



Public Service Commission

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RECORDS AND REPORTING

99 MAY 6

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DATE: MAY 6, 1999

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

FROM: DIVISION OF COMMUNICATIONS (BARRETT, ILERI)
DIVISION OF LEGAL SERVICES (COX, KEATING)

RE: DOCKET NO. 981345-TL - INVESTIGATION INTO TELEPHONE EXCHANGE BOUNDARY ISSUES IN SOUTH BREVARD COUNTY.

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\981345.RCM

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CASE BACKGROUND

At the August 6, 1998, and September 25, 1998, customer hearings in Docket No. 980671-TL, the Request for Review of Proposed Numbering Plan Relief for the 407 Area Code, Brevard County Commissioner Nancy Higgs and others expressed concerns about the effects of the proposed relief on the southern portion of Brevard County, the Barefoot Bay area. The relief was necessary in the 407 Area Code because of the projected exhaustion of available exchange codes (NXXs) within a one-year period. This docket was established on October 14, 1998, pursuant to discussions with elected officials from Brevard County and representatives of the Micco Homeowners Association.

At present, certain telephone subscribers in the southern most portions of Brevard County, the Barefoot Bay area, are in a different area code or Numbering Plan Area (NPA) than those in the remainder of their county. This area is locally referred to as the Micco community, and the telephone subscribers there are served by

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BellSouth Telecommunications, Inc's. (BST or BellSouth) Sebastian exchange. The Sebastian exchange spans the Brevard and neighboring Indian River counties. At this time, 6,605 Sebastian exchange subscribers reside in Brevard County and are served from the 561 NPA, while the remainder of Brevard County is in the 407 NPA. The 407 NPA, however, is presently subject to the implementation of relief measures, which will impact all of Brevard County, including the Micco community.

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. Permissive dialing, the transition period in which the telephone subscribers may use either the old or the new NPA, was ordered to begin on November 1, 1999, with mandatory dialing for the new NPA set for October 1, 2000, in the split region of Brevard County.

On February 3, 1999, staff conducted a workshop and Issue Identification meeting with parties to this docket to explore alternatives for the telephone subscribers in south Brevard County. Finding a resolution for the boundary exchange issues was important, in view of the Commission's decision on the 407 NPA relief plan. Subsequently, parties to this docket drafted a Memorandum of Understanding (Memorandum), which detailed specific proposals that all parties agreed upon. This document was filed with the Division of Records and Reporting on April 6, 1999, and is included as Attachment A. Parties seek Commission approval of this Memorandum, and assistance, as needed, to implement the proposals.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the Memorandum of Understanding between the parties (Attachment A)?

RECOMMENDATION: Yes. The proposal identified as the Memorandum of Understanding between the parties (Attachment A) should be approved to resolve the telephone boundary concerns in South Brevard County.
(BARRETT, ILERI)

STAFF ANALYSIS: Staff believes that the Memorandum of Understanding agreed to by the parties best resolves the telephone boundary concerns in South Brevard County. An abbreviated summary of the key provisions follows:

- A: BST will establish a new exchange which will encompass all of the Sebastian exchange customers in Brevard County. These customers currently have the 561 NPA and prefix codes of 663 and 664.
- B: If approved and upon implementation, the newly created exchange (item A preceding) will be in the same NPA (321) as the remainder of Brevard County.
- C: The exchange rates and calling scope for the (proposed) new exchange will be no different for the affected subscribers than what they currently possess.
- D: Only the area code portion of the subscribers' telephone numbers will change (from 561 NPA to 321 NPA). (Their seven (7) digit telephone number will not change at this time).
- E: The dialing pattern for the (proposed) new exchange would be:
- 1) IntraNPA local (incl. Extended Area Service) 7-digits
 - 2) InterNPA local (incl. Extended Area Service) 10-digits
 - 3) All Extended Calling Service w/ competition 1+10-digits
 - 4) All interNPA Extended Calling Service w/o competition
10-digits
- F: BST will work to ensure that there will be no impact to the 9-1-1 or Directory Assistance networks for all subscribers.
- G: The Commission will determine what, if any, balloting and balloting methodology will be required to implement the stipulations in this Memorandum.
- H: The balloting, if ordered and not approved, will have no effect on the implementation of the 407 relief plan in Docket No. 980671-TL. The Commission should then close this Docket.
- I: If balloted and approved, all parties would work out an acceptable implementation schedule for all of the noted changes.
- J: BellSouth does not waive any rights or grant the Commission any additional authority except that granted in Chapter 364,

Florida Statutes.

K: The Commission will allow BST to recover the cost of implementing the agreed-to items by methods other than end user surcharges.

Staff believes that the Memorandum of Understanding adequately addresses the specific concerns voiced by Brevard County Commissioner Nancy Higgs on behalf of her constituency. The actions detailed in the Memorandum essentially divide the Sebastian exchange along the county boundaries (Brevard and Indian River). The Brevard County subscribers would be in the newly created exchange with the 321 NPA, but would keep their present telephone number, while the remainder of the Sebastian exchange customers - those residing in Indian River county - stay in the 561 NPA and are unaffected.

If balloted, the affected subscribers have the opportunity to rectify their exchange boundary concerns and avoid any future changes that may be necessitated when area code relief is examined in the 561 NPA. If balloted for this initiative, the telephone subscribers in the Micco community can choose to join the remainder of Brevard County in the (upcoming) new 321 area code, while keeping their same telephone rates, calling scopes, and seven (7) digit telephone numbers. If balloted, BST estimates that 6,605 subscribers would be affected.

The dialing patterns for the proposed new exchange would be consistent with the current dialing patterns of Sebastian's subscribers. Certain local calls would remain seven (7) digits, while other calls would be dialed on either a ten (10) or one-plus ten digit (1+10) basis, depending on the called route. This represents no change from the current situation for Sebastian's subscribers.

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 would be served from the newly created exchange to determine if they are in favor of the plan, including the change to their area code. The survey should be conducted within 45 days from the date that the Order from this recommendation becomes final. The ballot should advise the subscribers that their seven digit telephone number would not change, that their calling scope and exchange rates would not change, but that their area code would change from 561 to 321. The survey letter and ballot should be submitted to staff for review prior to distribution to the affected customers.

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. **(COX, KEATING)**

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 and having their area code changed from 561 to 321. There are no rules covering requirements for such a survey. The parties believe that a ballot measure which proposes a number change, in this case an area code, 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

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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' area code.

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, KEATING)**

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. 981345-TF - Investigation into telephone exchange boundary issues in South Brevard County

By the Undersigned parties:

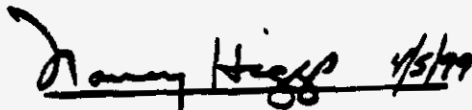
As a result of a formal meeting on February 3, 1999, between the Florida Public Service Commission Staff, BellSouth, and representatives from Brevard County in the above referenced docket, BellSouth and the representatives from Brevard County have come to a mutually agreeable understanding regarding the status of telecommunications service in South Brevard County currently within the 561 area code.

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

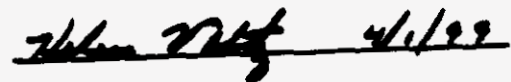
1. BellSouth will establish a new exchange that will encompass all of the customers in the 561-663 and 561-664 NXCs.
2. BellSouth will change the customers identified in 1 from 561 area code to 321 area code.
3. The calling scope and local exchange rate for the new exchange will remain the same as it is at the time of this filing.
4. The area code change discussed in 2 will require the customers to change their area code and should not require any further number changes.
5. The dialing pattern for the areas moved to the 321 area code will be the following:
 - a. Intra-NPA local (including EAS) - 7 digits
 - b. Inter-NPA local (including EAS) - 10 digits
 - c. All ECS with competition - 1-10 digits
 - d. Inter NPA ECS without competition - 10 digits
6. BellSouth will work to ensure there will be no impact to the 911 and local Directory Assistance provided to the customers of the new exchange.
7. The Florida Public Service Commission shall ballot the customers in the new exchange to determine if the customers are acceptable to the changes proposed by this Memorandum of Understanding.
8. The Florida Public Service Commission shall determine the appropriate balloting methodology to be used to evaluate whether the ballot passes or fails.
9. If the ballot fails, the Florida Public Service Commission should close this docket since there is no other option that could resolve this proceeding.
10. If the ballot passes, BellSouth, the representatives from Brevard County, and the Florida Public Service Commission Staff will work out an acceptable implementation schedule for the changes listed herein.
11. BellSouth does 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.
12. The Florida Public Service Commission will allow BellSouth to recover its cost of implementation of this Memorandum of Understanding by methods other than end users.

Now Therefore,

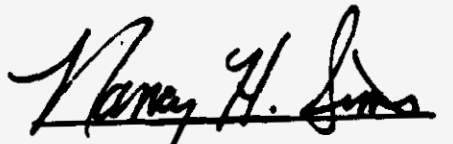
The parties acknowledge and agree to this Memorandum of Understanding and submit it to the Florida Public Service Commission as a resolution to this proceeding. If the Florida Public Service Commission does not accept this Memorandum in full then the Memorandum of Understanding is null and void.

 4/5/99

Nancy Higgs Date
Brevard County Commissioner
District 3

 4/1/99

Helen Volts Date
Brevard County Commissioner
District 5


Nancy H. Sims
BellSouth Telecommunications, Inc.

 4/1/99
Mike Cunningham Date
President, Micco Homeowners Assn.