

5-26-05

CONFIDENTIAL

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1 included in the interstate access ARPM.

2

3 Moreover, including the PICC in Verizon's interstate access rate is
4 consistent with the Act. As stated above, the Act defines the term
5 "intrastate switched network access rate" to include common line charges,
6 but does not define the term "interstate switched network access rate."²³
7 The PICC is a federal common line charge.²⁴ Because the Act includes
8 common line charges in Verizon's intrastate access rate, the analogous
9 PICC federal common line charge must be included in Verizon's
10 calculation of the interstate ARPM for a consistent comparison.

11

12 **Q. YOU STATED PREVIOUSLY THAT VERIZON WOULD HAVE TO**
13 **REDUCE ITS INTRASTATE ACCESS REVENUES BY**
14 **APPROXIMATELY \$76.2 MILLION TO REDUCE ITS INTRASTATE**
15 **ACCESS RATE TO PARITY. PLEASE EXPLAIN HOW YOU**
16 **CALCULATED THIS AMOUNT.**

17 A. As explained above, I calculated intrastate and interstate ARPMs of
18 \$.0485441 and \$.0117043, respectively, using rates in effect on January 1,
19 2003 and units for the 12 months ending July 31, 2003. I then subtracted
20 the interstate ARPM from the intrastate ARPM, and multiplied the
21 difference (\$.0368398) by the intrastate demand (**2,069,269,468**
22 MOUs). This produced a required access revenue reduction of

²³ Section 364.164(6).

²⁴ See Footnote 22.

This confidentiality request was filed by or for a "telco" for DN 09527-03. No ruling is required unless the material is subject to a request per 119.07, FS, or is admitted in the record per Rule 25-22.006(8)(b), FAC.

(See DN 08008-03)

declas 5-26-05 - appeal

DOCUMENT NUMBER-DATE

09527 OCT-28

FPSC-COMMISSION CLERK

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CURRENT ESTIMATED SUPPORT

RESIDENCE

<u>Service Description</u>	<u>Units</u>	<u>Annualized Present Rate</u>	<u>Present Rate w/EUCL</u>	<u>Ordered UNE-P*</u>	<u>Estimated Support</u>
Basic Local Exchange Service					
Flat Rate – 1 Party Service/Business					
Rate Group 1	**26,646**	\$10.12	\$16.62	\$35.75	-53.51%
Rate Group 2	**0**	\$10.95	\$17.45	--	--
Rate Group 3	**1,613,695**	\$11.33	17.83	\$31.27	-42.98%
Rate Group 4	**1,729,193**	\$11.70	\$18.20	\$28.72	-36.63%
Rate Group 5	**11,116,532**	\$12.10	\$18.60	\$23.90	-22.18%

CURRENT ESTIMATED SUPPORT

BUSINESS

<u>Service Description</u>	<u>Units</u>	<u>Annualized Present Rate</u>	<u>Present Rate w/EUCL</u>	<u>Ordered UNE-P*</u>	<u>Estimated Support</u>
Basic Local Exchange Service					
Flat Rate – 1 Party Service/Business					
Rate Group 1	**3,901**	\$24.47	\$30.97	\$35.75	-13.37%
Rate Group 2	**0**	\$26.82	\$33.32	--	--
Rate Group 3	**228,090**	\$28.05	\$34.55	\$31.27	10.49%
Rate Group 4	**283,526**	\$28.85	\$35.35	\$28.72	23.08%
Rate Group 5	**2,069,817**	\$30.35	\$36.85	\$23.90	54.18%

Q. HOW DID YOU DETERMINE WHAT ELEMENTS TO INCLUDE IN THE COMPOSITE RATE, AND WHAT ASSUMPTIONS DID YOU MAKE REGARDING SWITCHING AND TRANSPORT USAGE?

A. I used the network elements that are typically used to provide basic local

1 residential and business telephone service. These elements are the loop,
2 port, switching and transport. The loop and port elements are priced on a
3 flat rate basis, and switching and transport are priced on a minute-of-use
4 basis. I determined, based on typical usage patterns, that 2,376 switching
5 minutes and 618 transport minutes are typically used to provision basic
6 local service in Florida.

7

8 **Q. WHAT ARE THE RESULTS OF YOUR COMPOSITE UNE ANALYSIS**
9 **AND WHAT CONCLUSIONS DO YOU REACH?**

10 A. Basic local residential rates are subsidized and receive substantial
11 support. In all five basic residential rate groups, the current rates are
12 below the ordered UNE rates. The estimated shortfall ranges from
13 ****53.5%**** in Rate Group 1 to ****22.2%**** in Rate Group 5. The two-year
14 rebalancing effort will make significant progress in eliminating support in
15 residential rates, but a level of subsidy will remain in all exchanges even
16 after residential rates are rebalanced.³⁶

17

18 With regard to business rates, there is currently a subsidy being provided
19 to rates in Rate Group 1 (the least dense rate group) only. Rates
20 (including the SLC) in Rate Groups 2 through 5 exceed their comparable
21 composite UNE rates.³⁷ Even using the conservative composite UNE
22 rates, this analysis confirms that basic local residential rates receive

³⁶ See Exhibit ODF-3.

³⁷ See Exhibit ODF-3.

VERIZON Communications				
Florida				
Calculation of the Interstate ATS ARPM				
Element	Rate Application	Aug '02 - Jul '03 Interstate Demand	1/1/2003 Interstate Rates	1/1/2003 Interstate Revenues
Switching				
End Office Switching - Bundled				
Premium	Per MOU	7,138,589,440	\$ 0.0032869	\$ 23,463,830
Information Surcharge				
	Per MOU	7,138,589,440	\$0	\$ -
End Office Trunk Port				
Dedicated Voiceband	Per Month	1,167	\$ 25.00	\$ 29,163
Dedicated DS1	Per Month	629,171	\$ 9.65	\$ 6,071,498
Shared	Per MOU	674,073,286	\$ 0.0002324	\$ 156,655
Transport				
Tandem Switching				
Tandem Switched Facility Per MOU/Mile				
Zone 1		18,100,070,830	\$ 0.0000627	\$ 1,134,874
Zone 2			\$ 0.0000752	
Zone 3			\$ 0.0000875	
Tandem Switched Termination Per MOU/Term				
Zone 1		2,820,895,487	\$ 0.0001731	\$ 488,297
Zone 2			\$ 0.0002077	
Zone 3			\$ 0.0002250	
Tandem Switching Rate Per MOU				
Zone 1		1,537,861,214	\$ 0.0017800	\$ 2,737,393
Zone 2			\$ 0.0022253	
Zone 3			\$ 0.0024106	
Shared Multiplexng Per MOU				
Zone 1		1,537,861,214	\$ 0.0000459	\$ 70,588
Zone 2			\$ 0.0000459	
Zone 3			\$ 0.0000459	
Dedicated Tandem Trunk Port				
Voiceband	Per Month	21,160	\$ 15.28	\$ 323,327
DS1	Per Month	236,051	\$ 5.97	\$ 1,409,226
Interconnection Charge Per MOU				
		7,138,589,440	\$0	\$ -
Direct Trunk Transport:				
Voicegrade Per Mile/Month				
Zone 1		8,845	\$4.30	\$ 38,032
Zone 2			\$4.30	
Zone 3			\$4.30	
DS1 Facility Per Mile/Month				
Zone 1		251,748	\$7.10	\$ 1,787,409
Zone 2			\$8.03	
Zone 3			\$8.70	
DS1 Termination Per Month				
Zone 1		30,427	\$21.30	\$ 648,091
Zone 2			\$24.09	
Zone 3			\$26.10	
DS3 Facility Per Mile/Month				
Zone 1		4,613	\$34.52	\$ 159,254
Zone 2			\$36.50	
Zone 3			\$44.00	
DS3 Termination Per Month				
Zone 1		749	\$346.88	\$ 259,855
Zone 2			\$370.00	
Zone 3			\$444.25	

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VERIZON Communications				
Florida				
Calculation of the Interstate ATS ARPM				
			1/1/2003	1/1/2003
Element	Rate Application	Aug '02 - Jul '03 Interstate Demand	Interstate Rates	Interstate Revenues
Entrance Facility:				
Two Wire	Per Month			
Zone 1		284	\$31.40	\$ 8,908
Zone 2			\$31.40	
Zone 3			\$31.40	
Four Wire	Per Month			
Zone 1		197	\$48.99	\$ 9,671
Zone 2			\$48.99	
Zone 3			\$48.99	
DS1	Each DS1, Per Month			
Zone 1 - per system		704	\$165.00	\$ 116,242
Zone 2 - per system			\$250.00	
Zone 3 - per system			\$250.00	
DS3 Electrical	Each DS3, Per Month			
Zone 1		554	\$1,000.00	\$ 554,059
Zone 2			\$1,055.12	
Zone 3			\$1,055.12	
DS1 to Voice Multiplexing	Each, Per Month			
Zone 1		68	\$250.00	\$ 17,002
Zone 2			\$250.00	
Zone 3			\$250.00	
DS3 to DS1 Multiplexing	Each, Per Month			
Zone 1		947	\$346.88	\$ 328,434
Zone 2			\$370.00	
Zone 3			\$444.25	
		Total ATS Revenue		\$ 39,811,806
		ATS ARPM		\$ 0.0055770

VERIZON Communications Florida

Calculation of PICC Equivalent ARPM and Total Composite ARPM

Element	Rate Application	Aug '02 - Jul '03 Intrastate Demand	1/1/2003 Interstate Rates	1/1/2003 Interstate Revenues
Presubscribed Interexchange Carrier Charge				
Multiline Business	Per Line, Per Month	3,678,944	\$3.20	\$ 11,772,621
ISDN - PRI	Per Line, Per Month	15,711	\$16.00	\$ 251,376
Centrex *	Per Line, Per Month	1,819,652	\$0.36	\$ 655,075
1 Line			\$3.20	
2 Line			\$1.60	
3 Line			\$1.07	
4 Line			\$0.80	
5 Line			\$0.64	
6 Line			\$0.53	
7 Line			\$0.46	
8 Line			\$0.40	
9 + Lines			\$0.36	
		Total PICC Revenue		\$ 12,679,072
		Intrastate Demand		2,069,269,468
		PICC Equivalent ARPM		0.0061273
* During the study period Centrex was billed a composite rate of \$0.36 per line.				
Interstate ATS ARPM	\$	0.0055770		
PICC Equivalent ARPM	\$	0.0061273		
Composite ARPM	\$	0.0117043		

VERIZON Communications							
Florida							
Intrastate Rate Reductions to Reach Interstate Composite							
Element	Rate Application	Aug '02 - Jul '03 Intrastate Demand	Current Intrastate Rates	Proposed Intrastate Rates	Current Intrastate Revenue	Proposed Intrastate Revenue	Difference
Switching							
End Office Switching - Bundled							
Premium	Per MOU	2,069,269,468	\$0.0089000	\$0.0089000	\$18,416,498	\$18,416,498	\$0
Information Surcharge	Per MOU	2,069,269,468	\$0.0072000	\$0	\$14,898,740	\$0	\$14,898,740
Transport *							
Tandem Switching							
Tandem Switched Facility	Per MOU/Mile	6,530,845,529	\$0.0000135	\$0.0000135	\$88,166	\$88,166	\$0
Tandem Switched Termination	Per MOU/Term	970,349,211	\$0.0001344	\$0.0001344	\$130,415	\$130,415	\$0
Tandem Switching Rate	Per MOU	473,676,508	\$0.0007500	\$0.0007500	\$355,257	\$355,257	\$0
Interconnection Charge	Per MOU	2,069,269,468	\$0.0102494	\$0	\$21,208,770	\$0	\$21,208,770
Direct Trunk Transport:							
Voicegrade	Per Mile/Month	5,277	\$5.08	\$5.08	\$26,807	\$26,807	\$0
DS1 Facility	Per Mile/Month	72,823	\$5.00	\$5.00	\$364,113	\$364,113	\$0
DS1 Termination	Per Month	7,687	\$30.00	\$30.00	\$230,614	\$230,614	\$0
DS3 Facility	Per Mile/Month	1,420	\$70.00	\$70.00	\$99,407	\$99,407	\$0
DS3 Termination	Per Month	221	\$500.00	\$500.00	\$110,631	\$110,631	\$0
Entrance Facility:							
Two Wire	Per Month	112	\$33.08	\$33.08	\$3,714	\$3,714	\$0
Four Wire	Per Month	223	\$52.93	\$52.93	\$11,781	\$11,781	\$0
DS1 - First system	Each DS1, Per Month	94	\$260.00	\$260.00	\$24,370	\$24,370	\$0
DS1 - Additional systems	Each DS1, Per Month	15	\$130.00	\$130.00	\$1,929	\$1,929	\$0
DS3 Electrical	Each DS3, Per Month	161	\$1,400.00	\$1,400.00	\$225,364	\$225,364	\$0
DS1 to Voice Multiplexing	Each, Per Month	11	\$250.00	\$250.00	\$2,845	\$2,845	\$0
DS3 to DS1 Multiplexing	Each, Per Month	290	\$581.63	\$581.63	\$168,900	\$168,900	\$0
Carrier Common Line							
Originating Carrier Common Line Access	Per MOU	791,323,594	\$0.0159409	\$0	\$12,614,410	\$0	\$12,614,410
Terminating Carrier Common Line Access	Per MOU	1,274,273,148	\$0.0246950	\$0.0031065	\$31,468,175	\$3,958,530	\$27,509,646
Total Revenue					\$100,450,909	\$24,219,342	\$76,231,567
Total ARPM					\$ 0.0485441	\$ 0.0117043	0.0368398
* Intrastate Transport in FL has 3 pricing zones. In the instances where the rates for zones within a rate element were different, the lowest price was applied.							

VERIZON Communications							
Florida							
Intrastate Switched Access Rate Reductions Year 1							
Element	Rate Application	Aug '02 - Jul '03 Intrastate Demand	Current Intrastate Rates	Proposed Year 1 Rates	Current Intrastate Revenue	Proposed Year 1 Revenue	Difference
Switching							
End Office Switching - Bundled							
Premium	Per MOU	2,069,269,468	\$0.0089000	\$0.0089000	\$18,416,498	\$18,416,498	\$0
Information Surcharge	Per MOU	2,069,269,468	\$0.0072000	\$0	\$14,898,740	\$0	\$14,898,740
Transport *							
Tandem Switching							
Tandem Switched Facility	Per MOU/Mile	6,530,845,529	\$0.0000135	\$0.0000135	\$88,166	\$88,166	\$0
Tandem Switched Termination	Per MOU/Term	970,349,211	\$0.0001344	\$0.0001344	\$130,415	\$130,415	\$0
Tandem Switching Rate	Per MOU	473,676,508	\$0.0007500	\$0.0007500	\$355,257	\$355,257	\$0
Interconnection Charge	Per MOU	2,069,269,468	\$0.0102494	\$0.0058073	\$21,208,770	\$12,016,869	\$9,191,902
Direct Trunk Transport:							
Voicegrade	Per Mile/Month	5,277	\$5.08	\$5.08	\$26,807	\$26,807	\$0
DS1 Facility	Per Mile/Month	72,823	\$5.00	\$5.00	\$364,113	\$364,113	\$0
DS1 Termination	Per Month	7,687	\$30.00	\$30.00	\$230,614	\$230,614	\$0
DS3 Facility	Per Mile/Month	1,420	\$70.00	\$70.00	\$99,407	\$99,407	\$0
DS3 Termination	Per Month	221	\$500.00	\$500.00	\$110,631	\$110,631	\$0
Entrance Facility:							
Two Wire	Per Month	112	\$33.08	\$33.08	\$3,714	\$3,714	\$0
Four Wire	Per Month	223	\$52.93	\$52.93	\$11,781	\$11,781	\$0
DS1 - First system	Each DS1, Per Month	94	\$260.00	\$260.00	\$24,370	\$24,370	\$0
DS1 - Additional systems	Each DS1, Per Month	15	\$130.00	\$130.00	\$1,929	\$1,929	\$0
DS3 Electrical	Each DS3, Per Month	161	\$1,400.00	\$1,400.00	\$225,364	\$225,364	\$0
DS1 to Voice Multiplexing	Each, Per Month	11	\$250.00	\$250.00	\$2,845	\$2,845	\$0
DS3 to DS1 Multiplexing	Each, Per Month	290	\$581.63	\$581.63	\$168,900	\$168,900	\$0
Carrier Common Line							
Originating Carrier Common Line Access	Per MOU	791,323,594	\$0.0159409	\$0.0159409	\$12,614,410	\$12,614,410	\$0
Terminating Carrier Common Line Access	Per MOU	1,274,273,148	\$0.0246950	\$0.0246950	\$31,468,175	\$31,468,175	\$0
Total Revenue					\$100,450,909	\$76,360,267	\$24,090,642
Total ARPM					\$ 0.0485441	\$ 0.0369020	0.0116421
* Intrastate Transport in FL has 3 pricing zones. In the instances where the rates for zones within a rate element were different, the lowest price was applied.							

VERIZON Communications							
Florida							
Intrastate Switched Access Rate Reductions Year 2							
Element	Rate Application	Aug '02 - Jul '03 Intrastate Demand	Year 1 Intrastate Rates	Proposed Year 2 Rates	Year 1 Intrastate Revenue	Proposed Year 2 Revenue	Difference
Switching							
End Office Switching - Bundled							
Premium	Per MOU	2,069,269,468	\$0.0089000	\$0.0089000	\$18,416,498	\$18,416,498	\$0
Information Surcharge	Per MOU	2,069,269,468	\$0	\$0	\$0	\$0	\$0
Transport *							
Tandem Switching							
Tandem Switched Facility	Per MOU/Mile	6,530,845,529	\$0.0000135	\$0.0000135	\$88,166	\$88,166	\$0
Tandem Switched Termination	Per MOU/Term	970,349,211	\$0.0001344	\$0.0001344	\$130,415	\$130,415	\$0
Tandem Switching Rate	Per MOU	473,676,508	\$0.0007500	\$0.0007500	\$355,257	\$355,257	\$0
Interconnection Charge	Per MOU	2,069,269,468	\$0.0058073	\$0	\$12,016,869	\$0	\$12,016,869
Direct Trunk Transport:							
Voicegrade	Per Mile/Month	5,277	\$5.08	\$5.08	\$26,807	\$26,807	\$0
DS1 Facility	Per Mile/Month	72,823	\$5.00	\$5.00	\$364,113	\$364,113	\$0
DS1 Termination	Per Month	7,687	\$30.00	\$30.00	\$230,614	\$230,614	\$0
DS3 Facility	Per Mile/Month	1,420	\$70.00	\$70.00	\$99,407	\$99,407	\$0
DS3 Termination	Per Month	221	\$500.00	\$500.00	\$110,631	\$110,631	\$0
Entrance Facility:							
Two Wire	Per Month	112	\$33.08	\$33.08	\$3,714	\$3,714	\$0
Four Wire	Per Month	223	\$52.93	\$52.93	\$11,781	\$11,781	\$0
DS1 - First system	Each DS1, Per Month	94	\$260.00	\$260.00	\$24,370	\$24,370	\$0
DS1 - Additional systems	Each DS1, Per Month	15	\$130.00	\$130.00	\$1,929	\$1,929	\$0
DS3 Electrical	Each DS3, Per Month	161	\$1,400.00	\$1,400.00	\$225,364	\$225,364	\$0
DS1 to Voice Multiplexing	Each, Per Month	11	\$250.00	\$250.00	\$2,845	\$2,845	\$0
DS3 to DS1 Multiplexing	Each, Per Month	290	\$581.63	\$581.63	\$168,900	\$168,900	\$0
Carrier Common Line							
Originating Carrier Common Line Access	Per MOU	791,323,594	\$0.0159409	\$0	\$12,614,410	\$0	\$12,614,410
Terminating Carrier Common Line Access	Per MOU	1,274,273,148	\$0.0246950	\$0.0228649	\$31,468,175	\$29,136,128	\$2,332,047
Total Revenue					\$76,360,267	\$49,396,940	\$26,963,326
Total ARPM					\$ 0.0369020	\$ 0.0238717	0.0130304
* Intrastate Transport in FL has 3 pricing zones. In the instances where the rates for zones within a rate element were different, the lowest price was applied.							

VERIZON Communications							
Florida							
Intrastate Switched Access Rate Reductions Year 3							
Element	Rate Application	Aug '02 - Jul '03 Intrastate Demand	Year 2 Intrastate Rates	Proposed Year 3 Rates	Year 2 Intrastate Revenue	Proposed Year 3 Revenue	Difference
Switching							
End Office Switching - Bundled							
Premium	Per MOU	2,069,269,468	\$0.0089000	\$0.0089000	\$18,416,498	\$18,416,498	\$0
Information Surcharge	Per MOU	2,069,269,468	\$0	\$0	\$0	\$0	\$0
Transport *							
Tandem Switching							
Tandem Switched Facility	Per MOU/Mile	6,530,845,529	\$0.0000135	\$0.0000135	\$88,166	\$88,166	\$0
Tandem Switched Termination	Per MOU/Term	970,349,211	\$0.0001344	\$0.0001344	\$130,415	\$130,415	\$0
Tandem Switching Rate	Per MOU	473,676,508	\$0.0007500	\$0.0007500	\$355,257	\$355,257	\$0
Interconnection Charge	Per MOU	2,069,269,468	\$0	\$0	\$0	\$0	\$0
Direct Trunk Transport:							
Voicegrade	Per Mile/Month	5,277	\$5.08	\$5.08	\$26,807	\$26,807	\$0
DS1 Facility	Per Mile/Month	72,823	\$5.00	\$5.00	\$364,113	\$364,113	\$0
DS1 Termination	Per Month	7,687	\$30.00	\$30.00	\$230,614	\$230,614	\$0
DS3 Facility	Per Mile/Month	1,420	\$70.00	\$70.00	\$99,407	\$99,407	\$0
DS3 Termination	Per Month	221	\$500.00	\$500.00	\$110,631	\$110,631	\$0
Entrance Facility:							
Two Wire	Per Month	112	\$33.08	\$33.08	\$3,714	\$3,714	\$0
Four Wire	Per Month	223	\$52.93	\$52.93	\$11,781	\$11,781	\$0
DS1 - First system	Each DS1, Per Month	94	\$260.00	\$260.00	\$24,370	\$24,370	\$0
DS1 - Additional systems	Each DS1, Per Month	15	\$130.00	\$130.00	\$1,929	\$1,929	\$0
DS3 Electrical	Each DS3, Per Month	161	\$1,400.00	\$1,400.00	\$225,364	\$225,364	\$0
DS1 to Voice Multiplexing	Each, Per Month	11	\$250.00	\$250.00	\$2,845	\$2,845	\$0
DS3 to DS1 Multiplexing	Each, Per Month	290	\$581.63	\$581.63	\$168,900	\$168,900	\$0
Carrier Common Line							
Originating Carrier Common Line Access	Per MOU	791,323,594	\$0	\$0	\$0	\$0	\$0
Terminating Carrier Common Line Access	Per MOU	1,274,273,148	\$0.0228649	\$0.0031065	\$29,136,128	\$3,958,530	\$25,177,599
Total Revenue					\$49,396,940	\$24,219,342	\$25,177,599
Total ARPM					\$ 0.0238717	\$ 0.0117043	0.0121674
* Intrastate Transport in FL has 3 pricing zones. In the instances where the rates for zones within a rate element were different, the lowest price was applied.							

**FLORIDA RATE REBALANCING
 SUMMARY**

BUSINESS BASIC EXCHANGE RATES

<u>Basic Flat Rate 1-party</u>	<u>Present Rate</u>	<u>Proposed Rate Yr-1</u>	<u>Proposed Rate Yr-2</u>	<u>Proposed Rate Yr-3</u>
Rate Group 1	\$24.47	\$26.98	\$29.49	\$32.00
Rate Group 2	\$26.82	\$28.54	\$30.26	\$32.00
Rate Group 3	\$28.05	\$29.37	\$30.69	\$32.00
Rate Group 4	\$28.85	\$29.90	\$30.95	\$32.00
Rate Group 5	\$30.35	\$30.35	\$31.60	\$32.00
Service Charges (NRC)				
Network Access	\$33.90	\$33.90	\$33.90	\$34.00
Established charges				

RESIDENTIAL BASIC EXCHANGE RATES

<u>Basic Flat Rate 1-party</u>	<u>Present Rate</u>	<u>Proposed Rate Yr-1</u>	<u>Proposed Rate Yr-2</u>	<u>Proposed Rate Yr-3</u>
Rate Group 1	\$10.12	\$11.70	\$13.28	\$14.85
Rate Group 2	\$10.95	\$12.53	\$14.11	\$15.68
Rate Group 3	\$11.33	\$12.91	\$14.49	\$16.06
Rate Group 4	\$11.70	\$13.28	\$14.86	\$16.43
Rate Group 5	\$12.10	\$13.68	\$15.26	\$16.83
Service Charges (NRC)				
Network Access	\$20.00	\$21.00	\$23.00	\$25.00
Establishment Charge				
Central Office Connection	\$35.00	\$36.00	\$38.00	\$40.00

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**FLORIDA RATE REBALANCING
 BUSINESS BASIC EXCHANGE ACCESS
 Summary of 1, 2 and 3 year Impacts**

1-Oct-03

FLORIDA RATE REBALANCING		Year 1		
Summary		Total Switched Access Reduction		
				\$ 76,231,567
	Present	Proposed		
	<u>Revenue</u>	<u>Revenue - Year 1</u>	<u>Increase - Year 1</u>	
Residential	\$197,252,180	\$220,723,380	\$23,471,201	
Business	\$82,155,826	\$82,775,212	\$619,386	
Total	\$279,408,006	\$303,498,593	\$24,090,587	\$ 24,090,587
Total Basic Res and Bus Recovered - over (under)				\$ (52,140,980)

FLORIDA RATE REBALANCING		Year 2			
Summary		Total Switched Access Reduction			
					\$ 52,140,980
	Present	Proposed		Cumulative	
	<u>Revenue</u>	<u>Revenue - Year 2</u>	<u>Increase - Year 2</u>	<u>Revenue Years 1 & 2</u>	
Residential	\$220,723,380	\$244,439,009	\$23,715,629	\$47,186,830	
Business	\$82,775,212	\$86,022,811	\$3,247,599	\$3,866,985	
Total	\$303,498,593	\$330,461,821	\$26,963,228	\$51,053,815	\$ 51,053,815
Total Basic Res and Bus Recovered - over (under)					\$ (25,177,752)

FLORIDA RATE REBALANCING		Year 3			
Summary		Total Switched Access Reduction			
					\$ 25,177,752
	Present	Proposed		Cumulative	
	<u>Revenue</u>	<u>Revenue - Year 3</u>	<u>Increase - Year 3</u>	<u>Revenue Years 1, 2, & 3</u>	
Residential	\$244,439,009	\$268,104,075	\$23,665,065	\$70,851,895	
Business	\$86,022,811	\$87,485,618	\$1,462,806	\$5,329,791	
Total	\$330,461,821	\$355,589,692	\$25,127,872	\$76,181,686	\$ 76,181,686
Total Basic Res and Bus Recovered - over (under)					\$ (49,881)

000516

**FLORIDA RATE REBALANCING
 BUSINESS BASIC EXCHANGE ACCESS**

1-Oct-03

Year 1 - Impact

Row	Service Description	Billing Type	Annualized Units	Present Rate	Proposed Rate-Year1	Inc. (Dec.)	Annual Present Revenue	Annual Proposed Revenue - Year 1	Annual Revenue Change - Year 1
1									
2	Basic Local Exchange Service								
3	Flat Rate - 1 Party Service/Business								
4	Rate Group 1	MRC	3,901	\$ 24.47	\$ 26.98	\$2.51	\$95,457.47	\$105,248.98	\$9,791.51
5	Rate Group 1 - RESALE	MRC	75	\$ 21.28	\$ 23.46	\$2.18	\$1,595.93	\$1,759.64	\$163.70
6									
7	Rate Group 2	MRC	0	\$ 26.82	\$ 28.54	\$1.72	\$0.00	\$0.00	\$0.00
8	Rate Group 2 - RESALE	MRC	0	\$ 23.32	\$ 24.82	\$1.50	\$0.00	\$0.00	\$0.00
9									
10	Rate Group 3	MRC	228,090	\$ 28.05	\$ 29.37	\$1.32	\$6,397,924.50	\$6,699,003.30	\$301,078.80
11	Rate Group 3 - RESALE	MRC	4,085	\$ 24.39	\$ 25.54	\$1.15	\$99,642.46	\$104,331.52	\$4,689.06
12									
13	Rate Group 4	MRC	283,526	\$ 28.85	\$ 29.90	\$1.05	\$8,179,725.10	\$8,477,427.40	\$297,702.30
14	Rate Group 4 - RESALE	MRC	6,528	\$ 25.09	\$ 26.00	\$0.91	\$163,774.20	\$169,734.79	\$5,960.59
15									
16	Rate Group 5	MRC	2,069,817	\$ 30.35	\$ 30.35	\$0.00	\$62,818,945.95	\$62,818,945.95	\$0.00
17	Rate Group 5 - RESALE	MRC	37,665	\$ 26.39	\$ 26.39	\$0.00	\$994,068.24	\$994,068.24	\$0.00
18									
19	Total Business Rategroups		2,633,687				\$78,751,133.86	\$79,370,519.82	\$619,385.96
20									
21									
22	ECS Usage for Routes Established Before 7/1/95								
23	Business 1-Party Extended Calling Service								
24	- Call Connection	Usage	45,211,217	\$ 0.04	\$ 0.04	\$0.00	\$1,808,448.68	\$1,808,448.68	\$0.00
25	Detail Billing								
26	- Charge Per Page of Billing Detail	Usage	0	\$ 0.11	\$ 0.11	\$0.00	\$0.00	\$0.00	\$0.00
27									
28	Total ECS Usage						\$1,808,448.68	\$1,808,448.68	\$0.00
29									
30									
31	Service Charges for Basic Business								
32	Network Access Establishment Charge	NRC	46,739	\$ 33.90	\$ 33.90	\$0.00	\$1,584,452.10	\$1,584,452.10	\$0.00
33	Network Access Establishment Charge - RESALE	NRC	400	\$ 29.48	\$ 29.48	\$0.00	\$11,791.78	\$11,791.78	\$0.00
34									
35	Total Service Charges						\$1,596,243.88	\$1,596,243.88	\$0.00
36									
37	Total Basic Business Service						\$82,155,826.42	\$82,775,212.37	\$619,385.96

FLORIDA RATE REBALANCING		Year 1	
Summary			
		Total Switched Access Reduction	\$ 76,231,567
	Present Revenue	Proposed Revenue - Year 1	Increase - Year 1
Residential	\$197,252,180	\$220,723,380	\$23,471,201
Business	\$82,155,826	\$82,775,212	\$619,386
Total	\$279,408,006	\$303,498,593	\$24,090,587
		Total Basis Res and Bus Recovered - over (under)	\$ (52,140,980)

000517

**FLORIDA RATE REBALANCING
 BUSINESS BASIC EXCHANGE ACCESS**

1-Oct-03

Year 2 - Impact

Row	Service Description	Billing Type	Annualized Units	Present Rate	Proposed Rate-Year 2	Inc. (Dec.)	Annual Present Revenue	Annual Proposed Revenue - Year 2	Annual Revenue Change - Year 2
1									
2	Basic Local Exchange Service								
3	Flat Rate - 1 Party Service/Business								
4	Rate Group 1	MRC	3,901	\$ 26.98	\$ 29.49	\$2.51	\$105,248.98	\$115,040.49	\$9,791.51
5	Rate Group 1 - RESALE	MRC	75	\$ 23.46	\$ 25.64	\$2.18	\$1,759.64	\$1,923.34	\$163.70
6									
7	Rate Group 2	MRC	0	\$ 28.54	\$ 30.26	\$1.72	\$0.00	\$0.00	\$0.00
8	Rate Group 2 - RESALE	MRC	0	\$ 24.82	\$ 26.31	\$1.50	\$0.00	\$0.00	\$0.00
9									
10	Rate Group 3	MRC	228,090	\$ 29.37	\$ 30.69	\$1.32	\$6,699,003.30	\$7,000,082.10	\$301,078.80
11	Rate Group 3 - RESALE	MRC	4,085	\$ 25.54	\$ 26.69	\$1.15	\$104,331.52	\$109,020.58	\$4,689.06
12									
13	Rate Group 4	MRC	283,526	\$ 29.90	\$ 30.95	\$1.05	\$8,477,427.40	\$8,775,129.70	\$297,702.30
14	Rate Group 4 - RESALE	MRC	6,528	\$ 26.00	\$ 26.91	\$0.91	\$169,734.79	\$175,695.38	\$5,960.59
15									
16	Rate Group 5	MRC	2,069,817	\$ 30.35	\$ 31.60	\$1.25	\$62,818,945.95	\$65,406,217.20	\$2,587,271.25
17	Rate Group 5 - RESALE	MRC	37,665	\$ 26.39	\$ 27.48	\$1.09	\$994,068.24	\$1,035,010.09	\$40,941.86
18									
19	Total Business Rategroups		2,633,687				\$79,370,519.82	\$82,618,118.88	\$3,247,599.06
20									
21									
22	CS Usage for Routes Established Before 7/1/95								
23	Business 1-Party Extended Calling Service								
24	- Call Connection	Usage	45,211,217	\$ 0.04	\$ 0.04	\$0.00	\$1,808,448.68	\$1,808,448.68	\$0.00
25	Detail Billing								
26	- Charge Per Page of Billing Detail	Usage	0	\$ 0.11	\$ 0.11	\$0.00	\$0.00	\$0.00	\$0.00
27									
28	Total ECS Usage						\$1,808,448.68	\$1,808,448.68	\$0.00
29									
30									
31	Service Charges for Basic Business								
32	Network Access Establishment Charge	NRC	46,739	\$ 33.90	\$ 33.90	\$0.00	\$1,584,452.10	\$1,584,452.10	\$0.00
33	Network Access Establishment Charge - RESALE	NRC	400	\$ 29.48	\$ 29.48	\$0.00	\$11,791.78	\$11,791.78	\$0.00
34									
35	Total Service Charges						\$1,596,243.88	\$1,596,243.88	\$0.00
36									
37	Total Basic Business Service						\$82,775,212.37	\$86,022,811.43	\$3,247,599.06

	Present Revenue	Proposed Revenue - Year 2	Increase - Year 2	Cummulative Revenue Years 1 & 2
Total Switched Access Reduction			\$ 52,140,980	
Residential	\$220,723,380	\$244,439,009	\$23,715,629	\$47,186,830
Business	\$82,775,212	\$86,022,811	\$3,247,599	\$3,866,985
Total	\$303,498,593	\$330,461,821	\$26,963,228	\$51,053,815
Total Basis Res and Bus Recovered - over (under)			\$ (25,177,752)	

000518

**FLORIDA RATE REBALANCING
 BUSINESS BASIC EXCHANGE ACCESS**

1-Oct-03

Year 3 - Impact

Row	Service Description	Billing Type	Annualized Units	Present Rate	Proposed Rate-Year 3	Inc. (Dec.)	Annual Present Revenue	Annual Proposed Revenue - Year 3	Annual Revenue Change - Year 3
1									
2	Basic Local Exchange Service								
3	Flat Rate - 1 Party Service/Business								
4	Rate Group 1	MRC	3,901	\$ 29.49	\$ 32.00	\$2.51	\$115,040.49	\$124,832.00	\$9,791.51
5	Rate Group 1 - RESALE	MRC	75	\$ 25.64	\$ 27.83	\$2.18	\$1,923.34	\$2,087.04	\$163.70
6									
7	Rate Group 2	MRC	0	\$ 30.26	\$ 32.00	\$1.74	\$0.00	\$0.00	\$0.00
8	Rate Group 2 - RESALE	MRC	0	\$ 26.31	\$ 27.83	\$1.51	\$0.00	\$0.00	\$0.00
9									
10	Rate Group 3	MRC	228,090	\$ 30.69	\$ 32.00	\$1.31	\$7,000,082.10	\$7,298,880.00	\$298,797.90
11	Rate Group 3 - RESALE	MRC	4,085	\$ 26.69	\$ 27.83	\$1.14	\$109,020.58	\$113,674.11	\$4,653.53
12									
13	Rate Group 4	MRC	283,526	\$ 30.95	\$ 32.00	\$1.05	\$8,775,129.70	\$9,072,832.00	\$297,702.30
14	Rate Group 4 - RESALE	MRC	6,528	\$ 26.91	\$ 27.83	\$0.91	\$175,695.38	\$181,655.96	\$5,960.59
15									
16	Rate Group 5	MRC	2,069,817	\$ 31.60	\$ 32.00	\$0.40	\$65,406,217.20	\$66,234,144.00	\$827,926.80
17	Rate Group 5 - RESALE	MRC	37,665	\$ 27.48	\$ 27.83	\$0.35	\$1,035,010.09	\$1,048,111.49	\$13,101.39
18									
19	Total Business Rategroups		2,633,687				\$82,618,118.88	\$84,076,216.60	\$1,458,097.73
20									
21									
22	CS Usage for Routes Established Before 7/1/95								
23	Business 1-Party Extended Calling Service								
24	- Call Connection	Usage	45,211,217	\$ 0.04	\$ 0.04	\$0.00	\$1,808,448.68	\$1,808,448.68	\$0.00
25	Detail Billing								
26	- Charge Per Page of Billing Detail	Usage	0	\$ 0.11	\$ 0.14	\$0.03	\$0.00	\$0.00	\$0.00
27									
28	Total ECS Usage						\$1,808,448.68	\$1,808,448.68	\$0.00
29									
30									
31	Service Charges for Basic Business								
32	Network Access Establishment Charge	NRC	46,739	\$ 33.90	\$ 34.00	\$0.10	\$1,584,452.10	\$1,589,126.00	\$4,673.90
33	Network Access Establishment Charge - RESALE	NRC	400	\$ 29.48	\$ 29.57	\$0.09	\$11,791.78	\$11,826.56	\$34.78
34									
35	Total Service Charges						\$1,596,243.88	\$1,600,952.56	\$4,708.68
36									
37	Total Basic Business Service						\$86,022,811.43	\$87,485,617.84	\$1,462,806.41

	Total Switched Access Reduction	\$	25,177,752
	Present Revenue	Proposed Revenue - Year 3	Increase - Year 3
Residential	\$244,439,009	\$268,104,075	\$23,665,065
Business	\$86,022,811	\$87,485,618	\$1,462,806
Total	\$330,461,821	\$355,589,692	\$25,127,872
	Total Basis Res and Bus Recovered - over (under)	\$	(49,881)

000519

**FLORIDA RATE REBALANCING
 RESIDENCE BASIC EXCHANGE ACCESS**

1-Oct-03

Row	Service Description	Billing Type	Year 2 Impact				Annual Present Revenue	Annual Proposed Revenue - Year 2	Annual Revenue Change - Year 2
			Annualized Units	Present Rate	Proposed Rate - Year 2	Inc. (Dec.)			
1	Basic Local Exchange Service								
2	Flat Rate - 1 Party Service/Residence								
3	Rate Group 1	MRC	26,646	\$11.70	\$13.28	\$1.58	\$311,758.20	\$353,858.88	\$42,100.68
4	Rate Group 1 - 50% Emp Concession	MRC	0	\$5.85	\$6.64	\$0.79	\$0.00	\$0.00	\$0.00
5	Rate Group 1 - RESALE	MRC	766	\$10.17	\$11.55	\$1.37	\$7,793.53	\$8,845.99	\$1,052.46
6									
7	Rate Group 2	MRC	0	\$12.53	\$14.11	\$1.58	\$0.00	\$0.00	\$0.00
8	Rate Group 2 - 50% Emp Concession	MRC	0	\$6.27	\$7.06	\$0.79	\$0.00	\$0.00	\$0.00
9	Rate Group 2 - RESALE	MRC	0	\$10.90	\$12.27	\$1.37	\$0.00	\$0.00	\$0.00
10									
11	Rate Group 3	MRC	1,613,695	\$12.91	\$14.49	\$1.58	\$20,832,802.45	\$23,382,440.55	\$2,549,638.10
12	Rate Group 3 - 50% Emp Concession	MRC	3,557	\$6.46	\$7.25	\$0.79	\$22,960.44	\$25,770.47	\$2,810.03
13	Rate Group 3 - RESALE	MRC	20,836	\$11.23	\$12.60	\$1.37	\$233,916.10	\$262,544.10	\$28,628.00
14									
15	Rate Group 4	MRC	1,729,193	\$13.28	\$14.86	\$1.58	\$22,963,683.04	\$25,695,807.98	\$2,732,124.94
16	Rate Group 4 - 50% Emp Concession	MRC	5,734	\$6.64	\$7.43	\$0.79	\$38,073.76	\$42,603.62	\$4,529.86
17	Rate Group 4 - RESALE	MRC	32,340	\$11.55	\$12.92	\$1.37	\$373,471.63	\$417,905.76	\$44,434.13
18									
19	Rate Group 5	MRC	11,116,532	\$13.68	\$15.26	\$1.58	\$152,074,157.76	\$169,638,278.32	\$17,564,120.56
20	Rate Group 5 - 50% Emp Concession	MRC	45,110	\$6.84	\$7.63	\$0.79	\$308,552.40	\$344,189.30	\$35,636.90
21	Rate Group 5 - RESALE	MRC	161,355	\$11.90	\$13.27	\$1.37	\$1,919,499.73	\$2,141,196.34	\$221,696.61
22									
23	Total Residential Rategroups		14,755,764				\$199,086,669.05	\$222,313,441.30	\$23,226,772.26
24									
25	Vacation Service - Residence								
26	Vacation Service/Residence	MRC	419,308	\$5.77	\$5.77	\$0.00	\$2,419,407.16	\$2,419,407.16	\$0.00
27									
28	Total Basic Residential Vacation Service						\$ 2,419,407.16	\$ 2,419,407.16	\$ -
29									
30	ECS Usage for Routes Established Before 7/1/95								
31	Residence 1-Party Extended Calling Service								
32	- Call Connection	Usage	48,883,999	\$0.25	\$0.25	\$0.00	\$12,220,999.75	\$12,220,999.75	\$0.00
33									
34	Total ECS Usage						\$12,220,999.75	\$12,220,999.75	\$0.00
35									
36	Service Charges for Basic Residence								
37	Network Access Establishment Charge	NRC	98,968	\$21.00	\$23.00	\$2.00	\$ 2,078,328.00	\$2,276,264.00	\$197,936.00
38	Network Access Establishment Charge - RESALE	NRC	24,425	\$ 18.26	\$ 20.00	\$1.74	\$ 446,039.58	\$488,519.54	\$42,479.96
39	Central Office Line Connection	NRC	102,817	\$36.00	\$38.00	\$2.00	\$ 3,701,412.00	\$3,907,046.00	\$205,634.00
40	Central Office Line Connection - RESALE	NRC	24,613	\$ 31.31	\$ 33.04	\$1.74	\$ 770,524.73	\$813,331.66	\$42,806.93
41									
42	Total Service Charges						\$ 6,996,304.31	\$7,485,161.20	\$488,856.89
43									
44	Total Basic Residential Service						\$ 220,723,380.27	\$ 244,439,009.42	\$ 23,715,629.15

FLORIDA RATE REBALANCING		Year 2			
Summary		Total Switched Access Reduction		\$ 52,140,980	
	Present Revenue	Proposed Revenue - Year 2	Increase - Year 2	Cumulative Revenue Years 1 & 2	
Residential	\$ 220,723,380	\$ 244,439,009	\$ 23,715,629	\$ 47,186,830	
Business	\$ 82,775,212	\$ 86,022,811	\$ 3,247,599	\$ 3,866,965	
Total	\$ 303,498,593	\$ 330,461,821	\$ 26,963,228.21	\$ 51,053,815	
Total Basis Res and Bus Recovered - over (under)				\$ (25,177,752)	

000521

**FLORIDA RATE REBALANCING
 RESIDENCE BASIC EXCHANGE ACCESS**

1-Oct-03

Row	Service Description	Billing Type	Year 3 Impact				Annual Present Revenue	Annual Proposed Revenue - Year 3	Annual Revenue Change - Year 3
			Annualized Units	Present Rate	Proposed Rate - Year 3	Inc. (Dec.)			
1	Basic Local Exchange Service								
2	Flat Rate - 1 Party Service/Residence								
3	Rate Group 1	MRC	26,646	\$13.28	\$14.85	\$1.57	\$353,858.88	\$395,693.10	\$41,834.22
4	Rate Group 1 - 50% Emp Concession	MRC	0	\$6.64	\$7.43	\$0.79	\$0.00	\$0.00	\$0.00
5	Rate Group 1 - RESALE	MRC	766	\$11.55	\$12.91	\$1.37	\$8,845.99	\$9,891.79	\$1,045.80
6									
7	Rate Group 2	MRC	0	\$14.11	\$15.68	\$1.57	\$0.00	\$0.00	\$0.00
8	Rate Group 2 - 50% Emp Concession	MRC	0	\$7.06	\$7.84	\$0.79	\$0.00	\$0.00	\$0.00
9	Rate Group 2 - RESALE	MRC	0	\$12.27	\$13.64	\$1.37	\$0.00	\$0.00	\$0.00
10									
11	Rate Group 3	MRC	1,613,695	\$14.49	\$16.06	\$1.57	\$23,382,440.55	\$25,915,941.70	\$2,533,501.15
12	Rate Group 3 - 50% Emp Concession	MRC	3,557	\$7.25	\$8.03	\$0.78	\$25,770.47	\$28,562.71	\$2,792.25
13	Rate Group 3 - RESALE	MRC	20,836	\$12.60	\$13.97	\$1.37	\$262,544.10	\$290,990.91	\$28,446.81
14									
15	Rate Group 4	MRC	1,729,193	\$14.86	\$16.43	\$1.57	\$25,695,807.98	\$28,410,640.99	\$2,714,833.01
16	Rate Group 4 - 50% Emp Concession	MRC	5,734	\$7.43	\$8.22	\$0.79	\$42,603.62	\$47,104.81	\$4,501.19
17	Rate Group 4 - RESALE	MRC	32,340	\$12.92	\$14.29	\$1.37	\$417,905.76	\$462,058.66	\$44,152.90
18									
19	Rate Group 5	MRC	11,116,532	\$15.26	\$16.83	\$1.57	\$169,638,278.32	\$187,091,233.56	\$17,452,955.24
20	Rate Group 5 - 50% Emp Concession	MRC	45,110	\$7.63	\$8.42	\$0.78	\$344,189.30	\$379,600.65	\$35,411.35
21	Rate Group 5 - RESALE	MRC	161,355	\$13.27	\$14.64	\$1.37	\$2,141,196.34	\$2,361,489.80	\$220,293.46
22									
23	Total Residential Rategroups		14,755,764				\$222,313,441.30	\$245,393,208.67	\$23,079,767.37
24									
25	Vacation Service - Residence								
26	Vacation Service/Residence	MRC	419,308	\$5.77	\$6.00	\$0.23	\$2,419,407.16	\$2,515,848.00	\$96,440.84
27									
28	Total Basic Residential Vacation Service						\$ 2,419,407.16	\$ 2,515,848.00	\$ 96,440.84
29									
30	ECS Usage for Routes Established Before 7/1/95								
31	Residence 1-Party Extended Calling Service								
32	- Call Connection	Usage	48,883,999	\$0.25	\$0.25	\$0.00	\$12,220,999.75	\$12,220,999.75	\$0.00
33									
34	Total ECS Usage						\$12,220,999.75	\$12,220,999.75	\$0.00
35									
36	Service Charges for Basic Residence								
37	Network Access Establishment Charge	NRC	98,968	\$23.00	\$25.00	\$2.00	\$ 2,276,264.00	\$2,474,200.00	\$197,936.00
38	Network Access Establishment Charge - RESALE	NRC	24,425	\$20.00	\$ 21.74	\$ 1.74	\$ 488,519.54	\$530,999.50	\$42,479.96
39	Central Office Line Connection	NRC	102,817	\$38.00	\$40.00	\$2.00	\$ 3,907,046.00	\$4,112,680.00	\$205,634.00
40	Central Office Line Connection - RESALE	NRC	24,613	\$33.04	\$ 34.78	\$ 1.74	\$ 813,331.66	\$856,138.59	\$42,806.93
41									
42	Total Service Charges						\$ 7,485,161.20	\$7,974,018.09	\$488,856.89
43									
44	Total Basic Residential Service						\$ 244,439,009.42	\$ 268,104,074.52	\$ 23,665,065.10

FLORIDA RATE REBALANCING		Year 3		
Summary		Total Switched Access Reduction		\$ 25,177,752
	Present Revenue	Proposed Revenue - Year 3	Increase - Year 3	Cummulative Revenue Years 1, 2 & 3
Residential	\$ 244,439,009	\$ 268,104,075	\$ 23,665,065	\$ 70,851,895
Business	\$ 86,022,811	\$ 87,485,618	\$ 1,462,806	\$ 5,329,791
Total	\$ 330,461,821	\$ 355,589,692	\$ 25,127,871.51	\$ 76,181,686
Total Basis Res and Bus Recovered - over (under)				\$ (49,881)

000522

FLORIDA RATE REBALANCING BASIC EXCHANGE ACCESS SUMMARY UNE-P IMPACT - With Usage

Row	Service Description	Annual Present Revenue	Annual Estimated Costs at Ordered UNE-P* Rates	Estimated Contribution Margin*	Contribution Margin %
1					
2	Total Basic Business Service				
3	Current View	\$ 99,274,707	\$ 69,506,118	\$ 29,768,590	42.83%
4	Year 1	\$ 99,894,082	\$ 69,962,904	\$ 30,835,402	44.07%
5	Year 2	\$ 103,141,782	\$ 69,962,904	\$ 34,083,103	48.72%
6	Year 3	\$ 104,604,720	\$ 69,962,904	\$ 35,546,041	50.81%
7					
8	Total Basic Residential Service				
9	Current View	\$ 295,889,655	\$ 403,147,366	\$ (107,257,711)	-26.61%
10	Year 1	\$ 319,362,166	\$ 403,391,814	\$ (84,029,647)	-20.83%
11	Year 2	\$ 343,076,742	\$ 403,880,464	\$ (60,803,722)	-15.05%
12	Year 3	\$ 366,742,857	\$ 404,369,360	\$ (37,626,503)	-9.30%
13					
14	Total Basic Service				
15	Current View	\$ 395,164,362	\$ 472,653,483	\$ (77,489,121)	-16.39%
16	Year 1	\$ 419,256,248	\$ 473,354,718	\$ (53,194,245)	-11.24%
17	Year 2	\$ 446,218,524	\$ 473,843,368	\$ (26,720,619)	-5.64%
18	Year 3	\$ 471,347,577	\$ 474,332,264	\$ (2,080,462)	-0.44%

*UNE-P calculated as Loop, Port & estimated Usage as ordered in Dkt. 990649-B-TP and are used in this analysis only as a cost indicator. VZ does not believe ordered UNE rates are a valid approximation of cost and are provided only to prove the validity of VZ's proposed rate design.

000523

**FLORIDA RATE REBALANCING
 BUSINESS BASIC EXCHANGE ACCESS
 UNE-P IMPACT - CURRENT - With Usage**

Row	(A) Service Description	(B) Billing Type	(C) Annualized Units	(D) Proposed Rate	(E) EUCL	(F)=(D)+(E) Proposed Rate w/EUCL	(G) Estimated Costs at Ordered UNE-P* Rates	(H)=(F)-(G) Unit Contribution	(I)=(C)*(F) Annual Present Revenue	(J)=(C)*(G) Annual Estimated Costs at Ordered UNE-P* Rates	(K)=(I)-(J) Estimated Contribution Margin*	(L)=(K)/(J) Contribution Margin %
1												
2	Basic Local Exchange Service											
3	Flat Rate - 1 Party Service/Business											
4	Rate Group 1	MRC	3,901	\$ 24.47	\$ 6.50	\$ 30.97	\$ 35.75	\$ (4.78)	\$ 120,814	\$ 139,461	\$ (18,647)	-13.37%
5	Rate Group 1 - RESALE	MRC	75	\$ 21.28	\$ 6.50	\$ 27.78	\$ 35.75	\$ (7.97)	\$ 2,084	\$ 2,681	\$ (598)	-22.29%
6												
7	Rate Group 2	MRC	0	\$ 26.82	\$ 6.50	\$ 33.32						
8	Rate Group 2 - RESALE	MRC	0	\$ 23.32	\$ 6.50	\$ 29.82						
9												
10	Rate Group 3	MRC	228,090	\$ 28.05	\$ 6.50	\$ 34.55	\$ 31.27	\$ 3.28	\$ 7,880,510	\$ 7,132,374	\$ 748,135	10.49%
11	Rate Group 3 - RESALE	MRC	4,085	\$ 24.39	\$ 6.50	\$ 30.89	\$ 31.27	\$ (0.38)	\$ 126,186	\$ 127,738	\$ (1,552)	-1.22%
12												
13	Rate Group 4	MRC	283,526	\$ 28.85	\$ 6.50	\$ 35.35	\$ 28.72	\$ 6.63	\$ 10,022,644	\$ 8,142,867	\$ 1,879,777	23.08%
14	Rate Group 4 - RESALE	MRC	6,528	\$ 25.09	\$ 6.50	\$ 31.59	\$ 28.72	\$ 2.87	\$ 206,220	\$ 187,484	\$ 18,735	9.99%
15												
16	Rate Group 5	MRC	2,069,817	\$ 30.35	\$ 6.50	\$ 36.85	\$ 23.90	\$ 12.95	\$ 76,272,756	\$ 49,468,626	\$ 26,804,130	54.18%
17	Rate Group 5 - RESALE	MRC	37,665	\$ 26.39	\$ 6.50	\$ 32.89	\$ 23.90	\$ 8.99	\$ 1,238,802	\$ 900,194	\$ 338,608	37.62%
18												
19	Total Business Rategroups		2,633,687						\$ 95,870,015	\$ 66,101,425	\$ 29,768,590	45.03%
20												
21												
22	ECS Usage for Routes Established Before 7/1/95											
23	Business 1-Party Extended Calling Service											
24	- Call Connection	Usage	45,211,217	\$ 0.04		\$ 0.04	\$ 0.04	\$ -	\$ 1,808,449	\$ 1,808,449	\$ -	0.00%
25	Detail Billing											
26	- Charge Per Page of Billing Detail	Usage	0	\$ 0.11		\$ 0.11	\$ 0.11	\$ -	\$ -	\$ -	\$ -	
27												
28	Total ECS Usage								\$ 1,808,449	\$ 1,808,449	\$ -	0.00%
29												
30												
31	Service Charges for Basic Business											
32	Network Access Establishment Charge	NRC	46,739	\$ 33.90		\$ 33.90	\$ 33.90	\$ -	\$ 1,584,452	\$ 1,584,452	\$ -	0.00%
33	Network Access Establishment Charge - RESALE	NRC	400	\$ 29.48		\$ 29.48	\$ 29.48	\$ -	\$ 11,792	\$ 11,792	\$ -	0.00%
34												
35	Total Service Charges								\$ 1,596,244	\$ 1,596,244	\$ -	0.00%
36												
37	Total Basic Business Service								\$ 99,274,707	\$ 69,506,118	\$ 29,768,590	42.83%

*UNE-P calculated as Loop, Port & estimated Usage as ordered in Dkt. 990649-B-TP and are used in this analysis only as a cost indicator. VZ does not believe ordered UNE rates are a valid approximation of cost and are provided only to prove the validity of VZ's proposed rate design.

000524

**FLORIDA RATE REBALANCING
 BUSINESS BASIC EXCHANGE ACCESS
 UNE-P IMPACT - YEAR 1 PROPOSED - With Usage**

Row	(A) Service Description	(B) Billing Type	(C) Annualized Units	(D) Proposed Rate	(E) EUCL	(F)=(D)+(E) Proposed Rate w/EUCL	(G) Estimated Costs at Ordered UNE-P* Rates	(H)=(F)-(G) Unit Contribution	(I)=(C)*(F) Annual Present Revenue	(J)=(C)*(G) Annual Estimated Costs at Ordered UNE-P* Rates	(K)=(I)-(K) Estimated Contribution Margin*	(L)=(K)/(J) Contribution Margin %
1												
2	Basic Local Exchange Service											
3	Flat Rate - 1 Party Service/Business											
4	Rate Group 1	MRC	3,901	\$ 26.98	\$ 6.50	\$ 33.48	\$ 35.75	\$ (2.27)	\$ 130,605	\$ 139,461	\$ (8,855)	-6.35%
5	Rate Group 1 - RESALE	MRC	75	\$ 23.46	\$ 6.50	\$ 29.96	\$ 35.75	\$ (5.79)	\$ 2,247	\$ 2,681	\$ (434)	-16.20%
6												
7	Rate Group 2	MRC	0	\$ 28.54	\$ 6.50	\$ 35.04						
8	Rate Group 2 - RESALE	MRC	0	\$ 24.82	\$ 6.50	\$ 31.32						
9												
10	Rate Group 3	MRC	228,090	\$ 29.37	\$ 6.50	\$ 35.87	\$ 31.27	\$ 4.60	\$ 8,181,588	\$ 7,132,374	\$ 1,049,214	14.71%
11	Rate Group 3 - RESALE	MRC	4,085	\$ 25.54	\$ 6.50	\$ 32.04	\$ 31.27	\$ 0.77	\$ 130,883	\$ 127,738	\$ 3,145	2.46%
12												
13	Rate Group 4	MRC	283,526	\$ 29.90	\$ 6.50	\$ 36.40	\$ 28.72	\$ 7.68	\$ 10,320,346	\$ 8,142,867	\$ 2,177,480	26.74%
14	Rate Group 4 - RESALE	MRC	6,528	\$ 26.00	\$ 6.50	\$ 32.50	\$ 28.72	\$ 3.78	\$ 212,160	\$ 187,484	\$ 24,676	13.16%
15												
16	Rate Group 5	MRC	2,069,817	\$ 30.35	\$ 6.50	\$ 36.85	\$ 23.90	\$ 12.95	\$ 76,272,756	\$ 49,468,626	\$ 26,804,130	54.18%
17	Rate Group 5 - RESALE	MRC	37,665	\$ 26.39	\$ 6.50	\$ 32.89	\$ 23.90	\$ 8.99	\$ 1,238,802	\$ 900,194	\$ 338,608	37.62%
18												
19	Total Business Rategroups		2,633,687						\$ 96,489,389	\$ 66,101,425	\$ 30,387,964	45.97%
20												
21												
22	ECS Usage for Routes Established Before 7/1/95											
23	Business 1-Party Extended Calling Service											
24	- Call Connection	Usage	45,211,217	\$ 0.04		\$ 0.04	\$ 0.05	\$ (0.01)	\$ 1,808,449	\$ 2,260,561	\$ (452,112)	-20.00%
25	Detail Billing											
26	- Charge Per Page of Billing Detail	Usage	0	\$ 0.11		\$ 0.11	\$ 0.14	\$ (0.03)	\$ -	\$ -	\$ -	
27												
28	Total ECS Usage								\$ 1,808,449	\$ 2,260,561	\$ 452,112	20.00%
29												
30												
31	Service Charges for Basic Business											
32	Network Access Establishment Charge	NRC	46,739	\$ 33.90		\$ 33.90	\$ 34.00	\$ (0.10)	\$ 1,584,452	\$ 1,589,126	\$ (4,674)	-0.29%
33	Network Access Establishment Charge - RESALE	NRC	400	\$ 29.48		\$ 29.48	\$ 29.48	\$ -	\$ 11,792	\$ 11,792	\$ -	0.00%
34												
35	Total Service Charges								\$ 1,596,244	\$ 1,600,918	\$ (4,674)	-0.29%
36												
37	Total Basic Business Service								\$ 99,894,082	\$ 69,962,904	\$ 30,835,402	44.07%

*UNE-P calculated as Loop, Port & estimated Usage as ordered in Dkt. 990649-B-TP and are used in this analysis only as a cost indicator. VZ does not believe ordered UNE rates are a valid approximation of cost and are provided only to prove the validity of VZ's proposed rate design.

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**FLORIDA RATE REBALANCING
 BUSINESS BASIC EXCHANGE ACCESS
 UNE-P IMPACT - YEAR 2 PROPOSED - With Usage**

Row	(A) Service Description	(B) Billing Type	(C) Annualized Units	(D) Proposed Rate	(E) EUCL	(F)=(D)+(E) Proposed Rate w/EUCL	(G) Estimated Costs at Ordered UNE-P* Rates	(H)=(F)-(G) Unit Contribution	(I)=(C)*(F) Annual Present Revenue	(J)=(C)*(G) Annual Estimated Costs at Ordered UNE-P* Rates	(K)=(I)-(K) Estimated Contribution Margin*	(L)=(K)/(J) Contribution Margin %
1												
2	Basic Local Exchange Service											
3	Flat Rate - 1 Party Service/Business											
4	Rate Group 1	MRC	3,901	\$ 29.49	\$ 6.50	\$ 35.99	\$ 35.75	\$ 0.24	\$ 140,397	\$ 139,461	\$ 936	0.67%
5	Rate Group 1 - RESALE	MRC	75	\$ 25.64	\$ 6.50	\$ 32.14	\$ 35.75	\$ (3.61)	\$ 2,411	\$ 2,681	\$ (271)	-10.10%
6												
7	Rate Group 2	MRC	0	\$ 30.26	\$ 6.50	\$ 36.76						
8	Rate Group 2 - RESALE	MRC	0	\$ 26.31	\$ 6.50	\$ 32.81						
9												
10	Rate Group 3	MRC	228,090	\$ 30.69	\$ 6.50	\$ 37.19	\$ 31.27	\$ 5.92	\$ 8,482,667	\$ 7,132,374	\$ 1,350,293	18.93%
11	Rate Group 3 - RESALE	MRC	4,085	\$ 26.69	\$ 6.50	\$ 33.19	\$ 31.27	\$ 1.92	\$ 135,581	\$ 127,738	\$ 7,843	6.14%
12												
13	Rate Group 4	MRC	283,526	\$ 30.95	\$ 6.50	\$ 37.45	\$ 28.72	\$ 8.73	\$ 10,618,049	\$ 8,142,867	\$ 2,475,182	30.40%
14	Rate Group 4 - RESALE	MRC	6,528	\$ 26.91	\$ 6.50	\$ 33.41	\$ 28.72	\$ 4.69	\$ 218,100	\$ 187,484	\$ 30,616	16.33%
15												
16	Rate Group 5	MRC	2,069,817	\$ 31.60	\$ 6.50	\$ 38.10	\$ 23.90	\$ 14.20	\$ 78,860,028	\$ 49,468,626	\$ 29,391,401	59.41%
17	Rate Group 5 - RESALE	MRC	37,665	\$ 27.48	\$ 6.50	\$ 33.98	\$ 23.90	\$ 10.08	\$ 1,279,857	\$ 900,194	\$ 379,663	42.18%
18												
19	Total Business Rategroups		2,633,687						\$ 99,737,089	\$ 66,101,425	\$ 33,635,664	50.88%
20												
21												
22	ECS Usage for Routes Established Before 7/1/95											
23	Business 1-Party Extended Calling Service											
24	- Call Connection	Usage	45,211,217	\$ 0.04	\$	\$ 0.04	\$ 0.05	\$ (0.01)	\$ 1,808,449	\$ 2,260,561	\$ (452,112)	-20.00%
25	Detail Billing											
26	- Charge Per Page of Billing Detail	Usage	0	\$ 0.11	\$	\$ 0.11	\$ 0.14	\$ (0.03)	\$ -	\$ -	\$ -	
27												
28	Total ECS Usage								\$ 1,808,449	\$ 2,260,561	\$ 452,112	20.00%
29												
30												
31	Service Charges for Basic Business											
32	Network Access Establishment Charge	NRC	46,739	\$ 33.90	\$	\$ 33.90	\$ 34.00	\$ (0.10)	\$ 1,584,452	\$ 1,589,126	\$ (4,674)	-0.29%
33	Network Access Establishment Charge - RESALE	NRC	400	\$ 29.48	\$	\$ 29.48	\$ 29.48	\$ -	\$ 11,792	\$ 11,792	\$ -	0.00%
34												
35	Total Service Charges								\$ 1,596,244	\$ 1,600,918	\$ (4,674)	-0.29%
36												
37	Total Basic Business Service								\$ 103,141,782	\$ 69,962,904	\$ 34,083,103	48.72%

*UNE-P calculated as Loop, Port & estimated Usage as ordered in Dkt. 990649-B-TP and are used in this analysis only as a cost indicator. VZ does not believe ordered UNE rates are a valid approximation of cost and are provided only to prove the validity of VZ's proposed rate design.

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**FLORIDA RATE REBALANCING
 BUSINESS BASIC EXCHANGE ACCESS
 UNE-P IMPACT - YEAR 3 PROPOSED - With Usage**

Row	(A) Service Description	(B) Billing Type	(C) Annualized Units	(D) Proposed Rate	(E) EUCL	(F)=(D)+(E) Proposed Rate w/EUCL	(G) Estimated Costs at Ordered UNE-P* Rates	(H)=(F)-(G) Unit Contribution	(I)=(C)*(F) Annual Present Revenue	(J)=(C)*(G) Annual Estimated Costs at Ordered UNE-P* Rates	(K)=(I)-(J) Estimated Contribution Margin*	(L)=(K)/(J) Contribution Margin %
1												
2	Basic Local Exchange Service											
3	Flat Rate - 1 Party Service/Business											
4	Rate Group 1	MRC	3,901	\$ 32.00	\$ 6.50	\$ 38.50	\$ 35.75	\$ 2.75	\$ 150,189	\$ 139,461	\$ 10,728	7.69%
5	Rate Group 1 - RESALE	MRC	75	\$ 27.83	\$ 6.50	\$ 34.33	\$ 35.75	\$ (1.42)	\$ 2,575	\$ 2,681	\$ (107)	-3.97%
6												
7	Rate Group 2	MRC	0	\$ 32.00	\$ 6.50	\$ 38.50						
8	Rate Group 2 - RESALE	MRC	0	\$ 27.83	\$ 6.50	\$ 34.33						
9												
10	Rate Group 3	MRC	228,090	\$ 32.00	\$ 6.50	\$ 38.50	\$ 31.27	\$ 7.23	\$ 8,781,465	\$ 7,132,374	\$ 1,649,091	23.12%
11	Rate Group 3 - RESALE	MRC	4,085	\$ 27.83	\$ 6.50	\$ 34.33	\$ 31.27	\$ 3.06	\$ 140,238	\$ 127,738	\$ 12,500	9.79%
12												
13	Rate Group 4	MRC	283,526	\$ 32.00	\$ 6.50	\$ 38.50	\$ 28.72	\$ 9.78	\$ 10,915,751	\$ 8,142,867	\$ 2,772,884	34.05%
14	Rate Group 4 - RESALE	MRC	6,528	\$ 27.83	\$ 6.50	\$ 34.33	\$ 28.72	\$ 5.61	\$ 224,106	\$ 187,484	\$ 36,622	19.53%
15												
16	Rate Group 5	MRC	2,069,817	\$ 32.00	\$ 6.50	\$ 38.50	\$ 23.90	\$ 14.60	\$ 79,687,955	\$ 49,468,626	\$ 30,219,328	61.09%
17	Rate Group 5 - RESALE	MRC	37,665	\$ 27.83	\$ 6.50	\$ 34.33	\$ 23.90	\$ 10.43	\$ 1,293,039	\$ 900,194	\$ 392,846	43.64%
18												
19	Total Business Rategroups		2,633,687						\$ 101,195,317	\$ 66,101,425	\$ 35,093,893	53.09%
20												
21												
22	ECS Usage for Routes Established Before 7/1/95											
23	Business 1-Party Extended Calling Service											
24	- Call Connection	Usage	45,211,217	\$ 0.04		\$ 0.04	\$ 0.05	\$ (0.01)	\$ 1,808,449	\$ 2,260,561	\$ (452,112)	-20.00%
25	Detail Billing											
26	- Charge Per Page of Billing Detail	Usage	0	\$ 0.14		\$ 0.14	\$ 0.14	\$ -	\$ -	\$ -	\$ -	
27												
28	Total ECS Usage								\$ 1,808,449	\$ 2,260,561	\$ 452,112	20.00%
29												
30												
31	Service Charges for Basic Business											
32	Network Access Establishment Charge	NRC	46,739	\$ 34.00		\$ 34.00	\$ 34.00	\$ -	\$ 1,589,126	\$ 1,589,126	\$ -	0.00%
33	Network Access Establishment Charge - RESALE	NRC	400	\$ 29.57		\$ 29.57	\$ 29.48	\$ 0.09	\$ 11,828	\$ 11,792	\$ 36	0.31%
34												
35	Total Service Charges								\$ 1,600,954	\$ 1,600,918	\$ 36	0.00%
36												
37	Total Basic Business Service								\$ 104,604,720	\$ 69,962,904	\$ 35,546,041	50.81%

*UNE-P calculated as Loop, Port & estimated Usage as ordered in Dkt. 990649-B-TP and are used in this analysis only as a cost indicator. VZ does not believe ordered UNE rates are a valid approximation of cost and are provided only to prove the validity of VZ's proposed rate design.

**FLORIDA RATE REBALANCING
 RESIDENCE BASIC EXCHANGE ACCESS
 UNE-P IMPACT - CURRENT - With Usage**

Row	(A) Service Description	(B) Billing Type	(C) Annualized Units	(D) Present Rate	(E) EUCL	(F)=(D)+(E) Present Rate w/EUCL	(G) Estimated Costs at Ordered UNE-P* Rates	(H)=(F)-(G) Unit Contribution	(I)=(C)*(F) Annual Present Revenue	(J)=(C)*(G) Annual Estimated Costs at Ordered UNE-P* Rates	(K)=(I)-(J) Estimated Contribution Margin*	(L)=(K)/(J) Contribution Margin %
1	Basic Local Exchange Service											
2	Flat Rate - 1 Party Service/Residence											
3	Rate Group 1	MRC	26,646	\$ 10.12	\$ 6.50	\$ 16.62	\$ 35.75	\$ (19.13)	\$ 442,857	\$ 952,595	\$ (509,738)	-53.51%
4	Rate Group 1 - 50% Emp Concession	MRC	0	\$ 5.06	\$ 6.50	\$ 11.56	\$ 35.75	\$ (24.19)	\$ -	\$ -	\$ -	-
5	Rate Group 1 - RESALE	MRC	766	\$ 8.80	\$ 6.50	\$ 15.30	\$ 35.75	\$ (20.45)	\$ 11,720	\$ 27,385	\$ (15,665)	-57.20%
6												
7	Rate Group 2	MRC	0	\$ 10.95	\$ 6.50	\$ 17.45						
8	Rate Group 2 - 50% Emp Concession	MRC	0	\$ 5.48	\$ 6.50	\$ 11.98						
9	Rate Group 2 - RESALE	MRC	0	\$ 9.52	\$ 6.50	\$ 16.02						
10												
11	Rate Group 3	MRC	1,613,695	\$ 11.33	\$ 6.50	\$ 17.83	\$ 31.27	\$ (13.44)	\$ 28,772,182	\$ 50,460,243	\$ (21,688,061)	-42.98%
12	Rate Group 3 - 50% Emp Concession	MRC	3,557	\$ 5.67	\$ 6.50	\$ 12.17	\$ 31.27	\$ (19.11)	\$ 43,271	\$ 111,227	\$ (67,956)	-61.10%
13	Rate Group 3 - RESALE	MRC	20,836	\$ 9.85	\$ 6.50	\$ 16.35	\$ 31.27	\$ (14.92)	\$ 340,669	\$ 651,542	\$ (310,873)	-47.71%
14												
15	Rate Group 4	MRC	1,729,193	\$ 11.70	\$ 6.50	\$ 18.20	\$ 28.72	\$ (10.52)	\$ 31,471,313	\$ 49,662,423	\$ (18,191,110)	-36.63%
16	Rate Group 4 - 50% Emp Concession	MRC	5,734	\$ 5.85	\$ 6.50	\$ 12.35	\$ 28.72	\$ (16.37)	\$ 70,815	\$ 184,680	\$ (93,866)	-57.00%
17	Rate Group 4 - RESALE	MRC	32,340	\$ 10.17	\$ 6.50	\$ 16.67	\$ 28.72	\$ (12.05)	\$ 539,108	\$ 928,805	\$ (389,697)	-41.96%
18												
19	Rate Group 5	MRC	11,116,532	\$ 12.10	\$ 6.50	\$ 18.60	\$ 23.90	\$ (5.30)	\$ 206,767,495	\$ 265,685,115	\$ (58,917,620)	-22.18%
20	Rate Group 5 - 50% Emp Concession	MRC	45,110	\$ 6.05	\$ 6.50	\$ 12.55	\$ 23.90	\$ (11.35)	\$ 566,131	\$ 1,078,129	\$ (511,999)	-47.49%
21	Rate Group 5 - RESALE	MRC	161,355	\$ 10.52	\$ 6.50	\$ 17.02	\$ 23.90	\$ (6.88)	\$ 2,746,262	\$ 3,856,385	\$ (1,110,122)	-28.79%
22												
23	Total Residential Rategroups		14,755,764						\$ 271,771,821	\$ 373,578,527	\$ (101,806,707)	-27.25%
24												
25	Vacation Service - Residence											
26	Vacation Service/Residence	MRC	419,308	\$ 5.77	\$ 6.50	\$ 12.27	\$ 25.27	\$ (13.00)	\$ 5,144,909	\$ 10,595,913	\$ (5,451,004)	-51.44%
27												
28	Total Basic Residential Vacation Service								\$ 5,144,909	\$ 10,595,913	\$ (5,451,004)	-51.44%
29												
30												
31	ECS Usage for Routes Established Before 7/1/95											
32	Residence 1-Party Extended Calling Service											
33	- Call Connection	Usage	48,883,999	\$ 0.25	\$	\$ 0.25	\$ 0.25	\$ -	\$ 12,221,000	\$ 12,221,000	\$ -	0.00%
34												
35	Total ECS Usage								\$ 12,221,000	\$ 12,221,000	\$ -	0.00%
36												
37	Service Charges for Basic Residence											
38	Network Access Establishment Charge	NRC	98,968	\$ 20.00	\$	\$ 20.00	\$ 20.00	\$ -	\$ 1,979,360	\$ 1,979,360	\$ -	0.00%
39	Network Access Establishment Charge - RESALE	NRC	24,425	\$ 17.39	\$	\$ 17.39	\$ 17.39	\$ -	\$ 424,751	\$ 424,751	\$ -	0.00%
40	Central Office Line Connection	NRC	102,817	\$ 35.00	\$	\$ 35.00	\$ 35.00	\$ -	\$ 3,598,595	\$ 3,598,595	\$ -	0.00%
41	Central Office Line Connection - RESALE	NRC	24,613	\$ 30.44	\$	\$ 30.44	\$ 30.44	\$ -	\$ 749,220	\$ 749,220	\$ -	0.00%
42												
43	Total Service Charges								\$ 6,751,925	\$ 6,751,925	\$ -	0.00%
44												
45												
46	Total Basic Residential Service								\$ 295,889,655	\$ 403,147,366	\$ (107,257,711)	-26.61%

*UNE-P calculated as Loop, Port & estimated Usage as ordered in Dkt. 990649-B-TP and are used in this analysis only as a cost indicator. VZ does not believe ordered UNE rates are a valid approximation of cost and are provided only to prove the validity of VZ's proposed rate design.

000528

**FLORIDA RATE REBALANCING
 RESIDENCE BASIC EXCHANGE ACCESS
 UNE-P* IMPACT - YEAR 1 PROPOSED - With Usage**

Row	(A) Service Description	(B) Billing Type	(C) Annualized Units	(D) Proposed Rate	(E) EUCL	(F)=(D)+(E) Proposed Rate w/EUCL	(G) Estimated Costs at Ordered UNE-P* Rates	(H)=(F)-(G) Unit Contribution	(I)=(C)*(F) Annual Present Revenue	(J)=(C)*(G) Annual Surrogate Costs at UNE-P Rates	(K)=(I)-(J) Contribution Margin	(L)=(K)/(J) Contribution Margin %
1	Basic Local Exchange Service											
2	Flat Rate - 1 Party Service/Residence											
3	Rate Group 1	MRC	26,646	\$ 11.70	\$ 6.50	\$ 18.20	\$ 35.75	\$ (17.55)	\$ 484,957	\$ 952,595	\$ (467,637)	-49.09%
4	Rate Group 1 - 50% Emp Concession	MRC	0	\$ 5.85	\$ 6.50	\$ 12.35	\$ 35.75	\$ (23.40)	\$ -	\$ -	\$ -	-
5	Rate Group 1 - RESALE	MRC	766	\$ 10.17	\$ 6.50	\$ 16.67	\$ 35.75	\$ (19.08)	\$ 12,769	\$ 27,385	\$ (14,615)	-53.37%
6												
7	Rate Group 2	MRC	0	\$ 12.53	\$ 6.50	\$ 19.03						
8	Rate Group 2 - 50% Emp Concession	MRC	0	\$ 6.27	\$ 6.50	\$ 12.77						
9	Rate Group 2 - RESALE	MRC	0	\$ 10.90	\$ 6.50	\$ 17.40						
10												
11	Rate Group 3	MRC	1,613,695	\$ 12.91	\$ 6.50	\$ 19.41	\$ 31.27	\$ (11.86)	\$ 31,321,820	\$ 50,460,243	\$ (19,138,423)	-37.93%
12	Rate Group 3 - 50% Emp Concession	MRC	3,557	\$ 6.46	\$ 6.50	\$ 12.96	\$ 31.27	\$ (18.32)	\$ 46,081	\$ 111,227	\$ (65,146)	-58.57%
13	Rate Group 3 - RESALE	MRC	20,836	\$ 11.23	\$ 6.50	\$ 17.73	\$ 31.27	\$ (13.54)	\$ 369,422	\$ 651,542	\$ (282,119)	-43.30%
14												
15	Rate Group 4	MRC	1,729,193	\$ 13.28	\$ 6.50	\$ 19.78	\$ 28.72	\$ (8.94)	\$ 34,203,438	\$ 49,662,423	\$ (15,458,985)	-31.13%
16	Rate Group 4 - 50% Emp Concession	MRC	5,734	\$ 6.64	\$ 6.50	\$ 13.14	\$ 28.72	\$ (15.58)	\$ 75,345	\$ 164,680	\$ (89,336)	-54.25%
17	Rate Group 4 - RESALE	MRC	32,340	\$ 11.55	\$ 6.50	\$ 18.05	\$ 28.72	\$ (10.67)	\$ 583,737	\$ 928,805	\$ (345,068)	-37.15%
18												
19	Rate Group 5	MRC	11,116,532	\$ 13.68	\$ 6.50	\$ 20.18	\$ 23.90	\$ (3.72)	\$ 224,331,616	\$ 265,685,115	\$ (41,353,499)	-15.56%
20	Rate Group 5 - 50% Emp Concession	MRC	45,110	\$ 6.84	\$ 6.50	\$ 13.34	\$ 23.90	\$ (10.56)	\$ 601,767	\$ 1,078,129	\$ (476,362)	-44.18%
21	Rate Group 5 - RESALE	MRC	161,355	\$ 11.90	\$ 6.50	\$ 18.40	\$ 23.90	\$ (5.50)	\$ 2,968,932	\$ 3,856,365	\$ (887,453)	-23.01%
22												
23	Total Residential Rategroups		14,755,764						\$ 294,999,884	\$ 373,578,527	\$ (78,578,643)	-21.03%
24												
25	Vacation Service - Residence											
26	Vacation Service/Residence	MRC	419,308	\$ 5.77	\$ 6.50	\$ 12.27	\$ 25.27	\$ (13.00)	\$ 5,144,909	\$ 10,595,913	\$ (5,451,004)	-51.44%
27												
28	Total Basic Residential Vacation Service								\$ 5,144,909	\$ 10,595,913	\$ (5,451,004)	-51.44%
29												
30												
31												
32												
33												
34												
35												
36												
37												
38												
39												
40	ECS Usage for Routes Established Before 7/1/95											
41	Residence 1-Party Extended Calling Service											
42	- Call Connection	Usage	48,883,999	\$ 0.25	\$ -	\$ 0.25	\$ 0.25	\$ -	\$ 12,221,000	\$ 12,221,000	\$ -	0.00%
43												
44	Total ECS Usage								\$ 12,221,000	\$ 12,221,000	\$ -	0.00%
45												
46	Service Charges for Basic Residence											
47	Network Access Establishment Charge	NRC	98,968	\$ 21.00	\$ -	\$ 21.00	\$ 21.00	\$ -	\$ 2,078,328	\$ 2,078,328	\$ -	0.00%
48	Network Access Establishment Charge - RESALE	NRC	24,425	\$ 18.26	\$ -	\$ 18.26	\$ 18.26	\$ -	\$ 446,001	\$ 446,001	\$ -	0.00%
49	Central Office Line Connection	NRC	102,817	\$ 36.00	\$ -	\$ 36.00	\$ 36.00	\$ -	\$ 3,701,412	\$ 3,701,412	\$ -	0.00%
50	Central Office Line Connection - RESALE	NRC	24,613	\$ 31.31	\$ -	\$ 31.31	\$ 31.31	\$ -	\$ 770,633	\$ 770,633	\$ -	0.00%
51												
52	Total Service Charges								\$ 6,996,374	\$ 6,996,374	\$ -	0.00%
53												
54	Total Basic Residential Service								\$ 319,362,166	\$ 403,391,814	\$ (84,029,647)	-20.83%

*UNE-P calculated as Loop, Port & estimated Usage as ordered in Dkt. 990649-B-TP and are used in this analysis only as a cost indicator. VZ does not believe ordered UNE rates are a valid approximation of cost and are provided only to prove the validity of VZ's proposed rate design.

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**FLORIDA RATE REBALANCING
 RESIDENCE BASIC EXCHANGE ACCESS
 UNE-P IMPACT - YEAR 2 PROPOSED - With Usage**

Row	(A) Service Description	(B) Billing Type	(C) Annualized Units	(D) Proposed Rate	(E) EUCL	(F)=(D)+(E) Proposed Rate w/EUCL	(G) Estimated Costs at Ordered UNE-P* Rates	(H)=(F)-(G) Unit Contribution	(I)=(C)*(F) Annual Present Revenue	(J)=(C)*(G) Annual Estimated Costs at Ordered UNE-P* Rates	(K)=(I)-(J) Estimated Contribution Margin*	(L)=(K)/(J) Contribution Margin %
1	Basic Local Exchange Service											
2	Flat Rate - 1 Party Service/Residence											
3	Rate Group 1	MRC	26,646	\$ 13.28	\$ 6.50	\$ 19.78	\$ 35.75	\$ (15.97)	\$ 527,058	\$ 952,595	\$ (425,537)	-44.67%
4	Rate Group 1 - 50% Emp Concession	MRC	0	\$ 6.64	\$ 6.50	\$ 13.14	\$ 35.75	\$ (22.61)	\$ -	\$ -	\$ -	-
5	Rate Group 1 - RESALE	MRC	766	\$ 11.55	\$ 6.50	\$ 18.05	\$ 35.75	\$ (17.70)	\$ 13,826	\$ 27,385	\$ (13,558)	-49.51%
6												
7	Rate Group 2	MRC	0	\$ 14.11	\$ 6.50	\$ 20.61						
8	Rate Group 2 - 50% Emp Concession	MRC	0	\$ 7.06	\$ 6.50	\$ 13.56						
9	Rate Group 2 - RESALE	MRC	0	\$ 12.27	\$ 6.50	\$ 18.77						
10												
11	Rate Group 3	MRC	1,613,695	\$ 14.49	\$ 6.50	\$ 20.99	\$ 31.27	\$ (10.28)	\$ 33,871,458	\$ 50,460,243	\$ (16,588,785)	-32.87%
12	Rate Group 3 - 50% Emp Concession	MRC	3,557	\$ 7.25	\$ 6.50	\$ 13.75	\$ 31.27	\$ (17.53)	\$ 48,891	\$ 111,227	\$ (62,336)	-56.04%
13	Rate Group 3 - RESALE	MRC	20,836	\$ 12.60	\$ 6.50	\$ 19.10	\$ 31.27	\$ (12.17)	\$ 397,968	\$ 651,542	\$ (253,574)	-38.92%
14												
15	Rate Group 4	MRC	1,729,193	\$ 14.86	\$ 6.50	\$ 21.36	\$ 28.72	\$ (7.36)	\$ 36,935,562	\$ 49,662,423	\$ (12,726,860)	-25.63%
16	Rate Group 4 - 50% Emp Concession	MRC	5,734	\$ 7.43	\$ 6.50	\$ 13.93	\$ 28.72	\$ (14.79)	\$ 79,875	\$ 164,680	\$ (84,806)	-51.50%
17	Rate Group 4 - RESALE	MRC	32,340	\$ 12.92	\$ 6.50	\$ 19.42	\$ 28.72	\$ (9.30)	\$ 628,043	\$ 928,805	\$ (300,762)	-32.38%
18												
19	Rate Group 5	MRC	11,116,532	\$ 15.26	\$ 6.50	\$ 21.76	\$ 23.90	\$ (2.14)	\$ 241,895,736	\$ 265,685,115	\$ (23,789,378)	-8.95%
20	Rate Group 5 - 50% Emp Concession	MRC	45,110	\$ 7.63	\$ 6.50	\$ 14.13	\$ 23.90	\$ (9.77)	\$ 637,404	\$ 1,078,129	\$ (440,725)	-40.88%
21	Rate Group 5 - RESALE	MRC	161,355	\$ 13.27	\$ 6.50	\$ 19.77	\$ 23.90	\$ (4.13)	\$ 3,189,988	\$ 3,856,385	\$ (666,396)	-17.28%
22												
23	Total Residential Rategroups		14,755,764						\$ 318,225,810	\$ 373,578,527	\$ (55,352,718)	-14.82%
24												
25	Vacation Service - Residence											
26	Vacation Service/Residence	MRC	419,308	\$ 5.77	\$ 6.50	\$ 12.27	\$ 25.27	\$ (13.00)	\$ 5,144,909	\$ 10,595,913	\$ (5,451,004)	-51.44%
27												
28	Total Basic Residential Vacation Service								\$ 5,144,909	\$ 10,595,913	\$ (5,451,004)	-51.44%
29												
30												
31												
32												
33												
34												
35												
36												
37												
38												
39												
40	ECS Usage for Routes Established Before 7/1/95											
41	Residence 1-Party Extended Calling Service											
42	- Call Connection	Usage	48,883,999	\$ 0.25	\$	\$ 0.25	\$ 0.25	\$ -	\$ 12,221,000	\$ 12,221,000	\$ -	0.00%
43												
44	Total ECS Usage								\$ 12,221,000	\$ 12,221,000	\$ -	0.00%
45												
46	Service Charges for Basic Residence											
47	Network Access Establishment Charge	NRC	98,968	\$ 23.00	\$	\$ 23.00	\$ 23.00	\$ -	\$ 2,276,264	\$ 2,276,264	\$ -	0.00%
48	Network Access Establishment Charge - RESALE	NRC	24,425	\$ 20.00	\$	\$ 20.00	\$ 20.00	\$ -	\$ 488,500	\$ 488,500	\$ -	0.00%
49	Central Office Line Connection	NRC	102,817	\$ 38.00	\$	\$ 38.00	\$ 38.00	\$ -	\$ 3,907,046	\$ 3,907,046	\$ -	0.00%
50	Central Office Line Connection - RESALE	NRC	24,613	\$ 33.04	\$	\$ 33.04	\$ 33.04	\$ -	\$ 813,214	\$ 813,214	\$ -	0.00%
51												
52	Total Service Charges								\$ 7,485,024	\$ 7,485,024	\$ -	0.00%
53												
54	Total Basic Residential Service								\$ 343,076,742	\$ 403,880,464	\$ (60,803,722)	-15.05%

*UNE-P calculated as Loop, Port & estimated Usage as ordered in Dkt. 990649-B-TP and are used in this analysis only as a cost indicator. VZ does not believe ordered UNE rates are a valid approximation of cost and are provided only to prove the validity of VZ's proposed rate design.

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**FLORIDA RATE REBALANCING
 RESIDENCE BASIC EXCHANGE ACCESS
 UNE-P IMPACT - YEAR 3 PROPOSED - With Usage**

Row	(A) Service Description	(B) Billing Type	(C) Annualized Units	(D) Proposed Rate	(E) EUCL	(F)=(D)+(E) Proposed Rate w/EUCL	(G) Estimated Costs at Ordered UNE-P* Rates	(H)=(F)-(G) Unit Contribution	(I)=(C)*(F) Annual Present Revenue	(J)=(C)*(G) Annual Estimated Costs at Ordered UNE-P* Rates	(K)=(I)-(K) Estimated Contribution Margin*	(L)=(K)/(J) Contribution Margin %
1	Basic Local Exchange Service											
2	Flat Rate - 1 Party Service/Residence											
3	Rate Group 1	MRC	26,646	\$ 14.85	\$ 6.50	\$ 21.35	\$ 35.75	\$ (14.40)	\$ 568,892	\$ 952,595	\$ (383,702)	-40.28%
4	Rate Group 1 - 50% Emp Concession	MRC	0	\$ 7.43	\$ 6.50	\$ 13.93	\$ 35.75	\$ (21.83)	\$ -	\$ -	\$ -	-
5	Rate Group 1 - RESALE	MRC	766	\$ 12.91	\$ 6.50	\$ 19.41	\$ 35.75	\$ (16.34)	\$ 14,868	\$ 27,385	\$ (12,516)	-45.71%
6												
7	Rate Group 2	MRC	0	\$ 15.68	\$ 6.50	\$ 22.18						
8	Rate Group 2 - 50% Emp Concession	MRC	0	\$ 7.84	\$ 6.50	\$ 14.34						
9	Rate Group 2 - RESALE	MRC	0	\$ 13.64	\$ 6.50	\$ 20.14						
10												
11	Rate Group 3	MRC	1,613,695	\$ 16.06	\$ 6.50	\$ 22.56	\$ 31.27	\$ (8.71)	\$ 36,404,959	\$ 50,460,243	\$ (14,055,283)	-27.85%
12	Rate Group 3 - 50% Emp Concession	MRC	3,557	\$ 8.03	\$ 6.50	\$ 14.53	\$ 31.27	\$ (16.74)	\$ 51,683	\$ 111,227	\$ (59,544)	-53.53%
13	Rate Group 3 - RESALE	MRC	20,836	\$ 13.97	\$ 6.50	\$ 20.47	\$ 31.27	\$ (10.80)	\$ 426,513	\$ 651,542	\$ (225,029)	-34.54%
14												
15	Rate Group 4	MRC	1,729,193	\$ 16.43	\$ 6.50	\$ 22.93	\$ 28.72	\$ (5.79)	\$ 39,650,395	\$ 49,662,423	\$ (10,012,027)	-20.16%
16	Rate Group 4 - 50% Emp Concession	MRC	5,734	\$ 8.22	\$ 6.50	\$ 14.72	\$ 28.72	\$ (14.01)	\$ 84,376	\$ 164,680	\$ (80,305)	-48.76%
17	Rate Group 4 - RESALE	MRC	32,340	\$ 14.29	\$ 6.50	\$ 20.79	\$ 28.72	\$ (7.93)	\$ 672,349	\$ 928,805	\$ (256,456)	-27.61%
18												
19	Rate Group 5	MRC	11,116,532	\$ 16.83	\$ 6.50	\$ 23.33	\$ 23.90	\$ (0.57)	\$ 259,348,692	\$ 265,685,115	\$ (6,336,423)	-2.38%
20	Rate Group 5 - 50% Emp Concession	MRC	45,110	\$ 8.42	\$ 6.50	\$ 14.92	\$ 23.90	\$ (8.99)	\$ 672,816	\$ 1,078,129	\$ (405,313)	-37.59%
21	Rate Group 5 - RESALE	MRC	161,355	\$ 14.64	\$ 6.50	\$ 21.14	\$ 23.90	\$ (2.76)	\$ 3,411,045	\$ 3,856,385	\$ (445,340)	-11.55%
22												
23	Total Residential Rategroups		14,755,764						\$ 341,306,587	\$ 373,578,527	\$ (32,271,940)	-8.64%
24												
25	Vacation Service - Residence											
26	Vacation Service/Residence	MRC	419,308	\$ 6.00	\$ 6.50	\$ 12.50	\$ 25.27	\$ (12.77)	\$ 5,241,350	\$ 10,595,913	\$ (5,354,563)	-50.53%
27												
28	Total Basic Residential Vacation Service								\$ 5,241,350	\$ 10,595,913	\$ (5,354,563)	-50.53%
29												
30												
31												
32												
33												
34												
35												
36												
37												
38												
39												
40	ECS Usage for Routes Established Before 7/1/95											
41	Residence 1-Party Extended Calling Service											
42	- Call Connection	Usage	48,883,999	\$ 0.25	\$	\$ 0.25	\$ 0.25	\$ -	\$ 12,221,000	\$ 12,221,000	\$ -	0.00%
43												
44	Total ECS Usage								\$ 12,221,000	\$ 12,221,000	\$ -	0.00%
45												
46	Service Charges for Basic Residence											
47	Network Access Establishment Charge	NRC	98,968	\$ 25.00	\$	\$ 25.00	\$ 25.00	\$ -	\$ 2,474,200	\$ 2,474,200	\$ -	0.00%
48	Network Access Establishment Charge - RESALE	NRC	24,425	\$ 21.74	\$	\$ 21.74	\$ 21.74	\$ -	\$ 531,000	\$ 531,000	\$ -	0.00%
49	Central Office Line Connection	NRC	102,817	\$ 40.00	\$	\$ 40.00	\$ 40.00	\$ -	\$ 4,112,680	\$ 4,112,680	\$ -	0.00%
50	Central Office Line Connection - RESALE	NRC	24,613	\$ 34.78	\$	\$ 34.78	\$ 34.78	\$ -	\$ 856,040	\$ 856,040	\$ -	0.00%
51												
52	Total Service Charges								\$ 7,973,920	\$ 7,973,920	\$ -	0.00%
53												
54	Total Basic Residential Service								\$ 366,742,857	\$ 404,369,360	\$ (37,626,503)	-9.30%

*UNE-P calculated as Loop, Port & estimated Usage as ordered in Dkt. 990649-B-TP and are used in this analysis only as a cost indicator. VZ does not believe ordered UNE rates are a valid approximation of cost and are provided only to prove the validity of VZ's proposed rate design.

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