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October 20, 1998

BY HAND DELIVERY

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

Re: Docket No. 971627-TL

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of ALLTEL's Direct Testimony and Exhibits of Harriet E. Eudy. Copies have been served on participants in accordance with the attached Certificate of Service.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,

J. Jeffrey Wahlen

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

- ACK
- AFA Enclosures
- APP cc: All parties of record
- CAF
- CMU Barrett
- CTR
- EAG
- LEG 1
- LIN 3 to go
- OPC
- RCH
- SEC 1
- WAS
- OTH

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DOCUMENT NUMBER-DATE

11632 OCT 20 98

FLORIDA PUBLIC SERVICE COMMISSION

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by U. S. Mail or hand delivery (*) this 20th day October, 1998, to the following:

Beth Keating *
Division of Legal Services
Florida Public Service Comm.
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

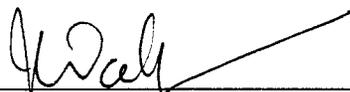
Michael Barrett *
Division of Communications
Florida Public Service Comm.
Tallahassee, FL 32399-0850

Nancy H. Sims
BellSouth Telecommunications
150 S. Monroe St., Suite 400
Tallahassee, FL 32301

Treuet George, Jr.
State Road 47, South
Ft. White, FL 32038

Mike Zimmerman
Route 2, Box 9192
Ft. White, FL 32038

Columbia County Board
Of Commissioners
Frank Albury
P. O. Drawer 1529
Lake City, FL 32056-1529



Attorney

1 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2 DIRECT TESTIMONY
3 OF
4 HARRIET E. EUDY
5

6 Q. Please state your name and business address.
7

8 A. My name is Harriet E. Eudy. My business address is 206 White
9 Avenue, Live Oak, Florida 32060.
10

11 Q. By whom and in what capacity are you employed?
12

13 A. I am employed by ALLTEL Florida, Inc. ("ALLTEL" or the
14 "Company") as Manager, Regulatory Matters.
15

16 Q. Please describe your educational background.
17

18 A. I was graduated from North Florida Junior College in 1966
19 with an Associate in Arts degree. I began working for North
20 Florida Telephone Company (now ALLTEL Florida, Inc.) in the
21 accounting and cost separations areas. I became a supervisor
22 in the regulatory department in 1987, and I have held my
23 current position in that department since 1991.
24

25 Q. What is the purpose of your testimony?

1 A. The purpose of my testimony is to provide background
2 information about ALLTEL and to present ALLTEL's position on
3 the issues in these dockets.

4

5 Q. Have you prepared exhibits to accompany this testimony?

6

7 A. Yes. Exhibit HEE-1 to HEE-5 were prepared under my direction
8 and supervision. Exhibit HEE-1 contains certain community of
9 interest data for the ALLTEL routes involved in this docket.
10 The information in that exhibit is taken from the business
11 records of ALLTEL and is true and correct to the best of my
12 information and belief. The other four exhibits were also
13 prepared under my direction and supervision and are explained
14 in the body of my testimony.

15

16

ABOUT ALLTEL

17

18 Q. Where does ALLTEL provide local exchange services in Florida?

19

20 A. ALLTEL provides local exchange telecommunications services to
21 all or parts of thirteen (13) counties in North Central
22 Florida. This service is provided under authority from the
23 Commission as evidenced by Certificates of Public Convenience
24 and Necessity. We serve all of the counties of Suwannee,
25 Hamilton and Lafayette and parts of the counties of Alachua,

1 Gilchrist, Bradford, Nassau, Marion, Putnam, Clay, Columbia,
2 St. Johns and Union.

3

4 Q. How many exchanges has ALLTEL established to serve this area?

5

6 A. The Company presently has twenty-seven (27) exchanges which
7 are located at Alachua, Branford, Brooker, Callahan, Citra,
8 Crescent City, Dowling Park, Florahome, Florida Sheriffs Boys
9 Ranch, Fort White, Hastings, High Springs, Hilliard,
10 Interlachen, Jasper, Jennings, Lake Butler, Live Oak,
11 Luraville, Mayo, McIntosh, Melrose, Orange Springs, Raiford,
12 Waldo, Wellborn, and White Springs.

13

14 Q. What is the geographical size and density of the area the
15 Company serves?

16

17 A. ALLTEL's service territory is approximately 3,700 square
18 miles. As of August 31, 1998, ALLTEL served approximately
19 84,920 access lines. This equates to approximately 23 access
20 lines per square mile, which is relatively low compared to
21 the larger local exchange companies in Florida.

22

23 Q. What do these density figures show?

24

25 A. These figures reflect the type of area we serve, i.e., a

1 predominately rural agricultural area. We do not serve a
2 major urban area or city. Rural areas tend to be more costly
3 to serve, both in terms of the cost of initial construction
4 and in terms of operating and maintenance costs.

5

6 Q. Has ALLTEL elected to be regulated under the "price
7 regulation" provisions in Chapter 364, Florida Statutes
8 (1995)?

9

10 A. No. ALLTEL is a "small local exchange telecommunications
11 company" within the meaning of Section 364.052, Florida
12 Statutes (1997), and has not elected price regulation at this
13 time. Accordingly, ALLTEL remains on rate of return
14 regulation.

15

16 Q. To what degree will your Company be impacted by a decision in
17 these dockets?

18

19 A. Resolution of the issues in this docket is very important to
20 ALLTEL. ALLTEL is hopeful that the Commission can finally
21 resolve the issues in these dockets in a manner that promotes
22 the public interest and protects the interests of ALLTEL and
23 its customers who do not make calls on the routes involved in
24 these dockets.

25

Issues

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Q. What route is involved in this docket?

A. The route in this docket is from Ft. White in ALLTEL's territory to Gainesville in BellSouth's territory. It is an interLATA route.

Q. Does ALLTEL own facilities to carry the traffic on this route on an end-to-end basis?

A. No. The traffic on this route is currently being routed over facilities owned by an interexchange carrier. The customers making calls over this route are paying the applicable toll rate for these calls.

Q. How is ALLTEL currently compensated for its role in the provision of service over these routes?

A. The calls on this route are toll calls. If there is a billing and collection arrangement between ALLTEL and the IXC carrying the call, ALLTEL collects the toll revenue on behalf of the IXC and remits it to the IXC pursuant to the terms of the applicable billing and collection contract. ALLTEL is compensated for the use of its facilities to originate and

1 terminate the IXC traffic through access charges paid by the
2 carriers.

3

4 Q. Is there a sufficient community of interest on the Ft.
5 White/Gainesville route to justify non-optional extended area
6 service ("EAS") as currently defined in the Commission's
7 rules or to implement an alternative toll plan?

8

9 A. It is very difficult for ALLTEL to answer this with the
10 empirical information available to it. As shown in Exhibit
11 HEE-1, there is a high volume of calling on this route from
12 Ft. White to Gainesville; however, ALLTEL cannot tell from
13 this data whether the calling volumes are being generated by
14 a few customers making a huge number of calls or a large
15 number of customers most of whom are regularly calling from
16 Ft. White to Gainesville. The fact that there is a high
17 calling volume on this route does not necessarily mean that
18 there are enough customers making enough calls to justify
19 non-optional EAS.

20

21 In the absence of empirical data about call distribution
22 among customers, the Commission usually looks at non-
23 empirical information such as the location of medical
24 facilities, shopping areas, government offices, educational
25 facilities and other similar factual information. Testimony

1 from customers and community leaders is often a good source
2 of this type of non-empirical information.

3

4 Q. If the Commission finds that a sufficient community of
5 interest exists, what economic impact would EAS with a 25/25
6 plan and regrouping have on ALLTEL's subscribers and ALLTEL?

7

8 A. Under EAS with a 25/25 plan and regrouping, ALLTEL's
9 subscribers would pay an additive of \$2.49 for Residential
10 and \$6.18 for B-1. As shown on page 1 of Exhibit HEE-2, the
11 estimated annual loss to ALLTEL would be \$49,372.

12

13 Q. If the Commission finds that a sufficient community of
14 interest exists, what economic impact would one-way extended
15 calling service ("ECS") have on ALLTEL's subscribers and
16 ALLTEL?

17

18 A. Under a one-way ECS plan, ALLTEL's residential subscribers
19 would pay \$.25 per message, and ALLTEL's business subscribers
20 would pay \$.10 for the first minute and \$.06 for each
21 additional minute. As shown on page 1 of Exhibit HEE-3, the
22 estimated annual loss to ALLTEL would be \$83,970.

23

24 Q. If the Commission finds that a sufficient community of
25 interest exists, are there any other alternatives that should

1 be considered by the Commission?

2

3 A. ALLTEL believes that if the Commission finds a sufficient
4 community of interest, the Commission should implement a plan
5 that is already in place in other portions of ALLTEL's
6 territory, such as flat-rate EAS or ECS. All rates should be
7 designed to fully recover the costs associated with any such
8 plan.

9

10 Q. If the Commission were to order EAS for the Ft.
11 White/Gainesville route, what would be the appropriate rates,
12 charges, or additives for ALLTEL's customers and how long
13 would any additive last?

14

15 A. As shown on Exhibit HEE-4, the proposed additives would be
16 \$4.71 for a residential customer and \$11.79 for business
17 customers. While the Commission sometimes requires the
18 additive to be in place for two years, ALLTEL believes that
19 it should be permanent.

20

21 Q. If the Commission were to order ECS for the Ft.
22 White/Gainesville route, what would be the appropriate rates,
23 charges, or additives for ALLTEL's customers and how long
24 would any additive last?

25

1 A. As shown on Exhibit HEE-5, the minutes-of-use rate necessary
2 to recover ALLTEL's cost of implementing the plan is \$.16 per
3 minute. This should be a permanent rate.

4

5 Q. What dialing pattern should be implemented if the Commission
6 determines that toll relief is appropriate on the route in
7 this docket?

8

9 A. 10-digit dialing would need to be implemented on this route.

10

11 Q. Does that conclude your direct testimony?

12

13 A. Yes, it does.

14

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ALLTEL FLORIDA, INC.
DOCKET NO. 971627-TL
ORDER NO. PSC-98-0098-FOF-TL
ANALYSIS STATEMENT
Fort White - Gainesville EAS

All traffic data collected for the calling rate computation for this study is based on the October 1997 billing period. Calling main stations for this study includes 1B, Semi-Public Paystations, PBX Trunks, Key System Lines, Centrex, Customer-Owned Paystations, and 1R. Calling main totals differ from access line totals. Access line totals include Public Paystations and Special Services (Private Lines, Special Access, FX, and Wats.) Totals on both counts exclude test lines and official company lines.

All community of interest factors reported in this study are based on only the usage which ALLTEL bills on behalf of specific interexchange carriers. To the extent other IXC's may be carrying traffic of which we are unaware, the community of interest may be affected. Usage of this type is not available for study by ALLTEL since we do not perform the recording and billing function for all carriers.

FX Lines 1. Fort White (Closed End) - Gainesville - 0

The communities of interest for the citizens residing in the Fort White area for calling to Gainesville are the University of Florida, Medical Facilities, employment, shopping, entertainment, and calling of friends and family.

On the enclosed map the existing EAS routes are shown with solid arrows and the proposed routes are shown with broken arrows.

047-ALLTEL FLORIDA, INC.
 ONE-WAY CALLING RATES
 SCHEDULE I
 NOT INCLUDING FX
 DOCKET NO. 971627-TL, ORDER NO. PSC-98-0098-FOF-TL

<u>NOT INCLUDING FX</u>	<u>CALLING MAINS</u>			<u>MESSAGES</u>			<u>M/A/M</u>			<u>% CUSTOMERS MAKING 2 OR MORE CALLS</u>		
	<u>BUS</u>	<u>RES</u>	<u>COMB</u>	<u>BUS</u>	<u>RES</u>	<u>COMB</u>	<u>BUS</u>	<u>RES</u>	<u>COMB</u>	<u>BUS</u>	<u>RES</u>	<u>COMB</u>
<u>STUDY ROUTE</u>												
PART I - ROUTES OVER 3.00												
1. Fort White to Gainesville	150	1,449	1,599	N/A	N/A	21,586	N/A	N/A	13.50	N/A	N/A	N/A
PART II - ROUTES 2.99 to 2.00												
2. None												
PART III - ROUTES 1.99 to 1.00												
3. None												
PART IV - ROUTES BELOW .99												
4. None												

SOURCE: CABS Records - Customer Billing Records Are Not Available : October, 1997

Docket 971627-TL
 ALLTEL
 Exhibit HEE-1
 Filed: 10/20/98
 Page 2 of 8

047-ALLTEL FLORIDA, INC.
EXTENDED AREA SERVICE STUDY
FORT WHITE - GAINESVILLE

BUSINESS

RESIDENCE

COMBINED

SCHEDULE OF DISTRIBUTION OF CALLS

SCHEDULE OF DISTRIBUTION OF CALLS

SCHEDULE OF DISTRIBUTION OF CALLS

BUSINESS				RESIDENCE				COMBINED			
SCHEDULE OF DISTRIBUTION OF CALLS				SCHEDULE OF DISTRIBUTION OF CALLS				SCHEDULE OF DISTRIBUTION OF CALLS			
A	B	C	D	E	F	G	H	I	J	K	L
NUMBER OF CALLS	CALLING MAIN STATIONS	ACCUMULATED MAIN STATIONS	PERCENT TO ACCUMULATED STATIONS	NUMBER OF CALLS	CALLING MAIN STATIONS	ACCUMULATED MAIN STATIONS	PERCENT TO ACCUMULATED STATIONS	NUMBER OF CALLS	CALLING MAIN STATIONS	ACCUMULATED MAIN STATIONS	PERCENT TO ACCUMULATED STATIONS
1.	26 or more		N/A	26 or more			N/A	26 or more			N/A
2.	25		N/A	25			N/A	25			N/A
3.	24		N/A	24			N/A	24			N/A
4.	23		N/A	23			N/A	23			N/A
5.	22		N/A	22			N/A	22			N/A
6.	21		N/A	21			N/A	21			N/A
7.	20		N/A	20			N/A	20			N/A
8.	19		N/A	19			N/A	19			N/A
9.	18		N/A	18			N/A	18			N/A
10.	17		N/A	17			N/A	17			N/A
11.	16		N/A	16			N/A	16			N/A
12.	15		N/A	15			N/A	15			N/A
13.	14		N/A	14			N/A	14			N/A
14.	13		N/A	13			N/A	13			N/A
15.	12		N/A	12			N/A	12			N/A
16.	11		N/A	11			N/A	11			N/A
17.	10		N/A	10			N/A	10			N/A
18.	9		N/A	9			N/A	9			N/A
19.	8		N/A	8			N/A	8			N/A
20.	7		N/A	7			N/A	7			N/A
21.	6		N/A	6			N/A	6			N/A
22.	5		N/A	5			N/A	5			N/A
23.	4		N/A	4			N/A	4			N/A
24.	3		N/A	3			N/A	3			N/A
25.	2		N/A	2			N/A	2			N/A
26.	1		N/A	1			N/A	1			N/A
27.	0		N/A	0			N/A	0			N/A
28.	TOTALS	N/A	N/A	TOTALS	N/A	N/A		TOTALS	N/A	N/A	
29.	AVERAGE REVENUE PER MESSAGE		N/A	AVERAGE REVENUE PER MESSAGE		N/A		AVERAGE REVENUE PER MESSAGE		N/A	

ALLTEL FLORIDA, INC.
DOCKET NO. 971627-TL
ORDER NO. PSC-98-0098-FOF-TL
Fort White - Gainesville EAS

LONG DISTANCE TOLL INFORMATION

Rate Day Period	<u>INIT'L MIN</u>	<u>OVERTIME MIN.</u>	<u>AIRLINE MILES</u>	<u>ARPM</u>
1. Fort White - Gainesville	\$.19	\$.19	29	Not Available

ACCESS LINE CLASSIFICATION DATA BY CLASSES OF SERVICE

Toll revenue between the following routes are Intrastate/interLATA and is turned over to the carriers for whom we do billing. ALLTEL bills access to the carriers for this usage out of the Intrastate Access Tariff:

Fort White - Gainesville

The following station classification data reflects the total number of access lines for Fort White as of October 31, 1997.

	<u>Fort White</u>
1. 1B	113
2. Centrex	25
3. Semi-Pub Paystations	2
4. Public Paystations	2
5. Cust Owned Paystations	7
6. PBX Trunks	0
7. Key System Lines	3
8. 1R	1,449
9. FX	0
10. Private Lines	3
11. WATS	0
12. TOTALS	<u>1,604</u>

The NNX's that can be accessed via EAS today are as follows:

Fort White (497)	Alachua	- 418, 462
	Branford	- 935
	High Springs	- 454
	Lake City	- 207,719, 752, 754, 755, 758, 961, and 965

ALLTEL FLORIDA, INC.
DOCKET NO. 971627-TL
ORDER NO. PSC-98-0098-FOF-TL
Fort White - Gainesville EAS

DEMOGRAPHIC DESCRIPTIONS

Fort White

The Fort White Wire Center is located in the southwestern portion of Columbia County. This exchange covers approximately 65 square miles including the unincorporated areas of Wilson Springs and Hollingworth Bluff. The subscriber density for the Fort White service area for October 1997 is projected to have a total of 24.7 customer access lines per square mile.

This central office is a Northern Telecom DMS 10 which provides custom calling and class features for this area.

EXHIBIT HEE-2 Page 1 of 6
DOCKET NO. 971627-TL, FORT WHITE-GAINESVILLE EAS
Economic Impact Statement - ALLTEL Only
Flat-Rate Non-Optional Two-Way EAS with Dedicated Trunks
Extended Area Service Plan

Revenue Requirement to Support Added Investment:

Facility Cost	\$	86,400	
Annual Carrying Chg		31.36%	\$ 27,095
Lost Revenues from Access			49,998
Lost B&C Revenues			7,783
Additional DA Expense			19,609
Total Cost of Plan			104,485
Total Revenue derived from 25/25 Plan			55,113
Estimated Annual Impact to ALLTEL under EAS			(49,372)

EXHIBIT HEE-2 Page 2 of 6
DOCKET NO. 971627-TL, FORT WHITE-GAINESVILLE EAS
Estimated Additional Facility Requirements
Based on Flat-Rate Non-Optional Two-Way EAS (traditional)

Two-Way Non-Optional EAS - Assumed stimulation of 800%*

44,352 MOU/mo X 8 X 12 = 4,257,792

Requires 12 T1s @ \$7,200 each	\$ 86,400
Annual Carrying Charge	<u>31.36%</u>
Revenue Requirement	\$ 27,095

*Historically, the Commission has recognized (6) as an appropriate stimulation factor. With the increased Internet usage and the obvious interest among customers in this proceeding for EAS for that purpose, we assumed a higher stimulation factor.

EXHIBIT HEE-2 Page 3 of 6
ALLTEL Florida
Fort White to Gainesville EAS/ECS
Access & B&C Revenue Loss

Docket 971627-TL
 ALLTEL
 Exhibit HEE-2
 Filed: 10/20/98
 Page 3 of 6

Usage

Data

Estimated Miles for Facility Ch.	10
Originating Minutes of Use	48,724
Terminating Minutes of Use	27,854
Originating Messages	17,215

<u>Access Revenue Loss</u>	<u>Monthly</u> <u>Orig.Acces</u>	<u>Monthly</u> <u>Term.Acces</u>	<u>Total</u> <u>Monthly</u> <u>Access</u>	<u>Annual</u> <u>Access</u> <u>Rev.Loss</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
CCL Originating	\$ 0.03040	\$ 1,481.21	\$ 1,481.21	\$ 17,774.52
CCL Terminating	\$ 0.03820		\$ 1,064.02	\$ 12,768.27
Local Switching	\$ 0.01770	\$ 862.41	\$ 493.02	\$ 16,265.17
Tandem Switched Termination	\$ 0.00036	\$ 17.54	\$ 10.03	\$ 330.82
Tandem Switched Facility	\$ 0.00004	\$ 19.49	\$ 11.14	\$ 367.57
Tandem Switching	\$ 0.00050	\$ 24.36	\$ 13.93	\$ 459.47
Residual Interconnection Ch.	\$ 0.00221	\$ 107.73	\$ 61.59	\$ 2,031.77
		\$ 2,512.75	\$ 1,653.72	\$ 4,166.47
			\$ 4,166.47	\$ 49,997.58

Billing & Collection Revenue Loss

Percent Traffic Billed B&C by ALLTEL Combined per Message Rate	80% *	\$ 0.0471	\$ 648.59	\$ 7,783.04
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Total Access and Billing & Collection Revenue Loss

\$ 4,815.05 \$ 57,780.63

* IXC's bill their business customers themselves. We only bill for residential B&C.

EXHIBIT HEE-2 Page 4 of 6
DOCKET NO. 971627-TL, FORT WHITE-GAINESVILLE EAS

Additional Local Directory Assistance Expense (payable to BellSouth as
operator services provider)

Fort White Access Lines - 1,734

Local DA Calls billed to ALLTEL by BellSouth 9/98 - 2,265

Current Local Calling Scope for Fort White - 44,158

Gainesville Access Lines at 6/98 - 110,088

Local DA Calls - % calls per access lines in current calling scope - 5%

Calling Scope with Gainesville added - 154,246

$5\% \times 154,246 = 7,712$

Current DA Messages = 2,265

Additional DA Messages with Gainesville Added to Calling Scope = 5,447/mo

Additional Annual DA Messages	65,364
Cost Per Message	<u>\$.30</u>
Additional DA	\$19,609

EXHIBIT HEE-2 Page 5 of 6
 DOCKET NO. 971627-TL, FORT WHITE-GAINESVILLE EAS
 Revenue Impact from 25/25 Plan

		Existing Rate	25% Additive*	Regrouping	New Rate
R1	RG5	9.95	2.49	N/A	12.44
B1	RG5	24.70	6.18	N/A	30.88
PBX	RG5	47.20	11.80	N/A	59.00

*Based on 25% of existing rate since adding Gainesville did not move Fort White to higher rate group.

	Access Lines	Additive	Monthly Revenue	Annual Revenue
R1	1,569	2.49	3,906.81	46,881.72
B1	111	6.18	685.98	8,231.76
PBX	0	0	0	0
Total				55,113.48

Basic Information as of 8/31/98:

Access Lines - Fort White	R1	1,569
	B1	111
	Centrex	34
	Semi Pub PS	2
	COTE PS	9
	PBX Trunks	0
	Key Lines	3
	Private Lines	3
	WATS	0
	Total	1,734

Calling Mains - Fort White	R1	1,569
	B1	111
	Centrex	34
	Total	1,714

Conversation MOU/mo 44,352

NCTA (NECA) NECA Methodology

Access MOU - Originating 48,724

Access MOU - Terminating 27,854

Originating Messages 17,215

Fort White Calling Scope at 6/30/98 - 44,158 RG 5
 (calling scope 40,000-200,000)

Alachua, Branford, High Springs, Lake City, and Fort White

Add Gainesville 110,088

Total with Gainesville 154,246 RG 5

Fort White Rates - RG 5

R1	\$ 9.95	25%	\$ 2.49
B1	24.70		6.18
PBX	47.20		11.80

EXHIBIT HEE-3 Page 1 of 7
DOCKET NO. 971627-TL, FORT WHITE-GAINESVILLE EAS
Economic Impact Statement - ALLTEL Only
Non-Optional One-Way ECS with Dedicated Trunks
Toll Relief Plan

Docket 971627-TL
ALLTEL
Exhibit HEE-3
Filed: 10/20/98
Page 1 of 7

Revenue Requirement to Support Added Investment:

Facility Cost	\$ 14,400	
Annual Carrying Chg	31.36%	\$ 4,516
Estimated Lease Cost for T1s - 2 @ \$3,000/mo		72,000
Lost Revenues from Access		49,998
Lost B&C Revenues		7,783
Terminating Access Expense (to BellSouth)		33,312
Additional DA Expense		<u>19,609</u>
Total Cost of Plan		187,218
Estimated Revenue @ 25 cents per message using stimulated messages of 34,416		103,248
Estimated Impact to ALLTEL under ECS		(83,970)

EXHIBIT HEE-3 Page 2 of 7
DOCKET NO. 971627-TL, FORT WHITE-GAINESVILLE EAS
Estimated Additional Facility Requirements
based on One Way Non-Optional ECS

Docket 971627-TL
ALLTEL
Exhibit HEE-3
Filed: 10/20/98
Page 2 of 7

Originating MOU (Access) 48,724/mo (Conversation) 44,352/mo

One-Way Non-Optional ECS - Assumed stimulation of 200%

44,352 MOU/mo X 2 X 12 = 1,064,448

Requires 2 T1s @ \$7,200 each	\$ 14,400
Annual Carrying Charge	<u>31.36%</u>
Revenue Requirement	\$ 4,516

EXHIBIT HEE-3 Page 3 of
ALLTEL Florida
Fort White to Gainesville EAS/ECS
Access & B&C Revenue Loss

Docket 971627-TL
 ALLTEL
 Exhibit HEE-3
 Filed: 10/20/98
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Usage

Data

Estimated Miles for Facility Ch.	10
Originating Minutes of Use	48,724
Terminating Minutes of Use	27,854
Originating Messages	17,215

<u>Access Revenue Loss</u>	<u>Monthly</u>	<u>Monthly</u>	<u>Total</u>	<u>Annual</u>
	<u>Orig.Acces</u>	<u>Term.Acces</u>	<u>Monthly</u>	<u>Access</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>Rev.Loss</u>
CCL Originating	\$ 0.03040	\$ 1,481.21	\$ 1,481.21	\$ 17,774.52
CCL Terminating	\$ 0.03820		\$ 1,064.02	\$ 12,768.27
Local Switching	\$ 0.01770	\$ 862.41	\$ 493.02	\$ 16,265.17
Tandem Switched Termination	\$ 0.00036	\$ 17.54	\$ 10.03	\$ 330.82
Tandem Switched Facility	\$ 0.00004	\$ 19.49	\$ 11.14	\$ 367.57
Tandem Switching	\$ 0.00050	\$ 24.36	\$ 13.93	\$ 459.47
Residual Interconnection Ch.	\$ 0.00221	\$ 107.73	\$ 61.59	\$ 2,031.77
		<u>\$</u>	<u>\$</u>	<u>\$</u>
		2,512.75	1,653.72	4,166.47
			4,166.47	49,997.58

Billing & Collection Revenue Loss

Percent Traffic Billed B&C by ALLTEL	80% *		
Combined per Message Rate	\$ 0.0471	\$ 648.59	\$ 7,783.04

<u>Total Access and Billing & Collection Revenue Loss</u>		<u>\$</u>	<u>\$</u>
		4,815.05	57,780.63

* IXC's bill their business customers themselves. We only bill for residential B&C.

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DOCKET NO. 971627-TL, FORT WHITE-GAINESVILLE EAS
Estimated Terminating Access Expense
Payable to BellSouth to Terminate ECS Traffic on Fort White - Gainesville

Total Originating Access MOU under ECS (assumed stimulation of 200% - 48,724 x 2)	97,448
BellSouth Terminating Composite Access Rate	.028490
Access Expense per month	2,776
Annual Access Expense	33,312

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DOCKET NO. 971627-TL, FORT WHITE-GAINESVILLE EAS

Additional Local Directory Assistance Expense (payable to BellSouth as
operator services provider)

Fort White Access Lines - 1,734

Local DA Calls billed to ALLTEL by BellSouth 9/98 - 2,265

Current Local Calling Scope for Fort White - 44,158

Gainesville Access Lines at 6/98 - 110,088

Local DA Calls - % calls per access lines in current calling scope - 5%

Calling Scope with Gainesville added - 154,246

$5\% \times 154,246 = 7,712$

Current DA Messages = 2,265

Additional DA Messages with Gainesville Added to Calling Scope = 5,447/mo

Additional Annual DA Messages	65,364
Cost Per Message	<u>\$.30</u>
Additional DA	\$19,609

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DOCKET NO. 971627-TL, FORT WHITE-GAINESVILLE EAS
Revenue Impact from ECS Plan

Total Monthly Conversation MOU 44,352

MOU per Message 2.58
based on 44,352 MOU divided by 17,215 Msgs

Projected Conversation MOU 88,794
based on 200% stimulation (2 x 44,352)

Total Projected Messages if same MOU per Message
is assumed 34,416*

• Actually, the holding time per message will likely be longer than the existing 2.58, but it is very difficult to predict this and price it out with any certainty.

$34,416 \times 25 \text{ cents per message} = \$8,604 \times 12 = \$103,248$ Annual Revenue at
25 cents per message

NOTE: I used a flat 25 cents per message, since the average holding time of 2.58 minutes per message would produce nearly that amount at 10 cents and 6 cents. Most of the customers are residential.

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Basic Information as of 8/31/98:

Access Lines - Fort White	R1	1,569
	B1	111
	Centrex	34
	Semi Pub PS	2
	COTE PS	9
	PBX Trunks	0
	Key Lines	3
	Private Lines	3
	WATS	0
	Total	<u>1,734</u>

Calling Mains - Fort White	R1	1,569
	B1	111
	Centrex	<u>34</u>
	Total	1,714

Conversation MOU/mo 44,352

NCTA (NECA) NECA Methodology

Access MOU - Originating 48,724

Access MOU - Terminating 27,854

Originating Messages 17,215

Fort White Calling Scope at 6/30/98 - 44,158 RG 5
 (calling scope 40,000-200,000)
 Alachua, Branford, High Springs, Lake City, and Fort White

Add Gainesville 110,088

Total with Gainesville 154,246 RG 5

Fort White Rates - RG 5

R1	\$ 9.95	25%	\$ 2.49
B1	24.70		6.18
PBX	47.20		11.80

EXHIBIT HEE-4
DOCKET NO. 971627-TL, FORT WHITE-GAINESVILLE EAS
PROPOSED RATE FOR FLAT-RATE NON-OPTIONAL TWO-WAY EAS
TO RECOVER COST

Total Cost of Plan \$ 104.485

R1 = 1,569	Proposed Rate = \$ 4.71	$1,569 \times 4.71 = \$7,390$	$\times 12 = \$ 88,680$
B1 = 111	Proposed Rate = 11.79	$111 \times 11.79 = \$1,309$	$\times 12 = \underline{15,708}$
		Total	\$104,388

EXHIBIT HEE-5
DOCKET NO. 971627-TL, FORT WHITE-GAINESVILLE EAS
PROPOSED RATE FOR ECS
TO RECOVER COST

Total Cost of Plan \$ 187,218

ECS Projected MOU 97,448/month
(200% stimulation) 1,169,376/annual

\$ 187,218 divided by 1,169,376 = \$.16 per minute of use