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Benjamin W. Fincher Attorney, State Regulatory

March 3, 1997

Via Federal Express

Blanca S. Bayo Director, Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399

Re: Docket 920260-TL

Dear Ms. Bayo:

Please find enclosed for filing an original and fifteen copies of Response of Sprint Communications Company Limited Partnership to Motion for Reconsideration/Clarification of BellSouth Telecommunications, Inc., in connection with the above proceeding.

We are enclosing an extra copy of this transmittal letter. We ask that you please acknowledge receipt thereon and return to the undersigned in the enclosed, stamped and self-addressed envelope. Thank you for your assistance.

Sincerely,

Benjamin W. Fincher

BWF/vw

cc: Parties of record Everett Boyd

AFA-1 CMN Leg-1 LIN-5 SEC



#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Comprehensive Review of	)				
the Revenue Requirements and Rate	)	Docket	No.	92026	50-TL
Stabilization Plan of Southern Bell	)				
Telephone and Telegraph Company	)	Filed:	Marc	h 4,	1997

# RESPONSE OF SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP TO MOTION FOR RECONSIDERATION/CLARIFICATION OF BELLSOUTH TELECOMMUNICATIONS, INC.

COMES NOW, Sprint Communications Company Limited Partnership ("Sprint"), pursuant to Rule 25-22.060(3)(c), Florida Administrative Code, and responds to Motion of BellSouth Telecommunications, Inc. ("BellSouth") for Reconsideration and Clarification of Order No. PSC-97-0128-FOF-TL ("Order"), issued on February 7, 1997, by the Florida Public Service Commission ("Commission") in the above styled docket.

The Commission's order requires BellSouth to eliminate the Residual Interconnection Charge ("RIC") and reduce the Carrier Common Line Charge ("CCLC"). The necessary rate reductions were estimated to be \$34.3 million to eliminate the RIC and \$3.3 million to reduce the CCL. The estimations were based on BellSouth's own forecast as furnished in response to interrogatories of Commission Staff.

BellSouth now seeks to change its forecast, as set out in its motion, so that the reduction in the CCL will be reduced from \$3.3 million to \$2.58 million, thereby reducing by \$715,148.00 the amount BellSouth will reduce the CCL.

DOCUMENT NUMBER-DATE

#### I. RESPONSE

### A. BellSouth's Motion presents no legal basis to warrant reconsideration.

BellSouth's Motion for Reconsideration/Clarification is without merit and should be rejected out of hand. The limited purpose of a motion for reconsideration is to apprise the Commission of an error, or bring to its attention a matter it overlooked or misapprehended. BellSouth's argument in support of its motion does neither. BellSouth's motion is nothing more than a "last minute" effort to reduce the amount of the access reductions, ordered by this Commission, by approximately \$715,000.00., thereby shifting this amount of money from the consumers of Florida to the pockets of BellSouth.

The "updated forecast" for the RIC, relied upon by BellSouth to argue for a reduction in the amount of its access reduction as ordered by the Commission, is not part of this record, has not been reviewed by the parties, has not withstood cross examination in order to determine its accuracy, and as far as Sprint can determine from BellSouth's motion, has not been submitted to the Commission. This "updated forecast", is nothing more than a self-serving vehicle created by BellSouth in order to reduce its CCL access reduction obligation, as required under the Commission's order, by \$715,000.00.

BellSouth's Motion for Reconsideration: (1) does not point to a single error in the Commission's order; (2) does not bring to the

<sup>&</sup>lt;sup>1</sup>Diamond Cab Co. of Miami v. King, 146 So.2d 889 (Fla. 1962).

Commission's attention any evidence it overlooked or failed to consider; (3) does not show any instance of speculation or conjecture on the part of the Commission; (4) does not identify any evidence considered by the Commission that was not relevant or material; (5) does not show that the Commission considered any evidence that was devoid of elements giving it probative value; (6) does not show that the Commission's determination was based on speculation or supposition; (7) does not show that the Commission ignored competent evidence that contradicted the Commission's underlying assumptions; and, (8) does not show that the Commission's findings were wholly inadequate or not supported by the evidence.

BellSouth's motion fails to establish the minimum legal basis to warrant the Commission's reconsideration of its order.

Instead, BellSouth's motion is nothing more than an attempt to circumvent the Commission's order concerning the amount of the access reductions to be implemented. Clearly, this is not a proper motion for reconsideration and should be denied. BellSouth has failed to demonstrate any legal basis to warrant reconsideration by the Commission.

## B. BellSouth's Motion for Reconsideration presents no factual basis to warrant reconsideration.

It should be noted at the outset that the effective date of the access reductions here involved, as provided in the stipulation, was October 1, 1996. However, due to the administrative effort required to determine application of the stipulated reductions, this portion of the reductions was not ordered until March 1, 1997, a full five months later. During that period of time, BellSouth collected an estimated \$1.4 million in CCL over and above the amount that would have been collected had all of the stipulated reductions became effective October 1, 1996, as originally provided in the stipulation. In addition, BellSouth billed and collected over \$14.7 million in RIC charges, which would not have otherwise applied, had the stipulation become effective October 1, 1996. Stated differently, BellSouth has billed and collected a total of \$16.1 million since October 1, 1996, in access charges, over and above the amount that would have been collected had all of the stipulated reductions become effective as originally provided in the stipulation.

This calculation can readily be determined from the data contained in BellSouth's motion for reconsideration.

Further, not only did BellSouth reap a substantial benefit from the delay in implementing the access rate reductions, by having the use of \$48 million in unspecified stipulated overearnings for five months, it also benefits from being allowed to keep this additional \$16.1 million in revenues.

In its motion, BellSouth raised the argument that the amount of overearnings applied to the RIC element was actually greater than anticipated. The only logical explanation is that usage over the BellSouth network is increasing, as it is for the industry in general. If one calculates the amount of future reductions that BellSouth will forego as a result of this Commission's decision, in

another five months, the CCL reduction will continue to drop as the Minutes of Use on the BellSouth network are stimulated. This is clearly an attempt by BellSouth to reduce the amount of the reductions ordered by this Commission to resolve BellSouth's overearnings.

Moreover, the \$16.1 million windfall enjoyed by BellSouth, due to the five month interval between the original stipulation effective date of October 1, 1996 and the actual effective date of March 1, 1997, will never be flowed through to the Florida consumer.

Accordingly, if for no other reason, based on the \$16.1 million windfall BellSouth received, to the detriment of the Florida consumers, during the delay in the implementation of the stipulation, BellSouth's Motion for Reconsideration/Clarification should be denied.

### II. CONCLUSION

Sprint respectfully requests that the Commission deny BellSouth's Motion for Reconsideration on the grounds that:

- (1) The motion fails to show a legal basis for reconsideration;
- (2) The motion fails to show a factual basis for reconsideration;
- (3) The motion attempts to circumvent the Commission's order in an effort to reduce the amount of properly considered and ordered access reductions;

- (4) BellSouth has already realized a substantial windfall from the five month delay in implementing the access reductions in the stipulation;
- (5) The Commission fully considered all of the evidence and its findings and order were fully supported by the evidence.

Respectfully submitted,

Sprint Communications Company Limited Partnership

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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 true and exact copy of the within and foregoing Response of Sprint Communications Company Limited

Partnership to Motion for Reconsideration/Clarification of

BellSouth Telecommunications, Inc. has been served upon the following via United States Mail, first class postage prepaid, this day of March, 1997.

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