Moscow Res. RatesOther Exchanges Included in Flat Rate Call AreaLCP Option

Current:$14.60   Pullmann.a.

GTE prop.:14.00   none(Community)

16.20   Pullman, Genesee, Potlatch, Deary, Bovill, etc.(Community Plus)

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GTE Alt.A:14.40   none(Community)

15.40   Pullman, Genesee, Potlatch, Deary, Bovill, etc.(Community Plus)

GTE Alt.B:14.40   none(Community)

15.20   Pullman(Community Plus)

21.20   Pullman, Genesee, Potlatch, Deary, Bovill, etc.(Premium)

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Staff Alt.:13.45   none(Community)

14.94   Pullman(Community Plus)

15.58   Pullman, Genesee, Potlatch, Deary, Bovill, etc(Premium)

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GTE recognizes there is a problem with its proposed LCP rates in Moscow.  As a result it has developed Alternatives A and B above.  (Some other rates not listed also change.)  Both alternatives are "exceptions" to its overall rate design.  (Its original proposal listed other "exceptions" in Bonners Ferry, Kellogg, Tensed, Rock Creek and Evergreen.)  GTE favors Alt. B because it allows residence customers to keep only Pullman in its flat rate area; they think Moscow customers were mostly upset because there was not an option with Pullman only.  I favor Alt. A because it adds Genesee, Potlatch, Deary, etc. for only $.20 (vs. Alt. B); I think Moscow customers were most upset about the $1.60 increase for getting those smaller exchanges, but would not be upset with a $.20 increase for adding them to their flat rate area. But ...

Although both of these alternatives have rate increases much lower than the original proposed $1.60 increase, I am not confident that an $.80 increase for adding Genesee, Potlatch, etc. (Alt. A) or a $.60 increase for no change other than reduced usage rates for calls to Genesee, Potlatch, etc. (Alt. B) will make them happy.  I think the public perception in at least the Moscow area is that GTE is trying to get an unwarranted rate increase through a shell game.

I much prefer the Staff alternative because it increases Moscow rates only $.34 for keeping Pullman and makes adding Genesee, Potlatch, etc. a viable option for only $.64 more and it does both with no exceptions to overall rate design.  However, because it is a complete redesign it does change Community Plus rates by a few cents in all exchanges, as well as increase Basic rates by $1.00 or more and decrease Premium rates by several dollars

GTE suggested they could offer both Alternatives A and B at the hearing.  I suggested it might be better to offer only one GTE alternative in order to reduce confusion, but that I would probably also at least present the Staff alternative, even if I didn't condemn GTE's.  GTE asked if I would be willing to ask for Marsha's opinion.