

FLORIDA PUBLIC SERVICE COMMISSION

Go.

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

M E M O R A N D U M

MARCH 17, 1989

TO : DIVISION OF RECORDS AND REPORTING
FROM : DIVISION OF COMMUNICATIONS [DUFF] *MD*
DIVISION OF LEGAL SERVICES [HATCH] *HL*
RE : DOCKET NO. - 870248-TL - REQUEST FOR EAS THROUGHOUT HOLMES COUNTY
AGENDA : PLACE ON MARCH 21, 1989 AGENDA-PARTIES MAY PARTICIPATE -
PROPOSED AGENCY ACTION
PANEL : FULL COMMISSION
CRITICAL DATES : NONE
SPECIAL INSTRUCTIONS: NONE

ISSUE AND RECOMMENDATION SUMMARY

ISSUE 1: Should any telephone company operating in Holmes County be required to implement County Seat Calling service?

RECOMMENDATION: Yes, on the interLATA Ponce de Leon and Defuniak Springs to Bonifay routes, Central Telephone Company on behalf of AT&T, should:

- a) be required to file tariffs to implement County Seat Calling service in Holmes County within sixty (60) days of the final order date. Any IXCs operating in the county in the future must also comply with this requirement.
- b) work with the county to obtain a list of telephone numbers for which the county determines a toll-free designation would be appropriate.

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- c) notify customers of the availability of the service. The notice should be similar to the one shown in Attachment II and should be submitted for staff review prior to mailing.

Southern Bell should be required to do the above for the intraLATA Graceville to Bonifay route.

ISSUE 2: Should the companies be required to file follow-up reports?

RECOMMENDATION: Yes, the companies should be required to file reports eight months after implementation, for the first six months' provision of service, showing the following:

- (1) The frequency of calling to each designated toll-free number, by exchange of origination.
- (2) The amount of lost toll revenues associated with provision of the service, by designated toll-free telephone number and by exchange of origination.
- (3) The costs of providing the service.
- (4) A summary of any correspondence, complaints, or comments of customers regarding the service.

Staff will use the reports to determine customer acceptance and the impact on the companies of implementing the plan, so that the viability of the plan for similar future cases can be gauged.

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ISSUE 3: Should the Commission withdraw Order No. 18066, which requires Centel to implement Toll-Pac on the Ponce de Leon to Bonifay route?

RECOMMENDATION: Yes, the Commission should withdraw Order No. 18066, which requires Centel to implement Toll-Pac on the Ponce de Leon to Bonifay route.

ISSUE 4: Should this docket remain open?

RECOMMENDATION: Yes, the docket should remain open until the required follow-up reports are filed.

BACKGROUND

On March 2, 1987 the Holmes Board of County Commissioners filed a resolution requesting EAS throughout Holmes County. Southern Bell and Centel filed the required traffic studies, yielding the following results:

	<u>One-Way M/M/M</u>	<u>% making 2 or more calls per month</u>
Graceville to Bonifay	1.66	22.56%
Graceville to Reynolds Hill	.14	2.98%
Graceville to Westville	.12	2.34%
Graceville to Ponce de Leon	.00	.00%
Ponce de Leon to Bonifay	2.55	30%
Ponce de Leon to Reynolds Hill	1.92	21%
Ponce de Leon to Westville	1.87	23%
Ponce de Leon to Graceville	.10	2%
Westville to Ponce de Leon	.43	7%
Westville to Graceville	.23	3%
Bonifay to Graceville	1.38	21%
Bonifay to Ponce de Leon	.40	7%
Reynolds Hill to Ponce de Leon	1.17	15%
Reynolds Hill to Greceville	.34	6%

Traditional flat rate two-way EAS currently exists on the Reynolds Hill to Bonifay, Westville to Bonifay, and Reynolds Hill to Westville routes. The map in Attachment I shows existing EAS, the county boundary, and the LATA boundary.

The demographic information provided in the traffic studies revealed that Holmes County is extremely rural, with a slow economy, and with development primarily concentrated in Bonifay, the county seat. The average income level is low and the county population is estimated to grow by only five percent (5%) between 1986 and 1996. Census statistics predict the population for the county to grow from 16,188 in 1986 to 17,085 in 1996.

Order No. 18066, issued August 27, 1987 ordered Centel to implement Toll-Pac on the Ponce de Leon to Bonifay route, the only route qualifying for toll relief. On September 21, 1987 Centel wrote a letter to the Commission stating that they realized this route was interLATA and that the company has no facilities to carry traffic between the two exchanges. AT&T carries interLATA traffic. Order No. 18207, issued September 28, 1987 granted Centel an extension of time to file Toll-Pac tariffs "until such time as the interested parties can determine the appropriate serving arrangement."

Staff has met with the companies on this docket and others where interLATA routes are concerned. In this particular situation, however, it became apparent that the cost of requiring Centel to install facilities to implement Toll-Pac on the Ponce de Leon to Bonifay route (in response to a staff data request, Centel provided an estimated cost of \$54,000 to implement

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Toll-Pac) was not justified. Follow-up data that has been received by staff on the implementation of Toll-Pac shows that the take rates are usually relatively low. So, staff has been exploring alternative ways in which toll relief could be provided in situations such as Holmes County. This recommendation requests the Commission to order Centel to implement County Seat Calling service, which will allow Holmes County citizens to reach selected government agencies, schools, hospitals, and emergency services toll-free.

DISCUSSION OF ISSUES

ISSUE 1: Should any telephone company operating in Holmes County be required to implement County Seat Calling service?

RECOMMENDATION: Yes, on the interLATA Ponce de Leon and Defuniak Springs to Bonifay routes, Central Telephone Company on behalf of AT&T, should:

- a) be required to file tariffs to implement County Seat Calling service in Holmes County within sixty (60) days of the final order date. Any IXCs operating in the county in the future must also comply with this requirement.
- b) obtain a list of telephone numbers for which the county determines a toll-free designation would be appropriate.
- c) notify customers of the availability of the service. The notice should be similar to the one shown in Attachment III and should be submitted for staff review prior to mailing.

Southern Bell should be required to do the above for the intraLATA Graceville to Bonifay route.

STAFF ANALYSIS: As the background section explains, Holmes County is very rural in nature, with the county seat being the center of development. Staff has been exploring ways of providing toll relief to people in situations where the level of calling is not high enough to warrant further consideration of EAS, but where the demographics of the area indicate a need for some people to call toll-free to nearby areas. The situations that we have encountered are

usually ones in which the area in question is rural in nature and a particular exchange is dependent on another, usually the county seat, for economic and government services, as well as for schools, emergency services and medical facilities. The average income level in such places usually ranges from lower to middle income levels, adding to the need for toll-free access to some necessary services and possibly explaining why the calling rates on such routes are not higher than the traffic studies show. At EAS hearings, staff has heard customers in these types of situations testify for the need to at least be able to call their county seat.

The toll calling problem is exacerbated in places such as Holmes County where 911 service is not available. Currently, Holmes County is not committed to implement 911 service any time in the near future, and many emergency services for the county are located in Bonifay. This means that anyone in Holmes County needing to reach an emergency service located outside of his/her local calling area must make a toll call.

Another problem that commonly surfaces in this type of situation is that in rural areas schools are often located in an exchange different from the exchange in which many of the children and teachers reside. Many times the schools are located in the county seat. This means that whenever a parent needs to contact a child at school or whenever a teacher or parent needs to contact the school, they must place a toll call.

Staff has become aware of a service implemented in Georgia called County Seat Calling service. The plan was included in a petition by Southern

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Bell for regulatory flexibility in that state, and is designed to relieve some of the pressure there from citizens in rural counties who need toll-free access to county and emergency services. Basically, the company works with the county to obtain a list of telephone numbers to which the county believes the citizens should have toll-free access. In designing the plan, Southern Bell identified the following agencies for possible inclusion:

County Office

County Manager

Commissioner's Office

Tax Office

Clerk of Court

License Plate Office

Extension Service

Family & Children's Service

Civil Defense

Hospital/Ambulance

County Owned or Operated

County School System

Consolidated Schools

Superintendent's Office

Board of Education

Police

County Police

Sheriff's Office

Fire

Local Fire Department

Forest Fire

Under the plan, subscribers would continue to dial the agencies on a 1+ basis, but the charges for the calls would be dropped off during the billing process. Attachment II is an example customer notice of the plan.

Staff believes that County Seat Calling is an appealing plan in terms of providing help to citizens who reside in rural counties. While we recognize that it does not completely solve toll calling problems between exchanges because it only allows toll-free calling to certain numbers, we believe that it will mitigate some pressure for toll-free calling in counties such as Holmes County. In Holmes County, the plan should be implemented.

At this time, we do not have estimates of the cost of implementing County Seat Calling. However, since the plan will be implemented over the existing toll network and the charges will be dropped off in the billing system, we do not foresee the costs to the LECs being extraordinary. Staff recognizes that this particular situation also has an impact on AT&T, since interLATA routes are involved. AT&T will lose the toll revenues on the

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routes, while still having to pay access charges. Staff believes that the companies should work out compensation among themselves, similar to what has been done in the past on intercompany EAS routes.

It was brought out in Docket No. 880069-TL, where the Commission was considering the implementation of the OEAS plan on an interLATA route, that in any given EAS situation the Commission must balance the needs of the ratepayers with the potential impact on the companies and on competition. In Holmes County, we believe that the revenue impact to AT&T, as well as to companies, could not be substantial because of the low level of current toll calling and because there simply are not that many people living in the area. However, we are recommending that the order in this docket be issued as a Proposed Agency Action so that any adversely affected party may request a hearing. Staff would also note that Holmes County has not been cut over to equal access yet. Therefore, AT&T is the only IXC presently carrying 1+ interLATA traffic in the county. The situation would get much more complicated if this service were implemented in a county with interLATA routes and multiple IXCs serving them. This would result in compensation problems of a greater magnitude than would be the case with Holmes County. Also, the question arises as to whether or not customers could access the numbers toll-free if they dial 10XXX.

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Staff believes that Holmes County is a good place to experiment with County Seat Calling in Florida. There appears to be a genuine need for surrounding areas to be able to call Bonifay, and since implementation will be accomplished in the billing system, there should not be any technical problems with provision of the service. It is staff's understanding that in Holmes County, Centel bills for AT&T, so on the two interLATA routes Centel would implement the service on behalf of AT&T. We therefore recommend that Centel, Southern Bell, AT&T, and any other companies operating in Holmes County be ordered to file tariffs to implement the service within sixty (60) days from the date of the final order in this docket. Implementation should include notification of customers. The notice should be similar to the one shown in Attachment A, and should be submitted for staff review prior to distribution to customers.

ISSUE 2: Should the companies be required to file follow-up reports?

RECOMMENDATION: Yes, the companies should be required to file reports eight months after implementation, for the first six months' provision of service, showing the following:

- (1) The frequency of calling to each designated toll-free number, by exchange of origination.
- (2) The amount of lost toll revenues associated with provision of the service, by designated toll-free telephone number and by exchange of origination.
- (3) The costs of providing the service.
- (4) A summary of any correspondence, complaints, or comments of customers regarding the service.

Staff will use the reports to determine customer acceptance and the impact on the companies of implementing the plan, so that the viability of the plan for similar future cases can be gauged.

STAFF ANALYSIS: Since County Seat Calling service has never been implemented in Florida, Staff believes that it is important that we receive follow-up information on customer acceptance of the plan and on the impact to the companies of implementing the plan. We hope to get an indication of whether or not County Seat Calling provides the relief that we hope it will provide. This will help us in determining whether the service is a viable option for similar future cases. We therefore recommend that Centel (on behalf on AT&T),

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Southern Bell, and any other companies providing the service be required to file the following information eight (8) months after implementation, for the first six (6) months' service:

- (1) The frequency of calling to each designated toll-free number, by exchange of origination.
- (2) The amount of lost toll revenues associated with the provision of service, by designated toll-free telephone number and by exchange of origination.
- (3) The costs of providing the service.
- (4) A summary of any correspondence, complaints, or comments of customers regarding the service.

ISSUE 3: Should the Commission withdraw Order No. 18066, which requires Centel to implement Toll-Pac on the Ponce de Leon to Bonifay route?

RECOMMENDATION: Yes, the Commission should withdraw Order No. 18066, which requires Centel to implement Toll-Pac on the Ponce de Leon to Bonifay route.

STAFF ANALYSIS: On August 27, 1987 the Commission issued Order No. 18066, which directed Centel to implement Toll-Pac on the Ponce de Leon to Bonifay route. The order was the result of an EAS proceeding which revealed that the Ponce de Leon to Bonifay route was the only route in Holmes County with a calling rate to warrant the implementation of Toll-Pac. No route in the county qualified for the implementation of EAS.

On September 21, 1987 Centel wrote a letter to the Commission explaining that they realized the route was interLATA and that they had no existing facilities between the exchanges to provide Toll-Pac. In response to a staff data request, Centel estimated that it would cost them approximately \$54,000 to implement Toll-Pac on the route.

Staff believes that, in light of our findings that Toll-Pac has not been well received in places where it has been implemented, the cost to Centel of implementing it on this route are not justified. We hope and believe that the implementation of County Seat Calling Service will address the needs of the Ponce de Leon customers in terms of calling to the Bonifay exchange. We therefore recommend that the Commission withdraw Order No. 18066.

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ISSUE 4: Should this docket remain open?

RECOMMENDATION: Yes, the docket should remain open until the required follow-up reports are filed.

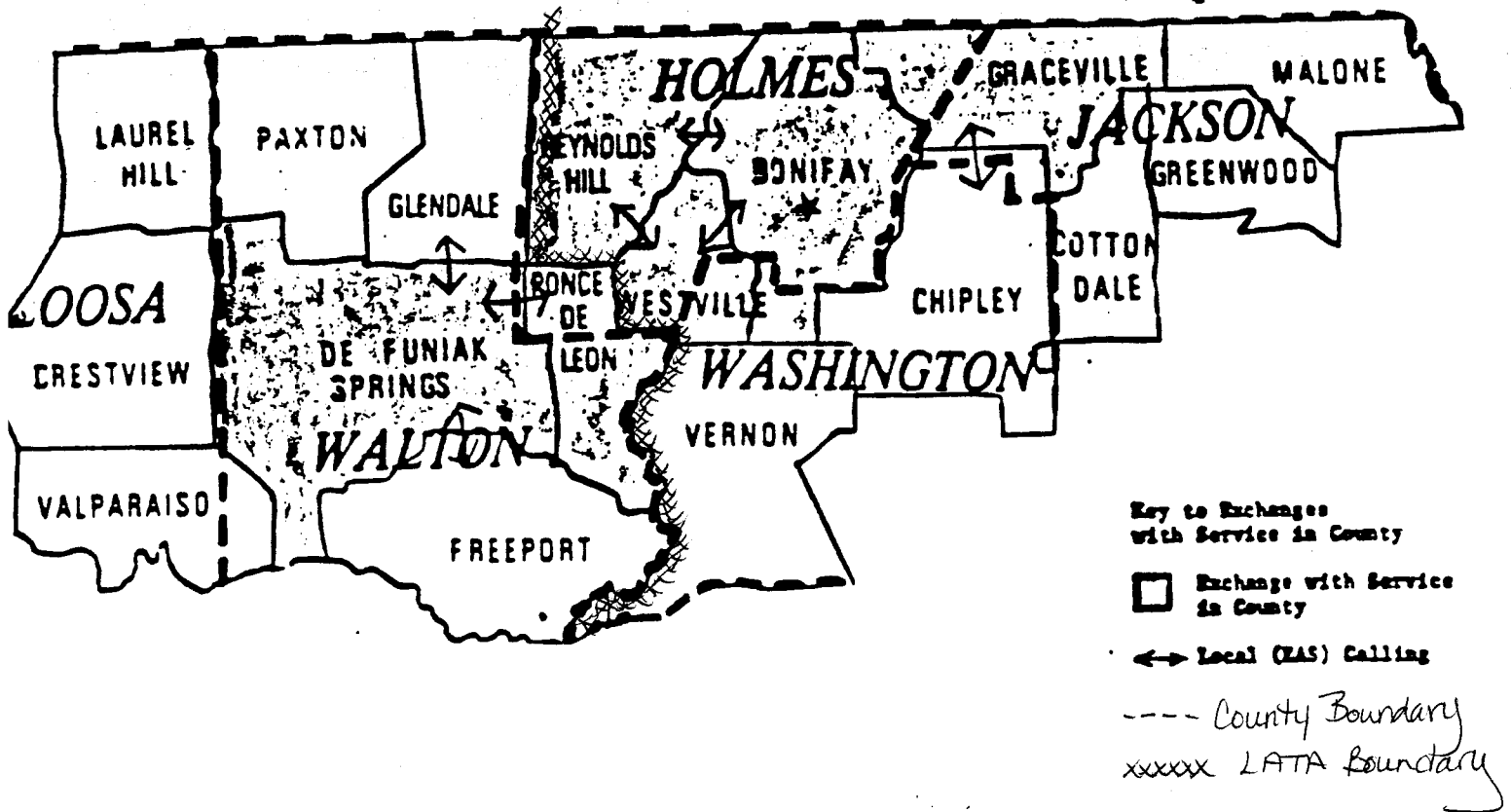
STAFF ANALYSIS: It is necessary for the docket to remain open until all required follow-up reports are received.

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BD/an

COUNTYWIDE CALLING
HOLMES

ATTACHMENT I



County	Exchange	MSTs (7/81)**		% of Exchange's MSTs In This County	% of County's MSTs In This Exchange
		In This Exchange	In This County		
Holmes	•Bonifay(1) CONT.	2,383	2,383	98.83	32.00
	•DeFuniak Springs(1) CENTEL	3,722	32	1.00	1.07
	•Graceville	2,631	690	19.99	10.09
	•Ronce De Leon(1) CENTEL	637	307	32.82	7.16
	•Reynolds Hill(1) CONT.	827	827	100.00	17.03
	•Westville(1) CONT.	396	396	100.00	12.27
	Total			6,837	

(1) Independent Company Exchange
 • County Seat
 N.A. Not Available
 () 1980 Data
 ** All MST figures are 7/81 except figures from General Tel (6/81), Continental (unknown), Winter Park, Orange City, Fla. Tel and United (3/81)

NOW, WHEN YOU'VE GOT A QUESTION, IT WON'T COST YOU ANYTHING TO GET AN ANSWER.



Call certain county services without paying long distance charges.

TOLL FREE CALLS TO COUNTY SERVICES.

Now you can call the important phone numbers listed below at no charge. Southern Bell has worked with the Public Service Commission to make these calls to your county seat toll free. You will still need to dial a "1" before each of the phone numbers listed, but no charge will appear on your Southern Bell bill. Please keep this card handy as a record of the services affected.

<u>SERVICE</u>	<u>PHONE NUMBER</u>
COMMISSIONER'S OFFICE	1-945-3629
TAX OFFICE	1-945-3359
CLERK OF COURT	1-945-3350
TAG OFFICE	1-945-3359
EXTENSION SERVICE	1-945-3391
FAMILY & CHILDREN'S SERVICE	1-945-3258
CONSOLIDATED SCHOOLS	1-945-3112
COUNTY SCHOOL SUPERINTENDENT	1-945-3127
BOARD OF EDUCATION	1-945-3127
SHERIFF'S OFFICE	1-945-3357
LOCAL FIRE DEPARTMENT	1-945-3357
FOREST FIRE DEPARTMENT	1-945-3575

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