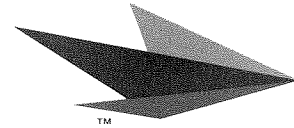


Voice | Data | Internet | Wireless | Entertainment



**EMBARQ**<sup>TM</sup>

Embarq Corporation  
Mailstop: FLTLH00102  
1313 Blair Stone Rd.  
Tallahassee, FL 32301  
EMBARQ.com

January 5, 2007

Ms. Blanca Bayó, Director  
Division of the Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RE: Docket No. 060763-TL, Embarq's Redacted Response to Staff Data Request # E1  
Petition for waiver of carrier of last resort obligations for multitenant property in  
Collier County known as Treviso Bay, by Embarq Florida, Inc.

Dear Ms. Bayó:

Enclosed for filing on behalf of Embarq Florida, Inc. is Embarq's redacted response to  
Staff's Data Request Number E1 in Docket 060763-TL.

Copies are being served on the parties in this docket pursuant to the attached certificate of  
service.

If you have any questions, please do not hesitate to call me at 850/599-1560.

Sincerely,

Susan S. Masterton

Susan S. Masterton  
COUNSEL  
LAW AND EXTERNAL AFFAIRS- REGULATORY  
Voice: (850) 599-1560  
Fax: (850) 878-0777

**CERTIFICATE OF SERVICE  
DOCKET NO. 060763-TL**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic and U.S. Mail (\*) this 5<sup>th</sup> day of January, 2007 to the following:

Jason Fudge (\*)  
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2540 Shumard Oak Blvd.  
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[jfudge@psc.state.fl.us](mailto:jfudge@psc.state.fl.us)

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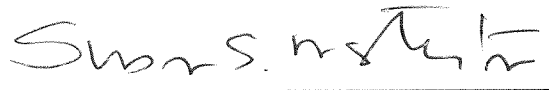
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\_\_\_\_\_  
Susan S. Masterton

1. For purposes of the following requests, please refer to Exhibit KWD-2.
  - (a) Explain your rationale for including the cost of consumption of existing facilities in your NPV cash flow analysis.

**Answer: Including the cost of consumption of existing facilities accurately reflects cash flows incurred that would be directly consumed in serving this new community. These assets are no longer available to serve others if consumed by Treviso Bay.**

- (b) Does the amount of the estimated revenue from each customer include the access charge of \$6.50 for each line and include additional sources of revenue, such as initial connection fees, long distance service, wireless and digital television (Dish Network), and potential storm cost recovery fees?

**Answer: Estimated revenue from each customer includes the subscriber line charge of \$6.50 for each line, as well as toll and access revenues generated from long distance services. See also response to interrogatory 4 below which further details the complete revenue analysis included in Embarq's NPV analysis. Revenues generated from initial connection fees were not included as those revenues are exceeded by the cost of customer acquisitions and interconnections and thus would have only added to the overall uneconomic results of the NPV analysis which was already demonstrated without that incremental, but unnecessary complexity. Storm cost recovery fees were not included, as they are far exceeded by the costs of the storms which were also not included. Due to the existence of the bulk video and data service agreement, Embarq's sales of digital television service, if offered, would be predictably so extremely low as to not exist and was therefore excluded from the NPV. Finally Embarq's potential to sell wireless services does not require or rely upon the potential construction of an uneconomic wireline network and therefore was properly excluded from the NPV analysis of the potential wireline network buildout which is the subject of Embarq's petition.**

- (c) Provide a detailed explanation of the methods and assumptions used to calculate the amount of income tax deductions associated with the capital expenditures and the amount of income tax expenses associated with revenue for each year in the NPV cash flow analysis.

**Answer: To account for income tax deductions associated with capital expenditures, a straight-forward application of MACRS depreciation tables to capital outlay was performed (See CD file, "Disc Cash Flow" tab, row 35, and "Tax Deprec" tab). To account for income tax expenses associated with revenue (as well as other costs not listed in the question), a straight-forward application of a 38.58% state/federal income tax rate to Taxable Income was performed ("Disc Cash Flow" rows 29-38). Also see the response to DR question 10(v).**

**GENERAL NOTE ON EXCEL REFERENCES TO CD WORKBOOK: The "Disc Cash Flow" tabs contain manually-inserted line references. Unless otherwise indicated, DR**

answers refer to the actual Excel row, not the Line Reference. For example, New Capital is referred to as Line 1, but is in Excel row 5. This will be referred to as row 5 in DR answers.

Also note, tabs within the workbook will be shown in quotes in these DR responses, such as "Disc Cash Flow". Note that the two "Disc Cash Flow" tabs are the same – one has been expanded to show additional detail.

- (d) Embarq has applied for and received annual price increases for basic local service as a result of the rate rebalancing legislation in Florida. Explain your rationale for anticipating future price declines for voice services and describe the information you relied upon to base your assumption.

**Answer:** The rate rebalancing initiative mentioned in the question was completed on a revenue neutral basis, with increases in local rates being offset by reductions in access charges. Further, the benefit from the access reductions is required to be flowed through by the interexchange carriers in the form of lower end user long distance rates. Since long distance and access charge revenues attributable to customers was included in the revenue modeling for Embarq's financial analysis, the overall revenue impact of the rate rebalancing is considered in the analysis.

Notwithstanding the overall revenue neutral implications of the rate rebalancing initiative, competitive market forces from cable telephony, wireless and VoIP alternatives are expected to continue to place pressures on prices for traditional ILEC voice services, resulting in future price declines. However, Embarq's financial analysis in this case did not assume any price declines, as the uneconomic outcome of this business proposition is easily demonstrated without the overlay of future price declines.

2. Has Embarq considered lower cost alternatives for providing voice service to Treviso Bay (e.g., construct outside plant to the distribution areas, then construct drop wire and NIDs only upon a customer's service request)?

**Answer:** Yes, Embarq has considered and modeled a low cost network as contemplated by the question. Note in the response to DR question 5(b), the distribution cable is placed over a six year period as units are constructed, with NID/drop and DLC cards only being placed when a customer orders service. No additional NID/drop or DLC card capital is reflected for units that do not take voice service.

3. Referring to the Direct Testimony of Michael J. Dickerson's, FPSC Document Number 11430, page 5, line 7, please describe how the expected customer penetration percentage was developed. Please provide any documents and work papers that support your response.

**Answer:** See attached market share analysis. The customer penetrations expected to occur absent the requested COLR relief in Treviso Bay would logically be expected to be lower than the markets presented in this analysis. This expectation stems from two important and

differentiating facts. The first being that bulk video and data agreements (i.e., billed through homeowners' association dues) are not in place in any of the markets presented in the attached analysis and thus the existence of the bulk agreement in Treviso Bay logically predicts lower penetrations for Embarq services than markets where customer remain free to choose their data and video providers as well as voice. Second the developer awarded contract for 100% of data and video services in Treviso Bay occurs from the initial outset of the development whereas the offering of Cable internet phone service in many of the markets in the attached analysis was well past Embarq initial offering of its voice telephone services.

Most important to note is that none of Embarq's actual market penetrations shown in the attached analysis would result in workable and acceptable financial results for the Treviso Bay project and its associated construction cost requirements.

4. Referring to Mr. Dickerson's Direct Testimony, page 4, lines 19 through 23, and continuing on page 5, lines 1, 2, and 3, please enumerate and describe the "voice services" that are assumed would be provided to Treviso Bay.

**Answer: A full suite of voice services (along with ancillary services) are assumed to be provided – local, long distance toll/access, custom calling features, voicemail, directory listings, inside wire, CPE maintenance. Revenues for all of these services were included in the analysis (See response to 10(I)).**

5. For purposes of the following requests, please refer to Mr. Dickerson's Direct Testimony, page 3.

- (a) By way of clarification, is it 12,000 feet from the 5ESS switch to the entrance of Treviso Bay?

**Answer: Yes.**

- (b) If the response to (a) is negative, please indicate the distance from the 5ESS to the entrance to Treviso Bay.

**Answer: N/A.**

- (c) What is the capacity (fibers) of the 6 Kft fiber cable that will be installed?

**Answer: Engineering suggests a 48 fiber cable be installed in this section.**

- (d) What is the projected installed cost of the fiber cable?

**Revised Answer: The installed cost of the new fiber feeder cable can be found in "Inputs" cell E4.**

- (e) When is it assumed (projected date) the fiber cable will be installed?

**Answer: The cash flow analysis reflects it will be installed Day 1, as the feeder must be in place for the first customer.**

- (f) Other than equipment located at the new DLC site, will additional optronics be required?

**Answer: Yes. Interfacing electronics at the central office are required for the DLC to function.**

- (g) If the response to (f) is affirmative, please identify the specific components that will be required, the installed cost of each component, and when each component will be required.

**Answer: Refer to the switch interface ("Inputs" cell E61) and central office fiber terminal ("Inputs" cell E60). These are also required on Day 1, as the DLC and related electronics must be in place for the first customer.**

- (h) Please provide a diagram or schematic that reflects how the cabling extending from the new DLC be routed. Please indicate all components to be installed and their various capacities (e.g., size of the various cables, cross boxes, etc.).

**Answer: Due to the unworkable negative economics of serving Treviso Bay as demonstrated in Embarq's NPV analysis, the resources and costs necessary to develop the requested engineering record details have not been expended. However the construction of a functioning voice service network would require the cable construction capable of establishing potential connections to all planned locations, (see Exhibit KWD-1).**

9. For purposes of the following requests, please refer to Mr. Dickerson's Direct Testimony, page 4.

- (a) Does the analysis assume that all cabling occurs in year 1?

**Answer: No.**

- (b) If the response to (a) is negative, please identify, by year, the specific cabling and associated components that occurs, disaggregated by component (see Request 3(h)), the demand served by that cabling, and the installed cost of each of the components placed.

**Answer: "Inputs" rows 26-28 reflect the investments that must be made up front in Year 1, which represent the feeder cable, the sub-feeder cable, and the DLC cabinet. "Inputs" rows 30-32 are made as living units are built in Years 1-6, which represent the distribution cable, NID/drop wire, and DLC cards.**

- (c) If the response to (a) is affirmative, please explain why this assumption was made.

**Answer: N/A**

- (d) Referring to the study's inclusion of the capital costs associated with consumption of certain existing network components (fiber cable, switch termination equipment, and interoffice transport bandwidth), for each of these three categories, please indicate by year, the specific discrete components (e.g., line cards) included, their quantities, and their costs.

**Answer: "Inputs" rows 57-62 show the amounts of existing capital consumed. By category, fiber cable is row 57, switch termination equipment is row 60-61, interoffice transport bandwidth is row 58-59.**

- (e) Please identify the "higher end bundles of voice services" included in the study. Please provide the name of the retail bundle, its price and where it is located in Embarq's Florida tariff(s).

**Answer: Refer to attached revenue analysis.**

10. For purposes of the following requests, please refer to Exhibit KWD-2. Please respond to the following requests to the extent not provided in response to Requests 8 and 9.
- (a) Please provide all work papers that support this exhibit, including but not limited to the spreadsheet file.

**Answer: See CD provided. Tabs within the workbook include:**

- 1) "Disc Cash Flow (as presented)" which reflects Exhibit KWD-2 exactly as provided.
- 2) "Disc Cash Flow (w detail rows)" is the same tab with detail rows illustrated.
- 3) "Inputs"
- 4) "Tax Deprec"
- 5) "Cost of Capital & Tax Inputs"

**Tabs 3-4-5 feed information to the "Disc Cash Flow" tabs.**

- (b) Referring to line 1, please indicate, by year, the specific discrete components installed and their associated quantities, and each component's installed cost.

**Answer: See "Inputs" rows 26-34 for New Capital.**

- (c) Were any price escalation or inflation factors applied to any of the investments made in years after Year 1?

**Answer: No.**

- (d) If the response to (c) is affirmative, please identify all such factors and explain mathematically how they were applied.

**Answer: N/A.**

- (e) Referring to line 2, please indicate, by year, the specific discrete components installed and their associated quantities, and each component's installed cost.

**Answer: See "Inputs" rows 65-69 for Consumed Capital.**

- (f) Referring to line 2, please explain why this item apparently is reflected on Year 1.

**Answer: For conservative reasons, Year 1 was chosen for consumed capital. If the actual prior year of installation were reflected, the cash flow result would be worse than indicated, as the previous cost to carry the equipment before being used at Treviso Bay would be added.**

- (g) Is the value shown on line 2 in nominal dollars?

**Revised Answer: Yes. The value of consumed capital reflects representative current cost of the items, prior to application of NPV factors.**

- (h) Referring to line 4, is it assumed that a new DLC will be required in Year 11?

**Answer: Yes.**

- (i) If the response to (h) is affirmative, please explain why.

**Answer: The expected useful life of DLC equipment is estimated at ten years, therefore it is anticipated that it would need to be replaced at the appropriate obsolescence point during the twenty year span considered by this analysis.**

- (j) If the response to (h) is negative, please explain to what "Reinvested Capital" refers.

**Answer: N/A.**

- (k) Referring to line 5, please provide any study or analysis that supports this value, and indicate the vintage of the study or analysis.

**Answer: Refer to Answer 3 and the attached market share analysis.**

- (l) Referring to line 7, please provide any study or analysis that supports this value, and indicate the vintage of the study or analysis.



**Answer: Ala Carte Subscriber revenue for October 2006 Naples customers was studied November 2006 and is attached. Also see "Inputs" rows 80-84.**

- (m) To the extent not indicated in response to (l), please identify the discrete elements that comprise this amount.

**Answer: As indicated in Answers 1(b) and 4, a full suite of voice revenues has been included for those customers who do not purchase bundles. See attached analysis.**

- (n) Referring to line 8, please provide any study or analysis that supports this value, and indicate the vintage of the study or analysis.

**Answer: Bundle Subscriber revenue using October 2006 Naples customers was studied November 2006 and is attached. Also see "Inputs" rows 86-90.**

- (o) To the extent not indicated in response to (n), please identify the discrete elements that comprise this amount.

**Answer: As indicated in Answers 1(b) and 4, a full suite of voice revenues has been included for those customers who purchase bundles. See attached analysis.**

- (p) Referring to line 9, please provide any study or analysis that supports this value, and indicate the vintage of the study or analysis.

**Answer: Customer counts from the analysis referred to in 10(m-p) were utilized. See separate attached analysis.**

- (q) Referring to line 10, please explain mathematically how this value is derived.

**Answer: The blended revenue value is derived as follows: "Bundle sub revenue" times "percent buying bundle", plus "Ala Carte sub revenue" times 1-"percent buying bundle". See "Inputs" cell E93.**

- (r) Referring to line 11, please explain mathematically how this factor is used to calculate expenses; indicate in which line entry(ies) maintenance expenses are included; and provide the study or analysis underlying this factor.

**Answer: The maintenance value ("Disc Cash Flow" cell D19) is derived by dividing total expected maintenance ("Disc Cash Flow" cell J31) by total expected capital ("Disc Cash Flow" cell J50, hidden). The percentage is simply a relative measure of expense, and not an input to the model. Year 7 was chosen for this relative value, as it represented a fully-phased in development. Summary for the expense can be found in "Inputs" rows 54 and 76, with full detail in rows "Inputs" 43-54 and "Inputs" 71-76.**

- (s) Referring to line 12, please provide the derivation of this value, identifying the components and their associated weights.

**Answer: See "Cost of Capital & Tax Inputs" cells C7-C11.**

- (t) Referring to line 13, please identify the source for the specific demand units in each of Years 1 through 6. If there is no independent source, please explain the rationale underlying the assumed build-out pattern.

**Answer: See "Inputs" rows 17-20 for telephone subscribers, which follow "Inputs" rows 10-13 for the construction period of living units, using Embarq's penetration assumption.**

- (u) Referring to line 17, please describe the underlying formula used.

**Answer: For Cash Expenses, this represents an accumulation of maintenance expense (DR question 10(r)), property taxes, and other expenses. See "Disc Cash Flow (w detail rows)" rows 31-33**

- (v) Referring to line 18, please describe the underlying formula used.

**Answer: For Income Tax, see "Disc Cash Flow (w detail rows)" row 38, which multiplies Taxable Income (row 37) by the combined net federal and state tax rate of 38.58% (cell C38). Taxable Income is derived from "Disc Cash Flows (w detail rows)" rows 29-35. Also see response to DR 1(c). The income tax rate of 38.58% takes into account that the 5.5% state income tax is deductible for purposes of the 35% federal income tax.**

- (w) Referring to line 21, please describe the underlying formula used.

**Answer: The discount rates listed in "Disc Cash Flow" row 46 convert cash flow for that year (row 44) to a net present value (row 47), using a simple financial calculation equating to the present value of an 8.12% cost of money, discounted for x years, where the value of x changes for each year. See "Disc Cash Flow" cells D46-W46 for the calculation. The mid-year value of x used within those cells is found in row 49 in white font.**

- (x) What type of digital loop carrier is assumed to be installed in Year 1? What is its initial working capacity and its ultimate assumed capacity?

**Revised Answer:** [REDACTED]

- (y) If a digital loop carrier is assumed to be installed in Year 11, is it identical to that installed in Year 1?

**Answer: Yes. Original values from "Inputs" cells H4 and I4 were reused in Year 11.**

- (z) If the response to (y) is negative, please indicate the type of digital loop carrier installed in Year 11, and its assumed working capacity.

**Answer: N/A.**

11. Explain Embarq's rationale for considering the Treviso Bay a high cost area as mentioned in paragraph 13 of Embarq Florida, Inc.'s Amended Petition For Waiver.

**Answer: The economic losses demonstrated by the cash flow analysis, result from unit costs to serve the population of customers reasonably expected to purchase Embarq's voice services being substantially exceeded by the network and operating costs of providing those services. Generically, areas where the cost to provide service exceed the reasonably expected revenues generated can be termed to be high cost areas, and Embarq has used the term in this manner in its petition and context.**

12. What is the method used by Embarq for calculating the depreciation on the outside plant utilized to provide service to Treviso Bay.

**Answer: In a cash flow analysis, the only relevant depreciation is tax depreciation, using MACRS tables prescribed by the IRS. Book depreciation is not considered in a cash flow analysis.**

13. What is the number of years (depreciation schedule) used by Embarq for the depreciation method for question 12?

**Answer: Embarq's NPV analysis utilized a MACRS life of 15 years when computing the cash flow impacts of income taxes.**

14. Does Embarq currently offer television programming and video services over its telephone system to residential customers in Naples, Florida?

**Answer: No.**

15. Does Embarq plan to offer television programming and video services over its telephone system to residential customers in Naples, Florida? If so, what is the time frame for the planned roll out?

**Answer:**



16. Does Embarq assume it will only serve residential customers in the development? If so, has Embarq inquired with the developer if the Treviso Bay development will include commercial sites?

**Answer: Effectively yes, as the Treviso Bay development contains very minimal commercial site sales opportunities (e.g. golf course shop). The very minimal commercial site sales opportunities could not conceivably overcome the unworkable economics demonstrated in Embarq's NPV analysis.**

17. Referring to Michael J. Dechellis' Direct Testimony, FPSC Document Number 11429, page 6, Mr. Dechellis testifies that Embarq expects only a certain percentage (considered confidential) of the residents of Treviso Bay to choose to subscribe to services from Embarq. Provide supporting documentation (e.g., work papers, statistical models, subscriber demographic analysis, or other records) which Mr. Dechellis relied upon to make his assumption.

**Answer: Refer to Answer 3 and the attached market share analysis.**

GENERAL EXCHANGE TARIFF

Embarq Florida, Inc.

BY: F. B. Poag  
Director

SECTION A27  
Second Revised Sheet 3  
Cancelling First Revised Sheet 3  
Effective: November 1, 2005

SPECIAL PACKAGED OFFERINGS

A. SOLUTIONS - RESIDENCE (Cont'd)

2. Regulations (Cont'd)

- i. Prices of the individual services included in these packages may be higher or lower than the packaged offering.

3. Rates and Charges

a. Solutions Packages

	Monthly Rate
1) <u>Ideal Solution</u> Local Exchange Service, Package 5,@ 60 minutes of Local Toll	\$33.15
2) <u>Sure Solution II†</u> Local Exchange Service, Package 5@	\$28.45
3) <u>Choice Solution</u> Local Exchange Service, Package 1, 60 minutes of Local Toll	\$27.45
4) <u>Standard Solution I</u> Local Exchange Service, Enhanced Call Waiting, 60 minutes of Local Toll	\$23.75
5) <u>Standard Solution II†</u> Local Exchange Service, Package 1	\$21.20
6) <u>Basic Solution</u> Local Exchange Service, Package 8, 60 minutes of Local Toll	\$31.45

† Customers have the option of subscribing to Consumer Sense Local Toll Service with per minute of use rates applicable as specified in Section A18 of this tariff.

@ Talking Call Waiting can be added to this Solutions package at the monthly rate shown in Section A13.Z.

GENERAL EXCHANGE TARIFF

Embarq Florida, Inc.

BY: F. B. Poag  
Director

SECTION A27  
Third Revised Sheet 4  
Cancelling Second Revised Sheet 4  
Effective: November 1, 2005

SPECIAL PACKAGED OFFERINGS

A. SOLUTIONS - RESIDENCE (Cont'd)

3. Rates and Charges - (Cont'd)

a. Solutions Packages - (Cont'd)

	<u>Monthly Rate</u>
7) <u>Classic Solution</u> <sup>1</sup> Local Exchange Service, Package 8	\$27.15
8) <u>Core Solution</u> Local Exchange Service Enhanced Call Waiting - Optional or Talking Call Waiting - Optional Call Forwarding Three-Way Calling Caller ID w/Name Anonymous Call Rejection Repeat Dialing Return Call Call Forward No Answer-Fixed Call Forward Busy-Fixed Speed Calling - 8 Selective Call Acceptance Selective Call Forwarding Selective Call Ring Selective Call Rejection	\$34.70
9) <u>Clear Solution</u> Local Exchange Service Call Forwarding Three-Way Calling Caller ID w/Name Anonymous Call Rejection Repeat Dialing Return Call Call Forward No Answer-Fixed Call Forward Busy-Fixed Speed Calling - 8 Selective Call Acceptance Selective Call Forwarding Selective Call Ring Selective Call Rejection	\$33.50

<sup>1</sup> Customers have the option of subscribing to Consumer Sense Local Toll Service with per minute of use rates applicable as specified in Section A18 of this tariff.

GENERAL EXCHANGE TARIFF

Embarq Florida, Inc.

BY: F. B. Poag  
Director

SECTION A27  
Fifth Revised Sheet 5  
Cancelling Fourth Revised Sheet 5  
Effective: October 19, 2006

SPECIAL PACKAGED OFFERINGS

A. SOLUTIONS - RESIDENCE (Cont'd)

3. Rates and Charges - (Cont'd)

a. Solutions Packages - (Cont'd)

	Monthly Rate #	
10) <u>Personal II Solution</u> <sup>(1)</sup>	\$31.95	(N)
Local Exchange Service		(T)
Enhanced Call Waiting - Optional or Talking Call Waiting - Optional		
Call Waiting ID		
Call Forwarding		
Three Way Calling		
Caller ID w/Name		
Repeat Dialing		
Return Call		
Call Forward No Answer-Fixed		
Call Forward Busy-Fixed		
Selective Call Forwarding		
<b>- with unlimited expanded local calling calling option &amp; measured/message ECS/EAS</b>	<b>\$31.95</b> <sup>(3)</sup>	(N) (N)
11) <u>Home II Solution</u> <sup>(2)</sup>	\$28.10	(T)
Local Exchange Service		
Enhanced Call Waiting - Optional		
Call Waiting ID		
Three-Way Calling		
Caller ID w/Name		
Call Forward No Answer-Fixed		
Call Forward Busy-Fixed		
<b>- with unlimited expanded local calling calling option &amp; measured/message ECS/EAS</b>	<b>\$28.10</b> <sup>(4)</sup>	(N) (N)

(M)  
.  
(M)

# Measured/message ECS/EAS charges, if applicable, as defined in Section A3 of this tariff, apply per each Solutions Package. (N)  
(N)

(1) Privacy ID can be added to this Solutions package at the monthly rate shown in Section A13.Y. (T)

(2) Talking Call Waiting can be added to this Solutions package at the monthly rate shown in Section A13.Z. (T)

(3) Customers must also subscribe to Embarq Communications, Inc. Solutions Unlimited - Option 1 or Option 2 long distance plan. (D)  
(N)

(4) Customers must also subscribe to Embarq Communications, Inc. Solutions Unlimited - Option 1 long distance plan. (N)

(M) Material formerly appearing on this sheet now appears on Fourth Revised Sheet 6.

GENERAL EXCHANGE TARIFF

Embarq Florida, Inc.

BY: F. B. Poag  
Director

SECTION A27  
Fourth Revised Sheet 6  
Cancelling Third Revised Sheet 6  
Effective: October 19, 2006

SPECIAL PACKAGED OFFERINGS

A. SOLUTIONS - RESIDENCE (Cont'd)

3. Rates and Charges - (Cont'd)

a. Solutions Packages - (Cont'd)

	Monthly Rate #	
		(N)
12) <b>Safe and Sound II Solution</b> <sup>(1)</sup>	<b>\$19.65</b>	(M)
<b>Local Exchange Service</b>		(M)
<b>Caller ID w/Name</b>		(M)
13) <u>Core Solution Plus</u>	\$38.70	
Local Exchange Service		
Enhanced Call Waiting - Optional or Talking Call Waiting - Optional		
Call Forwarding		
Three-Way Calling		
Caller ID w/Name		
Anonymous Call Rejection		
Repeat Dialing		
Return Call		
Call Forward No Answer-Fixed		
Call Forward Busy-Fixed		
Speed Calling - 8		
Selective Call Acceptance		
Selective Call Forwarding		
Selective Call Ring		
Selective Call Rejection		
Privacy ID		
- with unlimited expanded local calling calling option & measured/message ECS/EAS	\$38.70 <sup>(2)</sup>	(N)
		(N)

# Measured/message ECS/EAS charges, if applicable, as defined in Section A3 of this tariff, apply per each Solutions Package. (N)

<sup>(1)</sup> Customers must purchase the deregulated services LineGuard or Data LineGuard and Home Phone Warranty.

<sup>(2)</sup> Customers must also subscribe to Embarq Communications, Inc. Solutions Unlimited - Option 1 long distance plan. (N)

(M) Material now appearing on this sheet formerly appeared on Fifth Revised Sheet 5.



GENERAL EXCHANGE TARIFF

Embarq Florida, Inc.

BY: F. B. Poag  
Director

SECTION A27  
Eleventh Revised Sheet 7  
Cancels Tenth Revised Sheet 7  
Effective: June 12, 2006

SPECIAL PACKAGED OFFERINGS

A. SOLUTIONS - RESIDENCE (Cont'd)

3. Rates and Charges - (Cont'd)

a. Solutions Packages - (Cont'd)

	Monthly Rate
14) <u>Special Plan Bundle #</u> Local Exchange Service Enhanced Call Waiting or Talking Call Waiting (Optional) Call Forward Busy-Fixed Call Forward No Answer-Fixed Caller ID with Name Anonymous Call Rejection Call Forwarding Call Waiting ID Selective Call Acceptance Repeat Dial Return Call	\$39.95*
15) <u>Progressive Plan</u> <sup>2</sup> Local Exchange Service Enhanced Call Waiting - Optional Call Waiting ID Three-Way Calling Caller ID w/Name Call Forwarding Call Forward No Answer-Fixed Call Forward Busy-Fixed	\$25.45
16) <u>Simple Solution</u> <b>Local Exchange Service</b> <b>Caller ID with Name</b> <b>Speed Calling 8</b>	\$19.99

(N)  
|  
(N)

\* The Special Plan Bundle is available for \$23.20 when customers also subscribe to Embarq Communications, Inc. Solutions Unlimited – Option 1 plus either the Company's High Speed Internet (DSL), DISH Network® Satellite TV (video) or PCS.

# Privacy ID can be added to the Solutions Package at the monthly rate shown in Section 13.

<sup>2</sup> Talking Call Waiting can be added to this Solutions package at the monthly rate shown in Section A13.Z.

GENERAL EXCHANGE TARIFF

Embarq Florida, Inc.

SECTION A27

BY: F. B. Poag  
Director

Original Sheet 7.1  
Effective: August 15, 2006

SPECIAL PACKAGED OFFERINGS

A. SOLUTIONS - RESIDENCE (Cont'd)

3. Rates and Charges - (Cont'd)

a. Solutions Packages - (Cont'd)

	<u>Monthly Rate</u>
17) <u>Standard Home Phone II</u> <sup>(1)</sup> Local Exchange Service Caller ID with Name Anonymous Call Rejection Enhanced Call Waiting Call Waiting ID Three-Way Calling Call Forwarding Repeat Dialing Return Call Selective Call Forwarding Speed Calling 8	\$31.95

<sup>(1)</sup> Customers must also subscribe to any Embarq Communications, Inc. long distance plan plus any two of the following services: Privacy ID, LineGuard, Data LineGuard, Voicemail or Home Phone Warranty.

GENERAL EXCHANGE TARIFF

Embarq Florida, Inc.

BY: F. B. Poag  
Director

SECTION A127  
Third Revised Sheet 1  
Cancelling Second Revised Sheet 1  
Effective: November 1, 2005

OBSOLETE SERVICE OFFERINGS  
SPECIAL PACKAGED OFFERINGS

A. SOLUTIONS – RESIDENCE

No new customers may subscribe to these services. This service will continue to be provided to existing customers until such time as discontinued by the customer, the Company, or the Florida Public Service Commission or the service can no longer be maintained by the Company.

1. General

a. Solutions is an optional residence service enrollment plan.

2. Rates and Charges

a. Solutions Packages

	Monthly Rate *
1) Sure Solution I Local Exchange Service, Package 4, 60 minutes of Local Toll	\$33.15
2) Custom Solution I Local Exchange Service, Package 4,	\$28.15

\* Measured/message ECS/EAS charges, if applicable, as defined in Section A3 of this tariff, apply per each Solutions Package.