

G.O.

FLORIDA PUBLIC SERVICE COMMISSION

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] *[Signature]*  
 DIVISION OF LEGAL SERVICES [HATCH] *[Signature]*

RE : DOCKET NO. - 870790-TL - REQUEST FOR EAS THROUGHOUT GILCHRIST 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 Gilchrist County be required to implement County Seat Calling service?

RECOMMENDATION: Yes. For the interLATA Branford to Trenton and High Springs to Trenton routes, ALLTEL on behalf of AT&T, should:

DOCUMENT NUMBER-DATE

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- a) be required to file tariffs to implement County Seat Calling service within sixty (60) days of the final order date. Any IXCs operating in the county in the future should 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.
- c) notify customers of the availability of the service, using a notice similar to the one shown in Attachment III. The notice should be submitted for staff review prior to mailing.

Southern Bell should be required to do the above for the intraLATA Newberry to Trenton 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.

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- (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.

ISSUE 3: Should this docket remain open?

RECOMMENDATION: Yes, the process for evaluating the possible implementation of a toll alternative in this docket should continue as scheduled.

BACKGROUND

This docket was initiated by a resolution filed with this Commission on July 22, 1987, by the Gilchrist County Board of County Commissioners. By Order No. 17943, issued August 6, 1987, the Southern Bell Telephone Company and ALLTEL Florida Telephone Company were required to conduct traffic studies on all non-EAS toll routes in Gilchrist County.

As part of the traffic studies, the companies submitted the following demographic information. The Gilchrist County seat is located in Trenton. The Newberry exchange is comprised of many retirees and second homes. The average income level is lower to middle income. The western twenty percent (20%) of the Newberry exchange is located in Gilchrist County, while the rest of the exchange is located in Alachua County. The residents in the western twenty percent (20%) of the county go to school, shop, and have post office delivery in Trenton. The residents of the middle sixty percent (60%) of the Newberry exchange, located in Alachua County, are tied to Newberry for schools and shopping. For medical treatment, some residents go south to Williston, but most go east to Gainesville. The residents of the eastern twenty percent (20%) of the Newberry exchange have a community of interest with Gainesville.

The average income level in the Trenton exchange ranges from lower to middle income levels. Medical facilities, schools and some stores are located in Trenton.

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ALLTEL reports that the community of interest for the Gilchrist County residents in the Branford, Newberry and High Springs exchanges are the governmental offices, banks and other businesses located in Trenton.

Gilchrist County consists of the following non-EAS routes (see map, Attachment I):

<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

The Branford to Trenton, High Springs to Trenton and Branford to Newberry routes are interLATA routes. Staff would also note that all of the exchanges in Gilchrist County (Trenton, High Springs, Newberry, and Branford) are also partially located in other counties. The map in Attachment II shows the LATA boundary, along with the county boundary.

ALLTEL serves the Branford and High Springs exchanges, while Southern Bell serves the Trenton and Newberry exchanges. The only route within Gilchrist County which currently has EAS is the High Springs to Newberry route. This route is an interLATA route.

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The traffic studies reveal the following:

<u>ROUTE</u>	<u>M/M/M</u> <u>(including FX)</u>	<u>% MAKING TWO</u> <u>OR MORE CALLS</u>
Branford to High Springs	.89	13.44%
High Springs to Branford	.93	8.49%
Trenton to Newberry	1.88	22.65%
Newberry to Trenton	4.09	21.31%
*Branford to Trenton	1.78	16.50%
Trenton to Branford	n/a	n/a
*High Springs to Trenton	1.15	7.76%
Trenton to High Springs	n/a	n/a
*Branford to Newberry	.17	2.45%
Newberry to Branford	n/a	n/a

\*These routes are interLATA routes. ALLTEL filed traffic study results, but Southern Bell did not.

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

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customers making two or more calls per month. At the Agenda Conference, two members of the Gilchrist County 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, working with ALLTEL, filed the required countywide flat rates, along with the corresponding revenue impact statement. On October 6, 1989, staff filed a recommendation, to be taken to the October 18, 1988 Agenda, which recommended that Gilchrist county subscribers be surveyed at the specified 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. This is because all four of the involved exchanges only partially lie in the county.

Staff has spoken with the County Attorney, who expressed the desire for us to come to a Gilchrist County Commission meeting and hear what the needs of the citizens are. We have had extensive conversations about the rural nature of the county and of the need for those people living outside of Trenton to call the county seat. The purpose of this recommendation is to provide the citizens of Gilchrist county some relief by recommending the implementation of County Seat Calling Service in their area.

DISCUSSION OF ISSUES

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

RECOMMENDATION: Yes. For the interLATA Branford to Trenton and High Springs to Trenton routes, ALLTEL on behalf of AT&T, should:

- a) be required to file tariffs to implement County Seat Calling service within sixty (60) days of the final order date. Any IXCs operating in the county in the future should 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, using a notice similar to the one shown in Attachment III. The notice should be submitted for staff review prior to mailing.

Southern Bell should be required to do the above for the intraLATA Newberry to Trenton route.

STAFF ANALYSIS: As the background section explains, Gilchrist County is very rural in nature, with the county seat being the largest city in the county. Medical facilities, schools and some stores are located in Trenton, and citizens in the Gilchrist County portion of the Newberry exchange, for instance, go to school, shop and have post office delivery in Trenton.

Preliminary traffic studies show very little calling between the four exchanges that comprise Gilchrist County. However, the four involved exchange



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only partially lie in Gilchrist County. Staff has requested that the companies perform pocket traffic studies, due to be filed on March 17, 1989, which will give us a better idea of the calling between the Gilchrist County portion of the four exchanges. The results of the studies may or may not warrant further consideration of an EAS or alternative toll plan.

In the meantime, however, 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 exchange, 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, on numerous occasions customers in these types of situations have testified to the need to at least be able to call their county seat.

The toll calling problem is exacerbated in places such as Gilchrist county where 911 service is not available. Currently, Gilchrist county is not committed to implement 911 service any time in the near future, and many emergency services for the county are located in Trenton. This means that

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anyone in Gilchrist 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 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

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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 III 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 Gilchrist County.

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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 being extraordinary. In this particular situation where countywide EAS has been requested, the likelihood that the pocket traffic study results will be high enough to warrant implementation of EAS is very low. Therefore, implementation of County Seat Calling will give the subscribers relief while not costing the local companies as much as EAS would cost to implement. Staff also recognizes that this particular situation has an impact on AT&T, since interLATA routes are involved. AT&T will lose the toll revenues on these 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 Gilchrist County, we believe that the revenue impact to AT&T, as well as to the local companies, could not be substantial because of the low level of current 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

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issued as a Proposed Agency Action so that any adversely affected party may request a hearing. Staff would also note that Gilchrist 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 Gilchrist County. Also, the question arises as to whether or not customers could access the numbers toll-free if they dialed 10XXX.

Staff believes that Gilchrist 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 Trenton, 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 Gilchrist County ALLTEL bills for AT&T, so on the two interLATA routes ALLTEL would implement the service on behalf of AT&T. We therefore recommend that Southern Bell, ALLTEL, AT&T and any other telephone companies operating in Gilchrist 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 III, 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 this is the first time County Seat Calling is being 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 the ALLTEL (on behalf of AT&T) and Southern Bell telephone companies as well as any other

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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.

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ISSUE 3: Should this docket remain open?

RECOMMENDATION: Yes, the process for evaluating the possible implementation of a toll alternative in this docket should continue as scheduled.

STAFF ANALYSIS: As stated in Issue 1, traffic studies measuring the calling between the four exchanges comprising Gilchrist County are due to be filed March 17, 1989. Upon review of the traffic study results, staff will either recommend that the docket be closed (if traffic study results are low), or that the companies proceed with implementation of some toll alternative plan on the routes that meet the criteria for further consideration of EAS. Until we see the traffic study results and bring the results to the Commission, it is necessary that the docket remain open.

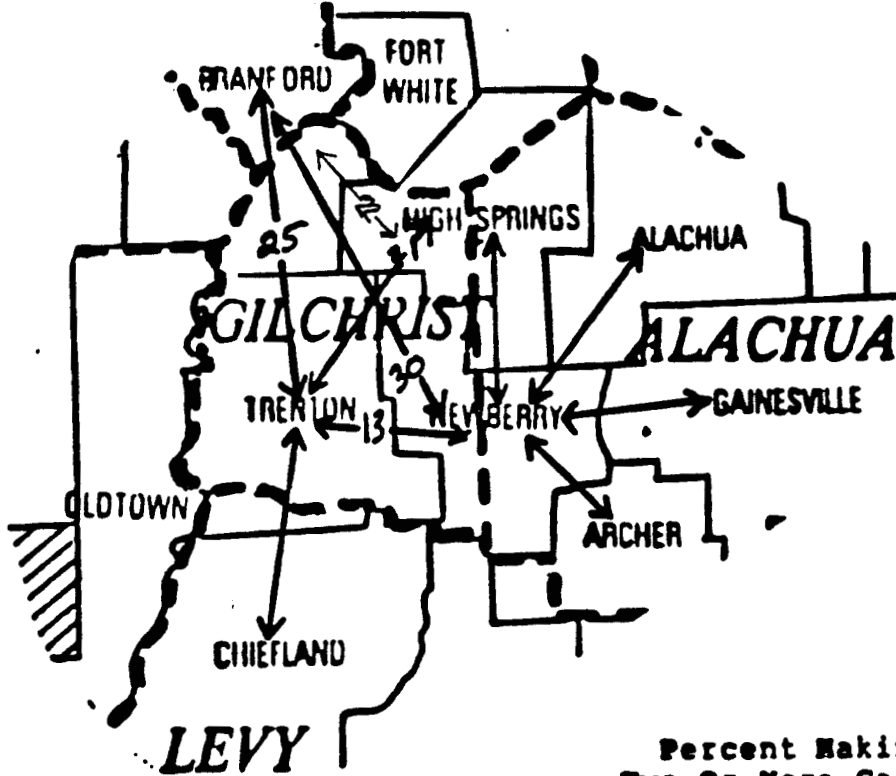
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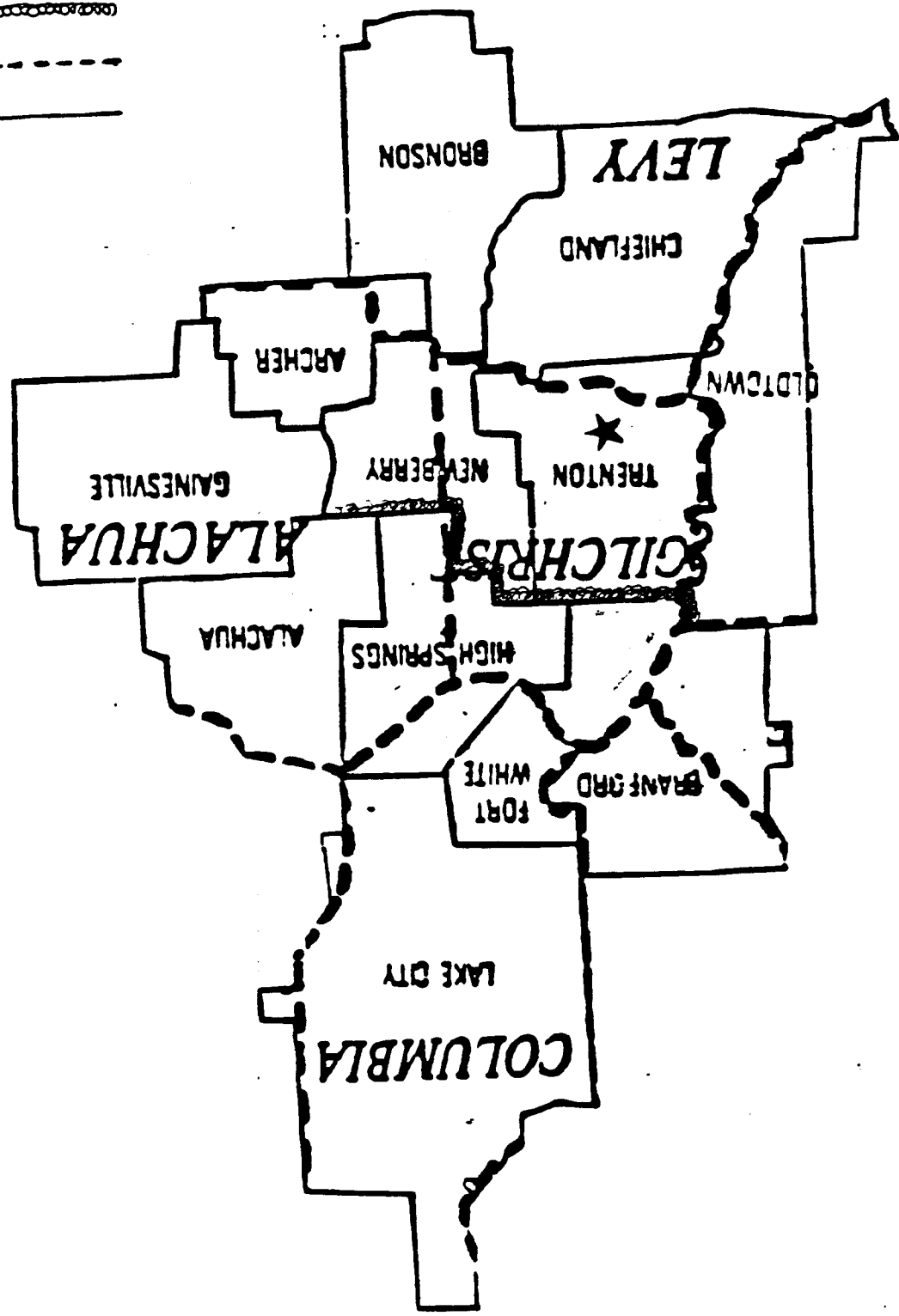
**SCHEMATIC MAP  
 GILCHRIST COUNTY  
 INDICATING EXISTING TELEPHONE EXCHANGES  
 AND EAS ROUTE STUDIED**



<u>From</u>	<u>To</u>	<u>Mileage</u>	<u>M/M/M</u>	<u>Percent Making Two Or More Calls Per Month</u>
Trenton	Newberry	13	1.88	22.65
Newberry	Trenton	13	1.96	21.31

**Legend**  
 <-----> Present EAS  
 <-----> Proposed EAS

————— Exchange Boundary  
 - - - - - County Boundary  
 (-----) LTA Boundary



County	Exchange	High Springs	Members
Exchange	0.29	0.82	0.29
County	13.09	17.62	13.09
Exchange	0.29	0.82	0.29
County	13.09	17.62	13.09

All MST figures are 7/31 except figures from Census; Tot (6/31) Continual (Interim) Winter Park, Orange City, Fla. Tot and United (7/31)  
 (1) 1980 Data  
 (2) Not Available  
 (3) County Seat  
 (4) Independent Company Exchange

# 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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