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November 4, 1997

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Ms. Blanca Bayo
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

930235-TL

Dear Ms. Bayo:

Enclosed are 15 copies of the prefiled direct testimony of Lynda N. Bordelon. This is being submitted on behalf of GTC, Inc.

Unfortunately, due to the short time allowed for filing direct testimony, GTC, Inc. has not yet been able to develop the costs to provide EAS service. When GTC, Inc. has developed those costs, it will be necessary to file supplemental direct testimony in order for the information to be considered in this proceeding, and GTC, Inc., hereby requests permission to file such testimony.

ACK _____

AFA _____ Copies have been distributed to PSC staff, BellSouth and representatives of Taylor County

APP _____ and the affected subscribers.

CAF _____

CMU *Shelton*

CTR _____

EAG _____

LEG 1

LIN *5+MG*
DBE:akh

OPC _____ Enclosures

RCH _____

SEC 1

WAS _____

OTH _____

Sincerely,



David B. Erwin

DOCUMENT NUMBER-DATE

11316 NOV 4 97

FPSC-RECORDS/REPORTING

1 GTC, INC.

2 Testimony of Lynda N. Bordelon

3 Before the Florida Public Service Commission

4 Docket No. 9302³⁵53-TL

5 November 4, 1997

6 Q. Please state your name and business address.

7 A. I am Lynda N. Bordelon. My business address is 502 Fifth Street, Port St. Joe, Florida
8 32456.

9 Q. By whom are you employed?

10 A. I am employed by GTC, Inc.

11 Q. Please give a brief description of your background and experience.

12 A. I was employed by St. Joseph Telephone & Telegraph Company in 1971 and have had job
13 responsibilities in the areas of pricing, tariffing, business office operations, marketing and
14 public relations. I received an AA degree from Gulf Coast Community College in 1985. I
15 am currently External Affairs Manager.

16 Q. Have you previously testified before this Commission?

17 A. Yes, I have.

18 Q. What is the purpose of your testimony?

19 A. The purpose of my testimony is to address the issues identified in Docket No. 930235-TL,
20 in Order No. PSC-97-1383-PCO-TL, which revised the preliminary list of issues. The
21 issues, as set forth in the order, are as follow:

22 Issue 1: Is there a sufficient community of interest on the Cross City (Taylor County
23 pocket)/Keaton Beach, and Cross City (Taylor County pocket)/Perry routes to justify

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1 surveying for non-optional extended area service as currently defined in the Commission
2 rules or implementing an alternative interLATA toll plan?

3 Issue 2: If a sufficient community of interest is found on either of the routes identified in
4 Issue 1, what is your position regarding each of the following plans (summarize in chart
5 form and discuss in detail) and how should they be implemented?

6 a) EAS with 25/25 plan and regrouping;

7 b) Alternative InterLATA toll plan; and

8 c) Other (specify)

9 Issue 3: Should subscribers be required to pay an additive as a prerequisite to surveying
10 for flat rate, two-way, non-optional extended area service? If so, who should pay the
11 additive, how much of a payment is required, and how long should it last?

12 Issue 4: If a sufficient community of interest is found, what are the appropriate rates and
13 charges for any alternative plan and how should it be implemented on either of the routes
14 identified in Issue 1?

15 Issue 5: If extended area service or any alternative plan is determined to be appropriate,
16 which customers should be surveyed?

17 Q. What routes are involved in this Docket?

18 A. There are two routes involved in this Docket. They are Cross City/Keaton Beach and
19 Cross City/Perry. Cross City is a BellSouth exchange with only a small pocket of
20 customers located in Taylor County. The vast majority of the Cross City subscribers
21 reside in Dixie County. The Keaton Beach and Perry exchanges are served by GTC, Inc.

22 Q. Has GTC conducted traffic studies on these routes?

23 A. Not recently. Several years ago, GTC was able to obtain data on one way traffic

1 originating in the GTC exchanges. At that time there was very little calling to the Cross
2 City exchange. The two routes are interLATA routes. The entire Cross City exchange
3 including the pocket in Taylor County, is in the Gainesville LATA. Keaton Beach and
4 Perry are in the Tallahassee market area. Data is no longer available to GTC on
5 interLATA routes.

6 Q. Does GTC have a position as to whether sufficient community of interest to justify non-
7 optional, flat rate, Extended Area Service (EAS) exists between the pocket of Cross City
8 customers located in Taylor County and the GTC exchanges of Keaton Beach and Perry ?
9 (Issue 1)

10 A. No. Without calling data that would clearly show or disprove the existence of a sufficient
11 community of interest for EAS, it is necessary to extract information related to the
12 location of schools, medical facilities, police or fire protection, county offices, or military
13 bases and how their location affects life in the involved communities. Until evidence has
14 been offered, GTC can not speculate about the existence or sufficiency of a community of
15 interest that might justify two way, non-optional, flat rate EAS.

16 Q. If two-way flat rate EAS is not appropriate, does GTC recommend an alternative
17 interLATA toll plan?

18 A. No. The routes are interLATA. BellSouth would have to obtain a waiver from the
19 Federal Communications Commission (FCC) to be allowed to carry such traffic. In a
20 recent ruling, the FCC has made it very clear that it will only approve waivers for non-
21 optional flat rate EAS. The FCC issued order FCC 97-244 on July 15, 1997, and in part
22 the order states as follows: "While we recognize the state commission's interest in
23 providing additional choices to consumers, we will not approve such optional or

1 measured-rate plans for the reasons discussed above.” (Page 12)

2 Although GTC would not have to seek a waiver from the FCC, implementation of
3 some one-way alternative calling plan by GTC only would not solve any problems for the
4 pocket community involved. If there is any need, GTC believes that it is a need to call the
5 Taylor County exchanges from the Taylor County pocket; GTC does not believe there is
6 much of a need to call in the other direction to the few subscribers in the pocket.

7 Q. If a sufficient community of interest is found on either of the routes identified in Issue 1,
8 what is the position of GTC with regard to the plans identified in Issue 2?

9 A. If there is a community of interest, GTC believes that the only appropriate plan is two-
10 way, flat rate, non-optional EAS. The only question really, is whether the two-way, flat
11 rate EAS should be between the pocket (BellSouth subscribers in Taylor County) and the
12 two Taylor County exchanges (as requested by the board of County Commissioners of
13 Taylor County) or between the two Taylor County exchanges and the entire Cross City
14 exchange.

15 Q. As stated in Issue 3, who should pay an additive, how much and for how long?

16 A. If EAS is only to and from the pocket, GTC has no opinion about the appropriate manner
17 of expense recovery. The reason for this is because GTC has no subscribers in the pocket.
18 Those in the pocket are BellSouth customers, and they will pay an additive only to
19 BellSouth to help BellSouth recover BellSouth’s expenses. The problem with this
20 scenario is that GTC will have administrative difficulties serving the pocket, along with
21 significant costs that will go unrecovered. GTC’s costs could be recovered, but only if an
22 additive were placed on all of the Taylor County subscribers in the Perry and Keaton
23 Beach exchanges; and, even though there is a benefit to GTC’s subscribers, the earlier

1 calling data suggests that the benefit would not be enough to convince a majority of GTC
2 subscribers to vote themselves an increase to pay for the benefit to call the pocket.

3 The only possible solution GTC can suggest might be to include the entire Cross
4 City exchange in the equation, thereby potentially enlarging the benefit for the Perry and
5 Keaton Beach subscribers to the extent that it might justify an increased payment for
6 expanded service and secure a favorable vote that could produce revenue from an additive
7 that would help to defray GTC's costs.

8 Of course, no additive should be charged without a customer survey and a positive
9 response.

10 Q. If non-optional, flat rate EAS were ordered, what would be the appropriate rates and
11 charges to be charged by GTC? (Issue 4)

12 A. GTC does not know what the expenses would be to provide two-way, flat rate, non-
13 optional EAS to either the pocket or the entire Cross City exchange, but whatever the
14 costs are, they should be recovered by the rates and charges GTC is allowed to charge.
15 This is particularly true since GTC no longer has the ability that rate base regulated
16 companies still enjoy to seek rate relief to increase rates to recover unanticipated
17 expenses.

18 Q. Would GTC be willing to take over the provisioning of service to the pocket of Cross City
19 customers located in Taylor County if ordered to do so by the Commission?

20 A. GTC has always wanted to find some way to solve the Taylor County pocket problem, but
21 if the Commission were to feel that the customers in the pocket should be served by GTC,
22 the cost issues would need to be addressed, not only the cost to provide facilities to serve
23 this area, but also the cost for the transfer from BellSouth. GTC would undoubtedly

1 experience significant expense in taking over the subscribers in the Taylor County pocket,
2 and GTC believes that some expense recovery mechanism would have to be developed to
3 make the undertaking feasible.

4 Calling scope changes for the customer should also be considered. The pocket
5 customers would gain toll free calling to all areas of Taylor County, but they would lose
6 existing toll free calling to Cross City, Gainesville and other exchanges in the Gainesville
7 LATA.

8 Q. Would you please summarize your testimony?

9 A. GTC does not favor establishing traditional flat rate, non-optional EAS between BellSouth
10 subscribers located in Taylor County and the GTC exchanges in Taylor County. Provision
11 of such service would be difficult and expensive and might create as many problems as it
12 solved.

13 Q. Does that conclude your testimony?

14 A. Yes.

CERTIFICATE OF SERVICE
DOCKET NO. 930235

I HEREBY CERTIFY that a true copy of the foregoing Testimony of Lynda N. Bordelon on behalf of GTC, Inc. has been furnished by U.S. Mail or by hand delivery this 4th day of November, 1997 to the following:

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BellSouth Telecommunications, Inc.
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Tallahassee, FL 32301-1556

Taylor County Board of Commissioners
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Perry, Florida 32347-0620

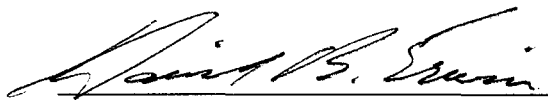
Steinhatchee Community
Projects Board, Inc
P. O. Box 736
Steinhatchee, FL 32359

Senator Charles Williams
102 Dowling Avenue
Live Oak, Florida 32060

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Florida Public Service Commission
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