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RECORDS AND REPORTING

January 29, 1999

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 Florida, Inc.'s Posthearing Statement.

We are also submitting the Posthearing Statement on a 3.5" high-density diskette using Microsoft Word 97 format, Rich Text.

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

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FPSC BUREAU OF RECORDS

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Enclosures

cc: All parties of record

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01175 JAN 29 99

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by residents of) DOCKET NO. 971627-TL
Ft. White requesting extended) Filed: January 29, 1999
area service between Ft. White)
exchange in Columbia County and)
Gainesville exchange in Alachua)
County)
_____)

ALLTEL FLORIDA, INC.'S POSTHEARING STATEMENT

ALLTEL Florida, Inc. ("ALLTEL" or the "Company"), pursuant to Order No. PSC-98-1057-PCO-TL, issued August 7, 1998, submits the following Posthearing Statement:

I.

Introduction

This proceeding began on September 17, 1997, when residents of the Ft. White exchange petitioned the Florida Public Service Commission ("FPSC" or the "Commission") to implement Extended Area Service ("EAS") between the Ft. White and Gainesville exchanges. That route is an interLATA route served by ALLTEL on one end (Ft. White) and BellSouth Telecommunications, Inc. ("BellSouth") on the other (Gainesville). This matter was set for hearing to obtain information whether Ft. White customers should be balloted for non-optional, two-way, flat-rate EAS.

The Service and Technical Hearings in this docket were held in Ft. White on January 11, 1999. During the technical portion of the hearing, ALLTEL presented the direct testimony of Harriet E. Eudy. Witness Eudy's direct testimony was inserted into the record at Tr. 66, and she was subjected to cross-examination by the Staff. Her original exhibit (HEE-1 through 5) was

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identified as Exhibit 1. Her revisions to portions of the original exhibit (HEE-2, 3 and 5) were identified as Exhibit 2. Both exhibits were admitted into the record at Tr. 52.

II.

Basic Position

The issues in this docket should be resolved in a manner that promotes the public interest and protects the interests of ALLTEL and its customers who do not make calls on the route involved in this docket.

III.

Issues and Positions

ALLTEL's positions on the issues, and argument/discussion in support of its position on the issues, are set forth below. The portions indicated with an asterisk (*) are identified for inclusion in the Staff Recommendation.

Issue 1: Is there a sufficient community of interest on the Ft. White/Gainesville route to justify non optional extended area service (EAS) as currently defined in Commission Rules or implementing an alternative toll plan?

Position: * There is a high volume of calling on this route; however, ALLTEL's data does not indicate whether the calling volumes are being generated by a few customers making a huge number of calls or a large number of customers most of whom are regularly calling from Ft. White to Gainesville.

Discussion: It is very difficult for ALLTEL to answer this with the empirical information available to it. Tr. 39. As shown on document HEE-1 (part of Exhibit 1), there is a high volume of calling on this route from Ft. White to Gainesville; however, ALLTEL cannot tell from this

data whether the calling volumes are being generated by a few customers making a huge number of calls or a large number of customers most of whom are regularly calling from Ft. White to Gainesville. Tr. 39. The fact that there is a high calling volume on this route does not necessarily mean that there are enough customers making enough calls to justify non-optional EAS.

In the absence of empirical data about call distribution among customers, the Commission usually looks at non-empirical information such as the location of medical facilities, shopping areas, government offices, educational facilities and other similar factual information. Tr. 39. Testimony from customers and community leaders is often a good source of this type of non-empirical information. Tr. ALLTEL believes that the testimony presented in the service/public portion of the hearings in Ft. White will allow the FPSC to make a determination about whether balloting is appropriate in the circumstances. ALLTEL does not object to toll relief on this route as long as ALLTEL is allowed to recover the costs of implementing the plan. Tr. 43.

Issue 2: If a sufficient community of interest is found to exist, what is the economic impact for the subscribers and the involved companies in implementing an alternative plan on the Ft. White/Gainesville route? (Summarize and discuss in detail the alternative toll plan and its rate structure):

- A) EAS with a 25/25 plan and re-grouping
- B) One-way extended calling service (ECS)
- C) Other (specify)

Position:

A) * Under EAS with a 25/25 plan and regrouping, ALLTEL's subscribers would pay an additive of \$2.29 for Residential and \$6.23 for B-1. The estimated annual loss to ALLTEL

would be \$53,071.

Discussion: ALLTEL's position on this issue is supported in the record at Tr. 40, and in Exhibits 1 and 2. ALLTEL does not object to toll relief on this route as long as ALLTEL is allowed to recover the costs of implementing the plan. Tr. 43. Those costs include, but are not limited to, the cost of building or leasing the facilities necessary to provide the service. Tr. 43.

B) * Under a one-way ECS plan, ALLTEL's residential subscribers would pay \$.25 per message, and ALLTEL's business subscribers would pay \$.10 for the first minute and \$.06 for each additional minute. The estimated annual loss to ALLTEL would be \$84,078.

Discussion: ALLTEL's position on this issue is supported in the record at Tr. 40, and in Exhibits 1 and 2. ALLTEL does not object to toll relief on this route as long as ALLTEL is allowed to recover the costs of implementing the plan. Tr. 43. Those costs include, but are not limited to, the cost of building or leasing the facilities necessary to provide the service. Tr. 43.

C) * ALLTEL has no position on this part of Issue 2.

Issue 3: What are the appropriate rates, charges, or additives, if any, for EAS or for the alternative toll plan on the Ft. White/Gainesville route? If an additive is required, what should the amount be and how long should it remain in effect?

Position: * For EAS, the proposed additives would be \$4.71 for a residential customer and \$11.79 for business customers and should be permanent. For ECS, the minutes-of-use rate necessary to recover ALLTEL's cost of implementing the plan is \$.18 per minute, and should be permanent.

Discussion: ALLTEL's position on this issue is supported in the record at Tr. 41 and 42. During cross-examination by Staff, Witness Eudy noted that because the \$0.18 cost for ECS is permanent

and recurring for every minute of use, the charge for ECS should also be permanent. See Tr. 45-46.

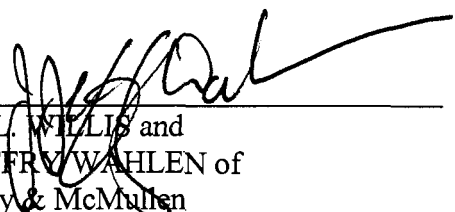
Issue 4: What dialing pattern should be implemented if the Commission determines that toll relief is appropriate?

Position: * 10-digit dialing would need to be implemented on this route.

Discussion: See Tr. 42. As noted by Witness Eudy during her cross examination, 10 digit dialing is required so there will be a unique calling pattern to enable the correct routing of calls. Tr. 49-50.

DATED this 29th day of January, 1999.

Respectfully submitted,



LEE L. WILLIS and
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ATTORNEYS FOR ALLTEL FLORIDA, INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U. S. Mail or hand delivery (*) this 29th day of January, 1999, to the following:

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