

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition to reduce intrastate switched access rates in revenue-neutral manner pursuant to Section 364.164, Florida Statutes, by ALLTEL Florida, Inc.

DOCKET NO. 050693-TL
DATED: NOVEMBER 14, 2005

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-05-0959-PCO-TL, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

None.

b. All Known Exhibits

None.

c. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

d. Staff's Position on the Issues

ISSUE 1: Will Alltel's rebalancing proposal remove the current support for basic local telecommunications services that prevents the creation of a more attractive competitive market for the benefit of residential consumers?

(A) What is a reasonable estimate of the level of support provided for basic local telecommunications services?

(B) Does the current level of support prevent the creation of a more attractive competitive local exchange market for the benefit of residential consumers?

(C) Will Alltel's rebalancing proposal benefit residential consumers as contemplated by Section 364.164, Florida Statutes? If so, how?

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Position: Staff has no position at this time.

ISSUE 2: Will the effects of Alltel's rebalancing proposal induce enhanced market entry? If so, how?

Position: Staff has no position at this time.

ISSUE 3: Will Alltel's rebalancing proposal reduce intrastate switched network access rates to interstate parity over a period of not less than two years or more than four years?

Position: Staff has no position at this time.

ISSUE 4: Is Alltel's rebalancing proposal revenue neutral, as defined in Section 364.164(2), Florida Statutes?

Position: Staff has no position at this time.

ISSUE 5: Should Alltel's rebalancing proposal be granted or denied?

Position: Staff has no position at this time.

ISSUE 6: Should the IXC flow through procedures addressed in Docket No. 030961-TI and ordered in PSC-03-1469-FOF-TL, be applied to Alltel's rebalancing proposal?

Position: IXCs should be required to flow-through access charge reductions implemented by ALLTEL consistent with the following flow-through requirements established in Order No. PSC-03-1469-FOF-TL:

- (1) IXCs should file tariffs within 44 days of ALLTEL's filed tariffs.
- (2) ALLTEL's and the IXCs' tariffs should become effective simultaneously.
- (3) IXC rate reductions shall remain in effect for no less than one year subsequent to parity being accomplished.
- (4) IXC rate reductions should be flowed-through to residential and business customers on a pro-rata basis according to access minutes of use.

All IXCs that paid \$1 million or more in intrastate switched access charges within the most recent 12 month period should include in their tariff filings:

(1) a calculation of the dollar benefit associated with ALLTEL's intrastate access rate reductions.

(2) separate demonstrations that residential and business long distance rates have been reduced and the estimated annualized revenue effect, residential and business, including how those estimates were made.

(3) a demonstration that all rate reductions have been flowed through.

For IXCs that paid less than \$1 million in intrastate switched access charges within the most recent 12 month period, their tariff filings should include a letter certifying as such, and that they have complied with each of the flow-through requirements as specified in Section 364.163(2), Florida Statutes. Additionally, any IXC whose intrastate switched access expense reduction is \$100 or less per month would not be obligated to flow through its reduction, but must attest to such through a letter filed with this Commission.

ISSUE 7: Would the Commission's approval of Alltel's rebalancing proposal be consistent with the section 364.01(4)(a), Fla. Stat.?

Position: Staff has no position at this time.

ISSUE 8: Should the docket be closed?

Position: Staff has no position at this time.

e. Pending Motions

Staff has no pending motions.

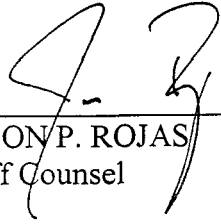
f. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests.

g. Compliance with Order No. PSC-05-0959-PCO-TL

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 14th day of November, 2005.



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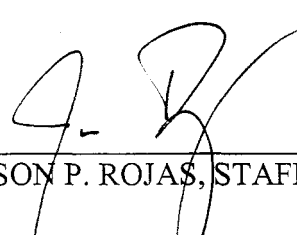
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FILED: NOVEMBER 14, 2005

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of STAFF'S PREHEARING STATEMENT was furnished to the following, by U.S. Mail, on this 14th day of November, 2005.

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