) Census Bureau Director Louis Kincannon announces the 2004 population estimates for U.S. counties at Castillo de San Marcos National Monument in the nation's oldest city, St. Augustine, Fla., which is in one of the nation's fastest growing areas. In 2004, Florida led all states with 14 of the nation's 100 fastest-growing counties. <http://www.ashleycountyledger.com/articles/2005/06/22/news/h16f394.txt> According to the estimates, St. Johns County, Florida, which borders Flagler County to the north, was the ninth fastest-growing county between 2003 and 2004, with a population increase of 6.7 percent.

² The Army Corps of Engineers approved the construction of the new County Road 210 to be named the "Nocatee Parkway" which will stretch from the Intracoastal Waterway to US 1.

Commission has approved two previous BellSouth boundary changes. By Order PSC-92-0169-FOF-TL³, issued April 8, 1992, this Commission approved a boundary change in the Miami area. This particular docket was opened to address a complaint by a subscriber in the Country Club of Miami area who wanted the ability to call the Hollywood exchange toll-free. After a review of the community of interest and a balloting process, which resulted in consumers favoring the change, this Commission approved the boundary realignment which required a change in telephone numbers. To ease in the transition of the number change, this Commission directed that an intercept message be placed on the current numbers, at no charge to the customers, for a period of not less than twelve (12) months, or until the Greater Miami Directory was reissued, whichever was later. This Commission found that "...this will provide reasonable protection for the subscribers."

By Order PSC-97-0384-FOF-TL⁴, issued April 7, 1997, this Commission approved BellSouth's petition creating the original St. Johns exchange. This new exchange was carved out of the northwestern portion of the St. Augustine exchange. That docket came about as a result of the growth in the St. Johns Development area which included a new community known as World Golf Village. Customers in the new St. Johns exchange were required to change their telephone numbers.

We have jurisdiction pursuant to Section 364.15, Florida Statutes, which authorizes the Commission to modify existing exchange boundaries whenever the Commission finds, on its own motion, upon complaint or petition, that changes in any telecommunications facility should reasonably be made to secure adequate service or facilities for telecommunications services in order to promote the security or convenience of the public or employees.

Analysis

Due to the complexity of the realignment proposal, BellSouth proposes to handle the various moves and consolidations in five (5) different phases.

Phase I

BellSouth proposes to move a portion of the St. Augustine, Jacksonville and Ponte Vedra exchanges to the new St. Johns exchange in three stages. The first stage of Phase I would include the realignment of the Ponte Vedra customers to the new St. Johns exchange, which would require 119 Ponte Vedra retail and resale, and 5 UNE-P customers to change their telephone numbers. BellSouth believes the change of the serving wire center for these Ponte Vedra customers will allow BellSouth to eliminate the feeder portion of the network that currently crosses the Intra-coastal Waterway and consolidate the areas west of the river.

³ See Docket No. 910028-TL, In Re: Request by Country Club of Miami Community Improvement Council for a Miami/North Dade boundary line change.

⁴ See Docket No. 970202-TL, In Re: Request for approval of tariff filing to create St. Johns exchange by BellSouth Telecommunications, Inc.

BellSouth asserts that this modification in the network will provide these customers with more reliable service with less chance of future outage.

The second stage of Phase I is to move a portion of the Jacksonville exchange into the new St. Johns exchange. Since there are no customers in this portion of the Jacksonville exchange being moved in this phase, there will be no impact on calling scopes or telephone numbers.

The third stage of Phase I moves the northern portion of the St. Augustine exchange into the new St. Johns exchange. BellSouth proposes to move 2,509 retail and resale and 177 UNE-P St. Augustine customers to the new St. John's exchange. These customers would be required to change their telephone numbers and would be assigned new St. Johns telephone numbers. In addition, BellSouth also proposes to move the St. Augustine customers that were grandfathered when the St. Johns exchange was originally created⁵ to the new St. Johns exchange at the same time as all of the other grandfathered customers in this proposal; in 2 years. These customers would not incur a number change. This change will not only better utilize the numbering resources in the 904-522 NXX, but will also provide consistency throughout the exchange.

Phase II

In Phase II, BellSouth will move the existing boundary of the Julington exchange to encompass some of the Green Cove Springs exchange. Currently, there are no working lines in this portion of the proposal.

Phase III

In Phase III, BellSouth will move a portion of the Jacksonville exchange to the Julington exchange in order to conform to planned development boundaries. There are 16 retail and resale customers in this portion of the proposal that would incur a number change. This planned move would prevent planned developments from having two exchanges within them.

Phase IV

In Phase IV, BellSouth proposes to move a portion of the Green Cove Springs exchange from the Green Cove Springs wire center to the World Golf wire center, which is located in the St. Johns exchange. This realignment would require 840 Green Cove Springs retail and resale and 41 UNE-P working lines to change telephone numbers.⁶

⁵ When the original St. Johns rate center was created in 1997, customers who were transferred to the newly created rate center had to undergo a telephone number change in June, 1997. Transferred customers had the option of retaining their current Rate Group 4 rates and calling scope (grandfathering), or moving to Rate Group 11 with an increased monthly rate and calling scope.

⁶ As was discussed at the October 18, 2005 Agenda Conference, BellSouth will make Green Cove Springs a local EAS route at the time of its annual tariff filing. As a result, Green Cove Springs customers will be able to make local calls between the St. Johns exchange and the Green Cove Springs exchange.

Phase V

In Phase V, BellSouth will consolidate the Julington exchange into the St. Johns exchange. Although no customers would experience a number change as a result of this consolidation, customers would incur a calling scope and rate change.

The existing and proposed realignment of the St. Johns rate center is illustrated on Attachment A to this Order. The map shows the existing exchange alignment, and the heavy line shows the geographic area of the proposed new St. Johns exchange.

Grandfathering

To minimize the initial impact of this proposed realignment, BellSouth proposes to provide a grandfather period of two years for all customers who want to retain their old calling scopes and rates. If a Ponte Vedra, St. Augustine, Jacksonville, or Green Cove Springs customer elects to retain their existing calling scope and rates, the customer would still be required to change his/her telephone number to a new NPA NXX established for the grandfathered customers.⁷ Due to the adverse impact on numbering resources, BellSouth proposes to allow the grandfathered customers to retain the grandfathered service for a period of two (2) years.⁸ If any of the grandfathered customers want to add an additional line, the customer would be required to obtain a number that is provided in the new St. Johns exchange and billed the St. Johns rates. To accommodate customers who would elect to grandfather their calling scopes and rates, BellSouth would temporarily use approximately 44,000 numbers. In addition to the grandfathering proposal, BellSouth's offers to provide reference (intercept) calls for retail and resale customers, if requested, until the customers' directories are reissued with their new telephone number.

Calling Scope and Rate Changes

The current and proposed calling scopes and rates for each affected exchange are set forth in Attachment B, pages 1-5.

Notices to Customers

BellSouth proposes to provide at least two notices of the proposed changes to its retail customers. The company proposes to provide the notices to our staff for review prior to issuance of each notice. The notices will include timeframes informing customers of when they must make their selection of calling plans and rates. For the wholesale customers, BellSouth proposes to work with the CLECs to implement the changes through a specific written notice, general proposal overview meeting and a technical network meeting.

⁷ If a customer selects to be grandfathered and wants to change calling scopes before the NXX is moved to the St. Johns Exchange, the customer will have to take a second number change.

⁸ Due to the limitation of BellSouth's switches to have different calling scopes to different blocks within an NPA NXX, BellSouth will have to retain the full NXX until such time that the calling scope and rates for the grandfathered areas mirrors the exchange to which the numbers are assigned.

Telephone Number Changes

The primary concern with BellSouth's proposed boundary realignment is that approximately 4,000 consumers would be required to incur a telephone number change. Our staff had many discussions with BellSouth on possible alternatives to a telephone number change requirement, and gradual phasing in of the change if no alternative is available. This Commission is aware from previous numbering dockets that customers are generally quite reluctant to change their telephone numbers. During area code relief, a permissive dialing period is established whereby callers could reach the called party by using either the old or the new area code. During this time, changes are made to business telephone systems, wireless devices, alarm system networks and individual subscribers' custom calling feature lists to ease the consumer's transition to a new number. Consumers need time to make arrangements for changes such as:

- revising printed materials (e.g., stationery, business cards, checks, labels, bills, etc.)
- reprogramming equipment that stores and analyzes telephone numbers (e.g., PBXs, cellular phones, modems, speed call lists, automatic dialers, alarms)
- updating directory listings
- notifying customers and business associates
- changing advertisements (e.g., print ads, classified ads, promotional materials, etc.)

Transition Period

As mentioned above, our staff and BellSouth held meetings to discuss the realignment petition. BellSouth, after the July 12-13, 2005, customer meetings, discussed possible solutions to a reference or voice intercept for the fax issue brought up by a customer. BellSouth proposes to use its Advanced Intelligent Network⁹ (AIN) technology to allow customers to continue to receive faxes for a two-year transition period. By using the AIN, customers who would have to experience a fax number change would receive faxes sent to their old number and new number for a period of two years.

Subsequent to BellSouth's offer to use AIN technology for the fax lines that would incur a number change, our staff questioned BellSouth as to whether it would be possible to also have the voice lines, which would incur a number change, to have the same two-year transition period. BellSouth checked its network capacity and agreed that it could also include voice lines in its offer for a limited period of two years. When asked if there was an alternative technology available to prevent the customers from having to change their telephone numbers, BellSouth responded that there is, however, it would be cost prohibitive.

⁹ The concept of AIN is simple. Before calls are sent to their final destination, the network queries a database. "What should I do at this very moment with this phone call?" The disposition of the call depends on the response. (Newton's Telecom Dictionary)

Reference or Intercept Messages

BellSouth's petition, as filed, offered retail and resale customers a reference or voice intercept, if requested, until such time as customers' directories are reissued with their new telephone number. Upon meeting with our staff, BellSouth has now agreed to a reference or voice intercept of calls for a period of 12 months after the two year transition period using AIN technology, and at no cost to the customers.

Under BellSouth's proposal, customers who have to change telephone numbers would be assigned a new number when the realignment is initiated, and this number would appear in the next available directory listing as it is published, and also be used if someone calls directory assistance. Persons calling the customers' old telephone number would be seamlessly switched to the new number for a period of two years, then would be referenced to the new number for an additional year through a voice intercept message.

Conclusion

Upon consideration of BellSouth's petition, BellSouth's responses to our staff's data requests, customer input, a showing that this area is experiencing rapid growth, and offers made by BellSouth to ease the transition of customers who would be required to take a number change, we hereby approve BellSouth's Petition. However, two modifications, offered by BellSouth, shall be made to its initial proposal. First, customers who would incur a telephone number change shall be assigned new numbers, but retain the functionality of their old numbers for a period of two years. Second, after the two-year period, these customers shall receive a reference or intercept message on their old number notifying callers that their number was changed, and provide the caller with the new number for an additional one-year period, at no cost to the customer. As was discussed at the October 18, 2005 Agenda Conference, whether rate center consolidation is a more appropriate option shall be examined at the time BellSouth files its annual tariff filing. Furthermore, at the time BellSouth makes its annual tariff filing, it shall make Green Cove Springs a local EAS route in order to provide Green Cove Springs customers with local calling to St. Johns exchange.

Pursuant to Rule 25-22.029(4), Florida Administrative Code, any person whose substantial interests are affected by the proposed agency action shall have 21 days after the issuance of this Order to file a protest. This docket shall be closed if no party files a timely protest of this Order.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that BellSouth Telecommunications, Inc.'s Petition for Realignment of Exchange Boundaries for Several of BellSouth's Northeast Exchanges and Consolidation of the Julington Exchange with the St. Johns Exchange is hereby approved as set forth in the body of this Order, and Attachments A and B are attached and incorporated herein by reference. It is further

ORDERED that whether rate center consolidation is a more appropriate option shall be examined at the time BellSouth Telecommunications, Inc. files its annual tariff filing. It is further

ORDERED that at the time BellSouth Telecommunications, Inc. files its annual tariff filing, it shall make Green Cove Springs a local EAS route in order to provide Green Cove Springs customers with local calling to the St. Johns exchange. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 7th day of November, 2005.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(SEAL)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

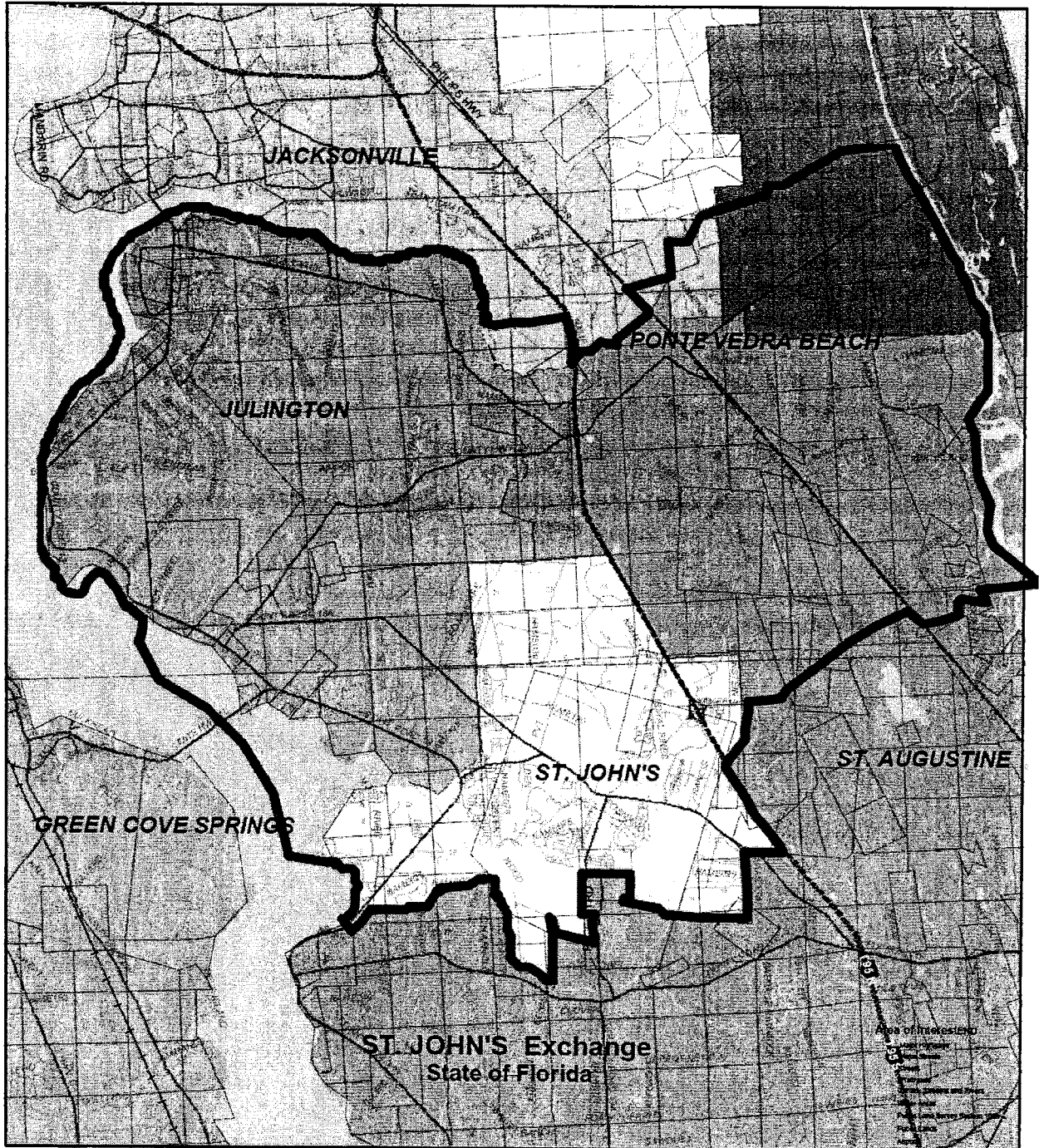
The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 28, 2005.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.



Existing and Realigned Boundaries of St. Johns Exchange

2,686 St. Augustine Customers Moving to St. Johns Exchange Change in Calling Scope

Current Calling Scope

Flat Rate Local

Green Cove Springs
Hastings
Julington
St. Augustine
St. Johns

ECS

Jacksonville
Jacksonville Beach
Palatka
Ponte Vedra Beach

New Calling Scope

Flat Rate Local

Hastings
Jacksonville
Jacksonville Beach
Julington
Orange Park
Ponte Vedra Beach
St. Augustine
St. Johns

ECS

Green Cove Springs
Palatka

Current Single Line Rates

Residence - \$9.40
Business - \$24.75

New Single Line Rates

Residence - \$11.11 (\$1.71 Increase)
Business - \$29.68 (\$4.30 Increase)

**16 Jacksonville Customers Moving to St. Johns Exchange
 Change in Calling Scope**

Current Calling Scope

New Calling Scope

Flat Rate Local

ECS

Flat Rate Local

ECS

Baldwin
 Callahan
 Hillard
 Jacksonville
 Jacksonville Beach
 Julington
 Maxville
 MacClenney
 Middleburg
 Orange Park
 Ponte Vedra Beach
 Sanderson
 St. Johns
 Yulee

Fernandina Beach
 Palatka
 St. Augustine

Hastings
 Jacksonville
 Jacksonville Beach
 Julington
 Orange Park
 Ponte Vedra Beach
 St. Augustine
 St. Johns

Green Cove Springs
 Palatka

Current Single Line Rates

New Single Line Rates

Residence - \$11.11

Residence - \$11.11 (No Change)

Business - \$29.68

Business - \$29.68 (No Change)

124 Ponte Vedra Beach Customers Moving to St. Johns Exchange Change in Calling Scope

Current Calling Scope

New Calling Scope

Flat Rate Local

ECS

Flat Rate Local

ECS

Jacksonville
Jacksonville Beach
Ponte Vedra Beach
St. Johns

Julington
St. Augustine

Hastings
Jacksonville
Jacksonville Beach
Julington
Orange Park
Ponte Vedra Beach
St. Augustine
St. Johns

Green Cove Springs
Palatka

Current Single Line Rates

New Single Line Rates

Residence - \$10.96

Residence - \$11.11 (\$.15 Increase)

Business - \$29.05

Business - \$29.68 (\$.63 Increase)

13,632 Julington Customers Moving to St. Johns Exchange Change in Calling Scope

Current Calling Scope

Flat Rate Local

Jacksonville
Julington
Orange Park
St. Augustine
St. Johns

ECS

Green Cove Springs
Palatka
Ponte Vedra Beach

New Calling Scope

Flat Rate Local

Hastings
Jacksonville
Jacksonville Beach
Julington
Orange Park
Ponte Vedra Beach
St. Augustine
St. Johns

ECS

Green Cove Springs
Palatka

Current Single Line Rates

Residence - \$10.96

Business - \$29.05

New Single Line Rates

Residence - \$11.11 (\$.15 Increase)

Business - \$29.68 (\$.63 Increase)

881 Green Cove Springs Customers Moving to St. Johns Exchange Change in Calling Scope

<u>Current Calling Scope</u>		<u>New Calling Scope</u>	
<u>EAS</u>	<u>ECS</u>	<u>EAS</u>	<u>ECS</u>
Green Cove Springs	Palatka	Hastings	Green Cove Springs
Maxville	St. Johns	Jacksonville	Palatka
Middleburg		Jacksonville Beach	
Jacksonville		Julington	
Julington		Orange Park	
Orange Park		Ponte Vedra Beach	
St. Augustine		St. Augustine	
		St. Johns	

Current Single Line Rates

Residence - \$10.96

Business - \$29.05

New Single Line Rates

Residence - \$11.11

Business - \$29.68