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Georgia Public Service Commission

244 WASHINGTON STREET, S.W.
ATLANTA, GEORGIA 30334-5701

DOCKET NO. 3921-U

IN RE: Compliance and Implementation of Senate Bill 524

Record Submitted: October 15, 1990

Decided: October 30, 1990

APPEARANCES

For the Utility Finance Section, Georgia Public Service Commission (Staff):

Michael S. Bradley, Special Assistant Attorney General
Victoria H. Tobin, Assistant Attorney General
David I. Adelman, Staff Attorney

For the Consumers' Utility Counsel of Georgia (CUC):

Nancy G. Gibson, Consumers' Utility Counsel
Chanthina R. Bryant, Attorney
Robert Beer, Attorney

For Southern Bell Telephone and Telegraph Company:

Lawrence E. Gill, Attorney

For AT&T Communications, Inc.:

Greg Brophy, Attorney

For GTE South, Inc.:

Wayne L. Goodrum, Attorney

For The Georgia Telephone Association:

E. Freeman Leverett, Attorney

For Cox Enterprises, Inc.:

**Terrence B. Adamson, Attorney
Peter Canfield, Attorney**

For Georgia Cable TV:

L. Craig Dowdy, Attorney

For The Department of Defense and Other Federal Executive Agencies:

Cecil O. Simpson, Jr., Attorney

For MCI Telecommunications Corporation:

Michael J. Henry, Attorney

For U. S. Sprint:

Helen M. Hall, Attorney

**For Blue Ridge Telephone Company, Quincy Telephone Company and International
Telecharge, Inc.:**

Peyton S. Hawes, Jr., Attorney

For Alltel:

Leo E. Reichert, Attorney

For The Independent Telephone Group:

Stephen G. Kraskin, Attorney

For Nelson Ball Ground Telephone Company:

Robert B. Kelley

For SouthernNet, Inc.:

Robert Clark, Attorney

For Public Service Telephone Company:

R. L. Swearingen, Jr., Attorney

BY THE COMMISSION: (Commissioners Andrews and Rowan dissenting)

The Georgia Public Service Commission ("Commission") opened Docket No. 3921-U for purposes of determining how to comply with the mandates of Senate Bill 524 (Codified at O.C.G.A. Section 46-2-25.1) which was enacted by the 1990 General Assembly of Georgia.

O.C.G.A. Section 46-2-25.1 prohibits the Commission from approving any new toll rates applicable to calls between telephones within the same county after July 1, 1990, and requires the Commission to eliminate any existing toll charges for such calls prior to July 1, 1991. In addition, O.C.G.A. Section 46-2-25.1 requires the Commission to implement a plan prior to December 31, 1990 which expands toll-free calling beyond the county borders and/or to reduce intraLATA toll rates to a level comparable with interLATA toll rates. In developing a plan, each telephone company was required to begin negotiations relating to a county-wide calling ("CWC") plan for consideration by the Commission.

On March 20, 1990 the Commission entered its First Procedural Order, the purpose of which was to set forth its procedure for complying with and implementing that part of O.C.G.A. Section 46-2-25.1 relating to the requirement of mandatory toll-free CWC. The Order allowed the telephone companies sixty-days from the effective date of O.C.G.A. Section 46-2-25.1 to negotiate an agreement. O.C.G.A. Section 46-2-25.1 was signed into law on April 12, 1990.

On June 28, 1990 the Commission set hearings beginning August 13, 1990 in an

effort to determine a CWC plan for the entire State. The Commission directed each local exchange company to pre-file testimony identifying which CWC plan it believed complied with Senate Bill 524 and which it favored. In addition, the Staff of the Commission was directed to pre-file testimony assessing the various CWC plans proposed and recommend a procedure for the Commission to consider and decide on a CWC plan. The Commission reduced its decision to writing and issued its Second Procedural Order on July 10, 1990.

At the commencement of the hearings, evidence that proper notice had been given as required by law was tendered to the Commission. Thereafter, the Commission received the direct testimony and the cross-examination of one public witness, twenty individual witnesses and one panel which consisted of two witnesses. In addition, the Commission received written prefiled testimony from ten other witnesses. These hearings concluded on August 14, 1990.

At its Administrative Session on August 21, 1990 the Commission entered its Third Procedural Order in Docket No. 3921-U. Based on the August hearings, the Commission identified three CWC plans to be costed by each local exchange company from which the Commission would choose the CWC plan to be adopted. The Commission set a 60-day period during which each local exchange company would detail its assessment of the cost of each plan to the Commission Staff. The Staff was directed to report these results to the Commission at the end of the 60-day period.

On September 18, 1990 the Commission voted to conduct further hearings on the

implementation of O.C.G.A. Section 46-2-25.1 with the scope specifically limited to comments concerning the Universal Service Fund. The Commission sought specific details regarding the mechanics of administering a Universal Service Fund, details regarding the procedure for applying hardship assistance from the Universal Service Fund, and comments regarding the advisability of a permanent Universal Service Fund and certain other matters related thereto. An October 15, 1990 hearing date was set. At that hearing the Commission heard testimony and cross-examination from one panel consisting of two witnesses and three individual witnesses. At the conclusion of the hearing, the case was taken under advisement.

Altogether the hearings in Docket No. 3921-U lasted three days. A total of 834 pages of transcripts were produced for the case record and nine exhibits were tendered into evidence and made part of the record. Based upon that record, the Commission enters the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1.

Financial and Statistical Data

During the course of the hearings in this matter the Commission received into evidence a considerable amount of financial and statistical data from various telephone companies. It became apparent that there would be significantly varied impacts upon individual telephone companies and their subscribers of the various plans, therefore, the Commission directed its Staff to collect data from the telephone companies and evaluate three plans, specifically, County Wide Calling using a Data Base, County Wide Calling plus a 16-mile calling circle, and County Wide Calling plus a 22-mile calling circle. On October

19, 1990 the Commission Staff filed the report with the Commission. The Commission adopts the findings of the report of its Staff. By reference thereto and inclusion as a part of this Order as Appendix I, the Commission finds as a matter of fact the financial informational, statistical information, implementation dates, and other statistical information contained therein as a matter of fact.

2.

County Wide Calling (CWC)

There was considerable discussion, on the record, concerning which specific County Wide Calling Plan to adopt in order to implement the County Wide Calling requirements of O.C.G.A. 42-2-25.1. After discussion of a County Wide Calling Plan by exchanges, a plan for County Wide Calling by a billing data base was proposed to the Commission. There was general agreement among the parties that data base County Wide Calling was the most cost effective manner of meeting the County Wide requirements of O.C.G.A. 42-2-25.1. Additionally, the data base plan was attractive because of low cost, and because it did not overlap or leave gaps in the intra-county calling. Second, the data base plan allowed splitting the exchange without having to incur the financial burden of significant additional telephone plant. Finally, the data base plan can be implemented within the time constraints of the law, putting it in place on July 1, 1991.

COMMUNITY OF INTEREST CALLING (COI)

The matter of Community of Interest produced some significant differences of opinion concerning how the Commission should meet the COI provisions of O.C.G.A. Section 42-2-25.1. The Commission has before it a number of plans including the 16-mile circle and the 22-mile circle. Of great concern to a number of independent telephone

companies was the large revenue requirement impact of the circle calling plans. From Finding of Fact #1 it is clear that independent companies are concerned about the revenue requirement impact on their companies. On an average County Wide Calling plus 22-miles would eliminate 40% of the toll revenue of the independent telephone companies. This figure is significantly less for Southern Bell but even Southern Bell would see a revenue loss slightly in excess of 16%. The data reviewed by the Commission indicates that some of Georgia's rural subscribers could be faced with significant increases in their bills for local service, in order to fund either of the circle plans. In addition to the circle plans, a number of parties proposed that the Commission adopt an optional plan. The U. S. Sprint witness testified, "expanding toll free calling beyond the County line should be done only after a valid community interest study has been conducted. Subscribers should not be required to pay for unwanted expanded toll-free calling." (Transcript page 617, lines 9-12) Chickamauga's witness testified, "there should be flexibility between and within companies and their territories, also usage sensitive pricing seems appropriate in that it puts the cost on the cost causer rather than spreading costs to the entire customer base." (Transcript page 17) The witness for Hawkinsville Telephone Company testified, "any plan adopted by the Commission should seek to balance the needs of the customers as well as the financial impact upon the Company and ultimately the customer. It is suggested therefore, that any EAS plan must be tailored to fit the specific company, rather than try to fit a company to a plan. We have analyzed both the 22-mile plan and the County Wide Calling Plan and the impact on both the customer and the company. Either plan creates a significant revenue requirement for this company while serving the needs of less than 10% of our customers. Over one-third of our customers have \$10 or less per month in toll billings.

Either plan will force the greatest majority of our customers to subsidize the calling patterns of a few. The proposed 22-mile plan will benefit 87 customers while the County Wide Calling plan will benefit 210 customers. This is out of a customer base of 3,353." (Transcript page 25) This witness further testified on page 25, "a plan which would meet the needs of the customer and the Company should contain the following elements: It must be subscribed to by the customer, in this way those customers who want and need such a plan could get it while those that do not want or need one would not be forced to accept a plan or pay for one. The customer would receive an amount of discounted toll in a specific geographic area for his subscription free fee, plus a discount of all toll which exceeds the base. This would give the customer value for his subscription while enabling the Company to realize revenue from toll growth." (Transcript page 25) A witness for an interexchange carrier testified, "extended toll free calling beyond the county line will involve community of interest studies, and no doubt increases in local exchange rates for the identified subscribers. A better arrangement would be to open the routes to competition and let the subscriber decide on a call basis whether the call would be made rather than increasing the rates for local service for all subscribers." (Transcript page 617, line 19) The witness for Southern Bell testified "Southern Bell would prefer to offer discounted calling options to our customers for both existing local calling and for expanded calling. With options, the calling needs of all customers can be addressed not just those having a need to call outside the existing calling area." (Transcript page 420 and 421) While the Commission does not completely agree with these witnesses, having reviewed the financial impact upon the telephone companies and the cost of the flat rate circle plans, the Commission concludes that optional EAS plan is an appropriate way to meet the extended

area calling of the consumers of this state. For example, the Commission does not believe that this is the appropriate time to open the routes to competition as suggested by the interexchange carrier witness, nor does the Commission agree with Southern Bell that this is an appropriate time to introduce local measured services statewide. However, the Commission does agree that it is entirely appropriate to provide for a significant toll discount with a fixed subscription fee as proposed by the Hawkinsville witness. Alabama has such a plan, except that it involves local measured service. The Commission believes that a plan should be structured similar to the Alabama tariff "A3.2 Statewide Rate Schedule" except that the local measured features of the tariff should not be included and the discounts should apply to those calls which are currently toll calls. Do the citizens of Georgia want to pay higher local service bills to get toll free calling or toll free EAS? Most of the time in Georgia when given a choice, people have voted against EAS at higher local service rates. The Commission believes that the reason for this is the fact testified to by the witness from Hawkinsville, in other words, only a small minority of the subscribers receive benefits from an expanded EAS on a flat rate mandatory basis. North Carolina recently turned down a proposal for mandatory EAS for the triangle area. This decision was reduced to writing as Docket No. P-55, SUB 888. The plan called for local service rates to increase up to \$11.88 for residents one-party rates. Some of the increases were as low as \$2.27 for this service. EAS is not free, it always costs. This Commission must determine who will pay the cost. If the Commission votes to make EAS optional, then those who wish to have EAS will pay the cost. If the Commission votes for a non-optional flat rate plan, the cost will be spread over every subscriber even though they will receive no benefit. Once the Commission enlarges the flat rate area, it is impossible to go back. If the Commission

keeps the rates area usage sensitive, the rates can be easily adjusted. With a flat rate, traffic stimulation brings added cost. With the usage sensitive rate, traffic stimulation will produce additional revenues, which will pay for those additional costs. As discussed earlier, the Commission will order optional EAS which will provide an extended area calling area for a flat subscription rate which maintains existing usage sensitive calling usage sensitive without applying the usage sensitive charge to current local flat rate calls. In response to directions by the Commission a number of companies have filed optional EAS routes, specifically Southern Bell, General Telephone and Contel. These companies need to examine those filings and make any changes necessary to comply with the Commission Order in this case. Southern Bell should file their revised plans by November 20, 1990 with their rate design comments. The Commission would vote on these new optional EAS plans on December 4, 1990.

Toll Rate Reduction

There was considerable testimony by the interexchange carriers that interstate access charges should be reduced in order to relieve some of the need for a less expensive method of communication between telephone subscribers in the state. In addition to the interexchange carriers, the witness for Contel testified "Contel is proposing a plan that will fulfill that objective but we also address what we think is the real problem and the most important issue currently facing the industry and the Commission, and that's high intraLATA toll rates. In fact, high intrastate toll rates." The Commission agrees with this witness in that the Commission finds that high intrastate toll rates are a definite problem in the state. O.C.G.A. Section 42-2-25.1 provides an option to the Commission to reduce intrastate toll rates as discussed in Conclusion of Law #9. The Commission finds as a

matter of fact that intrastate toll rates should be reduced to accomplish the COI objective O.C.G.A. Section 42.2.25.1. The Commission will order toll rate reductions to bring intrastate toll rates comparable to interstate toll rates. In addition, in Docket 3905-U for Southern Bell there were a number of the interexchange carriers who were advocating a reduction in intrastate switch access charges. The Commission believes that this reduction should be made and orders a \$10,000,000 reduction in these charges for Southern Bell. This will allow the interexchange carriers to reduce their intrastate toll rates. The reductions for Southern Bell are as follows:

MTS	\$22.2 million
WATS/800 Service	
Access line	\$ 2.0 million
Usage rates	\$ 6.6 million
WATS SAVER/Saver Service	\$ 4.2 million
WATS line surcharge	\$ 5.0 million
Additional switched access	\$10.0 million

Southern Bell should file tariffs with their comments on November 20, 1990 as previously directed by the Commission, which will conform to this order. Nothing contained herein shall be construed to prohibit Southern Bell from suggesting and recommending to the Commission on November 20, 1990 further reductions in MTS or other interexchange traffic rates.

FUNDING PROVISION OF O.C.G.A. Section 42-2-25.1

The Data contained in Findings of Fact 1 have demonstrated that there are

significantly different impacts upon the individual companies in the state as a result of adopting any plan that was analyzed by the Staff and that the existing toll pool produces very uneven results in trying to provide an equitable method of allocating costs and sharing of toll reductions loss among the companies. As discussed in Conclusions of Law 4, the legislature contemplated that it may be necessary to eliminate the toll pool in order to provide equitable distribution of the funding for County Wide Calling. As discussed in Conclusion of Law 5 and 6, the clear intent of the legislature was that individual companies should fund their own individual expenses. In Docket 3905-U the stipulation between Staff and Southern Bell provides for some funding through a Universal Service Fund for the impacts of the Commission decisions in this docket. However, this funding is very finite and will exist for a limited time period. The Commission must determine some permanent type of funding which will meet the restriction contained in O.C.G.A. Section 42-2-25.1. One feature of the bill is that the first source of funding must be the overearnings of the Company. Contel's witness stated, "Contel believes that the matter of a LEC earnings should be addressed between the individual company and the Commission and should not impede the operation of a plan that will produce benefits to the customers in Georgia. ...also a part of the plan proposed is going to be an access charge based intraLATA toll pool, which would then give access charges to be used as a source of funding." The Commission is convinced that access charges should be a source of funding for this plan, however, as discussed in Conclusions of Law 5 and 6, the Commission believes that it is inappropriate to pool the access charges, therefore, the Commission will order individual access charges for individual companies. The proceedings in this case have demonstrated how ill-suited the existing intraLATA pool is to adapt the changing circumstances, it locks

all LEC's together with a common toll rate and revenue sharing plan that prevents action which does not affect all telephone companies. It has impeded Commission action on a number of occasions and presently stands in the Commission's way. The Commission needs to adopt a better system. The Commission will direct the telephone companies to present to the Commission no later than July 1, 1991 a plan to replace the present pooling arrangement with a bill and keep access charge process with each LEC being as switched access carrier. In addition to having all LEC's as switched access carriers, the plan should include at a minimum the following features:

1. Southern Bell - dominant carrier and carrier of last resort for intraLATA carrier. AT&T continues these roles for interLATA.
2. All other LEC's may elect to also be an intrastate carrier.
3. All LEC's electing to also be an intrastate carrier (including Southern Bell as intraLATA carrier) would "charge" themselves or their affiliates the same access charges as outsiders were charged and the "revenue" would offset the revenue requirement of switched access.
4. Complete access tariffs for all LEC's showing detailed access charges for terminating, originating, etc.
5. Each LEC will file separately, detailed financial information supporting level of tariffs proposed.
6. Present pooling of intraLATA tolls will be terminated no later than January 1, 1992.
7. Only if not possible through bill and keep mechanism, a permanent high cost fund for ensuring universal local service.

8. Indication of compliance with O.C.G.A. 46-2-25.1 and O.C.G.A. 46-2-23 as appropriate.
9. An alternate compensation arrangement for intracounty calls completed by IXC's.

This order will provide for the implementation of these. The Commission will conduct hearings on the matter and have the new system in place by January 1, 1992. This will give the Commission much greater flexibility in dealing with toll rates with EAS in the future.

CONCLUSIONS OF LAW

1.

The Commission has jurisdiction over this matter pursuant to O.C.G.A. 46-2-25.1.

2.

The telephone companies were not able "to reach an agreement within the timeframe consistent with the requirements of this Code Section and the instructions of the Commission," as required by O.C.G.A. 46-2-25.1(e).

3.

The Commission is imposing its own plan pursuant to O.C.G.A. 46-2-25.1(e).

4.

The legislature contemplated that just and reasonable rates may require elimination of the toll pool. In stating what must be taken into account in approving rate schedules, the legislature, stated that, "the average annual contributions to the intraLATA toll pool if such pool exist;" (O.C.G.A. 46-2-25.1 emphasis added).

5.

The legislature granted the Commission authority to determine the method of funding County Wide Calling within specific guidelines as follows:

1. The Commission was to first use telephone companies' overearnings.
2. The funding method must not mandate any plan that requires the transfer of funds from one telephone company to another unless or until all other remedies are exhausted.
3. Telephone companies seeking recovery of CWC expenses and lost toll revenue must demonstrate financial hardship.

Having met these guidelines, the Commission was granted broad discretion in determining the methodology and source of recovery by the affected telephone company O.C.G.A. 46-2-25.1(e).

6.

Based on Conclusions of Law 5, the Commission concludes as a matter of law that the legislature's clear intent was for the Commission to give strong preference to a permanent funding plan which required each telephone company to bear its own expenses and toll loss unless to do so endangered the maintenance of reasonable telephone rates for all subscribers in the state.

7.

Based upon Findings of Fact and Conclusion of Law 6 contained herein the Commission concludes that the intraLATA toll pool by its very nature transfers funds from one company to another without regard to the goal of reasonable telephone rates for all

subscribers and, therefore, the continuance of the existing pooling arrangement thwarts the public policy mandated by the legislature. The Commission concludes that the present intraLATA pool must be replaced by a system which allows each telephone company to "stand alone" financially and this Order will so provide.

8.

The Commission is prohibited after July 1, 1990 from approving any rate or schedule which authorizes a long-distance charge for calls between two telephones within the same county. Rates currently in effect which are contrary to the above must be phased-out no later than July 1, 1991. Each telephone company must provide this service even in counties where two or more telephone companies are located. (O.C.G.A. Section 46-2-25.1) The Commission concludes that County Wide Calling (Intra County Only) with toll-free calling to all access lines within the geographic boundaries of a county complies with and fully implements O.C.G.A Section 46-2-25.1. This plan will be implemented on a 1 plus 10 dialing basis using a data base that would enable intracounty calls to be identified and properly billed. The plan will have the following additional features:

1. It will cover both intraLATA and interLATA traffic with LEC's completing intraLATA and IXC's completing interLATA.
2. All traffic and cost associated with the plan should be excluded from the intraLATA POOL.
3. No change in directories for initial implementation.

9.

The Commission shall on or before December 31, 1990, implement a plan whereby all telephone companies subject to its jurisdiction will provide to each telephone subscriber,

in addition to its present service arrangements and the intracounty service mandated under the provisions of this code section, expanded community of interest toll free calling beyond county boundary lines and/or a reduction in intraLATA toll rates to a level comparable to present interLATA toll rates." (O.C.G.A. 46-2-25.1) The Commission concludes as a matter of law that this code section can best be met by a reduction in intraLATA toll rates to a level comparable to present interLATA toll rates and this Order will so provide.

10.

The Commission concludes as a matter of law that it is not economically or technically feasible to order additional flat rate service to each telephone subscriber. The finding is based on Findings of Fact 1.

11.

The Commission concludes that it is economically feasible for each telephone company to file optional plan or plans based on each telephone company's situation and this Order will provide for such plans to be filed. The Commission has jurisdiction over this matter under O.C.G.A. 46-2-20 *et. seq.*

12.

The Commission is the trier of fact in all proceedings before it, and as such it is the body charged with the responsibility of listening to evidence and evaluating the credibility of the witnesses for the purpose of making decisions. The Commission is the sole judge of the credibility of the witnesses.

13.

If the evidence and positions regarding the appropriate regulatory treatment presented by the companies and that presented by other parties is in conflict or inconsistent,

it is the duty and responsibility of the Commission to determine where the truth lies and which, among various preferred regulatory treatments, is just and reasonable. The determination to be made is not only to determine the facts, the facts are not often the dispute to be resolved, but to select the regulatory treatment which results in just and reasonable rates.

WHEREFORE, it is

ORDERED, that a County Wide Calling Plan (Intra County Only) is accepted and adopted by the Commission and will become effective on July 1, 1991. The plan will include the features set out in Conclusions of Law 8 and be consistent with the other provisions of this Order;

ORDERED FURTHER, that all telephone companies are ordered to file tariffs implementing CWC on or before July 1, 1991 with revised existing tariffs eliminating any toll charges for intra County calls;

ORDERED FURTHER, that effective December 15, 1990 intraLATA toll rates be reduced to a level comparable to present interLATA toll rates as required by O.C.G.A. Section 42-2-25.1, consistent with the provisions of this Order;

ORDERED FURTHER, that each telephone company shall file an optional EAS plan which will provide an extended calling area for a fixed rate buy-in based on each company's situation. Southern Bell Telephone and Telegraph Company shall file their revised plans by November 20, 1990. All other companies may concur with Southern Bell or file their own plan by November 27, 1990;

ORDERED FURTHER, that in addition to the above CWC and intraLATA toll reductions, the intrastate switched access charges for Southern Bell be reduced by \$10

million with this reduction flowed through to EXC customers in an equitable manner;

ORDERED FURTHER, that Southern Bell reduce its other toll charges as defined in the body of this Order. This Ordering paragraph does not prohibit Southern Bell from recommending additional reductions in its comments to be filed on November 20, 1990;

ORDERED FURTHER, that each telephone company shall present to the Commission no later than July 1, 1991 a plan to replace the existing intraLATA pooling arrangement; the Commission will conduct hearings on the matter and have a new system in place by January 1, 1992;

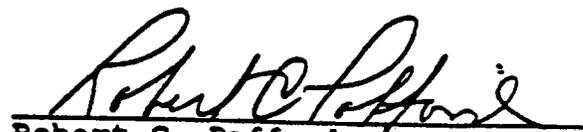
ORDERED FURTHER, that the Staff of the Commission shall investigate and present a report concerning the income tax effects of the transitional Universal Service Fund no later than December 12, 1990;

ORDERED FURTHER, that jurisdiction over this proceeding is expressly retained for the purpose of entering such further order or orders as this Commission may deem proper;

ORDERED FURTHER, that a motion for reconsideration, rehearing or oral argument shall not stay the effectiveness of this Order unless expressly so ordered by the Commission.

The above by order of the Commission in administrative session on October 30, 1990.


William J. Buckner
Executive Secretary


Robert C. Pafford
Chairman

DATE: 11-2-90

DATE: 11-2-90

**DISSENTING OPINION
OF COMMISSIONER BOBBY ROWAN**

MINORITY REPORT

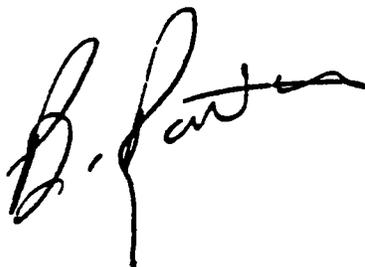
I disagree with the decision of the Commission regarding County Wide Calling and Community Interest Calling and have questions about the propriety of the way the issues were presented.

First of all, this commission had impounded approximately sixty-eight million (\$68,000,000) in the settlement of the Bell rate case. The decision, which reduced the amount of over earnings, was influenced, at least on my part, by the agreement of Southern Bell to be part of, and help fund a universal telephone system. The county wide data base provides very little opportunity and seriously discriminates against Georgians not in the Atlanta calling area. This injustice must be corrected. Lack of Community Interest Calling seriously affects rural Georgia's economic development and the general welfare of the people.

Secondly, the requirement to file optional EAS plans was proposed improperly. It has not been discussed in committee meetings, no one was served notice that it would be considered and it was not listed on the notice of meeting. I think it was improper, if not illegal.

Thirdly, de-pooling which deals with three hundred and forty million dollars (\$340,000,000) paid by local rate payers was approved without hearing. That is improper and perhaps illegal.

Fourthly, the settlement of the Bell case impounded sixty eight million in funds (\$68,000,000), which was invisioned to help fund a universal telephone system affordable to all Georgians. While some of the telephone companies benefit greatly from the decision reached and while many of them are happy over the results of this decision, the people still suffer. I shall offer opportunities on November 7th for the commission to correct this injustice and if I'm not successful, shall continue the fight as long as I am here to free rural Georgia from economic bondage.



ATTACHMENTS A *thru* J
OF STAFF REPORT

[RESPONSE TO CAS 2-14]

LOCAL EXCHANGE CARRIERS
[MEETS THE REQUIREMENTS OF S.B. 524]

Attachment A
Page 1 of 2

COMPANY	CWC	CWC+16	CWC+22
ALLTEL			
ALMA	YES(a)	N.R.	N.R.
BLUE RIDGE	YES	YES	YES
BRANTLEY	YES(a)	YES(b)	YES(B)
BULLOCH	YES	YES	YES(B)
CAMDEN	YES	YES	YES
CHICKAMAUGA	YES	YES	YES
CITIZENS	YES(a)	YES	YES
COASTAL	YES	YES	YES
CONTINENTAL	YES	YES	YES
DARIEN	YES(a)	YES	YES
ELLIJAY	YES	YES	YES
EAIRMOUNT	YES	YES	YES
GEORGIA TELEPHONE	YES	YES(c)	YES
GLENNWOOD	YES(a)	YES(c)	YES(c)
GTE	YES	YES	YES(c)
HART	YES(a)	YES	YES
HAWKINSVILLE	YES(a)	YES	YES
INTERSTATE	YES	YES(a)	YES(a)
NELSON BALL GROUND	YES	YES	YES
PEMBROKE	YES	YES	YES
PINELAND	YES(a)	YES(c)	YES(c)
PLANT	YES	YES	YES
PLANTERS	YES	YES	YES
PROGRESSIVE	YES	YES	YES
PUBLIC SERVICE	YES	YES	YES
QUINCY	YES(a)	N.R.	YES
RINGGOLD	YES(a)	N.R.	N.R.
STANDARD	YES	YES(c)	YES(c)
STATESBORO	YES(a)	NO	NO
ST. JOSEPH	YES(a)	N.R.	N.R.
TRENTON	YES	NO(d)	YES
WAVERLY HALL	YES	YES	YES
WILKES	YES(a)	YES	YES
WILKINSON	YES	YES(a)	YES(a)
	YES(a)	YES	YES
		YES(a)	YES(a)
SOUTHERN BELL	NO(e)	YES	YES
LEC RESPONSE SUMMARY	35 yes 1 no	31 yes 2 no 3 no response	32 yes 1 no 3 no response

NOTES:

- (a) in conjunction with toll rate reduction
- (b) exceeds requirements if includes toll rate reduction
- (c) exceed requirements of S.B. 524
- (d) does not for statesboro exchange
- (e) COI or toll rate reduction not addressed

RESPONSE TO CAS 2-5

INTER-EXCHANGE CARRIERS

MEETS THE REQUIREMENTS OF S.B. 524

Attachment A
Page 2 of 2

COMPANY	CMC	CMC+16	CMC+22
AIRTEL	YES*	YES	YES
CABLE & WIRELESS	YES	YES	YES
CSI	N/R	N/R	N/R
MCI	YES	YES	YES
METREX	NO	NO	NO
METRO FIBER SYSTEMS	N/R	N/R	N/R
SOUTHERN NET	NO	NO	N/R
SPRINT COMMUNICATIONS	YES	NO	NO
WESTERN UNION	**	**	**

TOTAL IXC'S

4 YES
2 NO
3 N/R.

3 YES
3 NO
3 N/R.

3 YES
3 NO
3 N/R.

NOTES:
N/R - No Response
* Nonfunction with a 1st rate production
** Customer base sold to TELECOM USA

LOCAL EXCHANGE CARRIERS

[Geographic, Economical, Technical Infeasibility]

COMPANY	G		CWC		T		G		CWC+16		G		CWC+22	
	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO
ALTA	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
BLUE RIDGE	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
BRANTLEY	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
BULLOCH	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
CAMDEN	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
CHICKAWAUGA	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
CITIZENS	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
COASTAL	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
CONTINENTAL	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
DARIEN	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
ELLIUAY	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
FAIRMOUNT	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
GEORGIA TELEPHONE	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
GLENWOOD	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
GTE	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
HART	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
HAWKINSVILLE	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
INTERSTATE	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
NELSON BALL GROUND	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
PEBAROKE	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
PINELAND	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
PLANT	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
PLANTERS	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
PROGRESSIVE	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
PUBLIC SERVICE	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
QUINCY	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
RINGGOLD	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
STANDARD	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
STATESBORO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
ST JOSEPH	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
TRENTON	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
WAVERLY HALL	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
WILKES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
WILKINSON	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
SOUTHERN BELL	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
DEC SUMMARY	35 NO	4 YES	32 NO	1 YES	35 NO	11 YES	25 NO	33 NO	2 YES	34 NO	12 YES	24 NO	33 NO	2 N.R.

NOTES:
 [1] If implemented with UFR, [2] CWC 16 and CWC 22 would impose economic hardship, [3] If geographic allowed to remain revenue neutral, [4] without a method to recover revenue deficiency [5] LATA boundary crossing prohibition, [6] based on operator provided input on customer without UFR, [7] will need to increase central office capacity, [8] operator traffic and sub, with toll level would not be able to use 688, [9] If provided on a 1 + 10 digit basis, 2 N.R.

INTER-EXCHANGE CARRIERS
(GEOGRAPHIC, ECONOMIC, TECHNICAL INFEASIBILITY)

COMPANY	CWC			CWC+16			CWC+22		
	GEO	ECO	TECH	GEO	ECO	TECH	GEO	ECO	TECH
AIRC	N	N	N	N	N	N	N	N	N
CABLE & WIRELESS	Y	Y	Y	Y	Y	Y	Y	Y	Y
CSI	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
MCI	N	N	N	N	N	N	N	N	N
METRO	Y	Y	Y	Y	Y	Y	Y	Y	Y
METRO FIBER SYSTEMS	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
SOUTHERN NET	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R	N/R
SPRINT COMMUNICATIONS	N	N	N	N	N	N	N	N	N
WESTERN UNION**	Y	Y	Y	N	N	N	N	N	N

SUMMARY FOR IXC

| Geo |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 3 yes | 3 yes | 3 yes | 2 yes |
| 3 no | 3 no | 3 no | 4 no |
| 3 N/R |
| Eco |
| Tech |

NOTES:
 * If only 0-16 or 0-22 mile bands are used and access charges are waived
 ** Customer base sold to TELECOM USA
 N/A - NOT AVAILABLE
 N/R - NO RESPONSE

LOCAL EXCHANGE CARRIERS
L7 - DIGI DIALING

Attachment C

COMPANY

ALLTEL	Not appropriate for CWC Data Base Plan, CWC + 16 & CWC + 22 plans would require replacing 12 Central office at a cost of \$3.5 million
ALMA	Can provide technically, however could lead to customer confusion, customer negative reaction could outweigh benefits
BLUE RIDGE	Not appropriate for CWC plan, can implement on 16/22 mile circle plan
BRANTLEY	Can be provided with software program modification, no switching equipment replacement, would be required
BULLOCH	Can be implemented with moderate software and hardware modification, negative customer reaction could outweigh benefits
CAMDEN	Can provide technically, however could lead to customer confusion, negative customer reaction could outweigh benefits
CHICKAMAUGA	Can be implemented with moderate software and hardware modification, negative customer reaction could outweigh benefits
CITIZENS	Can provide technically, could lead to customer confusion, negative customer reaction could outweigh benefits
COASTAL	Can provide technically, could lead to customer confusion, negative customer reaction could outweigh benefits
CONTINENTAL	No additional software or hardware necessary, programming changes for billing, operator services and traffic routing, would be necessary
DARWIN	Technically can be provided, could lead to customer confusion, negative customer reaction could outweigh benefits
ELLISLY	Technically can be provided, could lead to customer confusion, negative customer reaction could outweigh benefits
FARMINGTON	Feasible with current equipment, software modification required, approximately \$3,000
GEORGIA TELEPHONE	Feasible for those exchanges that are totally with the EAS call setup, would not be a timely feasible for CWC Data Base plan
GLENWOOD	Technically feasible, would require slight program modification
OTI	Should require numerous hardware and software change-out and modification
MAINT	No replacement of equipment required, 3 weeks programming time
MAWNSVILLE	Technically possible, major program modification required
INTERSTATE	Can provide technically, could lead to customer confusion, negative customer reaction could outweigh benefits
NELSON BALL GROUND	Feasible with current equipment, 12,000 modification required
PEMBROKE	No equipment changes required software changes for CWC est. \$2,500 for other plans \$11,000
PINELAND	Technically feasible, could lead to customer confusion, negative customer reaction could outweigh benefits
PLANT	Technically feasible, could lead to customer confusion, negative customer reaction could outweigh benefits
PLANTERS	No replacement of existing equipment required, software program modification would be required
PROGRESSIVE	Technically feasible, slight program modification required
PUBLIC SERVICE	No additional hardware modification, routing cost associated with CWC \$10,000, CWC + 16 \$10,000, CWC + 22 \$18,000
QUINCY	Important for CWC plan, can implement on 16/22 mile circle plan with no program modifications
RAMGOLD	Would have to replace Central Office in the 316 exchange
STANDARD	Can provide with some switch programming
STATESBORO	Technically feasible for 16/22 mile plan, however infeasible for CWC portion of any plan
ST. JOSEPH	Not feasible for CWC portion of any plan, can implement for 16/22 mile plan with switch additions, extensive programming required
WRETON	Can provide without replacing existing equipment, additional testing required for CWC + 16 & CWC + 22
WAVERT HALL	Can provide with minimal modifications
WALKER	Technically feasible, could cause customer confusion, negative customer reaction could outweigh benefits
WILKINSON	Not feasible for CWC portion of any plan

SOUTHERN BELL Should not be appropriate for CWC portion of the three plans, could be implemented for 16/22 plans using existing equipment, est. on-line programming cost \$251,532

LOCAL EXCHANGE CARRIERS
CAPITAL EXPENDITURES AND INCREMENTAL RECURRING COST

COMPANY	CWC	CWC	CWC+16	CWC+16	CWC+22	CWC+22
		4% Increase		4% Increase		4% Increase
ALTELL	1238,000	1268,240	12,133,400	98,831	14,962,400	199,187
ALMA	114,266	0	126,530	0	42,000	0
BLUE RIDGE	4,800	0	0	0	0	0
BRANIFF	402,094	41,063	228,304	81,842	823,108	64,816
BUROCH	No estimate					
CAMDEN	485,892	22,189	485,925	284,872	484,925	284,872
CHICAGO MILWAUKEE	114,892	39,445	127,168	61,495	141,878	78,283
CHICAGO MILWAUKEE	404,216	142,810	621,990	174,068	612,818	206,834
COASTAL	504,622	11,810	1,004,080	91,254	1,061,309	97,128
CONTINENTAL	4,114,042	1,185,918	6,092,465	1,586,336	7,406,602	2,161,428
DARREN	0	0	372,925	42,881	486,374	81,198
ELLIS	986,092	521,119	999,588	622,032	922,082	690,452
EUROPA	39,202	59,902	39,202	60,201	41,112	72,660
FLORIDA TELEPHONE	0	No estimate	22,200	No estimate	29,200	No estimate
GLANWOOD	20,000	22,100	90,000	26,904	110,000	91,266
GTE	6,604	4,206,519	121,802	4,822	144,528	12,200
HAWKINSVILLE	121,600	15,000	131,500	16,000	131,000	16,000
INTERSTATE	0	1,152,011	0	1,152,011	0	828,822
NETSON RAIL GROUND	1,116,500	22,612	1,116,500	22,674	1,116,500	21,971
PEMBROKE	494,288	58,606	492,288	72,682	603,288	98,494
PLANT	363,141	182,256	420,325	381,505	444,205	358,820
PLANT	61,642	272,234	285,656	468,222	1,031,810	822,624
PLANTERS	No estimate					
PROGRESSIVE	4,500	21,204	285,100	49,116	286,600	69,292
RAIL SERVICE	No estimate	80,802	No estimate	141,286	No estimate	260,862
QUINCY	0	22,400	6,057	22,558	6,061	22,282
SAUGGOLD	1,660	17,092	132,000	196,000	138,600	212,400
STANBARD	0	84,228	0	640,988	0	1,292,088
STATSBORO	424,428	8,228	426,428	8,228	482,242	28,642
ST JOSEPH	0	0	0	0	0	0
TRENTON	0	16,211	0	24,128	0	48,026
WAVERTY HALL	No estimate	42,620	114,114	68,220	244,000	104,620
WILES	128,600	82,298	128,600	82,222	128,600	121,229
WILKINSON	12,200	No estimate	89,662	No estimate	222,024	No estimate
Independent TOTALS	10,444,224	8,636,883	16,368,716	10,966,917	20,802,319	13,780,828
SOUTHERN BELL	16,889,622	4,622,302	22,048,455	6,422,104	22,325,824	10,899,286
Local Exchange Carriers TOTALS	27,334,846	13,179,185	39,387,170	17,394,021	43,128,143	24,680,614

* No equal expenditures considered in incremental cost. ** Positive equal expenditures for 1989 & 1991

LOCAL EXCHANGE CARRIERS
 Summary of the CWC (IntraCounty only) Database questionnaire

COMPANY	COST			Time (days)	Feasibility
	onetime	annual	total		
ALLTEL	59,700	48,000	107,700	270	yes
ALMA	31,600	500	32,100	30	yes
BLUE RIDGE	11,000	9,000	20,000	90	yes
BRANTLEY	4,044	6,000	8,556	90	yes
BULLOCH	2,250	3,000	5,250	60	yes
CAMDEN	1,260	2,050	3,310	45	yes
CHICKAMAUGA	28,700	49,400	78,100	30	yes
CITIZENS	15,000	7,200	22,200	90	yes
COASTAL	16,800	33,500	50,300	90	yes
CONTINENTAL	87,129	8,000	95,129	270	yes
DARIEN	n/a	n/a	n/a	n/a	no, CWC in place
ELLIJAY	5,456	4,200	9,656	90	yes
FAIRMOUNT	3,795	0	3,795	30	yes!!
GEORGIA TEL	0	0	0	30	yes
GLENWOOD	2,000	1,200	3,200	30	yes
GTE	866,000	1,037,000	1,903,000	180	yes
HART	600	600	1,200	45	yes
HAWKINSVILLE	176,000	90,000	266,000	180	yes
INTERSTATE	2,160	3,900	6,060	45	yes
NELSON	5,116	2,576	7,692	60	yes
PEMBROKE	3,400	7,000	10,400	70	yes
PINELAND	25,506	3,530	29,030	90	yes
PLANT	3,500	1,820	5,320	21	yes
PLANTERS	2,250	3,000	5,250	60	yes
PROGRESSIVE	3,200	3,500	6,700	42	yes
PUB. SERVICE	25,440	52,680	78,120	60	yes
QUINCY	11,000	9,000	20,000	90	yes
RINGGOLD	6,262	200	6,462	30	yes
SOUTHERN BELL	58,500	377,600	436,100	by 7/91	yes
ST. JOSEPH	800	1,200	2,000	1	yes
STANDARD	18,500	30,500	49,000	90	yes
STATESBORO	180	270	450	30	yes
TRENTON	5,356	453	5,809	30	yes
WAVERLY HALL	1,000	100	1,100	30	yes
WILKES	2,945	2,860	5,805	30	yes
WILKINSON	40,500	1,200	41,700	30	yes
TOTALS	1,526,949	1,801,039	3,326,788	—	—
Average/Company	44,856	52,894	97,749	73	—

LOCAL EXCHANGE CARRIERS
IMPLEMENTATION CRITICAL FACTORS

COMPANY	CWC	CWC+ISMC	CWC+22MC
ALL TEL	implemented using 1 + 10 excess 7/1/91	1992 implementation, addition investment required	1992 implementation, additional investment
ALMA	90 Day time table required	90 days implementation	90 days implementation
BLUE RIDGE	3 to 4 month implementation, USF established	3 to 4 month implementation, USF establish & fund USF	3 to 4 month implementation, establish and
BULLOCH	90 day implementation	90 days	90 days
CAMDEN	immediate implementation	may require additional facilities	may require additional facilities
CHICKAMAUGA	creation of data base, 48 days implementation	data base, 48 day implementation	data base, 40 day implementation
CITIZENS	database creation, monthly billing, directed	additional funding, late 1991 implementation	additional funding, late 1991
COASTAL	creation of data base, facilities additions	customer education, increase in network services, all 3 months	additional funding, late 1991
CONVENTAL	All 3 plans implemented by Dec. 31, 1991, data base	possible increase in local rates, 190 days to complete data base implementation	implementation, networking requirements, customer education, billing system modification
DARRIN	90 day implementation	90 days	90 days
ELLISLY	90 days implementation	90 days	90 days
FARMGLEN	90 days after ordering C.O. equipment, early 1991	additional RFA funding required, 12 months to process loan application	90 days
GEORGIA TELEPHONE	creation of data base, train additions	C.O. office additions, 50 120 day normal lead time on additions	90 days
GLENWOOD	capacity of switching equipment, directorat.	billing system modification, data base creation	90 days
GTE	May 1, 1990	5 months to purchase new equipment	90 days
HAWKINSVILLE	Database implementation 90 - 120 days	eight months to order & install new C.O. equipment	customer education, all plans
INTERSTATE	at plans - minimum 90 day implementation	180-260 days	180-260 days
NELSON BAIL GARDNER	1st quarter 1991 implementation	2nd quarter 1992 implementation	3rd quarter 1992, central office capacity
PERMORKE	12-18 month implementation	12-18 month implementation, outside construction, database creation, revenue shortfall	60-240 days
PLANT	90 days implementation	90 days	90 days
PLANTERS	immediate implementation	60-240 days	60-240 days, addition central office
PROGRESSIVE	90 days	may require additional facilities	may require additional facilities
PUBLIC SERVICE	60 days, database implementation, USF	12-18 months	12-18 months, creation of database
QUINCY	3-4 months, establish USF, creation of data base	1 year, new facilities, USF, S.B. tandem switch	1 year, new facilities, USF, S.B. tandem
RINGGOLD	60 days	3 to 4 months, USF, data base creation	1 to 4 months, USF, data base creation
STANDARD	90 days	6 to 7 months, data base creation, IXC compensation	6 to 7 months, financial impact, toll block
STATESBORO	was then one billing period lat plant, weekly data base, polyphases fields technical	90 days	90 days
ST. JOSEPH	one month billing, cyclical plant	use existing network, IXC continue to carry level 1A traffic	6 months, creation of data base
REGION	60-90 days	6 months	6 months, creation of data base
WAVELLY HALL	180 days	180 days	180 days, creation of data base
WILKINSON	2.5 months	2.5 months	2.5 months, creation of database
SOUTHERN BELL	N.R. creation of data base September 1991, 68 weeks to augment network	N.R. turn requirements 30 to 60 days, 87 weeks to augment network	N.R. 90 day lead time on C.O. additions 30 to 60 days, 87 weeks to augment

Network data base creation, verify company TAR CODES, Directory Assistance Service issues, technical instability, Outside plant & C.O. additions

INTER-EXCHANGE CARRIERS
CRITICAL IMPLEMENTATION FACTORS

COMPANY	
AT&T	All plans - 4 weeks notification to zero-rate calls, network additions, bill listing of call, adjustment of LEC access billing system
ATC	Company would be able to credit an end users bill after call placed and only if they call in.
CABLE & WIRELESS	implementation of CWC component of plans not technically feasible
CSI	implementation of plans would have negligible effect on company
MCI	implementation of CWC component of plans not technically feasible, develop mechanism to waive access charges, develop compensation plan for IXCs
METREX	N.B
METRO FIBER SYSTEMS	N.B
SOUTHERN NET	1 to 2 months to develop proper billing system enhancements, technical traffic routing issues, access charge credit system
SPRINT COMMUNICATIONS	technical ability to rate calls, in the alternative customer will have to call in to receive credit, waiver of access charges
WESTERN UNION	.

NOTE: * Customer Base sold to TELECOM USA

LOCAL EXCHANGE CARRIERS
POOLED

Reported Settlement Revenue Lost

Carrier	Debit	CME	CME	CME+LE	CME+LE	CME+LE	CME+LE
ALTEL	16,878,339	18,372,407	1,494,068	114,771,147	7,939,608	819,107,481	12,232,182
ALMA	855,464	777,685	(77,779)	844,638	(260,926)	469,814	(30,604)
BLUE RIDGE	897,456	897,456	165,880	1,236,780	336,304	1,678,874	718,268
BRANTLEY	829,644	782,252	630,888	716,704	(122,750)	636,627	(204,071)
BULLOCK	627,780	630,888	3,108	1,052,216	426,436	1,298,724	870,844
CAMDEN	881,424	630,801	(60,633)	449,378	(242,148)	377,882	(171,492)
CANADIAN	446,236	N/A	N/A	N/A	N/A	N/A	N/A
CITIZENS	678,888	307,687	29,297	708,365	29,788	662,086	(116,409)
COASTAL	2,832,050	2,601,874	(230,176)	2,877,710	45,660	2,159,713	(672,337)
CONTINENTAL	10,435,370	11,812,284	1,077,914	10,334,126	(101,644)	2,180,718	(672,337)
DARBY	609,621	712,604	(102,983)	678,662	(31,058)	617,146	(236,004)
ELLIS	1,419,778	1,260,811	(158,967)	1,022,617	(287,181)	377,146	(293,207)
FANNING	809,882	802,308	382,404	1,184,186	666,304	1,402,946	893,664
GEORGIA TELEPHONE	701,682	818,204	117,512	1,281,104	666,304	1,402,946	893,664
GREENWOOD	146,368	362,572	173,818	480,008	337,182	616,836	876,668
ITE	41,002,683	47,380,787	1,387,714	38,659,303	(1,444,464)	29,308,400	307,778
MART	892,632	648,340	85,808	1,376,816	623,264	2,154,652	1,304,160
MARKESVILLE	750,378	708,060	(42,318)	1,331,746	681,472	1,984,878	1,304,160
METROSTATE	707,810	1,264,718	576,808	1,159,128	461,216	810,043	202,173
MILSON BALL GROUND	764,136	404,300	40,764	1,000,944	236,808	1,400,112	630,878
PEMBROKE	643,682	684,857	84,492	1,039,462	398,760	1,132,482	493,200
PENLAND	843,906	841,817	(2,089)	815,048	(28,861)	1,132,482	183,681
PLANT	1,684,287	1,328,881	(14,874)	1,268,288	(28,861)	1,044,828	1,084,068
PLANTERS	811,640	880,748	74,888	1,779,180	642,388	2,808,428	1,894,068
PROGRESSIVE	332,218	480,300	127,304	642,388	309,480	783,768	430,082
PUBLIC SERVICE	1,831,787	1,784,324	(47,463)	1,465,668	(446,068)	1,182,013	(249,744)
QUINCY	64,848	81,646	(16,798)	89,716	(6,250)	60,208	(14,777)
RANDOLPH	262,880	260,818	(2,062)	343,366	(18,841)	40,208	(41,289)
STANFORD	14,717,898	13,398,484	(1,319,414)	11,384,198	(3,393,802)	7,674,098	(2,162,900)
STARBUCK	2,187,384	2,206,660	19,276	6,710	33,812	3,630,668	1,446,184
ST. JOSEPH	10,008	6,884	(3,124)	5,710	(3,288)	6,710	(4,288)
TRAYTON	187,064	147,402	(39,662)	140,846	(10,111)	138,812	(16,244)
WALKER V HALL	202,064	286,686	184,610	244,632	(67,432)	186,347	(100,710)
WALKER	889,666	781,487	(108,179)	643,928	(278,741)	887,486	(282,170)
WILKINSON	888,880	884,030	(4,850)	1,817,928	628,948	2,871,776	1,882,188
Independent TOTALS	88,880,818	101,418,038	2,002,736	104,812,468	7,386,682	88,436,383	8,816
SOUTHMAN HILL	281,880,813	238,880,813	(43,000,000)	212,480,813	(28,400,000)	179,880,813	(12,000,000)
Total Exchange Carriers	2364,741,832	241,396,641	(46,884,384)	318,282,871	(22,002,104)	276,304,716	(71,888,884)

NO. 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

EAS IMPLEMENTATION EFFECT ON REVENUE REQUIREMENT CALCULATION (Assume 12.5% Cost of Equity) (Non-Excluded)

MPANY	Actual Date (MM/DD)	CWC		CWC + 10		CWC + 16		CWC + 22	
		MRAD	MRAD	MRAD	MRAD	MRAD	MRAD	MRAD	MRAD
TEL	01,388,218	468,988	889,249	912,280,316	3,046,831	94,422,784	8,778,000		
MA	(829,132)	217,586	186,787	(383,339)	254,793	1534,196	103,937		
JE NUOGE	188,389	91,632	186,787	127,638	(216,937)	146,498	(333,897)		
ANTLEY	(364,740)	(331,490)	22,980	(234,781)	119,979	(46,498)	53,652		
LLOCH	78,628	61,733	114,796	1149,326	(227,656)	(300,918)	(389,689)		
MORAN	179,413	401,237	421,824	631,308	461,893	(311,140)	488,684		
CKANAWGA	145,052	(217,044)	(362,096)	(397,993)	(842,446)	948,077	(633,170)		
ZEMS	417,606	(396,506)	22,301	(671,595)	(253,989)	(1,026,889)	(608,283)		
ASTAL	(48,527)	264,617	313,144	106,637	156,164	241,470	289,897		
NTEL	1,239,936	(940,646)	12,240,480	(2,803,681)	4,103,616	(4,800,142)	(8,100,072)		
NIEN	(141,374)	(117,706)	123,668	(140,401)	(248,893)	(319,015)	(1,177,641)		
UAV	(216,660)	(462,921)	(249,401)	(462,118)	(248,893)	(319,015)	(1,177,641)		
MGA TEL	(2480,006)	(113,877,824)	(6,327,819)	(123,161,466)	(118,871,460)	(776,378)	(954,689)		
MMWOOD	207,711	86,898	(121,813)	(46,526)	(253,236)	(32,261,978)	(28,781,974)		
MMOUNT	(84,000)	(166,310)	(92,310)	(271,793)	(167,463)	(167,463)	(28,781,974)		
MINSVILLE	(173,638)	(236,608)	(227,311)	(271,793)	(328,409)	(310,163)	(246,174)		
ENSTATE	(245,264)	(818,808)	(70,087)	(494,724)	(321,186)	(683,122)	(473,826)		
SON	(27,693)	(636,690)	(220,024)	(337,706)	(381,372)	(673,009)	(488,470)		
WMOKE	(161,942)	(131,203)	(390,426)	(184,797)	(373,689)	(1,004,648)	(805,864)		
LAND	(84,067)	(338,306)	(186,363)	(487,352)	(157,204)	(343,190)	(189,604)		
INCY	50,284	(230,871)	(136,804)	(458,208)	(335,410)	(604,178)	(315,687)		
ILIC SERVICE	(69,133)	24,496	(26,789)	(458,194)	(364,141)	(634,723)	(412,236)		
IGRESSIVE	28,168	(179,337)	(13,204)	(90,319)	(24,186)	(860,732)	(740,686)		
NT	214,686	(438,476)	(466,846)	(83,867)	(24,186)	(103,310)	(801,016)		
GGOLD	(71,823)	101,548	(113,038)	(83,867)	(298,463)	(1,582,889)	(37,177)		
INDANO	499,671	482,603	(24,410)	(654,885)	(583,082)	(1,611,736)	(408,294)		
NDON	1,088,709	(384,488)	(117,069)	(83,867)	(583,082)	(1,600,067)	(1,528,284)		
JOSEPH	107,252	54,662	(62,600)	(11,863,897)	(662,681)	(2,902,785)	(723,358)		
JESBOND	1,422,004	1,418,900	16,184	(22,578)	(3,062,806)	(3,908,785)	(4,987,474)		
VERLY HALL	1,287,283	1,279,648	(7,636)	1,416,612	(16,452)	(78,347)	(183,589)		
KUSON	(20,223)	(114,372)	(17,636)	(134,411)	(114,136)	803,783	(6,462)		
KES	21,616	(87,993)	(128,608)	(227,661)	(258,178)	(677,126)	(403,600)		
Pending (TOTALS)	(89,677)	16,183	104,846	52,947	142,624	(37,876)	(708,740)		
THERN BEL	149,000,000	132,462,468	(113,120,404)	118,692,259	(32,736,650)	83,891,846	(65,108,366)		
Exchange			(16,637,632)		(30,407,741)				
Net (TOTALS)			(28,887,838)		(83,143,391)		(120,118,498)		

Net of non-excluded
Net of non-excluded

EAS IMPLEMENTATION EFFECT ON REVENUE REQUIREMENT PER ACCESS LINE PER MONTH (Assume 13.5% Cost of Equity) (2001\$)

WPAV TEL	Total Access Lines	CWC - MRAD	CWC monthly cost/access line	CWC + 10 - MRAD	CWC + 10 monthly cost/access line	CWC + 22 - MRAD	CWC + 22 monthly cost/access line
AA	97,688	1,171,088	12.571	6,722,180	114,981	10,811,684	113,061
DE RIDGE	6,283	11,174	(1.441)	<186,036>	3.10	<403,189>	6.38
NATVY	6,108	91,648	(0.641)	323,278	(4.41)	688,241	(0.89)
LOCH	3,278	<76,482>	1.92	30,364	(0.77)	<40,233>	1.02
MOEN	8,883	3,278	(0.04)	388,773	(4.98)	<802,383>	(7.41)
CRAMAUGA	10,942	812,310	(2.39)	30,878	(0.18)	<36,805>	0.18
ZENIE	4,883	N/A	N/A	N/A	N/A	N/A	N/A
ABTAL	3,880	<894,888>	120.181	<180,231>	3.28	<808,741>	N/A
NTEL	20,828	43,823	(0.18)	<138,204>	0.87	<481,288>	10.82
WEM	81,184	<447,107>	0.81	<2,398,886>	3.27	<8,488,837>	2.00
UAV	3,833	<8,887>	0.20	<87,488>	2.30	<418,108>	7.48
AMOUNT	1,601	<858,442>	8.81	<823,781>	1.38	<1,874,074>	8.86
MOVA TEL	8,264	288,487	(18.07)	581,098	(8.21)	804,818	19.28
WOOD	708	117,288	11.87	657,674	18.84	913,181	(47.10)
IT	183,986	97,000	(7.82)	176,000	(20.80)	178,000	(14.48)
AMNSVILLE	6,584	<3,088,182>	11.40	<7,067,833>	3.20	<18,284,000>	8.72
ERSTATE	2,478	81,681	(1.18)	778,826	(8.87)	1,238,276	(18.87)
SON	2,877	<82,887>	2.02	648,880	(13.50)	1,128,028	(27.28)
LEAND	2,883	184,681	8.00	181,288	(3.81)	<38,884>	(1.88)
MIENS	2,884	<73,134>	1.17	28,140	(10.21)	841,088	(11.87)
MCV	8,328	<122,883>	1.17	<346,737>	3.31	<388,187>	2.87
JUC SERVICE	688	74,783	2.84	637,306	(8.87)	1,182,812	(18.18)
DAEBAVE	7,748	<10,712>	0.38	<22,881>	(3.41)	<32,811>	4.81
IT	3,827	<728,848>	11.28	89,818	13.82	<1,887,287>	4.81
GOOLD	7,348	64,843	(0.00)	<758,848>	8.88	<1,423,406>	30.41
INDAND	4,887	48,382	(0.82)	<347,220>	3.88	<348,888>	18.18
NICH	7,818	<2,342,803>	4.58	<8,433,722>	11.03	<8,888,811>	3.88
JOSEPH	148	2,218	(0.04)	21,848	(0.40)	48,044	(0.82)
TESSONO	18,178	<8,164>	2.81	<8,842>	3.07	<8,482>	18.81
VERLY HALL	871	<18,788>	(0.09)	30,727	(0.17)	<1,488,888>	3.07
KIMSON	2,848	<198,881>	3.22	484,080	13.87	1,630,808	22.02
KES	8,811	<43,284>	0.40	<388,042>	(11.82)	<481,828>	(38.20)
pendent (TOTAL)	488,888	<4,881,434>	0.81	<7,787,834>	1.81	<21,313,845>	3.88
INTERN BILL	2,728,488	<32,828,841>	0.70	<87,872,088>	1.78	<101,707,388>	3.11
AL EXCHANGES							
REFR (TOTAL)	3,231,382	<27,780,048>	0.72	<86,339,887>	1.88	<123,020,833>	3.18

(1) - dependent on...
 (2) - dependent on...
 (3) - dependent on...

EAS IMPLEMENTATION EFFECT ON REVENUE REQUIREMENT PER ACCESS LINE PER MONTH
 (Assume 12.5% Cost of Equity)
 [NON-Profile]

MPANY	Access Lines	Total	CWC		CWC + 16		CWC + 18		CWC + 22		CWC + 22	
			MRAD	cost/access line	MRAD	cost/access line	MRAD	cost/access line	MRAD	cost/access line		
TEL	37,096	<889,248>		91.88	<3,445,531>		98.00	<5,779,000>		912.67		0.48
AA	6,283	<217,698>		(3.46)	<264,793>		(4.03)	<103,937>		(11.86)		11.86
E NUOPE	9,108	<60,787>		(0.68)	<215,937>		(2.98)	<333,987>		4.86		1.31
WILEY	3,276	<22,980>		(0.70)	<119,879>		(3.05)	<53,583>		(5.74)		1.31
LOCH	6,663	<14,799>		0.22	<227,865>		3.36	<389,989>		5.74		1.31
NICH	10,042	<421,824>		(3.21)	<642,448>		(3.44)	<633,173>		(12.87)		11.87
CRANAUQA	4,662	<362,093>		6.61	<283,965>		9.81	<608,283>		11.87		11.87
ZEMB	3,860	<22,301>		(0.48)	<186,104>		(0.63)	<289,987>		(1.19)		11.10
ASTAL	20,626	<313,144>		(1.27)	<4,103,610>		(0.63)	<9,100,077>		8.31		4.19
WEL	81,164	<2,340,480>		3.08	<803>		(0.02)	<177,041>		4.19		0.88
UAV	8,287	<133,888>		(2.92)	<346,589>		3.02	<858,818>		0.88		0.88
QUQUANT	1,901	<246,401>		3.03	<328,409>		17.09	<473,826>		24.66		5.95
WROA TEL	6,286	<227,311>		11.83	<253,236>		4.02	<376,174>		8.95		11.88
MMOOD	8,286	<121,813>		10.81	<307,783>		24.88	<24,781,874>		14.74		12.64
IT	706	<82,310>		2.87	<18,871,480>		7.10	<499,470>		14.10		17.34
MINEVILLE	182,988	<6,227,818>		0.80	<321,186>		4.07	<805,884>		9.32		14.74
ASTATF	3,426	<70,987>		8.36	<381,372>		9.26	<189,604>		0.46		0.46
SON	2,877	<380,426>		12.83	<187,204>		12.08	<318,887>		8.81		12.64
BRNOKE	2,883	<102,810>		2.34	<336,410>		3.38	<412,236>		7.10		14.10
CLAND	2,884	<189,383>		0.88	<384,141>		10.83	<740,888>		12.64		14.10
NIENB	8,887	<136,604>		1.31	<408,478>		3.48	<801,018>		14.10		14.10
MCT	8,228	<28,788>		0.40	<24,188>		7.88	<37,177>		6.44		17.34
UC BEANCE	658	<13,204>		1.97	<30,188>		3.61	<1,611,738>		8.38		17.34
QUESSIVE	7,746	<485,645>		6.01	<982,738>		7.46	<408,281>		0.38		17.34
NT	3,627	<113,038>		2.60	<288,463>		6.88	<1,828,234>		7.81		17.34
SOOLD	7,346	<242,410>		2.76	<583,082>		6.82	<723,368>		7.81		17.34
NDARD	7,818	<17,068>		0.18	<552,681>		6.82	<4,897,474>		10.16		10.16
NIOW	41,034	<1,463,187>		2.86	<3,052,608>		6.20	<183,688>		3.07		3.07
JOSEPH	4,887	<82,600>		0.88	<6,482>		2.37	<5,482>		3.07		3.07
TESBONO	148	<5,184>		2.81	<128,830>		3.07	<403,800>		2.22		18.04
WALLY HALL	18,178	<7,835>		0.04	<11,136>		0.06	<228,609>		18.04		18.04
KIMSON	871	<84,148>		0.08	<114,188>		8.09	<708,740>		18.04		18.04
KEB	3,648	<138,608>		3.04	<289,276>		6.09	<81,701>		0.48		0.48
pendant (TOTAL)	488,888	<13,130,405>		2.30	<32,738,850>		6.80	<88,010,143>		8.24		1.89
TRINM BILL	2,728,483	<16,837,832>		0.80	<30,407,741>		0.93	<66,109,388>		1.89		1.89
NET EXCHANGE	2,221,282	<20,887,098>		0.77	<83,143,381>		91.83	<130,119,488>		3.11		3.11

11 - Dollars received per access line.
 12 - Dollars received quarterly.

INTER-EXCHANGE CARRIERS

BILLED INTRASTATE TOLL REVENUE

COMPANY	CWC	CWC+16	CWC+22
AT&T	\$2,037,162		
ATC	N/A	\$2,626,790	\$3,872,191
CABLE & WIRELESS	N/A		N/A
CSI	N/A		N/A
MCI	N/A	\$120,000	\$382,718
METREX	0	0	0
METRO FIBER SYSTEMS	0	0	0
SOUTHERN NET	N/A	519,136	836,346
SPRINT COMMUNICATIONS	38,832	38,832	81,636
WESTERN UNION			

TOTAL IXCs	\$2,075,994	\$3,304,768	\$5,177,891
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NOTE:
N/A - NOT AVAILABLE
N/A - NO RESPONSE
* - CUSTOMER BASE SOLD TO TELECOM USA

RESPONSE TO CAS 2-2

INTER-EXCHANGE CARRIERS

INTERLATA ACCESS CHARGES PAID

COMPANY	CWC	CWC+16MC	CWC+22MC
AIRTEL	\$1,201,763		
AIC	N/A	\$2,326,770	\$2,361,913
CABLE & WIRELESS	N/A		N/A
CSI	N/A		N/A
MCI	N/A	\$72,437	N/A
METREX	0	0	4229,719
METRO FIBER SYSTEMS	0	0	0
SOUTHERN NET	44,452	64,552	97,311
SPRINT COMMUNICATIONS	44,452	44,452	82,972
WESTERN UNION	0	0	0

TOTAL IXCS \$1,746,216 \$2,609,211 \$3,772,916

NOTES:
N.A. - NOT AVAILABLE
N/E - NO RESPONSE
* CUSTOMER BASE SOLD TO TELECOM USA