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ORIGINAL  
FILE COPY

March 1, 1994

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

RE: Docket No. 920260-TL, 900960-TL, 910163-TL, 910727-TL

Dear Mr. Tribble:

Enclosed are an original and fifteen copies of Southern Bell Telephone and Telegraph Company's Petition to Distribute Monies in Accordance with Order No. PSC-94-0172-707-TL. Please file this document 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.

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WAS \_\_\_\_\_  
JGH \_\_\_\_\_

Sincerely,

*Nancy B. White (es)*  
Nancy B. White

Enclosures

cc: All Parties of Record  
A. M. Lombardo  
H. R. Anthony  
R. D. Lackey

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02041 MAR-1 94

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**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  
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Nancy B. White  
(DJ)

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

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FILE COPY

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

) Filed: March 1, 1994

PETITION OF SOUTHERN BELL TELEPHONE  
AND TELEGRAPH COMPANY TO DISTRIBUTE MONIES  
IN ACCORDANCE WITH ORDER NO. PSC-94-0172-707-TL

COMES NOW BellSouth Telecommunications, Inc. d/b/a Southern  
Bell Telephone and Telegraph Company ("Southern Bell" or  
"Company"), and petitions the Florida Public Service Commission  
("Commission") to distribute the monies scheduled for disposition  
in 1994, in accordance with the provisions of Order No. PSC-94-  
0172-FOF-TL and in accordance with the proposals set forth below:

1. By Order No. PSC-94-0172-FOF-TL, dated February 11,  
1994, the Commission approved the Stipulation and Agreement  
Between the Office of Public Counsel and Southern Bell, as well  
as the Implementation Agreement for Portions of the Unspecified  
Rate Reductions in Stipulation and Agreement Between the Office

DOCUMENT NUMBER-DATE

02041 MAR-1 8

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of Public Counsel and Southern Bell (collectively, the "Settlement"). The Stipulation, while effectively settling the issues in the above captioned dockets, still leaves certain sums of money available for disposition in 1994, 1995, and 1996. For example, the Settlement provides for a \$50 million revenue reduction in Southern Bell's intrastate switched access charge rates to be implemented on July 1, 1994. It further provides, however, for an additional \$10 million revenue reduction, which is not specifically allocated, but is also designated to be implemented on July 1, 1994. The Settlement allows all parties to submit proposals as to how this \$10 million revenue reduction should be implemented.

#### PRIMARY PROPOSAL

2. Southern Bell's primary proposal for disposition of the \$10 million revenue reduction scheduled for July 1, 1994 is as follows:

A. The allocation of \$1 million to reduce the usage rates charged for 800 service;

B. The allocation of \$1.9 million to eliminate the rate charged for billed number screening for non-local exchange company pay telephone providers;

C. The allocation of \$4 million to reduce the trunk termination rate for Direct Inward Dialing ("DID");

D. The allocation of \$.9 million to reduce the rates charged for residential and business customized code restrictions;

E. The allocation of \$1.1 million to reduce the rate charged for residential Ringmaster service; and

F. The allocation of \$1.1 million to reduce business hunting charges.

Southern Bell has filed herewith proposed tariffs that, if approved, will implement the rate reductions outlined above. Southern Bell believes that these particular rate reductions are appropriate in order to bring rates closer to costs.

#### ALTERNATIVE PROPOSAL

3. With respect to the \$50 million revenue reduction in Southern Bell's intrastate switched access charges, the issue arises as to the effect of Order No. 20475, issued in Docket No. 870675-TL on December 20, 1988. Docket No. 870675-TL concerned the interconnection of mobile service providers with the facilities of local exchange companies. Order No. 20475 approved a rate formula which associated mobile service provider usage rates with access charges for interexchange carriers. Essentially, this formula required a flow-through of reductions in switched access charges for the purpose of reducing mobile service provider usage charges.

4. On September 15, 1993, Southern Bell filed a Petition to Disassociate Certain Mobile Interconnection Charges from Access Charges. The petition was assigned to Docket No. 930915-TL for the Commission's consideration. At its February 15, 1994 agenda session, the Commission voted to deny Southern Bell's Petition and approved the Staff's recommendation to undertake a

generic investigation to determine whether the formula contained in order No. 20475 is still appropriate or should be changed.

5. As stated above, pursuant to the terms of the Settlement, Southern Bell must reduce intrastate switched access charge rates in the amount of \$50 million effective July 1, 1994. Compliance by the Company with the provisions of Order No. 20475 would result in an additional revenue reduction to Southern Bell from mobile service provider usage charges of approximately \$7.3 million.

6. Southern Bell has, on even date herewith, filed a Petition to Stay Certain Provisions of Order No. 20475 pending a final decision by the Commission in its generic investigation into whether the formula for mobile service provider usage charges is still appropriate. Therefore, as an alternative to the proposal set forth in its Primary Proposal above, Southern Bell proposes that, if the Commission denies Southern Bell's Petition to Stay the effect of Order No. 20475, the disposition of the \$10 million revenue reduction scheduled for July 1, 1994 should be as follows:

A. The allocation of \$7.3 million to reduce mobile service provider usage rates in accordance with Order No. 20475;

B. The allocation of \$1 million to reduce the usage rate charged for 800 service; and

C. The allocation of \$1.7 million to reduce the trunk termination rate for Direct Inward Dialing ("DID").

7. If the Stay is not granted and if the \$10 million is not so allocated, Southern Bell will be required to reduce its annual revenues by an additional \$7.3 million. This was never contemplated by the parties to the Settlement nor by the Commission itself. Such a resolution would be unjust and result in a windfall to mobile service providers at the expense of Southern Bell and its other ratepayers. The Commission should not allow such a result to occur.

8. In the event that the Commission grants Southern Bell's Petition to Stay the effect of Order No. 20475, Southern Bell proposes that the disposition of the \$10 million revenue reduction scheduled for 1994 should be as set forth in its Primary Proposal described above.

WHEREFORE, Southern Bell requests that the Commission issue an order adopting Southern Bell's Primary Proposal for disposition of the \$10 million revenue reduction. In the alternative, and in the event that Southern Bell's Petition to Stay the effect of Order No. 20475 is denied, Southern Bell requests that the Commission adopt Southern Bell's Alternative Proposal for disposition of the \$10 million revenue reduction.



Respectfully submitted this 1st day of March, 1994.

SOUTHERN BELL TELEPHONE  
AND TELEGRAPH COMPANY

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