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April 3, 2006

Mr. Charles L. A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Petition of Bluffton Telephone Company and Hargray Telephone Company to Implement Extended Area Service (EAS)

Dear Mr. Terreni:

Enclosed for filing on behalf of Bluffton Telephone Company and Hargray Telephone Company, please find a Petition and a Proposed Notice of Filing in the above-referenced matter. By copy of this letter and Certificate of Service, the Office of Regulatory Staff is being served by U. S. Mail with a copy of this Petition and Proposed Notice of Filing.

Thank you for your assistance.

Very truly yours,

Margaret M. Fox

Margaret M. Fox

MMF/rwm
Enclosures

cc: Parties of Record

BEFORE

THE PUBLIC SERVICE COMMISSION

OF

SOUTH CAROLINA

Docket No. _____

IN RE: Petition of Bluffton Telephone Company and Hargray Telephone Company to Implement Extended Area Service (EAS)	))))	**PETITION**

Bluffton Telephone Company ("Bluffton") and Hargray Telephone Company ("Hargray) (collectively "Petitioners") respectfully request that the Commission implement the Extended Area Service ("EAS") plan described in this Petition. In support of its Petition, the Petitioners would respectfully show unto this honorable Commission:

1. Bluffton and Hargray are incumbent local exchange telephone companies organized and doing business under the laws of the State of South Carolina. Each of the companies is a rural telephone company as that term is defined in 47 U.S.C. § 153(37), and a small local exchange carrier as that term is defined in S.C. Code Ann. § 58-9-10(14).

2. Bluffton serves approximately 20,692 access lines in its service area, and Hargray serves approximately 50,303 access lines in its service area. Bluffton serves one local exchange (the Bluffton exchange), and Hargray serves two local exchanges (the Hardeeville exchange and the Hilton Head exchange). Bluffton's Bluffton exchange is geographically located between Hargray's two exchanges.

3. Because of the geographical location of the Petitioners' respective service areas, in close proximity to one another and to Beaufort, SC (served by United Telephone Company of the Carolinas, Inc.) and Savannah, GA (served by BellSouth Telecommunications, Inc.), Petitioners have been striving for many years to offer expanded calling plans to benefit their respective customers. Bluffton customers currently may call the following exchanges at a discounted Measured Extended Area Service ("MEAS") rate of 4 cents per minute: Hilton Head, SC; Ridgeland, SC; Pooler, GA; Hardeeville, SC; St. Helena, SC; Tybee Island, GA; Beaufort, SC; Laurel Bay, SC; and Savannah, GA. Likewise, Hargray customers may call the following exchanges for the discounted rate of 4 cents per minute under the MEAS plan: Ridgeland, SC; Pooler, GA; Bluffton, SC; St. Helena, SC; Tybee Island, GA; Beaufort, SC; Laurel Bay, SC; and Savannah, GA. In addition, Bluffton offers an Extended Flat Rate Service that allows unlimited calling from the Bluffton Exchange to Hargray Telephone Company's exchanges at a flat rate of $10 per month for residential customers and $20 per month for business customers. Similarly, Hargray offers an Extended Flat Rate Service that allows unlimited calling to the Bluffton Exchange and to both Hargray exchanges at a flat rate of $10 per month for residential customers and $20 per month for business customers. Bluffton's and Hargray's affiliated long distance company also offers an unlimited long distance plan for $24.99 that provides Bluffton and Hargray customers who subscribe to the plan with unlimited calling to anywhere in the continental United States.

4. Despite the availability of various calling plans offered by the respective companies, there continues to be a strong desire on the part of Petitioners' customers for a simple plan offering wide-area calling at a fixed, affordable rate. Petitioners believe that any

limited EAS calling that may be ordered by the Commission (for example, in response to the request for local calling from Bluffton to Hilton Head currently being studied by the Commission) would serve as a "temporary fix" only, and that customer calling patterns indicate a desire for wide area calling in this region of the State. Therefore, in order to offer a plan that is responsive to the Commission's concerns and customers' desire for expanded calling, Petitioners propose to implement Extended Area Service (EAS) throughout the Bluffton and Hargray service areas, as described below. Petitioners believe this is a comprehensive solution that will bring benefits to their customers in the form of the expanded local calling they desire, without implementing such calling in a "piecemeal" fashion. The proposed plan would replace the current MEAS calling and Extended Flat Rate Service plans currently offered by the respective companies. The Petitioners' affiliated long distance company will continue to offer its current nationwide unlimited long distance calling plan.

5. Petitioners have calculated from billing records the revenue impact of implementing EAS throughout Bluffton's and Hargray's service areas. The proposed EAS area would include all of the exchanges that are currently covered by the MEAS plans for the respective companies, as set forth in Paragraph 2 above. The results of the impact study show that Bluffton and Hargray can offer such a plan with a mandatory monthly EAS adder of $2.25 for residential customers and $4.50 for business customers.[1]

6. In addition, as part of the overall restructuring and simplification of extended area calling, the Companies' affiliated long distance carrier, Hargray Long Distance, would reduce the rate for unlimited nationwide calling from $24.99 to $22.74. This would ensure that

[1] Actual cost results showed a monthly cost of $2.42 for residential customers and $4.85 for business customers.

Bluffton and Hargray customers who currently subscribe to unlimited nationwide calling would continue to pay the same amount for the same calling scope they currently enjoy (i.e., instead of paying $24.99 for unlimited nationwide calling, which includes the current MEAS exchanges, they will pay $22.74 for unlimited nationwide calling and $2.25 for EAS, so that both the rate and the calling scope would remain the same for these customers).

7. Petitioners have calculated from billing records that, based on current subscription to Extended Flat Rate Calling and unlimited nationwide calling, and current calling patterns utilizing MEAS service, approximately 63% of residential customers and 52% of business customers would either experience a decrease or would see no change in their total bills for expanded area calling as a result of implementing the proposed plan. The remaining customers would likely see a small increase, which would not exceed $2.25 (for residential customers who make no MEAS calls) and $4.50 (for business customers who make no MEAS calls). Almost 99% of Petitioners' customer lines currently make at least some MEAS calls.

8. Petitioners believe the proposed plan is in the public interest because it will provide a simple, comprehensive, long-term, affordable solution to the expanded calling needs of customers in the respective service areas served by Bluffton and Hargray. Additionally, because of the scope of the proposed plan, it would provide for unlimited calling to local government offices and medical facilities.

WHEREFORE, Petitioners respectfully request that the Commission hold an appropriate hearing to address the proposed plan, and grant Petitioners' request for Extended Area Service (EAS), as described in this Petition and for the reasons stated herein, and such other and further relief as is just and proper.

Respectfully submitted,

By: _____

M. John Bowen, Jr.
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ATTORNEYS FOR BLUFFTON TELEPHONE COMPANY AND HARGRAY TELEPHONE COMPANY

Columbia, South Carolina

April 3, 2006

{PROPOSED NOTICE OF FILING**}**

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING

Bluffton Telephone Company, Inc. ("Bluffton") and Hargray Telephone Company, Inc. ("Hargray") (collectively, the "Petitioners") have filed a Petition requesting implementation of an Extended Area Service ("EAS") plan. The Petitioners propose to have the Commission implement the Plan, which simplifies the current expanded calling options by offering wide-area calling at a fixed, affordable rate. Pursuant to the Plan, as described in the Petition, the Petitioners would eliminate all current Extended Flat Rate Service plans (currently $10.00 for residential customers and $20.00 for business customers, allowing customers of both Bluffton and Hargray to call all customers within both companies' service areas) and all Measured EAS ("MEAS") charges (currently $.04 per minute for calling to a wide number of exchanges in South Carolina and Georgia, as fully set forth in the respective companies' tariffs and in the Petition). In lieu of those options, the Petitioners would have an extended EAS area that includes Petitioners' service areas as well as all of the exchanges that currently are subject to MEAS charges. The Plan would require a mandatory monthly EAS adder of $2.25 for all residential customers and $4.50 for all business customers. According to the Petition, the majority of Petitioners' residential and business customers would either experience an overall decrease or would see no change in their total bills for expanded calling as a result of implementing the proposed plan.

A copy of the Petition is on file in the offices of the Public Service Commission of South Carolina, 101 Executive Center Drive, Columbia, South Carolina 29210 and is available from M. John Bowen, Jr., Esquire, McNair Law Firm, P.A., Post Office Box 11390, Columbia, SC 29211.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before _____ and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. ***Please refer to Docket No. _____.***

Any person who wishes to testify and present evidence at the hearing, if one is scheduled, should notify the Docketing Department in writing at the address below, the Office of Regulatory Staff at Post Office Box 11263, Columbia, South Carolina 29211, and M. John Bowen, Jr., Esquire, at the above address, on or before _____ and indicate the amount of time required for his presentation. ***Please refer to Docket No. _____.***

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission at (803) 896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, SC 29211

{date}

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

DOCKET NO.: _____

RE: Petition of Bluffton Telephone Company and Hargray Telephone Company to Implement Extended Area Service (EAS)	))))	**CERTIFICATE OF SERVICE**

I, Rebecca W. Martin, Secretary for McNair Law Firm, P. A., do hereby certify that I have this date served one (1) copy of a Petition and one (1) copy of a Proposed Notice of Filing regarding the above–referenced matter on the following party of record by causing said copies to be deposited with the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below.

Florence P. Belser, Esquire
General Counsel
South Carolina Office of Regulatory Staff
P. O. Box 11263
Columbia, South Carolina 29211

Benjamin P. Mustian
South Carolina Office of Regulatory Staff
P. O. Box 11263
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Rebecca W. Martin

Rebecca W. Martin
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April 3, 2006

Columbia, South Carolina