2/13/96

To:Fred Logan

From:Lynn Anderson

Subject: LCP Rates and Routes

The Commissioners have asked me to get GTE’s reaction to some LCP rate and route ideas that they think will work.  These are shown on the following worksheet which shows residence rates for all exchanges.  Another following worksheet provides a more complete revenue analysis for only the Moscow exchange.

Basically, the goal of the Commissioners is to eliminate the problem of some customers having to choose between losing existing EAS or having to pay higher rates.  This problem occurs in varying degrees in Moscow, Bovill, Deary, St. Maries, Harrison and Mullan.  Their preferred method of solving this problem is to offer an alternative that maintains respective EAS arrangements at current rates.  The Commissioners also want to add the Harrison--Kellogg/Pinehurst route as an LCP option for those two exchanges.

Bill and I think these Commissioner preferences can be accomplished without financially harming your Company.  The revenue effects are small enough to be within the margin of error of original estimates and the Commission will undoubtedly allow or require a revenue true-up if revenue neutrality is not achieved.

These worksheets incorporate the Commission’s planned changes.  Please review the adjustments and then call me or Weldon if you would like to discuss them.

Thanks,

Lynn Anderson