

STATE OF FLORIDA



DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES
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Public Service Commission

C O N F I D E N T I A L

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DESCRIPTION: Verizon Long Distance, et al. (Gillman) - (CONFIDENTIAL) Certain information contained in direct testimony of John Broten, Page Nos. 5 and 6. [CCA note: Dockets 030867 and 030961; entered only in 030867.] [Declass; document forwarded to dkt file.]

1 Nevertheless, to remove any doubt about whether customers will
2 actually receive the benefit of the access reductions, the VZ LD
3 Affiliates agree to flow through the reductions year over year for
4 three years. After that time, the VZ LD Affiliates should be free to
5 change its long distance rates in accordance with demands of the
6 marketplace.

7
8 **Q. ISSUE 9: How should the IXC flow-through of the benefits from**
9 **the ILEC access rate reductions be allocated between**
10 **residential and business customers?**

11
12 **A.** VLD plans to flow through the benefits realized from access
13 reductions to both residential and business customers based on the
14 relative proportion of access minutes associated with these classes
15 of customers. Based on data for July through October 2003, VLD
16 expects approximately **** 87% **** of the rate reduction to flow to
17 residential customers and **** 13% **** to business customers. VSSI
18 also plans to flow through savings to its large business customers.
19 The amount of intrastate switched access that VSSI uses is
20 significantly less than the amount that VLD uses.

21
22 **Q. ISSUE 10: Will all residential and business customers**
23 **experience a reduction in their long distance bills? If not,**
24 **which residential and business customers will and will not**
25 **experience a reduction in their long distance bills?**

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6/13/05

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appeal

This confidentiality request was filed by or for a "telco" for DN 11662-03. 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.

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1 A. To the extent it receives access charge reductions, VLD plans to
2 reduce in-state usage rates on some, but not all, residential and
3 business plans. Our current plan is not to reduce prices on any of
4 our unlimited long distance plans. Customers on these plans
5 already receive, on an aggregate basis, our lowest rates on a per
6 minute basis. A reduction in access charges will not provide an
7 incentive for customers to make additional calls since their plans
8 already permit unlimited in-state calling. For residential customers,
9 the access flow through reductions realized by VLD would be
10 reflected in the per minute rates for several plans that represent
11 approximately ** 60% ** of VLD's residential subscriber base.
12 Florida tariffed calling plans under consideration by VLD at this time
13 for such reductions are Plans B (Best Times), C (bundled service
14 option)(Timeless Bundle), D (E-values), F (TalkTime), G (State
15 Saver), and L (5 Cent Plan). Small business customers will realize
16 the flow through reductions by way of reduced per minute rates in
17 VLD's Plan 2 (Simple Options).

18
19 **Q. Does this conclude your testimony at this time?**

20 A. Yes, it does.

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