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June 2, 2006

FILED ELECTRONICALLY
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Mr. Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
Synergy Business Park, Saluda Building
101 Executive Center Drive
Columbia, SC 29210

Re: Hargray & Bluffton EAS Docket
Docket No. 2005-204-C and 2006-99-C
Our File No. 19336-0017

Dear Mr. Terreni:

Enclosed for filing please find South Carolina Cable Television Association's Reply to Response and Objection of Bluffton & Hargray and Motion for Oral Arguments in the above-referenced matter. By copy of this letter we are serving the same on all parties of record. Please stamp the extra copy provided as proof of filing and return it with our courier.

Yours truly,

ROBINSON, MCFADDEN & MOORE, P.C.

Frank R. Ellerbe, III

FRE/tch
Enclosure

cc: All Parties of Record
Ms. Nancy Horne

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BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NOS. 2005-204-C and 2006-99-C

In Re: **Docket No. 2005-204-C** – Request for Extended Calling Area from Bluffton/Sun City Hilton Head Area to Hilton Head Island AND **Docket No. 2006-99-C** – Petition of Bluffton Telephone Company and Hargray Telephone Company to Implement Extended Area Service (EAS)	)))))))))))))	**SOUTH CAROLINA CABLE TELEVISION ASSOCIATION'S REPLY TO RESPONSE AND OBJECTION OF BLUFFTON & HARGRAY AND MOTION FOR ORAL ARGUMENTS**

The South Carolina Cable Television Association ("SCCTA") hereby replies to Bluffton Telephone Co. ("Bluffton") and Hargray Telephone Co.'s ("Hargray") Response and Objection to SCCTA's Petition to Intervene. SCCTA also moves pursuant to 26 S.C. Regs. 103-840 and other applicable rules and regulations of the Public Service Commission of South Carolina ("Commission") that oral arguments be scheduled on Bluffton and Hargray's request that SCCTA's petition to intervene be denied.

1. Bluffton and Hargray contend that SCCTA's position is not an appropriate ground for intervention in these dockets because the issue raised is a generic issue relating to the State Universal Service Fund ("USF"). Bluffton and Hargray are wrong. In this proceeding Hargray and Bluffton propose to bundle a toll service with basic local exchange service and call that new offering basic local service. It is that proposal that SCCTA objects to. The objection is that if Hargray and Bluffton are allowed to

characterize this bundled service offering as "basic local service" they will be able to receive universal service fund support for a service that should not receive such support.

2. Bluffton and Hargray's proposal includes replacing the MEAS calling and Extended Flat Rate Service Plans currently offered by the respective companies. *See Petition of Bluffton and Hargray to Implement Extended Area Service* p. 3, ¶ 4-5. If their petition is granted Hargray and Bluffton will be allowed to offer as a part of basic local service toll services which have been providing implicit subsidies to support basic local service. In previous USF proceedings the Commission approved reductions in Bluffton and Hargray's MEAS rates and allowed these companies to offset the reduction by withdrawing funds from the State USF. See Commission Order Nos. 2003-215 and 2004-452 in Docket 97-239-C. These Orders allowed the companies to withdraw the following funds to offset reductions in MEAS rates:

	Bluffton	***Hargray***
Order No. 2003-215	$395,630	$602,171
Order No. 2004-452	$250,544	$337,889
	$646,174	$940,060

Clearly USF support should not be allowed to support services which have been providing implicit subsidies. But that is exactly what Bluffton and Hargray are proposing.

3. Bluffton and Hargray are requesting that the Commission examine their proposal in a vacuum without considering the impact on the State USF. The issue which

SCCTA has raised is directly related to Bluffton and Hargray's proposed combination local/toll service offering.

4. SCCTA has a direct interest in this proceeding since its members are providers and potential providers of competitive local exchange services in South Carolina. S.C. Code Section 58-9-280 provides for support of basic local exchange service on a per line basis. To allow Bluffton and Hargray to merge toll and local services into a new expanded offering which the companies can then characterize as "basic local service" in order to receive the same USF support in the future would be anti-competitive and not in the public interest.

For these reasons, the SCCTA requests that the Commission deny Bluffton and Hargray's request that its Petition to Intervene be dismissed. SCCTA requests that the Commission hold an oral argument on the issue of whether it should be allowed to intervene as a party of record in this case.

Dated this 2nd day of June, 2006.

ROBINSON, MCFADDEN & MOORE, P.C.

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BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2005-204-C and 2006-99-C

In Re: Docket No. 2005-204-C -- Request for Extended Calling Area from Bluffton/Sun City Hilton Head Area to Hilton Head Island AND Docket No. 2006-99-C -- Petition of BlufftonTelephone Company and Hargray Telephone Company to Implement Extended Area Service (EAS)	)))))))))))))	**CERTIFICATE OF SERVICE**

This is to certify that I, Anna V. McLeod, legal assistant, have this day caused to be served upon the person(s) named below **South Carolina Cable Television Association's Reply to Response and Objection of Bluffton & Hargray and Motion for Oral Arguments** in the foregoing matter by placing a copy of same in the United States Mail, postage prepaid, in an envelope addressed as follows:

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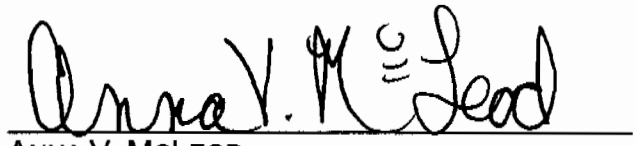
Mr. Donald A. Cotnoir
204 Col. Thomas Heyward Road
Sun City Hilton Head
Bluffton, South Carolina 29909

Dated at Columbia, South Carolina this 2nd day of June, 2006.



ANNA V. MCLEOD

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