Legal Department

FILE COPY

NANCY B. WHITE General Attorney

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March 3, 1993

Mr. Steve C. Tribble Director, Division of Records and Reporting Florida Public Service Commission 101 East Gaines Street Tallahassee, Florida 32301

> Docket Nos. 900960-TL, 910163-TL, 910727-TL, 920260-TL RE:

Dear Mr. Tribble:

Enclosed are an original and fifteen copies of Southern Bell Telephone and Telegraph Company's Response and Objections to Public Counsel's Motion to Accept Testimony and Add Issues Relating to the Treatment of Costs from Hurricane Andrew which we ask that you file in the above-captioned dockets.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

Sincerely,

Mancy B. White (2)

Enclosures

CC: All Parties of Record

- A. M. Lombardo
- H. R. Anthony
- R. D. Lackey

DOCUMENT NUMBER-DATE

02388 MAR-38 FPSC-RECORDS/REPORTING CERTIFICATE OF SERVICE Docket No. 920260-TL Docket No. 900960-TL Docket No. 910163-TL Docket No. 910727-TL

I HEREBY CERTIFY that a copy of the foregoing has been furnished by United States Mail this 3rd day of March, 1993 to: Robin Norton Charles J. Beck Division of Communications Deputy Public Counsel Florida Public Service Office of the Public Counsel Commission 111 W. Madison Street 101 East Gaines Street Room 812 Tallahassee, FL 32399-0866 Tallahassee, FL 32399-1400 Tracy Hatch Michael J. Henry Division of Legal Services MCI Telecommunications Corp. Florida Public Svc. Commission MCI Center 101 East Gaines Street Three Ravinia Drive Tallahassee, FL 32399-0863 Atlanta, Georgia 30346-2102 Richard D. Melson Joseph A. McGlothlin Hopping Boyd Green & Sams Vicki Gordon Kaufman Post Office Box 6526 McWhirter, Grandoff & Reeves 315 South Calhoun Street Tallahassee, Florida 32314 Suite 716 atty for MCI Tallahassee, Florida 32301 atty for FIXCA Rick Wright Regulatory Analyst Joseph Gillan Division of Audit and Finance J. P. Gillan and Associates Florida Public Svc. Commission Post Office Box 541038 101 East Gaines Street Orlando, Florida 32854-1038 Tallahassee, FL 32399-0865 Patrick K. Wiggins Peter M. Dunbar Wiggins & Villacorta, P.A. Haben, Culpepper, Dunbar Post Office Drawer 1657 & French, P.A. Tallahassee, Florida 32302 306 North Monroe Street atty for Intermedia and Cox Post Office Box 10095 Tallahassee, FL 32301 atty for FCTA Laura L. Wilson, Esq. Messer, Vickers, Caparello, Madsen, Lewis & Metz, PA Chanthina R. Bryant Post Office Box 1876

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Noney B. White

In re: Show cause proceeding against Southern Bell Telephone and Telegraph Company for misbilling customers.)) Docket No. 900960-TL)
In re: Petition on behalf of Citizens of the State of Florida to initiate investigation into integrity of Southern Bell Telephone and Telegraph Company's repair service activities and reports.)) Docket No. 910163-TL)))
In re: Investigation into Southern Bell Telephone and Telegraph Company's compliance with Rule 25-4.110(2), F.A.C., Rebates.))) Docket No. 910727-TL)))
In re: Comprehensive review of the revenue requirements and rate stabilization plan of Southern Bell Telephone and Telegraph Company.)) Docket No. 920260-TL)) Filed: March 3, 1993)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S RESPONSE AND OBJECTIONS TO PUBLIC COUNSEL'S MOTION TO ACCEPT TESTIMONY AND ADD ISSUES RELATING TO THE TREATMENT OF COSTS FROM HURRICANE ANDREW

COMES NOW, BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company ("Southern Bell" or "Company"), and files, pursuant to Rule 25-22.073, Florida Administrative Code, its Response and Opposition to the Office of Public Counsel's ("Public Counsel") Motion to Accept Testimony and Add Issues Relating to the Treatment of Costs from Hurricane Andrew, showing in support thereof the following:

1. On December 18, 1992, Southern Bell filed the rebuttal testimony of Walter Reid, which testimony contained a request for the treatment for ratemaking purposes of the net cost of Hurricane Andrew. The request was included in Mr. Reid's rebuttal testimony because Hurricane Andrew did not occur until after the filing of Southern Bell's direct testimony.

2. In Public Counsel's motion, Public Counsel has requested that the Commission accept the filing of direct testimony by Victoria A. Montanaro concerning the treatment of costs from Hurricane Andrew. In addition, Public Counsel requested that two issues relating to Hurricane Andrew be added to the issue list in the above captioned dockets.

3. Southern Bell has no objection to Public Counsel's request that Ms. Montanaro's testimony be accepted. It is, in essence, rebuttal to Mr. Reid's testimony concerning Hurricane Andrew. Southern Bell would request, however, that it be given an opportunity to provide rebuttal to Ms. Montanaro's testimony. Rebuttal testimony is further needed by Southern Bell because of the additional issue raised by Public Counsel regarding insurance, which issue was not discussed in Mr. Reid's testimony.

4. With regard to the additional issues suggested by Public Counsel concerning Hurricane Andrew, Southern Bell has no objection to Issue (i) and sets forth below its response thereto:

> <u>Issue (i)</u>: How should Southern Bell's insurance proceeds from Hurricane Andrew be apportioned between Louisiana and Florida?

> Southern Bell's Position: The insurance proceeds should be apportioned between Florida and Louisiana based on the proportional rate of the premium paid by

> > - 2 -

Florida as compared to Louisiana as evidence of the level of insured investment in the states.

5. With regard to Issue (ii), Southern Bell objects to the issue as worded. Public Counsel proposed this wording: How should Southern Bell account for the net cost of Hurricane Andrew? The issue as worded fails to recognize that the appropriate method of accounting necessarily follows the treatment of the casualty loss accorded for ratemaking purposes, not vice versa. Thus, Southern Bell would suggest the following wording:

> <u>Issue (ii)</u>: How should the net cost of Hurricane Andrew be treated for ratemaking purposes? <u>Southern Bell's Position</u>: The net cost of Hurricane Andrew should be amortized over a five year period, beginning in 1992.

WHEREFORE, Southern Bell respectfully requests that the Commission allow Southern Bell a reasonable period of time to file rebuttal testimony to the testimony filed by Ms. Montanaro and to accept the issues related to Hurricane Andrew as reworded by Southern Bell.

- 3 -

Respectfully submitted this 3rd day of March, 1993.

ATTORNEYS FOR SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

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