

7
SOUTHERN BELL TELEPHONE
SURVEILLANCE AUDIT
DKT# 920260-TL
AFAD# 95-103-4-1
TPE DECEMBER 31, 1994
OCOTOBER 25, 1995

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RECORDS REPORTING

FOR
12/18/10

These schedules in 45 include account descriptions and the reg and nonreg % by month for the accounts chosen to sample. *Also, the function codes for each account & which CP they are assigned & from this we look at the CP % reg, nonreg & determine if the correct amount has been allocated.*

THE WALTER LATHAM COMPANY 7081 545-8787

APPLICATION AB01: CSS/PPS USER GUIDE
 PART 10: PPS INVESTMENT AND EXPENSE APPORTIONMENT
 SECTION 11: GENERAL SUPPORT PROPERTY EXPENSES

5.03 Account 6115 consists of the following cost pools:

CP01 Garage Work Equipment Expense

5.04 CP01 is allocated to product based on Account 2115.

ACCOUNT 6116 - OTHER WORK EQUIPMENT EXPENSE

6.01 Account 6116 contains the cost of maintaining and repairing Other Work Equipment classified to Account 2116. Included are such costs as fuel, licenses, and inspection fees, washing, and minor accessories.

6.02 The following inputs are used in this account:

CPAM

6.03 Account 6116 consists of the following cost pools:

CP01 Other Work Equipment Expense

6.04 CP01 is allocated to product based on Account 2116.

ACCOUNT 6121 - LAND AND BUILDING EXPENSE

7.01 Account 6121 contains the expense associated with Land and Building (excluding amortization of Leasehold Improvements). This includes janitorial service, cleaning supplies, water, sewage, fuel, guard services, and electrical power.

7.02 The following inputs are used in this account:

CPAM

7.03 Account 6121 consists of the following cost pools/subpools:

CP01 Direct Assigned Regulated
 CP02 SP01 Other Common - Not Used
 CP02 SP02 Other Common - Central Office
 CP02 SP03 Other Common - Distribution Services
 CP02 SP04 Other Common - Customer Operations
 CP02 SP05 Other Common - Network Operations
 CP02 SP06 Other Common - Corporate Operations
 CP02 SP07 Other Common - Telephone Operators
 CP02 SP08 Other Common - Network Operations - Data Centers
 CP02 SP09 Other Common - Warehouse

10.11.3

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(1)

APPLICATION AB01: CSS/PPS USER GUIDE
 PART 10: PPS INVESTMENT AND EXPENSE APPORTIONMENT
 SECTION 11: GENERAL SUPPORT PROPERTY EXPENSES

6/21
 CP03 SP01 Operating Rents - Not Used
 CP03 SP02 Operating Rents - Central Office
 CP03 SP03 Operating Rents - Distribution Services
 CP03 SP04 Operating Rents - Customer Operations
 CP03 SP05 Operating Rents - Network Operations
 CP03 SP06 Operating Rents - Corporate Operations
 CP03 SP07 Operating Rents - Telephone Operators
 CP03 SP08 Operating Rents - Network Operations - Data
 Centers
 CP03 SP09 Operating Rents - Warehouse

- 7.04.1 CP01 is directly assigned to Product 999.
- 7.05.1 CP02 SP01 is not used.
- 7.05.2 CP02 SP02 is allocated to product based on Accounts 22XX.
- 7.05.3 CP02 SP03 is allocated to product based on PSW12.
- 7.05.4 CP02 SP04 is allocated to product based on PSW05.
- 7.05.5 CP02 SP05 is allocated to product based on PSW09.
- 7.05.6 CP02 SP06 is allocated to product based on PSW16.
- 7.05.7 CP02 SP07 is allocated to product based on PSW08.
- 7.05.8 CP02 SP08 is allocated to product based on PSW19.
- 7.05.9 CP02 SP09 is allocated to product based on SRCs 1220.1XXX.
- 7.06.1 CP03 SP01 is not used.
- 7.06.2 CP03 SP02 is allocated to product based on Accounts 22XX.
- 7.06.3 CP03 SP03 is allocated to product based on PSW12.
- 7.06.4 CP03 SP04 is allocated to product based on PSW05.
- 7.06.5 CP03 SP05 is allocated to product based on PSW09.
- 7.06.6 CP03 SP06 is allocated to product based on PSW16.
- 7.06.7 CP03 SP07 is allocated to product based on PSW08.
- 7.06.8 CP03 SP08 is allocated to product based on PSW19.

10.11.4

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(2)

Rev 10/1/89

TELECOMMUNICATIONS FINANCIAL SYSTEMS DOCUMENTATION

APPLICATION AB01: CSS/PPS USER GUIDE
PART 10: PPS INVESTMENT AND EXPENSE APPORTIONMENT
SECTION 11: GENERAL SUPPORT PROPERTY EXPENSES

6121

7.06.9 CP03 SP09 is allocated to product based on SRCs 1220.1XXX.

ACCOUNT 6122 - FURNITURE AND ARTWORKS EXPENSE

8.01 Account 6122 contains the cost of rental, installation, repair, rearrangements, and changes of Furniture and Artworks included in Account 2122.

8.02 The following inputs are used in this account:

CPAM

8.03 Account 6122 consists of the following cost pools:

CP01 Furniture and Artworks Expense

8.04 CP01 is allocated to product based on Account 2122.

ACCOUNT 6123 - OFFICE EQUIPMENT EXPENSE

9.01 Account 6123 contains the cost incurred in connection with the office and Company Communications Equipment classified to Account 2123. Included are costs such as rental, repair, rearrangements, and changes.

9.02 The following inputs are used in this account:

CPAM

9.03 Account 6123 consists of the following cost pools/subpools:

CP02 Office Support

CP03 Corporate Communications

9.04.1 CP02 is allocated to product based on Account 2123 CP01, CP02, and CP04.

9.04.2 CP03 is allocated to product based on Account 2123 CP03 and CP05.

ACCOUNT 6124 - GENERAL PURPOSE COMPUTERS

10.01 Account 6124 contains the cost of renting, operating, maintaining, and repairing general purpose computers, peripheral, and associated equipment classified to Account 2124.

10.11.5

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FLA - MAIN ACCOUNT / COST POOL/SUB-POOL ANALYSIS - 1994 BY MONTH

ST	ACCT	CP	SP	DATE	TOTAMT \$	REG \$	NR \$	REG RATIO	NR RATIO
FL	61211000	01		94/01	276,323	276,323	0	100.0	.0
				94/02	288,790	288,790	0	100.0	.0
				94/03	313,325	313,325	0	100.0	.0
				94/04	299,418	299,418	0	100.0	.0
				94/05	370,824	370,824	0	100.0	.0
				94/06	369,571	369,571	0	100.0	.0
				94/07	380,083	380,083	0	100.0	.0
				94/08	386,114	386,114	0	100.0	.0
				94/09	355,778	355,778	0	100.0	.0
				94/10	449,037	449,037	0	100.0	.0
				94/11	395,893	395,893	0	100.0	.0
				94/12	422,249	422,249	0	100.0	.0
*TOTAL SUB_POOL					4,307,404	4,307,404	0	1,200.0	.0
*TOTAL CP 01					4,307,404	4,307,404	0	1,200.0	.0
		02	02	94/01	1,376,529	1,366,601	9,928	99.3	.7
				94/02	1,754,266	1,741,412	12,853	99.3	.7
				94/03	2,246,277	2,228,919	17,358	99.2	.8
				94/04	1,718,818	1,705,352	13,466	99.2	.8
				94/05	2,086,013	2,069,437	16,576	99.2	.8
				94/06	2,080,845	2,064,253	16,593	99.2	.8
				94/07	2,434,314	2,415,186	19,128	99.2	.8
				94/08	2,327,343	2,308,861	18,482	99.2	.8
				94/09	2,052,883	2,036,237	16,646	99.2	.8
				94/10	2,558,068	2,536,612	21,456	99.2	.8
				94/11	2,249,143	2,230,342	18,801	99.2	.8
				94/12	2,554,754	2,534,558	20,195	99.2	.8
*TOTAL SUB_POOL 02					25,439,252	25,237,770	201,481	1,190.5	9.5
		03		94/01	218,869	193,779	25,089	88.5	11.5
				94/02	277,898	245,983	31,914	88.5	11.5
				94/03	355,838	313,589	42,249	88.1	11.9
				94/04	272,355	241,341	31,014	88.6	11.4
				94/05	330,539	291,786	38,752	88.3	11.7
				94/06	329,501	293,143	36,358	89.0	11.0
				94/07	385,442	342,103	43,338	88.8	11.2
				94/08	368,504	328,786	39,718	89.2	10.8
				94/09	324,289	289,363	34,926	89.2	10.8
				94/10	396,318	351,436	44,882	88.7	11.3
				94/11	353,938	312,967	40,971	88.4	11.6

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FLA - MAIN ACCOUNT / COST POOL/SUB-POOL ANALYSIS - 1994 BY MONTH

ST	ACCT	CP	SP	DATE	TOTANT \$	REG \$	NR \$	REG RATIO	NR RATIO
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FL	61211000	02	03	94/12	401,200	348,132	53,068	86.8	13.2
*TOTAL SUB_POOL 03					4,014,690	3,552,410	462,281	1,062.1	137.9
		04		94/01	198,906	192,308	6,598	96.7	3.3
				94/02	247,826	239,625	8,201	96.7	3.3
				94/03	315,005	303,310	11,696	96.3	3.7
				94/04	245,288	236,328	8,959	96.3	3.7
				94/05	294,272	279,411	14,861	94.9	5.1
				94/06	302,078	288,725	13,353	95.6	4.4
				94/07	350,191	334,170	16,022	95.4	4.6
				94/08	328,416	315,132	13,284	96.0	4.0
				94/09	301,569	288,471	13,098	95.7	4.3
				94/10	360,119	343,595	16,523	95.4	4.6
				94/11	322,588	309,875	12,713	96.1	3.9
				94/12	349,164	337,535	11,629	96.7	3.3
*TOTAL SUB_POOL 04					3,615,422	3,468,484	146,938	1,151.7	48.3
		05		94/01	237,266	212,088	25,178	89.4	10.6
				94/02	295,620	263,864	31,756	89.3	10.7
				94/03	358,523	320,531	37,992	89.4	10.6
				94/04	274,917	247,970	26,948	90.2	9.8
				94/05	332,596	299,502	33,094	90.0	10.0
				94/06	329,663	297,133	32,531	90.1	9.9
				94/07	374,589	335,000	39,589	89.4	10.6
				94/08	363,565	326,096	37,469	89.7	10.3
				94/09	306,189	273,406	32,783	89.3	10.7
				94/10	401,785	360,023	41,762	89.6	10.4
				94/11	378,409	336,495	41,913	88.9	11.1
				94/12	414,817	365,326	49,490	88.1	11.9
*TOTAL SUB_POOL 05					4,067,940	3,637,434	430,506	1,073.4	126.6
		06		94/01	133,415	126,928	6,488	95.1	4.9
				94/02	166,228	158,400	7,828	95.3	4.7
				94/03	215,816	205,300	10,516	95.1	4.9
				94/04	158,612	150,739	7,873	95.0	5.0
				94/05	196,977	186,527	10,450	94.7	5.3
				94/06	190,728	180,281	10,447	94.5	5.5
				94/07	224,134	212,234	11,900	94.7	5.3
				94/08	212,557	201,540	11,017	94.8	5.2

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FLA - MAIN ACCOUNT / COST POOL/SUB-POOL ANALYSIS - 1994 BY MONTH

ST	ACCT	CP	SP	DATE	TOTAMT \$	REG \$	NR \$	REG RATIO	NR RATIO
FL	61211000	02	06	94/09	192,368	182,864	9,503	95.1	4.9
				94/10	237,309	224,708	12,601	94.7	5.3
				94/11	172,394	163,162	9,232	94.6	5.4
				94/12	223,911	211,485	12,426	94.5	5.5
				*TOTAL SUB_POOL 06	2,324,449	2,204,167	120,282	1,138.2	61.8
			07	94/01	26,488	26,488	0	100.0	.0
				94/02	33,678	33,678	0	100.0	.0
				94/03	43,123	43,123	0	100.0	.0
				94/04	33,006	33,006	0	100.0	.0
				94/05	40,057	40,057	0	100.0	.0
				94/06	39,931	39,931	0	100.0	.0
				94/07	46,711	46,711	0	100.0	.0
				94/08	44,658	44,658	0	100.0	.0
				94/09	39,401	39,401	0	100.0	.0
				94/10	49,093	49,093	0	100.0	.0
				94/11	43,205	43,205	0	100.0	.0
				94/12	49,027	49,027	0	100.0	.0
				*TOTAL SUB_POOL 07	488,378	488,378	0	1,200.0	.0
			08	94/01	67,871	64,592	3,278	95.2	4.8
				94/02	85,362	81,212	4,150	95.1	4.9
				94/03	107,270	101,956	5,315	95.0	5.0
				94/04	82,421	78,539	3,882	95.3	4.7
				94/05	100,017	94,737	5,280	94.7	5.3
				94/06	98,973	94,078	4,895	95.1	4.9
				94/07	114,127	108,272	5,855	94.9	5.1
				94/08	111,790	106,277	5,513	95.1	4.9
				94/09	97,499	92,796	4,703	95.2	4.8
				94/10	149,459	141,917	7,543	95.0	5.0
				94/11	129,540	123,246	6,294	95.1	4.9
				94/12	143,955	136,789	7,166	95.0	5.0
				*TOTAL SUB_POOL 08	1,288,285	1,224,411	63,874	1,140.7	59.3
			09	94/01	196,145	193,106	3,038	98.5	1.5
				94/02	249,381	244,463	4,918	98.0	2.0
				94/03	319,324	313,935	5,389	98.3	1.7
				94/04	244,407	239,287	5,120	97.9	2.1
				94/05	296,620	288,665	7,955	97.3	2.7

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FLA - MAIN ACCOUNT / COST POOL/SUB-POOL ANALYSIS - 1994 BY MONTH

ST	ACCT	CP	SP	DATE	TOTANT \$	REG \$	NR \$	REG RATIO	NR RATIO
FL	61211000	02	09	94/06	295,689	286,793	8,896	97.0	3.0
				94/07	345,889	335,061	10,829	96.9	3.1
				94/08	330,690	321,578	9,112	97.2	2.8
				94/09	291,760	284,016	7,744	97.3	2.7
				94/10	363,529	352,143	11,386	96.9	3.1
				94/11	319,930	310,838	9,092	97.2	2.8
				94/12	363,043	353,375	9,667	97.3	2.7
*TOTAL SUB_POOL 09					3,616,407	3,523,260	93,147	1,169.8	30.2
*TOTAL CP 02					44,824,822	43,336,314	1,518,508	9,126.5	473.5
		03	02	94/01	976,800	969,755	7,045	99.3	.7
				94/02	647,961	643,213	4,748	99.3	.7
				94/03	172,012	170,683	1,329	99.2	.8
				94/04	591,520	586,886	4,634	99.2	.8
				94/05	654,431	649,231	5,200	99.2	.8
				94/06	664,717	659,416	5,300	99.2	.8
				94/07	438,607	435,161	3,446	99.2	.8
				94/08	591,160	586,465	4,694	99.2	.8
				94/09	644,948	639,718	5,230	99.2	.8
				94/10	852,768	845,615	7,153	99.2	.8
				94/11	823,372	816,489	6,883	99.2	.8
				94/12	737,267	731,439	5,828	99.2	.8
*TOTAL SUB_POOL 02					7,795,562	7,734,071	61,491	1,190.5	9.5
		03		94/01	155,312	137,508	17,804	88.5	11.5
				94/02	102,645	90,857	11,788	88.5	11.5
				94/03	27,249	24,014	3,235	88.1	11.9
				94/04	93,729	83,056	10,673	88.6	11.4
				94/05	103,698	91,540	12,157	88.3	11.7
				94/06	105,258	93,643	11,614	89.0	11.0
				94/07	69,448	61,639	7,809	88.8	11.2
				94/08	93,602	83,514	10,089	89.2	10.8
				94/09	101,881	90,908	10,973	89.2	10.8
				94/10	132,118	117,156	14,962	88.7	11.3
				94/11	129,571	114,572	14,999	88.4	11.6
				94/12	115,781	100,466	15,315	86.8	13.2
*TOTAL SUB_POOL 03					1,230,290	1,088,873	141,417	1,062.1	137.9
		04		94/01	141,146	136,464	4,682	96.7	3.3

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FLA - MAIN ACCOUNT / COST POOL/SUB-POOL ANALYSIS - 1994 BY MONTH

ST	ACCT	CP	SP	DATE	TOTAMT \$	REG \$	MR \$	REG RATIO	MR RATIO
FL	61211000	03	04	94/02	91,538	88,509	3,029	96.7	3.3
				94/03	24,122	23,226 ✓	896 ✓	96.3	3.7
				94/04	84,414	81,331	3,083	96.3	3.7
				94/05	92,320	87,658	4,662	94.9	5.1
				94/06	96,497	92,232	4,266	95.6	4.4
				94/07	63,096	60,210	2,887	95.4	4.6
				94/08	83,420	80,046	3,374	96.0	4.0
				94/09	94,743	90,628	4,115	95.7	4.3
				94/10	120,051	114,542	5,508	95.4	4.6
				94/11	118,094	113,440	4,654	96.1	3.9
				94/12	100,764	97,408	3,356	96.7	3.3
*TOTAL SUB_POOL 04					1,110,205	1,065,693	44,512	1,151.7	48.3
			05	94/01	168,366	150,500	17,867	89.4	10.6
				94/02	109,191	97,462	11,729	89.3	10.7
				94/03	27,454	24,545 ✓	2,909 ✓	89.4	10.6
				94/04	94,611	85,337	9,274	90.2	9.8
				94/05	104,343	93,961	10,382	90.0	10.0
				94/06	105,309	94,918	10,392	90.1	9.9
				94/07	67,492	60,359	7,133	89.4	10.6
				94/08	92,348	82,830	9,517	89.7	10.3
				94/09	96,194	85,895	10,299	89.3	10.7
				94/10	133,941	120,019	13,922	89.6	10.4
				94/11	138,529	123,185	15,344	88.9	11.1
				94/12	119,710	105,428	14,282	88.1	11.9
*TOTAL SUB_POOL 05					1,257,490	1,124,439	133,051	1,073.4	126.6
			06	94/01	94,673	90,069	4,604	95.1	4.9
				94/02	61,399	58,507	2,891	95.3	4.7
				94/03	16,526	15,721 ✓	805 ✓	95.1	4.9
				94/04	54,585	51,876	2,709	95.0	5.0
				94/05	61,796	58,518	3,279	94.7	5.3
				94/06	60,927	57,590	3,337	94.5	5.5
				94/07	40,384	38,240	2,144	94.7	5.3
				94/08	53,991	51,192	2,798	94.8	5.2
				94/09	60,436	57,450	2,986	95.1	4.9
				94/10	79,110	74,910	4,201	94.7	5.3
				94/11	63,110	59,731	3,380	94.6	5.4
				94/12	64,618	61,032	3,586	94.5	5.5
*TOTAL SUB_POOL 06					711,555	674,835	36,720	1,138.2	61.8

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FLA - MAIN ACCOUNT / COST POOL/SUB-POOL ANALYSIS - 1994 BY MONTH

ST	ACCT	CP	SP	DATE	TOTAMT \$	REG \$	NR \$	REG RATIO	NR RATIO
FL	61211000	03	07	94/01	18,796	18,796	0	100.0	.0
				94/02	12,439	12,439	0	100.0	.0
				94/03	3,302	3,302	0	100.0	.0
				94/04	11,359	11,359	0	100.0	.0
				94/05	12,567	12,567	0	100.0	.0
				94/06	12,756	12,756	0	100.0	.0
				94/07	8,416	8,416	0	100.0	.0
				94/08	11,343	11,343	0	100.0	.0
				94/09	12,378	12,378	0	100.0	.0
				94/10	16,366	16,366	0	100.0	.0
				94/11	15,817	15,817	0	100.0	.0
				94/12	14,149	14,149	0	100.0	.0
				*TOTAL SUB_POOL 07	149,688	149,688	0	1,200.0	.0
			08	94/01	48,162	45,835	2,326	95.2	4.8
				94/02	31,530	29,997	1,533	95.1	4.9
				94/03	8,214	7,807	407	95.0	5.0
				94/04	28,365	27,029	1,336	95.3	4.7
				94/05	31,378	29,721	1,657	94.7	5.3
				94/06	31,616	30,053	1,564	95.1	4.9
				94/07	20,563	19,508	1,055	94.9	5.1
				94/08	28,395	26,995	1,400	95.1	4.9
				94/09	30,631	29,153	1,477	95.2	4.8
				94/10	49,824	47,310	2,514	95.0	5.0
				94/11	47,422	45,118	2,304	95.1	4.9
				94/12	41,543	39,476	2,068	95.0	5.0
				*TOTAL SUB_POOL 08	397,644	378,002	19,642	1,140.7	59.3
			09	94/01	139,186	137,030	2,156	98.5	1.5
				94/02	92,112	90,296	1,817	98.0	2.0
				94/03	24,453	24,040	413	98.3	1.7
				94/04	84,111	82,349	1,762	97.9	2.1
				94/05	93,057	90,561	2,496	97.3	2.7
				94/06	94,456	91,615	2,842	97.0	3.0
				94/07	62,321	60,370	1,951	96.9	3.1
				94/08	83,997	81,683	2,314	97.2	2.8
				94/09	91,661	89,228	2,433	97.3	2.7
				94/10	121,187	117,392	3,796	96.9	3.1
				94/11	117,121	113,792	3,329	97.2	2.8
				94/12	104,769	101,979	2,790	97.3	2.7

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 FILENAME: FOCEXEC PYCPANMA RUN 06/29/95

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FLA - MAIN ACCOUNT / COST POOL/SUB-POOL ANALYSIS - 1994 BY MONTH

ST ACCT	CP	SP	DATE	TOTALT \$	REG \$	NR \$	REG RATIO	NR RATIO
WTOTAL SUB_POOL 09				1,168,433	1,080,334	28,097	1,169.8	38.2
WTOTAL CP 03				13,760,868	13,295,937	464,931	9,126.5	473.5
WTOTAL ACCOUNT 61211000				62,923,094	60,939,665	1,983,439	19,452.9	997.1
FL 6411 1M 01 02			94/01	386,840	386,840	0	100.0	.0
			94/02	399,059	399,059	0	100.0	.0
			94/03	394,919	394,919	0	100.0	.0
			94/04	398,880	398,880	0	100.0	.0
			94/05	415,042	415,042	0	100.0	.0
			94/06	399,682	399,682	0	100.0	.0
			94/07	399,135	399,135	0	100.0	.0
			94/08	401,252	401,252	0	100.0	.0
			94/09	393,844	393,844	0	100.0	.0
			94/10	685,027	685,027	0	100.0	.0
			94/11	4,123,236	4,123,236	0	100.0	.0
			94/12	685,083	685,083	0	100.0	.0
WTOTAL SUB_POOL 02				9,682,000	9,682,000	0	1,200.0	.0
	03		94/01	13,338	13,338	0	100.0	.0
			94/02	13,878	13,878	0	100.0	.0
			94/03	9,792	9,792	0	100.0	.0
			94/04	9,865	9,865	0	100.0	.0
			94/05	10,236	10,236	0	100.0	.0
			94/06	9,832	9,832	0	100.0	.0
			94/07	10,366	10,366	0	100.0	.0
			94/08	10,445	10,445	0	100.0	.0
			94/09	10,283	10,283	0	100.0	.0
			94/10	17,931	17,931	0	100.0	.0
			94/11	188,669	188,669	0	100.0	.0
			94/12	18,306	18,306	0	100.0	.0
WTOTAL SUB_POOL 03				242,942	242,942	0	1,200.0	.0
	04		94/01	9,641	9,641	0	100.0	.0
			94/02	10,000	10,000	0	100.0	.0
			94/03	8,482	8,482	0	100.0	.0
			94/04	8,544	8,544	0	100.0	.0
			94/05	8,864	8,864	0	100.0	.0
			94/06	8,515	8,515	0	100.0	.0
			94/07	8,968	8,968	0	100.0	.0
			94/08	9,038	9,038	0	100.0	.0

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FILENAME: FOCEXEC PYCPANMA RUN 06/29/95

7 Travel to GL
4 R Boxes

10/11/95
10/11/95

APPLICATION	AB01:	CSS/PPS USER GUIDE
PART	9:	CSS INVESTMENT AND EXPENSE APPORTIONMENT
SECTION	11:	GENERAL SUPPORT PROPERTY EXPENSES

ACCOUNT 6121 - LAND AND BUILDING EXPENSE

- 7.01 Account 6121 contains the expense associated with Land and Building (excluding amortization of Leasehold Improvements). This includes janitorial service, cleaning supplies, water, sewage, fuel, guard services, and electrical power.

- 7.02 The following inputs are used in this account:

CISSP
CREMS
TACCOUNT
TUSECODE

- 7.03 Account 6121 consists of the following cost pools/subpools:

```

CP01      Direct Regulated
CP02 SP01 Other Common - Not Used
CP02 SP02 Other Common - Central Office Equipment
CP02 SP03 Other Common - Distribution Services
CP02 SP04 Other Common - Customer Operations
CP02 SP05 Other Common - Network Operations
CP02 SP06 Other Common - Corporate Operations
CP02 SP07 Other Common - Telephone Operators
CP02 SP08 Other Common - Network Operations - Data
          Centers
CP02 SP09 Other Common - Warehouse
CP03 SP01 Operating Rents - Not Used
CP03 SP02 Operating Rents - Central Office Equipment
CP03 SP03 Operating Rents - Distribution Services
CP03 SP04 Operating Rents - Customer Operations
CP03 SP05 Operating Rents - Network Operations
CP03 SP06 Operating Rents - Corporate Operations
CP03 SP07 Operating Rents - Telephone Operators
CP03 SP08 Operating Rents - Network Operations - Data
          Centers
CP03 SP09 Operating Rents - Warehouse

```

- 7.04.1 CREMS is used to extract total square footage by assignment code (signifies that the floor space is marketable), owned vs leased indicator (used to indicate that property is owned or leased), and occupant code (indicates that the floor space is occupied by BST, an affiliated or a nonaffiliated company). Based on the occupancy code the ratio of Leased to others - LTO and company occupied square footage is developed. This ratio is used to drive dollars to CP01, leased to others. The balance of the account goes to CP02 after CP03 dollars are identified by SPFC 5073. For CP02 and

9.11.4

FEB 15 1994

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PBC

APPLICATION	AB01:	CSS/PPS USER GUIDE
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ACCOUNT 6122 - FURNITURE AND ARTWORKS EXPENSE

CPAM

CP01 Furniture and Artworks Expense

ACCOUNT 6123 - OFFICE EQUIPMENT EXPENSE

CPAM

CP02 Office Support
CP03 Corporate Communications

9.04.2 CP03 is allocated to product based on Account 2123 CP03 and CP05.

10.11.5

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6122

BELLSOUTH TELECOMMUNICATIONS - ACCOUNT/CP REPORT BY MONTH - 1994

ST	MA	CP	DATE	TOTAMT \$	REG \$	NR \$	REG RATIO	NR RATIO
FL	6121	01	94/12	507,147	507,147	0	100.0	.0
		02	94/01	2,585,507	2,501,696	83,811	96.8	3.2
			94/02	3,222,821	3,117,522	105,298	96.7	3.3
			94/03	4,623,789	4,471,443	152,346	96.7	3.3
			94/04	3,386,473	3,277,763	108,710	96.8	3.2
			94/05	4,027,362	3,888,297	139,064	96.5	3.5
			94/06	4,395,800	4,248,283	147,517	96.6	3.4
			94/07	5,061,372	4,887,750	173,623	96.6	3.4
			94/08	4,439,203	4,293,028	146,175	96.7	3.3
			94/09	4,190,545	4,051,784	138,761	96.7	3.3
			94/10	5,627,443	5,432,845	194,598	96.5	3.5
			94/11	4,868,993	4,698,459	170,534	96.5	3.5
			94/12	5,665,724	5,459,684	206,040	96.4	3.6
		03	94/01	1,742,442	1,685,959	56,483	96.8	3.2
			94/02	1,148,814	1,111,279	37,535	96.7	3.3
			94/03	303,333	293,339	9,994	96.7	3.3
			94/04	1,042,694	1,009,222	33,472	96.8	3.2
			94/05	1,153,589	1,113,756	39,833	96.5	3.5
			94/06	1,171,537	1,132,222	39,315	96.6	3.4
			94/07	770,328	743,903	26,425	96.6	3.4
			94/08	1,038,257	1,004,069	34,188	96.7	3.3
			94/09	1,132,872	1,095,359	37,513	96.7	3.3
			94/10	1,505,365	1,453,309	52,056	96.5	3.5
			94/11	1,453,035	1,402,143	50,892	96.5	3.5
			94/12	1,298,601	1,251,376	47,225	96.4	3.6
			FR-BASIS					
		01	94/01	66,386	62,386	4,000	94.0	6.0
			94/02	225,206	211,611	13,595	94.0	6.0
			94/03	118,780	111,474	7,306	93.8	6.2
			94/04	111,702	105,213	6,489	94.2	5.8
			94/05	318,376	298,137	20,239	93.6	6.4
			94/06	438,029	411,235	26,794	93.9	6.1
			94/07	435,520	407,767	27,753	93.6	6.4
			94/08	131,401	123,412	7,988	93.9	6.1
			94/09	128,744	120,723	8,020	93.8	6.2
			94/10	1,205,851	1,127,969	77,882	93.5	6.5
			94/11	259,762	242,497	17,265	93.4	6.6
			94/12	3,064,403	2,854,089	210,314	93.1	6.9
			TOTAL (833) 6,504,160					
		02	94/01	183,730	175,812	7,918	95.7	4.3
			94/02	169,862	162,497	7,365	95.7	4.3
			94/03	214,068	204,636	9,432	95.6	4.4
			94/04	191,289	183,341	7,948	95.8	4.2
			94/05	227,456	217,883	9,573	95.4	4.6
			94/06	302,435	289,140	13,295	95.6	4.4
			94/07	265,884	255,705	12,101	95.4	4.6

PBC

6122

10/1

44-4
4-1

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(*) 4 = Traced to G/L
diff 833 pass

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BELL-SOUTH TELECOMMUNICATIONS

FINANCIAL SYSTEMS DOCUMENTATION

APPLICATION	AB01:	CSS/PPS USER GUIDE
PART	9:	CSS INVESTMENT AND EXPENSE APPORTIONMENT
SECTION	11:	GENERAL SUPPORT PROPERTY EXPENSES

PBC

ACCOUNT 6122 - FURNITURE AND ARTWORKS EXPENSE

- 8.01 Account 6122 contains the cost of rental, installation, repair, rearrangements, and changes of Furniture and Artworks included in Account 2122.
- 8.02 The following inputs are used in this account:
- CISSP
- 8.03 Account 6122 consists of the following cost pools:
- CP01 Furniture and Artworks Expense
- 8.04.1 CP01 contains the entire account.
- 8.04 CP01 is allocated to regulated/nonregulated based on Account 2122.

ACCOUNT 6123 - OFFICE EQUIPMENT EXPENSE

- 9.01 Account 6123 contains the cost incurred with the Office and Company Communications Equipment classified to Account 2123. Included are costs such as rental, repair, rearrangements, and changes.
- 9.02 The following inputs are used in this account:
- CISSP
TACCOUNT
- 9.03 Account 6123 consists of the following cost pools/subpools:
- CP02 Office Support
CP03 Corporate Communications
- 9.04.1 CP02 contains FRC 430M.
- 9.04.2 CP02 is allocated to regulated/nonregulated based on Account 2123 CP01, CP02, and CP04.
- 9.05.1 CP03 contains FRC 658M.
- 9.05.2 CP03 is allocated to regulated/nonregulated based on Account 2123 CP03 and CP05.

9.11.6

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THE WALTER LATHAM COMPANY 17081 245-8787

TELECOMMUNICATIONS

FINANCIAL SYSTEMS DOCUMENTATION

APPLICATION	AB01:	CSS/PPS USER GUIDE
- PART	10:	PPS INVESTMENT AND EXPENSE APPORTIONMENT
SECTION	11:	GENERAL SUPPORT PROPERTY EXPENSES

7.06.9 CP03 SP09 is allocated to product based on SRCs
1220.1XXX.

~~ACCOUNT 6122 - FURNITURE AND ARTWORKS EXPENSE~~

PBC

8.01 Account 6122 contains the cost of rental, installation, repair, rearrangements, and changes of Furniture and Artworks included in Account 2122.

8.02 The following inputs are used in this account:

CPAM

8.03 Account 6122 consists of the following cost pools:

CP01 Furniture and Artworks Expense

8.04 CP01 is allocated to product based on Account 2122.

ACCOUNT 6123 - OFFICE EQUIPMENT EXPENSE

9.01 Account 6123 contains the cost incurred in connection with the office and Company Communications Equipment classified to Account 2123. Included are costs such as rental, repair, rearrangements, and changes.

9.02 The following inputs are used in this account:

CPAM

9.03 Account 6123 consists of the following cost pools/subpools:

CP02 Office Support

CP03 Corporate Communications

9.04.1 CP02 is allocated to product based on Account 2123 CP01, CP02, and CP04.

9.04.2 CP03 is allocated to product based on Account 2123 CP03 and CP05.

~~ACCOUNT 6124 - GENERAL PURPOSE COMPUTERS~~

10.01 ~~Account 6124 contains the cost of renting, operating, maintaining, and repairing general purpose computers, peripheral, and associated equipment classified to Account 2124.~~

10.11.5

FEB 13 1994

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COMPANY SOUTHERN BELL
TITLE EXPLANATION OF SOUTHERN BELL'S BOOKS
PERIOD TYPE 12.31.94
DATE JULY 27, 1995
AUDITOR GABRIELA LEON
WORKPAPER # RATE BASE SUMMARY

EXPLANATION OF SOUTHERN BELL'S BOOKS

COMBINED - MR GENERAL LEDGER
COMBINED - Interstate and Intrastate

MR GENERAL LEDGER - FR Adjustments - FR General Ledger
FR General Ledger - Part 64 Adjustments - FLORIDA COMBINED REGULATED

FLA COMBINED REGULATED is on the Surveillance Report and gets allocated between Interstate and Intrastate

Southern Bell keeps a Florida Combined (Interstate and Intrastate Regulated and Nonregulated) general ledger called the MR BOOKS

The MR Books are adjusted with "off-book" adjustments or FR adjustments. The FR adjustments are comprised of adjustments which are PSC adjustments and JD adjustments which are the differences between the FCC and GAAP. The balance after these FR adjustments are called the FR BOOKS (Florida Combined with FR Adjustments)

The FR Books are adjusted with Part 64 adjustments per the Cost Allocation Manual (Part 64 adjustments allocate regulated and nonregulated activities). This results in Fla Combined regulated balances. These are the balances used in the Surveillance report which are further allocated to interstate and intrastate tolls. The intrastate total is comprised of intrastate toll and local.

The Florida Combined Regulated Balances are allocated to interstate and intrastate based on the separations factor.

Staff tested the following Rate Base Adjustments

	Plant in Service	Accumulated Depreciation & Amortization	Working Capital	Total	Reference
Excess Plug-in - Units	✓ (\$23,598,000.00)			(\$23,598,000.00)	15-1/1 ✓
WECO Tax Credits	✓ \$34,468,000.00	\$23,350,000.00		\$11,118,000.00	15-1/2 ✓
BELLCORE Investment	\$5,197,000.00			\$5,197,000.00	15-1/3 ✓
Other Rate Base Adjust.	\$979,000.00	(\$12,586,000.00)		\$13,565,000.00	15-1/4
Net Sharing Adjustment			\$10,108,000.00	\$10,108,000.00	15-1/5
	\$17,046,000.00	\$10,764,000.00	\$10,108,000.00	<u>\$16,390,000.00</u>	

wp. 25p. 2
This adjustment was audited in section wp. 25p. 2

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FLORIDA
1994

ACCOUNT	COMBMR	TOTAL 2001 COMBMR	NONREG	REGMR	TOTAL 2001 REGMR	REGMR %	TOTAL 2001 REGMR %
1220	65,474,017.14	9,809,563,514.67	1,678,861.77	63,795,155.37	9,714,229,690.02	0.974358	0.990282
2111	49,905,988.86		1,770,037.11	48,135,951.75		0.964533	
2112	50,992,167.13		5,746,006.33	45,246,160.80		0.887316	
2113	0.00		0.00	0.00			
2114	167.83		20.69	147.14		0.876720	
2115	1,766,195.79		162,402.24	1,603,793.55		0.908050	
2116	90,398,895.87		7,255,200.31	83,143,695.56		0.919742	
2121	690,863,038.18		22,599,867.38	668,263,170.80		0.967287	
2122	14,281,946.12		888,638.81	13,393,307.31		0.937779	
2123	34,650,845.49		968,495.28	33,682,350.21		0.972050	
2124	364,300,496.12		20,187,971.35	344,112,524.77		0.944584	
2211	448,362,271.47		110.20	448,362,161.27		1.000000	
2212	1,178,584,372.37		28,272,857.20	1,150,311,515.17		0.976011	
2215	2,481.26			2,481.26		1.000000	
2220	44,167,135.01			44,167,135.01		1.000000	
2231	4,776,991.09			4,776,991.09		1.000000	
2232	1,922,248,664.56			1,922,248,664.56		1.000000	
2311	330,424.79		0.00	330,424.79		1.000000	
2321	0.00			0.00			
2341	7,698,849.60		1,070.01	7,697,779.59		0.999861	
2351	59,660,554.14		0.00	59,660,554.14		1.000000	
2362	101,394,331.53		6,112,537.75	95,281,793.78		0.939715	
2411	132,880,493.26			132,880,493.26		1.000000	
2421	692,023,132.79			692,023,132.79		1.000000	
2422	902,099,599.54			902,099,599.54		1.000000	
2423	2,282,173,738.23			2,282,173,738.23		1.000000	
2424	9,711,235.32			9,711,235.32		1.000000	
2426	42,305,100.62			42,305,100.62		1.000000	
2431	0.00			0.00			
2441	663,545,839.61			663,545,839.61		1.000000	
2681	6,177,780.91		320,148.65	5,857,632.26		0.948177	
2682	14,260,777.18		1,048,461.34	13,212,315.84		0.926479	
2690	0.00			0.00			
3100	(4,259,437,317.53)		(34,672,574.65)	(4,224,764,742.88)		0.991860	
3200	0.00		0.00	0.00			
3300	(6,617,283.33)		(215,640.54)	(6,401,642.79)		0.967413	
3410	(3,748,188.54)		(205,319.00)	(3,542,869.54)		0.945222	
3420	(9,421,185.36)		(626,343.35)	(8,794,842.01)		0.933518	
3500	0.00			0.00			
4010	(48,239,527.92)			(48,239,527.92)		1.000000	
4020	0.00			0.00			
4030	(75,928,623.90)			(75,928,623.90)		1.000000	
4040	(35,886,050.65)		(969,063.48)	(34,916,987.17)		0.972996	
4050	0.00			0.00			
4060	0.00			0.00			
4070	(313,097,960.04)			(313,097,960.04)		1.000000	
4080	(64,939,448.40)			(64,939,448.40)		1.000000	
4100	1,443,505.96		304,604.85	1,138,901.11		0.788983	
4110	76.50			76.50		1.000000	
4120	(61,981,477.38)		(30,320,197.31)	(31,661,280.07)		0.510818	
4130	(1,291.93)			(1,291.93)		1.000000	
4210	0.00			0.00			
4220	0.00			0.00			
4230	0.00			0.00			
4250	0.00			0.00			
4260	0.00			0.00			
4270	0.00			0.00			
4310	0.00		0.00	0.00			
4320	(117,143,748.62)		(496,148.37)	(116,647,600.25)		0.995765	
4330	0.00			0.00			
4340	(844,819,616.19)		(3,163,601.43)	(841,656,014.76)		0.996255	
4341	50,283,374.38			50,283,374.38		1.000000	
4350	600,731.25			600,731.25		1.000000	
4360	(757,698.27)		(107,510,315.78)	106,752,617.51		-140.890671	
4361	(95,254,137.67)			(95,254,137.67)		1.000000	
4370	3,729,136.08			3,729,136.08		1.000000	

		FLORIDA 1994						
ACCOUNT	REGMR	TOTAL 2001 REGMR	INTERSTATE	INTRASTATE	TOTAL 2001 INTRASTATE	INTRA %	TOTAL 2001 INTRA %	
1220	63,795,155.37		16,023,903.92	47,771,251.45		0.748823		
Summary 2110	1,237,581,101.89	9,714,229,690.02	259,627,488.00	977,953,613.89	7,371,518,623.68	0.790214	0.758837	
2111	48,135,951.75							
2112	45,246,160.80							
2113	0.00							
2114	147.14							
2115	1,603,793.55							
2116	83,143,695.56							
2121	668,263,170.80							
2122	13,393,307.31							
2123	33,682,350.21							
2124	344,112,524.77							
Summary 2210	1,598,676,157.70		283,075,444.00	1,315,600,713.70		0.822931		
2211	448,362,161.27							
2212	1,150,311,515.17							
2215	2,481.26							
Summary 2220	44,167,135.01		5,537,603.17	38,629,531.84		0.874622		
2220	44,167,135.01							
Summary 2230	1,927,025,655.65		560,782,463.00	1,366,243,192.65		0.708991		
2231	4,776,991.09							
2232	1,922,248,664.56							
Summary 2310	162,970,552.30		41,015,192.00	121,955,360.30		0.748328		
2311	330,424.79							
2321	0.00							
2341	7,697,779.59							
2351	59,660,554.14							
2362	95,281,793.78							
Summary 2410	4,724,739,139.37		1,188,678,848.00	3,536,060,291.37		0.748414		
2411	132,880,493.26							
2421	692,023,132.79							
2422	902,099,599.54							
2423	2,282,173,738.23							
2424	9,711,235.32							
2426	42,305,100.62							
2431	0.00							
2441	663,545,839.61							
Summary 2680	19,069,948.10		3,994,028.17	15,075,919.93		0.790559		
2681	5,857,632.26							
2682	13,212,315.84							
Summary 2690	0.00		0.00	0.00				
2690	0.00							
Summary 3100	(4,237,102,454.43)		(1,034,076,877.00)	(3,203,025,577.43)		0.755947		
3100	(4,224,764,742.88)							
3200	0.00		0.00	0.00				
3300	(6,401,642.79)							
3410	(3,542,869.54)							
3420	(8,794,842.01)							
3500	0.00							
3600	0.00							
4100/4340	(840,517,113.65)		(197,317,077)	(643,200,036.65)		0.765243		
4100	1,138,901.11							
4110	76.50							
4120	(31,661,280.07)							
4130	(1,291.93)							
4310	0.00							
4320	(116,647,600.25)							
4330	0.00							
4340	(841,656,014.76)							
4341	50,283,374.38							
4350	600,731.25							
4360	106,752,617.51							
4361	(95,254,137.67)							
4370	3,729,136.08							

HQ Priorate 12645

FLORIDA 1994							
ACCOUNT	COMBMR	TOTAL EXPENSES EXCLUDING 6560 COMBMR	NONREG	REGMR	TOTAL EXPENSES EXCLUDING 6560 REGMR	REGMR %	TOTAL EXPENSES EXCLUDING 6560 REGMR %
6112	3,662,064.76	1,818,287,120.53	218,662.51	3,443,402.25	1,696,623,429.35	0.940290	0.933089
6113	1,597,245.58		94,286.47	1,502,959.11		0.940969	
6114	852.00		55.89	796.11		0.934401	
6115	188,140.33		17,345.05	170,795.28		0.907808	
6116	548,130.40		33,065.28	515,065.12		0.939676	
6121	70,700,015.60		2,231,408.03	68,468,607.57		0.968438	
6122	6,504,159.48		427,645.61	6,076,513.87		0.934250	
6123	5,882,343.69		139,546.27	5,742,797.42		0.976277	
6124	83,763,144.92		4,265,741.34	79,497,403.58		0.949074	
6211	27,800,875.93		787.84	27,800,088.09		0.999972	
6212	76,881,540.58		2,350,385.95	74,531,154.63		0.969428	
6215	0.00			0.00			
6220	1,384,480.62			1,384,480.62		1.000000	
6231	307,193.19			307,193.19		1.000000	
6232	50,948,603.62			50,948,603.62		1.000000	
6311	1,052,403.81		1,067.42	1,051,336.39		0.998986	
6341	44,174.67		0.00	44,174.67		1.000000	
6351	13,600,402.00			13,600,402.00		1.000000	
6362	71,406,110.82		45,823,093.97	25,583,016.85		0.358275	
6411	10,424,921.57			10,424,921.57		1.000000	
6421	65,585,579.14			65,585,579.14		1.000000	
6422	19,335,547.85			19,335,547.85		1.000000	
6423	162,107,332.60			162,107,332.60		1.000000	
6424	88,275.40			88,275.40		1.000000	
6426	1,424,875.70			1,424,875.70		1.000000	
6431	0.00			0.00			
6441	3,378,028.97			3,378,028.97		1.000000	
6511	5,177.83		184.77	4,993.06		0.964315	
6512	2,314,826.13		138,937.79	2,175,888.34		0.939979	
6531	10,795,875.74		85,237.31	10,710,638.43		0.992105	
6532	25,010,355.47		761,516.13	24,248,839.34		0.969552	
6533	78,384,400.46		17,427,189.26	60,957,211.20		0.777670	
6534	92,014,802.42		8,425,721.19	83,589,081.23		0.908431	
6535	74,600,144.86		741,732.20	73,858,412.66		0.990057	
6540	10,019,905.89			10,019,905.89		1.000000	
6561	686,032,327.34		7,004,164.00	679,028,163.34		0.989790	
6562	0.00		0.00	0.00			
6563	2,563,596.98		159,257.30	2,404,339.68		0.937877	
6564	0.00			0.00			
6565	3,840,264.76		170,722.46	3,669,542.30		0.955544	
6611	24,246,765.04		3,890,494.66	20,356,270.38		0.839546	
6612	75,660,854.19		1,158,296.45	74,502,557.74		0.984691	
6613	16,692,436.80		946,871.01	15,745,565.79		0.943275	
6621	21,137,441.22		0.00	21,137,441.22		1.000000	
6622	61,865,524.95			61,865,524.95		1.000000	
6623	279,098,995.95		9,822,895.32	269,276,100.63		0.964805	
6711	8,306,632.40		477,558.50	7,829,073.90		0.942509	
6712	4,032,444.36		243,618.42	3,788,825.94		0.939585	
6721	36,825,925.90		1,565,159.06	35,260,766.84		0.957498	
6722	21,918,181.20		473,991.31	21,444,189.89		0.978374	
6723	36,702,210.66		2,705,119.75	33,997,090.91		0.926295	
6724	112,768,981.94		6,225,312.59	106,543,669.35		0.944796	
6725	17,195,415.20		5,160,990.43	12,034,424.77		0.699862	
6726	9,441,240.18		450,403.93	8,990,836.25		0.952294	
6727	8,806,832.42		167,308.90	8,639,523.52		0.981002	
6728	111,804,414.09		5,192,060.57	106,612,353.52		0.953561	
6790	20,912.00			20,912.00		1.000000	
7110	0.00			0.00			
7140	0.00			0.00			
7150	(185,766.25)		(5,837.74)	(179,928.51)		0.968575	
7160	(43,492.49)		418.46	(43,910.95)		1.009621	
7210	(14,355,232.00)		(84,282.00)	(14,270,950.00)		0.994129	
7220	222,550,448.00		(13,064,350.10)	235,614,798.10		1.058703	
7230	37,708,848.00		(2,031,829.75)	39,740,677.75		1.053882	
7240	175,489,393.78		1,092,566.02	174,396,827.76		0.993774	
7250	(16,639,922.00)		1,096,578.50	(17,736,500.50)		1.065900	
7310	(3.76)		(3.76)	0.00		0.000000	
7320	(310,880.34)		(310,880.34)	0.00		0.000000	
7340	(2,272,641.56)		(48,011.19)	(2,224,630.37)		0.978874	
7350	(102,480.00)			(102,480.00)		1.000000	
7360	(431,959.30)		(431,959.30)	0.00		0.000000	
7370	28,483,398.42		20,508,089.76	7,975,308.66		0.279998	

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Southern Bell Telephone & Telegraph
Rate Base Summary
TYE 12/31/94

PBC

UL
2/10/95

FLORIDA 1994							
ACCOUNT	REGMR	TOTAL EXPENSES EXCLUDING 6560	INTERSTATE	INTRAMR	TOTAL EXPENSES EXCLUDING 6560	INTRAMR%	TOTAL EXPENSES EXCLUDING 6560
		REGMR			INTRAMR%		INTRAMR%
Summary 6110	5,633,017.87	1,696,623,429.35	1,181,889.00	4,451,128.87	1,332,631,949.35	0.790185	0.785461
6112	3,443,402.25						
6113	1,502,959.11						
6114	796.11						
6115	170,795.28						
6116	515,065.12						
Summary 6120	159,785,322.44		33,538,619.00	126,246,703.44		0.790102	
6121	68,468,607.57						
6122	6,076,513.87						
6123	5,742,797.42						
6124	79,497,403.58						
Summary 6210	102,331,242.72		24,154,967.00	78,176,275.72		0.763953	
6211	27,800,088.09						
6212	74,531,154.63						
6215	0.00						
Summary 6220	1,384,480.62		333,764.00	1,050,716.62		0.758925	
6220	1,384,480.62						
Summary 6230	51,255,796.81		12,114,708.00	39,141,088.81		0.763642	
6231	307,193.19						
6232	50,948,603.62						
Summary 6310	40,278,929.91		10,357,338.00	29,921,591.91		0.742860	
6311	1,051,336.39						
6341	44,174.67						
6351	13,600,402.00						
6362	25,583,016.85						
Summary 6410	262,344,561.23		66,009,547.00	196,335,014.23		0.748386	
6411	10,424,921.57						
6421	65,585,579.14						
6422	19,335,547.85						
6423	162,107,332.60						
6424	88,275.40						
6426	1,424,875.70						
6431	0.00						
6441	3,378,028.97						
Summary 6510	2,180,881.40		510,534.00	1,670,347.40		0.765905	
6511	4,993.06						
6512	2,175,888.34						
Summary 6530	253,364,182.86		62,110,466.00	191,253,716.86		0.754857	
6531	10,710,638.43						
6532	24,248,839.34						
6533	60,957,211.20						
6534	83,589,081.23						
6535	73,858,412.66						
Summary 6540	10,019,905.89		0.00	10,019,905.89		1.000000	
6540	10,019,905.89						
Summary 6560	685,102,045.32		166,142,919.00	518,959,126.32		0.757492	
6561	679,028,163.34						
6562	0.00						
6563	2,404,339.68						
6564	0.00						
6565	3,669,542.30						
Summary 6610	110,604,393.91		30,791,097.00	79,813,296.91		0.721611	
6611	20,356,270.38						
6612	74,502,557.74						
6613	15,745,565.79						
Summary 6620	352,279,066.80		50,388,122.00	301,890,944.80		0.856965	
6621	21,137,441.22						
6622	61,865,524.95						
6623	269,276,100.63						
Summary 6710	11,617,899.84		2,440,848.00	9,177,051.84		0.789906	
6711	7,829,073.90						
6712	3,788,825.94						
Summary 6720	333,522,835.05		70,069,581.00	263,463,254.05		0.789941	
6721	35,260,766.84						
6722	21,444,169.89						
6723	33,997,090.91						
6724	106,543,669.35						
6725	12,034,424.77						
6726	8,990,836.25						
6727	8,639,523.52						
6728	106,612,353.52						
Summary 6790	20,912.00		0.00	20,912.00		1.000000	
6790	20,912.00						
7210	(14,270,950.00)		(3,474,829.00)	(10,796,121.00)		0.756510	
7220	235,614,798.10		86,439,768.00	149,175,030.10		0.633131	
7230	39,740,677.75		17,804,027.00	21,936,650.75		0.551995	
7240	174,396,827.76		34,077,176.00	140,319,651.76		0.804600	
7250	(17,736,500.50)		(4,115,065.00)	(13,621,435.50)		0.767989	
7310	0.00						
7320	0.00						
7340	(2,224,630.37)		(538,290.00)	(1,686,340.37)		0.758032	
7350	(102,480.00)		24,705.00	(127,185.00)		1.241071	
7360	0.00						
7370	7,975,308.66		678,035.00	7,297,273.66		0.914983	

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Southern Bell
Rate Base
TUE 12/31/94

95
11/11/94
7/10/95

FLORIDA PUBLIC SERVICE COMMISSION
TELEPHONE EARNINGS SURVEILLANCE REPORT

Page 1

Company : Southern Bell Tel. & Tel. Co.
12 Months Ended : December 31, 1994

RATE BASE(000)	(1) Total Company Columns (2 + 3)	(2) Interstate Toll	(3) Total Intrastate Columns (4 + 7)	(4) Intrastate Toll Columns (5 + 6)	(5) IntraToll Inter- territory	(6) Intra- territory	(7) Local
AVERAGE RATE BASE							
1. General Support	\$1,235,530	\$259,627	\$975,903	\$198,640	\$90,602	\$108,038	\$777,263
2. Central Office	3,569,869	849,396	2,720,473	550,540	247,773	302,767	2,169,933
3. Information Orig/Term	162,970	41,015	121,955	23,409	13,815	9,594	98,546
4. Cable and Wire Facilities	4,728,775	1,188,679	3,540,096	716,316	396,345	319,971	2,823,780
5. Amortizable Assets	12,070	3,994	15,076	3,069	1,400	1,669	12,007
6. Plant in Service	\$9,716,214	\$2,342,711	\$7,373,503	\$1,491,974	\$749,935	\$742,039	\$5,881,529
7. Accumulated Depreciation and Amortization	4,296,627	1,034,077	\$3,262,550	664,633	336,583	328,050	2,597,917
8. Net Plant in Service	\$5,419,587	\$1,308,634	\$4,110,953	\$827,341	\$413,352	\$413,989	\$3,283,612
9. Property Held for Future Use	227	54	173	35	18	17	138
10. TPUC (No IDC)	42,611	10,209	32,402	6,539	3,280	3,259	25,863
11. Acquisition Adjustments	0	0	0	0	0	0	0
12. Working Capital Allowance 24	(160,663)	(31,360)	(129,303)	(25,970)	(12,584)	(13,386)	(103,333)
13. Per Book Average Rate Base	\$5,301,762	\$1,287,537	\$4,014,225	\$807,945	\$404,066	\$403,879	\$3,206,280
14. % Distribution	100%	24.29%	75.71%	15.24%	7.62%	7.62%	60.48%

ADJUSTMENTS TO AVERAGE RATE BASE

15. Adjustments for Achieved Rate Base	15p 2	\$16,390
16. Adjusted Achieved Rate Base		\$4,030,615

ADJUSTED ANNUALIZED/PRO FORMA YEAR END RATE BASE

17. Year End Rate Base per Books		4,016,129
18. Adjustments for Year End Rate Base	15p 2	(7,190)
19. Adjusted Year End Rate Base		\$4,008,939

RATES OF RETURN

20. Average Per Book	9.52%	12.37%	8.61%	19.91%	18.77%	21.05%	5.76%
21. Average Adjusted Achieved			8.74%				
22. Adjusted Year End			7.86%				

Form PSC/AFA 15 (12/94)

* Staff recomputed these.

15p 1

COMPANY	SOUTHERN BELL
TITLE	EXPLANATION OF EXCESS PLUG IN UNITS
PERIOD	TYE 12/31/94
DATE	JULY 11, 1995
AUDITOR	GABRIELA LEON
WORKPAPER #	15-1/1

PER ORDER 12221, DOCKET 820294-TP, PAGE 10 THE COMMISSION EXPLAINS THE EXCESS PLUG IN UNITS ADJUSTMENT AS FOLLOWS:

Excess Balance of Plug-In Units

"Plug-in units are prewired pieces of electronic equipment that can be plugged into larger pieces of equipment to complete a unit. Nearly all central offices require plug-in units and a limited number of the units are maintained as spares at each central office. Most of these units are stored in warehouses and are available for use throughout the state. Those stored in the warehouse are carried on the books of the Company as plant in service, thus earning a return. Western Electric also maintains a stock of various types of plug-in units in its distribution warehouse available for use as needed".

"From evidence presented at the hearing, the Company maintained an average balance of plug-in units in central stock of \$13,653,640 during the test year. The average monthly consumption was \$6,683,194. In addition to the central stock plug-ins, \$3.7 million were kept in account 122.14 (Materials and Supplies, Central Office Equipment). The Company produced no credible evidence in support of its position that its approximately 60 day supply of spare plug-in units is reasonable. At the hearing, two Company witnesses supporting the level of plug-in units admitted having no knowledge of Bell System Publication IP 10040 (Exhibit 28d), which details how to determine the proper level of the units. A late filed exhibit was produced by one of the witnesses after the conclusion of the hearing stating that the publication was used in relation to new products. The exhibit also mentions field experience as the relevant determining factor once the Company has become familiar with a product. As this information was provided after the hearing, we, as well as the staff and intervenors, were unable to question and verify the methodology used by the Company"

"In the Company's last rate case we found that it was maintaining an unnecessary 2 4 month supply of plug-in units. We adjusted the rate base to recognize a more appropriate one month supply. Again we find that the Company has failed to meet its burden on this issue and we believe a 30-day's supply of plug-in units is appropriate and, therefore, reduce rate base by \$4,752,673".

"In the future, the Company should utilize Bell System Publication IP 10040 in determining the appropriate level of spare plug-in units"

AMOUNTS USED ON THE SURVEILLANCE REPORT

EXCESS PLUG-IN UNITS

Intrastate Rate Base Adjustment

(23,598) ✓

15-1 p.2

Combined Rate Base Adjustment

(30,966) ✓

Per Order 12221 the excess of the stock of plug-in units has to be removed. See explanation of this adjustment on WP 15-1.

In addition to the excess the Company is also removing .4 extra because $365 \div 12 = 30.4$. In order to have only 30 days they are further removing .4.

Southern Bell
Excess Plug IN Units
TYE 12/31/94

rw 9/14/95
7/10/95

(P2)

EXCESS PLUG-IN UNITS

MONTH	CENTRAL STOCK BALANCE	CONSUMPTION
JAN 94	✓ 46,536,538	✓ 12,990,387
FEB 94	✓ 45,778,745	✓ 12,330,461
MAR 94	✓ 43,613,397	✓ 14,925,232
APR 94	✓ 39,774,030	✓ 11,894,660
MAY 94	✓ 40,733,630	✓ 11,790,667
JUNE 94	✓ 40,518,917	✓ 14,452,757
JULY 94	✓ 40,876,424	✓ 11,884,501
AUG 94	✓ 40,621,417	✓ 14,755,493
SEPT 94	✓ 40,180,969	✓ 13,375,330
OCT 94	✓ 47,382,783	✓ 9,657,386
NOV 94	✓ 46,346,637	✓ 11,572,342
DEC 94	✓ 16,842,255	✓ 9,906,695
TOTAL 12 MOS	F 819,205,742	F 149,535,911
12 MOS AVG	# 43,267,143	# 12,461,326
	(Balance - Consumption) = excess	# 30,805,819 excess

DIFF TO ADJUST balance - Consumption (30,805,819) (B)
REG PORTION 99.2142% (C)
1/30.4 in wp 15-1 + 15-1 = 11
X.4 see explanation on wp. 15-1 + 15-1 = 11
TOT EXCESS PLUG-INS (30,965,901)

SEPARATIONS

MR COE TOT COMB
MR COE COMB REG
% REGULATED
MR COE INTRASTATE
% INTRASTATE

INTRASTATE

(23,291,562)
(766,170)
(A) (306,468)

(23,598,030)

3,598,141,916 - (15-1/1-1/1)
3,569,868,948
(C) 99.2142%
2,720,473,439 (15-1/1-1/1)
76.2065%

Per Company's explanation:

(A) Represents inventory exceeding a one month supply (30.4 days). The company needs to adjust for inventory exceeding a 30 day supply. Therefore, 4 days amount must be added to the adjustment.

Index

✓ Traced to Day Stock on Hand Report

F Traced

Recalculated by staff

15-1 Page 2

15-1
1-1

Combined = MR G/L
 Combined = Interstate & Intrastate
 MR - FR ADJ. = FR General Ledger
 FR - Port 64 ADJ. = FIA, COMBINED
 G/L → FIA, COMBINED gets allocated ← Interstate
 → Surveillance Report.

Southern Bell keeps a Florida
 Combined (Interstate and
 Intrastate) general ledger,
 called the MR books!

DATE 02/17/95
 TIME 11:46:10

BELLSOUTH TELECOMMUNICATIONS INC.
 STATE: FLORIDA
 AVG
 ENDING PERIOD: 12 1994

FR BASIS

NET INVESTMENT	BOOKED	NONREG	COMBINED	INTERSTATE	INTRASTATE
1 General Support	1,295,108,683	59,578,640	1,235,530,043	259,627,488	975,902,555
2 Central Office Switching	1,626,949,125	28,272,967	1,598,676,158	283,075,444	1,315,600,714
3 Operator Systems	44,167,135	0	44,167,135	5,537,603	38,629,532
4 Central Office Transmission	1,927,025,656	0	1,927,025,656	560,782,463	1,366,243,193
5 Information Orig/Term	169,084,160	6,113,608	162,970,552	41,015,192	121,955,360
6 Cable & Hire Facilities	4,728,774,437	0	4,728,774,437	1,188,678,848	3,540,095,589
7 Tangible Assets	20,438,558	1,368,610	19,069,948	3,994,028	15,075,920
8 Intangible Assets	0	0	0	0	0
9 Telecomm. Plant in Service	9,811,547,754	95,333,825	9,716,213,929	2,342,711,066	7,373,502,863
10 Telecomm. Plant Under Const-ST	43,212,616	601,158	42,611,458	10,209,246	32,402,212
11 Telecomm. Plant Under Const-LT	26,223,389	563,242	25,660,147	6,202,842	19,457,305
12 Property Held for Future Use	235,581	8,355	227,226	54,574	172,652
13 Telecomm. Plt Adjustment	0	0	0	0	0
14 Material & Supplies	65,474,017	1,678,862	63,795,155	16,023,904	47,771,251
15 GROSS PLANT, MAT & SUPPL.	9,946,693,357	98,185,442	9,848,507,915	2,375,201,632	7,473,306,283
16 Depreciation Reserve-CR	4,332,131,161	35,504,237	4,296,626,924	1,034,076,877	3,262,550,047
17 Deferred Income Tax Reserve-CR	815,257,178	2,858,997	812,398,181	185,293,330	627,104,851
18 NET BOOK COST	4,799,305,018	59,822,208	4,739,482,810	1,155,831,425	3,583,651,385
19 Unamortized ITC-Sec.38-CR	57,608	244	57,364	13,843	43,521
20 Unamortized ITC-Sec.50-CR	119,981,239	495,905	119,485,334	28,127,773	91,357,561
21 OPERATING INVESTMENT	4,679,266,171	59,326,059	4,619,940,112	1,127,689,809	3,492,250,303
NON-OPERATING INVESTMENT					
22 Non-operating Plant	12,548,458	417,158	12,101,300	2,902,037	9,199,263
23 Non-op Depreciation Reserve-CR	6,617,283	215,641	6,401,642	1,535,191	4,866,451
24 Non-op Deferred Inc Tax Reserve-CR	-127,752	0	-127,752	-34,879	-92,873
25 Non-op Unamortized ITC-CR	0	0	0	0	0
26 NET INVESTMENT	4,685,295,098	59,527,576	4,625,767,522	1,129,091,534	3,496,675,988

The MR books are adjusted with "offbook adjustments" or FR adjustment.
 The balance after these FR adjustments are called the FR books. FIA Combined (Interstate + Intrastate with FR adjustments). These are the balances used in the Form 11. There are also on a general ledger.
 The FR books are adjusted until Part 64 Adjustment (adj. per the Cost Allocation Manual). This results in FIA Combined (Interstate and Intrastate) Regulated balances. These are the balances used in the Surveillance Report which are then further allocated to interstate toll, intrastate toll.
 The interstate total is comprised of interstate toll and local. The FIA Combined Regulated balances are allocated to interstate + intrastate based on the separation factor.

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Southern Bell
 Net Investment
 TUE 12/31/94

12/31/94
 7/13/95

Source:
PER MR LEDGER

ACCOUNTS	DESCRIPTION	Date	Amount	AVERAGE	12 Month Average
2001 - 2211 ****	Analog Electronic Switching	12/93	\$474,696,693.95		
		1/94	\$465,979,648.78	\$470,338,171.37	
		2/94	\$475,611,592.95	\$470,795,620.87	
		3/94	\$464,830,784.84	\$470,221,188.90	
		4/94	\$463,835,560.14	\$464,333,172.49	
		5/94	\$461,577,395.48	\$462,706,477.81	
		6/94	\$448,751,521.36	\$455,164,458.42	
		7/94	\$447,716,189.65	\$448,233,855.51	
		8/94	\$448,555,571.45	\$448,135,880.55	
		9/94	\$436,383,140.56	\$442,469,356.01	
		10/94	\$420,617,703.02	\$428,600,421.79	
		11/94	\$407,050,447.47	\$413,934,075.25	
		12/94	\$403,778,709.91	\$405,414,578.69	\$448,362,271.47
2001 - 2212 ****	Digital Electronic Switching	12/93	\$1,148,813,556.00		
		1/94	\$1,147,292,133.37	\$1,148,052,844.69	
		2/94	\$1,149,530,686.30	\$1,148,411,409.84	
		3/94	\$1,157,689,820.96	\$1,153,610,253.63	
		4/94	\$1,158,579,804.96	\$1,158,134,812.96	
		5/94	\$1,164,492,199.13	\$1,161,536,002.05	
		6/94	\$1,176,888,734.68	\$1,170,690,466.91	
		7/94	\$1,182,070,042.08	\$1,179,479,388.38	
		8/94	\$1,186,735,816.73	\$1,184,402,929.41	
		9/94	\$1,188,478,311.52	\$1,187,607,064.13	
		10/94	\$1,212,128,582.04	\$1,200,303,446.78	
		11/94	\$1,227,736,394.30	\$1,219,932,488.17	
		12/94	\$1,233,966,328.64	\$1,230,851,361.47	\$1,178,584,372.37
2001 - 2215 ****	Electro-Mechanical Switching	12/93	\$2,835.72		
		1/94	\$2,776.65	\$2,806.19	
		2/94	\$2,717.58	\$2,747.12	
		3/94	\$2,658.50	\$2,688.04	
		4/94	\$2,599.42	\$2,628.96	
		5/94	\$2,540.34	\$2,569.88	
		6/94	\$2,481.26	\$2,510.80	
		7/94	\$2,422.18	\$2,451.72	
		8/94	\$2,363.10	\$2,392.64	
		9/94	\$2,304.02	\$2,333.56	
		10/94	\$2,244.94	\$2,274.48	
		11/94	\$2,185.86	\$2,215.40	
		12/94	\$2,126.78	\$2,156.32	\$2,481.26
2001 - 2220 ****	Operator System	12/93	\$42,120,109.59		
		1/94	\$41,601,980.84	\$41,861,045.22	
		2/94	\$44,545,631.58	\$43,073,806.21	
		3/94	\$44,541,449.38	\$44,543,540.48	
		4/94	\$45,612,950.31	\$45,077,199.85	
		5/94	\$45,590,973.74	\$45,601,962.03	
		6/94	\$45,591,442.10	\$45,591,207.92	
		7/94	\$45,549,315.56	\$45,570,378.83	
		8/94	\$45,426,319.55	\$45,487,817.56	
		9/94	\$42,770,651.82	\$44,098,485.69	
		10/94	\$42,246,465.56	\$42,508,558.69	
		11/94	\$43,953,998.19	\$43,100,231.88	
		12/94	\$43,028,773.28	\$43,491,385.74	\$44,167,135.01

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PER MR LEDGER

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[illegible]

COMPANY	SOUTHERN BELL TELEPHONE AND TELEGRAPH
TITLE	WECO ADJUSTMENT
PERIOD	TYE 12/31/94
DATE	JULY 10, 1995
AUDITOR	GABRIELA LEON
WORKPAPER #	15-1/2

Per Company's description of WECO Adjustment provided in the last Surveillance audit:

"In Docket No. 820376-TP, Rule #25-14.010 the FPSC ruled that deferred taxes on intercompany transactions shall be treated as zero cost capital instead of as a rate base reduction".

"The BELLSOUTH tax office developed procedures to adjust our rate base for WECO deferred taxes on intercompany profits to comply with the FPSC rule. For rate making purposes, Southern Bell is required to 1) restore its original surviving WECO taxes to plant accounts, 2) establish a deferred tax account balance representing the unamortized WECO tax and 3) adjust depreciation reserve by the cumulative WECO tax restoral. Annually, the surviving WECO tax for the previous tax year and the deferred tax balance on intercompany deferred profit are provided by the BELLSOUTH tax office".

"The WE Worksheet - Est is used to calculate the estimated surviving WECO taxes for the current year".

"WE Worksheet, Page 1 of 2, calculates the cumulative WECO taxes restored for the current year and the WECO tax unrestored"

"On WE Worksheet Page 2 of 2 End of Period, the estimated surviving WECO taxes as of 12/31 for the current year (Col A, Page 1 of 2), cumulative WECO taxes restored (Col E, Page 1 of 2) and WECO taxes unrestored (Col F, Page 1 of 2) are allocated to regulated combined as well as interstate and intrastate. On the second Page 2 of 2 the EOP regulated amounts from Col B of the previous page are converted to an average based on the ratio of the per books average intrastate rate base to the per books end of period intrastate rate base from Page 1 of the Surveillance Report".

Prior to divestiture, WECO credits for deferred taxes were shown as a reduction of Rate Base. Rule 25-14.010 effective 9/29/86 required deferred tax to be shown as zero - cost capital.

* Conclusion on the WECO Adjustment:

Staff recalculated the WECO Adjustment and found that the Company was following the Commission's Rules and Regulations.

Staff compared the retirement of WECO credits to the last audit performed and found it to be reasonable.

Staff spoke to Mr. Rick Wright, Staff Analysts to inform him that we need the Tax Department to audit the Surviving WECO taxes.

Notes:
The explanation is to be included in the
company's annual report to the public.
The audit is to be completed by the end of the year.

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Southern Bell
WECO ADJUSTMENT
TVE 12/31/94

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Objective

1.01 The Florida Public Service Commission (FPSC) has proposed a new rule which requires that deferred intercompany profits enter in the ratemaking process as zero-cost capital rather than as a reduction of rate base. The following procedures and worksheets were developed for the calculation of rate base in accordance with the FPSC's provisions.

Method I vs Method II

2.01 "Western Electric Company (WECO.) gains arose from transactions whereby the public utility members of the AT&T Consolidated Tax Return Group acquired property, services etc., from WECO. and capitalized the expenditure in the purchaser's accounts. The amount capitalized was reduced by the associated taxes on the intercompany gain through a credit to the plant accounts on the purchaser's book of accounts.

2.02 For tax purposes, the entire WECO. gains are eliminated from the BOC's tax basis for depreciation, resulting in a higher tax liability over the life of the property. To compensate the BOC's for the tax consequences of having to take a tax basis in the purchased property lower than its actual cost, WECO. transferred to the BOC the tax that would have been incurred if it had currently recognized the intercompany profit on the sale.

2.03 The methodology adopted by the BOC, whereby the BOC's rate base is reduced by the WECO. tax, is generally referred to as "Method I" (see Attachment 1) under Case 26 in Part 31 of the Uniform System of Accounts. As an alternative to "Method I", the BOC can elect to credit a deferred tax reserve account with the amount of the taxes and to amortize such amount to operating taxes over the estimated life of the plant. This method is illustrated on Attachment 2 and referred to as "Method II".

2.04 As shown on the attachments, the plant accounts are charged at the time of purchase with \$954 under Method I and \$1,000 under Method II. Consequently, the Method I Telephone Company will record less book depreciation expense over the life of the plant. It is offset by the additional income taxes recognized on the books due to the exclusions of the WECO. gains in its tax depreciation base.

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Southern Bell
WECO Adjustment
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With respect to normalization excess and deferred taxes (from accelerated depreciation) no impact will result from the change of method over the life of the telephone plant as evidenced in entry 3 of each attachment.

2.05 The FPSC's provisions require, for ratemaking purposes (FR only), Southern Bell to change to "Method II" and to 1) restore its original surviving WECO., taxes to plant accounts; 2) establish a deferred tax account balance (A/C 176) representing the unamortized WECO. tax; and 3) adjust the depreciation reserve (A/C 171) by the cumulative WECO. tax restoral. Note that there will be no net income effect on the books since the increase of book depreciation expenses is offset by the decrease to the tax expenses booked. No adjustment is required for either account.

2.06 The Florida Forecast and Regulatory Support group is responsible for the development of the adjustments and the submission of the rate base data according to the FPSC's requirements. The BellSouth Tax Department is responsible for furnishing the WECO. tax data as prescribed in paragraph 3.

WE Worksheet

3.01 WE Worksheet (attached) is developed for calculating the adjustments necessary to meet the FPSC's requirements. The worksheet can be used for estimating purposes or annual true-ups. For estimates, the attached WE Worksheet-EST must be completed before the preparation of the WE Worksheet. Page 1 of WE Worksheet is designed for developing the rate base adjustment prior to separations. ~~Page 2 of the worksheet is designed to separate the adjustments into interstate, intrastate and local jurisdictions.~~ Below are instructions for preparing page 1 of the worksheet.

WE Worksheet Page 1

3.02 For annual true-ups, enter in column A the surviving WECO. tax as of 12/31 of the activity year. The data will be provided by the BellSouth Tax Department after the annual tax return is filed with the Internal Revenue Service. This column is used to adjust A/C 100.1 investment. For estimates, enter WECO. surviving tax calculated in column F of the WE Worksheet-EST.

3.03 Enter in column B the book depreciation reserve (A/C 171) amount on a FR basis as of 12/31.

Correction:

① This sentence should read as follows:

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"Page 2 of the worksheet is designed to separate the adjustment to interstate and intrastate."

When the original (WECO) was issued, the Sur Villanova Report showed an adjustment between combined, interstate, intrastate and interstate. Since the original was not issued, the WE WORKSHEET has been used to reflect current requirements.

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WECO Ad.
TUE 12/31/94

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3.04 Enter in column C the Account 100.1 investment balance on a PR basis as of 12/31.

3.05 Divide the A/C 171 book depreciation reserve amount in column B by the A/C 100.1 investment amount in column C and enter the result in column D. The book reserve ratio developed in column D will be used to calculate the cumulative WECO. tax restoral for each plant account.

3.06 Enter in column E the result of multiplying the amount in column A by the book reserve ratio from column D. This column represents the cumulative WECO. tax restoral (i.e. WECO. tax that would have been depreciated had the original WECO. tax been included in the plant account). The amount in this column is added to A/C 171 for rate making purposes.

3.07 Enter in column F the amount determined by deducting column E from column A. The result is the unrestored WECO. tax. This column represents the unamortized WECO. tax balance that would have been recorded in A/C 176 by the Method II company for the given year (after the current year depreciation deduction).

3.08 The net change to the rate base is the unrestored WECO. tax developed in column F of this worksheet. However, the adjustments will be made to A/C 100.1 investment (using column A) and to A/C 171 book depreciation reserve (using column E) separately. Due to the FPSC's requirement, the adjustments will be broken down further to interstate, intrastate (interlata and intralata) and local jurisdictions by major account categories. Worksheet WE page 2 is designed for such purpose.

ⓑ

WE Worksheet Page 2

4.01 The WE Worksheet page 2 provides for the separation of the rate base adjustment into interstate, intrastate (interlata and intralata) and local portions in accordance with rules prescribed by the various regulatory agencies.

ⓑ

4.02 The Worksheet WE page 2 consists of 2 parts, one for separation of A/C 100.1 adjustments, and the other for the separation of the book depreciation reserve (A/C 171) adjustments. They should be prepared by major account categories as required by the regulatory agencies. These major categories are Buildings, Central Office Equipment (COE), Stations, Outside Plant (OSP), Furniture and Motor Vehicles. Summarization from the detailed account levels is accomplished on WE Worksheet, page 1.

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ⓑ The company is no longer required to separate the adjustment into intrastate interlata and intralata + local.

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Southern Bell
WECO ADJUSTMENT
TUE 12/31/94

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4.03 Obtain A/C 100.1 adjustments from column A of the Worksheet WE page 1 and A/C 171 adjustments from column E of the Worksheet WE page 1. Post the interstate, intrastate interlata, and intrastate intralata factors to columns B, C and D respectively. These factors are prepared regularly by the Florida Forecast and Regulatory Support Group. Calculate columns E, F, G and column H according to the instructions in the column headings which are self-explanatory. The results will be used to adjust the rate base which will be submitted to each appropriate jurisdictional regulator

WE Worksheet-EST

5.01 WE Worksheet-EST is designed for the development of the estimated WECO. tax needed to adjust the rate base at a time when the Tax Department has not finalized the tax return data. The worksheet also will allow the preparer to estimate the rate base adjustment at the end of any calendar month.

5.02 Enter in column A the surviving WECO. tax on the true-up worksheet for the previous activity year. If the preparer is working on 1986 estimate, he or she should refer to the 1985 true-up worksheet, column A.

5.03 Post in column B the year-to-date retirements from the current year 2A Special Report.

5.04 Post in column C the A/C 100.1 investment balance as of December 31 of the true-up year (1985 in the example).

5.05 Divide the cumulative retirements in column B by the A/C 100.1 investment in column C and enter the result in column D.

5.06 Multiply the retirement ratio developed in column D by the WECO. surviving tax amount in column A and post the result in column E. The amount computed in column E is the WECO. tax retired during the current year.

5.07 Enter in column F the amount determined by deducting column E from column A. The amount in column F is estimated surviving WECO. tax. This data will be posted to column A of the WE Worksheet to calculate the rate base adjustment. Note that the WE Worksheet-EST is required only for estimating purposes. For true-up adjustments, the preparer must refer to reports furnished by the Tax Department.

© The steps indicated here are all done in a PC program automatically except for separations to intrastate interlata, intrastate intralata and local which are no longer used.

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Southern Bell
WECC Adjustment
TVE 12/31/94

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METHOD 1

ATTACHMENT 1
SHEET 1

- 1) PURCHASE OF TELEPHONE BY BOC FOR \$ 1000 WHICH COSTS WECC. \$ 900 AND THE SUBSEQUENT CREDIT OF PLANT ACCOUNT FOR \$ 46 RECEIVED FROM AT&T

TEL. PLANT
1000 46

954

CASH
46

- 2) BOOK DEPRECIATION RECORDED BY THE BOC (ASSUMING 10 YEAR LIFE , 5/L)

	BOOK DEP. A/C 608 <i>dep. expense</i>	BOOK DEP. RES. A/C 171 <i>acc. dep.</i>
YEAR 1	95.4	95.4
YEAR 2	95.4	95.4
YEAR 3	95.4	95.4
YEAR 4	95.4	95.4
YEAR 5	95.4	95.4
YEAR 6	95.4	95.4
YEAR 7	95.4	95.4
YEAR 8	95.4	95.4
YEAR 9	95.4	95.4
YEAR 10	95.4	95.4
TOTAL	954	954

) TAX ACCOUNTS ENTRIES

(FOR SUPPORTING COMPUTATION, SEE SHEET 2 OF ATTACHMENT 1)

	TAX ACCRUED A/C 166 (from sheet 2 item 1 and 2)	FED. INC. TAX A/C 306 (from sheet 2 item 1 and 2)	TAX DEFERRED A/C 308 (from sheet 2 item 1)	ACCUM. DEF. TAX A/C 176 (from sheet item 1)
YEAR 1	82.8	82.8	41.4	41.4
YEAR 2	66.2	66.2	24.8	24.8
YEAR 3	82.9	82.9	11.5	11.5
YEAR 4	30.4	30.4	11.0	11.0
YEAR 5	30.4	30.4	11.0	11.0
YEAR 6	30.4	30.4	11.0	11.0
YEAR 7	30.4	30.4	11.0	11.0
YEAR 8	30.4	30.4	11.0	11.0
YEAR 9	30.4	30.4	11.0	11.0
YEAR 10	30.4	30.4	11.5	11.5
	414.0 *	414.0 *	0 *	0 *

* ROUNDED TO THE NEAREST DOLLAR

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Southern Bell Telephone & Telephone
WECD Adjustment
TUE 12/31/94

WV
9/11/94
8/1/95

SENT BY: REGULATED TAX

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Page 5

METHOD I

ATTACHMENT 1
SHEET 2

1. COMPUTATION SUPPORTING ACCOUNTING ENTRIES TO REFLECT
ACCELERATED TAX DEPRECIATION

TAX DEPRECIATION BASE = \$ 900 (\$1000 PURCHASE PRICE LESS \$ 100 GROSS PROFIT)
BOOK DEPRECIATION - USE 10 YEAR LIFE, STRAIGHT LINE METHOD
TAX DEPRECIATION - USE 10 YEAR LIFE, 200% DECLINING METHOD

	BOOK DEP'RE. TAX BASIS	TAX DEP'RE. TAX BASIS	EXCESS DEPRE.	DEFERRED TAXES \$
YEAR 1	90	180.00	90.00	41.40
YEAR 2	90	144.00	54.00	24.80
YEAR 3	90	118.00	28.00	11.50
YEAR 4	90	66.00	-24.00	-11.0
YEAR 5	90	66.00	-24.00	-11.0
YEAR 6	90	66.00	-24.00	-11.0
YEAR 7	90	66.00	-24.00	-11.0
YEAR 8	90	66.00	-24.00	-11.0
YEAR 9	90	66.00	-24.00	-11.0
YEAR 10	90	65.00	-25.00	-11.5
TOTAL	900	900.00	0.00	0.00 *

DEFERRED TAX COLUMN IS USED TO DR A/C 166, CR A/C 306, DR A/C 308, CR A/C 176

ROUNDED TO THE NEAREST DOLLAR

ENTRIES MADE TO TAX ACCOUNTS TO REFLECT THE DISALLOWED BOOK
DEPRECIATION OF THE WECD. TAXES (4.6) AND REGULAR FIT EXPENSE
(46) EACH YEAR.

	FED. INC. TAX A/C 306		TAX ACCRUED A/C 166	
YEAR 1	4.6	46.0	46.0	4.6
YEAR 2	4.6	46.0	46.0	4.6
YEAR 3	4.6	46.0	46.0	4.6
YEAR 4	4.6	46.0	46.0	4.6
YEAR 5	4.6	46.0	46.0	4.6
YEAR 6	4.6	46.0	46.0	4.6
YEAR 7	4.6	46.0	46.0	4.6
YEAR 8	4.6	46.0	46.0	4.6
YEAR 9	4.6	46.0	46.0	4.6
YEAR 10	4.6	46.0	46.0	4.6

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Southern Bell
WECO Adjustment
TYE 12/31/94

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METHOD II

ATTACHMENT 2
SHEET 1

- 1) PURCHASE OF TELEPHONE BY BOC FOR \$ 1000 WHICH COSTS WECO. \$ 900 AND
THE SUBSEQUENT CREDIT OF DEFERRED TAX ACCOUNT FOR \$ 46 RECEIVED FROM AT&T

TEL. PLANT	CASH	ACC. DEF. TAX
1000	46	46

1000		

- 2) BOOK DEPRECIATION RECORDED BY THE BOC (ASSUMING 10 YEAR LIFE , S/L)

Dr. Expense
BOOK DEP.
A/C 608

Acc. Dep
BOOK DEP. RES.
A/C 171

YEAR 1	100	100
YEAR 2	100	100
YEAR 3	100	100
YEAR 4	100	100
YEAR 5	100	100
YEAR 6	100	100
YEAR 7	100	100
YEAR 8	100	100
YEAR 9	100	100
YEAR 10	100	100

TOTAL

1000

1000

- 3) ENTRIES TO REFLECT DEFERRED TAXES DUE TO ACCELERATED DEPRECIATION
(FOR SUPPORTING COMPUTATION, SEE SHEET 2 OF ATTACHMENT 2)

	TAX ACCRUED A/C 166 (from sheet 2 item 1 and 2)	FED. INC. TAX A/C 306 (from sheet 2 item 1)	TAX DEFERRED A/C 308 (from sheet 2 item 1)	ACCUM. DEF. TAX A/C 176 (from sheet item 1 AND 2)
YEAR 1	87.4	92.0	46.0	87.4
YEAR 2	69.0	73.6	27.6	23.0
YEAR 3	54.3	58.9	12.9	8.3
YEAR 4	29.0	33.6	12.4	17.0
YEAR 5	29.0	33.6	12.4	17.0
YEAR 6	29.0	33.6	12.4	17.0
YEAR 7	29.0	33.6	12.4	17.0
YEAR 8	29.0	33.6	12.4	17.0
YEAR 9	29.0	33.6	12.4	17.0
YEAR 10	29.0	33.6	12.4	17.0
	414.0	460	0	0

* ROUNDED TO THE NEAREST DOLLAR
* SEE SHEET 2, ITEM 3), CASH ACCOUNT ENTRY

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Southern Bell Telephone & Telegraph
WECO N.O.I. Adjustment
T/E 12/31/94
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8/11/95

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BST 5TH FLR

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ATTACHMENT 2

METHOD II

SHEET 2

1) COMPUTATION SUPPORTING ACCOUNTING ENTRIES TO REFLECT
ACCELERATED TAX DEPRECIATION

TAX DEPRECIATION BASE = \$ 1000

BOOK DEPRECIATION - USE 10 YEAR LIFE, STRAIGHT LINE METHOD

TAX DEPRECIATION - USE 10 YEAR LIFE, 200% DECLINING METHOD

	BOOK DEP. TAX BASIS	TAX DEP. TAX BASIS	EXCESS DEP.	DEFERRED TAXES \$
YEAR 1	100	200.00	100.00	46.00
YEAR 2	100	160.00	60.00	27.60
YEAR 3	100	128.00	28.00	12.90
YEAR 4	100	73.14	-26.90	-12.40
YEAR 5	100	73.14	-26.90	-12.40
YEAR 6	100	73.14	-26.90	-12.40
YEAR 7	100	73.14	-26.90	-12.40
YEAR 8	100	73.14	-26.90	-12.40
YEAR 9	100	73.14	-26.90	-12.40
YEAR 10	100	73.14	-26.90	-12.40
TOTAL	1000	1000 *	0.00 *	0.00 *

DEFERRED TAX COLUMN IS USED TO DR A/C 166, CR A/C 306, DR A/C 308, CR A/C 176

ROUNDED TO THE NEAREST DOLLAR

2) ENTRIES REFLECTING THE AMORTIZATION OF DEFERRED TAX FOR THE
METHOD II COMPANY, AND THE RECORDING OF REGULAR FIT EXPENSE.

	ACCU. DEF. TX A/C 176		TAX ACCRUED A/C 166		FED. INC. TAX A/C 306		CASH	
YEAR 1	4.6	46.0	46.0	4.6	46.0	46.0		
YEAR 2	4.6		46.0	4.6	46.0	46.0		
YEAR 3	4.6		46.0	4.6	46.0	46.0		
YEAR 4	4.6		46.0	4.6	46.0	46.0		
YEAR 5	4.6		46.0	4.6	46.0	46.0		
YEAR 6	4.6		46.0	4.6	46.0	46.0		
YEAR 7	4.6		46.0	4.6	46.0	46.0		
YEAR 8	4.6		46.0	4.6	46.0	46.0		
YEAR 9	4.6		46.0	4.6	46.0	46.0		
YEAR 10	4.6		46.0	4.6	46.0	46.0		
	0		414.0		460.0		46.0	

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2 P9

9/11/95

CHAPTER 25-14

9/11/95

15-1 R
2

COMPANY Southern Bell
 Title: WECCO
 Period: TYE 12/31/94
 Date: July 28, 1995
 Auditor: Gabriela Leon
 Workpaper #: 15-1/2-1

\$46,914,678.00 Total Booked End of Period $\frac{15-1/2-1/1}{P_1}$
99.02820% Factor to allocate to Regulated EOP (A)

\$46,458,761.16 Total Regulated End of Period
98.58790% Factor to allocate to Combined (B)

\$45,802,716.99 Total Average Combined
75.25% Factor to allocate to Intrastate
\$34,466,544.54 Total Average Combined (P₂)

→ (MR 12 Months Average)

$$\textcircled{A} \frac{\text{MR Total Regulated Plant in Service} \times \frac{15-1/2-1/1}{P_1}}{\text{MR Total Booked Plant in Service} \times \frac{15-1/2-1/1}{P_2}} = \frac{9,714,229,690}{9,809,563,515} = \underline{\underline{99.02820\%}}$$

(MR 12 Months Average)

$$\textcircled{B} \frac{\text{Average Rate Base Plant in Service (MR)} = 7,371,519}{\text{EOP Rate Base Plant in Service (MR)} = 7,477,100} = \underline{\underline{98.58790\%}}$$

(MR EOP plant in Service
 Post 2001)

$\frac{15-1/2-1/1}{P_3}$

YW 9/11/95

YEAR 1994

ESTIMATED WECO. SURVIVING TAXES

WE WORKSHEET-EST

AS OF 12/31/94

Total Booked
End of Period

BK ACCT/ SUBACCT	(A) SURVIVING WECO. TAXES AS OF 12/31/93 (TRUE-UP)	(B) CUMULATIVE RETIREMENTS CURRENT YR	(C) 2001 INV. AS OF 12/31	(D)=(B)/(C) RETIREMENT RATIO	(E)=(A)X(D) WECO. TAXES RETIRED CURRENT YR	(F)=(A)-(E) ESTIMATED SURVIVING WECO. TAXES AS OF 12/31/94
2115.0000 Game Day Equipment	5,377	0	0		714	4,663
2116.0000 Other, Misc. Equip.	297,344	0	0		19,274	278,070
2121.9000 Furniture - Other	132,798	0	0		1,131	131,667
2122.2000 Furniture	4,808	0	0		0	4,808
2122.3000 Furniture - Seated	5,601	0	0		0	5,601
2122.9000 Furniture - Other Home Furnishings	6,267	0	0		0	6,267
2123.1000 Office Equipment	9,156	0	0		448	8,708
2124.1000 Audio/Video Equipment	408,003	0	0		0	408,003
2211.1000 Analog Elect. Switching	7,138,313	0	0		1,358,006	5,780,307
2211.8000 Analog Elect. Switching	0	0	0		0	0
2212.1000 Digital Electronic Switching	466,227	0	0		37,931	428,296
2215.1100 Electronic Switching	0	0	0		0	0
2215.2000 Crossbar Switching	0	0	0		0	0
2215.3000 Other Electronic Switching	2,556	0	0		0	2,556
2220.0000 Computer Systems	65,069	0	0		15,136	49,933
2231.2200 Cellular - Cellular	15,237	0	0		0	15,237
2231.2310 Personal Computer	40,220	0	0		7,891	32,329
2232.1100 Circuitry - Digital Data	47,859	0	0		11,316	36,543
2232.1200 Circuitry - Subscriber Pair	1,646,960	0	0		74,649	1,572,311
2232.1300 Other Digital Circuitry	1,939,846	0	0		338,772	1,601,074
2232.1500 Embedded Transmitters	11,479	0	0		0	11,479
2232.1800 Circuit Equipment	0	0	0		0	0
2232.2100 Analog Pair Equip. Syst.	12,125	0	0		582	11,543
2232.2300 Analog - Equip. on D.V.	1,880	0	0		0	1,880
2232.2900 Analog - Other	2,168,299	0	0		192,255	1,976,044
2341.0000 Large Private Branch Exch.	21,688	0	0		0	21,688
2351.0000 Public House Terminal Eq.	22,825	0	0		13,204	9,621
2362.2000 Analog Network Terminal Eq.	81,569	0	0		14,763	66,806
2362.9000 Other NCU - CPE Equip.	80,793	0	0		3,790	77,003
2411.1000 Poles	577,223	0	0		15,918	561,305
2421.1100 Aerial Cable - Other	3,575,645	0	0		115,573	3,460,072
2421.2100 Non-Metallic - Other	1,224	0	0		822	402
2422.1100 Underground Cable - Other	10,964,856	0	0		342,080	10,622,776
2422.2100 Underground Cable - Other	185,739	0	0		2,807	182,932
2423.1100 Buried Cable - Other	13,963,600	0	0		197,641	13,765,959
2423.2100 Buried Cable - Non-metallic	7,038	0	0		597	6,441
2424.1100 Submarine Cable - Other	111,451	0	0		15,437	96,014
2426.1000 Intell. Network Cable	447,982	0	0		8,362	439,620
2431.0000	0	0	0		0	0
2441.1000 Conduit Systems - Other	5,286,398	0	0		49,678	5,236,720
2682.1000 Household Improvements	0	0	0		0	0
TOTAL Building	49,753,455	0	0		2,838,777	46,914,678

On this worksheet used in the last Surveillance Report (California) 1992, columns (B) + (C) were picked up from the 2A Spl report. Since that time the tax office has been providing the column (A), (E) and (F) amounts, therefore, there is no need to complete columns (B), (C) and (D).

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P1

YEAR 1994

ADJUSTMENTS TO FLORIDA RATE BASE
REFLECTING WECO TAXES
AS ZERO-COST CAPITAL

PAGE 2 OF 2

BALANCE AS OF 12/31/94

TRUE-UP () OR ESTIMATE (X)

AVERAGE

SEPARATION OF 2001 INVESTMENT ADJUSTMENT

Plant in Service

MAJOR ACCOUNT CATEGORY	(A) ADJUSTMENT	(B) INTERSTATE FACTOR	(C)-(A)X(B) ADJUSTMENT (INTERSTATE)	(D)-(A)X(C) ADJUSTMENT (INTRASTATE)
GEN SUPT	827,693	20.9786%	173,638*	654,055*
CENT OFC	11,246,498	23.7935%	2,675,936	8,570,562
INFO/ORG	170,967	25.1672%	43,028	127,939
CAB & WIR	33,557,558	25.1586%	8,442,612	25,114,946
AMORT ASSETS	0	20.9441%	0	0
TOTAL	F 45,802,716		F 11,335,214	34,467,502

$\frac{15-1}{2-1}$

$\frac{15-1}{2-1}$

SEPARATION OF A/C 3100 ADJUSTMENT

Depreciation Reserve

GEN SUPT	568,475	20.9786%	119,258	449,217
CENT OFC	9,527,603	23.7935%	2,266,950	7,260,653
INFO/ORG	168,843	25.1672%	42,493	126,350
CAB & WIR	20,729,258	25.1586%	5,215,191	15,514,067
AMORT ASSETS	0	20.9441%	0	0
TOTAL	30,994,179		7,643,892	23,350,287

SEPARATION OF A/C 4340 ADJUSTMENT

GEN SUPT	259,218	20.9786%	54,380	204,838
CENT OFC	1,718,896	23.7935%	408,986	1,309,910
INFO/ORG	2,125	25.1672%	535	1,590
CAB & WIR	12,828,299	25.1586%	3,227,420	9,600,879
AMORT ASSETS	0	20.9441%	0	0
TOTAL	14,808,538		3,691,321	11,117,217

Index

F Footed

* Recalculated by staff

P2

9/4/95 9/10/95

15-193
2-3

$$\frac{7,371,519 \text{ Average Rate Base (P.I.S.) MR}}{7,477,100 \text{ EOP Rate Base (P.I.S.) MR}} = 98.5879\%$$
[illegible]

YEAR 1994

ADJUSTMENTS TO FLORIDA RATE BASE
REFLECTING WECO TAXES
AS ZERO-COST CAPITALWE WORKSHEET
PAGE 1 OF 2

BALANCE AS OF 12/31/94

TRUE-UP () OR ESTIMATE (X)

	(A) ESTIMATED SURVIVING WECO. TAXES AS OF 12/31	(B) A/C 3100 BALANCE (MR BASIS - EST)	(C) A/C 2001 INVESTMENTS (MR BASIS - EST)	(D)=(B)/(C) A/C 3100 RESERVE RATIO (MR BASIS)	(E)=(A)X(D) CUMULATIVE WECO. TAXES RESTORED	(F)=(A)-(E) WECO. TAXES UNRESTORED
BK ACCT/ SUBACCT						
2115.0000	4,663	(1,954,334)	540,339	-3.616866	(16,865)	21,528
2116.0000	278,070	15,031,797	28,795,711	0.522015	145,157	132,913
2121.9000	131,667	116,040,209	467,092,348	0.248431	32,710	98,957
2122.2000	4,808	780,577	1,625,470	0.480216	2,309	2,499
2122.3000	5,601	0	0	0.000000	0	5,601
2122.9000	6,267	2,788,987	7,745,445	0.360081	2,257	4,010
2123.1000	8,708	3,508,685	3,510,030	0.999617	8,705	3
2124.1000	408,003	33,536,911	33,536,911	1.000000	408,003	0
TOT GEN SUPT	847,787	169,732,832	542,846,254		582,276	265,511
2211.1000	5,780,307	202,589,463	216,805,477	0.934430	5,401,292	379,015
2211.8000	0	0	0	0.000000	0	0
2212.1000	428,296	10,883,007	20,233,741	0.537864	230,365	197,931
2215.1100	0	0	0	0.000000	0	0
2215.2000	0	0	0	0.000000	0	0
2215.3000	2,556	0	0	0.000000	0	2,556
2220.0000	49,933	1,802,919	2,733,237	0.659628	32,937	16,996
2231.2200	15,237	475,946	475,946	1.000000	15,237	0
2231.2310	32,329	1,314,865	1,315,913	0.999204	32,303	26
2232.1100	36,543	2,083,823	2,083,823	1.000000	36,543	0
2232.1200	1,572,311	54,793,755	54,793,755	1.000000	1,572,311	0
2232.1300	1,601,074	61,726,649	70,211,792	0.879149	1,407,583	193,491
2232.1500	11,479	0	0	0.000000	0	11,479
2232.1800	0	0	0	0.000000	0	0
2232.2100	11,543	145,952	504,537	0.289279	3,339	8,204
2232.2300	1,880	0	0	0.000000	0	1,880
2232.2900	1,976,044	40,422,433	77,776,836	0.519723	1,026,996	949,048
TOT CENT OFC	11,519,532	376,238,812	446,935,057		9,758,906	1,760,626
2341.0000	21,688	1,533,392	1,533,392	1.000000	21,688	0
2351.0000	9,621	397,552	397,552	1.000000	9,621	0
2362.2000	66,806	4,615,203	4,615,207	0.999999	66,806	0
2362.9000	77,003	5,298,482	5,452,574	0.971740	74,827	2,176
TOT INFO/ORG	175,118	11,844,629	11,998,725		172,942	2,176
2411.1000	561,305	38,253,382	45,954,679	0.832415	467,239	94,066
2421.1100	3,460,072	214,160,081	249,623,169	0.857934	2,968,513	491,559
2421.2100	402	34,985	34,985	1.000000	402	0
2422.1100	10,622,776	265,105,560	517,121,743	0.512656	5,445,830	5,176,946
2422.2100	182,932	2,824,723	5,100,018	0.555826	101,678	81,254
2423.1100	13,765,959	735,640,931	971,186,091	0.757467	10,427,260	3,338,699
2423.2100	6,441	987,012	1,306,890	0.755237	4,864	1,577
2424.1100	96,014	2,836,514	5,749,105	0.493384	47,372	48,642
2426.1000	439,620	24,517,311	30,560,163	0.802264	352,691	86,929
2431.0000	0	0	0	0.000000	0	0
2441.1000	5,236,720	120,376,677	444,976,096	0.270524	1,416,658	3,820,062
TOT CAB & WIR	34,372,241	1,404,747,176	2,271,612,939		21,232,507	13,139,734
2682.1000	0	392,720	392,720	1.000000	0	0
TOT AMR ASSETS	0	392,720	392,720		0	0
TOTAL	46,814,671	1,962,956,169	3,273,785,695		31,746,631	15,168,047

The Tax Office is providing the reserve and investment balances used to complete the reserve ratios in Column D.

Dist in the balance ratio is to be annotated

W
9/11/95
7/10/95

PAGE 2 OF 2

END OF PERIOD

SEPARATION OF 2001 INVESTMENT ADJUSTMENT

MAJOR ACCOUNT CATEGORY	(A) ADJUSTMENT	(B) REGULATED PORTION	(C) INTERSTATE FACTOR	(D)-(B)X(C) ADJUSTMENT (INTERSTATE)	(E)-(B)-(D) ADJUSTMENT (INTRASTATE)
GEN SUPT	847,787	839,548	20.9786%	176,125	663,423
CENT OFC	11,519,532	11,407,585	23.7935%	2,714,264	8,693,321
INFOORIG	175,118	173,416	25.1672%	43,644	129,772
CAB & WTR	34,372,241	34,038,212	25.1586%	8,563,538	25,474,674
AMORT ASSETS	0	0	20.9441%	0	0
TOTAL	46,914,678	46,458,761		11,497,571	34,961,190

SEPARATION OF A/C 3100 ADJUSTMENT

GEN SUPT	582,276	576,617	20.9786%	120,966	455,651
CENT OFC	9,758,906	9,664,069	23.7935%	2,299,420	7,364,649
INFO/ORG	172,942	171,261	25.1672%	43,102	128,159
CAB & WIR	21,232,507	21,026,169	25.1586%	5,289,890	15,736,279
AMORT ASSETS	0	0	20.9441%	0	0
TOTAL	31,746,631	31,438,116		7,753,378	21,684,738

SEPARATION OF A/C 4340 ADJUSTMENT

GEN SUPT	265,511	262,931	20.9786%	55,159	207,772
CENT OFC	1,760,626	1,743,516	23.7935%	414,843	1,328,673
INFCORIG	2,176	2,155	25.1672%	542	1,613
CAB & WIR	13,139,734	13,012,042	25.1586%	3,273,648	9,738,394
AMORT ASSETS	0	0	20.9441%	0	0
TOTAL	15,168,047	15,020,644		3,744,192	11,276,452

^b 46,458,761 calculated on $\frac{15.1}{2.1} P_i$
* .985879

^b 46,267,304.60

[illegible]

WECO Adjustment

TYE 12/31/94

8/2/95

① (Not audited)

$$\frac{15-1}{2-1} P_1$$
[illegible]

FLORIDA PUBLIC SERVICE COMMISSION

AUDIT REQUEST NO 39

REQUEST:

Reconciliation #1, Reconciliation #2

Question #3 Page 1 and Page 2 Provide the account where I can trace the \$7,477,100 amount of EOP Rate Base Plant in Service to the trial balance or General Ledger.

Question #4 Page 4 Please provide the source of this schedule and how these %'s were developed.

RESPONSE:

Reconciliation # 1

Reconcile	\$9,809,563,515	This is MR 12 Mos Average.
Trial Balance	9,963,383,714	This is MR EOP.
Difference	(153,820,199)	

See Attachment 1 - Average MR Net Investment

See Attachment 2 - EOP MR Net Investment

Reconciliation # 2

Reconcile	\$9,714,229,600	This is MR 12 Mos Average.
Trial Balance	9,859,320,825	This is FR Regulated EOP.
Difference	(145,091,135)	

See Attachment 1 - Average MR Net Investment.

See Attachment 3 - EOP FR Net Investment

Question #3

The \$7,477,100 is not traceable to the General Ledger or Trial Balance. This amount is the intrastate MR EOP Plant in Service (A/C 2001) and is shown on Attachment 2.

Question #4

The amounts on Page 4-7 were downloaded from COREDATA files into a Lotus spreadsheet. For balance sheet accounts, the amounts shown are MR 12 months averages and for income statements accounts, the amounts shown are MR 12 months ending totals. These sheets were prepared to calculate the MR Reg %'s by account and the intra %'s by summary account. MR Reg %'s and Intra %'s were used as needed to separate adjustments used on the Surveillance Report. The RegMR %'s are calculated by dividing the amounts in the REGMR column by the amounts in the COMBMR column. Intra %'s are calculated by dividing the amounts in the INTRAMR column by the amounts in the REGMR column.

15-1
2-3

P₁

DATE 02/17/95
TIME 11:30:05

MR BASIS

BELLSOUTH TELECOMMUNICATIONS INC.
STATE: FLORIDA
AVG
ENDING PERIOD: 12 1994

MR EOP

NET INVESTMENT	BOOKED	NONREG	COMBINED	INTERSTATE	INTRASTATE
1 General Support	1,297,159,741	59,578,640	1,237,581,101	259,627,488	977,953,613
2 Central Office Switching	1,626,949,125	28,272,967	1,598,676,158	283,075,444	1,315,600,714
3 Operator Systems	44,167,135	0	44,167,135	5,537,603	38,629,532
4 Central Office Transmission	1,927,025,656	0	1,927,025,656	560,782,463	1,366,243,193
5 Information Orig/Term	169,084,160	6,113,608	162,970,552	41,015,192	121,955,360
6 Cable & Wire Facilities	4,724,739,139	0	4,724,739,139	1,188,678,848	3,536,060,291
7 Tangible Assets	20,438,558	1,368,610	19,069,948	3,994,028	15,075,920
8 Intangible Assets	0	0	0	0	0
9 Telecomm. Plant in Service	15-18 2-19 9,809,563,514	95,333,825	15-18 2-19 9,714,229,689	2,342,711,066	7,371,518,623
10 Telecomm. Plant Under Const-ST	43,212,616	601,158	42,611,458	10,209,246	32,402,212
11 Telecomm. Plant Under Const-LT	26,223,389	563,242	25,660,147	6,202,842	19,457,305
12 Property Held for Future Use	235,581	8,355	227,226	54,574	172,652
13 Telecomm. Plt Adjustment	0	0	0	0	0
14 Material & Supplies	65,474,017	1,678,862	63,795,155	16,023,904	47,771,251
15 GROSS PLANT, MAT & SUPPL.	9,944,709,117	98,185,442	9,846,523,675	2,375,201,632	7,471,322,043
16 Depreciation Reserve-CR	4,272,606,691	35,504,237	4,237,102,454	1,034,076,877	3,203,025,577
17 Deferred Income Tax Reserve-CR	843,376,110	2,858,997	840,517,113	197,317,077	643,200,036
18 NET BOOK COST	4,828,726,316	59,822,208	4,768,904,108	1,143,807,678	3,625,096,430
19 Unamortized ITC-Sec.38-CR	57,608	244	57,364	13,843	43,521
20 Unamortized ITC-Sec.50-CR	117,086,138	495,905	116,590,233	28,127,773	88,462,460
21 OPERATING INVESTMENT	4,711,582,570	59,326,059	4,652,256,511	1,115,666,062	3,536,590,449
NON-OPERATING INVESTMENT					
22 Non-operating Plant	12,518,458	417,158	12,101,300	2,902,037	9,199,263
23 Non-op Depreciation Reserve-CR	6,617,283	215,641	6,401,642	1,535,191	4,866,451
24 Non-op Deferred Inc Tax Reserve-CR	-600,808	0	-600,808	-144,081	-456,727
25 Non-op Unamortized ITC-CR	0	0	0	0	0
26 NET INVESTMENT	4,718,084,553	59,527,576	4,658,556,977	1,117,176,989	3,541,379,988

Attachment 1

DATE 02/17/95
TIME 11:29:46

HR BASIS

BELLSOUTH TELECOMMUNICATIONS INC.
STATE: FLORIDA
EOP
ENDING PERIOD: 12 1994

	NET INVESTMENT	BOOKED	NONREG	COMBINED	INTERSTATE	INTRASTATE
1	General Support	1,312,072,330	69,221,127	1,242,851,203	260,733,083	982,118,120
2	Central Office Switching	1,637,747,165	28,977,809	1,608,769,356	284,862,633	1,323,906,723
3	Operator Systems	43,028,773	0	43,028,773	5,394,877	37,633,896
4	Central Office Transmission	1,985,002,126	0	1,985,002,126	577,654,157	1,407,347,969
5	Information Orig/Term	169,610,569	6,362,258	163,248,311	41,085,096	122,163,215
6	Cable & Wire Facilities	4,796,908,061	0	4,796,908,061	1,206,835,548	3,590,072,513
7	Tangible Assets	19,014,690	1,485,935	17,528,755	3,671,239	13,857,516
8	Intangible Assets	0	0	0	0	0
9	Telecomm. Plant in Service	9,963,383,714	106,047,129	9,857,336,585	2,380,236,633	7,477,099,952
10	Telecomm. Plant Under Const-ST	33,135,959	526,643	32,609,316	7,812,841	24,796,475
11	Telecomm. Plant Under Const-LT	17,789,401	708,598	17,080,803	4,128,952	12,951,851
12	Property Held for Future Use	235,581	9,263	226,318	54,356	171,962
13	Telecomm. Plt Adjustment	0	0	0	0	0
14	Material & Supplies	82,650,512	2,200,877	80,449,635	20,207,134	60,242,501
15	GROSS PLANT, MAT & SUPPL.	10,097,195,167	109,492,510	9,987,702,657	2,412,439,916	7,575,262,741
16	Depreciation Reserve-CR	4,437,753,369	39,910,162	4,397,843,207	1,073,306,114	3,324,537,093
17	Deferred Income Tax Reserve-CR	828,531,563	2,036,966	826,494,597	194,025,197	632,469,400
18	NET BOOK COST	4,830,910,235	67,545,382	4,763,364,853	1,145,108,605	3,618,256,248
19	Unamortized ITC-Sec.38-CR	45,714	212	45,502	10,980	34,522
20	Unamortized ITC-Sec.50-CR	109,836,273	508,542	109,327,731	26,375,671	82,952,060
21	OPERATING INVESTMENT	4,721,028,248	67,036,628	4,653,991,620	1,118,721,954	3,535,269,666
	NON-OPERATING INVESTMENT					
22	Non-operating Plant	12,629,560	466,037	12,163,523	2,923,855	9,239,668
23	Non-op Depreciation Reserve-CR	6,710,373	241,842	6,468,531	1,554,899	4,913,632
24	Non-op Deferred Inc Tax Reserve-CR	-9,712	0	-9,712	-2,335	-7,377
25	Non-op Unamortized ITC-CR	0	0	0	0	0
26	NET INVESTMENT	4,726,957,147	67,260,823	4,659,696,324	1,120,093,245	3,539,603,079

12-1
2-1
1

Attachment 2

13

DATE 02/17/95
TIME 11:45:52

FR BASIS

BELL SOUTH TELECOMMUNICATIONS INC.
STATE: FLORIDA
EOP
ENDING PERIOD: 12 1994

NET INVESTMENT	BOOKED	NONREG	COMBINED	INTERSTATE	INTRASTATE
1 General Support	1,310,021,272	69,221,127	1,240,800,145	260,733,083	980,067,062
2 Central Office Switching	1,637,747,165	28,977,809	1,608,769,356	284,862,633	1,323,906,723
3 Operator Systems	43,028,773	0	43,028,773	5,394,877	37,633,896
4 Central Office Transmission	1,985,002,126	0	1,985,002,126	577,654,157	1,407,347,969
5 Information Orig/Term	169,610,569	6,362,258	163,248,311	41,085,096	122,163,215
6 Cable & Wire Facilities	4,800,943,359	0	4,800,943,359	1,206,835,548	3,594,107,811
7 Tangible Assets	19,014,690	1,485,935	17,528,755	3,671,239	13,857,516
8 Intangible Assets	0	0	0	0	0
9 Telecomm. Plant in Service	9,965,367,954	106,047,129	9,859,320,825	2,380,236,633	7,479,084,192
10 Telecomm. Plant Under Const-ST	33,135,959	526,643	32,609,316	7,812,841	24,796,475
11 Telecomm. Plant Under Const-LT	17,789,401	708,598	17,080,803	4,128,952	12,951,851
12 Property Held for Future Use	235,581	9,263	226,318	54,356	171,962
13 Telecomm. Plt Adjustment	0	0	0	0	0
14 Material & Supplies	82,650,512	2,200,877	80,449,635	20,207,134	60,242,501
15 GROSS PLANT, MAT & SUPPL.	10,099,179,407	109,492,510	9,989,686,897	2,412,439,916	7,577,246,981
16 Depreciation Reserve-CR	4,484,308,078	39,910,162	4,444,397,916	1,073,306,114	3,371,091,802
17 Deferred Income Tax Reserve-CR	786,206,411	2,036,966	784,169,445	171,492,272	612,677,173
18 NET BOOK COST	4,828,664,918	67,545,382	4,761,119,536	1,167,641,530	3,593,478,006
19 Unamortized ITC-Sec.38-CR	45,714	212	45,502	10,980	34,522
20 Unamortized ITC-Sec.50-CR	109,595,415	508,542	109,086,873	26,375,671	82,711,202
21 OPERATING INVESTMENT	4,719,023,789	67,036,628	4,651,987,161	1,141,254,879	3,510,732,282
NON-OPERATING INVESTMENT					
22 Non-operating Plant	12,629,560	466,037	12,163,523	2,923,855	9,239,668
23 Non-op Depreciation Reserve-CR	6,710,373	241,842	6,468,531	1,554,899	4,913,632
24 Non-op Deferred Inc Tax Reserve-CR	346,514	0	346,514	83,295	263,219
25 Non-op Unamortized ITC-CR	0	0	0	0	0
26 NET INVESTMENT	4,724,596,462	67,260,823	4,657,335,639	1,142,540,540	3,514,795,099

Attachment 3

PBC

Southern Bell Telephone & Telegraph

WECO Ad.

IYE 12/31/94

1/15/95
1/10/9515-1
2-3

P

COMPANY: SOUTHERN BELL
TITLE: BELLCORE INVESTMENTS ADJUSTMENT TO RATE BASE
PERIOD: TYPE 12/31/94
DATE: AUGUST 22, 1995
AUDITOR: GABRIELA LEON
WORKPAPER #: 15-1/3

10/9/95

BELLCORE INVESTMENTS

The general ledger account for BST's investment in Bellcore is account 1401.1400. This amount is only booked at the BST-headquarters level, not on the Florida Ledger.

Florida Combined is the total Florida amount included in the BST total company balance.

Florida Combined includes regulated (interstate and intrastate) plus nonregulated amounts.

The percent used to allocate the BST Company amounts (for the dividend and investment) to Florida is the ratio of Florida average net investment to total BST average net investment.

Monthly computations are attached.

The general ledger account for the dividend income is Account 7360.3000, ⁷³⁶⁰⁻⁷³⁶⁰⁻³⁰⁰⁰ and the general ledger account for the investment is Account 1401.1400.

See section wp. 49.

Staff traced dividends paid to Bellcore's Annual Report. No exceptions found.

Kew
 9/14/95
 2/10/95

	BALANCE	AVERAGE	12 MOS AVG	% FLA	FLA COMB	AVERAGE	12 MOS AVG
DEC 93	28,514,965.92			23.7891%	6,783,453.76		
JAN 94	28,514,965.92	28,514,966		24.3358%	6,939,345.08	6,861,399	
FEB	28,514,965.92	28,514,966		24.3336%	6,938,717.75	6,939,031	
MAR	28,514,965.92	28,514,966		24.3115%	6,932,415.94	6,935,567	
APR	28,514,965.92	28,514,966		24.2916%	6,926,741.46	6,929,579	
MAY	28,514,965.92	28,514,966		24.2334%	6,910,145.75	6,918,444	
JUNE	28,514,965.92	28,514,966		24.1518%	6,886,877.54	6,898,512	
JULY	28,514,965.92	28,514,966		24.0714%	6,863,951.51	6,875,415	
AUG	28,514,965.92	28,514,966		24.0149%	6,847,840.55	6,855,896	
SEPT	28,514,965.92	28,514,966		23.9664%	6,834,010.79	6,840,926	
OCT	28,514,965.92	28,514,966		23.9069%	6,817,044.39	6,825,528	
NOV	28,514,965.92	28,514,966		23.8525%	6,801,532.25	6,809,288	
DEC	28,514,965.92	28,514,966	28,514,966	23.8000%	6,786,561.89	6,794,047	6,873,636

	<u>EQP</u>	<u>AVERAGE</u>
COMPANY	28,514,966	(b) 28,514,966
FLA COMBINED	6,786,562	(b) 6,873,636
FLORIDA INTRA %	75.6127%	75.6127%
FLORIDA INTRASTATE	5,131,503	5,197,342

15-1p.2

	COMBINED	INTRASTATE
EOB	6,787	5,132
AVERAGE	6,874	5,197

- Δ Traced to the ^{FB} General Ledger
Account 1401200-1400
- ✗ Recalculated by staff
- ✗ Traced to Report FB26 - Cumulative Prorate Results

[illegible]

W 9/1/95
42
8/24/95

9/14/95

BELLSOUTH TELECOMMUNICATIONS INC.
FOR THE 12 MONTHS ENDED 12/31/94
SURVEILLANCE REPORT ADJUSTMENT
BELLCORE INVESTMENT AND DIVIDEND

ACCT	FLA
7360	7360
PRORATE	PRORATE

DEC	100.0000%	23.7891%
JAN	100.0000%	24.3358%
FEB	100.0000%	24.3336%
MAR	100.0000%	24.3115%
APR	100.0000%	24.2916%
MAY	100.0000%	24.2334%
JUN	100.0000%	24.1518%
JUL	100.0000%	24.0714%
AUG	100.0000%	24.0149%
SEP	100.0000%	23.9664%
OCT	100.0000%	23.9069%
NOV	100.0000%	23.8525%
DEC	100.0000%	23.8000%

Traced to Report FB26 - Cumulative Prostate Results

15-1	P2
3-1	
1	

REQUEST: RE: BellCore Investment

(1) Please reconcile Florida BellCore Dividend: per G/L and Company's prepared schedule.

	Amount	
Account 7360.3000 G/L.	\$742,911.92	acct 7360.3000
Company's Schedule	738,170.37	(15-1 / 3-1)
	<hr/>	
	\$4,741.55	Difference to be reconciled.

* RESPONSE (1): A \$4,741.55 true-up of the third quarter 1993 BellCore dividend accrual was booked in January 1994. This was adjusted out of the 1994 BellCore dividend on the Company's prepared schedule.

REQUEST (2): Please provide the calculation and backup for the BellCore dividend adjustment to NOI - \$682,000.

RESPONSE (2): Assuming you are referring to the BellCore dividend net operating income intrastate revenue adjustment of \$672,000 (page 2A; 1 of 3; line 21; column (1) of the surveillance report), the calculation and backup is attached.

* Staff agrees with this treatment because the '93 true-up should not be included in the '94 Surveillance Report.

15-1
3-2

P₁

AMOUNTS USED ON THE SURVEILLANCE REPORT

BELLCORE DIVIDENDS(NET INCOME)

Intrastate Revenue
Intrastate SIT
Intrastate FIT
Intrastate NOI

672
11
67
594

40.1
1

BELLCORE DIVIDENDS(NET INCOME)

	JAN 94	FEB 94	MAR 94	APR 94	MAY 94	JUNE 94	JULY 94	AUG 94	SEPT 94	OCT 94	NOV 94	DEC 94	12 MOS ENDING 12/31/94
BELLCORE DIV	0	Δ 5,677	249,854	0	33,467	213,315	0	0	263,630	0	(27,773)	149,940	888,110

COMBINED BELLCORE DIV 12 MOS END	888,110
INTRASTATE %	75.6127%
ADJ FLA BELLCORE NET INC INTRA	671,524 <i>✗</i>
TAXABLE PORTION	266,433
INTRASTATE %	75.6127% <i>1</i>
INTRASTATE TAXABLE PORTION	201,457 <i>✗</i>
SIT (.055)	11,080 <i>✗</i>
FIT (.33075)	66,632 <i>↓</i>
NOI	593,812 <i>↓</i>

Index
Δ - Traced to G/L.

B₃

PBC
 Southern Bell Telephone & Telegraph
 Bellcore Investment
 IVE 12/31/94
 9/11/94
 8/8/95

15-1
 3-2

15-1
3-1

REQUEST: Further, to request 49, please provide the Florida amounts of the \$3,036,612 and the Florida intrastate amounts. Show how it would impact page 2A; 1 of 3; line 21 of December 1994 Surveillance Report.

RESPONSE: Assuming a Bellcore dividend of \$3,036,612 , the Florida amount would be \$732,431 (using the average net investment prorata factor of 24.12%) and the Florida intrastate amount would be \$553,811 (intrastate average net investment factor of 75.6127%). However, these total dividends differ from our Surveillance Report adjustment as follows:

	BST	Florida
Per General Ledger:	\$3,079,467.57	\$742,911.92
Transposition error	(9.00)	
Less January true-up of 3rd quarter 1993 accrual (on 1993 Surv. Rept)	19,483.86	4,741.55
Amount per Response No. 52	\$3,059,974.71	\$738,170.37
Less True-up of Dec 1993 accrual	23,370.86	5,677.16
Sub-Total	\$3,036,603.85	\$732,493.21
Per C&L	3,036,612.00	

Amount per Response No. 52	\$3,059,974.71	\$738,170.37
Plus Accrual for 4th Qtr 1994 (documentation attached)	630,000.00	149,940.00
Total for Proforma Adjustment	\$3,689,974.71	\$888,110.37
Intrastate (75.6127%)		\$671,524

Using the amounts per C&L, the credit to Account 6724 would be 26.45% Florida (\$803,184), 94.48% regulated (\$758,848) and 78.99% intrastate (\$599,414). This does not match the dividend reduction of \$553,411 because the Florida, regulated and intrastate percents are all different for the expense account versus the dividend account. Furthermore, the taxability of dividends is different than the taxability of the expenses. Only 30% of the dividend is taxable; whereas, 100% of the expense is deductible. Therefore, to net the income against the expense and then apply a statutory tax rate would not be appropriate. The C&L recommendation would result in \$121,178 less net income (after tax) as illustrated below:

	Florida Dividends	Florida Expenses	Net Income Impact	Reduced Sharing
Reduced Inc/Expense	(\$553,411)	(\$599,414)		
Net of Tax	(\$489,368)	(\$368,190)	(\$121,178)	(\$72,707)

15-1
3-3

The request by written by Ruth Young, Manager because of notes taken from the external auditors workpapers on a different treatment of Bellcore Dividends proposed by C&L. Analyst

FPSC Staff Audit
1994 Surveillance Report
Request No. 58 - (Revised)
August 28, 1995
Page 1 of 2

The Company does not believe such a netting of dividends against expense is appropriate. We have contracted with Bellcore to perform certain services for us, an activity which is independent of our minority stock ownership. Even if the stock were sold and we no longer received dividend income, we could still contract with Bellcore to perform services for us. Furthermore, dividends are paid based on our percent of ownership, not our percent of services purchased. The character of the income and the expense are not the same and, therefore, should remain separate.

In addition, we have consistently reported the Bellcore dividends as dividend income (not as credits to expense). To change this method of accounting on the Surveillance Report would violate the consistency provisions of the Stipulation and Agreement (copy provided in response to Audit Request No. 35).

15-1
3-3
p2

MESSAGE

Subject: BellCore Dividend
Creator: Daniel E. Retter / AL, BRHM06
PHONE-1=404 529-6263;

Dated: 07/25/95 at 11:26
Contents: 2

Part 1

TO: YVETTE DAVIE / BRIDGE (TKNDJNJ@UOS1)
PHONE-1=(404) 529-6265;
Amos Mitchim / AL, BRHM07
JOHN YELVINGTON / BRIDGE (BYPWPQQ@UOS1)
PHONE-1=(404) 529-6786;

Part 2

As information, I have recently inquired of the status of BellCore Dividends for 1995. As you may recall, during 1994 and preceeding years, BST had been recognizing an estimated BellCore dividned receivable (and income) at the end of each quarter and performing a true-up of the related income at the time the dividend was actually paid to us. However, BellCore did not declare an estimated dividend at the end of 1994, and Dell Coleman in Accounting Policy and Compliance indicated to me that we should be recognizing the Bellcore Dividend when received by BST rather than when declared by BellCore.

According to Sandy Rhodes in Regualtory and External Affairs, Bellcore has paid the following dividends to BST in 1995

April 12, 1995	\$629,412.43	Related to 4th quarter 1994
May 10, 1995	\$900,204.00	Related to 1st quarter 1995

Both of these amounts were recognized in Account 7360.3000 - BellCore Income in May 1995 business.

Sandy Rhodes also imformed me that we should expect to recieve a dividend paymet from Bellcore of \$1,021,228.72 on August 9, 1995.

Yvette, please ensure that this amount is credited to Account 7360.3000 in August business. In the past, we had instructed Treasury to credit Account 1210.2100 - BellCore Dividends receivable on the cash book since we had been accruing the dividend at the end of the quarter. Please be sure that Treaury knows that account 7360.3000 should be credited, or that Celeste Cooper changes the account before the cash book is input to

the Financial Processor.

Thanks.

15-1
3-3
p.3

PROGRAM: C202A450
RUN DATE/TIME: 08/08/95 162202
PASS: 08
SITE: COMPANY

BELLSOUTH TELECOMMUNICATIONS
REPORT MONTH: JULY, 1995
GENERAL LEDGER - FR BASIS

FORM: MP-1580
PAGE: 730
RETENTION: PERM.

ACCOUNT 7300-7360-2000

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	.00	6,748,923.41	23,781.00	6,725,142.41	6,725,142.41
FEBRUARY	6,725,142.41	161,267.92	23,956.00	137,311.92	6,862,454.33
MARCH	6,862,454.33	163,281.12	52,506.55	110,774.57	6,973,228.90
APRIL	6,973,228.90	134,711.82	24,010.00	110,701.82	7,083,930.72
MAY	7,083,930.72	131,873.31	21,171.00	110,702.31	7,194,633.03
JUNE	7,194,633.03	30,236,697.56	4,565,472.19	25,671,225.37	32,865,858.40
JULY	32,865,858.40	134,697.10	24,365.00	110,392.10	32,976,250.50
YTD TOTAL	.00	37,711,452.24	4,735,201.74	32,976,250.50	32,976,250.50

ACCOUNT 7300-7360-3000

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	.00	.00	.00	.00	.00
FEBRUARY	.00	.00	.00	.00	.00
MARCH	.00	.00	.00	.00	.00
APRIL	.00	.00	.00	.00	.00
MAY	.00	1,529,616.43	3,059,232.86	1,529,616.43-	1,529,616.43-
JUNE	1,529,616.43-	.00	.00	.00	1,529,616.43-
JULY	1,529,616.43-	.00	.00	.00	1,529,616.43-
YTD TOTAL	.00	1,529,616.43	3,059,232.86	1,529,616.43-	1,529,616.43-

ACCOUNT 7300-7360-4000

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	.00	.00	290,293.02	290,293.02-	290,293.02-
FEBRUARY	290,293.02-	.00	35,225.81	35,225.81-	325,518.83-
MARCH	325,518.83-	.00	315,102.99	315,102.99-	640,621.82-
APRIL	640,621.82-	.00	89,632.21	89,632.21-	730,254.03-
MAY	730,254.03-	.00	355,474.41	355,474.41-	1,085,728.44-
JUNE	1,085,728.44-	.00	307,942.69	307,942.69-	1,393,671.13-
JULY	1,393,671.13-	.00	406,438.44	406,438.44-	1,800,109.57-
YTD TOTAL	.00	.00	1,800,109.57	1,800,109.57-	1,800,109.57-

***** NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE BELLSOUTH EXCEPT UNDER WRITTEN AGREEMENT *****

PC
Southern Bell Telephone & Telegraph
Bellevue Dividends
ITC 12/31/94
9/11/95

REQUEST:

Please provide documentation from Bellcore whereby it shows Bellcore's dividend to BST. If this information can't be provided, state so in writing and the reason why.
BST Dividend \$3,059,974.71

RESPONSE:

Attached is a page from the Bellcore Annual Report showing that Bellcore paid out \$29,120,000 in dividends during 1994. Bellcore is owned by seven companies, of which BST is one, owning 1/7. BST's 1/7 share of the \$29,120,000 is \$4,160,000. Also attached is a letter from Bellcore listing the total dividends paid to BST during 1994, totaling \$4,159,984 (rounds to \$4,160,000). The amount of \$4,159,984 reconciles to the amount per books as follows:

Total dividends paid in 1994	\$4,159,984
Transposition error	(9)
Less portion of 2/94 payment (1993 dividend) accrued in 1993	<u>(1,100,000)</u>
Amount per Response Item 52	(P) \$3,059,975

15-1/3-1/1 P₁

Please see our response to Item No. 58 for a detailed reconciliation of Bellcore dividends.

15-1
3-4

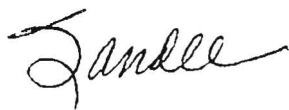
P₁

Birmingham, Alabama
September 11, 1995

TO: Patti Klein
FROM: Sandee Rhodes
SUBJECT: Dividends paid in 1994

Attached is a page from the Bellcore Annual Report Financial section that shows that Bellcore paid out \$29,120 in dividends during 1994. 29,120 divided by 7 regions equals 4,160. This matches the amounts given to you in the letter from Bellcore.

Call me if you have any questions.



Attachment

$$\begin{array}{r} \textcircled{P_3} \quad \$ 29,120 \\ \div 7 \text{ regions} \\ \hline \textcircled{P_1} \quad \$ 4,160 \end{array}$$

BELLCORE AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS (DEFICIT)

<i>Dollars in thousands</i>	<i>For the years ended December 31,</i>		
	1994	1993	1992
Revenues			
Owners	\$ 830,345	\$ 904,906	\$ 1,035,244
Industry markets and other	222,599	180,654	145,392
<i>Total Revenues</i>	<i>1,052,944</i>	<i>1,085,560</i>	<i>1,180,636</i>
Cost of products and services	516,253	563,834	557,573
<i>Gross Margin</i>	<i>536,691</i>	<i>521,726</i>	<i>623,063</i>
Selling, general and administrative expenses	367,684	363,927	417,346
Depreciation	74,986	78,819	94,139
Non-recurring costs	61,959	22,071	53,942
<i>Income Before Interest, Income Taxes and Cumulative Effect of Accounting Changes</i>	<i>32,062</i>	<i>56,909</i>	<i>57,636</i>
Interest	9,559	8,518	8,166
<i>Income Before Income Taxes and Cumulative Effect of Accounting Changes</i>	<i>22,503</i>	<i>48,391</i>	<i>49,470</i>
Provision for income taxes	4,124	17,497	18,914
<i>Income Before Cumulative Effect of Accounting Changes</i>	<i>18,379</i>	<i>30,894</i>	<i>30,556</i>
Cumulative effect of accounting changes, net of tax (Note C)	0	1,421	0
Net Income	\$ 18,379	\$ 32,315	\$ 30,556
Retained Earnings			
Retained earnings, beginning of period	\$ 7,863	\$ 7,381	\$ 6,074
Net income	18,379	32,315	30,556
Deduct: Dividends paid	(P ₂) 29,120	31,833	29,249
Retained Earnings (Deficit), End of Period	\$ (2,878)	\$ 7,863	\$ 7,381

The accompanying Notes are an integral part of the financial statements.

Southern Bell Telephone & Telegraph

Bellcore Dividends

TYE 12/31/94

42
9/21/95

09-11-95 09:55AM FROM REGULATORY SUPPORT TO 914045257045 P002/002

SEP-11-95 10:49 FROM REGULATORY SUPPORT ID: 2017406946

PAGE 1/2

Bellcore

Bell Communications Research

290 West Mt. Pleasant Avenue
Post Office Box 486
Livingston, New Jersey 07039-0486
201-740-3000

September 11, 1995

Ms. Sandee Rhodes
BellSouth Telecommunications
6B2 3700 Colonnade Parkway
Birmingham, AL 35243

Dear Ms. Rhodes:

RE: State of Florida
Data Request No(s). 95-0242

As requested, the following provides the amounts of dividends paid to BellSouth during 1994:

<u>Date Paid</u>	<u>Amount Paid</u>
02/94	\$1,123,371.29
05/94	1,028,559.57
08/94	1,024,747.43
11/94	983,305.42
(P1)	\$4,159,983.71

Very truly yours,

Shawn Walker

for L.M. Tucker
Attorney

LMT-sgb

2017406946

09-11-95 09:47AM P001 #31

R-95%

FROM REGULATORY SUPPORT 205 977 1563

09-11-95 11:01AM P002 #25

15-1
3-4

Other Rate Base Adj

Plant	Reserve
Depr 4/94	<802> P ₂
9/94	A <7,857> P ₃ (15-4-1/1)
11/94	<5,893> P ₄
2/95	136 P ₅
3/95	<u>1,529</u> P ₆

<12,887>

Protocol Conv.	(15-1 P ₂) 979	300	(15-1 P ₂) 13,565
	979	(15-1 P ₂) <12,587> B	

Due to time constraints staff chose to audit the largest item in the Other Rate Base Adjustment - Depreciation amount of \$7,857,000 out of a total adjustment of Rate Base of \$12,587,000.

(A) \$7,857,000.00

= 62.4265% Staff is auditing 62% of the Accumulated

(B) \$12,587,000.00

Depreciation adjustment to Rate Base

The reason for this adjustment is due to the fact that the Company has been depreciating total investment (Digital and Analog) of the Operator System and treating it as analog when in reality total investment includes both analog and digital systems.

For a detailed explanation of this adjustment see w.p. (15-1 Page 1-7)

15-1
4-1
P. 186

SUMMARY OF DEPR ADJ BOOKED 4/94

<u>TAB NO</u>	<u>DEPR RESV</u>	<u>DEPR EXPENSE</u>
1	(154,431.32)	529,478.81
2	(382,501.21)	1,311,432.72
3	380,918.25	(1,299,835.76)
4	(662,075.58)	750,937.01
5	ADJ NOT BOOKED	
6	6,705.94	(266.48)
7	(220.46)	755.87
8	(262.60)	900.34
9	(8.41)	0.00
10	(2,121.77)	7,269.40
11	(34.21)	103.63
12	11,555.37	(37,613.31)
13	(5.69)	19.50
14	15.96	(43.94)
15	(3.82)	0.00
16	10.66	(35.23)
TOTAL	(P _i) (802,458.89)	1,263,102.56

NOTE: See Separate file
for detail
workpapers

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10

Depr Exp Booked 09/94
12/94 Surveillance Report

Tab 4: 117C Correction of 1992 - 10/94

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	Total <u>1988 - 1992</u>
117C	0.00	0.00	0.00	0.00	(2,368,059.98)	(2,368,059.98)

	<u>Mo Amt</u>	<u>Balance</u>	<u>Average</u>	<u>12 Mos Avg</u>
1/93	(216,381.10)	(2,584,441.08)	(2,476,250.53)	
2/93	(305,286.89)	(2,889,727.97)	(2,737,084.53)	
3/93	(308,977.19)	(3,198,705.16)	(3,044,216.57)	
4/93	(314,324.78)	(3,513,029.94)	(3,355,867.55)	
5/93	(489,746.79)	(4,002,776.73)	(3,757,903.34)	
6/93	(544,881.98)	(4,547,658.71)	(4,275,217.72)	
7/93	(688,458.67)	(5,236,117.38)	(4,891,888.05)	
8/93	(691,033.61)	(5,927,150.99)	(5,581,634.19)	
9/93	(1,073,994.86)	(7,001,145.85)	(6,464,148.42)	
10/93	(1,076,471.72)	(8,077,617.57)	(7,539,381.71)	
11/93	(1,086,212.79)	(9,163,830.36)	(8,620,723.97)	
12/93	(1,093,279.85)	(10,257,110.21)	(9,710,470.29)	
1/94	(1,108,213.81)	(11,365,324.02)	(10,811,217.12)	
2/94	(13,822.82)	(11,379,146.84)	(11,372,235.43)	
3/94	65,788.66	(11,313,358.18)	(11,346,252.51)	
4/94	120,133.93	(11,193,224.25)	(11,253,291.22)	
5/94	57,827.01	(11,135,397.24)	(11,164,310.75)	
6/94	106,316.80	(11,029,080.44)	(11,082,238.84)	
7/94	91,709.83	(10,937,370.61)	(10,983,225.53)	
8/94	108,346.75	(10,829,023.86)	(10,883,197.24)	
9/94	110,988.70	(10,718,035.16)	(10,773,529.51)	
10/94	(25,555.04)	(10,743,590.20)	(10,730,812.68)	
11/94	0.00	(10,743,590.20)	(10,743,590.20)	
12/94	0.00	(10,743,590.20)	(10,743,590.20)	(10,990,624.27)

Adj to Depr Exp 12/94

10,257,110.21

As Booked:

9/94	(10,743,590.20)	(10,743,590.20)	(5,371,795.10)
10/94		(10,743,590.20)	(10,743,590.20)
11/94		(10,743,590.20)	(10,743,590.20)
12/94		(10,743,590.20)	(10,743,590.20)
12 Mos Average			(3,133,547.14)

Diff to adjust Depr Reserve

(7,857,077.13)

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SUMMARY OF DEPR ADJ BOOKED 11/94
NOT APPLICABLE TO 12 MOS END 12/31/94

<u>TAB NO</u>	<u>DEPR RESV</u>	<u>DEPR EXPENSE</u>
1	(704.80)	0.00
2	(2,212,019.08)✓	2,515,165.96✓
3	409.65	0.00
4	Booked 9/94	
5	(3,088,878.78)✓	3,509,413.65✓
6	(591,799.86)	801,822.57
TOTAL (P1)	(5,892,992.87)	6,826,402.18

Pg 4 of 6



SUMMARY OF DEPR ADJ BOOKED 2/95
 APPLICABLE TO 12 MOS END 12/31/94

<u>TAB NO</u>	<u>DEPR RESV</u>	<u>DEPR EXPENSE</u>
1	(335,315.14) ✓	(16,957.25) ✓
2	169.58	4,070.69
3	625.08	1,200.83
4	60.83	20.36
5	302,116.76	103,647.32
6	0.01	0.01
7	(104.92)	(226.07)
8	168,968.73	311,209.11
TOTAL	(P ₁) 136,520.93 ✓	402,965.00 ✓

+ 2771,425 3/95
 3,174,390

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P5

REQUEST: Please provide further backup and explanations for "Other Rate Base Adjustment - Depreciation" in the amount of \$7,857,000.

RESPONSE: The 9/94 rate base adjustment of \$7,857,000 resulted from the adjustment to depreciation expense and reserve for the reallocation of Operator Systems between analog and digital. For further details on the reason for the adjustment, refer to Attachment A.

Verbal and written explanations were provided on 8/29/95 for the rate base adjustment calculation worksheet and depreciation adjustment worksheets (see Attachment B for the written explanation).

Access was provided on 8/29/95 to the binder containing notes, calculations and backup for the Operator Systems reallocation and adjustment. Attachment C contains the auditor-selected pages from the binder.

A copy of the order reflecting the prescribed depreciation rates and schedules used in the calculation of this adjustment is included in Attachment D.

15-1
4-1
1 P₁

COMPANY
TITLE
PERIOD:
AUDITOR:
WORKPAPER

SOUTHERN BELL TELEPHONE AND TELEGRAPH
OTHER RATE BASE ADJUSTMENT-DEPRECIATION DIFF. BETWEEN ANAL
TYE 12/31/94
GABRIELA LEON

ACCOUNT 2220- OPERATOR SYSTEM - PER SOUTHERN BELL'S EXPLANATION OF DEPRECIATION ADJUSTMENT

Operator system is comprised of equipment necessary to provide subscribers personal assistance in using the network.
It includes direct assistance call intercept automatic call dist. and other operator assisted call completion activities."

Estimated 1:1.92 investment and associated reserve

	Investment	% Depreciation	Depreciation	Reserve
		Plant	\$M	%
Operator System Analog	\$15.1	0.17	\$4.8	\$31.5
Operator System Digital	\$12.3	0.14	\$0.0	\$0.0
Operator System Crossbar	\$5.0	0.06	\$2.7	\$21.5
	<u>\$32.4</u>	<u>0.37</u>	<u>\$7.5</u>	<u>\$53.0</u>

Future Expectation

" The evolution of switching equipment has had a profound effect on the Operator System account. Technology is rapidly changing from an analog to a digital based network which provides for higher capacity switches, enhanced features and services and additional automated services. These automated operator service functions offer high quality digitized voice technology and computerized call handling equipment. These serve to reduce labor and equipment costs and at the same time offer improved services."

Automatic Call Distribution ACD by the end of 1992. Listed below are the locations and currently estimated replacement date.

Location	Equipment Type	Replacement
Jacksonville Pearl	#5ACD	1992
Orlando Magnolia	#5ACD	1992

Also scheduled for retirement is the ISS-3000 Rockwell Digital Automatic Call Distributor DACD at the Miami, FL Alhambra Building in 3rd quarter of 1991. Traffic from this switch will be terminated onto the existing WPB Gardens DMS-200.

Florida plans to replace 3 Automatic Intercept System AIS switches. Location and currently estimated replacement dates are as follows:

Location	Equipment	Replacement
JAX Pearl	#2 ESS AIS	1993
Orlando	#2 ESS AIS	1992
Ft. Lauderdale	#2 ESS AIS	1992

P2

COMPANY: SOUTHERN BELL TELEPHONE AND TELEGRAPH
TITLE: OTHER RATE BASE ADJUSTMENT-DEPRECIATION DIFF BE
PERIOD: TYE 12/31/94
AUDITOR: GABRIELA LEON
WORKPAPER

The evolution of switch equipment will continue to have a profound effect on the Operator System Account. With the modularization of switching machines, the addition of software and or hardware modules will continue the evolution that will provide the customer with the enhanced services required in the high technology highly competitive environment today

Life and Salvage Proposal:

Depreciation rates for Operator System Digital were developed using the currently prescribed projection rounded to the nearest half year. The proposed projection lives, remaining lives, and net salvage % are indicated:

	Proposed Life (YRS)	Proposed ARL (YRS)	Proposed FNS %
Operator System Digital	16	13.6	0

For the investment remaining in Operator Systems-Crossbar the Company proposes to continue accruals under the current recovery schedule, since all crossbar investment in this account is planned to retire in 1992. For the analog System Crossbar account the Company proposes amortizing the net investment over the years 1992-1993m as all investment in this account is planned to retire by the end of 1993.

COMPANY SOUTHERN BELL TELEPHONE AND TELEGRAPH
TITLE OTHER RATE BASE ADJUSTMENT - DEPRECIATION DIFF. BETWEEN ANALOG A
PERIOD TYE 12.31.94
AUDITOR GABRIELA LEON
WORKPAPER

ANALOG *دفعه 12.31.94*

Ending investment balance - less ending reserve = depreciation amount

Number of periods remaining in the amortization

DIGITAL *دفعه 12.31.94*

The digital depreciation is based on an applied rate.

Procedures used in computing depreciation adjustment

The revised depreciation and adjustment to booked depreciation were computed as.

- (1) The 1-1-92 analog investment and reserve balance and all analog activity for 1992 to current were identified

Note: The 1/1/92 analog reserve balance per location was estimated using a proration (based on the 1/1/92 analog investment balance determined through this analysis) of the total 1/1/92 analog reserve balance from the 1992 status report.

- (2) The balance and activity from (1) above were deducted from the total 117C balance and activity to compute the digital 1-1-92 balances and activity for 1992 to current
- (3) The revised PSC amortization and depreciation were computed based on the balances and activity and (2) above.
- (4) The recomputed depreciation and amortization from (3) above were compared with the booked expense to arrive at the amount of the adjustment on a PSC combined basis.
- (5) The PSC combined adjustment for each month was multiplied by the appropriate intrastate factor to arrive at the adjustment on an intrastate (FR) basis.

COMPANY:
TITLE
PERIOD
AUDITOR:
WORKPAPER .
DA – Directory Assistance
TOPS – Traffic Operators Positions Systems

SOUTHERN BELL TELEPHONE AND TELEGRAPH
OTHER RATE BASE ADJUSTMENT – DEPRECIATION DIFF. BE
TYE 12/31/94
GABRIELA LEON

Type of Equipment	Building Code	Address	
FAC – AN	E4409	5395 N.E. 14 Avenue	Ft. Lauderdale
CIB – AN	31232	735 Millcreek Road. JAX	
FAC – AN	31232	735 Millcreek Road. JAX	
FMC – AN	31232	735 Millcreek Road. JAX	
DSC 1 – AN	31232	735 Millcreek Road. JAX	
DSC 2 – AN	31232	735 Millcreek Road. JAX	
OSC – Digital	33460	130 N. Nassau Street.	Lake City
OSC – Digital	N6516	2100 N.E. 164 Street	Miami
OSC – Digital	N6516	2100 N.E. 164 Street	Miami
FAC	33313	1501 E. Senoran Blvd.	Orlando

FUTURE TRACKING AND DEPRECIATION COMPUTATION PROCEDURES

" Because the operator systems location which still has analog investment also has some digital investment, the following procedures will be followed for future tracking and depreciation

Computation

- (1) Monthly activity will be tracked by location for 117C by establishing a separate depreciation category for each area number
- (2) For purposes of the data base load, all categories will be treated as Digital, however after the load, the data will be reviewed for analog activity
- (3) Any analog activity from the review in (2) above will be deducted from the total
- (4) Depreciation and amortization will then be manually recomputed based on the the revised activity and balance for each category from (3) above. The recomputed depreciation and amortization will then be input to the data base "

KW
 9/14/95
 cos
 ML
 8/31/95

Per Company's explanation provided by Karol Hoffmann

EXPLANATION for this entry to N.O.I.

→ This is what the Company did to arrive at this adjustment for Other Rate Base Adj. Depreciation difference between
Utility Depreciation + Digital.

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1

THE WALTER LATHAM COMPANY TOL 845-6787

Depr Exp Booked 09/94
12/94 Surveillance Report

Tab 4: 117C Correction of 1992 - 10/94

	1988	1989	1990	1991	1992	Total
117C	0.00	0.00	0.00	0.00	(2,368,059.98)	(2,368,059.98)

	Mo Amt	Reserve Balance	Average	12 Mos Avg
1/93	(B) (216,381.10)	(C) (2,584,441.08)	(D) (2,476,250.53)	
2/93	(305,286.89)	(2,889,727.97)	(2,737,084.53)	
3/93	(308,977.19)	(3,198,705.16)	(3,044,216.57)	
4/93	(314,324.78)	(3,513,029.94)	(3,355,867.55)	
5/93	(489,746.79)	(4,002,776.73)	(3,757,903.34)	
6/93	(544,881.98)	(4,547,658.71)	(4,275,217.72)	
7/93	(688,458.67)	(5,236,117.38)	(4,891,888.05)	
8/93	(691,033.61)	(5,927,150.99)	(5,581,634.19)	
9/93	(1,073,994.86)	(7,001,145.85)	(6,464,148.42)	
10/93	(1,076,471.72)	(8,077,617.57)	(7,539,381.71)	
11/93	(1,086,212.79)	(9,163,830.36)	(8,620,723.97)	
12/93	(1,093,279.85)	(10,257,110.21)	(9,710,470.29)	
1/94	(1,108,213.81)	(11,365,324.02)	(10,811,217.12)	
2/94	(13,822.82)	(11,379,146.84)	(11,372,235.43)	
3/94	65,788.66	(11,313,358.18)	(11,346,252.51)	
4/94	120,133.93	(11,193,224.25)	(11,253,291.22)	
5/94	57,827.01	(11,135,397.24)	(11,164,310.75)	
6/94	106,316.80	(11,029,080.44)	(11,082,238.84)	
7/94	91,709.83	(10,937,370.61)	(10,983,225.53)	
8/94	108,346.75	(10,829,023.86)	(10,883,197.24)	
9/94	110,988.70	(10,718,035.16)	(10,773,529.51)	
10/94	(25,555.04)	(10,743,590.20)	(10,730,812.68)	
11/94	0.00	(10,743,590.20)	(10,743,590.20)	
12/94	0.00	(10,743,590.20)	(10,743,590.20)	

Correct
Depr. Reserve
in 1992

(A)

(B) dep. adj. for 1/93.
(C) = (B) + (A)
(D) = Average of (A) + (C)
(E) Average of (D) for 12 mos. in the year
cal. for 12 mos. period = 17

Adj to Depr Exp 12/94

10,257,110.21

$$\frac{12-1}{3-1} = \frac{11}{2}$$

As Booked:

9/94	(F) (10,743,590.20)	(10,743,590.20)	(3,371,793.10)
10/94		(10,743,590.20)	(10,743,590.20)
11/94		(10,743,590.20)	(10,743,590.20)
12/94		(10,743,590.20)	(10,743,590.20)

12 Mos Average

(3,133,547.14)

$$\Sigma G = \$37,602,565$$

$$\frac{\$37,602,565}{12} = \$3,133,547$$

Diff to adjust Depr Reserve

(7,857,077.13)

(E) - (H) = 10,990,624.27 - 3,133,547.14

The Company booked the \$10,743,590.20 adjustment in Sept '94 as a lump sum, therefore, the Company went back and calculated the monthly impact of the adjustment & then calculated its monthly average.

$$\frac{15-1}{4-1} = \frac{14}{3}$$

Other Rate Base Adj: Depr Exp Booked 9/94
Legend to Page 1

<u>Reference</u>	<u>Description</u>
A	Cumulative adjustment to depreciation expense and depreciation reserve balance thru the end of 1992. (See also Page 2)
B	Depreciation adjustment for month 1/93. (See also Pages 2 and 3)
C	A + B
D	Average of A and C.
E	Average impact of the adjustment on the reserve balance for the 12 months ended 12/31/94. Represents the amount by which the rate base would have been adjusted if the correct reserve balance had been carried thru the end of the year.
F	The total adjustment to the reserve balance actually booked in 9/94. (See also Page 3)
G	The average impact of the booked adjustment (F above) on the reserve balance for each month following and including the month in which the adjustment was booked.
H	Sum of the amounts from G above divided by 12. Represents the average impact of the booked adjustment on the reserve balance for the 12 months ended 12/31/94. In other words, this is the amount by which the rate base already has been adjusted by booking the depreciation adjustment in 9/94.
I	Difference between E and H. The calculation of E treats the adjustment to depreciation reserve as if booked in the appropriate months. Because the adjustment actually was booked in 9/94, the average impact of that booked adjustment (H above) must be backed out of the amount from E.

DEPRECIATION: REPORT OF OUT OF PERIOD ADJUSTMENTS

BOOKED 9411

YYMM FOR WHICH ADJUSTMENT APPLICABLE	ACCOUNT	ADJUSTMENT TO INVESTMENT (INTRASTATE)	ADJUSTMENT TO RESERVE (INTRASTATE)	ADJUSTMENT TO ACCRUAL (INTRASTATE)	REASON FOR ADJUSTMENT
9201	117C		192,619.31	(192,619.31)	RESTATEMENT OF DEPRECIATION AND AMORTIZATION FOR REALLOCATION OF 117C BETWEEN ANALOG AND DIGITAL
9202	117C		194,792.37	(194,792.37)	
9203	117C		189,638.89	(189,638.89)	
9204	117C		189,893.07	(189,893.07)	
9205	117C		188,912.02	(188,912.02)	
9206	117C		190,696.15	(190,696.15)	
9207	117C		202,061.71	(202,061.71)	
9208	117C		203,069.25	(203,069.25)	
9209	117C		205,058.67	(205,058.67)	
9210	117C		203,405.58	(203,405.58)	
9211	117C		205,731.75	(205,731.75)	
9212	117C		202,181.21	(202,181.21)	
9301	117C		(B) 216,381.10	(216,381.10)	- adj. to change Jan '93 bal
9302	117C		305,286.89	(305,286.89)	
9303	117C		308,977.19	(308,977.19)	
9304	117C		314,324.78	(314,324.78)	
9305	117C		489,746.79	(489,746.79)	
9306	117C		544,881.98	(544,881.98)	
9307	117C		688,458.67	(688,458.67)	
9308	117C		691,033.61	(691,033.61)	
9309	117C		1,073,994.86	(1,073,994.86)	
9310	117C		1,076,471.72	(1,076,471.72)	
9311	117C		1,086,212.79	(1,086,212.79)	
9312	117C		1,093,279.85	(1,093,279.85)	
1992 TOTAL		0.00	2,368,059.98	(2,368,059.98)	(A) 1992 Incorrect Beg. Balance in the reserve.
1993 TOTAL		0.00	7,889,050.23	(7,889,050.23)	
GRAND TOTAL		0.00	10,257,110.21	(10,257,110.21)	

* NOTE: A NEGATIVE ADJUSTMENT EQUALS AN INCREASE TO THE RESERVE AND A POSITIVE ADJUSTMENT EQUALS A DECREASE

FILENAME: 123WKSHT\DEPR\ADJ1994\9411\BACKUP\OPER_SYS.WK1
 PREPARED BY: KAROL HOFFMAN
 DATE: 11/14/94
 TIME: 02:26 PM

Southern Bell Telephone & Telegraph
Depreciation Expense

Page 3

CALCULATION OF ADJUSTMENTS BOOKED 9411

ACCT	DEP CAT	ACTDAT	BUS DATE	PSC ACCRUAL (BEFORE 11/94 RECOMP)	PSC ACCRUAL (AFTER 11/94 RECOMP)	ADJUSTMENT TO ACCRUAL (COMBINED)	INTRASTATE FACTOR	ADJUSTMENT TO ACCRUAL (INTRASTATE)
117C	(ALL)	9112	9201	532,516.60	313,226.08	(219,290.52)	0.789531	(192,619.31)
117C	(ALL)	9201	9202	526,568.52	306,410.91	(220,157.61)	0.789072	(194,792.37)
117C	(ALL)	9202	9203	528,424.84	308,143.75	(220,281.09)	0.795251	(189,638.89)
117C	(ALL)	9203	9204	528,906.00	308,201.98	(220,704.02)	0.791750	(189,893.07)
117C	(ALL)	9204	9205	529,923.55	310,147.50	(219,776.05)	0.791327	(188,912.02)
117C	(ALL)	9205	9206	538,734.39	318,455.95	(220,278.44)	0.796980	(190,696.15)
117C	(ALL)	9206	9207	554,485.78	321,834.89	(232,650.89)	0.800515	(202,061.71)
117C	(ALL)	9207	9208	558,763.16	325,163.89	(233,599.27)	0.805047	(203,069.25)
117C	(ALL)	9208	9209	561,140.91	325,253.12	(235,887.79)	0.805047	(205,058.67)
117C	(ALL)	9209	9210	560,538.78	325,190.84	(235,347.94)	0.804888	(203,405.58)
117C	(ALL)	9210	9211	562,003.53	325,495.19	(236,508.34)	0.807116	(205,731.75)
117C	(ALL)	9211	9212	569,047.06	337,026.90	(232,020.16)	0.802522	(202,181.21)
117C	(ALL)	9212	9301	577,295.99	329,259.19	(248,036.80)	0.794067	(216,381.10)
117C	(ALL)	9301	9302	691,817.54	341,868.39	(349,949.15)	0.794067	(305,286.89)
117C	(ALL)	9302	9303	705,328.17	339,650.46	(365,677.71)	0.815725	(308,977.19)
117C	(ALL)	9303	9304	709,208.43	342,374.70	(366,833.73)	0.801369	(314,324.78)
117C	(ALL)	9304	9305	945,932.05	357,976.74	(587,955.31)	0.807099	(489,746.79)
117C	(ALL)	9305	9306	1,001,300.88	356,371.68	(644,929.20)	0.815512	(544,881.98)
117C	(ALL)	9306	9307	1,166,364.72	366,144.02	(800,220.70)	0.814903	(688,458.67)
117C	(ALL)	9307	9308	1,154,533.15	363,676.87	(790,856.28)	0.813491	(691,033.61)
117C	(ALL)	9308	9309	1,618,096.13	379,964.65	(1,238,131.48)	0.821412	(1,073,994.86)
117C	(ALL)	9309	9310	1,632,897.05	378,878.94	(1,254,018.11)	0.814718	(1,076,471.72)
117C	(ALL)	9310	9311	1,639,668.63	383,590.05	(1,256,078.58)	0.819946	(1,086,212.79)
117C	(ALL)	9311	9312	1,650,251.31	386,523.66	(1,263,727.65)	0.821923	(1,093,279.85)
117C	(ALL)	9312	9401	1,474,393.41	231,382.52	(1,243,010.89)	0.816244	(1,108,213.81)
117C	(ALL)	9401	9402	174,273.64	158,788.99	(15,484.65)	0.812845	(13,822.82)
117C	(ALL)	9402	9403	239,674.07	317,734.82	78,060.75	0.802136	65,788.66
117C	(ALL)	9403	9404	96,674.62	240,625.34	143,950.72	0.796266	120,133.93
117C	(ALL)	9404	9405	184,679.38	251,631.42	66,952.04	0.798502	57,827.01
117C	(ALL)	9405	9406	125,463.86	248,602.79	123,138.93	0.800887	106,316.80
117C	(ALL)	9406	9407	131,103.25	236,432.83	105,329.58	0.806386	91,709.83
117C	(ALL)	9407	9408	129,900.46	253,272.02	123,371.56	0.807415	108,346.75
117C	(ALL)	9408	9409	124,225.56	250,848.23	126,622.67	0.807317	110,988.70
117C	(ALL)	9409	9410	276,634.95	248,240.87	(28,394.08)	0.809161	(25,555.04)
TOTAL				23,000,770.37	10,588,390.19	(12,412,380.18)		(10,743,990.20)

REASON(S) FOR ADJUSTMENT:

RESTATEMENT OF DEPRECIATION AND AMORTIZATION FOR REALLOCATION OF 117C BETWEEN
ANALOG AND DIGITAL

FILENAME: 123\WKSHT\DEPR\ADJ\1994\9411\BACKUP\OPER_SYS.WK1
PREPARED BY: KAROL HOFFMAN
DATE: 11/14/94
TIME: 02:26 PM

CALCULATION OF DEPRECIATION ADJUSTMENT DUE TO 8/94 REALLOCATION BETWEEN
ANALOG AND DIGITAL OPERATOR SYSTEMS

ACCT	DEP CAT	BUS DATE	Should be:	Depreciation Booked Incorrectly	ADJUSTMENT TO ACCRUAL (PSC COMBINED)	INTRASTATE FACTOR	ADJUSTMENT TO ACCRUAL (INTRASTATE)
117C	TOTAL	9201	*313,226.08	532,516.60	(219,290.52)	0.878375	(192,619.31)
117C	TOTAL	9202	*306,410.91	526,568.52	(220,157.61)	0.884786	(194,792.37)
117C	TOTAL	9203	308,143.75	528,424.84	(220,281.09)	0.860895	(189,638.89)
117C	TOTAL	9204	308,201.98	528,906.00	(220,704.02)	0.860397	(189,893.07)
117C	TOTAL	9205	310,147.50	529,923.55	(219,776.05)	0.859566	(188,912.02)
117C	TOTAL	9206	318,455.95	538,734.39	(220,278.44)	0.865705	(190,696.15)
117C	TOTAL	9207	321,834.89	554,485.78	(232,650.89)	0.868519	(202,061.71)
117C	TOTAL	9208	325,163.89	558,763.16	(233,599.27)	0.869306	(203,069.25)
117C	TOTAL	9209	325,253.12	561,140.91	(235,887.79)	0.869306	(205,058.67)
117C	TOTAL	9210	325,190.84	560,538.78	(235,347.94)	0.864276	(203,405.58)
117C	TOTAL	9211	325,495.19	562,003.53	(236,508.34)	0.869871	(205,731.75)
117C	TOTAL	9212	337,026.90	569,047.06	(232,020.16)	0.871395	(202,181.21)
1992 TOTALS			3,824,551.00	6,551,053.12	(2,726,502.12)		(2,368,059.98)
117C	TOTAL	9301	*329,259.19	577,295.99	(248,036.80)	0.872375	(216,381.10)
117C	TOTAL	9302	341,868.39	691,817.54	(349,949.15)	0.872375	(305,286.89)
117C	TOTAL	9303	339,650.46	705,328.17	(365,677.71)	0.844944	(308,977.19)
117C	TOTAL	9304	342,374.70	709,208.43	(366,833.73)	0.856859	(314,324.78)
117C	TOTAL	9305	357,976.74	945,932.05	(587,955.31)	0.832966	(489,746.79)
117C	TOTAL	9306	356,371.68	1,001,300.88	(644,929.20)	0.844871	(544,881.98)
117C	TOTAL	9307	356,144.02	1,166,364.72	(800,220.70)	0.860336	(688,458.67)
117C	TOTAL	9308	363,676.87	1,154,533.15	(790,856.28)	0.873779	(691,033.61)
117C	TOTAL	9309	379,964.65	1,618,096.13	(1,238,131.48)	0.867432	(1,073,994.86)
117C	TOTAL	9310	378,878.94	1,632,897.05	(1,254,018.11)	0.858418	(1,076,471.72)
117C	TOTAL	9311	383,590.05	1,639,668.63	(1,256,078.58)	0.864765	(1,086,212.79)
117C	TOTAL	9312	386,523.66	1,650,251.31	(1,263,727.65)	0.865123	(1,093,279.85)
1993 TOTALS			4,326,279.37	13,492,694.05	(9,166,414.68)		(7,889,050.23)
117C	TOTAL	9401	*231,382.52	1,474,393.41	(1,243,010.89)	0.891556	(1,108,213.81)
117C	TOTAL	9402	158,788.99	174,273.64	(15,484.65)	0.892679	(13,822.82)
117C	TOTAL	9403	317,734.82	239,674.07	78,060.75	0.842788	65,788.66
117C	TOTAL	9404	240,625.34	96,674.62	143,950.72	0.834549	120,133.93
117C	TOTAL	9405	251,631.42	184,679.38	66,952.04	0.863708	57,827.01
117C	TOTAL	9406	248,602.79	125,463.86	123,138.93	0.863389	106,316.80
117C	TOTAL	9407	236,432.83	131,103.25	105,329.58	0.870694	91,709.83
117C	TOTAL	9408	253,272.02	129,900.46	123,371.56	0.878215	108,346.75
117C	TOTAL	9409	250,848.23	124,225.56	126,622.67	0.876531	110,988.70
117C	TOTAL	9410	248,240.87	276,634.95	(28,394.08)	0.900013	(25,555.04)
1994 TOTALS			2,437,559.83	2,957,023.20	(519,463.37)		(486,480.00)
GRAND TOTALS			10,588,390.19	23,000,770.37	(12,412,380.18)		(10,743,590.20)

NOTE: THE BOOKED ACCRUAL FOR 9403 INCLUDED A BOTTOM-LINE PSC COMBINED
ADJUSTMENT OF \$(2,978,762.02). THAT ADJUSTMENT IS REFLECTED HERE.

* 313,226.08 15-4/4-1/2-1/1 P₁
 46,312.49 15-4/4-1/2-1/2 P₁
313,226.09

P₁

CALCULATION OF DEPRECIATION ADJUSTMENT DUE TO 8/94 REALLOCATION BETWEEN
ANALOG AND DIGITAL OPERATOR SYSTEMS

ANALOG

ACCT	DEP CAT	BUS DATE	SHB	BOOKED	ADJUSTMENT TO ACCRUAL (PSC COMBINED)	INTRASTATE FACTOR	ADJUSTMENT TO ACCRUAL (INTRASTATE)
117C	COSAN	9201	167,213.60	442,885.16	(275,671.56)	0.878375	(242,143.01)
117C	COSAN	9202	167,213.60	443,076.62	(275,863.02)	0.884786	(244,079.74)
117C	COSAN	9203	167,207.55	443,164.08	(275,956.53)	0.860895	(237,569.60)
117C	COSAN	9204	167,207.55	443,606.96	(276,399.41)	0.860397	(237,813.23)
117C	COSAN	9205	167,222.28	442,695.66	(275,473.38)	0.859566	(236,787.55)
117C	COSAN	9206	167,217.88	443,188.65	(275,970.77)	0.865705	(238,909.28)
117C	COSAN	9207	167,217.88	457,914.52	(290,696.64)	0.868519	(252,475.56)
117C	COSAN	9208	167,217.88	458,111.75	(290,893.87)	0.869306	(252,875.79)
117C	COSAN	9209	167,217.88	458,352.36	(291,134.48)	0.869306	(253,084.95)
117C	COSAN	9210	167,217.88	458,512.84	(291,294.96)	0.864276	(251,759.24)
117C	COSAN	9211	167,379.41	459,991.27	(292,611.86)	0.869871	(254,534.57)
117C	COSAN	9212	167,379.57	455,461.48	(288,081.91)	0.871395	(251,033.14)
1992 TOTALS			2,006,912.93	5,406,961.35	(3,400,048.42)		(2,953,065.66)
117C	COSAN	9301	167,379.57	473,559.75	(306,180.18)	0.872375	(267,103.93)
117C	COSAN	9302	167,379.57	585,714.35	(418,334.78)	0.872375	(364,944.80)
117C	COSAN	9303	167,379.57	598,897.54	(431,517.97)	0.844944	(364,608.52)
117C	COSAN	9304	167,379.57	599,737.32	(432,357.75)	0.856859	(370,469.63)
117C	COSAN	9305	167,379.57	837,735.31	(670,355.74)	0.832966	(558,383.54)
117C	COSAN	9306	167,379.57	893,037.38	(725,657.81)	0.844871	(613,087.24)
117C	COSAN	9307	167,611.49	1,055,899.18	(888,287.69)	0.860336	(764,225.88)
117C	COSAN	9308	167,644.26	1,043,754.00	(876,109.74)	0.873779	(765,526.29)
117C	COSAN	9309	167,534.29	1,507,351.85	(1,339,817.56)	0.867432	(1,162,200.63)
117C	COSAN	9310	171,711.78	1,522,204.16	(1,350,492.38)	0.858418	(1,159,286.97)
117C	COSAN	9311	171,121.57	1,523,577.28	(1,352,455.71)	0.864765	(1,169,556.36)
117C	COSAN	9312	174,562.04	1,534,732.80	(1,360,170.76)	0.865123	(1,176,715.01)
1993 TOTALS			2,024,462.85	12,176,200.92	(10,151,738.07)		(8,736,108.80)
117C	COSAN	9401	5,747.97	1,356,602.97	(1,350,855.00)	0.891556	(1,204,362.88)
117C	COSAN	9402	(64,009.98)	57,339.56	(121,349.54)	0.892679	(108,326.19)
117C	COSAN	9403	68,597.55	122,713.04	(54,115.49)	0.842788	(45,607.89)
117C	COSAN	9404	(77.02)	(20,793.68)	20,716.66	0.834549	17,289.07
117C	COSAN	9405	1,486.77	57,773.47	(56,286.70)	0.863708	(48,615.27)
117C	COSAN	9406	1,692.43	1,782.00	(89.57)	0.863389	(77.33)
117C	COSAN	9407	(10,490.20)	7,571.23	(18,061.43)	0.870694	(15,725.98)
117C	COSAN	9408	6,714.25	6,656.83	57.42	0.878215	50.43
117C	COSAN	9409	2,585.61	(611.80)	3,197.41	0.876531	2,802.63
117C	COSAN	9410	2,935.23	31,329.17	(28,393.94)	0.900013	(25,554.92)
1994 TOTALS			15,182.61	1,620,362.79	(1,605,180.18)		(1,428,128.33)

Total this Page * (13,117,302.79)

(13,117,302.79) Digital
2,373,712.57 Analog

\$10,743,590.21

(P₁)

P₂

11/15/95
9/1/95

Digital

total this Page $\begin{array}{r} 2,373,712.57 \\ 10,743,590.21 \\ \hline \end{array}$

ρ_3

- ☒ Percolated by Staff.

Recalculated using
analog + digital
schedulers

$$\begin{array}{r} 15 - 1 \\ \hline 4 - 1 \\ \hline 2 - 1 \end{array}$$

wp. 15-44-1/2-1/1 P, -4
15-44-1/2-1/2 P, -4

calc (K) = calc(S) for analog (P)
 current accrual = ending balance
 less Reg. Pension balance

ANALOG OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

Line #	ANALOG SUMMARY		AS OF:		24-Apr-95								(C) - (D)		(E) - (F)		(G) - (H)		(I) = (A) + (C) - (D)		(J) - (K) - (L)	
	ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL										
(1)	9201	5,707,076.87	1,693,950.58	0.00	0.00	0.00	0.00	0.00	0.00	5,707,076.87	1,861,164.18	167,213.60										
(2)	9202	5,707,076.87	1,861,164.18	(133.05)	13.11	0.00	0.00	0.00	0.00	5,706,930.71	2,028,364.66	167,213.60										
(3)	9203	5,706,930.71	2,028,364.66	0.00	4,107.61	0.00	0.00	0.00	0.00	5,702,823.10	2,191,464.60	167,207.55										
(4)	9204	5,702,823.10	2,191,464.60	0.00	34.55	0.00	294.69	0.00	0.00	5,702,788.55	2,358,342.91	167,207.55										
(5)	9205	5,702,788.55	2,358,342.91	(83.68)	4.20	0.00	0.00	0.00	0.00	5,702,700.67	2,525,560.99	167,222.28										
(6)	9206	5,702,700.67	2,525,560.99	0.00	0.00	0.00	0.00	0.00	0.00	5,702,700.67	2,692,778.87	167,217.88										
(7)	9207	5,702,700.67	2,692,778.87	0.00	0.00	0.00	0.00	0.00	0.00	5,702,700.67	2,859,996.75	167,217.88										
(8)	9208	5,702,700.67	2,859,996.75	0.00	169.11	0.00	0.00	0.00	0.00	5,702,531.56	3,027,045.51	167,217.88										
(9)	9209	5,702,531.56	3,027,045.51	0.00	0.00	0.00	0.00	0.00	0.00	5,702,531.56	3,194,263.39	167,217.88										
(10)	9210	5,702,531.56	3,194,263.39	(134.67)	6.28	0.00	2,396.06	0.00	0.00	5,702,390.61	3,359,078.93	167,217.88										
(11)	9211	5,702,390.61	3,359,078.93	0.00	0.00	0.00	2.14	0.00	0.00	5,702,390.61	3,526,456.20	167,379.41										
(12)	9212	5,702,390.61	3,526,456.20	0.00	862,667.47	0.00	0.00	0.00	0.00	4,839,723.14	2,831,168.30	167,379.57										
(13)	9301	4,839,723.14	2,831,168.30	0.00	(862,667.47)	0.00	0.00	0.00	0.00	5,702,390.61	3,861,215.34	167,379.57										

By the end of 1993 everything should have been retired from analog.

For formulas on how to calculate current accrual see 15-4/4-1/2-1/1 Pg 5-8.

ANALOG OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-95

	ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL
(14)	9302	5,702,390.61	3,861,215.34	0.00	111.80	0.00	0.00	0.00	0.00	5,702,278.81	4,028,483.11	167,379.57
(15)	9303	5,702,278.81	4,028,483.11	0.00	0.00	0.00	0.00	0.00	0.00	5,702,278.81	4,195,862.68	167,379.57
(16)	9304	5,702,278.81	4,195,862.68	0.00	12.16	0.00	0.00	0.00	0.00	5,702,266.65	4,363,230.09	167,379.57
(17)	9305	5,702,266.65	4,363,230.09	0.00	0.00	0.00	0.00	0.00	0.00	5,702,266.65	4,530,609.66	167,379.57
(18)	9306	5,702,266.65	4,530,609.66	0.00	301,780.35	0.00	1,391.49	0.00	0.00	5,400,486.30	4,394,817.39	167,379.57
(19)	9307	5,400,486.30	4,394,817.39	0.00	717,443.12	0.00	163.88	0.00	0.00	4,683,043.18	3,844,821.87	167,611.49
(20)	9308	4,683,043.18	3,844,821.87	0.00	696,990.41	1,860.01	1,420.12	0.00	0.00	3,986,052.77	3,315,915.61	167,644.26
(21)	9309	3,986,052.77	3,315,915.61	0.00	7.43	0.00	12,532.48	0.00	0.00	3,986,045.34	3,470,909.99	167,534.29
(22)	9310	3,986,045.34	3,470,909.99	0.00	0.00	11,978.30	10,797.88	0.00	0.00	3,986,045.34	3,643,802.20	171,711.78
(23)	9311	3,986,045.34	3,643,802.20	0.00	0.00	(2,139.95)	1,300.52	0.00	0.00	3,986,045.34	3,811,483.30	171,121.57
(24)	9312	3,986,045.34	3,811,483.30	0.00	623,209.38	712.37	6,460.34	0.00	0.00	3,362,835.96	3,357,087.99	174,562.04
(25)	9401	3,362,835.96	3,357,087.99	(77.72)	728,318.92	83,368.00	19,435.74	0.00	0.00	2,634,439.32	2,698,449.30	5,747.97
(26)	9402	2,634,439.32	2,698,449.30	(272.47)	1,322.47	(67,406.39)	1,463.63	0.00	0.00	2,632,844.38	2,564,246.83	(64,009.98)

ANALOG OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-95

	ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL
(27)	9403	2,632,844.38	2,564,246.83	0.00	65,440.75	1,287.39	1,210.37	0.00	0.00	2,567,403.63	2,567,480.65	68,597.55
(28)	9404	2,567,403.63	2,567,480.65	0.00	13,146.75	143.04	1,629.81	0.00	0.00	2,554,256.88	2,552,770.11	(77.02)
(29)	9405	2,554,256.88	2,552,770.11	0.00	3,210.56	3,858.16	5,550.59	0.00	0.00	2,551,046.32	2,549,353.89	1,486.77
(30)	9406	2,551,046.32	2,549,353.89	0.00	0.00	15,953.97	5,463.77	0.00	0.00	2,551,046.32	2,561,536.52	1,692.43
(31)	9407	2,551,046.32	2,561,536.52	0.00	1,126.11	0.00	6,714.25	0.00	0.00	2,549,920.21	2,543,205.96	(10,490.20)
(32)	9408	2,549,920.21	2,543,205.96	0.00	80,582.74	0.00	2,585.61	0.00	0.00	2,469,337.47	2,466,751.86	6,714.25
(33)	9409	2,469,337.47	2,466,751.86	0.00	2,304,303.31	0.00	2,935.23	0.00	0.00	165,034.16	162,098.93	2,585.61
(34)	9410	165,034.16	162,098.93	0.00	0.00	0.00	783.04	0.00	0.00	165,034.16	164,251.12	2,935.23
(35)	9411	165,034.16	164,251.12	0.00	0.00	0.00	2,609.60	0.00	0.00	165,034.16	162,424.56	783.04
(36)	9412	165,034.16	162,424.56	(445.84)	(6,297.43)	0.00	18,119.97	0.00	0.00	170,885.75	153,211.62	2,609.60
(37)	9501	170,885.75	153,211.62	0.00	0.00	5,923.54	8,540.86	0.00	0.00	170,885.75	168,268.43	17,674.13
(38)	9502	170,885.75	168,268.43	0.00	222,474.40	19,060.93	540.30	0.00	0.00	(51,588.65)	(33,068.02)	2,617.32
(39)	9503	(51,588.65)	(33,068.02)	0.00	0.00	0.00	10,988.02	0.00	0.00	(51,588.65)	(62,576.67)	(18,520.63)

ANALOG OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-95

	ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL
(40)	9504	(51,588.65)	(62,576.67)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	10,988.02
(41)	9505	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(42)	9506	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(43)	9507	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(44)	9508	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(45)	9509	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(46)	9510	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(47)	9511	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(48)	9512	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
	TOTALS			(1,147.43)	5,535,043.69	49,614.90	105,261.21	0.00	0.00			(A) 4,049,951.04

Note:

This schedule does not add up
in total to Wp. $\frac{15-4}{4-1}$ P, because
this schedule includes 1995.

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ANALOG OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-95

A	B	C	D	E	F	G	H	I	J	K	L	M
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTI CRED	OTI DEB	END INV BAL	END RES BAL	CURR ACCRUAL	# OF MNTIS REM
9201	5,707,076.87	1,693,950.58	0.00	0.00	0.00	0.00	0.00	0.00	5,707,076.87	1,861,164.18	(B8-C8)/M8	24
9202	5,707,076.87	1,861,164.18	(133.05)	13.11	0.00	0.00	0.00	0.00	5,706,930.71	2,028,364.66	(J8-K8)/M10	23
9203	5,706,930.71	2,028,364.66	0.00	4,107.61	0.00	0.00	0.00	0.00	5,702,823.10	2,191,464.60	(J10-K10)/M12	22
9204	5,702,823.10	2,191,464.60	0.00	34.55	0.00	294.69	0.00	0.00	5,702,788.55	2,358,342.91	(J12-K12)/M14	21
9205	5,702,788.55	2,358,342.91	(83.68)	4.20	0.00	0.00	0.00	0.00	5,702,700.67	2,525,560.99	(J14-K14)/M16	20
9206	5,702,700.67	2,525,560.99	0.00	0.00	0.00	0.00	0.00	0.00	5,702,700.67	2,692,778.87	(J16-K16)/M18	19
9207	5,702,700.67	2,692,778.87	0.00	0.00	0.00	0.00	0.00	0.00	5,702,700.67	2,859,996.75	(J18-K18)/M20	18
9208	5,702,700.67	2,859,996.75	0.00	169.11	0.00	0.00	0.00	0.00	5,702,531.56	3,027,045.51	(J20-K20)/M22	17
9209	5,702,531.56	3,027,045.51	0.00	0.00	0.00	0.00	0.00	0.00	5,702,531.56	3,194,263.39	(J22-K22)/M24	16
9210	5,702,531.56	3,194,263.39	(134.67)	6.28	0.00	2,396.06	0.00	0.00	5,702,390.61	3,359,078.93	(J24-K24)/M26	15
9211	5,702,390.61	3,359,078.93	0.00	0.00	0.00	2.14	0.00	0.00	5,702,390.61	3,526,456.20	(J26-K26)/M28	14
9212	5,702,390.61	3,526,456.20	0.00	862,667.47	0.00	0.00	0.00	0.00	4,839,723.14	2,831,168.30	(J28-K28)/M30	13
9301	4,839,723.14	2,831,168.30	0.00	(862,667.47)	0.00	0.00	0.00	0.00	5,702,390.61	3,881,215.34	(J30-K30)/M32	12
9302	5,702,390.61	3,881,215.34	0.00	111.80	0.00	0.00	0.00	0.00	5,702,278.81	4,028,483.11	(J32-K32)/M34	11
9303	5,702,278.81	4,028,483.11	0.00	0.00	0.00	0.00	0.00	0.00	5,702,278.81	4,195,862.68	(J34-K34)/M36	10
9304	5,702,278.81	4,195,862.68	0.00	12.16	0.00	0.00	0.00	0.00	5,702,268.65	4,363,230.09	(J36-K36)/M38	9

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ANALOG OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY		AS OF:		24-Apr-95								
A	B	C	D	E	F	G	H	I	J	K	L	M
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL	# OF MNTIS REM
9305	5,702,266.65	4,363,230.09	0.00	0.00	0.00	0.00	0.00	0.00	5,702,266.65	4,530,609.66	(J38-K38)/M40	8
9306	5,702,266.65	4,530,609.66	0.00	301,780.35	0.00	1,391.49	0.00	0.00	5,400,486.30	4,394,817.39	(J40-K40)/M42	7
9307	5,400,486.30	4,394,817.39	0.00	717,443.12	0.00	163.88	0.00	0.00	4,683,043.18	3,844,821.87	(J42-K42)/M44	6
9308	4,683,043.18	3,844,821.87	0.00	696,990.41	1,860.01	1,420.12	0.00	0.00	3,986,052.77	3,315,915.61	(J44-K44)/M46	5
9309	3,986,052.77	3,315,915.61	0.00	7.43	0.00	12,532.48	0.00	0.00	3,986,045.34	3,470,909.99	(J46-K46)/M48	4
9310	3,986,045.34	3,470,909.99	0.00	0.00	11,978.30	10,797.88	0.00	0.00	3,986,045.34	3,643,802.20	(J48-K48)/M50	3
9311	3,986,045.34	3,643,802.20	0.00	0.00	(2,139.95)	1,300.52	0.00	0.00	3,986,045.34	3,811,483.30	(J50-K50)/M52	2
9312	3,986,045.34	3,811,483.30	0.00	623,209.38	712.37	6,460.34	0.00	0.00	3,362,835.96	3,357,087.99	(J52-K52)/M54	1
9401	3,362,835.96	3,357,087.99	(77.72)	728,318.92	83,368.00	19,435.74	0.00	0.00	2,634,439.32	2,698,449.30	(J54-K54)/M56	1
9402	2,634,439.32	2,698,449.30	(272.47)	3,322.47	(67,406.39)	1,463.63	0.00	0.00	2,632,844.38	2,564,246.83	(J56-K56)/M58	1
9403	2,632,844.38	2,564,246.83	0.00	65,440.75	1,287.39	1,210.37	0.00	0.00	2,567,403.63	2,567,480.65	(J58-K58)/M60	1
9404	2,567,403.63	2,567,480.65	0.00	13,146.75	143.04	1,629.81	0.00	0.00	2,554,256.88	2,552,770.11	(J60-K60)/M62	1
9405	2,554,256.88	2,552,770.11	0.00	3,210.58	3,858.16	5,550.59	0.00	0.00	2,551,048.32	2,549,353.89	(J62-K62)/M64	1
9406	2,551,048.32	2,549,353.89	0.00	0.00	15,953.97	5,463.77	0.00	0.00	2,551,046.32	2,561,536.52	(J64-K64)/M66	1
9407	2,551,046.32	2,561,536.52	0.00	1,126.11	0.00	6,714.25	0.00	0.00	2,549,920.21	2,543,205.96	(J66-K66)/M68	1

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ANALOG OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-95												
A	B	C	D	E	F	G	H	I	J	K	L	M
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL	# OF MNTS REM
9408	2,549,920.21	2,543,205.96	0.00	80,582.74	0.00	2,585.61	0.00	0.00	2,469,337.47	2,466,751.86	(J68-K68)/M70	1
9409	2,469,337.47	2,466,751.86	0.00	2,304,303.31	0.00	2,935.23	0.00	0.00	165,034.16	162,098.93	(J70-K70)/M72	1
9410	165,034.16	162,098.93	0.00	0.00	0.00	783.04	0.00	0.00	165,034.16	164,251.12	(J72-K72)/M74	1
9411	165,034.16	164,251.12	0.00	0.00	0.00	2,609.60	0.00	0.00	165,034.16	162,424.56	(J74-K74)/M76	1
9412	165,034.16	162,424.56	(445.84)	(6,297.43)	0.00	18,119.97	0.00	0.00	170,885.75	153,211.62	(J76-K76)/M78	1
9501	170,885.75	153,211.62	0.00	0.00	5,923.54	8,540.86	0.00	0.00	170,885.75	168,268.43	(J78-K78)/M80	1
9502	170,885.75	168,268.43	0.00	222,474.40	19,060.93	540.30	0.00	0.00	(51,588.65)	(33,068.02)	(J80-K80)/M82	1
9503	(51,588.65)	(33,068.02)	0.00	0.00	0.00	10,988.02	0.00	0.00	(51,588.65)	(62,576.67)	(J82-K82)/M84	1
9504	(51,588.65)	(62,576.67)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J84-K84)/M86	1
9505	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J86-K86)/M88	1
9506	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J88-K88)/M90	1
9507	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J90-K90)/M92	1
9508	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J92-K92)/M94	1
9509	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J94-K94)/M96	1
9510	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J96-K96)/M98	1
9511	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J98-K98)/M100	1

Souther Bell Telephone & Telegraph
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ANALOG OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-95

A	B	C	D	E	F	G	H	I	J	K	L	M
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL	# OF MNTHS REM
9512	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J100-K100)VM10	1
TOTALS			(1,147.43)	5,535,043.89	49,614.90	105,281.21	0.00	0.00			@SUM(L78..L8)	

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Southern Bell Telephone & Telegraph
Recalculation of Depreciation
TUE 12/31/94

42
9/11/95

ANALOG

Recalculation of ~~Current~~ Annual column on Depreciation
Worksheet see wp. (15-4/4-1/2-1/1.)

January, 1992 - Line 1

ENDING Balance, Inv. Bal Less Ending Res. Balance

\$5,707,076.87

- 1,861,164.18

\$3,845,912.70

÷ 23

\$167,213.59

February, 1992 - Line 2

\$5,706,930.71

2,028,364.66

3,678,566.10

÷ 22

\$167,207.55

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ORDER NO. PSC-93-0462-FOF-TL
DOCKET NO. 920385-TL
PAGE 27

ATTACHMENT A

SOUTHERN BELL TEL. AND TEL. CO.
1992 STUDY
COMMISSION APPROVED RATES

ACCOUNT	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	RESERVE (%)	REMAINING LIFE RATE (%)
GENERAL SUPPORT ASSETS				
Motor Veh. - Light	3.9	14.0	45.14	10.5
Motor Veh. - Other	2.6	14.0	71.36	5.6
Special Purpose Vehicles	5.0	0.0	87.70	2.5
Bldgs. - Large Adm's & DPC's	36.0	6.0	19.36	2.1
Buildings - Large Cent. Ofcs.	33.0	3.0	18.25	2.4
Buildings - Local Cent. Ofcs.	42.0	3.0	19.25	1.9
Buildings - Misc.	23.0	6.0	15.48	3.4
Garage Work Equipment		7 Year Amortization		
Other Work Equip.		7 Year Amortization		
Furniture		10 Year Amortization		
Office Support Equip.		7 Year Amortization		
Official Comm. Equip.		5 Year Amortization		
Gen. Purpose Computers		5 Year Amortization		
Building Computers		5 Year Amortization		
CENTRAL OFFICE ASSETS				
Analog ESS	6.8	6.0	53.87	5.9
Digital ESS	10.7	0.0	19.80	7.5
Operator Systems - Digital	13.6	0.0	2.90 **	7.1
Radio - Non - Cellular	3.0	(3.0)	82.89	6.7
Radio, Microwave & Other	9.8	(3.0)	10.90	9.4
Circuit - Analog	2.2	3.0	36.58	27.5
Circuit - Analog Cap. Rec. Sch.	2.2	3.0	36.58	27.5
Circuit - Digital	7.7	2.0	40.61 **	7.5
Circuit - Digital Cap. Rec. Sch.	7.7	2.0	40.61 **	7.5
Circuit - Optical Eqpt.	6.2	2.0	23.39	12.0
INFORMATION ORIGINATION/TERMINATION				
Public Telephone	3.0	20.0	59.79	6.7
Info Orig. Term.	5.7	9.0	46.75	7.8
CABLE & WIRE FACILITIES				
Poles	34.0	(51.0)	33.67	3.5
Aerial Cable - Metallic	9.7	(9.0)	42.41	6.9
Aerial Cable - Fiber	17.7	0.0	6.06	5.3
Undgd. Cable - Metallic	6.0	0.0	45.96	9.0
Undgd. Cable - Fiber	16.5	2.0	23.69	4.5
Buried Cable - Metallic	9.0	(4.0)	42.10	6.9
Buried Cable - Fiber	16.9	3.0	17.11	4.7
Submarine Cable - Metallic	9.0	(2.0) - -	52.55	5.5
Submarine Cable - Fiber	16.7	0.0	27.07	4.4
Intrabuilding Cable - Metallic	9.7	(9.0)	50.80	6.0
Intrabuilding Cable - Fiber	18.6	(5.0)	39.29	3.5
Aerial Wire	6.5	(35.0)	68.80	10.2
Conduit	43.0	(5.0)	21.10	2.0

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SOUTHERN BELL TEL AND TEL CO.
1992 STUDY
SUMMARY OF APPROVED CAPITAL RECOVERY SCHEDULES

	I-1-92 INVESTMENT (000)	I-1-92 RESERVE (000)	EST ADDS. (000)	EXPECTED SALVAGE (000)	NET TO BE RECOVERED (000)
Analog-ESS					
1992 Rets.	69,462	43,543	112	3,473	22,558
1993 Rets.	126,652	86,397	1,572	6,353	35,494
1994 Rets.	72,451	47,451	872	3,623	22,249
Total	268,565	177,391	2,556	13,429	80,301
Digital-ESS					
1993 Rets.	1,896	376	0	379	1,141
1994 Rets.	2,713	537	0	543	1,633
Total	4,609	913	0	922	2,774
Operator Systems-Analog					
1993 Rets.	15,117	4,488	0	0	10,629
Total	15,117	4,488	0	0	10,629
Operator Systems-Crossbar					
1993 Rets.	4,954	3,065	0	0	1,889
Total	4,954	3,065	0	0	1,889
TOTALS	293,245	185,857	2,556	14,351	95,593

The monthly expense for each recovery schedule shall be calculated by dividing the net amount to be recovered by the months remaining for recovery. This will take care of additions and interim retirements, as well as actual salvage experienced, and any shifts in retirement dates. All activity relating to these schedules shall be recorded to these schedules and not to another depreciation category or account.

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9/11/95

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ATTACHMENT C

	1-1-92 INVESTMENT	1-1-92 RESERVE	APPROVED TRANSFER	RESTATE 1-1-92 RESERVE
Operator Systems--Digital	15,017	(2,034)	2,469	43
Circuit--Digital	1,201,177	473,647	(2,469)	471,17
TOTAL	1,216,194	471,613	0	471,61

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$$\begin{array}{r} 15-1 \\ \hline 4-1 \\ \hline 2-1 \\ \hline 1-2 \end{array}$$

DIGITAL OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

DIGITAL SUMMARY AS OF: 24-Apr-95

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that should be
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to be correct.

ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL
9201	24,426,548.22	3,228,904.79	6,303.71	606,465.17	0.00	1,407.56	0.00	0.00	23,826,386.76	2,767,044.54	146,012.49
9202	23,826,386.76	2,767,044.54	4,226.56	8,348.89	0.00	559.98	(248.87)	0.00	23,822,264.43	2,897,084.11	139,197.31
9203	23,822,264.43	2,897,084.11	5,632.77	445.41	76,000.00	8,790.68	77.39	0.00	23,827,451.79	3,104,861.62	140,936.20
9204	23,827,451.79	3,104,861.62	219,282.33	0.00	25,872.00	(1,082.84)	0.00	0.00	24,046,734.12	3,272,810.89	140,994.44
9205	24,046,734.12	3,272,810.89	1,010,307.04	553.78	4,020.00	9,220.99	0.00	0.00	25,056,487.38	3,409,981.34	142,925.22
9206	25,056,487.38	3,409,981.34	717,315.32	4.63	0.00	0.00	0.00	0.00	25,773,798.07	3,561,214.78	151,238.07
9207	25,773,798.07	3,561,214.78	613,835.94	(365.23)	0.00	0.00	0.00	0.00	26,387,999.24	3,716,197.03	154,617.02
9208	26,387,999.24	3,716,197.03	448,148.79	233,360.29	0.00	0.00	0.00	0.00	26,602,787.74	3,640,782.75	157,946.01
9209	26,602,787.74	3,640,782.75	64,578.55	0.00	0.00	0.00	0.00	0.00	26,667,366.29	3,798,817.99	158,035.24
9210	26,667,366.29	3,798,817.99	37,618.69	0.00	(1,985.51)	0.00	0.00	0.00	26,704,984.98	3,954,805.44	157,972.96
9211	26,704,984.98	3,954,805.44	1,311,868.41	0.00	60,328.00	0.00	383.48	206.00	28,016,853.39	4,173,426.71	158,115.78
9212	28,016,853.39	4,173,426.71	613,828.87	1,051,773.76	733,294.68	412.69	300,280.02	0.00	27,578,908.50	4,324,462.28	169,647.33
9301	27,578,908.50	4,324,462.28	1,274,773.08	0.00	(94,560.00)	585.60	(1,300.96)	0.00	28,853,681.58	4,389,895.34	161,879.62

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See Note on WP 15-4 P. 4
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DIGITAL OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

DIGITAL SUMMARY AS OF: 24-Apr-95

ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	1 END RES BAL	CURR ACCRUAL
9302	28,853,681.58	4,389,895.34	225,342.72	50,325.72	42,758.63	593.65	212.27	0.00	29,028,698.58	4,556,435.69	174,488.82
9303	29,028,698.58	4,556,435.69	365,587.29	291.76	30,682.00	955.70	(968.90)	0.00	29,393,994.11	4,757,172.23	172,270.89
9304	29,393,994.11	4,757,172.23	1,879,954.59	213.74	213.74	790.23	0.00	0.00	31,273,734.96	4,931,377.13	174,995.13
9305	31,273,734.96	4,931,377.13	445,729.02	0.00	61,729.00	817.70	0.00	0.00	31,719,463.98	5,182,885.59	190,597.17
9306	31,719,463.98	5,182,885.59	1,223,553.92	0.00	(213.74)	0.00	0.00	0.00	32,943,017.90	5,371,663.96	188,992.11
9307	32,943,017.90	5,371,663.96	127,022.43	852.86	852.86	0.00	69,060.54	0.00	33,069,187.47	5,639,257.04	198,532.54
9308	33,069,187.47	5,639,257.04	1,912,230.38	22,539.47	21,994.87	0.00	0.00	0.00	34,958,878.38	5,834,745.05	196,032.61
9309	34,958,878.38	5,834,745.05	37,693.63	834.08	(244.68)	96.84	0.00	0.00	34,993,737.93	6,045,999.82	212,430.37
9310	34,993,737.93	6,045,999.82	621,799.04	12,180.26	(127.99)	(0.00)	(1,048.86)	0.00	35,605,356.71	6,239,809.86	207,167.16
9311	35,605,356.71	6,239,809.86	146,206.38	111.30	111.30	734.41	0.00	(2,556.00)	35,751,451.79	6,454,099.94	212,468.48
9312	35,751,451.79	6,454,099.94	1,631,080.63	41,770.07	0.00	780.87	(21,278.85)	0.00	37,340,762.35	6,602,231.77	211,961.62
9401	37,340,762.35	6,602,231.77	211,299.43	1,031.54	526,181.00	121.30	91,223.04	0.00	37,551,030.24	7,444,117.52	225,634.55
9402	37,551,030.24	7,444,117.52	3,093,179.57	55,394.87	55,394.87	0.00	426.80	0.00	40,588,814.94	7,667,343.29	222,798.97

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DIGITAL OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

DIGITAL SUMMARY AS OF: 24-Apr-95

ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL
9403	40,588,814.94	7,667,343.29	62,671.26	488.77	0.00	126.75	25,398.04	0.00	40,650,997.43	7,941,263.08	249,137.27
9404	40,650,997.43	7,941,263.08	1,084,647.68	0.00	(55,394.87)	(0.00)	0.00	0.00	41,735,645.11	8,126,570.57	240,702.36
9405	41,735,645.11	8,126,570.57	(2,203.75)	673.92	0.00	0.00	1,252.39	0.00	41,732,767.44	8,377,293.69	250,144.65
9406	41,732,767.44	8,377,293.69	1,680.49	1,212.13	50,000.00	0.00	0.00	0.00	41,733,235.80	8,672,991.92	246,910.36
9407	41,733,235.80	8,672,991.92	(38,376.85)	2,623.58	0.00	0.00	0.00	0.00	41,692,235.37	8,917,291.37	246,923.03
9408	41,692,235.37	8,917,291.37	178,224.63	(204.73)	0.00	0.00	(17,962.38)	0.00	41,870,664.73	9,146,091.49	246,557.77
9409	41,870,664.73	9,146,091.49	17,791.25	291,495.96	0.00	0.00	2,430.22	0.00	41,596,960.02	9,105,288.37	248,262.62
9410	41,596,960.02	9,105,288.37	19,414.20	543,600.46	0.00	(0.00)	0.00	0.00	41,072,773.76	8,806,993.54	245,305.64
9411	41,072,773.76	8,806,993.54	1,857,139.29	149,606.66	0.00	(0.00)	2,909.98	(19,516.00)	42,780,306.39	8,921,276.06	241,463.19
9412	42,780,306.39	8,921,276.06	23,357.46	60,302.03	0.00	0.00	405.21	0.00	42,743,361.82	9,119,547.50	258,168.26
9501	42,743,361.82	9,119,547.50	(89,479.07)	42,283.36	0.00	0.00	2,580.42	0.00	42,611,599.39	9,332,633.49	252,788.93
9502	42,611,599.39	9,332,633.49	3,568.93	0.00	0.00	(0.00)	2,194.60	0.00	42,615,168.32	9,586,556.92	251,728.83
9503	42,615,168.32	9,586,556.92	6,408.50	0.00	0.00	0.00	814.64	0.00	42,621,576.82	9,839,521.87	252,150.30

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DIGITAL OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

DIGITAL SUMMARY AS OF: 24-Apr-95

ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL
9504	42,621,576.82	9,839,521.87	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,091,718.49	252,196.62
9505	42,621,576.82	10,091,718.49	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,343,896.15	252,177.66
9506	42,621,576.82	10,343,896.15	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,596,073.81	252,177.66
9507	42,621,576.82	10,596,073.81	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,848,251.48	252,177.66
9508	42,621,576.82	10,848,251.48	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,100,429.14	252,177.66
9509	42,621,576.82	11,100,429.14	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,352,606.80	252,177.66
9510	42,621,576.82	11,352,606.80	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,604,784.47	252,177.66
9511	42,621,576.82	11,604,784.47	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,856,962.13	252,177.66
9512	42,621,576.82	11,856,962.13	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	12,109,139.79	252,177.66
TOTALS			21,373,243.11	3,178,214.51	1,536,906.16	24,912.11	456,840.22	(21,866.00)			7,041,463.25

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DIGITAL OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

see attached

DIGITAL SUMMARY		AS OF:		24-Apr-95													
Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK					
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIRE	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL		PSC RATE				
9201	24,426,548.22	3,228,904.79	6,303.71	606,465.17	0.00	1,407.56	0.00	0.00	23,826,386.76	2,767,044.54	(ZB+((456250.56+46986.33)/2))*(AK8/12)		0.071				
9202	23,826,386.76	2,767,044.54	4,226.56	8,348.89	0.00	559.98	(248.87)	0.00	23,822,264.43	2,897,084.11	(AH8+((AB8-AC8)/2))*(AK10/12)		0.071				
9203	23,822,264.43	2,897,084.11	5,632.77	445.41	76,000.00	8,790.68	77.39	0.00	23,827,451.79	3,104,861.62	(AH10+((AB10-AC10)/2))*(AK12/12)		0.071				
9204	23,827,451.79	3,104,861.62	219,282.33	0.00	25,872.00	(1,082.84)	0.00	0.00	24,046,734.12	3,272,810.89	(AH12+((AB12-AC12)/2))*(AK14/12)		0.071				
9205	24,046,734.12	3,272,810.89	1,010,307.04	553.78	4,020.00	9,220.99	0.00	0.00	25,056,487.38	3,409,981.34	(AH14+((AB14-AC14)/2))*(AK16/12)		0.071				
9206	25,056,487.38	3,409,981.34	717,315.32	4.63	0.00	0.00	0.00	0.00	25,773,798.07	3,561,214.78	(AH16+((AB16-AC16)/2))*(AK18/12)		0.071				
9207	25,773,798.07	3,561,214.78	613,835.94	(365.23)	0.00	0.00	0.00	0.00	26,387,999.24	3,716,197.03	(AH18+((AB18-AC18)/2))*(AK20/12)		0.071				
9208	26,387,999.24	3,716,197.03	448,148.79	233,360.29	0.00	0.00	0.00	0.00	26,602,787.74	3,640,782.75	(AH20+((AB20-AC20)/2))*(AK22/12)		0.071				
9209	26,602,787.74	3,640,782.75	64,578.55	0.00	0.00	0.00	0.00	0.00	26,667,366.29	3,798,817.99	(AH22+((AB22-AC22)/2))*(AK24/12)		0.071				
9210	26,667,366.29	3,798,817.99	37,618.69	0.00	(1,985.51)	0.00	0.00	0.00	26,704,984.98	3,954,805.44	(AH24+((AB24-AC24)/2))*(AK26/12)		0.071				
9211	26,704,984.98	3,954,805.44	1,311,868.41	0.00	60,328.00	0.00	383.48	206.00	28,016,853.39	4,173,426.71	(AH26+((AB26-AC26)/2))*(AK28/12)		0.071				
9212	28,016,853.39	4,173,426.71	613,828.87	1,051,773.76	733,294.68	412.69	300,280.02	0.00	27,578,908.50	4,324,462.28	(AH28+((AB28-AC28)/2))*(AK30/12)		0.071				
9301	27,578,908.50	4,324,462.28	1,274,773.08	0.00	(94,560.00)	585.60	(1,300.96)	0.00	28,853,681.58	4,389,895.34	(AH30+((AB30-AC30)/2))*(AK32/12)		0.071				
9302	28,853,681.58	4,389,895.34	225,342.72	50,325.72	42,758.63	593.65	212.27	0.00	29,028,698.58	4,556,435.69	(AH32+((AB32-AC32)/2))*(AK34/12)		0.071				
9303	29,028,698.58	4,556,435.69	365,587.29	291.76	30,682.00	955.70	(968.90)	0.00	29,393,994.11	4,757,172.23	(AH34+((AB34-AC34)/2))*(AK36/12)		0.071				
9304	29,393,994.11	4,757,172.23	1,879,954.59	213.74	213.74	790.23	0.00	0.00	31,273,734.96	4,931,377.13	(AH36+((AB36-AC36)/2))*(AK38/12)		0.071				

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Order Psc 93-0462-FOF-EI
(WP 15-4/4-1/2-1/1-2)

DIGITAL OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

DIGITAL SUMMARY		AS OF:	24-Apr-95										
Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIRE	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL	PSC RATE	
9305	31,273,734.96	4,931,377.13	445,729.02	0.00	61,729.00	817.70	0.00	0.00	31,719,463.98	5,182,885.59	(AH38+((AB38-AC38)/2))*(AK40/12)	0.071	
9306	31,719,463.98	5,182,885.59	1,223,553.92	0.00	(213.74)	0.00	0.00	0.00	32,943,017.90	5,371,663.96	(AH40+((AB40-AC40)/2))*(AK42/12)	0.071	
9307	32,943,017.90	5,371,663.96	127,022.43	852.86	852.86	0.00	69,060.54	0.00	33,069,187.47	5,639,257.04	(AH42+((AB42-AC42)/2))*(AK44/12)	0.071	
9308	33,069,187.47	5,639,257.04	1,912,230.38	22,539.47	21,994.87	0.00	0.00	0.00	34,958,878.38	5,834,745.05	(AH44+((AB44-AC44)/2))*(AK46/12)	0.071	
9309	34,958,878.38	5,834,745.05	37,693.63	834.08	(244.68)	96.84	0.00	0.00	34,995,737.93	6,045,999.82	(AH46+((AB46-AC46)/2))*(AK48/12)	0.071	
9310	34,995,737.93	6,045,999.82	621,799.04	12,180.26	(127.99)	(0.00)	(1,048.86)	0.00	35,605,356.71	6,239,809.86	(AH48+((AB48-AC48)/2))*(AK50/12)	0.071	
9311	35,605,356.71	6,239,809.86	146,206.38	111.30	111.30	734.41	0.00	(2,556.00)	35,751,451.79	6,454,099.94	(AH50+((AB50-AC50)/2))*(AK52/12)	0.071	
9312	35,751,451.79	6,454,099.94	1,631,060.63	41,770.07	0.00	780.87	(21,278.85)	0.00	37,340,762.35	6,602,231.77	(AH52+((AB52-AC52)/2))*(AK54/12)	0.071	
9313	37,340,762.35	6,602,231.77	211,299.43	1,031.54	526,181.00	121.30	91,223.04	0.00	37,551,030.24	7,444,117.52	(AH54+((AB54-AC54)/2))*(AK56/12)	0.071	
9402	37,551,030.24	7,444,117.52	3,093,179.57	55,394.87	55,394.87	0.00	426.80	0.00	40,588,814.94	7,687,343.29	(AH56+((AB56-AC56)/2))*(AK58/12)	0.071	
9403	40,588,814.94	7,687,343.29	62,671.26	488.77	0.00	126.75	25,398.04	0.00	40,650,997.43	7,941,263.08	(AH58+((AB58-AC58)/2))*(AK60/12)	0.071	
9404	40,650,997.43	7,941,263.08	1,084,647.68	0.00	(55,394.87)	(0.00)	0.00	0.00	41,735,645.11	8,126,570.57	(AH60+((AB60-AC60)/2))*(AK62/12)	0.071	
9405	41,735,645.11	8,126,570.57	(2,203.75)	673.92	0.00	0.00	1,252.39	0.00	41,732,767.44	8,377,293.69	(AH62+((AB62-AC62)/2))*(AK64/12)	0.071	
9406	41,732,767.44	8,377,293.69	1,680.49	1,212.13	50,000.00	0.00	0.00	0.00	41,733,235.80	8,672,991.92	(AH64+((AB64-AC64)/2))*(AK66/12)	0.071	
9407	41,733,235.80	8,672,991.92	(38,376.85)	2,623.58	0.00	0.00	0.00	0.00	41,692,235.37	8,917,291.37	(AH66+((AB66-AC66)/2))*(AK68/12)	0.071	

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DIGITAL OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

DIGITAL SUMMARY		AS OF:		24-Apr-95											
Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK			
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIRE	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL	PSC RATE			
9408	41,692,235.37	8,917,291.37	178,224.83	(204.73)	0.00	0.00	(17,962.38)	0.00	41,870,664.73	9,146,091.49	(AH68+((AB68-AC68)/2))*(AK70/12)	0.071			
9409	41,870,664.73	9,146,091.49	17,791.25	291,495.96	0.00	0.00	2,430.22	0.00	41,596,960.02	9,105,288.37	(AH70+((AB70-AC70)/2))*(AK72/12)	0.071			
9410	41,596,960.02	9,105,288.37	19,414.20	543,600.46	0.00	(0.00)	0.00	0.00	41,072,773.76	8,806,993.54	(AH72+((AB72-AC72)/2))*(AK74/12)	0.071			
9411	41,072,773.76	8,806,993.54	1,857,139.29	149,606.66	0.00	(0.00)	2,909.98	(19,516.00)	42,780,306.39	8,921,276.06	(AH74+((AB74-AC74)/2))*(AK76/12)	0.071			
9412	42,780,306.39	8,921,276.06	23,357.46	60,302.03	0.00	0.00	405.21	0.00	42,743,361.82	9,119,547.50	(AH76+((AB76-AC76)/2))*(AK78/12)	0.071			
9501	42,743,361.82	9,119,547.50	(89,479.07)	42,283.36	0.00	0.00	2,580.42	0.00	42,611,599.39	9,332,633.49	(AH78+((AB78-AC78)/2))*(AK80/12)	0.071			
9502	42,611,599.39	9,332,633.49	3,568.93	0.00	0.00	(0.00)	2,194.60	0.00	42,615,168.32	9,586,556.92	(AH80+((AB80-AC80)/2))*(AK82/12)	0.071			
9503	42,615,168.32	9,586,556.92	6,408.50	0.00	0.00	0.00	814.64	0.00	42,621,576.82	9,839,521.87	(AH82+((AB82-AC82)/2))*(AK84/12)	0.071			
9504	42,621,576.82	9,839,521.87	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,091,718.49	(AH84+((AB84-AC84)/2))*(AK86/12)	0.071			
9505	42,621,576.82	10,091,718.49	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,343,896.15	(AH86+((AB86-AC86)/2))*(AK88/12)	0.071			
9506	42,621,576.82	10,343,896.15	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,596,073.81	(AH88+((AB88-AC88)/2))*(AK90/12)	0.071			
9507	42,621,576.82	10,596,073.81	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,848,251.48	(AH90+((AB90-AC90)/2))*(AK92/12)	0.071			
9508	42,621,576.82	10,848,251.48	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,100,429.14	(AH92+((AB92-AC92)/2))*(AK94/12)	0.071			
9509	42,621,576.82	11,100,429.14	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,352,606.80	(AH94+((AB94-AC94)/2))*(AK96/12)	0.071			
9510	42,621,576.82	11,352,606.80	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,604,784.47	(AH96+((AB96-AC96)/2))*(AK98/12)	0.071			
9,511.00	42,621,576.82	11,604,784.47	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,856,962.13	(AH98+((AB98-AC98)/2))*(AK100/12)	0.071			

887

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10000 to 10

DIGITAL OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

DIGITAL SUMMARY			AS OF:		24-Apr-95											
Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK				
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIRE	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL		PSC RATE			
9512	42,621,576.82	11,856,962.13	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	12,109,139.79	$(AH100+((AB100-AC100)/2))*(AK102/12)$		0.071			
TOTALS			21,373,243.11	3,178,214.51	1,536,908.16	24,912.11	458,840.22	(21,866.00)			@SUM(AJ78..AJ8)					

808

15-11-8
4-1-1
2-1-1
2

PGC
Saul Reed Bell Telephone & Telegraph
Other Rate Base Ads - Depreciation
T/E 12/31/95
9/7/95

Data As of 7/94 or 8/94
(plug-ins as of 4/94)

August 5, 1994

Memorandum To: Karol Hoffman

From: Janell Usery

Subject: Request For Information In Separating Analog and Digital Operator System
(117C) For Florida

Please find below the detailed information you requested to create a new PSC depreciation data base table:

CLI	Location/Area #	Investment	Year Placed	Analog	Digital
JCVLFLCL	31131	\$ 6,880.38	1975	-	100%
		853,625.45	1976	-	100%
		147,053.55	1977-1983	-	100%
		60,734.99	1985-1989	-	100%
		122,830.43	1990	-	100%
		5,876.60	1992	-	100%
		4,404.12	1993	-	100%
		<u>\$1,201,405.52</u>			
JCVLFLRE	31885	\$ 91,886.51	1983-1988	-	100%
		<u>665,014.50</u>	1989		
		<u>TOTAL \$ 756,901.01</u>			
LKCYFLMA	33460	\$ 976,476.36	1993	-	100%
GSVLFLMA	33447	\$ 600,393.29	1989	-	100%
		15,079.63	1990		
		<u>150,477.36</u>	1993		
		<u>TOTAL \$ 765,950.28</u>			
JCVLFLRE	31232	\$ 174,211.32	1976(Analog)	9.5%	90.5%
(Mill Creek)		55,541.92	1978-1989(Analog)		
		<u>2,187,373.22</u>	1993 (Digital)		
		<u>TOTAL \$2,417,126.46</u>			
Per Engineer has analog and digital (Analog will retire 8/94), therefore, office will be 100% digital.					
ORLDFLME	33221	\$ 134,356.55	1992	-	100%
		<u>1,126,623.26</u>	1993		
		<u>TOTAL \$1,260,979.81</u>			

Per Judy Bonner 8/23/94
To be 100% Digital following 7/94 retirement of interest. Much of interest for vintage thru 1989. A++ LOG

See WP 15-1P, 4-1, 3-1

ORLDFLMA	33222	\$1,023,149.64	1976	100%	<i>wp 15-1 4-1 3-1 P3</i>
		30,266.81	1977-1981		
		68,480.93	1982		
		5,870.01	1983		
		16,015.71	1987		
		<u>8,450.51</u>	1991		
TOTAL		\$1,152,233.61			

NOTE: Analog due to retire 9/94

ORLDFLSE	33313	\$ 2,028,369.75	1993	100%
FTLDFLCY	E4449	\$ 60,173.31	1975-1983	- 100%
		5,285,597.04	1990	- 100%
		41,695.78	1991	- 100%
		7,865.48	1992	- 100%
		<u>1,844,785.44</u>	1993	- 100%
TOTAL		\$7,240,117.05		

Check to see what journal category in

NDADFLWFA	E8105	\$ 30,166.08	1986	- 100%
		2,346,159.24	1989	- 100%
		680,821.14	1990	- 100%
		1,135,535.37	1991	- 100%
		<u>177,499.85</u>	1993	- 100%
TOTAL		\$4,370,181.68		

WPBHFLAN	E8508	350.70	1983
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WPBHFLMA	E8509	\$ 870,842.25	1990	- 100%
		<u>11,190.01</u>	1991	- 100%
TOTAL		\$ 882,032.26		

WPBHFLGR	E8519	\$ 16,525.03	1986-1989	- 100%
		1,365,273.39	1990	- 100%
		777,335.43	1991	- 100%
		676,949.50	1992	- 100%
		<u>212,364.68</u>	1993	- 100%
TOTAL		\$ 3,048,448.05		

FTLDFLCY	E8655	\$ 4,220.72	1985	- 100%
		109,382.64	1990	- 100%
		877,326.98	1991	- 100%
		<u>21.23</u>	1993	- 100%
TOTAL		\$ 990,951.57		

MIAMFLCC	M2406	\$ 39,974.77	1980	-	100%
		1,056,873.26	1981		
		606.38	1987(Digital)		
		28,669.13	1990(Digital)		
		241,006.78	1991		
		1,325,924.90	1992		
		<u>1,063,098.64</u>	1993		
		\$3,756,153.96			
MIAMFLGB	M2505	\$.00	-	-	-
MIAMFLAE	M2523	NOTE: Operator Service was retired, office is now Customer Service Switch, 377C. Handled Reclass 117C to 377C, 7-25-94.			
HMSTFLHM	M2625	\$1,026,127.79	1991	-	100%
KYLRFLMA	M2648	77,519.69	1971-1986	-	100%
		<u>1,711,384.39</u>	1991		
		TOTAL \$1,788,904.08			
MIAMFLLR	M6301	All Dollars Retired in 8/94			
NDADFLHM	M6506	\$ 2,060.30	1985		
		1,345,715.68	1987	-	100%
		138,178.94	1988		
		94,553.61	1989		
		1,110,429.61	1990		
		60,156.66	1991		
		1,235,786.47	1992		
		<u>373,649.62</u>	1993		
		TOTAL \$4,360,530.89			
NDADFLAC	M6518	\$ 812,383.11	1989	-	100%
		759,150.88	1990		
		2,666.43	1991		
		<u>44,601.04</u>	1993		
		TOTAL \$ 1,618,801.46			
MIAMFLFL	M6606	(Was analog - hardwired portion retired, plug-in will retire 8/94)			

If I can be of any further assistance or there is any questions, please call 904-350-3522.

Southern Bell T & T
Other Rate Base Adj.
TUE 12/31/94

Wg 11/14/94
9/11/95

PBC

08-08-94 02:17 PM

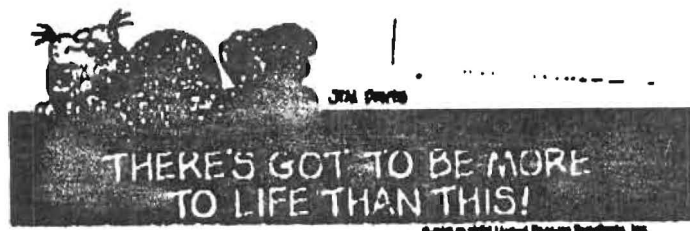
P001

WHEN FAX IS RECEIVED PLEASE CALL: _____

AT: _____

FAX TO: Karel Hoffman

FAX #: 404-391-3319



FROM: Judy Buxner

TELEPHONE #: 904 350-7356

REMARKS: _____

DATE: 8/8/94

R-96X

904+350+8430

08-08-94 02:32PM P001 #16

Pu

This is the new PSC depreciation table whereby
the Company has reclassified the investment
as either Digital or Analog. Most of the investment
is now Digital.

15-1
4-1
3

AREA #: 33221

LOCATION: Orlando Mercy

STATUS AS OF 1/1/92:

INVESTMENT BALANCE:	488,851.46
RESERVE BALANCE:	145,098.84

INVESTMENT INFO FROM JANELLE USSERY	As of 7/94, investment 100% DIGITAL. Major investment dollars of \$1.1 M in 1993 vintage. Retirement in 12/93 of \$488,851.46 was ANALOG.
NARRATIVE FROM ELAINE HEMEKE	<u>Intercept:</u> Nothing. <u>DA:</u> Rehoming to TOPS: Serviced 12/4/93 (Proj. #16488)
INFO FROM CAPITAL RECOVERY'S INTERROGATORY RESPONSE	As of 1/1/92, pure ANALOG.
TOPS INFO FROM RON BOYCE	Nothing.
OTHER	Additions of \$1,126,015 in 12/93; Retirements of \$623,200 in 12/93.

CONCLUSION:

Because the retirement in 12/93 was ANALOG and equalled the 1/1/92 investment balance, will allocate 100% to ANALOG as of 1/1/92.
Based on the dates of rehoming of DA to TOPS and the major additions and retirements, will reflect cutover from ANALOG to DIGITAL in 12/93.

All additions will be allocated to DIGITAL. Retirements up thru 1/94 will be allocated to ANALOG. Because the only retirements booked since 1/1/92 were ANALOG, will allocate all salvage and cost of removal to ANALOG. No reclass or transfer activity involving this location.

The Company analyzed each investment in each area to see whether it is now digital or analog.

P,

ACTIVITY ALLOCATED TO ANALOG

(= ANALOG)

AREA #	YYMM	BEG BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB
33221	9201	488851.46						
	9202							
	9203							
	9204					142.77		
	9205							
	9206		130368.80					
	9207		117.95					
	9208		3818.72					
	9209		202.14					
	9210		-0.06			1383.68		
	9211					7.81		
	9212							
	9301							
	9302		8.00					
	9303							
	9304							
	9305							
	9306					1391.49		
	9307							
	9308							
	9309							
	9310		449.04			156.52		
	9311					264.57		
	9312		1126015.22	623200.01	712.37	1019.56		
	9401		4382.98	-134348.55		18429.02		
	9402		21308.12		1150.58			
	9403				1287.39	517.23		
	9404				143.04	814.22		
	9405				3858.16	3827.73		
	9406				26.13	3541.72		
	9407							

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AREA #: E4449LOCATION: Ft. Ldle. Cypress

STATUS AS OF 1/1/92:

INVESTMENT BALANCE: 6,280,363.72RESERVE BALANCE: 1,864,111.18

INVESTMENT INFO FROM JANELL USSERY	As of 7/94, investment 100% DIGITAL. Major investment dollars of \$5.3 M in vintage 1990 and \$1.8 M in vintage 1993. Retirement of \$1,396,778.63 in 11/90 was ANALOG. • Retirement of \$862,667.47 in 1/93 was ANALOG.
NARRATIVE FROM ELAINE HEMEKE	<u>Intercept:</u> Rehomed in 2 phases. Phase 1: Cutover 7/17-8/3/90 (Proj. #EA3075); Phase 2: Cut complete 2/4/93 (Proj. #EA5136) <u>DA:</u> Rehoming to TOPS: Cutover 10/27/90 (Proj. #EA3219)
INFO FROM CAPITAL RECOVERY'S INTERROGATORY RESPONSE	As of 1/1/92, pure ANALOG.
TOPS INFO FROM RON BOYCE	DA sent to TOPS in 8/90.
OTHER	Additions of \$1,226,569 in 1/93 and \$2,978,762 in 2/94; Retirements of \$862,667 in 1/94.

CONCLUSION:

Because the intercept was rehomed in 2 phases and the cutover not completed until 2/93 and because the retirement in 1/93 was ANALOG, that retirement amount of \$862,667.47 will be allocated to ANALOG while the remainder of the investment will be allocated to DIGITAL as of 1/1/92. Based on the dates of the rehoming of intercept and the major additions and retirements, will reflect complete cutover from ANALOG to DIGITAL in 1/93; however, the final ANALOG retirement was not booked until 1/94.

All additions will be allocated to DIGITAL. All retirements with auth. # L0820 up thru 1/94 will be allocated to ANALOG. Because the major retirements since 1/1/92 have been ANALOG, will allocate all salvage and cost of removal to ANALOG. No reclass or transfer activity involving this location. location.

P3

ACTIVITY ALLOCATED TO ANALOG

(= ANALOG)

AREA #	YYMM	BEG BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB
E4449	9201	6280363.72						
	9202							
	9203							
	9204		120.60					
	9205							
	9206							
	9207							
	9208							
	9209							
	9210		12518.88					
	9211							
	9212			862667.47				
	9301		1226569.09	-862667.47				
	9302		168950.88					
	9303		1140.43					
	9304		1344.11					
	9305		437656.09					
	9306		3915.19					
	9307		5209.65					
	9308		-25645.80	812.26				
	9309		-3586.12	113.58				
	9310		-70.72	2.24	12247.98	2252.68		
	9311				-2139.95	861.35		
	9312					2414.31		
	9401			862667.47	83368.00			
	9402		2978762.02		-68556.97			
	9403		3329.24					
	9404		2930.95			815.59		
	9405		1425.38					
	9406		165.13					
	9407					57.42		

Southern Bell T & T
 Other Rate Base Adj.
 Yr 12/31/94
 9/11/94
 9/11/94
 9/11/94
 9/11/94

24

15-1
 4-1
 3-1

COMPANY: SOUTHERN BELL
TITLE: NET SHARING ADJUSTMENT **TO RATE BASE**
PERIOD: TYE 12/31/94
DATE: AUGUST 21, 1995
AUDITOR: GABRIELA LEON

EXPLANATION OF NET SHARING ADJUSTMENT FOR ORDER 20162:

ORDER 20162, page 7

Authorized floor	11.50%
Rate Setting Floor	13.20%
Sharing Begins	14.00%
Authorized Ceiling after Sharing	16.00%

"Acceptance of the sharing concept dictates that this Commission set a point at which sharing begins or a sharing threshold. Those earnings between the sharing threshold and the ROE ceiling after sharing make up the zone in which earnings will be divided between the Company's stockholders and ratepayers. One goal in setting the sharing threshold is to encourage efficient performance by Southern Bell. We believe that more efficient operations will result from setting the sharing threshold above the level at which rates are set. This will give the Company a reason to reduce costs and introduce new services in order to reach the sharing threshold. Upon reaching the threshold, fresh incentives occur because the Company shares in earnings after the point. We seek to improve incentives for economic behavior and eliminate the disincentives for uneconomic behavior to encourage the Company to make decisions which are consistent with the best overall interest of the ratepayers."

....."We find that the split should be 60/40 in the ratepayers' favor. We have deliberately tilted the balance in favor of ratepayers because of our inability to precisely identify earnings that result exclusively from productivity improvements generated by Southern Bell. The Company will generally retain earnings caused by external factors with a revenue impact of less than \$3,000,000. For this reason, it is appropriate to allow ratepayers to keep 60% of the benefits of the earnings in the 14-16% ROE range. Any and all earnings over 16% after sharing will go to the ratepayers".

this adjustment was audited in section Wp. 25p.2.

Southern Bell Telephone & Telegraph
Net Sharing Adjustment
TYE 12/31/94

42
8/22/95

Net Sharing Adjustment:

The amounts shown on your workpapers Pages 10-11 are the rate base adjustments to remove the sharing accrual as booked (Page 11), and replace it with the average rate base as if the year-end calculation of \$30,450,000 had been booked prorata during the year (average rate base balance of $\$30,450/2 = 15,225$). The amounts in the "Monthly Accruals" column on Page 11 were booked to Account 5264.9900. The liability was booked to Account 4010.6920 for March through September; the balance was reclassified to Account 4120.8200 in October, and subsequent entries were made to 4120.8200.

FPSC Staff Audit
1994 Surveillance Report
Item No. 29
July 20, 1995
Page 1 of 2

Net Sharing Adjustment (cont):

Periodically during the year, we computed an estimate of the annual amount to be paid to ratepayers ("sharing amount"), based on actual results available plus budgeted amounts for the remainder of the year. A copy of these monthly computations are enclosed. (Please note, a separate computation was not prepared each month.) Although the sharing computations varied, a monthly amount of \$5,000 (or \$60,000 on an annual basis) was considered appropriate through October. At that point, expenses were running over-budget, so we did not book anything for November, and booked a credit of \$12,000 in December (reduced the cumulative sharing amount from \$50,000 to \$38,000). When we filed the 1994 Surveillance Report, the sharing amount was determined to be \$30,450, based on actual results through year-end.

15-1 82
5

Rate Base

Net Sharing Adjustment

	<u>000</u>
Removal of average as booked	^{P₂} 25,333
Amount calculated at 3/15/95	< <u>15,225</u> >
Net increase to rate base	<u>10,108</u>
	(15-1 P ₂)

YL
8/22/95

Attachment
Page 4

ACCRUALS FOR SHARING BOOKED IN 1994

<u>MONTH</u>	<u>MONTHLY ACCRUALS (AS BOOKED)</u>	<u>BALANCE</u>
JAN	0	0
FEB	0	0
MAR	(10,000,000)	(10,000,000)
APR	0	(10,000,000)
MAY	(5,000,000)	(15,000,000)
JUNE	(15,000,000)	(30,000,000)
JULY	(5,000,000)	(35,000,000)
AUG	(5,000,000)	(40,000,000)
SEPT	(5,000,000)	(45,000,000)
OCT	(5,000,000)	(50,000,000)
NOV	0	(50,000,000)
DEC	12,000,000	(38,000,000)
12 MONTHS AVERAGE		(25,333,333) (P1)

The (\$25,333) was used in the per books Cash Working Capital amounts on Page 1, Line 12 of the Florida Surveillance Report. On Page 1A, Line 5 a Net Sharing Adjustment was made to Cash Working Capital. This adjustment was computed by adding the \$25,333 (to remove the effect on the books of the sharing accruals) and subtracting \$15,225. Based on actuals the refund amount is \$30,450. If this was booked evenly throughout the Year the average would be half of this amount or \$15,225 (P1)

$$\begin{array}{r} 15-1 \\ \hline 5 \end{array}$$

February 1994
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$ 41.4
Performas:		
1) Achieved "stretch" - Actual per books expense less than budget 5,033 + 4768 = 9,801/34,000	0.29%	5.9
2) Stretch for remainder of year (Budgeted as extraordinary) 22,175/34,000	0.65%	13.3
3) Expected Revenues in excess of budget Achieved: 3,780 + (2,237) = 1,543/34,000 <i>(2,269) 1,511</i>	0.05%	1.0
4) Remainder of excess revenues for year 35,288/34,000	1.03%	21.0
5) Increased intrastate operating expense for budget months based on actual YTD separations factors budget 1,513,680 revised 1,519,980 diff 6,300	-0.19%	-3.9
6) Budgeted Commission Adjustments 529 Revised Commission Adjustments (760) Diff (1,289) (1,289)/34,000	-0.04%	-0.8
7) Difference for Revised Rate Base and Capital	-0.20%	-4.1
Revised ROE	15.62%	\$ 73.8

15.1
5.2
1)

March 1994
Projection of 1994 Intrastate Results

			Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%		\$ 41.4
Proformas:			
1) Achieved "stretch" - Actual per books expense less than budget 6,232/34,000	448,123 -44,953 6,230	0.18%	3.7
2) Stretch for remainder of year (Budgeted as extraordinary) 26,237/34,000		0.77%	15.7
3) Expected Revenues in excess of budget Achieved: 8,127/34,000 $(1,872) + 10,000 = 8,122$		0.24%	4.9
4) Remainder of excess revenues for year 19,990/34,000		0.59%	12.0
5) Increased intrastate operating expense for budget months based on actual YTD separations factors budget 1,360,653 revised 1,366,144 diff 5,491		-0.16%	-3.2
6) Budgeted Commission Adjustments 529 Revised Commission Adjustments (410) Diff (939) (939)/34,000		-0.03%	-.6
7) Difference for Revised Rate Base and Capital	- .03%	0.14%	2.8
Revised ROE	15.60	15.76%	\$ 76.7

Accrued March, 1994

10.0

Accrued May, 1994

5.0

Rate Base per Feb Survey Report (VE)
" " " " " "

7/5/94

April 1994
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$41.4
Proformas:		
1) Achieved "stretch" - Actual per books expense less than budget 15,929/34,000	0.47%	9.6
2) Stretch for remainder of year (Budgeted as extraordinary) 16,567/34,000	0.49%	10.0
3) Expected Revenues in excess of budget Achieved: 11,456/34,000	0.34%	6.9
4) Remainder of excess revenues for year 16,661/34,000	0.49%	10.0
5) Increased intrastate operating expense for budget months based on actual YTD separations factors 1,210,207 1,214,234 4,027	-0.12%	-2.4
6) Budgeted Commission Adjustment 529 Revised Commission Adjustment 195 Diff -334 -334/34,000	-0.01%	-0.2
7) Decrease in YTD tax expense [in excess of tax effect of items (1) & (3)] (808)/21,000	0.04%	0.8
8) Increase in tax expense May - Dec [in excess of tax effect of items (2) & (5)] 474/21,000	-0.02%	-0.4
9) Difference for Revised Rate Base and Ca	-0.06%	-1.2
Revised ROE	15.65%	74.5

Note: Tax effect of Item (4) is included in revised budget amounts for May - December

Accrued February, 1994
Accrued May, 1994

\$ 10.0
5.0

May 1994
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$41.4
Proformas:		
1) Achieved "stretch" — Actual per books expense less than budget ✓17,443/34,000	0.51%	10.4
2) Stretch for remainder of year (Budgeted as extraordinary) ✓15,136/34,000	0.45%	9.2
3) Revenues in excess of budget Achieved: 15,446/34,000	0.45%	9.2
4) Remainder of excess revenues for year 17,386/34,000	0.51%	10.4
5) Increased intrastate operating expense for budget months based on actual YTD separations factors budget 1,058,473 revised 1,064,482 diff 6,009	-0.18%	(3.7)
6) Budgeted Commission Adjustments 529 Revised Commission Adjustments -335 Diff -864 -864/34,000	-0.03%	(0.6)
7) Decrease in YTD tax expense [in excess of tax effect of items (1) & (3)] -841/21,000	0.04%	0.8
8) Increase in tax expense June — Dec [in excess of tax effect of items (2) & (5)] 917/21,000	-0.04%	(0.8)
9) Difference for Revised Rate Base and Capital	-0.13%	(2.7)
Revised ROE	15.61%	\$73.6

Note: Tax effect of Item (4) is included in revised budget amounts
for June — December

4

June 1994
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$41.4
Proformas:		
1) Achieved "stretch" — Actual per books expense less than budget 12,564/34,000	0.37%	7.6
2) Stretch for remainder of year (Budgeted as extraordinary) 10,866/34,000	0.32%	6.5
3) Revenues in excess of budget Achieved: 20,529/34,000	0.60%	12.2
4) Remainder of excess revenues for year 17,588/34,000	0.52%	10.6
5) Increased intrastate operating expense for budget months based on actual YTD separations factors budget 912,417 revised 916,804 diff 4,387	-0.13%	(2.6)
6) Budgeted Commission Adjustments 529 Revised Commission Adjustments 557 Diff 28 28/34,000	0.00%	0.0
7) Decrease in YTD tax expense [in excess of tax effect of items (1) & (3)] -1,938/21,000	0.09%	1.8
8) Increase in tax expense July — Dec [in excess of tax effect of items (2) & (5)] 5,474/21,000	-0.26%	(5.3)
9) Difference for Revised Rate Base and Capital	-0.36%	(7.3)
Revised ROE	15.18%	\$64.9

Note: Tax effect of Item (4) is included in revised budget amounts
for July — December

September 1994 *
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$41.4
Proformas:		
1) Achieved "stretch" — Actual per books expense less than budget 12,536/34,000	0.37%	7.5
2) Stretch for remainder of year (Budgeted as extraordinary) 0/34,000	0.00%	0.0
3) Revenues in excess of budget Achieved: 21,651/34,000	0.64%	13.1
4) Remainder of excess revenues for year 11,466/34,000	0.34%	6.9
5) Increased intrastate operating expense for budget months based on actual YTD separations factors budget 758,087 revised 767,630 diff 9,543	-0.28%	(5.7)
6) Budgeted Commission Adjustments 529 Revised Commission Adjustments -370 Diff -899 -899/34,000	-0.03%	(0.6)
7) Decrease in YTD tax expense [in excess of tax effect of items (1) & (3)] -1,880/21,000	0.09%	1.8
8) Decrease in tax expense Aug — Dec [in excess of tax effect of items (2) & (5)] -3,920/21,000	0.19%	3.9
9) Difference for Revised Rate Base and Capital	-0.73%	(14.9)
Revised ROE	14.62%	\$53.4

Note: Tax effect of Item (4) is included in revised budget amounts
for Sept — December

* This projection includes combined actuals through August and separated
actuals through July.

(4)

October 1994 *
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$41.5
Proformas:		
1) Achieved "stretch" — Actual per books expense less than budget 7,122/34,000 12,110	.36 0.21%	4.3
2) Stretch for remainder of year (Budgeted as extraordinary) 0/34,000	0.00%	0.0
3) Revenues in excess of budget Achieved: 22,638/34,000	0.67%	13.7
4) Remainder of excess revenues for year 10,479/34,000	0.31%	6.3
5) Increased intrastate operating expense for budget months based on actual YTD separations factors budget 608,652 revised 609,454 diff 802	-0.02%	(0.4)
6) Budgeted Commission Adjustments 529 Revised Commission Adjustments -889 Diff -1,418 -1,418/34,000	-0.04%	(0.8)
7) Additional Restructure not in budget -23,549/34,000	-0.69%	(14.1)
8) Out of Period Items — NOR(Revenues — Expenses) -10,109/34,000	-0.30%	(6.1)
8) Out of Period Taxes -2,203/21,000	0.10%	2.0
9) Difference for Revised Rate Base and Capital	-0.64%	(13.1)
Revised ROE	13.63%	\$33.3

Note: Tax effect of Item (4) is included in revised budget amounts
for Oct — December

* This projection includes combined actuals through September and separated actuals through August.

7

Southern Bell Telephone & Telegraph
Net Sharing

PBC

TYE 12/31/95

YR
8/22/95

October 1994 *
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$41.4
Proformas:		
1) Achieved "stretch" - Actual per books expense less than budget 12,106/34,000	0.36%	7.3
2) Stretch for remainder of year (Budgeted as extraordinary) 0/34,000	0.00%	0.0
3) Revenues in excess of budget Achieved: 18,857/34,000	0.55%	11.2
4) Remainder of excess revenues for year 4,361/34,000	0.13%	2.7
5) Increased intrastate operating expense for budget months based on actual YTD separations factors budget 454,503 revised 459,319 diff 4,816	-0.14%	(2.9)
6) Budgeted Commission Adjustments 529 Revised Commission Adjustments -783 Diff -1,312 -1,312/34,000	-0.04%	(0.8)
7) Additional Restructure not in budget -10,234/34,000	-0.30%	(6.1)
8) Out of Period Items - NOR(Revenues - Expenses) -3,395/34,000	-0.10%	(2.0)
9) Out of Period Taxes -2,173/21,000	0.10%	2.0
10) Decrease in YTD Tax Exp [in excess of tax effect of Items (1) & (3)] -806/21,000	0.04%	0.8
11) Decrease in Tax Exp Oct - Dec [in excess of tax effect of Items (2), (4 Nov & Dec) & (5)] -4,867/21,000	0.23%	4.7
12) Difference for Revised Rate Base and Capital	-0.84%	(17.1)
Revised ROE	14.02%	\$41.2

* This projection includes combined actuals through October and separated actuals through September.

G

15-1
5-2

YR
8/22/95

13.47%

12.00

1.47%

x 40%

59

12. ~~80~~

12.59 %

30,450

ACTUALS 1994			SOUTHERN BELL TELEPHONE & TELEGRAPH COMPANY STATE OF FLORIDA		ACTUALS YEAR: 1994	
INCOME	COMBINED		INTRASTA		EXCESS REVENUE:	
Local Revenues	1,549,045		1,558,397			
Interstate Access Chgs	788,074		0		OVERALL RETURN	8.74%
Intrastate Access Chgs	299,185		299,185			
Intra-LATA Toll	380,474		380,035		ALLOWED AT 12%	8.44%
Miscellaneous	299,868		289,823			
Uncollectibles	37,100		33,440		EXCESS	0.30%
Total Operating Rev	3,269,548		2,451,800			
Depreciation Exp	609,417		503,274		RATE BASE	4,030,815
Other Expense & Taxes	1,881,289		1,470,328			12,178
Total Operating Exp	2,550,868		1,973,602			
SIT	34,230		18,702		GROSS UP FACTOR	0.597287
FIT	169,782		109,040			
Total Income Taxes	204,012		127,742		EXCESS REVENUE	20,390
Net Operating Income	504,546		350,456			
Commission Adj	xxx		1,715			
Adj Net Operating Inc	xxx		352,171			
RATE BASE						
Plant in Service	9,716,214		7,390,549			
Plant Und Constr-ST	42,811		32,402			
Plant Held Fut. Use	227		173			
Cash	xxx		(119,195)			
Depreciation Reserve	4,298,627		3,273,313			
PSC Rate Base Adj.	xxx		0			
Rate Base	5,482,425		4,030,815			
Cost Free Capital	812,398		645,479			
Rate of Return	xxx		8.7374%			

COST OF CAPITAL	CAP	C.S.=	(3)	(4)	(5)	(6)
	STRUCTU	RATE BAS	% OF TOTA	COST RATE	WEIGHTED COST	WEIGHTED COST @ 12.0%
SHORT TERM DEBT	188,155	185,235	4.50%	4.3200%	0.1983%	
LONG TERM DEBT	1,114,839	1,097,539	27.23%	7.4400%	2.0259%	
EQUITY	2,018,432	1,987,109	49.30%	12.6008%	8.2121%	5.92%
PREFERRED STOCK	0	0	0.00%	0.0000%	0.0000%	
CUSTOMER DEPOSITS	35,888	35,329	0.88%	8.9400%	0.0811%	
COST FREE CAPITAL	645,479	635,481	15.77%	0.0000%	0.0000%	
JDIC	91,358	89,940	2.23%	10.7644%	0.2400%	0.23%
TOTAL CAPITAL	4,094,149	4,030,815	100.00%		8.7374%	8.44%

JDIC COST RATE CALC:			WEIGHTED @ 12%	
		%	COST WEIGHTED	
LTD	1,097,539	35.5807%	7.4400%	2.6472%
EQUITY	1,987,109	64.4193%	12.6008%	8.1172%
TOTAL	3,084,648		10.7644%	10.38%

NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE OF BELL SOUTH EXCEPT UNDER WRITTEN AGREE
SOUTHERN BELL PROPRIETARY AND CONFIDENTIAL

34,000 - 30,450 7,550			
INTRA PER BOOK	Add Back Sharing	Proforma Adjustment	NET
1,548,847	7,550	0	1,556,397
0			0
299,185	0	0	299,185
380,035	0	0	380,035
289,823	0	0	289,823
33,440	0	0	33,440
2,444,250	7,550	0	2,451,800
503,274	0	0	503,274
1,470,328	0	0	1,470,328
1,973,602	0	0	1,973,602
18,600	102	0	18,702
106,433	2,607	0	109,040
125,033	2,709	0	127,742
345,815	4,841	0	350,456
	0	1,715	1,715
345,815		1,715	352,171
7,373,503	0	17,046	7,390,549
32,402			32,402
173			173
(129,303)	10,108	0	(119,195)
3,282,650		10,763	3,273,313
0			0
4,014,225	10,108	6,282	4,030,815
645,479			645,479
75,333 - 75,225			
INTRA COST RATE			
CAPITAL STRUCTURE	FORECAST		RATE
SHORT TERM DEBT	188,155		4.3200%
LONG TERM DEBT	1,114,839		7.4400%
EQUITY	1,994,905		
	3,297,899		
COST FREE CAPITAL W/O DEPR			645,479
JDIC			91,358
CUSTOMER DEPOSITS			35,888
ACCURED DIVIDENDS			23,527

Add Back earnings
as Booked

ACTUALS 1994				SOUTHERN BELL TELEPHONE & TELEGRAPH COMPANY STATE OF FLORIDA				ACTUALS YEAR: 1994			
		COMBINED	INTRASTA	EXCESS REVENUE:		INTRA PER BOOK	Add Back Sharing	Proforma Adjustment	NET		
INCOME											
Local Revenues	1,549,045	1,588,847		OVERALL RETURN	9.19%	1,548,847	38,000	0	1,586,847		
Interstate Access Chgs	788,074	0				0		0	0		
Intrastate Access Chgs	299,185	299,185		ALLOWED AT 12%	8.44%	299,185	0	0	299,185		
Intra-LATA Toll	360,474	360,035				360,035	0	0	360,035		
Miscellaneous	299,868	269,623		EXCESS	0.75%	269,623	0	0	269,623		
Uncollectibles	37,100	33,440				33,440	0	0	33,440		
Total Operating Rev	3,269,548	2,482,250		RATE BASE	4,045,840	2,444,250	38,000	0	2,482,250		
Depreciation Exp	669,417	503,274				503,274	0	0	503,274		
Other Expense & Taxes	1,881,289	1,470,328				1,470,328	0	0	1,470,328		
Total Operating Exp	2,550,866	1,973,602			30,419	1,973,602	0	0	1,973,602		
SIT		34,230	19,113	GROSS UP FACTOR	0.597267	18,600	513	0	19,113		
FIT		169,782	119,554			108,433	13,121	0	119,554		
Total Income Taxes		204,012	138,668	EXCESS REVENUE	50,930	125,033	13,633	0	138,668		
Net Operating Income		504,848	369,982			345,615	24,367	0	369,982		
Commission Adj		xxx	1,715				0	1,715	1,715		
Adj Net Operating Inc		xxx	371,897			345,615		1,715	371,897		
RATE BASE											
Plant In Service	9,716,214	7,390,549				7,373,503	0	17,046	7,390,549		
Plant Und Constr-ST	42,811	32,402				32,402			32,402		
Plant Held Fut. Use	227	173				173			173		
Cash	xxx	(103,970)				(129,303)	25,333	0	(103,970)		
Depreciation Reserve	4,296,627	3,273,313				3,262,550		10,763	3,273,313		
PSC Rate Base Adj.	xxx	0				0			0		
Rate Base	5,462,425	4,045,840				4,014,225	25,333	6,282	4,045,840		
Cost Free Capital	812,398	645,479				645,479			645,479		
Rate of Return	xxx	9.1871%									
COST OF CAPITAL		CAP STRUCTU	C.S. = RATE BAS	(3) % OF TOTA	(4) COST RATE	(5) WEIGHTED COST	(6) WEIGHTED COST @ 12.0%	INTRA COST RAT CAPITAL STRUCTUREFORECAST RATE			
SHORT TERM DEBT	188,155	185,935	4.59%	4.3200%	0.1983%			188,155	4.3200%		
LONG TERM DEBT	1,114,839	1,101,684	27.23%	7.4400%	2.0259%			1,114,839	7.4400%		
EQUITY	2,018,432	1,994,615	49.30%	13.4870%	8.6491%		5.92%	1,994,905			
PREFERRED STOCK	0	0	0.00%	0.0000%	0.0000%			3,297,899			
CUSTOMER DEPOSITS	35,886	35,463	0.88%	6.9400%	0.0811%						
COST FREE CAPITAL	845,479	637,862	15.77%	0.0000%	0.0000%						
JDIC	91,358	90,260	2.23%	11.3354%	0.2528%		0.23%				
TOTAL CAPITAL	4,094,149	4,045,840	100.00%		9.1871%		8.44%				
JDIC COST RATE CALC:											
LTD		1,101,684	35.5807%	7.4400%	2.6472%						
EQUITY		1,994,615	64.4193%	13.4870%	8.6882%		7.73%				
TOTAL		3,096,300			11.3354%		10.36%				
NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE OF BELLSOUTH EXCEPT UNDER WRITTEN AGREE SOUTHERN BELL PROPRIETARY AND CONFIDENTIAL											

INTRA COST RAT		
CAPITAL STRUCTURE FORECAST		RATE
SHORT TERM DEBT	188,155	4.3200%
LONG TERM DEBT	1,114,839	7.4400%
EQUITY	1,994,905	
	3,297,899	
COST FREE CAPITAL W/O DEPR	645,479	
JDIC	91,358	
CUSTOMER DEPOSITS	35,886	
ACCRUED DIVIDENDS	23,527	

Sharing as noted

ACTUALS		SOUTHERN BELL TELEPHONE & TELEGRAPH COMPANY				ACTUALS		
1994		STATE OF FLORIDA				YEAR: 1994		
INCOME	COMBINED	INTRASTA	EXCESS REVENUE:		INTRA PER BOOK	Add Back Sharing	Proforma Adjustment	NET
Local Revenues	1,549,045	1,548,847			1,548,847	0	0	1,548,847
Interstate Access Chgs	788,074	0		OVERALL RETURN 8.64%	0		0	0
Intrastate Access Chgs	299,185	299,185			299,185	0	0	299,185
Intra-LATA Toll	380,474	380,035		ALLOWED AT 12% 8.44%	360,035	0	0	360,035
Miscellaneous	299,868	289,823			289,823	0	0	289,823
Uncollectibles	37,100	33,440		EXCESS 0.20%	33,440	0	0	33,440
Total Operating Rev	3,259,546	2,444,250			2,444,250	0	0	2,444,250
Depreciation Exp	669,417	503,274		RATE BASE 4,020,507	503,274	0	0	503,274
Other Expense & Taxes	1,881,289	1,470,328			1,470,328	0	0	1,470,328
Total Operating Exp	2,550,888	1,973,602		8,189	1,973,602	0	0	1,973,602
SIT	34,230	18,600		GROSS UP FACTOR 0.597287	18,600	0	0	18,600
FIT	189,782	108,433			108,433	0	0	108,433
Total Income Taxes	204,012	125,033		EXCESS REVENUE 13,711	125,033	0	0	125,033
Net Operating Income	504,848	345,815			345,815	0	0	345,815
Commission Adj	xxx	1,715				0	1,715	1,715
Adj Net Operating Inc	xxx	347,330			345,815		1,715	347,330
RATE BASE								
Plant In Service	9,718,214	7,390,549			7,373,503	0	17,046	7,390,549
Plant Und Constr-ST	42,811	32,402			32,402			32,402
Plant Held Fut. Use	227	173			173			173
Cash	xxx	(129,303)			(129,303)	0	0	(129,303)
Depreciation Reserve	4,298,827	3,273,313			3,282,550		10,763	3,273,313
PSC Rate Base Adj.	xxx	0			0			0
Rate Base	5,482,425	4,020,507			4,014,225	0	6,282	4,020,507
Cost Free Capital	812,398	845,479			845,479			845,479
Rate of Return	xxx	8.6390%						
COST OF CAPITAL		CAP	C.S.=	(3)	(4)	(5)	(6)	INTRA COST RATE
		STRUCTU	RATE BAS	% OF TOTA	COST RATE	WEIGHTED COST	WEIGHTED COST @ 12.0%	FORECAST
SHORT TERM DEBT	188,155	184,771	4.59%	4.3200%	0.1983%			188,155 4.3200%
LONG TERM DEBT	1,114,839	1,094,788	27.23%	7.4400%	2.0259%			1,114,839 7.4400%
EQUITY	2,018,432	1,982,128	49.30%	12.4066%	8.1164%	5.92%		1,994,905
PREFERRED STOCK	0	0	0.00%	0.0000%	0.0000%			3,297,899
CUSTOMER DEPOSITS	35,888	35,241	0.88%	8.9400%	0.0811%			
COST FREE CAPITAL	845,479	633,868	15.77%	0.0000%	0.0000%			
JDIC	91,358	89,715	2.23%	10.8394%	0.2373%	0.23%		
TOTAL CAPITAL	4,094,149	4,020,507	100.00%	8.6390%	8.44%			
JDIC COST RATE CALC:						WEIGHTED @ 12%		
LTD		1,094,788	35.5807%	7.4400%	2.6472%			
EQUITY		1,982,128	64.4193%	12.4066%	7.9922%			
TOTAL		3,076,912		10.6394%	10.38%			
NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE OF BELL SOUTH EXCEPT UNDER WRITTEN AGREE								
SOUTHERN BELL PROPRIETARY AND CONFIDENTIAL								
CAPITAL STRUCTURE FORECAST		INTRA COST RATE						
SHORT TERM DEBT	188,155	4.3200%						
LONG TERM DEBT	1,114,839	7.4400%						
EQUITY	1,994,905							
	3,297,899							
COST FREE CAPITAL W/O DEPR	645,479							
JDIC	91,358							
CUSTOMER DEPOSITS	35,888							
ACCURED DIVIDENDS	23,527							

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<u>COST OF CAPITAL</u>	<u>CAP STRUCTURE (INPUT)</u>	<u>C.S.= RATE BASE</u>	<u>(3) % OF TOTAL</u>	<u>(4) COST RATE</u>	<u>(5) WEIGHTED COST</u>
SHORT TERM DEBT	188,155	185,935	4.59%	4.32%	0.20%
LONG TERM DEBT	1,114,839	1,101,684	27.23%	7.44%	2.03%
EQUITY	2,018,432	1,994,616	49.30%	13.4775%	6.64%
DEFERRED STOCK	0	0	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	35,886	35,463	0.88%	6.94%	0.06%
POST FREE CAPITAL	645,479	637,863	15.77%	0.00%	0.00%
ADIC	91,358	90,280	2.23%	11.33%	0.25%
TOTAL CAPITAL	4,094,149	4,045,840	100.00%		9.19%

<u>WTDIC COST RATE CALC.</u>				
		<u>%</u>	<u>COST</u>	<u>WEIGHTED</u>
LTD	1,101,684	35.58%	7.44%	2.65%
EQUITY	1,994,616	64.42%	13.48%	8.68%
TOTAL	3,096,301	100.00%		11.33%

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$$\begin{array}{r} 15-1 \\ \hline 5-4 \end{array}$$

REQUEST: Please provide the "Schedule of the Regulated & Intrastate Percentages by account for the year 1994".

RESPONSE: The schedule requested is attached as follows:

Page 1: Regulated percents for expense accounts.

Page 2: Intrastate percents for expense accounts.

Page 3: Regulated percents for balance sheet accounts.

Page 4: Intrastate percents for balance sheet accounts.

Note that each account has a regulated percent; however, amounts are separated to interstate and intrastate only at the summary account level. For example, accounts 6112 - 6116 are totaled as summary account 6110, and the total for 6110 is separated to intrastate.

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HQ Prostate 2645

FLORIDA
1994

ACCOUNT	COMBMR	TOTAL EXPENSES EXCLUDING 6560 COMBMR	NONREG	REGMR	TOTAL EXPENSES EXCLUDING 6560 REGMR	REGMR %	TOTAL EXPENSES EXCLUDING 6560 REGMR %
6112	3,662,064.76	1,818,287,120.53	218,662.51	3,443,402.25	1,696,623,429.35	0.940290	0.933089
6113	1,597,245.58		94,286.47	1,502,959.11		0.940969	
6114	852.00		55.89	796.11		0.934401	
6115	188,140.33		17,345.05	170,795.28		0.907808	
6116	548,130.40		33,065.28	515,065.12		0.939676	
6121	70,700,015.60		2,231,408.03	68,468,607.57		0.968438	
6122	6,504,159.48		427,645.61	6,076,513.87		0.934250	
6123	5,882,343.69		139,546.27	5,742,797.42		0.976277	
6124	83,763,144.92		4,265,741.34	79,497,403.58		0.949074	
6211	27,800,875.93		787.84	27,800,088.09		0.999972	
6212	76,881,540.58		2,350,385.95	74,531,154.63		0.969428	
6215	0.00			0.00			
6220	1,384,480.62			1,384,480.62		1.000000	
6231	307,193.19			307,193.19		1.000000	
6232	50,948,603.62			50,948,603.62		1.000000	
6311	1,052,403.81		1,067.42	1,051,336.39		0.998986	
6341	44,174.67		0.00	44,174.67		1.000000	
6351	13,600,402.00			13,600,402.00		1.000000	
6362	71,406,110.82		45,823,093.97	25,583,016.85		0.358275	
6411	10,424,921.57			10,424,921.57		1.000000	
6421	65,585,579.14			65,585,579.14		1.000000	
6422	19,335,547.85			19,335,547.85		1.000000	
6423	162,107,332.60			162,107,332.60		1.000000	
6424	88,275.40			88,275.40		1.000000	
6426	1,424,875.70			1,424,875.70		1.000000	
6431	0.00			0.00			
6441	3,378,028.97			3,378,028.97		1.000000	
6511	5,177.83		184.77	4,993.06		0.964315	
6612	2,314,826.13		138,937.79	2,175,888.34		0.939979	
6531	10,795,875.74		85,237.31	10,710,638.43		0.992105	
6532	25,010,355.47		761,516.13	24,248,839.34		0.969552	
6533	78,384,400.46		17,427,189.26	60,957,211.20		0.777670	
6534	92,014,802.42		8,425,721.19	83,589,081.23		0.908431	
6535	74,600,144.86		741,732.20	73,858,412.66		0.990057	
6540	10,019,905.89			10,019,905.89		1.000000	
6561	686,032,327.34		7,004,164.00	679,028,163.34		0.989790	
6562	0.00		0.00	0.00			
6563	2,563,596.98		159,257.30	2,404,339.68		0.937877	
6564	0.00			0.00			
6565	3,840,264.76		170,722.46	3,669,542.30		0.955544	
6611	24,246,765.04		3,890,494.66	20,356,270.38		0.839546	
6612	75,660,854.19		1,158,296.45	74,502,557.74		0.984691	
6613	16,692,436.80		946,871.01	15,745,565.79		0.943275	
6621	21,137,441.22		0.00	21,137,441.22		1.000000	
6622	61,865,524.95			61,865,524.95		1.000000	
6623	279,098,995.95		9,822,895.32	269,276,100.63		0.964805	
6711	8,306,632.40		477,558.50	7,829,073.90		0.942509	
6712	4,032,444.36		243,618.42	3,788,825.94		0.939585	
6721	36,825,925.90		1,565,159.06	35,260,766.84		0.957498	
6722	21,918,161.20		473,991.31	21,444,169.89		0.978374	40-1 2-4
6723	36,702,210.66		2,705,119.75	33,997,090.91		0.926295	40-1 2-5
6724	112,768,981.94		6,225,312.59	106,543,669.35		0.944796	
6725	17,195,415.20		5,160,990.43	12,034,424.77		0.699862	
6726	9,441,240.18		450,403.93	8,990,836.25		0.952294	
6727	8,806,832.42		167,308.90	8,639,523.52		0.981002	
6728	111,804,414.09		5,192,060.57	106,612,353.52		0.953561	40-1 2-1 1-2
6790	20,912.00			20,912.00		1.000000	
7110	0.00			0.00			
7140	0.00			0.00			
7150	(185,766.25)		(5,837.74)	(179,928.51)		0.968575	
7160	(43,492.49)		418.46	(43,910.95)		1.009621	
7210	(14,355,232.00)		(84,282.00)	(14,270,950.00)		0.994129	
7220	222,550,448.00		(13,064,350.10)	235,614,798.10		1.058703	
7230	37,708,848.00		(2,031,829.75)	39,740,677.75		1.053882	
7240	175,489,393.78		1,092,566.02	174,396,827.76		0.993774	
7250	(16,639,922.00)		1,096,578.50	(17,736,500.50)		1.065900	
7310	(3.76)		(3.76)	0.00		0.000000	
7320	(310,880.34)		(310,880.34)	0.00		0.000000	
7340	(2,272,641.56)		(48,011.19)	(2,224,630.37)		0.978874	
7350	(102,480.00)			(102,480.00)		1.000000	
7360	(431,959.30)		(431,959.30)	0.00		0.000000	
7370	28,483,398.42		20,508,089.76	7,975,308.66		0.279998	

Regulated Parents proposed and

(2)

FLORIDA
1994

ACCOUNT	REGMR	TOTAL EXPENSES EXCLUDING 6560	INTERSTATE	INTRAMR	TOTAL EXPENSES EXCLUDING 6560	INTRAMR%	TOTAL EXPENSES EXCLUDING 6560	INTRAMR%
		REGMR			INTRAMR	INTRAMR%	INTRAMR	INTRAMR%
Summary 6110	5,633,017.87	1,696,623,429.35	1,181,889.00	4,451,128.87	1,332,631,949.35	0.790185	0.785461	
6112	3,443,402.25							
6113	1,502,959.11							
6114	796.11							
6115	170,795.28							
6116	515,065.12							
Summary 6120	159,785,322.44		33,538,619.00	126,246,703.44		0.790102		
6121	68,468,607.57							
6122	6,076,513.87							
6123	5,742,797.42							
6124	79,497,403.58							
Summary 6210	102,331,242.72		24,154,967.00	78,176,275.72		0.763953		
6211	27,800,088.09							
6212	74,531,154.63							
6215	0.00							
Summary 6220	1,384,480.62		333,764.00	1,050,716.62		0.758925		
6220	1,384,480.62							
Summary 6230	51,255,796.81		12,114,708.00	39,141,088.81		0.763642		
6231	307,193.19							
6232	50,948,603.62							
Summary 6310	40,278,929.91		10,357,338.00	29,921,591.91		0.742860		
6311	1,051,336.39							
6341	44,174.67							
6351	13,600,402.00							
6362	25,583,016.85							
Summary 6410	262,344,561.23		66,009,547.00	196,335,014.23		0.748386		
6411	10,424,921.57							
6421	65,585,579.14							
6422	19,335,547.85							
6423	162,107,332.60							
6424	88,275.40							
6426	1,424,875.70							
6431	0.00							
6441	3,378,028.97							
Summary 6510	2,180,881.40		510,534.00	1,670,347.40		0.765905		
6511	4,993.06							
6512	2,175,888.34							
Summary 6530	253,364,182.86		62,110,466.00	191,253,716.86		0.754857		
6531	10,710,638.43							
6532	24,248,839.34							
6533	60,957,211.20							
6534	83,589,081.23							
6535	73,858,412.66							
Summary 6540	10,019,905.89		0.00	10,019,905.89		1.000000		
6540	10,019,905.89							
Summary 6560	685,102,045.32		166,142,919.00	518,959,126.32		0.757192		
6561	679,028,163.34							
6562	0.00							
6563	2,404,339.68							
6564	0.00							
6565	3,669,542.30							
Summary 6610	110,604,393.91		30,791,097.00	79,813,296.91		0.721611		
6611	20,356,270.38							
6612	74,502,557.74							
6613	15,745,565.79							
Summary 6620	352,279,066.80		50,388,122.00	301,890,944.80		0.856965		
6621	21,137,441.22							
6622	61,865,524.95							
6623	269,276,100.63							
Summary 6710	11,617,899.84		2,440,848.00	9,177,051.84		0.789906		
6711	7,829,073.90							
6712	3,788,825.94							
Summary 6720	333,522,835.05		70,059,581.00	263,463,254.05		0.789941		
6721	35,260,766.84							
6722	21,444,169.89							
6723	33,997,090.91							
6724	106,543,669.35							
6725	12,034,424.77							
6726	8,990,836.25							
6727	8,639,523.52							
6728	106,612,353.52							
Summary 6790	20,912.00		0.00	20,912.00		1.000000		
6790	20,912.00							
7210	(14,270,950.00)		(3,474,829.00)	(10,796,121.00)		0.756510		
7220	235,614,798.10		86,439,768.00	149,175,030.10		0.633131		
7230	39,740,677.75		17,804,027.00	21,936,650.75		0.551995		
7240	174,396,827.76		34,077,176.00	140,319,651.76		0.804600		
7250	(17,736,500.50)		(4,115,065.00)	(13,621,435.50)		0.767989		
7310	0.00							
7320	0.00							
7340	(2,224,630.37)		(538,290.00)	(1,686,340.37)		0.758032		
7350	(102,480.00)		24,705.00	(127,185.00)		1.241071		
7360	0.00							
7370	7,975,308.66		678,035.00	7,297,273.66		0.914983		

interstate per cents for expenses

3

FLORIDA
1994

ACCOUNT	COMBMR	TOTAL 2001 COMBMR	NONREG	REGMR	TOTAL 2001 REGMR	REGMR %	TOTAL 2001 REGMR %
1220	65,474,017.14	9,809,563,514.67	1,678,861.77	63,795,155.37	9,714,229,690.02	0.974358	0.990282
2111	49,905,988.86		1,770,037.11	48,135,951.75		0.964533	
2112	50,992,167.13		5,746,006.33	45,246,160.80		0.887316	
2113	0.00		0.00	0.00			
2114	167.83		20.69	147.14		0.876720	
2115	1,766,195.79		162,402.24	1,603,793.55		0.908050	
2116	90,398,895.87		7,255,200.31	83,143,695.56		0.919742	
2121	690,863,038.18		22,599,867.38	668,263,170.80		0.967287	
2122	14,281,946.12		888,638.81	13,393,307.31		0.937779	
2123	34,650,845.49		968,495.28	33,682,350.21		0.972050	
2124	364,300,496.12		20,187,971.35	344,112,524.77		0.944584	
2211	448,362,271.47		110.20	448,362,161.27		1.000000	
2212	1,178,584,372.37		28,272,857.20	1,150,311,515.17		0.976011	
2215	2,481.26			2,481.26		1.000000	
2220	44,167,135.01			44,167,135.01		1.000000	
2231	4,776,991.09			4,776,991.09		1.000000	
2232	1,922,248,664.56			1,922,248,664.56		1.000000	
2311	330,424.79		0.00	330,424.79		1.000000	
2321	0.00			0.00			
2341	7,698,849.60		1,070.01	7,697,779.59		0.999861	
2351	59,660,554.14		0.00	59,660,554.14		1.000000	
2362	101,394,331.53		6,112,537.75	95,281,793.78		0.939715	
2411	132,880,493.26			132,880,493.26		1.000000	
2421	692,023,132.79			692,023,132.79		1.000000	
2422	902,099,599.54			902,099,599.54		1.000000	
2423	2,282,173,738.23			2,282,173,738.23		1.000000	
2424	9,711,235.32			9,711,235.32		1.000000	
2426	42,305,100.62			42,305,100.62		1.000000	
2431	0.00			0.00			
2441	663,545,839.61			663,545,839.61		1.000000	
2681	6,177,780.91		320,148.65	5,857,632.26		0.948177	
2682	14,260,777.18		1,048,461.34	13,212,315.84		0.926479	
2690	0.00			0.00			
3100	(4,259,437,317.53)		(34,672,574.65)	(4,224,764,742.88)		0.991860	
3200	0.00		0.00	0.00			
3300	(6,617,283.33)		(215,640.54)	(6,401,642.79)		0.967413	
3410	(3,748,188.54)		(205,319.00)	(3,542,869.54)		0.945222	
3420	(9,421,185.36)		(626,343.35)	(8,794,842.01)		0.933518	
3500	0.00			0.00			
4010	(48,239,527.92)			(48,239,527.92)		1.000000	
4020	0.00			0.00			
4030	(75,928,623.90)			(75,928,623.90)		1.000000	
4040	(35,886,050.65)		(969,063.48)	(34,916,987.17)		0.972996	
4050	0.00			0.00			
4060	0.00			0.00			
4070	(313,097,960.04)			(313,097,960.04)		1.000000	
4080	(64,939,448.40)			(64,939,448.40)		1.000000	
4100	1,443,505.96		304,604.85	1,138,901.11		0.788983	
4110	76.50			76.50		1.000000	
4120	(61,981,477.38)		(30,320,197.31)	(31,661,280.07)		0.510818	
4130	(1,291.93)			(1,291.93)		1.000000	
4210	0.00			0.00			
4220	0.00			0.00			
4230	0.00			0.00			
4250	0.00			0.00			
4260	0.00			0.00			
4270	0.00			0.00			
4310	0.00		0.00	0.00			
4320	(117,143,748.62)		(496,148.37)	(116,647,600.25)		0.995765	
4330	0.00			0.00			
4340	(844,819,616.19)		(3,163,601.43)	(841,656,014.76)		0.996255	
4341	50,283,374.38			50,283,374.38		1.000000	
4350	600,731.25			600,731.25		1.000000	
4360	(757,698.27)		(107,510,315.78)	106,752,617.51		-140.890671	
4361	(95,254,137.67)			(95,254,137.67)		1.000000	
4370	3,729,136.08			3,729,136.08		1.000000	

calculated per cents for E/S

(4)

FLORIDA 1994							
ACCOUNT	REGMR	TOTAL 2001 REGMR	INTERSTATE	INTRASTATE	TOTAL 2001 INTRASTATE	INTRA %	TOTAL 2001 INTRA %
1220	63,795,155.37		16,023,903.92	47,771,251.45		0.748823	
Summary 2110	1,237,581,101.89	9,714,229,690.02	259,627,488.00	977,953,613.89	7,371,518,623.68	0.790214	0.758837
2111	48,135,951.75						
2112	45,246,160.80						
2113	0.00						
2114	147.14						
2115	1,603,793.55						
2116	83,143,695.56						
2121	668,263,170.80						
2122	13,393,307.31						
2123	33,682,350.21						
2124	344,112,524.77						
Summary 2210	1,598,676,157.70		283,075,444.00	1,315,600,713.70		0.822931	
2211	448,362,161.27						
2212	1,150,311,515.17						
2215	2,481.26						
Summary 2220	44,167,135.01		5,537,603.17	38,629,531.84		0.874622	
2220	44,167,135.01						
Summary 2230	1,927,025,655.65		560,782,463.00	1,366,243,192.65		0.708991	
2231	4,776,991.09						
2232	1,922,248,664.56						
Summary 2310	162,970,552.30		41,015,192.00	121,955,360.30		0.748328	
2311	330,424.79						
2321	0.00						
2341	7,697,779.59						
2351	59,660,554.14						
2362	95,281,793.78						
Summary 2410	4,724,739,139.37		1,188,678,848.00	3,536,060,291.37		0.748414	
2411	132,880,493.26						
2421	692,023,132.79						
2422	902,099,599.54						
2423	2,282,173,738.23						
2424	9,711,235.32						
2426	42,305,100.62						
2431	0.00						
2441	663,545,839.61						
Summary 2680	19,069,948.10		3,994,028.17	15,075,919.93		0.790559	
2681	5,857,632.26						
2682	13,212,315.84						
Summary 2690	0.00		0.00	0.00			
2690	0.00						
Summary 3100	(4,237,102,454.43)		(1,034,076,877.00)	(3,203,025,577.43)		0.755947	
3100	(4,224,764,742.88)						
3200	0.00		0.00	0.00			
3300	(6,401,642.79)						
3410	(3,542,869.54)						
3420	(8,794,842.01)						
3500	0.00						
3600	0.00						
4100/4340	(840,517,113.65)		(197,317,077)	(643,200,036.65)		0.765243	
4100	1,138,901.11						
4110	76.50						
4120	(31,661,280.07)						
4130	(1,291.93)						
4310	0.00						
4320	(116,647,600.25)						
4330	0.00						
4340	(841,656,014.76)						
4341	50,283,374.38						
4350	600,731.25						
4360	106,752,617.51						
4361	(95,254,137.67)						
4370	3,729,136.08						

Interstate % 0.00

(5)

② See WP 15-1 for explanation of these acc'ts. 15-1
6-1

6

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September 19, 1995
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REQUEST:

Please answer the attached questions.

- (1) Accounts missing from the Regulated Percents Schedule: 6120, 6410, 6720.
- (2) Provide the account for the Florida Intra Percent of 75.6127% used to separate the Bellcore Investment.
- (3) Provide the account used to derive the percents to separate the Excess Plug-In Units Adjustment.

RESPONSE:

- (1) Accounts 6120, 6410, and 6720 are summary level accounts. They do not have any activity; therefore, they do not have a regulated percent. They are shown on the second page (intrastate percents) because intrastate amounts are calculated only at the summary account level. For instance, the regulated amounts for accounts 6121, 6122, 6123, and 6124 are added together to get the summary account 6120 total, which is then separated to interstate and intrastate.
- (2) The Florida intrastate percent of 75.6127% used to separate the Bellcore investment is based on the average net investment for the year. This can be seen from the schedule attached by taking the intrastate amount for Line 18, Net Book Cost, divided by the Combined amount for Line 18. We have not applied a nonregulated percent because the Bellcore investment is not applicable to nonregulated operations.
- (3) The Regulated and Intrastate percents used to separate the Excess Plug-In Units adjustment are based on the average 2200 accounts (Central Office Equipment). These are shown on the schedule for average net investment provided in (2) above, Lines 2, 3, and 4.

DATE 02/17/95
TIME 11:46:10

FR BASIS

BELLSOUTH TELECOMMUNICATIONS INC.
STATE: FLORIDA
AVG
ENDING PERIOD: 12 1994

NET INVESTMENT	BOOKED	NONREG	COMBINED	INTERSTATE	INTRASTATE
1 General Support	1,295,108,683	59,578,640	1,235,530,043	259,627,488	975,902,555
2 Central Office Switching	1,626,949,125	28,272,967	1,598,676,158	283,075,444	1,315,600,714
3 Operator Systems	44,167,135	0	44,167,135	5,537,603	38,629,532
4 Central Office Transmission	1,927,025,656	0	1,927,025,656	560,782,463	1,366,243,193
5 Information Orig/Term	169,084,160	6,113,608	162,970,552	41,015,192	121,955,360
6 Cable & Wire Facilities	4,728,774,437	0	4,728,774,437	1,188,678,848	3,540,095,589
7 Tangible Assets	20,438,558	1,368,610	19,069,948	3,994,028	15,075,920
8 Intangible Assets	0	0	0	0	0
9 Telecomm. Plant In Service	9,811,547,754	95,333,825	9,716,213,929	2,342,711,066	7,373,502,863
10 Telecomm. Plant Under Const-ST	43,212,616	601,158	42,611,458	10,209,246	32,402,212
11 Telecomm. Plant Under Const-LT	26,223,389	563,242	25,660,147	6,202,842	19,457,305
12 Property Held for Future Use	235,581	8,355	227,226	54,574	172,652
13 Telecomm. Plt Adjustment	0	0	0	0	0
14 Material & Supplies	65,474,017	1,678,862	63,795,155	16,023,904	47,771,251
15 GROSS PLANT, MAT & SUPPL.	9,946,693,357	98,185,442	9,848,507,915	2,375,201,632	7,473,306,283
16 Depreciation Reserve-CR	4,332,131,161	35,504,237	4,296,626,924	1,034,076,877	3,262,550,047
17 Deferred Income Tax Reserve-CR	815,257,178	2,858,997	812,398,181	185,293,330	627,104,851
18 NET BOOK COST	4,799,305,018	59,822,208	4,739,482,810	1,155,831,425	3,583,651,385
19 Unamortized ITC-Sec.38-CR	57,608	244	57,364	13,843	43,521
20 Unamortized ITC-Sec.50-CR	119,981,239	495,905	119,485,334	28,127,773	91,357,561
21 OPERATING INVESTMENT	4,679,266,171	59,326,059	4,619,940,112	1,127,689,809	3,492,250,303
NON-OPERATING INVESTMENT					
22 Non-operating Plant	12,518,458	417,158	12,101,300	2,902,037	9,199,263
23 Non-op Depreciation Reserve-CR	6,617,283	215,641	6,401,642	1,535,191	4,866,451
24 Non-op Deferred Inc Tax Reserve-CR	-127,752	0	-127,752	-34,879	-92,873
25 Non-op Unamortized ITC-CR	0	0	0	0	0
26 NET INVESTMENT	4,685,295,098	59,527,576	4,625,767,522	1,129,091,534	3,496,675,988

75.6127%

03-15-95 10:05PM FROM FINANCE REGULATOR TO 1305266353

P004/004

YN
9/29/95

BST

Result of SFAS 71
TPE 12/31/94

KW
9/6/95

AUDIT DISCLOSURE

SUBJECT: SFAS 71

STATEMENT OF FACT: Statement of Financial Accounting Standard 71 allows a regulated enterprise to recognize the economic effects of regulation. The criteria for application are:

1. The enterprise's rates for regulated services or products are established by an independent third-party regulator or by its own governing board.
2. The regulated rates are designed to recover the specific enterprise's costs of providing the regulated service or products.
3. It is reasonable to assume in view of demand for the service or products and the level of competition, that rates established can be charged to and collected from customers.
4. Company operations must meet all three criteria to qualify for SFAS 71 accounting.

According to the Coopers and Lybrand workpapers, three of the Regional Bell Operating Companies have already discontinued SFAS 71. Four have not. US West stated that they discontinued because of competition, market conditions and the development of broadband technology which will be establishing revenues more so than the regulators. For all three companies, regulated assets and liabilities were written off and property, plant and equipment were written down significantly. (21-1)

According to a recent article in the Sun-Sentinel, BellSouth Corp. will change from SFAS 71 in the second quarter of 1995. The charge was expected to be \$2.7 billion.

According to the Coopers and Lybrand workpapers, the elimination of SFAS 71 was expected to result in a reduction of plant between 4 and 6 billion.

The entry provided by the company shows a reduction of \$4,876,436,000 in the cable accounts (3100) component; a \$292,224,000 reduction for Florida in June 21, 1995. (21-2)

21

**THIS PAGE WAS A COPY OF EXTERNAL AUDITORS'
WORKPAPERS**

REMOVED AS PROPRIETARY AND CONFIDENTIAL DATA

21-1

**THIS PAGE WAS A COPY OF EXTERNAL AUDITORS'
WORKPAPERS**

REMOVED AS PROPRIETARY AND CONFIDENTIAL DATA

21-1 p2

5945021

(Please Use Ball Point Pen - Press Hard)

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Patte KleinUTILITY: BSJFROM: Ruth Young
(AUDIT MANAGER)K. Ulele
(AUDITOR PREPARING REQUEST)REQUEST NUMBER: 38DATE OF REQUEST: 8/3/95AUDIT PURPOSE: SurveillanceREQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY 8/14/95
(DATE)

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:

- ☐ INCIDENT TO AN INQUIRY
☒ OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Provide entry order in Second quarter
to record discontinuance of SEAS 71

TO: AUDIT MANAGER Ruth Young DATE 8/4/95

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) ☒ HAS BEEN PROVIDED TODAY. Federal Express to Miami
- (2) ☐ CANNOT BE PROVIDED IN THREE (3) WORK DAYS BUT WILL BE MADE AVAILABLE BY _____.
- (3) ☐ AND IN MY OPINION, THE MATERIAL IN ITEM NOS. _____ IS PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C.
- (4) ☐ THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

DISTRIBUTION:
Utility: Utility Complete and Return to Auditor
File to FPIC Analyst
Order: Audit File Copy
Copy: Utility Return

Patricia D. Klein, Manager
SIGNATURE AND TITLE OF RESPONDENT

(1)

08.03.95 02:19 PM

08.03.95 02:19 PM

P 02

FPSC Staff Audit
1994 Surveillance Report
Item No. 38
August 3, 1995
Page 1 of 1

--- REQUEST: Provide entry made in second quarter to record
discontinuance of SFAS 71.

RESPONSE: Attached is a copy of the FR Adjustment for SFAS 101
(Accounting for the Discontinuation of SFAS 71),
showing both the income statement and balance sheet
entries. These amounts are treated as nonregulated
entries for purposes of regulated reports, such as the
Florida Surveillance Report.

672-

2)

Monthly Activity Summary
June, 1995

FAS 101 ISSUE # SUMMARY

[illegible]

FAS 101 ISSUE # SUMMARY

ITEMS	COMPANY	FLORIDA	GEORGIA	N. CAROLINA	S. CAROLINA	HEADQUARTERS	ALABAMA	KENTUCKY	LOUISIANA	MISSISSIPPI	TENNESSEE
Effect on Balance Sheet Accounts:											
180.2154	327,430,757	123,566,996	64,608,299	24,518,444	13,896,786	0	25,473,365	9,563,527	33,323,855	12,843,812	19,635,673
1181.1224	(10,687,201)	(4,806,756)	(2,952,599)	(738,005)	(316,847)	0	(420,311)	(168,318)	(496,525)	(181,098)	(606,742)
1190.1402	0	0	0	0	0	0	0	0	0	0	0
1407.1100	(77,205,715)	0	0	0	0	(77,205,715)	0	0	0	0	0
1407.1200	(18,416,604)	0	0	0	0	(18,416,604)	0	0	0	0	0
1437.0000	(496,078,647)	(83,547,446)	(69,239,371)	(43,832,935)	(29,681,262)	(218,928)	(54,769,890)	(25,745,713)	(91,872,858)	(23,504,738)	(73,665,506)
1439.9700	(68,354,299)	(15,688,057)	(9,961,467)	(5,600,489)	(3,790,834)	(9,063,758)	(4,838,947)	(3,208,853)	(6,258,380)	(3,479,684)	(6,465,830)
3100.005X	(324,703,000)	(76,810,000)	(64,130,000)	(23,987,000)	(17,777,000)	0	(16,844,000)	(16,145,000)	(61,924,000)	(9,592,000)	(37,494,000)
3100.012X	(70,146,786)	(23,247,317)	(12,821,777)	(8,490,478)	(3,716,011)	0	(3,764,734)	(2,415,621)	(8,109,178)	(1,585,245)	(6,016,425)
3100.022X	(560,006,214)	(69,643,683)	(107,400,223)	(58,309,522)	(16,304,989)	0	(49,952,266)	(49,807,379)	(84,357,822)	(47,316,765)	(78,913,575)
3100.045X	(1,345,469,000)	(287,761,000)	(232,658,000)	(182,083,000)	(133,312,000)	0	(93,462,000)	(54,300,000)	(155,100,000)	(82,946,000)	(123,827,000)
3100.057X	(133,141,201)	(30,370,136)	(17,838,942)	(6,340,111)	(4,311,598)	0	(6,462,697)	(9,754,957)	(32,354,880)	(11,550,071)	(14,157,809)
3100.257X	(525,949,394)	(95,108,425)	(108,009,061)	(61,756,692)	(37,454,670)	0	(43,089,125)	(24,320,267)	(52,928,041)	(34,268,251)	(69,009,862)
3100.357X	(532,929,881)	(73,680,915)	(103,460,998)	(65,332,197)	(30,965,732)	0	(38,182,178)	(28,765,776)	(89,664,079)	(33,346,677)	(69,531,329)
3100.377X	(1,304,901,000)	(243,013,000)	(190,882,000)	(160,761,000)	(101,348,000)	0	(114,390,000)	(77,440,000)	(159,933,000)	(86,850,000)	(170,284,000)
3100.D257X	(78,695)	(78,695)	0	0	0	0	0	0	0	0	0
3100.F257X	(55,555,572)	(55,555,572)	0	0	0	0	0	0	0	0	0
3100.T357X	(43,555,257)	(43,555,257)	0	0	0	0	0	0	0	0	0
4100.1900	1,103,602	(20,032)	131,897	(5,057)	(17,201)	0	1,478,740	(627,820)	166,490	10,735	(14,150)
4100.2900	(46,459)	(44,177)	(38,512)	(30,783)	(12,101)	0	25,693	41,427	(104,391)	37,317	79,068
4310.8000	20,833,331	15,000,000	0	0	5,833,331	0	0	0	0	0	0
4320.0000	19,147,162	5,770,290	1,202,520	2,512,712	1,006,716	0	2,338,342	1,105,130	4,170,353	434,604	606,495
4340.1110	1,746,595,449	357,970,286	291,885,881	197,217,044	122,444,042	0	133,125,289	92,415,328	242,630,012	109,413,282	199,494,285
4340.1210	300,786,114	71,376,384	57,534,974	41,259,677	18,523,997	0	19,719,776	21,703,923	23,804,474	16,428,738	30,434,171
4340.2110	22,563,973	5,932,613	3,779,298	2,082,595	1,453,359	0	1,908,375	1,191,761	2,427,629	1,347,585	2,440,758
4340.2190	28,530,217	8,931,239	89,694	8,549,196	2,579,061	0	(5,844,650)	(1,031,086)			

③ 4,896,436,000

BST
 Entry to Room of SFAS 71 Effects 140
 TAE 12/31/94 9/6/95

BellSouth announces move to prepare itself for competition

Staff and wire reports

BellSouth Corp. will change its accounting practices to prepare for the day when it faces more competition in local telephone service, a decision that will result in a \$2.7 billion charge against second-quarter earnings.

The charge, announced Friday, covers capital and assets the company is depreciating faster than it would if it maintained its books as a monopoly business.

BellSouth is the fourth of the seven regional Bell operating companies to make the change in accounting methods. All local phone companies expect to soon face more competition because of changing technology and regulations.

By coincidence, also on Friday, Teleport Communications Group notified the Florida Public Service Commission of

"This change won't have any adverse effect on our cash flow, credit rating or dividend policy. I will not be writing a check for this charge."

— Ronald M. Dykes, BellSouth vice president

its intention to provide local telephone service in South Florida and compete with Southern Bell.

New York-based TCG's request to become a competitive local exchange carrier (CompLEC) would take effect Jan. 1, 1996, when TCG would be able to compete with Southern Bell for a full range of local telecommunications services. The move is possible under new Florida legislation that permits competition for local telephone services.

"For the consumer, this translates into a future of choice which will lead to re-

duced prices, greater attentiveness to customer needs, improved service quality, and new growth for the local economy," said Graham Taylor, vice president for TCG's South Florida fiber-optic network.

BellSouth said it would take the \$2.7 billion non-cash charge in the second quarter to bring its accounting methods in line with non-regulated companies.

The charge, for adjusting the depreciation value of equipment and facilities, won't affect earnings, the regional Bell company said.

BellSouth, the largest of the seven regional Bell telephone companies, expects 1995 earnings of about \$4.45 a share before the charge, in line with Wall Street estimates, Ronald M. Dykes, BellSouth vice president and chief financial officer, said. The second-quarter charge will amount to \$5.47 per share, the company said.

"This change won't have any adverse effect on our cash flow, credit rating or dividend policy," Dykes said. "I will not be writing a check for this charge."

Instead, BellSouth's equipment assets will be depreciated quicker than if the company was regulated in the utility-type fashion in which federal regulators have treated the Bells since AT&T was broken up in 1984.

That means the life of a telephone cable, which BellSouth has historically had

to pay depreciation costs on for 25 years, can be ratcheted down to 12 years, for example.

Dykes said BellSouth will probably report a net loss of \$2.2 billion on its second-quarter earnings statement. That will be offset by about \$500 million in operating income, he said.

Analysts' opinion of BellSouth's health weren't swayed by the news.

"We continue to rate BellSouth attractive," PaineWebber analyst Richard Klugman said in a research report. "[They] have the fastest [phone] line growth among the [Bells], and low exposure to competitive risk compared to other [Bells]."

Information from Bloomberg Business News was used to supplement this report.

See Reg 38

for when adjusted

Company Southern Bell
 Title Cash Working Capital
 Period 12 Months Ended December 31, 1994
 Auditor Raymond Grant
 WP 24
 Date 8-21-95

Prior to auditing working capital, staff reviewed the computation of the allowance for working capital in prior audits and in the DORPS. The company used the same method to compute the allowance for working capital that was used in the last rate case (Docket 920260-TL AFAD # 93-193-4-1). The following describes audit work done on working capital allowance.

The Monthly detail of accounts used to calculate the working capital allowance was agreed to Fr general ledger. (24-1) The Cash Working capital Disallowances were recalculated and supporting documentation were reviewed. See work paper (24-1'2p1) The Specific Adjustments which consist of Florida Casualty Damage Reserve (2) FI-Intra - Overearnings (3) Lawsuit were traced to the general ledger and supporting documentation. (WP 24-1'2p2) The working capital allowance consists of Cash Working capital (CWC) Florida Specific Adjustments less account 1220 Materials & Supplies.

The Interlata and Intralata %s are worked from the data on the 12months Average Net Investment report with all FR's

In June 1995, the company prepared a revised Cash Working Capital Analysis for 12 month period ending December 31, 1994. The revision has caused Florida Intrastate Cash Working Capital to increase by (\$12,757,909) from (\$177,074,126) to (\$189,832,029). The allowance for cash working capital was revised to reflect the adjustments made to correct deferred compensation liability and ad-valorem tax contingency reported on the Cash Working Capital Disallowances. Schedule.

The reasons why Cash Working Capital changed from \$177,074,126 to \$189,832,029 are due to the following:

- 1 The total average Non-Qualified Deferred Plan (NQDP) on Column 3 of \$195,874,866 on the company's schedule of Cash Working Capital Disallowances included subaccounts of account 4310 Other Long Term Liabilities related to the Supplemental Executive Retirement Plan (SERP), Management Savings Plan (MSP) and Shareholders Retirement Cash Plan (SRCP) that were not interest bearing. The total average Non-Qualified Deferred Plan (NQDP) on Column 3 should only have amounts from account 4310.5100-5400.

The company revised Cash Working Capital Disallowance schedule indicates that the correct NQDP amount to be removed from Southern Bell Cash Working Capital is \$123,761,122. A compilation of BellSouth's general ledger confirmed this. The difference in the twelve months average for the NQDP disallowance is \$72,113,743. This amount was allocated to the utility cash working capital using the Regulated %, State % and Intrastate % from the working capital printouts.

$$\begin{array}{r} 24-3 \\ 1-1 \\ \hline 23-2 \end{array}$$

- 2 The company tax contingency column 13 of the company's schedule of Cash Working Capital Disallowances changed for the month of December 1994 because a payment had been omitted from the worksheet provided to the tax office. This adjustment increased the total average tax contingency by \$17,246. This amount was allocated to the utility cash working capital using the Regulated %, State % and Intrastate % from the working capital printouts. Staff's calculation follows.

Company: Southern Bell
 Title: Cash Working Capital
 Period: 12 Months Ended December 31, 1994
 Auditor: Raymond Grant
 WP 24
 Date: 8-21-95

W 9/14/95

	Combined	Interstate	Intrastate
CWC	(\$193,991,467)	(\$47,351,739)	(\$146,639,728)
FLORIDA SPECIFIC ADJUSTMENTS			
Casualty Damage Reserve	$\frac{24-1}{2} \times 2$ (\$5,000,000)	$\frac{24-1}{1} \times 2$ (\$5,000,000)	
Intra Overearnings	(\$25,333,333)		(\$25,333,333)
Lawsuit	(\$133,700)	(\$32,635)	(\$101,065)
Adj. CWC	(\$224,458,500)		(\$177,074,126)
% Interlata	10.12550%		(\$17,929,641)
% Interlata	9.99770%		(\$17,703,340)
% Interlata =	$353,608,990 / 3,492,250,303$		
% Interlata =	$349,143,805 / 3,492,250,303$		

Accout 1220	(\$224,458,500)	(\$177,074,126)
	$\frac{24-2}{1} \times 2$ \$63,795,155	$\frac{24-2}{1} \times 2$ \$47,771,251
Working Capital Allowance	(\$160,663,345)	(\$129,302,875)

Revised Cash Working Capital

CWC	(\$210,869,051)	(\$159,397,631)
FLORIDA SPECIFIC ADJUSTMENTS		
Casualty Damage Reserve	(\$5,000,000)	(\$5,000,000)
Intra Overearnings	(\$25,333,333)	(\$25,333,333)
Lawsuit	(\$133,700)	(\$32,635)
Adj. CWC	(\$241,336,084)	(\$189,832,029)
% Interlata	10.12550%	(\$19,221,442)
% Interlata	9.99770%	(\$18,978,837)
% Interlata =	$353,608,990 / 3,492,250,303$	
% Interlata =	$349,143,805 / 3,492,250,303$	

Accout 1220	(\$241,336,084)	(\$189,832,029)
	$\frac{24-2}{1} \times 2$ \$63,795,155	\$47,771,251
Revised Working Capital Allowance	(\$177,540,929)	(\$142,060,778)

Source: Company's 12-month S-h.

The interlata and interstate is one computed from the data on 12 month average net investment Report.

24 p2

yw/kp
 9/6/95
 RG
 8/14/95
 R 8/29/95

FIG C

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FLORIDA
CASH WORKING CAPITAL FR ANALYSIS
12 MONTH AVERAGE ENDING
1994

Account Number	Description	Company Average Balances
	Current Assets:	
1130	Cash	89,199,358
1140	Special Cash Deposits	604,810
1150	Working Funds	2,181,432
1160	Temporary Cash Investments	0
1200/1201	Notes Receivable	275,997
1180/1181	Due From Customers and Agents	2,019,336,614
1190/1191	Accounts Receivable	137,745,597
1350	Other Current Assets	1,293,043
	SubTotal	2,250,636,851
	Prepayments:	
1290	Prepaid Rents	105,356
1300	Prepaid Taxes	15,061,167
1310	Prepaid Insurance	8,063,888
1320	Prepaid Directory Expenses	0
1330	Other Prepayments	12,531,369
1410	Other Noncurrent Assets	51,395,254
1438/9	Other Deferred Charges	229,895,196
	Total Assets	2,567,689,081
	Current Liabilities	
4010	Accounts Payable	1,144,550,019
4030	Advanced billing and Payments	311,217,822
4130	Other Current Liabilities	40,270,450
4070	Income Taxes Accrued	145,017,127
4080	Other Taxes Accrued	264,877,987
4120	Unmatured Interest, Dividends and Rents Accrued	881,094,872
4120.2	Less: Accrued Dividends	132,953,864
	SubTotal	2,654,074,413
4310	Other Long Term Liabilities	997,799,696
4360	Other Deferred Credits	138,928,505
	Total Liabilities	3,790,802,614
	Disallowance Total	(394,434,184)
	Southern Bell Net Cash Working Capital	(828,679,349)
	Regulated Cash Working Capital	98.9866426% (820,281,865)
	State Portion:	
	FLORIDA	23.6493668% (193,991,467)
	Intrastate Portion:	
	FLORIDA	75.5908133% (146,639,728)
	Includes Fla. Specific Entries	(30,434,398)
	FLORIDA INTRASTATE CASH WORKING CAPITAL	(177,074,126)

2

24-1

REPAIRMAN COMPANY

706 345-8787

Southern Bell Tel & Tel CO

Monthly Detail Supporting Current Liabilities

Type 12 month Ended 12-31-94

12/1/94

RG

7/7/95

8/8/95

MONTHLY DETAIL OF ACCOUNTS USED IN CASH WORKING CAPITAL

	Dec 93	Jan 94	Feb 94	Mar 94	Apr 94	May 94	June 94	July 94	Aug 94	Sept 94	Oct 94	Nov 94	Dec 94	12 Months Average
Current Assets:														
1130 Cash	56,173,145	111,129,242	109,638,227	80,955,977	39,513,393	82,738,664	85,166,295	105,394,930	87,088,934	89,256,902	137,351,888	76,923,203	74,236,129	89,199,358
1140 Sundry Cash	594,432	594,432	594,432	612,684	611,707	606,391	610,972	610,031	607,848	608,427	600,521	599,184	605,017	604,811
1150 Working Capital	1,620,493	1,620,493	1,989,526	2,057,577	1,934,381	2,209,229	2,204,366	2,256,047	2,467,703	2,301,508	2,424,538	2,799,132	2,413,032	2,181,432
1160	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120001 Equip	546,913	546,913	469,852	394,729	309,391	239,690	172,139	168,844	167,183	188,406	186,919	98,351	95,139	275,997
118001 Equip	2,002,706,661	2,068,147,177	2,068,147,177	1,913,021,008	2,021,873,456	1,998,693,395	1,994,999,158	2,014,696,004	2,006,806,092	2,026,777,659	2,022,957,409	2,108,449,993	2,113,067,159	2,019,336,614
119001 Equip	140,560,371	140,560,371	144,446,384	143,155,150	141,516,083	129,573,860	111,874,799	134,836,919	141,006,315	139,052,671	130,927,752	138,955,144	157,753,638	137,745,598
1350 Other	905,821	905,821	905,821	888,443	2,631,207	1,514,541	1,310,241	1,230,392	1,225,363	1,217,575	1,217,118	1,215,091	1,401,368	1,293,043
Subtotal	2,202,974,521	2,258,085,342	2,326,191,960	2,141,115,568	2,204,390,618	2,215,575,770	2,199,337,970	2,259,193,167	2,235,369,438	2,259,403,148	2,295,666,145	2,329,040,101	2,349,571,482	2,250,636,852
Prepayments:														
1290	271,926	271,926	166,950	454,455	274,903	(145,022)	(137,720)	273,043	241,628	111,627	24,026	(79,838)	(150,249)	105,355
1300	16,986,411	16,986,411	17,439,685	20,025,850	20,507,281	17,187,311	14,549,902	13,300,686	12,886,632	14,604,201	10,193,640	17,303,155	5,177,398	15,061,167
1310	7,295,980	7,295,980	10,574,770	8,104,444	7,733,777	6,746,903	5,444,483	7,438,515	5,482,634	11,995,947	10,123,842	8,318,433	7,294,454	8,063,888
1320	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1330	7,393,439	7,393,439	6,227,259	10,854,950	13,693,926	13,120,533	14,400,627	12,217,056	12,713,195	12,913,181	11,759,221	14,720,995	32,724,765	12,531,369
1410	46,592,443	46,592,443	48,021,421	49,351,666	50,681,912	52,012,158	53,342,403	54,672,545	56,002,788	57,333,029	49,636,270	50,809,053	51,312,419	51,395,254
1430	249,421,576	249,421,576	269,371,280	256,399,171	229,835,333	263,083,311	254,865,935	228,429,754	246,771,507	206,670,248	195,790,476	170,210,636	181,250,174	229,895,196
Total Assets	2,586,047,117	2,586,047,117	2,677,993,325	2,486,306,104	2,531,121,750	2,567,579,984	2,541,803,600	2,575,524,766	2,573,467,822	2,563,035,381	2,573,193,620	2,590,322,535	2,622,480,443	2,567,689,082
Current Liabilities:														
4010	1,066,458,164	1,066,458,164	1,137,881,942	1,074,421,341	1,124,116,486	1,123,931,078	1,155,514,032	1,203,899,333	1,181,858,526	1,178,429,799	1,103,736,725	1,195,131,085	1,213,342,930	1,144,550,019
4020	308,777,186	308,777,186	307,345,928	307,404,014	307,914,290	308,460,674	308,920,156	311,556,979	313,406,740	315,084,016	317,013,119	318,458,403	319,165,075	311,217,822
4130	45,831,046	45,831,046	76,912,497	20,861,921	41,189,156	43,496,727	43,083,458	44,278,327	28,225,244	11,712,305	45,468,690	41,669,560	45,229,215	40,270,450
4070	220,426,787	220,426,787	323,233,998	285,262,309	91,927,796	185,899,203	(21,194,370)	50,626,713	149,241,699	30,924,150	124,616,985	246,851,008	(5,800,386)	145,017,127
4080	152,983,394	152,983,394	215,361,902	189,427,960	200,946,959	231,995,253	264,874,034	292,514,748	322,326,728	359,779,087	397,234,398	323,519,160	223,965,017	264,877,987
4120	850,501,344	850,501,344	824,013,645	831,125,621	774,955,812	868,335,185	873,340,344	826,718,892	888,924,677	894,378,257	929,576,456	1,003,519,752	1,014,347,683	881,094,872
Less 4120 2000	157,671,239	157,671,239	188,746,136	166,351,335	110,334,556	173,298,035	153,073,714	94,496,914	132,866,060	135,696,902	120,012,307	155,296,962	142,909,349	132,953,864
Subtotal	2,643,532,201	2,629,994,772	2,696,003,776	2,542,151,831	2,437,715,943	2,588,820,085	2,471,463,940	2,635,098,078	2,751,111,554	2,654,610,712	2,797,634,066	2,973,852,006	2,697,340,205	2,651,074,414
4310	916,898,427	916,898,427	934,545,123	950,551,059	966,258,017	982,684,017	1,005,385,748	1,019,817,524	1,035,706,611	1,048,093,479	1,035,783,941	1,076,358,438	1,088,676,237	997,799,696
4360	66,016,239	66,016,239	80,953,406	89,349,764	94,531,129	103,808,812	143,881,611	160,591,897	179,152,031	189,209,074	215,807,255	215,687,304	192,563,482	138,928,505
Total Liabilities	3,621,627,494	3,612,909,438	3,711,502,305	3,582,052,654	3,498,505,089	3,675,312,914	3,620,731,299	3,815,507,499	3,965,970,196	3,891,913,265	4,049,225,262	4,265,897,748	3,978,579,924	3,790,802,615

"AS FILED"

Dec 94 amounts were traced to GL-FL Basis on work paper 12-6/2-94.

24-1
1

11-Mar-95
02:31 PM

CASH WORKING CAPITAL DISALLOWANCES
12 Month Average
1994
avg

AVG	(1) CO LAWSUIT REIM 4010.695 + 1350.5	(2) CO INTEREST BEARING LIAB 4310 9 BAL	(3) CO NQDP BSTCOMBFR 4310.51-5520 4310.57-5800	(4) CO INTER DEFERRAL 4360.98.99 FR#14+FR#27	(5) CO STATE DEF EXP 1439.9900 JD# 14	(6) CO INTRA OVER-EARN 4010.6920 FR# 12	(7) CO INCENTIVE REG SHRNG 4360.9800 FR# 22	(8) CO TN-BELLBOY & OTHER 1439.99.4310.9 JD# 2	(9) CO CONTINGENCY 4120.1 & 9 FR # 4	(10) CO LPSC RECOVERY 1439.9900 JD# 15	(11) CO MS-CAS DMG RSVE 4360.9900 JD# 17	(12) CO-SC CASUALTY DMG RSVE 4310.8000 JD# 17	(13) CO TAX CONTGCY 4040.1000	(14) CO LAWSUIT 4010.6910
DEC93	972,320	(2,191,947)	(187,543,678)	(45,557,271)	2,365,546	0	(9,311,000)	0	(16,103,945)	736,912	0	0	(16,208,072)	0
JAN94	843,342	(2,180,947)	(180,485,406)	(44,539,938)	1,027,675	0	(9,311,000)	0	(18,103,945)	736,921	0	0	(16,297,578)	0
FEB94	829,604	(2,127,273)	(182,391,172)	(43,522,805)	837,885	0	(9,311,000)	0	(16,103,945)	736,921	0	0	(13,001,393)	0
MAR94	828,304	(2,127,273)	(185,301,018)	(57,505,272)	648,095	0	(9,311,000)	0	(18,439,945)	736,921	0	0	(10,797,134)	0
APR94	2,573,123	(2,127,273)	(188,298,340)	(58,487,939)	458,305	0	(9,311,000)	0	(16,439,945)	736,921	0	0	(10,886,639)	0
MAY94	1,453,564	(2,127,273)	(191,058,842)	(85,170,806)	268,515	(7,100,000)	(9,311,000)	0	(16,439,945)	736,921	0	0	(10,976,145)	0
JUN94	1,240,097	(2,127,273)	(198,783,014)	(108,953,289)	78,725	(36,100,000)	(9,311,000)	0	(16,439,945)	736,921	0	0	(8,158,732)	0
JUL94	1,164,117	(2,127,273)	(201,193,839)	(115,239,018)	(111,065)	(41,700,000)	(9,311,000)	(6,154,625)	(18,439,945)	736,921	(5,673,641)	0	(8,248,238)	0
AUG94	1,157,080	(2,127,273)	(204,124,395)	(123,524,787)	(300,855)	(47,300,000)	(9,311,000)	(8,038,500)	(18,439,945)	736,921	(5,673,641)	0	(8,337,744)	0
SEP94	1,147,248	(2,127,273)	(203,685,828)	(142,283,516)	(490,845)	(50,100,000)	(9,311,000)	(5,609,568)	(20,080,337)	736,921	(5,673,641)	0	(8,427,250)	0
OCT94	1,143,081	(2,127,273)	(208,427,833)	(181,319,791)	(680,435)	(52,900,000)	(9,311,000)	(5,501,853)	(20,080,337)	736,921	(5,673,641)	0	(8,516,755)	0
NOV94	1,136,857	(2,127,273)	(209,288,175)	(171,841,778)	(870,225)	(32,500,000)	(9,311,000)	(5,394,138)	(20,080,337)	736,921	(5,673,641)	0	(8,606,261)	(20,000,000)
DEC94	1,177,480	(2,127,273)	(211,621,795)	(163,229,527)	(736,925)	(27,485,000)	(9,311,000)	(5,288,423)	(27,823,780)	736,921	(5,673,641)	(833,333)	(9,101,214)	(20,000,000)
	1,215,756	(2,134,441)	(195,874,868)	(99,381,825)	140,024	(23,453,958)	(9,311,000)	(2,611,825)	(17,746,036)	736,921	(2,600,419)	(34,722)	(10,409,043)	(2,500,000)

TOTAL DISALLOWANCE (COMPANY AND FLORIDA) ~~44~~ (394,434,184)
FLORIDA SPECIFIC P-2 (30,434,398)

$\Sigma \leftarrow P1 + P2$ 394,434,184

AS FILED

AVG	(1) FL CASUALTY DMG RSVE 4310.8000 JD# 17	(2) FL-INTRA OVER EARN 4120.8200 4010.6920 FR# 12	(3) FL LAWSUIT 4010.6920 ✓
			6728.200

	307		
DEC93	0	0	0
JAN94	(833,333)	0	0
FEB94	(1,666,666)	0	0
MAR94	(2,500,000)	(10,000,000)	0
APR94	(3,333,333)	(10,000,000)	0
MAY94	(4,166,666)	(15,000,000)	0
JUN94	(5,000,000)	(30,000,000)	0
JUL94	(5,833,333)	(35,000,000)	0
AUG94	(6,666,667)	(40,000,000)	0
SEP94	(7,500,000)	(45,000,000)	0
OCT94	(8,333,334)	(50,000,000)	0
NOV94	(9,166,667)	(50,000,000)	0
DEC94	(10,000,001)	(38,000,000)	(3,250,000)
	(5,000,000) ✓	(25,333,333) ✓	(135,417) ✓

FLA-REG 4,619,997,476
FLA-BOOKED 4,679,323,779
98.7321608%
FLA-INTRA 75.5908133%

FLA-SPECIFIC CWC
FLA. COMB (30,333,333) (135,417) 24
FLA. REG (30,333,333) (133,700)
FLA. INTRA (30,333,333) (101,065)
FLA TOTAL (30,434,398) P1

AS FILED

Southern Bell
 Cash working Capital
 T42 12-31-94
 POC

12/9/95
 PG
 12/14/95

SENT BY:REGULATED TAX

: 3-10-95 : 4:17PM :

BSI 5TH FLR-

BELLSOUTH TELECOMMUNICATIONS, INC.
 10-Mar-95
 FILE NAME: C:\123\ADVLRMTXCONTGY

"AS FILED"

AD VALOREM TAX CONTINGENCY

---(CR) to acct 4080.1000

TOTAL				
Month	Accrual	Payment	Adjustment	Balance
Bal. at 12/31/93				(16,208,072)
Tax Year 1994				
January	(89,606)	0	0	(16,297,678)
February	(89,608)	3,385,691	0	(13,001,393)
March	(89,508)	2,293,766	0	(10,797,134)
April	(89,606)	0	0	(10,886,639)
May	(89,606)	0	0	(10,976,145)
June	(89,606)	2,908,919	0	(8,158,732)
July	(89,508)	0	0	(8,248,238)
August	(89,506)	0	0	(8,337,744)
September	(89,508)	0	0	(8,427,250)
October	(89,608)	0	0	(8,516,755)
November	(89,608)	0	0	(8,606,281)
December	(617,771)	0	122,818	(9,101,214)
Bal. at 12/31/94	(1,602,336)	6,688,376	122,818	(9,101,214)

T - Filled
 E - Traced to FR General Ledger

24-1
 2

[illegible]

REQUEST. The following questions relate to the Company's response to
UPC's First Production of Documents, Item No. 2 - the detailed
workpapers supporting the 1994 Surveillance Report.

- 1) Refer to the cash working capital capital (15951). On this schedule, the Company identifies certain liability accounts which are not considered in the cash working capital allowance. Explain in detail the basis for each liability account in columns 1 through 14.
- i. In column 3, the Company lists balances in two accounts and identifies those balances as the NQDP. Assuming these balances relate to a non-qualified deferred compensation plan, identify the specific accounting treatment that the Company follows in recording the liability for non-qualified deferred compensation. In other words, is this a separate charge to wage and salary expense above and beyond normal wages and salaries or is this a charge to accrued wages and a credit to this liability account?
- (1) Please explain the rationale for excluding this liability in the computation of the cash working capital allowance and identify the specific Commission Order and page number which allowed the Company to remove this liability in the computation of the cash working capital allowance.
- (2) To the extent that this deferred compensation plan resulted in a tax timing difference and thus a deferred income tax charge, show how the total Company liability of \$195,874,866 apparently yields a deferred income tax charge of \$7,212,732 shown on 15962 in the capital structure workpapers.

RESPONSE: On the cash working capital schedule (15951) the following liabilities are excluded from the cash working capital computation:

Column (1) - Co. Lawsuit reimbursement - A/C 4010.6900 + A/C 1350.5000

A/C 4010.6950 and A/C 1350.5000 were set up for Special Florida refunds. Amounts in these accounts are related to refunds to customers due to the Attorney General investigation. All amounts related to this investigation are excluded from regulation."

Southern Bell Tel. & Tel. Co.
PSC Docket No. 920260-TL
Public Counselor's
Fifth Set of Interrogatories
April 14, 1995
Item No. 46j
Page 2 of 5

Column (2) - Co Interest Bearing Liability - A/C 4310

A/C 4310.9000 is other long term debt-other. The amounts being excluded here are antitrust liability and the interest on that liability. Interest bearing amounts are excluded from cash working capital.

Column (3) - Co NQDP - A/C 4310-5100 - 5520, 5700-5800

A/C 4310.5100-Executive/Key manager Nonqualified Deferred Compensation Plan

A/C 4310.5200-Executive/Key Manager Nonqualified Deferred Income Plan

A/C 4310.5300-Board of Directors Nonqualified Deferred Compensation Plan

A/C 4310.5400-Board of Directors Deferred Compensation Plan

A/C 4310.5500-Supplemental Executive Retirement Plan

A/C 4310.5700-Management Savings Plan Match Recovery

A/C 4310.5800-Shareholders Return Cash Plan

Amounts in these accounts were excluded from cash working capital because they are interest bearing. Upon further investigation it has been determined that the amounts for A/C 4310.5500, 5700 and 5800 should not have been excluded from cash working capital and will be revised in the final December 31, 1994 Surveillance Report.

Column (4) - Co InterDeferral - A/C 4360.9800, 9900 FR#14 & FR#27

Account 4360.9800 and 9900 are other deferred credits - miscellaneous revenue and disbursements. The amounts in FR#14 are for interstate overearnings and the amounts in FR#27 are for 1991 revenues under price cap regulation. Since these amounts are 100% interstate they are being excluded from the allocation to Company Regulated, Florida regulated and Florida intrastate.

Column (5) - Co State Deferred Expense - A/C 1439.9900 JD#14

A/C 1439.9900 is other deferred charges-miscellaneous disbursements. This JD is applicable to other states and should not be included in the total Company amounts that are being allocated to Florida.

FROM FINANCE REGULATOR

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Column (6) - Co Intra Overearning A/C 4010.6920 FR#12

Column (7) - Co Incentive Reg Sharing - A/C 4360.9800 FR#22

Column (8) - Tr. BellBoy & Other A/C 1439.9900 & A/C 4310.9000
JD#2

Column (9) - Co Contingency - A/C 4120.1000 & .9000 FR#4

Column (10) - Co LPSC Recovery - A/C 1439.9900 JD#15

Column (11) - Co MS Casualty Damage Reserve - A/C 4360.9900 JD#17

Column: (12) - Co. 5C Casualty Damage Reserve - A/C 4310.8000 JD#17

A/C 4110.8000 is other long term liabilities - regulatory funding liability - intrastate. JD#17 is applicable to another state and is being removed from the amount to be allocated to Florida.

	Mean	SD	95% CI	P
Age at onset	6.7	1.8	6.0-7.4	.001
Duration	1.9	1.0	1.4-2.4	.001
Family history	1.0	1.0	.4-1.6	.001
First episode	1.0	1.0	.4-1.6	.001
Second episode	1.0	1.0	.4-1.6	.001
Third episode	1.0	1.0	.4-1.6	.001
Fourth episode	1.0	1.0	.4-1.6	.001
Fifth episode	1.0	1.0	.4-1.6	.001
Sixth episode	1.0	1.0	.4-1.6	.001
Seventh episode	1.0	1.0	.4-1.6	.001
Eighth episode	1.0	1.0	.4-1.6	.001
Ninth episode	1.0	1.0	.4-1.6	.001
Tenth episode	1.0	1.0	.4-1.6	.001
Eleventh episode	1.0	1.0	.4-1.6	.001
Twelfth episode	1.0	1.0	.4-1.6	.001
Thirteenth episode	1.0	1.0	.4-1.6	.001
Fourteenth episode	1.0	1.0	.4-1.6	.001
Fifteenth episode	1.0	1.0	.4-1.6	.001
Sixteenth episode	1.0	1.0	.4-1.6	.001
Seventeenth episode	1.0	1.0	.4-1.6	.001
Eighteenth episode	1.0	1.0	.4-1.6	.001
Nineteenth episode	1.0	1.0	.4-1.6	.001
Twentieth episode	1.0	1.0	.4-1.6	.001
Twenty-first episode	1.0	1.0	.4-1.6	.001
Twenty-second episode	1.0	1.0	.4-1.6	.001
Twenty-third episode	1.0	1.0	.4-1.6	.001
Twenty-fourth episode	1.0	1.0	.4-1.6	.001
Twenty-fifth episode	1.0	1.0	.4-1.6	.001
Twenty-sixth episode	1.0	1.0	.4-1.6	.001
Twenty-seventh episode	1.0	1.0	.4-1.6	.001
Twenty-eighth episode	1.0	1.0	.4-1.6	.001
Twenty-ninth episode	1.0	1.0	.4-1.6	.001
Thirtieth episode	1.0	1.0	.4-1.6	.001
Thirty-first episode	1.0	1.0	.4-1.6	.001
Thirty-second episode	1.0	1.0	.4-1.6	.001
Thirty-third episode	1.0	1.0	.4-1.6	.001
Thirty-fourth episode	1.0	1.0	.4-1.6	.001
Thirty-fifth episode	1.0	1.0	.4-1.6	.001
Thirty-sixth episode	1.0	1.0	.4-1.6	.001
Thirty-seventh episode	1.0	1.0	.4-1.6	.001
Thirty-eighth episode	1.0	1.0	.4-1.6	.001
Thirty-ninth episode	1.0	1.0	.4-1.6	.001
Fortieth episode	1.0	1.0	.4-1.6	.001
Forty-first episode	1.0	1.0	.4-1.6	.001
Forty-second episode	1.0	1.0	.4-1.6	.001
Forty-third episode	1.0	1.0	.4-1.6	.001
Forty-fourth episode	1.0	1.0	.4-1.6	.001
Forty-fifth episode	1.0	1.0	.4-1.6	.001
Forty-sixth episode	1.0	1.0	.4-1.6	.001
Forty-seventh episode	1.0	1.0	.4-1.6	.001
Forty-eighth episode	1.0	1.0	.4-1.6	.001
Forty-ninth episode	1.0	1.0	.4-1.6	.001
Fiftieth episode	1.0	1.0	.4-1.6	.001
Fifty-first episode	1.0	1.0	.4-1.6	.001
Fifty-second episode	1.0	1.0	.4-1.6	.001
Fifty-third episode	1.0	1.0	.4-1.6	.001
Fifty-fourth episode	1.0	1.0	.4-1.6	.001
Fifty-fifth episode	1.0	1.0	.4-1.6	.001
Fifty-sixth episode	1.0	1.0	.4-1.6	.001
Fifty-seventh episode	1.0	1.0	.4-1.6	.001
Fifty-eighth episode	1.0	1.0	.4-1.6	.001
Fifty-ninth episode	1.0	1.0	.4-1.6	.001
Sixtieth episode	1.0	1.0	.4-1.6	.001
Sixty-first episode	1.0	1.0	.4-1.6	.001
Sixty-second episode	1.0	1.0	.4-1.6	.001
Sixty-third episode	1.0	1.0	.4-1.6	.001
Sixty-fourth episode	1.0	1.0	.4-1.6	.001
Sixty-fifth episode	1.0	1.0	.4-1.6	.001
Sixty-sixth episode	1.0	1.0	.4-1.6	.001
Sixty-seventh episode	1.0	1.0	.4-1.6	.001
Sixty-eighth episode	1.0	1.0	.4-1.6	.001
Sixty-ninth episode	1.0	1.0	.4-1.6	.001
Seventieth episode	1.0	1.0	.4-1.6	.001
Seventy-first episode	1.0	1.0	.4-1.6	.001
Seventy-second episode	1.0	1.0	.4-1.6	.001
Seventy-third episode	1.0	1.0	.4-1.6	.001
Seventy-fourth episode	1.0	1.0	.4-1.6	.001
Seventy-fifth episode	1.0	1.0	.4-1.6	.001
Seventy-sixth episode	1.0	1.0	.4-1.6	.001
Seventy-seventh episode	1.0	1.0	.4-1.6	.001
Seventy-eighth episode	1.0	1.0	.4-1.6	.001
Seventy-ninth episode	1.0	1.0	.4-1.6	.001
Eightieth episode	1.0	1.0	.4-1.6	

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ALTER LATHAM COMPANY											
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COMPANY SOUTHERN BELL
TITLE:
TEST PERIOD: 12 MONTHS ENDED 12-31-94
AUDITOR: RAYMOND GRANT
DATE: JULY 8, 1995

	4310.5100 NON-QUAL DEFERRED COMP. PLAN	4310.5200 NON-QUAL DEFERRED INCOME PLAN	4310.5300 BD DIR. NON-QUAL DEFERRED COMP. PLAN	4310.5400 BD OF DIR. DEFERRED COMP PLAN	4310.5500-5510 S.E.R.P. ACCUM LIABIL. TO DATE	4310.5500-5520 S.E.R.P. MINIMUM LIABILITY	4310.5500-5700 S.E.R.P. MANAG. SAVINGS PLAN	4310.5500-5800 S.E.R.P. SHAREHOLDER RET. CASH PLAN	Total	AVERAGE
12/93	(\$57,262,435.32)	(\$59,034,043.62)	(\$177,250.00)	-3026559.84	(\$38,502,253.31)	(\$27,855,329.00)	(\$529,833.50)	(\$1,155,971.00)	(\$187,543,675.59)	
1/94	(\$54,330,737.80)	(\$53,957,490.89)	(\$312,710.61)	(\$3,041,629)	(\$39,183,538.91)	(\$27,855,329.00)	(\$450,830.24)	(\$1,353,139.00)	(\$180,485,405.72)	(\$184,014,541)
2/94	(\$47,689,091.91)	(\$55,179,203.09)	(\$8,890,058.47)	(\$1,151,163)	(\$39,716,598.46)	(\$27,947,291.00)	(\$450,830.24)	(\$1,366,936.02)	(\$182,391,171.95)	(\$181,438,289)
3/94	(\$48,651,160.82)	(\$56,217,048.59)	(\$9,054,439.97)	(\$1,151,163)	(\$40,264,980.95)	(\$27,947,291.00)	(\$450,830.24)	(\$1,564,104.02)	(\$185,301,018.35)	(\$183,846,095)
4/94	(\$48,878,136.42)	(\$58,060,537.33)	(\$9,228,171.47)	(\$1,166,381)	(\$40,805,720.43)	(\$27,947,291.00)	(\$450,830.24)	(\$1,761,272.02)	(\$188,298,339.71)	(\$186,799,679)
5/94	(\$49,840,205.33)	(\$59,154,391.10)	(\$9,362,002.97)	(\$1,166,381)	(\$41,186,316.13)	(\$27,947,291.00)	(\$441,814.94)	(\$1,958,440.02)	(\$191,056,842.29)	(\$189,677,591)
6/94	(\$54,988,559.26)	(\$60,723,279.52)	(\$9,486,234.47)	(\$1,166,381)	(\$41,873,846.09)	(\$27,947,291.00)	(\$441,814.94)	(\$2,155,608.02)	(\$198,783,014.10)	(\$194,919,928)
7/94	(\$55,940,044.84)	(\$61,769,758.29)	(\$9,681,565.97)	(\$1,184,389)	(\$42,396,736.33)	(\$27,930,368.82)	(\$441,814.94)	(\$1,849,160.78)	(\$201,193,839.11)	(\$199,988,427)
8/94	(\$56,891,530.42)	(\$62,822,837.10)	(\$10,029,454.34)	(\$1,184,389)	(\$42,922,815.61)	(\$27,930,368.82)	(\$296,670.77)	(\$2,046,328.78)	(\$204,124,394.98)	(\$202,659,117)
9/94	(\$55,171,753.41)	(\$63,524,745.70)	(\$9,949,924.07)	(\$998,553)	(\$43,446,542.13)	(\$27,930,368.82)	(\$300,444.56)	(\$2,243,496.78)	(\$203,565,828.04)	(\$203,845,112)
10/94	(\$56,088,489.00)	(\$64,534,891.14)	(\$10,123,655.57)	(\$998,553)	(\$43,993,644.60)	(\$27,947,291.00)	(\$300,444.56)	(\$2,440,664.78)	(\$206,427,633.22)	(\$204,996,731)
11/94	(\$57,039,974.58)	(\$65,560,039.01)	(\$10,274,287.07)	(\$1,014,869)	(\$44,513,437.51)	(\$27,947,291.00)	(\$300,444.56)	(\$2,637,832.78)	(\$209,288,175.47)	(\$207,857,904)
12/94	(\$57,991,460.00)	(\$66,809,826.23)	(\$9,719,129.57)	(\$985,726)	(\$45,032,916.29)	(\$27,947,291.00)	(\$300,444.56)	(\$2,835,000.79)	(\$211,621,794.70)	(\$210,454,985)
TOTAL OF MONTHLY AVG									(\$2,350,498,398.08)	
12 MONTH AVERAGE									(\$195,874,867)	

24-1
2

Source: General Ledger

24-1
2-2

Detail of Account 1220 Material and Supplies by Subaccount

	.1100		.1200		.1400		.1500		.1800		.1900		Total 1220		Interstate	Intrastate
	Regulated Balance	Monthly Average	Regulated Balance	Monthly Average	Regulated Balance	Monthly Average	Regulated Balance	Monthly Average	Regulated Balance	Monthly Average	Regulated Balance	Monthly Average	Regulated Balance	Monthly Average	Monthly Average	Monthly Average
Dec 93	✓3,704,101		3,846,683		36,541,888		4,101,470		14,235,959		2,889,537		65,319,638			
Jan94	3,112,344	3,408,223	3,709,763	3,778,223	35,869,419	36,205,654	4,095,465	4,098,468	14,238,309	14,237,134	3,098,277	2,993,907	64,123,578	64,721,609	15,197,854	49,523,755
Feb	2,614,432	2,863,388	3,874,032	3,791,897	34,957,984	35,413,702	4,106,114	4,100,790	15,375,144	14,806,726	2,683,601	2,890,939	63,611,308	63,867,442	13,916,853	49,950,589
Mar	2,150,776	2,382,604	3,980,025	3,927,029	35,595,832	35,276,908	4,109,775	4,107,944	15,064,804	15,219,974	2,576,515	2,630,058	63,477,726	63,544,517	13,713,631	49,830,886
Apr	2,226,494	2,188,635	4,727,358	4,353,691	30,432,896	33,014,364	4,078,542	4,094,158	12,572,981	13,818,892	2,528,261	2,552,388	56,566,531	60,022,128	13,249,892	46,772,236
May	1,789,195	2,007,844	5,775,728	5,251,543	25,994,855	28,213,875	4,084,391	4,081,466	13,974,292	13,273,636	2,347,511	2,437,886	53,965,972	55,266,250	21,047,800	34,218,450
June	1,175,005	1,482,100	7,767,790	6,771,759	28,463,179	27,229,017	4,048,147	4,066,269	14,305,908	14,140,100	2,415,228	2,381,370	58,175,258	56,070,615	14,077,032	41,993,583
July	385,301	780,153	8,509,303	8,138,546	29,299,084	28,881,132	4,068,515	4,058,331	13,960,682	14,133,295	2,053,424	2,234,326	58,276,309	58,225,783	14,612,575	43,613,208
Aug	(12,085)	186,608	9,441,049	8,975,176	30,524,423	29,911,754	4,035,035	4,051,775	13,520,901	13,740,792	1,517,975	1,785,699	59,027,298	58,651,804	14,737,086	43,914,718
Sept	59,348	23,632	10,680,152	10,060,600	33,900,682	32,212,552	3,982,989	4,009,012	12,748,935	13,134,918	1,488,893	1,503,434	62,860,998	60,944,148	15,319,835	45,624,313
Oct	242,525	150,937	17,770,873	14,225,512	40,453,029	37,176,855	3,992,011	3,987,500	5,639,241	9,194,088	2,537,930	2,013,411	70,635,610	66,748,303	16,785,063	49,963,240
Nov	(75,968)	83,278	11,530,810	14,650,841	45,106,759	42,779,894	3,998,425	3,995,218	18,761,541	12,200,391	2,615,074	2,576,502	81,936,640	76,286,124	19,195,268	57,090,856
Dec 94	3,955,492	1,939,762	12,110,873	11,820,841	45,957,526	45,532,143	3,923,906	3,961,165	12,810,094	15,785,817	1,691,745	2,153,409	80,449,635	81,193,137	20,433,958	60,759,179
12 Months Average		1,458,097		7,978,805		34,320,654		4,051,008		13,640,480		2,346,111		63,795,155	16,023,904	47,771,251

12-3 P1
24

12-6 P2
"AS FILED"

PR

Detail of Materials - Supply Sub Acct

Southern Bell

12/14/95
12/15/95

AUDIT EXCEPTION NO

SUBJECT WORKING CAPITAL ADJUSTMENTS

STATEMENTS OF FACTS

In June 1995, the company prepared a revised Cash Working Capital Analysis for 12 month period ending December 31, 1994. The revision has caused Florida Intrastate Cash Working Capital to increase by (\$12,757,909) from (\$177,074,126) to (\$189,832,029). The allowance for cash working capital was revised to reflect the adjustments made to correct deferred compensation liability and ad valorem tax contingency reported on the Cash Working Capital Disallowances

The reasons why Cash Working Capital changed from \$177,074,126 to \$189,832,029 are due to the following:

- 1 The total average Non Qualified Deferred Compensation Plan (NQDCP) on Column 3 of \$195,874,866 on the company's schedule of Cash Working Capital Disallowances included subaccounts of 4310 related to the Supplemental Executive Retirement Plan (SERP), Management Savings Plan (MSP) and Shareholders Retirement Cash Plan (SRCP) that were not interest bearing. The total average Non Qualified Deferred Compensation Plan (NQDCP) on Column 3 should only have amounts from account 4310.5100 - 5400.

The company revised Cash Working Capital Disallowance schedule indicates that the correct NQDCP amount to be removed from Southern Bell Cash Working Capital is \$123,761,122. The difference in the twelve months average for the NQDCP disallowance is \$72,113,743. This amount was allocated to the utility cash working capital using the Regulated %, State% and Intrastate % from the working capital printouts

- 2 The company tax contingency column 13 of the company's schedule of Cash Working Capital Disallowances changed for the month of December 1994 because a payment had been omitted from the worksheet provided to the tax office. This adjustment increased the total average tax contingency by \$17,246. This amount was allocated to the utility cash working capital using the Regulated %, State% and Intrastate % from the working capital printouts. Staff's calculation follows.

Deferred Compensation Liability		Amount
Revised Deferred Comp. Liab. On Working Capital Disallowances Sch. Column No. 3	$\frac{24-3}{1-1} P1$	\$123,761,122
Deferred Comp. Liability On Working Capital Disallowances Sch. Column No. 3	$\frac{24-1}{2} P1$	\$195,874,866

		(\$72,113,744) ^(A)
Regulated Cash Working Capital - State Portion:	98.9866426%	(\$71,382,974)
FLORIDA Intrastate Portion	23.6493666%	(\$16,881,621)
FLORIDA	75.5908133%	(\$12,760,955)
Impact on WC		(\$12,760,955)

24-3
Pg 1 of 2

Southern Bell

Revised Cash Working Capital

TYE 12-31-94

PSC

10/1/94
9/1/94

RG

8/21/95

by 8/21/95

Tax Contingency Computation

Revised Average Tax Contingency Per Cash Working
Capital Sch. Column No. 13

$\frac{74-3}{1-1} P1$

\$10,426,289

Average Tax Contingency Per Cash Working
Capital Sch. Column No. 13

$\frac{24-1}{2} P1$

\$10,409,043

\$17,246

(P1)

Regulated Cash Working Capital
State Portion:

98.9866426%

\$17,071

FLORIDA

23.6493668%

\$4,037

Intrastate Portion:

FLORIDA

75.5908133%

\$3,052

Impact on WC

Total Adjustment to Working Capital Allowance

(\$12,757,903)

(24)

OPINION:

The revised Cash Working Capital Analysis has caused the Working Capital Allowance on the Rate Base Schedule on page 1 of the Telephone Earnings Surveillance Report to increase by (\$12,757,909) from (\$129,302,875) to (\$142,060,778). In answer to staff auditor's request on when the revised Surveillance Report will be filed with the FPSC, the company stated that since the annual tax true-ups will not be booked until October or November 1994, the revised Surveillance Report would probably not be filed with the FPSC until December 1995.

	Filed	Revised	Difference
FI Intrastate Cash Working Capital	(24) (\$177,074,126)	(\$189,832,029)	
Less Materials & Supplies - Account 1220	\$47,771,251	\$47,771,251	
Working Capital Allowance On Rate Base Schedule	(\$129,302,875)	(\$142,060,778)	\$12,757,903

RECOMMENDATION:

24-3

07-Jun-95
08:19 AM

FLORIDA
CASH WORKING CAPITAL FR ANALYSIS
12 MONTH AVERAGE ENDING
1994

REVISED

avg

Account Number	Description	Company Average Balances
Current Assets:		
1130	Cash	89,199,358
1140	Special Cash Deposits	604,810
1150	Working Funds	2,181,432
1160	Temporary Cash Investments	0
1200/1201	Notes Receivable	275,997
1180/1181	Due From Customers and Agents	2,019,336,614
1190/1191	Accounts Receivable	137,745,597
1350	Other Current Assets	1,293,043
	SubTotal	2,250,636,851
Prepayments:		
1290	Prepaid Rents	105,356
1300	Prepaid Taxes	15,061,167
1310	Prepaid Insurance	8,063,888
1320	Prepaid Directory Expenses	0
1330	Other Prepayments	12,531,369
1410	Other Noncurrent Assets	51,395,254
1438/9	Other Deferred Charges	229,895,196
	Total Assets	2,567,689,081
Current Liabilities		
4010	Accounts Payable	1,144,550,019
4030	Advanced billing and Payments	311,217,822
4130	Other Current Liabilities	40,270,450
4070	Income Taxes Accrued	145,017,127
4080	Other Taxes Accrued	264,877,987
4120	Unmatured Interest, Dividends and Rents Accrued	881,094,872
4120.2	Less: Accrued Dividends	132,953,864
	SubTotal	2,654,074,413
4310	Other Long Term Liabilities	997,799,696
4360	Other Deferred Credits	138,928,505
	Total Liabilities	3,790,802,614
	Disallowance Total	(322,337,687)
	Southern Bell Net Cash Working Capital	(900,775,846)
	Regulated Cash Working Capital	98.9866426% (891,647,767)
	State Portion:	
	FLORIDA	23.6493668% (210,869,051)
	Intrastate Portion:	
	FLORIDA	75.5908133% (159,397,631)
	Includes Fla. Specific Entries	(30,434,398)
	FLORIDA INTRASTATE CASH WORKING CAPITAL	(189,832,029)

7/16/95

24-311-1

Source: Schedule of Cash Working Capital Allowances
on WP 24-3/1-1

24-3
1-1

07-Jun-95
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REVISED

CASH WORKING CAPITAL DISALLOWANCES
12 Month Average

1994
avg

AVG	(1) CO LAWSUIT REIM 4010.695 + 1350.5	(2) CO INTEREST BEARING LIAB 4310.9 BAL	(3) CO NODP BSTCOMBFR 4310.61-5400	(4) CO INTER DEFERRAL 4360.98.99 FR#14+FR#27	(5) CO STATE DEF. EXP 1439.9900 JD# 14	(6) CO INTRA OVER-EARN 4010.6920 FR# 12	(7) CO INCENTIVE REG SHRN 4360.9800 FR# 12	(8) CO TN-BELLBOY & OTHER 1439.99.4310 9 JD# 2	(9) CO CONTGCV 4120.1 & 9	(10) CO LPSC RECOVERY 1439.9900 JD# 15	(11) CO MS-CAS DMG RSVE 4360.9900 JD# 17	(12) CO-SC CASUALTY DMG RSVE 4310-8000 JD# 17	(13) CO TAX CONTGCV 4040-1000	(14) CO LAWSUIT 4010.6910
DEC93	972,320	(2,191,947)	(119,500,289)	(45,557,271)	2,365,546	0	(9,311,000)	0	(16,103,945)	736,912	0	0	(16,208,072)	0
JAN94	843,342	(2,180,947)	(111,842,569)	(44,539,938)	1,027,675	0	(9,311,000)	0	(16,103,945)	736,921	0	0	(16,297,578)	0
FEB94	829,604	(2,127,273)	(112,909,517)	(43,522,805)	837,885	0	(9,311,000)	0	(16,103,945)	736,921	0	0	(13,001,393)	0
MAR94	826,304	(2,127,273)	(115,073,812)	(57,505,272)	646,095	0	(9,311,000)	0	(16,439,945)	736,921	0	0	(10,797,134)	0
APR94	2,573,123	(2,127,273)	(117,333,227)	(58,487,939)	458,305	0	(9,311,000)	0	(16,439,945)	736,921	0	0	(10,888,639)	0
MAY94	1,453,584	(2,127,273)	(119,522,980)	(85,170,608)	268,515	(7,100,000)	(9,311,000)	0	(16,439,945)	736,921	0	0	(10,978,145)	0
JUN94	1,240,097	(2,127,273)	(128,364,454)	(108,953,269)	78,725	(36,100,000)	(9,311,000)	0	(16,439,945)	736,921	0	0	(8,158,732)	0
JUL94	1,184,117	(2,127,273)	(128,575,758)	(115,239,018)	(111,065)	(41,700,000)	(9,311,000)	(8,154,825)	(16,439,945)	736,921	(5,673,641)	0	(8,248,238)	0
AUG94	1,157,060	(2,127,273)	(130,928,211)	(123,524,767)	(300,855)	(47,300,000)	(9,311,000)	(8,038,500)	(16,439,945)	736,921	(5,673,641)	0	(8,337,744)	0
SEP94	1,147,246	(2,127,273)	(129,844,975)	(142,283,516)	(490,845)	(50,100,000)	(9,311,000)	(5,609,568)	(20,080,337)	736,921	(5,673,641)	0	(8,427,250)	0
OCT94	1,143,061	(2,127,273)	(131,745,587)	(161,319,791)	(680,435)	(52,900,000)	(9,311,000)	(5,501,853)	(20,080,337)	736,921	(5,673,641)	0	(8,516,755)	0
NOV94	1,138,657	(2,127,273)	(133,869,168)	(171,641,778)	(870,225)	(32,500,000)	(9,311,000)	(5,394,138)	(20,080,337)	736,921	(5,673,641)	0	(8,606,281)	(20,000,000)
DEC94	1,177,480	(2,127,273)	(135,508,142)	(183,229,527)	(736,925)	(27,495,000)	(9,311,000)	(5,288,423)	(27,623,780)	736,921	(5,673,641)	(833,333)	(9,515,115)	(20,000,000)
	1,215,766	(2,134,441)	(123,761,123)	(99,381,825)	140,024	(23,453,958)	(9,311,000)	(2,611,825)	(17,746,036)	736,921	(2,600,419)	(34,722)	(19,426,289)	(2,500,000)

TOTAL DISALLOWANCE (COMPANY AND FLORIDA) (322,337,687)

FLORIDA SPECIFIC (30,434,398)

✓ - Total to 30. 24-3
1-1

24-3
1-1
1-3

24-3
1-1

24-3
1-1

24-3
1-1

AVG	(1) FL CASUALTY DMG RSVE 4310.8000 JD# 17 *	(2) FL-INTRA OVER EARN 4120.8200 4010.6920 FR# 12	(3) FL LAWSUIT 4010.6920 ✓ 6728.200
DEC93	0	0	0
JAN94	(833,333)	0	0
FEB94	(1,666,666)	0	0
MAR94	(2,500,000)	(10,000,000)	0
APR94	(3,333,333)	(10,000,000)	0
MAY94	(4,166,666)	(15,000,000)	0
JUN94	(5,000,000)	(30,000,000)	0
JUL94	(5,833,333)	(35,000,000)	0
AUG94	(6,666,667)	(40,000,000)	0
SEP94	(7,500,000)	(45,000,000)	0
OCT94	(8,333,334)	(50,000,000)	0
NOV94	(9,166,667)	(50,000,000)	0
DEC94	(10,000,001) F	(38,000,000) F	(3,250,000) F
	(5,000,000) ✓	(25,333,333) ✓	(135,417) ✓

FLA-REG 4,619,997,476
 FLA-BOOKED 4,679,323,779
 98.7321608%
 FLA-INTRA 75.5908133%

 FLA-SPECIFIC CWC
 FLA. COMB (30,333,333)
 FLA. REG (30,333,333)
 FLA. INTRA (30,333,333)
 FLA TOTAL (30,434,398) P1

* Included in Prior Rate
 Case Audit schedule of
 Disallowances
 Docket 920260-JL
 AFN # 93-193-4-1

Southern Bell.
Cash Working Capital Disallowance
Type 12-31-94
PBC

W 9/10/95
RC
R 8/19/95

SENT BY:REGULATED TAX

: 6- 7-95 : 9:45AM :

BST 5TH FLR-

9

BELLSOUTH TELECOMMUNICATIONS, INC.
07-JUN-95
FILE NAME: C:\123\ADVLRMTXCONTGY

"REVISED"

AD VALOREM TAX CONTINGENCY - 1994

DR(CR) to acct 4080.1000

TOTAL				
Month	Accrual	Payment	Adjustment	Balance
Bal. at 12/31/93				(16,208,072)
Tax Year 1994				
January	(89,508)	0	0	(16,297,578)
February	(89,508)	3,385,891	0	(13,001,393)
March	(89,508)	2,293,766	0	(10,797,134)
April	(89,508)	0	0	(10,886,639)
May	(89,506)	0	0	(10,976,145)
June	(89,508)	2,906,919	0	(8,158,732)
July	(89,508)	0	0	(8,248,238)
August	(89,508)	0	0	(8,337,744)
September	(89,508)	0	0	(8,427,250)
October	(89,508)	0	0	(8,516,753)
November	(89,508)	0	0	(8,606,261)
December	(1,031,672)	0	122,818	(9,515,115)
Bal. at 12/31/94	(2,016,238)	8,686,375	122,818	(9,515,115)

P 1

See work paper 24-

24-3

24-1

fbu

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260-TL
Public Counsel's
Fifth Set of Interrogatories
April 14, 1995
Item No. 46j
Page 4 of 5

Column (13) - Co Tax Contingency - A/C 4040.1000

Account heading 4040.1000 should have been 4080.1000 which is other taxes accrued. The dollar amounts have been stated correctly. This adjustment is for an ad valorem tax contingency and such contingencies are excluded from regulation until paid.

Column (14) - Co Lawsuit - A/C 4010.6910

A/C 4010.6910 is account payable - miscellaneous revenues. This amount is being excluded from the amount to be allocated to Florida because it is interest bearing related to 100% nonregulated operations.

i. The accounting treatment for the deferred compensation plans is: Dr Salary Expense and Cr Deferred Compensation Liability. These dollars are a portion of the regular salary treatment for certain specific employees, and are part of a plan to defer the receipt of these salary dollars to a later date.

(1) This liability has been excluded from the computation of cash working capital based on the computation used in Docket No. 820294-TP, Order No. 12221, Page 10, Item 3, Working Capital Section and approved by the Florida Public Service Commission. In that section it states that the Company used cost free current assets and cost free current liabilities to determine net cash working capital.

(2) The total average deferred compensation liability of \$195,874,866 shown above includes BST's liabilities for NQDCP, NQDIP, SERP, MSP, and SRCP. However, the average deferred income tax charge for Florida of \$7,212,732 shown above relates only to the liabilities for NQDCP and NQDIP. As stated

P1

12/10/95
 12/8/95

above, the liability removed from total company cash working capital should be limited to the liability for NQDCP and NQDIP (excluding SERP, MSP and SRCP). The proper deferred compensation total company liability amount to be removed from cash working capital is \$123,761,122 which will be reflected in the Company's revised Surveillance Report for 1994. The state deferred income tax is calculated using an average state rate for the year. The federal deferred income tax is calculated at 35% on the net liability less the associated state deferred income tax.

Take

195, 374, 366
 123, 361, 132
 12, 113, 744
 12, 33, 366, 421
 12, 36, 133, 133
 12, 37, 3, 133
 12, 16, 95

P2

$$\begin{array}{r} 24-3 \\ \hline 6-1 \\ \hline 1-1 \end{array}$$

(Please Use Ball Point Pen - Press Hard)

**FLORIDA PUBLIC SERVICE COMMISSION
DOCUMENT / RECORD REQUEST**

TO: Pat PeacockUTILITY: Southern BellFROM: Ruth Young
(AUDIT MANAGER)Raymond GRANT
(AUDITOR PREPARING REQUEST)REQUEST NUMBER: 41DATE OF REQUEST: 8-15-95AUDIT PURPOSE: SurveillanceREQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY 8-18-95
(DATE)

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:

ITEM DESCRIPTION:☐ INCIDENT TO AN INQUIRY☒ OUTSIDE OF AN INQUIRY

1 Please provide a detailed explanation of why the Florida
 Interstate Wash working Capital Analysis changed from
 \$177,074,126 to \$189,832,029

2 To the best of your knowledge please indicate when
 the revised schedules will be filed with the FPSC.

TO: AUDIT MANAGER Ruth Young DATE 8/17/95**THE REQUESTED RECORD OR DOCUMENTATION:**

- (1) ☒ HAS BEEN PROVIDED TODAY Federal Express to Miami
- (2) ☐ CANNOT BE PROVIDED IN THREE (3) WORK DAYS BUT WILL BE MADE AVAILABLE BY _____
- (3) ☐ AND IN MY OPINION THIS MATERIAL IS PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. I UNDERSTAND THAT TO OBTAIN TEMPORARY CONFIDENTIAL HANDLING A NOTICE OF INTENT MUST BE FILED WITH THE DIVISION OF RECORDS AND REPORTING. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE COMMISSION STAFF HAS OBTAINED THE MATERIAL (OR IN THE CASE OF MATERIAL OBTAINED DURING THE COURSE OF AN AUDIT, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE) FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006 F.A.C.
- (4) ☐ THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

Patricia J. Klein, Manager
 SIGNATURE AND TITLE OF RESPONDENT

DISTRIBUTION:

W 9/6/90
RC
8/28/95
13/12/95

24-3
1-1
1-2

COMPANY: SOUTHERN BELL
TITLE:
TEST PERIOD: 12 MONTHS ENDED 12-31-94
AUDITOR: RAYMOND GRANT
DATE: JULY 8, 1995

	4310.5100 NON-QUAL DEFERRED COMP.	4310.5200 NON-QUAL DEFERRED INCOME	4310.5300 BD DIR. NON-QUAL DEFERRED COMP.	4310.5400 BD OF DIR. DEFERRED COMP.	TOTAL	AVERAGE
	PLAN	PLAN	PLAN	PLAN		
12/93	(\$57,262,435.32) P1	(\$59,034,043.62) P2	(\$177,250.00) L	(\$3,026,559.84) P3	(\$119,500,288.78)	
1/94	(\$54,330,737.80)	(\$53,957,490.89)	(\$312,710.61)	(\$3,041,629.27)	(\$111,642,568.57)	(\$115,571,429)
2/94	(\$47,689,091.91)	(\$55,179,203.09)	(\$8,890,058.47)	(\$1,151,162.76)	(\$112,909,516.23)	(\$112,276,042)
3/94	(\$48,651,160.82)	(\$56,217,048.59)	(\$9,054,439.97)	(\$1,151,162.76)	(\$115,073,812.14)	(\$113,991,664)
4/94	(\$48,878,136.42)	(\$58,060,537.33)	(\$9,228,171.47)	(\$1,166,380.80)	(\$117,333,226.02)	(\$116,203,519)
5/94	(\$49,840,205.33)	(\$59,154,391.10)	(\$9,362,002.97)	(\$1,166,380.80)	(\$119,522,980.20)	(\$118,428,103)
6/94	(\$54,988,559.26)	(\$60,723,279.52)	(\$9,486,234.47)	(\$1,166,380.80)	(\$126,364,454.05)	(\$122,943,717)
7/94	(\$55,940,044.84)	(\$61,769,758.29)	(\$9,681,565.97)	(\$1,184,389.14)	(\$128,575,758.24)	(\$127,470,106)
8/94	(\$56,891,530.42)	(\$62,822,837.10)	(\$10,029,454.34)	(\$1,184,389.14)	(\$130,928,211.00)	(\$129,751,985)
9/94	(\$55,171,753.41)	(\$63,524,745.70)	(\$9,949,924.07)	(\$998,552.57)	(\$129,644,975.75)	(\$130,286,593)
10/94	(\$56,088,489.00)	(\$64,534,891.14)	(\$10,123,655.57)	(\$998,552.57)	(\$131,745,588.28)	(\$130,695,282)
11/94	(\$57,039,974.58)	(\$65,560,039.01)	(\$10,274,287.07)	(\$1,014,868.96)	(\$133,889,169.62)	(\$132,817,379)
12/94	(\$57,991,460.00)	(\$66,809,826.23)	(\$9,719,129.57)	(\$985,726.26)	(\$135,506,142.06)	(\$134,697,656)
					TOTAL OF MONTHLY AVG	(\$1,485,133,475.52)
					12 MONTH AVERAGE	(\$123,761,123)

$$\frac{24-3}{1-1} p_1$$

THE WALTER LATHAM COMPANY "38 345-879"

PROGRAM: CZ02A450
RUN DATE/TIME: 01/11/95 185304
PASS: 10
SITE: COMPANY

BELLSOUTH TELECOMMUNICATIONS
REPORT MONTH: DECEMBER, 1994
GENERAL LEDGER - FR BASIS

FORM: MP-1580
PAGE: 503
RETENTION: PERM.

ACCOUNT 4310-4000-4300					
MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	115,591,304.00-	.00	848,916.67	848,916.67-	116,440,220.67-
FEBRUARY	116,440,220.67-	.00	848,916.67	848,916.67-	117,289,137.34-
MARCH	117,289,137.34-	.00	848,916.67	848,916.67-	118,138,054.01-
APRIL	118,138,054.01-	.00	848,916.67	848,916.67-	118,986,970.68-
MAY	118,986,970.68-	.00	848,916.67	848,916.67-	119,835,887.35-
JUNE	119,835,887.35-	.00	848,916.67	848,916.67-	120,684,804.02-
JULY	120,684,804.02-	.00	848,916.67	848,916.67-	121,533,720.69-
AUGUST	121,533,720.69-	.00	848,916.67	848,916.67-	122,382,637.36-
SEPTEMBER	122,382,637.36-	.00	848,916.67	848,916.67-	123,231,554.03-
OCTOBER	123,231,554.03-	.00	848,916.67	848,916.67-	124,080,470.70-
NOVEMBER	124,080,470.70-	.00	848,916.67	848,916.67-	124,929,387.37-
DECEMBER	124,929,387.37-	.00	1,374,612.63	1,374,612.63-	126,304,000.00-
YTD TOTAL	115,591,304.00-	.00	10,712,696.00	10,712,696.00-	126,304,000.00-

ACCOUNT 4310-5000 *****					
MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	189,706,739.90-	12,832,885.83	5,408,958.36	7,423,927.47	182,282,812.43-
FEBRUARY	182,282,812.43-	11,342,389.29	13,248,155.52	1,905,766.23-	184,188,578.66-
MARCH	184,188,578.66-	661,647.79	3,571,494.19	2,909,846.40-	187,098,425.06-
APRIL	187,098,425.06-	1,323,341.82	4,311,869.52	2,988,527.70-	190,086,952.76-
MAY	190,086,952.76-	835,513.01	3,594,815.59	2,758,502.58-	192,845,455.34-
JUNE	192,845,455.34-	690,387.89	8,416,559.70	7,726,171.81-	200,571,627.15-
JULY	200,571,627.15-	1,344,298.09	3,707,533.98	2,363,235.89-	202,934,863.04-
AUGUST	202,934,863.04-	843,666.98	3,774,222.85	2,930,555.87-	205,865,418.91-
SEPTEMBER	205,865,418.91-	4,139,798.41	3,581,231.47	558,566.94	205,306,851.97-
OCTOBER	205,306,851.97-	818,020.74	3,632,516.61	2,814,495.87-	208,121,347.84-
NOVEMBER	208,121,347.84-	720,115.37	3,580,657.62	2,860,542.25-	210,981,890.09-
DECEMBER	210,981,890.09-	1,523,729.65	3,857,348.91	2,333,619.26-	213,315,509.35-
YTD TOTAL	189,706,739.90-	37,075,794.87	68,684,564.32	23,608,769.45-	213,315,509.35-

ACCOUNT 4310-5000-5100					
MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	57,262,435.32-	5,422,670.00	2,490,972.48	2,931,697.52	54,330,737.80-
FEBRUARY	54,330,737.80-	7,639,048.12	997,402.23	6,641,645.89	47,689,091.91-
MARCH	47,689,091.91-	.00	962,068.91	962,068.91-	48,651,160.82-
APRIL	48,651,160.82-	779,509.97	1,006,485.57	226,975.60-	48,878,136.42-
MAY	48,878,136.42-	.00	962,068.91	962,068.91-	49,840,205.33-
JUNE	49,840,205.33-	9,166.65	5,157,520.58	5,148,353.93-	54,988,559.26-
JULY	54,988,559.26-	.00	951,485.58	951,485.58-	55,940,044.84-
AUGUST	55,940,044.84-	.00	951,485.58	951,485.58-	56,891,530.42-
SEPTEMBER	56,891,530.42-	2,671,262.59	951,485.58	1,719,777.91-	55,171,753.41-
OCTOBER	55,171,753.41-	34,749.99	951,485.58	916,735.59-	56,088,489.00-
NOVEMBER	56,088,489.00-	.00	951,485.58	951,485.58-	57,039,974.58-
DECEMBER	57,039,974.58-	.00	951,485.46	951,485.46-	57,991,460.04-
YTD TOTAL	57,262,435.32-	16,556,407.32	17,285,432.04	729,024.72-	57,991,460.04-

***** NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE BELLSOUTH EXCEPT UNDER WRITTEN AGREEMENT *****

PROGRAM: C202A450
RUN DATE/TIME: 01/11/95 105304
PASS: 10
SITE: COMPANY

BELLSOUTH TELECOMMUNICATIONS
REPORT MONTH: DECEMBER, 1994
GENERAL LEDGER - FR BASIS

FORM: MP-1580
PAGE: 504
RETENTION: PERM.

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	59,034,043.62	6,231,598.23	1,155,045.50	5,076,552.73	53,957,490.89
FEBRUARY	53,957,490.89	.00	1,221,712.20	1,221,712.20	55,179,203.09
MARCH	55,179,203.09	833.29	1,038,678.79	1,037,845.50	56,217,048.59
APRIL	56,217,048.59	6,083.33	1,849,572.07	1,843,488.74	58,060,537.33
MAY	58,060,537.33	.00	1,093,853.77	1,093,853.77	59,154,391.10
JUNE	59,154,391.10	.00	1,568,888.42	1,568,888.42	60,723,279.52
JULY	60,723,279.52	.00	1,046,478.77	1,046,478.77	61,769,758.29
AUGUST	61,769,758.29	.00	1,053,078.81	1,053,078.81	62,822,837.10
SEPTEMBER	62,822,837.10	325,236.83	1,027,145.43	701,908.60	63,524,745.70
OCTOBER	63,524,745.70	14,999.98	1,075,145.42	1,010,145.44	64,534,891.14
NOVEMBER	64,534,891.14	9,747.59	1,034,895.46	1,025,147.87	65,560,039.01
DECEMBER	65,560,039.01	104,000.00	1,353,787.22	1,249,787.22	66,809,826.23
YTD TOTAL	59,034,043.62	6,692,499.25	14,468,281.86	7,775,782.61	66,809,826.23

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	177,250.00	35,020.89	170,481.50	135,460.61	312,710.61
FEBRUARY	312,710.61	919,547.47	9,496,895.33	8,577,347.86	8,879,858.47
MARCH	8,879,858.47	.00	164,381.50	164,381.50	9,044,239.97
APRIL	9,044,239.97	.00	173,731.50	173,731.50	9,228,171.47
MAY	9,228,171.47	.00	133,831.50	133,831.50	9,362,002.97
JUNE	9,362,002.97	.00	124,231.50	124,231.50	9,486,234.47
JULY	9,486,234.47	.00	195,331.50	195,331.50	9,681,565.97
AUGUST	9,681,565.97	.00	347,888.37	347,888.37	10,029,454.34
SEPTEMBER	10,029,454.34	247,864.24	167,533.97	79,530.27	9,949,924.07
OCTOBER	9,949,924.07	.00	173,731.50	173,731.50	10,123,655.57
NOVEMBER	10,123,655.57	.00	150,631.50	150,631.50	10,274,287.07
DECEMBER	10,274,287.07	679,389.00	124,231.50	555,157.50	9,719,129.57
YTD TOTAL	177,250.00	1,881,021.60	11,422,901.17	9,541,879.57	9,719,129.57

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	3,026,559.84	13,500.00	28,569.43	15,069.43	3,041,629.27
FEBRUARY	3,041,629.27	1,917,466.51	27,000.00	1,890,466.51	1,151,162.76
MARCH	1,151,162.76	.00	.00	.00	1,151,162.76
APRIL	1,151,162.76	.00	15,218.04	15,218.04	1,166,380.80
MAY	1,166,380.80	.00	.00	.00	1,166,380.80
JUNE	1,166,380.80	.00	.00	.00	1,166,380.80
JULY	1,166,380.80	.00	18,008.34	18,008.34	1,184,389.14
AUGUST	1,184,389.14	.00	.00	.00	1,184,389.14
SEPTEMBER	1,184,389.14	185,836.57	.00	185,836.57	998,552.57
OCTOBER	998,552.57	.00	.00	.00	998,552.57
NOVEMBER	998,552.57	1,944.66	18,261.05	16,316.39	1,014,868.96
DECEMBER	1,014,868.96	29,142.70	.00	29,142.70	985,726.26
YTD TOTAL	3,026,559.84	2,147,890.44	187,056.86	2,040,833.58	985,726.26

***** NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE BELLSOUTH EXCEPT UNDER WRITTEN AGREEMENT *****

PROGRAM: CZ02A450
RUN DATE/TIME: 01/11/95 185304
PASS: 10
SITE: COMPANY

BELLSOUTH TELECOMMUNICATIONS
REPORT MONTH: DECEMBER, 1994
GENERAL LEDGER - FR BASIS

FORM: MP-1530
PAGE: 505
RETENTION: PERM.

ACCOUNT 4310-5000-5500 WWWW

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	66,357,582.31-	648,067.40	1,329,353.00	681,285.60-	67,038,867.91-
FEBRUARY	67,038,867.91-	676,538.21	1,301,559.76	625,021.55-	67,663,889.46-
MARCH	67,663,889.46-	660,814.50	1,209,196.99	548,382.49-	68,212,271.95-
APRIL	68,212,271.95-	507,657.43	1,048,396.91	540,739.48-	68,753,011.43-
MAY	68,753,011.43-	826,497.71	1,207,093.41	380,595.70-	69,133,607.13-
JUNE	69,133,607.13-	681,221.24	1,368,751.20	687,529.96-	69,821,137.09-
JULY	69,821,137.09-	714,891.34	1,220,859.40	505,968.06-	70,327,105.15-
AUGUST	70,327,105.15-	698,522.81	1,224,602.09	526,079.28-	70,853,184.43-
SEPTEMBER	70,853,184.43-	701,868.54	1,225,595.06	523,726.52-	71,376,910.95-
OCTOBER	71,376,910.95-	702,347.47	1,266,372.12	564,024.65-	71,940,935.60-
NOVEMBER	71,940,935.60-	708,423.12	1,228,216.03	519,792.91-	72,460,728.51-
DECEMBER	72,460,728.51-	711,197.95	1,230,676.73	519,478.78-	72,980,207.29-
YTD TOTAL	66,357,582.31-	8,238,047.72	14,860,672.70	6,622,624.98-	72,980,207.29-

ACCOUNT 4310-5000-5500-5510

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	38,502,253.31-	648,067.40	1,329,353.00	681,285.60-	39,183,538.91-
FEBRUARY	39,183,538.91-	676,538.21	1,209,597.76	533,059.55-	39,716,598.46-
MARCH	39,716,598.46-	660,814.50	1,209,196.99	548,382.49-	40,264,980.95-
APRIL	40,264,980.95-	507,657.43	1,048,396.91	540,739.48-	40,805,720.43-
MAY	40,805,720.43-	826,497.71	1,207,093.41	380,595.70-	41,186,316.13-
JUNE	41,186,316.13-	681,221.24	1,368,751.20	687,529.96-	41,873,846.09-
JULY	41,873,846.09-	697,969.16	1,220,859.40	522,890.24-	42,396,736.33-
AUGUST	42,396,736.33-	698,522.81	1,224,602.09	526,079.28-	42,922,815.61-
SEPTEMBER	42,922,815.61-	701,868.54	1,225,595.06	523,726.52-	43,446,542.13-
OCTOBER	43,446,542.13-	702,347.47	1,249,449.94	547,102.47-	43,993,644.60-
NOVEMBER	43,993,644.60-	708,423.12	1,228,216.03	519,792.91-	44,513,437.51-
DECEMBER	44,513,437.51-	711,197.95	1,230,676.73	519,478.78-	45,032,916.29-
YTD TOTAL	38,502,253.31-	8,221,125.54	14,751,788.52	6,530,662.98-	45,032,916.29-

ACCOUNT 4310-5000-5500-5520

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	27,855,329.00-	.00	.00	.00	27,855,329.00-
FEBRUARY	27,855,329.00-	.00	91,962.00	91,962.00-	27,947,291.00-
MARCH	27,947,291.00-	.00	.00	.00	27,947,291.00-
APRIL	27,947,291.00-	.00	.00	.00	27,947,291.00-
MAY	27,947,291.00-	.00	.00	.00	27,947,291.00-
JUNE	27,947,291.00-	.00	.00	.00	27,947,291.00-
JULY	27,947,291.00-	16,922.18	.00	16,922.18	27,930,368.82-
AUGUST	27,930,368.82-	.00	.00	.00	27,930,368.82-
SEPTEMBER	27,930,368.82-	.00	.00	.00	27,930,368.82-
OCTOBER	27,930,368.82-	.00	16,922.18	16,922.18	27,947,291.00-
NOVEMBER	27,947,291.00-	.00	.00	.00	27,947,291.00-
DECEMBER	27,947,291.00-	.00	.00	.00	27,947,291.00-
YTD TOTAL	27,855,329.00-	16,922.18	108,884.18	91,962.00-	27,947,291.00-

***** NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE BELLSOUTH EXCEPT UNDER WRITTEN AGREEMENT *****

PROGRAM: CZ02A450
RUN DATE/TIME: 01/11/95 185304
PASS: 10
SITE: COMPANY

BELLSOUTH TELECOMMUNICATIONS
REPORT MONTH: DECEMBER, 1994
GENERAL LEDGER - FR BASIS

FORM: MP-1500
PAGE: 507
RETENTION: PERM.

ACCOUNT 4310-5000-5700

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	529,833.50-	116,371.71	37,368.45	79,083.26	450,830.24-
FEBRUARY	450,830.24-	.00	.00	.00	450,830.24-
MARCH	450,830.24-	.00	.00	.00	450,830.24-
APRIL	450,830.24-	.00	.00	.00	450,830.24-
MAY	450,830.24-	9,015.30	.00	9,015.30	441,814.94-
JUNE	441,814.94-	.00	.00	.00	441,814.94-
JULY	441,814.94-	.00	.00	.00	441,814.94-
AUGUST	441,814.94-	145,144.17	.00	145,144.17	296,670.77-
SEPTEMBER	296,670.77-	8,529.64	12,303.43	3,773.79-	300,444.56-
OCTOBER	300,444.56-	.00	.00	.00	300,444.56-
NOVEMBER	300,444.56-	.00	.00	.00	300,444.56-
DECEMBER	300,444.56-	.00	.00	.00	300,444.56-
YTD TOTAL	529,833.50-	279,060.82	49,671.88	229,388.94	300,444.56-

ACCOUNT 4310-5000-5800

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	1,155,971.00-	.00	197,168.00	197,168.00-	1,353,139.00-
FEBRUARY	1,353,139.00-	189,788.98	203,586.80	13,797.02-	1,366,936.02-
MARCH	1,366,936.02-	.00	197,168.00	197,168.00-	1,564,104.02-
APRIL	1,564,104.02-	.00	197,168.00	197,168.00-	1,761,272.02-
MAY	1,761,272.02-	.00	197,168.00	197,168.00-	1,958,440.02-
JUNE	1,958,440.02-	.00	197,168.00	197,168.00-	2,155,608.02-
JULY	2,155,608.02-	503,615.24	197,168.00	306,447.24	1,849,160.78-
AUGUST	1,849,160.78-	.00	197,168.00	197,168.00-	2,046,328.78-
SEPTEMBER	2,046,328.78-	.00	197,168.00	197,168.00-	2,243,496.78-
OCTOBER	2,243,496.78-	.00	197,168.00	197,168.00-	2,440,664.78-
NOVEMBER	2,440,664.78-	.00	197,168.00	197,168.00-	2,637,832.78-
DECEMBER	2,637,832.78-	.00	197,168.00	197,168.00-	2,835,000.78-
YTD TOTAL	1,155,971.00-	693,404.22	2,372,434.00	1,679,029.78-	2,835,000.78-

ACCOUNT 4310-8000

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	.00	1,666,666.00	2,499,999.00	833,333.00-	833,333.00-
FEBRUARY	833,333.00-	833,333.34	1,666,666.68	833,333.34-	1,666,666.34-
MARCH	1,666,666.34-	833,333.34	1,666,666.68	833,333.34-	2,499,999.68-
APRIL	2,499,999.68-	833,333.34	1,666,666.68	833,333.34-	3,333,333.02-
MAY	3,333,333.02-	833,333.34	1,666,666.68	833,333.34-	4,166,666.36-
JUNE	4,166,666.36-	3,333,335.34	4,166,668.68	833,333.34-	4,999,999.70-
JULY	4,999,999.70-	833,333.34	1,666,666.68	833,333.34-	5,833,333.04-
AUGUST	5,833,333.04-	833,333.34	1,666,666.68	833,333.34-	6,666,666.38-
SEPTEMBER	6,666,666.38-	833,333.34	1,666,666.68	833,333.34-	7,499,999.72-
OCTOBER	7,499,999.72-	833,333.34	1,666,666.68	833,333.34-	8,333,333.06-
NOVEMBER	8,333,333.06-	833,333.34	1,666,666.68	833,333.34-	9,166,666.40-
DECEMBER	9,166,666.40-	1,666,666.34	3,333,332.68	1,666,666.34-	10,833,332.74-
YTD TOTAL	.00	14,166,667.74	25,000,000.48	10,833,332.74-	10,833,332.74-

***** NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE BELLSOUTH EXCEPT UNDER WRITTEN AGREEMENT *****

Southern Bell

Bell South Tennessee. 6/1 12/26

12 months end 12-31-94

PBC

Related to Audit Request #41

- NADP - CWC Disallowance

1. Accounts picked up originally

4310, 5100, 5200, 5300, 5400, 5510, 5520, 5700, 5800

2. Accounts included in revised amount:

4310, 5100, 5200, 5300, 5400

(5)

24-3

1-1

1-3

1