



Chanthina R. Bryant Attorney State Regulatory - South

December 3, 1993

VIA AIRBORNE

Mr. Steven C. Tribble, Director Division of Records and Reporting Florida Public Service Commission 101 East Gaines St., Fletcher Building Tallahassee, Florida 32399-0870

> RE: Comprehensive Review of the Revenue Requirements and Rate Stabilization Plan of Southern Bell Telephone and Telegraph Company; Docket No. 920260-TL

Dear Mr. Tribble:

Enclosed for filing with the Commission are an original and fifteen (15) copies of Sprint Communications Company Limited Partnership's Prehearing Statement along with a 15-1/4" diskette in the above-referenced matter. A sixteenth copy is enclosed which we would request you return with your file-stamp in the enclosed selfaddressed envelope.

Thank you.

cc: Parties of Record

ACK AFA

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Sincerely,

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Chanthina R. Bryant Attorney, State Regulatory

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DOCUMENT NUMBER-DATE 12958 DEC-6 S FPSC-RECORDS/REPORTING

BEFORE THE



FLORIDA PUBLIC SERVICE COMMISSION

In Re: Comprehensive Review of the Revenue Requirements and Rate Stabilization Plan of Southern Bell Telephone and Telegraph Company

Docket No. 920260-TL

Filed: December 6, 1993

PREHEARING STATEMENT OF SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP

Sprint Communications Company Limited Partnership (hereinafter "Sprint") hereby submits its Prehearing Statement in the abovecaptioned docket pursuant to Rule 25-22.038(3), Florida Administrative Code, PSC-93-0644-PCO-TL Order Establishing Prehearing Procedure and PSC-93-1567-PCO-TL Additional Order on Prehearing Procedure issued April 23, 1993 and October 26, 1993, respectively.

A. WITNESSES

Sprint will present Mr. Fred I. Rock as its primary witness in this proceeding. Mr. Rock will present direct testimony on Issues 14(c) and 29 as identified in the Commission's Prehearing Orders.

B. EXHIBITS

Sprint will sponsor two (2) direct exhibits in this proceeding. Sprint reserves the right to present additional exhibits following the completion of discovery.

C. BASIC POSITION

Sprint's interest in this docket is limited solely to the areas of IXC's percentage of interstate usage ("PIU") and switched access rates and toll services. Southern Bell's filing provides for only a slight reduction in access rates. In fact, the proposed distribution of the \$49 million customer credit does not even address access services. It is Sprint's position that Southern Bell's access rates, especially for switched services, should be reduced under the framework of the Incentive Regulation Plan, if continued. Sprint also urges the Commission to require a portion of the revenue reduction be targeted to access rates. Sprint believes that the long-term viability of interexchange carriers ("IXCs") in Florida will depend largely on reductions in the cost of switched access which would, in turn, foster a more competitive long distance marketplace. Likewise, Southern Bell's long term viability will depend, to some extent, on its ability to reduce its access rates to compete effectively.

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D. FACT ISSUES

See Sprint's Position on Issues below.

E. LEGAL ISSUES

See Sprint's Position on Issues below.

F. POLICY ISSUES

See Sprint's Position on Issues below.

G. POSITION ON ISSUES

Sprint's interest in this docket is limited to Issues 14(c) and 29. Sprint takes no position on the remaining issues at the present time. Sprint, however, reserves the right to take a position on these issues at a later date.

ISSUE 14(C): Should an adjustment be made to intrastate revenues for the test period to recognize adjustments to IXC's percentage interstate usage (PIU)?

SPRINT POSITION: Yes. It is Sprint's position that Southern Bell should adjust test period access revenues to reflect the PIU changes resulting from the investigation of an IXC. The test period revenue requirement should be adjusted to account for the shift of jurisdictional demand and the resulting cost shifts.

ISSUE 29: Southern Bell has made the following proposals:

- A) To reduce the local transport element for both originating and terminating access from \$.01600 to \$.01289.
- B) To reduce the current FGD originating CCL from \$.02660 to \$.02600.
- C) To reduce the current FGD terminating CCL from \$.03660 to \$.02927.
- D) Not to flow through the switched access reductions to mobile interconnection usage rates.
- E) Not to make any changes to its toll services rates.

Should SBT's proposals be approved? If not, what actions should the Commission take with respect to SBT's switched access, toll, and/or mobile interconnection usage rates? What is the test year revenue impact?

SPRINT POSITION: Yes. Southern Bell's proposal to reduce access rates should be approved. It is Sprint's position, however, that there should be far greater reductions made in the area of switched access than those proposed by Southern Bell. Southern Bell's proposal to reduce local transport rates by merely \$10 million is insufficient given the level of contribution received from switched access customers compared to the level of revenue reduction and customer credits being considered in this proceeding. The Commission should correct this oversight by requiring Southern Bell to allocate a portion of the \$49 million customer credit to switched access rate reductions in addition to the current proposal to reduce local transport rates.

H. STIPULATED ISSUES

Sprint is not aware of any issues that have been stipulated to by the parties.

I. PENDING MOTIONS

Sprint is not aware of any pending motions.

J. OTHER REQUIREMENTS

Sprint is not aware of any requirements with which it is unable to comply.

Respectfully submitted,

SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP

Charthina R. Burait (13) BY:

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and

C. Everett Boyd, Jr. Ervin, Varn, Jacobs, Odom & Ervin P.O. Box 1170 Tallahassee, Florida 32302 (904) 224-9135

Its Attorneys

DATED: December 3, 1993

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the within and foregoing Prehearing Statement in Docket No. 920260-TL: "COMPREHENSIVE REVIEW OF THE REVENUE REQUIREMENTS AND RATE STABILIZATION PLAN OF SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY" via first class mail, by depositing same with sufficient postage and properly affixed and properly addressed to:

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This 34 day of December, 1993.

SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP

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