

ORIGINAL

Legal Department

NANCY B. WHITE
Assistant General Counsel-Florida

BellSouth Telecommunications, Inc.
150 South Monroe Street
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March 6, 1998

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: 970808-TL (St. Joseph) InterLATA Access Subsidy

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Response to GTC, Inc.'s Motion for Reconsideration, which we ask that you file in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

Nancy B. White (cc)
Nancy B. White

ACK _____
AFA _____ Enclosures

APP _____
CAF _____ A. M. Lombardo
CMU 2 _____ R. G. Beatty
CTR _____ William J. Ellenberg II
EAG _____
LEG 1 _____
LIN 5 _____
OPC _____
RCH _____
SEC 1 _____
WAS _____
OTH _____

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CERTIFICATE OF SERVICE
Docket No. 970808-TL

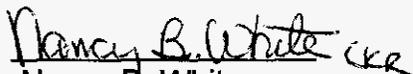
I HEREBY CERTIFY that a true and correct copy of the foregoing was served via
U.S. Mail this 6th day of March, 1998 to the following:

Beth Keating
Legal Counsel
Florida Public Service
Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Mr. David B. Erwin
Young, van Assenderp
& Varnadoe, P.A.
225 South Adams Street
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Post Office Box 1833
Tallahassee, FL 32302-1833
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Deputy Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street
Suite 812
Tallahassee, FL 32399-1400


Nancy B. White

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of BellSouth Telecommunications,) Docket No.: 970808-TL
 Inc., for removal of St. Joseph Telephone and)
Telegraph Company's interLATA access subsidy) Filed: March 6, 1998

**BELLSOUTH TELECOMMUNICATIONS, INC.'s
 RESPONSE TO GTC, INC.'S
MOTION FOR RECONSIDERATION**

BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to Rule 25-22.0376(1), Florida Administrative Code, hereby files its Response to GTC, Inc.'s ("GTC") Motion for Reconsideration of Order No. PSC-98-0300-PCO-TL ("Order") issued on February 18, 1998. BellSouth states the following:

1. The proper standard of review for a motion for reconsideration is whether the motion identifies some point of fact or law that was overlooked or was failed to be considered by the Prehearing Officer. See Diamond Cab Co. v. King, 146 So. 2d 889 (Fla. 1962) and Pingree v. Ouaintance, 394 So. 2d 161 (Fla. 1st DCA 1981). In a motion for reconsideration, it is not appropriate to reargue matters which have already been considered. See Sherwood v. State, 111 So. 2d 96 (Fla. 3d DCA 1959), citing State ex. rel. Jaytex Realty Co. v. Green, 105 So. 2d 817 (Fla. 1st DCA 1958) (the petition should not be used to reargue matters already addressed in briefs and oral arguments).

2. In its motion, GTC seeks reconsideration of the Prehearing Officer's decision on BellSouth's Motion to Compel Discovery from GTC. GTC argues that, as a price regulated company, it is exempt from any obligation to report financial information as to its rate of return. GTC also argues that, as a

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result of price cap regulation, its rates are frozen and GTC cannot make a market based response to discontinuance of the interLATA access subsidy.

3. BellSouth agrees with GTC that a price regulated company is not obligated to report financial information to the Commission for the purpose of setting GTC's rates and rate of return. That is not the occurrence under consideration here. First, it is BellSouth, not the Florida Public Service Commission ("Commission") who is seeking financial information from GTC. Second, BellSouth is not seeking this information to regulate GTC's rates or rate of return. BellSouth is merely seeking information that has been traditionally used by this Commission to determine whether an interLATA access subsidy should be discontinued.

4. In addition, GTC's argument regarding its frozen rates and its response to a discontinuation of the subsidy, properly belong to the substance of this docket. In fact, the Prehearing Officer in his Order, specifically included issues as to this argument. Such an argument does not free GTC from its discovery obligations.

5. GTC has offered nothing new in its Motion to warrant reversal of the Prehearing Officer's Order. All of the arguments made by GTC in its Motion were made at the oral argument. GTC is merely stating the obvious - GTC wants it both ways. GTC wants the reward of price cap regulation, but wants that reward to be subsidized by BellSouth. This, it should not be allowed to do.

6. In his Order, the Prehearing Officer specifically considered the arguments raised by GTC in its Motion. The Order should be upheld and GTC should respond to BellSouth's discovery. Attached hereto, as Exhibit A, is a letter from BellSouth dated February 23, 1998, in which BellSouth attempted to pare down its discovery in light of GTC's concerns. GTC's response was this Motion. It should be rejected.

Respectfully submitted this 6th day of March, 1998.

BELLSOUTH TELECOMMUNICATIONS, INC.

Robert G. Beatty (re)

ROBERT G. BEATTY

NANCY B. WHITE

c/o Nancy Sims

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Tallahassee, Florida 32301

(305)347-5555

William J. Ellenberg II

WILLIAM J. ELLENBERG II

J. PHILLIP CARVER

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NANCY B. WHITE
Assistant General Counsel-Florida

BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(305) 347-5556

EXHIBIT A

February 23, 1998

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: 970808-TL (St. Joseph) InterLATA Access Subsidy

Dear Ms. Bayó:

In accordance with Order No. PSC-98-0300-PCO-TP, BellSouth has reviewed its Revised First Set of Interrogatories and First Request for Production of Documents and sets forth herein the list of Interrogatories and POD requests to which BellSouth believes it must have responses. BellSouth has endeavored to winnow out any duplication pursuant to the Order. It must be noted that BellSouth's offer, as contained herein, should not be construed by GTC as an admission by BellSouth that BellSouth's initial Interrogatories and POD requests were unnecessary. BellSouth is merely making a good faith effort to comply with the Prehearing Officer's request that the parties work together.

To that end, BellSouth lists below the Interrogatories and POD requests that are absolutely essential to its case, along with any change in language:

Revised First Set of Interrogatories: 1; 3; 7; 8; 14; 15; 18; 33; 34 (replace "TPG" with "GTC"); 37 (replace "TPG" with "GTC"); 42 (measures that saved \$5,000 or more per the Prehearing Officer's Order); 43; 44; 46; 48; 51; 52; 54; 56; 59; 68; and 69.

First Set of POD Requests: 1; 4; 5; 8; 9; 14; 15; 18; 32; 34; 51; and 54.

As stated herein, BellSouth has made a good faith effort to reduce the amount of discovery in keeping with the concerns expressed by the Prehearing Officer and GTC. BellSouth believes that the interrogatories and POD requests listed above contain the absolute minimum of information required by BellSouth to prepare for the Hearing. The paring of the discovery by BellSouth is set forth herein solely as an accommodation. BellSouth believes that its initial discovery remains appropriate, however, BellSouth is always willing to compromise where

possible. The items listed above represent just that: a compromise and nothing more.

I would appreciate it if Mr. Erwin would respond as to whether his client is willing to at least respond to this bare minimum of discovery.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

Nancy B. White (ke)

Nancy B. White

Enclosures

cc: All parties of record
A. M. Lombardo
R. G. Beatty
William J. Ellenberg II
David B. Erwin
Beth Keating