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PLEASE REPLY TO:  
TALLAHASSEE

December 6, 1993

HAND DELIVERED

Mr. Steve Tribble, Director  
Division of Records and Reporting  
101 East Gaines Street  
Tallahassee, Florida 32399

Re: Docket Nos. 920260-TL,, 910163-TL, 910727-TL, 900960-TL  
and 911034-TL, Southern Bell Telephone and Telegraph  
Company.

Dear Mr. Tribble:

Enclosed for filing and distribution are the original and 15  
copies of the Florida Interexchange Carriers Association's  
Prehearing Statement in the above dockets. Also enclosed is a  
double-sided high density 5.25 inch floppy disk containing the  
pleading (titled FIXCA.PS) in WordPerfect 5.1 format as prepared on  
a MS-DOS 3.30 based computer.

Please acknowledge receipt of the above on the extra copy  
enclosed herein and return it to me. Thank you for your  
assistance.

Sincerely,

*Vicki Gordon Kaufman*  
Vicki Gordon Kaufman

Enclosures

RECEIVED & FILED

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

12968 DEC-68

FPSC-RECORDS/REPORTING

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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

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  
FILED: December 6, 1993

**THE FLORIDA INTEREXCHANGE CARRIERS ASSOCIATION'S PREHEARING STATEMENT**

Pursuant to Orders Nos. PSC-93-0644-PCO-TL, PSC-93-0921-PCO-TL, PSC-93-1538-PCO-TL, and Order No. PSC-93-1567-PCO-TL, the Florida Interexchange Carriers Association (FIXCA), through its undersigned counsel, files its Prehearing Statement.

**A. APPEARANCES:**

JOSEPH A. MCGLOTHLIN and VICKI GORDON KAUFMAN,  
McWhirter, Reeves, McGlothlin, Davidson & Bakas  
315 S. Calhoun Street, Suite 716  
Tallahassee, Florida 32301

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**12968 DEC-6 8**  
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B. WITNESSES:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Joseph P. Gillan	Southern Bell's incentive plan; Southern Bell's Expanded "Local" Service (ELS) proposal; Southern Bell's corporate network	2, 2b, 8, 19, 24c, 25b, 26, 28a, 28c, 29 32a

C. EXHIBITS:

<u>Witness</u>	<u>Exhibit No.</u>	<u>Content</u>
Joseph P. Gillan	<u>(JPG-1)</u>	Qualifications, Publications, and Testimony of Joseph Paul Gillan
Joseph P. Gillan	<u>(JPG-2)</u>	Excess InterLATA Fiber Capacity; Comparing Dark to Lit Fiber
Joseph P. Gillan	<u>(JPG-3)</u>	InterLATA Capacity; Measured in DS-3s and Minutes/Month Compared to Florida Toll Market

D. STATEMENT OF BASIC POSITION:

FIXCA's Statement of Basic Position:

FIXCA will address three major areas in this docket. First, FIXCA addresses the current incentive regulation plan and recommends that it not be renewed unless Southern Bell's rates are recalibrated and the plan incorporates a "sharing" mechanism so that access customers have an opportunity to benefit from growth.

Second, FIXCA takes exception to the expanded "local" service (ELS) proposal offered by Southern Bell and recommends that the proposal be rejected. This proposal requires a customer to accept

local measured service in order to receive lower toll prices and requires the customer to receive those lower prices only from Southern Bell. The proposal violates this Commission's access imputation policy because it allows Southern Bell to capture consumers by using predatory price levels. If the Commission desires lower toll prices, it should reduce Southern Bell's access charges; in order to reduce the number of EAS petitions the Commission receives it should expand competition by implementing 1+ presubscription. Approval of Southern Bell's proposal would significantly reduce interexchange competition as well as create pressure to expand the proposed plan beyond 40 miles.

Third, FIXCA describes Southern Bell's corporate network. Southern Bell has constructed a "private" toll network which exceeds the capacity needed for its own use. Thus ratepayers appear to be subsidizing Southern Bell's potential reentry into the long distance market. The Commission should remove the undepreciated value of the dark fiber in Southern Bell's private network from rate base so ratepayers stop paying for this strategic investment.

#### E. ISSUES AND POSITIONS:

##### GENERAL ISSUES

1. Is the test year ended December 31, 1993, an appropriate test year?

FIXCA: No position at this time.

RATE BASE

Plant in Service

2. What is the appropriate amount of plant in service for the test year?

FIXCA: The Commission should disallow from plant in service the amount attributable to that portion of Southern Bell's interLATA internal company network which is not needed for Southern Bell's own private internal communications. See Issue 2b. (Gillan)

- 2a. What adjustment, if any, should be made to plant in service, depreciation reserve and expense to account for plant investments shown on Southern Bell's Continuing Property Record System (CPR) for Circuit Other Account that does not represent physical plant in service?

FIXCA: No position at this time.

- 2b. Is Southern Bell's investment in its interLATA internal company network prudent, reasonable, and necessary to enable it to provide service to ratepayers? If not, what action should the Commission take?

FIXCA: No. Southern Bell's investment in its interLATA company network is not prudent, reasonable or necessary to enable it to provide service to its ratepayers. Under the MFJ, Southern Bell was permitted to construct and operate an interLATA network for its internal communication needs only. However, discovery has shown that Southern Bell has constructed a fiber-optic network with excess capacity which is unnecessary to meet Southern Bell's internal needs.

The Commission should remove the undepreciated value of the dark fiber from Southern Bell's rate base so that ratepayers cease paying for this strategic investment. The Commission may also want to consider additional remedies (such as reducing the rate base by original cost plus interest) to assure that ratepayers have been fully reimbursed for the cost of the network if, and when, it is put to competitive use. (Gillan)

### Depreciation Reserve

3. What is the appropriate amount of depreciation reserve for the test year?

FIXCA: No position at this time.

### Plant Under Construction

4. What is the appropriate amount of construction work in progress for the test year?

FIXCA: No position at this time.

### Property Held For Future Use

5. What is the appropriate amount of property held for future use for the test year?

FIXCA: No position at this time.

### Working Capital

6. What is the appropriate amount of working capital allowance for the test year?

FIXCA: No position at this time.

- 6a. Should the Company be allowed to include the unamortized portion of deferred Hurricane Andrew expenses in working capital?

FIXCA: No position at this time.

- 6b. Should the Company be allowed to include the balance for unamortized deferred compensation absences in working capital?

FIXCA: No position at this time.

- 6c. Should accrued dividends be added back in the computation of the working capital?

FIXCA: No position at this time.

7. Should the unfunded FAS 106 liability reduce rate base?

FIXCA: No position at this time.

8. What is the appropriate amount of rate base for the test year?

FIXCA: See Issue 2b. The Commission should remove the undepreciated value of the dark fiber from Southern Bell's rate base. (Gillan)

#### COST OF CAPITAL

9. What is the appropriate cost of common equity capital for Southern Bell?

FIXCA: No position at this time.

10. Is Southern Bell's proposed test year equity ratio prudent and reasonable? If not, how should this be treated?

FIXCA: No position at this time.

11. Is Southern Bell's balance of accumulated deferred investment tax credits, prior to reconciliation to rate base, appropriate?

FIXCA: No position at this time.

12. Is Southern Bell's balance of accumulated deferred taxes, prior to reconciliation to rate base, appropriate?

FIXCA: No position at this time.

13. What is the appropriate weighted average cost of capital including the proper components, amounts, and cost rates associated with the capital structure for the test year?

FIXCA: No position at this time.

NET OPERATING INCOME

Operating Revenue

14. What is the appropriate amount of operating revenue for the test year?

FIXCA: No position at this time.

14a. Are all of the revenues from significant tariff revisions or planned tariff filings appropriately reflected in the test year?

FIXCA: No position at this time.

14b. How should employee concessions be treated for ratemaking purposes?

FIXCA: No position at this time.

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

FIXCA: No position at this time.

14d. What is the appropriate amount of gross directory advertising profit that should be included in the test period?

FIXCA: No position at this time.

14e. In the event that the Commission changes the current regulatory practice regarding the inside wire operation, how should that change be treated for ratemaking purposes?

FIXCA: No position at this time.

Operation & Maintenance Expense

15. What is the appropriate amount of O&M expense for the test year?

FIXCA: No position at this time.

15a. Are the allocations to non-regulated operations reasonable?

FIXCA: No position at this time.

15b. What adjustment, if any, should be made to expenses for USTA and FTA dues?

FIXCA: No position at this time.

15c. Is the amount of lobbying and other political expenses included in the Company's intrastate operating expenses appropriate for ratemaking purposes?

FIXCA: No position at this time.

15d. Is the amount of advertising and public relations expenses included in the Company's intrastate operating expenses appropriate for ratemaking purposes?

FIXCA: No position at this time.

15e. Does the level of legal, injury, and damage claims expense represent a reasonable and necessary ongoing level?

FIXCA: No position at this time.

15f. What is the appropriate treatment of the Company's promotional expenses, sponsorships, charitable contributions and other miscellaneous expenses?

FIXCA: No position at this time.

15g. Are the test year expenses for software reasonable?

FIXCA: No position at this time.

15h. In the event that the Commission requires a different accounting practice for software additions than is currently employed by SBT, how should that change be treated for ratemaking purposes?

FIXCA: No position at this time.

15i. How should the Commission treat the Company's incentive compensation/bonus plan payments?

FIXCA: No position at this time.

15j. Should the Commission allow the Company to establish a casualty damage reserve? If so, what is the appropriate amount of annual expense?

FIXCA: No position at this time.

15k. What is the appropriate expense adjustment for Hurricane Andrew, if any, in the test period?

FIXCA: No position at this time.

15l. Has Southern Bell's ESOP been treated appropriately for regulatory purposes?

FIXCA: No position at this time.

15m. How should the costs associated with debt refinancing be treated for ratemaking purposes?

FIXCA: No position at this time.

15n. Has the Company properly recorded legal and professional services in connection with the Attorney General's investigation and the Davis anti-trust lawsuit as below the line expenses?

FIXCA: No position at this time.

15o. Should the Company be allowed to recover a provision for pension expense in cost of service?

FIXCA: No position at this time.

15p. How should the Commission treat the costs and the savings associated with the Company's labor reduction plan for ratemaking purposes? (combined previous issues 15p, 15q and 15r)

FIXCA: No position at this time.

15q. Is the budgeted level of maintenance expense appropriate for ratemaking purposes?

FIXCA: No position at this time.

15r. Should an adjustment be made to uncollectible accounts expense?

FIXCA: No position at this time.

15s. Should the Company be allowed to recover, in cost of service, the cost of the Supplemental Executive Retirement Plan (SERP)?

FIXCA: No position at this time.

15t. How should the Commission treat costs associated with Stock Appreciation Rights for ratemaking purposes?

FIXCA: No position at this time.

15u. Should the Company be allowed to recover, through cost of service, the cost of chauffeurs?

FIXCA: No position at this time.

15v. Are there any out-of-period expenses which should be removed from the test year?

FIXCA: No position at this time.

15w. Is the Company's proforma adjustment to remove certain aircraft expenses reasonable?

FIXCA: No position at this time.

15x. Should an adjustment be made to the separations factor for the Corporate Operations Expense?

FIXCA: No position at this time.

15y. Should an adjustment be made to the separations factor related to the Universal Service Fund?

FIXCA: No position at this time.

Nonrecurring Items

16. Have non-recurring items been removed from the determination of revenue requirements?

FIXCA: No position at this time.

Affiliated Transactions

17. Are the affiliated charges and overhead allocations to Southern Bell-Florida reasonable, including charges from the central management/service organization?

FIXCA: No position at this time.

- 17a. Are the ownership costs incurred at the corporate level appropriate for ratepayers to pay?

FIXCA: No position at this time.

- 17b. Are the regulated operations being properly compensated for billing and collection services provided to nonaffiliated companies, and nonregulated and/or affiliated company operations?

FIXCA: No position at this time.

- 17c. How should the Commission treat BST Research Organization expenses?

FIXCA: No position at this time.

- 17d. Should the Company be allowed to recover as expense, the return on affiliated assets designated as Intracompany Investment Compensation (ICIC)?

FIXCA: No position at this time.

- 17e. Has the Company properly removed all BSC corporate advertising costs?

FIXCA: No position at this time.

17f. Should an adjustment be made for BSC Corporate Affairs expenses which are charged to the Company?

FIXCA: No position at this time.

17g. Should an adjustment be made for BSC D.C. Public Relations costs which are charged to the Company?

FIXCA: No position at this time.

17h. Should an adjustment be made to remove BSC sponsorships which are charged to the Company?

FIXCA: No position at this time.

17i. Is the return on investment charged to the Company by BSC reasonable?

FIXCA: No position at this time.

17j. Should an adjustment be made for BSC's lease of the Campanile Building which is charged to the Company?

FIXCA: No position at this time.

17k. Should an adjustment be made to the 1993 budgeted BSC project costs charged to the Company?

FIXCA: No position at this time.

17l. Are any adjustments necessary to remove travel, meals, club dues, gifts, sporting events, other entertainment, and other miscellaneous expenses of BSC which are charged to the Company?

FIXCA: No position at this time.

17m. Is the Company's adjustment to remove BSC dues reasonable?

FIXCA: No position at this time.

17n. Should an adjustment be made to remove BSC donations which are charged to the Company?

FIXCA: No position at this time.

17o. Should an adjustment be made for BSC legal expenses charged to the Company?

FIXCA: No position at this time.

17p. Are any adjustments necessary to costs allocated or charged to the Company from BellCore?

FIXCA: No position at this time.

17q. Should certain Research and Development costs charged to the Company be deferred or capitalized?

FIXCA: No position at this time.

17r. How should the Commission treat the lease agreement with Sunlink for ratemaking purposes?

FIXCA: No position at this time.

17s. How should the Commission treat the agreement with BellSouth Travel Service for ratemaking purposes?

FIXCA: No position at this time.

17t. Should the Commission allow the Company to charge its affiliates a return on investment for the use of common plant and equipment?

FIXCA: No position at this time.

FAS 112 and 106

18. Should the Commission adopt FAS 112 for ratemaking purposes?

FIXCA: No position at this time.

18a. What adjustment, if any, should be made for postemployment benefits for the test year related to FAS 112?

FIXCA: No position at this time.

18b. Does the recognition of FAS 112 expense in 1993 duplicate budgeted expenses in 1993?

FIXCA: No position at this time.

18c. What adjustment, if any, should be made for postretirement benefits other than pensions for the test year related to FAS 106?

FIXCA: No position at this time.

#### Depreciation and Amortization Expense

19. What is the appropriate amount of depreciation expense for the test year?

FIXCA: The appropriate amount of depreciation for the test year should exclude depreciation for the dark fiber of Southern Bell's internal interLATA network. (Gillan)

19a. How and when should the reserve deficit caused by Hurricane Andrew damage be recognized for ratemaking purposes?

FIXCA: No position at this time.

19b. Has the Company properly computed the adjustment for expiring amortization? If not, what is the appropriate adjustment?

FIXCA: No position at this time.

#### Taxes

20. What is the appropriate amount of taxes other than income for the test year?

FIXCA: No position at this time.

20a. Should an adjustment be made to the gross receipts tax expense?

FIXCA: No position at this time.

20b. Should an adjustment be made to the separation factor for taxes, other than income?

FIXCA: No position at this time.

21. What is the appropriate amount of income tax expense for the test year?

FIXCA: No position at this time.

21a. Has the Company implemented FAS 109, Accounting for Income Taxes, in accordance with Rule 25-14.013, Florida Administrative Code?

FIXCA: No position at this time.

21b. Should the tax savings that BellSouth Corporation retains in connection with the PAYSOP and LESOP plans be allocated to Florida?

FIXCA: No position at this time.

21c. Should a parent Company debt adjustment be made because of: (1) the debt issued by BellSouth Capital Funding Corporation and (2) the debt issued by the trust which holds the shares for the LESOP?

FIXCA: No position at this time.

22. What is the appropriate achieved test year net operating income?

FIXCA: No position at this time.

#### ATTRITION

23. Is Southern Bell's attrition (accretion) allowance appropriate?

FIXCA: No position at this time.

**REVENUE REQUIREMENT**

24. What is the appropriate amount of revenue increase/decrease for the test year?

FIXCA: No position at this time.

- 24a. Did Southern Bell earn above 14% Return on Equity (ROE) for 1992 therefore requiring a sharing of earnings between the company and ratepayers per Order No. 20162 in DN 880069-TL? If so, what is the amount to be shared?

FIXCA: No position at this time.

- 24b. Did Southern Bell experience an increase in earnings when netting rate changes against changes in earnings due to exogenous factors and debt refinancings, therefore requiring a refund and/or a permanent disposition for 1992 per Order No. 20162? If so, what is the amount?

FIXCA: No position at this time.

- 24c. What amount of revenue, if any, is subject to disposition for 1993 due to orders issued in DN 920260? How should this revenue be disposed of?

FIXCA: FIXCA has not made a detailed study of the amount of money available for refund; however, it appears to be substantial. A portion of the amount determined by the Commission to be appropriate for refund should be set aside to defray the costs of implementing 1+ presubscription which will be considered in Docket No. 930330-TP. Further, access customers, such as interexchange carriers, should receive a portion of any refund amount remaining after the 1+ set aside through a reduction in access charges greater than that proposed by Southern Bell. (Gillan)

- 24d. What is the appropriate revenue expansion factor to be used in determining revenue requirements?

FIXCA: No position at this time.

## INCENTIVE REGULATION

- 25a. What criteria should the Commission use to evaluate Southern Bell's performance under the current form of regulation?

FIXCA: No position at this time.

- 25b. Has the current incentive regulation plan under which Southern Bell has been operating achieved the goals as set forth in Order No. 20162? What are the positive and negative results, if any?

FIXCA: No position at this time.

26. Should the Commission continue the current form of regulation of SBT? If not, what is the appropriate form of regulation for SBT?

FIXCA: Only if the Commission recalibrates Southern Bell's rates and incorporates a "sharing" mechanism so that access customers also have the opportunity to benefit from growth should Southern Bell be permitted to continue with its incentive plan. (Gillan)

## POLICY AND PRICING

### Billing Units

27. Are Southern Bell's test year billing units appropriate?

FIXCA: No position at this time.

- 27a. Have billing units for employee concessions been properly accounted for in MFR Schedule E-1a?

FIXCA: No position at this time.

### Proposed Optional Expanded Local Service (ELS) Plan

28. Southern Bell has proposed an "Optional Expanded Local Service" (ELS) plan. Customers who subscribe would pay \$.02 per minute for all calls within the existing local calling area and \$.08 per minute for all intraLATA calls up to approximately forty miles. The proposed plan includes many

components and features including seven-digit dialing, reduced flat-rate buy-ins, and usage caps. It would be available to both business and residence customers.

- a. Should Southern Bell's proposed Optional Expanded Local Service (ELS) plan be approved? If not, what alternative plan, if any, should be approved and what should be the criteria? What is the first year revenue impact?

FIXCA: No. Southern Bell's expanded local service (ELS) plan should not be approved. This plan is predatory toll pricing which combines local measured service with discounted interexchange pricing. The discounted interexchange portion of the plan violates the Commission's requirement that Southern Bell impute access charges.

Rather than approving the ELS plan, the Commission should take two steps. First, it should reduce access charges. Second, it should give customers control over their 1+ dialing as recommended by Commission Staff in Docket No. 930330-TP.

Additionally, if the Commission wants more focused toll relief, it should establish a lower access rate for all intraLATA calls or it could establish a reduced access rate specific to a certain LATA. (Gillan)

- b. If the Company's Optional ELS plan or any other alternative is approved, should stimulation be taken into account? If so, how?

FIXCA: No position at this time.

- c. If the Commission approves an OELS or similar plan, what other action should the Commission take, if any? (e.g., route-specific switched access charges, 1+ IntraLATA presubscription).

FIXCA: The Commission should implement LATA specific access reductions and implement 1+ IntraLATA presubscription.

- d. Is Southern Bell's proposal to amend, eliminate, or grandfather various existing measured and message rate offerings appropriate?

FIXCA: No position at this time.

### Toll/Access/Mobile Interconnection

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?

FIXCA: Switched access charges should be reduced at a minimum by the amounts proposed by Southern Bell.  
(Gillan)

### Vertical Services

30a. Should the Company's proposal to reduce Residential Call Waiting from \$3.50 to \$3.35 and the Residential Call Forwarding-Variable from \$2.45 to \$2.20 be approved? If so, what is the test year revenue impact?

FIXCA: No position at this time.

30b. The Company has made no proposal to change its current Touchtone charges. Is this appropriate? If not, what action should be taken and what is the test year revenue impact?

FIXCA: No position at this time.

30c. Should customers be allowed to subscribe to Call Forward-Busy in lieu of rotary or hunting service? If so, what is the test year revenue impact?

FIXCA: No position at this time.

30d. Should SBT be required to offer Billed Number Screening for collect and third number billed calls at no charge to subscribers? If so, what is the test year revenue impact?

FIXCA: No position at this time.

Service Connection Charges

31. Southern Bell has proposed to restructure and reduce its Service Connection Charges as shown below. What changes, if any, should be made to Service Connection Charges? What is the test year revenue impact?

<u>Current</u>	<u>Proposed</u>
<u>Residential</u>	<u>Residential</u>
Primary Service Order \$25.00	Line Connection - First \$40.00
Secondary Service Order \$ 9.00	Line Connection - Add'l \$12.00
Access Line Connection	Line Change - First \$23.00
Charge - C.O. Work \$19.50	Line Change - Add'l \$11.00
Access Line Connection	Secondary Service Charge \$10.00
Charge - New Line \$31.50	
Number Change-per S.O. \$ 9.00	
Number Change-per No. \$11.50	
 <u>Business</u>	 <u>Business</u>
Primary Service Order \$35.00	Line Connection - First \$56.00
Secondary Service Order \$12.50	Line Connection - Add'l \$12.00
Access Line Connection	Line Change - First \$38.00
Charge - C.O. Work \$19.50	Line Change - Add'l \$11.00
Access Line Connection	Secondary Service Charge \$19.00
Charge - New Line \$31.50	
Number Change-per S.O. \$12.50	
Number Change-per No. \$11.50	

FIXCA: No position at this time.

Extended Area Service

32a. Is a toll relief plan warranted for the routes in Docket No. 911034-TL (Between Ft. Lauderdale and Miami; Ft. Lauderdale and N. Dade; and Hollywood and Miami)? If so, what is the

appropriate form of toll relief? What is the revenue impact?

FIXCA: If the Commission believes that toll relief is warranted, it should implement specific access charge reductions for the Southeast LATA. (Gillan)

- 32b. Should the modifications to the OEAS and EOEAS plans in Section A3.7 of the General Subscriber Service Tariff be approved as proposed? If not, what action, if any, should be taken? What is the test year revenue impact?

FIXCA: No position at this time.

- 32c. Should the proposed modifications to the "Local Exceptions" in Section A3.8 of the GSST be approved? If not, what actions, if any, should be taken? What is the test year revenue impact?

FIXCA: No position at this time.

#### Basic Local Exchange Rates

- 33a. Southern Bell has proposed to reduce the rates and modify the rate relationships between certain of its business access lines services as shown below. It has proposed no other changes to business rate relationships. Is this appropriate? If not, what changes, if any, should be made to business access line rate relationships? What is the test year revenue impact?

<u>Service</u>	<u>Reduction</u>	<u>Cur./Prop. B-1 Ratio</u>
Business Rotary (or hunting)	31%	.50 / .35
Residential PBX Trunks	22%	.84 / .66
Business PBX Trunks	24%	2.24 / 1.70
Network Access Registers	24%	2.24 / 1.70
NARs - Small, Medium, Large	42%	1.03 / .59

FIXCA: No position at this time.

- 33b. Should SBT be required to revise its tariff to change the Directory Assistance (DA) call allowance from one DA call per Centrex/ESSX main station line to 3 DA calls per NAR so as to be comparable with DA call allowances on PBX trunks? If so, what is the test year revenue impact?

FIXCA: No position at this time.

- 33c. SBT's current rates for Customized Code Restriction (CCR) for B-1 and PBX subscribers are greater than the rates for equivalent services to the company's ESSX subscribers. Is this appropriate? If not, what adjustment(s) should be made?

FIXCA: No position at this time.

- 33d. The Company has made no other proposals to change its basic local exchange rates. Is this appropriate? If not, what changes should be made?

FIXCA: No position at this time.

#### Stimulation

34. Are Southern Bell's proposed stimulation rates and levels appropriate? If not, what is appropriate?

FIXCA: No position at this time.

#### Miscellaneous Issues

35. Should Southern Bell be required to itemize customer bills on a monthly basis?

FIXCA: No position at this time.

36. Should SBT be allowed to unbundle the Gross Receipts Tax from base rates and bill it as a separate line item on customer bills? If so, what is the test year revenue impact of doing so?

FIXCA: No position at this time.

37. What other rate changes, if any, should be approved?

FIXCA: No position at this time.

Effective Date/Customer Notification

38a. What should be the effective date(s) of any rate changes approved in this docket?

FIXCA: No position at this time.

38b. What information should be contained in the bill stuffers sent to customers and when should such notification take place?

FIXCA: No position at this time.

ISSUES IN DOCKET NO. 900960-TL

201. Has SBT charged customers through non-contact sales for services not requested?

FIXCA: No position at this time.

202. Did SBT misbill its customers by misinforming them or misleading them with respect to what was the most economic or least expensive service, with the result that the customers were billed for services they did not desire?

FIXCA: No position at this time.

203. How many customers were charged for services not requested through non-contact sales and what is the total amount of such charges that has been collected from SBT customers? Have these charges been refunded appropriately?

FIXCA: No position at this time.

204. Did SBT's management know or should they have known that customers were being billed through non-contact sales for services not ordered and were appropriate actions taken?

FIXCA: No position at this time.

205. Did SBT have adequate internal controls for non-contact sales to prevent customers from being misbilled?

FIXCA: No position at this time.

206. Did SBT's employees take any other inappropriate actions in regard to marketing and sales of telephone services? If so, what was the impact and what action should the Commission take?

FIXCA: No position at this time.

207. If SBT did charge customers through non-contact sales for services not requested and/or took any other inappropriate actions in its marketing and sales of telephone services, did these actions violate Chapter 364, Florida Statutes, or Commission Rules?

FIXCA: No position at this time.

ISSUES IN DOCKET NOS. 910163-TL AND 910727-TL

301. Did any of SBT's employees misreport or otherwise miscode trouble reports?

- a. If so, how?
- b. How widespread were such activities?
- c. Did Southern Bell take timely action to stop the practices?

FIXCA: No position at this time.

302. Has SBT violated any Commission Rules or Florida Statutes in regard to its repair and rebate operations? If so, what?

FIXCA: No position at this time.

303. Did SBT's management encourage behavior that led to any violations of Commission Rules or Florida Statutes in regard to its repair and rebate operations? If so, how?

FIXCA: No position at this time.

304. Has SBT filed any inaccurate Commission Forms PSC/CMU 28 (12/86) or Schedules 2, 11, 17, or 18?

- a. If so, how?
- b. Has Southern Bell filed corrected Quarterly Reports?
- c. If not, what actions should the Commission take?

FIXCA: No position at this time.

305. Did SBT have sufficient controls in place to detect or prevent any possible repair and rebate falsification from occurring? If not, where and how were the controls insufficient?

FIXCA: No position at this time.

306. Under what circumstances have rebates been improperly denied to SBT'S customers, if any?

FIXCA: No position at this time.

307. Were customers denied rebates due to mismanagement, if any, by SBT?

FIXCA: No position at this time.

308. Should SBT be prospectively required to rebate out-of-service over 24 hours reports for the full period of the outage under Rule 25-4.110(2) by rounding up each pro rata portion of a 24 hour period to equal one full day?

FIXCA: No position at this time.

309. Should SBT be required to file a report with the Commission for rebates given to customers due to these investigation dockets? If so, what should be contained in the report?

FIXCA: No position at this time.

310. Should the Commission modify SBT's reporting requirements, document retention policy, or make any other changes?

FIXCA: No position at this time.

**GENERAL ISSUES PERTAINING TO DNS 910163, 900960, AND 920260**

401. Has SBT refunded the appropriate amounts due in order to make its customers whole for the Dockets listed below? If not, what action should the Commission take?

- a. Docket No. 900960-TL; Non-Contact Sales
- b. Docket No. 910163-TL; Repair
- c. Docket No. 910727-TL; Rebate

FIXCA: No position at this time.

402. Has SBT taken adequate steps to prevent any recurrence of these inappropriate activities, if any, and, if not, what should the Commission require SBT to do to prevent these inappropriate activities from occurring again for the dockets listed below?

- a. Docket No. 900960-TL; Contact and Non-Contact Sales
- b. Docket No. 910163-TL; Repair
- c. Docket No. 910727-TL; Rebate

FIXCA: No position at this time.

403. Should the Commission penalize SBT for poor quality of service, mismanagement, or violations, if any, of Commission Rules and Florida Statutes for the dockets listed below? If so, how?

- a. Docket No. 900960-TL; Non-Contact Sales
- b. Docket No. 910163-TL; Repair
- c. Docket No. 910727-TL; Rebate
- d. Docket No. 920260-TL; Quality of Service

FIXCA: No position at this time.

404. Did SBT's settlement with the Office of Statewide Prosecutor sufficiently compensate potentially affected subscribers so that no additional compensation for subscribers is warranted for the dockets listed below?

- a. Docket No. 900960-TL; Non-Contact Sales
- b. Docket No. 910163-TL; Repair
- c. Docket No. 910727-TL; Rebate

FIXCA: No position at this time.

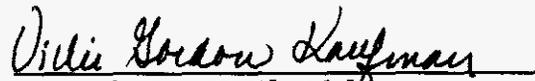
DN 920260-TL: Quality of Service

39. Is Southern Bell's quality of service adequate?

FIXCA: No position at this time.

- 39a. Do Rules 25-4.070 & 25-4.110 require SBT to provide a rebate for an out-of-service condition when the company fails to notify, within 24 hours of the trouble report, that the trouble is located in the Customer Premises Equipment (CPE)?

FIXCA: No position at this time.

  
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Florida Interexchange Carriers Association's Prehearing Statement has been furnished by hand delivery\* or by U.S. Mail to the following parties of record, this 6th day of December, 1993:

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