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Decision 97-12-091 December 16, 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of GTE
Corporation and Contel Corporation.

Application 90-09-043
(Filed September 14, 1990)

In the Matter of the Application of Contel of
California, Inc., (U 1003 C) to restructure intrastate
rates and charges and to implement a New
Regulatory Framework for telephone service within
the State of California.

Application 95-12-006
(Filed December 6, 1995)

Order Instituting Investigation into the rates, charges,
service, practices, and regulation of Contel of
California, Inc., (U 1003 C).

196-03-021
(Filed March 13, 1996)

Orrick, Herrington & Sutcliffe, by Robert J. Gloistein, Attorney at Law,
for Contel of California, Inc., and Kenneth K. Okel, Attorney at
Law, for GTE California Incorporated, applicants.

Thomas Long, Attorney at Law, for The Utility Reform Network,
Intervenor.

William A. Ettinger, Attorney at Law, for AT&T, and Graham and
James, by Martin A. Mattes, Attorney at Law, for California
Payphone Association, interested parties.

Patrick S. Berdge and Laura Tudisco, Attorneys at Law, for the Office
of Ratepayer Advocates, protestant.

Marc Kolb, Nora Y. Gatchalian, and Dick Van Aggelen, for the
Telecommunications Division.

Ravi Kumra, for the Office of the Ratepayer Advocates.

OPINION

1. Summary

This decision concludes a multi-phase proceeding in which we previously authorized the nationwide merger of GTE Corporation (GTE) and Contel Corporation, including the merger of their California subsidiaries, GTE California Incorporated (GTEC) and Contel of California, Inc. (Contel). In this, the final phase of these proceedings, we adopt an all-party Settlement Agreement (Settlement) which integrates rates in the service areas of GTEC and the former Contel, effective January 1, 1998.

2. Background

GTE is a multinational corporation with subsidiaries in 46 states and 41 countries. GTE is engaged in the telecommunications business, among other pursuits. GTEC is a California subsidiary of GTE, providing local exchange telephone service through more than 3.5 million access lines, principally in Southern California.

Contel Corporation provides public utility telephone service in suburban and rural areas of California, Nevada and Arizona. Approximately 90% of Contel Corporation's access lines are in California, with about 8% in Nevada and 2% in Arizona. Contel operates in 30 California counties, from Weaverville (Trinity County) in the north to Blythe (Riverside County) in the south. Contel provides local exchange telephone service through approximately 305,000 access lines in 105 exchanges.

On September 14, 1990, GTE and Contel Corporation filed a joint application (Application (A.) 90-09-043) for approval of a nationwide merger. Decision (D.) 91-03-022 (March 13, 1991; 39 CPUC2d 480) approved the merger on an interim basis subject to several conditions.

On September 14, 1992, GTE, Contel Corporation, GTEC and Contel filed a plan for consolidation, in compliance with D.91-03-022. Review of the plan became known as Phase II, and was concluded by D.94-04-083 (April 20, 1994; 54 CPUC2d 268). D.94-04-083 authorized the merger of Contel into GTEC, and directed that Contel's startup revenue requirement and rate integration be addressed in Phase III. The decision was stayed, however, at the request of applicants.

On September 15, 1994, the Commission issued the Implementation Rate Design order. (D.94-09-065; 56 CPUC2d 117.) That order required Contel to file an application for a general rate case (GRC) by December 31, 1995, unless Phase III of the merger proceeding was concluded, and a decision implementing rate integration rendered by that date. (Ordering Paragraph 47 at 56 CPUC2d 117, 289.) By December 1995, however, Phase II had not yet been unstayed, and Phase III had not begun. Therefore, on December 6, 1995, Contel filed a GRC application (A.95-12-006).

On March 13, 1996, the Commission issued an order instituting an investigation into the rates, charges, service, practices and regulation of Contel (Investigation 96-03-021). The investigation was consolidated with A.95-12-006.

On April 10, 1996, by D.96-04-053, the Commission lifted the stay of D.94-04-083 (as modified by D.94-08-032, 55 CPUC2d 715), granted final approval to Phase II, directed the initiation of Phase III, and consolidated A.95-12-006 with Phase III.¹ The Commission directed that Phase III of the consolidated proceedings address Contel's pre-merger startup revenue requirement, and consider how to integrate the rates of the merged entities. (D.96-04-053, Ordering Paragraph 5.) Phase III also included residual issues from prior decisions (i.e., service quality, Contel Tariff Rule 14, any remaining issues from Investigation 92-03-053 (regarding possible over-assessment by the Board of Equalization requiring ratemaking treatment)). (Reporter's Transcript PHC-10, pp. 280-1.)

By ruling dated April 29, 1996, parties were directed to meet and confer in advance of a May 23, 1996 prehearing conference (PHC) on the topics identified in Rule 49(b) of the Commission's Rules of Practice and Procedure (e.g., issues, settlement, discovery, schedule). By letter dated May 15, 1996, applicants notified all parties of such meeting, to be held on May 22, 1996. The case management statement filed by the

¹ Applicants state that Contel was merged into GTEC, and ceased to exist as a separate legal entity, effective January 1, 1997. Contel is separately referred to herein in relation to the service areas and rates for the former Contel customers.

parties pursuant to Rule 49(b) recommended two separate schedules: one based on settlement and the other based on evidentiary hearings.

Both schedules were adopted by ruling dated June 3, 1996. The schedules provided that by August 30, 1996, either a joint motion for adoption of a settlement would be filed, or applicant would file an amended application with proposed testimony in preparation for evidentiary hearings. Moreover, a schedule was adopted for applicants to file a motion for interim pricing flexibility.

By ruling dated August 28, 1996, the schedule was delayed at the joint request of applicants and the Office of Ratepayer Advocates (ORA). The delay provided additional time for settlement discussions. A PHC was set for October 23, 1996.

On September 16, 1996, GTEC, Contel and ORA filed a joint motion for interim pricing flexibility. The motion was modified at the PHC on October 23, 1996. D.96-12-050 (December 20, 1996) granted the modified motion for interim pricing flexibility.

A settlement was not reached within the time provided in the revised settlement schedule. Therefore, on December 6, 1996, applicants made a compliance filing in Phase III, amended A.95-12-006, and served proposed testimony. On January 6, 1997, ORA filed a protest, asserting applicants used recorded year 1995 for the revenue requirement calculation in conflict with the Commission's directions in D.94-04-083 (53 CPUC 2d 268).

A PHC and evidentiary hearing on the protest was held on February 5, 1997. Applicants and ORA presented a settlement wherein they agreed that each party's showing could use a different recorded year, issues with respect to the appropriate base period and adjustments would be heard and decided in evidentiary hearings, and the schedule should again be adjusted. The settlement was adopted.

On June 3, 1997, ORA and AT&T Communications of California, Inc. (AT&T) served proposed testimony, consistent with the adopted schedule. On June 20, 1997,

applicants filed a motion to exclude AT&T's OANAD-related testimony.² AT&T replied on July 1, 1997. On July 1, 1997, applicants served proposed rebuttal testimony, as well as additional proposed direct and supplemental direct testimony. On July 3, 1997, applicants served additional proposed supplemental direct testimony. On July 8, 1997, ORA filed and served a motion to strike portions of applicants' testimony.

Evidentiary hearings began on July 14, 1997. All exhibits were identified for the record. Parties reported significant progress in reaching a global settlement, and requested a continuance of the evidentiary hearings to permit completion of a settlement. The continuance was granted.

On July 21, 1997, a joint motion to adopt the Settlement was filed and served by applicants, ORA and AT&T. No comments were filed on the Settlement. (Rule 51.4.) Evidentiary hearings were held on August 26, 1997 and September 3, 1997 for the purpose of examining settling parties on the Settlement. Several additional exhibits were produced at the request of Administrative Law Judge (ALJ) Mattson, offered by settling parties in support of the Settlement, and identified for the record. These proceedings were submitted for decision on September 15, 1997, when parties completed service of the last ALJ-requested exhibit.

The ALJ's proposed decision was filed and served on November 12, 1997. ORA filed comments recommending adoption of the proposed decision in its entirety. No other comments or reply comments were filed.

3. Settlement

The Settlement is contained in Attachment A to this decision. In summary, the principal terms are:

1. New Contel rates that are the same as GTEC's existing rates to the greatest extent possible;

² Open Access and Network Architecture Development (I.93-04-002 and R.93-04-003).

2. GTEC shall recover as "Z" factor adjustments in its 1998 price cap filing (1) the last year of the phase-down of toll transition payments from Pacific Bell pursuant to the February 26, 1992 Settlement Transition Agreement between Pacific Bell and Contel, and (2) the difference between Interstate Universal Service Funds received by Contel during the 12 months ended March 31, 1996 and the amount to be received for the former Contel service areas in 1998;
3. Elimination of the \$11,269,000 merger savings surcredit, and incorporation of the merger savings into final rates;
4. Elimination of Contel Tariff Rule 14, and application of GTEC Tariff Rules 18, 19 and 26 in the former Contel service areas (all regarding service quality);
5. Inclusion in GTEC's 1998 price cap filing, for one year only, of a \$300,000 reduction in revenues to offset the replacement of Contel's Tariff Rule 14 with GTEC's Tariff Rules 18, 19 and 26; and
6. Settlement of Phase III issues solely on the basis of an adopted rate design and other terms and provisions, agreement that the historical base period for Phase III is a 12-month period prior to March 31, 1996, agreement that it is not necessary to resolve whether that period ends December 31, 1995 or March 31, 1996, and agreement that the revised rates are expected to be implemented on January 1, 1998.

4. Discussion

Regulation is often factually intensive. Regulation also involves consideration of many policies, some of which may compete with each other at least some of the time, and application of governing law. The Commission's role is to determine facts, weigh policy objectives, ensure conformity with law, and reach a reasonable outcome. In doing this, the Commission has often acknowledged California's strong public policy favoring settlements. (See, for example, D.97-01-013; D.96-12-005; D.92-10-051, 46 CPUC2d 113, 124; D.91-05-029, 40 CPUC2d 301, 326; D.88-12-083, 30 CPUC2d 189, 221-223.)

Our Rules of Practice and Procedure provide that:

"The Commission will not approve stipulations or settlements, whether contested or uncontested, unless the stipulation or

settlement is reasonable in light of the whole record, consistent with law, and in the public interest." (Rule 51.1(e).)

Moreover, the Commission recognizes that the unanimous recommendation of all active parties can be a particularly reliable guidepost to reasonable outcomes, and that such settlements should be given substantial consideration in our deliberations. Therefore, we have clarified our consideration of all-party settlements. (See D.92-12-019, 46 CPUC2d 538, 550-1; D.97-01-013.) We will adopt all party settlements where the record supports the following findings:

- "a. All active parties to the proceeding join in sponsoring the settlement.
- b. The sponsoring parties are fairly reflective of the affected interests.
- c. No term of the settlement contravenes statutory provisions or prior Commission decisions.
- d. The settlement conveys sufficient information to permit us to discharge our regulatory obligations with respect to the parties and their interests. (46 CPUC2d at 554-55 (sic).)" (D.97-01-013; 1997 Cal PUC Lexus 13, '5.)

The Settlement here meets these criteria. First, all active parties in Phase III sponsor the Settlement. Moreover, we note that no party filed comments, or appeared at the evidentiary hearings, in opposition to the Settlement. This demonstrates at least complete lack of opposition to, if not general support for, the Settlement.

Second, affected interests are those of applicants, ratepayers, interexchange carriers, and the public. Sponsoring parties represent or reflect these interests. Thus, sponsoring parties are fairly reflective of the affected interests.

Third, no term of the Settlement contravenes statutory provisions or prior Commission decisions. No party alleges the Settlement contravenes any statutory provision, and we are aware of no contravention. No party raises any remaining issues from prior decisions (e.g., service quality--other than Tariff Rule 14--or property

assessment), and we find no issues remain. We discuss below whether the Settlement contravenes prior Commission decisions with respect to treatment of the merger savings and Contel's pre-merger startup revenue requirement. We find no contravention of these, or any other, prior Commission decisions.

Finally, the Settlement clearly states the rates, details of the rate integration (e.g., terms, conditions, rules), and other provisions (e.g., price cap, Tariff Rule 14, merger savings, pricing flexibility). The Settlement, therefore, conveys sufficient information to permit the Commission to discharge its future regulatory obligations with respect to the parties and their interests.

4.1 Merger Savings

D.96-04-053 ordered GTEC to refund 50% of the short- and long-term economic benefits of the merger to current ratepayers of the combined utility, in the amount of approximately \$69,692,500. (D.96-04-083, Ordering Paragraph 1; application for rehearing denied in D.97-09-121.) This refund was implemented by Advice Letter No. 1029, wherein a surcredit of 1.24% was established from July 1, 1996 through December 31, 1996, and a surcredit of 0.62% was established thereafter.

The Settlement eliminates the 0.62% merger savings surcredit currently flowing to both GTEC and Contel ratepayers. In its place, the Settlement applies an adjustment of \$11,269,000 per year to Contel rates. That is, Contel rates are to be set at levels generating \$11,269,000 million per year less than they would if the merger savings were not applied in this way. This raises a potential issue with regard to the elimination of ongoing merger savings rate reductions for GTEC ratepayers.

Settling parties submitted additional information on this proposed treatment of the merger savings at the request of the ALJ. According to settling parties, \$23.6 million of merger savings will have been refunded to ratepayers through December 31, 1997 (based on Settlement rates taking effect January 1, 1998), with \$21.6 million refunded to GTEC ratepayers and \$2.0 million refunded to Contel ratepayers. The 0.62% surcredit produces an estimated ongoing refund of \$11,269,000 per year.

D.96-04-053 stated our expectation that the merger savings would be permanently reflected in rates.³ The Settlement accomplishes this permanent reflection in Contel rates. Contel rates are higher than GTEC rates. Applying the entire future merger savings to Contel rates provides the greatest opportunity to adopt the same rates for the new, integrated company.

While the Settlement does not provide GTEC ratepayers a specific continuing, permanent merger savings rate reduction, GTEC ratepayers will have obtained more than \$21 million of savings through December 31, 1997, and will be no worse off in the future due to the merger. Further, at the surcredit rate of 0.62%, GTEC customers on average receive only between \$0.20 (residential) and \$0.33 (business) per month, according to settling parties. Even if we sought to implement permanent merger savings in GTEC rates, the amounts at current levels are so small as to not justify rejecting the Settlement. Moreover, GTEC ratepayers will continue to enjoy qualitative benefits from the merger.

Our specific goal was permanent reflection of merger savings in rates. The Settlement accomplishes this goal. Therefore, the Settlement-proposed treatment of the merger savings does not contravene prior Commission decisions.

4.2 Pre-merger Startup Revenue Requirement

In addition to rate integration, D.96-04-053 states that Phase III will determine Contel's pre-merger startup revenue requirement.⁴ The Settlement, however, does not

³ Other than the percentage of the savings refunded to ratepayers (i.e., 50% rather than 100%), D.96-04-053 in all respects affirmed D.94-04-083 (as modified by D.94-08-032). D.94-04-083 stated our understanding of the adopted settlement therein, and, with respect to the merger savings, says: "As of year-end 1996, except as otherwise stipulated, all forecasted merger savings which, the Commission concludes, ought to be flowed through to ratepayers, will be permanently reflected in GTEC's rates and charges or through a surcredit." (54 CPUC2d 268, 295.)

⁴ In Phase III "the Commission will determine Contel's pre-merger startup revenue requirement..." (D.96-04-053, Ordering Paragraph 5.)

recommend a specific pre-merger startup revenue requirement. Rather, settling parties state that the Settlement is reached solely on the basis of an adopted rate design and other terms and provisions (e.g., "Z" factor treatment, merger savings treatment, tariff rule modifications). Settling parties assert that adoption of their recommended rate design (and other terms and provisions) is just and reasonable for the purpose of finally resolving all issues presented in Phase III. We agree.

Examination of the rates themselves shows that settling parties have done a reasonable job of integrating rates. GTEC rates are adopted wherever possible. Settling parties say that increases, where necessary, tend to bring rates closer to cost. Moreover, increases are largely in Category II services, wherein some relief is possible should GTEC exercise authorized downward pricing flexibility in the face of competition.

Category I rates generally are reduced or remain the same. For example, Contel's residential monthly measured basic exchange service rates are reduced to equal those of GTEC. Contel's residential monthly flat basic exchange service rates are not raised to equal those of GTEC, but are held at current levels (since settling parties assert it would be unreasonable to increase this basic exchange rate when other basic exchange rates, including residential measured and business (discussed below), are reduced). Contel's business monthly measured basic exchange service rates are reduced to levels as close as possible to those of GTEC, while still generating necessary revenue. Finally, Contel's business monthly flat basic exchange service rates are eliminated, equivalent to GTEC not offering this service, and consistent with the Commission's general policy (as implemented in GTEC's rates) to eliminate business flat rate service.

Settling parties presented data on average monthly bills at the request of the ALJ. As shown in Attachment B, average bills decrease in all cases, with reductions ranging from 2.7% to 26.0%.

Applicants originally sought an increase in annual revenues of approximately \$28 million. ORA recommended a decrease of approximately \$51 million. The

Settlement shows that annual revenue from proposed billings will be \$9,880,778 less than revenue at present billings.

While a final startup revenue requirement has been a feature of past implementation of price cap regulation, settling parties here neither settle on a revenue requirement nor a rate of return. Nonetheless, at the request of the ALJ, settling parties produced an exhibit providing a reasonable test of the revenue requirement and revenues resulting from the Settlement. The exhibit shows that Settlement-proposed billings produce an overall rate of return for Contel of 10.23%. This is not an unreasonable rate of return for purposes of considering the Settlement.⁵

Moreover, we note that the exhibit applies the full amount of the adjustment for the toll transition payments and USF funds (Attachment A, page 3, item 2) to the Contel revenue requirement alone, despite the fact that these items are part of the price cap filing of the combined utility (GTEC and Contel). When revised to reflect that only an estimated 9% of the adjustment will affect Contel rates, we estimate the resulting overall rate of return for Contel to be 8.86%. Again, this is not an unreasonable overall rate of return for purposes of considering the Settlement, given that GTEC agrees to the Settlement-proposed rates.

ORA argues that the toll transition payments and USF funds would be treated in rates with or without the Settlement (i.e., the Settlement on this issue was procedural, not substantive). To the extent that this is true, we estimate that eliminating these items altogether produces an adjusted overall rate of return for Contel of 8.73%. Again, this is not an unreasonable overall rate of return under the circumstances.

While we originally anticipated the need to first establish a pre-merger startup revenue requirement in Phase III in order to determine just and reasonable integrated rates, we agree with settling parties that none needs to be determined here. Rather, the tests applied in substitution of a pre-merger startup revenue requirement demonstrate

⁵ Applicant had requested an overall rate of return of 10.5%. ORA had recommended an overall rate of return of 10.0%.

that neither excessive nor inadequate revenues are generated from former Contel customers, and that the Settlement-proposed rates are just and reasonable. Thus, we conclude the Settlement does not contravene prior Commission decisions on this issue.

4.3 Conclusion

As settling parties point out, the Settlement embodies compromises of the parties' positions. The compromises were reached through negotiations on the whole range of issues presented for resolution in Phase III. Because the Settlement satisfies our criteria for adoption of an all-party settlement, we give weight to settling parties' joint recommendations in arriving at our factual findings. Moreover, we give weight to settling parties' assertions that the compromises they have reached are fair and equitable.

We do not here dissect each provision of the Settlement to see whether it approximates the result we would have reached had the issue underlying that provision been submitted to us for resolution. No settlement could ever survive such scrutiny, nor would that degree of scrutiny leave parties sufficient room for negotiating settlements. We view the Settlement as a whole, and taken as a whole, we find this Settlement meets our criteria for adoption of an all-party settlement. No party recommends rejection of the Settlement. The record contains settling parties' proposed exhibits produced for the purpose of litigation, the Settlement, and further exhibits produced at the request of the ALJ. We adopt the Settlement as one that is reasonable in light of the whole record, consistent with law, and in the public interest.

Findings of Fact

1. D.96-04-053 initiated Phase III for the purposes of determining Contel's pre-merger startup revenue requirement and integrating the rates of GTEC and Contel, with residual Phase III issues of service quality and property assessment from prior decisions.

2. On May 15, 1996, parties were served notice by applicants of a meeting to be held on May 22, 1996, for the purpose of conferring on the topics in Rule 49(b) of the Commission's Rules of Practice and Procedure, including settlement.

3. On July 21, 1997, a joint motion to adopt a Settlement Agreement was filed and served by applicants, ORA and AT&T.

4. No responses to the joint motion were filed.

5. Evidentiary hearings were held on August 26 and September 3, 1997 for the purpose of examining settling parties on the Settlement.

6. All active parties join in sponsoring the Settlement.

7. Sponsoring parties are fairly reflective of the affected interests.

8. The Settlement conveys sufficient information to permit the Commission to discharge its regulatory obligations with respect to the parties and their interests.

9. No party recommends rejection of the Settlement.

10. No service quality issues (other than Tariff Rule 14, which is addressed in the Settlement), and no property assessment issues, are identified by any party, and no issues remain for Commission consideration.

11. The Settlement results in permanent merger savings rate reductions for ratepayers in the former Contel service areas.

12. Given that Contel rates are more than GTEC rates, applying the entire future merger savings to Contel rates provides the greatest opportunity to adopt exactly the same rates for the new, integrated company.

13. GTEC ratepayers will have received more than \$21 million in merger savings through December 31, 1997, will be no worse off in the future due to the merger, and will continue to enjoy qualitative benefits from the merger.

14. The merger savings surcredit of 0.62% produces average monthly savings for GTEC residential customers of \$0.20, and business customers of \$0.33.

15. The Settlement adopts GTEC rates wherever possible, brings rates closer to cost, applies rate increases largely in Category II services, generally reduces or keeps the same rates for Category I services, reduces residential and business average bills, reduces annual revenues by \$9,880,778, and produces an overall estimated rate of return of 10.23% or less.

16. The tests applied here in substitution for a pre-merger startup revenue requirement demonstrate that neither excessive nor inadequate revenues are generated from former Contel customers.

Conclusions of Law

1. No term of the Settlement contravenes statutory provisions or prior Commission decisions.

2. The Commission need not establish a pre-merger startup revenue requirement to determine just and reasonable rates.

3. Taken as a whole, the Settlement meets the Commission's criteria for adoption of an all-party settlement, is reasonable in light of the whole record, consistent with law, and in the public interest.

4. Settlement-proposed rates are just and reasonable.

5. The joint motion for adoption of the Settlement should be granted.

6. This decision should be effective today to allow implementation of the Settlement without delay (e.g., 1998 price cap matters), including rates effective January 1, 1998.

O R D E R

IT IS ORDERED that:

1. The joint motion by GTE California Incorporated (GTEC), Contel of California, Inc., the Office of Ratepayer Advocates, and AT&T Communications of California, Inc. for adoption of the Settlement Agreement is granted.

2. Within 7 days of the date of this order, GTEC shall file revised tariffs consistent with this order. The filing shall comply with General Order 96-A. The tariffs shall become effective on January 1, 1998, unless suspended by the Director of the Telecommunications Division, or the Commission.

3. After review and approval of the notice by the Commission's Public Advisor and the Director of the Telecommunications Division, GTEC shall notify its customers in the former Contel service areas of the new rates, terms and conditions adopted

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herein. The notice shall be completed within 45 days of the date of this order, or, if performed by bill insert, shall be completed within 75 days of the date of this order.

4. These proceedings are closed.

This order is effective today.

Dated December 16, 1997, at San Francisco, California.

P. GREGORY CONLON

President

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

RICHARD A. BILAS

Commissioners

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ATTACHMENT A

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of GTE Corporation and Contel Corporation.)	Application 90-09-043
)	
In the Matter of the Application of Contel of California, Inc., (U 1003 C) to restructure intrastate rates and charges and to implement a New Regulatory Framework for telephone service within the State of California.)	Application 95-12-006
)	
Order Instituting Investigation into the rates, charges, service, practices, and regulation of Contel of California, Inc., (U 1003 C).)	Investigation 96-03-021
)	

SETTLEMENT AGREEMENT

This Settlement Agreement, executed this 17th day of July, 1997, is entered into by and among GTE California Incorporated ("GTEC"), for itself and as successor in interest by merger to Contel of California, Inc. ("Contel"), AT&T Communications of California, Inc. ("AT&T"), and Office of Ratepayer Advocates ("ORA") (collectively, the "Parties").

WHEREAS, on December 6, 1995, Contel filed a general rate case proceeding, Application No. 95-12-006, which, together with I.96-03-021, was later consolidated with A.90-09-043;

WHEREAS, on April 10, 1996, in D.96-04-053, the Commission issued its final order approving the merger of Contel into GTEC, and directing that Phase III of A.90-09-043 commence;

WHEREAS, pursuant to Ordering Paragraph No. 4 of Administrative Law Judge's Ruling, dated April 29, 1996, on May 15, 1996, GTEC and Contel noticed to all parties a meeting pursuant to Commission Rule 49(b);

WHEREAS, as a result of the noticed meeting held on May 23, 1996, the active parties in this proceeding presented, and an Administrative Law Judge's Ruling, dated June 3, 1996, adopted, a procedural schedule for the continued discussion of a settlement of Phase III of A.90-09-043 on the basis of the information contained in A.95-12-006;

EXHIBIT 1

WHEREAS, on September 16, 1996, GTEC, Contel and ORA filed a joint motion to authorize Contel interim pricing flexibility effective January 1, 1997;

WHEREAS, on December 6, 1996, GTEC and Contel filed their Contel/GTE Merger Phase III - A.90-09-043 Start-up Revenue Requirement and Plan for Tariff/Rate Integration ("Phase III");

WHEREAS, on December 20, 1996, in D.96-12-050, the Commission authorized interim pricing flexibility for Contel's service areas;

WHEREAS, effective January 1, 1997, Contel merged into GTEC, and the separate legal existence of Contel ended;

WHEREAS, on May 19 and May 20, 1997, public participation hearings were held in Victorville and Bishop, respectively;

WHEREAS, on June 3, 1997, ORA and AT&T distributed testimony in Phase III;

WHEREAS, on June 12, 1997, public participation hearings were held in Manteca;

WHEREAS, on July 1, 1997, GTEC distributed supplemental direct testimony and rebuttal testimony in Phase III;

WHEREAS, evidentiary hearings were to commence in Phase III on July 14, 1997.

WHEREAS, On July 15, 1997, the Parties identified for the record in Phase III those exhibits that will constitute the record supporting the original position of each of the Parties regarding Phase III issues, all subject to reservation of rights to object to the introduction of such exhibits and to cross-examine the witnesses sponsoring the documentary exhibits and to pursue pending motions, should the Commission fail to enter an order adopting this Settlement Agreement in full.

NOW, THEREFORE, the Parties agree as follows:

1. Attached hereto as Schedule I is a 46 page schedule which sets forth the proposed rates for the services for which changes in rates were proposed in Phase III. The Parties agree that GTEC shall put into effect in the former Contel service areas said Schedule I rates and that all other rates in the former Contel service areas shall remain at current rates and shall be incorporated into GTEC's tariff. Concurrent with such rate changes, the Parties agree that GTEC shall eliminate all terms, conditions and rules that are now specifically applicable to former Contel service areas and thereafter apply the terms, conditions and rules that are currently applicable to GTEC's other customers. The intent of this paragraph 1 is to integrate the former Contel service areas into the current GTEC tariffs

except for the rate changes specifically set forth in this Settlement Agreement. The billing units adopted in this Settlement Agreement are shown in Schedule I. The billing units that had been proposed by GTEC and Contel are shown in Exhibit 205 for identification in Phase III. The billing units proposed by ORA will be shown in an exhibit to be attached to the motion to approve this Settlement Agreement.

2. The Parties agree that GTEC shall include in its 1998 price cap filing due on or before October 1, 1997, the following "Z Factor" adjustments:

(a) the exact amount of the last year phase-down of Toll Transition Payments that were received from Pacific Bell pursuant to that certain Settlement Transition Agreement, dated as of February 26, 1992; between Pacific Bell and Contel; and

(b) the exact amount of the difference between Interstate Universal Service Funds that were received with respect to the Contel service areas during the 12-month period ended March 31, 1996, and the amount of such Funds to be received with respect to such areas in 1998.

3. The Parties agree that GTEC shall include in its 1998 price cap filing due on or before October 1, 1997, for one year only, a \$300,000 reduction in revenues to offset the replacement of Contel's Rule No. 14 with GTEC's Rule Nos. 18, 19 and 26.

4. Effective with the implementation of the revised rates reflected in Schedule I, the Parties agree that GTEC shall eliminate the merger saving surcredit of \$11,269,000 that it currently is flowing through to ratepayers in both the former Contel service areas and GTEC's other service areas.

5. Effective with the implementation of the revised rates reflected in Schedule I, the Parties agree that GTEC shall withdraw Rule No. 14 from the Contel tariff and make Rule Nos. 18, 19 and 26 of the GTEC tariff applicable to the former Contel service areas.

6. Effective with the implementation of the revised rates reflected in Schedule I, the Parties agree that GTEC shall apply to the former Contel service areas the same pricing flexibility rules otherwise applicable with GTEC's other service areas; and Interim D. 96-12-066 shall be deemed superseded by this Agreement. BWM
5/26/97

7. The Parties agree to settle Phase III solely on the basis of an adopted rate design and the other terms and provisions specifically set forth in this Settlement Agreement. The Parties agree that adoption of such rate design and other terms and provisions are just and reasonable for the purpose of finally resolving all issues presented in Phase III and are sufficient to establish both tariff rate integration and start-up

revenue requirement for the former Contel service areas. The Parties agree that the historical base period for Phase III is a twelve-month period prior to March 31 1996. For purposes of this Settlement Agreement, the Parties agree that it is not necessary to resolve whether that period ends December 31, 1996 or March 31, 1996. The Parties agree that the revised rates are expected to be implemented on January 1, 1998. Attached as Schedule II is a comparison of present and proposed billings on the ORA Base Period format to summarize the net effect of the rate changes shown on Schedule I. The Parties recognize that there is risk involved in litigating Phase III and that it is not likely that any one party would prevail entirely. The Parties have vigorously argued their positions in settling Phase III and have reached overall compromise positions that they believe are appropriate in light of the litigation risks and the separate goals that GTEC, ORA and AT&T have in mind in Phase III. In the process of reaching this compromise, the Parties have considered and assessed the issues in Phase III on a global overall basis, rather than individually. The level of revenues agreed to in this Settlement Agreement reflects the Parties' best judgments as to the totality of their positions and goals and risks. The Settlement Agreement is explicitly based on the overall result achieved.

8. This Settlement Agreement is subject to approval by the California Public Utilities Commission. The Parties agree to file a joint motion with the Commission as soon as practicable to request approval of this Settlement Agreement. The Parties agree to provide, or to cooperate in providing, such additional information, documents and testimony that may be required by the assigned Administrative Law Judge or the Assigned Commissioner to obtain a grant of said motion and adoption of the Settlement Agreement.

9. The Parties further agree that by entering into this Settlement Agreement, they are not waiving any legal rights they may have against any other party to this Settlement Agreement in a proceeding that is now pending before this Commission, or which may be asserted in the future except to the extent that the assertion of such a claim conflicts with or would tend to undermine this Settlement Agreement.

10. The Parties agree that the California Public Utilities Commission shall have jurisdiction over this Settlement Agreement, and that any party seeking interpretation of this Settlement Agreement, enforcement of this Settlement Agreement, or the assertion of rights pursuant to this Settlement Agreement shall seek redress first from the California Public Utilities Commission.

11. The Parties further agree that no signatory to this Settlement Agreement, nor any member of the staff of the Public Utilities Commission, assumes any personal liability as a result of this Settlement Agreement. The Parties further agree

that no legal action may be brought in any state or federal court, or in any other forum, against any individual signatory, party representative, or staff member related to this Settlement Agreement.

12. The Parties each agree, without further consideration, to execute and/or cause to be executed any other documents, and to take any other action as may be necessary, to effectively consummate the subject matter of this Settlement Agreement, whether in this proceeding or in another proceeding before the Commission.

13. This Settlement Agreement shall not establish, be interpreted as establishing, or be used by any party to establish or to represent their relationship as any form of agency, partnership or joint venture. No party shall have any authority to bind the other or to act as an agent for the other unless written authority, separate from this Settlement Agreement, is provided.

14. This Settlement Agreement and all covenants set forth herein shall be binding upon and shall inure to the benefit of the respective Parties hereto, their legal successors, heirs, assigns, partners, representatives, executors, administrators, parent companies, subsidiary companies, affiliates, divisions, units, agents, attorneys, officers, directors and shareholders.

15. This Settlement Agreement and the provisions contained here shall not be construed or interpreted for or against any party hereto because that party drafted or caused its legal representative to draft any of its provisions.

16. This Settlement Agreement shall be governed by and interpreted in accordance with the laws of the State of California and in accordance with the rules, regulations and General Orders of the California Public Utilities Commission.

17. This Settlement Agreement may be executed in any number of counterparts and by different Parties hereto in separate counterparts, with the same effect as if all Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Agreement.

18. The provisions of this Settlement Agreement are not severable. If the Commission or any court of competent jurisdiction rules that any material provision of this Settlement Agreement is invalid or unenforceable, or materially modifies any material provision of this Settlement Agreement, then this Settlement Agreement shall be deemed rescinded and the Parties returned to the status quo as of the date of the execution of this Settlement Agreement.

19. This Settlement Agreement shall not be construed as or deemed precedential by any Party or by the Commission for any other purpose other than determining the start-up revenue requirement and/or rate integration for the former Contel service areas in accordance with the terms and conditions set forth in this Settlement Agreement.

20. The Parties hereto acknowledge each has read this Settlement Agreement, that each fully understands its rights, privileges and duties under this Settlement Agreement, and that each enters this Settlement Agreement freely and voluntarily. Each party further acknowledges that it has had the opportunity to consult with an attorney of its own choosing to explain the terms of this Settlement Agreement and the consequences of signing it.

21. The Parties each represent that they and/or their counsel have made such investigation of the facts and law pertaining to the matters described in this Settlement Agreement as they deem necessary and that they have not relied and do not rely upon any statement, promise or representation by any other party or its counsel, whether oral or written, except as specifically set forth in this Settlement Agreement. The Parties each expressly assume the risk of any mistake of law or fact made by them or their counsel.

22. The undersigned hereby acknowledge and covenant that they have been duly authorized to execute this Settlement Agreement on behalf of their respective principals and that such execution is made within the course and scope of their respective agency and/or employment.

IN WITNESS WHEREOF, the Parties have executed this
Settlement Agreement as set forth below.

GTE CALIFORNIA INCORPORATED

By: Robert J. Gloistein
Robert J. Gloistein
Its Attorney
Date: July 18, 1997

THE CALIFORNIA PUBLIC UTILITIES COMMISSION
OFFICE OF RATEPAYER ADVOCATES

By: Laura Tudisco
Laura Tudisco
Its Attorney
Date: July 18, 1997

AT&T COMMUNICATIONS OF CALIFORNIA, INC.

By: William A. Ettinger
William A. Ettinger
Its Attorney
Date: July __, 1997

IN WITNESS WHEREOF, the Parties have executed this
Settlement Agreement as set forth below.

GTE CALIFORNIA INCORPORATED

By: _____
Robert J. Gloistein
Its Attorney
Date: July __, 1997

THE CALIFORNIA PUBLIC UTILITIES COMMISSION
OFFICE OF RATEPAYER ADVOCATES

By: _____
Laura Tudisco
Its Attorney
Date: July __, 1997

AT&T COMMUNICATIONS OF CALIFORNIA, INC.

By: William A. Ettinger
William A. Ettinger
Its Attorney
Date: July 17, 1997

SCHEDULE I

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
NETWORK ACCESS LINE SERVICE

CATEGORY / SERVICE								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
SCH. #	1997	PRESENT MO. UNITS	PROPOSED MO. UNITS	PRESENT RATES	PRESENT ANNUAL REVENUE	ORA PROPOSED RATES	ORA PROPOSED ANNUAL REVENUE	ANNUAL ACCU. INCREASE
A-1	RESIDENCE FLAT							
	1-PARTY	237,509	230,145	\$16.85	\$4,024,320	\$16.85	\$4,635,531	(\$1,488,788)
	KEYLINE	28	28	\$28.95	\$9,727	\$16.85	\$5,673	(\$4,054)
	MULTILINE	42	42	\$28.95	\$14,591	\$16.85	\$8,509	(\$6,081)
	FARMERLINE	15	15	\$5.90	\$1,133	\$5.90	\$1,135	\$2
	RESIDENCE MEASURED							
	1-PARTY	14,879	27,289	\$10.60	\$1,892,609	\$10.00	\$3,274,630	\$1,382,021
	KEYLINE	17	17	\$10.60	\$2,162	\$10.00	\$2,044	(\$118)
	MULTILINE	14	14	\$10.60	\$1,784	\$10.00	\$1,683	(\$92)
	SUBTOTAL RESIDENCE	252,505	257,552		\$49,946,323		\$49,829,206	(\$117,117)
	BUSINESS FLAT							
	1-PARTY	30,163	30,766	\$45.10	\$16,324,216	\$29.75	\$10,983,555	(\$5,340,661)
	MULTILINE	390	390	\$66.10	\$309,348	\$37.25	\$174,330	(\$135,018)
	KEYLINE	7,575	7,575	\$66.10	\$6,008,490	\$37.25	\$3,386,025	(\$2,622,465)
	PBX TRUNKS@	3,643	3,716	\$66.10	\$2,889,628	\$37.25	\$1,660,969	(\$1,228,658)
	SEMI-PUBLIC	407	407	\$36.10	\$176,312	\$49.95	\$243,956	\$67,643
	COCOTS	783	783	\$68.80	\$646,445	\$29.75	\$279,531	(\$366,914)
	GOVERNMENT TRUNKS	1,048	1,048	\$21.00	\$264,096	\$29.75	\$374,136	\$110,040
	FARMERLINE	10	10	\$5.90	\$708	\$5.90	\$722	\$14
	BUSINESS MEASURED							
	1-PARTY	7,229	7,374	\$39.55	\$3,430,883	\$29.75	\$2,632,368	(\$798,515)
	KEYLINE	2,897	2,897	\$39.55	\$1,374,916	\$37.25	\$1,294,959	(\$79,957)
	MULTILINE	165	165	\$39.55	\$78,309	\$37.25	\$73,755	(\$4,554)
	PBX TRUNKS@	546	557	\$39.55	\$259,132	\$37.25	\$248,843	(\$10,288)
	COCOTS	214	214	\$50.75	\$130,326	\$29.75	\$76,398	(\$53,928)
	SUBTOTAL BUSINESS	55,070	55,902		\$31,892,809		\$21,429,668	(\$10,463,141)
	TOTAL BUSINESS AND RESIDENCE	307,575	313,454		\$81,839,131		\$71,258,873	(\$10,580,258)

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN

CUSTOM CALLING SERVICE

CATEGORY II SERVICE

SCH. #	1997	M.O. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	ORA PROPOSED RATES	PROPOSED YEARLY REVENUE	YEARLY ACCUM. INCREASE
A-1 BUSINESS							
INDIVIDUAL FEATURES							
	CALL FORWARDING	2,641	\$3.60	\$114,091	\$2.50	\$79,230	(\$34,861)
	CALL WAITING	3,464	\$6.00	\$249,408	\$3.50	\$145,488	(\$103,920)
	THREE-WAY CALLING	54	\$6.00	\$3,888	\$3.50	\$2,268	(\$1,620)
	SPEED CALLING	81	\$4.20	\$4,082	\$2.50	\$2,430	(\$1,652)
	RING AGAIN	7	\$4.50	\$378	\$4.00	\$336	(\$42)
	SELECT-A-RING						
	1 ADD'L DIR. NUMBER	22	\$5.00	\$1,320	\$6.00	\$1,584	\$264
	2 ADD'L DIR. NUMBER	1	\$6.00	\$72	\$6.00	\$72	\$0
	3 ADD'L DIR. NUMBER	1	\$9.00	\$96	\$6.00	\$72	(\$24)
	CALL FWD. MESS. CENTER PKG.	640	\$1.80	\$13,824	\$1.50	\$11,520	(\$2,304)
	COMPL. CALL FWD. PKG.	77	\$4.10	\$3,788	\$4.00	\$3,696	(\$92)
	STUTTER DIAL TONE	1,430	\$1.75	\$30,030	\$0.50	\$8,580	(\$21,450)
	REMOTE ACTIV. OF CALL FORWARD.	4	\$3.50	\$168	\$2.50	\$120	(\$48)
	SINGLE LINE INTERCOM	0	\$2.25	\$0	\$0.00	\$0	\$0
TWO FEATURE PACKAGES							
	COMPL. CF PKG./CW	1,606	\$7.20	\$156,038	\$5.75	\$124,614	(\$31,424)
	COMPL. CF PKG./3-WAY	34	\$7.20	\$2,938	\$5.75	\$2,346	(\$592)
	CW/3-WAY	90	\$9.60	\$10,368	\$4.25	\$4,590	(\$5,778)
	COMPL. CF PKG./SPEED CALL	29	\$5.40	\$1,879	\$5.75	\$2,001	\$122
	CW/SPEED CALL	58	\$7.80	\$5,429	\$4.25	\$2,958	(\$2,471)
	3-WAY/SPEED CALL	5	\$7.80	\$468	\$4.25	\$255	(\$213)
THREE FEATURE PACKAGES							
	COMPL CF PKG./CW/3-WAY	108	\$12.00	\$15,552	\$5.75	\$7,452	(\$8,100)
	COMPL CF PKG./CW/SPEED CALL	48	\$10.20	\$5,875	\$5.75	\$3,312	(\$2,563)
	CW/3-WAY/SPEED CALL	8	\$12.60	\$1,210	\$4.25	\$408	(\$802)
	3-WAY/COMPL. CF PKG./SPEED CALL	11	\$10.20	\$1,346	\$5.75	\$759	(\$587)
FOUR FEATURE PACKAGES							
	COMPL. CF PKG./CW/3-WAY/ SPEED CALL	120	\$15.00	\$21,600	\$5.75	8,280	(\$13,320)
CUSTOM CALLING PLUS							
	REPEAT CALL	57	\$6.00	\$4,104	\$4.00	\$2,736	(\$1,368)
	PRIORITY CALL	9	\$6.00	\$648	\$3.00	\$324	(\$324)
	SELECTIVE CALL FORWARDING	2	\$6.00	\$144	\$5.00	\$120	(\$24)
	CALL BLOCK	87	\$6.00	\$6,264	\$3.00	\$3,132	(\$3,132)
	AUTOMATIC CALL RETURN	85	\$6.00	\$6,120	\$5.00	\$5,100	(\$1,020)
	CALL TRACE	0	\$5.00	\$0	\$5.00	\$0	\$0
	TWO FEATURE PACKAGE	19	(\$3.00)	(\$684)	(\$3.00)	(\$684)	\$0
	THREE FEATURE PACKAGE	2	(\$5.40)	(\$130)	(\$5.40)	(\$130)	\$0
	FOUR FEATURE PACKAGE	1	(\$8.40)	(\$101)	(\$8.40)	(\$101)	\$0
	FIVE FEATURE PACKAGE	0	(\$10.50)	\$0	(\$10.50)	\$0	\$0
TOTAL BUSINESS CUSTOM CALLING SERVICE				\$660,215		\$422,869	(\$237,346)

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
CUSTOM CALLING SERVICE

CATEGORY II SERVICE

SCH. #	1997	MO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE
A-1 RESIDENCE								
INDIVIDUAL FEATURES								
		1,627	\$2.40	\$46,858	\$2.50	\$48,810	\$0.10	\$1,952
		71,656	\$3.60	\$3,097,267	\$3.50	\$3,011,232	(\$0.10)	(\$86,035)
		322	\$3.60	\$13,910	\$3.50	\$13,524	(\$0.10)	(\$386)
		607	\$2.40	\$17,482	\$2.50	\$18,210	\$0.10	\$728
		26	\$2.50	\$760	\$4.00	\$1,248	\$1.50	\$488
		172	\$4.00	\$8,256	\$6.00	\$12,384	\$2.00	\$4,128
		11	\$5.50	\$726	\$6.00	\$792	\$0.50	\$66
		7	\$7.00	\$588	\$6.00	\$504	(\$1.00)	(\$84)
		4,443	\$1.50	\$79,974	\$1.50	\$79,974	\$0.00	\$0
		127	\$2.90	\$4,420	\$4.00	\$6,056	\$1.10	\$1,676
		10,612	\$1.25	\$159,180	\$0.50	\$63,672	(\$0.75)	(\$95,508)
		2	\$2.50	\$60	\$2.50	\$60	\$0.00	\$0
		0	\$2.25	\$0	\$0.00	\$0	(\$2.25)	\$0
TWO FEATURE PACKAGES								
		3,504	\$4.80	\$201,830	\$5.75	\$241,776	\$0.95	\$39,946
		106	\$4.80	\$6,106	\$5.75	\$7,314	\$0.95	\$1,208
		3,051	\$6.00	\$219,672	\$4.25	\$155,601	(\$1.75)	(\$64,071)
		58	\$3.60	\$2,506	\$5.75	\$4,002	\$2.15	\$1,456
		1,407	\$4.80	\$81,043	\$4.25	\$71,757	(\$0.55)	(\$9,286)
		18	\$4.80	\$1,037	\$4.25	\$918	(\$0.55)	(\$119)
THREE FEATURE PACKAGES								
		1,349	\$7.80	\$126,266	\$5.75	\$93,081	(\$2.05)	(\$33,185)
		328	\$6.60	\$25,978	\$5.75	\$22,632	(\$0.85)	(\$3,346)
		176	\$7.80	\$16,474	\$4.25	\$8,976	(\$3.55)	(\$7,458)
		39	\$6.60	\$3,089	\$5.75	\$2,691	(\$0.85)	(\$393)
FOUR FEATURE PACKAGES								
		2,643	\$9.60	\$304,474	\$5.75	182,367	(\$3.85)	(\$122,107)
CUSTOM CALLING PLUS								
		171	\$3.60	\$7,387	\$4.00	\$8,208	\$0.40	\$821
		285	\$3.60	\$12,312	\$3.00	\$10,260	(\$0.60)	(\$2,052)
		37	\$3.60	\$1,598	\$5.00	\$2,220	\$1.40	\$622
		2,347	\$3.60	\$101,390	\$3.00	\$84,492	(\$0.60)	(\$16,893)
		4,107	\$3.60	\$177,422	\$5.00	\$246,420	\$1.40	\$68,998
		0	\$5.00	\$0	\$5.00	\$0	\$0.00	\$0
		981	(\$1.10)	(\$12,949)	(\$1.10)	(\$12,949)	\$0.00	\$0
		434	(\$2.20)	(\$11,458)	(\$2.20)	(\$11,458)	\$0.00	\$0
		58	(\$3.60)	(\$2,506)	(\$3.60)	(\$2,506)	\$0.00	\$0
		79	(\$4.50)	(\$4,266)	(\$4.50)	(\$4,266)	\$0.00	\$0
TOTAL RESIDENCE CUSTOM CALLING SERVICE								
				<u>\$4,686,906</u>		<u>\$4,368,043</u>		<u>(\$318,863)</u>
TOTAL BUSINESS AND RESIDENCE CUSTOM CALLING								
				<u>\$5,347,121</u>		<u>\$4,790,811</u>		<u>(\$556,210)</u>

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
DIGITAL CENTREX SERVICE
INTRAGROUP LINES AND ACCESS LINES

SCH. #	1993	1995 MO. AVG. UNITS	CEILING/ PRESENT RATES	PRESENT ANNUAL REVENUE	PROPOSED RATES	PROPOSED ANNUAL REVENUE	RATE DIFF.	ANNUAL ACCU. INCREASE	% DIFF.
CONTEL CURRENT STRUCTURE									
A.49 INTRAGROUP LINES									
3-YEAR TERMINATION AGREEMENT									
0 MILES									
101-200 LINES		18	\$7.00	\$1,512	\$0.00	\$0	(\$7.00)	(\$1,512)	-100.00%
0.5 MILES									
2-100 LINES		3,209	\$10.70	\$412,004	\$0.00	\$0	(\$10.70)	(\$412,004)	-100.00%
101-200 LINES		52	\$10.05	\$8,271	\$0.00	\$0	(\$10.05)	(\$8,271)	-100.00%
1.0 MILES									
2-100 LINES		279	\$13.05	\$43,861	\$0.00	\$0	(\$13.05)	(\$43,861)	-100.00%
101-200 LINES		10	\$12.00	\$1,440	\$0.00	\$0	(\$12.00)	(\$1,440)	-100.00%
901-1200 LINES		28	\$10.40	\$3,494	\$0.00	\$0	(\$10.40)	(\$3,494)	-100.00%
1201-1500 LINES		0	\$10.05	\$0	\$0.00	\$0	(\$10.05)	\$0	-100.00%
1.5 MILES									
2-100 LINES		63	\$15.45	\$11,840	\$0.00	\$0	(\$15.45)	(\$11,840)	-100.00%
1201-1500 LINES		0	\$12.55	\$0	\$0.00	\$0	(\$12.55)	\$0	-100.00%
2.0 MILES									
2-100 LINES		25	\$17.90	\$5,585	\$0.00	\$0	(\$17.90)	(\$5,585)	-100.00%
2.5 MILES									
2-100 LINES		7	\$20.25	\$1,701	\$0.00	\$0	(\$20.25)	(\$1,701)	-100.00%
3.0 MILES									
2-100 LINES		109	\$23.05	\$30,143	\$0.00	\$0	(\$23.05)	(\$30,143)	-100.00%
101-200 LINES		6	\$20.20	\$2,182	\$0.00	\$0	(\$20.20)	(\$2,182)	-100.00%
TOTAL INTRAGROUP LINES (3YR)		3,810		\$518,742		\$0		(\$518,742)	
5-YEAR TERMINATION AGREEMENT									
0 MILES									
101-200 LINES		63	\$7.00	\$5,292	\$0.00	\$0	(\$7.00)	(\$5,292)	-100.00%
201-300 LINES		1	\$7.00	\$84	\$0.00	\$0	(\$7.00)	(\$84)	-100.00%
0.5 MILES									
2-100 LINES		1,035	\$9.90	\$122,958	\$0.00	\$0	(\$9.90)	(\$122,958)	-100.00%
101-200 LINES		362	\$9.40	\$43,090	\$0.00	\$0	(\$9.40)	(\$43,090)	-100.00%
201-300 LINES		90	\$9.25	\$9,900	\$0.00	\$0	(\$9.25)	(\$9,900)	-100.00%
401-600 LINES		1	\$9.05	\$109	\$0.00	\$0	(\$9.05)	(\$109)	-100.00%
1.0 MILES									
2-100 LINES		158	\$11.75	\$22,278	\$0.00	\$0	(\$11.75)	(\$22,278)	-100.00%
101-200 LINES		309	\$10.90	\$43,417	\$0.00	\$0	(\$10.90)	(\$43,417)	-100.00%
201-300 LINES		86	\$10.70	\$11,642	\$0.00	\$0	(\$10.70)	(\$11,642)	-100.00%
1201-1500 LINES		203	\$11.30	\$27,855	\$0.00	\$0	(\$11.30)	(\$27,855)	-100.00%
1501-1800 LINES		2	\$9.10	\$218	\$0.00	\$0	(\$9.10)	(\$218)	-100.00%
1801-2100 LINES		2,529	\$9.00	\$272,604	\$0.00	\$0	(\$9.00)	(\$272,604)	-100.00%
1.5 MILES									
2-100 LINES		63	\$13.65	\$15,233	\$0.00	\$0	(\$13.65)	(\$15,233)	-100.00%
101-200 LINES		54	\$12.45	\$8,066	\$0.00	\$0	(\$12.45)	(\$8,066)	-100.00%
201-300 LINES		8	\$12.10	\$1,162	\$0.00	\$0	(\$12.10)	(\$1,162)	-100.00%
2.0 MILES									
2-100 LINES		8	\$15.55	\$1,120	\$0.00	\$0	(\$15.55)	(\$1,120)	-100.00%
201-300 LINES		1	\$13.65	\$164	\$0.00	\$0	(\$13.65)	(\$164)	-100.00%
901-1200 LINES		2	\$11.65	\$260	\$0.00	\$0	(\$11.65)	(\$260)	-100.00%
2.5 MILES									
2-100 LINES		23	\$17.40	\$4,602	\$0.00	\$0	(\$17.40)	(\$4,602)	-100.00%
3.0 MILES									
2-100 LINES		4	\$18.60	\$841	\$0.00	\$0	(\$18.60)	(\$841)	-100.00%
101-200 LINES		1							
201-300 LINES		47	\$18.65	\$9,503	\$0.00	\$0	(\$18.65)	(\$9,503)	-100.00%
TOTAL INTRAGROUP LINES (3YR)		5,055		\$592,213		\$0		(\$592,213)	

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
DIGITAL CENTREX SERVICE
INTRAGROUP LINES AND ACCESS LINES

SCH. 8	1995	1995 MO. AVG. UNITS	CERBON PRESENT RATES	PRESENT ANNUAL REVENUE	PROPOSED RATES	PROPOSED ANNUAL REVENUE	RATE DIFF.	ANNUAL ACCU. INCREASE	% DIFF.
INTRAGROUP LINES, CONT.									
2-YEAR TERMINATION AGREEMENT									
0.5 MILES		18	\$9.55	\$1,834	\$0.00	\$0	(\$9.55)	(\$1,834)	-100.00%
2-100 LINES		173	\$9.10	\$21,078	\$0.00	\$0	(\$9.10)	(\$21,078)	-100.00%
101-200 LINES									
TOTAL INTRAGROUP LINES (2 YR.)		209		\$22,900		\$0		(\$22,900)	
2-YEAR TERMINATION AGREEMENT									
0.5 MILES		45	\$7.00	\$4,032	\$0.00	\$0	(\$7.00)	(\$4,032)	-100.00%
101-200 LINES		6	\$7.00	\$504	\$0.00	\$0	(\$7.00)	(\$504)	-100.00%
201-300 LINES									
0.5 MILES		121	\$9.40	\$13,649	\$0.00	\$0	(\$9.40)	(\$13,649)	-100.00%
2-100 LINES		429	\$8.00	\$53,832	\$0.00	\$0	(\$8.00)	(\$53,832)	-100.00%
101-200 LINES		155	\$8.90	\$20,813	\$0.00	\$0	(\$8.90)	(\$20,813)	-100.00%
201-300 LINES		267	\$8.85	\$51,455	\$0.00	\$0	(\$8.85)	(\$51,455)	-100.00%
301-400 LINES									
1.0 MILES		160	\$10.10	\$18,392	\$0.00	\$0	(\$10.10)	(\$18,392)	-100.00%
201-300 LINES									
2.5 MILES		4	\$13.75	\$560	\$0.00	\$0	(\$13.75)	(\$560)	-100.00%
201-300 LINES									
3.0 MILES		82	\$17.50	\$13,020	\$0.00	\$0	(\$17.50)	(\$13,020)	-100.00%
2-100 LINES									
TOTAL INTRAGROUP LINES (2 YR.)		1,663		\$207,537		\$0		(\$207,537)	
GRAND TOTAL INTRAGROUP LINES		19,972		\$1,342,451		\$0		(\$1,342,451)	
CONTEL INTRAGROUP LINES AT GTE STRUCTURE									
GRAND TOTAL INTRAGROUP LINES		19,972	\$0.00	\$0	\$29.43	\$3,876,837	\$29.43	\$3,876,837	
(TOTAL CONTEL TO GTE STRUCTURE INTRAGROUP LINES)		19,972		\$1,342,451		\$3,876,837		\$7,544,334	293.60%

CONTI/GTEC
PHASE III PROPOSED RATE DESIGN
DIGITAL CENTREX SERVICE
INTRAGROUP LINES AND ACCESS LINES

SCH. B	1993	1993 MO. AVG. UNITS	CENTREX/ PRESENT RATES	PRESENT ANNUAL REVENUE	PROPOSED RATES	PROPOSED ANNUAL REVENUE	RATE DIF.	ANNUAL ACCU. INCREASE	% DIF.
A-1	CENTREX ACCESS LINES	CURRENT	PROJECTED						
		UNITS	UNITS						
	BUSINESS FLAT								
	CENTREX 1-PTY	8,212	0	\$45.10	\$3,361,834	\$0.00	\$0	(\$45.10)	(\$3,361,834) -100.00%
	CENTREX MULTIKEY/FBX	2,070	0	\$66.10	\$1,641,924	\$0.00	\$0	(\$66.10)	(\$1,641,924) -100.00%
	BUSINESS MEASURED								
	CENTREX 1-PTY/MULTIKEY/FBX	2,159	10,471	\$30.55	\$1,058,899	\$0.00	\$0	(\$30.55)	(\$1,058,899) -100.00%
				\$6,042,758		\$0			(\$6,042,758)
	CENTREX ACCESS LINES CONVERSION TO GTE STRUCTURE:								
	CentralNet DPP								
	Month to Month								
	3 - 25 lines		393	\$0.00	\$0	\$29.43	\$138,673	\$29.43	\$138,673 0.00%
	26 - 50 lines		72	\$0.00	\$0	\$28.68	\$27,000	\$28.68	\$27,000 0.00%
	51 - 100 lines		26	\$0.00	\$0	\$27.85	\$8,758	\$27.85	\$8,758 0.00%
	101+ lines		26	\$0.00	\$0	\$27.11	\$8,518	\$27.11	\$8,518 0.00%
			524		\$0		\$182,956		\$182,956 0.00%
	12 Month Contract								
	3 - 25 lines		1,963	\$0.00	\$0	\$24.79	\$564,048	\$24.79	\$564,048 0.00%
	26 - 50 lines		393	\$0.00	\$0	\$24.01	\$113,134	\$24.01	\$113,134 0.00%
	51 - 100 lines		131	\$0.00	\$0	\$23.24	\$56,502	\$23.24	\$56,502 0.00%
	101+ lines		131	\$0.00	\$0	\$22.45	\$55,277	\$22.45	\$55,277 0.00%
			2,618		\$0		\$768,959		\$768,959 0.00%
	24 Month Contract								
	3 - 25 lines		4,618	\$0.00	\$0	\$21.69	\$1,201,856	\$21.69	\$1,201,856 0.00%
	26 - 50 lines		990	\$0.00	\$0	\$20.81	\$248,268	\$20.81	\$248,268 0.00%
	51 - 100 lines		528	\$0.00	\$0	\$20.14	\$127,544	\$20.14	\$127,544 0.00%
	101+ lines		452	\$0.00	\$0	\$18.59	\$103,012	\$18.59	\$103,012 0.00%
			6,597		\$0		\$1,680,741		\$1,680,741 0.00%
	60 Month Contract								
	51 - 100 lines		220	\$0.00	\$0	\$16.27	\$42,932	\$16.27	\$42,932 0.00%
	101+ lines		513	\$0.00	\$0	\$14.72	\$50,830	\$14.72	\$50,830 0.00%
			733		\$0		\$133,562		\$133,562 0.00%
	Total CentralNet DPP		10,471						
	TOTAL CENTREX ACCESS LINES	10,471	10,471		\$6,042,758		\$3,766,312		(\$13,276,540)
	GRAND TOTAL				\$7,385,538		\$6,642,853		(\$742,354)

**CONTEL/TEC
PHASE III PROPOSED RATE DESIGN**

**DIGITAL CENTREX SERVICE
CENTREX FEATURES**

SCH. #	1995	1995 MO. AVO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE OFF.	YEARLY ACCU. INCREASE	% DIFF.
A-45 CENTREX FEATURES - Condel Structure									
	2 TO 100 EACH LINE	12,821	\$3.75	\$580,095	\$0.00	\$0	(33.75)	(\$580,095)	-100.00%
	101 TO 200 EACH LINE	2,132	\$3.50	\$88,838	\$0.00	\$0	(33.50)	(\$88,838)	-100.00%
	201 TO 300 EACH LINE	569	\$3.25	\$22,181	\$0.00	\$0	(33.25)	(\$22,181)	-100.00%
	301 AND UP, EACH LINE	3,064	\$3.00	\$108,144	\$0.00	\$0	(33.00)	(\$108,144)	-100.00%
		18,603							
	ADDITIONAL FEATURES	518	\$0.25	\$1,554	\$0.00	\$0	(50.25)	(\$1,554)	-100.00%
	ATTENDANT FEATURE	83	\$2.00	\$312	\$0.00	\$0	(52.00)	(\$312)	-100.00%
	AUTOMATIC ROUTE SELECTION	556	\$1.50	\$10,008	\$0.00	\$0	(51.50)	(\$10,008)	-100.00%
	BUSINESS SET								
	NORTHERN TELECOM	3,334	\$2.00	\$86,016	\$0.00	\$0	(52.00)	(\$86,016)	-100.00%
	ATTENESS	76	\$5.40	\$4,925	\$0.00	\$0	(55.40)	(\$4,925)	-100.00%
	CALLING NAME DISPLAY	0	\$2.00	\$0	\$0.00	\$0	(52.00)	\$0	-100.00%
	CONSOLE ALERTING	0	\$0.60	\$0	\$0.00	\$0	(50.60)	\$0	-100.00%
	CUT-THRU DIALING	1	\$0.60	\$7	\$0.00	\$0	(50.60)	(\$7)	-100.00%
	DATAPATH - BASIC	0	\$4.00	\$0	\$0.00	\$0	(54.00)	\$0	-100.00%
	ELECTRONIC SWITCHED NETWORK BASIC	0	\$4.25	\$0	\$0.00	\$0	(54.25)	\$0	-100.00%
	ENHANCED BUSINESS SERVICE	155	\$2.00	\$3,720	\$0.00	\$0	(52.00)	(\$3,720)	-100.00%
	NAME DISPLAY FOR SECONDARY MAIN LOC.	0	\$2.00	\$0	\$0.00	\$0	(52.00)	\$0	-100.00%
	NETWORK NAME DISPLAY	0	\$2.00	\$0	\$0.00	\$0	(52.00)	\$0	-100.00%
	REMOTE ACTV. OF CALL FWD W/ SARGE-IN	0	\$2.00	\$0	\$0.00	\$0	(52.00)	\$0	-100.00%
	STUTTER DIAL TONE	4	\$2.00	\$8	\$0.00	\$0	(52.00)	(\$8)	-100.00%
	VIRTUAL FACILITY GROUP	4,325	\$1.50	\$77,850	\$0.00	\$0	(51.50)	(\$77,850)	-100.00%
	MUSIC ON HOLD-CUSTOMER	34	\$10.00	\$4,060	\$0.00	\$0	(510.00)	(\$4,060)	-100.00%
	MUSIC ON HOLD-ACC LINE	120	\$1.00	\$1,440	\$0.00	\$0	(51.00)	(\$1,440)	-100.00%
	MUSIC ON HOLD-EACH STATION	160	\$0.25	\$40	\$0.00	\$0	(50.25)	(\$40)	-100.00%
				\$184,756		\$0		(\$184,756)	
TOTAL CENTREX FEATURES									
CENTRANET FEATURE PACKAGES - GTE Structure									
	Month to Month								
	Feature Package 1000	458	\$0.00	\$0.00	\$3.00	\$25,128	\$3.00	\$25,128	0.00%
	Feature Package 2000	140	\$0.00	\$0.00	\$5.00	\$8,400	\$5.00	\$8,400	0.00%
	Feature Package 3000	84	\$0.00	\$0.00	\$6.00	\$8,048	\$6.00	\$8,048	0.00%
	CCLASS	8	\$0.00	\$0.00	\$5.00	\$540	\$5.00	\$540	0.00%
		690		\$0		\$40,116		\$40,116	
	12 Month Contract								
	Feature Package 1000	3435	\$0.00	\$0.00	\$2.25	\$115,104	\$2.25	\$115,104	0.00%
	Feature Package 2000	656	\$0.00	\$0.00	\$4.50	\$37,692	\$4.50	\$37,692	0.00%
	Feature Package 3000	419	\$0.00	\$0.00	\$5.25	\$26,397	\$5.25	\$26,397	0.00%
	CCLASS	47	\$0.00	\$0.00	\$5.00	\$2,820	\$5.00	\$2,820	0.00%
		4551		\$0		\$182,013		\$182,013	
	36 Month Contract								
	Feature Package 1000	8792	\$0.00	\$0.00	\$2.50	\$263,700	\$2.50	\$263,700	0.00%
	Feature Package 2000	1758	\$0.00	\$0.00	\$3.85	\$11,720	\$3.85	\$11,720	0.00%
	Feature Package 3000	1065	\$0.00	\$0.00	\$4.50	\$56,970	\$4.50	\$56,970	0.00%
	CCLASS	117	\$0.00	\$0.00	\$5.00	\$7,020	\$5.00	\$7,020	0.00%
		11720		\$0		\$408,810		\$408,810	
	60 Month Contract								
	Feature Package 1000	877	\$0.00	\$0.00	\$2.25	\$26,379	\$2.25	\$26,379	0.00%
	Feature Package 2000	125	\$0.00	\$0.00	\$3.25	\$7,605	\$3.25	\$7,605	0.00%
	Feature Package 3000	117	\$0.00	\$0.00	\$4.00	\$5,818	\$4.00	\$5,818	0.00%
	CCLASS	13	\$0.00	\$0.00	\$5.00	\$760	\$5.00	\$760	0.00%
		1302		\$0		\$40,360		\$40,360	
	Total CentraNet Feature Packages	18,603		\$0		\$671,418		\$671,418	
GRAND TOTAL FEATURE PACKAGES				\$184,756		\$671,418		(\$313,337)	

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN

DIRECTORY LISTINGS

CATEGORY II SERVICE

SCH.#	1997	MO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	YEARLY ACCUM. INCREASE
A-14	DIRECTORY LISTINGS						
	ADDITIONAL LISTING - BUSINESS	5,839	\$1.30	\$91,068	\$1.75	\$122,619	\$31,551
	ADDITIONAL LISTING - BUSINESS	221	\$1.30	\$3,448	\$1.75	\$4,641	\$1,193
	PERSONALIZED TELE. NO. - BUSINESS	258	\$3.50	\$10,836	\$3.50	\$10,836	\$0
	ADDITIONAL LISTING - RESIDENCE	1,862	\$0.70	\$15,641	\$1.75	\$39,102	\$23,461
	ADDITIONAL LISTING FOREIGN - RESIDENCE	0	\$0.70	\$0	\$1.75	\$0	\$0
	DUAL LISTING	37	\$0.70	\$311	\$1.75	\$777	\$466
	PERSONALIZED TELE. NO. - RESIDENCE	427	\$1.50	\$7,685	\$1.75	\$8,967	\$1,281
	LIVE OF INFO. IN ADDITION TO LISTING	1,006	\$0.70	\$8,450	\$1.75	\$21,126	\$12,676
	CROSS REFERENCE LISTING	200	\$0.70	\$1,680	\$1.75	\$4,200	\$2,520
	NONPUBLISHED TELEPHONE NUMBER	105,155	\$0.60	\$757,404	\$1.50	\$1,893,510	\$1,136,106
	REF TO SERVICE OF A DIFF. CUSTOMER	104	\$0.70	\$874	\$1.75	\$2,184	\$1,310
	REF. TO ANOTHER SERVICE OF SAME CUSTOMER	800	\$0.70	\$5,720	\$1.75	\$16,800	\$10,680
	TOTAL DIRECTORY LISTINGS			<u>\$904,138</u>		<u>\$2,124,762</u>	\$1,220,624

CONTE/AGTEC
 PHASE III PROPOSED RATE DESIGN
 EXTENDED AREA SERVICE (EAS)

BISHOP

SCH. B	1995	PRESENT MO. UNITS	PROPOSED MO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
A-1	RESIDENCE MEASURED									
	1-PARTY	2,811	2,811	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	0.00%
	KEYLINE MULTILINE	0	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	0.00%
	LIFELINE	240	240	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	0.00%
	SUBTOTAL RESIDENCE				\$0		\$0		\$0	
	BUSINESS MEASURED									
	1-PARTY CTX	1,787	1,787	\$1.45	\$25,822	\$1.45	\$25,822	\$0.00	\$0	0.00%
	KEYLINE MULTILINE CTX	529	529	\$1.45	\$7,671	\$1.45	\$7,671	\$0.00	\$0	0.00%
	1-PARTY TRUNK CTX	118	118	\$2.00	\$2,352	\$2.00	\$2,352	\$0.00	\$0	0.00%
	SEMI-PUBLIC	4	4	\$0.85	\$3.40	\$0.85	\$3.40	\$0.00	\$0	0.00%
	COGOTS	7	7	\$1.45	\$10.15	\$1.45	\$10.15	\$0.00	\$0	0.00%
	SUBTOTAL BUSINESS				\$46,880		\$46,880		\$0	
	TOTAL				\$46,880		\$46,880		\$0	

CONTIAGTEC
PHASE III PROPOSED RATE DESIGN
EXTENDED AREA SERVICE (EAS)

BIG PINE

SCH. #	1995	PRESENT NO. UNITS	PROPOSED NO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
A-1	RESIDENCE FLAT									
	1-PARTY	557	557	\$1.55	\$10,360	\$1.55	\$10,360	\$0.00	\$0	0.00%
	KEYLINE/MULTI-NE	0	0	\$1.55	\$0	\$1.55	\$0	\$0.00	\$0	0.00%
	LIFELINE	166	166	\$3.77	\$1,534	\$3.77	\$1,534	\$0.00	\$0	0.00%
	SUBTOTAL RESIDENCE				\$11,894		\$11,894		\$0	
	BUSINESS FLAT									
	1-PARTY/CTX	110	110	\$4.60	\$5,072	\$4.60	\$5,072	\$0.00	\$0	0.00%
	KEYLINE/MULTI-NE/CTX	36	36	\$4.60	\$1,587	\$4.60	\$1,587	\$0.00	\$0	0.00%
	PAXTRON/CTX	2	2	\$6.90	\$166	\$6.90	\$166	\$0.00	\$0	0.00%
	SEMI-PUBLIC	1	1	\$2.30	\$28	\$2.30	\$28	\$0.00	\$0	0.00%
	COCOTS	0	0	\$4.60	\$0	\$4.60	\$0	\$0.00	\$0	0.00%
	SUBTOTAL BUSINESS				\$8,253		\$8,253		\$0	
	TOTAL				\$20,148		\$20,148		\$0	

CONTELAGTEC
PHASE III PROPOSED RATE DESIGN
EXTENDED AREA SERVICE (EAS)

ELYTHE

SCH #	1915	PRESENT MO. UNITS	PROPOSED MO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
A-1	RESIDENCE FLAT									
	3 PARTY	4,304	4,304	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	0.00%
	KEYLINE/MULTI LINE	2	2	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	0.00%
	KEYLINE	1,415	1,415	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	0.00%
	SUBTOTAL RESIDENCE				\$0		\$0		\$0	
	BUSINESS FLAT									
	3 PARTY CTX	1,456	1,456	\$0.70	\$11,827	\$0.70	\$11,827	\$0.00	\$0	0.00%
	KEYLINE/MULTI LINE CTX	360	360	\$0.70	\$3,024	\$0.70	\$3,024	\$0.00	\$0	0.00%
	PBX TRUNK CTX	236	236	\$0.15	\$2,437	\$0.15	\$2,437	\$0.00	\$0	0.00%
	SEMI PUBLIC	4	4	\$0.60	\$29	\$0.60	\$29	\$0.00	\$0	0.00%
	COOOTS	48	48	\$0.70	\$423	\$0.70	\$423	\$0.00	\$0	0.00%
	SUBTOTAL BUSINESS				\$17,690		\$17,690		\$0	
	TOTAL				\$17,690		\$17,690		\$0	

CONTELAGTEC
PHASE III PROPOSED RATE DESIGN
EXTENDED AREA SERVICE (EAS)

EARP

SCH. #	1985	PRESENT NO. UNITS	PROPOSED NO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE OFF.	YEARLY ACCU. INCREASE	% OFF.
A-1	RESIDENCE FLAT	850	850	\$3.43	\$1,590	\$3.43	\$1,590	\$0.00	\$0	0.00%
	1-PARTY	0	0	\$3.43	\$0	\$3.43	\$0	\$0.00	\$0	0.00%
	KEYLINE/MULTI-NE	250	250	\$3.22	\$660	\$3.22	\$660	\$0.00	\$0	0.00%
	LIFELINE									
	SUBTOTAL RESIDENCE				\$1,250		\$1,250		\$0	
	BUSINESS FLAT	68	68	\$1.50	\$1,242	\$1.50	\$1,242	\$0.00	\$0	0.00%
	1-PARTY CTX	5	5	\$1.50	\$90	\$1.50	\$90	\$0.00	\$0	0.00%
	KEYLINE/MULTI-NE CTX	0	0	\$2.00	\$0	\$2.00	\$0	\$0.00	\$0	0.00%
	PBX/TRUNK CTX	1	1	\$3.85	\$10	\$3.85	\$10	\$0.00	\$0	0.00%
	SEMI-PUBLIC	2	2	\$1.50	\$126	\$1.50	\$126	\$0.00	\$0	0.00%
	COCOTS									
	SUBTOTAL BUSINESS				\$1,468		\$1,468		\$0	
	TOTAL				\$2,718		\$2,718		\$0	

CONTELAGTEC
PHASE III PROPOSED RATE DESIGN
EXTENDED AREA SERVICE (EAS)

LONEPINE

SCH #	1995	PARENT NO. UNITS	PROPOSED NO. UNITS	PARENT RATES	PARENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
A-1	RESIDENCE FLAT	609	609	\$3.00	\$0	\$3.00	\$0	\$0.00	\$0	0.00%
	1-PARTY	0	0	\$3.00	\$0	\$3.00	\$0	\$0.00	\$0	0.00%
	KEYLINE/MATERIAL	296	296	\$3.00	\$0	\$3.00	\$0	\$0.00	\$0	0.00%
	LIFELINE									
	SUBTOTAL RESIDENCE				\$0		\$0		\$0	
	BUSINESS FLAT	259	259	\$0.80	\$2,486	\$0.80	\$2,486	\$0.00	\$0	0.00%
	1-PARTY CTX	35	35	\$0.80	\$336	\$0.80	\$336	\$0.00	\$0	0.00%
	KEYLINE/MATERIAL CTX	35	35	\$1.15	\$483	\$1.15	\$483	\$0.00	\$0	0.00%
	PBX TRUNK CTX	1	1	\$0.80	\$7	\$0.80	\$7	\$0.00	\$0	0.00%
	SEMPUBLIC	0	0	\$0.80	\$0	\$0.80	\$0	\$0.00	\$0	0.00%
	COCOTS									
	SUBTOTAL BUSINESS				\$3,313		\$3,313		\$0	
	TOTAL				\$3,313		\$3,313		\$0	

CONTELL/GTEC
PHASE III PROPOSED RATE DESIGN
EXTENDED AREA SERVICE (EAS)

OLANCHA

SCR #	1983	PRESENT NO. UNITS	PROPOSED NO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
A-1	RESIDENCE FLAT									
	1-PARTY	87	87	\$2.40	\$2,794	\$2.40	\$2,794	\$0.00	\$0	0.00%
	KEYLINE/MULTINE	0	0	\$2.40	\$0	\$2.40	\$0	\$0.00	\$0	0.00%
	LIFELINE	34	34	\$1.20	\$412	\$1.20	\$412	\$0.00	\$0	0.00%
	SUBTOTAL RESIDENCE				\$3,341		\$3,341		\$0	
	BUSINESS FLAT									
	1-PARTY/CTA	95	95	\$7.30	\$6,922	\$7.30	\$6,922	\$0.00	\$0	0.00%
	KEYLINE/MULTINE/CTA	10	10	\$7.30	\$730	\$7.30	\$730	\$0.00	\$0	0.00%
	PBA/TRIP/CTA	8	8	\$10.95	\$876	\$10.95	\$876	\$0.00	\$0	0.00%
	SEMI-PUBLIC	0	0	\$3.75	\$0	\$3.75	\$0	\$0.00	\$0	0.00%
	COCOTS	0	0	\$7.30	\$0	\$7.30	\$0	\$0.00	\$0	0.00%
	SUBTOTAL BUSINESS				\$10,248		\$10,248		\$0	
	TOTAL				\$13,349		\$13,349		\$0	

CONTE/ATC
PHASE III PROPOSED RATE DESIGN
EXTENDED AREA SERVICE (EAS)

PALO VERDE

SCH. #	LINE	PRESENT NO. UNITS	PROPOSED NO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
A-1	RESIDENCE FLAT	203	203	\$155	\$3,776	\$155	\$3,776	\$0.00	\$0	0.00%
	1-PARTY	0	0	\$155	\$0	\$155	\$0	\$0.00	\$0	0.00%
	KEYLINEAR/LINE	96	96	\$0.77	\$887	\$0.77	\$887	\$0.00	\$0	0.00%
	LIFELINE									
	SUBTOTAL RESIDENCE				\$4,663		\$4,663		\$0	
	BUSINESS FLAT	40	40	\$4.60	\$2,208	\$4.60	\$2,208	\$0.00	\$0	0.00%
	1-PARTY CTX	3	3	\$4.60	\$168	\$4.60	\$168	\$0.00	\$0	0.00%
	KEYLINEAR/LINE CTX	0	0	\$6.90	\$0	\$6.90	\$0	\$0.00	\$0	0.00%
	PBX TRUNK CTX	0	0	\$2.30	\$0	\$2.30	\$0	\$0.00	\$0	0.00%
	SEMI-PUBLIC	0	0	\$4.60	\$0	\$4.60	\$0	\$0.00	\$0	0.00%
	COCOTS	0	0							
	SUBTOTAL BUSINESS				\$2,376		\$2,376		\$0	
	TOTAL				\$7,039		\$7,039		\$0	

CONTELAGTEC
 PHASE III PROPOSED RATE DESIGN
 EXTENDED AREA SERVICE (EAS)

PARKER DAM

SCH. B	LINE	PARENT NO. UNITS	PROPOSED NO. UNITS	PARENT RATES	PARENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE OFF.	YEARLY ACCU. INCREASE	% OFF.
A-1	RESIDENCE/FLAT	399	399	\$1.10	\$5,267	\$1.10	\$5,267	\$0.00	\$0	0.00%
	1-PARTY	0	0	\$1.10	\$0	\$1.10	\$0	\$0.00	\$0	0.00%
	KEYLINE/MATERIALS	33	33	\$0.55	\$257	\$0.55	\$257	\$0.00	\$0	0.00%
	LIFELINE									
	SUBTOTAL RESIDENCE				\$5,524		\$5,524		\$0	
	BUSINESS/FLAT	62	62	\$3.15	\$2,344	\$3.15	\$2,344	\$0.00	\$0	0.00%
	1-PARTY/CTX	14	14	\$3.15	\$529	\$3.15	\$529	\$0.00	\$0	0.00%
	KEYLINE/MATERIALS/CTX	29	29	\$4.60	\$1,601	\$4.60	\$1,601	\$0.00	\$0	0.00%
	PBX/TRUNK/CTX	0	0	\$1.75	\$0	\$1.75	\$0	\$0.00	\$0	0.00%
	SEMPUBLIC	0	0		\$0		\$0	\$0.00	\$0	0.00%
	COGOTS	18	18	\$3.15	\$600	\$3.15	\$600	\$0.00	\$0	0.00%
	SUBTOTAL BUSINESS				\$5,154		\$5,154		\$0	
	TOTAL				\$10,678		\$10,678		\$0	

CONTELAGUE
PHASE III PROPOSED RATE DESIGN
EXTENDED AREA SERVICE (EAS)

PINE CREEK

SCH. #	1995	PRESENT MO. UNITS	PROPOSED MO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE OFF.	YEARLY ACCU. INCREASE	% OFF.
A-1	RESIDENCE/FLAT									
	1-PARTY	337	337	\$1.55	\$5,268	\$1.55	\$5,268	\$0.00	\$0	0.00%
	KEYLINE/MULTI-NE	0	0	\$1.55	\$0	\$1.55	\$0	\$0.00	\$0	0.00%
	LIFELINE	54	54	\$0.77	\$429	\$0.77	\$429	\$0.00	\$0	0.00%
	SUBTOTAL RESIDENCE				\$5,767		\$5,767		\$0	
	BUSINESS/FLAT									
	1-PARTY/CTX	45	45	\$4.60	\$2,539	\$4.60	\$2,539	\$0.00	\$0	0.00%
	KEYLINE/MULTI-NE/CTX	7	7	\$4.60	\$368	\$4.60	\$368	\$0.00	\$0	0.00%
	P&L/IR/UN/CTX	5	5	\$6.90	\$414	\$6.90	\$414	\$0.00	\$0	0.00%
	SEM-PUBLIC	0	0	\$2.30	\$0	\$2.30	\$0	\$0.00	\$0	0.00%
	COCOTS	0	0	\$4.60	\$0	\$4.60	\$0	\$0.00	\$0	0.00%
	SUBTOTAL BUSINESS				\$3,540		\$3,540		\$0	
	TOTAL				\$10,167		\$10,167		\$0	

CONTINGENT
PHASE III PROPOSED RATE DESIGN
EXTENDED AREA SERVICE (EAS)

SHERWOOD RANCH

SCH. #	1985	PRESENT NO. UNITS	PROPOSED NO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
A-1										
	BUSINESS RESIDENCE	5 100	5 100	\$3.15 \$1.10	\$158 \$1,320	\$3.15 \$1.10	\$158 \$1,320	\$0.00 \$0.00	\$0 \$0	0.00% 0.00%
	TOTAL				<u>1508</u>		<u>\$1,309</u>		<u>\$0</u>	

CONTELGTEC
PHASE III PROPOSED RATE DESIGN
EXTENDED AREA SERVICE (EAS)

SUMMARY

SCH. #	1993	PRESENT YEARLY REVENUE	PROPOSED YEARLY REVENUE	YEARLY ACCU. INCREASE
A-1	RESIDENCE - FLAT			
	1 PARTY	\$33,063	\$33,063	\$0
	KEYLINE/MULTIPLINE	\$0	\$0	\$0
	LFELINE	\$4,364	\$4,364	\$0
	SUBTOTAL RESIDENCE - FLAT	\$37,427	\$37,427	\$0
	 BUSINESS - FLAT			
	1 PARTY/CTX	\$37,643	.	(\$37,643)
	KEYLINE/MULTI/CTX	\$7,354	.	(\$7,354)
	FLAT/CTX	\$4,122	.	(\$4,122)
	SEM-PUBLIC	174	.	(\$174)
	COCOTS	\$1,210	.	(\$1,210)
	SUBTOTAL BUSINESS - FLAT	\$51,843	\$0	(\$51,843)
	TOTAL - FLAT	\$89,270	\$37,427	(\$51,843)
	*NOTE ALL BUSINESS FLAT IS CONVERTED TO BUSINESS MEASURED			
	 SHERWOOD RANCH			
	RESIDENCE	\$1,320	\$1,320	\$0
	BUSINESS*	\$189	.	(\$189)
	SUBTOTAL SHERWOOD RANCH	\$1,509	\$1,320	(\$189)
	 RESIDENCE - MEASURED			
	1 PARTY	\$0	\$0	\$0
	KEYLINE/MULTIPLINE	\$0	\$0	\$0
	LFELINE	\$0	\$0	\$0
	SUBTOTAL RESIDENCE	\$0	\$0	\$0
	 BUSINESS - MEASURED			
	1 PARTY/CTX	\$30,022	\$32,051	\$2,029
	KEYLINE/MULTI/CTX	\$8,867	\$8,867	\$0
	FLAT/CTX	\$2,832	\$2,832	\$0
	SEM-PUBLIC	\$41	\$41	\$0
	COCOTS	\$118	\$118	\$0
	SUBTOTAL BUSINESS - MEASURED	\$41,880	\$43,909	\$2,029
	TOTAL - MEASURED	\$41,880	\$43,909	\$2,029
	GRAND TOTAL	\$131,150	\$81,336	\$49,814

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
FOREIGN EXCHANGE SERVICE

CATEGORY I SERVICE

SCH. #	1997	MO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	YEARLY ACCU. INCREASE
A-17	FOREIGN EXCHANGE SERVICE						
	BUSINESS ACCESS LINE	186	\$45.75	\$102,114	\$29.75	\$66,402	(\$35,712)
	RESIDENCE ACCESS LINE						
	FLAT SERVICE	239	\$16.85	\$48,326	\$16.85	\$48,326	\$0
	MEASURED SERVICE	14	\$10.60	\$1,781	\$10.00	\$1,680	(\$101)
	INCREMENT CHARGE	601	\$4.05	\$29,209	\$9.28	\$66,927	\$37,719
	OUTSIDE PLANT FACILITIES						
	CONTIGUOUS EXCHANGES						
	EA. 1/4 MILE	8,389	\$4.60	\$483,206	\$3.50	\$352,338	(\$130,868)
	NONCONTIGUOUS EXCHANGES						
	INTEREXCH. MILEAGE, PER MILE	962	\$18.40	\$212,410	\$7.00	\$80,809	(\$131,602)
	TOTAL			<u>\$977,045</u>		<u>\$616,481</u>	<u>(\$260,564)</u>

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
INTEGRATED SERVICES NETWORK (ISDN) SERVICE
RECURRING CHARGES

SCH. #	1995	1995 MO. AVG UNITS	CEILING/ PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% CHG.
A-37	INTEGRATED SERVICES DIGITAL NETWORK (ISDN) SERVICE								
	RECURRING CHARGES								
	ISDN ACCESS - SINGLE USER	4	\$8.00	\$364	\$8.00	\$364	\$0.00	\$0	0.00%
	ISDN MULTIPONT ACCESS - MULTIPLE USER	2	\$10.00	\$240	\$10.00	\$240	\$0.00	\$0	0.00%
	CENTRAL OFFICE SERVICES, per channel								
	B VOICE	0	\$2.25	\$0	\$2.25	\$0	\$0.00	\$0	0.00%
	B CSO	7	\$7.00	\$568	\$7.00	\$568	\$0.00	\$0	0.00%
	B VOICE/CSO	3	\$8.00	\$268	\$8.00	\$268	\$0.00	\$0	0.00%
	D PACKET	0	\$5.00	\$0	\$5.00	\$0	\$0.00	\$0	0.00%
	ADDITIONAL TELEPHONE NUMBERS	2	\$0.45	\$10	\$0.45	\$10	\$0.00	\$0	0.00%
	PACKAGED SERVICES								
	ISDN BASIC STATION SERVICE	0	\$7.00	\$0	\$7.00	\$0	\$0.00	\$0	0.00%
	ISDN DELUXE STATION SERVICE	0	\$3.25	\$0	\$3.25	\$0	\$0.00	\$0	0.00%
	CO ATTENDANT SERVICE	0	\$35.00	\$0	\$35.00	\$0	\$0.00	\$0	0.00%
	DATA 1000	0	\$3.00	\$0	\$3.00	\$0	\$0.00	\$0	0.00%
	DATA 2000	0	\$5.00	\$0	\$5.00	\$0	\$0.00	\$0	0.00%
	X.25 DELUXE, per Access	0	\$5.00	\$0	\$5.00	\$0	\$0.00	\$0	0.00%
	REMOTIONAL SERVICES PER CHANNEL								
	DATA DIRECT CONNECT	0	\$1.00	\$0	\$1.00	\$0	\$0.00	\$0	0.00%
	DATA CLOSED USER GROUP	0	\$1.00	\$0	\$1.00	\$0	\$0.00	\$0	0.00%
	6-WAY CONFERENCE	0	\$3.50	\$0	\$3.50	\$0	\$0.00	\$0	0.00%
	REMOTIONAL LINE LOOP EXTENSION								
	BASIC RATE INTERFACE	0	\$28.00	\$0	\$28.00	\$0	\$0.00	\$0	0.00%
	SINGLE LINE	0	\$21.50	\$0	\$21.50	\$0	\$0.00	\$0	0.00%
	PRI ACCESS INTERFACE SERVICE								
	ISDN PRI ACCESS "A" INTERFACE	0	\$500.00	\$0	\$500.00	\$0	\$0.00	\$0	0.00%
	ISDN PRI ACCESS "B" INTERFACE	0	\$500.00	\$0	\$500.00	\$0	\$0.00	\$0	0.00%
	DEDICATED TRUNKS (PER CHANNEL)								
	DDDDO SERVICE	0	\$4.00	\$0	\$4.00	\$0	\$0.00	\$0	0.00%
	1ST TELE. #	0	\$0.45	\$0	\$0.45	\$0	\$0.00	\$0	0.00%
	ADDD TELE. #s	0	\$0.45	\$0	\$0.45	\$0	\$0.00	\$0	0.00%
	INTERMEDIARY CUSTOMER SERVICES	0	\$30.00	\$0	\$30.00	\$0	\$0.00	\$0	0.00%
	800 SERVICE	0	\$3.00	\$0	\$3.00	\$0	\$0.00	\$0	0.00%
	OUTWATS SERVICE	0	\$3.00	\$0	\$3.00	\$0	\$0.00	\$0	0.00%
	OPTIONAL FEATURES								
	CALL-BY-CALL TRUNK	0	\$5.00	\$0	\$5.00	\$0	\$0.00	\$0	0.00%
	EACH RESIDENCE SINGLE LINE	0	\$17.25	\$0	\$17.25	\$0	\$0.00	\$0	0.00%
	EACH BUSINESS SINGLE LINE	0	\$19.22	\$0	\$19.22	\$0	\$0.00	\$0	0.00%
	ISDN (GRANDFATHERED)								
	FEATURE PACKAGE A	76	\$5.40	\$4,936	\$5.40	\$4,936	\$0.00	\$0	0.00%
	FEATURE PACKAGE B	5	\$17.99	\$1,133	\$17.99	\$1,133	\$0.00	\$0	0.00%
	FEATURE PACKAGE C	0	\$28.19	\$0	\$28.19	\$0	\$0.00	\$0	0.00%
	FEATURE PACKAGE D	34	\$2.80	\$1,140	\$2.80	\$1,140	\$0.00	\$0	0.00%
	TOTAL RECURRING CHARGES			<u>\$8,718</u>		<u>\$8,718</u>		<u>\$0</u>	

**CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
INTERIM RATE FLEXIBILITY/LIMITED RATE DESIGN**

NONRECURRING CHARGES

SCH. #	1995	1995 MO. AVG. UNITS	CEILING/ PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
A-37 INTEGRATED SERVICES DIGITAL NETWORK (ISDN) SERVICE									
NONRECURRING CHARGES									
PACKAGED SERVICES									
	ISON BASIC STATION SERVICE	0	\$30.00	\$0	\$30.00	\$0	\$0.00	\$0	\$0.00
	ISON DELUXE STATION SERVICE	0	\$30.00	\$0	\$30.00	\$0	\$0.00	\$0	\$0.00
	CO ATTENDANT SERVICE	0	\$100.00	\$0	\$100.00	\$0	\$0.00	\$0	\$0.00
	DATA 1000	0	\$15.00	\$0	\$15.00	\$0	\$0.00	\$0	\$0.00
	DATA 2000	0	\$15.00	\$0	\$15.00	\$0	\$0.00	\$0	\$0.00
	X.25 DELUXE	0	\$15.00	\$0	\$15.00	\$0	\$0.00	\$0	\$0.00
	DATA BASE CHANGE - PER HOUR	0	\$60.00	\$0	\$60.00	\$0	\$0.00	\$0	\$0.00
	INDIVIDUAL LINE LOOP EXTENSION	0	\$50.00	\$0	\$50.00	\$0	\$0.00	\$0	\$0.00
	BASIC RATE INTERFACE	0	\$50.00	\$0	\$50.00	\$0	\$0.00	\$0	\$0.00
	SINGLE LINE	0	\$50.00	\$0	\$50.00	\$0	\$0.00	\$0	\$0.00
	PRI ACCESS INTERFACE SERVICE	0	\$200.00	\$0	\$200.00	\$0	\$0.00	\$0	\$0.00
	ISON PRI ACCESS "A" INTERFACE	0	\$200.00	\$0	\$200.00	\$0	\$0.00	\$0	\$0.00
	ISON PRI ACCESS "B" INTERFACE	0	\$200.00	\$0	\$200.00	\$0	\$0.00	\$0	\$0.00
	DEDICATED TRUNKS (PER CHANNEL)	0	\$200.00	\$0	\$200.00	\$0	\$0.00	\$0	\$0.00
	CIRCUIT SWITCH DATA	0	\$200.00	\$0	\$200.00	\$0	\$0.00	\$0	\$0.00
	DDDDO SERVICE	0	\$200.00	\$0	\$200.00	\$0	\$0.00	\$0	\$0.00
	1ST TELE. #	0	\$200.00	\$0	\$200.00	\$0	\$0.00	\$0	\$0.00
	INTERMEDIARY CUSTOMER SERVICES	0	\$200.00	\$0	\$200.00	\$0	\$0.00	\$0	\$0.00
	NOO SERVICE	0	\$200.00	\$0	\$200.00	\$0	\$0.00	\$0	\$0.00
	OUTWATS SERVICE	0	\$200.00	\$0	\$200.00	\$0	\$0.00	\$0	\$0.00
	OPTIONAL FEATURES	0	\$200.00	\$0	\$200.00	\$0	\$0.00	\$0	\$0.00
	CALL-BY-CALL TRUNK	0	\$200.00	\$0	\$200.00	\$0	\$0.00	\$0	\$0.00
	TOTAL NONRECURRING CHARGES			\$0		\$0		\$0	

* D-96-01-023 granted ISON CAT II status effective 1/24/96, Advice #155, effective 7/1/96 ISON floors established

CONTE/AGTEC
PHASE III PROPOSED RATE DESIGN
SPECIAL ACCESS SERVICE
INTRAEXCHANGE LOCAL PRIVATE LINE

EXHIBIT K

1995	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
SPECIAL ACCESS SERVICE								
LOCAL PRIVATE LINE CHANNEL								
<u>Local Channel Mileage</u>								
First 1/4 Mile, or Fraction Thereof, Per ALM	26,565	\$4.35	\$221,965	\$0.00	\$0	(\$4.35)	(\$221,965)	-100.00%
Each Additional 1/4 Mile, or Fraction Thereof, Per ALM	149,363	\$2.10	\$313,662	\$0.00	\$0	(\$2.10)	(\$313,662)	-100.00%
CHANNEL RESTRUCTURE								
<u>Special Access Line</u>								
2-Wire	8,190	\$0.00	\$0	\$21.36	\$174,936	\$21.36	\$174,936	100.00%
4-Wire	18,395	\$0.00	\$0	\$40.05	\$736,724	\$40.05	\$736,724	100.00%
<u>Channel Upgrade</u>								
Termination	53,170	\$0.00	\$0	\$14.55	\$774,892	\$14.55	\$774,892	100.00%
Facility, per ALM	43,987	\$3.00	\$0	\$2.96	\$130,202	\$2.96	\$130,202	100.00%
GRAND TOTAL LOCAL PRIVATE LINE			<u>\$535,627</u>		<u>\$1,836,753</u>		<u>\$1,301,126</u>	<u>242.90%</u>

CONTINGENT
PHASE III PROPOSED RATE DESIGN
LOCAL COIN MESSAGE CHARGES

SCH. #	1995	PRES. UNIT CHARGE	PRES. MO. UNITS	PRES. MO. REVENUE	PRES. YEARLY REVENUE	PROPOSED UNIT CHARGE	PROPOSED MO. UNITS	PROPOSED MO. REVENUE	OTE YEARLY REVENUE	YEARLY ACCUM. INCREASE	% OFF.
LOCAL COIN		\$0.20	768,768	\$157,760	\$1,893,115	\$0.20	768,768	\$157,760	\$1,893,115	\$0	0.00%
TOTAL MESSAGE CHARGES					<u>\$1,893,115</u>				<u>\$1,893,115</u>	<u>\$0</u>	

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
MISCELLANEOUS CATEGORY I SERVICES

CATEGORY I SERVICES

SCH #	1997	MO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	YEARLY ACCU. INCREASE
CATEGORY I SERVICE							
A-1	LOCAL DIRECTORY ASSISTANCE	232,178	\$0.00	\$0	\$0.35	\$975,148	\$975,148
A-3	SEMI-PUBLIC PAYSTATION TELEPHONE TOUCHCALL	391	\$10.60	\$49,735	\$0.00	\$0	(\$49,735)
A-9	TELEPHONE ANSWERING SERVICE SAME EXCHANGES						
	EACH OFF-PREMISE ACCESS LINE						
	LOCATED IN SAME BUILDING - BUS	0	\$7.80	\$0	\$11.84	\$0	\$0
	LOCATED IN SAME BUILDING - RES	0	\$7.80	\$0	\$11.84	\$0	\$0
	LOCATED IN DIFFERENT BUILDINGS - BUS	248	\$7.80	\$23,213	\$11.84	\$35,236	\$12,023
	LOCATED IN DIFFERENT BUILDINGS - RES	4	\$7.80	\$374	\$11.84	\$568	\$194
	SAME CENTRAL OFFICE	218	\$9.80	\$25,637	\$11.84	\$30,973	\$5,337
	MILEAGE - DIFFERENT CENTRAL OFFICES	281	\$2.00	\$6,744	\$2.96	\$9,981	\$3,237
	DIFFERENT EXCHANGES - CONTIGUOUS MILEAGE	257	\$2.00	\$6,168	\$2.96	\$9,129	\$2,961
	DIFFERENT EXCHANGES - NONCONTIGUOUS MILEAGE	0	\$15.60	\$0	\$2.96	\$0	\$0
TOTAL MISCELLANEOUS CATEGORY I				<u>\$111,871</u>		<u>\$1,061,035</u>	<u>\$949,164</u>

CONTELAGTEC
PHASE III PROPOSED RATE DESIGN
MISCELLANEOUS CATEGORY II SERVICES

CATEGORY II SERVICE							
SCH. #	1997	MO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	ORA PROPOSED RATES	ORA PROPOSED YEARLY REVENUE	YEARLY ACCUM. INCREASE
CATEGORY II SERVICE							
A-1	DIRECT INWARD DIALING						
	EACH TRUNK	1,194	\$13.00	\$155,264	\$24.05	\$344,588	\$158,324
	1ST BLOCK OF 100 DIRECTORY #s	169	65.00	\$11,085	180.00	\$30,420	\$23,320
	EA. ADDL. BLOCK OF 100 DIR. #s	383	65.00	\$24,895	150.00	\$57,450	\$38,600
A-1	ROTARY HUNTING	15,517	1.75	\$27,155	\$1.50	\$23,276	(\$4,551)
A-1	REMOTE CALL FORWARDING						
	1ST ACCESS LINE EQUIPPED	522	\$33.60	\$17,547	\$16.00	\$8,352	(\$110,246)
	ADDL. ACCESS LINE EQUIPPED	23	\$33.60	\$7,728	\$16.00	\$3,680	(\$4,858)
A-1	TOLL RESTRICTION SERVICE - BUS.	762	\$3.00	\$2,286	\$2.50	\$1,905	(\$4,572)
	TOLL RESTRICTION SERVICE - RES.	6,802	\$3.00	\$20,406	\$2.50	\$17,155	(\$40,812)
A-21	INTEREXCHANGE REC. SERV.	31	\$10.95	\$3,395	\$56.00	\$17,456	\$16,759
A-23	JOINT USER SERVICE	165	\$21.00	\$3,465	\$2.80	\$4,620	(\$56,036)
A-33	CALL SCREENING						
	RESTRICTS INCOMING TOLL CALLS TO PROHIBIT 3RD NUMBER BILLED CALLS	4,017	\$1.50	\$6,026	\$1.50	\$6,026	\$0
	RESTRICTS INCOMING TOLL CALLS TO PROHIBIT COLLECT BILLED CALLS	1,716	\$1.50	\$2,574	\$1.50	\$2,574	\$0
	RESTRICTS INCOMING TOLL CALLS TO PROHIBIT COLLECT AND 3RD NUMBER BILLED CALLS	3,833	\$2.00	\$7,666	\$2.00	\$7,666	\$0
A-33	NUMBER RESERVATION SERVICE	563	\$1.50	\$844	\$6.00	\$3,378	\$16,800
A-33	ADDITIONAL BILL COPY SERVICE						
	RECURRING MONTHLY RATE	1,172	\$2.00	\$2,344	\$2.00	\$2,344	\$0
A-41	DIGITAL FORMAT TRUNKING						
	DID/DOD TRUNK GROUPS						
	1ST 24 TRUNKS	27	\$110.00	\$2,970	\$110.00	\$2,970	\$0
	EACH ADDL. 12 TRUNKS	7	\$55.00	\$385	\$55.00	\$385	\$0
	CHANNEL BANK						
	1ST 24 TRUNKS	0	\$269.00	\$0	\$269.00	\$0	\$0
	EACH ADDL. 12 TRUNKS	0	\$181.00	\$0	\$181.00	\$0	\$0
	ANSWER BANK SUPERVISION	82	\$10.10	\$828	\$10.10	\$828	\$0
	REPEATER	16	\$20.00	\$320	\$20.00	\$320	\$0
A-45	INSIDE WIRE MAINTENANCE						
	BUSINESS	8,729	\$0.90	\$7,856	\$1.95	\$17,021	\$109,995
	RESIDENCE	128,053	\$0.90	\$115,248	\$0.95	\$121,670	\$76,832
TOTAL MISCELLANEOUS CATEGORY II				\$23,256,160		\$24,812,606	\$766,446
GRAND TOTAL MISCELLANEOUS CATEGORY I AND CATEGORY II				\$23,256,160		\$24,812,606	\$766,446

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
MEASURED SERVICE USAGE
CURRENT CUSTOMERS

SCH. #	1995	1995 MO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
MEASURED SERVICE USAGE - CURRENT CUSTOMERS									
A-1 RESIDENCE									
INITIAL MINUTE									
DAY		539,333	\$0.0333	\$215,597	\$0.0400	\$258,976	\$0.0067	\$43,378	20.12%
EVENING		344,100	\$0.0233	\$36,210	\$0.0280	\$115,618	\$0.0047	\$19,407	20.17%
NIGHT		367,738	\$0.0133	\$58,691	\$0.0160	\$70,606	\$0.0027	\$11,915	20.30%
ADDITIONAL MINUTE									
DAY		1,197,572	\$0.0105	\$150,834	\$0.0100	\$143,709	(\$0.0005)	(\$7,185)	-4.76%
EVENING		1,091,023	\$0.0073	\$39,574	\$0.0070	\$31,648	(\$0.0003)	(\$7,926)	-4.11%
NIGHT		947,714	\$0.0042	\$47,765	\$0.0040	\$45,450	(\$0.0002)	(\$2,315)	-4.76%
TOTAL RESIDENCE				<u>\$664,731</u>		<u>\$726,641</u>		<u>\$61,313</u>	
BUSINESS									
INITIAL MINUTE									
DAY		1,188,189	\$0.0333	\$474,001	\$0.0400	\$569,371	\$0.0067	\$95,370	20.12%
EVENING		248,266	\$0.0233	\$36,423	\$0.0280	\$83,427	\$0.0047	\$14,004	20.17%
NIGHT		273,554	\$0.0133	\$43,659	\$0.0160	\$52,522	\$0.0027	\$8,663	20.30%
ADDITIONAL MINUTE									
DAY		1,494,535	\$0.0105	\$188,311	\$0.0100	\$179,344	(\$0.0005)	(\$8,967)	-4.76%
EVENING		349,878	\$0.0073	\$30,649	\$0.0070	\$29,330	(\$0.0003)	(\$1,260)	-4.11%
NIGHT		518,368	\$0.0042	\$26,127	\$0.0040	\$24,683	(\$0.0002)	(\$1,244)	-4.76%
TOTAL BUSINESS				<u>\$832,171</u>		<u>\$938,937</u>		<u>\$106,766</u>	
GRAND TOTAL RESIDENCE AND BUSINESS				<u><u>\$1,496,902</u></u>		<u><u>\$1,664,981</u></u>		<u><u>\$168,078</u></u>	

**CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
MEASURED SERVICE USAGE
NEW USAGE AFTER CONVERSION**

SCH. #	1995	1995 MO. UNITS	PROPOSED RATES	PROPOSED YEARLY REVENUE
MEASURED SERVICE USAGE ESTIMATE AFTER CONVERSION OF ALL EXCHANGES				
A-1	RESIDENCE			
	INITIAL MINUTE			
	DAY	547,394	\$0.0400	\$262,749
	EVENING	291,913	\$0.0280	\$98,083
	NIGHT	339,473	\$0.0160	\$65,179
	ADDITIONAL MINUTE			
	DAY	1,183,801	\$0.0100	\$142,056
	EVENING	926,137	\$0.0070	\$77,796
	NIGHT	901,000	\$0.0040	\$43,248
	TOTAL RESIDENCE			\$689,110
	BUSINESS			
	INITIAL MINUTE			
	DAY	5,374,176	\$0.0400	\$2,579,604
	EVENING	1,082,368	\$0.0280	\$363,676
	NIGHT	1,173,228	\$0.0160	\$225,260
	ADDITIONAL MINUTE			
	DAY	7,700,514	\$0.0100	\$924,062
	EVENING	1,742,746	\$0.0070	\$146,391
	NIGHT	1,924,301	\$0.0040	\$92,366
	TOTAL BUSINESS			\$4,331,359
	GRAND TOTAL RESIDENCE AND BUSINESS			\$5,020,469

CONTEL/GTEC
PHASE III PROPOSED RATE DESIC

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MESSAGE TOLL SERVICE

SCH. #	1993	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DFF.	YEARLY ACCUM. INCREASE	% DFF.
D-1 DDD (RESIDENCE AND BUSINESS)									
1ST MINUTE - DAY									
0-12 MILES		1,367	LOCAL	\$0 LOCAL		\$0	0.0000	\$0	0.00%
13-16 MILES		2,078,217	0.1140	\$237,031	0.1140	\$237,031	0.0000	\$0	0.00%
17-20 MILES		3,662,282	0.1140	\$417,500	0.1140	\$417,500	0.0000	\$0	0.00%
21-25 MILES		4,841,505	0.1360	\$658,457	0.1360	\$658,457	0.0000	\$0	0.00%
26-30 MILES		9,201,104	0.1360	\$1,251,350	0.1360	\$1,251,350	0.0000	\$0	0.00%
31-40 MILES		7,861,561	0.1360	\$1,069,172	0.1360	\$1,069,172	0.0000	\$0	0.00%
41-50 MILES		4,727,708	0.1470	\$694,873	0.1360	\$642,968	-0.0110	(\$52,005)	-7.48%
51-70 MILES		8,842,000	0.1470	\$1,005,787	0.1360	\$930,521	-0.0110	(\$75,265)	-7.48%
71+ MILES		7,224,360	0.1470	\$1,061,641	0.1360	\$982,513	-0.0110	(\$79,128)	-7.48%
ADDITIONAL MINUTE - DAY									
0-12 MILES		2,449	LOCAL	\$0 LOCAL		\$0	0.0000	\$0	0.00%
13-16 MILES		4,605,458	0.0700	\$323,381	0.0700	\$323,381	0.0000	\$0	0.00%
17-20 MILES		7,958,445	0.0700	\$557,181	0.0700	\$557,181	0.0000	\$0	0.00%
21-25 MILES		11,317,567	0.1140	\$1,291,343	0.1140	\$1,291,343	0.0000	\$0	0.00%
26-30 MILES		20,340,700	0.1140	\$2,318,840	0.1140	\$2,318,840	0.0000	\$0	0.00%
31-40 MILES		18,660,301	0.1140	\$2,127,754	0.1140	\$2,127,754	0.0000	\$0	0.00%
41-50 MILES		12,662,241	0.1250	\$1,582,780	0.1140	\$1,443,495	-0.0110	(\$139,285)	-8.80%
51-70 MILES		19,449,312	0.1250	\$2,431,152	0.1140	\$2,217,210	-0.0110	(\$213,941)	-8.80%
71+ MILES		21,802,332	0.1360	\$2,965,117	0.1140	\$2,485,458	-0.0220	(\$479,659)	-16.18%
1ST MINUTE - EVENING									
0-12 MILES		1,039	LOCAL	LOCAL					
13-16 MILES		825,949	0.0912	\$75,447	0.0912	\$75,447	0.0000	\$0	0.00%
17-20 MILES		1,405,860	0.0912	\$128,214	0.0912	\$128,214	0.0000	\$0	0.00%
21-25 MILES		1,811,737	0.1068	\$194,527	0.1068	\$194,527	0.0000	\$0	0.00%
26-30 MILES		3,058,856	0.1068	\$327,868	0.1068	\$327,868	0.0000	\$0	0.00%
31-40 MILES		3,021,462	0.1068	\$324,735	0.1068	\$324,735	0.0000	\$0	0.00%
41-50 MILES		1,664,883	0.1176	\$194,422	0.1068	\$175,855	-0.0068	(\$18,567)	-7.48%
51-70 MILES		2,931,837	0.1176	\$344,781	0.1068	\$311,581	-0.0068	(\$33,200)	-7.48%
71+ MILES		3,170,561	0.1176	\$372,862	0.1068	\$344,960	-0.0068	(\$27,901)	-7.48%
ADDITIONAL MINUTE - EVENING									
0-12 MILES		2,662	LOCAL	\$0 LOCAL		\$0	0.0000	\$0	0.00%
13-16 MILES		3,892,217	0.0560	\$217,964	0.0560	\$217,964	0.0000	\$0	0.00%
17-20 MILES		5,512,073	0.0560	\$308,873	0.0560	\$308,873	0.0000	\$0	0.00%
21-25 MILES		8,683,750	0.0912	\$791,958	0.0912	\$791,958	0.0000	\$0	0.00%
26-30 MILES		12,133,554	0.0912	\$1,108,584	0.0912	\$1,108,584	0.0000	\$0	0.00%
31-40 MILES		14,609,566	0.0912	\$1,332,394	0.0912	\$1,332,394	0.0000	\$0	0.00%
41-50 MILES		10,167,873	0.1000	\$1,016,787	0.0912	\$927,305	-0.0068	(\$89,477)	-8.80%
51-70 MILES		18,502,352	0.1000	\$1,850,259	0.0912	\$1,505,036	-0.0068	(\$345,223)	-18.80%
71+ MILES		19,872,811	0.1068	\$2,121,140	0.0912	\$1,812,382	-0.0176	(\$308,758)	-14.50%
1ST MINUTE - NIGHT									
0-12 MILES		875	LOCAL	LOCAL					
13-16 MILES		1,148,063	0.0684	\$78,391	0.0684	\$78,391	0.0000	\$0	0.00%
17-20 MILES		1,838,848	0.0684	\$125,997	0.0684	\$125,997	0.0000	\$0	0.00%
21-25 MILES		2,347,417	0.0810	\$191,549	0.0810	\$191,549	0.0000	\$0	0.00%
26-30 MILES		3,714,825	0.0810	\$300,899	0.0810	\$300,899	0.0000	\$0	0.00%
31-40 MILES		3,561,854	0.0810	\$288,058	0.0810	\$288,058	0.0000	\$0	0.00%
41-50 MILES		2,336,562	0.0684	\$160,815	0.0610	\$146,994	-0.0072	(\$13,821)	-8.48%
51-70 MILES		3,382,323	0.0684	\$231,321	0.0610	\$203,668	-0.0072	(\$27,653)	-11.80%
71+ MILES		3,603,954	0.0684	\$247,872	0.0610	\$219,924	-0.0072	(\$27,948)	-11.30%
ADDITIONAL MINUTE - NIGHT									
0-12 MILES		1,744	LOCAL	LOCAL					
13-16 MILES		3,524,558	0.0420	\$148,031	0.0420	\$148,031	0.0000	\$0	0.00%
17-20 MILES		5,273,774	0.0420	\$221,458	0.0420	\$221,458	0.0000	\$0	0.00%
21-25 MILES		7,961,518	0.0684	\$548,820	0.0684	\$548,820	0.0000	\$0	0.00%
26-30 MILES		11,954,568	0.0684	\$817,694	0.0684	\$817,694	0.0000	\$0	0.00%
31-40 MILES		13,783,325	0.0684	\$942,711	0.0684	\$942,711	0.0000	\$0	0.00%
41-50 MILES		8,653,353	0.0750	\$648,928	0.0684	\$590,221	-0.0068	(\$58,707)	-9.00%
51-70 MILES		16,265,810	0.0750	\$1,219,171	0.0684	\$1,114,820	-0.0068	(\$104,351)	-8.50%
71+ MILES		19,665,347	0.0810	\$1,591,012	0.0684	\$1,358,790	-0.0122	(\$232,222)	-14.50%
TOTAL CDD		384,797,339		\$38,832,143		\$36,650,312		(\$2,181,831)	

**CONTELETYPE
PHASE III PROPOSED RATE DESIGN
MESSAGE TOLL SERVICE**

SCH. #	1995	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
B-1 CALLING CARD									
1ST MINUTE - DAY									
0-12 MILES		31,254	0.1556	\$4,863	0.1140	\$3,563	-0.0416	(\$1,300)	-26.74%
13-16 MILES		77,731	0.1556	\$12,095	0.1140	\$8,861	-0.0416	(\$3,234)	-26.74%
17-20 MILES		82,084	0.1556	\$12,772	0.1140	\$9,356	-0.0416	(\$3,415)	-26.74%
21-25 MILES		137,472	0.1956	\$26,890	0.1360	\$18,696	-0.0596	(\$8,193)	-30.47%
26-30 MILES		230,722	0.1956	\$45,129	0.1360	\$31,378	-0.0596	(\$13,751)	-30.47%
31-40 MILES		292,656	0.1956	\$57,244	0.1360	\$39,801	-0.0596	(\$17,442)	-30.47%
41-50 MILES		157,032	0.2256	\$35,428	0.1470	\$23,064	-0.0786	(\$12,363)	-34.84%
51-70 MILES		224,732	0.2256	\$50,700	0.1470	\$33,036	-0.0786	(\$17,664)	-34.84%
71+ MILES		215,963	0.2556	\$55,200	0.1470	\$31,747	-0.1086	(\$23,454)	-42.40%
ADDITIONAL MINUTE - DAY									
0-12 MILES		53,032	0.0656	\$3,479	0.0700	\$3,712	0.0044	\$233	6.71%
13-16 MILES		163,468	0.0656	\$10,725	0.0700	\$11,444	0.0044	\$719	6.71%
17-20 MILES		186,309	0.0656	\$12,235	0.0700	\$13,056	0.0044	\$821	6.71%
21-25 MILES		319,702	0.1256	\$40,155	0.1140	\$36,446	-0.0116	(\$3,709)	-9.24%
26-30 MILES		579,593	0.1256	\$72,797	0.1140	\$66,074	-0.0116	(\$6,723)	-9.24%
31-40 MILES		744,549	0.1256	\$93,515	0.1140	\$84,879	-0.0116	(\$8,637)	-9.24%
41-50 MILES		441,996	0.1456	\$64,355	0.1250	\$55,250	-0.0206	(\$9,105)	-14.15%
51-70 MILES		696,186	0.1456	\$101,656	0.1250	\$87,273	-0.0206	(\$14,383)	-14.15%
71+ MILES		740,131	0.1956	\$144,770	0.1360	\$100,656	-0.0596	(\$44,112)	-30.47%
1ST MINUTE - EVENING									
0-12 MILES		19,750	0.1156	\$2,264	0.0912	\$1,802	-0.0244	(\$452)	-21.11%
13-16 MILES		29,265	0.1156	\$3,365	0.0912	\$2,671	-0.0244	(\$693)	-21.11%
17-20 MILES		33,565	0.1156	\$3,852	0.0912	\$3,061	-0.0244	(\$791)	-21.11%
21-25 MILES		55,593	0.1656	\$9,206	0.1068	\$5,949	-0.0568	(\$3,257)	-34.90%
26-30 MILES		85,032	0.1656	\$14,081	0.1068	\$9,251	-0.0568	(\$4,830)	-34.90%
31-40 MILES		118,923	0.1656	\$19,562	0.1068	\$12,721	-0.0568	(\$6,841)	-34.90%
41-50 MILES		67,923	0.1756	\$11,827	0.1176	\$7,966	-0.0568	(\$3,861)	-33.03%
51-70 MILES		106,428	0.1756	\$18,649	0.1176	\$12,516	-0.0568	(\$6,133)	-33.03%
71+ MILES		122,828	0.1856	\$22,797	0.1176	\$14,445	-0.0680	(\$8,352)	-36.64%
ADDITIONAL MINUTE - EVENING									
0-12 MILES		36,334	0.0456	\$1,657	0.0560	\$2,035	0.0104	\$378	22.81%
13-16 MILES		81,130	0.0456	\$3,700	0.0560	\$4,543	0.0104	\$844	22.81%
17-20 MILES		94,666	0.0456	\$4,318	0.0560	\$5,302	0.0104	\$985	22.81%
21-25 MILES		176,473	0.1056	\$18,636	0.0912	\$16,094	-0.0144	(\$2,541)	-13.64%
26-30 MILES		284,332	0.1056	\$30,075	0.0912	\$26,931	-0.0144	(\$3,144)	-10.44%
31-40 MILES		443,136	0.1056	\$46,795	0.0912	\$40,414	-0.0144	(\$6,381)	-13.64%
41-50 MILES		301,225	0.1156	\$34,822	0.1000	\$30,123	-0.0156	(\$4,699)	-13.49%
51-70 MILES		542,745	0.1156	\$62,741	0.1000	\$54,275	-0.0156	(\$8,467)	-13.49%
71+ MILES		743,563	0.1356	\$100,841	0.1068	\$79,811	-0.0268	(\$20,930)	-20.76%
1ST MINUTE - NIGHT									
0-12 MILES		21,778	0.0656	\$1,429	0.0684	\$1,489	0.0028	\$60	4.27%
13-16 MILES		32,574	0.0656	\$2,137	0.0684	\$2,228	0.0028	\$91	4.27%
17-20 MILES		35,025	0.0656	\$2,290	0.0684	\$2,396	0.0028	\$106	4.27%
21-25 MILES		60,435	0.1056	\$6,382	0.0816	\$4,931	-0.0240	(\$1,450)	-22.73%
26-30 MILES		84,711	0.1056	\$8,941	0.0816	\$6,928	-0.0240	(\$2,013)	-22.73%
31-40 MILES		123,773	0.1056	\$13,070	0.0816	\$10,100	-0.0240	(\$2,970)	-22.73%
41-50 MILES		72,736	0.1356	\$9,863	0.0882	\$6,415	-0.0474	(\$3,448)	-34.65%
51-70 MILES		111,229	0.1356	\$15,083	0.0882	\$9,810	-0.0474	(\$5,272)	-34.65%
71+ MILES		172,644	0.1656	\$28,543	0.0882	\$15,335	-0.0774	(\$13,208)	-46.74%
ADDITIONAL MINUTE - NIGHT									
0-12 MILES		37,061	0.0456	\$1,687	0.0420	\$1,554	-0.0036	(\$133)	-7.65%
13-16 MILES		79,339	0.0456	\$3,618	0.0420	\$3,332	-0.0036	(\$286)	-7.65%
17-20 MILES		92,121	0.0456	\$4,201	0.0420	\$3,869	-0.0036	(\$332)	-7.65%
21-25 MILES		166,739	0.0756	\$12,605	0.0684	\$11,405	-0.0072	(\$1,200)	-9.52%
26-30 MILES		274,165	0.0756	\$20,727	0.0684	\$18,753	-0.0072	(\$1,974)	-9.52%
31-40 MILES		385,745	0.0756	\$29,162	0.0684	\$26,365	-0.0072	(\$2,797)	-9.52%
41-50 MILES		255,322	0.0856	\$21,861	0.0750	\$19,154	-0.0106	(\$2,707)	-12.38%
51-70 MILES		452,766	0.0856	\$38,759	0.0750	\$33,960	-0.0106	(\$4,800)	-12.38%
71+ MILES		574,065	0.1356	\$77,843	0.0816	\$46,844	-0.0540	(\$31,000)	-39.82%
SUB-TOTAL CALLING CARD									
		11,768,382		\$1,543,993		\$1,209,455		(\$334,538)	
SERVICE CHARGE PER MESSAGE									
		2,760,118	0.35	\$968,041	0.35	\$968,041		\$0	
PAY STATION SERVICE CHARGE									
		1,327,816	0.25	\$331,959	0.25	\$331,959		\$0	
TOTAL CALLING CARD									
				\$2,842,003		\$2,507,465		(\$334,538)	

CONTI/AT&C
PHASE III PROPOSED RATE DESIGN
MESSAGE TOLL SERVICE

SCH #	1993	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCUM. INCREASE	% DIFF.
B-1 OPERATOR HANDLED									
1ST MINUTE - DAY									
0-12 MILES		822	0.1814	\$153	0.1140	\$94	-0.0474	(\$59)	-39.37%
13-16 MILES		34,309	0.1814	\$5,537	0.1140	\$3,911	-0.0474	(\$1,626)	-29.37%
17-20 MILES		24,895	0.1814	\$3,688	0.1140	\$2,815	-0.0474	(\$873)	-29.37%
21-25 MILES		43,360	0.2014	\$8,739	0.1360	\$5,901	-0.0654	(\$2,838)	-32.47%
26-30 MILES		95,848	0.2014	\$19,324	0.1360	\$13,049	-0.0654	(\$6,275)	-32.47%
31-40 MILES		122,432	0.2014	\$24,658	0.1360	\$16,631	-0.0654	(\$8,027)	-32.47%
41-50 MILES		50,153	0.2314	\$11,605	0.1470	\$7,372	-0.0844	(\$4,233)	-36.47%
51-70 MILES		64,568	0.2314	\$19,555	0.1470	\$12,473	-0.0844	(\$7,082)	-36.47%
71+ MILES		78,000	0.2614	\$20,389	0.1470	\$11,466	-0.1144	(\$8,923)	-43.76%
ADDITIONAL MINUTE - DAY									
0-12 MILES		1,371	0.0600	\$110	0.0700	\$95	-0.0100	(\$14)	-12.50%
13-16 MILES		373,112	0.0600	\$15,648	0.0700	\$12,118	-0.0100	(\$3,531)	-22.50%
17-20 MILES		83,008	0.0600	\$7,441	0.0700	\$5,811	-0.0100	(\$1,630)	-22.50%
21-25 MILES		154,872	0.1400	\$21,682	0.1140	\$17,555	-0.0260	(\$4,127)	-18.57%
26-30 MILES		447,736	0.1400	\$62,813	0.1140	\$50,985	-0.0260	(\$11,828)	-18.57%
31-40 MILES		656,360	0.1400	\$91,893	0.1140	\$74,827	-0.0260	(\$17,066)	-18.57%
41-50 MILES		272,266	0.1600	\$43,565	0.1250	\$34,033	-0.0350	(\$9,532)	-21.88%
51-70 MILES		452,187	0.1600	\$73,650	0.1250	\$57,773	-0.0350	(\$15,877)	-21.88%
71+ MILES		450,056	0.2100	\$95,612	0.1360	\$62,566	-0.0740	(\$33,046)	-35.24%
1ST MINUTE - EVENING									
0-12 MILES		540	0.1214	\$66	0.0912	\$49	-0.0302	(\$16)	-24.88%
13-16 MILES		27,643	0.1214	\$3,283	0.0912	\$2,466	-0.0302	(\$817)	-24.88%
17-20 MILES		17,557	0.1214	\$2,150	0.0912	\$1,636	-0.0302	(\$514)	-24.88%
21-25 MILES		27,304	0.1714	\$4,680	0.1068	\$2,911	-0.0625	(\$1,769)	-36.52%
26-30 MILES		65,530	0.1714	\$11,232	0.1068	\$7,130	-0.0625	(\$4,102)	-36.52%
31-40 MILES		98,850	0.1714	\$16,843	0.1068	\$10,755	-0.0625	(\$6,088)	-36.52%
41-50 MILES		34,537	0.1814	\$6,265	0.1176	\$4,062	-0.0638	(\$2,203)	-35.17%
51-70 MILES		64,837	0.1814	\$11,725	0.1176	\$7,601	-0.0638	(\$4,124)	-35.17%
71+ MILES		82,169	0.1814	\$11,899	0.1176	\$7,311	-0.0738	(\$4,588)	-38.56%
ADDITIONAL MINUTE - EVENING									
0-12 MILES		2,169	0.0600	\$130	0.0560	\$121	-0.0040	(\$9)	-6.87%
13-16 MILES		204,681	0.0600	\$12,281	0.0560	\$11,462	-0.0040	(\$819)	-6.87%
17-20 MILES		104,072	0.0600	\$6,241	0.0560	\$5,825	-0.0040	(\$416)	-6.87%
21-25 MILES		139,603	0.1200	\$16,752	0.0912	\$12,732	-0.0288	(\$4,021)	-24.00%
26-30 MILES		452,315	0.1200	\$54,278	0.0912	\$41,251	-0.0288	(\$13,027)	-24.00%
31-40 MILES		706,266	0.1200	\$84,756	0.0912	\$64,414	-0.0288	(\$20,341)	-24.00%
41-50 MILES		244,050	0.1300	\$31,726	0.1000	\$24,405	-0.0300	(\$7,321)	-23.08%
51-70 MILES		458,335	0.1300	\$63,724	0.1000	\$49,834	-0.0300	(\$13,890)	-23.08%
71+ MILES		493,021	0.1500	\$73,953	0.1068	\$53,641	-0.0432	(\$20,312)	-27.47%
1ST MINUTE - NIGHT									
0-12 MILES		515	0.0714	\$37	0.0684	\$35	-0.0030	(\$2)	-4.20%
13-16 MILES		27,278	0.0714	\$1,948	0.0684	\$1,866	-0.0030	(\$82)	-4.20%
17-20 MILES		19,364	0.0714	\$1,385	0.0684	\$1,324	-0.0030	(\$61)	-4.20%
21-25 MILES		32,034	0.1114	\$3,569	0.0818	\$2,614	-0.0296	(\$955)	-26.75%
26-30 MILES		73,209	0.1114	\$8,155	0.0818	\$6,074	-0.0296	(\$2,081)	-26.75%
31-40 MILES		94,565	0.1114	\$10,532	0.0818	\$7,751	-0.0296	(\$2,781)	-26.75%
41-50 MILES		39,849	0.1114	\$5,835	0.0882	\$3,515	-0.0532	(\$2,320)	-37.67%
51-70 MILES		68,352	0.1114	\$7,665	0.0882	\$6,029	-0.0532	(\$1,636)	-37.67%
71+ MILES		87,709	0.1714	\$11,605	0.0882	\$5,872	-0.0632	(\$5,733)	-49.54%
ADDITIONAL MINUTE - NIGHT									
0-12 MILES		873	0.0600	\$58	0.0420	\$41	-0.0180	(\$18)	-30.00%
13-16 MILES		121,813	0.0600	\$10,309	0.0420	\$7,218	-0.0180	(\$3,091)	-30.00%
17-20 MILES		90,826	0.0600	\$5,458	0.0420	\$3,806	-0.0180	(\$1,651)	-30.00%
21-25 MILES		137,682	0.0900	\$12,337	0.0684	\$9,378	-0.0218	(\$2,959)	-24.00%
26-30 MILES		442,043	0.0900	\$39,784	0.0684	\$30,236	-0.0218	(\$9,548)	-24.00%
31-40 MILES		822,826	0.0900	\$74,053	0.0684	\$52,608	-0.0218	(\$21,445)	-24.00%
41-50 MILES		260,747	0.1000	\$26,075	0.0750	\$19,556	-0.0250	(\$6,519)	-25.00%
51-70 MILES		481,782	0.1000	\$48,178	0.0750	\$36,132	-0.0250	(\$12,046)	-25.00%
71+ MILES		483,229	0.1500	\$73,238	0.0818	\$39,843	-0.0682	(\$33,395)	-45.60%
SUB-TOTAL OPERATOR HANDLED		8,806,324		\$1,261,308		\$920,608		(\$340,699)	
SERVICE CHARGE PER MESSAGE		1,358,120	0.55	\$1,238,314	0.55	\$1,268,314		\$30	0.00%
PAY STATION SERVICE CHARGE		873,544	0.25	\$155,886	0.25	\$155,856		\$30	0.00%
TOTAL OPERATOR HANDLED				\$1,705,508		\$1,344,878		(\$360,630)	

CONTINUTIC
SE III PROPOSED RATE DESIGN
MESSAGE TOLL SERVICE

SCH. #	1993	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
B-1 PERSON TO PERSON									
1ST MINUTE - DAY									
0-12 MILES	3	0.1814	\$0	0.1140	\$0	-0.0474	(0)	-29.37%	
13-16 MILES	124	0.1814	\$20	0.1140	\$14	-0.0474	(6)	-29.37%	
17-20 MILES	215	0.1814	\$35	0.1140	\$25	-0.0474	(10)	-29.37%	
21-25 MILES	311	0.2014	\$63	0.1360	\$42	-0.0654	(20)	-32.47%	
26-30 MILES	1,374	0.2014	\$277	0.1360	\$187	-0.0654	(90)	-32.47%	
31-40 MILES	2,079	0.2014	\$419	0.1360	\$283	-0.0654	(130)	-32.47%	
41-50 MILES	428	0.2314	\$99	0.1470	\$63	-0.0844	(53)	-36.47%	
51-70 MILES	1,054	0.2314	\$244	0.1470	\$155	-0.0844	(89)	-36.47%	
71+ MILES	1,035	0.2614	\$271	0.1470	\$152	-0.1144	(118)	-43.76%	
ADDITIONAL MINUTE - DAY									
0-12 MILES	8	0.0600	\$0	0.0700	\$0	-0.0100	(0)	-12.50%	
13-16 MILES	344	0.0600	\$28	0.0700	\$24	-0.0100	(3)	-12.50%	
17-20 MILES	1,018	0.0600	\$82	0.0700	\$71	-0.0100	(10)	-12.50%	
21-25 MILES	1,237	0.1400	\$173	0.1140	\$141	-0.0260	(32)	-18.57%	
26-30 MILES	7,681	0.1400	\$1,075	0.1140	\$878	-0.0260	(200)	-18.57%	
31-40 MILES	12,207	0.1400	\$1,709	0.1140	\$1,392	-0.0260	(317)	-18.57%	
41-50 MILES	2,602	0.1600	\$418	0.1250	\$325	-0.0350	(81)	-21.88%	
51-70 MILES	2,681	0.1600	\$428	0.1250	\$335	-0.0350	(82)	-21.88%	
71+ MILES	4,937	0.2100	\$1,037	0.1360	\$671	-0.0740	(366)	-35.24%	
1ST MINUTE - EVENING									
0-12 MILES	1	0.1214	\$0	0.0912	\$0	-0.0302	(0)	-24.88%	
13-16 MILES	65	0.1214	\$12	0.0912	\$9	-0.0302	(3)	-24.88%	
17-20 MILES	151	0.1214	\$18	0.0912	\$14	-0.0302	(5)	-24.88%	
21-25 MILES	172	0.1714	\$29	0.1068	\$19	-0.0626	(11)	-36.52%	
26-30 MILES	754	0.1714	\$129	0.1068	\$80	-0.0626	(49)	-36.52%	
31-40 MILES	1,582	0.1714	\$272	0.1068	\$173	-0.0626	(99)	-36.52%	
41-50 MILES	243	0.1814	\$44	0.1176	\$29	-0.0638	(15)	-35.17%	
51-70 MILES	719	0.1814	\$130	0.1176	\$85	-0.0638	(45)	-35.17%	
71+ MILES	524	0.1914	\$101	0.1176	\$62	-0.0738	(39)	-38.56%	
ADDITIONAL MINUTE - EVENING									
0-12 MILES	2	0.0600	\$0	0.0560	\$0	-0.0040	(0)	-6.67%	
13-16 MILES	259	0.0600	\$18	0.0560	\$15	-0.0040	(1)	-6.67%	
17-20 MILES	637	0.0600	\$38	0.0560	\$36	-0.0040	(3)	-6.67%	
21-25 MILES	774	0.1200	\$93	0.0912	\$70	-0.0288	(23)	-24.00%	
26-30 MILES	6,150	0.1200	\$738	0.0912	\$561	-0.0288	(177)	-24.00%	
31-40 MILES	12,839	0.1200	\$1,541	0.0912	\$1,171	-0.0288	(370)	-24.00%	
41-50 MILES	2,022	0.1300	\$263	0.1000	\$202	-0.0300	(51)	-21.04%	
51-70 MILES	5,141	0.1300	\$669	0.1000	\$514	-0.0300	(155)	-21.04%	
71+ MILES	4,241	0.1500	\$636	0.1068	\$461	-0.0412	(175)	-27.47%	
1ST MINUTE - NIGHT									
0-12 MILES	5	0.0714	\$0	0.0684	\$0	-0.0030	(0)	-4.20%	
13-16 MILES	112	0.0714	\$8	0.0684	\$8	-0.0030	(0)	-4.20%	
17-20 MILES	144	0.0714	\$10	0.0684	\$10	-0.0030	(0)	-4.20%	
21-25 MILES	243	0.1114	\$27	0.0818	\$20	-0.0296	(7)	-26.75%	
26-30 MILES	834	0.1114	\$93	0.0818	\$68	-0.0296	(25)	-26.75%	
31-40 MILES	1,149	0.1114	\$141	0.0818	\$118	-0.0296	(23)	-26.75%	
41-50 MILES	260	0.1414	\$37	0.0882	\$23	-0.0532	(14)	-37.82%	
51-70 MILES	714	0.1414	\$101	0.0882	\$63	-0.0532	(38)	-37.82%	
71+ MILES	542	0.1714	\$84	0.0882	\$48	-0.0532	(36)	-48.54%	
ADDITIONAL MINUTE - NIGHT									
0-12 MILES	18	0.0600	\$1	0.0420	\$1	-0.0180	(0)	-30.00%	
13-16 MILES	341	0.0600	\$20	0.0420	\$14	-0.0180	(6)	-30.00%	
17-20 MILES	664	0.0600	\$40	0.0420	\$28	-0.0180	(12)	-30.00%	
21-25 MILES	1,348	0.0900	\$121	0.0684	\$92	-0.0216	(29)	-24.00%	
26-30 MILES	8,251	0.0900	\$743	0.0684	\$562	-0.0216	(181)	-24.00%	
31-40 MILES	10,492	0.0900	\$944	0.0684	\$718	-0.0216	(227)	-24.00%	
41-50 MILES	2,314	0.1000	\$231	0.0750	\$174	-0.0250	(56)	-25.00%	
51-70 MILES	4,305	0.1000	\$430	0.0750	\$323	-0.0250	(107)	-25.00%	
71+ MILES	3,884	0.1500	\$583	0.0818	\$317	-0.0684	(266)	-45.60%	
SUB-TOTAL PERS. TO PERS HANDLED									
	114,267		\$15,304		\$11,282		(\$4,022)		
SERVICE CHARGE PER MESSAGE									
	13,185	2.65	\$44,795	2.65	\$44,795		\$0	0.00%	
PAY STATION SERVICE CHARGE									
	4,474	0.25	\$1,119	0.25	\$1,119		\$0	0.00%	
TOTAL PERS. TO PERS HANDLED									
			\$46,218		\$57,196		(\$11,281)		

* CONTEL IMPUTATION CALCULATION

CONTE/CTEC
PHASE III PROPOSED RATE DESIGN
MESSAGE TOLL SERVICE

SCH. #	1995	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCUM. INCREASE	% DIFF.
B-1 CONSENT PAID									
1ST THREE MINUTES - DAY									
0-12 MILES	81	LOCAL	\$0	\$0	LOCAL	\$0	0.0000	\$0	0.00%
13-16 MILES	22,223	0.4500	\$11,847	\$11,847	0.5000	\$11,818	-0.2500	(\$11,818)	-0.4443%
17-20 MILES	50,748	0.7000	\$35,524	\$35,524	0.4000	\$20,299	-0.3000	(\$182,803)	-514.29%
21-25 MILES	56,145	0.7000	\$39,304	\$39,304	0.4000	\$22,459	-0.3000	(\$180,853)	-505.71%
26-30 MILES	56,367	0.7000	\$39,478	\$39,478	0.4000	\$22,559	-0.3000	(\$203,079)	-514.29%
31-40 MILES	56,306	0.7500	\$27,230	\$27,230	0.4500	\$18,338	-0.3000	(\$348,875)	-1281.24%
41-50 MILES	57,555	0.7500	\$43,168	\$43,168	0.4500	\$25,900	-0.3000	(\$466,575)	-1080.88%
51-70 MILES	90,428	0.9000	\$81,383	\$81,383	0.5000	\$45,213	-0.4000	(\$434,045)	-533.33%
71+ MILES									
ADDITIONAL MINUTE - DAY									
0-12 MILES	14	LOCAL	\$0	\$0	LOCAL	\$0	0.0000	\$0	0.00%
13-16 MILES	13,268	0.1000	\$1,327	\$1,327	0.0500	\$663	-0.0500	(\$7,959)	-600.00%
17-20 MILES	23,137	0.1000	\$2,314	\$2,314	0.0500	\$1,157	-0.0500	(\$13,882)	-600.00%
21-25 MILES	38,222	0.1500	\$5,735	\$5,735	0.1000	\$3,823	-0.0500	(\$33,338)	-581.32%
26-30 MILES	55,563	0.1500	\$8,334	\$8,334	0.1000	\$5,558	-0.0500	(\$3,334)	-40.00%
31-40 MILES	53,549	0.1500	\$8,032	\$8,032	0.1000	\$5,355	-0.0500	(\$20,751)	-258.33%
41-50 MILES	34,568	0.1500	\$5,188	\$5,188	0.1500	\$5,188	0.0000	(\$20,354)	-874.46%
51-70 MILES	65,848	0.1500	\$9,877	\$9,877	0.1500	\$9,877	0.0000	(\$57,473)	-581.36%
71+ MILES	105,183	0.2000	\$21,037	\$21,037	0.1500	\$15,778	-0.0500	(\$74,632)	-354.60%
1ST THREE MINUTES - EVENING									
0-12 MILES	81	LOCAL	\$0	\$0	LOCAL	\$0	0.0000	\$0	0.00%
13-16 MILES	14,352	0.4500	\$8,458	\$8,458	0.2500	\$3,588	-0.2000	(\$34,445)	-533.33%
17-20 MILES	18,018	0.4500	\$8,108	\$8,108	0.2500	\$4,505	-0.2000	(\$43,243)	-533.33%
21-25 MILES	32,883	0.6000	\$19,730	\$19,730	0.3000	\$9,865	-0.3000	(\$118,378)	-600.00%
26-30 MILES	34,350	0.6000	\$20,610	\$20,610	0.3000	\$10,305	-0.3000	(\$37,068)	-180.00%
31-40 MILES	35,373	0.6000	\$21,024	\$21,024	0.3000	\$10,512	-0.3000	(\$158,143)	-600.00%
41-50 MILES	25,077	0.6500	\$16,300	\$16,300	0.3500	\$8,777	-0.3000	(\$198,720)	-1218.14%
51-70 MILES	43,530	0.6500	\$28,295	\$28,295	0.3500	\$15,355	-0.3000	(\$293,870)	-1037.73%
71+ MILES	84,765	0.7000	\$59,336	\$59,336	0.4000	\$33,906	-0.3000	(\$305,154)	-514.29%
ADDITIONAL MINUTE - EVENING									
0-12 MILES	57	LOCAL	\$0	\$0	LOCAL	\$0	0.0000	\$0	0.00%
13-16 MILES	15,497	0.0500	\$775	\$775	0.0500	\$775	0.0000	\$0	0.00%
17-20 MILES	23,118	0.0500	\$1,156	\$1,156	0.0500	\$1,156	0.0000	\$0	0.00%
21-25 MILES	34,343	0.1000	\$3,434	\$3,434	0.1000	\$3,434	0.0000	\$0	0.00%
26-30 MILES	40,760	0.1000	\$4,076	\$4,076	0.1000	\$4,076	0.0000	\$0	0.00%
31-40 MILES	53,247	0.1000	\$5,325	\$5,325	0.1000	\$5,325	0.0000	\$0	0.00%
41-50 MILES	33,542	0.1500	\$5,031	\$5,031	0.1000	\$3,554	-0.0500	\$0	0.00%
51-70 MILES	67,511	0.1500	\$10,127	\$10,127	0.1000	\$6,751	-0.0500	\$0	0.00%
71+ MILES	150,872	0.1500	\$22,631	\$22,631	0.1000	\$15,087	-0.0500	(\$90,523)	-400.00%
1ST THREE MINUTES - NIGHT									
0-12 MILES	72	LOCAL	\$0	\$0	LOCAL	\$0	0.0000	\$0	0.00%
13-16 MILES	18,155	0.4000	\$7,662	\$7,662	0.2000	\$3,831	-0.2000	(\$45,972)	-600.00%
17-20 MILES	25,242	0.4000	\$10,097	\$10,097	0.2000	\$5,048	-0.2000	(\$60,581)	-600.00%
21-25 MILES	48,657	0.5000	\$24,329	\$24,329	0.2500	\$12,164	-0.2500	(\$145,871)	-600.00%
26-30 MILES	55,058	0.5000	\$27,519	\$27,519	0.2500	\$13,760	-0.2500	(\$11,278)	-150.00%
31-40 MILES	55,242	0.5000	\$27,621	\$27,621	0.2500	\$13,811	-0.2500	(\$165,726)	-600.00%
41-50 MILES	36,828	0.5500	\$20,255	\$20,255	0.2500	\$9,207	-0.3000	(\$147,830)	-1273.53%
51-70 MILES	60,711	0.5500	\$33,391	\$33,391	0.2500	\$15,178	-0.3000	(\$352,876)	-1057.10%
71+ MILES	117,637	0.7000	\$82,361	\$82,361	0.3000	\$35,366	-0.4000	(\$564,858)	-685.71%
ADDITIONAL MINUTE - NIGHT									
0-12 MILES	11	LOCAL	\$0	\$0	LOCAL	\$0	0.0000	\$0	0.00%
13-16 MILES	18,648	0.0500	\$932	\$932	0.0500	\$932	0.0000	\$0	0.00%
17-20 MILES	23,174	0.0500	\$1,159	\$1,159	0.0500	\$1,159	0.0000	\$0	0.00%
21-25 MILES	38,228	0.1000	\$3,823	\$3,823	0.0500	\$1,911	-0.0500	(\$22,837)	-600.00%
26-30 MILES	51,599	0.1000	\$5,159	\$5,159	0.0500	\$2,580	-0.0500	(\$1,548)	-50.00%
31-40 MILES	50,370	0.1000	\$5,037	\$5,037	0.0500	\$2,519	-0.0500	(\$33,847)	-600.00%
41-50 MILES	41,268	0.1000	\$4,121	\$4,121	0.1000	\$4,121	0.0000	(\$24,465)	-594.18%
51-70 MILES	73,156	0.1000	\$7,318	\$7,318	0.1000	\$7,318	0.0000	(\$58,427)	-768.66%
71+ MILES	150,904	0.1500	\$22,836	\$22,836	0.1000	\$15,090	-0.0500	(\$90,543)	-400.00%
TOTAL CONSENT PAID									
				\$811,650		\$455,807		(\$355,843)	
GRAND TOTAL MESSAGE TOLL SERVICE									
				\$45,312,562		\$42,035,988		(\$3,276,574)	

CONTEL OF CALIFORNIA, INC. - CALIFORNIA OPERATIONS (J 1003 C)
 PHASE III PROPOSED RATE DESIGN

MESSAGE TOLL SERVICE
 DISCOUNT CALLING PLANS

SCH. B	1995	UNITS	PRES. RATE	PRES. YEARLY REVENUE	PROPOSED RATE	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCUM. INCREASE	% DIFF.
B-1	<u>RESIDENCE DIRECT DISCOUNT PLAN</u>								
	000 & CALLING CARD			SEE SCH B-1 (\$1,891,759) GRANDFATHERED		(\$1,891,759)	0.0000	\$0	0.00%
	DISCOUNT: 15% ON CHARGES IN EXCESS OF \$5.00 PER MONTH								
	<u>RESIDENCE SERVICE AREA PLAN</u>								
	000 & CALLING CARD			SEE SCH B-1 (\$2,456,396) GRANDFATHERED		(\$2,456,396)	0.0000	\$0	0.00%
	RECURRING RATE	25,831	\$4.50	\$1,354,874	\$4.50	\$1,354,874	0.0000	\$0	0.00%
	DISCOUNTS: \$5.00 & \$15.00 = 30% DISCOUNT \$15.01 & 40% DISCOUNT								
	<u>RESIDENCE COMMUNITY PLAN</u>								
	000 & CALLING CARD			SEE SCH B-1 (\$358,454) GRANDFATHERED		(\$358,454)	0.0000	\$0	0.00%
	RECURRING RATE	3,001	7.00	\$252,664	7.00	\$252,664	0.0000	\$0	0.00%
	DISCOUNTS: 40% DISCOUNT TO A DESIGNATED COMMUNITY AND 30% TO ALL OTHER COMMUNITIES								
	SERVICE INSTALLATION CHARGE	11,135	\$5.00	\$55,630	\$5.00	\$55,630	0.0000	\$0	
	TOTAL RESIDENCE			(\$3,003,910)		(\$3,003,910)		\$0	
				<u>GRAND TOTAL RESIDENCE AND BUSINESS</u>					\$0
				(\$4,304,622)					

CONTEL OF CALIFORNIA, INC. - CALIFORNIA OPERATIONS (.003 C)
 PHASE III PROPOSED RATE DESIGN

MESSAGE TOLL SERVICE
 DISCOUNT CALLING PLANS

SCH. B	1988	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE OFF.	YEARLY ACCU. INCREASE	% OFF.
B-1	BUSINESS DIRECT DISCOUNT PLAN								
	DOO & CALLING CARD		SEE SCH B-1	(\$662,824) GRANDFATHERED		(\$662,824)	0.0000	\$0	0.00%
	DISCOUNT: 20% ON CHARGES IN EXCESS OF \$15.00 PER MONTH								
	BUSINESS ADVANTAGE \$0								
	DOO & CALLING CARD		SEE SCH B-1	(\$360,269) GRANDFATHERED		(\$360,269)	0.0000	\$0	0.00%
	RECURRING RATE	1,413	7.50	\$129,870	\$7.50	\$129,870	0.0000	\$0	0.00%
	DISCOUNTS: \$0 - \$300 = 30% DISCOUNT \$300.01 - \$500 = 35% DISCOUNT OPTION 1: 30% & 35% DISCOUNT APPLIED TO RATE SCHEDULE OPTION 2: 30% & 35% DISCOUNT APPLIED FLAT FEE OF \$3.75/HOUR								
	BUSINESS ADVANTAGE 1000								
	DOO & CALLING CARD		SEE SCH B-1	(\$146,459) GRANDFATHERED		(\$146,459)	0.0000	\$0	0.00%
	RECURRING RATE	\$3	\$30.00	\$33,450	\$30.00	\$33,450	0.0000	\$0	0.00%
	DISCOUNTS: \$0 - \$1000 = 30% DISCOUNT \$1000.01 - \$5000 = 40% DISCOUNT \$5000.01 - \$10000 = 50% DISCOUNT OPTION 1: 30%, 40% & 50% DISCOUNT APPLIED TO RATE SCHEDULE OPTION 2: 30%, 40% & 50% DISCOUNT APPLIED FLAT FEE OF \$5.75/HOUR								
	SERVICE INSTALLATION CHARGE	\$52	\$10.00	\$5,520	\$10.00	\$5,520	0.0000	\$0	0.00%
	TOTAL BUSINESS			<u>(\$1,300,712)</u>		<u>(\$1,300,712)</u>		<u>\$0</u>	

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
NONRECURRING CHARGES

SCH #	1997	ORA MO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	CONTEL PROPOSED RATES	ORA PROPOSED YEARLY REVENUE	YEARLY ACCU. INCREASE
A-30	NONRECURRING CHARGES - SCHEDULE A-30						
	BUSINESS						
	SERVICE CONNECT - LINE	1,029	\$92.50	\$1,142,410	\$84.82	\$1,047,559	(\$94,851)
	SERVICE CONNECT - PAGING	0	\$36.25	\$0	\$30.00	\$0	\$0
	NUMBER CHANGE OR RECONNECT	96	\$46.25	\$53,280	\$34.50	\$39,744	(\$13,536)
	SPECIAL SERVICE	412	\$14.00	\$59,216	\$30.00	\$145,320	\$79,104
	PAL - CONNECTION	18	\$169.50	\$36,612	\$84.82	\$18,321	(\$18,291)
	PAL - RECONNECT	12	\$115.75	\$16,668	\$84.82	\$12,214	(\$4,454)
	Outside Fac. Charge	720	\$0.00	\$0	\$86.64	\$749,026	\$749,026
	RESIDENCE						
	SERVICE CONNECT - LINE	5,103	\$61.75	\$3,781,367	\$46.00	\$2,816,889	(\$964,478)
	NUMBER CHANGE OR RECONNECT	2,212	\$38.50	\$1,021,944	\$17.25	\$457,884	(\$564,060)
	SPECIAL SERVICE	2,604	\$14.00	\$437,472	\$15.00	\$468,720	\$31,248
	SPECIAL SERVICES - NR	0	\$9.00	\$0	\$15.00	\$0	\$0
	Outside Fac. Charge	765	\$0.00	\$0	\$42.10	\$386,710	\$386,710
	PRESUBSCRIPTION	11,913	\$5.00	\$719,280	\$4.45	\$641,598	(\$77,682)
	CUSTOMER PREMISES W. RTW						
	SCHEDULE 1						
	1ST 15 MINUTES	29	\$61.75	\$21,483	\$65.00	\$29,580	\$8,091
	ADOL 15 MINUTES	36	\$20.00	\$9,640	\$21.00	\$9,072	\$432
	SCHEDULE 2						
	1ST 15 MINUTES	0	\$69.50	\$0	\$127.00	\$0	\$0
	ADOL 15 MINUTES	1	\$23.25	\$279	\$31.00	\$372	\$93
	SCHEDULE 3						
	1ST 15 MINUTES	0	\$77.00	\$0	\$170.00	\$0	\$0
	ADOL 15 MINUTES	0	\$26.25	\$0	\$42.00	\$0	\$0
	MATERIAL	35	\$7.00	\$2,940	\$0.00	\$0	(\$2,940)
	TOTAL NONRECURRING CHARGES - A-30			\$7,311,597		\$6,826,008	(\$485,589)

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
NONRECURRING CHARGES

SCH. #	1997	MO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	YEARLY ACCU. INCREASE
MISCELLANEOUS NONRECURRING CHARGES							
A-1	INTERCEPT VERIFY						
	EA. VERIFICATION OF BUSY LINE CONDITION	184,070	\$0.50	\$1,104,420	\$0.50	\$1,104,420	\$0
	EA. INTERR. OF CONV. IN PROGRESS	179,960	\$1.00	\$2,159,520	\$1.00	\$2,159,520	\$0
	EMERGENCY NONPUBLISHED NUMBER CALL	0	\$2.50	\$0	\$0.00	\$0	\$0
A-1	BLOCK ACCESS TO 900 SERVICE - BUSINESS	17	\$15.00	\$3,060	\$15.00	\$3,060	\$0
	UNBLOCKING OF ACCESS TO 900 NPA NOXs						
	BUSINESS	2	\$15.00	\$360	\$15.00	\$360	\$0
	RESIDENCE	40	\$5.00	\$2,400	\$5.00	\$2,400	\$0
A-1	DIRECT INWARD DIALING						
	1ST BLOCK OF 100 DIRECTORY NUMBERS	1	\$700.00	\$3,400	\$440.00	\$5,280	(\$3,120)
	EA. ADDL BLOCK OF 100 DIRECTORY #s	4	\$300.00	\$14,400	\$160.20	\$7,650	(\$6,710)
A-1	PHONE NUMBER REFERRAL SERVICE ***						
	VOICE REFERRAL 3 MO. BUS.	39	\$16.00	\$7,488	\$60.00	\$41,040	\$33,552
	VOICE REFERRAL 6 MO. BUS.	18	\$32.00	\$6,912	\$0.00	\$0	(\$6,912)
	VOICE REFERRAL 3 MO. RES.	161	\$9.00	\$17,388	\$60.00	\$126,720	\$109,332
	VOICE REFERRAL 6 MO. RES.	15	\$18.00	\$3,240	\$0.00	\$0	(\$3,240)
A-13	VISIT CHARGE						
	NORMAL WORKING HOURS	19	\$30.00	\$6,840	\$86.64	\$19,754	\$12,914
	OTHER HOURS (I.E., NIGHTS, SUN. HOLIDAYS)	0	\$45.00	\$0	\$0.00	\$0	\$0
A-14	PERSONALIZED TELEPHONE NUMBER SERVICE						
	BUSINESS	0	\$38.00	\$0	\$60.75	\$0	\$0
	RESIDENCE	0	\$10.00	\$0	\$35.00	\$0	\$0
A-17	FAX CONNECTION CHARGE						
	BUSINESS	3	\$160.00	\$5,260	\$252.61	\$9,094	\$3,334
	RESIDENCE	0	\$100.00	\$0	\$252.61	\$0	\$0
A-19	ADDITIONAL BILL COPY SERVICE						
	EA. ONE TIME REQUEST	84	\$2.00	\$2,016	\$2.00	\$2,016	\$0
A-41	DIGITAL FORMAT TRUNKING						
	0x0000 TRUNK GROUPS						
	1ST 24 TRUNKS	0	\$1,486.00	\$0	\$1,486.00	\$0	\$0
	EA. ADDL 12 TRUNKS	0	\$743.00	\$0	\$743.00	\$0	\$0
	CHANNEL BANK						
	1ST 24 TRUNKS	0	\$1,253.00	\$0	\$490.00	\$0	\$0
	EA. ADDL 12 TRUNKS	0	\$9.00	\$0	\$210.00	\$0	\$0
	ANSWER BACK SUPERVISION	0	\$200.00	\$0	\$0.00	\$0	\$0
	REPEATER	0	\$495.00	\$0	\$0.00	\$0	\$0
A-44	SECURITY PLUS TRANSPORT SERVICE	0	\$92.00	\$0	\$0.00	\$0	\$0
A-45	ISW NO SHOW	1	\$27.00	\$324	\$0.00	\$0	(\$324)
TOTAL MISCELLANEOUS NONRECURRING CHARGES				\$3,342,528		\$3,481,353	\$138,825
GRAND TOTAL NONRECURRING CHARGES				\$10,654,125		\$10,107,362	(\$546,763)

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
OUTSIDE PLANT

SCH. #	1995	1995 MO. UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
A-2	OUTSIDE PLANT FACILITIES								
	CONTINUOUS PROPERTY EA. 1/4 MILE	931	\$2.95	\$32,957	\$21.36	\$238,634	\$18.41	\$205,677	624.00%
	NONCONTINUOUS PROPERTY 1ST 1/4 MILE	1,933	\$5.85	\$135,697	\$21.36	\$495,467	\$15.51	\$359,770	265.00%
	EA. ADDL 1/4 MILE	4,854	\$2.95	\$171,973	\$0.00	\$0	(\$2.95)	(\$171,973)	-100.00%
	TELEPHONES SAME CUSTOMER ON SAME PREMISES	0	\$4.90	\$0	\$0.00	\$0	(\$4.90)	\$0	-100.00%
	SAME CUSTOMER ON DIFF. PREMISES 1ST 1/4 MILE	42	\$5.85	\$2,948	\$21.36	\$10,765	\$15.51	\$7,817	265.00%
	EA. ADDL 1/4 MILE	1,852	\$2.95	\$65,561	\$0.00	\$0	(\$2.95)	(\$65,561)	-100.00%
	DIFFERENT CUSTOMER 1ST 1/4 MILE	0	\$21.95	\$0	\$0.00	\$0	(\$21.95)	\$0	-100.00%
	EA. ADDL 1/4 MILE	0	\$2.95	\$0	\$0.00	\$0	(\$2.95)	\$0	-100.00%
	TOTAL OUTSIDE PLANT			<u>\$409,131</u>		<u>\$744,866</u>		<u>\$335,735</u>	

CONTELAGTEC
PHASE III PROPOSED RATE DESIGN
SPECIAL ACCESS SERVICE
INTRASTATE

EXHIBIT S

1975	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE OFF.	YEARLY ACCCU- INCREASE	% OFF.
SPECIAL ACCESS SERVICE								
VOICE GRADE SERVICE								
<u>Channel Term Per Point of Term</u>								
at an end User location	437	\$33.40	\$14,596	\$0.00	\$0	(\$33.40)	(\$14,596)	-100.00%
Two Wire - MRC (Current)	4	\$596.00	\$2,384	\$0.00	\$0	(\$596.00)	(\$2,384)	-100.00%
Two Wire - MRC								
Four Wire - MRC (Current)	4,291	\$42.40	\$181,936	\$0.00	\$0	(\$42.40)	(\$181,936)	-100.00%
Four Wire - MRC	85	\$596.00	\$50,660	\$0.00	\$0	(\$596.00)	(\$50,660)	-100.00%
Two Wire Four Wire - MRC (Proposed)	4,766	\$0.00	\$0	\$14.95	\$71,551	\$14.95	\$71,551	100.00%
<u>Special Access Line</u>								
Two Wire - MRC	437	\$0.00	\$0	\$21.36	\$9,334	\$21.36	\$9,334	100.00%
Four Wire - MRC	4,291	\$0.00	\$0	\$40.05	\$171,855	\$40.05	\$171,855	100.00%
<u>Channel Message</u>								
Over 0 Fixed - MRC	2,393	\$25.00	\$59,825	\$0.00	\$0	(\$25.00)	(\$59,825)	-100.00%
Over 0 Per Mile - MRC	123,614	\$2.17	\$268,242	\$2.96	\$365,897	\$0.79	\$97,655	36.41%
			\$577,646		\$618,637		\$40,991	7.10%
SUBTOTAL VOICE								
<u>Optional Features and Functions</u>								
<u>Bridging</u>								
<u>Voice Bridging:</u>								
Two Wire Per Port - MRC	36	\$5.02	\$181	\$12.36	\$446	\$7.36	\$265	146.61%
Two Wire Per Port - MRC	0	\$35.00	\$0	\$164.62	\$0	\$129.62	\$0	370.34%
Four Wire Per Port - MRC	0	\$5.02	\$0	\$12.36	\$0	\$7.36	\$0	146.61%
Four Wire Per Port - MRC	0	\$35.00	\$0	\$164.62	\$0	\$129.62	\$0	370.34%
<u>Data Bridging:</u>								
Two Wire Per Port - MRC	60	\$5.02	\$301	\$14.42	\$865	\$9.40	\$564	187.25%
Two Wire Per Port - MRC	0	\$35.00	\$0	\$270.00	\$0	\$235.00	\$0	671.43%
Four Wire Per Port - MRC	240	\$5.02	\$1,205	\$14.42	\$3,451	\$9.40	\$2,246	187.25%
Four Wire Per Port - MRC	4	\$35.00	\$140	\$270.00	\$1,080	\$235.00	\$940	671.43%
<u>Conditioning</u>								
C-Type - MRC	228	\$33.10	\$7,547	\$2.22	\$500	(\$30.88)	(\$6,947)	-91.78%
C-Type - MRC	3	\$130.75	\$392	\$124.40	\$373	(\$6.35)	(\$19)	-4.56%
C-Type - MRC								
Improved Envelope Delay Distortion - MRC	60	\$23.15	\$1,389	\$67.16	\$4,030	\$44.01	\$2,641	190.11%
<u>Improved Return Loss for Effect. 2W/4W Trans.</u>								
per point of term.								
Two Wire - MRC	36	\$12.93	\$465	\$20.37	\$733	\$7.44	\$268	57.54%
Four Wire - MRC	12	\$10.22	\$123	\$20.37	\$244	\$10.15	\$122	99.32%
<u>Signaling Capability - per point of term.</u>								
CE - ESM - MRC	12	\$0.48	\$6	\$0.00	\$0	(\$0.48)	(\$6)	-100.00%
EA - ESM - MRC	168	\$0.48	\$81	\$0.00	\$0	(\$0.48)	(\$81)	-100.00%
EB - ESM Less - MRC	12	\$0.48	\$6	\$0.00	\$0	(\$0.48)	(\$6)	-100.00%
GS - Ground Start Loop - MRC	24	\$0.48	\$12	\$0.00	\$0	(\$0.48)	(\$12)	-100.00%
LA - End User Loop - Type A - MRC	12	\$0.48	\$6	\$0.00	\$0	(\$0.48)	(\$6)	-100.00%
LB - End User Loop - Type B - MRC	24	\$0.48	\$12	\$0.00	\$0	(\$0.48)	(\$12)	-100.00%
LC - End User Loop - Type C - MRC	24	\$0.48	\$12	\$0.00	\$0	(\$0.48)	(\$12)	-100.00%
LO - Loop Start Loop Sig - MRC	36	\$0.48	\$17	\$0.00	\$0	(\$0.48)	(\$17)	-100.00%
LR - Auto Ringdown 20Hz - MRC	24	\$0.48	\$12	\$10.22	\$245	\$9.74	\$234	2029.17%
RV - Reverse Battery - MRC	24	\$0.48	\$12	\$0.00	\$0	(\$0.48)	(\$12)	-100.00%
SUBTOTAL OPTIONAL SERVICES								
			\$11,916		\$12,058		\$142	1.19%

**CONTEJAGTEC
PHASE III PROPOSED RATE DESIGN**

**SPECIAL ACCESS SERVICE
INTRASTATE**

LINE	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
DIGITAL SERVICES								
DIGITAL DATA SERVICES								
Channel Term Per Point of Term								
• Premium - 2.4, 4.8, 9.6 Kbps - MRC (Current)	120	\$50.00	\$6,000	\$0.00	\$0	(\$50.00)	(\$6,000)	-100.00%
• Premium - 2.4, 4.8, 9.6 Kbps - MRC (Proposed)	172	\$0.00	\$0	\$25.00	\$4,291	\$25.00	\$4,291	100.00%
• Premium - 2.4, 4.8, 9.6 Kbps - MRC	8	\$630.00	\$5,040	\$0.00	\$0	(\$630.00)	(\$5,040)	-100.00%
• Premium - 56 Kbps - MRC (Current)	161	\$50.00	\$8,050	\$0.00	\$0	(\$50.00)	(\$8,050)	-100.00%
• Premium - 56 Kbps - MRC (Proposed)	233	\$0.00	\$0	\$25.00	\$5,759	\$25.00	\$5,759	100.00%
• Premium - 56 Kbps - MRC	21	\$630.00	\$13,230	\$0.00	\$0	(\$630.00)	(\$13,230)	-100.00%
Special Access Line								
• Premium - 2.4, 4.8, 9.6 Kbps - MRC	120	\$0.00	\$0	\$55.00	\$6,600	\$55.00	\$6,600	100.00%
• Premium - 56 Kbps - MRC	161	\$0.00	\$0	\$68.00	\$10,948	\$68.00	\$10,948	100.00%
Channel Mileage								
2.4 kbps, 4.8, 9.6 kbps, 56 kbps - Fixed - MRC	201	\$5.00	\$1,005	\$0.00	\$0	(\$5.00)	(\$1,005)	-100.00%
2.4 kbps, 4.8, 9.6 kbps, 56 kbps - Per Mile - MRC	7,060	\$5.50	\$38,830	\$3.22	\$22,733	(\$2.28)	(\$16,097)	-41.45%
56 kbps - Per Mile - MRC	9,474	\$5.50	\$52,107	\$3.34	\$31,643	(\$2.16)	(\$20,464)	-39.27%
64 kbps - Fixed - MRC	0	\$11.15	\$0	\$0.00	\$0	(\$11.15)	\$0	-100.00%
SUBTOTAL DDS			\$114,262		\$81,974		(\$32,288)	-34.03%
ADVANCED DIGITAL NETWORKS								
Channel Term Per Point of Term								
All Speeds (2.4, 4.8, 9.6, 19.2, 56 Kbps) - MRC (Current)	465	\$50.00	\$23,250	\$0.00	\$0	(\$50.00)	(\$23,250)	-100.00%
All Speeds (2.4, 4.8, 9.6, 19.2, 56 Kbps) - MRC (Proposed)	0	\$0.00	\$0	\$20.00	\$0	\$20.00	\$0	100.00%
Special Access Line								
• Basic - 2.4, 4.8, 9.6 Kbps - MRC	199	\$0.00	\$0	\$47.00	\$9,332	\$47.00	\$9,332	100.00%
• Basic - 56 Kbps - MRC	266	\$0.00	\$0	\$32.00	\$8,555	\$32.00	\$8,555	100.00%
Channel Mileage								
All Speeds Fixed (2.4, 4.8, 9.6, 19.2, 56 Kbps) - MRC	0	\$5.00	\$0	\$0.00	\$0	(\$5.00)	\$0	-100.00%
All Speeds (2.4, 4.8, 9.6, 19.2, 56 Kbps) - MRC	13,166	\$5.50	\$72,523	\$0.00	\$0	(\$5.50)	(\$72,523)	-100.00%
• Basic - 2.4, 4.8, 9.6 Kbps - MRC	5,630	\$0.00	\$0	\$3.22	\$18,130	\$3.22	\$18,130	100.00%
• Basic - 56 Kbps - MRC	7,536	\$0.00	\$0	\$3.34	\$25,236	\$3.34	\$25,236	100.00%
SUBTOTAL ADN			\$93,773		\$66,553		(\$27,220)	-30.51%
HIGH CAPACITY SERVICE								
Channel Term Per Point of Term								
DS1 - 1.544 Mbps - MRC (Current)	192	\$175.00	\$33,600	\$0.00	\$0	(\$175.00)	(\$33,600)	-100.00%
DS1 - 1.544 Mbps - MRC (Current)	12	\$633.50	\$7,602	\$0.00	\$0	(\$633.50)	(\$7,602)	-100.00%
DS1 - 1.544 Mbps - MRC (Proposed)	216	\$0.00	\$0	\$50.00	\$10,800	\$50.00	\$10,800	100.00%
Special Access Line								
DS1 - 1.544 Mbps - MRC	154	\$0.00	\$0	\$270.00	\$52,380	\$270.00	\$52,380	100.00%
DS1 - 1.544 Mbps - MRC	12	\$0.00	\$0	\$1,022.59	\$12,271	\$1,022.59	\$12,271	100.00%
Channel Mileage								
1.544 Mbps	108	\$125.00	\$13,500	\$0.00	\$0	(\$125.00)	(\$13,500)	-100.00%
Mileage Bands - Over 0 Fixed - MRC	1,783	\$25.00	\$44,575	\$32.36	\$57,734	\$7.36	\$13,159	29.52%
Mileage Bands - Over 0 - Per Mile - MRC			\$99,277		\$133,185		\$33,908	
SUBTOTAL HCAP								
SPECIAL ACCESS SERVICE SURCHARGE								
Per Subvoice, Voice, or Equivalent VGS Service	147	\$25.00	\$3,675	\$25.00	\$3,675	\$0.00	\$0	0.00%
TOTALS			\$99,277		\$372,415		\$33,908	0.35%

CONFIDENTIAL
PHASE III PROPOSED RATE DESIGN
SPECIAL ACCESS SERVICE
INTEREXCHANGE TOLL PRIVATE LINE

1995	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
INTEREXCHANGE TOLL PRIVATE LINE								
VOICE GRADE SERVICE								
<u>Channel Term Per Point of Term</u>								
Two Wire - MRC (Current)	6,876	\$33.40	\$229,658	\$0.00	\$0	(\$33.40)	(\$229,658)	-100.00%
Four Wire - MRC (Current)	15,444	\$12.40	\$654,826	\$0.00	\$0	(\$12.40)	(\$654,826)	-100.00%
Two Wire Four Wire - MRC (Proposed)	29,764	\$0.00	\$0	\$14.55	\$445,271	\$14.55	\$445,271	100.00%
<u>Special Access Line</u>								
Two Wire - MRC	6,876	\$0.00	\$0	\$21.36	\$146,871	\$21.36	\$146,871	100.00%
Four Wire - MRC	15,444	\$0.00	\$0	\$40.05	\$618,532	\$40.05	\$618,532	100.00%
<u>Channel Mileage</u>								
Over 0 Fixed - MRC	14,892	\$25.00	\$372,300	\$0.00	\$0	(\$25.00)	(\$372,300)	-100.00%
Over 0 Per Mile - MRC	369,300	\$2.17	\$801,361	\$2.96	\$1,093,128	\$0.79	\$291,747	36.41%
SUBTOTAL VOICE			\$1,668,165		\$1,303,602		\$245,637	11.93%
DIGITAL SERVICES								
<u>DIGITAL DATA SERVICES</u>								
<u>Channel Term Per Point of Term</u>								
Premium - 2.4, 4.8, 9.6 Kbps - MRC (Current)	516	\$50.00	\$25,800	\$0.00	\$0	(\$50.00)	(\$25,800)	-100.00%
Premium - 56 Kbps - MRC (Current)	5,232	\$50.00	\$261,600	\$0.00	\$0	(\$50.00)	(\$261,600)	-100.00%
Premium - 2.4, 4.8, 9.6 Kbps - MRC (Proposed)	692	\$0.00	\$0	\$25.00	\$22,302	\$25.00	\$22,302	100.00%
Premium - 56 Kbps - MRC (Proposed)	9,020	\$0.00	\$0	\$25.00	\$225,458	\$25.00	\$225,458	100.00%
<u>Special Access Line</u>								
Premium - 2.4, 4.8, 9.6 Kbps - MRC	516	\$0.00	\$0	\$55.00	\$28,380	\$55.00	\$28,380	100.00%
Premium - 56 Kbps - MRC	5,232	\$0.00	\$0	\$68.00	\$355,776	\$68.00	\$355,776	100.00%
<u>Channel Mileage</u>								
2.4, 4.8, 9.6, 56 kbps - Fixed - MRC	4,956	\$5.00	\$24,780	\$0.00	\$0	(\$5.00)	(\$24,780)	-100.00%
2.4, 4.8, 9.6 kbps - Per Mile - MRC	12,300	\$5.50	\$67,650	\$3.22	\$39,606	(\$2.28)	(\$28,044)	-41.45%
56 kbps - Per Mile - MRC	111,600	\$5.50	\$613,800	\$3.34	\$372,744	(\$2.16)	(\$241,056)	-39.27%
SUBTOTAL DDS			\$723,630		\$1,044,306		\$350,676	5.12%
<u>ADVANCED DIGITAL NETWORK</u>								
<u>Channel Term Per Point of Term</u>								
All Speeds (2.4, 4.8, 9.6, 19.2, 56 Kbps) - MRC (Current)	1,128	\$50.00	\$56,400	\$0.00	\$0	(\$50.00)	(\$56,400)	-100.00%
All Speeds (2.4, 4.8, 9.6, 19.2, 56 Kbps) - MRC (Proposed)	2,356	\$0.00	\$0	\$20.00	\$47,120	\$20.00	\$47,120	100.00%
<u>Special Access Line</u>								
Basic - 2.4, 4.8, 9.6 Kbps - MRC	102	\$0.00	\$0	\$47.00	\$4,771	\$47.00	\$4,771	100.00%
Basic - 56 Kbps - MRC	1,026	\$0.00	\$0	\$52.00	\$53,377	\$52.00	\$53,377	100.00%
<u>Channel Mileage</u>								
All Speeds Fixed (2.4, 4.8, 9.6, 19.2, 56 Kbps) - MRC	1,128	\$5.00	\$5,640	\$0.00	\$0	(\$5.00)	(\$5,640)	-100.00%
All Speeds All (2.4, 4.8, 9.6, 19.2, 56 Kbps) - MRC	28,200	\$5.50	\$155,100	\$0.00	\$0	(\$5.50)	(\$155,100)	-100.00%
Basic - 2.4, 4.8, 9.6 Kbps - MRC (Proposed)	2,538	\$0.00	\$0	\$3.22	\$8,172	\$3.22	\$8,172	100.00%
Basic - 56 Kbps - MRC (Proposed)	25,662	\$0.00	\$0	\$3.34	\$85,711	\$3.34	\$85,711	100.00%
SUBTOTAL ADN			\$217,140		\$197,152		(\$19,988)	-9.21%
<u>HIGH CAPACITY SERVICE</u>								
<u>Channel Term Per Point of Term</u>								
DS1 - 1.544 Mbps - MRC (Current)	1,176	\$175.00	\$205,800	\$0.00	\$0	(\$175.00)	(\$205,800)	-100.00%
DS1 - 1.544 Mbps - MRC (Proposed)	1,650	\$0.00	\$0	\$0.00	\$84,000	\$0.00	\$84,000	100.00%
<u>Special Access Line</u>								
DS1 - 1.544 Mbps - MRC	1,176	\$0.00	\$0	\$270.00	\$317,520	\$270.00	\$317,520	100.00%
<u>Channel Mileage</u>								
1.544 Mbps								
Mileage Bands - Over 0 Fixed - MRC	840	\$125.00	\$105,000	\$0.00	\$0	(\$125.00)	(\$105,000)	-100.00%
Mileage Bands - Over 0 - Per Mile - MRC	21,000	\$25.00	\$525,000	\$32.38	\$679,980	\$7.38	\$154,980	29.52%
SUBTOTAL HCAP			\$630,800		\$1,081,500		\$450,700	71.46%
TOTALS			\$4,104,735		\$4,626,160		\$521,425	12.72%

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
INTERIM RATE FLEXIBILITY/LIMITED RATE DESIGN
SWITCHED DATA SERVICES (SWITCHED 56)

CATEGORY B SERVICE

1155	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCUM. INCREASE	% DIFF.
SWITCHED DATA SERVICES (SWITCHED 56)								
RECURRING CHARGES								
LOW SPEED LINE SERVICES								
SINGLE LINE, W/O INTERCOM, EA.	0	\$38.00	\$0	\$38.00	\$0	0.00	\$0	0.00%
CENTREX WITH INTERCOM	0	\$38.00	\$0	\$38.00	\$0	0.00	\$0	0.00%
2-49 LINES, EA.	0	\$38.00	\$0	\$38.00	\$0	0.00	\$0	0.00%
50-100 LINES, EA.	0	\$38.00	\$0	\$38.00	\$0	0.00	\$0	0.00%
101 AND ABOVE, EA.	0	\$38.00	\$0	\$38.00	\$0	0.00	\$0	0.00%
HIGH SPEED LINE SERVICES								
SINGLE LINE, W/O INTERCOM	2	\$42.00	\$1,008	\$42.00	\$1,008	0.00	\$0	0.00%
CENTREX WITH INTERCOM	0	\$42.00	\$0	\$42.00	\$0	0.00	\$0	0.00%
2-49 LINES, EA.	0	\$42.00	\$0	\$42.00	\$0	0.00	\$0	0.00%
50-100 LINES, EA.	0	\$42.00	\$0	\$42.00	\$0	0.00	\$0	0.00%
101 AND ABOVE, EA.	0	\$42.00	\$0	\$42.00	\$0	0.00	\$0	0.00%
SWITCHED DATA CHANNEL ACCESS								
CENTRAL OFFICE TERMINATION	0	\$270.00	\$0	\$270.00	\$0	0.00	\$0	0.00%
CENTRAL OFFICE CHANNELIZATION	0	\$150.00	\$0	\$150.00	\$0	0.00	\$0	0.00%
CUSTOMER PREMISES TERMINATION	0	\$6.00	\$0	\$6.00	\$0	0.00	\$0	0.00%
CUSTOMER PREMISES CHANNELIZATION	0	\$130.00	\$0	\$130.00	\$0	0.00	\$0	0.00%
SWITCHED DATA IN/OUTV. LINE LOOP EXTENSION								
SINGLE LINE ACCESS	16	\$50.00	\$9,600	\$50.00	\$9,600	0.00	\$0	0.00%
SINGLE LINE EXTENSION CHANNEL	0	\$12.00	\$0	\$12.00	\$0	0.00	\$0	0.00%
CENTREX ACCESS	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
CHANNEL	0	\$15.00	\$0	\$15.00	\$0	0.00	\$0	0.00%
SWITCHED DATA OPTIONAL SERVICES								
DATA DIRECT CONNECT	0	\$1.00	\$0	\$1.00	\$0	0.00	\$0	0.00%
DATA CLOSED USER GROUP	0	\$1.00	\$0	\$1.00	\$0	0.00	\$0	0.00%
SWITCHED DATA OPTIONAL SERVICES PKGS.								
FEATURE PACKAGE DATA 1000	0	\$3.00	\$0	\$3.00	\$0	0.00	\$0	0.00%
FEATURE PACKAGE DATA 2000	0	\$5.00	\$0	\$5.00	\$0	0.00	\$0	0.00%
TOTAL			<u>\$10,608</u>		<u>\$10,608</u>		<u>\$0</u>	

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
SWITCHED DATA SERVICES (SWITCHED 56)

CATEGORY B SERVICE

1995	1995 MO. UNITS UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCUM. INCREASE	% DIFF.
SWITCHED DATA SERVICES (SWITCHED 56)								
NONRECURRING CHARGES								
LOW SPEED LINE SERVICES								
SINGLE LINE, W/O INTERCOM, EA.	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
CENTREX WITH INTERCOM	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
2-49 LINES, EA.	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
50-100 LINES, EA.	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
101 AND ABOVE, EA.	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
HIGH SPEED LINE SERVICES								
SINGLE LINE, W/O INTERCOM	2	\$50.00	\$1,200	\$50.00	\$1,200	0.00	\$0	0.00%
CENTREX WITH INTERCOM	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
2-49 LINES, EA.	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
50-100 LINES, EA.	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
101 AND ABOVE, EA.	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
SWITCHED DATA CHANNEL ACCESS								
CENTRAL OFFICE TERMINATION	0	\$300.00	\$0	\$300.00	\$0	0.00	\$0	0.00%
CENTRAL OFFICE CHANNELIZATION	0	\$125.00	\$0	\$125.00	\$0	0.00	\$0	0.00%
CUSTOMER PREMISES TERMINATION	0	\$75.00	\$0	\$75.00	\$0	0.00	\$0	0.00%
CUSTOMER PREMISES CHANNELIZATION	3	\$20.00	\$720	\$20.00	\$720	0.00	\$0	0.00%
SWITCHED DATA IN-DIV. LINE LOOP EXTENSION								
SINGLE LINE ACCESS	16	\$50.00	\$9,600	\$50.00	\$9,600	0.00	\$0	0.00%
SINGLE LINE EXTENSION CHANNEL	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
CENTRAL ACCESS	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
CHANNEL	0	\$50.00	\$0	\$50.00	\$0	0.00	\$0	0.00%
SWITCHED DATA OPTIONAL SERVICES								
DATA DIRECT CONNECT	0	-	-	-	-	-	-	-
DATA CLOSED USER GROUP	0	-	-	-	-	-	-	-
SWITCHED DATA OPTIONAL SERVICES PKGS.								
FEATURE PACKAGE DATA 100	0	-	-	-	-	-	-	-
FEATURE PACKAGE DATA 200	0	-	-	-	-	-	-	-
SWITCHED DATA SOFTWARE RECONFIGURATION	0	\$12.75	\$0	\$12.75	\$0	0.00	\$0	0.00%
			<u>\$11,520</u>		<u>\$11,520</u>		<u>\$0</u>	
GRAND TOTAL RECURRING AND NONRECURRING CHARGES			<u>\$22,128</u>		<u>\$22,128</u>		<u>\$0</u>	

CONTELGTEC
PHASE III PROPOSED RATE DESIGN

SWITCHED ACCESS SERVICE
INTRASTATE INC

1996	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	ORA PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCTUAL INCREASE	% OFF.
SWITCHED ACCESS SERVICE								
LOCAL TRANSPORT TERMINATION (PER ACCESS MINUTE)	838,804,855	\$0.007148	\$4,548,177	\$0.007148	\$4,548,177	\$0.000000	\$0	0.00%
LOCAL TRANSPORT RESTRUCTURE								
Entrance Facility								
Service Installation - 2 & 4 Wire Voiceband	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
2-Wire Voiceband - Zones 1, 2, 3	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
4-Wire Voiceband - Zones 1, 2, 3	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Service Installation - DS1 First System	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Service Installation - DS1 Additional System	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 First System - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 First System - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 First System - Zone 3	34	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 Additional System - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 Additional System - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 Additional System - Zone 3	342	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Service Installation - DS3 Electrical	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Service Installation - DS3 Optical	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 Electrical - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 Electrical - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 Electrical - Zone 3	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 Optical - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 Optical - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 Optical - Zone 3	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Service Installation - DS1 to Voice Multiplexing	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Service Installation - DS3 to DS1 Multiplexing	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 to Voice Multiplexing - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 to Voice Multiplexing - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 to Voice Multiplexing - Zone 3	12	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 to DS1 Multiplexing - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 to DS1 Multiplexing - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 to DS1 Multiplexing - Zone 3	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Total Entrance Facility Revenue			\$0		\$0		\$0	100.00%
Direct Trunked Transport								
Voiceband Facility, per min. - Zones 1, 2, 3	7,901	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 Facility, per min. - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 Facility, per min. - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 Facility, per min. - Zone 3	8,066	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 Termination - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 Termination - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 Termination - Zone 3	239	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 Facility, per min. - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 Facility, per min. - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 Facility, per min. - Zone 3	475	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 Termination - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 Termination - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 Termination - Zone 3	22	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Service Installation - DS1 to Voice Multiplexing	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Service Installation - DS3 to DS1 Multiplexing	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 to Voice Multiplexing - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 to Voice Multiplexing - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS1 to Voice Multiplexing - Zone 3	51	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 to DS1 Multiplexing - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 to DS1 Multiplexing - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
DS3 to DS1 Multiplexing - Zone 3	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Total Direct Trunked Transport Revenue			\$0		\$0		\$0	100.00%
Tandem Switched Transport								
Tandem Transport Facility, per minute - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.000000	\$0	100.00%
Tandem Transport Facility, per minute - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.000000	\$0	100.00%
Tandem Transport Facility, per minute - Zone 3	36,129,331,227	\$0.00	\$0	\$0.00	\$0	\$0.000000	\$0	100.00%
Tandem Transport Termination, per minute - Zone 1	0	\$0.00	\$0	\$0.00	\$0	\$0.000000	\$0	100.00%
Tandem Transport Termination, per minute - Zone 2	0	\$0.00	\$0	\$0.00	\$0	\$0.000000	\$0	100.00%
Tandem Transport Termination, per minute - Zone 3	8,511,658,674	\$0.00	\$0	\$0.00	\$0	\$0.000000	\$0	100.00%
Tandem Switching, per min. - Zones 1, 2, 3	352,831,143	\$0.00	\$0	\$0.00	\$0	\$0.000000	\$0	100.00%
Total Tandem Switched Transport Revenue			\$0		\$0		\$0	100.00%
Network Interconnection Charge	838,804,855	\$0.00	\$0	\$0.00	\$0	\$0.000000	\$0	100.00%
TOTAL SWITCHED TRANSPORT REVENUE			\$4,548,177		\$4,548,177		\$0	0.00%

CONTELGTEC
PHASE III PROPOSED RATE DESIGN

SWITCHED ACCESS SERVICE
INTRASTATE INC

INIS	UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	ORA PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCUML INCREASE	% DIFF.
END OFFICE SWITCHING								
UNBUNDLED END OFFICE								
EOS SETUP	180,832,876	\$0.014380	\$2,601,811	\$0.014380	\$2,601,811	\$0.000000	\$0	0.00%
PER EOS2 (Duration)	836,804,655	\$0.003150	\$2,605,305	\$0.003150	\$2,605,305	\$0.000000	\$0	0.00%
PER EOS1 (Duration)	0	\$0.003150	\$0	\$0.003150	\$0	\$0.000000	\$0	0.00%
UNBUNDLED BSA								
BSA SETUP	0	\$0.000000	\$0	\$0.000000	\$0	\$0.000000	\$0	100.00%
BSA EOS2 (Duration)	0	\$0.000000	\$0	\$0.000000	\$0	\$0.000000	\$0	100.00%
BSA EOS1 (Duration)	0	\$0.000000	\$0	\$0.000000	\$0	\$0.000000	\$0	100.00%
UNBUNDLED ASE								
Hand Group (Per Line Equipped)	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
UCO (Per Line Equipped)	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Alternate Routing (NOC/Trunk Group Equipped)	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
ANI (Per ANI Adamp)	0	\$0.000000	\$0	\$0.000000	\$0	\$0.000000	\$0	100.00%
BSE								
User Transfer (Per Line/Trunk Arranged)	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Queueing (Per Group Equipped)	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Remote Call Forwarding (Per Line)	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
OXO (Per Block of 20 Numbers)	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
OXO Trunk Termination (Per Line)	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
Billed Number Screening (Per Line Screened)	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
SUM	0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	100.00%
TOTAL END OFFICE SWITCHING REVENUE			<u>\$4,807,116</u>		<u>\$4,807,116</u>		<u>\$0</u>	<u>0.00%</u>
INFORMATION SURCHARGE	836,804,655	\$0.0000000	\$0	\$0.0000000	\$0	\$0.0000000	\$0	100.00%
MISCELLANEOUS SERVICES								
800 Data Base Query								
Basic Query	18,607,562	\$0.0067	\$124,871	\$0.0067	\$124,871	\$0.00	\$0	0.00%
Premium Query	0	\$0.0067	\$0	\$0.0067	\$0	\$0.00	\$0	0.00%
GRAND TOTAL SWITCHED INTRASTATE INC			<u>\$9,280,963</u>		<u>\$9,280,963</u>		<u>\$0</u>	<u>0.00%</u>
Less Most Point Billing Expense			<u>\$0</u>		<u>\$0</u>		<u>\$0</u>	<u>100.00%</u>
SWITCHED ACCESS REVENUES NET OF MPB			<u>\$9,280,963</u>		<u>\$9,280,963</u>		<u>\$0</u>	<u>0.00%</u>

CONTELAGTEC
PHASE III PROPOSED RATE DESIGN
ANCILLARY SERVICES

1995		UNITS	PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU- MULATED CHANGE	% DIFF.
BILLING AND COLLECTION SERVICES									
MTS / WATS / 800 / 888 Services									
Call Recording Service	Per Message	2,858,121	\$0.0200	\$57,152	\$0.0150	\$42,872	(\$0.0050)	(\$14,280)	-25.00%
Message Processing Service	Per Message	266,195	\$0.0130	\$3,461	\$0.0100	\$2,662	(\$0.0030)	(\$799)	-23.09%
Assembly & Edit Service	Per Message	1,893,658	\$0.0128	\$24,239	\$0.0075	\$14,202	(\$0.0053)	(\$10,037)	-41.41%
Call Record Provision Service									
Via Magnetic Tape	Per Message	17,978,455	\$0.0150	\$269,677	\$0.0100	\$179,785	(\$0.0050)	(\$89,892)	-33.33%
Via Direct Interface	Per Message	0	\$0.0000	\$0	\$0.0020	\$0	\$0.0020	\$0	0.00%
Message-Billed Mess. Bll Process. Svc (Current)		26,786,900	\$0.0710	\$1,901,870	\$0.0000	\$0	(\$0.0710)	(\$1,901,870)	-100.00%
Message-Billed Mess. Bll Process. Svc (Proposed)		0	\$0.0000	\$0	\$0.0762	\$2,041,162	\$0.0762	\$2,041,162	100.00%
97,827,400	Per Message	0	\$0.0000	\$0	\$0.0320	\$0	\$0.0320	\$0	0.00%
130,436,500	Per Message	0	\$0.0000	\$0	\$0.0266	\$0	\$0.0266	\$0	0.00%
155,654,700	Per Message	0	\$0.0000	\$0	\$0.0220	\$0	\$0.0220	\$0	0.00%
228,263,900	Per Message	0	\$0.0000	\$0	\$0.0200	\$0	\$0.0200	\$0	0.00%
293,482,100	Per Message	0	\$0.0000	\$0	\$0.0180	\$0	\$0.0180	\$0	0.00%
358,700,000	Per Message	0	\$0.0000	\$0	\$0.0170	\$0	\$0.0170	\$0	0.00%
Greater than	Per Message	0	\$0.0000	\$0	\$0.0170	\$0	\$0.0170	\$0	0.00%
Bulk-Billed Message Bll Processing Serv	Per Message	9,688,833	\$0.0590	\$571,641	\$0.0200	\$193,777	(\$0.0390)	(\$377,864)	-66.10%
MTS / WATS / 800 Service									
Bll Rendering Service (Current)	Per Bll	2,020,323	\$0.3000	\$606,097	\$0.0000	\$0	(\$0.3000)	(\$606,097)	-100.00%
Bll Rendering Service (Proposed)		0	\$0.0000	\$0	\$0.3500	\$707,113	\$0.3500	\$707,113	100.00%
2,307,601	Per Bll	0	\$0.0000	\$0	\$0.3000	\$0	\$0.3000	\$0	0.00%
3,333,201	Per Bll	0	\$0.3000	\$0	\$0.2700	\$0	(\$0.0300)	\$0	0.00%
17,433,000	Per Bll	0	\$0.0000	\$0	\$0.2500	\$0	\$0.2500	\$0	0.00%
Greater than	Per Bll	0	\$0.0000	\$0	\$0.2300	\$0	\$0.2300	\$0	0.00%
Billing and Collection Service									
MTS Message Billed Service	Per Message	610,777	\$0.0700	\$42,754	\$0.0955	\$58,072	\$0.0255	\$15,318	42.14%
Bulk-Billed (WATS) Service	Per Message	0	\$0.0000	\$0	\$0.0955	\$0	\$0.0955	\$0	0.00%
Centralized Message Dispersion	Per Message	492,759	\$0.0040	\$1,971	\$0.0020	\$966	(\$0.0020)	(\$965)	-49.91%
Inquiry Service									
Per Customer Message Billed	Per Message	24,408,539	\$0.0200	\$488,171	\$0.0078	\$190,387	(\$0.0122)	(\$297,784)	-61.00%
Per Adjustment	Per Message	0	\$0.0000	\$0	\$2.0000	\$0	\$2.0000	\$0	0.00%
TOTAL BILLING AND COLLECTION SERVICES				<u>\$3,967,003</u>		<u>\$3,433,698</u>		<u>(\$533,305)</u>	<u>-13.44%</u>
Total Billing and Collection Revenues						<u>\$3,433,698</u>			
Number of Messages						<u>26,786,900</u>			
Composite Billing and Collection Price						<u>\$0.1282</u>			
OPERATOR SERVICES									
Operator Transfer Service	Per Cal	193,854	\$0.35	\$69,613	\$0.35	\$69,613	\$0.00	\$0	0.00%
TOTAL OPERATOR SERVICES				<u>\$69,613</u>		<u>\$69,613</u>		<u>\$0</u>	<u>0.00%</u>

CONTEL/GTEC
PHASE III PROPOSED RATE DESIGN
WATS AND 800 SERVICE

SCH. #	1995	1995 UNITS	CURRENT/ PRESENT RATES	PRESENT YEARLY REVENUE	PROPOSED RATES	PROPOSED YEARLY REVENUE	RATE DIFF.	YEARLY ACCU. INCREASE	% DIFF.
0-2 WATS									
HALF STATE WATS		154	\$25.00	\$4,325	\$35.00	\$5,455	\$10.00	\$18,530	43.00%
LINE									
HOURS		0,265	\$7.23	\$6,856	\$5.30	\$4,915	(\$1.93)	(\$17,681)	-25.65%
0-9		21,143	\$5.88	\$145,463	\$4.95	\$104,857	(\$1.93)	(\$40,809)	-28.05%
9-15		0	\$6.36	\$0	\$4.60	\$0	(\$1.76)	\$0	-27.90%
15-30		0	\$5.73	\$0	\$4.20	\$0	(\$1.53)	\$0	-26.70%
30+									
FULL STATE WATS		162	\$25.00	\$4,350	\$35.00	\$6,730	\$10.00	\$19,360	43.00%
LINE									
HOURS		0,650	\$7.23	\$70,069	\$5.30	\$51,357	(\$1.93)	(\$18,702)	-26.65%
0-9		5,763	\$5.88	\$39,766	\$4.95	\$28,811	(\$1.93)	(\$11,155)	-28.05%
9-15		0	\$6.36	\$0	\$4.60	\$0	(\$1.76)	\$0	-27.90%
15-30		0	\$5.73	\$0	\$4.20	\$0	(\$1.53)	\$0	-26.70%
30+									
WATS NONRECURRING CHARGES		0	\$180.00	\$0	\$184.75	\$0	\$4.75	\$0	2.64%
TOTAL WATS				<u>\$417,649</u>		<u>\$566,615</u>		<u>(\$150,631)</u>	
800 SERVICE									
FULL STATE 800		128	\$20.00	\$30,620	\$30.00	\$45,930	\$10.00	\$15,310	50.00%
LINE									
LESS THAN 100 HOURS/MO.		4,642	\$10.17	\$47,212	\$8.74	\$31,269	(\$1.43)	(\$15,923)	-33.73%
HOURS: DAY		825	\$5.17	\$4,828	\$5.09	\$4,557	(\$0.08)	(\$72)	-1.51%
HOURS: EVENING									
MORE THAN 100 HOURS/MO.		168	\$8.17	\$1,355	\$5.24	\$629	(\$2.93)	(\$480)	-35.56%
HOURS: DAY		0	\$5.17	\$0	\$3.84	\$0	(\$1.23)	\$0	-23.75%
HOURS: EVENING									
HALF STATE 800		185	\$20.00	\$44,400	\$30.00	\$66,600	\$10.00	\$22,200	50.00%
LINE									
LESS THAN 100 HOURS/MO.		5,847	\$10.17	\$59,456	\$8.74	\$39,410	(\$1.43)	(\$20,066)	-33.73%
HOURS: DAY		1,631	\$5.17	\$5,329	\$5.09	\$5,248	(\$0.08)	(\$82)	-1.55%
HOURS: EVENING									
MORE THAN 100 HOURS/MO.		18	\$8.17	\$145	\$5.24	\$93	(\$2.93)	(\$52)	-35.56%
HOURS: DAY		0	\$5.17	\$0	\$3.84	\$0	(\$1.23)	\$0	-23.75%
HOURS: EVENING									
800 SERVICE NONRECURRING CHARGES		0	\$173.00	\$0	\$178.08	\$0	\$5.08	\$0	3.51%
TOTAL 800 SERVICE				<u>\$193,156</u>		<u>\$193,965</u>		<u>\$859</u>	
TOTAL WATS AND 800 SERVICE				<u>\$610,805</u>		<u>\$760,580</u>		<u>(\$149,785)</u>	

CONTEL/GTEC
PHASE III PROPOSED RATE INTEGRATION
BASE PERIOD 4/1/95-3/31/96
SETTLEMENT RATE DESIGN SUMMARY/START-UP REVENUE REQUIREMENT

TAB	SERVICE DESCRIPTION	PRESENT BILLINGS	PROPOSED BILLINGS	NET CHANGE
1	Network Access Line Service	\$81,839,131	\$71,258,873	(\$10,580,258)
2	Custom Calling	\$5,347,121	\$4,790,911	(\$556,210)
3	Digital Centrex - Intragroup and Access Lines	\$7,385,159	\$6,642,855	(\$742,304)
4	Digital Centrex Features	\$984,756	\$671,419	(\$313,337)
6	Directory Listing	\$904,138	\$2,124,762	\$1,220,624
6	EAS Additive (Assume no change)	\$132,687	\$132,687	\$0
7	Foreign Exchange	\$877,045	\$616,481	(\$260,564)
8	Integrated Services Digital Network (ISDN)	\$8,718	\$8,718	\$0
9	Local Private Line	\$535,647	\$1,836,753	\$1,301,106
10	Message Charges	\$1,893,115	\$1,893,115	\$0
11	Miscellaneous Services	\$3,368,032	\$5,073,641	\$1,705,609
12	Measured Service Usage			
	Current Customer Usage	\$1,496,902	\$1,664,981	\$168,079
	Additional Usage After Conversion	\$0	\$5,020,469	\$5,020,469
13	Message Toll	\$45,312,562	\$42,055,988	(\$3,256,574)
14	Non - Recurring	\$10,654,125	\$10,307,362	(\$346,763)
15	OSP	\$409,136	\$744,866	\$335,730
16	Special Access	\$908,873	\$912,446	\$3,573
17	Interexchg. Toll PL	\$4,104,735	\$4,626,760	\$522,025
18				
19	Switched 56 Data Service	\$22,128	\$22,128	\$0
20	Switched Access Inter and IntraLATA	\$9,280,963	\$9,280,963	\$0
21	Billing and Collection	\$3,957,003	\$3,433,698	(\$523,305)
22	Wats and 800 Service	\$610,205	\$560,409	(\$49,796)
23	TOTAL /Rate Design	\$180,042,181	\$173,680,285	(\$6,361,896)
24	CHCF-A to CHCF-B	\$31,887,558	\$17,099,676	(\$14,787,882)
25	Merger Surcredit	(\$11,269,000)	\$0	\$11,269,000
26	TOTAL BILLINGS	\$200,660,739	\$190,779,961	(\$9,880,778)

(END OF ATTACHMENT A)

ATTACHMENT B

AVERAGE BILL COMPARISON

Contel of California, Inc.
Phase III
A.90-09-043, A.95-12-006, I.96-03-021

Category	Current Rates	Proposed Rates	Difference	Percent
Residential				
Flat Rate Service	\$36.00	\$35.03	(\$0.97)	(2.7)
Flat Rate to Measured	36.00	32.24	(3.76)	(10.4)
Measured to Measured	33.47	32.24	(1.23)	(3.7)
Business				
Single Line				
Flat to Measured	67.85	57.26	(10.59)	(15.6)
Measured to Measured	68.58	57.26	(11.32)	(16.5)
Multi-Line				
Flat to Measured	92.60	68.51	(24.09)	(26.0)

Note: Averages include the access line rate, average usage charges, customer calling features, Federal Communication Commission end user common line charge, and average intraLATA toll.

(END OF ATTACHMENT B)