

CERTIFICATE OF SERVICE
Docket No. 941281-TL

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U. S. Mail, hand delivery (*) this 26th day of February, 1996, to the following:

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Commission
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Attorney

1 **BEFORE THE PUBLIC SERVICE COMMISSION**

2 **DIRECT TESTIMONY**

3 **OF**

4 **SHARON E. HARRELL**

5 **Q. Please state your name, business address and title.**

6
7 **A. My name is Sharon E. Harrell. My business address is Post**
8 **Office Box 165000, Altamonte Springs, Florida, 32716-5000.**

9
10 **I am Tariff Manager - Exchange Services for United**
11 **Telephone Company of Florida ("Sprint-United") and Central**
12 **Telephone Company of Florida ("Sprint-Centel"). This**
13 **docket only involves Sprint-United.**

14
15 **Q. Please describe your previous work experience.**

16
17 **A. I began my career in 1964 when I joined United Telephone of**
18 **Ohio as a long distance operator. In 1973, I transferred**
19 **to the position of Service Representative in the Business**
20 **Office. In 1977, I relocated to Florida and began work as**
21 **a long distance operator with United Telephone of Florida.**
22 **I transferred to the Business Office in 1978 as a Service**
23 **Representative. In 1980 I was promoted to the position of**
24 **Business Office Supervisor. I moved to the Staff**
25 **Administrator Customer Service position in 1986. In that**

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FISD-RECORDS/REPORTING

1 position I was responsible for providing support and
2 direction to eight business offices and two collection
3 offices for United.

4
5 I began my present assignment in 1993.

6
7 Q. Have you previously testified before the Commission?

8
9 A. Yes. I was the witness for Sprint-United and Sprint-Centel
10 in Docket No. 920837-TL, which dealt with the proper
11 tariffing of telephone service for elevators and common
12 areas within residential facilities.

13
14 Q. What is the purpose of your testimony?

15
16 A. The purpose of my testimony is to address the issues in
17 this docket. My testimony is based upon traffic studies
18 conducted by United in this docket involving the interLATA
19 long distance route between the Groveland exchange and the
20 Orlando, Winter Garden and Windermere exchanges.

21
22 Q. Have you prepared an exhibit to accompany your testimony?

23
24 A. Yes. Exhibit ____ (SEH-1) is a composite exhibit
25 consisting of two documents. This exhibit was prepared by

1 me or under my direction and supervision for presentation
2 in this docket.

3

4 Q. What is Sprint-United's basic position in this docket?

5

6 A. Two separate traffic studies were completed on these
7 routes. The results of both studies reflected sufficient
8 messages per access line per month ("M/A/Ms") on the
9 Groveland to Orlando route. However the frequency
10 distribution, or number of subscribers making 2 or more
11 calls per month fell short of the minimum requirements of
12 the existing FPSC Rules to qualify for balloting for flat
13 rate, non-optional Extended Area Service ("EAS") between
14 Groveland and Orlando. Rather, the calling patterns on
15 this route support the implementation of an Extended
16 Calling Service ("ECS") Plan.

17

18 The traffic studies also reflected that the Groveland to
19 Winter Garden and Groveland to Windermere routes failed to
20 meet either minimum requirement as set forth in the
21 existing FPSC Rules to qualify for balloting for flat rate,
22 non-optional EAS.

23

24 Q. Please explain more fully the results of the traffic
25 studies conducted by United.

1 A. The original traffic study was conducted in October 1994,
2 and a second study was conducted in March 1995. In both
3 studies, the requirement of at least 3 M/A/MS was met on
4 the Groveland to Orlando route. However, the number of
5 customers making 2 or more calls per month fell short of
6 the 50% requirement in the Commission's rule.

7

8 Here are some additional observations based on customer
9 usage data on the Groveland to Orlando route:

10

11 • 41% of residence customers did not make any
12 calls.

13

14 • 52% of residential customers made less than 2
15 calls per month

16

17 The implementation of non-optional plans allows high volume
18 users to benefit at the expense of low volume users. And,
19 generally, business customers benefit at the expense of
20 residential customers. For these reasons United supports
21 the implementation of ECS rather than a non-optional plan.

22

23 Implementing an ECS Plan would place the burden of paying
24 for the calls on those customers who are placing the calls.

25

- 1 Q. Is there sufficient community of interest on the Groveland
2 to Orlando route to justify balloting for flat rate EAS?
3
- 4 A. No. The Florida Public Service Commission Rule
5 25-4.060(3), Florida Administrative Code, requires a
6 preliminary showing that there is a community of interest
7 sufficient to warrant further EAS proceedings. Because the
8 Groveland exchange has less than half the access lines of
9 the Orlando exchange, one-way traffic may be used to
10 establish a preliminary finding of a sufficient community
11 of interest. A sufficient community of interest exists
12 when the calling rate exceeds 3 M/A/Ms and 50% of the
13 subscribers in the exchange make 2 or more calls per month.
14 The Groveland traffic satisfied the M/A/M criteria, but
15 fell short of the requirement that at least 50% of the
16 Groveland subscribers make 2 or more calls per month.
17
- 18 Q. What other community of interest factors should be
19 considered in determining if either an optional or
20 non-optional InterLATA toll alternative should be
21 implemented?
22
- 23 A. In addition to considerations provided for in the
24 commission rules, there are some factors often mentioned by
25 subscribers desiring EAS. Such factors may include the

1 location of schools, fire/police departments,
2 medical/emergency facilities, and county government.

3
4 All schools, emergency services and governmental agencies
5 for the Groveland exchange are located in Lake County and
6 can be accessed toll free. Therefore, these traditional
7 community of interest factors are not applicable for the
8 implementation of flat rate, non-optional EAS on the
9 Groveland to Orlando route.

10
11 In addition to the above factors, there is the issue
12 regarding the Windermere and Winter Garden exchanges and
13 the need to incorporate them in this EAS issue. The
14 traffic study results do not support including these
15 routes. However due to the issue of leapfrogging, we
16 would agree that only the Winter Garden exchange should be
17 included with any offering of flat rate non-optional EAS
18 with the 25/25 plan and regrouping.

19
20 Since the Windermere exchange would be involved only when
21 calls from the southern most point of the Groveland
22 exchange were placed to the Orlando exchange, United does
23 not believe the Windermere exchange should be included. A
24 map showing the locations of these exchanges may be found
25 in document 2 of my composite exhibit.

1 Q. If a sufficient community of interest is determined, what
2 alternative plans should be considered?

3

4 A. If the Commission determines that a sufficient community of
5 interest exists, United believes the best solution is an
6 ECS Plan, or as this is an InterLATA route, a modified ECS
7 Plan.

8

9 The second alternative would be that subscribers should be
10 surveyed for flat rate, non-optional EAS with the 25/25
11 additive and regrouping.

12

13 Q. Please explain the 25/25 EAS plan with regrouping.

14

15 A. The 25/25 EAS plan with regrouping provides a mechanism to
16 provide flat rate EAS while offering a partial recovery of
17 costs to the Company.

18

19 Under this plan, an additive is calculated based on the
20 additional calling scope gained. For the Groveland
21 subscribers, the additive would be based on the number of
22 lines in the Orlando and Winter Garden exchanges. There
23 are approximately 370,000 lines in the combined exchanges,
24 which would place the exchange in United's Rate Group 5.
25 The additive for each type of line is computed by

1 multiplying 25 percent times the various access line rates
2 in rate group 5. This amount is then added to the
3 Groveland rate. In addition, if enlarging the local
4 calling area causes the requesting exchange to regroup, the
5 rate for the new rate group would also apply. In this
6 case, the addition of the Orlando exchange to the
7 Groveland exchange local calling area would result in a
8 regrouping of the Groveland exchange to United's Rate
9 Group 6.

10
11 Q. What is the economic impact of the 25/25 EAS plan with
12 regrouping on subscribers?

13
14 A. Subscribers in the Groveland exchange would be charged an
15 additive to their basic monthly rate as shown on document
16 1 of my composite exhibit. In addition, the exchange would
17 be regrouped to United's Rate Group 6, which would result
18 in an increase in the basic local service rate. Rate
19 information is also reflected on Document 1 of my composite
20 exhibit.

21
22 Q. What is the economic impact of the 25/25 EAS plan with
23 regrouping on United?

24
25 A. The estimated revenue impact to United would be \$58,728

1 annually. These dollars do not reflect the additional
2 costs for the facilities that will have to be installed or
3 leased from an IXC to carry the traffic. Also to be
4 considered are the costs for directories, the directory
5 assistance three call allowance, and the cost of
6 programming to convert the existing toll traffic to local
7 traffic, or other administrative costs associated with the
8 implementation of the toll alternative.

9

10 Q. What is the economic impact of implementing an ECS Plan or
11 MECS ("Modified Extended Calling Service") Plan?

12

13 A. Based on the monthly calling volume reflected in the
14 traffic studies, the estimated annual revenue impact to
15 United would be a loss of \$85,000. As with the
16 implementation of EAS, these dollars do not reflect the
17 additional costs for facilities that may be required to
18 carry the traffic, or the costs for switch translations,
19 directories, the directory assistance allowance, or other
20 administrative costs associated with the implementation of
21 the toll alternative.

22

23 Q. Should subscribers be required to pay an additive as a
24 prerequisite to implementation of EAS?

25

1 A. Yes. If the Commission orders non-optional flat rate EAS,
2 it should order the 25/25 plan with regrouping, as
3 discussed in my testimony.
4

5 Q. If EAS is determined to be appropriate, should the
6 customers be surveyed?
7

8 A. Yes. If a non-optional plan is determined to be
9 appropriate, then the subscribers should be surveyed. All
10 subscribers should have a voice in the implementation of
11 such a plan, since all subscribers will pay for the plan if
12 implemented.
13

14 Q. Does that conclude your direct testimony?
15

16 A. Yes.

**Proposed Rates for the Groveland Exchange for
Non-Optional, Flat Rate, Two-Way, Toll Free
Calling between the Groveland and Orlando
Exchanges:**

	<u>Present Rate</u>	<u>25/25 Additive</u>	<u>Regrouping</u>	<u>Total Additive</u>	<u>New Rate</u>
R1	\$ 8.73	\$ 2.18	\$1.50	\$ 3.68	\$12.41
B1	20.47	3.80	3.56	9.12	27.83
PBX	40.98	10.25	7.08	17.33	58.31

Rate Group Information

	<u>Residential</u>	<u>Business</u>	<u>PBX</u>
Rate Group 4	\$ 8.73	\$20.47	\$40.98
Rate Group 6	10.23	24.03	48.06

UNITED TELEPHONE OF FLORIDA
GROVELAND
PROPOSED EAS ROUTES

