

ORIGINAL

KATZ, KUTTER, HAIGLER, ALDERMAN, BRYANT & YON
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
www.katzlaw.com

Orlando Office
Suite 900
111 North Orange Avenue
ORLANDO, FL 32801
(407) 841-7100
fax (407) 648-0660

Tallahassee Office
12th Floor
106 East College Avenue
TALLAHASSEE, FL 32301
(850) 224-9834
fax (850) 222-0103

Miami Office
Suite 409
2999 NE 191st Street
AVENTURA, FL 33180
(305) 932-0996
fax (305) 932-0972

Washington, DC Office
Suite 750
801 Pennsylvania Avenue, NW
WASHINGTON, D.C. 20004
(202) 393-1132
fax (202) 624-0659

Reply to: Tallahassee Office

September 17, 2001

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

D10488-TI

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COMMISSION
CLERK

Re: Telco Holdings Inc. d/b/a Dial and Save

Dear Ms. Bayo:

During late 1999 and early 2000, Commission Staff performed an audit of Telco Holdings Inc. d/b/a Dial and Save (hereafter "the Company") to determine whether it had effected the flow through of 1998 switched access charges as required by Florida Statute and Commission orders. The staff filed its Audit Report on June 20, 2000. The Company has responded to the Audit Report both verbally and in writing. Moreover, to avoid an unnecessary dispute over the refund issue, the Company has proposed to refund to customers \$32,323. This is the largest refund that can be reasonably computed.

As the Company understands, staff is not opposed to this settlement but does have two basic concerns. First, staff is concerned that the Company has not produced sufficient data to accurately establish the amount to be refunded. Next, staff remains concerned that the dearth of data suggests non-responsiveness on the part of the Company. The Company appreciates the Staff's candor in this regard, and welcomes the opportunity to put both concerns to rest.

Requirements of Section 364.163(6), Florida Statutes

In 1998 the Legislature amended¹ Section 364.163(6), Florida Statutes, to modify the then existing requirements for switched access rate reductions and the flow-through of

¹ Chapter 98-277, Section 4, General Laws of Florida.

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September 17, 2001
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those reductions to customers. In a nutshell, each large local exchange company² was required to reduce its intrastate switched access rates by 5 percent on July 1, 1998, and by 10 percent on October 1, 1998. In addition, IXCs receiving these access charge reductions were required to flow the benefits through to their customers. As summarized on page 3 of Commission Order No. PSC-98-0795-FOF-TP, issued on June 28, 1998 (hereafter "1998 Flow Through Order"):

Section 364.163(6), Florida Statutes, as amended, requires that IXCs meet three flow-through requirements. First, an IXC's intrastate rates must be decreased by the amount necessary to return the benefits of the switched access reduction to its customers. Second, an IXC shall not reduce per minute intraLATA toll rates by a percentage greater than the required per minute switched access rate reduction. Third, an IXC may determine the specific rates to be decreased, provided that both residential and business customers benefit from the rate decreases.

Requirements of the 1998 Flow Through Order

As reflected in the text of the Flow Through Order, the 1998 amendment to Section 364.163(6) was the latest of legislative mandated access charge reductions and IXC rate reductions. In response to the earlier 1996 statutory precursor, the Commission "ordered IXCs to provide (it) with substantial documentation to verify their compliance with the flow-through requirements." The Commission concluded in the 1998 Flow Through Order, however, that this requirement was too burdensome for small IXCs:

By this Order, we are modifying the filing requirements for smaller IXCs, in order to reduce their regulatory burden. We find that it is *important in a pro-competitive environment* not to burden smaller IXCs unnecessarily with reporting requirements. ... Accordingly, we conclude that any IXC that paid less than \$20 million in total Florida intrastate switched access charges in 1997 *is relieved of the obligation to file the documentation required herein for larger IXCs.* In lieu of filing the documentation, qualifying IXCs must certify by letter accompanying their tariff reduction filing that they paid less than \$20 million and that they have met the statutory requirements.³

The IXC tariff reductions flowing through the benefits of the 5% and 10% access charge reductions were to be effective on July 1, 1998, and October 1, 1998.

² LECs with more than 100,000, but fewer than 3 million, basic local telecommunications service access lines in service on July 1, 1995

³ Id. (emphasis added).

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The Audit Report's Exceptions and Opinion

The Audit report noted three exceptions and provided staff's opinion with respect to the Company's compliance with the flow through requirements. These exceptions and the opinion are briefly explained and responded to below. These responses should adequately address staff's two basic concerns. For ease of reference these tariffs will be called the "1998 Flow Through Tariffs."

1. Minutes of Use Report

Exception Number 1:

The Company did not have available to it and could not readily produce the type of use data Staff normally uses in assessing regulatory compliance. Staff requested minutes of use data, which the Company could not provide. Thus the audit exception notes as follows: "These minutes of use were requested on January 6, 2000. Many calls have been made to the Company requesting this information." In effect, the Audit Report criticizes the Company for a lack of responsiveness.

Response:

The Audit Report fails to recognize the Company's status as a small IXC. The Commission specifically relieved the smaller IXCs of the obligation of existing filing requirements to avoid imposing on them an unjustifiable regulatory burden. Ironically, the Staff's data request would in effect have required the Company to retroactively compile analogous reports at an exponentially greater burden. The Company estimated that providing a one-month summary of minutes of use would cost the Company between \$370,000 and \$620,000 (not including office space and equipment). This is 10 to 20 times greater than the highest amount that could arguably be refunded without violating the statutory percentage limitation on the rate reduction.

2. Tariffs Not Implemented

Exception Number 2:

The second audit exception notes that in April and May of 1998, the Company was charging for certain calls less than its then existing tariffs required. The Company designed and filed the 1998 Flow Through Tariffs on the basis of the existing tariffs, i.e., on its approved rates, not on what it had been charging. The Audit Report also notes that if the reduction was properly computed from approved rates, the 1998 Flow Through Tariffs "would have met the requirements of the Commission Order PSC 88-0795-FOF-TP."

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Response:

To the extent this exception goes to the issue of flow through compliance, please see item 4 below. With respect to other consequences of charging off tariff, the Company did not attempt to make itself whole for under-charges either through back billing or prospectively through an offset reflected in the flow through tariffs. Rather, the Company appropriately absorbed the lost revenues due to the under-charging, and made the required tariff revisions based on its approved rates. Moreover, the Company in good faith believed that it was required to proceed in this manner. In this regard, as the Audit report avers, there has been no determination that the Company failed to comply with the Order by applying the reduction to approved tariff rates as opposed to the somewhat lower rates that were charged.

3. Incorrect Plan During September 1998

Exception Number 3:

Audit Exception No. 3 suggests that the Company used an incorrect plan in billing for a call made on September 4, 1998.

Response:

This was a limited exception. The customer apparently was not a pre-subscribed customer, but a casual "dial-around" caller who used the Company's 457 access code. Under the particular circumstances of that call, the plan used to rate the call was permissible. Moreover, this exception is not germane to the main issue of reducing rates to flow through to the customer the benefit of access charge reductions.

4. Audit Opinion

Opinion:

To comply with the 1998 Flow Through Order, the Company filed rate reductions based on its January 22, 1998 tariff. The Audit Report opined that these reductions "would have met the requirements" of the 1998 Flow Through Order had the Company been using the tariff rates. To reiterate, for interLATA calls, the Company had been using an earlier rate which was lower than the tariffed rate. Consequently, the Company's "flow-through" rates were lower than its earlier applicable tariffed rates but in some cases higher than the rates actually charged. The Audit Report thus concludes that "... (for interLATA calls) the company never reduced the actual rates it was charging. This does not appear to be the case for intraLATA calls." The Audit Report then opines that "Whether the company was in compliance with (the 1998 Flow Through Order) depends on whether the Commission agrees that the reduction should have been from actual rates in effect or approved rates."

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Response:

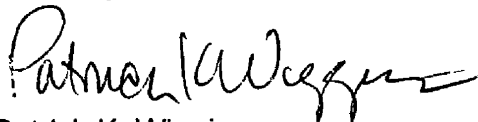
The Commission apparently has adopted the non-rule policy that the starting point for computing the flow-through is the rates actually charged by the Company not the rates contained in the applicable tariff. Without acquiescing in either the correctness or the enforceability of this policy, the Company proposed to refund to customers \$32,323. As explained by the Company (see Attachment A, letter of Ms. Robbin Johnson dated April 25, 2001, transmitting responses to staff's informal data requests and attachments), this amount is conservative in that the assumptions used guarantee that the amount computed does not understate the access charge reduction benefits received by the Company. On the other hand, the Company refunding an amount greater than this would likely violate a statutory parameter, i.e., that an IXC may not reduce per minute toll rates by a percentage greater than the required per minute switched access rate reduction.

Conclusion:

The responses to the exceptions and opinion should address staff's two basic concerns as noted at the beginning of this letter. First, the Company believes that the explanation provided in Attachment A provides adequate justification to conclude that the Company has not understated the refund arguably due, assuming that the Flow Through Tariffs were too high. Moreover, if the refund were computed to be greater, the resulting flow through would likely violate the percentage ceiling in the statute. Second, the lack of data is not due to non-responsiveness but rather to the Company's status as a small IXC and the extraordinary difficulty reconstructing billing reports.

The Company trusts that staff will find this summary sufficient for the purposes of bringing this matter to a close. The Company appreciates the courtesies extended to it by staff with respect to the filing of this response.

Sincerely,



Patrick K. Wiggins

PKW:plk

Attachment

cc: Ms. Melinda Watts

Ms. Robbin Johnson

April 25, 2001



Via Telecopier and Express Delivery

Ms. Melinda Watts
Bureau of Service Quality
Compliance Section
Florida Public Service Commission
Capitol Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Undocketed Audit of Dial & Save Audit Control No. 99-077-4-1

Dear Ms. Watts:

The attached is in response to informal data requests posed by staff on March 23, 2001. The data requests were prompted by the Company's settlement offer of March 15th.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robbin M. Johnson".

Robbin M. Johnson
Assistant General Counsel

Attachments

Response to Informal Data Request

Cc: Denise Vandiver
Ray Kennedy
Jerry Kirby

Excel Communications, Inc.

Office of the General Counsel
8750 N. Central Expressway, Suite 2000 • Dallas, TX 75231-6436 • 214.863.8213 • Fax 214.863.8215
www.excel.com

Informal Data Request No.1

Provide a Company Document listing all customers that ties in with the number of customers used in the calculation.

Answer

The calculation underlying the Company's settlement offer was based upon information extracted in June of 1999 from Dial and Save's billing database (see Company e-mails Attachment 1-A). In June of 1999 the Company managers prepared a list of ANIs from which Staff could request bill copies. To aid in that selection by Staff, the Company's managers listed each unique ANI that generated calls rated under the USA Savings Plan each month from May 1998 to May 1999. Having been advised of the 12 ANIs selected by Staff, Excel went back to the LECs and obtained bill copies for the 12 ANIs.

The database from which the larger ANI list was prepared was used to rate calls and was capable of sorting the calls by ANI, and then by rate plan. Customer names and addresses would likely not have been contained in this database. Rather, customer name and address information would typically have been matched with the ANIs by the LEC. The LECs would then use the ANIs and their associated call rating data when performing bill-rendering services on Dial and Save's behalf. In attempting to respond to this request, the Company has been trying to locate and restore the database from which these 1999 ANI counts were taken in case that database indeed yields customer name data.

In devising a surrogate for the MOU data requested by Staff but which the Company cannot practically retrieve, the Company went back to this earlier study performed in 1999. By counting the number of unique ANIs from this study, the Company used the July 1998 count of ANIs to derive the number of USA Savings Plan customers in that month.

The calculation of the proposed settlement of \$32,323 used just two data points. The first is the unique ANI count for the USA Savings Plan in July 1998 when the first pass through access charge reduction was ordered to take effect. That count was 2,027. The second was November 1999 when all then existing USA Savings Plan customers were migrated to a new flat rated plan of 9 cents a minute. That count was 71.¹ A spreadsheet which lists each of the 2,027 unique ANIs comprising the count for the month of July 1998 will accompany the mailing of this response today (Attachment 1-B). Also included will be a spreadsheet listing each unique ANI, each month from May 1998 to May 1999. A tally of each month's unique ANI count is contained within Attachment 1-A.

As this monthly tally shows, there is a steep decline in the number of USA Savings Plan customers each month from May 1998 to May 1999. If this steep rate of attrition had been used, the calculation supporting the Company's settlement offer would have yielded \$12,867 (See Attachment 1-C Alternate View). However, by using just two data points and assuming that customer left the service each month in even decrements, the Company settlement proposal increased more than two-fold, to \$32,323.

¹ This flat 9 cent a minute replacement plan for the USA Savings Plan was only open to customers who were on the USA Saving Plan at the time of the rate plan migration.

ATTACHMENT 1-A
Florida Public Service Commission
Telco Holdings, Inc. dba Dial & Save
Audit Control No. 99-077-4-1

—Original Message—

From: Cecile Lucas
Sent: Tuesday, June 22, 1999 7:11 AM
To: Jerry Kirby
Subject: FW: Dial & Save - Folder No. 405 - From May 98 through May 99 - GTE and Sprint/United Territories ONLY

FYI.

—Original Message—

From: John Phillips
Sent: Tuesday, June 22, 1999 7:36 AM
To: Cecile Lucas
Cc: Harry Kriz
Subject: RE: Dial & Save - Folder No. 405 - From May 98 through May 99 - GTE and Sprint/United Territories ONLY



gtespnt.xls

<u>Month</u>	<u># ANIs</u>
May-98	3,590
Jun-98	2,891
Jul-98	2,027
Aug-98	1,124
Sep-98	468
Oct-98	547
Nov-98	375
Dec-98	434
Jan-99	406
Feb-99	343
Mar-99	308
Apr-99	279
May-99	232

Here you go.

—Original Message—

From: Cecile Lucas
Sent: Monday, June 21, 1999 8:49 AM
To: John Phillips
Cc: Harry Kriz
Subject: Dial & Save - Folder No. 405 - From May 98 through May 99 - GTE and Sprint/United Territories ONLY
Importance: High

John,

Please if you can put together for me the total ani's, by month, associated with folder no. 405 for the Florida PSC AUDIT. I only need ani's for GTE and SPRINT/UNITED TERRITORIES. If you can put it together on EXCEL spreadsheet that will be wonderful.

As always, thanks for your help.

Cecile I. Lucas
703-633-8256

Attachment 1-B is somewhat voluminous and rather than being telecopied to Staff will be provided with mailed copy.

Audit Control # 99-077-4-1
Informal Data Request
March 23, 2001
Requestor: Diane Vandiver

Informal Data Request No.2

Provide the calculation and back-up for the rate changes of .39 and 0507.

Answer

The Undocked Audit Control Report No. 99-077-4-1 states in part::

The Tariffs filed that were effective July 1, 1998 and October 1, 1998 would have met the requirements of the Commission Order PSC 88-0745-FOF-TP if the January 22, 1998 tariff that had been filed had been used. The July 1998 and the October 1998 tariff rates for interLATA calls were both higher than what the Company was actually charging prior to July 1998. Therefore the Company never reduced the actual rates it was charging. This does not appear to be the case for intraLATA calls.

Excel determined what the rates would have been if Excel applied the mandated percentage reductions to the lower rates that were actually charged customers prior to July 1998. These rates were compared with the approved Tariff rates charged by Excel after July 1998 and which were reduced. Next, the Company identified the rate bands that produced the maximum per minute difference. The maximum difference for the period beginning 7/1/98 was \$0.0391 per minute and represented additional minutes for interLATA calls between 56 and 124 miles placed during the day period. The maximum difference for the period beginning 10/1/98 was \$0.0507 per minute and represented additional minutes for interLATA calls greater than 625 miles placed during the day period. All calls, at all times, by all customers were assumed to have been placed during the middle of the day and to points within these extreme mileage bands. A spreadsheet showing this calculation is attached (Attachment 2-A).

Formulas **Projected Tariff 7/1/98** **Projected Tariff 10/1/98** **Per minute difference 7/1/98** **Per minute difference 10/1/98**
 Tariff 12/19/96-(Tariff 12/19/96*0.05) Tariff 12/19/96-(Tariff 12/19/96*0.15) Tariff 12/19/96 - Projected Tariff 7/1/98 Tariff 10/1/98 - Projected Tariff 10/1/98

Day Rates

Interlata first minute of use

Mileage	Tariff	Tariff not used	Tariff	Tariff	Projected Tariff	Projected Tariff	Per minute difference	Per minute difference
	12/19/96	1/22/98	7/1/98	10/1/98	7/1/98	10/1/98	7/1/98	10/1/98
1 - 10	0.1424	0.1700	0.1615	0.1454	0.1353	0.1210	0.0262	0.0244
11 - 22	0.1496	0.1800	0.1710	0.1539	0.1421	0.1272	0.0289	0.0267
23 - 55	0.1638	0.1800	0.1710	0.1540	0.1556	0.1392	0.0154	0.0148
56 - 124	0.1780	0.1980	0.1881	0.1693	0.1691	0.1513	0.0190	0.0180
125 - 292	0.1781	0.1980	0.1881	0.1693	0.1692	0.1514	0.0189	0.0179
293 - 430	0.1781	0.1980	0.1881	0.1693	0.1692	0.1514	0.0189	0.0179
431 - 624	0.1781	0.1980	0.1881	0.1693	0.1692	0.1514	0.0189	0.0179
625 +	0.1781	0.1980	0.1881	0.1693	0.1692	0.1514	0.0189	0.0179

Interlata additional minutes of use

Mileage	Tariff	Tariff not used	Tariff	Tariff	Projected Tariff	Projected Tariff	Per minute difference	Per minute difference
	12/19/96	1/22/98	7/1/98	10/1/98	7/1/98	10/1/98	7/1/98	10/1/98
1 - 10	0.1424	0.1700	0.1615	0.1454	0.1353	0.1210	0.0262	0.0244
11 - 22	0.1486	0.1800	0.1710	0.1539	0.1412	0.1263	0.0298	0.0276
23 - 55	0.1539	0.1800	0.1710	0.1540	0.1462	0.1308	0.0248	0.0232
56 - 124	0.1568	0.1980	0.1881	0.1693	0.1490	0.1333	0.0391	0.0360
125 - 292	0.1604	0.1980	0.1881	0.1693	0.1524	0.1363	0.0357	0.0330
293 - 430	0.1639	0.1980	0.1881	0.1773	0.1557	0.1393	0.0324	0.0380
431 - 624	0.1639	0.1980	0.1881	0.1837	0.1557	0.1393	0.0324	0.0443
625 +	0.1639	0.1980	0.1881	0.1900	0.1557	0.1393	0.0324	0.0507

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Evening Rates

Interlata first minute of use

Mileage	Tariff				Projected	Projected	Per minute	Per minute
	12/19/96	not used	Tariff	Tariff	Tariff	Tariff	difference	difference
	12/19/96	1/22/98	7/1/98	10/1/98	7/1/98	10/1/98	7/1/98	10/1/98
1 - 10	0.1124	0.1400	0.1330	0.1197	0.1068	0.0955	0.0262	0.0242
11 - 22	0.1200	0.1500	0.1425	0.1283	0.1140	0.1020	0.0285	0.0263
23 - 55	0.1274	0.1466	0.1468	0.1321	0.1210	0.1083	0.0258	0.0238
56 - 124	0.1274	0.1558	0.1395	0.1256	0.1210	0.1083	0.0185	0.0173
125 - 292	0.1349	0.1558	0.1395	0.1256	0.1282	0.1147	0.0113	0.0109
293 - 430	0.1424	0.1558	0.1395	0.1256	0.1353	0.1210	0.0042	0.0046
431 - 624	0.1424	0.1558	0.1395	0.1256	0.1353	0.1210	0.0042	0.0046
625 +	0.1424	0.1558	0.1395	0.1256	0.1353	0.1210	0.0042	0.0046

Interlata additional minutes of use

Mileage	Tariff				Projected	Projected	Per minute	Per minute
	12/19/96	not used	Tariff	Tariff	Tariff	Tariff	difference	difference
	12/19/96	1/22/98	7/1/98	10/1/98	7/1/98	10/1/98	7/1/98	10/1/98
1 - 10	0.1124	0.1400	0.1330	0.1197	0.1068	0.0955	0.0262	0.0242
11 - 22	0.1200	0.1500	0.1425	0.1283	0.1140	0.1020	0.0285	0.0263
23 - 55	0.1208	0.1468	0.1468	0.1321	0.1148	0.1027	0.0320	0.0294
56 - 124	0.1238	0.1558	0.1395	0.1256	0.1176	0.1052	0.0219	0.0204
125 - 292	0.1263	0.1558	0.1395	0.1256	0.1200	0.1074	0.0195	0.0182
293 - 430	0.1292	0.1558	0.1395	0.1256	0.1227	0.1098	0.0168	0.0158
431 - 624	0.1294	0.1558	0.1395	0.1256	0.1229	0.1100	0.0166	0.0156
625 +	0.1294	0.1558	0.1395	0.1256	0.1229	0.1100	0.0166	0.0156

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Night and Weekend Rates

Interlata first minute of use

Mileage	Tariff				Projected	Projected	Per minute	Per minute
	12/19/96	not used	7/1/98	10/1/98	7/1/98	10/1/98	difference	difference
1 - 10	0.0899	0.1200	0.1140	0.1026	0.0854	0.0764	0.0286	0.0262
11 - 22	0.0974	0.1200	0.1140	0.1026	0.0925	0.0828	0.0215	0.0198
23 - 55	0.0974	0.1108	0.1053	0.0948	0.0925	0.0828	0.0128	0.0120
56 - 124	0.1049	0.1198	0.1140	0.1026	0.0997	0.0892	0.0143	0.0134
125 - 292	0.1049	0.1288	0.1224	0.1102	0.0997	0.0892	0.0227	0.0210
293 - 430	0.1124	0.1288	0.1224	0.1102	0.1068	0.0955	0.0156	0.0147
431 - 624	0.1124	0.1288	0.1224	0.1102	0.1068	0.0955	0.0156	0.0147
625 +	0.1124	0.1288	0.1224	0.1102	0.1068	0.0955	0.0156	0.0147

Interlata additional minutes of use

Mileage	Tariff				Projected	Projected	Per minute	Per minute
	12/19/96	not used	7/1/98	10/1/98	7/1/98	10/1/98	difference	difference
1 - 10	0.0899	0.1200	0.1140	0.1026	0.0854	0.0764	0.0286	0.0262
11 - 22	0.0974	0.1200	0.1140	0.1026	0.0925	0.0828	0.0215	0.0198
23 - 55	0.0863	0.1108	0.1053	0.0948	0.0820	0.0734	0.0233	0.0214
56 - 124	0.0893	0.1198	0.1140	0.1026	0.0848	0.0759	0.0292	0.0267
125 - 292	0.0930	0.1288	0.1224	0.1102	0.0884	0.0791	0.0341	0.0312
293 - 430	0.0930	0.1288	0.1224	0.1102	0.0884	0.0791	0.0341	0.0312
431 - 624	0.0968	0.1288	0.1224	0.1102	0.0920	0.0823	0.0304	0.0279
625 +	0.0968	0.1288	0.1224	0.1102	0.0920	0.0823	0.0304	0.0279

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Day Rates

Intralata first minute of use

	Tariff				Projected	Projected	Per minute	Per minute
	Tariff	not used	Tariff	Tariff	Tariff	Tariff	difference	difference
Mileage	3/28/96	1/22/98	8/3/98	9/17/98	7/1/98	10/1/98	7/1/98	10/1/98
1 - 10	0.1995	0.1805	0.1715	0.1544	0.1895	0.1696	-0.0180	-0.0152
11 - 22	0.1995	0.1805	0.1715	0.1544	0.1895	0.1696	-0.0180	-0.0152
23 - 55	0.1995	0.1805	0.1715	0.1544	0.1895	0.1696	-0.0180	-0.0152
56 - 124	0.1995	0.1805	0.1715	0.1544	0.1895	0.1696	-0.0180	-0.0152
125 +	0.1995	0.1805	0.1715	0.1544	0.1895	0.1696	-0.0180	-0.0152

Intralata additional minutes of use

	Tariff				Projected	Projected	Per minute	Per minute
	Tariff	not used	Tariff	Tariff	Tariff	Tariff	difference	difference
Mileage	3/28/96	1/22/98	8/3/98	9/17/98	7/1/98	10/1/98	7/1/98	10/1/98
1 - 10	0.1995	0.1805	0.1715	0.1544	0.1895	0.1696	-0.0180	-0.0152
11 - 22	0.1995	0.1805	0.1715	0.1544	0.1895	0.1696	-0.0180	-0.0152
23 - 55	0.1995	0.1805	0.1715	0.1544	0.1895	0.1696	-0.0180	-0.0152
56 - 124	0.1995	0.1805	0.1715	0.1544	0.1895	0.1696	-0.0180	-0.0152
125 +	0.1995	0.1805	0.1715	0.1544	0.1895	0.1696	-0.0180	-0.0152

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Evening Rates

Intralata first minute of use

Mileage	Tariff				Projected	Projected	Per minute	Per minute
	Tariff	not used	Tariff	Tariff	Tariff	Tariff	difference	difference
	3/28/96	1/22/98	8/3/98	9/17/98	7/1/98	10/1/98	7/1/98	10/1/98
1 - 10	0.1496	0.1045	0.0992	0.0893	0.1421	0.1272	-0.0429	-0.0379
11 - 22	0.1496	0.1045	0.0992	0.0893	0.1421	0.1272	-0.0429	-0.0379
23 - 55	0.1496	0.1045	0.0992	0.0893	0.1421	0.1272	-0.0429	-0.0379
56 - 124	0.1496	0.1045	0.0992	0.0893	0.1421	0.1272	-0.0429	-0.0379
125 +	0.1496	0.1045	0.0992	0.0893	0.1421	0.1272	-0.0429	-0.0379

Intralata additional minutes of use

Mileage	Tariff				Projected	Projected	Per minute	Per minute
	Tariff	not used	Tariff	Tariff	Tariff	Tariff	difference	difference
	3/28/96	1/22/98	8/3/98	9/17/98	7/1/98	10/1/98	7/1/98	10/1/98
1 - 10	0.1496	0.1045	0.0992	0.0893	0.1421	0.1272	-0.0429	-0.0379
11 - 22	0.1496	0.1045	0.0992	0.0893	0.1421	0.1272	-0.0429	-0.0379
23 - 55	0.1496	0.1045	0.0992	0.0893	0.1421	0.1272	-0.0429	-0.0379
56 - 124	0.1496	0.1045	0.0992	0.0893	0.1421	0.1272	-0.0429	-0.0379
125 +	0.1496	0.1045	0.0992	0.0893	0.1421	0.1272	-0.0429	-0.0379

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Night and Weekend Rates

Intralata first minute of use

	Tariff				Projected	Projected	Per minute	Per minute
	Tariff	not used	Tariff	Tariff	Tariff	Tariff	difference	difference
Mileage	3/28/96	1/22/98	8/3/98	9/17/98	7/1/98	10/1/98	7/1/98	10/1/98
1 - 10	0.0998	0.1045	0.0992	0.0893	0.0948	0.0848	0.0044	0.0045
11 - 22	0.0998	0.1045	0.0992	0.0893	0.0948	0.0848	0.0044	0.0045
23 - 55	0.0998	0.1045	0.0992	0.0893	0.0948	0.0848	0.0044	0.0045
56 - 124	0.0998	0.1045	0.0992	0.0893	0.0948	0.0848	0.0044	0.0045
125 +	0.0998	0.1045	0.0992	0.0893	0.0948	0.0848	0.0044	0.0045

Intralata additional minutes of use

	Tariff				Projected	Projected	Per minute	Per minute
	Tariff	not used	Tariff	Tariff	Tariff	Tariff	difference	difference
Mileage	3/28/96	1/22/98	8/3/98	9/17/98	7/1/98	10/1/98	7/1/98	10/1/98
1 - 10	0.0998	0.1045	0.0992	0.0893	0.0948	0.0848	0.0044	0.0045
11 - 22	0.0998	0.1045	0.0992	0.0893	0.0948	0.0848	0.0044	0.0045
23 - 55	0.0998	0.1045	0.0992	0.0893	0.0948	0.0848	0.0044	0.0045
56 - 124	0.0998	0.1045	0.0992	0.0893	0.0948	0.0848	0.0044	0.0045
125 +	0.0998	0.1045	0.0992	0.0893	0.0948	0.0848	0.0044	0.0045

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Informal Data Request No.3

Provide a company document that ties to the November-January calculation of MOUs.

Answer

Since Excel was unable to retrieve the intrastate minutes of use prior to and during the rate reduction period, it used a proxy based upon current minute of use trends for all current products. Excel retrieved the average intrastate minutes of use in Florida for the time period Nov-00 to Jan-01 from its switch data. This was 40.6 intrastate minutes of use. Even though industry trends indicate that minutes of use have grown since the study period, Excel added an additional 10% of minutes to this average to account for the possibility that Florida intrastate minutes of use may have declined since the study period.

	FL MOU's
Jan 01	42.7
Dec 00	39.6
Nov 00	39.5
Average	40.6

Moreover, as the audit report notes "Unfortunately many of the bills we requested did not have any intrastate calls which caused our analysis to be very limited" (See Audit report at page 4). The Company believes that if it had practical access to MOU data for these customers, that the intrastate usage might well be less than 40.6 current average. Nevertheless, MOU data that was used in the analysis was increased by 10%, or 44.7 MOUs per Florida customer as a surrogate factor. This yielded a higher settlement calculation.

The underlying source for the surrogate MOU factor is the Company's billing system. All Florida intrastate minutes were captured for the Nov. 00 to Jan. 01 time period. The total Florida intrastate minutes of use and customer count in Florida underlie this MOU surrogate factor. This very recent total MOU and customer count data for Florida is proprietary and should Staff request it, will be provided under a protective arrangement.