

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center, 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

June 15, 1995

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)
FROM: DIVISION OF COMMUNICATIONS (SHELPER, CHASE, NORTON, O'PRY) *AS JE rbn*
DIVISION OF LEGAL SERVICES (CANZANO, ELIAS) *Z RUE Rfn TH*
RE: DOCKET NO. 920260-TL - COMPREHENSIVE REVIEW OF REVENUE REQUIREMENTS AND RATE STABILIZATION PLAN OF SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY (T-95-034, FILED 5/15/95)

AGENDA: JUNE 27, 1995 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: JULY 14, 1995

SPECIAL INSTRUCTIONS: I:\PSC\CMU\WP\920260TL.RCM

CASE BACKGROUND

- This docket was initiated pursuant to Order No. 25552 to conduct a full revenue requirements analysis and to evaluate the Rate Stabilization Plan under which BellSouth Communications, Inc. d/b/a Southern Bell Telephone and Telegraph (Southern Bell or the Company) had been operating since 1988. Hearings were rescheduled several times in an effort to address all the concerns and issues that arose with the five consolidated proceedings over the ensuing two and a half years.
- On January 5, 1994, a Stipulation and Agreement Between Office of Public Council (OPC) and Southern Bell was submitted. On January 12, 1994, Southern Bell filed an Implementation Agreement for Portions of the Unspecified Rate Reductions in Stipulation and Agreement Between OPC and Southern Bell. Other parties filed motions in support of the Stipulation and Implementation Agreement. The Commission voted to approve the terms of the settlement at the January 18, 1994 agenda conference (Order No. PSC-94-0172-FOF-TL). The terms require, among other things, that rate reductions be made to certain of

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FPSC-RECORDS/REPORTING

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Southern Bell's services. Some of the reductions have already been implemented. Other reductions are scheduled to occur according to the following time table:

7/1/94 (completed)	* Switched access reductions - \$50 million, * - \$10 million (specified below) - Reduced mobile interconnection usage rates - Eliminated Billed Number Screening charge - Reduced DID trunk termination rates
10/1/95	* Switched access reductions - \$55 million * Unspecified rate reductions - \$25 million
10/1/96	* Switched access reductions - \$35 million * Unspecified rate reductions - \$48 million

- According to the terms of the Stipulation and Implementation Agreement, approximately four months before the scheduled effective dates of the unspecified rate reductions, Southern Bell will file its proposals for the required revenue reductions. Interested parties may also file proposals at that time. Parties who have already received or are scheduled to receive rate reductions for the services to which they subscribe, are generally precluded from taking positions that would benefit themselves.
- On May 15, 1995, Southern Bell filed a tariff proposal (Attachment) to introduce Extended Calling Service (ECS) to satisfy the unspecified outstanding \$25 million revenue reduction in accordance with the Stipulation.
- This recommendation addresses the tariff proposal for the \$25 million in unspecified rate reductions scheduled to be implemented October 1, 1995. FIXCA, Ad Hoc, Department of Defense, and FPTA are precluded from making proposals which would benefit themselves. In addition to Southern Bell, two entities have filed proposals: McCaw Cellular Communications (McCaw) and certain locals of the Communications Workers of America (CWA).

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DISCUSSION OF ISSUES

ISSUE 1: Should Southern Bell's tariff proposal to satisfy the outstanding revenue reduction of \$25 million in accordance with Docket No. 920260-TL be suspended?

RECOMMENDATION: Yes. In addition to Southern Bell, other parties have filed proposals for distribution of the \$25 million in Docket No. 920260-TL. These proposals are scheduled to go to hearing on July 31, 1995. Southern Bell's tariff proposal should be suspended and reviewed with the other proposals at the hearing.

STAFF ANALYSIS: Southern Bell submitted a tariff proposal to introduce Extended Calling Service (ECS) on 252 intra-company routes. ECS rates residential calls at \$.25 per call regardless of duration, and rates business calls at \$.10 for the first minute and \$.06 for each additional minute. This proposal would convert 212 intraLATA toll routes and 40 flat-rated \$.25 plan routes, which residential and business customers pay \$.25 per call regardless of duration, to ECS.

The Company states that it selected these intracompany routes based on the following criteria:

- 1) routes with optional extended area service;
- 2) routes with a demonstrated community of interest; and
- 3) routes where the flat rated \$.25 plan is offered.

In addition, this proposal, with the exception of the Enhanced Optional Extended Area Service (EOEAS) residential premium rate, will eliminate Basic Optional Extended Area Service, Optional Calling Service, and flat-rated \$.25 plans on routes where ECS is implemented.

Southern Bell states that by introducing ECS on these routes and routes to intermediate locations, it can standardize statewide the expanded local service that it offers to its customers. The Company states that this should reduce customer confusion regarding the number of different offerings currently available and provide customers with a better understanding of the services available to them throughout the state.

The Company estimates an annual revenue reduction before stimulation of \$43.4 million associated with introducing ECS on the proposed additional routes. A breakdown of this revenue effect is shown in Attachment, pages 10-15. Stimulation is expected to be about 50%, which would probably make up the \$25 million at issue

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here. Staff plans to conduct discovery to obtain the data to confirm this estimate.

Staff believes that Southern Bell's tariff proposal should be suspended and reviewed in the context of the rate case. It is staff's opinion that Southern Bell has not provided adequate support for implementation of the ECS plan. In addition, other parties in Southern Bell's rate case have filed proposals for dispensing of the \$25 million. Since the parties' proposals will be reviewed at the hearing set for July 31, 1995, staff believes it is appropriate also to review Southern Bell's proposal at that time. This suspension will also allow staff time to request additional information from Southern Bell regarding its proposal. Therefore, staff recommends that Southern Bell's tariff proposal to satisfy the outstanding revenue reduction of \$25 million should be suspended and reviewed with the other proposals at the hearing in Docket No. 920250-TL.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open to continue to implement the agreement approved by the Commission in Order No. PSC-94-0172-FOF-TL.

STAFF RECOMMENDATION: This docket should remain open to continue to implement the agreement approved in Order No. PSC-94-0172-FOF-TL.



T - 95 - 304

Southern Bell

A. M. Lombardo
Vice President - Regulatory Relations

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150 S. Monroe Street
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904 224-7798
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May 15, 1995

Mr. Walter D'Haeseleer
Director, Division of Communications
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Dear Mr. D'Haeseleer:

Pursuant to Florida Statute 364.05, we are filing herewith revisions to our General Subscriber Service Tariff. A list of the affected pages is contained in Attachment A.

The purpose of these revisions is to satisfy the outstanding revenue reduction commitment in accordance with the Stipulation and Agreement between the Office of Public Counsel and Southern Bell Telephone and Telegraph Company, and with the Implementation Agreement between Southern Bell and all other parties to Dockets 900960-TL, 910163-TL, 910727-TL, and 920260-TL, by introducing Extended Calling Service on routes with a demonstrated demand or community of interest.

Additional information is included in the following attachments:

- Attachment A - List of Revised Tariff Pages
- Attachment B - Executive Summary
- Attachment C - Revenue Information

The estimated annual revenue effect as a result of this filing is (\$42.9 million).

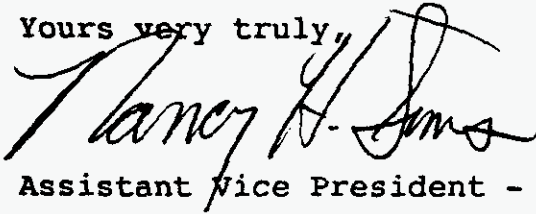
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D'Haeseleer
May 15, 1995
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Acknowledgment, date of receipt and authority number of this filing are requested. A duplicate letter of transmittal is attached for this purpose.

Your consideration and approval will be appreciated.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Nancy H. Sims". The signature is written in dark ink and is positioned above the typed name.

Assistant Vice President - Regulatory Relations

Attachments

cc: Parties of Record



Southern Bell

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A. M. Lombardo
Vice President - Regulatory Relations



May 23, 1995

Mr. Walter D'Haeseleer
Director, Division of Communications
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Re: Extended Calling Service Tariff

Dear Mr. D'Haeseleer:

In connection with our tariff filing of May 15, 1995, we are enclosing Attachment A, which was inadvertently left out of the filing, a corrected Attachment C, and the following replacement tariff pages:

Section A3 9th Revised Page 7.1
 Original Page 8.1

Corrected legislative format tariff pages:

9th Revised Page 7.1
Original Page 8.1
21st Revised Page 9

Acknowledgement, date of receipt and authority number of this filing are requested. A duplicate letter of transmittal is attached for this purpose.

Your consideration and approval will be appreciated.

Yours very truly,

Perry H. Sims
Vice President
Regulatory Relations

Attachments

cc: Parties of Record

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EXECUTIVE SUMMARY

Introduction

These tariff revisions are being filed in accordance with the "Stipulation and Agreement" dated January 5, 1994, and the "Implementation Agreement" dated January 12, 1994.

With these reductions, Southern Bell will more than fulfill the requirements specified in Paragraph 5, Section C of the "Stipulation and Agreement" as modified in Paragraph 1, Section B of the "Implementation Agreement" to reduce its revenues by approximately \$25 million.

The purpose of this filing is to introduce Extended Calling Service on the following intracompany routes: 1) routes with optional extended area services, 2) routes with a demonstrated community of interest and 3) routes where Local Calling Plus is offered. By introducing ECS on these routes and routes to intermediate locations, Southern Bell can standardize statewide the expanded local service that we offer to our customers. Routes which terminate in exchanges served by other local exchange companies are not affected by this filing.

Description of Present Tariff

The tariff currently contains several offerings which have been developed over time to respond to customers' desires for economical calling to locations outside the standard local calling area. These offerings satisfy to varying degrees the calling needs which arise due to economic development which creates a growing community of interest for customers. However, the number of different offerings currently available creates confusion for customers as they become more mobile within the community of interest and within the state.

Description of the Proposed Tariff

The proposed tariff will establish ECS as the standard offering for expanded local calling. By converting many of the existing services and routes to ECS, customers will better understand the services available to them throughout the state. The tariff specifies implementation dates of 60 and 120 days after receiving final approval from the Commission to allow adequate time for customer notification and network modifications. With the exception of the EOEAS residence premium option, the following services will be discontinued on routes where ECS is implemented: Basic Optional Extended Area Service (BOEAS), Enhanced Optional Extended Area Service (EOEAS), Optional Calling Service (OCs/Toll-Pac), and Local Calling Plus (LCP).

Service Description

Extended Calling Service is an enhancement of local exchange service. As such, local dialing arrangements apply to all ECS additional exchanges, i.e. seven-digit dialing to ECS exchanges in the same area code and ten-digit dialing to ECS exchanges in another area code. Residential customers are billed a per message charge of \$.25 regardless of call duration. Business customers are billed a per minute charge of \$.10 for the initial minute and \$.06 for each additional minute per call. The service applies automatically to all Southern Bell local exchange customers. Billing for calls to the traditional local calling area are not affected by ECS.

Market Information

This service will provide benefits to a broad cross-section of Southern Bell customers who currently or potentially would place toll calls to the ECS exchanges. As communities of interest expand throughout the state an increasing number of customers will benefit from the service. Conversely, the lower rates for ECS calls should facilitate economic development in many areas of the state.

Revenue Information

The estimated annual revenue reduction associated with introducing ECS on the additional routes proposed in this filing is approximately \$42.9 million. A breakdown of this revenue effect is shown in Attachment C.

Conclusion

Because this service will satisfy the needs of a broad base of Southern Bell customers and because the revenue impact exceeds the commitment made in the "Stipulation and Agreement" and the "Implementation Agreement" in Dockets 900960-TL, 910163-TL, 910727-TL, and 920260-TL this filing can be very beneficial to residence and business customers alike.

REVENUE INFORMATION

<u>Originating Exchange</u>	<u>Terminating Exchange</u>	<u>Monthly MTS/OCP/LCP Revenue</u>	<u>Monthly ECS Revenue</u>	<u>Services Displaced</u>
Phase 1				
Belle Glade	West Palm Beach	\$35,746	\$18,897	MTS, EOEAS
Big Pine	Homestead	\$775	\$333	MTS
Big Pine	Islamorada	\$508	\$315	MTS
Big Pine	Key Largo	\$1,783	\$880	MTS
Big Pine	Key West	\$16,783	\$7,208	MTS, EOEAS
Big Pine	Miami	\$5,794	\$2,853	MTS
Big Pine	North Key Largo	\$18	\$14	MTS
Big Pine	Perrine	\$1,196	\$454	MTS
Boca Raton	Boynton Beach	\$85,004	\$65,419	LCP
Boca Raton	Fort Lauderdale	\$417,043	\$269,178	MTS, EOEAS
Boca Raton	Hollywood	\$128,424	\$64,929	MTS
Boca Raton	Miami	\$243,795	\$137,309	MTS
Boca Raton	North Dade	\$81,190	\$39,315	MTS
Boca Raton	West Palm Beach	\$378,613	\$217,168	MTS, BOEAS
Boynton Beach	Boca Raton	\$57,856	\$44,526	LCP
Coral Springs	Delray Beach	\$36,607	\$16,145	MTS
Coral Springs	Hollywood	\$95,590	\$49,815	MTS
Coral Springs	Homestead	\$2,453	\$1,228	MTS
Coral Springs	Miami	\$115,912	\$63,567	MTS
Coral Springs	North Dade	\$40,000	\$18,959	MTS
Coral Springs	Perrine	\$10,187	\$5,017	MTS
Deerfield Beach	Hollywood	\$59,134	\$41,678	MTS
Deerfield Beach	Homestead	\$3,731	\$854	MTS
Deerfield Beach	Miami	\$82,779	\$46,345	MTS
Deerfield Beach	North Dade	\$27,878	\$11,905	MTS
Deerfield Beach	Perrine	\$6,598	\$2,563	MTS
Delray Beach	Coral Springs	\$33,631	\$14,106	MTS
Delray Beach	Fort Lauderdale	\$112,292	\$60,991	MTS
Delray Beach	Pompano Beach	\$89,453	\$42,566	MTS
Delray Beach	West Palm Beach	\$198,480	\$117,420	MTS, EOEAS
Fort Lauderdale	Boca Raton	\$416,792	\$236,767	MTS, BOEAS
Fort Lauderdale	Delray Beach	\$110,620	\$52,923	MTS
Fort Lauderdale	Homestead	\$28,480	\$10,504	MTS
Fort Lauderdale	Perrine	\$91,821	\$41,096	MTS
Fort Pierce	Jensen Beach	\$17,781	\$10,317	MTS, BOEAS
Fort Pierce	Vero Beach	\$61,688	\$40,820	MTS, EOEAS
Hobe Sound	West Palm Beach	\$21,067	\$12,685	MTS, EOEAS
Hollywood	Boca Raton	\$91,847	\$45,340	MTS
Hollywood	Coral Springs	\$74,698	\$35,802	MTS
Hollywood	Deerfield Beach	\$49,869	\$27,093	MTS
Hollywood	Homestead	\$13,102	\$5,180	MTS
Hollywood	Perrine	\$45,974	\$21,227	MTS
Hollywood	Pompano Beach	\$195,387	\$101,470	MTS
Homestead	Big Pine	\$878	\$371	MTS
Homestead	Coral Springs	\$2,747	\$1,261	MTS

REVENUE INFORMATION

<u>Originating Exchange</u>	<u>Terminating Exchange</u>	<u>Monthly MTS/OCP/LCP Revenue</u>	<u>Monthly ECS Revenue</u>	<u>Services Displaced</u>
Homestead	Deerfield Beach	\$1,733	\$791	MTS
Homestead	Fort Lauderdale	\$24,088	\$11,404	MTS
Homestead	Hollywood	\$11,188	\$4,593	MTS
Homestead	Islamorada	\$1,373	\$894	MTS
Homestead	Key Largo	\$13,746	\$8,153	MTS
Homestead	Key West	\$3,585	\$1,561	MTS
Homestead	Marathon	\$1,697	\$869	MTS
Homestead	North Dade	\$27,987	\$13,784	MTS
Homestead	North Key Largo	\$1,884	\$1,387	MTS
Homestead	Pompano Beach	\$6,628	\$3,098	MTS
Homestead	Sugarloaf Key	\$330	\$189	MTS
Islamorada	Big Pine	\$532	\$289	MTS
Islamorada	Homestead	\$1,282	\$800	MTS
Islamorada	Key West	\$1,813	\$1,037	MTS
Islamorada	Miami	\$9,452	\$5,539	MTS
Islamorada	North Key Largo	\$360	\$196	MTS
Islamorada	Perrine	\$1,728	\$897	MTS
Islamorada	Sugarloaf Key	\$344	\$178	MTS
Jensen Beach	Fort Pierce	\$17,881	\$10,277	MTS, BOEAS
Jensen Beach	Jupiter	\$5,746	\$3,196	MTS
Jensen Beach	West Palm Beach	\$19,101	\$10,880	MTS
Jupiter	Jensen Beach	\$6,320	\$3,264	MTS
Jupiter	Port St. Lucie	\$17,700	\$8,108	MTS
Jupiter	Stuart	\$45,102	\$23,741	MTS
Key Largo	Big Pine	\$1,488	\$792	MTS
Key Largo	Homestead	\$9,891	\$5,944	MTS, EOEAS
Key Largo	Key West	\$6,465	\$3,460	MTS
Key Largo	Marathon	\$7,336	\$4,342	MTS
Key Largo	Miami	\$31,130	\$19,286	MTS, EOEAS
Key Largo	Perrine	\$8,749	\$4,930	MTS, EOEAS
Key Largo	Sugarloaf Key	\$760	\$406	MTS
Key West	Big Pine	\$19,220	\$8,074	MTS
Key West	Homestead	\$3,281	\$1,588	MTS
Key West	Islamorada	\$1,608	\$1,041	MTS
Key West	Key Largo	\$6,270	\$3,261	MTS
Key West	Marathon	\$10,326	\$6,061	MTS
Key West	Miami	\$48,756	\$24,566	MTS
Key West	North Key Largo	\$110	\$61	MTS
Key West	Perrine	\$4,613	\$2,111	MTS
Marathon	Homestead	\$1,779	\$936	MTS
Marathon	Key Largo	\$7,133	\$4,069	MTS
Marathon	Key West	\$11,995	\$7,034	MTS
Marathon	Miami	\$18,084	\$9,722	MTS
Marathon	North Key Largo	\$142	\$96	MTS
Marathon	Perrine	\$2,185	\$1,187	MTS
Marathon	Sugarloaf Key	\$1,910	\$1,152	MTS
Miami	Big Pine	\$5,176	\$2,215	MTS

REVENUE INFORMATION

<u>Originating Exchange</u>	<u>Terminating Exchange</u>	<u>Monthly MTS/OCP/LCP Revenue</u>	<u>Monthly ECS Revenue</u>	<u>Services Displaced</u>
Miami	Boca Raton	\$206,006	\$100,561	MTS
Miami	Coral Springs	\$103,018	\$47,081	MTS
Miami	Deerfield Beach	\$65,959	\$36,431	MTS
Miami	Islamorada	\$9,086	\$4,648	MTS
Miami	Key Largo	\$41,744	\$22,760	MTS
Miami	Key West	\$37,538	\$17,972	MTS
Miami	Marathon	\$14,298	\$6,669	MTS
Miami	North Key Largo	\$4,590	\$2,437	MTS
Miami	Pompano Beach	\$247,344	\$119,631	MTS
Miami	Sugarloaf Key	\$3,381	\$1,713	MTS
North Dade	Boca Raton	\$73,679	\$33,573	MTS
North Dade	Coral Springs	\$39,415	\$16,160	MTS
North Dade	Deerfield Beach	\$27,009	\$12,075	MTS
North Dade	Homestead	\$22,386	\$11,198	MTS
North Dade	Pompano Beach	\$95,120	\$45,549	MTS
North Key Largo	Big Pine	\$27	\$16	MTS
North Key Largo	Homestead	\$2,610	\$1,922	MTS, EOEAS
North Key Largo	Islamorada	\$597	\$306	MTS
North Key Largo	Key West	\$222	\$125	MTS
North Key Largo	Marathon	\$244	\$152	MTS
North Key Largo	Miami	\$4,895	\$2,839	MTS, EOEAS
North Key Largo	Perrine	\$1,612	\$960	MTS
North Key Largo	Sugarloaf Key	\$21	\$11	MTS
Pahokee	West Palm Beach	\$10,046	\$6,134	MTS, EOEAS
Perrine	Big Pine	\$913	\$367	MTS
Perrine	Coral Springs	\$10,458	\$4,484	MTS
Perrine	Deerfield Beach	\$5,333	\$2,685	MTS
Perrine	Fort Lauderdale	\$93,370	\$42,653	MTS
Perrine	Hollywood	\$45,771	\$17,913	MTS
Perrine	Islamorada	\$1,629	\$881	MTS
Perrine	Key Largo	\$11,141	\$6,145	MTS
Perrine	Key West	\$4,247	\$1,817	MTS
Perrine	Marathon	\$2,345	\$1,094	MTS
Perrine	North Key Largo	\$1,257	\$727	MTS
Perrine	Pompano Beach	\$26,926	\$9,582	MTS
Perrine	Sugarloaf Key	\$552	\$207	MTS
Pompano Beach	Delray Beach	\$95,426	\$45,149	MTS
Pompano Beach	Hollywood	\$259,088	\$134,924	MTS
Pompano Beach	Homestead	\$7,013	\$3,408	MTS
Pompano Beach	Miami	\$269,435	\$152,003	MTS
Pompano Beach	North Dade	\$99,167	\$48,697	MTS
Pompano Beach	Perrine	\$20,459	\$9,873	MTS
Port St. Lucie	Jupiter	\$17,450	\$8,589	MTS
Port St. Lucie	West Palm Beach	\$72,457	\$35,931	MTS
Stuart	Jupiter	\$40,773	\$22,455	MTS
Stuart	West Palm Beach	\$83,798	\$48,622	MTS, EOEAS
Sugarloaf Key	Homestead	\$356	\$168	MTS

REVENUE INFORMATION

<u>Originating Exchange</u>	<u>Terminating Exchange</u>	<u>Monthly MTS/OCP/LCP Revenue</u>	<u>Monthly ECS Revenue</u>	<u>Services Displaced</u>
Sugarloaf Key	Islamorada	\$351	\$176	MTS
Sugarloaf Key	Key Largo	\$609	\$335	MTS
Sugarloaf Key	Marathon	\$2,262	\$1,443	MTS
Sugarloaf Key	Miami	\$3,481	\$1,698	MTS
Sugarloaf Key	North Key Largo	\$15	\$10	MTS
Sugarloaf Key	Perrine	\$503	\$218	MTS
Vero Beach	Fort Pierce	\$67,392	\$42,784	MTS, EOEAS
West Palm Beach	Belle Glade	\$48,763	\$23,219	MTS
West Palm Beach	Boca Raton	\$322,739	\$180,064	MTS, BOEAS
West Palm Beach	Delray Beach	\$226,919	\$127,865	MTS, BOEAS
West Palm Beach	Hobe Sound	\$26,663	\$13,015	MTS
West Palm Beach	Jensen Beach	\$24,797	\$9,121	MTS
West Palm Beach	Pahokee	\$19,367	\$6,688	MTS
West Palm Beach	Port St. Lucie	\$76,664	\$32,231	MTS
West Palm Beach	Stuart	\$95,263	\$48,160	MTS

ANNUAL REVENUE EFFECT FOR PHASE 1 ROUTES: (\$39,712,967)

Phase 2

Archer	Cedar Key	\$95	\$57	MTS
Archer	Chiefland	\$602	\$270	MTS
Bronson	Cedar Key	\$190	\$146	LCP
Bronson	Newberry	\$1,283	\$652	MTS
Bunnell	Daytona Beach	\$10,607	\$7,136	MTS, EOEAS
Bunnell	Pierson	\$723	\$373	MTS
Cedar Key	Archer	\$102	\$57	MTS
Cedar Key	Bronson	\$885	\$681	LCP
Cedar Key	Chiefland	*	*	LCP
Cedar Key	Gainesville	\$2,107	\$1,139	MTS
Chiefland	Archer	\$495	\$230	MTS
Chiefland	Cedar Key	\$599	\$461	LCP
Chiefland	Gainesville	\$9,734	\$5,530	MTS
Chiefland	Old Town	\$3,662	\$1,828	MTS
Chipley	Panama City	\$7,842	\$3,965	MTS
Chipley	Youngstown-Fountain	\$503	\$210	MTS
Daytona Beach	Bunnell	\$26,291	\$14,760	MTS, BOEAS
Daytona Beach	Deland	\$88,859	\$68,386	LCP
Daytona Beach	DeLeon Springs	*	*	LCP
Daytona Beach	Flagler Beach	\$16,628	\$9,253	MTS, BOEAS
Daytona Beach	New Smyrna Beach	**	**	LCP
Daytona Beach	Oak Hill	**	**	LCP
Daytona Beach	Palm Coast	\$38,165	\$20,970	MTS, BOEAS
Daytona Beach	Pierson	**	**	LCP
DeBary	Orlando	\$42,258	\$22,944	MTS
Deland	Daytona Beach	\$48,133	\$37,043	LCP
Deland	New Smyrna Beach	*	*	LCP

REVENUE INFORMATION

<u>Originating Exchange</u>	<u>Terminating Exchange</u>	<u>Monthly MTS/OCP/LCP Revenue</u>	<u>Monthly ECS Revenue</u>	<u>Services Displaced</u>
Deland	Oak Hill	*	*	LCP
DeLeon Springs	Daytona Beach	\$1,249	\$961	LCP
DeLeon Springs	New Smyrna Beach	*	•	LCP
DeLeon Springs	Oak Hill	*	•	LCP
Eau Gallie	Titusville	\$21,328	\$11,764	MTS, BOEAS
Fernandina Beach	Fort George	\$782	\$259	MTS
Fernandina Beach	Jacksonville	\$44,028	\$26,351	MTS, EOEAS
Flagler Beach	Daytona Beach	\$9,151	\$6,124	MTS, EOEAS
Flagler Beach	Pierson	\$113	\$44	MTS
Fort George	Fernandina Beach	\$721	\$394	MTS
Fort George	Jacksonville Beach	\$506	\$283	MTS, EOEAS
Gainesville	Cedar Key	\$1,671	\$772	MTS
Gainesville	Chiefland	\$7,750	\$3,910	MTS
Gainesville	Keystone Heights	\$14,942	\$11,500	LCP
Green Cove Springs	Palatka	\$5,313	\$2,616	MTS
Holley-Navarre	Milton	\$4,329	\$2,428	MTS, EOEAS
Holley-Navarre	Pace	\$2,193	\$958	MTS, BOEAS
Jacksonville	Fernandina Beach	\$54,994	\$29,958	MTS
Jacksonville	Palatka	\$31,392	\$13,276	MTS
Jacksonville	St. Augustine	\$112,866	\$58,770	MTS
Jacksonville Beach	Fort George	\$682	\$353	MTS, OCS
Jacksonville Beach	St. Augustine	\$9,677	\$5,013	MTS, EOEAS
Julington	Palatka	\$608	\$261	MTS
Keystone Heights	Gainesville	\$3,495	\$2,690	LCP
Lynn Haven	Sunny Hills	\$27	\$21	LCP
Lynn Haven	Vernon	\$1,135	\$418	MTS
Melbourne	Titusville	\$23,103	\$10,972	MTS, BOEAS
Milton	Holley-Navarre	\$4,822	\$2,345	MTS, OCS
New Smyrna Beach	Daytona Beach	\$31,637	\$24,347	LCP
New Smyrna Beach	Deland	*	*	LCP
New Smyrna Beach	DeLeon Springs	*	*	LCP
New Smyrna Beach	Pierson	*	*	LCP
Newberry	Bronson	\$1,153	\$530	MTS
Newberry	Trenton	\$781	\$601	LCP
Oak Hill	Daytona Beach	\$725	\$558	LCP
Oak Hill	Deland	*	*	LCP
Oak Hill	DeLeon Springs	*	*	LCP
Oak Hill	Pierson	*	*	LCP
Old Town	Chiefland	\$4,480	\$2,894	MTS
Orange Park	Palatka	\$4,420	\$1,958	MTS
Orlando	DeBary	\$38,138	\$15,859	MTS
Pace	Holley-Navarre	\$2,081	\$891	MTS
Palatka	Green Cove Springs	\$4,132	\$2,090	MTS
Palatka	Jacksonville	\$33,357	\$16,330	MTS
Palatka	Julington	\$392	\$155	MTS
Palatka	Orange Park	\$4,906	\$2,402	MTS
Palm Coast	Daytona Beach	\$31,610	\$19,069	MTS, EOEAS

REVENUE INFORMATION

<u>Originating Exchange</u>	<u>Terminating Exchange</u>	<u>Monthly MTS/OCP/LCP Revenue</u>	<u>Monthly ECS Revenue</u>	<u>Services Displaced</u>
Panama City	Chipley	\$7,685	\$3,175	MTS
Panama City	Sunny Hills	\$1,546	\$1,190	LCP
Panama City	Vernon	\$4,001	\$1,557	MTS
Panama City Beach	Sunny Hills	\$831	\$364	MTS
Pierson	Bunnell	\$930	\$436	MTS
Pierson	Daytona Beach	\$1,470	\$1,131	LCP
Pierson	Flagler Beach	\$146	\$60	MTS
Pierson	New Smyrna Beach	#	#	LCP
Pierson	Oak Hill	#	#	LCP
Ponte Vedra Beach	St. Augustine	\$3,929	\$3,024	LCP
St. Augustine	Jacksonville	\$91,823	\$51,877	MTS, EOEAS
St. Augustine	Jacksonville Beach	\$5,982	\$3,221	MTS, EOEAS
St. Augustine	Ponte Vedra Beach	\$3,392	\$2,611	LCP
Sunny Hills	Lynn Haven	\$594	\$457	LCP
Sunny Hills	Panama City	*	*	LCP
Sunny Hills	Panama City Beach	\$756	\$402	MTS, EOEAS
Sunny Hills	Youngstown-Fountain	##	##	LCP
Titusville	Eau Gallie	\$18,589	\$9,226	MTS, BOEAS
Titusville	Melbourne	\$23,121	\$11,536	MTS, BOEAS
Trenton	Newberry	\$1,388	\$1,068	LCP
Vernon	Lynn Haven	\$950	\$430	MTS
Vernon	Panama City	\$3,874	\$2,231	MTS
Youngstown-Fountain	Chipley	\$803	\$350	MTS
Youngstown-Fountain	Sunny Hills	\$41	\$31	LCP

ANNUAL REVENUE EFFECT FOR PHASE 2 ROUTES: (\$4,988,512)

ANNUAL REVENUE EFFECT FOR PHASES 1 AND 2 (\$44,701,479)

ANNUAL REVENUE EFFECT DUE TO LOSS OF TOLL VOLUME DISCOUNT \$1,331,532

NET ANNUAL REVENUE EFFECT (\$43,369,947)

Notes:

- * Revenue included on preceding line.
- ** Revenue included on the line for Daytona Beach to DeLeon Springs.
- # Revenue included on the line for Pierson to Daytona Beach.
- ## Revenue included on the line for Sunny Hills to Lynn Haven.