BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Comprehensive review of revenue requirements and rate stabilization plan of SOUTHERN BELL.	DOCKET NO. 920260-TL
In Re: Investigation into the integrity of SOUTHERN BELL'S repair service activities and reports.	DOCKET NO. 910163-TL
In Re: Investigation into SOUTHERN BELL'S compliance with Rule 25-4.110(2), F.A.C., Rebates.	DOCKET NO. 910727-TL
In Re: Show cause proceeding against SOUTHERN BELL for misbilling customers.	DOCKET NO. 900960-TL
In Re: Request by Broward Board of County Commissioners for extended area service between Ft. Lauderdale, Hollywood, North Dade and Miami.	DOCKET NO. 911034-TL ORDER NO. PSC-94-0031-PCO-TL ISSUED: January 10, 1994

ORDER GRANTING THE FLORIDA INTEREXCHANGE CARRIERS ASSOCIATION'S MOTION TO COMPEL DISCOVERY RESPONSES

On December 21, 1993, the Florida Interexchange Carriers Association (FIXCA) filed a Motion to Compel discovery responses from BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company (Southern Bell or the Company). Southern Bell filed its Opposition to FIXCA's Motion to Compel and Motion for Protective Order on December 27, 1993. The Prehearing Officer heard oral argument from both parties during the January 6, 1994, Prehearing Conference and took these matters under advisement.

The dispute concerns FIXCA's interrogatory number 57 and document production request number 16. Interrogatory number 57 states "[p]rovide your best estimate of the undepreciated value of the dark fiber on Southern Bell's private toll network." Production request number 16 states "[p]roduce all documents, memoranda and workpapers relating to the estimate provided in Interrogatory 57."

Southern Bell's original objection to this discovery stated that these requests were "overly broad, unduly burdensome, and oppressive," and that responding "would require more than a half dozen engineers working full time for more than three months." In its Motion, FIXCA asserts that the information sought is highly relevant to the subject matter in these dockets, given that Issue 2b in the upcoming hearing states:

> Is Southern Bell's investment in its interLATA internal company network prudent, reasonable, and necessary to enable it to provide service to the ratepayers? If not, what action should the Commission take?

In addition, FIXCA states that without information on the value of Southern Bell's private corporate network, the Commission may not have sufficient information to fashion an appropriate remedy for ratepayers, if it finds the Company's investment to be imprudent. This information, FIXCA asserts, is solely within Southern Bell's possession. Finally, FIXCA states that the Company seems to have ignored the fact that the requests are framed in terms of a "best estimate," rather than a detailed accounting.

In its opposition to FIXCA's Motion, Southern Bell states that the information requested is not relevant because the Company does not depreciate fibers or cross-sections of fibers, but rather it depreciates amounts of investment by vintage of account. In addition, Southern Bell states that it has already provided the total investment in its interLATA transport network, as well as the incremental cost of the dark fibers. Finally, Southern Bell has included an affidavit from Hamilton E. Gray which details the efforts that would be required to comply with FIXCA's request, given the fact that accounting for investment and reserve is by aerial, buried, and underground installation, not by the specific use that is made of the plant. Southern Bell closes by citing its concern with having to defend such a "best estimate" from subsequent attacks by FIXCA.

Having reviewed all of the arguments, it has been found that the information requested by FIXCA is relevant and should be produced by Southern Bell. The Company should be able to develop a reasonable estimate of the age of the investment. Then, by multiplying investment times age times depreciation rate, an estimate of the associated reserve can be derived. The depreciation rate can be estimated by making an estimate of whether

most of the investment is underground, aerial, or buried, or perhaps evenly distributed among the three accounts, in which case a composite depreciation rate can be used. Once the reserve has been estimated, then investment minus reserve produces an estimate of the undepreciated value. Clearly, the Company can provide an estimate to FIXCA and it shall be ordered to do so. The Company can utilize the suggested methodology or can develop one of its own. In either case, it shall also provide all supporting documentation relating to the estimate so developed. The Company shall comply with this Order no later than the close of business on January 19, 1994.

Based on the foregoing, it is

ORDERED by Chairman J. Terry Deason, as Acting Prehearing Officer, that the Florida Interexchange Carriers Association's Motion to Compel filed December 21, 1993, is hereby granted to the extent set forth in the body of this Order. It is further

ORDERED that BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company's Motion for Protective Order filed December 27, 1993, is hereby denied.

By ORDER of Chairman J. Terry Deason, as Acting Prehearing Officer, this 10th day of January, 1994.

J. TERRY DEASON, Chairman and
Acting Prehearing Officer

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice

should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.