

State of Florida



Public Service Commission

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RECORDS AND REPORTING

NOV - 4 AM 8:42

RECEIVED-FPSC

DATE: NOVEMBER 4, 1999

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

FROM: DIVISION OF COMMUNICATIONS (BARRETT, ^{meB}ILERI) *ji* *fcc*
DIVISION OF LEGAL SERVICES (KEATING) *B/c*

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

AGENDA: 11/16/1999 - REGULAR AGENDA - FINAL DECISION - PARTICIPATION IS LIMITED TO COMMISSIONERS AND STAFF

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

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

CASE BACKGROUND

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 city of Deltona and the southwest Volusia County area.

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/southwest Volusia County region is also unique in that an area code or Numbering Plan Area (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

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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/southwest Volusia County area.

On January 28, 1999, staff conducted a workshop and Issue Identification meeting 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 upon which all parties agreed. The Memorandum of Understanding suggested, among other things, that certain subscribers be surveyed to determine whether they would be in favor of creating a new exchange. If approved, the new exchange would be created by dividing BellSouth's Sanford exchange. These subscribers would be exempted from the 321 NPA overlay relief plan.

By Order No. PSC-99-1133-FOF-TL, issued June 7, 1999, the Commission approved the Memorandum of Understanding and ordered that the subscriber survey be conducted. Rule 25-4.063, Florida Administrative Code, was used as a guideline for this survey, but the Commission required that, for the measure to pass, 50 percent of those surveyed must reply, and a simple majority of those responding must vote in favor of the proposal. Rule 25-4.063(3)(e), Florida Administrative Code, provides that the balloting period must be open for a minimum of 30 days. Three thousand, nine hundred, seventy-four (3,974) ballots with explanatory letters were mailed out on August 16, 1999. Those polled were given a 30 day response time, with ballots accepted with a postmark up to and including September 17, 1999.

On September 22, 1999, Volusia County filed a Motion for an Extension of Time for the balloting directed in Order No. PSC-99-1133-FOF-TL. The County requests an extension of time for the responses to the subscriber survey on the basis of the disruption of normal activities brought on by the approach of Hurricane Floyd during the last week of the balloting period. The County asks for

an unspecified extension of time, requesting that the parties agree upon a new ending date. No responses to the Motion were filed.

This recommendation addresses the Volusia County Motion for Extension of Time, and also the results of the subscriber survey.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant Volusia County's Motion for Extension of Time for the balloting directed in Order No. PSC-99-1133-FOF-TL?

RECOMMENDATION: No. Staff recommends that Volusia County's Motion for Extension of Time for the balloting directed in Order No. PSC-99-1133-FOF-TL should be denied. **(KEATING, BARRETT)**

STAFF ANALYSIS: In its Motion, Volusia County has failed to demonstrate that an extension is necessary. Staff recognizes that the Volusia county citizens, including the balloted subscribers, were likely impacted by the approach of Hurricane Floyd. Volusia County has not, however, demonstrated that the balloting for this matter was adversely affected. We acknowledge that Hurricane Floyd did, in fact, disrupt normal activities, resulting in mandatory evacuations, store and business closings, property damage, and flooding. At the height of the crisis, it is our understanding that area post offices were closed for the entire day on September 15, 1999, but resumed normal operations the following day.

Staff notes that from a historical perspective, most respondents to subscriber surveys cast their votes within the first week of receiving their explanatory letter and ballot. This pattern was evident in this case as well. After the initial two (2) week period for receiving ballots, staff notes that there was a sharp decline in the voting. In successive weeks, the trend continued, up to and including the final date for replies, September 17, 1999. Staff does not believe that an extension of the balloting period beyond this date would result in many more

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replies than have already been received. As of the filing date of this recommendation, 14 ballots have been received with a post mark later than September 17, 1999, and are shown in the summary as 'invalid' in Table A. However, the inclusion of these invalid ballots would not alter the outcome of this survey.

Staff also notes that no other parties to this docket have filed a timely response in support of this Motion.

Based on the foregoing, we recommend the denial of the County of Volusia's Motion for Extension of Time for balloting directed in Order No. PSC-99-1133-FOF-TL.

ISSUE 2: Based on the results of the subscriber survey, should the Commission order the creation of the new exchange as described in the Memorandum of Understanding?

RECOMMENDATION: No. Based on the results of the subscriber survey, the Commission should not order the creation of the new exchange as described in the Memorandum of Understanding. The survey results, which are summarized in Table A, indicate that an insufficient number of ballots was received to satisfy the criteria specified in Order No. PSC-99-1133-FOF-TL. (BARRETT)

STAFF ANALYSIS: Pursuant to Order No. PSC-99-1133-FOF-TL, issued June 7, 1999, the survey was conducted using, as a guideline, Rule 25-4.063, Florida Administrative Code, which sets forth the survey provisions applicable to balloting in extended area service (EAS) cases, with the exception of subsection (6) of the rule. Instead of the thresholds set forth in subsection (6), the Commission found it appropriate in this instance to require that at least 50 percent of the balloted customers respond to the survey, and at least 50 percent of those responding had to vote in favor of creating the new exchange for the survey to pass. The balloting results demonstrate that the response threshold was not met, and therefore, the survey failed.

TABLE A

BALLOTING RESULTS		
	<u>NUMBER</u>	<u>PERCENT OF TOTAL MAILED</u>
Ballots Mailed	3,974	100.00%
Ballots Returned	1,224	30.80%*
FOR Proposal	513	12.91%
AGAINST Proposal	683	17.18%
Invalid (late)	14	<1.00%
Invalid (other)	14	<1.00%

* Order No. PSC-99-1133-FOF-TL requires 50% of the ballots mailed must be returned.

Staff, therefore, does not recommend creating the new exchange described in the Memorandum of Understanding. The affected subscribers have, in effect, voted for "no change" in that an insufficient number of responses were received to even consider the creating the new exchange.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes. If the Commission approves staff's recommendations in Issues 1 and 2, this docket should be closed.
 (KEATING)

STAFF ANALYSIS: If the Commission approves staff's recommendations in Issues 1 and 2, this docket should be closed.