

Southern Bell
Exhibit SMF-1
Page 1 of 9
Witness Fox
Docket No. 870790-TL

Economic Study

Extended Area Service

Gilchrist County

Confidentiality expired

DOCUMENT NUMBER 870790-TL

08883 APR 22 1993

PSC-RECORDS/REPORTING

Southern Bell
Exhibit SMF-1
Page 2 of 9
Witness Fox
Docket No. 870790-TL

Gilchrist County -- No. 870790-TL

INDEX:	Page
Study Objective/Study Methodology	3
Exchange Map	4
Basic Study Data	5
Forecast Data	6-7
Economic Impact	8
Economic Forecast	9

Study Objective and Methodology

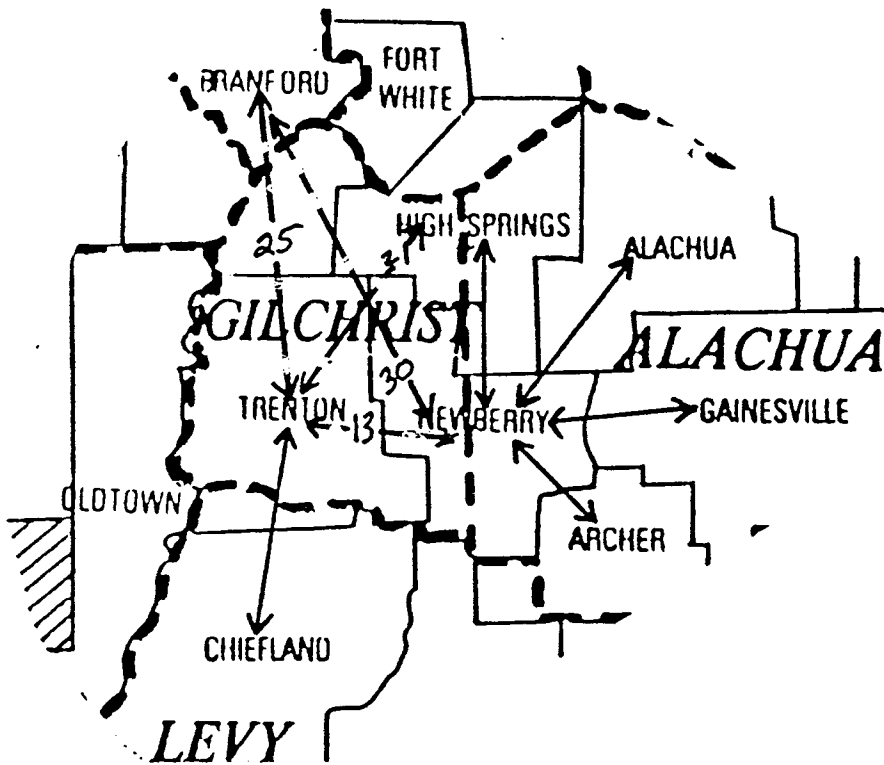
Study Objective:

To evaluate the economic effect of providing Extended Area Service to Gilchrist County.

Study Methodology:

This study develops the incremental costs associated with the above mentioned Extended Area Service (EAS). The incremental approach consists of pricing equipment requirements attributable to EAS. Traffic volume is used to determine equipment needs, If a fraction of a piece of equipment was required for the added traffic, only a fraction of the cost was charged to this study. Costs are expressed in current dollars.

Map of
Gilchrist County



Current Local Calling Areas:

Trenton Chiefland
 Newberry (EOEAS)
 Gainesville (EOEAS)

Newberry Alachua
 Archer
 Gainesville
 High Springs
 Trenton (EOEAS)

Southern Bell
Exhibit SMF-1
Page 5 of 9
Witness Fox
Docket No. 870790-TL

Gilchrist County
Extended Area Service Cost Study
Basic Study Data

Company, Exchange and NXX's in the Study:

Southern Bell

Trenton - 463

Newberry - 472

Stimulation Factor Used to Convert Forecasted Toll Message to
Expected EAS Usage:

Message Toll	- 6 Times.
Foreign Exchange (FX)	- No stimulation applied.

Forecast of Annual Toll Messages, Access, & FX Lines and Revenues

Trenton to Newberry

	1991	1992	1993	1994	1995	Total
Toll Messages	133,788	140,477	147,501	154,526	162,253	
Access Lines	2,554	2,682	2,817	2,958	3,106	
FX Lines	14	14	14	14	14	
FX Revenue (\$)	17,809	17,809	17,809	17,809	17,809	89,045
Toll Revenue (\$)	31,257	32,820	34,461	36,184	37,994	172,716
Total Revenue Reduction (\$)	49,066	50,629	52,270	53,993	55,803	261,761

Newberry to Trenton

	1991	1992	1993	1994	1995	Total
Toll Messages	80,148	84,156	87,523	91,900	96,495	
Access Lines	2,833	2,975	3,124	3,281	3,445	
FX Lines	0	0	0	0	0	
FX Revenue (\$)	0	0	0	0	0	0
Toll Revenue (\$)	32,109	33,715	35,401	37,171	39,030	177,426
Total Revenue Reduction (\$)	32,109	33,715	35,401	37,171	39,030	177,426

Forecast of Annual Toll Messages, Originating and Terminating
 Access Revenue, & FX Lines and Revenues

Trenton to Branford

	1991	1992	1993	1994	1995	Total
Toll Messages	23,892	25,087	26,342	27,660	29,043	
Access Lines	2,554	2,682	2,817	2,958	3,106	
FX Lines	0	0	0	0	0	
FX Revenue(\$)	0	0	0	0	0	
Access Revenue(\$)	10,425	10,947	11,495	12,070	12,674	57,611
Total Revenue Reduction	10,425	10,947	11,495	12,070	12,674	57,611

Newberry (Pocket) to Branford

	1991	1992	1993	1994	1995	Total
Toll Messages	2,736	2,873	3,017	3,168	3,327	
Access Lines	728	765	804	845	888	
FX Lines	0	0	0	0	0	
FX Revenue(\$)	0	0	0	0	0	
Access Revenue(\$)	1,690	1,775	1,864	1,958	2,056	9,343
Total Revenue Reduction (\$)	1,690	1,775	1,864	1,958	2,056	9,343

Trenton to High Springs

	1991	1992	1993	1994	1995	Total
Toll Messages	13,380	14,049	14,752	15,490	16,265	
Access Lines	2,554	2,682	2,817	2,958	3,106	
FX Lines	0	0	0	0	0	
FX Revenue(\$)	0	0	0	0	0	
Access Revenue(\$)	6,501	6,826	7,168	7,527	7,904	35,926
Total Revenue Reduction (\$)	6,501	6,826	7,168	7,527	7,904	35,926

Estimated Economic Impact

of Countywide EAS at

Full Cost Recovery Rates

Annual Southern Bell Impact

Losses:

Additional Switching Investment	\$ 7,554.00
Directory Costs	30,816.00
Toll Revenue Loss	63,366.00
FX Revenue Loss	17,809.00
Originating Access Loss	7,710.00
Terminating Access Loss	10,806.00
TOTAL LOSSES	\$138,061.00

Gains:

Revenue Increase	\$ 4,060.00
Regrouping Revenues	17,156.00
TOTAL GAINS:	\$ 21,216.00

NET ECONOMIC IMPACT: \$(116,845.00)

Estimated Forecast of

Economic Effects

County-Wide EAS

LOSSES:

	1991	1992	1993	1994	1995
Toll Revenue Reduction	63,366	66,535	69,862	73,356	77,024
FX Revenue Reduction	17,809	17,809	17,809	17,809	17,809
Access Revenue	18,516	19,442	20,415	21,436	22,508
Switching Investment	(22,968)	(24,116)	(25,321)	(26,587)	(27,916)
Annual Charges	7,554	7,932	8,328	8,744	9,181
Directory Costs	30,816	32,356	33,974	35,673	37,456
TOTAL LOSSES	138,061	144,074	150,388	157,018	163,978

GAINS:

	1991	1992	1993	1994	1995
Customer Service					
Center Savings	240	252	265	279	293
Operator Savings	3,252	3,415	3,585	3,764	3,952
Toll Billing Savings	228	242	254	266	280
Revenue Increase	17,496	18,369	19,287	20,251	21,263
TOTAL GAINS:	21,216	22,278	23,391	24,560	25,788

	1991	1992	1993	1994	1995
SBT Economic Impact for providing EAS	(116,845)	(121,796)	(126,997)	(132,458)	(138,190)

M E M O R A N D U M

4/22/91

TO: _____ DIVISION OF APPEALS
_____ DIVISION OF AUDITING AND FINANCIAL ANALYSIS
XXXX DIVISION OF COMMUNICATIONS
_____ DIVISION OF ELECTRIC AND GAS
_____ DIVISION OF RESEARCH
_____ DIVISION OF WATER AND SEWER
_____ DIVISION OF LEGAL SERVICES

FROM: DIVISION OF RECORDS AND REPORTING (FLYNN)

RE: CONFIDENTIALITY OF CERTAIN INFORMATION

DOCUMENT NO.: 3883-91

DESCRIPTION: Exhibit SMF-1 to testimony of Sandra M. Fox

SOURCE: Southern Bell Telephone and Telegraph Company

DOCKET NO.: 870790-TL

The above material was received with a request for confidentiality (attached). Please prepare a recommendation for the attorney assigned to the case by completing the section below and forwarding a copy of this memorandum, together with a brief memorandum supporting your recommendation, to the attorney. You must prepare and forward a recommendation within 10 working days from the date of this memorandum. Copies of your recommendation should also be provided to the Division of Records and Reporting and to the Division of Appeals.

Please read each of the following and check if applicable.

_____ The document(s) is (are), in fact, what the utility asserts it (them) to be.

_____ The utility has provided enough details to perform a reasoned analysis of its request.