



Public Service Commission

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RECORDS AND REPORTING

DATE: MAY 6, 1999

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (BARRETT, ILERI) *MOB* *ji* *AD*
DIVISION OF LEGAL SERVICES (COX) *WPC* *CP*

RE: DOCKET NO. 981795-TL - INVESTIGATION INTO TELEPHONE EXCHANGE BOUNDARY ISSUES IN SOUTH VOLUSIA COUNTY (DELTONA AREA).

AGENDA: MAY 18, 1999 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: MEMORANDUM OF UNDERSTANDING NECESSITATING FURTHER COMMISSION ACTION

FILE NAME AND LOCATION: S:\PSC\CMU\WP\981795.RCM

CASE BACKGROUND

At the August 7, 1998, and September 24, 1998, customer hearings in Docket No. 980671-TL, the Request for Review of Proposed Numbering Plan Relief for the 407 Area Code, a representative from the city of Deltona, Commissioner Wayne Gardner, expressed concerns about the effects of the proposed relief on the Deltona/Southwest Volusia County area. In particular, he noted that the relief proposal would impact the city of Deltona and establish three (3) area codes or Numbering Plan Areas (NPAs) within its limits. Commissioner Gardner also spoke at the December 1, 1998, Agenda Conference. This docket was established on December 2, 1998, pursuant to a request from Volusia County leaders for assistance with the unique boundary issues in the Deltona/Southwest Volusia County area.

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At present, the telephone subscribers in the Deltona/Southwest Volusia County area are served by two (2) local exchange companies (LECs), BellSouth Telecommunications, Inc. (BellSouth or BST) and Sprint-Florida, Inc. (Sprint). The Deltona/South Volusia County region is also unique in that a NPA boundary line divides the area. The subscribers in the Sprint exchange of Orange City are in the 904 NPA. The BellSouth exchanges of DeBary and Sanford are in the 407 NPA. The city of Deltona reaches into all three of these exchanges. Additionally, the Local Access and Transport Area (LATA) line dividing the Daytona and Orlando LATAs crosses through this section of Volusia County. In most, but not all instances, the NPA and LATA lines follow the same boundaries. This is not the case in the Deltona/South Volusia County area. Attachment A is a map which depicts the affected region.

By Order No. PSC-98-1761-FOF-TL, the Final Order Approving Number Plan Relief for the 407 Area Code, issued December 29, 1998, the Florida Public Service Commission (Commission) approved a relief plan for the 407 NPA in Docket No. 980671-TL. In part, the relief plan specified a division, or split, of the current 407 NPA, with a new NPA of 321 replacing the 407 NPA in Brevard County. The plan also called for an overlay whereby the new NPA would be extended over the remaining geographic area of the present 407 NPA.

On January 28, 1999, staff conducted a workshop and Issue Identification with Sprint, BellSouth, and Volusia County leaders to explore alternatives for the telephone subscribers in the Deltona area. Subsequently, the parties to this Docket (Sprint, BellSouth, the city of Deltona, and Volusia County) met again on March 2, 1999, and drafted a Memorandum of Understanding which detailed specific proposals that all parties agreed upon. This document was filed with the Division of Records and Reporting on April 1, 1999, and is included hereto as Attachment B. However, assistance is needed from the Florida Public Service Commission (Commission) to effectuate all of the stipulations in the Memorandum of Understanding - namely, the balloting of certain subscribers.

In this recommendation, staff presents this Memorandum of Understanding between the parties and seeks Commission approval, and assistance, as needed, to implement the stipulations.

PERTINENT ORDERS

By Order No. PSC-98-1761-FOF-TL, issued December 29, 1998, the Commission issued the Final Order Approving Numbering Plan Relief for the 407 Area Code in Docket 980671-TL, Request for review of proposed numbering plan relief for the 407 area code.

By Order No. PSC-99-0056-FOF-TL, issued January 6, 1999, the Commission supplemented the Order on the Allocation of NXX Codes for the 407 Area Code Relief Plan in Docket 980671-TL, Request for review of proposed numbering plan relief for the 407 area code.

By Order No. PSC-99-0384-FOF-TL, issued February 23, 1999, the Commission modified the implementation schedule for the 407 Area Code Relief Plan in Docket 980671-TL, Request for review of proposed numbering plan relief for the 407 area code.

By Order No. PSC-99-0515-PCO-TL, issued March 15, 1999, the Commission issued the Order Establishing Procedure in this Docket.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the Memorandum of Understanding between the Parties (Attachment B)?

RECOMMENDATION: Yes. The proposal identified as the Memorandum of Understanding between the parties (Attachment B) should be approved to resolve customer concerns regarding area codes in Southwest Volusia County. **(BARRETT, ILERI)**

STAFF ANALYSIS: Staff believes that the Memorandum of Understanding (Attachment B) agreed to by the LECs, the City of Deltona, and the Volusia County government best resolves the area code concerns in the Deltona/Southwest Volusia County area. An abbreviated summary of the key provisions follows:

- A: BST will identify the Sanford exchange subscribers in Volusia County (approximately 4,258) and create a new exchange called Osteen to serve them, if approved by

any required or ordered Commission balloting.

- B: Provided the ballot measure is approved, BST and Sprint agree to implement non-optional extended area service (EAS) between the (proposed) Osteen and Orange City exchanges.
- C: In addition to the EAS noted above, (proposed) Osteen's calling scope would mirror Sanford's current scope.
- D: The local exchange rate for (proposed) Osteen would fall into BST's Rate Group #9. Presently, the Sanford exchange subscribers are in BST's Rate Group #8; the difference between the two rate groups being \$.25/month, residential and \$.80/month business.
- E: All NXX codes for BST's DeBary and (proposed) Osteen exchanges would remain in the 407 area code.
- F: The creation of the (proposed) Osteen exchange (Item A above) will require a telephone number change.
- G: The dialing pattern for the DeBary and (proposed) Osteen exchanges (including non-optional EAS to Orange City in the 904 area code) will be:
 - 1) Local calling in DeBary & Osteen - 7 digits
 - 2) Local calling into the overlay & InterNPA (including EAS) - 10 digits
 - 3) All extended calling service (ECS) routes within or between NPAs where interexchange carriers are authorized to compete - 1+10 digits
 - 4) All ECS routes within or between NPAs where interexchange carriers are not authorized to compete - 10 digits

This dialing pattern would exist until area code relief is necessary in the 904 area code.

- H: The LECs will work to ensure that there will be no impact to the 9-1-1 or Directory Assistance networks for all subscribers.

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- I: The Commission will determine what, if any, balloting will be required in implementing items A, B, and F above.
- J: The Commission will determine what, if any, balloting methodology to employ.
- K: The balloting, if ordered and not approved, will have no impact on the DeBary exchange portion of item E above. Then, the Commission should close this Docket.
- L: If balloted and approved, all parties would work out an acceptable implementation schedule for all noted changes.
- M: The parties do not waive any rights or grant the Commission any additional authority except that expressly granted in Chapter 364, Florida Statutes.
- N: The Commission will allow BST and Sprint to recover the cost of implementing the agreed to items by methods other than end user surcharges.

Staff believes that the Memorandum of Understanding very adequately addresses the specific concerns voiced by Deltona Commissioner Gardner on behalf of his constituency. The Memorandum of Understanding plan, crafted with input from the City of Deltona and Volusia County leaders, would divide the Sanford exchange along the county boundaries of Seminole and Volusia, and proposes to ballot the Volusia subscribers to form a new exchange called Osteen. If balloted, BellSouth estimates that four thousand two hundred fifty-eight (4,258) subscribers would be affected.

If balloted and approved, the (proposed) Osteen subscribers would be in BST's Rate Group #9. Presently, the Sanford exchange subscribers are in BST's Rate Group #8; the difference between the two rate groups being \$.25/month, residential and \$.80/month business. The (proposed) Osteen subscribers, however, gain EAS to the Orange City exchange, a route that is currently ECS from the Sanford exchange. This ECS route is presently rated at \$.25/call residential and \$.10 first minute/\$.06 thereafter for business. With the exception of Orange City, the calling scopes for the Sanford and (proposed) Osteen exchanges are identical. In summation, if balloted and approved, the (proposed) Osteen subscribers retain their present calling scope and receive the benefit of non-optional two-way EAS to Orange City, in exchange for a number change, a reclassification into BST's Rate Group #9, and

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assurance of no overlaid area code, which was opposed by city and county leaders at the January 28, 1999 workshop.

The dialing patterns for the (proposed) Osteen subscribers are consistent with the current dialing patterns of Sanford's subscribers. Any future NPA relief in the 904 area code, however, may affect these patterns.

BST states that they will work to ensure that the proposed exchange will pose no problems with the 9-1-1 systems in place or with Directory Assistance.

Lastly, staff agrees that allowing BellSouth to recover its costs for implementing the articles of this Memorandum of Understanding by methods other than end user surcharges is appropriate.

Staff therefore recommends that the Commission should approve the Memorandum of Understanding between the parties. Implementation, however, is contingent upon balloting, which staff addresses in Issue 2.

ISSUE 2: Should the Commission require the companies to survey the affected customers to determine if they are in favor of the creation of the new exchange?

RECOMMENDATION: Yes. If the Commission approves staff's recommendation in Issue 1, the Commission should require the companies to survey the customers that will be served from the newly created exchange to determine if they are in favor of the plan, including the change in their telephone number. The survey should be initiated within 45 days from the date that the Order from this recommendation becomes final. The ballot should advise the subscribers that their seven (7) digit telephone number would change, that their calling scope would change (because of the addition of Orange City as an EAS route vs. ECS) and exchange rates would change, (from BST Rate Group #8 to BST Rate Group #9), but that their area code will not change at this time and that they will not be affected by the 321 overlay. The survey letter and ballot should be submitted to staff for review prior to distribution to the affected customers.

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In order for the survey to pass, the Commission should require that at least 50 percent of the subscribers balloted must respond, and of those responding, at least 60 percent must vote in favor of the boundary change. **(BARRETT, ILERI)**

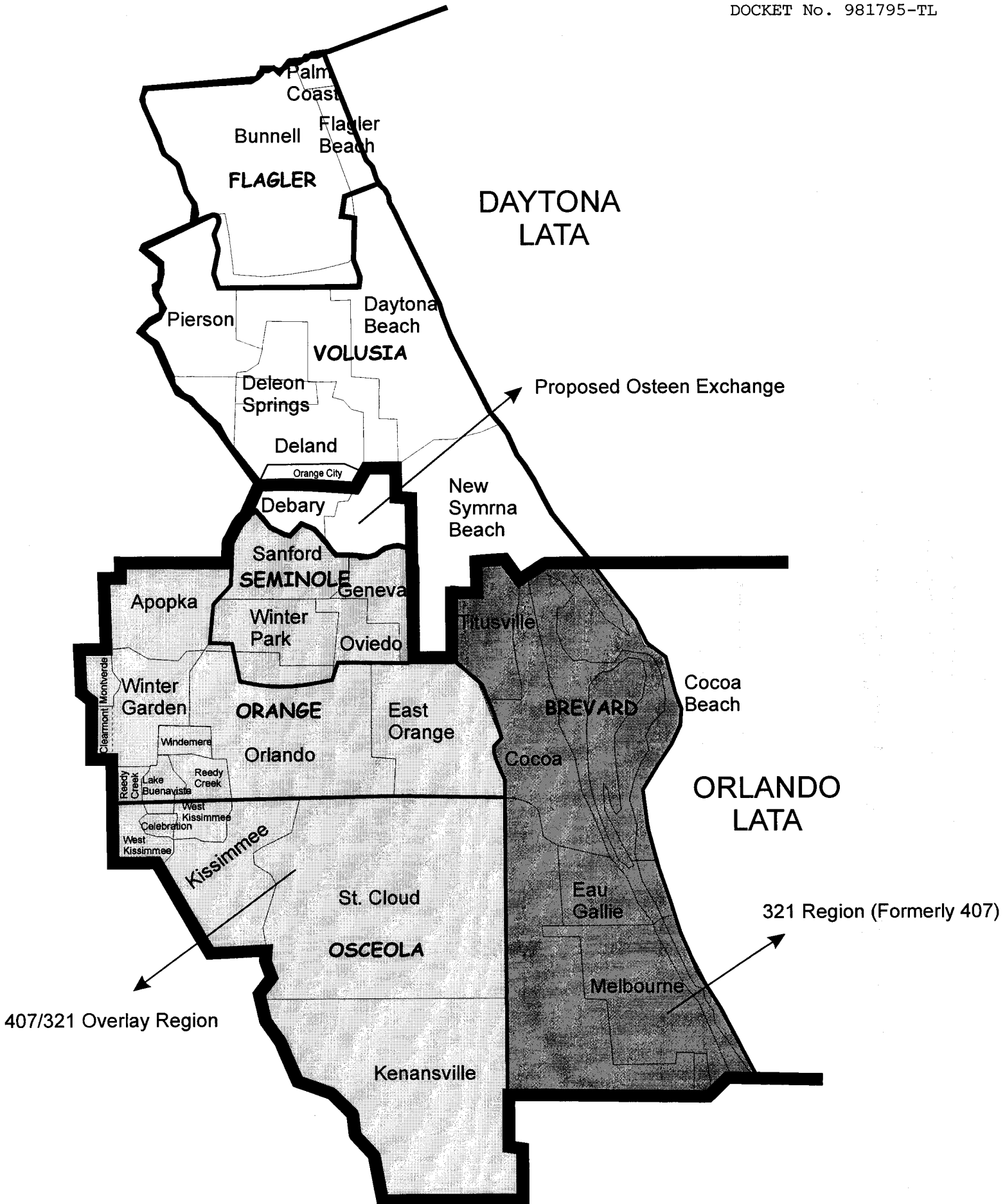
STAFF ANALYSIS: If the Commission approves the parties' Memorandum of Understanding, staff believes that the Commission should require the companies to survey the affected customers to determine if they are in favor of being served from the newly created exchange as discussed. There are no rules covering requirements for such a survey. The parties believe that a ballot measure which proposes a number change should be decided by those affected. Staff agrees.

Staff believes that the survey provisions set forth in Rule 25-4.063, Florida Administrative Code, should be used, with the exception of subsection (6) of the rule. Instead of the threshold set forth in subsection (6), staff recommends that the Commission require that at least 50 percent of the balloted customers respond to the survey and at least 60 percent of those responding must vote in favor of the exchange boundary modification for the survey to pass. In past exchange boundary modification cases, the Commission has required this higher response and approval threshold. See Docket Nos. 961048-TL and 951099-TL. Staff believes that this modified threshold is also appropriate in this case, because a new exchange is being created, and the proposed plan will entail a change to the affected customers' telephone number.

ISSUE 3: Should this Docket be closed?

RECOMMENDATION: No. With approval of staff's recommendation in Issues 1 and 2, this docket should remain open pending the outcome of the Subscriber Survey results. **(COX)**

STAFF ANALYSIS: With approval of staff's recommendation in Issues 1 and 2, this docket should remain open pending the outcome of the Subscriber Survey results.



MEMORANDUM OF UNDERSTANDING

RE: Florida PSC Docket No. 981795-TP - Investigation into telephone exchange boundary issues in South Volusia County (Deltona Area)

By the Undersigned parties:

As a result of the March 2, 1999 meeting, between BellSouth, Sprint, and representatives from Volusia County in the above referenced docket, BellSouth, Sprint and the representatives from Volusia County have come to a mutually agreeable understanding regarding the status of telecommunications service in South Volusia County currently in the 407/321 area code.

In an attempt to resolve this proceeding, the parties agree and understand the following:

1. BellSouth will establish a new exchange (Osteen) that will encompass all of the customers in the Sanford exchange who live in Volusia County if approved by any required ballot or otherwise ordered by the Commission.
2. BellSouth and Sprint agree to implement non-optional EAS between Osteen and Orange City upon approval of any balloting for the Osteen telephone number changes (Item 6). If no balloting is required, and subject to creation of the Osteen exchange pursuant to Items 1 and 6, non-optional EAS will be implemented. If balloting is required and fails, Items 1, 2, and 6 will not be implemented.
3. In addition to getting EAS discussed in Item 2, the calling scope for the Osteen exchange, if created, will remain the same as the current calling scope of the Sanford exchange.
4. The local exchange rate for the Osteen exchange, if created, will be Rate Group #9.
5. The area code for BellSouth's DeBary and Osteen exchange(s), if created, will remain 407.
6. The change discussed in 1 will require telephone number changes in the Osteen exchange.
7. The dialing pattern for the DeBary and Osteen exchange(s), if created, will be the following until the 904 area code comes up for relief:
 - a. Local calling within DeBary and Osteen exchange(s), if created - 7 digits
 - b. Local calling into the overlay area and InterNPA (including EAS) - 10 digits
 - c. All ECS with competition - 1+10 digits
 - d. InterNPA ECS without competition - 10 digits
8. BellSouth and Sprint will work to ensure there will be no impact to the 911 and local Directory Assistance provided to the customers of the DeBary and Osteen , if created, exchange(s).
9. The Florida Public Service Commission shall determine what balloting of customers, if any, shall be required for implementation of the number changes related to Items 1, 2, and 6. The outcome of any required balloting shall not affect implementation of the DeBary portion of Item 5.
10. The Florida Public Service Commission shall determine the appropriate balloting methodology to be used to evaluate whether any required ballot passes or fails.
11. If any required ballot fails, the implementation of the DeBary portion of Item 5 shall still go forward and the Florida Public Service Commission should close this docket.
12. Any required ballot passes, BellSouth, Sprint, the representatives from Volusia County, and the Florida Public Service Commission Staff will work out an acceptable implementation schedule for this change.
13. The parties do not waive any rights or grant the Florida Public Service Commission any additional authority except as what is expressly granted to it by Chapter 364, Florida Statutes.
14. The Florida Public Service Commission will allow BellSouth and Sprint to recover the cost of implementing this memorandum by methods other than end users.

NOW THEREFORE,

THE PARTIES ACKNOWLEDGE AND AGREE TO THIS MEMORANDUM OF UNDERSTANDING AND SUBMIT IT TO THE FLORIDA PUBLIC SERVICE COMMISSION AS A RESOLUTION TO THIS PROCEEDING. IF THE FLORIDA PUBLIC SERVICE COMMISSION DOES NOT ACCEPT THIS MEMORANDUM IN FULL THEN THE MEMORANDUM OF UNDERSTANDING IS NULL AND VOID.

BELLSOUTH TELECOMMUNICATION, INC.
SIGNED: *Tancy H. Sims*
NAME: Tancy H. Sims
TITLE: Director - Regulatory Relations
DATE: 3-23-99

SPRINT OF FLORIDA, INC.
SIGNED: *Charles J. Reinhinkel*
NAME: CHARLES J. REINHINKEL
TITLE: SENIOR ATTORNEY
DATE: MARCH 24, 1999

VOLUSIA COUNTY COMMISSION
SIGNED: *Patricia Northey*
NAME: Patricia Northey
TITLE: Chair
DATE: March 4, 1999

CITY OF DELTONA
SIGNED: *John Maslarski*
NAME: JOHN MASLARSKI
TITLE: MAYOR
DATE: 3-16-99