

STATE OF FLORIDA OFFICE OF THE PUBLIC COUNSEL

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c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, Florida 32399-1400 904-488-9330

October 7, 1994

Blanca S. Bayo, Director Division of Records and Reporting Florida Public Service Commission 101 East Gaines Street Tallahassee, FL 32399-0850

Re: Docket No. 921074-TP

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket on behalf of the Citizens of the State of Florida are the original and 15 copies of the Citizens' Post-Hearing Statement of Issues and Positions.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

| ACK | to our office. |
|------------|---|
| AFA | Sincerely, |
| APP | |
| CAF | Charles J. Beck |
| CMDKeith | Charles J. Beck |
| CTR | Deputy Public Counsel |
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FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Expanded Interconnection Phase II and Local Transport Restructure Docket No. 921074-TP Docket No. 930955-TL Docket No. 940014-TL Docket No. 940020-TL Docket No. 931196-TL

Docket No. 940190-TL

Filed: October 7, 1994

CITIZENS' POST-HEARING STATEMENT OF ISSUES AND POSITIONS

The Citizens of Florida ("Citizens"), by and through Jack Shreve, Public Counsel, file this post-hearing statement of issues and positions pursuant to Commission rule 25-22.056. The Citizens take no position on issues not addressed in this post-hearing statement of issues and positions.

Basic Position: * Expanded interconnection for switched access is in the public interest. The local exchange companies should be given some flexibility to decrease rates in areas where it faces effective competition. However, no flexibility should be given to increase rates in rural areas. *

Issue 4. Is expanded interconnection for switched access in the public interest?

Citizens' Position:

* Yes. *

Issue 5. Is the offering of dedicated and switched services between non-affiliated entities by non-LECs in the public interest?

Citizens' Position: * Yes. *

Issue 8. Should the Commission require physical and/or virtual collocation for switched access expanded interconnection?

citisens* Position: * The Commission should require
virtual collocation. *

Issue 12. Should collocators be required to allow LECs and other parties to interconnect with their networks?

Citizens' Position: * Yes. *

Issue 15. Should the proposed LEC flexible pricing plans for private line and special access services be approved?

<u>Citizens' Position</u>: * The Commission should not allow the companies flexibility to increase any rates over those that exist today. Otherwise, the LEC's may disadvantage users located in rural areas. Some downward pricing flexibility should be allowed in the more competitive wire centers. *

<u>Discussion</u>: The local exchange companies filed illustrative tariffs separating wire centers into three separate wire density zones. Zone 1 is the most dense zone and presumably the most competitive. Zone 3 is the least competitive. According to Mr. Gillan, there is no competition in zones 3 or 2 for most of the products discussed in this case. Gillan, Tr. 624. The battleground for market will be in zone 1. Gillan, Tr. 625.

The LECs filed no pricing differentials, yet they want the Commission to approve the zone density pricing "concept." See Lee, Tr. 341; Hendrix, Tr. 536. They specifically have <u>not</u> determined whether to file for rate increases in zones 2 or 3. Lee, Tr. 342-344; Hendrix, Tr. 536.

The Commission should not be lulled into carte blanche acceptance of the illustrative tariffs when it is unknown whether the LECs will seek to raise rates in rural areas. Any pricing flexibility given to the LECs should be strictly limited to downward pricing flexibility in the most dense zone. New technologies utilized in the local exchange networks lower overall LEC incremental costs. Beauvais, Tr. 255. While it may be appropriate to allow some downward flexible pricing in the more competitive wire centers, this should not be an excuse to raise rates in rural areas.

Issue 18. Should the LECs be granted additional pricing flexibility? If so, what should it be?

<u>citisens* Position</u>: * The LECs should be given some flexibility to reduce rates in the more competitive wire centers.

Rate increases in rural areas should not be pre-approved by the Commission. *

Discussion: See the discussion in response to issue 15.

JACK SHREVE Public Counsel

Charles J. Beck Deputy Public Counsel

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Attorneys for the Citizens of the State of Florida

CERTIFICATE OF SERVICE DOCKET NO. 921074-TP

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S. Mail or hand-delivery to the following parties on this 7th day of October, 1994.

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