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August 3, 1998

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

Re: Docket No. 980696-TP (HB4785) Universal Service

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Direct Testimony of Dr. Randall S. Billingsley, Dr. Robert M. Bowman, D. Daonne Caldwell, G. David Cunningham, Dr. Keven Duffy-Deno and Peter F. Martin, which we ask that you file in the captioned matter.

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.

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Sincerely,

Nancy B. White (PW)

Nancy B. White

NBW/vf

cc: All parties of record
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CERTIFICATE OF SERVICE
DOCKET NO. 980696-TP (HB4785)

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Federal Express this 3rd day of August, 1998 to the following:

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(+) Protective Agreements

ORIGINAL

BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF G. DAVID CUNNINGHAM

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 980696-TP

AUGUST 3, 1998

Q. PLEASE STATE YOUR NAME, ADDRESS AND POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. (HEREINAFTER REFERRED TO AS "BELLSOUTH" OR "THE COMPANY").

A. My name is G. David Cunningham and my business address is 3535 Colonnade Parkway, Birmingham, Alabama 35243. My position is Director in the Finance Department of BellSouth.

Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.

A. I graduated from Morehead State University, Morehead, Kentucky in 1971 with a Bachelor of Arts Degree in Economics. I was employed by South-Central Bell in 1972 and held various staff and line assignments in the Kentucky Network Operations Department until mid-1983. In July of 1983, I moved to Birmingham, Alabama with BellSouth Services, Inc., holding positions in the Corporate Affairs Department and later in the Regulatory Department. My current assignment

1 includes responsibility for Regulatory and Depreciation concerns within
2 the Finance organization.
3
4 Q. WHAT ARE YOUR CURRENT JOB DUTIES AND
5 RESPONSIBILITIES?
6
7 A. I am responsible for the preparation of depreciation studies for the nine
8 states comprising BellSouth to determine appropriate depreciation
9 parameters and depreciation rates for booking purposes and to meet
10 regulatory requirements as necessary.
11
12 Q. HAVE YOU PREVIOUSLY APPEARED IN REGULATORY
13 PROCEEDINGS REGARDING DEPRECIATION ISSUES?
14
15 A. Yes. I have testified and also participated in workshops before various
16 state commissions regarding depreciation. I have served as
17 BellSouth's chief representative on several occasions in negotiations
18 with the Federal Communications Commission (FCC) and the various
19 state commissions in depreciation represcription meetings.
20
21 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?
22
23 A. The purpose of my testimony in this proceeding is to present the
24 economic lives used in BellSouth's calculation of universal service
25 costs and to provide information in response to Issue 4 (a). My

testimony will demonstrate the appropriateness of the forward-looking economic lives developed by BellSouth's Depreciation organization and provided for use in BellSouth's first study using the BCPM 3.1 Model (hereinafter referred to as "BellSouth's BCPM Study"), as described by Ms. Caldwell in her testimony in this proceeding.

Q. WHAT LIVES DOES BELLSOUTH CONSIDER TO BE APPROPRIATE FOR USE IN UNIVERSAL SERVICE COSTS CALCULATIONS?

A. The asset lives that were developed and provided for use in BellSouth's BCPM Study are included in Exhibit GDC-1. These are BellSouth's expected economic lives for newly placed plant.

Q. WHAT IS THE SOURCE OF THE LIVES USED IN BELLSOUTH'S BCPM STUDY?

A. The source of the lives provided for use in BellSouth's BCPM Study is the 1998 BellSouth Florida Depreciation Study, attached to this testimony as Exhibit GDC-2. Projection (economic) lives are defined as the average life expectancy of new additions to plant. The depreciation study also describes average remaining lives and depreciation rates to be used for depreciation booking purposes. These parameters, however, relate to embedded investment and are not used in BellSouth's BCPM Study.

Although this is not a depreciation proceeding, the depreciation study included as Exhibit GDC-2 is being provided to demonstrate the appropriateness of the data.

BellSouth prepared the detailed depreciation study in this exhibit, analyzing the various asset accounts to determine appropriate depreciation parameters for each account. The depreciation study provides explanations of methodology, data and analysis that support the asset lives and other depreciation parameters for asset accounts, including those accounts that are used in BellSouth's BCPM Study.

Q. PLEASE SUMMARIZE BELLSOUTH'S APPROACH IN DETERMINING THE ASSET LIVES USED IN BELLSOUTH'S BCPM STUDY.

A. As demonstrated in the attached depreciation study, numerous methods are utilized to determine the appropriate economic lives of the different asset accounts. One factor used in determining the appropriate lives of all accounts is an analysis of Company planning data. This data is useful in assessing the near term portion of the life cycles of most assets, and is particularly useful when the technology is near the end of its life cycle.

A second factor used in assessing the life of an account is normal mortality, i.e., wear and tear with usage, deterioration with age and accidental removal, breakage, or damage. The technique used to

assess normal mortality is called Historical Mortality Analysis. For some accounts, like poles, Company planning data and normal mortality alone are the major considerations in determining the life. In these cases, the Company does not expect that the future characteristics of this type of plant will differ significantly from the past.

In cases where a newer technology is substituting for an established embedded technology, use of Company planning data and the Historical Mortality Analysis alone to assess the life will generally result in an inappropriately long life. Over the long term, the substitution of a new technology for the old is the primary force driving the displacement of the old technology. Therefore, after initial deployment of the new technology, life analysis techniques that take into account technological substitution must also be used. These technology-sensitive accounts (that is, Digital Electronic Switching, Digital Circuit, Aerial Metallic Cable, Underground Metallic Cable, Buried Metallic Cable) comprise approximately 70% of BellSouth's total plant investment.

Q. HAS THE FCC PRESCRIBED LIVES TO BE USED IN FLORIDA TO DETERMINE DEPRECIATION RATES ON AN INTERSTATE BASIS?

A. Yes. Lives were last prescribed by the FCC in 1995 for booking depreciation expense on an interstate basis in Florida.

1 Q. DO YOU BELIEVE THAT LIVES PRESCRIBED BY THE FCC ARE
2 APPROPRIATE FOR THIS APPLICATION?
3
4 A. No, I do not.
5
6 Q. WHY ARE THE LIVES PRESCRIBED BY THE FCC FOR
7 INTERSTATE DEPRECIATION PURPOSES NOT APPROPRIATE
8 FOR USE IN UNIVERSAL SERVICE COST CALCULATIONS?
9
10 A. Lives were last prescribed by the FCC in Florida in 1995. These lives,
11 particularly for the technology-sensitive accounts, are much too long.
12 They are based on the old regulatory paradigm in which plant lives
13 were artificially lengthened beyond their true economic lives so that the
14 investment in that plant would be recovered in smaller year-to-year
15 increments over longer periods of time. The assumption under this
16 paradigm was always that BellSouth was entitled to and would recover
17 all of its investments, but over a longer period of time, thus reducing the
18 amount the customer paid in the short term.
19
20 In today's competitive environment, however, the marketplace is not
21 likely to allow BellSouth to recover investment based on lives that are
22 inappropriately long. The rapid changes in technology, which
23 BellSouth must embrace in order to stay competitive, shorten asset
24 lives significantly beyond what the FCC has prescribed. BellSouth has
25 emphasized to the FCC that substantially more progress is needed in

moving to lives that adequately reflect the current pace of technology and competitive changes.

With implementation of Price Regulation, BellSouth was given authority to establish its own depreciation rates in Florida beginning January 1998 for intrastate purposes. As a result, BellSouth uses the lives that are supported by the Depreciation Study to determine depreciation rates booked in Florida for intrastate purposes and for external reporting purposes. These lives are significantly shorter than those prescribed by the FCC, particularly for the technology-sensitive accounts.

Q. HAS THE FCC GIVEN ANY INDICATION THAT CHANGES MAY NEED TO BE MADE TO ITS PRACTICES CONCERNING DETERMINATION OF PLANT LIVES?

A. Yes. The FCC has acknowledged the need to examine its depreciation practices in today's environment. On several occasions, the FCC has stated that it has plans to initiate a separate proceeding to undertake a comprehensive review of its depreciation rules. A February 5, 1998, FCC news report listing proposed 1998 review proceedings included the following item: "Depreciation. Consider streamlining or eliminating Commission's methods for prescribing depreciation rates."

In addition, attached to the January 30, 1998, Memorandum Opinion and Order (FCC 98-11) revising depreciation rates for those companies that filed for represcription in 1997, was a separate statement of FCC Commissioner Harold Furchtgott-Roth. His statement included the following: "The Commission's authority to prescribe depreciation rates is merely a vestige of outdated rate-of-return regulation....In today's increasingly competitive environment, there should be no need for the Commission to continue to dictate, even through revised streamlined procedures, depreciation rates or the factors that may be used to compute such rates."

Q. WHAT OTHER OBSERVATIONS DO YOU HAVE AS TO THE INAPPROPRIATENESS OF USING LIVES PRESCRIBED BY THE FCC IN BELLSOUTH'S UNIVERSAL SERVICE COSTS CALCULATIONS?

A. The FCC has emphasized historical data when prescribing BellSouth's depreciation lives. BellSouth does not believe that simply looking at the past can possibly indicate what will happen in the future with equipment that is sensitive to rapid changes in technology. This rear-view mirror approach is clearly not appropriate for projecting the future of this equipment. Emphasis on historical retirement patterns is an indication that one does not expect the future to vary significantly for the past. Even a casual observation of the telecommunications

industry today leaves no doubt that there is an evolution taking place that cannot help but have a major effect on telecommunications assets.

It is clear that forward-looking lives should be used for depreciation purposes and for universal service cost calculations. However, BellSouth believes that the FCC has not properly assessed the impact of technological evolution and increasing competition to determine appropriate forward-looking lives. BellSouth's depreciation study, as demonstrated in Exhibit GDC-2, provides detailed analysis to support forward-looking lives significantly below those prescribed by the FCC, particularly for the technology-sensitive accounts.

Q. ARE THE LIVES USED IN BELLSOUTH'S BCPM STUDY REASONABLE WHEN COMPARED TO LIVES PROPOSED BY OTHER TELECOMMUNICATIONS COMPANIES?

A. Yes. One comparison of lives can be found in Exhibit GDC-3, which lists the lives used in BellSouth's BCPM Study for the major technology-sensitive accounts and the lives that the FCC prescribed in 1994 for AT&T. As shown in this comparison, AT&T's depreciation life for Digital Electronic Switching is 9.7 years. The life that BellSouth uses in its BCPM Study for this account is 10 years. The life prescribed by the FCC in 1995 for BellSouth in Florida was an unrealistically long 17 years. The comparison in this exhibit demonstrates that, for all the major technology-sensitive accounts, the lives used in BellSouth's

1 BCPM Study are comparable or conservative when compared to the
2 lives last prescribed by the FCC for AT&T as shown in Exhibit GDC-3.
3
4 Q. IN THE FLORIDA COST PROCEEDINGS, REFERENCE WAS MADE
5 TO A STREAMLINED DEPRECIATION RATE-SETTING PROCESS
6 DEVELOPED BY THE FCC. PLEASE DESCRIBE THIS PROCESS.
7
8 A. As part of CC Docket No. 92-296, the FCC issued a Notice of Proposed
9 Rulemaking in which it stated that it was continuing its "efforts to reduce
10 unnecessary regulatory burdens and their associated costs by
11 undertaking simplification of our depreciation prescription process."
12 The FCC's approach to simplification was to set up ranges of projection
13 life and future net salvage estimates for most of the asset accounts.
14 Under this procedure, if a company is meeting certain predetermined
15 prerequisites and proposes to use projection lives or future net salvage
16 estimates from within these ranges, the company need not submit the
17 voluminous, detailed supporting data otherwise required.
18
19 Q. DOES BELLSOUTH BELIEVE THAT THE LIVES SPECIFIED IN THE
20 FCC'S RANGES ARE FORWARD-LOOKING AND APPROPRIATE TO
21 BE USED IN BELLSOUTH'S BCPM STUDY?
22
23 A. No. As stated above, the main purpose of this simplification effort was
24 merely to lessen paperwork and the cost of unnecessary regulation.
25 Simplification was not designed to assure forward-looking lives. In fact,

the FCC has prescribed lives lower than these ranges in Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina and South Carolina for some of the major accounts. In Florida, this includes the Aerial Metallic Cable, Underground Metallic Cable, Buried Metallic Cable and Circuit Digital accounts.

Q. WHAT WAS THE BASIS FOR THE PROJECTION LIVES AND FUTURE NET SALVAGE PERCENTAGES THAT WERE USED TO ESTABLISH THESE FCC RANGES?

A. The FCC's ranges were generally developed by nothing more than taking one standard deviation around the mean of the lives and salvage values that the FCC had prescribed most recently for the various accounts for the local exchange carriers. For the first set of accounts for which the FCC ordered ranges, the ranges were based on 1990-1992 represcriptions, and have not been updated since. Lives prescribed in 1990-1992 could hardly be considered forward-looking today.

Q. HOW DO THE ECONOMIC LIVES USED IN BELLSOUTH'S BCPM STUDY COMPARE TO THE LIVES USED TO DETERMINE THE DEPRECIATION RATES BOOKED BY BELLSOUTH IN FLORIDA?

1 A. The economic lives used in BellSouth's BCPM Study are consistent
2 with those used to determine the depreciation rates currently being
3 booked in Florida for intrastate and for external reporting purposes.
4
5 Q. IS THERE ANY MERIT TO A CONCERN RAISED IN OTHER
6 JURISDICATIONS THAT LIVES USED FOR EXTERNAL REPORTING
7 PURPOSES ARE INAPPROPRIATE FOR USE IN THESE STUDIES
8 DUE TO THE "CONSERVATISM" PRINCIPLE OF GAAP?
9
10 A. No. The "conservatism" principle of GAAP does not determine
11 BellSouth's lives. BellSouth's economic lives, used for intrastate and
12 external reporting purposes and in BellSouth's BCPM Study, were
13 determined by the approaches described in this testimony and detailed
14 in Exhibit GDC-2. These lives are used to determine depreciation rates
15 that appropriately allocate the cost of BellSouth's assets over their
16 estimated useful lives in a systematic and rational manner.
17
18 Q. SOME CONCERN HAS BEEN EXPRESSED IN OTHER
19 JURISDICTIONS AS TO THE APPROPRIATENESS OF THE LIVES
20 USED IN STUDIES FOR A NARROWBAND NETWORK. DO YOU
21 HAVE COMMENTS REGARDING THESE CONCERNS?
22
23 A. Yes. The lives used in BellSouth's BCPM Study are based on the
24 economics of providing traditional telecommunications services, and
25 would be appropriate even if the only services BellSouth ever provided

in the future were narrowband, traditional telephony services. Our existing network can be described as narrowband, and fiber deployment in the feeder is already at a significant penetration level. This is due to the advantages of fiber's high capacity, low maintenance and reliability. Deployment of fiber in the distribution will also be driven by these advantages. Fiber deployment in the feeder is greater than that in the distribution because traffic in the feeder can be aggregated and carried more efficiently in larger "pipes". Increasingly, the economics of fiber deployment make it desirable further and further out in the network (closer and closer to the customer premises).

It should be pointed out that many customers use modems that operate at 28,800 bits per second (bps) and greater over our narrowband, voice grade network. Data transmission at these rates meet the current needs of most residential customers. However, customer needs are expanding, and BellSouth is designing today's network to meet customers' growing needs. Today's customers are requesting services that require higher bandwidth, but this is a long way from broadband, cable TV capability. Replacement of today's network will occur due to normal mortality and technological obsolescence, that is, when the current technology is not the most efficient means of providing narrowband service in the future.

Two other characteristics of fiber which are closely related are reliability and maintainability. Customer needs for reliability, which are

1 increasing, can be met through the use of fiber in our network.
2 Maintenance expense, which the Company is always seeking ways to
3 reduce, can also be improved through the use of fiber. Both factors
4 add to the economic attractiveness of fiber for a narrowband, voice
5 grade network.
6
7 As stated above, the lives used in BellSouth's BCPM Study are based
8 on the economics of providing traditional telecommunications services.
9 They do not include future demands for emerging digital and
10 multimedia services, nor do they include the impact of a paradigm shift
11 to a totally competitive marketplace. Including these impacts would
12 likely result in a reduction of lives below the Company's current
13 recommendations.
14
15 Q. OTHER PARTIES IN FLORIDA'S COST PROCEEDINGS POINTED
16 TO AN INCREASE IN THE DEPRECIATION RESERVE OVER TIME
17 AS EVIDENCE THAT FCC-PRESCRIBED LIVES HAVE BEEN
18 FORWARD-LOOKING. HOW DO YOU RESPOND?
19
20 A. The fact that the reserve has grown over time is not an indication that
21 the reserve is at the appropriate level. The depreciation reserve is the
22 accumulation of all past depreciation accruals, reduced by plant
23 retirements. In an environment in which one technology is rapidly
24 displacing another technology, it is obvious that the depreciation
25 reserve must be built up by appropriate accruals to a level high enough

1 to handle the inevitable asset retirements. Today, we have two
2 situations in which a major technology displacement is occurring;
3 specifically, digital is replacing analog, and fiber is replacing copper.
4 Never in the history of this industry has technology displacement been
5 so pronounced. Huge retirements of these old technologies are
6 expected in bulk at the end of the technologies' life span. Depreciation
7 accruals over the years have not been high enough, due to
8 inappropriately long prescribed lives for copper and analog related
9 assets, to position the depreciation reserve for the avalanche of
10 retirements that will soon come.
11
12 The critical issue here is not just that the reserve has increased over
13 the past few decades. The issue is that the reserve has not increased
14 enough to handle retirements caused by the dramatic paradigm shift
15 that has occurred in the telecommunications industry.
16
17 Q. PLEASE SUMMARIZE YOUR TESTIMONY.
18
19 A. BellSouth's Depreciation organization has provided economic lives for
20 use in BellSouth's BCPM Study that were developed by performing
21 detailed analyses of each asset account. The 1998 BellSouth Florida
22 Depreciation Study, which documents this analysis, is attached to this
23 testimony as Exhibit GDC-2. These lives are appropriate for use in
24 BellSouth's BCPM Study. The lives prescribed by the FCC for
25

depreciation purposes are inappropriately long, particularly for the technology-sensitive accounts.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

Category	Company Composite Projection (Economic) Life
Motor Vehicles	8.0
Special Purpose Vehicles	7.0
Garage Work Equipment	12.0
Other Work Equipment	15.0
Buildings	45.0
Furniture	15.0
Office Support Equipment	11.5
Computers	5.0
Digital ESS	10.0
Circuit Digital	9.0
Circuit Analog	7.8
Poles	34.0
Aerial Cable Metallic	14.0
Aerial Cable Fiber	20.0
Underground Cable Metallic	12.0
Underground Cable Fiber	20.0
Buried Cable Metallic	14.0
Buried Cable Fiber	20.0
Conduit	55.0

Exhibit GDC-2

1998 Florida Study

001

1998

Depreciation Rate Study

Florida PSC

September 30, 1997

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* Includes narratives.

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Preface

New intrastate (PSC) depreciation rates for booking depreciation expense are developed in this study for the assets of BellSouth Telecommunications, Inc. in Florida. In this study, we use "BST" to refer to the nine states in the BellSouth region, that is, Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.

This study consists of data and narrative information that details the development of parameters (Average remaining life, projection life, future net salvage, etc.) that supports the depreciation rates found on Statement A of the Statements. As authorized under Price Regulation in Florida, the Company plans to implement the depreciation rates on January 1, 1998.

Overview

The premise of this study is that depreciation is driven by network evolution. The evolution of the network is pushed by technological advancements, pulled by the marketplace, and governed by the economics of providing telecommunications services. Customer demands, as well as an ever expanding competitive environment, further increase the pressure for a technologically advanced network. Existing assets were deployed in a public utility environment, based upon a regulatory promise that this investment would be fully recovered. Competitive Local Exchange Carriers (CLECs) have begun to provide local and long distance telecommunications services in areas that once were exclusively served by BellSouth. When such carriers are facility-based, they construct the latest in fiber and digital technology. To remain competitive, BellSouth must have facilities that allow it to at least provide equitable services. This contributes to BellSouth's copper and analog facilities being replaced with fiber and digital facilities. Thus, competition is increasing the obsolescence and more quickly reducing the overall economic value of Company assets. Depreciation lives must reflect the fact that displacement of equipment is taking place to make way for a more economic, efficient, and state of the art telecommunications infrastructure.

This Introduction summarizes the assumptions made concerning the network evolution and briefly discusses the study principles and methods used by the Company in its study. The Introduction also discusses the curve shapes and salvage associated with the various accounts.

Existing and newly developed depreciation schedules by account are found in the Statements. Statement A displays by account, the existing rates and rate parameters, as well as those planned to be implemented on January 1, 1998. Statement B displays investment, existing and proposed accruals, and changes in expense resulting from the proposed rate and amortization changes.

Network Evolution

BellSouth's network is evolving to meet the changing needs of customers. To more efficiently provide telephony services, digital and optical technology is being introduced to increase the flexibility, bandwidth and intelligence of network components. This evolution is being prompted by customer demands for new services, higher transmission rates, faster response to service requests, enhanced reliability and increased control over their network configurations. The economic introduction of digital and optical technologies is resulting in the increasing displacement of analog and copper technologies and associated equipment. The depreciation lives of these technologies should mirror this displacement.

The information needs of customers are increasing and becoming more sophisticated. The use of new technology in the telecommunications infrastructure has been a major factor in helping the Company to meet customer demand economically. Fiber optics, digital switching, Synchronous Optical Network (SONET) and Asynchronous Transfer Mode (ATM) technologies are key elements in the ongoing modernization of the network infrastructure.

Today, the pace of technological advancement is the single greatest influence on the life cycle of network technologies. To accurately estimate proper depreciation requirements, we must look beyond historical trends and near-term plans, and evaluate the complete life cycle of network facilities. The major technological changes impacting the life cycles of network assets are summarized below and in more detail in the account narratives.

Switching Equipment

The rapid substitution of Digital Electronic Switching Systems (DESS) for Analog Electronic Switching Systems (AESS) will continue. This substitution is well established. It is driven by customer demand for new digital services and economic benefits, due in part to capital and maintenance savings realized from the integration of digital loop carrier systems.

Modern digital electronic switches are modular, with each modular group having distinct life characteristics. The remaining life of this account is determined by analyzing the life characteristics of each modular group.

Circuit Equipment

The displacement of analog circuit equipment, as well as analog/digital conversion equipment, is driven by the benefits of optical and digital technologies. The replacement pattern for analog circuit equipment is linked to the displacement of copper feeder cable

by fiber optic cable, while the pattern for analog/digital conversion equipment is linked to the displacement of analog switches by digital switches.

The network is evolving toward synchronous transmission over fiber via SONET equipment. SONET compatible components will eventually displace all non-compatible asynchronous transmission equipment.

Next Generation Digital Loop Carrier (NGDLC) is in the early stages of deployment and will eventually replace earlier generations of DLC, both copper and fiber based. However, since the impact of DLC remote terminals should not be great in the next few years, historical mortality was the primary impact considered in the life analysis of Other Digital Equipment.

Cable

The life cycle for fiber based systems in the interoffice (IOF) network is nearing the end of the rapid deployment phase. Correspondingly, the life cycle of IOF copper cable is in the rapid replacement phase of its life cycle. This substitution will complete within the next few years.

Fiber in the feeder loop has demonstrated significant price performance benefits over copper, and is the economic choice for feeder applications today. Fiber in the feeder loop is entering the rapid deployment phase. Led by the economics of fiber deployment, copper cable in the feeder loop will soon be entering the rapid replacement phase of its life cycle.

Continued improvements in the long term price performance advantages of fiber-based systems make them the first choice architecture for certain distribution applications. The use of fiber in the distribution is referred to generally as Fiber-In-The-Loop (FITL) and is recommended in BellSouth for all new residential developments requiring buried distribution facilities. While the installed first cost of FITL is slightly higher than copper, it is still the economic winner in these areas. As the installed first cost of FITL decreases, the economics of deployment elsewhere will tilt toward fiber. Other developments, including additional components to provide DS1 and new PC data services via the existing FITL architecture, will make FITL even more attractive. BellSouth has evaluated the feasibility of various architectures that include fiber or hybrid fiber/coax in the distribution. The current focus is on fiber to the curb (FTTC) and fiber to the home (FTTH) alternatives, which extend fiber to an area of no more than several hundred customers.

Competitive Environment

Impact of Competition

The passage of the Telecommunications Act of 1996 makes it clear that competition is the way of the future in the telecommunications industry. This act allows Bell Operating Companies to enter lines of business formerly prohibited by the Modified Final Judgment. It also opens the door for long distance companies to effectively compete with local telephone companies like BellSouth in providing local telephone service. The Telecommunications Act also lifts the prohibition on electric and gas utilities from entering the telecommunications market.

Competitive Access Providers (CAPs) are established and providing alternate access by means of fiber optic facilities in practically every major metropolitan area that BellSouth serves. CAPs have built fiber networks in large cities where the concentration of business and interexchange carrier revenues enables competitors to target, with a very limited investment in infrastructure, specific high revenue customers. Clearly, the threat of competition from these access providers is real and pervasive.

The traditional telecommunications business is on the verge of an explosion of competition. Almost daily, new groups of competitors are surfacing and new alliances are being formed to provide telecommunications services. Mergers, such as BellAtlantic/NYNEX and the planned takeover of MCI by WorldCom, are creating companies that are formidable competitors to BellSouth. With increasing competition as the indisputable way of the future, BellSouth must recover its investment over an appropriate period of time to be able to compete with these providers.

Although the substitution analysis method used for technology accounts in this study applies both to regulated and competitive industries, the pace of substitution generally is higher in more competitive industries. The proposal presented in this study is conservative, in that it does not explicitly account for the impacts of a paradigm shift to a totally competitive marketplace.

Accounting Considerations

On June 30, 1995, BellSouth Telecommunications announced that it would stop using Statement of Financial Accounting Standards (SFAS) No. 71 as the basis for reporting financial information. All Regional Bell Operating Companies have made similar announcements. This action was prompted by the success the Company has had in obtaining price regulation and the increased levels of competition in BST markets. The SFAS 71 accounting rule sets out criteria companies must meet if they are considered regulated enterprises for accounting purposes, and based on these factors, BellSouth believed that it no longer met those criteria. Under price regulation, prices are no longer set to ensure the recovery of specific costs of telephone plant and equipment, which have

been depreciated according to overly long regulator-prescribed lives. Also, it is no longer reasonable to assume that customers will pay traditional cost-based regulated rates in an increasingly competitive environment. As part of this change, BellSouth adjusted the net book value of its telephone plant downward by $4.9 billion for financial reporting purposes. This action makes a strong statement as to the Company's view of the changing regulatory environment, fast paced technological change and the advancing impact of competition on the value of its assets. It also supports the Company's belief that the depreciation rate parameters proposed in this study are not only appropriate, but are critical for competing in today's telecommunications market.

Study Methods and Principles

General

This section describes the methodology used in the development of the Company's proposed depreciation rates and briefly describes the various methodologies used for analyzing the lives of the various accounts. A more detailed and account specific description of the life analysis methodology used for each account is given in the respective account narratives.

For some accounts in this study, e.g. Motor Vehicles, Buildings, etc., rate categories shown in prior depreciation studies have been combined. Also, in prior depreciation studies, certain General Support assets were depreciation through an amortization over a specific period of time. In this study, these assets are depreciated using a remaining life rate. These changes were implemented to make intrastate accounts in Florida consistent with those in other BellSouth states. Also, the Public Telephone account is not included in this study because investment in this account has been transferred to a separate unregulated BellSouth subsidiary.

Depreciation Rate Method

Depreciation rates in this study were developed using the Remaining Life depreciation rate formula. This formula is:

$$\text{Rate} = \frac{100\% - \text{Book Reserve\%} - \text{Future Net Salvage\%}}{\text{Average Remaining Life}}$$

The Book Reserve percent in this study represents the estimated book reserve as of January 1, 1998. The Average Remaining Life represents the Vintage Group/Equal Life Group (VG/ELG) Remaining Life for full mortality accounts and the VG Remaining Life for computed mortality accounts. In this study, the ELG year is 1998. Thus, there is no

equal life group impact. Vintage lives are calculated on a VG basis as in prior depreciation studies.

Life Analysis for Network Technology Accounts

Numerous methods have been utilized in the telecommunication industry to assess the lives of network technologies. All methods determine the life by first estimating the remaining life cycle (i.e., forecasted survivors or percent surviving) and then calculating the life from the life cycle. The individual methods and techniques utilized in our life analysis are briefly discussed below. Details of the specific approach taken for each individual technology are given in the account narrative for each technology.

Another factor used in life analysis is company planning data. Network deployment planning data is of considerable value in assessing the near term impact for most technologies. In some cases, network deployment plans alone can accurately define the remaining life cycle for a technology, provided the technology is near the end of its life cycle. For example, network plans are used in developing Average Year of Final Retirements (AYFR) for the AESS account.

Historical Mortality Analysis (HMA), more commonly referred to as Actuarial Analysis (AA) by other disciplines, is useful in assessing the life of accounts not impacted by a competing newer technology. In cases where a newer technology is substituting for an established embedded technology, use of HMA alone to assess the remaining life of the embedded technology will generally result in insufficient and/or untimely depreciation. On the other hand, in the early stages of a technological substitution, the historical retirement pattern of the embedded technology is only marginally impacted by the new technology. In the initial deployment stages, the new technology is typically deployed primarily for growth applications and as a replacement for the embedded technology that has worn out. In this case, HMA techniques are useful in predicting the displacements of the old technology in the near term. Over the long term, the substitution of the new technology for the old is the primary force driving the displacement of the embedded technology. Therefore, after initial deployment of the new technology, life analysis techniques that take into account the technological substitution must also be used.

Substitution analysis was used in this study to determine remaining lives for the metallic cable, analog circuit, digital circuit, and in part, for digital electronic switching. Within the narratives for these accounts are tables that show the development of remaining lives of various technology study groups for these accounts. The composition of the study groups and detailed explanation of the process for arriving at remaining lives are documented in these narratives.

Experience shows that the substitution of a new technology for an old technology takes place over a period of time. The penetration of the new technology, defined as the percentage of total market captured, yields the classic S-shaped curve if plotted over time.

For most technological substitutions, the Fisher-Pry model, developed by John Fisher and Robert Pry of the General Electric Company in 1971, is the best model for development of this curve. Substitution analysis has been shown to accurately describe the life for technologies in the telecommunications industry, as well as many other industries.

Technological displacement occurs when existing units of an older technology are displaced by a newer technology. Due to regulatory accounting rules, every displacement will not result in a booked retirement. Regulatory accounting rules allow the Company to retire assets only in groups of defined quantities called retirement units. In the case of metallic cable, for example, a retirement unit is a section of cable, not an individual pair of wires within the cable. If a portion of the cable pairs in a copper cable are no longer in service and are not expected to be utilized in the future because of the availability of capacity in a fiber optic cable, that portion of the copper cable has effectively been technologically displaced, and its economic value has been lost. For example, the Company may have an 1800 pair copper cable in which circuits on all but 100 pairs have been transferred to a new fiber cable. Under current retirement rules, the cable cannot be retired as long as it has any working pairs. Thus, a displacement does not necessarily result in a retirement, but it does directly result in loss of value, and the displaced investment should be completely depreciated.

Life Analysis for Other Accounts

As with the technology accounts, there are many approaches to analyzing the life of the non-technology accounts. Many factors were examined to determine the appropriate life for assets in a given account. Projected lives were determined by an analysis of the historical life characteristics of the account, along with any known anticipated impacts. Other factors that gave insight into life determinations include Company plans, engineering judgment, industry data, and analogies with related accounts.

Curve Shapes

Specific curve shape information is found behind the Parameter Report tab of the study. Curve shapes are also found behind each account tab, on the Account Parameter Summary and on the Projection Life Table.

Salvage

Discussion of the Company's salvage proposal and the rationale for the proposal is found in the appropriate account narrative. Historical salvage data is found in Table A and Table B in each account section. Specific account salvage proposal information is found behind the Parameter Report tab.

Summary

In this Introduction, the Company has summarized its assumptions and projections concerning the evolution of the network and has discussed the methods and principles used in conducting the depreciation study. This study, as a whole, reflects the Company's economic planning to evolve Florida's switched network into the network necessary to serve current and future customer requirements. This state-of-the-art telecommunications infrastructure will allow the Company to provide the most economic telecommunications service available.

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Run Date : 09/30/97 - 08.33.14
Report : STM-A-RL, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Statement A - Remaining Life

Summary of Changes in Depreciation Rates

Account Number	Class or Subclass of Plant	Rates in Effe. RL Life Years	Rates in Effe. Reserve Percent	Rates in Effe. Future Net Salv	Rates in Effe. Depr. Rate %	Rates Effective 1998 RL Life Years	Rates Effective 1998 Reserve Percent	Rates Effective 1998 Future Net Salv	Rates Effective 1998 Depr. Rate %
		A	B	C	D	E	F	G	H
2112.00	Motor Vehicles	4.9	24.9	10	12.8	5.0	24.[illegible]	16	11.9
2114.00	Special Purpose Veh.	4.2	-1.1	0	19.0	3.7	1.4	0	26.6
2115.00	Garage Work Equipment	5.1	51.8	0	35.1	8.9	71.2	0	3.2
2116.00	Other Work Equipment	9.1	39.3	1	9.5	11.7	94.6	0	.5
2121.00	Buildings	---	---	---	---	34.0	17.5	0	2.4
2122.00	Furniture	8.2	134.1	14	.0	15.0	.0	10	6.0
2123.10	Office Support Equipment	4.8	96.5	10	6.8	24.0	155.4	5	.0
2123.20	Company Comm. Equipment	3.4	89.8	10	20.8	3.1	56.4	10	10.8
2124.00	Genl Purpose Computers	2.1	54.2	0	22.5	3.5	66.7	0	9.5
2211.00	Analog ESS	2.7	68.7	0	9.4	3.3	69.4	0	9.3
2212.00	Digital ESS	4.9	36.4	0	12.9	6.0	39.6	0	10.1
2220.00	Operator Systems	5.2	22.5	0	14.8	5.9	16.4	0	14.2
2231.00	Radio Systems	---	---	---	---	6.3	-22.2	-5	20.2
2232.11	Circuit-DDS	---	---	---	---	3.7	6.2	2	24.8
2232.12	Circuit Digital	---	---	---	---	5.6	50.0	0	8.9
2232.20	Circuit Analog	2.2	149.6	-10	20.3	4.4	109.2	-3	.0
2311.00	Station Apparatus	5.7	46.7	9	7.8	1.6	46.9	0	33.2
2341.00	Large PBX	5.7	46.7	9	7.8	3.1	22.2	0	25.1
2362.00	Other Terminal Equip.	5.7	46.7	9	7.8	2.1	68.0	5	12.9
2411.00	Poles	18.9	32.7	-51	6.6	27.0	34.0	-60	4.7
2421.10	Aerial Cable Metal	7.3	58.4	-11	7.2	8.3	62.4	-14	6.2
2421.20	Aerial Cable Fiber	12.2	14.5	-12	7.4	16.8	16.7	-14	5.8
2422.10	Undergrd Cable Metal	4.3	82.1	-7	11.3	4.7	90.3	-8	3.8
2422.20	Undergrd Cable Fiber	10.9	28.0	-4	6.9	15.4	30.2	-8	5.1
2423.10	Buried Cable Metal	6.0	62.4	-8	7.8	6.6	66.5	-7	6.1
2423.20	Buried Cable Fiber	11.9	23.2	0	5.9	15.1	24.6	-7	5.5
2424.00	Submarine Cable	---	---	---	---	4.4	62.0	-5	9.8
2426.00	Intra-Bldg Netwk Cable	---	---	---	---	11.3	75.3	-10	3.1
2441.00	Conduit System	38.0	26.7	-7	2.1	39.0	28.3	-10	2.1
Composite Rate					6.8				6.9

Run Date : 09/30/97 - 08.33.14
Report : STM-B-RL. PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Statement B - Remaining Life

Change in Annual Depreciation Expense
Resulting from Changes in Depreciation Rates and Amortization
(000)

Account Number	Class or Subclass of Plant	Investment 1-1-98	Rates in Effect: Depr. Accruals	Rates in Effect: Annual Amort Amount	Rates in Effect: Total	Rates Effective 1998: Depr. Accruals	Rates Effective 1998: Annual Amort Amount	Rates Effective 1998: Total	Total Change in Expense
		I	J=D*I	K	L=J+K	M=E*I	N	O=M+N	P=O-L
2112.00	Motor Vehicles	90,750	11,616	---	11,616	10,799	---	10,799	-817
2114.00	Special Purpose Veh.	4	1	---	1	1	---	1	0
2115.00	Garage Work Equipment	1,478	519	---	519	47	---	47	-471
2116.00	Other Work Equipment	77,961	7,406	---	7,406	390	---	390	-7,017
2121.00	Buildings	750,645	---	---	---	18,015	---	18,015	18,015
2122.00	Furniture	1,160	0	---	0	70	---	70	70
2123.10	Office Support Equipment	4,833	329	---	329	0	---	0	-329
2123.20	Company Comm. Equipment	16,226	3,375	---	3,375	1,752	---	1,752	-1,623
2124.00	Genl Purpose Computers	390,273	87,811	---	87,811	37,076	---	37,076	-50,735
2211.00	Analog ESS	366,113	34,415	---	34,415	34,049	---	34,049	-366
2212.00	Digital ESS	1,510,338	194,834	---	194,834	152,544	---	152,544	-42,289
2220.00	Operator Systems	36,791	5,445	---	5,445	5,224	---	5,224	-221
2231.00	Radio Systems	3,136	---	---	---	633	---	633	633
2232.11	Circuit-DDS	16,993	---	---	---	4,214	---	4,214	4,214
2232.12	Circuit Digital	2,361,141	---	---	---	210,141	---	210,141	210,141
2232.20	Circuit Analog	85,399	17,336	---	17,336	0	---	0	-17,336
2311.00	Station Apparatus	289	23	---	23	96	---	96	73
2341.00	Large PBX	10,809	843	---	843	2,713	---	2,713	1,870
2362.00	Other Terminal Equip.	110,300	8,603	---	8,603	14,229	---	14,229	5,625
2411.00	Poles	144,517	9,538	---	9,538	6,792	---	6,792	-2,746
2421.10	Aerial Cable Metal	749,267	53,947	---	53,947	46,455	---	46,455	-7,493
2421.20	Aerial Cable Fiber	39,951	2,956	---	2,956	2,317	---	2,317	-639
2422.10	Undergrd Cable Metal	730,492	82,546	---	82,546	27,759	---	27,759	-54,787
2422.20	Undergrd Cable Fiber	236,520	16,320	---	16,320	12,063	---	12,063	-4,257
2423.10	Buried Cable Metal	2,443,086	190,561	---	190,561	149,028	---	149,028	-41,532
2423.20	Buried Cable Fiber	156,631	9,241	---	9,241	8,615	---	8,615	-627
2424.00	Submarine Cable	8,619	---	---	---	845	---	845	845
2426.00	Intra-Bldg Netwk Cable	43,100	---	---	---	1,336	---	1,336	1,336
2441.00	Conduit System	728,372	15,296	---	15,296	15,296	---	15,296	0
	TOTAL	11,115,193	752,960	0	752,960	762,499	0	762,499	9,539
	Composite Rate (%)		6.8		6.8	6.9		6.9	

Run Date : 09/30/97 - 08.33.14
Report : STM-B-SP, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Statement B - RL Separated

Change in Annual Depreciation Expense
Resulting from Changes in Depreciation Rates and Amortization
(Separated on an INTERSTATE basis)
(000)

Account Number	Class or Subclass of Plant	INTERSTATE Separations Factor	Investment 1-1-98 Combined	Investment 1-1-98 Separated	Rates in Effect Combined	Rates in Effect Separated	Rates Effective 1998 Combined	Rates Effective 1998 Separated	INTERSTATE Change in Expense
		Q	R=I	S=Q*R	T=L	U=Q*T	V=O	W=Q*V	X=W-U
2112.00	Motor Vehicles	.216	90,750	19,602	11,616	2,509	10,799	2,333	-176
2114.00	Special Purpose Veh.	.207	4	1	1	0	1	0	0
2115.00	Garage Work Equipment	.207	1,478	306	519	107	47	10	-98
2116.00	Other Work Equipment	.207	77,961	16,138	7,406	1,533	390	81	-1,452
2121.00	Buildings	.207	750,645	155,384	.	.	18,015	3,729	3,729
2122.00	Furniture	.216	1,160	251	0	0	70	15	15
2123.10	Office Support Equipment	.216	4,833	1,044	329	71	0	0	-71
2123.20	Company Comm. Equipment	.216	16,226	3,505	3,375	729	1,752	379	-350
2124.00	Genl Purpose Computers	.216	390,273	84,299	87,811	18,967	37,076	8,008	-10,959
2211.00	Analog ESS	.186	366,113	68,097	34,415	6,401	34,049	6,333	-68
2212.00	Digital ESS	.186	1,510,338	280,923	194,834	36,239	152,544	28,373	-7,866
2220.00	Operator Systems	.121	36,791	4,452	5,445	659	5,224	632	-27
2231.00	Radio Systems	.303	3,136	950	.	.	633	192	192
2232.11	Circuit-DDS	.303	16,993	5,149	.	.	4,214	1,277	1,277
2232.12	Circuit Digital	.303	2,361,141	715,426	.	.	210,141	63,673	63,673
2232.20	Circuit Analog	.303	85,399	25,876	17,336	5,253	0	0	-5,253
2311.00	Station Apparatus	.249	289	72	23	6	96	24	18
2341.00	Large PBX	.249	10,809	2,691	843	210	2,713	676	466
2362.00	Other Terminal Equip.	.249	110,300	27,465	8,603	2,142	14,229	3,543	1,401
2411.00	Poles	.254	144,517	36,707	9,538	2,423	6,792	1,725	-697
2421.10	Aerial Cable Metal	.254	749,267	190,314	53,947	13,703	46,455	11,799	-1,903
2421.20	Aerial Cable Fiber	.254	39,951	10,147	2,956	751	2,317	589	-162
2422.10	Undergrd Cable Metal	.254	730,492	185,545	82,546	20,967	27,759	7,051	-13,916
2422.20	Undergrd Cable Fiber	.254	236,520	60,076	16,320	4,145	12,063	3,064	-1,081
2423.10	Buried Cable Metal	.254	2,443,086	620,544	190,561	48,402	149,028	37,853	-10,549
2423.20	Buried Cable Fiber	.254	156,631	39,784	9,241	2,347	8,415	2,188	-159
2424.00	Submarine Cable	.254	8,619	2,189	.	.	845	215	215
2426.00	Intra-Bldg Netwk Cable	.254	43,100	10,947	.	.	1,336	339	339
2441.00	Conduit System	.252	728,372	183,550	15,296	3,855	15,296	3,855	0
	TOTAL		11,115,193	2,751,433	752,960	171,419	762,499	187,955	16,536
	Composite Rate (%)				6.8	6.2	6.9	6.8	

[019

REPORT

Run Date : 09/09/97 - 08.21.56
Report : RATPARAM.PSC98PRO

Company : BellSouth Telecommunications
State : Florida

Parameter Report

Acct	Title	Edate	ELG Year	Plife or AZFR	Avg. Rem. Life	Avg. Serv. Life	Avg. Net Salv.	Fut. Net Salv.	Curve Shape Parameters c	G	S
2112.0	Motor Vehicles	199801	1998	8.0	5.0	8.1	15	16			
	Motor Vehicle-Light	199801	1998	8.0	4.9	8.1	15	16	1.38000000E+00	-1.67062010E-02	9.36039130E-03
	Motor Vehicle-Other	199801	1998	8.0	5.2	8.2	15	16	1.37000000E+00	-1.18281590E-02	6.86371910E-03
2114.0	Special Purpose Veh.	199801	1998	7.0	3.7	7.2	0	0	1.71629560E+00	-1.14622770E-03	3.81733890E-04
2115.0	Garage Work Equipment	199801	1998	12.0	8.9	12.0	-20	0	2.60000000E-01	-1.79985680E-01	-2.87961570E-02
2116.0	Other Work Equipment	199801	1998	15.0	11.7	11.5	0	0	7.10000000E-01	-3.62995440E-01	-1.02890690E-01
2121.0	Buildings	199801	1998	45.0	34.0	43.0	-3	0	1.18428730E+00	-1.01449700E-01	1.55765450E-02
2122.0	Furniture	199801		15.0	15.0	12.2	2	10	9.50000000E-01	-2.62877800E+00	-1.56087630E-01
2123.1	Office Support Equipment	199801	1998	11.5	24.0	16.5	3	5	9.50000000E-01	5.71431430E-01	-4.64797[illegible]0E-03
2123.2	Company Comm. Equipment	199801		7.0	3.1	6.9	21	10	1.22810520E+00	-9.83328530E-02	2.01992260E-02
2124.0	Genl Purpose Computers	199801	1998	5.0	3.5	5.9	5	0	9.90000000E-01	-9.26815440E+01	-9.49730870E-01
2211.0	Analog ESS	199801		2000.9	3.3	8.9	8	0	1.00000000E+00	0.00000000E+00	-6.56376950E-03
2212.0	Digital ESS	199801	1998	10.0	6.0	11.1	1	0	1.13339740E+00	-2.17455120E-01	2.39688400E-02
2220.0	Operator Systems	199801	1998	10.0	5.9	8.7	4	0	1.13339740E+00	-2.17455120E-01	2.39688400E-02
2231.0	Radio Systems	199801	1998	9.0	6.3	8.0	-2	-5	5.10000000E-01	-5.62917020E-01	-1.92631870E-01
2232.1	Circuit-DDS	199801	1998	8.0	3.7	7.8	5	2	1.48000000E+00	-1.09332160E-02	3.03576640E-03
	Circuit Digital	199801	1998	9.0	5.6	10.2	2	0	1.05000000E+00	-5.78373200E-01	2.36054040E-02
2232.2	Circuit Analog	199801	1998	7.8	4.4	9.8	4	-3	9.70000000E-01	-3.00512200E+00	-9.63341400E-02
2311.0	Station Apparatus	199801		6.0	1.6	7.4	0	0	1.22810520E+00	-9.83328530E-02	2.01992260E-02
2341.0	Large PBX	199801		6.0	3.1	7.1	9	0	1.18428730E+00	-1.01449700E-01	1.55765450E-02
2362.0	Other Terminal Equip.	199801		6.0	2.1	8.3	10	5	1.18428730E+00	-1.01449700E-01	1.55765450E-02
2411.0	Poles	199801	1998	34.0	27.0	34.0	-57	-60	1.03000000E+00	-9.35254580E-02	-2.25398200E-03
2421.1	Aerial Cable Metal	199801	1998	14.0	8.3	16.4	-13	-14	1.02000000E+00	-1.18860420E+00	2.14624200E-02
2421.2	Aerial Cable Fiber	199801	1998	20.0	16.8	19.9	-13	-14	1.02000000E+00	-1.18860420E+00	2.14624200E-02
2422.1	Undergrd Cable Metal	199801	1998	12.0	4.7	18.5	-7	-8	1.10249400E+00	-3.34100410E-01	2.40118790E-02
2422.2	Undergrd Cable Fiber	199801	1998	20.0	15.4	21.0	-7	-8	1.10249400E+00	-3.34100410E-01	2.40118790E-02
2423.1	Buried Cable Metal	199801	1998	14.0	6.6	16.4	-7	-7	1.06000000E+00	-7.96353020E-02	4.49205680E-03
2423.2	Buried Cable Fiber	199801	1998	20.0	15.1	20.0	-7	-7	1.06000000E+00	-7.96353020E-02	4.49205680E-03
2424.0	Submarine Cable	199801	1998	14.0	4.4	17.8	-3	-5	1.06000000E+00	-7.96353020E-02	4.49205680E-03
2426.0	Intra-Bldg Netwk Cable	199801	1998	20.0	11.3	22.0	-6	-10	1.02000000E+00	-1.18860420E+00	2.14624200E-02
2441.0	Conduit System	199801	1998	55.0	39.0	55.0	-11	-10	1.71629560E+00	-1.14622770E-03	3.81733890E-04

Account Description

This account includes the original cost of motor vehicles, which are designed and routinely licensed to operate on public streets and highways. Included are passenger and material carrying automobiles, trucks, truck-type tractors and vans. It also includes the cost of associated power-operated equipment items, which are considered an integral part of a particular motor vehicle, such as concrete mixers, lifts and other aerial devices on trucks.

This account has been divided into two categories:

1) Motor Vehicles Light - Passenger cars, station wagons and trucks up to and including those with one ton capacity.

2) Motor Vehicles Other - All other vehicles such as utility trucks and vans equipped with aerial ladders, buckets, compressors, cranes, high pressure diggers and earth boring machines.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Invest. (SM)	Res. (SM)	Res. %
Florida	90.8	22.0	24.3

Table 1

Projection Life

The Company selected a projection life of 8.0 for the Motor Vehicles account based on our analysis of historical and long range company plans.

The selected curve shape is the best fit graduated curve that satisfies the least absolute retirement criteria.

Future Net Salvage

The company is proposing a future net salvage of 16%. BellSouth's future net salvage value is based on historical salvage and on future salvage expectations for the motor vehicles account.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2112
CATEGORY	:	MOTOR VEHICLES

INDEX

September 30, 1997

Run Date : 09/30/97 - 16.37.26
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2112.0000
Category : Motor Vehicles

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	30,224,102	90,750,364	
Adjustment	0	0	
Study	30,224,102	90,750,364	
% Tot. Depr. Plant	.34	.12	
Depr. Reserve ($)	18,300,206	22,045,326	
(%)	60.5	24.3	
P-Life/AYFR (Yrs)			
Motor Vehicle-Light	7.5	8.0	
Motor Vehicle-Other	9.0	8.0	
Curve			
Motor Vehicle-Light	88-90	94-96 MORT	
c	2.84000000E+00	1.38000000E+00	
G	-2.33646660E-05	-1.67062010E-02	
S	-4.60787600E-02	9.36039130E-03	
Motor Vehicle-Other	88-90	94-96 MORT	
c	1.44000000E+00	1.37000000E+00	
G	-4.87896360E-03	-1.18281590E-02	
S	8.43342310E-03	6.86371910E-03	
Whole Life (Yrs)	9.4	8.1	
Avg. Net Salv. (%)	0	15	
WL Rate (%)	9.1	10.5	
Composite Rem Life (Yrs)	3.2	5.0	
Fut. Net Salv. (%)	14	16	
Composite RL Rate (%)	8.0	11.9	
Intrastate Factor (%)	75.56	78.42	

@ Estimated Investment and Reserve

Run Date : 12/08/97 - 11.22.01
Report : FCC_DRFC, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2112.0000
Category : Motor Vehicles

Depreciation Rate Factors Composite
1998 Represcription

Category	Investment A#	Avg. Serv Life B#	ASL Weight C#	Avg. Rem Life D#	ARL Weight E#
Motor Vehicle-Light	51324733	7.7	6660411	4.5	29724218
Motor Vehicle-Other	39425631	7.7	5132583	4.7	23976199
Total	90750364	7.7	11792994	4.6	53700417

	ANS Weight F=GXC	ANS % G	FNS Weight H=AXI	FNS % I
Motor Vehicle-Light	100239187	15.1	821195728	16.0
Motor Vehicle-Other	78169237	15.2	630810096	16.0
Total	178408424	15.1	1452005824	16.0

\# From Generation Arrangement
Composite Average Service Life = Total A / Total C
Composite Average Remaining Life = Total E / Total C
Composite Average Net Salvage = Total F / Total C
Composite Future Net Salvage = Total H / Total A

Run Date : 09/30/97 - 15.18.05
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2112.0000
Category : Motor Vehicle-Light

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	7640432	.9936	.50	7.50	7.95	961158	7209421
VG 1996	1.5	9878708	.9889	1.49	6.50	7.92	1246830	8105350
VG 1995	2.5	5890974	.9809	2.49	5.50	7.88	747204	4110193
VG 1994	3.5	7137566	.9713	3.48	4.61	7.96	897086	4136856
VG 1993	4.5	9564825	.9516	4.45	3.81	8.07	1184987	4515176
VG 1992	5.5	5479275	.9292	5.40	3.10	8.28	661719	2048561
VG 1991	6.5	2787214	.9291	6.45	2.47	8.74	318836	788164
VG 1990	7.5	1669815	.9186	7.46	1.94	9.24	180674	350670
VG 1989	8.5	720132	.5328	6.88	1.50	7.68	93778	140861
VG 1988	9.5	42395	.4200	8.28	1.15	8.77	4835	5573
VG 1987	10.5	108801	.4240	9.21	.89	9.58	11354	10076
VG 1986	11.5	39460	.1144	8.12	.70	8.20	4812	3369
VG 1985	12.5	177103	.1350	9.06	.58	9.13	19388	11297
VG 1984	13.5	356	.0006	6.41	.52	6.41	56	30
VG 1983	14.5	177748	.0358	8.13	.50	8.15	21821	10995
VG 1982	15.5	9165	.0026	8.18	.50	8.18	1120	560
VG 1981	16.5	764	.0001	8.92	.50	8.92	86	43
Totals		51324733					6355744	31447195
Composites			.661758		4.94784*	8.07533#		

Plife: 8.0
c = +1.38000000E+00 G = -1.67062010E-02 S = +9.35039130E-03 Unscaled
c = +1.48233325E+00 G = -1.67062010E-02 S = +1.14393086E-02 Scaled

+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 77559104

027

Run Date : 09/30/97 - 15.29.14
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2112.0000
Category : Motor Vehicle-Light

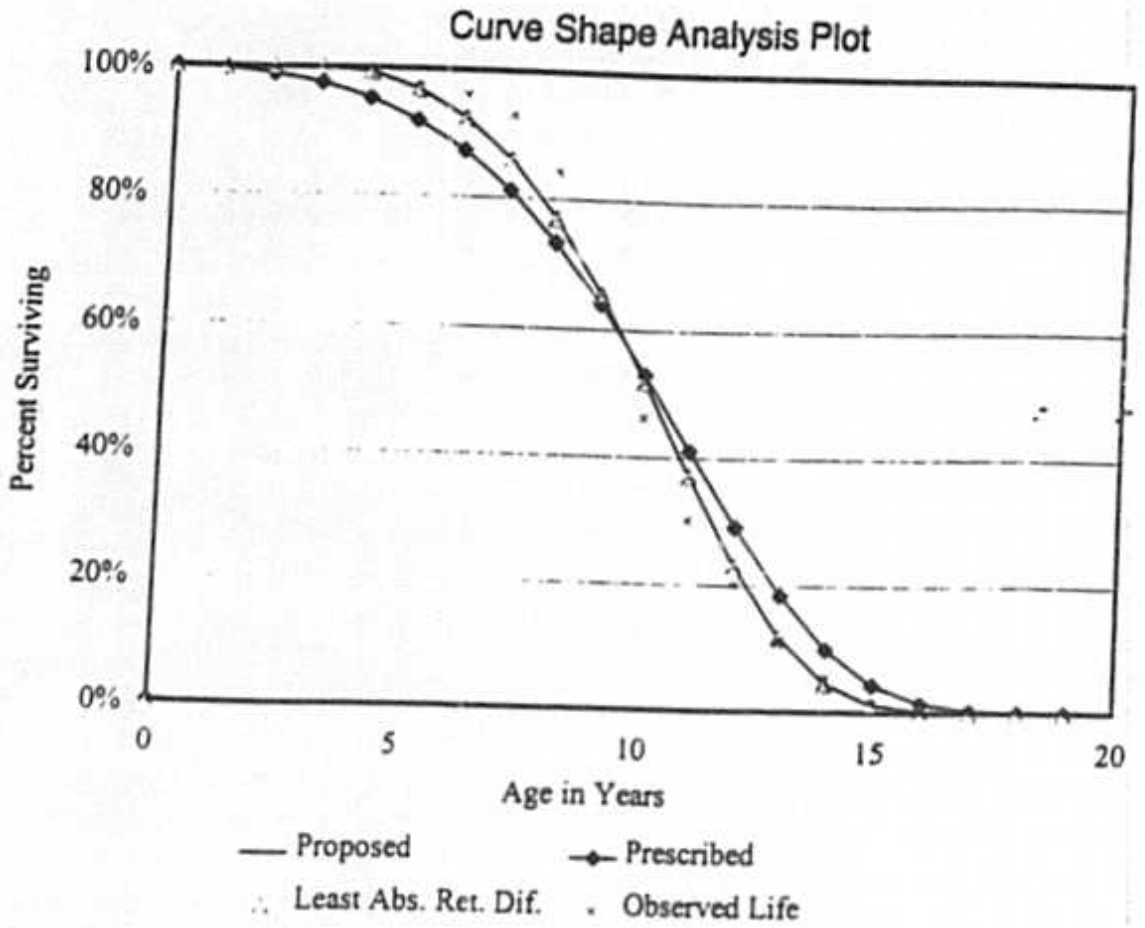
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 8.0
C = -1.38000000E+00 G = -1.67062010E-02 S = +9.36039130E-03 Unscaled
C = -1.48233325E+00 G = -1.67062010E-02 S = +1.14393086E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	0	.5	0	13733	7.28	7.28	8.00
.5	100000	0	1.0	0	13733	7.28	6.78	7.50
1.5	100000	0	2.0	0	13733	7.28	5.78	6.50
2.5	100000	2165	3.0	722	13733	7.28	4.78	5.50
3.5	97835	4514	4.0	1129	13011	7.52	4.02	4.61
4.5	93321	7410	5.0	1482	11883	7.85	3.35	3.81
5.5	85911	10874	6.0	1812	10401	8.26	2.76	3.10
6.5	75037	14415	7.0	2059	8588	8.74	2.24	2.47
7.5	60622	16992	8.0	2124	6529	9.28	1.78	1.94
8.5	43630	17174	9.0	1908	4405	9.90	1.40	1.50
9.5	26456	14012	10.0	1401	2497	10.60	1.10	1.15
10.5	12444	8427	11.0	766	1096	11.36	.86	.89
11.5	4017	3275	12.0	273	330	12.19	.69	.70
12.5	742	682	13.0	52	57	13.08	.58	.58
13.5	60	59	14.0	4	4	14.02	.52	.52
14.5	1	1	15.0	0	0	.00	.50	.50
15.5	0	0	16.0	0	0	.00	.50	.50
16.5	0	0	17.0	0	0	.00	.50	.50
Total		100000						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2112.0000
Category : Motor Vehicle-Light



Method = MORT 1994-1996 Band T = 17

c = -1.38000000E-00 G = -1.67062010E-02 S = +9.36039130E-03

Curves Scaled to the Observed Life of 9.47

Run Date : 09/30/97 - 15.18.24
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2112.0000
Category : Motor Vehicle-Other

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	7661725	.9963	.50	7.50	7.97	961255	7209373
VG 1996	1.5	7466844	.9953	1.50	6.50	7.97	937329	6092597
VG 1995	2.5	4335596	.9953	2.50	5.50	7.97	543874	2991283
VG 1994	3.5	6813597	.9942	3.50	4.60	8.07	844443	3883021
VG 1993	4.5	4433772	.9537	4.34	3.78	7.95	557825	2109444
VG 1992	5.5	6231646	.9893	5.49	3.05	8.51	732105	2232927
VG 1991	6.5	1284612	.9841	6.49	2.41	8.86	144922	349320
VG 1990	7.5	328254	.9601	7.46	1.87	9.26	35460	66210
VG 1989	8.5	126476	.9609	8.48	1.42	9.85	12845	18264
VG 1988	9.5	46448	.9355	9.47	1.07	10.47	4437	4760
VG 1987	10.5	44	.3385	9.55	.82	9.82	4	4
VG 1986	11.5	6	.0000	6.40	.64	6.40	1	1
VG 1985	12.5	0	.0000	.00	.55	9.73	0	0
VG 1984	13.5	100902	.0851	10.09	.51	10.13	9961	5071
VG 1983	14.5	431679	.0978	11.72	.50	11.76	36693	18347
VG 1982	15.5	117811	.0397	12.03	.50	12.05	9777	4889
VG 1981	16.5	46219	.0072	12.25	.50	12.25	3772	1886
Totals		39425631					4834703	24987397
Composites			.725370		5.16834*	8.15472#		

Plife: 8.0
c = -1.37000000E+00 G = -1.18281590E-02 S = +6.86371910E-03 Unscaled
c = -1.53482558E+00 G = -1.18281590E-02 S = +9.34063499E-03 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 54352545

Run Date : 09/30/97 - 15.29.30
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2112.0000
Category : Motor Vehicle-Other

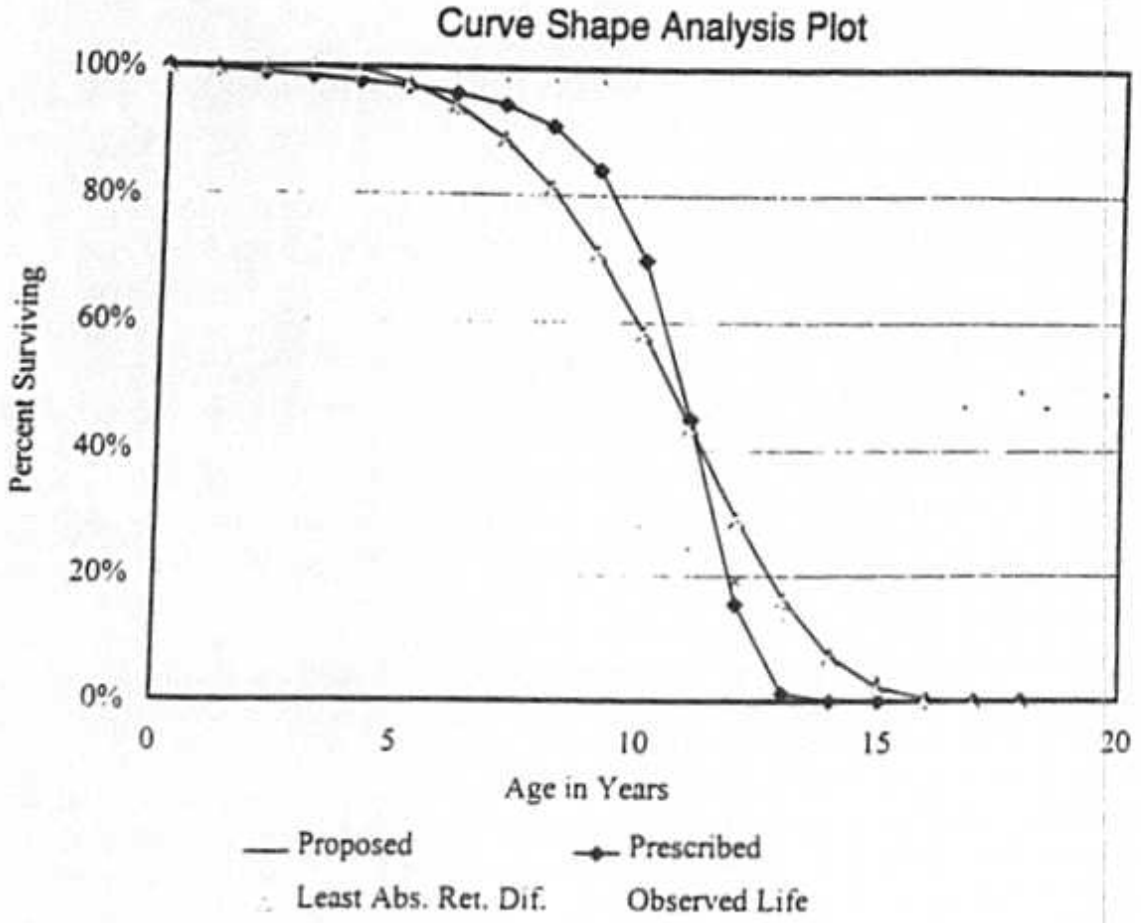
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 8.0
C = -1.37000000E+00 G = -1.18281590E-02 S = +6.86372910E-03 Unscaled
C = +1.53482558E+00 G = -1.18281590E-02 S = +9.34060499E-03 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	0	.5	0	13651	7.33	7.33	8.00
.5	100000	0	1.0	0	13651	7.33	6.83	7.50
1.5	100000	0	2.0	0	13651	7.33	5.83	6.50
2.5	100000	1929	3.0	643	13651	7.33	4.83	5.50
3.5	98071	4197	4.0	1049	13008	7.54	4.04	4.60
4.5	93874	7099	5.0	1420	11958	7.85	3.35	3.78
5.5	86775	10745	6.0	1791	10539	8.23	2.73	3.05
6.5	76030	14671	7.0	2096	8748	8.69	2.19	2.41
7.5	61356	17710	8.0	2214	6652	9.22	1.72	1.87
8.5	43649	18065	9.0	2007	4438	9.83	1.33	1.42
9.5	25584	14444	10.0	1444	2431	10.52	1.02	1.07
10.5	11140	8066	11.0	733	987	11.29	.79	.82
11.5	3074	2653	12.0	221	253	12.13	.63	.64
12.5	421	401	13.0	31	32	13.04	.54	.55
13.5	20	20	14.0	1	1	14.01	.51	.51
14.5	0	0	15.0	0	0	.00	.50	.50
15.5	0	0	16.0	0	0	.00	.50	.50
16.5	0	0	17.0	0	0	.00	.50	.50
Total		100000						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2112.0000
Category : Motor Vehicle-Other



Method = MORT 1994-1996 Band T = 17

c = −1.37000000E−00 G = -1.18281590E-02 S = +6.86371910E-03

Curves Scaled to the Observed Life of 9.89

Run Date : 12/08/97 - 11.23.42
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2112.0000
Category : Motor Vehicles

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	41161*	14.3**	5886	1.0**	412	13.3
FUTURE	90750#	20.0##	18150	4.0##	3630	16.0
TOTAL	131911		24036		4042	
AVERAGE		18.2		3.1		15.1

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/08/97 - 11.23.51
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2112.0000
Category : Motor Vehicles

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1972%	116665581	10771438	1453269	13.5	30850	.3	13.2
1973	32216185	1002048	120525	12.0	0	.0	12.0
1974	33654074	2796385	407249	14.6	0	.0	14.6
1975	32803552	4360284	769247	17.6	0	.0	17.6
1976	34000120	2623715	503505	19.2	0	.0	19.2
1977	37377950	2391499	498987	20.9	0	.0	20.9
1978	46426511	3363142	807691	24.0	0	.0	24.0
1979	52997622	5974876	1258271	21.1	0	.0	21.1
1980	57267828	2095624	668423	31.9	0	.0	31.9
1981	73980658	4605229	812276	17.6	-16661	-.4	18.0
1982	76746536	5727730	986458	17.2	39584	.7	16.5
1983	77660865	8843828	1889765	21.4	109213	1.2	20.1
1984	69776977	7013294	2267387	32.3	181270	2.6	29.7
1985	65131571	5071334	1088314	21.5	55200	1.1	20.4
1986	61787728	4087604	516121	12.6	49372	1.2	11.4
1987	56254827	5478538	843922	15.4	125401	2.3	13.1
1988	44606625	11685135	2018601	17.3	141983	1.2	16.1
1989	38101940	9451420	1405106	14.9	78282	.8	14.0
1990	28973871	9118392	1031348	11.3	93180	1.0	10.3
1991	30224104	2743177	390922	14.3	34004	1.2	13.0
1992	39647986	1805842	194500	10.8	19871	1.1	9.7
1993	46754331	7469311	560785	7.5	56456	.8	6.8
1994	55892969	4800222	649825	13.5	56058	1.2	12.4
1995	62252601	3374615	675271	20.0	43897	1.3	18.7
1996	78786364	3484721	1127225	32.3	23655	.7	31.7
1997#	90750364	3416000	522648	15.3	34160	1.0	14.3
Grand Total		133555403	23467641	17.6	1155775	.9	16.7
1989-1997 @@		45663700	6557630	14.4	439563	1.0	13.4
1988-1997 **		57348835	8576231	15.0	581546	1.0	13.9

% Represents 1972 and prior years
@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/08/97 - 11.23.51
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2112.0000
Category : Motor Vehicles

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1975	13173931	2299513	17.5	0	.0	17.5
1976	15535025	2986679	19.2	0	.0	19.2
1977	18713516	3837701	20.5	0	.0	20.5
1978	16448856	3736877	22.7	0	.0	22.7
1979	18430370	4045648	22.0	-16661	-.1	22.0
1980	21766601	4533119	20.8	22923	.1	20.7
1981	27247287	5615193	20.6	132136	.5	20.1
1982	28285705	6624309	23.4	313406	1.1	22.3
1983	31261415	7044200	22.5	368606	1.2	21.4
1984	30743790	6748045	21.9	434639	1.4	20.5
1985	30494598	6605509	21.7	520456	1.7	20.0
1986	33335905	6734345	20.2	553226	1.7	18.5
1987	35774031	5872064	16.4	450238	1.3	15.2
1988	39821089	5815098	14.6	488218	1.2	13.4
1989	38476662	5689899	14.8	472850	1.2	13.6
1990	34803966	5040477	14.5	367320	1.1	13.4
1991	30588142	3582661	11.7	281793	.9	10.8
1992	25936944	2827380	10.9	259569	1.0	9.9
1993	20193167	2471303	12.2	210286	1.0	11.2
1994	20934711	3207606	15.3	199937	1.0	14.4
1995	22544869	3535754	15.7	214226	1.0	14.7

Run Date : 12/08/97 - 11.24.15
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2112.0000
Category : Motor Vehicles

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	77660865							
1984	69776977	73718921	7013293	.09514				
1985	65131571	67454274	5071332	.07518	84-86	204632845	16172228	.07903
1986	61787728	63459650	4087603	.06441	85-87	189935202	14637473	.07707
1987	56254827	59021278	5478538	.09282	86-88	172911654	21251276	.12290
1988	44606625	50430726	11685135	.23171	87-89	150806287	26615093	.17649
1989	38101940	41354283	9451420	.22855	88-90	125322915	30254947	.24142
1990	28973871	33537906	9118392	.27188	89-91	104491177	21312989	.20397
1991	30224104	29598988	2743177	.09268	90-92	98072939	13667411	.13936
1992	39647986	34936045	1805842	.05169	91-93	107736192	12018330	.11155
1993	46754331	43201159	7469311	.17290	92-94	129460854	14075375	.10872
1994	55892969	51323650	4800222	.09353	93-95	153597594	15644148	.10185
1995	62252601	59072785	3374615	.05713	94-96	180915918	11659558	.06445
1996	78786364	70519483	3484721	.04942	95-97	214360632	10275336	.04793
1997#	90750364	84768364	3416000	.04030				

Forecasted activity

SPECIAL PURPOSE VEHICLES

Company : BellSouth Telecommunications
State : Florida
Account : 2114
Category : Special Purpose Vehicles

Account Description

The only investment in the Special Purpose Vehicles rate account is in Florida. The investment represents a gas powered vehicle used by telephone company personnel at the customer location. It is used as a means of transportation within the customers' complex. This account represents equipment used in special situations where the locale dictates a need for alternative transportation to provide for the service needs of our customers. Vehicles that are routinely licensed to operate on public streets and highways are not included in this account.

Investment and Reserve Statistics

The estimated 1/1/98 investment and reserve in the special purpose vehicles account are shown in Table 1.

Investment and Reserve Statistics

	Invest. ($)	Res. ($)	Res. %
Florida	4,028	56	1.4

Table 1

Projection Life

The company selected a projection life of 7 years in Florida based on the life experienced by former equipment in the Special Purpose Vehicles account and an analogy with motor vehicles.

Future Net Salvage

The company is selecting a future net salvage of 0%. BellSouth's future net salvage values are based on historical salvage and future salvage expectations for the Special Purpose Vehicles account.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2114
CATEGORY	:	SPECIAL PURPOSE VEHICLE

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September 30, 1997

Run Date : 09/30/97 - 16.37.54
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2114.0000
Category : Special Purpose Veh.

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	3,049	4,028	
Adjustment	0	0	
Study	3,049	4,028	
% Tot. Depr. Plant	.00	.00	
Depr. Reserve ($)	2,674	56	
(%)	87.7	1.4	
P-Life/AYFR (Yrs)			
Special Purpose Veh.	6.9	7.0	
Curve			
Special Purpose Veh.	67-69	BELL #5	
C	1.12506950E+00	1.71629560E+00	
G	-3.52358600E-02	-1.14622770E-03	
S	-8.77676890E-03	3.81733890E-04	
Whole Life (Yrs)	8.5	7.2	
Avg. Net Salv. (%)	0	0	
WL Rate (%)	11.8	13.9	
Composite Rem Life (Yrs)	5.0	3.7	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	2.5	26.6	
Intrastate Factor (%)	77.02	79.34	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.18.50
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2114.0000
Category : Special Purpose Veh.

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98: Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	0	.0000	.00	6.50	.00	0	0
VG 1996	1.5	0	.0000	.00	5.52	.00	0	0
VG 1995	2.5	0	.0000	.00	4.57	.00	0	0
VG 1994	3.5	4028	1.0000	3.50	3.65	7.15	563	2056
Totals		4028					563	2056
Composites			1.00000@		3.65187*	7.15453#		

Plife: 7.0
c = +1.71629560E+00 G = -1.14622770E-03 S = +3.81733890E-04 Unscaled
c = +2.16337362E+00 G = -1.14622770E-03 S = +5.45334087E-04 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 4028

Run Date : 09/30/97 - 15.30.01
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2114.0000
Category : Special Purpose Veh.

Projection Life Table
Development of Average Service Life and Remaining Life by Age

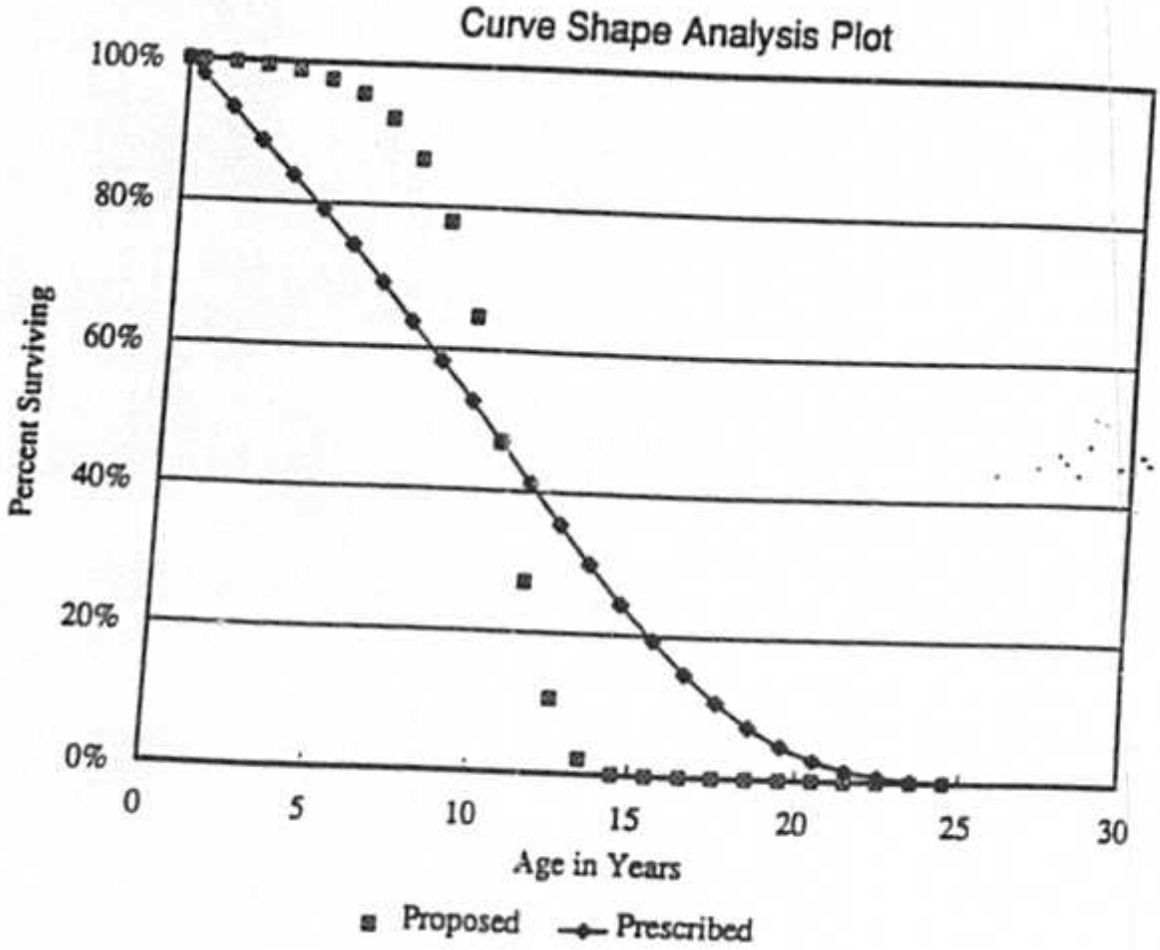
Plife = 7.0
C = +1.71629560E+00 G = -1.14622770E-03 S = +3.81733890E-04 Unscaled
C = +2.16337362E+00 G = -1.14622770E-03 S = +5.45334087E-04 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	61	.5	123	15675	6.38	6.38	7.00
.5	99939	325	1.0	325	15552	6.43	5.93	6.50
1.5	99613	845	2.0	422	15226	6.54	5.04	5.52
2.5	98769	1944	3.0	648	14804	6.67	4.17	4.57
3.5	96824	4212	4.0	1053	14156	6.84	3.34	3.65
4.5	92613	8618	5.0	1724	0	.00	.00	.00
5.5	83995	16097	6.0	2683	0	.00	.00	.00
6.5	67898	25109	7.0	3587	0	.00	.00	.00
7.5	42789	27053	8.0	3382	0	.00	.00	.00
8.5	15736	13931	9.0	1548	0	.00	.00	.00
9.5	1805	1788	10.0	179	0	.00	.00	.00
10.5	17	17	11.0	2	0	.00	.00	.00
11.5	0	0	12.0	0	0	.00	.00	.00
Total		100000						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

042

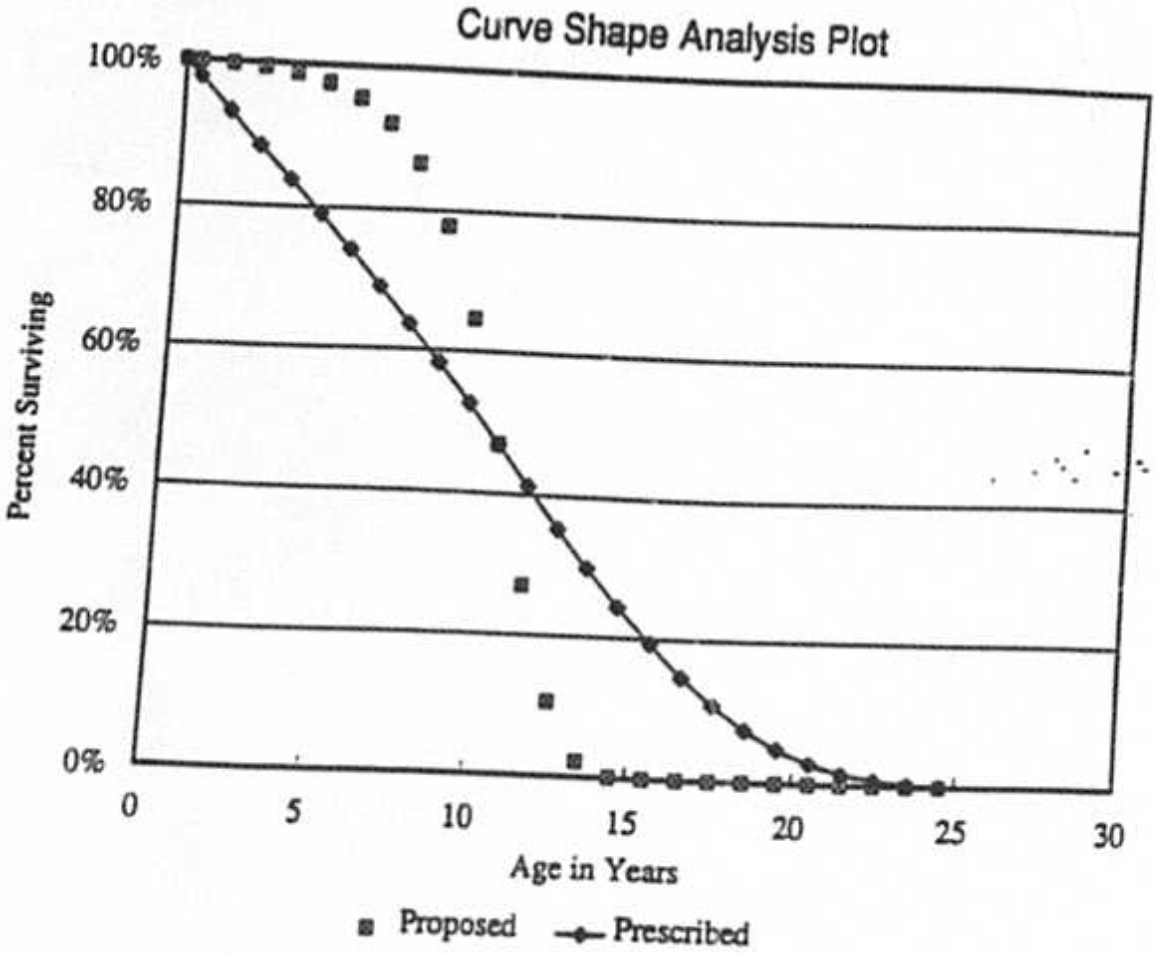
Company : BellSouth Telecommunications
State : Florida
Account : 2114.0000
Category : Special Purpose Veh.



Note: Insufficient Data for Graduation

c = +1.71629560E+00 G = -1.14622770E-03 S = +3.81733890E-04

Company : BellSouth Telecommunications
State : Florida
Account : 2114.0000
Category : Special Purpose Veh.



Note: Insufficient Data for Graduation

c = +1.71629560E+00 G = -1.14622770E-03 S = +3.81733890E-04

Run Date : 12/09/97 - 09.13.02
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2114.0000
Category : Special Purpose Veh.

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	0*	.0**	0	.0**	0	.0
FUTURE	4#	.0##	0	.0##	0	.0
TOTAL	4		0		0	
AVERAGE		.0		.0		.0

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/09/97 - 09.13.09
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2114.0000
Category : Special Purpose Veh.

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1988	3049	0	0	.0	150	.0	.0
1989	3049	0	0	.0	0	.0	.0
1990	3049	0	0	.0	0	.0	.0
1991	3049	0	0	.0	0	.0	.0
1992	3049	0	0	.0	0	.0	.0
1993	0	3049	0	.0	0	.0	.0
1994	4028	0	0	.0	0	.0	.0
1995	4028	0	0	.0	0	.0	.0
1996	4028	0	0	.0	0	.0	.0
1997#	4028	0	0	.0	0	.0	.0
Grand Total		3049	0	.0	150	4.9	-4.9
1993-1997 @@		3049	0	.0	0	.0	.0
1988-1997 **		3049	0	.0	150	4.9	-4.9

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/09/97 - 09.13.09
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2114.0000
Category : Special Purpose Veh.

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1990	0	0	.0	150	.0	.0
1991	3049	0	.0	0	.0	.0
1992	3049	0	.0	0	.0	.0
1993	3049	0	.0	0	.0	.0
1994	3049	0	.0	0	.0	.0
1995	3049	0	.0	0	.0	.0

Run Date : 12/09/97 - 09.13.26
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2114.0000
Category : Special Purpose Veh.

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1988	3049							
1989	3049	3049	0	.00000				
1990	3049	3049	0	.00000	89-91	9147	0	.00000
1991	3049	3049	0	.00000	90-92	9147	0	.00000
1992	3049	3049	0	.00000	91-93	7623	3049	.39997
1993	0	1525	3049	1.99934	92-94	6588	3049	.46281
1994	4028	2014	0	.00000	93-95	7567	3049	.40293
1995	4028	4028	0	.00000	94-96	10070	0	.00000
1996	4028	4028	0	.00000	95-97	12084	0	.00000
1997#	4028	4028	0	.00000				

Forecasted activity

GARAGE WORK
EQUIPMENT

048

Company : BellSouth Telecommunications
State : Florida
Account : 2115
Category : Garage Work Equipment

Account Description

The Garage Work Equipment account consists of investment in tools and work equipment (e.g., air compressors, chain hoists, power machine tools, hydraulic lubricating equipment, welding equipment etc.) used to maintain items included in Accounts: 2112, Motor Vehicles; 2113, Aircraft; 2114, Special Purpose Vehicles; and 2116, Other Work Equipment.

Investment and Reserve Statistics

The estimated 1/1/98 investment and reserve in the garage work equipment account is shown in Table 1 below.

Investment and Reserve Statistics

	Investment ($M)	Reserve ($M)	Reserve %
Florida	1.5	1.1	71.2

Table 1

Projection Life

The company selected a projection life of 12 based on our analysis of historical data and long range company plans.

The graduated curve shape for the 1994-1996 band with the least absolute retirement differences to total data was selected.

Future Net Salvage

History shows that net salvage experienced in this account has tended to be negative. However, a salvage value of 0.0% has been conservatively selected for the Garage Work Equipment account.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	Florida
ACCOUNT	:	2115.0000
CATEGORY	:	Garage Work Equipment

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Sept. 30. 1997

Run Date : 09/30/97 - 16.38.20
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2115.0000
Category : Garage Work Equipment

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	3,182,286	1,478,031	
Adjustment	0	0	
Study	3,182,286	1,478,031	
% Tot. Depr. Plant	.00	.01	
Depr. Reserve ($)	439,294	1,051,737	
(%)	13.8	71.2	
P-Life/AYFR (Yrs)			
Garage Work Equipment	.0	12.0	
Curve			
Garage Work Equipment		1994-1996 MORT	
c	0.00000000E+00	2.60000000E-01	
G	0.00000000E+00	-1.79985680E-01	
S	0.00000000E+00	-2.87961570E-02	
Whole Life (Yrs)	.0	12.0	
Avg. Net Salv. (%)	-19	-20	
WL Rate (%)	.0	10.0	
Composite Rem Life (Yrs)	.0	8.9	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	.0	3.2	
Intrastate Factor (%)	78.42	79.34	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.19.07
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2115.0000
Category : Garage Work Equipment

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	115440	.9867	.49	11.51	11.85	9742	112129
VG 1996	1.5	63890	.9864	1.49	10.51	11.86	5387	56615
VG 1995	2.5	84822	.9679	2.45	9.51	11.66	7276	69192
VG 1994	3.5	55568	.7344	3.11	8.51	9.36	5939	50533
VG 1993	4.5	147166	.9470	4.41	8.49	12.45	11818	100384
VG 1992	5.5	31046	.8889	5.33	8.49	12.88	2411	20480
VG 1991	6.5	324301	.9404	6.39	8.49	14.38	22553	191565
VG 1990	7.5	18687	.9407	7.40	8.49	15.39	1214	10316
VG 1989	8.5	29539	.5319	5.46	8.49	9.98	2959	25134
VG 1988	9.5	86288	.7855	8.84	8.49	15.51	5564	47260
VG 1987	10.5	44619	.0398	5.47	8.49	5.81	7678	65217
VG 1986	11.5	27042	.1653	7.70	8.49	9.11	2969	25223
VG 1985	12.5	27065	.7569	11.10	8.49	17.53	1544	13116
VG 1984	13.5	58069	.7217	11.96	8.49	18.09	3210	27264
VG 1983	14.5	75329	.2202	8.20	8.49	10.07	7483	63563
VG 1982	15.5	72684	.3374	11.13	8.49	14.00	5192	44104
VG 1981	16.5	139620	.1316	9.24	8.49	10.35	13484	114530
VG 1980	17.5	12227	.0054	8.41	8.49	8.45	1447	12288
VG 1979	18.5	4984	.0194	8.10	8.49	8.27	603	5121
VG 1978	19.5	22016	.2005	12.30	8.49	14.00	1573	13358
VG 1977	20.5	17478	.4098	13.94	8.49	17.42	1003	8523
VG 1976	21.5	5693	.2177	12.92	8.49	14.77	385	3275
VG 1975	22.5	1042	.0765	12.48	8.49	13.13	79	674
VG 1974	23.5	0	.0000	.00	8.49	8.58	0	0
VG 1973	24.5	8899	.1153	10.24	8.49	11.22	793	6735
PRIOR		4517	.0125	17.25	8.47	9.33	484	4101
Totals		1478031					122790	1090700
Composites			.203860		8.88265*	12.03706#		

Plife: 12.0
c = -2.60000000E-01 G = -1.79985680E-01 S = -2.87961570E-02 Unscaled
c = -9.12135660E-02 G = -1.79985680E-01 S = -5.11879103E-02 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 7252341

Run Date : 09/30/97 - 15.30.17
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2115.0000
Category : Garage Work Equipment

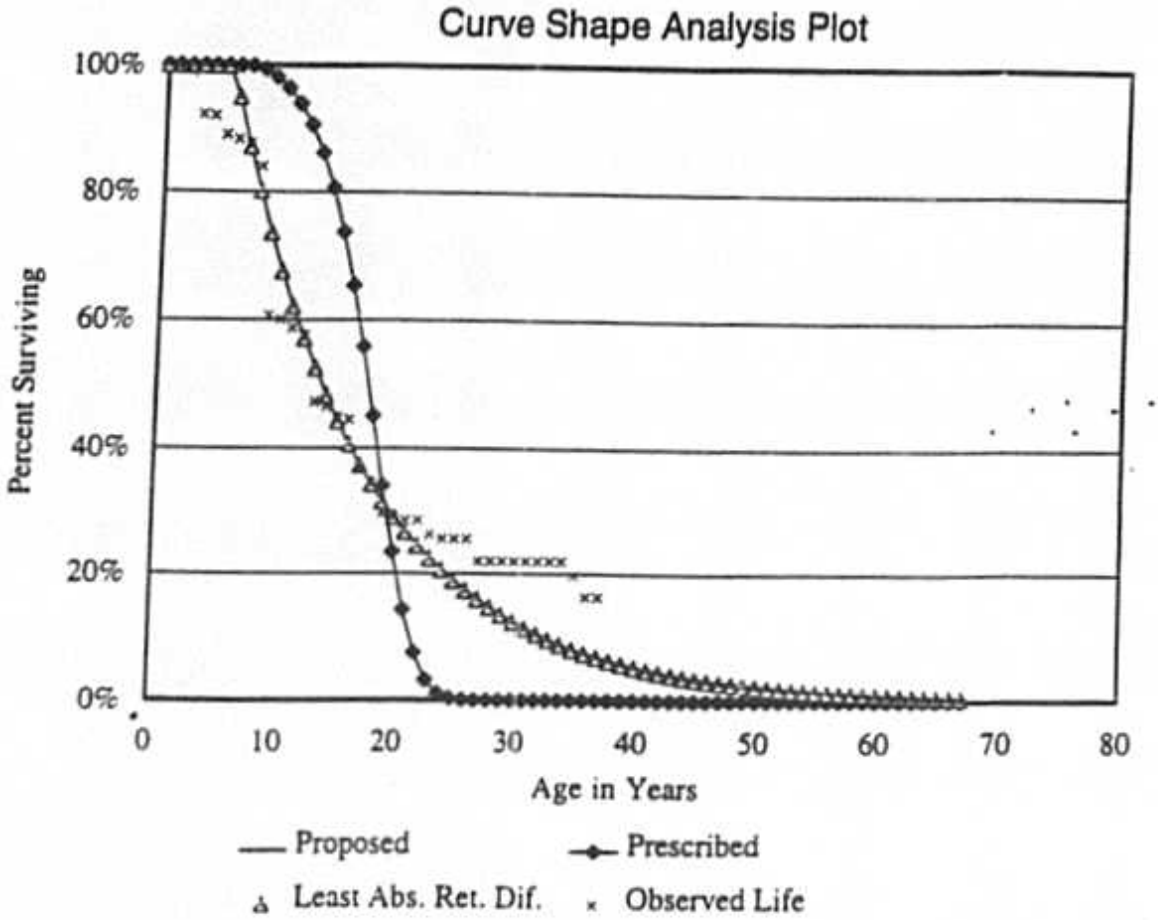
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 12.0
C = -2.60000000E-01 G = -1.79985680E-01 S = -2.87961570E-02 Unscaled
C = -9.12135660E-02 G = -1.79985680E-01 S = -5.11879103E-02 Scaled

Beginning Of Year		Amount		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	0	.5	0	12067	8.29	8.29	12.01
.5	100000	0	1.0	0	12067	8.29	7.79	11.51
1.5	100000	0	2.0	0	12067	8.29	6.79	10.51
2.5	100000	0	3.0	0	12067	8.29	5.79	9.51
3.5	100000	10950	4.0	2737	12067	8.29	4.79	8.51
4.5	89050	9900	5.0	1980	9329	9.55	5.05	8.49
5.5	79150	8800	6.0	1467	7349	10.77	5.27	8.49
6.5	70350	7822	7.0	1117	5883	11.96	5.46	8.49
7.5	62528	6952	8.0	869	4765	13.12	5.62	8.49
8.5	55576	6179	9.0	687	3896	14.26	5.76	8.49
9.5	49397	5492	10.0	549	3210	15.39	5.89	8.49
10.5	43905	4882	11.0	444	2660	16.50	6.00	8.49
11.5	39023	4339	12.0	362	2217	17.60	6.10	8.49
12.5	34685	3856	13.0	297	1855	18.70	6.20	8.49
13.5	30828	3428	14.0	245	1558	19.78	6.28	8.49
14.5	27401	3047	15.0	203	1314	20.86	6.36	8.49
15.5	24354	2708	16.0	169	1110	21.93	6.43	8.49
16.5	21646	2407	17.0	142	941	23.00	6.50	8.49
17.5	19240	2139	18.0	119	800	24.06	6.56	8.49
18.5	17101	1901	19.0	100	681	25.12	6.62	8.49
19.5	15199	1690	20.0	84	581	26.17	6.67	8.49
20.5	13509	1502	21.0	72	496	27.22	6.72	8.49
21.5	12007	1335	22.0	61	425	28.27	6.77	8.49
22.5	10672	1187	23.0	52	364	29.31	6.81	8.49
23.5	9486	1055	24.0	44	312	30.36	6.86	8.49
24.5	8431	937	25.0	37	269	31.40	6.90	8.49
Total		99997						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + Sum of Col. B from Age A + 1 through End / Col. B at Age A

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2115.0000
Category	:	Garage Work Equipment



Method = MORT 1994-1996 Band T = 37

c = +2.60000000E-01 G = -1.79985680E-01 S = -2.87961570E-02

Curves Scaled to the Observed Life of 16.69

Run Date : 12/15/97 - 13.02.52
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2115.0000
Category : Garage Work Equipment

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	5774*	.8**	46	25.4**	1467	-24.6
FUTURE	1478#	2.0##	30	2.0##	30	.0
TOTAL	7252		76		1497	
AVERAGE		1.0		20.6		-19.6

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/15/97 - 13.02.59
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2115.0000
Category : Garage Work Equipment

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1988	3491867	1559270	0	.0	442836	28.4	-28.4
1989	3126829	427720	20000	4.7	93519	21.9	-17.2
1990	2840533	203325	0	.0	15693	7.7	-7.7
1991	3064452	141811	901	.6	121468	85.7	-85.0
1992	3002799	306860	0	.0	56514	18.4	-18.4
1993	1792789	1396658	0	.0	358849	25.7	-25.7
1994	1741480	155495	0	.0	8475	5.5	-5.5
1995	1781195	75859	0	.0	0	.0	.0
1996	1832495	34258	8703	25.4	0	.0	25.4
1997#	1478031	24000	96	.4	5160	21.5	-21.1
Grand Total		4325256	29700	.7	1102514	25.5	-24.8
1988-1997 @@		4325256	29700	.7	1102514	25.5	-24.8
1988-1997 **		4325256	29700	.7	1102514	25.5	-24.8

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/15/97 - 13.02.59
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2115.0000
Category : Garage Work Equipment

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1990	2638986	20901	.8	730030	27.7	-26.9
1991	2476374	20901	.8	646043	26.1	-25.2
1992	2204149	901	.0	560999	25.5	-25.4
1993	2076683	901	.0	545306	26.3	-26.2
1994	1969130	8703	.4	423838	21.5	-21.1
1995	1686270	8799	.5	372484	22.1	-21.6

Run Date : 12/15/97 - 13.03.21
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2115.0000
Category : Garage Work Equipment

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1988	3491867							
1989	3126829	3309348	427720	.12925				
1990	2840533	2983681	203325	.06815	89-91	9245522	772856	.08359
1991	3064452	2952493	141811	.04803	90-92	8969800	651996	.07269
1992	3002799	3033626	306860	.10115	91-93	8383913	1845329	.22010
1993	1792789	2397794	1396658	.58248	92-94	7198555	1859013	.25825
1994	1741480	1767135	155495	.08799	93-95	5926267	1628012	.27471
1995	1781195	1761338	75859	.04307	94-96	5335318	265612	.04978
1996	1832495	1806845	34258	.01896	95-97	5223446	134117	.02568
1997#	1478031	1655263	24000	.01450				

Forecasted activity

OTHER WORK
EQUIPMENT

Company : BellSouth Telecommunications
State : Florida
Account : 2116
Category : Other Work Equipment

Account Description

The Other Work Equipment account includes cost of tools and work equipment [e.g., cable lashers, chain hoists, ladders, pumps, blowers, heaters, test sets (except those classified as computers or C.O. equipment), underground service modules and mobile power unit splicing modules, etc.]. Included in this account are tools and work equipment that are used in or with vehicles but are not attached components considered to be associated equipment in such vehicles. Also included are tools used in central offices as well as those used by employees whether or not involved in the construction, maintenance and/or removal of telecommunications plant.

Investment and Reserve Statistics

The estimated 1/1/98 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Investment ($M)	Reserve ($M)	Reserve %
Florida	78.0	73.8	94.6

Table 1

Projection Life

The company selected a projection life of 15 based on our analysis of historical data and long range company plans.

The graduated curve shape for the 1994-1996 band with the least absolute retirement differences to total data was selected.

Company : BellSouth Telecommunications
State : Florida
Account : 2116
Category : Other Work Equipment

Future Net Salvage

Net salvage experienced in the Other Work Equipment account has been about 0.0%. It is expected that future salvage will be similar to that currently experienced. Therefore a future net salvage of 0.0% for this account is selected.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	Florida
ACCOUNT	:	2116.0000
CATEGORY	:	Other Work Equipment

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Sept. 30, 1997

Run Date : 09/30/97 - 16.38.45
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2116.0000
Category : Other Work Equipment

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	68,286,170	77,961,182	
Adjustment	0	0	
Study	68,286,170	77,961,182	
% Tot. Depr. Plant	.00	.70	
Depr. Reserve ($)	32,309,470	73,752,315	
(%)	47.3	94.6	
P-Life/AYFR (Yrs)			
Other Work Equipment		15.0	
Curve			
Other Work Equipment		1994-1996 MORT	
c	0.00000000E+00	7.10000000E-01	
G	0.00000000E+00	-3.62995440E-01	
S	0.00000000E+00	-1.02890690E-01	
Whole Life (Yrs)	.0	11.5	
Avg. Net Salv. (%)	0	0	
WL Rate (%)	.0	8.7	
Composite Rem Life (Yrs)	.0	11.7	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	.0	.5	
Intrastate Factor (%)	77.02	79.34	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.19.25
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2116.0000
Category : Other Work Equipment

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	12032104	.8381	.42	14.50	12.57	956934	13878533
VG 1996	1.5	4997213	.8381	1.42	13.50	12.74	392384	5298402
VG 1995	2.5	17873064	.8023	2.36	12.53	12.41	1439928	18040990
VG 1994	3.5	6887094	.5556	2.98	11.88	9.58	718861	8541600
VG 1993	4.5	5701991	.5303	3.93	11.36	9.96	572520	6506096
VG 1992	5.5	5944542	.4606	4.77	10.95	9.81	605756	6630057
VG 1991	6.5	4559694	.4669	5.75	10.60	10.70	426257	4519996
VG 1990	7.5	2878382	.4306	6.67	10.32	11.11	259043	2674408
VG 1989	8.5	1641335	.4812	7.42	10.09	12.28	133666	1349167
VG 1988	9.5	1335242	.3473	7.94	9.90	11.38	117307	1161642
VG 1987	10.5	1248510	.2581	8.46	9.74	10.97	113786	1108703
VG 1986	11.5	1300443	.2326	9.80	9.61	12.04	108019	1038202
VG 1985	12.5	674340	.1833	10.00	9.50	11.74	57424	545548
VG 1984	13.5	1694333	.3239	11.29	9.41	14.34	118181	1111782
VG 1983	14.5	8378633	.1874	10.54	9.33	12.29	681598	6358854
VG 1982	15.5	172095	.2124	12.88	9.26	14.85	11591	107374
VG 1981	16.5	156474	.2155	12.54	9.21	14.53	10771	99179
VG 1980	17.5	172377	.1891	12.86	9.16	14.59	11817	108257
VG 1979	18.5	150832	.1493	12.35	9.12	13.71	10998	100320
VG 1978	19.5	83186	.0941	12.01	9.09	12.87	6466	58765
VG 1977	20.5	13624	.1286	13.55	9.06	14.71	926	8389
VG 1976	21.5	1927	.0623	11.80	9.04	12.36	156	1409
VG 1975	22.5	3957	.1718	16.34	9.02	17.89	221	1995
VG 1974	23.5	12501	.0348	11.30	9.00	11.61	1077	9690
VG 1973	24.5	21749	.0407	10.98	8.98	11.35	1917	17223
PRIOR		25540	.0223	14.02	8.95	11.36	2249	20118
Totals		77961182					6759853	79296699
Composites			.45077@		11.73054*	11.53297#		

Plife: 15.0
c = -7.10000000E-01 G = -3.62995440E-01 S = -1.02890690E-01 Unscaled
c = -8.49960949E-01 G = -3.62995440E-01 S = -4.88376210E-02 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 172949849

054

Run Date : 09/30/97 - 15.30.34
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2116.0000
Category : Other Work Equipment

Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 15.0
C = +7.10000000E-01 G = -3.62995440E-01 S = -1.02890690E-01 Unscaled
C = +8.49960949E-01 G = -3.62995440E-01 S = -4.88376210E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	0	.5	0	10007	9.99	9.99	15.00
.5	100000	0	1.0	0	10007	9.99	9.49	14.50
1.5	100000	199	2.0	100	10007	9.99	8.49	13.50
2.5	99801	2846	3.0	949	9907	10.07	7.57	12.53
3.5	96955	3938	4.0	984	8959	10.82	7.32	11.88
4.5	93018	4723	5.0	945	7974	11.66	7.16	11.36
5.5	88294	5239	6.0	873	7030	12.56	7.06	10.95
6.5	83056	5527	7.0	790	6157	13.49	6.99	10.60
7.5	77529	5631	8.0	704	5367	14.45	6.95	10.32
8.5	71898	5591	9.0	621	4663	15.42	6.92	10.09
9.5	66307	5445	10.0	544	4042	16.40	6.90	9.90
10.5	60862	5222	11.0	475	3497	17.40	6.90	9.74
11.5	55640	4947	12.0	412	3023	18.41	6.91	9.61
12.5	50693	4642	13.0	357	2610	19.42	6.92	9.50
13.5	46052	4319	14.0	309	2253	20.44	6.94	9.41
14.5	41733	3993	15.0	266	1945	21.46	6.96	9.33
15.5	37740	3672	16.0	229	1679	22.48	6.98	9.26
16.5	34068	3361	17.0	198	1449	23.51	7.01	9.21
17.5	30707	3065	18.0	170	1252	24.54	7.04	9.16
18.5	27641	2786	19.0	147	1081	25.57	7.07	9.12
19.5	24855	2526	20.0	126	935	26.60	7.10	9.09
20.5	22329	2285	21.0	109	808	27.63	7.13	9.06
21.5	20043	2064	22.0	94	699	28.66	7.16	9.04
22.5	17980	1860	23.0	81	606	29.69	7.19	9.02
23.5	16120	1675	24.0	70	525	30.72	7.22	9.00
24.5	14445	1506	25.0	60	455	31.75	7.25	8.98
Total		99996						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

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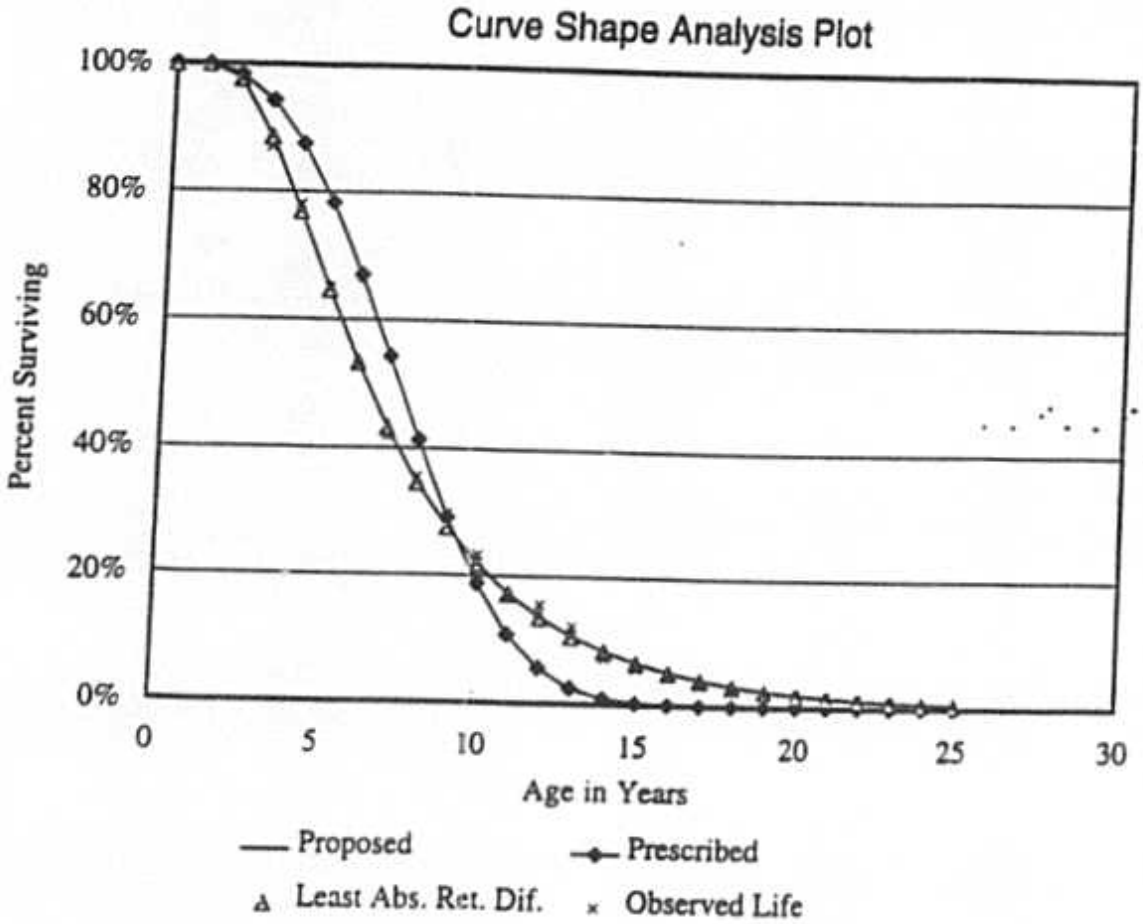
Company : BellSouth Telecommunications
State : Florida
Account : 2116.0000
Category : Other Work Equipment



Method = MORT 1994-1996 Band T = 10

c = +7.10000000E-01 G = -3.62995440E-01 S = -1.02890690E-01

Curves Scaled to the Observed Life of 6.89

Run Date : 12/15/97 - 12.59.46
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2116.0000
Category : Other Work Equipment

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	94989*	.6**	570	1.1**	1045	-.5
FUTURE	77961#	.0##	0	.0##	0	.0
TOTAL	172950		570		1045	
AVERAGE		.3		.6		-.3

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/15/97 - 12.59.59
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2116.0000
Category : Other Work Equipment

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1988	59323241	3787615	202801	5.4	0	.0	5.4
1989	59726230	1391504	-177196	-12.7	-1703	-.1	-12.6
1990	58330629	3516972	2341	.1	0	.0	.1
1991	65812637	1438762	10493	.7	-133	.0	.7
1992	77907992	4308020	14588	.3	20511	.5	-.1
1993	84895883	3059892	26554	.9	-18904	-.6	1.5
1994	92245276	2391768	71907	3.0	7306	.3	2.7
1995	90895244	12167558	17979	.1	672	.0	.1
1996	105373730	38092035	76203	.2	3967	.0	.2
1997#	77961182	15064000	45192	.3	0	.0	.3
Grand Total		85218126	290862	.3	11716	.0	.3
1988-1997 @@		85218126	290862	.3	11716	.0	.3
1988-1997 **		85218126	290862	.3	11716	.0	.3

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/15/97 - 12.59.59
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2116.0000
Category : Other Work Equipment

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1990	14442873	53027	.4	18675	.1	.2
1991	13715150	-123220	-.9	-229	.0	-.9
1992	14715414	125883	.9	8780	.1	.8
1993	23366000	141521	.6	9452	.0	.6
1994	60019273	207231	.3	13552	.0	.3
1995	70775253	237835	.3	-6959	.0	.3

Run Date : 12/15/97 - 13.00.21
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2116.0000
Category : Other Work Equipment

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retire-ments	Retire-ment Ratio	Band	Average Plant Balance	Retire-ments	Retire ment Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1988	59323241							
1989	59726230	59524736	1391504	.02338				
1990	58330629	59028430	3516972	.05958	89-91	180624799	6347238	.03514
1991	65812637	62071633	1438762	.02318	90-92	192960378	9263754	.04801
1992	77907992	71860315	4308020	.05995	91-93	215333886	8806674	.04090
1993	84895883	81401938	3059892	.03759	92-94	241832833	9759680	.04036
1994	92245276	88570580	2391768	.02700	93-95	261542778	17619218	.06737
1995	90895244	91570260	12167558	.13288	94-96	278275327	52651361	.18921
1996	105373730	98134487	38092035	.38816	95-97	281372203	65323593	.23216
1997#	77961182	91667456	15064000	.16433				

Forecasted activity

071

071

Company : BellSouth Telecommunications
State : Florida
Account : 2121
Category : Buildings

Account Description

This buildings account consists of investment in company owned buildings. antenna support on buildings. antenna towers and the cost of all permanent fixtures, machinery, appurtenances and appliances installed as part of the buildings.

The Buildings Account includes the cost of computers dedicated to operating building systems. This includes HVAC (Heating Ventilation and Air Conditioning), fire protection, or buildings access systems. along with associated peripheral devices and the initial operating systems software.

Investment and Reserve Statistics

The estimated 1/1/98 investment and reserve for this account are summarized in Table 1 below.

Investment and Reserve Statistics

	Investment ($M)	Reserve ($M)	Reserve %
Florida	750.6	131.1	17.5

Table 1

Life Proposal

The life of assets in the Buildings account is not expected to experience a change. No major activity is foreseen at this time that will have a life impacting effect. The selected 45 year projection life is based on a composite of the prior rate and/or study categories for this account.

The graduated curve shape for the 1994-1996 band with the least absolute retirement differences to total data was selected.

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Future Net Salvage

The company is selecting a future net salvage of 0%. While history shows that the building account has experienced negative gross salvage, this percent is primarily the result of interim, rather than final retirements or on retirement of small structures.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	Florida
ACCOUNT	:	2121.0000
CATEGORY	:	Buildings

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Sept. 30, 1997

Run Date : 09/30/97 - 16.39.11
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2121.0000
Category : Buildings

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	616,256,862	750,645,024	
Adjustment		0	
Study	616,256,862	750,645,024	
% Tot. Depr. Plant	7.14	6.75	
Depr. Reserve ($)	114,981,894	131,129,473	
(%)	18.7	17.5	
P-Life/AYFR (Yrs)			
Buildings	44.0	45.0	
Curve			
Buildings	BELL #3.0	BELL #3.0	
c	1.18428730E+00	1.18428730E+00	
G	-1.01449700E-01	-1.01449700E-01	
S	1.55765450E-02	1.55765450E-02	
Whole Life (Yrs)	45.0	43.0	
Avg. Net Salv. (%)	2	-3	
WL Rate (%)	2.3	2.4	
Composite Rem Life (Yrs)	35.0	34.0	
Fut. Net Salv. (%)	4	0	
Composite RL Rate (%)	2.2	2.4	
Intrastate Factor (%)	78.42	79.34	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.19.43
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2121.0000
Category : Buildings

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	20349641	.9541	.48	44.52	42.95	473760	21092121
VG 1996	1.5	35717887	.9540	1.48	43.57	43.04	829802	36155505
VG 1995	2.5	30883445	.9486	2.47	42.64	42.91	719685	30684268
VG 1994	3.5	25901033	.9521	3.47	41.71	43.19	599746	25017853
VG 1993	4.5	45019656	.9505	4.47	40.81	43.26	1040788	42470745
VG 1992	5.5	16566005	.9478	5.46	39.91	43.29	382706	15274660
VG 1991	6.5	16987948	.9425	6.44	39.03	43.22	393037	15340988
VG 1990	7.5	21645914	.9315	7.43	38.17	42.98	503642	19221617
VG 1989	8.5	20392778	.9053	8.23	37.31	42.01	485425	18112218
VG 1988	9.5	19420150	.8763	9.23	36.47	41.19	471488	17196297
VG 1987	10.5	31295691	.9118	10.21	35.65	42.71	732675	26116986
VG 1986	11.5	15294883	.9006	11.13	34.83	42.50	359878	12535644
VG 1985	12.5	15322003	.7077	11.98	34.03	36.07	424835	14458539
VG 1984	13.5	14614301	.8548	12.86	33.25	41.28	354029	11770287
VG 1983	14.5	139605643	.9379	14.38	32.47	44.84	3113387	101101291
VG 1982	15.5	28998310	.8538	14.70	31.71	41.77	694189	22014467
VG 1981	16.5	22072099	.8646	15.81	30.96	42.58	518391	16051894
VG 1980	17.5	28854640	.8537	16.84	30.23	42.65	676581	20453029
VG 1979	18.5	23253770	.7951	17.47	29.51	40.93	568181	16765786
VG 1978	19.5	9627042	.8322	18.47	28.80	42.44	226852	6532945
VG 1977	20.5	5850246	.8018	18.97	28.10	41.50	140969	3961410
VG 1976	21.5	14062422	.8594	20.47	27.42	44.03	319358	8755753
VG 1975	22.5	35611212	.8799	21.81	26.74	45.34	785355	21003975
VG 1974	23.5	50961656	.8934	23.05	26.08	46.36	1099342	28675892
VG 1973	24.5	15783048	.8691	23.63	25.44	45.73	345115	8778603
PRIOR		46553601	.6891	29.48	20.51	43.43	1072009	21990970
Totals		750645024					17331225	581533743
Composites			.883920		33.55410*	43.31171#		

Plife: 45.0
c = +1.18428730E+00 G = -1.01449700E-01 S = +1.55765450E-02 Unscaled
c = +1.03830224E+00 G = -1.01449700E-01 S = +3.46145390E-03 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 849223923

Run Date : 09/30/97 - 15.30.52
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2121.0000
Category : Buildings

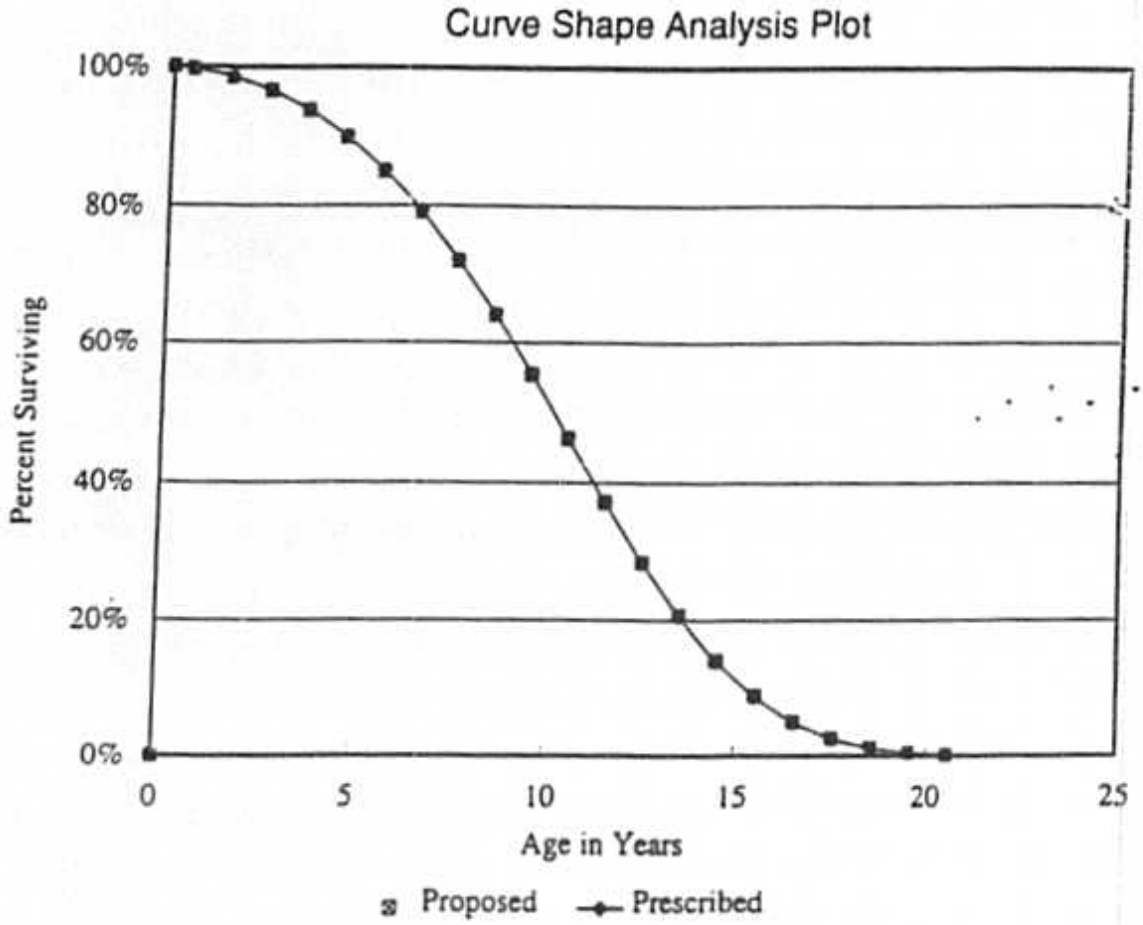
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 45.0
C = +1.18428730E+00 G = -1.01449700E-01 S = +1.55765450E-02 Unscaled
C = +1.03830224E+00 G = -1.01449700E-01 S = +3.46145390E-03 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	45	.5	89	3229	30.97	30.97	45.00
.5	99955	115	1.0	115	3139	31.84	31.34	44.52
1.5	99841	149	2.0	75	3025	33.01	31.51	43.57
2.5	99692	185	3.0	62	2950	33.79	31.29	42.64
3.5	99506	222	4.0	56	2889	34.45	30.95	41.71
4.5	99284	260	5.0	52	2833	35.05	30.55	40.81
5.5	99024	300	6.0	50	2781	35.61	30.11	39.91
6.5	98724	340	7.0	49	2731	36.15	29.65	39.03
7.5	98384	382	8.0	48	2682	36.68	29.18	38.17
8.5	98002	425	9.0	47	2635	37.20	28.70	37.31
9.5	97577	469	10.0	47	2587	37.71	28.21	36.47
10.5	97108	514	11.0	47	2540	38.22	27.72	35.65
11.5	96594	560	12.0	47	2494	38.73	27.23	34.83
12.5	96034	607	13.0	47	2447	39.24	26.74	34.03
13.5	95427	655	14.0	47	2400	39.75	26.25	33.25
14.5	94772	704	15.0	47	2354	40.27	25.77	32.47
15.5	94067	754	16.0	47	2307	40.78	25.28	31.71
16.5	93313	805	17.0	47	2259	41.30	24.80	30.96
17.5	92508	857	18.0	48	2212	41.82	24.32	30.23
18.5	91651	909	19.0	48	2165	42.34	23.84	29.51
19.5	90743	961	20.0	48	2117	42.87	23.37	28.80
20.5	89781	1015	21.0	48	2069	43.40	22.90	28.10
21.5	88767	1068	22.0	49	2020	43.94	22.44	27.42
22.5	87699	1122	23.0	49	1972	44.48	21.98	26.74
23.5	86577	1176	24.0	49	1923	45.02	21.52	26.08
24.5	85401	1229	25.0	49	1874	45.57	21.07	25.44
Total		100001						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : BellSouth Composite
Account : 2121.0000
Category : Buildings



BAND ID: N/A T CUT : N/A +1.10249400E+00

c = +1.10249400E+00 G = -3.34100410E-01 S = +2.40118790E-02

Run Date : 12/15/97 - 12.56.52
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2121.0000
Category : Buildings

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	98579*	3.2**	3155	27.0**	26616	-23.8
FUTURE	750645#	10.0##	75065	10.0##	75065	.0
TOTAL	849224		78220		101681	
AVERAGE		9.2		12.0		-2.8

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/15/97 - 12.57.00
Report : TABLEAE
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2121.0000
Category : Buildings

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1975	255793761	1453172	131965	9.1	497068	34.2	-25.1
1976	276362571	77291716	-26867	.0	344919	.4	-.5
1977	289639961	1100784	246605	22.4	208471	18.9	3.5
1978	311240964	494640	200135	40.5	247874	50.1	-9.7
1979	342878311	4637577	295996	6.4	638146	13.8	-7.4
1980	375485106	3793244	222036	5.9	719597	19.0	-13.1
1981	402327627	3103409	1706489	55.0	694056	22.4	32.6
1982	437259673	1980120	26781	1.4	834238	42.1	-40.8
1983	591939553	5260170	3634162	69.1	910002	17.3	51.8
1984	533989402	1537384	119041	7.7	577200	37.5	-29.8
1985	544609995	3761947	-209298	-5.6	449083	11.9	-17.5
1986	558948598	2824273	-1301098	-46.1	541038	19.2	-65.2
1987	561394503	2507333	-6898748	-275.1	826653	33.0	-308.1
1988	571243596	1246691	0	.0	990049	79.4	-79.4
1989	588599131	4743989	1377464	29.0	748565	15.8	13.3
1990	608720219	2041519	23000	1.1	899744	44.1	-42.9
1991	623284151	2380006	2604	.1	1015569	42.7	-42.6
1992	639628620	1683782	24880	1.5	631899	37.5	-36.1
1993	681691176	4754560	152083	3.2	3604354	75.8	-72.6
1994	704413624	4959025	734407	14.8	2596361	52.4	-37.5
1995	730471849	6000652	23954	.4	3776806	62.9	-62.5
1996	765442024	9780091	108800	1.1	4098679	41.9	-40.8
1997#	750645024	36126000	1372788	3.8	19544165	54.1	-50.3
Grand Total		183462084	1967179	1.1	45394536	24.7	-23.7
1979-1997 @@		103121772	1415341	1.4	44096204	42.8	-41.4
1988-1997 **		73716315	3819980	5.2	37906191	51.4	-46.2

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/15/97 - 12.57.00
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2121.0000
Category : Buildings

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1977	84977889	847834	1.0	1936478	2.3	-1.3
1978	87317961	937905	1.1	2159007	2.5	-1.4
1979	13129654	2671261	20.3	2508144	19.1	1.2
1980	14008990	2451437	17.5	3133911	22.4	-4.9
1981	18774520	5885464	31.3	3796039	20.2	11.1
1982	15674327	5708509	36.4	3735093	23.8	12.6
1983	15643030	5277175	33.7	3464579	22.1	11.6
1984	15363894	2269588	14.8	3311561	21.6	-6.8
1985	15891107	-4655941	-29.3	3303976	20.8	-50.1
1986	11877628	-8290103	-69.8	3384023	28.5	-98.3
1987	15084233	-7031680	-46.6	3555388	23.6	-70.2
1988	13363805	-6799382	-50.9	4006049	30.0	-80.9
1989	12919538	-5495680	-42.5	4480580	34.7	-77.2
1990	12095987	1427948	11.8	4285826	35.4	-23.6
1991	15603856	1580031	10.1	6900131	44.2	-34.1
1992	15818892	936974	5.9	8747927	55.3	-49.4
1993	19778025	937928	4.7	11624989	58.8	-54.0
1994	27178110	1044124	3.8	14708099	54.1	-50.3
1995	61620328	2392032	3.9	33620365	54.6	-50.7

Run Date : 12/15/97 - 12.57.22
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2121.0000
Category : Buildings

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	591939553							
1984	533989402	562964478	1329798	.00236				
1985	544609995	539299699	3960251	.00734	84-86	1654043474	11696835	.00707
1986	558948598	551779297	6406786	.01161	85-87	1651250547	18837596	.01141
1987	561394503	560171551	8470559	.01512	86-88	1678269898	16121709	.00961
1988	571243596	566319050	1244364	.00220	87-89	1706411965	14548782	.00853
1989	588599131	579921364	4833859	.00834	88-90	1744900089	8183560	.00469
1990	608720219	598659675	2105337	.00352	89-91	1794583224	10200331	.00568
1991	623284151	616002185	3261135	.00529	90-92	1846118246	7025459	.00381
1992	639628620	631456386	1658987	.00263	91-93	1908118469	9192217	.00482
1993	681691176	660659898	4272095	.00647	92-94	1985168684	10919471	.00550
1994	704413624	693052400	4988389	.00720	93-95	2071155035	15261129	.00737
1995	730471849	717442737	6000652	.00836	94-96	2158452074	20769132	.00962
1996	765442024	747956937	9780091	.01308	95-97	2223443198	51906743	.02335
1997#	750645024	758043524	36126000	.04766				

Forecasted activity

Company : BellSouth Telecommunications
State : Florida
Account : 2122
Category : Furniture

Account Description

The Furniture account consists of investment in furniture located in offices, storerooms, shops, hotels and all other quarters. The investment includes items such as desks, chairs, tables, cabinets, modular furniture, credenzas, televisions and movable partitions.

Investment and Reserve Statistics

The embedded investment and reserve in the Furniture account will be significantly impacted by the capitalization limit changing from $500 to $2000. BellSouth anticipates a zero investment and reserve balance in FRC 30 (Furniture Other) and FRC 31 (Hotel Furnishings) at 1/1/98, due to the capitalization limit change. Furniture's embedded investment will transfer into new Small Value Field Reporting Codes (FRCs), and be amortized over a five year period. On a going forward basis, investment over $2000 will be capitalized and depreciated in the traditional manner.

Projection Life

The useful life of furniture assets is influenced by wear and tear and by replacement of stand alone pieces with modular installations as well as by continuing efforts to operate more efficiently.

A projection life of fifteen is selected based on lives experienced by prior investment in the Furniture account. BellSouth expects that the currently prescribed curve shapes are reflective of mortality experienced in the furniture account and they will continue to be appropriate.

The company is selecting a depreciation rate of 6% to use in depreciating future investment in the Furniture account. The selected depreciation rate is based on the assumption that at age 0, the PLIFE of 15 years is equivalent to the Average Remaining Life (ARL), the reserve for the newly placed plant is zero, and the Future Net Salvage is 10%.

Future Net Salvage

BellSouth is selecting a future net salvage of 10%. BellSouth's future net salvage selection is based on the decreasing trend exhibited in the historical data and future salvage expectations in the Furniture account.

085

Company : BellSouth Telecommunications
State : Florida
Account : 2123
Category : Office Support Equipment

Account Description

The Office Support Equipment study category includes items such as typewriters, billing, posting, decollating machines, coin counters, copiers, video equipment, cafeteria equipment and medical equipment.

Investment and Reserve Statistics

The estimated 1/1/98 investment and reserve are shown in Table 1. Table 1 reflects a reduction in investment of $13.2M, as well as the reserve adjustments, due to the capitalization limit change.

Investment and Reserve Statistics

	Invest. ($M)	Res. ($M)	Res. (%)
Florida	4.8	7.5	155.4

Table 1

Projection Life

The useful life of this equipment is influenced by wear and tear and technological change as well as the continuing efforts to operate more efficiently.

BellSouth is selecting a projection life of 11.5 years, based on historical life indications and future life expectations. The graduated curve shapes with the least absolute retirement difference for the 1994-1996 band are selected for Office Support Equipment account.

Future Net Salvage

The Company is selecting 5% future net salvage. Historical salvage experienced in this account exhibits a decreasing trend, and BellSouth expects that future net salvage projections will be consistent with the selected salvage value.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2123.1000
CATEGORY	:	OFFICE SUPPORT EQUIPMENT

INDEX

September 30, 1997

Run Date : 09/30/97 - 16.40.02
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2123.1000
Category : Office Support Equipment

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	10,788,849	4,833,148	
Adjustment	0	0	
Study	10,788,849	4,833,148	
% Tot. Depr. Plant	.00	.04	
Depr. Reserve ($)	5,286,600	7,511,399	
(%)	49.0	155.4	
P-Life/AYFR (Yrs)			
Office Support Equipment		11.5	
Curve			
Office Support Equipment		1994-1996 GRAD	
c	0.00000000E+00	9.50000000E-01	
G	0.00000000E+00	5.71431430E-01	
S	0.00000000E+00	-4.84797440E-03	
Whole Life (Yrs)	.0	16.5	
Avg. Net Salv. (%)		3	
WL Rate (%)	.0	5.9	
Composite Rem Life (Yrs)	.0	24.0	
Fut. Net Salv. (%)	0	5	
Composite RL Rate (%)	.0	.0	
Intrastate Factor (%)	78.42	78.42	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.20.19
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2123.1000
Category : Office Support Equipment

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	142495	.9895	.49	12.33	12.70	11221	138390
VG 1996	1.5	90478	.9806	1.49	13.90	15.12	5983	83172
VG 1995	2.5	282100	.9682	2.48	15.45	17.44	16176	249921
VG 1994	3.5	216379	.8734	3.24	16.96	18.05	11987	203247
VG 1993	4.5	206359	.5642	3.64	18.40	14.02	14723	270862
VG 1992	5.5	414197	.9061	5.32	19.76	23.22	17836	352398
VG 1991	6.5	220538	.4594	4.91	21.03	14.57	15137	318313
VG 1990	7.5	192310	.3523	5.38	22.20	13.20	14566	323416
VG 1989	8.5	267345	.6543	7.72	23.28	22.96	11646	271121
VG 1988	9.5	312481	.5576	7.80	24.26	21.33	14650	355399
VG 1987	10.5	188927	.4419	7.91	25.14	19.02	9931	249711
VG 1986	11.5	225288	.4227	8.53	25.94	19.50	11555	299702
VG 1985	12.5	161013	.1170	4.91	26.65	8.03	20063	534629
VG 1984	13.5	131540	.1517	7.89	27.28	12.03	10936	298344
VG 1983	14.5	936925	.4575	11.56	27.84	24.30	38560	1073508
VG 1982	15.5	186224	.0556	8.40	28.33	9.98	18668	528961
VG 1981	16.5	169522	.1267	8.26	28.77	11.91	14236	409591
VG 1980	17.5	182006	.2261	11.54	29.15	18.13	10037	292607
VG 1979	18.5	109359	.0761	8.89	29.49	11.13	9824	289716
VG 1978	19.5	73106	.0752	11.23	29.78	13.47	5426	161601
VG 1977	20.5	41388	.0397	10.56	30.04	11.75	3523	105830
VG 1976	21.5	26606	.0215	8.56	30.27	9.21	2889	87446
VG 1975	22.5	14310	.0045	10.12	30.46	10.25	1395	42509
VG 1974	23.5	42252	.0701	13.22	30.63	15.37	2749	84199
Totals		4833148					293717	7024593
Composites			.211728		23.91619*	16.45512#		

Plife: 11.5
c = +9.50000000E-01 G = +5.71431430E-01 S = -4.84797440E-03 Unscaled
c = +8.65275225E-01 G = +5.71431430E-01 S = -1.36770110E-02 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 22828537

Run Date : 09/30/97 - 15.31.27
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2123.1000
Category : Office Support Equipment

Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 11.5
C = +9.50000000E-01 G = +5.71431430E-01 S = -4.84797440E-03 Unscaled
C = +8.65275225E-01 G = +5.71431430E-01 S = -1.36770110E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	10200	.5	20400	51265	1.95	1.95	11.52
.5	89800	16012	1.0	16012	30865	2.91	2.41	12.33
1.5	73788	11795	2.0	5897	14853	4.97	3.47	13.90
2.5	61993	8899	3.0	2966	8956	6.92	4.42	15.45
3.5	53095	6859	4.0	1715	5990	8.86	5.36	16.96
4.5	46236	5389	5.0	1078	4275	10.82	6.32	18.40
5.5	40847	4309	6.0	718	3197	12.78	7.28	19.76
6.5	36539	3500	7.0	500	2479	14.74	8.24	21.03
7.5	33038	2885	8.0	361	1979	16.69	9.19	22.20
8.5	30153	2410	9.0	268	1618	18.63	10.13	23.28
9.5	27743	2039	10.0	204	1351	20.54	11.04	24.26
10.5	25705	1745	11.0	159	1147	22.41	11.91	25.14
11.5	23960	1509	12.0	126	988	24.25	12.75	25.94
12.5	22451	1319	13.0	101	862	26.03	13.53	26.65
13.5	21132	1163	14.0	83	761	27.77	14.27	27.28
14.5	19969	1035	15.0	69	678	29.46	14.96	27.84
15.5	18933	929	16.0	58	609	31.09	15.59	28.33
16.5	18004	840	17.0	49	551	32.69	16.19	28.77
17.5	17165	765	18.0	42	501	34.23	16.73	29.15
18.5	16400	701	19.0	37	459	35.73	17.23	29.49
19.5	15699	646	20.0	32	422	37.20	17.70	29.78
20.5	15053	599	21.0	29	390	38.62	18.12	30.04
21.5	14453	558	22.0	25	361	40.01	18.51	30.27
22.5	13895	522	23.0	23	336	41.38	18.88	30.46
23.5	13373	491	24.0	20	313	42.71	19.21	30.63
24.5	12882	463	25.0	19	0	.00	.00	.00
Total		99992						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

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Run Date : 12/03/97 - 08.00.46
Report : RETRATIO
RF9708S2

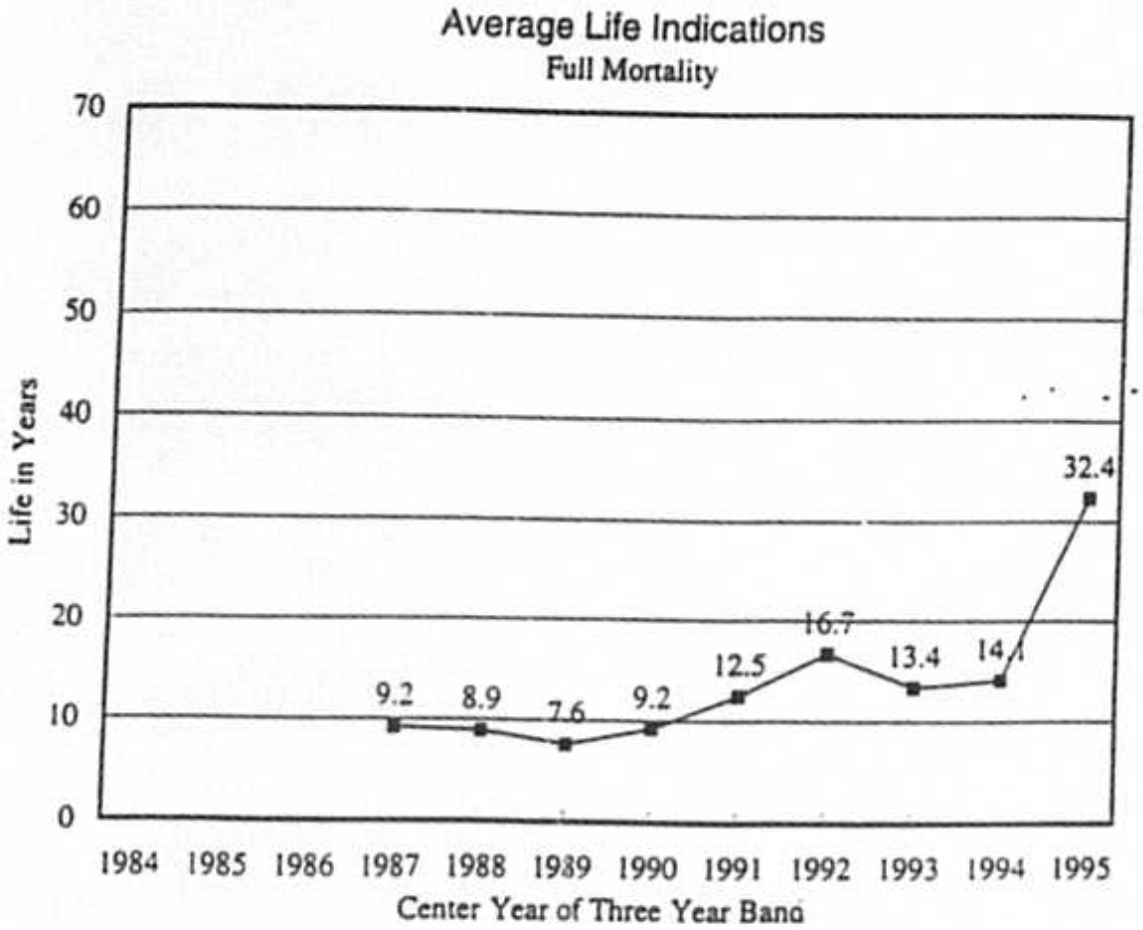
Company : BellSouth Telecommunications
State : Florida
Account : 2123.1000
Category : Office Support Equipment

Development of Retirement Ratios -- Total Retirements

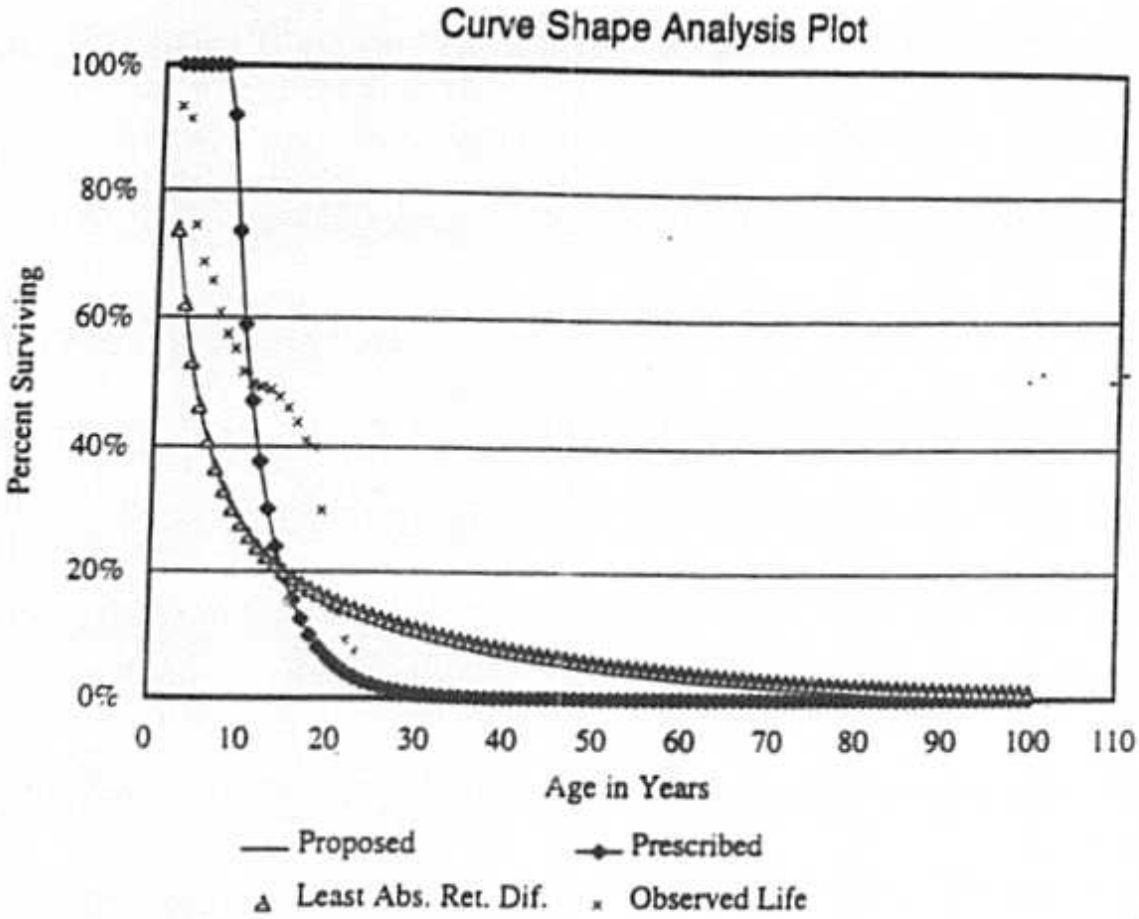
End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1988	12178495							
1989	14065863	13122179	1855170	.14138				
1990	10249383	12157623	2203399	.18124	89-91	35439239	4635919	.13081
1991	10069491	10159437	577350	.05683	90-92	32561529	3098220	.09515
1992	10419446	10244469	317471	.03099	91-93	30925186	3004579	.09716
1993	10623114	10521280	2109758	.20052	92-94	31219619	3049644	.09768
1994	10284625	10453870	622415	.05954	93-95	31336831	2946239	.09402
1995	10438736	10361681	214066	.02066	94-96	29818931	1604376	.05380
1996	7568024	9003380	767895	.08529	95-97	25565647	1634961	.06395
1997#	4833148	6200586	653000	.10531				

Forecasted activity

Company : BellSouth Telecommunications
State : Florida
Account : 2123.1
Category : Office Support Equipment



Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2123.1000
Category	:	Office Support Equipment



Method = GRAD 1994-1996 Band T = 19

c = +9.50000000E-01 G = +5.71431430E-01 S = -4.84797440E-03

Curves Scaled to the Observed Life of 11.61

September 30, 1997

Run Date : 12/03/97 - 08.00.14
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2123.1000
Category : Office Support Equipment

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	17995*	2.5**	450	.5**	90	2.0
FUTURE	4833#	5.0##	242	.0##	0	5.0
TOTAL	22828		692		90	
AVERAGE		3.0		.4		2.6

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/03/97 - 08.00.24
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2123.1000
Category : Office Support Equipment

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1988	12178495	1510878	4891	.3	0	.0	.3
1989	14065863	1855170	2062	.1	408	.0	.1
1990	10249383	2203399	0	.0	0	.0	.0
1991	10069491	577350	205054	35.5	-870	-.2	35.7
1992	10419446	317471	974	.3	0	.0	.3
1993	10623114	2109758	414	.0	0	.0	.0
1994	10284625	622415	234	.0	0	.0	.0
1995	10438736	214066	1193	.6	125	.1	.5
1996	7568024	767895	6	.0	0	.0	.0
1997#	4833148	653000	653	.1	0	.0	.1
Grand Total		10831402	215481	2.0	-337	.0	2.0
1988-1997 @@		10831402	215481	2.0	-337	.0	2.0
1988-1997 **		10831402	215481	2.0	-337	.0	2.0

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/03/97 - 08.00.24
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2123.1000
Category : Office Support Equipment

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1990	6464268	212981	3.3	-462	.0	3.3
1991	7063148	208504	3.0	-462	.0	3.0
1992	5830393	206676	3.5	-870	.0	3.6
1993	3841060	207869	5.4	-745	.0	5.4
1994	4031605	2821	.1	125	.0	.1
1995	4367134	2500	.1	125	.0	.1

COMPANY COMM.
EQUIPMENT

097

Company : BellSouth Telecommunications
State : Florida
Account : 2123
Category : Company Communications Eqpt.

Account Description

This account consists of investment in Company Communications Equipment. The Company Communications Equipment includes stand alone company communications equipment, private branch exchange and key system intrasystems, including the associated communications equipment and inside wiring, installed for official company business.

Stand-alone equipment includes cellular mobile telecommunications equipment, telephone sets, display phones, operator's head sets, pagers and teleconferencing equipment. PBX Intrasystems consist of common equipment such as a switchboard or switching equipment shared by all stations, station equipment, the wires connecting the common equipment and station equipment plus terminal boxes or cross connector points and the cable or wires that connect the PBX with the network interface. Key Intrasystems includes only those key systems that require common control equipment including the associated intrasystem wiring.

Investment and Reserve Statistics

The estimated 1/1/98 investment and reserve in this account are shown in Table 1. Table 1 reflects a reduction in investment of $1.6M and a $1.4M reserve adjustment due to the capitalization limit change.

Investment and Reserve Statistics

	Invest ($M)	Res. ($M)	Res. (%)
Florida	16.2	9.2	56.4

Table 1

Projection Life

The useful life of this equipment is influenced by wear and tear and technological change as well as continuing efforts to operate more efficiently.

BellSouth is selecting a projection life of 7 years, based on historical life indications and future life expectations for this account. The current curve shape is still appropriate and is selected.

Future Net Salvage

BellSouth is selecting a 10% future net salvage in Company Communications Equipment. The Company's salvage selection is reflective of recent experience and future salvage expectations.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2123.2000
CATEGORY	:	COMPANY COMMUNICATIONS EQPT.

INDEX

September 30, 1997

Run Date : 09/30/97 - 16.40.29
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2123.2000
Category : Company Comm. Equipment

Account Parameter Summary

ELG Start Year: 0000

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	38,854,047	16,225,741	
Adjustment	0	0	
Study	38,854,047	16,225,741	
% Tot. Depr. Plant	.00	.15	
Depr. Reserve ($)	29,494,283	9,156,746	
(%)	75.9	56.4	
P-Life/AYFR (Yrs)			
Company Comm. Equipment		7.0	
Curve			
Company Comm. Equipment		1900-1941 BAND	
C	0.00000000E+00	1.22810520E+00	
G	0.00000000E+00	-9.83328530E-02	
S	0.00000000E+00	2.01992260E-02	
Whole Life (Yrs)	.0	6.9	
Avg. Net Salv. (%)		21	
WL Rate (%)	.0	11.4	
Composite Rem Life (Yrs)	.0	3.1	
Fut. Net Salv. (%)	0	10	
Composite RL Rate (%)	.0	10.8	
Intrastate Factor (%)	78.42	78.42	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.20.40
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2123.2000
Category : Company Comm. Equipment

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	1058000	1.0000	.50	6.51	7.01	150864	982568
VG 1996	1.5	1243601	.9976	1.50	5.61	7.09	175299	983637
VG 1995	2.5	802939	.9890	2.48	4.80	7.23	110998	533111
VG 1994	3.5	2492451	.9805	3.47	4.08	7.47	333552	1362164
VG 1993	4.5	1965611	.9506	4.36	3.45	7.64	257143	887029
VG 1992	5.5	1390744	.8524	4.96	2.90	7.42	187344	542407
VG 1991	6.5	1090643	.7043	5.23	2.42	6.93	157457	380361
VG 1990	7.5	1049482	.3910	4.15	2.01	4.94	212558	426228
VG 1989	8.5	5118966	.4308	5.90	1.66	6.61	774230	1283892
VG 1988	9.5	2109	.0066	2.81	1.37	2.81	749	1026
VG 1987	10.5	10289	.0013	3.36	1.13	3.36	3058	3462
VG 1986	11.5	868	.0001	4.02	.94	4.02	216	204
VG 1985	12.5	38	.0000	4.55	.79	4.55	8	7
Totals		16225741					2363476	7386096
Composites			.28504@		3.12510*	6.86520#		

Plife: 7.0
c = +1.22810520E+00 G = -9.83328530E-02 S = +2.01992260E-02 Unscaled
c = +1.28338664E+00 G = -9.83328530E-02 S = +2.45276399E-02 Scaled

+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 56923713

Run Date : 09/30/97 - 15.31.48
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2123.2000
Category : Company Comm. Equipment

Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 7.0
C = +1.22810520E+00 G = -9.83328530E-02 S = +2.01992260E-02 Unscaled
C = +1.28338664E+00 G = -9.83328530E-02 S = +2.45276399E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	184	.5	369	18600	5.38	5.38	7.00
.5	99816	1605	1.0	1605	18231	5.47	4.97	6.51
1.5	98210	3550	2.0	1775	16626	5.91	4.41	5.61
2.5	94661	5802	3.0	1934	14851	6.37	3.87	4.80
3.5	88859	8229	4.0	2057	12917	6.88	3.38	4.08
4.5	80630	10584	5.0	2117	10860	7.42	2.92	3.45
5.5	70046	12502	6.0	2084	8743	8.01	2.51	2.90
6.5	57544	13542	7.0	1935	6659	8.64	2.14	2.42
7.5	44002	13314	8.0	1664	4725	9.31	1.81	2.01
8.5	30688	11670	9.0	1297	3061	10.03	1.53	1.66
9.5	19017	8890	10.0	889	1764	10.78	1.28	1.37
10.5	10128	5688	11.0	517	875	11.58	1.08	1.13
11.5	4440	2923	12.0	244	358	12.41	.91	.94
12.5	1516	1140	13.0	88	114	13.27	.77	.79
13.5	376	314	14.0	22	0	.00	.00	.00
14.5	62	56	15.0	4	0	.00	.00	.00
15.5	6	6	16.0	0	0	.00	.00	.00
16.5	0	0	17.0	0	0	.00	.00	.00
Total		99999						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 - (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Run Date : 12/03/97 - 08.52.14
Report : RETRATIO
RF9708S2

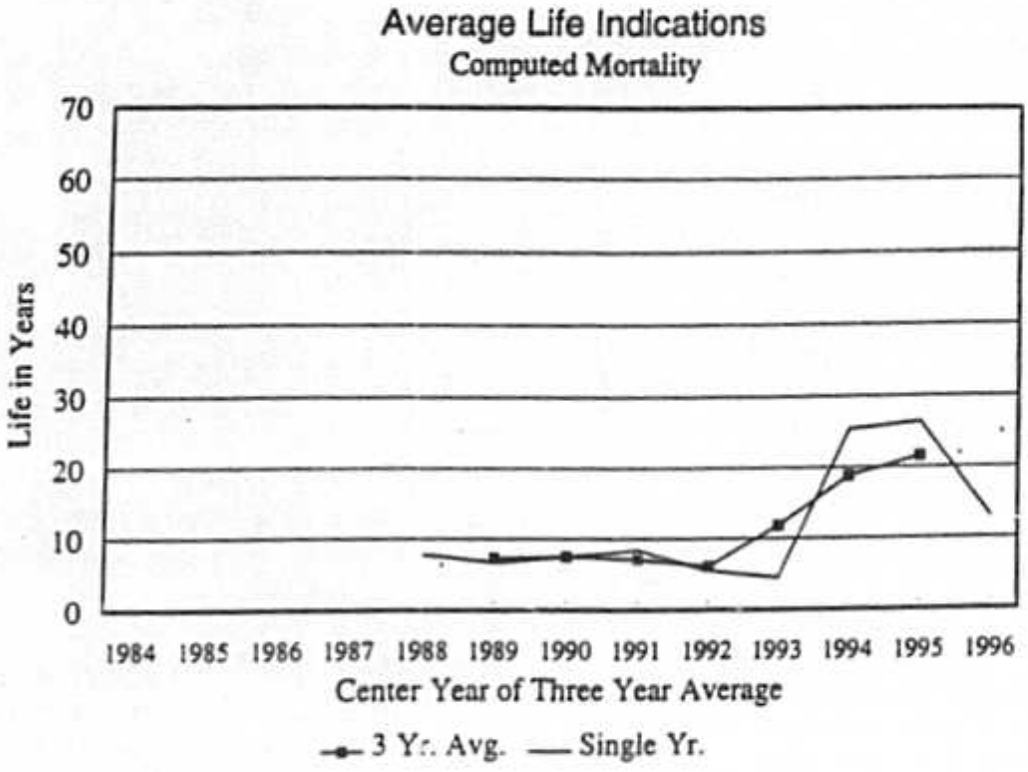
Company : BellSouth Telecommunications
State : Florida
Account : 2123.2000
Category : Company Comm. Equipment

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+prev A)/2	C	D=C/B	E	F	G	H=G/F
1984	73144169							
1985	84540133	78842151	25566019	.32427				
1986	93398835	88969484	6613838	.07434	85-87	269404075	39894749	.14809
1987	109786044	101592440	7714892	.07594	86-88	306753312	24263783	.07910
1988	122596732	116191388	9935053	.08551	87-89	341333372	35780847	.10483
1989	124502356	123549544	18130902	.14675	88-90	352901554	44879395	.12717
1990	101818887	113160622	16813440	.14858	89-91	299337978	38007721	.12697
1991	23436737	62627812	3063379	.04891	90-92	195317566	22372274	.11454
1992	15621526	19529132	2495455	.12778	91-93	95858074	10383073	.10832
1993	11780734	13701130	4824239	.35211	92-94	46338792	7391337	.15951
1994	14436325	13108530	71643	.00547	93-95	42178155	4988105	.11826
1995	16300665	15368495	92223	.00600	94-96	45012397	758047	.01684
1996	16770079	16535372	594181	.03593	95-97	48401777	686404	.01418
1997#	16225741	16497910	0	.00000				

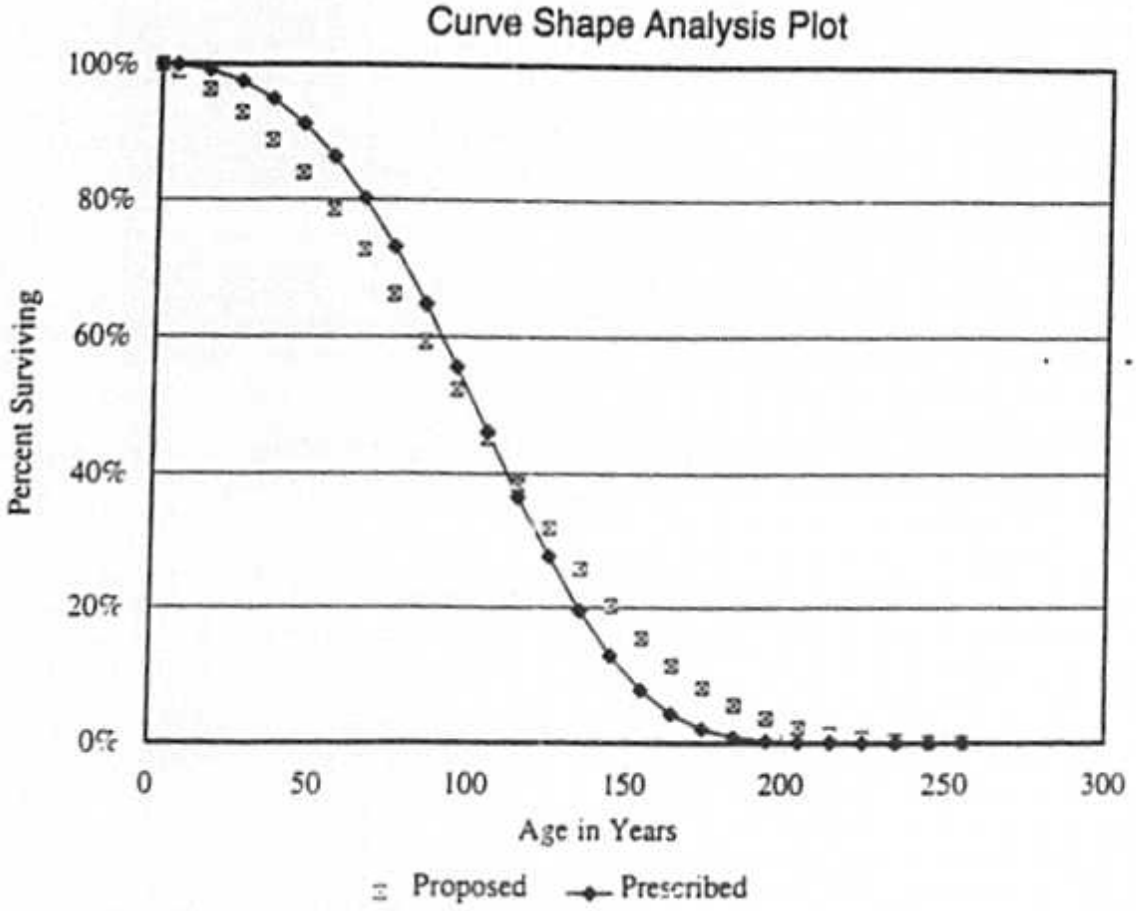
Forecasted activity

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2123.2
Category	:	Company Comm. Equipment



Year	3 Year Avg.	Single Year
1984		
1985		
1986		
1987		
1988		7.8
1989	7.3	6.7
1990	7.5	7.5
1991	7.1	8.4
1992	6.1	5.5
1993	11.8	4.5
1994	18.8	25.4
1995	21.6	26.4
1996		13.0

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2123.2000
Category	:	Company Comm. Equipment



BAND ID: BELL #2.0

c = +1.10249400E+00 G = -3.34100410E-01 S = +2.40118790E-02

Run Date : 12/03/97 - 08.51.50
Report : ANSD, SBC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2123.2000
Category : Company Comm. Equipment

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	40698*	26.8**	10907	1.4**	570	25.4
FUTURE	16226#	30.0##	4868	20.0##	3245	10.0
TOTAL	56924		15775		3815	
AVERAGE		27.7		6.7		21.0

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/03/97 - 08.51.57
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2123.2000
Category : Company Comm. Equipment

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1984	73144169	26172621	19724812	75.4	257317	1.0	74.4
1985	84540133	25566016	19321282	75.6	-428147	-1.7	77.2
1986	93398835	6613836	5812546	87.9	286964	4.3	83.5
1987	109786044	9180210	4581055	49.9	47513	.5	49.4
1988	122596732	9935053	1317733	13.3	333518	3.4	9.9
1989	124502356	18130902	5859434	32.3	110942	.6	31.7
1990	101818887	16813440	5457807	32.5	193485	1.2	31.3
1991	23436737	3063379	-27288	-.9	141744	4.6	-5.5
1992	15621526	2495455	229888	9.2	98222	3.9	5.3
1993	11780734	4824239	145579	3.0	38182	.8	2.2
1994	14436325	71643	234859	327.8	72015	100.5	227.3
1995	16300665	92223	230755	250.2	590	.6	249.6
1996	16770079	594181	208405	35.1	797	.1	34.9
1997#	16225741	0	0	.0	0	.0	.0
Grand Total		123553198	63096867	51.1	1153142	.9	50.1
1989-1997 @@		46085462	12339439	26.8	655977	1.4	25.4
1988-1997 **		56020515	13657172	24.4	989495	1.8	22.6

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/03/97 - 08.51.57
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2123.2000
Category : Company Comm. Equipment

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1986	77467736	50757428	65.5	497165	.6	64.9
1987	69426017	36892050	53.1	350790	.5	52.6
1988	60673441	23028575	38.0	972422	1.6	36.4
1989	57122984	17188741	30.1	827202	1.4	28.6
1990	50438229	12837574	25.5	877911	1.7	23.7
1991	45327415	11665420	25.7	582575	1.3	24.5
1992	27268156	6040845	22.2	543648	2.0	20.2
1993	10546939	813793	7.7	350753	3.3	4.4
1994	8077741	1049486	13.0	209806	2.6	10.4
1995	5582286	819598	14.7	111584	2.0	12.7

COMPUTERS

Company : BellSouth Telecommunications
State : Florida
Account : 2124
Category : Computers

Account Description

This account consists of the original investment in computers and peripheral devices, which are used to perform general administrative information processing activities. This account also includes the initial operating system software investment for computers classifiable to this account whether acquired separately or in conjunction with associated hardware. In addition, this account may also include power inverters and standby power generating equipment, which serves only general purpose computer equipment. Standby generating equipment, which serves central office equipment, and/or building and computer equipment should be included in the class of plant, which uses the greater percentage of the generated power.

The computers account also includes the cost of data controllers and workstation equipment, including terminals, printers, modems, and other associated equipment.

Account 2124 does not include the cost of computers, their associated peripheral devices, or their initial operating system software dedicated to specific telecommunications plant functions.

Investment and Reserve Statistics

The estimated 1/1/98 investment and reserve in the Computers account are shown in Table 1.

Investment and Reserve Statistics

	Invest. ($M)	Res. ($M)	Res. (%)
Florida	390.3	260.2	66.7

Table 1

Investment in the Computers account can be segmented into three distinct categories: mainframe, minicomputers, and personal computers. The majority of the investment in computers is associated with personal computers (39.4%), minicomputers (34.6%), followed by mainframe computers (26.0%). Included in the mainframe and minicomputer peripheral investment are items such as disk drives, tape drives, display monitors, control consoles, optical scanners and printers. Table 2 shows the segmentation of 1/1/98 computer investment.

Company : BellSouth Telecommunications
State : Florida
Account : 2124
Category : Computers

Computer Investment Segmentation
($M)

	Mainframe		Minicomputer		
	Processor	Peripherals	Processors & Peripherals	Personal Computers	Total
Florida	62.5	39.0	135.0	153.8	390.3

Table 2

In February of 1998, BellSouth and Electronic Data Systems (EDS) will undertake a Data Center Application Redeployment initiative, which is scheduled for completion by July 31, 2000. Ultimately, regional data centers will exist in Birmingham and Charlotte only. Computer equipment will be moved from the Atlanta, Nashville, Jackson, and Miami data centers into the existing data centers in Birmingham and Charlotte. The schedule for data center closings, subject to change, is Nashville by 12/31/1998; Jackson by 6/30/1999; Atlanta by 12/31/1999 and Miami by 7/31/2000. These relocations will probably present opportunities for systems consolidations, which may accelerate retirement activity. The Company believes this resource redeployment initiative will result in financial and operational benefits for BellSouth.

In addition, EDS will have investment management responsibilities for Mainframes and other computer assets. All BellSouth's Mainframes should completely retire by the year 2002. Until then, EDS will be responsible for the physical maintenance of Mainframe computing devices (e.g., all moves, additions, changes, upgrades, and modifications).

Mainframe Computers

BellSouth Telecommunications is a leader in the information-processing field. Introduction of hundreds of new applications allows much more sophisticated services for users while holding costs and required personnel to a minimum. These new application enhancements have caused processing power to grow at a rate of greater than 30% per year over the last three years. Increased processing requirements could not have been accomplished without the introduction of new processor technologies. Now that BellSouth may provide information services, these processing requirements will likely increase and continue to grow into the foreseeable future.

Moving into a competitive environment will continue to put pressure on the need for operational efficiencies, including cost reduction and quick response to customers' needs. These pressures will in a large part be met with state of the art information technologies.

IBM and IBM compatible processors represent the bulk of BellSouth's investment in mainframe systems. This equipment has a life span of approximately 5 to 5.5 years. BellSouth expects to outsource its mainframe computer operations in December 1997 and will acquire no further mainframe assets. Future mainframe capacity requirements will be acquired, owned, and operated by EDS. Over time, as existing BellSouth owned mainframe assets reach the end of their useful life and are retired, BellSouth's investment in mainframe computer equipment will decline to zero.

A mixture of IBM ES/9000 (9021) and Hitachi Data Systems (HDS) Skyline processors provides most of BellSouth's mainframe processing capacity. A 5-year life cycle is estimated for these processors. For example:

1. IBM replaced their 9021's with new generation 9672 CMOS (complimentary metal-oxide semiconductor) equipment during 1996-1997, but this equipment was not robust enough to handle the workload of BellSouth's accounting applications.

2. Beginning in 1996, BellSouth began acquiring HDS Skyline processors to replace IBM 9021's as their available capacity was exceeded. Skyline has a hybrid ACE (Advanced CMOS ECL) architecture (combination CMOS and ECL (Emitter-Coupled Logic) chip set), the next generation of which will likely be introduced during the fourth quarter of 1999.

Unisys processors are also part of the BellSouth mainframe-computing environment. As with IBM, a 5-year life cycle is seen in this product line.

1. BellSouth currently has eight 2200/500 processors (3rd generation technology) acquired between 1994 and 1996.

2. Two newer technology 2200/3800 processors (4th generation) acquired in mid-1997.

There are three primary reasons for this five-year trend:

1. The price/performance improvements of new processors make it wiser to invest in new products.

2. New functionality required by the enhanced sophistication of user processing requirements is only introduced into these new machines.

3. BellSouth has increased reliance on mechanized systems and the move toward 24 hour, 7 days week availability, requires that we provide the increased reliability that comes with each new generation processor.

Peripherals

Tape drives, printers, and Direct Access Storage Devices (DASD) represent the bulk of the Company's investment in peripheral products. Most of these devices have a life cycle ranging from three to seven years. For example:

1. Mainframe tape equipment is mostly STK (Storage Technology) automated tape libraries, split about 50-50 between the old 4410 and faster Powderhorn models. Tape transports are 50-50 combination of STK Silverton (4th generation 36-track) and Timberline (current generation fast 36-track) cartridge units. BellSouth also has a very small number of STK Redwood helical-scan transports for high-volume applications such as DASD backups. The expected life cycle for this equipment is still estimated at five to seven years. BellSouth retains a small amount of old IBM 3480-compabible 18-track cartridge and older IBM and STK open-reel tape equipment, some of it more than fifteen years old, to maintain compatibility with some external customers.

2. Roughly, 60% of our mainframe DASD investment is current or 4th generation RAID (Redundant Array of Independent Disk) technology that provides high availability and fault tolerance, and the remainder is older IBM 3390-compatible equipment. The expected life cycle for all classes of DASD is still estimated at three years, although some older generation DASD may be kept longer for a few non-critical applications where speed and reliability are less important.

3. The IBM 3900-DW1/DW2 duplex printers used for bill printing was transferred to Customer Billing Services during 1997. BellSouth retained a number of IBM 3900-001 laser printers, acquired in 1992-1993, for non-bill printing requirements. This equipment is near the end of its useful life EDS will own 1997 mainframe computers acquired after December. However, BellSouth will own mainframe printers.

Minicomputers

BellSouth has utilized minicomputers since the 1970's, initially to support Network applications. Now, minicomputers support almost every aspect of our business: service

provisioning, billing, maintenance, support, and office mechanization. Early generation computers required significant floorspace, power, and environmental conditioning for efficient operation. In addition, manpower efforts to support and maintain these early generation computers are significant.

Technological advancements driven by dramatic computer chip improvements and miniaturization have produced a new generation of computer equipment that will provide fifty times the processing power of those early and subsequent generation computers. This new technology utilizes 75% less floorspace, which defers building additions and requires less power and environmental conditioning that minimizes expenses, and requires fewer and more reliable entities.

Economic studies continue to show that upgrading early generation equipment with current, advanced technology is financially attractive. The result of these trends is that each subsequent generation of computers have a much shorter installed life cycle. In some cases, past computer equipment has shown a service span of 10 to 15 years, whereas technology change and asset turnover has significantly increased, reducing the service life of a minicomputer to 3 to 5 years.

Technology is also allowing multiple applications on a single minicomputer, thus further reducing the number of systems. In addition, some existing and future applications will be moved to the mainframe environment. As always, economic replacement studies and the priority needs of the business will determine the pace and scope of new minicomputer implementation.

Personal Computers

The life cycle of personal computers (PCs) continues to shorten. Technology advances in semiconductors have had a dramatic effect on the life of Personal Computers. Illustrative of this fast paced technology change is recent development of microprocessors, which are at the heart of a PC. The basic work unit for microprocessors has increased from 33 MHz in 1990 to 133 MHz by 1995 for PCs, and is currently available at 166 MHz for Pentiums. Workstation processors such as the Digital Alpha 21164 have already achieved 300 MHz, and several others exceed the Intel Pentium Pro in speed and transistor density. Significant improvements have been attained with respect to the current state of the art for workstation microprocessors, which lead the way for technological progress in personal computers. The price and efficiency of PC hard drives and CD-ROM drives advanced at an even faster pace than microprocessors. Today hard drives typically hold 3 to 4 gigabytes of data, up from 1 to 2 gigabytes in 1996. In addition, CD-ROM drives are now being replaced by digital video disk drives, which holds 7 to 14 times as much data.

In 1996, BellSouth began providing Internet connections and information services to residential and business customers. Since then, BellSouth has become an industry leader in providing its customers' data communication and electronic commerce needs both locally and globally. In order to pursue a multifaceted electronic commerce strategy and maintain a strong customer base, it is imperative that we upgrade our network with state of the art equipment. Several factors influence a user's need to have the latest PC technology. These include the need for faster processing requirements and more memory to support more powerful and graphics oriented software packages, and the need to quickly access large amounts of data from host processors. In an ever increasing competitive, highly complex and data intensive business as telecommunications, the support of efficient personal computing power becomes increasingly essential. Personal Computer requirements and technology have continued to change at such a rapid pace that the current PC life cycle is estimated at 3 to 3.5 years.

Projection Life

The rapid advance of computer hardware has made it economical to retire computers at an increasing rate. Each generation of computers has greater computing power, lower maintenance and reduced space and power needs. BellSouth has undergone a major infrastructure upgrade with the latest technology, which accounts for the increase seen in retirements.

Technological advances and competition heavily influence the life span of personal computers. To effectively compete in the industry, we must stay current with technology to ensure efficient operations.

An investment weighting technique was employed in arriving at a life BellSouth feels is appropriate for the Computers account. Table 3 is a Florida composite investment and life weighted method that supports our selected projection life of 5.0 years. The selected curve shape is based on a BellSouth graduation for the 1994-1996 band for the Computer account.

Company : BellSouth Telecommunications
State : Florida
Account : 2124
Category : Computers

Type	Life	Inv ($M)	Weight
Mainframe	5.5	101.5	558.3
Minicomputer	5.0	135.0	675.0
PC	3.5	153.8	538.3
Total	4.5	390.3	1,771.6

Table 3

Table 4 is a summary of calculations performed on the location-listing exhibit. It shows Average Year of Final Retirement, Average Year Placed, and the Life Span associated with computer mainframes on a Florida basis.

Average Year of Final Retirement	1999.18
Average Year Placed	1992.63
Life Span	6.55

Table 4

Future Net Salvage

The rapid advances in computing equipment and the ever-changing requirements necessitate equipment that ensures efficiency in operations. Looking at historical salvage as a percentage of original investment over a 10-year period reveals sporadic salvage between 4%-32%. Currently, there is a decreasing trend in salvage value. Frequently, salvage values in the past have been distorted due to large trade-ins of mainframe computer components, in order to provide an effective discount on new purchases. The economic value of computers is drastically reduced when new higher-speed, higher memory version of a technology is introduced. Due to the infrastructure upgrade, equipment identified as obsolete was either sold or junked. The salvage experienced in this account is attributed to the sale of this obsolete equipment and the consolidation of BellSouth data centers. The Company considers 0% future net salvage to be appropriate.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2124.0000
CATEGORY	:	GENERAL PURPOSE COMPUTERS

INDEX

September 30, 1997

Run Date : 09/30/97 - 16.40.54
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2124.0000
Category : Genl Purpose Computors

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	346,616,136	390,272,630	
Adjustment	0	0	
Study	346,616,136	390,272,630	
% Tot. Depr. Plant	.00	3.51	
Depr. Reserve ($)	182,890,142	260,203,077	
(%)	52.8	66.7	
P-Life/AYFR (Yrs)			
Genl Purpose Computers		5.0	
Curve			
Genl Purpose Computers		1994-1996 MORT	
c	0.00000000E+00	9.90000000E-01	
G	0.00000000E+00	-9.26815440E+01	
S	0.00000000E+00	-9.49730870E-01	
Whole Life (Yrs)	.0	5.9	
Avg. Net Salv. (%)		5	
WL Rate (%)	.0	16.1	
Composite Rem Life (Yrs)	.0	3.5	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	.0	9.5	
Intrastate Factor (%)	78.42	78.42	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.20.57
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2124.0000
Category : Genl Purpose Computers

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	46498639	1.0000	.50	4.67	5.17	8986048	42006979
VG 1996	1.5	86964005	.9957	1.50	4.12	5.59	15544637	63974697
VG 1995	2.5	66161937	.9011	2.37	3.67	5.68	11653583	42713927
VG 1994	3.5	32866636	.6866	3.02	3.30	5.28	6219044	20508098
VG 1993	4.5	45413511	.7462	4.08	2.99	6.31	7195580	21540259
VG 1992	5.5	24383011	.5986	4.73	2.74	6.37	3826820	10482168
VG 1991	6.5	37667846	.5881	5.59	2.52	7.08	5323905	13437840
VG 1990	7.5	17370797	.3089	5.77	2.34	6.49	2675929	6263020
VG 1989	8.5	6545203	.1749	4.12	2.18	4.50	1454052	3173463
VG 1988	9.5	6311522	.2956	6.04	2.05	6.64	950149	1943444
VG 1987	10.5	7885646	.1768	6.99	1.93	7.33	1075938	2071848
VG 1986	11.5	4478167	.1067	6.96	1.82	7.16	625877	1139256
VG 1985	12.5	2796719	.0697	7.22	1.73	7.34	381191	658322
VG 1984	13.5	2271115	.0805	7.12	1.64	7.26	313022	514612
VG 1983	14.5	850687	.0401	7.75	1.57	7.82	108846	170863
VG 1982	15.5	417391	.0215	8.05	1.50	8.08	51670	77657
VG 1981	16.5	842175	.0413	7.20	1.44	7.26	116041	167375
VG 1980	17.5	540141	.0243	8.89	1.39	8.92	60533	83958
VG 1979	18.5	997	.0000	9.57	1.34	9.57	104	140
VG 1978	19.5	0	.0000	.00	1.29	7.71	0	0
VG 1977	20.5	0	.0000	.00	1.23	6.29	0	0
VG 1976	21.5	2285	.0005	8.46	1.17	8.46	270	317
VG 1975	22.5	4200	.0008	7.74	1.08	7.74	543	586
Totals		390272630					66563782	230928834
Composites			.478848		3.46929*	5.863148		

Plife: 5.0
c = -9.90000000E-01 G = -9.26815440E+01 S = -9.49730870E-01 Unscaled
c = -9.86064213E-01 G = -9.26815440E+01 S = -1.32615811E+00 Scaled

\- From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 815036514

Run Date : 09/30/97 - 15.32.04
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2124.0000
Category : Genl Purpose Computers

Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 5.0
C = +9.90000000E-01 G = -9.26815440E+01 S = -9.49730870E-01 Unscaled
C = +9.86064213E-01 G = -9.26815440E-01 S = -1.32615811E+00 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	3399	.5	6798	36512	2.74	2.74	5.00
.5	96601	9227	1.0	9227	29714	3.25	2.75	4.67
1.5	87374	11532	2.0	5766	20487	4.26	2.76	4.12
2.5	75842	12628	3.0	4209	14721	5.15	2.65	3.67
3.5	63214	12592	4.0	3148	10511	6.01	2.51	3.30
4.5	50622	11652	5.0	2330	7363	6.87	2.37	2.99
5.5	38970	10115	6.0	1686	5033	7.74	2.24	2.74
6.5	28855	8294	7.0	1185	3347	8.62	2.12	2.52
7.5	20561	6454	8.0	807	2162	9.51	2.01	2.34
8.5	14107	4782	9.0	531	1356	10.41	1.91	2.18
9.5	9325	3384	10.0	338	824	11.31	1.81	2.05
10.5	5941	2291	11.0	208	486	12.23	1.73	1.93
11.5	3650	1486	12.0	124	278	13.15	1.65	1.82
12.5	2164	926	13.0	71	154	14.08	1.58	1.73
13.5	1238	554	14.0	40	82	15.02	1.52	1.64
14.5	685	319	15.0	21	43	15.96	1.46	1.57
15.5	366	177	16.0	11	22	16.91	1.41	1.50
16.5	189	95	17.0	6	11	17.86	1.36	1.44
17.5	94	49	18.0	3	5	18.80	1.30	1.39
18.5	46	24	19.0	1	2	19.75	1.25	1.34
19.5	21	12	20.0	1	1	20.68	1.18	1.29
20.5	10	5	21.0	0	0	.00	.50	1.23
21.5	4	2	22.0	0	0	.00	.50	1.17
22.5	2	1	23.0	0	0	.00	.50	1.08
23.5	1	0	24.0	0	0	.00	.00	.00
24.5	0	0	25.0	0	0	.00	.00	.00
Total		100000						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Run Date : 12/03/97 - 08.28.59
Report : RETRATIO
RF9708S2

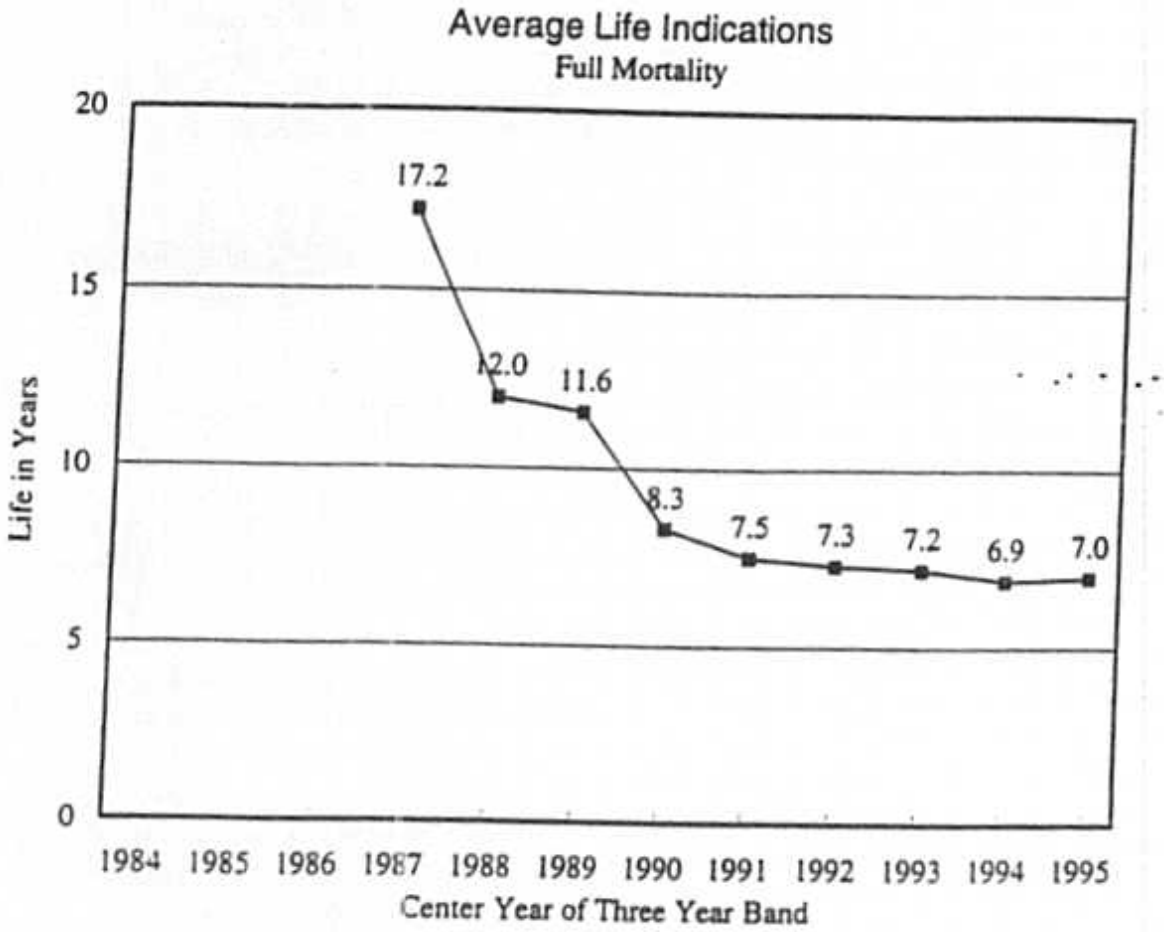
Company : BellSouth Telecommunications
State : Florida
Account : 2124.0000
Category : Genl Purpose Computers

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retire-ments	Retire-ment Ratio	Band	Average Plant Balance	Retire-ments	Retire ment Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	93836645							
1984	106691386	100264016	3190507	.03182				
1985	119363827	113027607	4641198	.04106	84-86	349988754	9661212	.02760
1986	154030435	136697131	1829507	.01338	85-87	415017163	13807919	.03327
1987	176554415	165292425	7337214	.04439	86-88	489712039	16643690	.03399
1988	198890550	187722483	7476969	.03983	87-89	556183890	31766561	.05712
1989	207447414	203168982	16952378	.08344	88-90	616665382	36060367	.05848
1990	244100419	225773917	11631020	.05152	89-91	724299785	77006366	.10632
1991	346613352	295356886	48422968	.16395	90-92	863457927	106014673	.12278
1992	338040895	342327124	45960685	.13426	91-93	988718038	117281381	.11862
1993	364027160	351034028	22897728	.06523	92-94	1054558700	126508445	.11996
1994	358367936	361197548	57650032	.15961	93-95	1086495778	145477012	.13390
1995	390160468	374264202	64929252	.17349	94-96	1129229063	169223763	.14986
1996	397374157	393767313	46644479	.11846	95-97	1161854909	139806731	.12033
1997#	390272630	393823394	28233000	.07169				

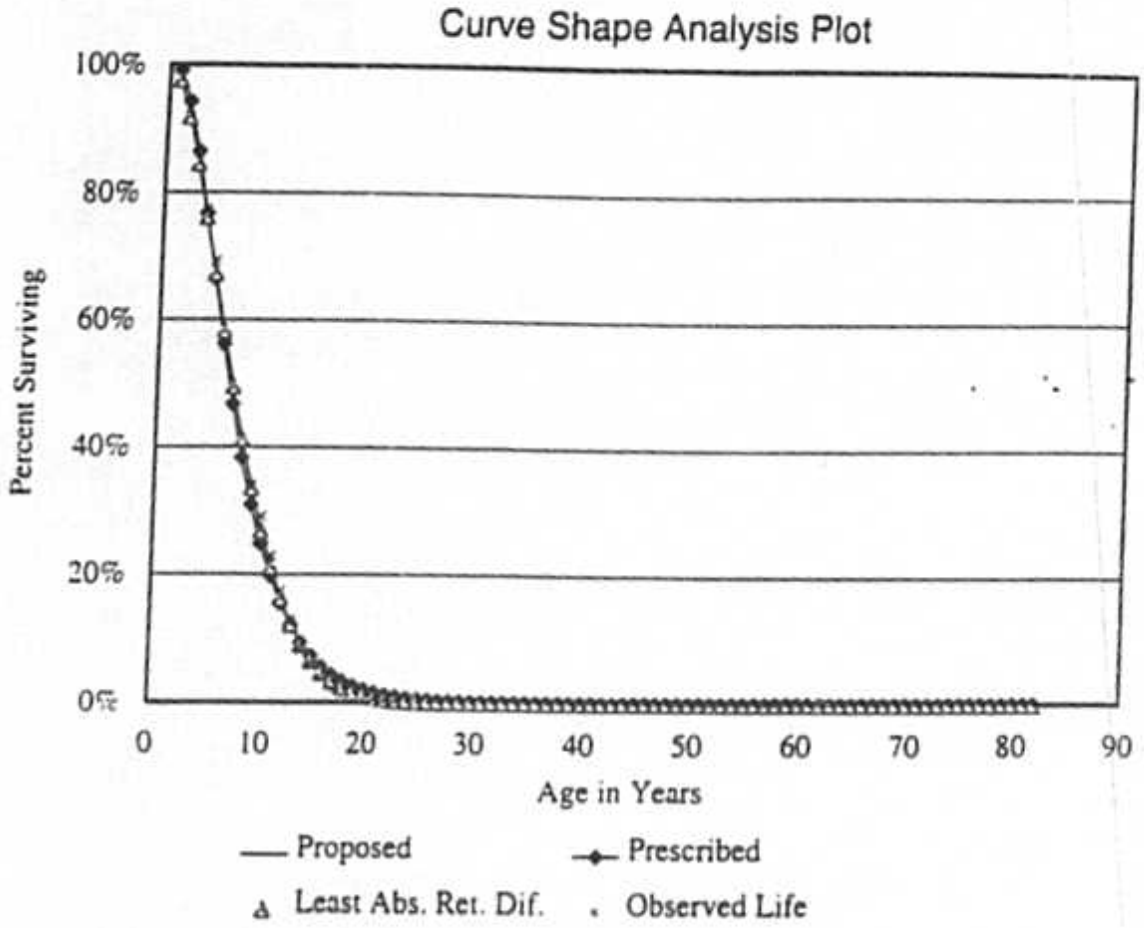
Forecasted activity

Company : BellSouth Telecommunications
State : Company
Account : 2124
Category : Computers



BST Life Indications starting in 1993

Company	:	BellSouth Telecommunications
State	:	BellSouth
Account	:	2124.0000
Category	:	Genl Purpose Computers



Method = MORT 1994-1996 Band T = 82

c = +9.90000000E-01 G = -9.26815440E+01 S = -9.49730870E-01

Curve Scaled to the Observed Life of 7.09

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2124
Category	:	Computers

LOCATION LISTING
MAINFRAME COMPUTERS
1/1/98
($000)

LOCATION	TYPE MAINFRAME (a)	# OF UNITS (b)	YEAR PLACED (c)	BOOK AMOUNT (d)	EST RET YEAR (e)	LIFE SPAN (f=e-c)	EST RET YEAR WEIGHT [g=d*(e-1900)]	YEAR PLACED WEIGHT [h=d*(c-1900)]
Miami	IBM 3090-400J	1	1989	8,647	1992 F	3	795,524	769,583
Miami	FOR 9903	1	1980	2,400	1992 F	12	220,800	192,000
Miami	FOR 9903	1	1980	324	1992 F	12	29,808	25,920
Miami	FOR 9903	1	1981	678	1992 F	11	62,376	54,918
Miami	FOR 9903	1	1979	1,915	1992 F	13	176,180	151,285
Miami	AMD 5890-600E	1	1987	8,484	1994 F	7	797,496	738,108
Miami	UNI 2200-633ES	1	1990	5,885	1995 F	5	559,075	529,850
Miami	UNI 2200-644ES	1	1990	8,177	1995 F	5	776,815	735,930
Miami	AMD 5995-6670M	1	1990	11,300	1996 F	6	1,084,800	1,017,000
Miami	AMD 5995-1400A	1	1990	6,929	1997	7	672,113	623,610
Miami	AMD 5995-1400A	1	1990	7,925	1997	7	768,725	713,250
Miami	HDS GX8424	1	1991	12,133	1999	8	1,201,167	1,104,103
Miami	IBM 9021-9X2	1	1994	11,253	1999	5	1,114,047	1,067,782
Miami	HDS SK-72	1	1996	12,940	2002		1,319,880	1,242,240
	TOTAL	14		$98,990			9,578,806	8,955,379
	Total Investment Remaining			$51,180			5,075,932	4,740,985
	Average Year of Final Retirement =			1999.18				
	Average Year Placed =			1992.63				
	Life Span =			6.54				
	HDS GX8424	1		12,133				
	HDS SK-72	1		12,940				
	AMD 5995	2		14,854				
	IBM 9021-962	1		11,253				
	TOTAL*	5		$51,180				

* Excludes Retired Offices

F = Final Retirement

Run Date : 12/03/97 - 08.28.34
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2124.0000
Category : Genl Purpose Computers

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	424764*	9.8**	41627	.8**	3398	9.0
FUTURE	390273#	15.0##	58541	15.0##	58541	.0
TOTAL	815037		100168		61939	
AVERAGE		12.3		7.6		4.7

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/03/97 - 08.28.41
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2124.0000
Category : Genl Purpose Computers

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1972%	13948140	818774	594	.1	0	.0	.1
1973	3187556	2002	50	2.5	0	.0	2.5
1974	6088645	802	0	.0	0	.0	.0
1975	12966785	410	0	.0	2494	608.3	-608.3
1976	17888366	47819	0	.0	5856	12.2	-12.2
1977	25573865	166381	36400	21.9	2677	1.6	20.3
1978	31704946	368835	319251	86.6	10720	2.9	83.7
1979	43496238	2054347	11873	.6	48303	2.4	-1.8
1980	57371811	677487	5486	.8	44342	6.5	-5.7
1981	70867287	1458886	29050	2.0	30909	2.1	-.1
1982	82022649	3009774	90	.0	8991	.3	-.3
1983	93836645	4074863	-68060	-1.7	26218	.6	-2.3
1984	106691386	3190507	136345	4.3	-13204	-.4	4.7
1985	119363827	4641198	73487	1.6	-185540	-4.0	5.6
1986	154030435	1670565	505647	30.3	220850	13.2	17.0
1987	176554415	7337214	2360134	32.2	281689	3.8	28.3
1988	198890550	7476969	-1417063	-19.0	-121820	-1.6	-17.3
1989	207447414	16952378	-113796	-.7	-251656	-1.5	.8
1990	244100419	11631020	254155	2.2	19098	.2	2.0
1991	346613352	48422968	9780942	20.2	60272	.1	20.1
1992	338040895	45960321	5858882	12.7	50788	.1	12.6
1993	364027160	22897728	5472186	23.9	81754	.4	23.5
1994	358367936	57650032	6482602	11.2	155175	.3	11.0
1995	390160468	64929252	3338438	5.1	-129012	-.2	5.3
1996	397374157	46644479	3649230	7.8	67868	.1	7.7
1997#	390272630	28233000	2936232	10.4	28233	.1	10.3
Grand Total		380318011	39652155	10.4	445005	.1	10.3
1963-1997 @@		380318011	39652155	10.4	445005	.1	10.3
1988-1997 **		350798147	36241808	10.3	-39300	.0	10.3

% Represents 1972 and prior years
@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

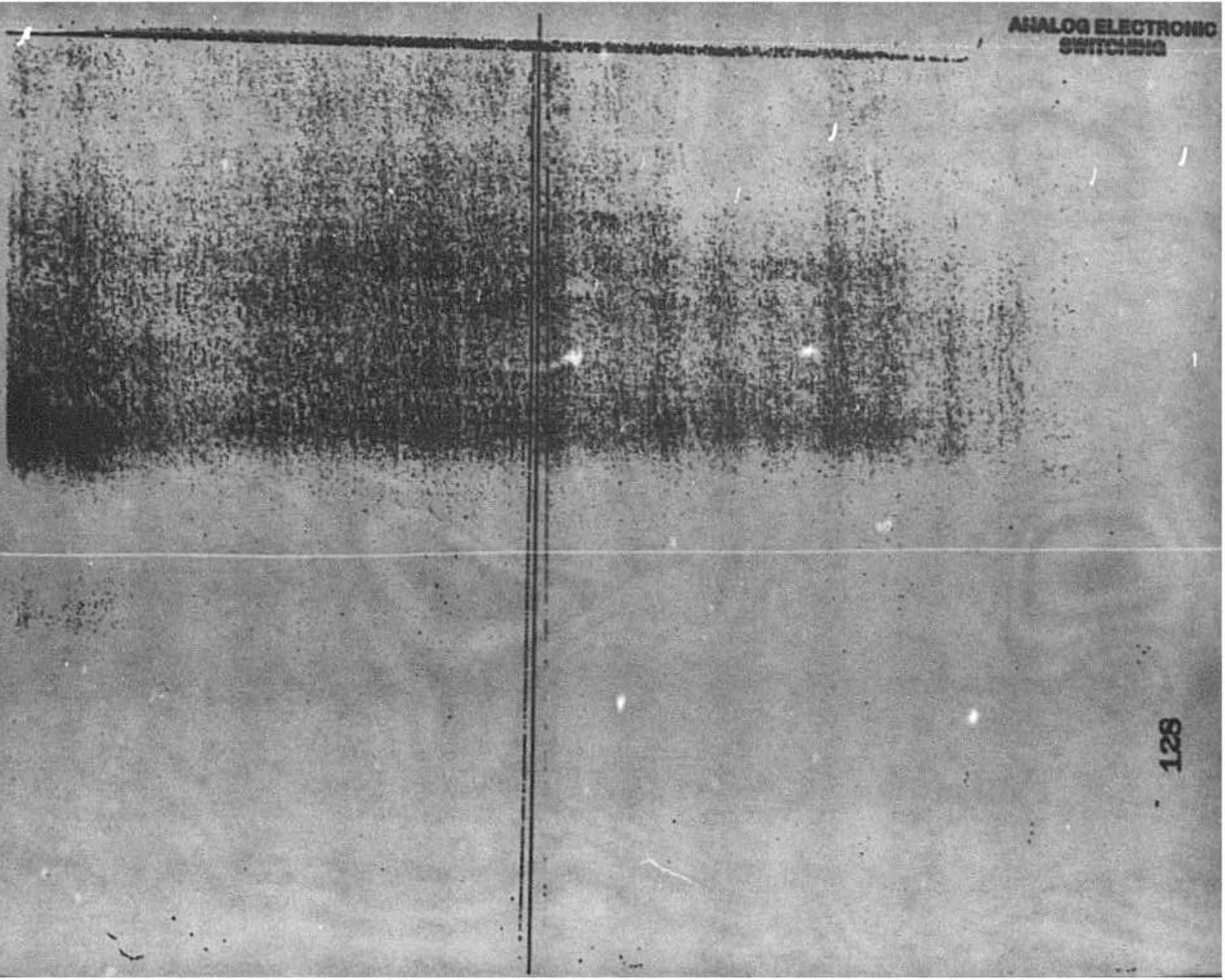
Run Date : 12/03/97 - 08.28.41
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2124.0000
Category : Genl Purpose Computers

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1975	217414	36450	16.8	11027	5.1	11.7
1976	584247	355651	60.9	21747	3.7	57.2
1977	2637792	367524	13.9	70050	2.7	11.3
1978	3314869	373010	11.3	111898	3.4	7.9
1979	4725936	402060	8.5	136951	2.9	5.6
1980	7569329	365750	4.8	143265	1.9	2.9
1981	11275357	-21561	-.2	158763	1.4	-1.6
1982	12411517	102911	.8	97256	.8	.0
1983	16375228	170912	1.0	-132626	-.8	1.9
1984	16586907	647509	3.9	57315	.3	3.6
1985	20914347	3007553	14.4	330013	1.6	12.8
1986	24316453	1658550	6.8	181975	.7	6.1
1987	38078324	1408409	3.7	-56477	-.1	3.8
1988	45068146	1589077	3.5	148161	.3	3.2
1989	91820549	10864372	11.8	-12417	.0	11.8
1990	130443656	14363120	11.0	-243318	-.2	11.2
1991	145864415	21252369	14.6	-39744	.0	14.6
1992	186562069	27848767	14.9	367087	.2	14.7
1993	239860301	30933050	12.9	218977	.1	12.8
1994	238081812	24801338	10.4	226573	.1	10.3
1995	220354491	21878688	9.9	204018	.1	9.8



Company : BellSouth Telecommunications
State : Florida
Account : 2211
Category : Analog Electronic Switching

Account Description

The investment in the Analog Electronic Switching (AESS) category includes the original investment and construction cost of analog switching equipment used for providing local and tandem service. Contained in the equipment costs are line and trunk peripherals, main distributing frame, central processing equipment and power plant.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Invest. ($M)	Res. ($M)	Res. %
Florida	366.1	254.0	69.4

Table 1

Historical Experience

During the 1970's, analog stored program control (SPC) switches began to displace the electromechanical switches. The last electromechanical switches were retired in BellSouth in 1990. The reasons for replacement were varied. Stored program control capability, which allows Equal Access and Custom Calling features to be offered, was one of the primary drivers.

Currently there are two basic types of switches in the telephone network: analog stored program control and digital stored program control. The replacement of analog electronic switches with digital electronic switches is proceeding very rapidly.

Future Expectations

The development of new hardware or software features for analog switching will be minimal, and The rapid displacement of analog machines will continue. Some of the factors that are influencing analog replacements are listed below:

- Reduction of operating expense and cost.
- Elimination of analog-to-digital conversion devices.

- Provision of future network features for regulatory mandated capabilities such as Local Number Portability (LNP).
- Meeting customer demands for new services.
- Provision of full Advanced Intelligent Network (AIN) feature set.

Near-Term Modernization Factors

One of the factors contributing to the displacement of AESS technology is the incompatibility of the analog switch with digital loops and trunks in the network. Digital switching (DESS) provides for the integration of digital trunks and loops, which eliminates costly Digital Carrier Trunk (DCT) equipment and central office terminal (COT) equipment required by AESS machines. Eliminating analog-to-digital conversion interfaces saves both the capital and maintenance costs of these devices.

Operational considerations and greater customer control of services are also affecting the substitution of digital switching for analog switching. Digital switching and synchronous transport technology may be integrated with digital operating support systems (OSS) to provide software control of all network elements. Integrated OSS will reduce the cost for surveillance, maintenance, provisioning and testing of the digital network. This integrated approach will also provide customer control capabilities. Total integration of OSS will allow customers to have more direct control of their routine services and produce a corresponding reduction in operating expenses.

Local number portability is required by the Telecommunications Act of 1996 and allows customers to keep their telephone number even if they change service providers. The plans for implementing local number portability include the use of AIN-based technology, and will require new software in local as well as tandem switches. This requirement and others related to the introduction of local competition will drive further software upgrades and will prompt continued retirement of aging switches that do not support the necessary features.

Average Year of Final Retirement (AYFR)

This account is considered a major structure account and an average year of final retirement was determined rather than a projection life. The AYFR is based on company plans for retiring analog electronic switches. Table 2 shows the AYFR calculation. The AYFR and an interim retirement curve were then used in the generation arrangement to calculate an average remaining life.

Company : BellSouth Telecommunications
State : Florida
Account : 2211
Category : Analog Electronic Switching

Average Year of Final Retirement (AYFR)
1/1/98

Retirement Year a	Equipped Lines b	Line Weight c=(a-1900)*b
1998	136869	13413162
1999	254479	25193421
2000	283066	28306600
2001	305674	30873074
2002	235717	24043134
2003	210196	21650188
2004	142343	14803672
2005	0	0
Totals	1568344	158283251

AYFR = Sum Col. c Sum Col. b= 2000.9

Table 2

Future Net Salvage

Salvage for the Analog ESS account is derived from the reuse of equipment being held for spare parts, sale of surplus retired equipment and equipment that has been declared junk. Although recent salvage experienced by the Company is somewhat higher than historical salvage, the Company believes that as the analog technology reaches the end of its life cycle, its reuse and salvage potential will decrease as fewer and fewer analog offices remain in operation. In addition, there will be a limited market for selling Analog ESS equipment as it is taken out of service because the industry as a whole has recognized that this technology is no longer the technology of choice. Based on these considerations, a future net salvage value of 0.0% is selected for this account.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2211
CATEGORY	:	ANALOG ELECTRONIC SWITCHING

INDEX

September 30. 1997

Run Date : 09/30/97 - 16.41.20
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2211.0000
Category : Analog ESS

Account Parameter Summary

ELG Start Year: 0000

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	391,247,351	366,112,937	
Adjustment	0	0	
Study	391,247,351	366,112,937	
% Tot. Depr. Plant	6.42	3.29	
Depr. Reserve ($)	210,749,758	253,952,224	
(%)	53.9	69.4	
P-Life/AYFR (Yrs)			
Analog ESS	12.3	2000.9	
Curve			
Analog ESS	IOWA 1.5	1.5 INTERIM RET	
c	1.29113310E+00	1.00000000E+00	
G	-2.05572540E-02	0.00000000E+00	
S	-2.45558700E-03	-6.56376950E-03	
Whole Life (Yrs)	11.8	8.9	
Avg. Net Salv. (%)	7	8	
WL Rate (%)	7.9	10.3	
Composite Rem Life (Yrs)	6.8	3.3	
Fut. Net Salv. (%)	6	0	
Composite RL Rate (%)	5.9	9.3	
Intrastate Factor (%)	79.91	81.44	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.21.14
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2211.0000
Category : Analog ESS

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	8598546	.9225	.46	3.32	3.53	2438436	8101782
VG 1996	1.5	11830746	.9225	1.46	3.32	4.53	2613805	8684451
VG 1995	2.5	7155375	.8911	2.40	3.32	5.36	1336032	4439009
VG 1994	3.5	12144820	.7997	3.13	3.32	5.79	2098332	6971774
VG 1993	4.5	6449038	.6605	3.75	3.32	5.94	1085502	3606614
VG 1992	5.5	8265544	.3903	2.91	3.32	4.21	1964196	6526106
VG 1991	6.5	9011995	.5795	5.07	3.32	7.00	1287677	4278348
VG 1990	7.5	11672421	.3513	4.59	3.32	5.76	2028213	6738804
VG 1989	8.5	20652414	.4037	5.66	3.32	7.00	2950588	9803422
VG 1988	9.5	30062028	.3887	6.36	3.32	7.65	3928691	13053202
VG 1987	10.5	12686419	.2924	6.70	3.32	7.67	1654472	5497036
VG 1986	11.5	7859535	.2699	7.14	3.32	8.03	978414	3250812
VG 1985	12.5	18347268	.3637	9.00	3.32	10.20	1798092	5974219
VG 1984	13.5	23142340	.3389	9.55	3.32	10.67	2168476	7204820
VG 1983	14.5	35268101	.5326	11.57	3.32	13.34	2643273	8782361
VG 1982	15.5	9286926	.1645	9.33	3.32	9.88	940203	3123853
VG 1981	16.5	33676037	.3869	12.03	3.32	13.31	2529896	8405659
VG 1980	17.5	8841981	.1437	10.62	3.32	11.10	796577	2646652
VG 1979	18.5	14915114	.2422	13.37	3.32	14.17	1052398	3496626
VG 1978	19.5	8426830	.1666	12.96	3.32	13.52	623364	2071146
VG 1977	20.5	7553203	.2009	13.06	3.32	13.72	550330	1828490
VG 1976	21.5	11899192	.3309	14.45	3.32	15.55	765152	2542241
VG 1975	22.5	28615201	.3376	15.23	3.32	16.35	1750121	5814833
VG 1974	23.5	15512199	.2367	15.54	3.32	16.33	949996	3156391
VG 1973	24.5	3740817	.2040	16.12	3.32	16.80	222725	740010
PRIOR		498847	.0138	15.21	3.32	15.68	31805	105688
Totals		366112937					41186766	136844358
Composites			.330838		3.32253*	8.88909#		

AYFR: 2000.9
c = -1.00000000E+00 G = +0.00000000E+00 S = -6.56376950E-03 Unscaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 1106644738

Run Date : 09/30/97 - 15.32.21
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2211.0000
Category : Analog ESS

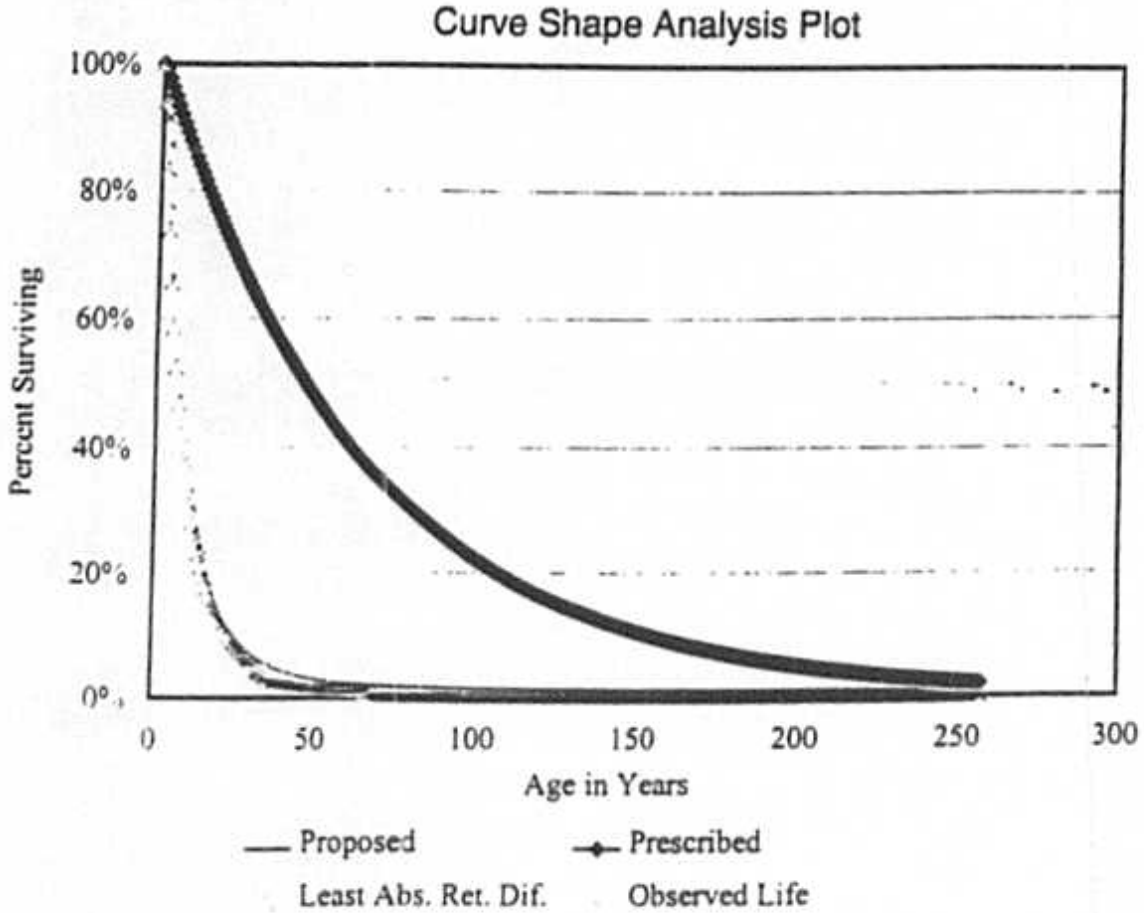
Projection Life Table
Development of Average Service Life and Remaining Life by Age

AYFR = 2000.9
C = +1.00000000E+00 G = +0.00000000E+00 S = -6.56376950E-03 Unscaled
C = +1.00000000E+00 G = +0.00000000E+00 S = +0.00000000E+00 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	753	.5	1506	7570	13.21	13.21	66.13
.5	99247	1489	1.0	1489	6064	16.37	15.87	3.32
1.5	97758	1466	2.0	733	4576	21.37	19.87	3.32
2.5	96292	1444	3.0	481	3842	25.06	22.56	3.32
3.5	94848	1423	4.0	356	3361	28.22	24.72	3.32
4.5	93425	1401	5.0	280	3005	31.09	26.59	3.32
5.5	92024	1380	6.0	230	2725	33.77	28.27	3.32
6.5	90643	1360	7.0	194	2495	36.33	29.83	3.32
7.5	89284	1339	8.0	167	2301	38.81	31.31	3.32
8.5	87944	1319	9.0	147	2133	41.22	32.72	3.32
9.5	86625	1299	10.0	130	1987	43.60	34.10	3.32
10.5	85326	1280	11.0	116	1857	45.95	35.45	3.32
11.5	84046	1261	12.0	105	1740	48.29	36.79	3.32
12.5	82785	1242	13.0	96	1635	50.62	38.12	3.32
13.5	81543	1223	14.0	87	1540	52.96	39.46	3.32
14.5	80320	1205	15.0	80	1452	55.30	40.80	3.32
15.5	79116	1187	16.0	74	1372	57.66	42.16	3.32
16.5	77929	1169	17.0	69	1298	60.04	43.54	3.32
17.5	76760	1151	18.0	64	1229	62.45	44.95	3.32
18.5	75608	1134	19.0	60	1165	64.89	46.39	3.32
19.5	74474	1117	20.0	56	1106	67.36	47.86	3.32
20.5	73357	1100	21.0	52	1050	69.88	49.38	3.32
21.5	72257	1084	22.0	49	997	72.45	50.95	3.32
22.5	71173	1068	23.0	46	948	75.07	52.57	3.32
23.5	70105	1052	24.0	44	902	77.75	54.25	3.32
24.5	69054	1036	25.0	41	858	80.50	56.00	3.32
Total		66571						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 - (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2211.0000
Category : Analog ESS



Method = MORT 1994-1996 Band T = 68

c = -1.00000000E-00 G = +0.00000000E-00 S = -6.56376950E-03

Curves Scaled to the Observed Life of 10.45

Run Date : 12/02/97 - 09.20.21
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2211.0000
Category : Analog ESS

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	740532*	14.2**	105156	2.6**	19254	11.6
FUTURE	366113#	7.0##	25628	7.0##	25628	.0
TOTAL	1106645		130784		44882	
AVERAGE		11.8		4.1		7.7

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/02/97 - 09.20.28
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2211.0000
Category : Analog ESS

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1972%	91426074	676730	365870	54.1	35007	5.2	48.9
1973	62780737	439073	441476	100.5	46187	10.5	90.0
1974	130144458	501523	227714	45.4	76522	15.3	30.1
1975	222132082	1094442	393083	35.9	146283	13.4	22.6
1976	275365872	4961512	2360936	47.6	257729	5.2	42.4
1977	312975156	3508554	1413334	40.3	454459	13.0	27.3
1978	376216583	3092994	1279497	41.4	501158	16.2	25.2
1979	433863415	12840030	6973260	54.3	585782	4.6	49.7
1980	512868021	11163155	4625053	41.4	434225	3.9	37.5
1981	607787862	15050644	5788471	38.5	424486	2.8	35.6
1982	661760011	13519029	97186	.7	702424	5.2	-4.5
1983	725910875	10601096	-332310	-3.1	602235	5.7	-8.8
1984	645623837	49363810	4312954	8.7	861459	1.7	7.0
1985	685336022	20149818	3192258	15.8	481579	2.4	13.5
1986	688221818	30562688	1119334	3.7	472313	1.5	2.1
1987	704514164	19431110	7822002	40.3	820929	4.2	36.0
1988	732949261	32750557	3126151	9.5	802147	2.4	7.1
1989	754213623	34553339	5833966	16.9	469161	1.4	15.5
1990	736064344	53530075	20140390	37.6	715589	1.3	36.3
1991	659813676	91207852	3737789	4.1	700961	.8	3.3
1992	587496870	71948525	5361186	7.5	815967	1.1	6.3
1993	474538793	119651051	14610074	12.2	919724	.8	11.4
1994	403660284	80045542	18156411	22.7	1334305	1.7	21.0
1995	390420211	17573144	-5279813	-30.0	1220344	6.9	-37.0
1996	387813061	17834083	-1580739	-8.9	230295	1.3	-10.2
1997#	366112937	30761000	0	.0	461415	1.5	-1.5
Grand Total		746811376	104185533	14.0	14572685	2.0	12.0
1976-1997 @@		744099608	102757390	13.8	14268686	1.9	11.9
1988-1997 **		549855168	64105415	11.7	7669908	1.4	10.3

% Represents 1972 and prior years
@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/02/97 - 09.20.28
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2211.0000
Category : Analog ESS

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1975	10505104	4836543	46.0	981180	9.3	36.7
1976	13159025	5674564	43.1	1436151	10.9	32.2
1977	25497532	12420110	48.7	1945411	7.6	41.1
1978	35566245	16652080	46.8	2233353	6.3	40.5
1979	45655377	20079615	44.0	2400110	5.3	38.7
1980	55665852	18763467	33.7	2648075	4.8	29.0
1981	63173954	17151660	27.1	2749152	4.4	22.8
1982	99697734	14491354	14.5	3024829	3.0	11.5
1983	108684397	13058559	12.0	3072183	2.8	9.2
1984	124196441	8389422	6.8	3120010	2.5	4.2
1985	130108522	16114238	12.4	3238315	2.5	9.9
1986	152257983	19572699	12.9	3438427	2.3	10.6
1987	137447512	21093711	15.3	3046129	2.2	13.1
1988	170827769	38041843	22.3	3280139	1.9	20.3
1989	231472933	40660298	17.6	3508787	1.5	16.1
1990	283990348	38199482	13.5	3503825	1.2	12.2
1991	370890842	49683405	13.4	3621402	1.0	12.4
1992	416383045	62005850	14.9	4486546	1.1	13.8
1993	380426114	36585647	9.6	4991301	1.3	8.3
1994	307052345	31267119	10.2	4520635	1.5	8.7
1995	265864820	25905933	9.7	4166083	1.6	8.2

Run Date : 12/02/97 - 09.20.47
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2211.0000
Category : Analog ESS

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retire-ments	Retire-ment Ratio	Band	Average Plant Balance	Retire-ments	Retire ment Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	725910875							
1984	645623837	685767356	49363810	.07198				
1985	685336022	665479930	20149818	.03028	84-86	2038026206	100076316	.04910
1986	688221818	686778920	30562688	.04450	85-87	2048626841	70143616	.03424
1987	704514164	696367991	19431110	.02790	86-88	2101878624	82744355	.03937
1988	732949261	718731713	32750557	.04557	87-89	2158681146	86735006	.04018
1989	754213623	743581442	34553339	.04647	88-90	2207452139	120833971	.05474
1990	736064344	745138984	53530075	.07184	89-91	2186659436	179291266	.08199
1991	659813676	697939010	91207852	.13068	90-92	2066733267	216686452	.10484
1992	587496870	623655273	71948525	.11537	91-93	1852612115	282807428	.15265
1993	474538793	531017832	119651051	.22532	92-94	1593772644	271645118	.17044
1994	403660284	439099539	80045542	.18229	93-95	1367157619	217269737	.15892
1995	390420211	397040248	17573144	.04426	94-96	1225256423	115452769	.09423
1996	387813061	389116636	17834083	.04583	95-97	1163119883	66168227	.05689
1997#	366112937	376962999	30761000	.08160				

Forecasted activity

Company : BellSouth Telecommunications
State : Florida
Account : 2212
Category : Digital Electronic Switching

Account Description

The investment in the Digital Electronic Switching (DESS) category includes the original investment of stored program control digital switching equipment used for local and tandem service. This includes line and trunk peripherals, main distributing frames, central processing equipment, and power plant. Also included is the investment of any digital remote electronic switching units.

Current DESS switching employs Stored Program Controlled (SPC) technology to switch calls through a time division (digital) switching network, controlled by a specialized computer. Digital SPC is state of the art technology for voice switching and costs less to purchase, install, and maintain than other available technologies.

Digital switching allows a direct interface with both digital loop and interoffice facility equipment, thereby eliminating expensive analog to digital conversion equipment. New Digital SPC systems are also readily adaptable to the digital services such as Integrated Services Digital Network (ISDN), Packet Switching, and Signaling System 7 (SS7) equipment.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Invest. (SM)	Res. (SM)	Res. %
Florida	1510.3	598.7	39.6

Table 1

Historical Experience and Future Expectations

Historical Experience

Since the retirement of the last electromechanical switch in 1990, all network access lines (NAL) in the BellSouth region have been served by analog and digital electronic switching systems (ESS). Both types of ESS switches contain SPC software, which provides equal access and custom calling features.

Near-term Network Plans

The near term DESS office retirement plans involve replacing a few of the DMS 10s and some of the small remote offices. The replacement of the DMS10s will be triggered by need. The DMS 10 is considered to be older technology and is not as economically upgradable as the DMS 100 family of switches. In most cases, the remote offices that are being replaced are those offices that were placed in service to provide digital features in an analog central office serving area due to customer demand. When the serving area's analog switch is replaced with a digital switch, the remote switch can be taken out of service.

Intermediate and Long-term Modernization Factors

The displacement of major equipment modules in digital switching systems will continue beyond the 1990's. Individual units will be replaced as required in order to satisfy the demand for new services or to eliminate equipment incompatibilities and capacity limitations.

The displacement of analog line equipment (ALE), the largest equipment category, will continue to be driven by the replacement of copper feeder plant with new integrated digital loop carrier (DLC) fiber facilities, as well as by the conversion and integration of embedded non-integrated DLC systems.

The displacement of existing digital line equipment (DLE) modules will be driven by the conversion or replacement of current generation DLC systems to a newer arrangement such as the Technical Requirement 303 configuration (TR-303). In general, it is not feasible or cost effective to upgrade the embedded DLE hardware.

Current generation digital trunk peripherals provide a DS-1 interface only. Deployment of higher speed interfaces will eventually lead to the demise of the older DS-1 units as the network evolves to a Synchronous Optical Network (SONET) environment.

Historically, upgrades and retrofits of processor/memory equipment have become available approximately every three years from the switch suppliers. The demand for faster microprocessors and higher capacity memory boards will trigger additional retirements of the older modules.

Life Analysis

A typical digital switch today consists of six modular categories. These categories are: (1) analog line peripherals, (2) digital line units, (3) digital trunk interface units, (4) narrowband switching fabric, (5) common systems, and (6) central processor and memory complex. A discussion of the development of the remaining lives for these components is found in the following sections.

Analog Line Equipment

The displacement of ALE, the largest equipment category in a digital switch, will continue to be driven by the replacement of copper feeder plant with new integrated DLC fiber facilities as well as by the conversion and integration of embedded non-integrated DLC systems. As the network evolves from a copper based voice frequency (VF) arrangement to an integrated digital loop carrier (IDLC) fiber architecture, the embedded base of ALE will be displaced with new digital line peripherals. The resulting life cycle of ALE is given in Table 2 and is 4.8 years as of 1/1/98.

Company : BellSouth Telecommunications
State : Florida
Account : 2212
Category : Digital Electronic Switching

Analog Line Equipment

Year	Survival Rate	Percent of Pre-1998 Survivors
a	b	c
1998	0.86388	100.00
1999	0.84912	86.39
2000	0.83386	73.35
2001	0.81821	61.17
2002	0.80240	50.05
2003	0.78639	40.16
2004	0.77052	31.58
2005	0.75483	24.33
2006	0.73947	18.37
2007	0.72455	13.58
2008	0.71022	9.84
2009	0.69654	6.99
2010	0.68343	4.87
2011	0.67088	3.33
2012	0.65896	2.23
2013	0.64760	1.47
2014	0.63677	0.95
2015	0.62631	0.61
2016	0.61626	0.38
2017	0.60656	0.23
2018	0.59715	0.14
2019	0.58800	0.08
2020	0.57906	0.05
2021	0.57021	0.03
2022	0.56159	0.02
2023	0.55318	0.01
2024	0.54478	0.01
2025	0.53646	0.00
TOTAL		530.22

Table 2

ARL = Total Col c / Col c(1998) - .5 = 4.8 Years

Digital Line Equipment

Digital line equipment (DLE) provides a direct interface to the digital switch for those subscribers served on IDLC systems. This modular category includes various generations of subscriber carrier interface units in 5ESS and DMS 100 switches. The remaining life development for this equipment category is shown in Table 3.

Digital Line Equipment

Year	Survival Rate	Percent of Pre-1998 Survivors
a	b	c
1998	0.90335	100.00
1999	0.89368	90.34
2000	0.88362	80.73
2001	0.87313	71.34
2002	0.86222	62.29
2003	0.85059	53.70
2004	0.83836	45.68
2005	0.82529	38.30
2006	0.81127	31.61
2007	0.79621	25.64
2008	0.78011	20.42
2009	0.76296	15.93
2010	0.74471	12.15
2011	0.72550	9.05
2012	0.70567	6.57
2013	0.68555	4.63
2014	0.66551	3.18
2015	0.64587	2.11
2016	0.62707	1.37
2017	0.60935	0.86
2018	0.59288	0.52
2019	0.57771	0.31
2020	0.56378	0.18
2021	0.55093	0.10
2022	0.53918	0.06
2023	0.52838	0.03
2024	0.51821	0.02
2025	0.50864	0.01
TOTAL		677.13

Table 3

ARL = Total Col c Col ct1998) - .5 = 6.3 Years

Trunk Interface Equipment

Trunk peripherals provide a direct interface to the digital switch for interoffice and intermachine trunks. Typical embedded trunk peripherals include the digital line trunk unit (DLTU) in the 5ESS and the digital trunk controller (DTC) in the DMS-100. Table 4 shows the development of the remaining life for this category, which is 6.4 years.

Trunk Interface Equipment

Year	Survival Rate	Percent of Pre-1998 Survivors
a	b	c
1998	0.91478	100.00
1999	0.89550	90.48
2000	0.88594	81.02
2001	0.87607	71.78
2002	0.86594	62.89
2003	0.85528	54.46
2004	0.84421	46.57
2005	0.83255	39.32
2006	0.82018	32.73
2007	0.80701	26.85
2008	0.79300	21.67
2009	0.77807	17.18
2010	0.76205	13.37
2011	0.74490	10.19
2012	0.72678	7.59
2013	0.70782	5.52
2014	0.68826	3.90
2015	0.66833	2.69
2016	0.64850	1.80
2017	0.62915	1.16
2018	0.61061	0.73
2019	0.59315	0.45
2020	0.57691	0.27
2021	0.56185	0.15
2022	0.54809	0.09
2023	0.53554	0.05
2024	0.52390	0.03
TOTAL		692.92

Table 4

ARL = Total Col c / Col c(1998) - .5 = 6.4 Years

Switching Fabric (Switching Network)

A modern digital switch contains a solid state multistage time division switching network that establishes the connection between an originating line or trunk and a terminating line or trunk. Typical examples of switching fabrics include the Communications Module in the 5ESS, and the Network Modules and the Enhanced Network (E-NET) in the DMS-100.

Historically, upgrades to the narrowband switching fabric have been available from NTI and Lucent about every four years, and this pattern should continue. Since it would be highly unlikely for any switching fabric to remain in service longer than two technology generations, the ARL for this category is projected to be 8.0 years.

The ARL is conservative because it does not take into account potential technological obsolescence due to the future availability of integrated multirate ATM switch fabrics and does not reflect the age of embedded equipment.

Common Systems Equipment

Common Systems Equipment (CSE) refers to the hardware grouping that supports all of the other modular categories. Common Systems Equipment includes the Main Distribution Frame (MDF), the AC to DC power plants, and some test and alarm circuitry. The bulk of CSE will not be replaced until the working access line or trunk is removed from service. Obviously, CSE has the longest life expectancy of any of the equipment categories. The demise of CSE is synonymous with the final replacement of a switch entity. A 15.0 year ARL has been determined to be appropriate for embedded CSE.

Central Processor and Memory

In a modern digital switching system, those machines functions that are best performed from a central location are provided by an equipment category referred to as the processor/memory area. Typical examples of processor/memory areas include the DMS SuperNode in the DMS-100 and the Administrative Module (AM) in the 5ESS.

The processor memory of a digital switch is the same technology as that used in personal computers (PCs). We have found in our studies of the computer accounts that a 5-year life is appropriate. Therefore, a 5-year life is deemed appropriate for digital switch processor/memory. This is consistent with the introduction of new versions of processors by switch vendors every 3 years. Assuming that existing processors are at least one year old, and that processors would not remain in service longer than two technology cycles, it is reasonable to use 5 years for the life of the digital switch processor memory module.

Projection Life

The Company's projection life is based upon the composite ARL for digital switching. The composite ARL is calculated by multiplying each module's individual ARL times its investment percentage. (Table 5) which yields a weighted component of the composite ARL. These weighted components are then added to produce the composite 6.2 year ARL for DESS. This represents a conservative estimate due to the conservative lives used for the individual modules. The ARL is then used in the generation arrangement to determine the underlying projection life. The projection life used for this account is 10 years, which is the same as the life in other BellSouth states.

Composite Digital Switching ARL
As of 1/1/98

Equipment Category	ARL	Investment %	Component of ARL
a	b	c	d=b*c
Analog Line Equipment	4.8	40.9	1.96
Digital Line Equipment	6.3	18.9	1.19
Trunk Interface Equipment	6.4	13.2	0.85
Switching Fabric	8.0	5.0	0.40
Common Systems Equipment	15.0	7.1	1.07
Central Processor Memory	5.0	14.9	0.75
Total Composite	6.2	100.0	6.22

Table 5

Future Net Salvage

The future net salvage of digital electronic switching is expected to be relatively high in the early life cycle of the technology but declining as the technology ages. As the equipment begins the rapid retirement phase of the life cycle, the net salvage will probably become less than 0% as it has for previous switching technologies. Based on these considerations, the company selected a 0% future net salvage.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2212
CATEGORY	:	DIGITAL ELECTRONIC SWITCHING

INDEX

September 30, 1997

Run Date : 09/30/97 - 16.41.46
Report : RATESUM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2212.0000
Category : Digital ESS

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)	0	1,510,337,561	
Form M	0	0	
Adjustment	0	1,510,337,561	
Study			
% Tot. Depr. Plant	9.79	13.59	
Depr. Reserve ($)	177,906,000	598,674,025	
(%)	.0	39.6	
P-Life/AYFR (Yrs) Digital ESS	13.7	10.0	
Curve Digital ESS	IOWA 1.5	GM 2.5	
a	1.29113310E+00	1.13339740E+00	
G	-2.05572540E-02	-2.17455120E-01	
S	-2.45558700E-03	2.39688400E-02	
Whole Life (Yrs)	14.0	11.1	
Avg. Net Salv. (%)	3	1	
WL Rate (%)	6.9	8.9	
Composite Rem Life (Yrs)	10.7	6.0	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	7.5	10.1	
Intrastate Factor (%)	79.91	81.44	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.21.32
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2212.0000
Category : Digital ESS

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	157148716	.9930	.50	9.55	9.98	15750010	150376000
VG 1996	1.5	133036749	.9902	1.50	8.69	10.10	13168491	114471767
VG 1995	2.5	60848608	.9657	2.44	7.90	10.07	6042834	47760476
VG 1994	3.5	121586729	.9660	3.45	7.18	10.38	11715972	84076573
VG 1993	4.5	152151358	.9369	4.38	6.51	10.48	14523590	94503494
VG 1992	5.5	88775167	.9151	5.28	5.89	10.67	8317604	49007987
VG 1991	6.5	133592432	.8893	6.20	5.33	10.94	12208348	65050472
VG 1990	7.5	113477271	.8436	7.03	4.81	11.09	10236743	49263779
VG 1989	8.5	93450097	.8197	7.94	4.34	11.50	8128175	35285889
VG 1988	9.5	116336555	.8104	8.82	3.91	11.99	9704348	37958947
VG 1987	10.5	113228570	.7884	9.63	3.52	12.41	9124157	32122746
VG 1986	11.5	84117408	.8104	10.68	3.17	13.24	6351001	20105236
VG 1985	12.5	75861850	.7586	11.33	2.84	13.48	5626157	16001214
VG 1984	13.5	42546297	.7227	11.99	2.55	13.83	3076162	7854429
VG 1983	14.5	10182928	.5894	12.08	2.29	13.44	757918	1736435
VG 1982	15.5	2548126	.4909	11.93	2.06	12.94	196879	404600
VG 1981	16.5	1758221	.6533	15.16	1.84	16.36	107473	198103
VG 1980	17.5	1285813	.5416	15.48	1.65	16.37	78529	129865
VG 1979	18.5	1129266	.4531	15.51	1.48	16.18	69789	103609
VG 1978	19.5	1347426	.3991	15.14	1.33	15.67	85993	114733
VG 1977	20.5	1044602	.7159	19.27	1.20	20.13	51894	62327
VG 1976	21.5	871142	.4294	18.70	1.08	19.16	45461	49262
VG 1975	22.5	800349	.4310	19.60	.98	20.03	39964	39190
VG 1974	23.5	1327360	.5190	20.71	.89	21.17	62701	55848
VG 1973	24.5	417015	.3479	19.29	.81	19.57	21304	17307
PRIOR		1467506	.1190	17.81	.63	20.54	71454	45000
Totals		1510337561					135562951	806795288
Composites			.865860		5.95144*	11.14123#		

Plife: 10.0
c = +1.13339740E+00 G = -2.17455120E-01 S = +2.39688400E-02 Unscaled
c = +1.13339736E+00 G = -2.17455120E-01 S = +2.39688330E-02 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 1744322420

Run Date : 09/30/97 - 15.32.38
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2212.0000
Category : Digital ESS

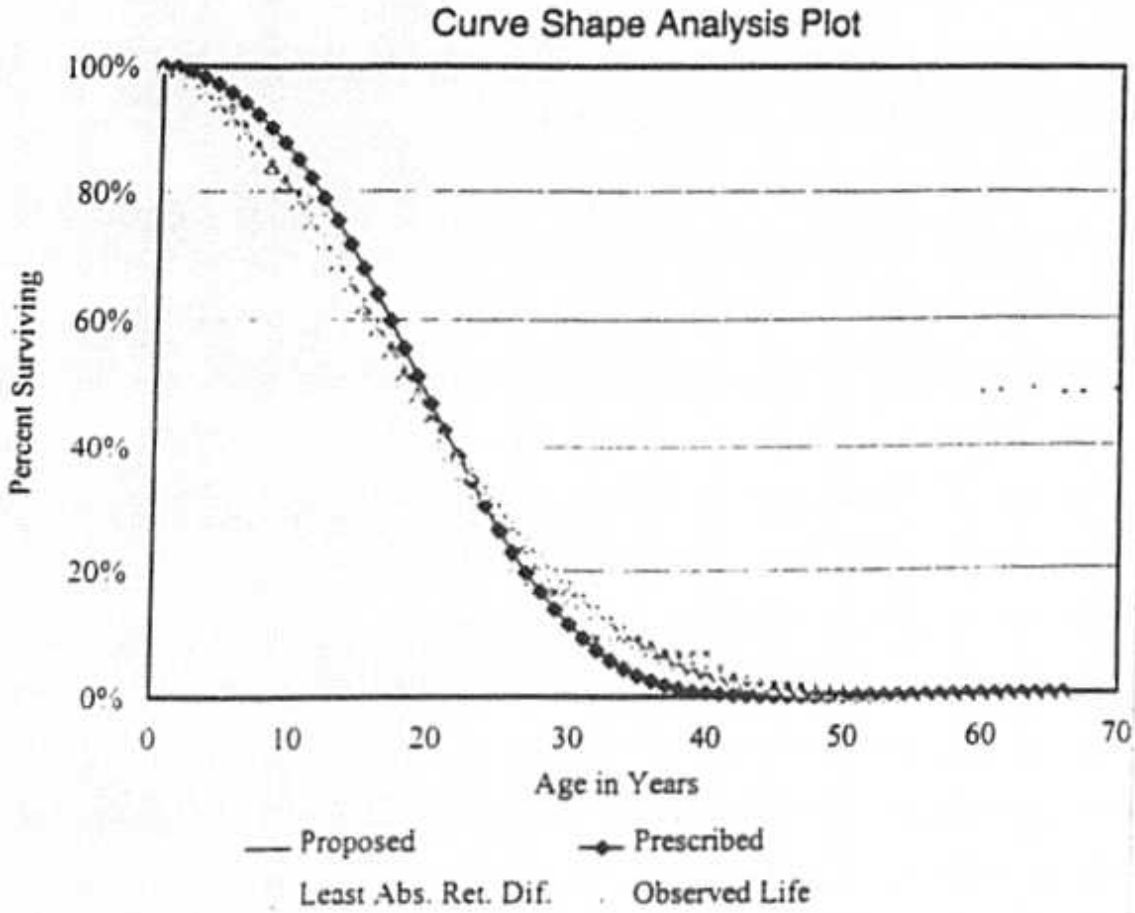
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 10.0
C = +1.13339740E+00 G = -2.17455120E-01 S = +2.39688400E-02 Unscaled
C = -1.13339736E+00 G = -2.17455120E-01 S = +2.39688330E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	475	.5	949	15050	6.64	6.64	10.00
.5	99525	1572	1.0	1572	14101	7.06	6.56	9.55
1.5	97954	2457	2.0	1229	12529	7.82	6.32	8.69
2.5	95497	3391	3.0	1130	11301	8.45	5.95	7.90
3.5	92106	4347	4.0	1087	10170	9.06	5.56	7.18
4.5	87759	5288	5.0	1058	9084	9.66	5.16	6.51
5.5	82471	6173	6.0	1029	8026	10.28	4.78	5.89
6.5	76297	6952	7.0	993	6997	10.90	4.40	5.33
7.5	69345	7574	8.0	947	6004	11.55	4.05	4.81
8.5	61771	7986	9.0	887	5057	12.21	3.71	4.34
9.5	53785	8148	10.0	815	4170	12.90	3.40	3.91
10.5	45637	8031	11.0	730	3355	13.60	3.10	3.52
11.5	37606	7629	12.0	636	2625	14.33	2.83	3.17
12.5	29977	6963	13.0	536	1989	15.07	2.57	2.84
13.5	23014	6083	14.0	435	1454	15.83	2.33	2.55
14.5	16931	5063	15.0	338	1019	16.62	2.12	2.29
15.5	11868	3992	16.0	250	681	17.42	1.92	2.06
16.5	7876	2964	17.0	174	432	18.23	1.73	1.84
17.5	4912	2057	18.0	114	258	19.07	1.57	1.65
18.5	2856	1323	19.0	70	143	19.92	1.42	1.48
19.5	1533	781	20.0	39	74	20.78	1.28	1.33
20.5	752	419	21.0	20	35	21.66	1.16	1.20
21.5	333	202	22.0	9	15	22.55	1.05	1.08
22.5	131	86	23.0	4	6	23.46	.96	.98
23.5	45	32	24.0	1	2	24.38	.88	.89
24.5	13	10	25.0	0	1	25.32	.82	.81
Total		100002						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2212.0000
Category : Digital ESS



Method = MORT 1994-1996 Band T = 47

c = +1.13339740E-00 G = -2.17455120E-01 S = +2.39688400E-02

Curves Scaled to the Observed Life of 18.88

Run Date : 12/02/97 - 13.44.19
Report : ANSD. SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2212.0000
Category : Digital ESS

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	233985*	11.4**	26674	.4**	936	11.0
FUTURE	1510338#	7.0##	105724	7.0##	105724	.0
TOTAL	1744323		132398		106660	
AVERAGE		7.6		6.1		1.5

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/02/97 - 13.44.33
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2212.0000
Category : Digital ESS

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1980	0	0	0	.0	0	.0	.0
1981	0	0	0	.0	0	.0	.0
1982	1526287	0	0	.0	0	.0	.0
1983	14628463	0	0	.0	0	.0	.0
1984	65547541	0	0	.0	0	.0	.0
1985	167426689	334062	167489	50.1	47760	14.3	35.8
1986	264047441	1333518	390996	29.3	93269	7.0	22.3
1987	392601880	1956760	475187	24.3	202776	10.4	13.9
1988	542898070	9381312	3087773	32.9	-370399	-3.9	36.9
1989	646565743	11990056	3088142	25.8	-1932218	-16.1	41.9
1990	763880850	13822610	1837951	13.3	-1100554	-8.0	21.3
1991	903017713	10821285	1175776	10.9	281230	2.6	8.3
1992	1005106515	11234610	3508535	31.2	283486	2.5	28.7
1993	1148732908	20491535	4877880	23.8	555339	2.7	21.1
1994	1233905842	38569964	4788802	12.4	752398	2.0	10.5
1995	1272494483	25211983	2043557	8.1	677998	2.7	5.4
1996	1400611690	32237425	198430	.6	1329887	4.1	-3.5
1997#	1510337561	46858000	5669818	12.1	1312024	2.8	9.3
Grand Total		224243120	31310336	14.0	2132996	1.0	13.0
1980-1997 @@		224243120	31310336	14.0	2132996	1.0	13.0
1988-1997 **		220618780	30276664	13.7	1789191	.8	12.9

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/02/97 - 13.44.33
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2212.0000
Category : Digital ESS

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1982	0	0	.0	0	.0	.0
1983	334062	167489	50.1	47760	14.3	35.8
1984	1667580	558485	33.5	141029	8.5	25.0
1985	3624340	1033672	28.5	343805	9.5	19.0
1986	13005652	4121445	31.7	-26594	-.2	31.9
1987	24995708	7209587	28.8	-1958812	-7.8	36.7
1988	38484256	8880049	23.1	-3107126	-8.1	31.1
1989	47972023	9664829	20.1	-2919165	-6.1	26.2
1990	57249873	12698177	22.2	-2838455	-5.0	27.1
1991	68360096	14488284	21.2	-1912717	-2.8	24.0
1992	94940004	16188944	17.1	771899	.8	16.2
1993	106329377	16394550	15.4	2550451	2.4	13.0
1994	127745517	15417204	12.1	3599108	2.8	9.3
1995	163368907	17578487	10.8	4627645	2.8	7.9

Run Date : 12/02/97 - 13.45.02
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2212.0000
Category : Digital ESS

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	14628463							
1984	65547541	40088002	227892	.00568				
1985	167426689	116487115	334062	.00287	84-86	372312182	1895472	.00509
1986	264047441	215737065	1333518	.00618	85-87	660548841	3624340	.00549
1987	392601880	328324661	1956760	.00596	86-88	1011811701	12671590	.01252
1988	542898070	467749975	9381312	.02006	87-89	1390806543	23328128	.01677
1989	646565743	594731907	11990056	.02016	88-90	1767705179	35193978	.01991
1990	763880850	705223297	13822610	.01960	89-91	2133404486	36633951	.01717
1991	903017713	833449282	10821285	.01298	90-92	2492734693	35878505	.01439
1992	1005106515	954062114	11234610	.01178	91-93	2864431108	42547430	.01485
1993	1148732908	1076919712	20491535	.01903	92-94	3222301201	70296109	.02182
1994	1233905842	1191319375	38569964	.03238	93-95	3521439250	84273482	.02393
1995	1272494483	1253200163	25211983	.02012	94-96	3781072625	96019372	.02539
1996	1400611690	1336553087	32237425	.02412	95-97	4045227876	104307408	.02579
1997#	1510337561	1455474626	46858000	.03219				

Forecasted activity

Company	: BellSouth Telecommunications
State	: Florida
Account	: 2220
Category	: Operator Systems

Account Description

The Operator Systems account is comprised of equipment necessary to provide personal assistance to subscribers in using the network. This includes directory assistance, call intercept, automatic call distribution, operator positions and computers used to assist in operator call completion activities.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Invest. (SM)	Res. (SM)	Res. %
Florida	36.8	6.0	16.4

Table 1

Projection Life

Investment in the Operator Systems account is similar to that of investment in computers and switches. Investment in switches that solely handle Operator Systems traffic is assigned to this account. Therefore, the company selected a projection life of 10 years, which is the life selected for digital electronic switching equipment.

Future Net Salvage

The company is selecting a future net salvage of 0%. BellSouth's future net salvage value is based on historical salvage and on future salvage expectations for the Operator Systems account.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2220
CATEGORY	:	OPERATOR SYSTEMS

INDEX

September 30, 1997

Run Date : 09/30/97 - 16.42.11
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2220.0000
Category : Operator Systems

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	15,016,502	36,791,456	
Adjustment	0	0	
Study	15,016,502	36,791,456	
% Tot. Depr. Plant	.14	.33	
Depr. Reserve ($)	436,000	6,033,360	
(%)	2.9	16.4	
P-Life/AYFR (Yrs)			
Operator Systems	16.0	10.0	
Curve			
Operator Systems	IOWA 1.5	GM 2.5	
c	1.29113310E+00	1.13339740E+00	
G	-2.05572540E-02	-2.17455120E-01	
S	-2.45558700E-03	2.39688400E-02	
Whole Life (Yrs)	14.0	8.7	
Avg. Net Salv. (%)	0	4	
WL Rate (%)	7.1	11.0	
Composite Rem Life (Yrs)	13.6	5.9	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	7.1	14.2	
Intrastate Factor (%)	88.48	87.94	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.21.49
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2220.0000
Category : Operator Systems

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	1656556	.9908	.50	9.55	9.95	166407	1588797
VG 1996	1.5	4817891	.9908	1.50	8.69	10.11	476644	4143398
VG 1995	2.5	645109	.4988	1.75	7.90	5.69	113311	895571
VG 1994	3.5	4814645	.9584	3.44	7.18	10.32	466503	3347739
VG 1993	4.5	4623797	.4440	3.64	6.51	6.53	707717	4605045
VG 1992	5.5	3126923	.7424	4.68	5.89	9.05	345501	2035720
VG 1991	6.5	3915363	.5989	5.51	5.33	8.70	449842	2396919
VG 1990	7.5	5597963	.5037	6.39	4.81	8.82	634878	3055316
VG 1989	8.5	3862303	.8421	7.95	4.34	11.61	332658	1444129
VG 1988	9.5	30963	.0452	4.50	3.91	4.68	6616	25881
VG 1987	10.5	1477286	.3449	6.36	3.52	7.58	194991	686492
VG 1986	11.5	1001442	.1831	3.98	3.17	4.56	219561	695059
VG 1985	12.5	2039	.0386	5.32	2.84	5.43	375	1068
VG 1984	13.5	6860	.0059	3.15	2.55	3.16	2168	5538
VG 1983	14.5	420	.0008	5.79	2.29	5.79	73	167
VG 1982	15.5	4971	.0073	5.35	2.06	5.37	927	1905
VG 1981	16.5	1060209	.3712	11.19	1.84	11.87	89298	164602
VG 1980	17.5	43006	.0173	8.88	1.65	8.91	4829	7987
VG 1979	18.5	448	.0020	5.11	1.48	5.11	88	131
VG 1978	19.5	1792	.0017	5.75	1.33	5.76	311	416
VG 1977	20.5	7764	.0036	7.41	1.20	7.42	1047	1257
VG 1976	21.5	18360	.0026	9.95	1.08	9.95	1845	2000
VG 1975	22.5	47015	.0030	6.95	.98	6.95	6763	6632
VG 1974	23.5	5050	.0005	8.63	.89	8.63	585	522
VG 1973	24.5	25	.0000	13.37	.81	13.37	2	2
PRIOR		23256	.4602	23.56	.67	21.05	1105	737
Totals		36791456					4224045	25113027
Composites			.350028		5.94526*	8.71001#		

Plife: 10.0
c = +1.13339740E+00 G = -2.17455120E-01 S = +2.39688400E-02 Unscaled
c = +1.13339736E+00 G = -2.17455120E-01 S = +2.39688330E-02 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 105111294

Run Date : 09/30/97 - 15.32.55
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2220.0000
Category : Operator Systems

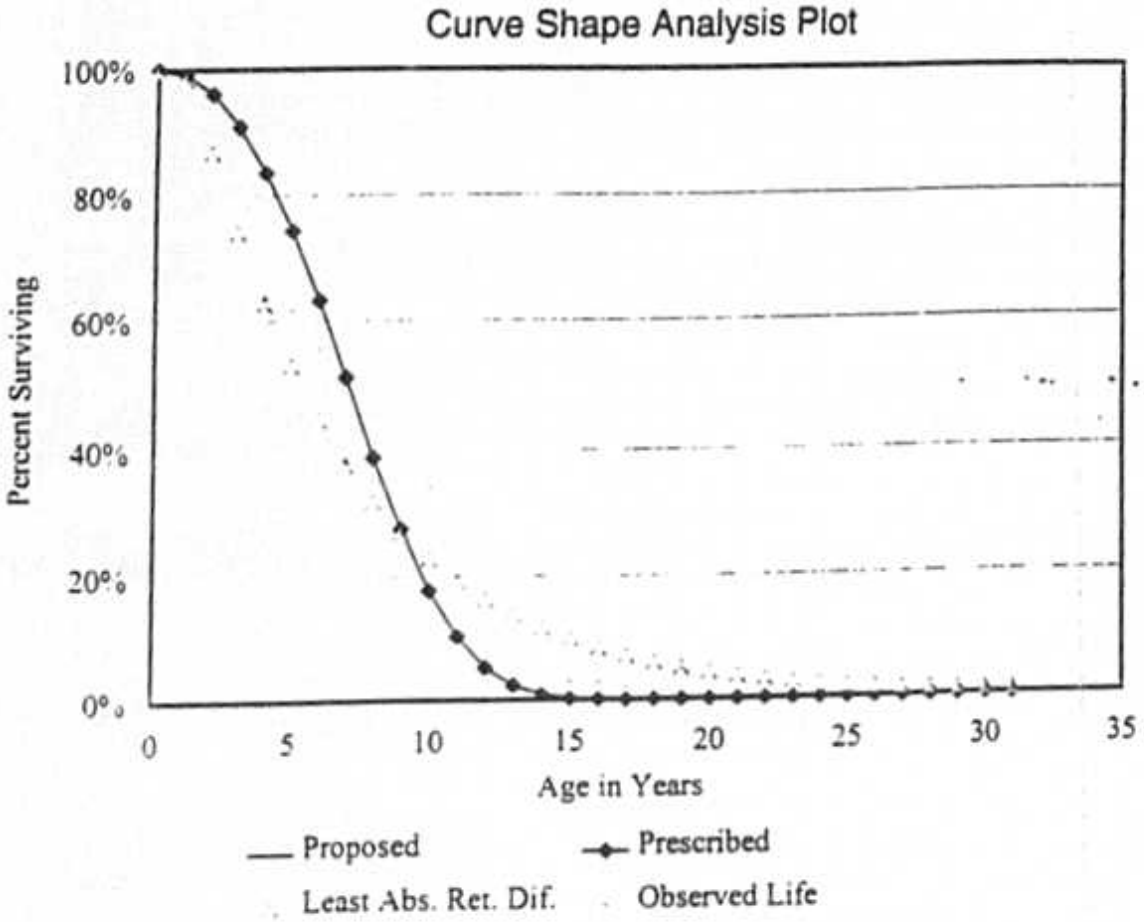
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 10.0
C = +1.13339740E+00 G = -2.17455120E-01 S = +2.39688400E-02 Unscaled
C = +1.13339736E+00 G = -2.17455120E-01 S = +2.39688330E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	475	.5	949	15050	6.64	6.64	10.00
.5	99525	1572	1.0	1572	14101	7.06	6.56	9.55
1.5	97954	2457	2.0	1229	12529	7.82	6.32	8.69
2.5	95497	3391	3.0	1130	11301	8.45	5.95	7.90
3.5	92106	4347	4.0	1087	10170	9.06	5.56	7.18
4.5	87759	5288	5.0	1058	9084	9.66	5.16	6.51
5.5	82471	6173	6.0	1029	8026	10.28	4.78	5.89
6.5	76297	6952	7.0	993	6997	10.90	4.40	5.33
7.5	69345	7574	8.0	947	6004	11.55	4.05	4.81
8.5	61771	7986	9.0	887	5057	12.21	3.71	4.34
9.5	53785	8148	10.0	815	4170	12.90	3.40	3.91
10.5	45637	8031	11.0	730	3355	13.60	3.10	3.52
11.5	37606	7629	12.0	636	2625	14.33	2.83	3.17
12.5	29977	6963	13.0	536	1989	15.07	2.57	2.84
13.5	23014	6083	14.0	435	1454	15.83	2.33	2.55
14.5	16931	5063	15.0	338	1019	16.62	2.12	2.29
15.5	11868	3992	16.0	250	681	17.42	1.92	2.06
16.5	7876	2964	17.0	174	432	18.23	1.73	1.84
17.5	4912	2057	18.0	114	258	19.07	1.57	1.65
18.5	2856	1323	19.0	70	143	19.92	1.42	1.48
19.5	1533	781	20.0	39	74	20.78	1.28	1.33
20.5	752	419	21.0	20	35	21.66	1.16	1.20
21.5	333	202	22.0	9	15	22.55	1.05	1.08
22.5	131	86	23.0	4	6	23.46	.96	.98
23.5	45	32	24.0	1	2	24.38	.88	.89
24.5	13	10	25.0	0	1	25.32	.82	.81
Total		100002						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2220.0000
Category : Operator Systems



Method = GRAD 1994-1996 Band T = 11

c = -1.13339740E-00 G = -2.17455120E-01 S = +2.39688400E-02

Curves Scaled to the Observed Life of 6.62

Run Date : 12/02/97 - 14.23.41
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2220.0000
Category : Operator Systems

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	68320*	7.7**	5261	1.2**	820	6.5
FUTURE	36791#	7.0##	2575	7.0##	2575	.0
TOTAL	105111		7836		3395	
AVERAGE		7.5		3.2		4.3

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/02/97 - 14.23.57
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2220.0000
Category : Operator Systems

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1988	17755762	57293	4532	7.9	3184	5.6	2.4
1989	18786407	2725638	2271	.1	40218	1.5	-1.4
1990	24713818	1483023	17662	1.2	64394	4.3	-3.2
1991	30133625	2936340	7522	.3	-15220	-.5	.8
1992	32418632	2767589	897529	32.4	22002	.8	31.6
1993	40703598	1606006	75607	4.7	39422	2.5	2.3
1994	43028773	4297379	613385	14.3	68750	1.6	12.7
1995	43571247	555538	63247	11.4	53563	9.6	1.7
1996	35468753	13042375	577123	4.4	62110	.5	3.9
1997#	36791456	343000	34300	10.0	3773	1.1	.8
Grand Total		29814181	2293178	7.7	342196	1.1	6.5
1988-1997 @@		29814181	2293178	7.7	342196	1.1	6.5
1988-1997 **		29814181	2293178	7.7	342196	1.1	6.5

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/02/97 - 14.23.57
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2220.0000
Category : Operator Systems

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1990	9969883	929516	9.3	114578	1.1	8.2
1991	11518596	1000591	8.7	150816	1.3	7.4
1992	13090337	1611705	12.3	179348	1.4	10.9
1993	12162852	1657290	13.6	168517	1.4	12.2
1994	22268887	2226891	10.0	245847	1.1	8.9
1995	19844298	1363662	6.9	227618	1.1	5.7

Run Date : 12/02/97 - 14.24.22
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2220.0000
Category : Operator Systems

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1988	17755762							
1989	18786407	18271085	2725638	.14918				
1990	24713818	21750113	1483023	.06818	89-91	67444920	7145001	.10594
1991	30133625	27423722	2936340	.10707	90-92	80449964	7186952	.08933
1992	32418632	31276129	2767589	.08849	91-93	95260966	7309935	.07674
1993	40703598	36561115	1606006	.04393	92-94	109703430	8670974	.07904
1994	43028773	41866186	4297379	.10265	93-95	121727311	6458923	.05306
1995	43571247	43300010	555538	.01283	94-96	124686196	17895292	.14352
1996	35468753	39520000	13042375	.33002	95-97	118950115	13940913	.11720
1997#	36791456	36130105	343000	.00949				

Forecasted activity

RADIO SYSTEMS

Company : BellSouth Telecommunications
State : Florida
Account : 2231
Category : Radio

Account Description

The Radio Systems account consists of equipment used to transmit and receive electromagnetic radio waves in providing analog and digital message and special services circuit transport throughout the telecommunications network. Unregulated investment such as cellular is not included in this account. Major types of equipment in this category include transmitters and receiver terminals, antennas, wave guides and their respective components, power facilities and television transport systems.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Invest. ($M)	Res. ($M)	Res. %
Florida	3.1	-0.7	-22.2

Table 1

Projection Life

The company selected a projection life of 9.0 years based on our analysis of historical data and long range company plans.

Future Net Salvage

The company is selecting a future net salvage of -5%. BellSouth's future net salvage value is based on historical salvage and on future salvage expectations for the radio account.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2231
CATEGORY	:	RADIO

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September 30, 1997

Run Date : 09/30/97 - 16.42.37
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2231.0000
Category : Radio Systems

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	9,319,065	3,135,863	
Adjustment	0	0	
Study	9,319,065	3,135,863	
% Tot. Depr. Plant		.03	
Depr. Reserve ($)	6,582,367	-695,683	
(%)	.0	-22.2	
P-Life/AYFR (Yrs)			
Radio Systems	8.7	9.0	
Curve			
Radio Systems		1994-1996 MORT	
c	0.00000000E+00	5.10000000E-01	
G	0.00000000E+00	-5.62917020E-01	
S	0.00000000E+00	-1.92631870E-01	
Whole Life (Yrs)	9.5	8.0	
Avg. Net Salv. (%)	-3	-2	
WL Rate (%)	.0	12.8	
Composite Rem Life (Yrs)	4.2	6.3	
Fut. Net Salv. (%)	-3	-5	
Composite RL Rate (%)	7.9	20.2	
Intrastate Factor (%)	68.23	69.65	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.22.07
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2231.0000
Category : Radio Systems

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	1187739	.9973	.50	8.49	8.97	132431	1124785
VG 1996	1.5	607894	.9969	1.50	7.49	8.97	67778	507886
VG 1995	2.5	12239	.1157	1.04	6.49	1.80	6816	44261
VG 1994	3.5	31668	.8362	3.21	5.49	7.80	4058	22294
VG 1993	4.5	11459	.0232	2.91	4.75	3.02	3796	18022
VG 1992	5.5	111569	.1559	3.92	4.53	4.63	24106	109291
VG 1991	6.5	340431	.4277	4.32	4.39	6.20	54924	241281
VG 1990	7.5	224666	.4321	5.72	4.30	7.58	29639	127421
VG 1989	8.5	24485	.0793	3.87	4.24	4.20	5824	24668
VG 1988	9.5	6793	.0137	4.47	4.19	4.53	1500	6289
VG 1987	10.5	2509	.0032	4.34	4.16	4.35	577	2403
VG 1986	11.5	72401	.0738	7.60	4.14	7.91	9153	37927
VG 1985	12.5	339528	.2359	9.28	4.13	10.25	33119	136783
VG 1984	13.5	2688	.0021	7.17	4.12	7.18	374	1543
VG 1983	14.5	52141	.0275	7.16	4.11	7.27	7169	29493
VG 1982	15.5	17799	.0065	7.74	4.11	7.77	2291	9415
VG 1981	16.5	27088	.0367	7.34	4.11	7.49	3617	14855
VG 1980	17.5	27012	.0442	11.38	4.10	11.56	2336	9588
VG 1979	18.5	12234	.0063	11.87	4.10	11.90	1028	4220
VG 1978	19.5	0	.0000	.00	4.10	9.97	0	0
VG 1977	20.5	1381	.0031	9.30	4.10	9.31	148	609
VG 1976	21.5	415	.0006	11.62	4.10	11.62	36	147
VG 1975	22.5	6518	.0041	12.29	4.10	12.31	530	2171
VG 1974	23.5	588	.0010	12.57	4.10	12.57	47	192
VG 1973	24.5	5014	.0075	12.76	4.10	12.79	392	1607
PRIOR		9604	.0028	20.61	4.10	14.42	666	2728
Totals		3135863					392355	2479879
Composites			.125040		6.32050*	7.99241#		

Plife: 9.0
c = -5.10000000E-01 G = -5.62917020E-01 S = -1.92631870E-01 Unscaled
c = +6.89273931E-01 G = -5.62917020E-01 S = -1.06455898E-01 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 25079732

Run Date : 09/30/97 - 15.33.11
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2231.0000
Category : Radio Systems

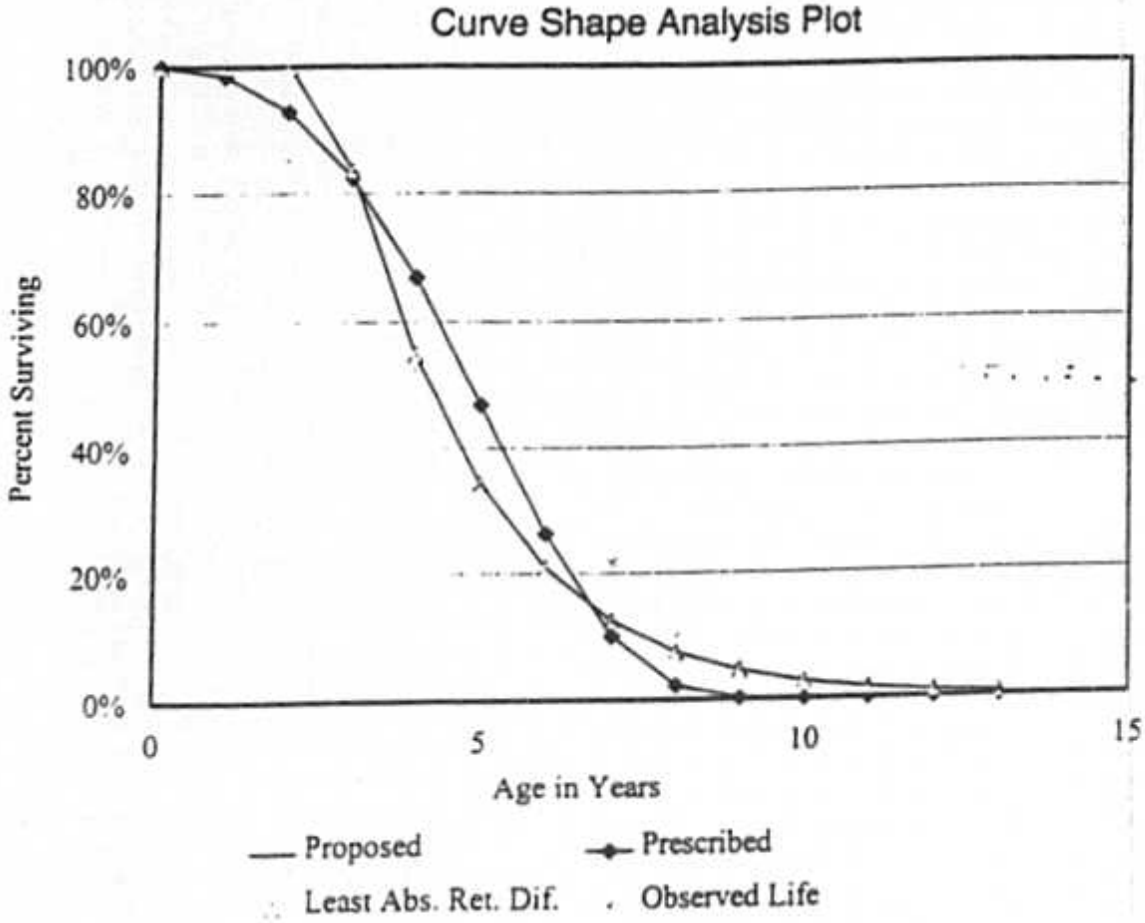
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 9.0
C = +5.10000000E-01 G = -5.62917020E-01 S = -1.92631870E-01 Unscaled
C = +6.89273931E-01 G = -5.62917020E-01 S = -1.06455898E-01 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	0	.5	0	13299	7.52	7.52	8.99
.5	100000	0	1.0	0	13299	7.52	7.02	8.49
1.5	100000	0	2.0	0	13299	7.52	6.02	7.49
2.5	100000	0	3.0	0	13299	7.52	5.02	6.49
3.5	100000	4857	4.0	1214	13299	7.52	4.02	5.49
4.5	95143	14846	5.0	2969	12085	7.87	3.37	4.75
5.5	80297	14100	6.0	2350	9115	8.81	3.31	4.53
6.5	66197	12499	7.0	1786	6765	9.78	3.28	4.39
7.5	53697	10622	8.0	1328	4980	10.[illegible]	3.28	4.30
8.5	43076	8785	9.0	976	3652	11.79	3.29	4.24
9.5	34290	7138	10.0	714	2676	12.81	3.31	4.19
10.5	27153	5730	11.0	521	1962	13.84	3.34	4.16
11.5	21423	4563	12.0	380	1441	14.86	3.36	4.14
12.5	16859	3614	13.0	278	1061	15.89	3.39	4.13
13.5	13245	2852	14.0	204	783	16.92	3.42	4.12
14.5	10393	2245	15.0	150	579	17.94	3.44	4.11
15.5	8149	1763	16.0	110	430	18.97	3.47	4.11
16.5	6385	1384	17.0	81	319	19.99	3.49	4.11
17.5	5002	1085	18.0	60	238	21.01	3.51	4.10
18.5	3917	850	19.0	45	178	22.03	3.53	4.10
19.5	3066	666	20.0	33	133	23.05	3.55	4.10
20.5	2400	521	21.0	25	100	24.07	3.57	4.10
21.5	1879	408	22.0	19	75	25.08	3.58	4.10
22.5	1471	320	23.0	14	56	26.10	3.60	4.10
23.5	1151	250	24.0	10	42	27.12	3.62	4.10
24.5	901	196	25.0	8	32	28.13	3.63	4.10
Total		99997						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2231.0000
Category : Radio Systems



Method = MORT 1994-1996 Band T = 30

c = -5.10000000E-01 G = -5.62917020E-01 S = -1.92631870E-01

Curves Scaled to the Observed Life of 4.26

Run Date : 12/02/97 - 14.50.06
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2231.0000
Category : Radio Systems

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	21944*	2.7**	592	4.0**	878	-1.3
FUTURE	3136#	2.0##	63	7.0##	220	-5.0
TOTAL	25080		655		1098	
AVERAGE		2.6		4.4		-1.8

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/02/97 - 14.50.13
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2231.0000
Category : Radio Systems

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1972%	224724518	6138787	963623	15.7	628321	10.2	5.5
1973	27687036	584986	88171	15.1	82768	14.1	.3
1974	31752848	1008909	185301	18.4	146319	14.5	3.9
1975	41705214	1067125	125081	11.7	200232	18.8	-7.0
1976	42751362	826216	43945	5.3	150828	18.3	-12.9
1977	43770884	557971	2585	.5	140126	25.1	-24.7
1978	44826081	1178583	60214	5.1	146817	12.5	-7.3
1979	45969340	1789123	11204	.6	214961	12.0	-11.4
1980	46235424	1158037	-78292	-6.8	164883	14.2	-21.0
1981	47974823	1324124	308892	23.3	214787	16.2	7.1
1982	54679891	2636690	162217	6.2	326826	12.4	-6.2
1983	57910864	2303695	232297	10.1	203551	8.8	1.2
1984	17345777	324043	11195	3.5	14518	4.5	-1.0
1985	16868920	1791951	157464	8.8	92357	5.2	3.6
1986	16503647	2147728	92565	4.3	87414	4.1	.2
1987	15445333	2040070	4377	.2	60792	3.0	-2.8
1988	15393094	660426	-28529	-4.3	15980	2.4	-6.7
1989	10794181	5038734	51855	1.0	151172	3.0	-2.0
1990	9507448	1684468	596	.0	61270	3.6	-3.6
1991	9319066	615482	20208	3.3	49902	8.1	-4.8
1992	5550477	5075678	30693	.6	74792	1.5	.9
1993	5246139	154632	10612	6.9	293616	189.9	-183.0
1994	4579348	688455	120328	17.5	15246	2.2	15.3
1995	2979541	1737087	128839	7.4	4909	.3	7.1
1996	1979793	1598351	30395	1.9	22064	1.4	.5
1997#	3135863	14000	490	3.5	616	4.4	-.9
Grand Total		44145351	2736326	6.2	3565067	8.1	-1.9
1985-1997 @@		23247062	619893	2.7	930130	4.0	-1.3
1988-1997 **		17267313	365487	2.1	689567	4.0	-1.9

% Represents 1972 and prior years
@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/02/97 - 14.50.13
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2231.0000
Category : Radio Systems

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1975	4045207	445083	11.0	720273	17.8	-6.8
1976	4638804	417126	9.0	784322	16.9	-7.9
1977	5419018	243029	4.5	852964	15.7	-11.3
1978	5509930	39656	.7	817615	14.8	-14.1
1979	6007838	304603	5.1	881574	14.7	-9.6
1980	8086557	464235	5.7	1068274	13.2	-7.5
1981	9211669	636318	6.9	1125008	12.2	-5.3
1982	7746589	636309	8.2	924565	11.9	-3.7
1983	8380503	872065	10.4	852039	10.2	.2
1984	9204107	655738	7.1	724666	7.9	-.7
1985	8607487	497898	5.8	456632	5.3	.5
1986	6964218	237072	3.4	271061	3.9	-.5
1987	11678909	277732	2.4	407715	3.5	-1.1
1988	11571426	120864	1.0	376628	3.3	-2.2
1989	10039180	48507	.5	339116	3.4	-2.9
1990	13074788	74823	.6	353116	2.7	-2.1
1991	12568994	113964	.9	630752	5.0	-4.1
1992	8218715	182437	2.2	494826	6.0	-3.8
1993	8271334	310680	3.8	438465	5.3	-1.5
1994	9254203	320867	3.5	410627	4.4	-1.0
1995	4192525	290664	6.9	336451	8.0	-1.1

Run Date : 12/02/97 - 14.50.32
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2231.0000
Category : Radio Systems

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	57910864							
1984	17345777	37628321	324044	.00861				
1985	16868920	17107349	1791950	.10475	84-86	71421954	4263723	.05970
1986	16503647	16686284	2147729	.12871	85-87	49768123	5979749	.12015
1987	15445333	15974490	2040070	.12771	86-88	48079988	4848225	.10084
1988	15393094	15419214	660426	.04283	87-89	44487342	7739230	.17396
1989	10794181	13093636	5038734	.38482	88-90	38663667	7383628	.19097
1990	9507448	10150815	1684468	.16594	89-91	32657710	7338684	.22472
1991	9319066	9413257	615482	.06538	90-92	26998844	7375628	.27318
1992	5550477	7434772	5075678	.68269	91-93	22246337	5845792	.26278
1993	5246139	5398308	154632	.02864	92-94	17745824	5918765	.33353
1994	4579348	4912744	688455	.14014	93-95	14090497	2580174	.18311
1995	2979541	3779445	1737087	.45961	94-96	11171856	4023893	.36018
1996	1979793	2479667	1598351	.64458	95-97	8816940	3349438	.37989
1997#	3135863	2557828	14000	.00547				

Forecasted activity

Account Description

Circuit equipment is used for amplification, modulation, regeneration, conversion and balancing or control of signals transmitted over communications channels. It also provides for simultaneous use of a number of interoffice and/or intraoffice channels on a single transmission path.

Circuit equipment may be located in central offices, in manholes, on poles, in huts or at other Company locations. It includes amplifiers, carrier terminal equipment, multiplexers, channel bank and related equipment, channel unit plug-ins, signaling equipment, converters (analog to digital and digital to analog) and other types of circuit equipment.

The Circuit - DDS account (2232.11) includes all circuit equipment used exclusively for digital data systems (DDS). Also included is ancillary equipment such as alarm and signaling apparatus, auxiliary framing, cable and cable racks, relay racks and panels, tools and test sets, when associated with DDS.

Investment and Reserve Statistics

The following table shows the estimated 1-1-98 investment and reserve amounts and percents in the Circuit account in Florida.

Investment and Reserve

	Investment $M	Reserve $M	Reserve %
Circuit Analog	85.4	93.2	109.2
Circuit Digital	2,361.1	1,179.7	50.0
Circuit DDS	17.0	1.1	6.2

Table 1

Future Expectations

In today's network, the emphasis is on digital transmission, digital switching equipment, and fiber deployment. While some analog-based circuit technologies are still in service to accommodate analog switches and loops, they are rapidly being displaced with digital technology, primarily because of digital's better transmission quality, increased payload capacity, reliability, lower maintenance and lower cost.

Fiber optic transport is the medium of choice for interoffice facilities and exchange feeder relief. Fiber applications in the loop are predominantly in the areas of digital loop carrier on feeder routes and for large multi-station customers, especially where there is a demand for DS1 or higher service. Initial development of fiber in the distribution facilities began in 1992.

The majority of today's optical equipment operates asynchronously. This is a form of transmission where data bits are grouped into bytes or characters, and sent character by character. The receiver and transmitter are synchronized for each individual character via a START and STOP pulse. A clock signal is not transmitted with the data signal. Asynchronous data signals are not necessarily operating at the same rate or not in phase even if at the same data rate.

The introduction of Synchronous Optical Network (SONET) circuit equipment into the transport network is a significant advancement, which will encourage the displacement of today's asynchronous optical equipment. The placement of SONET circuit equipment with its efficiencies and flexibility provides several advantages, some of which are listed below:

- Reduction of the need for back-to-back asynchronous multiplexers, lower speed signals (narrowband, wideband) may be added/dropped from higher speed ones (wideband/broadband).

- Provision for multi-vendor equipment interoperability. This, of course, provides operational and equipment savings, as well as more competition among manufacturers.

- Provision of centralized points for managing the network and interfacing SONET, as well as non-SONET signals.

- Allowance for the termination of higher speed carrier systems (greater than DS1s) directly on a digital switch.

The SONET transmission concept is based on a set of standards and technical requirements, as established by national and international standards bodies (i.e. American National Standards Institute, International Telephone and Telegraph Consultative Committee, now called International Telecommunications Union-Telecommunications), that define an optical level interface.

SONET requires that network element be synchronized to a reference clock so that the digital bits can be sent contiguously form one end of the network to the other without start/stop bits or requiring the use of "bit-stuffing" electronic equipment. The format uses synchronous multiplexing, which has considerable advantages because the multiplexing technique allows adding/dropping of component signals without de-multiplexing.

The SONET standards establish a set of standard transmission rates and formats for an optical interface and a synchronous optical hierarchy capable of carrying many different capacity signals. The standard building blocks rate is the Synchronous Transport Signal level 1, or STS-

1, which propagates at 51.840 megabits per second. These standards and formats permit SONET to be deployed in a manner compatible with the existing asynchronous network. Standardization in this area was needed in order to realize the full potential of fiber optics.

The SONET information carrying capacity (payload) can simultaneously accommodate various combinations of voice, data, and video signals. Other transmission architectures also have this capability, but the establishment of standards for the SONET signal makes the design of telecommunications services and their operational support systems much easier. As new services are defined and the demand for them grows, the flexibility offered by SONET will eventually enable more rapid and economic assignment of network capacity in response to changing user needs. With SONET's optical interface standards, circuit equipment manufactured by different vendors can be used in the same transmission link, serving to interface different network providers and end users.

The introduction of SONET technologies in the Company's network began in 1991 in the form of field trials. Initial deployment began in early 1992. Today SONET equipment elements (i.e. fiber optic terminals, add/drop multiplexers, wideband and broadband digital cross-connect systems) are the economic choice whenever a trigger for optical equipment placement is encountered. As a result, SONET is rapidly displacing asynchronous circuit equipment. Current drivers identified with the rapid deployment of SONET technologies include customer demand for SONET-based services like SMARTPath[1] and Asynchronous Transfer Mode (ATM) applications, survivability needs, cost, multi-vendor interoperability, performance monitoring, and other maintenance and provisioning savings.

Life Analysis

The process used to estimate the remaining life of each class of plant begins with historical experience and near-term deployment plans. Past deployment and displacement patterns are identified and weighted with known deployment plans. Together these patterns establish the model from which long-term deployments and displacements are projected, and the resultant remaining life is determined.

For life estimation purposes, the circuit account was subdivided. Circuit Analog was treated as a single technology study group. Circuit Digital was divided into four technology study groups that are functionally similar and lend themselves to analysis, and Circuit DDS was treated as a single study group. These study groups are discussed in the following paragraphs. The remaining life development for Circuit Analog and Circuit Digital are shown on Attachment 1 to this narrative.

Servicemark

Analog Circuit Equipment

This technology study group includes telephone circuit terminating equipment, dial long line equipment, four-wire terminating sets, single frequency signaling equipment, metallic facility terminals (MFT), and other miscellaneous equipment which is analog in nature. This equipment primarily provides circuit treatment, signaling and transport amplification in an analog environment.

Continued deployment of digital central offices, digital loop carrier and fiber-optic cabling is causing the rapid displacement of analog circuit equipment.

Table 4 shows the development of the remaining life of equipment in this category.

Analog / Digital Conversion Circuit Equipment

This technology study group includes conversion devices that perform analog-to-digital and digital-to-analog translations. These devices will continue in service until the analog to digital switching conversion is complete. Such equipment includes "D" channel banks (i.e. D3, D4 & D5), digital carrier trunk (DCT) terminals, digital loop carrier - central office terminals (DLC-COT), and miscellaneous cabinets and apparatus shelves and housings. This equipment primarily provides for the interface of digital transmission connections for switched as well as non-switched services at analog central office locations.

Continued deployment of digital switches, integrated digital loop carrier (IDLC), placement of DS1/0 digital cross-connect systems, and fiber-optic cabling will diminish or eliminate the need for analog-to-digital-to-analog conversion, thus shortening the life expectancy of analog/digital conversion circuit equipment. Also, continued de-specialization of special services circuits will also contribute to the demise of D-type channel banks via the migration of special services circuits from a non-switched private line arrangement to the Public Switched Network.

Table 5 shows the development of the remaining life for the Analog/Digital Circuit equipment category.

Other Digital Circuit Equipment

This technology study group includes digital loop carrier - remote terminals (DLC-RT), digital muldems (multiplexers demultiplexers), digital cross-connect systems (DCS), and miscellaneous bays, shelves and housings associated with this equipment, but excludes equipment used for Digital Data Systems (DDS) assigned to the Circuit - DDS sub-account.

This equipment is expected to remain in service after conversion from analog switching to digital switching, and continue to provide viable equipment functions in a SONET environment. However, as the network transitions from the existing asynchronous signal format to a

synchronous signal format, slower growth is expected for this technology study group as new SONET products such as Add/Drop Multiplexers (ADM), Wideband DCSs and Broadband DCSs appear on the scene.

For the next few years, the impact of SONET, as well as TR-303 IDLC deployment, on the "Other Digital Circuit Equipment" group is expected to be small. Therefore, displacements are projected to follow historical trends.

Table 6 shows the development of the remaining life of equipment in this category.

Asynchronous Optical Circuit Equipment

This technology study group includes all digital circuit equipment associated exclusively with fiber-optic cables such as lasers, light emitting diodes, fiber optic terminals, integrated terminals, regenerators, and lightguide cable interconnecting equipment supporting asynchronous lightwave transmission.

As lightwave technology continues to advance, improved components will replace or eliminate the existing equipment. SONET-based equipment, which is described in the next section, offers improved performance and reliability, and is replacing asynchronous equipment.

Table 7 shows the development of the remaining life of equipment in this category.

SONET Circuit Equipment

This technology study group includes all digital circuit equipment comprising the Synchronous Optical NETwork (SONET) transmission product line. Such equipment includes synchronous fiber optic terminals, ADM, SONET digital cross-connect systems, and other circuit equipment utilizing the SONET standards and technical requirements.

SONET circuit equipment is currently in the rapid deployment stage and is not yet impacted by pending technological obsolescence.

Table 8 shows the development of the remaining life of equipment in the SONET Circuit Equipment category.

Circuit DDS

Some of the older DDS services have been "Grandfathered" and are no longer offered to new customers. In addition to those "Grandfathered", services utilizing DDS-type technology, including SynchroNet[1] (for intra-LATA access) and Digital Data Access Service (for inter-LATA access), are available for existing and new customers. These services provide a dedicated point-to-point (or point-to-multipoint) private line transmission medium supporting 2.4, 4.8, 9.6, 19.2, 56 and 64 kilobits per second (Kbps) customer digital data rates. Customer premises

equipment is connected with local exchange distribution facilities to a centralized central office (Hub or SynchroNet Node) or through a local central office via dedicated interoffice trunks to the Hub or Node. The Hub and Node locations provide synchronization, testing capability, maintenance, multiplexing and multipoint junctioning as required.

There are multiple non-DDS alternatives to SynchroNet® service and Digital Data Access Service now available. These services include FlexServ®, LightGate®, SMARTRing® service, MegaLink®, PulseLink®, Public Switched Digital Service (PSDS), Derived Data Channel Service (DDCS) and fast packet services. Other service vendors are vigorously installing equipment in the digital data transport arena. Recent improvements to very small aperture terminals (VSAT) have made these small satellite earth stations attractive for bypassing interexchange carriers and local exchange companies.

Life Proposal

Circuit Analog and Circuit Digital

Summarized on Table 2 are the Average Remaining Lives developed for the Circuit Analog and Circuit Digital technology study groups. The preceding paragraphs describe the study groups and provide a discussion of the life analysis for each group.

Average Remaining Lives
(Estimated 1/1/98)

Technology Study Groups	VG/ARL
Analog	4.4 Years
Analog Digital Conversion	3.0 Years
Other Digital	7.5 Years
Asynchronous Optical	3.0 Years
SONET	7.5 Years

Table 2

A composite average remaining life for the Circuit Account was calculated using the estimated 1-1-98 Circuit investment and the Technology Study Groups average remaining lives. Table 3 summarizes this calculation.

Calculation of Composite VG Average Remaining Lives (ARL)

	BST Inv. ($M)	ARL	Weight
Analog	488.7	4.4	N/A
Total Digital	9,407.2	5.9	55,739
Analog/Digital Conversion	1,505.2	3.0	4,516
Other Digital	5,456.2	7.5	40,922
Asynchronous Optical	1,787.4	3.0	5,362
SONET	658.5	7.5	4,939

Table 3

The projection lives underlying the composite VG ARLs of 4.4 years and 5.9 years for the Analog and Digital Circuit accounts respectively were determined by using the Generation Arrangement for all states. An analysis of the projection life for each state was made and the Company determined a projection life of 7.8 years for the Analog Circuit account and a projection life of 9.0 years for the Digital Circuit account.

Circuit DDS

The pressures of the alternative serving arrangements discussed in the Life Analysis section will serve to shorten the life expectancy of DDS circuit equipment. As integrated services digital network (ISDN) services and digital subscriber line technologies advance, the Circuit - DDS account is expected to decline. Increasing customer demand for higher bandwidth and flexibility will further hasten the decline in the life expectancy of the Circuit DDS account. Based on these factors, the Company determines that an 8.0 year life is appropriate for this account, which is similar to that in other BellSouth states.

Curve Shapes

The Company determined curve shapes based for each Circuit rate account based on the latest band of data, using the least absolute retirement difference as the selection criteria. However, because of wide variations in curves for the Circuit Analog account for some states, a curve based on Company data and the least absolute retirement criteria was used.

Salvage Proposal

Analog Circuit Equipment

Only a small amount of the gross salvage for this account is received from the reuse and disposition of Analog circuit equipment. Due to the demand for equipment automatically compatible with the digital technology, gross salvage for Analog Circuit equipment will become insignificant in the next three years. The Company expects the cost of removal for this account to continue to increase, due to labor intensive removal of hardwired frames and other support equipment, as this account reaches the end of its life cycle. Over the past three years, the gross salvage values for the company have declined. We believe that this trend will continue. Based on the anticipated decline in salvage value, the increased cost of removing circuit equipment, and recent net salvage amounts, a future net salvage value of -3.0% is selected.

Digital Circuit Equipment

Reuse is a major portion of the gross salvage for the Digital Circuit equipment account. This is primarily due to the accelerated recycling of D-4 channel banks and DSX panel equipment. The reuse demand for this equipment will decline with the increase of digital technology and fiber in the feeder and distribution network. As SONET equipment becomes more prevalent in the network, the gross salvage of Digital Circuit equipment is expected to decline to about 5.0 %. On the other hand, cost of removal is expected to increase to about 5.0 % with the removal of more asynchronous hardwired equipment. Therefore, a future net value of 0.0% is selected.

Circuit DDS

The future net salvage proposals were developed to reflect an expected decline in gross salvage value over the next three years. Customer demand for DDS is expected to decrease with the availability of several viable alternatives (i.e., ISDN, etc.), causing a decline in the reuse and junk salvage value of DDS circuit equipment. Cost of removal is expected to remain stable. Thus, a future net salvage value of 2.0% is selected.

Remaining Life Development
Analog Circuit Equipment

Year	Survival Rate	Percent of Pre-1998 Survivors
a	b	c
1998	0.86393	100.0
1999	0.83871	86.4
2000	0.81448	72.5
2001	0.79444	59.0
2002	0.77622	46.9
2003	0.76126	36.4
2004	0.74556	27.7
2005	0.73810	20.7
2006	0.73118	15.2
2007	0.63180	11.1
2008	0.50110	7
2009	0.00000	3.5
2010		0.0

ARL = Total Col c Col c(1998) - .5 = 4.4 Years

Table 4

Remaining Life Development
Analog / Digital Conversion Circuit Equipment

Year	Survival Rate	Percent of Pre-1998 Survivors
a	b	c
1998	0.82621	100.0
1999	0.77580	82.6
2000	0.68947	64.1
2001	0.64600	44.2
2002	0.59969	28.5
2003	0.51321	17.1
2004	0.35350	8.8
2005	0.00000	3.1
2006		0.0

ARL = Total Col c Col c(1998) - .5 = 3.0 Years

Table 5

Remaining Life Development
Other Digital Circuit Equipment

Year	Survival Rate	Percent of Pre-1998 Survivors
a	b	c
1998	0.92392	100.0
1999	0.91546	92.4
2000	0.90688	84.6
2001	0.89820	76.7
2002	0.88942	68.9
2003	0.88054	61.3
2004	0.87156	54.0
2005	0.86251	47.0
2006	0.85337	40.6
2007	0.84416	34.6
2008	0.83487	29.2
2009	0.81612	24.4
2010	0.81612	20.1
2011	0.80666	16.4
2012	0.79716	13.3
2013	0.78761	10.6
2014	0.77802	8.3
2015	0.76840	6.5
2016	0.77876	5.0
2017	0.74909	3.8
2018	0.73940	2.8
2019	0.00000	2.1
2020		0.0

ARL = Total Col c Col c(1998) - .5 = 7.5 Years

Table 6

Remaining Life Development
Asynchronous Optical Circuit Equipment

Year	Survival Rate	Percent of Pre-1998 Survivors
a	b	c
1998	0.82070	100.0
1999	0.76070	82.1
2000	0.69753	62.4
2001	0.64303	43.5
2002	0.59998	28.0
2003	0.56822	16.8
2004	0.54573	9.5
2005	0.52983	5.2
2006	0.51820	2.8
2007	0.00000	1.4
2008		0.0

ARL = Total Col c/ Col c(1998) - .5 = 3.0 Years

Table 7

Remaining Life Development
Sonet Circuit Equipment

Year	Survival Rate	Percent of Pre-1998 Survivors
a	b	c
1998	0.92392	100.0
1999	0.91546	92.4
2000	0.90688	84.6
2001	0.89820	76.7
2002	0.88942	68.9
2003	0.88054	61.3
2004	0.87156	54.0
2005	0.86251	47.0
2006	0.85337	40.6
2007	0.84416	34.6
2008	0.83487	29.2
2009	0.81612	24.4
2010	0.81612	20.1
2011	0.80666	16.4
2012	0.79716	13.3
2013	0.78761	10.6
2014	0.77802	8.3
2015	0.76840	6.5
2016	0.77876	5.0
2017	0.74909	3.8
2018	0.73940	2.8
2019	0.00000	2.1
2020		0.0

ARL = Total Col c . Col c(1998) - .5 = 7.5 Years

Table 8

CIRCUIT-DIDS

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	Florida
ACCOUNT	:	2232.1100
CATEGORY	:	Circuit-DDS

INDEX

Sept. 30, 1997

Run Date : 09/30/97 - 16.43.03
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1100
Category : Circuit-DDS

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M		16,993,373	
Adjustment		0	
Study		16,993,373	
% Tot. Depr. Plant		.15	
Depr. Reserve ($)		1,053,027	
(%)		6.2	
P-Life/AYFR (Yrs)			
Circuit-DDS	11.2	8.0	
Curve			
Circuit-DDS	Bell 3.5	1994-1996 MORT	
c	1.26213880E+00	1.48000000E+00	
G	-3.96000900E-02	-1.09332160E-02	
S	8.55371570E-03	3.03576640E-03	
Whole Life (Yrs)	10.9	7.8	
Avg. Net Salv. (%)	5	5	
WL Rate (%)	.0	12.2	
Composite Rem Life (Yrs)	7.4	3.7	
Fut. Net Salv. (%)	2	2	
Composite RL Rate (%)	7.5	24.8	
Intrastate Factor (%)	68.23	69.65	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.22.24
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1100
Category : Circuit-DDS

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	2383204	1.0001	.50	7.52	8.02	297250	2234375
VG 1996	1.5	1053248	.9963	1.49	6.58	8.05	130891	860845
VG 1995	2.5	1300181	.9386	2.45	5.68	7.78	167127	949107
VG 1994	3.5	1315183	.9027	3.41	4.83	7.78	169151	817244
VG 1993	4.5	2055806	.8629	4.32	4.04	7.81	263115	1063803
VG 1992	5.5	1744445	.8287	5.27	3.32	8.03	217321	722129
VG 1991	6.5	1677944	.7328	5.88	2.68	7.84	214012	573331
VG 1990	7.5	1325800	.6503	6.62	2.12	7.99	165859	351296
VG 1989	8.5	1143477	.5090	6.83	1.64	7.67	149066	245113
VG 1988	9.5	1072373	.3696	7.10	1.26	7.56	141809	178543
VG 1987	10.5	532121	.1863	6.27	.96	6.45	82455	79195
VG 1986	11.5	228374	.1415	6.88	.74	6.98	32708	24351
VG 1985	12.5	326716	.0819	7.14	.60	7.19	45452	27491
VG 1984	13.5	384487	.0808	7.39	.53	7.43	51755	27506
VG 1983	14.5	291796	.0727	8.13	.51	8.16	35747	18063
VG 1982	15.5	63968	.0182	8.43	.50	8.44	7577	3789
VG 1981	16.5	55880	.0251	8.66	.50	8.67	6446	3223
VG 1980	17.5	27419	.0172	8.62	.50	8.63	3177	1589
VG 1979	18.5	1884	.0034	9.07	.50	9.07	208	104
VG 1978	19.5	7664	.0143	10.96	.50	10.97	699	350
VG 1977	20.5	0	.0000	.00	.50	7.28	0	0
VG 1976	21.5	470	.0039	8.73	.50	8.73	54	27
VG 1975	22.5	844	.0024	9.13	.50	9.13	92	47
VG 1974	23.5	89	.0044	10.52	.50	10.52	8	5
Totals		16993373					2181979	8181526
Composites			.36636@		3.74959*	7.78806#		

Plife: 8.0
c = +1.48000000E+00 G = -1.09332160E-02 S = +3.03576640E-03 Unscaled
c = +1.51333834E+00 G = -1.09332160E-02 S = +3.20825952E-03 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 46384221

Run Date : 09/30/97 - 15.33.27
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1100
Category : Circuit-DDS

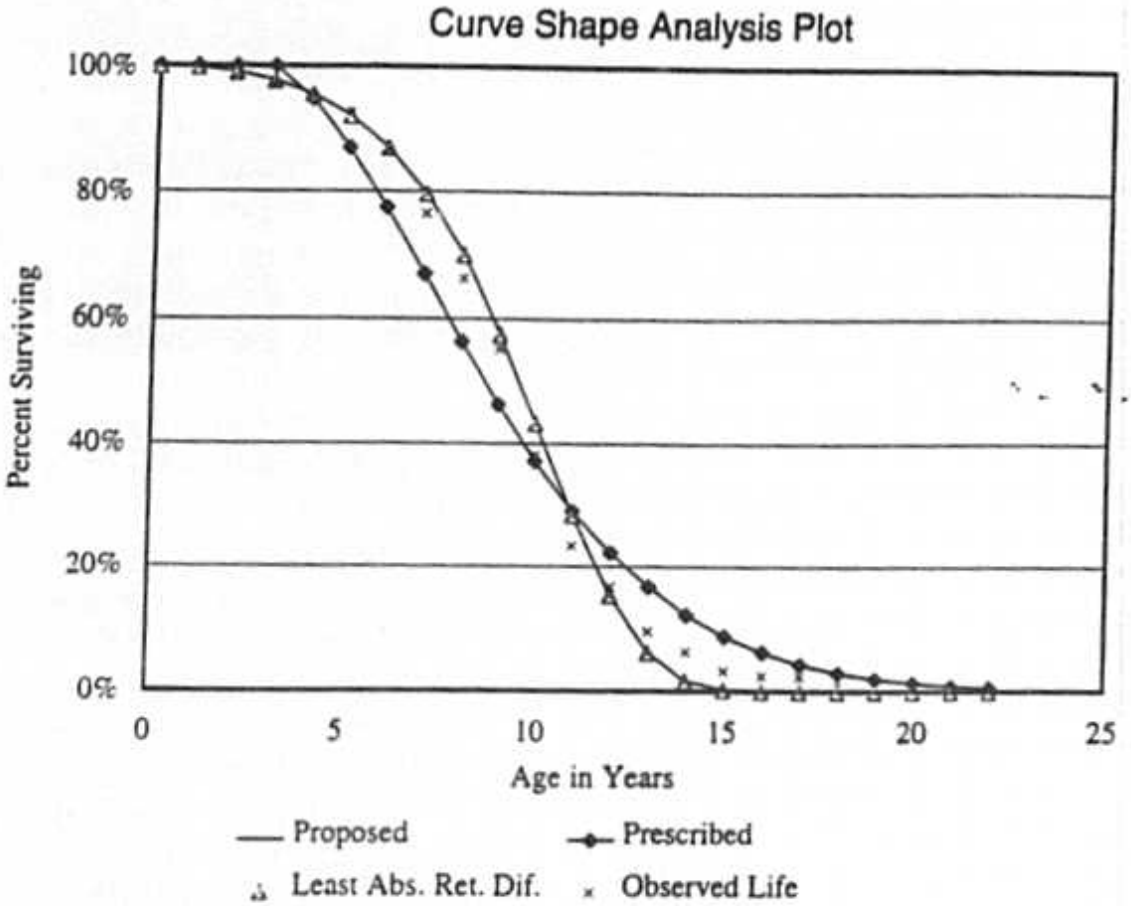
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 8.0
C = +1.48000000E+00 G = -1.09332160E-02 S = +3.03576640E-03 Unscaled
C = +1.51333834E+00 G = -1.09332160E-02 S = +3.20825952E-03 Scaled

Beginning Of Year		Amount		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	210	.5	420	15304	6.53	6.53	8.00
.5	99790	846	1.0	846	14884	6.70	6.20	7.52
1.5	98944	1636	2.0	818	14039	7.05	5.55	6.58
2.5	97309	2783	3.0	928	13221	7.36	4.86	5.68
3.5	94525	4404	4.0	1101	12293	7.69	4.19	4.83
4.5	90121	6595	5.0	1319	11192	8.05	3.55	4.04
5.5	83526	9356	6.0	1559	9873	8.46	2.96	3.32
6.5	74170	12439	7.0	1777	8313	8.92	2.42	2.68
7.5	61731	15151	8.0	1894	6536	9.44	1.94	2.12
8.5	46580	16278	9.0	1809	4643	10.03	1.53	1.64
9.5	30302	14553	10.0	1455	2834	10.69	1.19	1.26
10.5	15749	9921	11.0	902	1379	11.42	.92	.96
11.5	5827	4538	12.0	378	477	12.23	.73	.74
12.5	1289	1158	13.0	89	98	13.10	.60	.60
13.5	131	127	14.0	9	9	14.03	.53	.53
14.5	4	4	15.0	0	0	.00	.50	.51
15.5	0	0	16.0	0	0	.00	.50	.50
16.5	0	0	17.0	0	0	.00	.50	.50
17.5	0	0	18.0	0	0	.00	.50	.50
18.5	0	0	19.0	0	0	.00	.50	.50
19.5	0	0	20.0	0	0	.00	.50	.50
20.5	0	0	21.0	0	0	.00	.50	.50
21.5	0	0	22.0	0	0	.00	.50	.50
22.5	0	0	23.0	0	0	.00	.50	.50
23.5	0	0	24.0	0	0	.00	.50	.50
Total		99999						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2232.1100
Category	:	Circuit-DDS



Method = MORT 1994-1996 Band T = 11

c = +1.48000000E+00 G = -1.09332160E-02 S = +3.03576640E-03

Curves Scaled to the Observed Life of 8.73

Run Date : 12/15/97 - 12.53.52
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1100
Category : Circuit-DDS

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	29391*	7.8**	2292	1.3**	382	6.5
FUTURE	16993#	5.0##	850	3.0##	510	2.0
TOTAL	46384		3142		892	
AVERAGE		6.8		1.9		4.9

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/15/97 - 12.53.59
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1100
Category : Circuit-DDS

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1977	0	0	0	.0	0	.0	.0
1978	848394	5133	0	.0	0	.0	.0
1979	1286880	61376	31935	52.0	3157	5.1	46.9
1980	2730029	72482	32896	45.4	1670	2.3	43.1
1981	4381382	192131	141424	73.6	1175	.6	73.0
1982	8058290	480384	27804	5.8	15357	3.2	2.6
1983	11603646	179595	103618	57.7	14873	8.3	49.4
1984	14201661	1780618	1674075	94.0	5256	.3	93.7
1985	17994274	230682	239551	103.8	12158	5.3	98.6
1986	18661581	927431	-370336	-39.9	3379	.4	-40.5
1987	20462670	688119	23701	3.4	892	.1	3.3
1988	23539793	1095639	-87945	-8.0	683	.1	-8.1
1989	22864141	1632649	156751	9.6	2778	.2	9.4
1990	24763904	1379986	-306780	-22.2	6	.0	-22.2
1991	21857231	5056505	-55192	-1.1	75791	1.5	-2.6
1992	21388381	2555228	303346	11.9	-22448	-.9	12.8
1993	19564540	4294784	49485	1.2	21721	.5	.6
1994	16999907	3973745	113533	2.9	37751	1.0	1.9
1995	16158921	1685466	123370	7.3	4235	.3	7.1
1996	17050829	626743	2996	.5	38	.0	.5
1997#	16993373	2351000	105795	4.5	7053	.3	4.2
Grand Total		29269696	2310027	7.9	185525	.6	7.3
1977-1997 @@		29269696	2310027	7.9	185525	.6	7.3
1988-1997 **		24651745	405359	1.6	127608	.5	1.1

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/15/97 - 12.53.59
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1100
Category : Circuit-DDS

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1979	331122	206255	62.3	6002	1.8	60.5
1980	811506	234059	28.8	21359	2.6	26.2
1981	985968	337677	34.2	36232	3.7	30.6
1982	2705210	1979817	73.2	38331	1.4	71.8
1983	2863410	2186472	76.4	48819	1.7	74.7
1984	3598710	1674712	46.5	51023	1.4	45.1
1985	3806445	1670609	43.9	36558	1.0	42.9
1986	4722489	1479046	31.3	22368	.5	30.8
1987	4574520	-38278	-.8	19890	.4	-1.3
1988	5723824	-584609	-10.2	7738	.1	-10.3
1989	9852898	-269465	-2.7	80150	.8	-3.5
1990	11720007	10180	.1	56810	.5	-.4
1991	14919152	147610	1.0	77848	.5	.5
1992	17260248	104392	.6	112821	.7	.0
1993	17565728	534542	3.0	117050	.7	2.4
1994	13135966	592730	4.5	41297	.3	4.2
1995	12931738	395179	3.1	70798	.5	2.5

Run Date : 12/15/97 - 12.54.22
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1100
Category : Circuit-DDS

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	11603646							
1984	14201661	12902654	1780618	.13800				
1985	17994274	16097968	230682	.01433	84-86	47328550	2938731	.06209
1986	18661581	18327928	927431	.05060	85-87	53988022	1840182	.03409
1987	20462670	19562126	682069	.03487	86-88	59891286	2703531	.04514
1988	23539793	22001232	1094031	.04973	87-89	64765325	3408749	.05263
1989	22864141	23201967	1632649	.07037	88-90	69017222	4106666	.05950
1990	24763904	23814023	1379986	.05795	89-91	70326558	8069140	.11474
1991	21857231	23310568	5056505	.21692	90-92	68747397	8991719	.13079
1992	21388381	21622806	2555228	.11817	91-93	65409835	11906517	.18203
1993	19564540	20476461	4294784	.20974	92-94	60381491	10823757	.17926
1994	16999907	18282224	3973745	.21736	93-95	55338099	9953995	.17988
1995	16158921	16579414	1685466	.10166	94-96	51466513	6285954	.12214
1996	17050829	16604875	626743	.03774	95-97	50206390	4663209	.09288
1997#	16993373	17022101	2351000	.13811				

Forecasted activity

CIRCUIT-DIGITAL

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	Florida
ACCOUNT	:	2232.1200
CATEGORY	:	Circuit Digital

INDEX

Sept. 30, 1997

Run Date : 09/30/97 - 16.43.28
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1200
Category : Circuit Digital

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	1,201,176,755	2,361,140,532	
Adjustment		0	
Study	1,201,176,755	2,361,140,532	
% Tot. Depr. Plant	13.5	21.24	
Depr. Reserve ($)	473,646,807	1,179,656,956	
(%)	39.4	50.0	
P-Life/AYFR (Yrs)			
Circuit Digital	11.2	9.0	
Curve			
Circuit Digital	Bell 3.5	1994-1996 MORT	
c	1.26213880E+00	1.05000000E+00	
G	-3.96000900E-02	-5.78373200E-01	
S	8.55371570E-03	2.36054040E-02	
Whole Life (Yrs)	10.9	10.2	
Avg. Net Salv. (%)	5	2	
WL Rate (%)		9.6	
Composite Rem Life (Yrs)	7.4	5.6	
Fut. Net Salv. (%)	2	0	
Composite RL Rate (%)	7.5	8.9	
Intrastate Factor (%)	68.23	69.65	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.22.41
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1200
Category : Circuit Digital

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	263797195	.9944	.50	8.60	9.05	29158762	250716610
VG 1996	1.5	200924740	.9809	1.48	7.85	9.18	21896146	171795520
VG 1995	2.5	191448192	.9715	2.45	7.16	9.41	20353416	145747096
VG 1994	3.5	181931479	.9435	3.38	6.54	9.55	19045684	124499639
VG 1993	4.5	186876545	.9240	4.32	5.97	9.84	18998392	113394049
VG 1992	5.5	192208286	.9011	5.24	5.45	10.15	18939012	103235494
VG 1991	6.5	195744150	.8887	6.16	4.98	10.59	18484552	92040654
VG 1990	7.5	180781346	.8369	6.89	4.55	10.70	16899388	76885922
VG 1989	8.5	152527992	.7842	7.67	4.16	10.93	13956463	58032200
VG 1988	9.5	143667020	.7378	8.31	3.80	11.12	12924463	49129828
VG 1987	10.5	112706969	.6677	8.84	3.48	11.17	10094230	35089465
VG 1986	11.5	98562006	.5711	9.05	3.18	10.87	9070848	28844734
VG 1985	12.5	79824762	.5209	9.74	2.91	11.25	7094558	20645214
VG 1984	13.5	50080656	.5262	10.55	2.66	11.95	4190984	11165140
VG 1983	14.5	37091084	.4996	11.42	2.44	12.64	2935309	7162396
VG 1982	15.5	24286320	.3988	11.65	2.24	12.54	1937204	4331768
VG 1981	16.5	27518592	.4016	12.38	2.05	13.21	2083854	4272726
VG 1980	17.5	12737388	.3128	12.08	1.88	12.67	1005626	1892008
VG 1979	18.5	7943436	.3060	12.77	1.73	13.30	597424	1032202
VG 1978	19.5	6650953	.2489	12.39	1.59	12.78	520219	826155
VG 1977	20.5	3705887	.1896	13.17	1.46	13.45	275606	402731
VG 1976	21.5	4567008	.2160	14.56	1.35	14.85	307541	413995
VG 1975	22.5	1380564	.0452	12.93	1.24	12.98	106327	132028
VG 1974	23.5	1507812	.0335	11.49	1.15	11.53	130753	149948
VG 1973	24.5	731129	.0331	12.27	1.06	12.31	59414	62974
PRIOR		1939022	.0276	13.93	.80	13.72	141288	113547
Totals		2361140533					231207463	1302014043
Composites			.738678		5.63137*	10.21222#		

Plife: 9.0
c = +1.05000000E+00 G = -5.78373200E-01 S = +2.36054040E-02 Unscaled
c = +1.09229886E+00 G = -5.78373200E-01 S = +4.27133607E-02 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 3196474290

Run Date : 09/30/97 - 15.33.44
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1200
Category : Circuit Digital

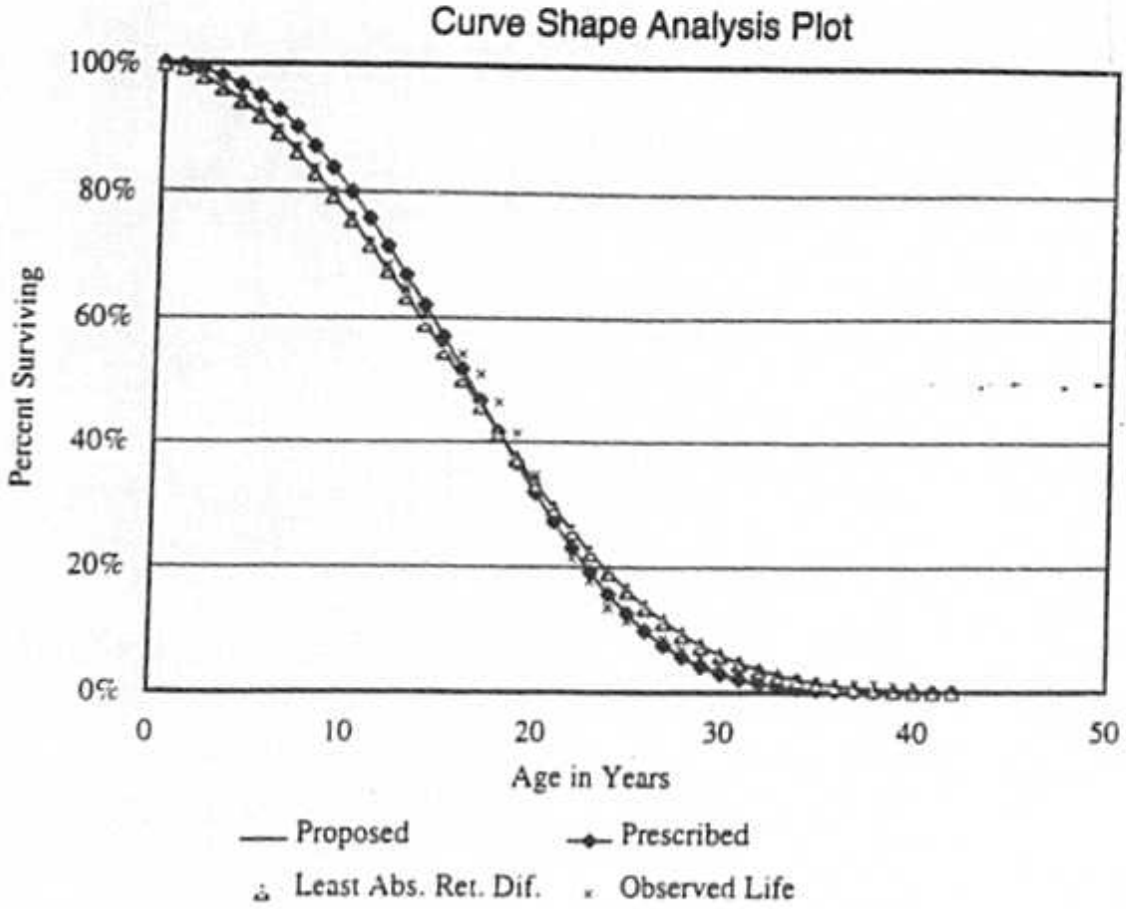
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 9.0
C = +1.05000000E+00 G = -5.78373200E-01 S = +2.36054040E-02 Unscaled
C = +1.09229886E+00 G = -5.78373200E-01 S = +4.27133607E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	1087	.5	2174	19092	5.24	5.24	9.00
.5	98913	2934	1.0	2934	16918	5.85	5.35	8.60
1.5	95979	3945	2.0	1973	13984	6.86	5.36	7.85
2.5	92034	4919	3.0	1640	12011	7.66	5.16	7.16
3.5	87115	5814	4.0	1454	10372	8.40	4.90	6.54
4.5	81301	6590	5.0	1318	8918	9.12	4.62	5.97
5.5	74711	7205	6.0	1201	7600	9.83	4.33	5.45
6.5	67507	7624	7.0	1089	6400	10.55	4.05	4.90
7.5	59883	7822	8.0	978	5311	11.28	3.78	4.55
8.5	52060	7785	9.0	865	4333	12.02	3.52	4.16
9.5	44275	7515	10.0	751	3468	12.77	3.27	3.80
10.5	36760	7030	11.0	639	2716	13.53	3.03	3.48
11.5	29730	6365	12.0	530	2077	14.31	2.81	3.18
12.5	23365	5569	13.0	428	1547	15.11	2.61	2.91
13.5	17797	4697	14.0	336	1118	15.91	2.41	2.66
14.5	13100	3811	15.0	254	783	16.73	2.23	2.44
15.5	9288	2966	16.0	185	529	17.56	2.06	2.24
16.5	6323	2206	17.0	130	343	18.41	1.91	2.05
17.5	4116	1564	18.0	87	214	19.26	1.76	1.88
18.5	2553	1052	19.0	55	127	20.13	1.63	1.73
19.5	1501	668	20.0	33	71	21.01	1.51	1.59
20.5	833	399	21.0	19	38	21.89	1.39	1.46
21.5	434	223	22.0	10	19	22.79	1.29	1.35
22.5	211	116	23.0	5	9	23.69	1.19	1.24
23.5	95	56	24.0	2	4	24.58	1.08	1.15
24.5	39	24	25.0	1	2	25.45	.95	1.06
Total		100001						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2232.1200
Category	:	Circuit Digital



Method = MORT 1994-1996 Band T = 50

c = +1.05000000E+00 G = -5.78373200E-01 S = +2.36054040E-02

Curves Scaled to the Observed Life of 15.98

Run Date : 12/15/97 - 12.51.00
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1200
Category : Circuit Digital

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	835334*	10.8**	90216	2.3**	19213	8.5
FUTURE	2361141#	5.0##	118057	5.0##	118057	.0
TOTAL	3196475		208273		137270	
AVERAGE		6.5		4.3		2.2

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/15/97 - 12.51.09
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1200
Category : Circuit Digital

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1988	1004815141	28348682	9971725	35.2	757611	2.7	32.5
1989	1151027138	52280206	14859016	28.4	1261538	2.4	26.0
1990	1313295850	54066893	-4044072	-7.5	1476643	2.7	-10.2
1991	1449640047	78488605	-1871341	-2.4	1501516	1.9	-4.3
1992	1584901175	81128567	19373483	23.9	1199318	1.5	22.4
1993	1700978843	85687516	9849457	11.5	1394000	1.6	9.9
1994	1807309097	76566383	12197941	15.9	2176035	2.8	13.1
1995	1987505321	69824182	10591356	15.2	2343335	3.4	11.8
1996	2166140018	52411024	-2491866	-4.8	1090301	2.1	-6.8
1997#	2361140532	67445000	9105075	13.5	1483790	2.2	11.3
Grand Total		646247058	77540774	12.0	14684087	2.3	9.7
1988-1997 @@		646247058	77540774	12.0	14684087	2.3	9.7
1988-1997 **		646247058	77540774	12.0	14684087	2.3	9.7

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/15/97 - 12.51.09
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1200
Category : Circuit Digital

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1990	294312953	38288811	13.0	6196626	2.1	10.9
1991	351651787	38166543	10.9	6833015	1.9	8.9
1992	375937964	35505468	9.4	7747512	2.1	7.4
1993	391695253	50140896	12.8	8614204	2.2	10.6
1994	365617672	49520371	13.5	8202989	2.2	11.3
1995	351934105	39251963	11.2	8487461	2.4	8.7

Run Date : 12/15/97 - 12.51.29
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2232.1200
Category : Circuit Digital

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1988	1004815141							
1989	1151027138	1077921140	52280206	.04850				
1990	1313295850	1232161494	54066893	.04388	89-91	3691550583	184835704	.05007
1991	1449640047	1381467949	78488605	.05682	90-92	4130900054	213684065	.05173
1992	1584901175	1517270611	81128567	.05347	91-93	4541678569	245304688	.05401
1993	1700978843	1642940009	85687516	.05215	92-94	4914354590	243382466	.04952
1994	1807309097	1754143970	76566383	.04365	93-95	5294491188	232078081	.04383
1995	1987505321	1897407209	69824182	.03680	94-96	5728373849	198801589	.03470
1996	2166140018	2076822670	52411024	.02521	95-97	6237870154	189680206	.03041
1997#	2361140532	2263640275	67445000	.02979				

Forecasted activity

CIRCUIT-ANALOG

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	Florida
ACCOUNT	:	2232.2000
CATEGORY	:	Circuit Analog

INDEX

Sept. 30, 1997

Run Date : 09/30/97 - 16.43.54
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2232.2000
Category : Circuit Analog

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	180,559,816	85,399,149	
Adjustment	0	0	
Study	180,559,816	85,399,149	
% Tot. Depr. Plant	2.17	.77	
Depr. Reserve ($)	61,497,266	93,240,496	
(%)	34.1	109.2	
P-Life/AYFR (Yrs)			
Circuit Analog	7.0	7.8	
Curve			
Circuit Analog	BELL #3	1994-1996 MTCO	
c	1.18428730E+00	9.70000000E-01	
G	-1.01449700E-01	-3.00512200E+00	
S	1.55765450E-02	-9.83341400E-02	
Whole Life (Yrs)	8.9	9.8	
Avg. Net Salv. (%)	12	4	
WL Rate (%)	9.9	9.8	
Composite Rem Life (Yrs)	2.2	4.4	
Fut. Net Salv. (%)	3	-3	
Composite RL Rate (%)	27.5	.0	
Intrastate Factor (%)	68.23	69.65	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.22.59
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2232.2000
Category : Circuit Analog

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	2227084	.9637	.48	7.44	7.65	291159	2165421
VG 1996	1.5	3018132	.9477	1.46	6.80	7.91	381730	2597351
VG 1995	2.5	2053666	.8442	2.30	6.28	7.60	270233	1696420
VG 1994	3.5	4495835	.9119	3.36	5.84	8.68	517861	3021851
VG 1993	4.5	4277791	.7961	3.95	5.46	8.30	515600	2815242
VG 1992	5.5	3078421	.7310	4.53	5.14	8.28	371672	1910149
VG 1991	6.5	2997087	.6781	5.57	4.86	8.86	338115	1644231
VG 1990	7.5	2338429	.5333	5.69	4.62	8.16	286693	1325413
VG 1989	8.5	3285375	.6593	7.23	4.41	10.14	323967	1429891
VG 1988	9.5	7600377	.5756	6.82	4.23	9.25	821360	3474164
VG 1987	10.5	7319827	.5105	7.90	4.07	9.97	733914	2985117
VG 1986	11.5	4054222	.5037	8.42	3.92	10.39	390039	1530251
VG 1985	12.5	5008898	.4669	9.22	3.79	10.99	455597	1728972
VG 1984	13.5	5818627	.4053	9.44	3.68	10.93	532316	1958972
VG 1983	14.5	4801320	.2876	9.06	3.58	10.09	475788	1701861
VG 1982	15.5	4108160	.2671	9.93	3.48	10.86	378226	1317723
VG 1981	16.5	4486809	.2371	10.54	3.40	11.35	395468	1344552
VG 1980	17.5	3491847	.1786	10.33	3.32	10.92	319668	1062471
VG 1979	18.5	2938557	.1942	11.15	3.25	11.78	249463	811842
VG 1978	19.5	2078047	.1242	10.52	3.19	10.92	190352	607443
VG 1977	20.5	1617848	.1061	11.30	3.13	11.63	139057	435721
VG 1976	21.5	1009135	.0694	11.55	3.08	11.76	85786	264261
VG 1975	22.5	1478354	.0632	12.38	3.03	12.57	117592	356523
VG 1974	23.5	981680	.0309	11.06	2.99	11.15	88046	263002
VG 1973	24.5	465457	.0216	11.80	2.95	11.87	39218	115527
PRIOR		368164	.0032	15.11	2.85	12.84	28670	81789
Totals		85399149					8737590	38646160
Composites			.202128		4.42298*	9.77376#		

Plife: 7.8
c = +9.70000000E-01 G = -3.00512200E+00 S = -9.83341400E-02 Unscaled
c = +9.44272784E-01 G = -3.00512200E+00 S = -1.85116375E-01 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 422512046

Run Date : 09/30/97 - 15.34.00
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2232.2000
Category : Circuit Analog

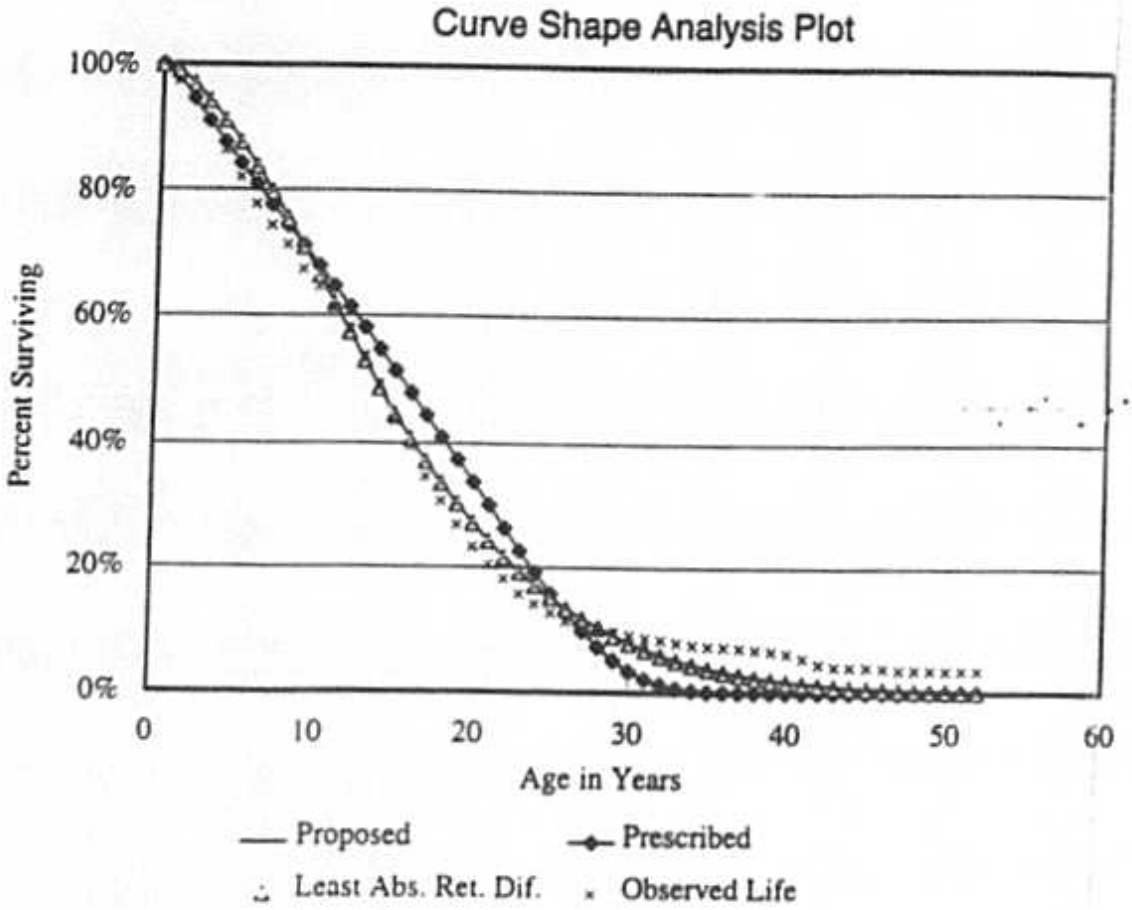
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 7.8
C = +9.70000000E-01 G = -3.00512200E+00 S = -9.83341400E-02 Unscaled
C = +9.44272784E-01 G = -3.00512200E+00 S = -1.85116375E-01 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	1740	.5	3481	24674	4.05	4.05	7.80
.5	98260	4936	1.0	4936	21194	4.64	4.14	7.44
1.5	93324	6520	2.0	3260	16258	5.74	4.24	6.80
2.5	86804	7640	3.0	2547	12998	6.68	4.18	6.28
3.5	79164	8300	4.0	2075	10451	7.57	4.07	5.84
4.5	70864	8535	5.0	1707	8376	8.46	3.96	5.46
5.5	62329	8410	6.0	1402	6669	9.35	3.85	5.14
6.5	53919	8001	7.0	1143	5268	10.24	3.74	4.86
7.5	45919	7388	8.0	924	4125	11.13	3.63	4.62
8.5	38531	6648	9.0	739	3201	12.04	3.54	4.41
9.5	31883	5847	10.0	585	2463	12.95	3.45	4.23
10.5	26036	5038	11.0	458	1878	13.86	3.36	4.07
11.5	20998	4261	12.0	355	1420	14.79	3.29	3.92
12.5	16736	3544	13.0	273	1065	15.72	3.22	3.79
13.5	13192	2902	14.0	207	792	16.65	3.15	3.68
14.5	10290	2343	15.0	156	585	17.59	3.09	3.58
15.5	7948	1867	16.0	117	429	18.54	3.04	3.48
16.5	6081	1469	17.0	86	312	19.49	2.99	3.40
17.5	4612	1143	18.0	64	226	20.44	2.94	3.32
18.5	3469	880	19.0	46	1[illegible]	21.40	2.90	3.25
19.5	2588	671	20.0	34	116	22.36	2.86	3.19
20.5	1917	507	21.0	24	82	23.32	2.82	3.13
21.5	1410	380	22.0	17	58	24.29	2.79	3.08
22.5	1030	282	23.0	12	41	25.25	2.75	3.03
23.5	748	208	24.0	9	29	26.22	2.72	2.99
24.5	540	152	25.0	6	20	27.19	2.69	2.95
Total		99999						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2232.2000
Category : Circuit Analog



Method = MORT 1994-1996 Band T = 58

c = +9.70000000E-01 G = -3.00512200E+00 S = -9.83341400E-02

Curves Scaled to the Observed Life of 14.78

Run Date : 12/15/97 - 12.48.04
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2232.2000
Category : Circuit Analog

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	337113*	10.3**	34723	4.8**	16181	5.5
FUTURE	85399#	2.0##	1708	5.0##	4270	-3.0
TOTAL	422512		36431		20451	
AVERAGE		8.6		4.8		3.8

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/15/97 - 12.48.13
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2232.2000
Category : Circuit Analog

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1988	250875766	53759578	11534305	21.5	2228046	4.1	17.3
1989	224589459	86377185	17253357	20.0	2291414	2.7	17.3
1990	208433630	75746351	-2772137	-3.7	2246002	3.0	-6.6
1991	180559816	33292268	1630296	4.9	1221015	3.7	1.2
1992	172517253	13645659	2691104	19.7	1358594	10.0	9.8
1993	163343650	13034186	449541	3.4	1524579	11.7	-8.2
1994	155670333	11830857	381145	3.2	1701158	14.4	-11.2
1995	90334485	8293150	350386	4.2	1746259	21.1	-16.8
1996	89805281	5236565	28381	.5	370969	7.1	-6.5
1997#	85399149	5923000	444225	7.5	764067	12.9	-5.4
Grand Total		307138799	31990603	10.4	15452103	5.0	5.4
1988-1997 @@		307138799	31990603	10.4	15452103	5.0	5.4
1988-1997 **		307138799	31990603	10.4	15452103	5.0	5.4

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/15/97 - 12.48.13
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2232.2000
Category : Circuit Analog

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1990	262821041	30336925	11.5	9345071	3.6	8.0
1991	222095649	19252161	8.7	8641604	3.9	4.8
1992	147549321	2379949	1.6	8051348	5.5	-3.8
1993	80096120	5502472	6.9	7551605	9.4	-2.6
1994	52040417	3900557	7.5	6701559	12.9	-5.4
1995	44317758	1653678	3.7	6107032	13.8	-10.0

Run Date : 12/15/97 - 12.48.39
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2232.2000
Category : Circuit Analog

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retire-ments	Retire-ment Ratio	Band	Average Plant Balance	Retire-ments	Retire ment Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1988	250875766							
1989	224589459	237732613	32464331	.13656				
1990	208433630	216511545	20299472	.09376	89-91	648740881	86056071	.13265
1991	180559816	194496723	33292268	.17117	90-92	587546803	67237399	.11444
1992	172517253	176538535	13645659	.07730	91-93	538965710	59972113	.11127
1993	163343650	167930452	13034186	.07762	92-94	503975979	38510702	.07641
1994	155670333	159506992	11830857	.07417	93-95	450439853	33158193	.07361
1995	90334485	123002409	8293150	.06742	94-96	372579284	25360572	.06807
1996	89805281	90069883	5236565	.05814	95-97	300674507	19452715	.06470
1997#	85399149	87602215	5923000	.06761				

Forecasted activity

STATION APPARATUS

224

Company : BellSouth Telecommunications
State : Florida
Account : 2311
Category : Station Apparatus

Account Description

Station Apparatus includes the investment in teletypewriter equipment, telephone and miscellaneous equipment, small private branch exchanges and radio equipment (excluding mobile), installed for the customers' use. This account also includes 911 emergency reporting station apparatus.

Investment and Reserve Statistics

The estimated 1/1/98 investment and reserve in the Station Apparatus account are shown in Table 1.

Investment and Reserve Statistics

	Invest. ($M)	Res. ($M)	Res. (%)
Florida	.3	.1	46.9

Table 1

Projection Life

BellSouth is selecting a projection life of 6 years. The selected projection life is based on our analysis of historical data, as well as long range company plans. The current curve shape is still appropriate and is used in this study.

Future Net Salvage

Though retirements have occurred, the Company has not experienced any salvage activity in this account since Part 32 of the Uniform Systems of Accounts was implemented. The Company believes that future investment retiring from this account will generate little or no salvage and that the net salvage will be zero. Therefore, a future net salvage of 0% is selected.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2311.0000
CATEGORY	:	STATION APPARATUS

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September 30, 1997

Run Date : 09/30/97 - 16.44.19
Report : RATESUM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2311.0000
Category : Station Apparatus

Account Parameter Summary

ELG Start Year: 0000

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M		288,766	
Adjustment		0	
Study		288,766	
% Tot. Depr. Plant		.00	
Depr. Reserve ($)		135,297	
(%)		46.9	
P-Life/AYFR (Yrs)			
Station Apparatus	9.5	6.0	
Curve			
Station Apparatus	BELL #3	1900-1941 BAND	
c	1.18428730E+00	1.22810520E+00	
G	-1.01449700E-01	-9.83328530E-02	
S	1.55765450E-02	2.01992260E-02	
Whole Life (Yrs)	9.4	7.4	
Avg. Net Salv. (%)	15	0	
WL Rate (%)	9.0	13.5	
Composite Rem Life (Yrs)	5.7	1.6	
Fut. Net Salv. (%)	9	0	
Composite RL Rate (%)	7.8	33.2	
Intrastate Factor (%)	72.44	75.11	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.23.16
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2311.0000
Category : Station Apparatus

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	0	.0000	.00	5.52	.00	0	0
VG 1996	1.5	0	.0000	.00	4.63	.00	0	0
VG 1995	2.5	13464	.9732	2.46	3.85	6.21	2169	8354
VG 1994	3.5	20143	.9551	3.43	3.18	6.47	3114	9896
VG 1993	4.5	0	.0000	.00	2.60	.00	0	0
VG 1992	5.5	28178	.8460	5.07	2.11	6.85	4112	8670
VG 1991	6.5	72729	.7710	5.80	1.70	7.11	10227	17388
VG 1990	7.5	37078	.6808	6.46	1.37	7.39	5015	6853
VG 1989	8.5	41549	.5759	7.05	1.10	7.68	5409	5948
VG 1988	9.5	21635	.4595	7.56	.89	7.97	2716	2423
VG 1987	10.5	18990	.3357	7.94	.74	8.19	2320	1711
VG 1986	11.5	31856	.2211	8.35	.63	8.49	3752	2359
VG 1985	12.5	1431	.1248	8.77	.56	8.84	162	91
VG 1984	13.5	790	.0572	9.27	.52	9.30	85	45
VG 1983	14.5	548	.0193	9.69	.50	9.70	57	29
VG 1982	15.5	375	.0044	10.07	.50	10.07	37	19
Totals		288766					39175	63786
Composites			.426680		1.62823*	7.37118#		

Plife: 6.0
c = +1.22810520E+00 G = -9.83328530E-02 S = +2.01992260E-02 Unscaled
c = +1.33787981E+00 G = -9.83328530E-02 S = +2.86155799E-02 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 676781

Run Date : 12/03/97 - 10.01.32
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2311.0000
Category : Station Apparatus

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	388*	.0**	0	.0**	0	.0
FUTURE	289#	.0##	0	.0##	0	.0
TOTAL	677		0		0	
AVERAGE		.0		.0		.0

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/03/97 - 10.01.39
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2311.0000
Category : Station Apparatus

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1988	303783	-10577	0	.0	0	.0	.0
1989	356552	0	0	.0	0	.0	.0
1990	604344	-192838	0	.0	0	.0	.0
1991	700446	0	0	.0	0	.0	.0
1992	734309	0	0	.0	0	.0	.0
1993	315856	381404	0	.0	0	.0	.0
1994	349103	-12556	0	.0	0	.0	.0
1995	362938	0	0	.0	0	.0	.0
1996	288766	74172	0	.0	0	.0	.0
1997#	288766	0	0	.0	0	.0	.0
Grand Total		239605	0	.0	0	.0	.0
1988-1997 @@		239605	0	.0	0	.0	.0
1988-1997 **		239605	0	.0	0	.0	.0

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/03/97 - 10.01.39
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2311.0000
Category : Station Apparatus

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1990	-203415	0	.0	0	.0	.0
1991	188566	0	.0	0	.0	.0
1992	176010	0	.0	0	.0	.0
1993	368848	0	.0	0	.0	.0
1994	443020	0	.0	0	.0	.0
1995	443020	0	.0	0	.0	.0

Run Date : 12/03/97 - 10.01.56
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2311.0000
Category : Station Apparatus

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1988	303783							
1989	356552	330168	0	.00000				
1990	604344	480448	-192838	-.40137	89-91	1463011	-192838	-.13181
1991	700446	652395	0	.00000	90-92	1850221	-192838	-.10422
1992	734309	717378	0	.00000	91-93	1894856	381404	.20128
1993	315856	525083	381404	.72637	92-94	1574941	368848	.23420
1994	349103	332480	-12556	-.03776	93-95	1213584	368848	.30393
1995	362938	356021	0	.00000	94-96	1014353	61616	.06074
1996	288766	325852	74172	.22762	95-97	970639	74172	.07642
1997#	288766	288766	0	.00000				

Forecasted activity

The explanation for a negative retirement amount is found on Attachment 6 of the study Introduction.

LARGE PRIX

234

Company : BellSouth Telecommunications
State : Florida
Account : 2341
Category : Large PBX

Account Description

Large PBX includes investment associated with the installation of multiple manual private branch exchanges and of dial system private branch exchanges of types designed to accommodate 100 or more lines or which can normally be expanded to 100 or more lines, installed for customers' use. This account also includes investment for other large installations of station equipment:(a) which do not constitute stations, (b) which require special or individualized treatment because of their complexity, special design, or other distinctive characteristics, and (c) for which individual or other specialized cost records are appropriate.

Investment and Reserve Statistics

The estimated 1/1/98 investment and reserve in the Large PBX account are shown in Table 1.

Investment and Reserve Statistics

	Invest. ($M)	Res. ($M)	Res. (%)
Florida	10.8	2.4	22.2

Table 1

Projection Life

The company is selecting a six-year projection life, based on our analysis of historical data and long range company plans. The company is maintaining the curve shapes currently utilized in this account.

Future Net Salvage

The Company is selecting a 0% future net salvage, based on the decreasing trend exhibited in historical data and future salvage expectations in the Large PBX account.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2341.0000
CATEGORY	:	LARGE PBX

INDEX

Run Date : 09/30/97 - 16.44.45
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2341.0000
Category : Large PBX

Account Parameter Summary

ELG Start Year: 0000

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M		10,808,919	
Adjustment		0	
Study		10,808,919	
% Tot. Depr. Plant		.10	
Depr. Reserve ($)		2,397,042	
(%)		22.2	
P-Life/AYFR (Yrs)			
Large PBX	9.5	6.0	
Curve			
Large PBX	BELL #3	BELL #3.0	
c	1.18428730E+00	1.18428730E+00	
G	-1.01449700E-01	-1.01449700E-01	
S	1.55765450E-02	1.55765450E-02	
Whole Life (Yrs)	9.4	7.1	
Avg. Net Salv. (%)	15	9	
WL Rate (%)	9.0	12.8	
Composite Rem Life (Yrs)	5.7	3.1	
Fut. Net Salv. (%)	9	0	
Composite RL Rate (%)	7.8	25.1	
Intrastate Factor (%)	72.44	75.11	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.23.33
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2341.0000
Category : Large PBX

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	938500	.9984	.50	5.53	6.02	155816	862093
VG 1996	1.5	1097968	.9973	1.50	4.67	6.16	178236	833197
VG 1995	2.5	1772780	.9959	2.50	3.92	6.40	277119	1085359
VG 1994	3.5	1648310	.9782	3.44	3.25	6.62	248894	809863
VG 1993	4.5	972573	.8889	4.12	2.68	6.51	149453	400715
VG 1992	5.5	808667	.8684	5.06	2.19	6.97	116055	254487
VG 1991	6.5	641583	.7990	5.78	1.78	7.20	89117	158834
VG 1990	7.5	19363	.0386	5.66	1.44	5.72	3385	4885
VG 1989	8.5	894826	.9759	8.47	1.17	9.61	93106	108746
VG 1988	9.5	826741	.5784	7.82	.95	8.37	98753	93883
VG 1987	10.5	317	.0005	5.55	.78	5.55	57	45
VG 1986	11.5	38257	.0567	6.52	.66	6.56	5830	3873
VG 1985	12.5	0	.0000	.00	.58	6.90	0	0
VG 1984	13.5	0	.0000	.00	.53	7.33	0	0
VG 1983	14.5	393586	.3477	10.00	.50	10.17	38688	19345
VG 1982	15.5	384937	.4329	10.86	.50	11.08	34745	17373
VG 1981	16.5	370511	.3815	10.66	.50	10.85	34149	17075
Totals		10808919					1523403	4669773
Composites			.69975@		3.06536*	7.09525#		

Plife: 6.0
c = -1.18428730E+00 G = -1.01449700E-01 S = +1.55765450E-02 Unscaled
c = -1.32564865E+00 G = -1.01449700E-01 S = +2.59609043E-02 Scaled

\+ From Projection Life Table
@@ For VG vintages = D - (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 15446854

Run Date : 09/30/97 - 15.34.34
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2341.0000
Category : Large PBX

Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 6.0
C = +1.18428730E+00 G = -1.01449700E-01 S = +1.55765450E-02 Unscaled
C = +1.32564865E+00 G = -1.01449700E-01 S = +2.59609043E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	546	.5	1091	22586	4.43	4.43	6.00
.5	99454	2728	1.0	2728	21495	4.63	4.13	5.53
1.5	96727	5298	2.0	2649	18767	5.15	3.65	4.67
2.5	91429	8214	3.0	2738	16118	5.67	3.17	3.92
3.5	83215	11179	4.0	2795	13380	6.22	2.72	3.25
4.5	72036	13686	5.0	2737	10586	6.81	2.31	2.68
5.5	58350	15071	6.0	2512	7848	7.43	1.93	2.19
6.5	43279	14716	7.0	2102	5337	8.11	1.61	1.78
7.5	28563	12415	8.0	1552	3234	8.83	1.33	1.44
8.5	16147	8712	9.0	968	1682	9.60	1.10	1.17
9.5	7435	4827	10.0	483	714	10.41	.91	.95
10.5	2608	1970	11.0	179	232	11.26	.76	.78
11.5	638	541	12.0	45	52	12.15	.65	.66
12.5	97	89	13.0	7	7	13.07	.57	.58
13.5	8	8	14.0	1	1	13.99	.50	.53
14.5	0	0	15.0	0	0	.00	.50	.50
15.5	0	0	16.0	0	0	.00	.50	.50
16.5	0	0	17.0	0	0	.00	.50	.50
Total		100000						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Run Date : 12/03/97 - 10.57.12
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2341.0000
Category : Large PBX

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	4638*	33.7**	1563	2.1**	97	31.6
FUTURE	10809#	5.0##	540	5.0##	540	.0
TOTAL	15447		2103		637	
AVERAGE		13.6		4.1		9.5

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/03/97 - 10.57.23
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2341.0000
Category : Large PBX

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1988	3995189	474229	-20101	-4.2	-68	.0	-4.2
1989	5239578	220370	173725	78.8	-25434	-11.5	90.4
1990	5560954	116287	0	.0	213	.2	-.2
1991	6040660	195514	183814	94.0	6736	3.4	90.6
1992	6779113	522546	95528	18.3	1634	.3	18.0
1993	7386374	1367479	635852	46.5	8909	.7	45.8
1994	7714820	1835510	358257	19.5	22571	1.2	18.3
1995	8780325	16602	251769	1516.5	45188	272.2	1244.3
1996	9924919	483033	-78538	-16.3	32804	6.8	-23.1
1997#	10808919	56000	16744	29.9	1456	2.6	27.3
Grand Total		5287570	1617050	30.6	94009	1.8	28.8
1989-1997 @@		4813341	1637151	34.0	94077	2.0	32.1
1988-1997 **		5287570	1617050	30.6	94009	1.8	28.8

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/03/97 - 10.57.23
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2341.0000
Category : Large PBX

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1990	1528946	432966	28.3	-16919	-1.1	29.4
1991	2422196	1088919	45.0	-7942	-.3	45.3
1992	4037336	1273451	31.5	40063	1.0	30.5
1993	3937651	1525220	38.7	85038	2.2	36.6
1994	4225170	1262868	29.9	111106	2.6	27.3
1995	3758624	1184084	31.5	110928	3.0	28.6

Run Date : 12/03/97 - 10.57.41
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2341.0000
Category : Large PBX

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1988	3995189							
1989	5239578	4617384	244727	.05300				
1990	5560954	5400266	116287	.02153	89-91	15818457	556528	.03518
1991	6040660	5800807	195514	.03370	90-92	17610960	834347	.04738
1992	6779113	6409887	522546	.08152	91-93	19293438	2085539	.10810
1993	7386374	7082744	1367479	.19307	92-94	21043228	3725535	.17704
1994	7714820	7550597	1835510	.24309	93-95	22880914	3219591	.14071
1995	8780325	8247573	16602	.00201	94-96	25150792	2335145	.09285
1996	9924919	9352622	483033	.05165	95-97	27967114	555635	.01987
1997#	10808919	10366919	56000	.00540				

Forecasted activity

OTHER TERMINAL EQUIPMENT

Company : BellSouth Telecommunications
State : Florida
Account : 2362
Category : Other Terminal Equipment

Account Description

The Other Terminal Equipment account consists of investment in Other Non-Customer Premise Equipment not specifically provided for elsewhere. This account also includes items such as specialized communications equipment provided to meet the needs of the disabled, over-voltage protection equipment, multiplexing equipment to deliver multiple channels to customers. Also included is investment associated with digital Non-CPE terminating Equipment, Analog Non-CPE terminating Equipment, subscriber pair gain devices located on customers' premises, devices used to provide service to the handicapped or disabled, and overvoltage protection systems.

Investment and Reserve Statistics

The estimated 1/1/98 investment and reserve in the Other Terminal Equipment account are shown in Table 1. The investment and associated reserve in Other Terminal Equipment has decreased partially due to a reclassification of Pair Gain equipment to Circuit Digital Pair Gain.

Investment and Reserve Statistics

	Invest. ($M)	Res. ($M)	Res. (%)
Florida	110.3	75.0	68.0

Table 1

Projection Life

The projection life of 6 years is recommended for Other Terminal Equipment based on an analysis of historical data and long range company plans. The company expects that the current curve shape will continue to be appropriate.

Future Net Salvage

The Company feels that a future net salvage of 5% is more reflective of salvage activity in this account. BellSouth's future net salvage selection is based on the decreasing trend exhibited in the historical data and future salvage expectations in the Other Terminal equipment account.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2362.0000
CATEGORY	:	OTHER TERMINAL EQUIPMENT

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September 30, 1997

Run Date : 09/30/97 - 16.45.10
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2362.0000
Category : Other Terminal Equip.

Account Parameter Summary

ELG Start Year: 0000

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M		110,300,054	
Adjustment		0	
Study		110,300,054	
% Tot. Depr. Plant		.99	
Depr. Reserve ($)		74,995,983	
(%)		68.0	
P-Life/AYFR (Yrs)			
Other Terminal Equip.	9.5	6.0	
Curve			
Other Terminal Equip.	BELL #3	BELL #3	
C	1.18428730E+00	1.18428730E+00	
G	-1.01449700E-01	-1.01449700E-01	
S	1.55765450E-02	1.55765450E-02	
Whole Life (Yrs)	9.4	8.3	
Avg. Net Salv. (%)	15	10	
WL Rate (%)	9.0	10.8	
Composite Rem Life (Yrs)	5.7	2.1	
Fut. Net Salv. (%)	9	5	
Composite RL Rate (%)	7.8	12.9	
Intrastate Factor (%)	72.44	75.11	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.23.50
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2362.0000
Category : Other Terminal Equip.

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	4933923	.9992	.50	5.53	6.03	818532	4528735
VG 1996	1.5	7349298	.9982	1.50	4.67	6.16	1192182	5573055
VG 1995	2.5	6201109	.9955	2.49	3.92	6.39	970115	3799531
VG 1994	3.5	5882939	.9903	3.48	3.25	6.70	877866	2856436
VG 1993	4.5	4439721	.9813	4.45	2.68	7.08	627179	1681593
VG 1992	5.5	6526693	.9696	5.40	2.19	7.53	867083	1901345
VG 1991	6.5	8084947	.9489	6.30	1.78	7.99	1011780	1803285
VG 1990	7.5	9924352	.9373	7.24	1.44	8.60	1154492	1665869
VG 1989	8.5	7261631	.7487	6.85	1.17	7.73	939589	1097407
VG 1988	9.5	11560670	.8723	8.87	.95	9.70	1191657	1132884
VG 1987	10.5	6266340	.7942	9.14	.78	9.76	642087	503888
VG 1986	11.5	6684914	.7810	10.14	.66	10.65	627436	416787
VG 1985	12.5	6066304	.7276	10.62	.58	11.04	549335	320406
VG 1984	13.5	5538845	.6599	10.95	.53	11.30	489987	262013
VG 1983	14.5	4454328	.5142	9.94	.50	10.19	437017	218509
VG 1982	15.5	3049874	.4959	10.65	.50	10.90	279894	139947
VG 1981	16.5	2526597	.3945	10.03	.50	10.22	247132	123566
VG 1980	17.5	1163004	.3731	10.55	.50	10.74	108307	54154
VG 1979	18.5	751644	.2178	8.55	.50	8.65	86849	43425
VG 1978	19.5	520662	.2182	9.38	.50	9.49	54847	27424
VG 1977	20.5	351779	.1771	9.31	.50	9.39	37446	18724
VG 1976	21.5	226505	.1299	9.18	.50	9.25	24488	12244
VG 1975	22.5	189507	.0834	8.46	.50	8.50	22292	11146
VG 1974	23.5	148178	.0547	7.92	.50	7.94	18655	9328
VG 1973	24.5	107105	.0196	7.10	.50	7.11	15056	7528
PRIOR		89185	.0045	9.71	.50	8.23	10841	5428
Totals		110300054					13302144	28214657
Composites			.629118		2.12106*	8.29190#		

Plife: 6.0
c = -1.18428730E-00 G = -1.01449700E-01 S = +1.55765450E-02 Unscaled
c = -1.32564865E-00 G = -1.01449700E-01 S = +2.59609043E-02 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 175326957

Run Date : 09/30/97 - 15.34.51
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2362.0000
Category : Other Terminal Equip.

Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 6.0
C = +1.18428730E+00 G = -1.01449700E-01 S = +1.55765450E-02 Unscaled
C = +1.32564865E+00 G = -1.01449700E-01 S = +2.59609043E-02 Scaled

Beginning Of Year		Amount		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	546	.5	1091	22586	4.43	4.43	6.00
.5	99454	2728	1.0	2728	21495	4.63	4.13	5.53
1.5	96727	5298	2.0	2649	18767	5.15	3.65	4.67
2.5	91429	8214	3.0	2738	16118	5.67	3.17	3.92
3.5	83215	11179	4.0	2795	13380	6.22	2.72	3.25
4.5	72036	13686	5.0	2737	10586	6.81	2.31	2.68
5.5	58350	15071	6.0	2512	7848	7.43	1.93	2.19
6.5	43279	14716	7.0	2102	5337	8.11	1.61	1.78
7.5	28563	12415	8.0	1552	3234	8.83	1.33	1.44
8.5	16147	8712	9.0	968	1682	9.60	1.10	1.17
9.5	7435	4827	10.0	483	714	10.41	.91	.95
10.5	2608	1970	11.0	179	232	11.26	.76	.78
11.5	638	541	12.0	45	52	12.15	.65	.66
12.5	97	89	13.0	7	7	13.07	.57	.58
13.5	8	8	14.0	1	1	13.99	.50	.53
14.5	0	0	15.0	0	0	.00	.50	.50
15.5	0	0	16.0	0	0	.00	.50	.50
16.5	0	0	17.0	0	0	.00	.50	.50
17.5	0	0	18.0	0	0	.00	.50	.50
18.5	0	0	19.0	0	0	.00	.50	.50
19.5	0	0	20.0	0	0	.00	.50	.50
20.5	0	0	21.0	0	0	.00	.50	.50
21.5	0	0	22.0	0	0	.00	.50	.50
22.5	0	0	23.0	0	0	.00	.50	.50
23.5	0	0	24.0	0	0	.00	.50	.50
24.5	0	0	25.0	0	0	.00	.50	.50
Total		100000						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Run Date : 12/03/97 - 10.29.12
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2362.0000
Category : Other Terminal Equip.

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	65027*	25.5**	16582	6.5**	4227	19.0
FUTURE	110300#	10.0##	11030	5.0##	5515	5.0
TOTAL	175327		27612		9742	
AVERAGE		15.7		5.6		10.1

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/03/97 - 10.29.24
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2362.0000
Category : Other Terminal Equip.

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1988	68325424	1414617	352443	24.9	44050	3.1	21.8
1989	77192631	1290597	473846	36.7	60010	4.6	32.1
1990	83663649	2243642	727813	32.4	65089	2.9	29.5
1991	89658780	2868554	1177455	41.0	147835	5.2	35.9
1992	91123989	4950636	269591	5.4	137868	2.8	2.7
1993	93957310	2788443	398569	14.3	179582	6.4	7.9
1994	94166379	2773367	598193	21.6	226934	8.2	13.4
1995	99205050	1196846	546705	45.7	287773	24.0	21.6
1996	105660054	692019	658921	95.2	189326	27.4	67.9
1997#	110300054	298000	59302	19.9	24436	8.2	11.7
Grand Total		20516721	5262838	25.7	1362903	6.6	19.0
1988-1997 @@		20516721	5262838	25.7	1362903	6.6	19.0
1988-1997 **		20516721	5262838	25.7	1362903	6.6	19.0

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/03/97 - 10.29.24
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2362.0000
Category : Other Terminal Equip.

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1990	12768046	3001148	23.5	454852	3.6	19.9
1991	14141872	3047274	21.5	590384	4.2	17.4
1992	15624642	3171621	20.3	757308	4.8	15.5
1993	14577846	2990513	20.5	979992	6.7	13.8
1994	12401311	2471979	19.9	1021483	8.2	11.7
1995	7748675	2261690	29.2	908051	11.7	17.5

Run Date : 12/03/97 - 10.30.04
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2362.0000
Category : Other Terminal Equip.

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1988	68325424							
1989	77192631	72759028	1266241	.01740				
1990	83663649	80428140	2243642	.02790	89-91	239848383	6378437	.02659
1991	89658780	86661215	2868554	.03310	90-92	257480740	10062832	.03908
1992	91123989	90391385	4950636	.05477	91-93	269593250	10607633	.03935
1993	93957310	92540650	2788443	.03013	92-94	276993880	10512446	.03795
1994	94166379	94061845	2773367	.02948	93-95	283288210	6758656	.02386
1995	99205050	96685715	1196846	.01238	94-96	293180112	4662232	.01590
1996	105660054	102432552	692019	.00676	95-97	307098321	2186865	.00712
1997#	110300054	107980054	298000	.00276				

Forecasted activity

Company : BellSouth Telecommunications
State : Florida
Account : 2411
Category : Poles

Account Description

The Poles account consists of investment in poles, anchors, guys and other related items required as supporting structure for aerial cable and wire facilities.

Investment and Reserve Statistics

The estimated 1/1/98 investment and reserve in the Pole account are shown in Table 1.

Investment and Reserve Statistics

	Invest. ($M)	Res. ($M)	Res. (%)
Florida	144.5	49.1	34.0

Table 1

Table 2 is a listing of the number of poles in service over a six year period for Florida.

YEAR	FLORIDA
1992	447,500
1993	448,326
1994	449,979
1995	458,945
1996	457,305
1997	454,608

Table 2

Projection Life

The Poles account will continue to be influenced by the traditional forces: e.g. deterioration, road construction, joint use contracts, etc.

The Company selects a 34 year projection life based on an analysis of historical data and long range company plans. The graduated curve shape for the 1994-1996 band with the least absolute retirement differences to total data was selected.

Future Net Salvage

The company is selecting a future net salvage percent of -60%. Florida's future net salvage value is based on Table B five year banded average and on future salvage expectations for the poles account.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2411.0000
CATEGORY	:	POLES

INDEX

September 30, 1997

Run Date : 09/30/97 - 16.45.36
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2411.0000
Category : Poles

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	114,417,869	144,517,039	
Adjustment	0	0	
Study	114,417,869	144,517,039	
% Tot. Depr. Plant	1.29	1.30	
Depr. Reserve ($)	38,527,323	49,079,249	
(%)	33.7	34.0	
P-Life/AYFR (Yrs)			
Poles	41.0	34.0	
Curve			
Poles	88-90 MORT	1994-1996 MORT	
C	1.03000000E+00	1.03000000E+00	
G	-9.44448690E-02	-9.35254580E-02	
S	-1.58448300E-03	-2.25398200E-03	
Whole Life (Yrs)	39.0	34.0	
Avg. Net Salv. (%)	-50	-57	
WL Rate (%)	3.8	4.6	
Composite Rem Life (Yrs)	34.0	27.0	
Fut. Net Salv. (%)	-51	-60	
Composite RL Rate (%)	3.5	4.7	
Intrastate Factor (%)	71.62	74.62	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.24.08
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2411.0000
Category : Poles

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	4834591	.9937	.50	33.74	34.03	142072	4793964
VG 1996	1.5	4932235	.9864	1.49	33.23	34.26	143958	4783440
VG 1995	2.5	3884824	.9529	2.42	32.72	33.60	115622	3782644
VG 1994	3.5	5908560	.9627	3.43	32.21	34.44	171573	5525578
VG 1993	4.5	11510278	.9618	4.42	31.70	34.91	329699	10450789
VG 1992	5.5	8406264	.9318	5.36	31.19	34.43	244189	7617052
VG 1991	6.5	5345982	.9312	6.25	30.69	34.83	153472	4710270
VG 1990	7.5	4597001	.9130	7.16	30.19	34.73	132371	3996575
VG 1989	8.5	5213308	.9205	8.17	29.70	35.51	146814	4359829
VG 1988	9.5	5973158	.9032	9.02	29.20	35.40	168757	4928226
VG 1987	10.5	6377959	.8937	9.94	28.71	35.60	179162	5144326
VG 1986	11.5	5298034	.8972	10.97	28.23	36.30	145958	4119897
VG 1985	12.5	6066109	.8871	11.84	27.74	36.45	166441	4617624
VG 1984	13.5	7519780	.8183	11.99	27.26	34.30	219235	5977083
VG 1983	14.5	6724546	.8352	13.14	26.79	35.51	189366	5072579
VG 1982	15.5	7315538	.7955	13.59	26.31	34.52	211921	5576503
VG 1981	16.5	6071938	.7597	14.06	25.84	33.69	180227	4657918
VG 1980	17.5	4401758	.7287	14.57	25.38	33.07	133110	3378234
VG 1979	18.5	3467400	.7307	15.55	24.92	33.76	102705	2559166
VG 1978	19.5	2799887	.7219	16.43	24.46	34.09	82144	2009223
VG 1977	20.5	2321670	.7160	17.28	24.01	34.47	67352	1616836
VG 1976	21.5	2107435	.7202	18.14	23.56	35.11	60026	1413978
VG 1975	22.5	1740297	.6724	18.48	23.11	34.02	51148	1182038
VG 1974	23.5	1476888	.6458	18.74	22.67	33.38	44251	1003101
VG 1973	24.5	1431306	.6261	19.34	22.23	33.26	43038	956781
PRIOR		18790293	.3964	23.82	17.85	32.97	569968	10174863
Totals		144517039					4194581	114408537
Composites			.745588		27.27532*	34.45327#		

Plife: 34.0
c = -1.03000000E-00 G = -9.35254580E-02 S = -2.25398200E-03 Unscaled
c = -1.03697331E-00 G = -9.35254580E-02 S = -2.76849879E-03 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 193830712

Run Date : 09/30/97 - 15.35.07
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2411.0000
Category : Poles

Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 34.0
C = +1.03000000E+00 G = -9.35254580E-02 S = -2.25398200E-03 Unscaled
C = +1.03697331E+00 G = -9.35254580E-02 S = -2.76849879E-03 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life		
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#	
.0	100000	711	.5	1421	8465	11.81	11.81	34.00	
.5	99289	1428	1.0	1428	7044	14.10	13.60	33.74	
1.5	97862	1436	2.0	718	5616	17.43	15.93	33.23	
2.5	96426	1444	3.0	481	4898	19.69	17.19	32.72	
3.5	94981	1453	4.0	363	4416	21.51	18.01	32.21	
4.5	93528	1462	5.0	292	4053	23.08	18.58	31.70	
5.5	92067	1470	6.0	245	3761	24.48	18.98	31.19	*
6.5	90597	1479	7.0	211	3516	25.77	19.27	30.69	
7.5	89118	1487	8.0	186	3305	26.97	19.47	30.19	
8.5	87631	1496	9.0	166	3119	28.10	19.60	29.70	
9.5	86135	1504	10.0	150	2953	29.17	19.67	29.20	
10.5	84631	1512	11.0	137	2802	30.20	19.70	28.71	
11.5	83119	1521	12.0	127	2665	31.19	19.69	28.23	
12.5	81598	1529	13.0	118	2538	32.15	19.65	27.74	
13.5	80070	1536	14.0	110	2420	33.08	19.58	27.26	
14.5	78533	1544	15.0	103	2311	33.99	19.49	26.79	
15.5	76989	1551	16.0	97	2208	34.87	19.37	26.31	
16.5	75438	1558	17.0	92	2111	35.74	19.24	25.84	
17.5	73880	1565	18.0	87	2019	36.59	19.09	25.38	
18.5	72316	1571	19.0	83	1932	37.43	18.93	24.92	
19.5	70745	1577	20.0	79	1850	38.25	18.75	24.46	
20.5	69168	1582	21.0	75	1771	39.06	18.56	24.01	
21.5	67587	1587	22.0	72	1695	39.87	18.37	23.56	
22.5	66000	1591	23.0	69	1623	40.66	18.16	23.11	
23.5	64409	1594	24.0	66	1554	41.44	17.94	22.67	
24.5	62815	1597	25.0	64	1488	42.22	17.72	22.23	
Total		100004							

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Run Date : 12/03/97 - 07.30.07
Report : RETRATIO
RF9708S2

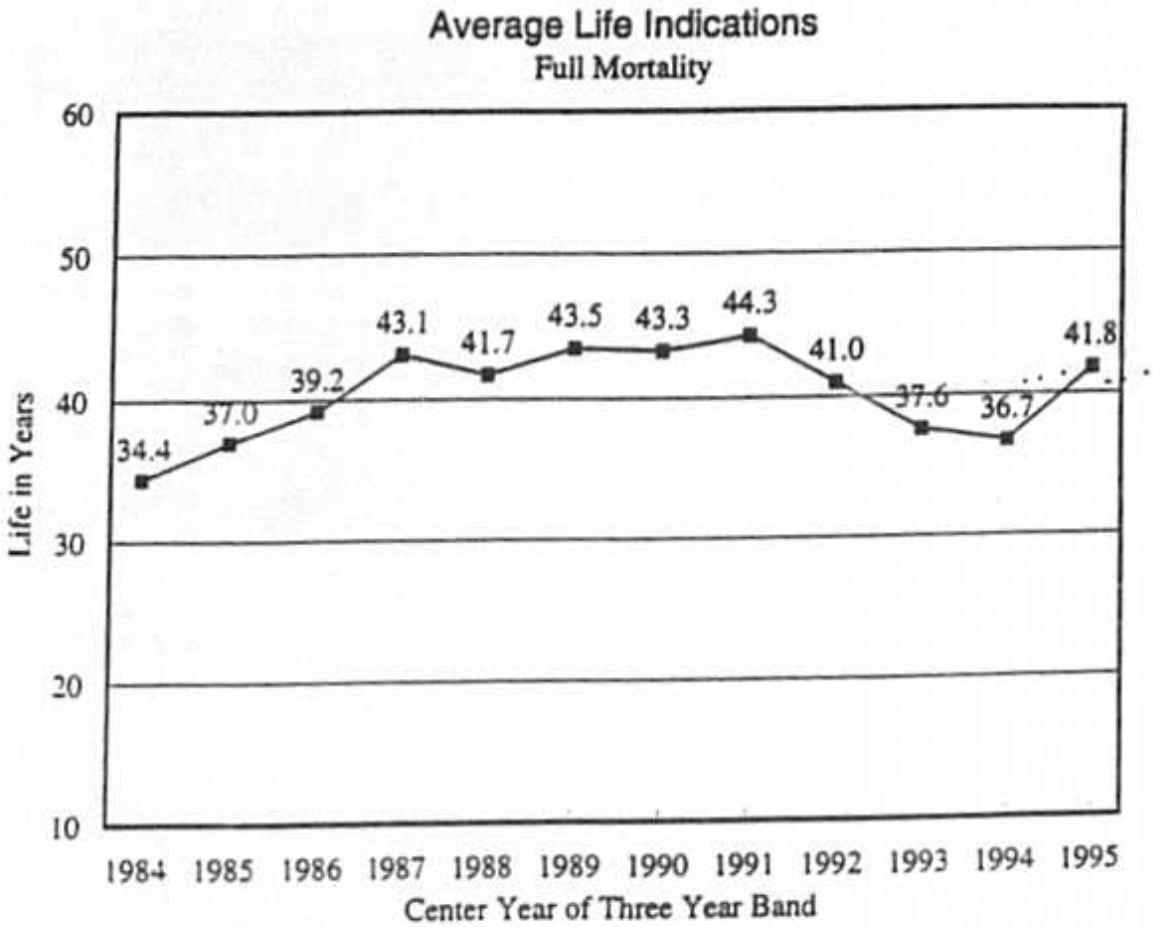
Company : BellSouth Telecommunications
State : Florida
Account : 2411.0000
Category : Poles

Development of Retirement Ratios -- Total Retirements

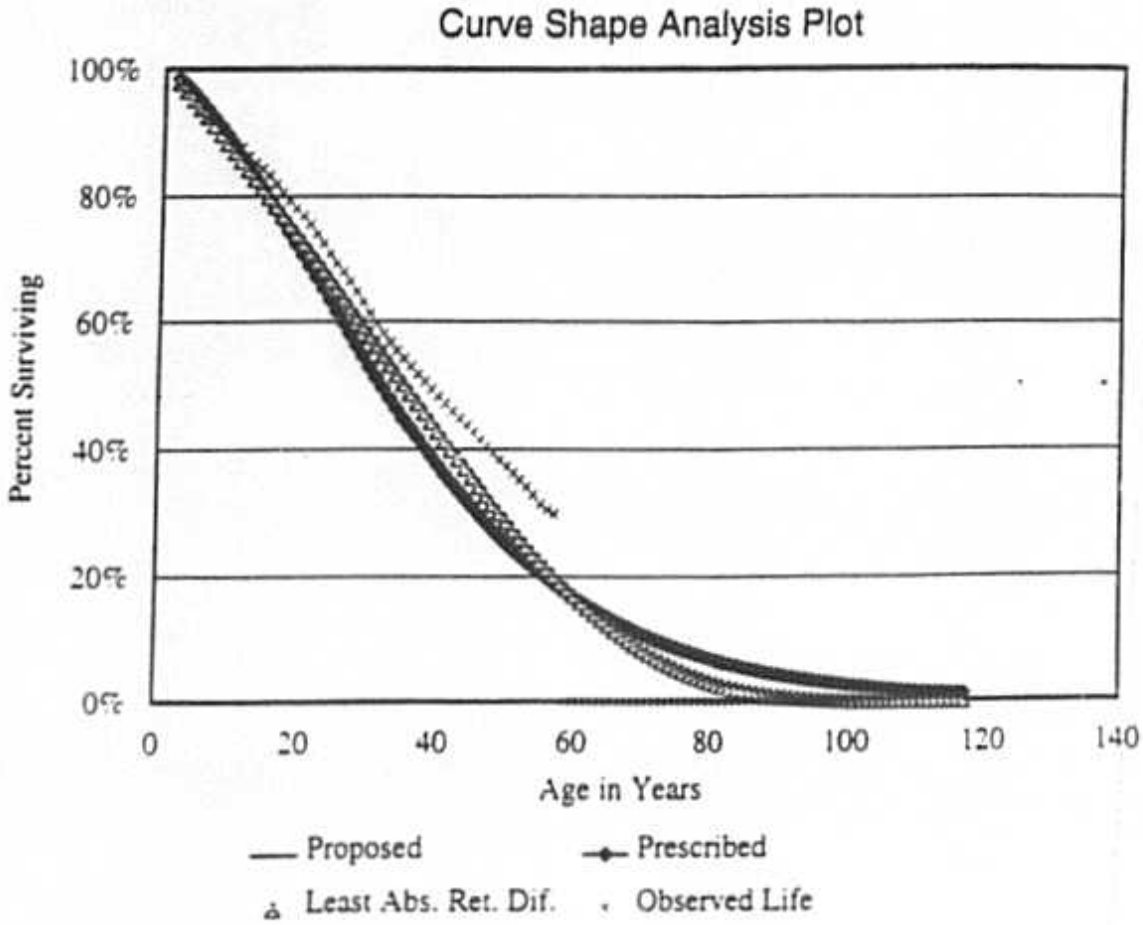
End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	72323572							
1984	79649276	75986424	1023780	.01347				
1985	85275392	82462334	1176253	.01426	84-86	246152692	3356047	.01363
1986	90132476	87703934	1156014	.01318	85-87	263135268	3627208	.01378
1987	95805523	92969000	1294941	.01393	86-88	279170885	3645693	.01306
1988	101190379	98497951	1194738	.01213	87-89	294938932	3682786	.01249
1989	105753583	103471981	1193107	.01153	88-90	309768094	3242604	.01047
1990	109842741	107798162	854759	.00793	89-91	323400448	3141759	.00971
1991	114417869	112130305	1093893	.00976	90-92	338174824	3305434	.00977
1992	122074845	118246357	1356782	.01147	91-93	356775054	5770383	.01617
1993	130721938	126398392	3319708	.02626	92-94	377664543	6210911	.01645
1994	135317649	133019794	1534421	.01154	93-95	395926241	6602176	.01668
1995	137698461	136508055	1748047	.01281	94-96	409043099	4677636	.01144
1996	141332039	139515250	1395168	.01000	95-97	418947844	4823215	.01151
1997#	144517039	142924539	1680000	.01175				

Forecasted activity

Company : BellSouth Telecommunications
State : Florida
Account : 2411
Category : Poles



Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2411.0000
Category	:	Poles



Method = MORT 1994-1996 Band T = 57

c = +1.03000000E+00 G = -9.35254580E-02 S = -2.25398200E-03

Curves Scaled to the Observed Life of 36.29

September 30, 1997

Run Date : 12/03/97 - 07.29.27
Report : ANSD, SBC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2411.0000
Category : Poles

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	49314*	8.0**	3945	57.3**	28257	-49.3
FUTURE	144517#	30.0##	43355	90.0##	130065	-60.0
TOTAL	193831		47300		158322	
AVERAGE		24.4		81.7		-57.3

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/03/97 - 07.29.34
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2411.0000
Category : Poles

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1972%	361169325	16572720	1979453	11.9	5499872	33.2	-21.2
1973	30490092	1010605	76940	7.6	520749	51.5	-43.9
1974	31902026	648950	36028	5.6	553864	85.3	-79.8
1975	33839009	595362	42291	7.1	584600	98.2	-91.1
1976	35939417	571001	60479	10.6	591753	103.6	-93.0
1977	38351094	518162	55381	10.7	623216	120.3	-109.6
1978	41205009	628855	84720	13.5	658839	104.8	-91.3
1979	45060394	579901	41344	7.1	750570	129.4	-122.3
1980	49887374	690202	100567	14.6	627301	90.9	-76.3
1981	56509352	674360	82416	12.2	828599	122.9	-110.7
1982	64241392	821923	51780	6.3	877515	106.8	-100.5
1983	72323572	793301	40681	5.1	692079	87.2	-82.1
1984	79649276	1023780	58506	5.7	586887	57.3	-51.6
1985	85275392	1176253	104571	8.9	731311	62.2	-53.3
1986	90132476	1156014	76554	6.6	730244	63.2	-56.5
1987	95805523	1294941	84851	6.6	675085	52.1	-45.6
1988	101190379	1194738	117617	9.8	730275	61.1	-51.3
1989	105753583	1193107	86889	7.3	810931	68.0	-60.7
1990	109842741	854759	96180	11.3	796410	93.2	-81.9
1991	114417869	1093893	67337	6.2	966728	88.4	-82.2
1992	122074845	1356782	78725	5.8	1361949	100.4	-94.6
1993	130721938	3319708	29984	.9	2116852	63.8	-62.9
1994	135317649	1534421	37843	2.5	1221073	79.6	-77.1
1995	137698461	1748047	19540	1.1	1014310	58.0	-56.9
1996	141332039	1395168	9565	.7	745915	53.5	-52.8
1997#	144517039	1680000	31920	1.9	1160880	69.1	-67.2
Grand Total		44126953	3552162	8.0	26457873	60.0	-51.9
1945-1997 @@		44126953	3552162	8.0	26457873	60.0	-51.9
1988-1997 **		15370623	575600	3.7	10925323	71.1	-67.3

% Represents 1972 and prior years
@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/03/97 - 07.29.34
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2411.0000
Category : Poles

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1975	3344080	271119	8.1	2874248	86.0	-77.8
1976	2962330	278899	9.4	3012338	101.7	-92.3
1977	2893281	284215	9.8	3209044	110.9	-101.1
1978	2988121	342491	11.5	3251679	108.8	-97.4
1979	3091480	364428	11.8	3488525	112.8	-101.1
1980	3395241	360827	10.6	3742824	110.2	-99.6
1981	3559687	316788	8.9	3776064	106.1	-97.2
1982	4003566	333950	8.3	3612381	90.2	-81.9
1983	4489617	337954	7.5	3716391	82.8	-75.3
1984	4971271	332092	6.7	3618036	72.8	-66.1
1985	5444289	365163	6.7	3415606	62.7	-56.0
1986	5845726	442099	7.6	3453802	59.1	-51.5
1987	6015053	470482	7.8	3677846	61.1	-53.3
1988	5693559	462091	8.1	3742945	65.7	-57.6
1989	5631438	452874	8.0	3979429	70.7	-62.6
1990	5693279	446748	7.8	4666293	82.0	-74.1
1991	7818249	359115	4.6	6052870	77.4	-72.8
1992	8159563	310069	3.8	6463012	79.2	-75.4
1993	9052851	233429	2.6	6680912	73.8	-71.2
1994	9354126	175657	1.9	6460099	69.1	-67.2
1995	9677344	128852	1.3	6259030	64.7	-63.3

Account Description

The Outside Plant General Cable Account consists of investment in cable, including cost of construction and associated hardware, categorized according to placement as Aerial, Underground, Buried, Submarine, and Intrabuilding Cable. Aerial Cable (Account 2421) is composed of cable suspended from poles or other structures and includes the cost of terminals, load coils, build-out capacitors, etc. used in its construction. Underground Cable (Account 2422) includes the cost of cable placed in underground conduit runs plus loading coils, build-out capacitors, terminals, stubs, and other associated items of material defined as cable plant. Buried Cable (Account 2423) is entrenched directly into the ground and includes the cost of terminals, pedestals, markers, load coils, build-out capacitors, and associated items of material defined as cable plant.

Submarine Cable (Account 2424) is cable placed under bodies of water and its investment includes the cost of terminals, cable huts, and anchorages. Intrabuilding Cable (Account 2426) consists of cables and wires on the Company's side of the demarcation point, or standard network interface (SNI), which are placed inside customers' buildings or between buildings on the same customer's premises. Intrabuilding cables distribute network access facilities to equipment rooms, cross-connections, or other distribution points connected with customer wiring. Submarine and Intrabuilding Cable constitute only a small portion of the total General Cable Account investment and are excluded from discussions of remaining lives in this narrative.

To estimate remaining lives, the Company began by segmenting Aerial, Underground, and Buried Metallic Cable investment into functional groupings with similar life characteristics as Interoffice (IOF), Feeder (FDR), and Distribution (DIST). Interoffice cables extend from or connect switching centers or Central Offices to each other. Feeder cables extend from Central Offices toward customers' premises to feeder/distribution interfaces. Distribution cables extend from feeder/distribution interfaces to an individual customer's location. Estimated 1/1/98 metallic cable percentages of investment by function are shown in Attachment 1.

Historical Experience

The 1980's and 1990's have brought unprecedented advances in microelectronics and computer technology. Integration of these advances into all facets of our lives has created an ever-increasing demand for high speed, reliable data transport. A key development in meeting this increased demand is the migration from metallic- to fiber-based information transport. Metallic conductor transport technology had been virtually unchallenged until the introduction of fiber optic cable into the Interoffice network in the early 1980's.

Fiber optic cables in the Interoffice network proved far superior to copper cable in both price and performance. With higher bandwidth and range capabilities, fiber systems greatly increased network capacity while dramatically decreasing the volume of electronics. The reduction in electronics created significant operating maintenance savings.

Today, fiber optic cable is the technology of choice in nearly all Interoffice applications. Interoffice facilities have evolved from a predominantly copper cable-based network to a primarily fiber optic cable network.

Fiber optics began penetrating the Feeder loop in 1982. The price and performance advantages of fiber optics over copper systems in the Feeder are much the same as in the Interoffice network. At year-end 1997, fiber facilities carried approximately 26% of the Feeder circuits. Today, fiber systems are the economic choice for growth and replacement applications.

Although it is essentially a copper-based network today, the Distribution network is in the early stages of conversion to a fiber-based network. Vendor hardware, software, and product performance deficiencies have delayed the anticipated pace of fiber deployment in the Distribution. Many of the product issues have been resolved, and general deployment of Fiber in the Loop (FITL), which continues at a brisk pace, began in 1994.

When fiber began substituting for copper in the Interoffice network, it signaled the start of rapid technological change in the public switched network infrastructure. The pace of change accelerated when fiber began penetrating the Feeder loop and will continue to accelerate as fiber penetrates the Distribution loop. Cost parity with copper systems (along with other economic factors) makes fiber the media of choice in the Interoffice, the Feeder, and in new growth areas and total rehabilitation undertakings in the Distribution. Illustrative of BellSouth's commitment to aggressive fiber deployment is the fact that, as reported in the FCC's "Fiber Deployment Update - End of Year 1996", it continues to lead all other local telephone companies, interexchange carriers, and competitive access providers in terms of route miles of fiber deployed. Figure 1 compares BellSouth's fiber deployment to selected other leading companies reported.

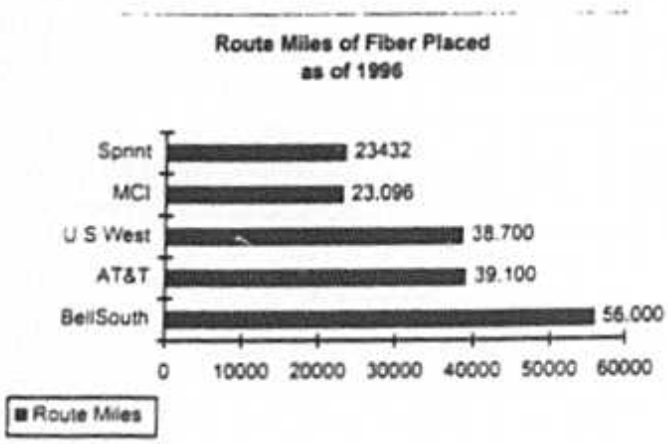


Figure 1

Life Analysis

The life analysis of metallic cable must consider all forces of mortality, both traditional factors (accidents, deterioration, wear-out, etc.) and technological obsolescence. Today, the dominant force of mortality is replacement by fiber optic cable. Assessment of the impact of substitution and traditional mortality forces begins with the identification of past deployment and displacement patterns and known future deployment plans. Together these patterns establish the basis for projecting the long-term deployments and displacements that determine metallic cable's life expectancy.

The Company's analysis addresses the architecture of the transport arena in three components: Interoffice, Feeder, and Distribution. Each of the three components can provide varying levels of digital and analog voice and data services, with universal digital connectivity. Though interrelated, the architecture of each component evolves at its own pace.

Interoffice

Fiber optic cable deployment for metallic copper in the interoffice network is now a well-established technological substitution with 96% of its circuits on fiber. The substitution of fiber for copper in the IOF has maintained one of the fastest technological substitutions in telephony history. Today, fiber optic cable is the technology of choice in virtually all interoffice applications.

The primary driver is economics (fiber is the clear winner over copper), but closely linked is the greater capacity and better reliability. Diversity in the IOF is essential to providing reliable customer service, and in general, is achieved by providing capacity on a secondary protection route for each primary trunk group. The first choice for diversity in the IOF today is the use of SONET rings.

The pace of fiber deployment will continue to accelerate given increasing price performance, SONET and SONET Ring advantages, coupled with attrition and normal provisioning of new growth. Fiber deployment in the interoffice will be virtually complete (99%) by year 2000.

Fiber optic cable substituting for metallic copper in the Interoffice network is a well-established technological substitution. Figure 2 depicts the current fiber penetration projection in the Interoffice.

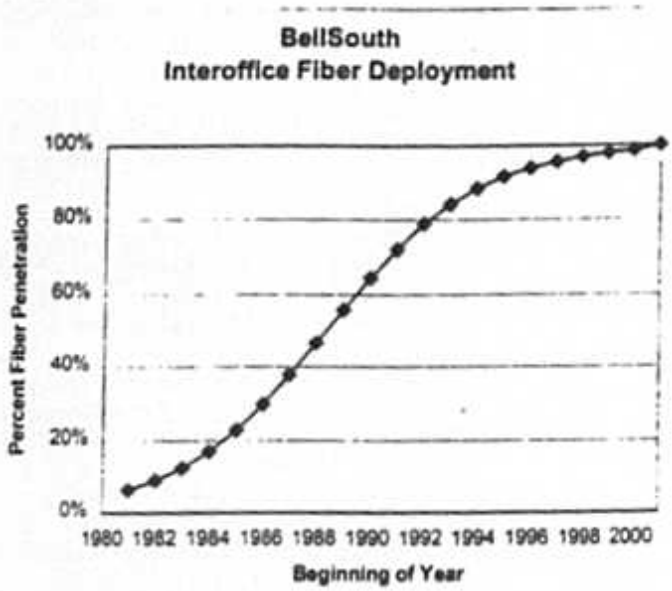


Figure 2

Due to the high penetration levels of fiber, no new metallic cables are being placed in the IOF. As of 1/1/98, the average remaining life (ARL) of Interoffice network metallic cable is 1.7 years (Table 1).

Development of IOF Metallic Cable Remaining Life

BOY Year A	Survival Rate B	BST Pre-1998 Percent Surviving C
1998	100.00%	1.00000
1999	70.83%	0.70830
2000	70.06%	0.49623
2001	0.00%	0.00000

IOF ARL = Sum (col C) / C[1998] - 0.5 = 1.7 Years

Table 1

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Feeder

By the end of the decade, demand for DS-1 (Digital Signal-1, 24-channel capacity) and greater levels of service will be ubiquitous across the network. While conditioned copper facilities can provide DS-1 levels of service, ubiquitous demand will impose range and capacity constraints beyond the ability of today's metallic network. Without Fiber in the Feeder (FITF), meeting this anticipated customer demand for greater bandwidth or competing with alternative providers on an economic basis will not be possible.

BellSouth is aggressively deploying fiber in the Feeder. As the Feeder evolves toward a fiber optic network, fiber connectivity is increasing. With increasing fiber connectivity and the deployment of SONET, the Feeder is evolving to a self-healing network with diversity (that is, alternative routing between locations).

The major driving force that dictates the deployment strategy in the Feeder network is economics, present and future. First cost and operational maintenance savings are the key economic factors today.

Maintenance savings represent a significant economic consideration for FITF. Fiber systems provide increased capacity through their high bandwidth and range capabilities. In addition, the volume of electronic components can be reduced dramatically compared with copper systems. Reductions in electronics, coupled with the deployment of integrated carrier systems, have resulted in significant operational maintenance savings.

Diversity in the loop is increasingly becoming a necessity, and it is being achieved through the use of SONET facilities and SONET-capable Next Generation Digital Loop Carrier (NGDLC). Also, more efficient use of network capacity can be achieved through the use of variable bandwidth technologies such as Asynchronous Transfer Mode (ATM). The need for ATM over SONET will further increase the deployment of fiber in the feeder segment.

In addition to economic considerations, competition will be a driving force for fiber deployment in the Feeder. The transition from being a highly regulated company to a less-regulated, competitive telecommunications provider requires leading-edge technologies with increased capabilities, capacities, and reliability. These new technologies ultimately reduce operational cost through economies of scale and maintenance savings. This is critical to compete with the wave of competitive access providers today and is expected in the open marketplace of the future. Companies in the cable television industry, interexchange carriers, and competitive access providers, such as MCI, AT&T, and MFS, have already filed with local Commissions to provide service in many of the States in the BellSouth region.

Figure 3 shows the projected Feeder fiber penetration levels. Fiber deployment in the Feeder loop is now in the rapid deployment phase with projected complete substitution (99%) by year-end 2009.

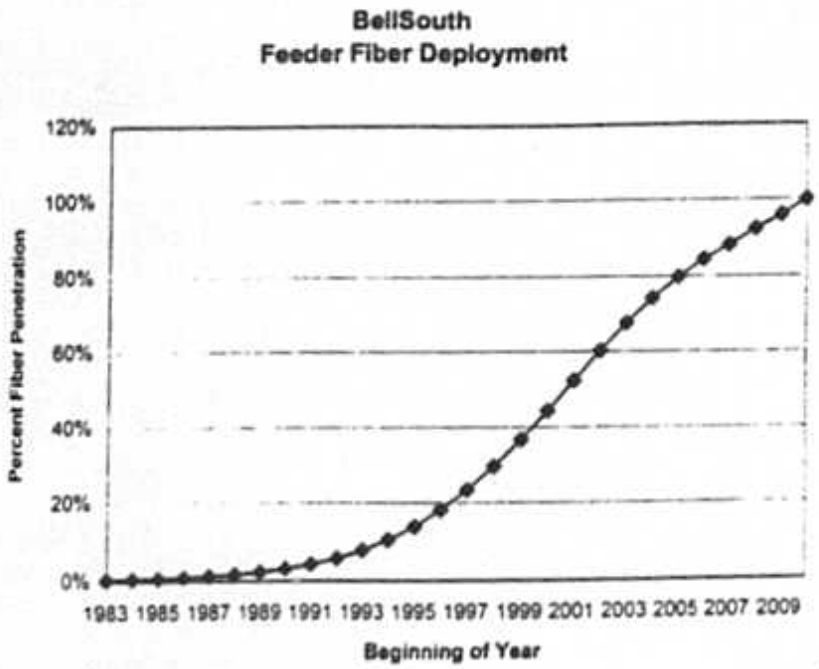
BellSouth
Feeder Fiber Deployment
120%
100%
80%
60%
40%
20%
0%
Percent Fiber Penetration
1983 1985 1987 1989 1991 1993 1995 1997 1999 2001 2003 2005 2007 2009
Beginning of Year

Figure 3

The average remaining life (ARL) of embedded Feeder network metallic cable as of 1/1/98 is 5.1 years. Table 2 shows the development of the average remaining life.

Development of FDR Metallic Cable Remaining Life

BOY Year A	Survival Rate B	BST Pre-1998 Percent Surviving C
1998	100.00%	1.00000
1999	89.98%	0.89980
2000	87.95%	0.79137
2001	85.77%	0.67876
2002	83.51%	0.56683
2003	81.29%	0.46078
2004	79.21%	0.36498
2005	77.33%	0.28224
2006	75.71%	0.21369
2007	74.36%	0.15890
2008	73.24%	0.11638
2009	63.11%	0.07344
2010	0.00%	0.00000

FDR ARL = Sum (col C) / C[1998] - 0.5 = 5.1 Years

Table 2

Distribution

The distribution is often referred to as the "last mile" to the customer. In residential areas, especially in rural regions, it is increasingly difficult to provide high-capacity transport to customers who are far from switching centers and far apart from one another. The distribution network is essentially a copper-based network in the introductory stages of fiber-in-the-loop (FITL) deployment.

General Deployment of fiber in the distribution began in 1994. BellSouth has evaluated the feasibility of various architectures that include fiber or hybrid fiber/coax in the distribution. The current focus is on fiber-to-the-curb (FTTC) and fiber-to-the-home (FTTH) alternatives which extend fiber to an area of no more than several hundred customers.

FITL is the first choice architecture for all new residential developments requiring buried distribution facilities. While the installed-first-cost (IFC) of FITL is slightly higher than copper, FITL is the economic winner in these areas. As the IFC of FITL improves, the economics of deployment elsewhere will tilt toward fiber. Other developments, including additional components to provide DS1 and new PC-data services via existing FITL architecture, will make FITL even more attractive.

Fiber is being deployed in new service areas because it is the economic choice. As with the IOF and Feeder segments, capacity and reliability are major drivers for the deployment of fiber in the distribution. Other technologies such as HDSL (High Speed Digital Subscriber Line) and ADSL (Asymmetrical Digital Subscriber Line) add value to the existing copper plant by expanding the bandwidth that copper pairs can deliver. However, utilizing these technologies will stimulate the demand for higher-speed data services. As customer demands increase beyond the capacity of copper cable, these technologies will ultimately accelerate the demise of metallic cables.

There are other technologies such as direct satellite broadcast, coaxial cable and wireless that may offer high capacity to meet data and multimedia needs. However, these technologies suffer from the inability to provide high bandwidth in both directions, and fall short of the security and reliability of FITL.

FITL deployment will steadily increase in the next few years and greatly accelerate as the economics for fiber improve and as service requirements demand it. BellSouth anticipates that virtually all (99%) copper will be displaced by year-end 2015.

Figure 4

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The average remaining life (ARL) of embedded Distribution network metallic cable as of 1/1/98 is 7.7 years. Table 3 shows the development of the Distribution average remaining life.

Development of DIST Metallic Cable Remaining Life

BOY Year A	Survival Rate B	BST Pre-1998 Percent Surviving Access Lines (000) C
1998	100.00%	1.00000
1999	98.22%	0.98220
2000	96.29%	0.94576
2001	92.11%	0.87114
2002	91.32%	0.79552
2003	89.45%	0.71160
2004	88.57%	0.63026
2005	85.84%	0.54102
2006	82.92%	0.44861
2007	79.99%	0.35884
2008	77.23%	0.27714
2009	74.78%	0.20724
2010	72.72%	0.15071
2011	71.05%	0.10708
2012	69.75%	0.07469
2013	68.74%	0.05134
2014	52.56%	0.02698
2015	27.12%	0.00732
2016	0.00%	0.00000

DIST ARL = Sum (col C) / C[1998] - 0.5 = 7.7 Years

Table 3

Life Proposal (Plives and ARL's)

Vintage Group (VG) remaining lives were calculated based on estimated 1/1/98 Interoffice, Feeder. and Distribution investment percentages and the ARL's developed for each functional area in the Life Analysis above. Table 4 shows the calculation methodology, resulting composite Vintage Group remaining lives, and corresponding projection lives (Plives) for Aerial, Underground, and Buried Metallic Cable.

Projection lives underlying remaining lives were determined for each state using the generation arrangement. An analysis of projection lives for each state, as well as a BST composite indicated projection lives that were approximately 14 years for Aerial, 12 years for Underground, and 14 years for Buried Cable. While the underlying projection lives for Florida do not exactly equal these lives. they are reasonably close. BellSouth expects that the life for the metallic cable accounts will ultimately be about the same throughout BellSouth. Thus, 14 years for Aerial, 12 years for Underground, and 14 years for Buried Cable are used in this study.

Life Composite
1/1/98

	Metallic Cable Percent by Function				VG ARL by function			Composite	
	Feeder	Distr.	Interofc	Total	Feeder	Distr.	Interofc	VG ARL	Plife
	a	b	c	d	e	f	g	h	i
Aerial	18.38	81.58	0.04	100.0	5.1	7.7	1.7	7.2	12.7
Underground	94.85	5.07	0.08	100.0	5.1	7.7	1.7	5.2	12.8
Buried	30.19	69.77	0.04	100.0	5.1	7.7	1.7	6.9	14.4

Notes:
1. h = (a*e)+(b*f)-(c*g)
2. i = Underlying Plife for the VG ARL

Table 4

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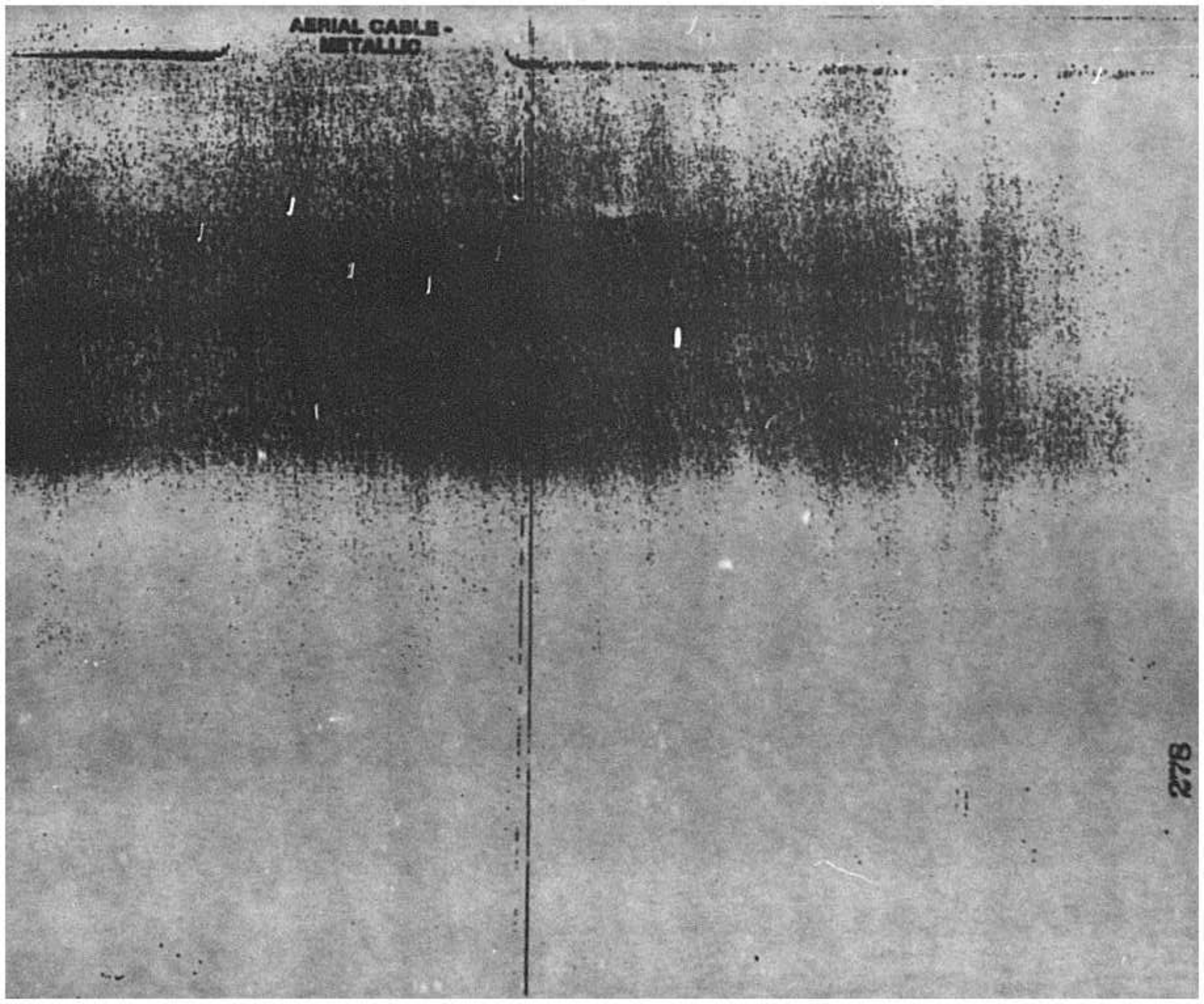

AERIAL CABLE -
METALLIC
278

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2421.1000
Category	:	Aerial Cable Metallic

Account Description

The Aerial Cable Metallic Account consists of aerially suspended metallic-conductor cables, wires, and service wires supported by poles or other structures. It also includes terminals, load coils, inductors, build-out capacitors, supporting strand, and other miscellaneous items used in the construction of aerial cable.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve in the Aerial Cable Metallic Account are shown below in Table 1.

State	Invest (SM)	% of Depr Plant	Reserve (SM)	Res %
Florida	749.3	6.7	467.4	62.4

Table 1

Life Proposal

The General Cable narrative provides a discussion of the development of remaining and projection lives for this account. A 14 year projection life was developed and selected for the Aerial Cable Metallic account.

The graduated curve shape for the 1994-1996 band with the least absolute retirement differences to total data was selected.

Salvage Proposal

The Company is selecting a future net salvage of -14%. BellSouth's future net salvage values are based on historical salvage and on future salvage expectations for the Aerial Cable Metallic account.

COMPANY	:	BELLSOUTH TELECOMMUNICATIONS
STATE	:	FLORIDA
ACCOUNT	:	2421.1000
CATEGORY	:	AERIAL CABLE METAL

INDEX

September 30, 1997

Run Date : 09/30/97 - 16.46.02
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2421.1000
Category : Aerial Cable Metal

Account Parameter Summary

ELG Start Year: 1998	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	614,330,714	749,266,848	
Adjustment	0	0	
Study	614,330,714	749,266,848	
% Tot. Depr. Plant	6.94	6.74	
Depr. Reserve ($)	260,512,949	467,443,756	
(%)	42.4	62.4	
P-Life/AYFR (Yrs)			
Aerial Cable Metal	15.5	14.0	
Curve			
Aerial Cable Metal	88-90 MORT	1994-1996 MORT	
C	1.03000000E+00	1.02000000E+00	
G	-7.57563070E-01	-1.18860420E+00	
S	2.23074920E-02	2.14624200E-02	
Whole Life (Yrs)	16.2	16.4	
Avg. Net Salv. (%)	-9	-13	
WL Rate (%)	6.7	6.9	
Composite Rem Life (Yrs)	9.7	8.3	
Fut. Net Salv. (%)	-9	-14	
Composite RL Rate (%)	6.9	6.2	
Intrastate Factor (%)	71.59	74.62	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.24.26
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2421.1000
Category : Aerial Cable Metal

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	33524156	.9927	.50	13.58	13.98	2398330	32570835
VG 1996	1.5	30648369	.9898	1.49	12.78	14.14	2166744	27697967
VG 1995	2.5	33940031	.9811	2.48	12.04	14.29	2375385	28598989
VG 1994	3.5	28300792	.9730	3.45	11.35	14.49	1952567	22153906
VG 1993	4.5	45290798	.9638	4.43	10.70	14.74	3073294	32879222
VG 1992	5.5	44355011	.9031	5.19	10.09	14.31	3100047	31289563
VG 1991	6.5	29964880	.9191	6.22	9.53	14.97	2001127	19065788
VG 1990	7.5	29622880	.9061	7.13	9.00	15.29	1937610	17435124
VG 1989	8.5	29699478	.9301	8.22	8.50	16.13	1841228	15655592
VG 1988	9.5	33555400	.8773	8.97	8.04	16.02	2094436	16836498
VG 1987	10.5	37721341	.8704	9.92	7.60	16.54	2281251	17345805
VG 1986	11.5	35657417	.8499	10.80	7.20	16.91	2108312	15170577
VG 1985	12.5	41964895	.8426	11.67	6.81	17.41	2410293	16420523
VG 1984	13.5	53471232	.8284	12.45	6.45	17.80	3004131	19385860
VG 1983	14.5	38431537	.8157	13.04	6.12	18.03	2131856	13036703
VG 1982	15.5	37418159	.8044	14.01	5.80	18.68	2003319	11614305
VG 1981	16.5	38395700	.7352	14.64	5.50	18.68	2055518	11302716
VG 1980	17.5	31399084	.6355	14.13	5.22	17.44	1800260	9392826
VG 1979	18.5	20430401	.6294	15.06	4.95	18.17	1124208	5567806
VG 1978	19.5	13147908	.5800	15.26	4.70	17.99	730785	3436973
VG 1977	20.5	8565938	.5693	16.03	4.47	18.57	461224	2060709
VG 1976	21.5	7060840	.5329	16.40	4.25	18.67	378287	1606240
VG 1975	22.5	4747559	.4462	16.16	4.04	17.96	264397	1067312
VG 1974	23.5	4638876	.4296	16.63	3.84	18.28	253774	974289
VG 1973	24.5	4752970	.3947	16.94	3.65	18.38	258582	944498
PRIOR		32561196	.2560	21.56	2.71	21.21	1534982	4165778
Totals		749266848					45741947	377676404
Composites			.750018		8.25668*	16.38030#		

Plife: 14.0
c = -1.02000000E+00 G = -1.18860420E+00 S = -2.14624200E-02 Unscaled
c = -1.04353557E+00 G = -1.18860420E+00 S = -4.61863455E-02 Scaled

+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 999012399

Run Date : 09/30/97 - 15.35.25
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2421.1000
Category : Aerial Cable Metal

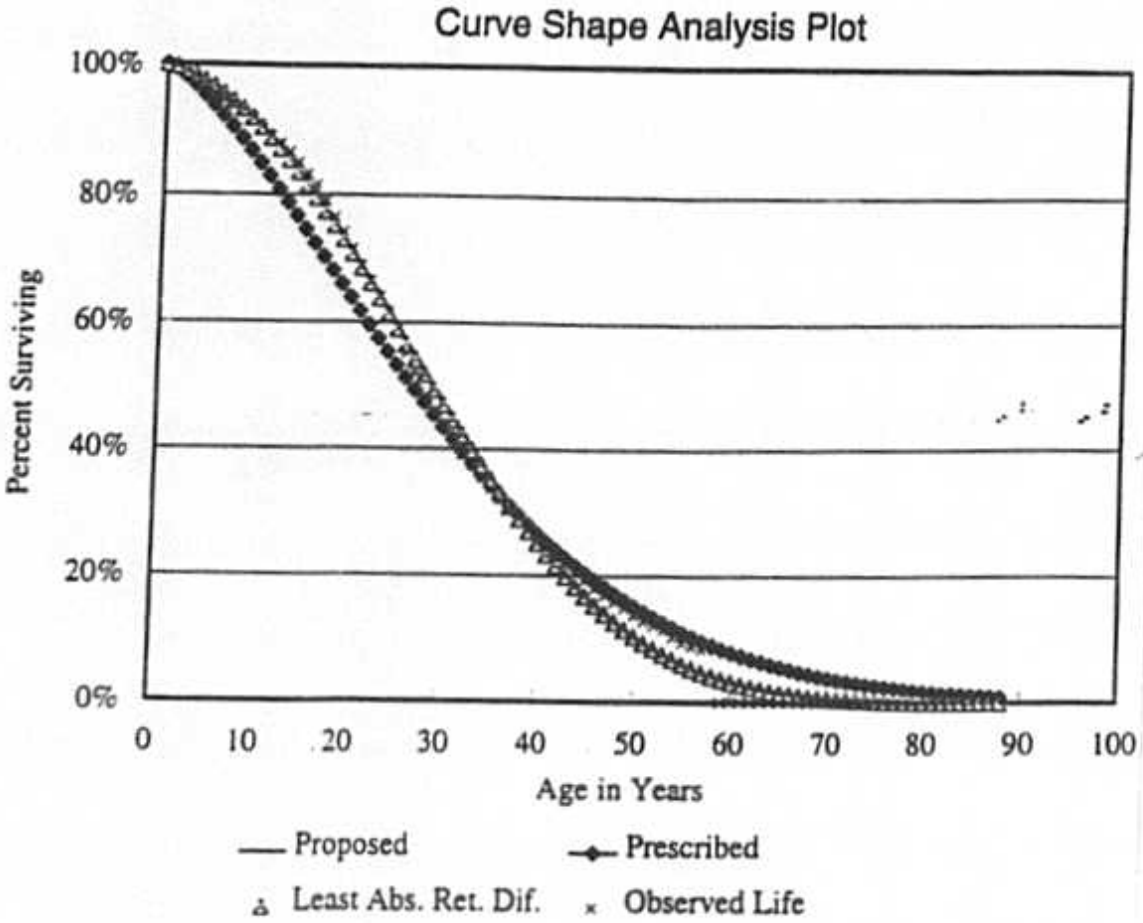
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 14.0
C = +1.02000000E+00 G = -1.18860420E+00 S = +2.14624200E-02 Unscaled
C = +1.04353557E+00 G = -1.18860420E+00 S = +4.61863455E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	575	.5	1150	12600	7.94	7.94	14.00
.5	99425	1516	1.0	1516	11450	8.68	8.18	13.58
1.5	97909	2003	2.0	1001	9934	9.86	8.36	12.78
2.5	95906	2480	3.0	827	8932	10.74	8.24	12.04
3.5	93426	2939	4.0	735	8106	11.53	8.03	11.35
4.5	90487	3373	5.0	675	7371	12.28	7.78	10.70
5.5	87113	3773	6.0	629	6696	13.01	7.51	10.09
6.5	83341	4130	7.0	590	6067	13.74	7.24	9.53
7.5	79210	4439	8.0	555	5477	14.46	6.96	9.00
8.5	74771	4693	9.0	521	4922	15.19	6.69	8.50
9.5	70079	4886	10.0	489	4401	15.92	6.42	8.04
10.5	65193	5015	11.0	456	3912	16.66	6.16	7.60
11.5	60178	5078	12.0	423	3457	17.41	5.91	7.20
12.5	55100	5075	13.0	390	3033	18.16	5.66	6.81
13.5	50025	5007	14.0	358	2643	18.93	5.43	6.45
14.5	45018	4878	15.0	325	2285	19.70	5.20	6.12
15.5	40140	4692	16.0	293	1960	20.48	4.98	5.80
16.5	35448	4456	17.0	262	1667	21.27	4.77	5.50
17.5	30992	4179	18.0	232	1405	22.06	4.56	5.22
18.5	26814	3867	19.0	204	1173	22.87	4.37	4.95
19.5	22946	3532	20.0	177	969	23.68	4.18	4.70
20.5	19414	3183	21.0	152	792	24.50	4.00	4.47
21.5	16231	2829	22.0	129	641	25.33	3.83	4.25
22.5	13402	2478	23.0	108	512	26.16	3.66	4.04
23.5	10923	2140	24.0	89	405	27.00	3.50	3.84
24.5	8784	1820	25.0	73	315	27.85	3.35	3.65
Total		99998						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2421.1000
Category : Aerial Cable Metal



Method = MORT 1994-1996 Band T = 57

c = +1.02000000E+00 G = -1.18860420E+00 S = +2.14624200E-02

Curves Scaled to the Observed Life of 29.26

294

Sept. 30, 1997

Run Date : 12/01/97 - 12.50.40
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2421.1000
Category : Aerial Cable Metal

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	249746*	14.7**	36713	23.7**	59190	-9.0
FUTURE	749267#	3.0##	22478	17.0##	127375	-14.0
TOTAL	999013		59191		186565	
AVERAGE		5.9		18.7		-12.8

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/01/97 - 12.50.48
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2421.1000
Category : Aerial Cable Metal

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1972%	545187131	19073281	4211951	22.1	4233019	22.2	-.1
1973	99400133	1710266	415666	24.3	603403	35.3	-11.0
1974	108745751	2072992	685608	33.1	666540	32.2	.9
1975	116619374	2048618	409581	20.0	760668	37.1	-17.1
1976	125975961	1727624	273617	15.8	718475	41.6	-25.7
1977	137380607	2148951	355995	16.6	949771	44.2	-27.6
1978	153835360	2836096	399656	14.1	1321988	46.6	-32.5
1979	175243267	4212667	853162	20.3	1844147	43.8	-23.5
1980	208637859	5600308	1214656	21.7	2190675	39.1	-17.4
1981	252632768	7549905	2007641	26.6	2767965	36.7	-10.1
1982	296884644	9899335	1239038	12.5	2972011	30.0	-17.5
1983	346715159	9360914	1460298	15.6	2585600	27.6	-12.0
1984	431920252	11276031	1425542	12.6	2821812	25.0	-12.4
1985	471748502	10621372	2902445	27.3	2658858	25.0	2.3
1986	506158933	8879471	1534520	17.3	2708315	30.5	-13.2
1987	540971153	8457587	928704	11.0	2239303	26.5	-15.5
1988	539384006	8727823	1002689	11.5	1737952	19.9	-8.4
1989	564238015	7344407	1092346	14.9	1684012	22.9	-8.1
1990	584132410	12059102	1099026	9.1	1743027	14.5	-5.3
1991	613175650	3718554	897211	24.1	2003842	53.9	-29.8
1992	637169502	23563306	1796686	7.6	3374465	14.3	-6.7
1993	659495073	26934050	2219925	8.2	4379036	16.3	-8.0
1994	679230802	9343093	1683700	18.0	2198913	23.5	-5.5
1995	702198683	12840446	1958442	15.3	2250176	17.5	-2.3
1996	724197848	8995343	1757150	19.5	2180149	24.2	-4.7
1997#	749266848	8701000	1000615	11.5	1531376	17.6	-6.1
Grand Total		229702542	34825870	15.2	55125498	24.0	-8.8
1945-1997 @@		229702542	34825870	15.2	55125498	24.0	-8.8
1988-1997 **		122227124	14507790	11.9	23082948	18.9	-7.0

% Represents 1972 and prior years
@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/01/97 - 12.50.48
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2421.1000
Category : Aerial Cable Metal

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1975	9708451	2140467	22.0	3698857	38.1	-16.1
1976	10834281	2124457	19.6	4417442	40.8	-21.2
1977	12973956	2292011	17.7	5595049	43.1	-25.5
1978	16525646	3097086	18.7	7025056	42.5	-23.8
1979	22347927	4831110	21.6	9074546	40.6	-19.0
1980	30098311	5714153	19.0	11096786	36.9	-17.9
1981	36623129	6774795	18.5	12360398	33.8	-15.3
1982	43686493	7347175	16.8	13338063	30.5	-13.7
1983	48707557	9034964	18.5	13806246	28.3	-9.8
1984	50037123	8561843	17.1	13746596	27.5	-10.4
1985	48595375	8251509	17.0	13013888	26.8	-9.8
1986	47962284	7793900	16.3	12166240	25.4	-9.1
1987	44030660	7460704	16.9	11028440	25.0	-8.1
1988	45468390	5657285	12.4	10112609	22.2	-9.8
1989	40307473	5019976	12.5	9408136	23.3	-10.9
1990	55413192	5887958	10.6	10543298	19.0	-8.4
1991	73619419	7105194	9.7	13184382	17.9	-8.3
1992	75618105	7696548	10.2	13699283	18.1	-7.9
1993	76399449	8555964	11.2	14206432	18.6	-7.4
1994	81676238	9415903	11.5	14382739	17.6	-6.1
1995	66813932	8619832	12.9	12539650	18.8	-5.9

Run Date : 12/01/97 - 12.51.13
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2421.1000
Category : Aerial Cable Metal

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retire-ments	Retire-ment Ratio	Band	Average Plant Balance	Retire-ments	Retire ment Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	346715159							
1984	431920252	389317706	11275994	.02896				
1985	471748502	451834377	10620666	.02351	84-86	1330105801	30766151	.02313
1986	506158933	488953718	8869491	.01814	85-87	1464353138	27947744	.01909
1987	540971153	523565043	8457587	.01615	86-88	1552696341	26055285	.01678
1988	539384006	540177580	8728207	.01616	87-89	1615553634	24530201	.01518
1989	564238015	551811011	7344407	.01331	88-90	1666173804	28131716	.01688
1990	584132410	574185213	12059102	.02100	89-91	1724650254	23122063	.01341
1991	613175650	598654030	3718554	.00621	90-92	1798011819	39345651	.02188
1992	637169502	625172576	23567995	.03770	91-93	1872158894	54220599	.02896
1993	659495073	648332288	26934050	.04154	92-94	1942867802	59845138	.03080
1994	679230802	669362938	9343093	.01396	93-95	2008409969	49117589	.02446
1995	702198683	690714743	12840446	.01859	94-96	2073275947	31178882	.01504
1996	724197848	713198266	8995343	.01261	95-97	2140645357	30536789	.01427
1997#	749266848	736732348	8701000	.01181				

Forecasted activity

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2421.2000
Category	:	Aerial Cable Fiber

Account Description

The Aerial Cable Fiber Account consists of aerially suspended fiber optic cables supported by poles or other structures. It also includes terminals, supporting strand, and other miscellaneous items used in the construction of fiber optic aerial cable.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve in the Aerial Cable Fiber Account are shown below in Table 1.

State	Invest ($M)	% of Depr Plant	Reserve ($M)	Res %
Florida	40.0	0.4	6.7	16.7

Table 1

Life Proposal

Fiber optic cable is subject to replacement due to enhancements in the existing technology (for example, multimode fiber by single mode), to manufacturing defects, and to clouding of the fiber. Aerial fiber optic cable can also be damaged by accidents and weather disturbances. While a small portion of the investment in aerial cable fiber has been retired, there have not yet been sufficient retirements to establish reliable patterns based on historical data. Based on analogies with related technologies and the highly accelerated pace of technological replacement taking place today, we can infer that fiber optic cable will be replaced by some new technology and that it will probably have a shorter life than the technology which preceded it (metallic cable).

Based on the considerations above, the company selects a projection life of 20.

Graduations of the limited historical retirement data for Aerial Cable Fiber do not yield curve shapes indicative of the retirement pattern expected for this account. Therefore, the Company selects curve shapes which satisfy the least absolute retirement difference in the latest 3 year aerial metallic band.

Salvage Proposal

Because of the limited number of retirements. historical net salvage data for aerial cable fiber is not yet consistent enough to be the basis of projections for the future. With little or no gross salvage being generated by the reclamation of fiber cable, the Company would expect long term future net salvage for this account to consist primarily of cost of removal. Future net salvage rates should be somewhat comparable to the values for aerial metallic cable. The Company selects a future net salvage of –14%.

COMPANY	:	BELLSOUTH TELECOMMUNICATIO
STATE	:	FLORIDA
ACCOUNT	:	2421.2000
CATEGORY	:	AERIAL CABLE FIBER

INDEX

September 30, 1997

Run Date : 09/30/97 - 16.46.28
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2421.2000
Category : Aerial Cable Fiber

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	14,932,678	39,950,671	
Adjustment	0	0	
Study	14,932,678	39,950,671	
% Tot. Depr. Plant	.17	.36	
Depr. Reserve ($)	905,350	6,656,246	
(%)	6.1	16.7	
P-Life/AYFR (Yrs)			
Aerial Cable Fiber	20.0	20.0	
Curve			
Aerial Cable Fiber	88-90 MORT	1994-96 AER MET	
c	1.67000000E+00	1.02000000E+00	
G	-5.28117200E-03	-1.18860420E+00	
S	2.73799100E-03	2.14624200E-02	
Whole Life (Yrs)	18.5	19.9	
Avg. Net Salv. (%)	0	-13	
WL Rate (%)	5.4	5.7	
Composite Rem Life (Yrs)	17.7	16.8	
Fut. Net Salv. (%)	0	-14	
Composite RL Rate (%)	5.3	5.8	
Intrastate Factor (%)	71.59	74.02	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.24.43
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2421.2000
Category : Aerial Cable Fiber

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	5820186	.9980	.50	19.58	20.04	290466	5686767
VG 1996	1.5	6629224	.9946	1.50	18.76	20.16	328861	6170586
VG 1995	2.5	5051546	.9844	2.48	17.99	20.19	250190	4500437
VG 1994	3.5	3387884	.9543	3.40	17.25	19.87	170544	2941815
VG 1993	4.5	2876315	.9494	4.40	16.55	20.11	143014	2366326
VG 1992	5.5	3132499	.9328	5.34	15.88	20.15	155473	2468235
VG 1991	6.5	4105066	.9151	6.30	15.24	20.25	202741	3089085
VG 1990	7.5	4339399	.8176	6.74	14.63	18.70	232018	3393777
VG 1989	8.5	1955252	.8644	7.99	14.05	20.13	97115	1364068
VG 1988	9.5	778753	.8281	9.01	13.49	20.18	38581	520505
VG 1987	10.5	713295	.8905	10.10	12.96	21.64	32961	427228
VG 1986	11.5	605919	.8213	10.51	12.46	20.74	29220	363970
VG 1985	12.5	355797	.5444	10.61	11.97	17.12	20779	248786
VG 1984	13.5	71877	.0709	7.56	11.51	8.38	8579	98757
VG 1983	14.5	127660	.8417	14.00	11.07	23.32	5475	60618
Totals		39950672					2006017	33700960
Composites			.90963@		16.79994*	19.91542#		

Plife: 20.0
c = -1.02000000E+00 G = -1.18860420E+00 S = +2.14624200E-02 Unscaled
c = -1.03027955E+00 G = -1.18860420E+00 S = +3.23304418E-02 Scaled

+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 43919781

Run Date : 09/30/97 - 15.35.42
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2421.2000
Category : Aerial Cable Fiber

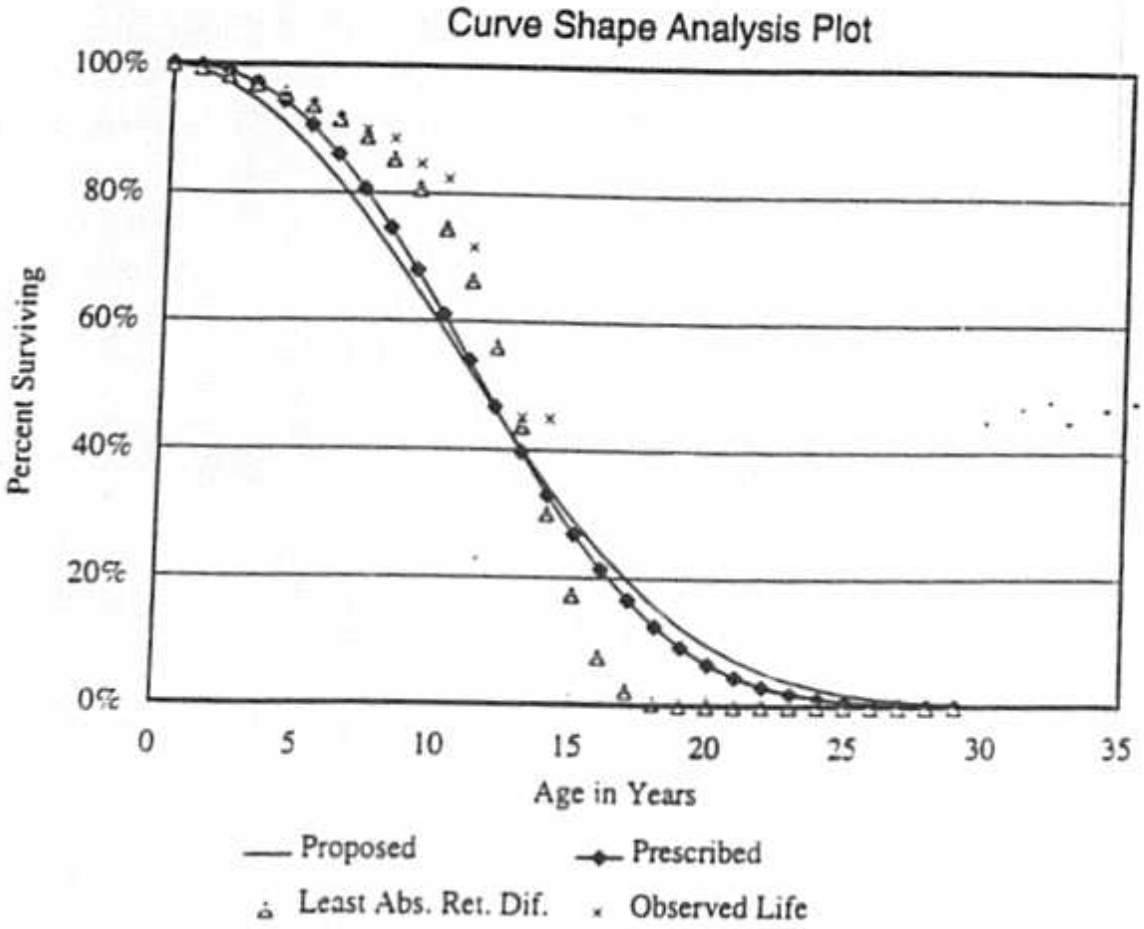
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 20.0
C = +1.02000000E+00 G = -1.18860420E+00 S = +2.14624200E-02 Unscaled
C = +1.03027955E+00 G = -1.18860420E+00 S = +3.23304418E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	390	.5	779	9104	10.98	10.98	20.00
.5	99610	959	1.0	959	8324	11.97	11.47	19.58
1.5	98651	1198	2.0	599	7365	13.39	11.89	18.76
2.5	97453	1436	3.0	479	6766	14.40	11.90	17.99
3.5	96017	1670	4.0	418	6288	15.27	11.77	17.25
4.5	94347	1899	5.0	380	5870	16.07	11.57	16.55
5.5	92448	2120	6.0	353	5490	16.84	11.34	15.88
6.5	90328	2332	7.0	333	5137	17.58	11.08	15.24
7.5	87996	2533	8.0	317	4804	18.32	10.82	14.63
8.5	85463	2720	9.0	302	4487	19.05	10.55	14.05
9.5	82743	2892	10.0	289	4185	19.77	10.27	13.49
10.5	79851	3047	11.0	277	3896	20.50	10.00	12.96
11.5	76804	3184	12.0	265	3619	21.22	9.72	12.46
12.5	73620	3301	13.0	254	3353	21.95	9.45	11.97
13.5	70318	3397	14.0	243	3099	22.69	9.19	11.51
14.5	66921	3472	15.0	231	2857	23.43	8.93	11.07
15.5	63449	3524	16.0	220	0	.00	.00	.00
16.5	59925	3553	17.0	209	0	.00	.00	.00
17.5	56372	3560	18.0	198	0	.00	.00	.00
18.5	52812	3544	19.0	187	0	.00	.00	.00
19.5	49268	3506	20.0	175	0	.00	.00	.00
20.5	45762	3447	21.0	164	0	.00	.00	.00
21.5	42316	3368	22.0	153	0	.00	.00	.00
22.5	38948	3270	23.0	142	0	.00	.00	.00
23.5	35678	3156	24.0	131	0	.00	.00	.00
24.5	32522	3026	25.0	121	0	.00	.00	.00
Total		99998						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2421.2000
Category : Aerial Cable Fiber



Method = MORT 1994-1996 Band T = 14

c = +1.02000000E+00 G = -1.18860420E+00 S = +2.14624200E-02

Curves Scaled to the Observed Life of 11.29

Sept. 30, 1997

Run Date : 12/01/97 - 13.18.57
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2421.2000
Category : Aerial Cable Fiber

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	3969*	1.9**	75	4.4**	175	-2.5
FUTURE	39951#	3.0##	1199	17.0##	6792	-14.0
TOTAL	43920		1274		6967	
AVERAGE		2.9		15.9		-13.0

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/01/97 - 13.19.03
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2421.2000
Category : Aerial Cable Fiber

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1981	0	0	0	.0	0	.0	.0
1982	0	0	0	.0	0	.0	.0
1983	119870	0	0	.0	0	.0	.0
1984	1566290	0	0	.0	0	.0	.0
1985	2254292	0	0	.0	0	.0	.0
1986	2983892	0	0	.0	0	.0	.0
1987	3730896	12783	1363	10.7	4186	32.7	-22.1
1988	4338323	297869	872	.3	22459	7.5	-7.2
1989	6047569	564710	490	.1	1117	.2	-.1
1990	10766663	190921	29104	15.2	8458	4.4	10.8
1991	11209660	4001183	454	.0	9230	.2	-.2
1992	18072706	-3525056	0	.0	14087	-.4	.4
1993	20583274	501422	3931	.8	19808	4.0	-3.2
1994	23876665	275144	198	.1	19045	6.9	-6.8
1995	28193372	837066	9220	1.1	51824	6.2	-5.1
1996	34514671	451860	29907	6.6	30525	6.8	-.1
1997#	39950671	396000	-11880	-3.0	-36828	-9.3	6.3
Grand Total		4003902	63659	1.6	143911	3.6	-2.0
1988-1997 @@		3991119	62296	1.6	139725	3.5	-1.9
1988-1997 **		3991119	62296	1.6	139725	3.5	-1.9

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/01/97 - 12.19.03
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2421.2000
Category : Aerial Cable Fiber

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1983	0	0	.0	0	.0	.0
1984	0	0	.0	0	.0	.0
1985	12783	1363	10.7	4186	32.7	-22.1
1986	310652	2235	.7	26645	8.6	-7.9
1987	875362	2725	.3	27762	3.2	-2.9
1988	1066283	31829	3.0	36220	3.4	-.4
1989	5067466	32283	.6	45450	.9	-.3
1990	1529627	30920	2.0	55351	3.6	-1.6
1991	1733180	33979	2.0	52700	3.0	-1.1
1992	1443614	33687	2.3	70628	4.9	-2.6
1993	2089759	13803	.7	113394	5.5	-4.8
1994	-1459564	43256	-3.0	135289	-9.3	6.3
1995	2461492	31376	1.3	84374	3.4	-2.2

Run Date : 12/01/97 - 13.19.21
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2421.2000
Category : Aerial Cable Fiber

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	119870							
1984	1566290	843080	0	.00000				
1985	2254292	1910291	704	.00037	84-86	5372463	10686	.00199
1986	2983892	2619092	9982	.00381	85-87	7886777	23469	.00298
1987	3730896	3357394	12783	.00381	86-88	10011096	320634	.03203
1988	4338323	4034610	297869	.07383	87-89	12584950	875362	.06956
1989	6047569	5192946	564710	.10875	88-90	17634672	1053500	.05974
1990	10766663	8407116	190921	.02271	89-91	24588224	4756814	.19346
1991	11209660	10988162	4001183	.36414	90-92	34036461	667048	.01960
1992	18072706	14641183	-3525056	-.24076	91-93	44957335	977549	.02174
1993	20583274	19327990	501422	.02594	92-94	56199143	-2748490	-.04891
1994	23876665	22229970	275144	.01238	93-95	67592979	1613632	.02387
1995	28193372	26035019	837066	.03215	94-96	79619011	1564070	.01964
1996	34514671	31354022	451860	.01441	95-97	94621712	1684926	.01781
1997#	39950671	37232671	396000	.01064				

Forecasted activity

UNDERGROUND
CABLE - METALLIC

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2422.1000
Category	:	Underground Cable Metallic

Account Description

The Underground Cable Metallic Account consists of metallic-conductor cables placed in underground conduit, manholes, basements, and central office vaults including associated items such as load coils, build-out capacitors, and terminals served by underground cable.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve in the Underground Cable Metallic Account are shown below in Table 1.

State	Invest ($M)	% of Depr Plant	Reserve ($M)	Res %
Florida	730.5	6.6	659.8	90.3

Table 1

Life Proposal

The General Cable narrative provides a discussion of the development of remaining and projection lives for this account. A 12 year projection life was developed and selected for the Underground Cable Metallic Account.

Graduated curves reflect the impact of fiber substitution. The Company selects Bell 2.0 curves as being predictive of the future retirement pattern of this account.

Salvage Proposal

BellSouth's future net salvage value is based on historical salvage and on future salvage expectations for the underground cable metallic account. The Company is selecting a future net salvage of -8%.

COMPANY	:	BELLSOUTH TELECOMMUNICATIO
STATE	:	FLORIDA
ACCOUNT	:	2422.1000
CATEGORY	:	UNDERGROUND CABLE METAL

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September 30. 199

Run Date : 09/30/97 - 16.46.53
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2422.1000
Category : Undergrd Cable Metal

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	726,478,229	730,492,384	
Adjustment	0	0	
Study	726,478,229	730,492,384	
% Tot. Depr. Plant	8.33	6.57	
Depr. Reserve ($)	333,918,795	659,810,221	
(%)	46.0	90.3	
P-Life/AYFR (Yrs)			
Undergrd Cable Metal	11.6	12.0	
Curve			
Undergrd Cable Metal	88-90 MORT	BELL #2.0	
C	1.01000000E+00	1.10249400E+00	
G	-2.96521570E+00	-3.34100410E-01	
S	2.75234570E-02	2.40118790E-02	
Whole Life (Yrs)	16.6	18.5	
Avg. Net Salv. (%)	-3	-7	
WL Rate (%)	6.2	5.8	
Composite Rem Life (Yrs)	6.0	4.7	
Fut. Net Salv. (%)	0	-8	
Composite RL Rate (%)	9.0	3.8	
Intrastate Factor (%)	71.59	74.62	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.25.01
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2422.1000
Category : Undergrd Cable Metal

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	10249459	.9973	.50	11.61	12.07	848821	9852590
VG 1996	1.5	10017768	.9897	1.49	10.85	12.23	819304	8891208
VG 1995	2.5	10429073	.9749	2.46	10.14	12.34	844966	8569025
VG 1994	3.5	12540973	.9826	3.46	9.47	12.77	982198	9303898
VG 1993	4.5	13147119	.9821	4.46	8.84	13.15	1000127	8844931
VG 1992	5.5	11305700	.9737	5.43	8.25	13.46	839836	6931218
VG 1991	6.5	10575278	.9634	6.40	7.70	13.82	765417	5892434
VG 1990	7.5	12528273	.9604	7.39	7.18	14.28	877108	6295663
VG 1989	8.5	13146355	.9656	8.36	6.69	14.82	887025	5933764
VG 1988	9.5	18888944	.9348	9.23	6.23	15.05	1254889	7820323
VG 1987	10.5	23931803	.9157	10.02	5.80	15.34	1560545	9056209
VG 1986	11.5	21243209	.9542	11.29	5.40	16.44	1292070	6979727
VG 1985	12.5	22170680	.8889	11.94	5.03	16.40	1351483	6793363
VG 1984	13.5	27467561	.8948	12.82	4.68	17.01	1615140	7561847
VG 1983	14.5	36440261	.9040	13.79	4.35	17.72	2056004	8939085
VG 1982	15.5	59174757	.9034	14.86	4.04	18.51	3197416	12922937
VG 1981	16.5	56533149	.8572	15.73	3.76	18.95	2983617	11206665
VG 1980	17.5	83136280	.8872	16.82	3.49	19.92	4174028	14566376
VG 1979	18.5	48376566	.8502	17.47	3.24	20.22	2392284	7754922
VG 1978	19.5	36720852	.7912	17.91	3.01	20.29	1810043	5449340
VG 1977	20.5	24845010	.7924	19.10	2.80	21.31	1165666	3258814
VG 1976	21.5	12387867	.6766	19.05	2.60	20.80	595511	1545843
VG 1975	22.5	10744623	.5900	19.74	2.41	21.16	507822	1223942
VG 1974	23.5	19460831	.6217	20.67	2.24	22.06	882058	1973915
VG 1973	24.5	25561018	.6757	21.59	2.08	22.99	1111784	2310308
PRIOR		99468975	.5457	26.70	1.39	26.66	3730419	5168214
Totals		730492384					39545581	185036561
Composites			.795038		4.67907*	18.47216#		

Plife: 12.0
c = +1.10249400E-00 G = -3.34100410E-01 S = +1.40118790E-02 Unscaled
c = +1.08470971E-00 G = -3.34100410E-01 S = +2.00098960E-02 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 918827223

Run Date : 09/30/97 - 15.35.59
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2422.1000
Category : Undergrd Cable Metal

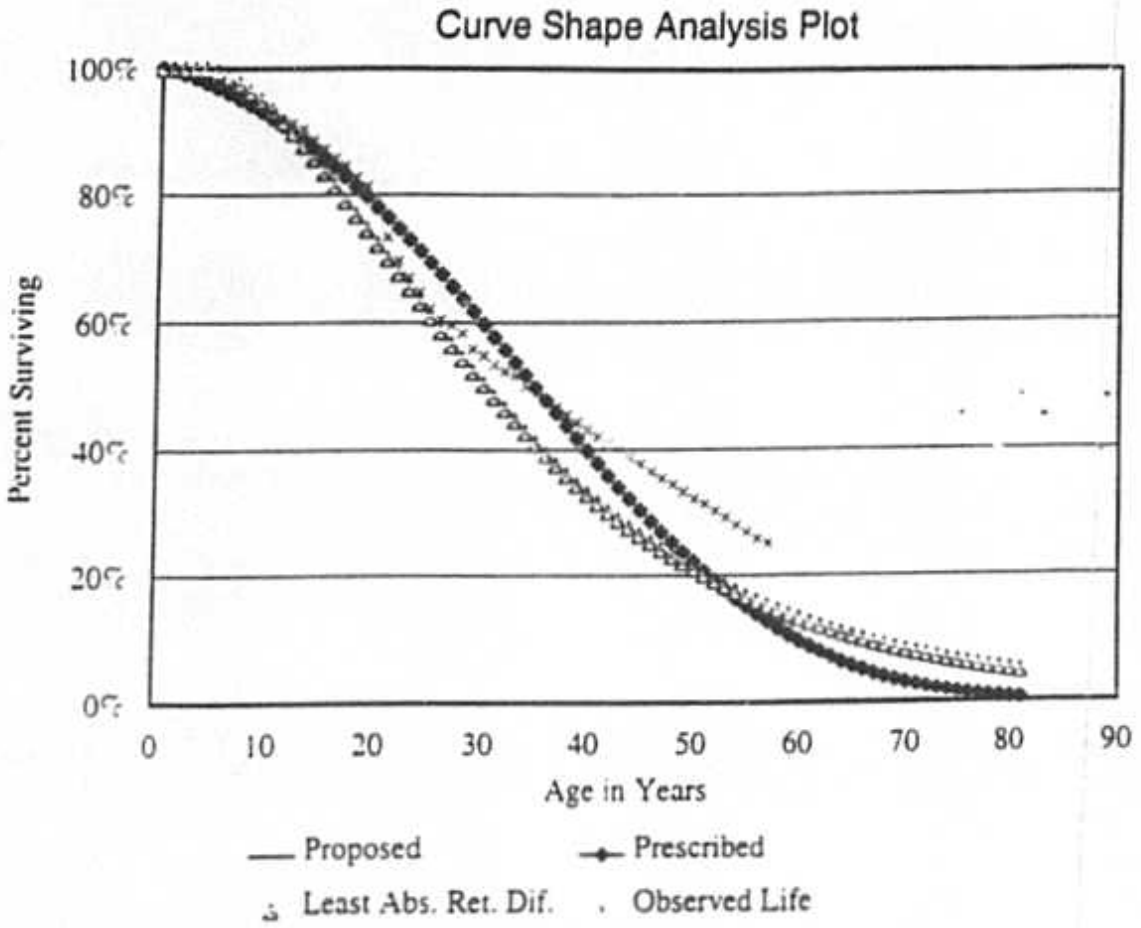
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 12.0
C = +1.10249400E+00 G = -3.34100410E-01 S = +2.40118790E-02 Unscaled
C = +1.08470970E+00 G = -3.34100410E-01 S = +2.00098960E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	884	.5	1769	15038	6.65	6.65	12.00
.5	99116	2137	1.0	2137	13269	7.47	6.97	11.61
1.5	96979	2635	2.0	1317	11133	8.71	7.21	10.85
2.5	94344	3134	3.0	1045	9815	9.61	7.11	10.14
3.5	91210	3624	4.0	906	8770	10.40	6.90	9.47
4.5	87586	4095	5.0	819	7864	11.14	6.64	8.84
5.5	83490	4535	6.0	756	7045	11.85	6.35	8.25
6.5	78956	4930	7.0	704	6290	12.55	6.05	7.70
7.5	74026	5269	8.0	659	5585	13.25	5.75	7.18
8.5	68756	5540	9.0	616	4927	13.96	5.46	6.69
9.5	63217	5730	10.0	573	4311	14.66	5.16	6.23
10.5	57487	5832	11.0	530	3738	15.38	4.88	5.80
11.5	51655	5838	12.0	487	3208	16.10	4.60	5.40
12.5	45817	5746	13.0	442	2721	16.84	4.34	5.03
13.5	40071	5556	14.0	397	2279	17.58	4.08	4.68
14.5	34515	5273	15.0	352	1883	18.33	3.83	4.35
15.5	29242	4908	16.0	307	1531	19.10	3.60	4.04
16.5	24334	4475	17.0	263	1224	19.88	3.38	3.76
17.5	19859	3991	18.0	222	961	20.66	3.16	3.49
18.5	15868	3476	19.0	183	739	21.46	2.96	3.24
19.5	12392	2952	20.0	148	556	22.27	2.77	3.01
20.5	9440	2440	21.0	116	409	23.09	2.59	2.80
21.5	7000	1959	22.0	89	293	23.92	2.42	2.60
22.5	5042	1524	23.0	66	204	24.76	2.26	2.41
23.5	3517	1146	24.0	48	137	25.61	2.11	2.24
24.5	2371	831	25.0	33	90	26.47	1.97	2.08
Total		100000						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2422.1000
Category : Undergrd Cable Metal



Method = MORT 1994-1996 Band T = 57

c = +1.10249400E+00 G = -3.34100410E-01 S = +2.40118790E-02

Curves Scaled to the Observed Life of 34.99

Run Date : 12/01/97 - 13.41.22
Report : ANSD, SBC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2422.1000
Category : Undergrd Cable Metal

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	188335*	16.8**	31640	20.6**	38797	-3.8
FUTURE	730492#	2.0##	14610	10.0##	73049	-8.0
TOTAL	918827		46250		111846	
AVERAGE		5.0		12.2		-7.2

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/01/97 - 13.41.29
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2422.1000
Category : Undergrd Cable Metal

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1972%	1269655228	11121783	3133720	28.2	2657437	23.9	4.3
1973	204007583	2035328	460085	22.6	551956	27.1	-4.5
1974	244036735	2503160	914284	36.5	850149	34.0	2.6
1975	264275137	2338551	451341	19.3	1051419	45.0	-25.7
1976	280981601	2099580	321024	15.3	817211	38.9	-23.6
1977	308397114	2635945	266750	10.1	1117869	42.4	-32.3
1978	344914463	2795925	536962	19.2	1095932	39.2	-20.0
1979	402121010	2883115	501437	17.4	1242531	43.1	-25.7
1980	475700864	4207922	1179835	28.0	1161352	27.6	.4
1981	537779220	6633491	1467388	22.1	1528344	23.0	-.9
1982	601625999	4525082	1208656	26.7	1300894	28.7	-2.0
1983	634052323	4233631	947948	22.4	991521	23.4	-1.0
1984	656078047	4865938	821605	16.9	1087611	22.4	-5.5
1985	671537198	8432041	1156247	13.7	1202163	14.3	-.5
1986	692258106	2405383	848413	35.3	1612749	67.0	-31.8
1987	712450175	5342776	540799	10.1	1163563	21.8	-11.7
1988	723796568	7135509	1083592	15.2	1184449	16.6	-1.4
1989	731373319	6144806	507846	8.3	930662	15.1	-6.9
1990	735646583	10454726	1241996	11.9	1263366	12.1	-.2
1991	726387289	19941913	862712	4.3	2167060	10.9	-6.5
1992	727016786	10409537	1734136	16.7	2154294	20.7	-4.0
1993	721466949	19402375	4245815	21.9	4822679	24.9	-3.0
1994	719924042	14645424	1996897	13.5	2562687	17.3	-3.8
1995	719920554	11837306	2425413	20.5	1551967	13.1	7.4
1996	723913384	6178467	1215254	19.7	614713	9.9	9.7
1997#	730492384	3698000	684130	18.5	691526	18.7	-.2
Grand Total		179107714	30754285	17.2	37376104	20.9	-3.7
1945-1997 @@		179107714	30754285	17.2	37376104	20.9	-3.7
1988-1997 **		110048063	15997791	14.5	17943403	16.3	-1.8

% Represents 1972 and prior years
@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/01/97 - 13.41.29
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2422.1000
Category : Undergrd Cable Metal

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1975	11612564	2413484	20.8	4388604	37.8	-17.0
1976	12373161	2490361	20.1	4932580	39.9	-19.7
1977	12753116	2077514	16.3	5324962	41.8	-25.5
1978	14622487	2806008	19.2	5434895	37.2	-18.0
1979	19156398	3952372	20.6	6146028	32.1	-11.5
1980	21045535	4894278	23.3	6329053	30.1	-6.8
1981	22483241	5305264	23.6	6224642	27.7	-4.1
1982	24466064	5625432	23.0	6069722	24.8	-1.8
1983	28690183	5601844	19.5	6110533	21.3	-1.8
1984	24462075	4982869	20.4	6194938	25.3	-5.0
1985	25279769	4315012	17.1	6057607	24.0	-6.9
1986	28181647	4450656	15.8	6250535	22.2	-6.4
1987	29460515	4136897	14.0	6093586	20.7	-6.6
1988	31483200	4222646	13.4	6154789	19.5	-6.1
1989	49019730	4236945	8.6	6709100	13.7	-5.0
1990	54086491	5430282	10.0	7699831	14.2	-4.2
1991	66353357	8592505	12.9	11338061	17.1	-4.1
1992	75053975	10081556	13.4	12970086	17.3	-3.8
1993	76436555	11264973	14.7	13258687	17.3	-2.6
1994	62673109	11617515	18.5	11706340	18.7	-.1
1995	55961572	10567509	18.9	10243572	18.3	.6

Run Date : 12/01/97 - 13.41.48
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2422.1000
Category : Undergrd Cable Metal

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retire-ments	Retire-ment Ratio	Band	Average Plant Balance	Retire-ments	Retire ment Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	634052323							
1984	656078047	645065185	4865993	.00754				
1985	671537198	663807623	8403924	.01266	84-86	1990770460	15455368	.00776
1986	692258106	681897652	2185451	.00320	85-87	2048059416	15932151	.00778
1987	712450175	702354141	5342776	.00761	86-88	2102375165	14663736	.00697
1988	723796568	718123372	7135509	.00994	87-89	2148062457	18611885	.00866
1989	731373319	727584944	6133600	.00843	88-90	2179218267	23723835	.01089
1990	735646583	733509951	10454726	.01425	89-91	2192111831	36530239	.01666
1991	726387289	731016936	19941913	.02728	90-92	2191228925	40800386	.01862
1992	727016786	726702038	10403747	.01432	91-93	2181960842	49748035	.02280
1993	721466949	724241868	19402375	.02679	92-94	2171639402	44651546	.02056
1994	719924042	720695496	14845424	.02060	93-95	2164859662	46085105	.02129
1995	719920554	719922298	11837306	.01644	94-96	2162534763	32861197	.01520
1996	723913384	721916969	6178467	.00856	95-97	2169042151	21713773	.01001
1997#	730492384	727202884	3698000	.00509				

Forecasted activity

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2422.2000
Category	:	Underground Cable Fiber

Account Description

The Underground Cable Fiber Account consists of fiber optic cables placed in underground conduit, manholes, basements, and central office vaults including terminals and other items associated with the construction of underground fiber optic cable.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve in the Underground Cable Fiber Account are shown below in Table 1.

State	Invest ($M)	% of Depr Plant	Reserve ($M)	Res %
Florida	236.5	2.1	71.3	30.2

Table 1

Life Proposal

Since it is still a relatively new technology, much of the investment in Underground Cable Fiber remains in place. Sporadic retirements over the life of the account have led to erratic life indications. Underground Cable Fiber may have to be replaced for a variety of reasons including clouding of the fiber, new developments in the same technology, or manufacturing defects. In addition damage may be caused by excavation during construction or other types of accidents.

No technology will last forever. Given past history and the pace of technological innovation taking place today, replacement of fiber optic cable by some as yet unforeseen technology or service requirement is probably inevitable. The company selects a projection life of 20 years.

Graduations of the limited historical retirement data for Underground Cable Fiber do not yield curve shapes indicative of the retirement pattern expected for this account. Equivalent Underground Cable Metal curves from the latest 3 year band reflect the impact of technological substitution. For these reasons, the Company selects a Bell 2.0 curve.

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2422.2000
Category	:	Underground Cable Fiber

Salvage Proposal

Although there has been some gross salvage recorded for this account, the Company expects long term future net salvage to consist primarily of cost of removal. While there is little or no salvage to be received from scrap fiber optic cable, freeing duct space in underground conduit for new cable placement is important. Underground fiber cable's cost of removal may be somewhat less than underground metallic cable because of fiber's lighter weight, but we would expect future net salvage to be comparable to historical values for underground metallic cable. The company is selecting a future net salvage of –8%.

COMPANY	:	BELLSOUTH TELECOMMUNICATION
STATE	:	FLORIDA
ACCOUNT	:	2422.2000
CATEGORY	:	UNDERGROUND CABLE FIBER

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Pa

September 30, 1997

Run Date : 09/30/97 - 16.47.20
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2422.2000
Category : Undergrd Cable Fiber

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	147,109,064	236,519,642	
Adjustment	0	0	
Study	147,109,064	236,519,642	
% Tot. Depr. Plant	1.68	2.13	
Depr. Reserve ($)	34,850,590	71,318,759	
(%)	23.7	30.2	
P-Life/AYFR (Yrs)			
Undergrd Cable Fiber	19.4	20.0	
Curve			
Undergrd Cable Fiber	88-90 MORT	BELL #2.0	
c	9.90000000E-01	1.10249400E+00	
G	-5.16334670E+00	-3.34100410E-01	
S	-5.30356860E-02	2.40118790E-02	
Whole Life (Yrs)	20.0	21.0	
Avg. Net Salv. (%)	2	-7	
WL Rate (%)	4.9	5.1	
Composite Rem Life (Yrs)	16.5	15.4	
Fut. Net Salv. (%)	2	-8	
Composite RL Rate (%)	4.5	5.1	
Intrastate Factor (%)	71.59	74.62	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.25.18
Report : FCC_TBL1, PSC99PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2422.2000
Category : Undergrd Cable Fiber

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	16556949	.9902	.50	19.60	19.91	831634	16304183
VG 1996	1.5	21050443	.9786	1.48	18.83	19.91	1057380	19911679
VG 1995	2.5	19445047	.9824	2.49	18.08	20.25	960082	17362804
VG 1994	3.5	15344818	.9621	3.43	17.36	20.14	762068	13233224
VG 1993	4.5	13453345	.9587	4.44	16.67	20.42	658861	10983782
VG 1992	5.5	16365603	.9615	5.46	16.00	20.84	785160	12563998
VG 1991	6.5	18970680	.9437	6.40	15.36	20.90	907853	13941939
VG 1990	7.5	20231471	.9256	7.31	14.74	20.95	965695	14230243
VG 1989	8.5	16693299	.9077	8.27	14.14	21.10	791052	11183281
VG 1988	9.5	11583490	.9191	9.34	13.56	21.80	531272	7204445
VG 1987	10.5	9243392	.8592	10.28	13.01	21.46	430784	5602624
VG 1986	11.5	19049691	.8821	11.19	12.47	22.19	858624	10708059
VG 1985	12.5	18899595	.9087	12.35	11.96	23.22	814072	9733678
VG 1984	13.5	15588582	.8709	13.34	11.46	23.32	668429	7661363
VG 1983	14.5	3714866	.8024	13.61	10.99	22.43	165649	1819725
VG 1982	15.5	319265	.8276	14.51	10.53	23.22	13749	144744
VG 1981	16.5	4698	.9537	16.48	10.09	26.10	180	1816
VG 1980	17.5	4409	.4897	16.27	9.66	21.01	210	2029
Totals		236519643					11202754	172593616
Composites			.93095@		15.40636*	21.11263#		

Plife: 20.0
c = +1.10249400E-00 G = -3.34100410E-01 S = +2.40118790E-02 Unscaled
c = -1.04999713E-00 G = -3.34100410E-01 S = +1.20059376E-02 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 254062785

Run Date : 09/30/97 - 15.36.16
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2422.2000
Category : Undergrd Cable Fiber

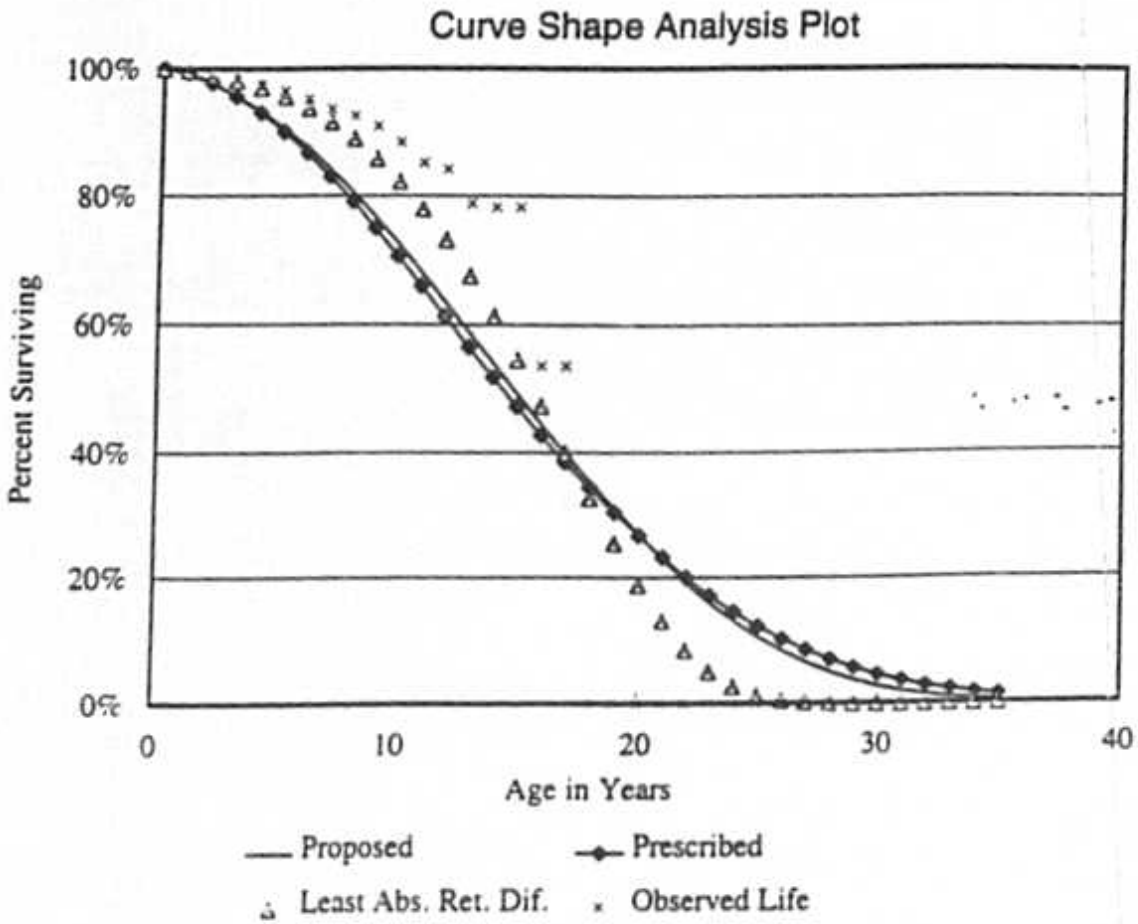
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 20.0
C = +1.10249400E+00 G = -3.34100410E-01 S = +2.40118790E-02 Unscaled
C = +1.04999713E+00 G = -3.34100410E-01 S = +1.20059376E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	516	.5	1032	9558	10.46	10.46	20.00
.5	99484	1164	1.0	1164	8526	11.67	11.17	19.60
1.5	98320	1341	2.0	671	7362	13.35	11.85	18.83
2.5	96979	1521	3.0	507	6691	14.49	11.99	18.08
3.5	95458	1701	4.0	425	6184	15.44	11.94	17.36
4.5	93757	1880	5.0	376	5759	16.28	11.78	16.67
5.5	91876	2058	6.0	343	5383	17.07	11.57	16.00
6.5	89818	2233	7.0	319	5040	17.82	11.32	15.36
7.5	87586	2402	8.0	300	4721	18.55	11.05	14.74
8.5	85183	2566	9.0	285	442[illegible]	19.27	10.77	14.14
9.5	82617	2721	10.0	272	4136	19.98	10.48	13.56
10.5	79896	2868	11.0	261	3864	20.68	10.18	13.01
11.5	77028	3003	12.0	250	3603	21.38	9.88	12.47
12.5	74026	3125	13.0	240	3353	22.08	9.58	11.96
13.5	70901	3233	14.0	231	3112	22.78	9.28	11.46
14.5	67668	3325	15.0	222	2881	23.48	8.98	10.99
15.5	64343	3400	16.0	212	2660	24.19	8.69	10.53
16.5	60943	3456	17.0	203	2447	24.90	8.40	10.09
17.5	57487	3493	18.0	194	2244	25.62	8.12	9.66
18.5	53994	3509	19.0	185	0	.00	.00	.00
19.5	50485	3504	20.0	175	0	.00	.00	.00
20.5	46980	3478	21.0	166	0	.00	.00	.00
21.5	43502	3431	22.0	156	0	.00	.00	.00
22.5	40071	3362	23.0	146	0	.00	.00	.00
23.5	36709	3273	24.0	136	0	.00	.00	.00
24.5	33435	3165	25.0	127	0	.00	.00	.00
Total		99997						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2422.2000
Category : Undergrd Cable Fiber



Method = MORT 1994-1996 Band T = 17

c = +1.10249400E+00 G = -3.34100410E-01 S = +2.40118790E-02

Curves Scaled to the Observed Life of 14.63

Run Date : 12/01/97 - 14.04.38
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2422.2000
Category : Undergrd Cable Fiber

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	17543*	2.7**	474	3.0**	526	-.3
FUTURE	236520#	2.0##	4730	10.0##	23652	-8.0
TOTAL	254063		5204		24178	
AVERAGE		2.0		9.5		-7.5

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/01/97 - 14.04.45
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2422.2000
Category : Undergrd Cable Fiber

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1980	0	0	0	.0	0	.0	.0
1981	19780	0	0	.0	0	.0	.0
1982	381392	0	0	.0	0	.0	.0
1983	6739896	0	0	.0	0	.0	.0
1984	23430175	0	0	.0	0	.0	.0
1985	44876825	0	0	.0	0	.0	.0
1986	65716579	0	0	.0	0	.0	.0
1987	76412843	111530	10758	9.6	3052	2.7	6.9
1988	87623655	1350672	55127	4.1	11952	.9	3.2
1989	106378890	-394419	1576	-.4	16173	-4.1	3.7
1990	127965255	327190	56027	17.1	16769	5.1	12.0
1991	143103598	4387392	-32305	-.7	30586	.7	-1.4
1992	162849456	-2835944	110911	-3.9	35536	-1.3	-2.7
1993	175381256	1643501	24886	1.5	82084	5.0	-3.5
1994	189527112	1770550	44213	2.5	89504	5.1	-2.6
1995	207498456	1692349	77534	4.6	127575	7.5	-3.0
1996	225516642	3516033	123804	3.5	99018	2.8	.7
1997#	236519642	5717000	377322	6.6	428775	7.5	-.9
Grand Total		17285554	849853	4.9	941024	5.4	-.5
1980-1997 @@		17285554	849853	4.9	941024	5.4	-.5
1988-1997 **		17174324	839095	4.9	937972	5.5	-.6

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/01/97 - 14.04.45
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2422.2000
Category : Undergrd Cable Fiber

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1982	0	0	.0	0	.0	.0
1983	0	0	.0	0	.0	.0
1984	0	0	.0	0	.0	.0
1985	111530	10758	9.6	3052	2.7	6.9
1986	1462202	65885	4.5	15004	1.0	3.5
1987	1067783	67461	6.3	31177	2.9	3.4
1988	1394973	123488	8.9	47946	3.4	5.4
1989	5782365	91183	1.6	78532	1.4	.2
1990	2834891	191336	6.7	111016	3.9	2.8
1991	3127720	161095	5.2	181148	5.8	-.6
1992	5292689	203732	3.8	254479	4.8	-1.0
1993	6657848	225239	3.4	365285	5.5	-2.1
1994	5786489	381348	6.6	433717	7.5	-.9
1995	14339433	647759	4.5	826956	5.8	-1.2

Run Date : 12/01/97 - 14.05.02
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2422.2000
Category : Undergrd Cable Fiber

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retire-ments	Retire-ment Ratio	Band	Average Plant Balance	Retire-ments	Retire ment Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	6739896							
1984	23430175	15085036	0	.00000				
1985	44876825	34153500	28118	.00082	84-86	104535238	248048	.00237
1986	65716579	55296702	219930	.00398	85-87	160514913	359578	.00224
1987	76412843	71064711	111530	.00157	86-88	208379662	1682132	.00807
1988	87623655	82018249	1350672	.01647	87-89	250084233	1067783	.00427
1989	106378890	97001273	-394419	-.00407	88-90	296191595	1283443	.00433
1990	127965255	117172073	327190	.00279	89-91	349707773	4320163	.01235
1991	143103598	135534427	4387392	.03237	90-92	405683027	1879740	.00463
1992	162849456	152976527	-2834842	-.01853	91-93	457626310	3196051	.00698
1993	175381256	169115356	1643501	.00972	92-94	504546067	579209	.00115
1994	189527112	182454184	1770550	.00970	93-95	550082324	5106400	.00928
1995	207498456	198512784	1692349	.00853	94-96	597474517	6978932	.01168
1996	225516642	216507549	3516033	.01624	95-97	646038475	10925382	.01691
1997#	236519642	231018142	5717000	.02475				

Forecasted activity

BURIED CABLE
INSTALLED

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2423.1000
Category	:	Buried Cable Metallic

Account Description

The Buried Cable Metallic Account consists of metallic-conductor cables or wires buried in the ground and includes terminals, pedestals, load coils, markers, short lengths of pipe, the cost of trenching and backfilling, and other miscellaneous items associated with buried cable.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve in the Buried Cable Metallic Account are shown below in Table 1.

State	Invest (SM)	% of Depr Plant	Reserve (SM)	Res %
Florida	2443.1	22.0	1625.2	66.5

Table 1

Life Proposal

The General Cable narrative provides a discussion of the development of remaining and projection lives for this account. A 14 year projection life was developed and selected for the Buried Cable Metallic account.

The graduated curve shape for the 1994-1996 band with the least absolute retirement differences to total data was selected.

Salvage Proposal

BellSouth's future net salvage is based on historical salvage and on future salvage expectations for the buried cable metallic account. Recent historical net salvage will be further reduced by both projected lower prices for scrap copper and higher costs of removal as fiber displaces the embedded copper base. The Company is selecting a future net salvage of –7%.

COMPANY	:	BELLSOUTH TELECOMMUNICATIO
STATE	:	FLORIDA
ACCOUNT	:	2423.1000
CATEGORY	:	BURIED CABLE METAL

INDEX

Pa

September 30, 199

Run Date : 09/30/97 - 16.47.46
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2423.1000
Category : Buried Cable Metal

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	1,971,801,562	2,443,086,436	
Adjustment	0	0	
Study	1,971,801,562	2,443,086,436	
% Tot. Depr. Plant	22.37	21.98	
Depr. Reserve ($)	830,168,272	1,625,248,929	
(%)	42.1	66.5	
P-Life/AYFR (Yrs)			
Buried Cable Metal	15.0	14.0	
Curve			
Buried Cable Metal	88-90 MORT	1994-1996 MORT	
C	1.06000000E+00	1.06000000E+00	
G	-1.38108760E-01	-7.96353020E-02	
S	7.01592800E-03	4.49205680E-03	
Whole Life (Yrs)	16.4	16.4	
Avg. Net Salv. (%)	-5	-7	
WL Rate (%)	6.4	6.5	
Composite Rem Life (Yrs)	9.0	6.5	
Fut. Net Salv. (%)	-4	-7	
Composite RL Rate (%)	6.9	6.1	
Intrastate Factor (%)	71.59	74.62	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.25.30
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2423.1000
Category : Buried Cable Metal

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	101306980	1.0000	.50	13.51	14.01	7230398	97691804
VG 1996	1.5	86561260	.9994	1.50	12.57	14.06	6156915	77374513
VG 1995	2.5	96711508	.9948	2.49	11.67	14.10	6858662	80021323
VG 1994	3.5	94354420	.9882	3.48	10.81	14.16	6662037	72024204
VG 1993	4.5	117247404	.9832	4.47	10.00	14.30	8201662	82003868
VG 1992	5.5	95117968	.9853	5.47	9.23	14.56	6533340	60293288
VG 1991	6.5	91765520	.9692	6.40	8.50	14.64	6268672	53288956
VG 1990	7.5	102229164	.9741	7.42	7.81	15.03	6799573	53135792
VG 1989	8.5	113488625	.9844	8.45	7.17	15.50	7320891	52483345
VG 1988	9.5	123939054	.9610	9.34	6.56	15.64	7922499	51996702
VG 1987	10.5	130610400	.9475	10.27	6.00	15.95	8190216	49109856
VG 1986	11.5	119243904	.9349	11.16	5.47	16.27	7327892	40060848
VG 1985	12.5	126118766	.9263	12.11	4.97	16.72	7544341	37527326
VG 1984	13.5	143044899	.9201	13.03	4.52	17.16	8325399	37605331
VG 1983	14.5	99006470	.9056	13.88	4.09	17.59	5628814	23042734
VG 1982	15.5	115867963	.8806	14.63	3.70	17.89	6476404	23983275
VG 1981	16.5	124846131	.8607	15.47	3.34	18.35	6805151	22755835
VG 1980	17.5	161673366	.8759	16.54	3.01	19.18	8427451	25404086
VG 1979	18.5	88916995	.8119	17.01	2.71	19.21	4627651	12556051
VG 1978	19.5	64601266	.7886	17.68	2.44	19.60	3295787	8037934
VG 1977	20.5	50557846	.7806	18.63	2.19	20.34	2485718	5442910
VG 1976	21.5	33663559	.7391	19.02	1.96	20.48	1644042	3229243
VG 1975	22.5	29030571	.6771	19.07	1.76	20.26	1432800	2523099
VG 1974	23.5	31515140	.5950	18.90	1.58	19.84	1588545	2507446
VG 1973	24.5	27964079	.5097	18.98	1.42	19.70	1419351	2008773
PRIOR		73703178	.2515	21.83	.94	20.67	3565497	3368488
Totals		2443086436					148739708	979477030
Composites			.83858@		6.58518*	16.42525#		

Plife: 14.0
c = -1.06000000E+00 G = -7.96353020E-02 S = +4.49205680E-03 Unscaled
c = -1.14249415E+00 G = -7.96353020E-02 S = +1.02696900E-02 Scaled

* From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 2913355810

Run Date : 09/30/97 - 15.36.32
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2423.1000
Category : Buried Cable Metal

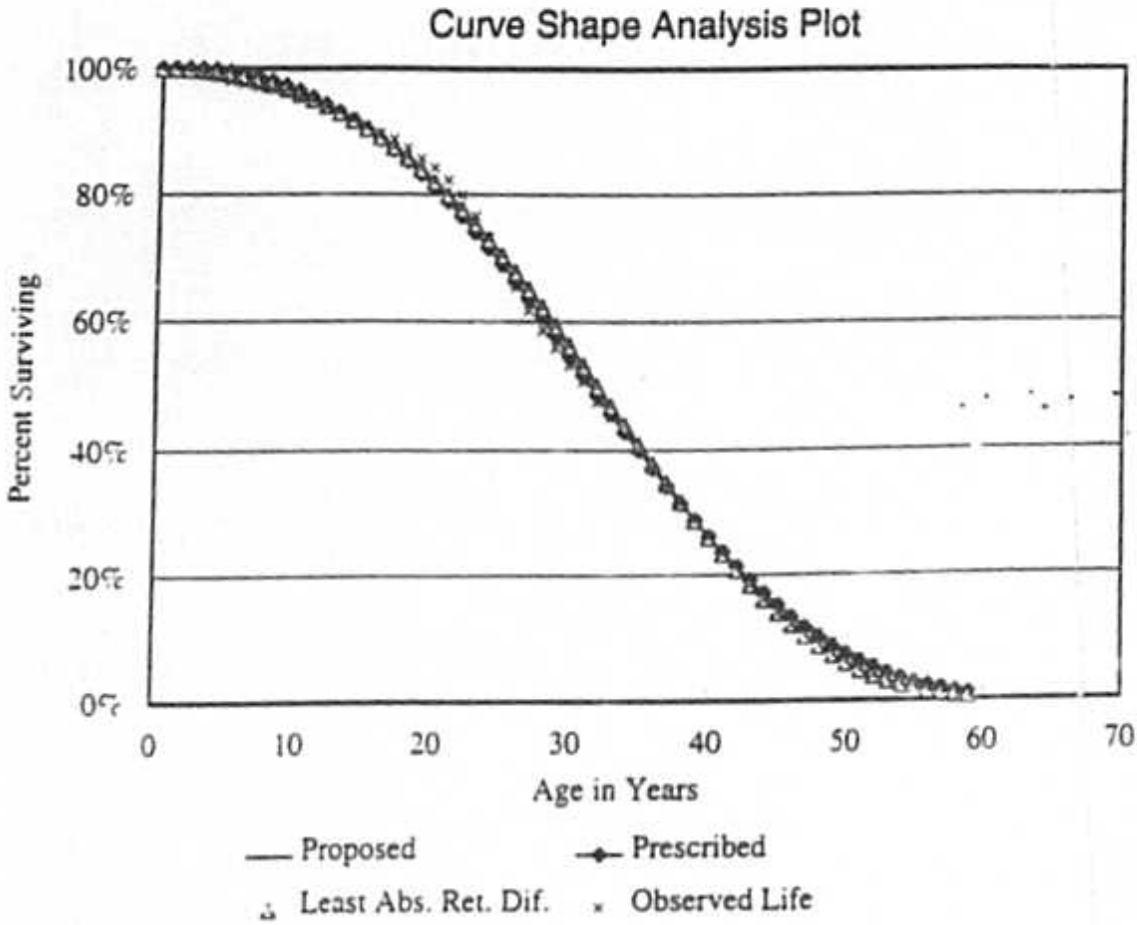
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 14.0
C = +1.06000000E+00 G = -7.96353020E-02 S = +4.49205680E-03 Unscaled
C = +1.14249415E+00 G = -7.96353020E-02 S = +1.02696900E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	81	.5	161	9477	10.55	10.55	14.00
.5	99919	427	1.0	427	9316	10.73	10.23	13.51
1.5	99493	819	2.0	409	8889	11.19	9.69	12.57
2.5	98674	1256	3.0	419	8480	11.64	9.14	11.67
3.5	97418	1738	4.0	435	8061	12.08	8.58	10.81
4.5	95680	2263	5.0	453	7627	12.55	8.05	10.00
5.5	93417	2826	6.0	471	7174	13.02	7.52	9.23
6.5	90591	3418	7.0	488	6703	13.51	7.01	8.50
7.5	87173	4029	8.0	504	6215	14.03	6.53	7.81
8.5	83144	4640	9.0	516	5711	14.56	6.06	7.17
9.5	78504	5233	10.0	523	5196	15.11	5.61	6.56
10.5	73272	5780	11.0	525	4672	15.68	5.18	6.00
11.5	67491	6255	12.0	521	4147	16.28	4.78	5.47
12.5	61236	6624	13.0	510	3626	16.89	4.39	4.97
13.5	54612	6857	14.0	490	3116	17.53	4.03	4.52
14.5	47755	6925	15.0	462	2626	18.18	3.68	4.09
15.5	40831	6806	16.0	425	2165	18.86	3.36	3.70
16.5	34025	6492	17.0	382	1739	19.56	3.06	3.34
17.5	27533	5988	18.0	333	1357	20.28	2.78	3.01
18.5	21545	5319	19.0	280	1025	21.02	2.52	2.71
19.5	16226	4529	20.0	226	745	21.79	2.29	2.44
20.5	11696	3676	21.0	175	518	22.57	2.07	2.19
21.5	8020	2826	22.0	128	343	23.37	1.87	1.96
22.5	5194	2043	23.0	89	215	24.18	1.68	1.76
23.5	3151	1377	24.0	57	126	25.02	1.52	1.58
24.5	1774	857	25.0	34	69	25.87	1.37	1.42
Total		100001						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2423.1000
Category : Buried Cable Metal



Method = MORT 1994-1996 Band T = 57

c = +1.06000000E+00 G = -7.96353020E-02 S = +4.49205680E-03

Curves Scaled to the Observed Life of 31.19

Run Date : 12/01/97 - 14.27.31
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2423.1000
Category : Buried Cable Metal

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	470269*	3.6**	16930	10.7**	50319	-7.1
FUTURE	2443086#	5.0##	122154	12.0##	293170	-7.0
TOTAL	2913355		139084		343489	
AVERAGE		4.8		11.8		-7.0

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/01/97 - 14.27.40
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2423.1000
Category : Buried Cable Metal

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1972%	1669962140	26457333	1920931	7.3	3617339	13.7	-6.4
1973	254375931	3322731	288097	8.7	559276	16.8	-8.2
1974	301413692	4166870	337915	8.1	692613	16.6	-8.5
1975	333857869	4472109	148054	3.3	886943	19.8	-16.5
1976	370372553	4816719	169905	3.5	1008658	20.9	-17.4
1977	423354492	5518571	34176	.6	1073554	19.5	-18.8
1978	490366261	6728948	294651	4.4	1401141	20.8	-16.4
1979	589020795	12335188	417128	3.4	1872879	15.2	-11.8
1980	712210589	15714261	390128	2.5	2603615	16.6	-14.1
1981	841130902	18623442	435860	2.3	3156474	16.9	-14.6
1982	957509252	22346004	384256	1.7	3794880	17.0	-15.3
1983	1059274013	20955731	309776	1.5	2979235	14.2	-12.7
1984	1283643891	27367884	438433	1.6	2783869	10.2	-8.6
1985	1396155235	22822447	384505	1.7	2512505	11.0	-9.3
1986	1504082536	18705038	361512	1.9	2153215	11.5	-9.6
1987	1623088388	17273655	585280	3.4	2021972	11.7	-8.3
1988	1723109305	22163809	492166	2.2	1611708	7.3	-5.1
1989	1816686089	22493616	704306	3.1	1449152	6.4	-3.3
1990	1897995556	22683019	392480	1.7	1468329	6.5	-4.7
1991	1967194846	25314412	486065	1.9	2276592	9.0	-7.1
1992	2039082068	23142308	1070270	4.6	2004849	8.7	-4.0
1993	2140499996	22283408	972372	4.4	1820598	8.2	-3.8
1994	2212675217	23505712	1027374	4.4	1860707	7.9	-3.5
1995	2291104880	20135851	2673313	13.3	1512539	7.5	5.8
1996	2357379436	21444902	1622408	7.6	1136185	5.3	2.3
1997#	2443086436	15600000	1045200	6.7	1170000	7.5	-.8
Grand Total		450393968	17386561	3.9	49428827	11.0	-7.1
1945-1997 @@		450393968	17386561	3.9	49428827	11.0	-7.1
1988-1997 **		218767037	10485954	4.8	16310659	7.5	-2.7

% Represents 1972 and prior years
@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/01/97 - 14.27.40
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2423.1000
Category : Buried Cable Metal

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1975	22297000	978147	4.4	4221044	18.9	-14.5
1976	25703217	984701	3.8	5062909	19.7	-15.9
1977	33871535	1063914	3.1	6243175	18.4	-15.3
1978	45113687	1305988	2.9	7959847	17.6	-14.7
1979	58920410	1571943	2.7	10107663	17.2	-14.5
1980	75747843	1922023	2.5	12828989	16.9	-14.4
1981	89974626	1937148	2.2	14407083	16.0	-13.9
1982	105007322	1958453	1.9	15318073	14.6	-12.7
1983	112115508	1952830	1.7	15226963	13.6	-11.8
1984	112197104	1878482	1.7	14223704	12.7	-11.0
1985	107124755	2079506	1.9	12450796	11.6	-9.7
1986	108332833	2261896	2.1	11083269	10.2	-8.1
1987	103458565	2527769	2.4	9748552	9.4	-7.0
1988	103319137	2535744	2.5	8704376	8.4	-6.0
1989	109928511	2660297	2.4	8827753	8.0	-5.6
1990	115797164	3145287	2.7	8810630	7.6	-4.9
1991	115916763	3625493	3.1	9019520	7.8	-4.7
1992	116928859	3948561	3.4	9431075	8.1	-4.7
1993	114381691	6229394	5.4	9475285	8.3	-2.8
1994	110512181	7365737	6.7	8334878	7.5	-.9
1995	102969873	7340667	7.1	7500029	7.3	-.2

Run Date : 12/01/97 - 14.28.00
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2423.1000
Category : Buried Cable Metal

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	1059274013							
1984	1283643891	1171458952	27367857	.02336				
1985	1396155235	1339899563	22782094	.01700	84-86	3961477401	68938833	.01740
1986	1504082536	1450118886	18788882	.01296	85-87	4353603911	58845007	.01352
1987	1623088388	1563585462	17274631	.01105	86-88	4686803195	58226938	.01242
1988	1723109305	1673098847	22163425	.01325	87-89	5006582006	61942878	.01237
1989	1816686089	1769897697	22504822	.01272	88-90	5300337368	67351266	.01271
1990	1897995558	1857340824	22683019	.01221	89-91	5559833723	70502253	.01268
1991	1967194846	1932595202	25314412	.01310	90-92	5793074483	71139739	.01228
1992	2039082068	2003138457	23142308	.01155	91-93	6025524691	70740128	.01174
1993	2140499996	2089791032	22283408	.01066	92-94	6269517096	68931428	.01099
1994	2212675217	2176587607	23505712	.01080	93-95	6518268688	65924971	.01011
1995	2291104880	2251890049	20135851	.00894	94-96	6752719814	65086465	.00964
1996	2357379436	2324242158	21444902	.00923	95-97	6976365143	57180753	.00820
1997#	2443086436	2400232936	15600000	.00650				

Forecasted activity

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2423.2000
Category	:	Buried Cable Fiber

Account Description

The Buried Cable Fiber Account consists of fiber optic cables buried in the ground and includes terminals, pedestals, markers, short lengths of pipe, the cost of trenching and backfilling, and other miscellaneous items associated with buried fiber optic cable.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve in the Buried Cable Fiber Account are shown below in Table 1.

State	Invest ($M)	% of Depr Plant	Reserve ($M)	Res %
Florida	156.6	1.4	38.5	24.6

Table 1

Life Proposal

Buried Cable Fiber may be subject to replacement due to enhancements in the existing technology (for example, multimode fiber by single mode), to manufacturing defects, and to clouding of the fiber. As with all exposed outside plant, buried fiber optic cable can be damaged by excavations or be rerouted because of road moves or construction. Although there is presently no established replacement for fiber optic cable, improved technologies are likely to be developed. Based on prior experience, the increased capabilities and/or cost savings available from replacement technologies will probably become the primary determinants of the life of fiber optic cable.

In light of the present and expected future pace of technological innovation, the company selects a projection life of 20.

Graduations of the limited historical retirement data for Buried Cable Fiber do not yield curve shapes indicative of the retirement pattern expected for this account. Selected curve shapes for this account satisfy the least absolute retirement difference in the latest 3 year buried metallic cable band.

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2423.2000
Category	:	Buried Cable Fiber

Salvage Proposal

Historical salvage data for Buried Cable Fiber is not a good indicator of future values, because of the limited number of retirements. Future net salvage for this account should consist almost entirely of cost of removal as there is scarcely any value provided by scrap fiber optic cable. The Company is selecting a future net salvage of –7%.

COMPANY	:	BELLSOUTH TELECOMMUNICATIO
STATE	:	FLORIDA
ACCOUNT	:	2423.2000
CATEGORY	:	BURIED CABLE FIBER

INDEX

Pa

September 30, 1997

Run Date : 09/30/97 - 16.48.12
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2423.2000
Category : Buried Cable Fiber

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	76,730,299	156,630,897	
Adjustment	0	0	
Study	76,730,299	156,630,897	
% Tot. Depr. Plant	.86	1.41	
Depr. Reserve ($)	13,126,865	38,473,337	
(%)	17.1	24.6	
P-Life/AYFR (Yrs)			
Buried Cable Fiber	20.0	20.0	
Curve			
Buried Cable Fiber	88-90 MORT	1994-96 BUR MET	
c	1.30000000E+00	1.06000000E+00	
G	-6.88570960E-03	-7.96353020E-02	
S	9.39945460E-04	4.49205680E-03	
Whole Life (Yrs)	19.9	20.0	
Avg. Net Salv. (%)	3	-7	
WL Rate (%)	4.9	5.4	
Composite Rem Life (Yrs)	16.9	15.1	
Fut. Net Salv. (%)	3	-7	
Composite RL Rate (%)	4.7	5.5	
Intrastate Factor (%)	71.59	74.62	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.25.54
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2423.2000
Category : Buried Cable Fiber

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	16295136	.9979	.50	19.51	19.97	816112	15921944
VG 1996	1.5	19573637	.9972	1.50	18.55	20.00	978803	18158591
VG 1995	2.5	13046224	.9962	2.50	17.63	20.05	650539	11465918
VG 1994	3.5	10996940	.9911	3.49	16.73	20.07	547945	9166896
VG 1993	4.5	12623745	.9714	4.44	15.86	19.85	636037	10090471
VG 1992	5.5	12880215	.9573	5.37	15.03	19.75	652073	9800717
VG 1991	6.5	14276849	.9777	6.47	14.23	20.38	700651	9967305
VG 1990	7.5	14144741	.9565	7.36	13.45	20.22	699507	9409331
VG 1989	8.5	10253865	.9451	8.36	12.71	20.37	503476	6397462
VG 1988	9.5	7919222	.9405	9.29	11.99	20.57	384958	4616069
VG 1987	10.5	4997258	.8859	10.01	11.30	20.02	249559	2821134
VG 1986	11.5	11672018	.8592	10.90	10.65	20.04	582318	6199604
VG 1985	12.5	4378506	.7622	11.46	10.02	19.09	229325	2297018
VG 1984	13.5	2457734	.8103	12.66	9.41	20.28	121162	1140634
VG 1983	14.5	1044077	.7247	13.07	8.84	19.48	53598	473751
VG 1982	15.5	68235	.9869	15.49	8.29	23.67	2882	23895
VG 1981	16.5	0	.0000	.00	7.77	.00	0	0
VG 1980	17.5	2495	.3747	16.10	7.27	18.83	133	964
Totals		156630897					7809078	117951704
Composites			.950528		15.10443*	20.05754#		

Plife: 20.0
c = +1.06000000E+00 G = -7.96353020E-02 S = +4.49205660E-03 Unscaled
c = +1.09773570E+00 G = -7.96353020E-02 S = +7.18878298E-03 Scaled

+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 164784914

Run Date : 09/30/97 - 15.36.49
Report : GENRTBL2, FSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2423.2000
Category : Buried Cable Fiber

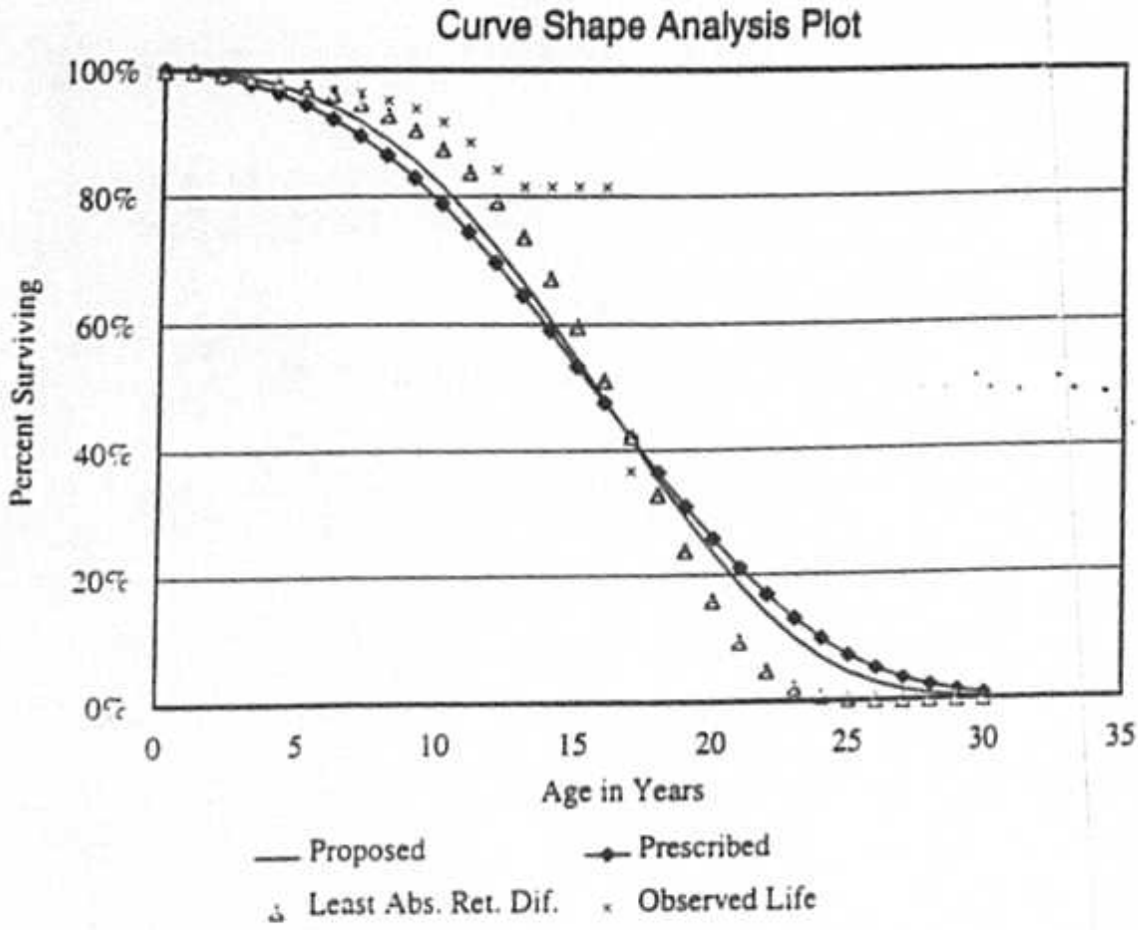
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 20.0
C = +1.06000000E+00 G = -7.96353020E-02 S = +4.49205680E-03 Unscaled
C = +1.09773570E+00 G = -7.96353020E-02 S = +7.18878298E-03 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	48	.5	95	6670	14.99	14.99	20.00
.5	99952	222	1.0	222	6575	15.20	14.70	19.51
1.5	99730	404	2.0	202	6353	15.70	14.20	18.55
2.5	99326	601	3.0	200	6151	16.15	13.65	17.63
3.5	98725	815	4.0	204	5950	16.59	13.09	16.73
4.5	97910	1043	5.0	209	5747	17.04	12.54	15.86
5.5	96867	1287	6.0	215	5538	17.49	11.99	15.03
6.5	95580	1546	7.0	221	5324	17.95	11.45	14.23
7.5	94034	1817	8.0	227	5103	18.43	10.93	13.45
8.5	92217	2100	9.0	233	4876	18.91	10.41	12.71
9.5	90117	2393	10.0	239	4642	19.41	9.91	11.99
10.5	87724	2691	11.0	245	4403	19.92	9.42	11.30
11.5	85033	2992	12.0	249	4158	20.45	8.95	10.65
12.5	82041	3291	13.0	253	3909	20.99	8.49	10.02
13.5	78750	3582	14.0	256	3656	21.54	8.04	9.41
14.5	75168	3861	15.0	257	3400	22.11	7.61	8.84
15.5	71308	4119	16.0	257	3143	22.69	7.19	8.29
16.5	67189	4350	17.0	256	2885	23.29	6.79	7.77
17.5	62839	4546	18.0	253	2629	23.90	6.40	7.27
18.5	58294	4699	19.0	247	0	.00	.00	.00
19.5	53595	4802	20.0	240	0	.00	.00	.00
20.5	48792	4849	21.0	231	0	.00	.00	.00
21.5	43943	4833	22.0	220	0	.00	.00	.00
22.5	39110	4751	23.0	207	0	.00	.00	.00
23.5	34359	4602	24.0	192	0	.00	.00	.00
24.5	29757	4386	25.0	175	0	.00	.00	.00
Total		100003						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2423.2000
Category : Buried Cable Fiber



Method = MORT 1994-1996 Band T = 17

c = +1.06000000E+00 G = -7.96353020E-02 S = +4.49205680E-03

Curves Scaled to the Observed Life of 15.04

Sept. 30, 1997

Run Date : 12/01/97 - 14.50.32
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2423.2000
Category : Buried Cable Fiber

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	8154*	1.5**	122	1.1**	90	.4
FUTURE	156631#	5.0##	7832	12.0##	18796	-7.0
TOTAL	164785		7954		18886	
AVERAGE		4.8		11.5		-6.7

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/01/97 - 14.50.39
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2423.2000
Category : Buried Cable Fiber

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1981	0	0	0	.0	0	.0	.0
1982	69115	0	0	.0	0	.0	.0
1983	1423314	0	0	.0	0	.0	.0
1984	4845143	0	0	.0	0	.0	.0
1985	9867989	0	0	.0	0	.0	.0
1986	23411430	0	0	.0	0	.0	.0
1987	29024049	52736	52149	98.9	173	.3	98.6
1988	37546165	110160	0	.0	1198	1.1	-1.1
1989	47930091	389506	7	.0	4689	1.2	-1.2
1990	62557025	202742	16101	7.9	2409	1.2	6.3
1991	63030014	14134407	463	.0	10359	.1	-.1
1992	88621174	-12225116	10794	-.1	8695	-.1	.0
1993	100229457	1404167	648	.0	14603	1.0	-1.0
1994	110545501	797929	249	.0	24047	3.0	-3.0
1995	122623134	904311	658	.1	9003	1.0	-.9
1996	141138897	1255944	5815	.5	13187	1.0	-.6
1997#	156630897	838000	-2514	-.3	10894	1.3	-1.6
Grand Total		7864786	84370	1.1	99257	1.3	-.2
1981-1997 @@		7864786	84370	1.1	99257	1.3	-.2
1988-1997 **		7812050	32221	.4	99084	1.3	-.9

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/01/97 - 14.50.39
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2423.2000
Category : Buried Cable Fiber

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1983	0	0	.0	0	.0	.0
1984	0	0	.0	0	.0	.0
1985	52736	52149	98.9	173	.3	98.6
1986	162896	52149	32.0	1371	.8	31.2
1987	552402	52156	9.4	6060	1.1	8.3
1988	755144	68257	9.0	8469	1.1	7.9
1989	14889551	68720	.5	18828	.1	.3
1990	2611699	27365	1.0	27350	1.0	.0
1991	3905706	28013	.7	40755	1.0	-.3
1992	4314129	28255	.7	60113	1.4	-.7
1993	5015698	12812	.3	66707	1.3	-1.1
1994	-7862765	18164	-.2	69535	-.9	.7
1995	5200351	4856	.1	71734	1.4	-1.3

Run Date : 12/01/97 - 14.50.56
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2423.2000
Category : Buried Cable Fiber

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	1423314							
1984	4845143	3134229	0	.00000				
1985	9867989	7356566	40354	.00549	84-86	27130505	-43488	-.00160
1986	23411430	16639710	-83842	-.00504	85-87	50214016	8273	.00016
1987	29024049	26217740	51761	.00197	86-88	76142557	78079	.00103
1988	37546165	33285107	110160	.00331	87-89	102240975	551427	.00539
1989	47930091	42738128	389506	.00911	88-90	131266793	702408	.00535
1990	62557025	55243558	202742	.00367	89-91	160775206	14726655	.09160
1991	63030014	62793520	14134407	.22509	90-92	193862672	2112033	.01089
1992	88621174	75825594	-12225116	-.16123	91-93	233044430	3313458	.01422
1993	100229457	94425316	1404167	.01487	92-94	275638389	-10023020	-.03636
1994	110545501	105387479	797929	.00757	93-95	316397113	3106407	.00982
1995	122623134	116584318	904311	.00776	94-96	353852813	2958184	.00836
1996	141138897	131881016	1255944	.00952	95-97	397350231	2998255	.00755
1997#	156630897	148884897	838000	.00563				

Forecasted activity

SUBMARINE CABLE

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2424.0000
Category	:	Submarine Cable

Account Description

The Submarine Cable Account consists of the investment in cable placed under bodies of water (except for minor stream crossings not requiring splices on either side). Terminals fed by submarine cable, cable huts, anchorages and other associated items used to construct submarine cable are also included in the account.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve in the Submarine Cable Account are shown below in Table 1.

State	Invest (SM)	% of Depr Plant	Reserve (SM)	Res %
Florida	8.6	0.08	5.3	62.0

Table 1

Life Proposal

Submarine Cable is flanked on either side of the splice by runs of aerial, buried, or underground cable, primarily buried. Since it is uneconomical and impractical to isolate a span of metallic cable in the middle of an all-fiber route, retirement of submarine cable will occur concurrent with the retirement of the flanking metallic cable. The Company selects a projection life of 14 years, which is the life selected for Aerial and Buried Metallic Cable.

The graduated curve shape for the 1994-1996 band with the least absolute retirement differences to total data was selected.

Salvage Proposal

The Company is selecting a future net salvage of -5%. BellSouth's future net salvage value is based on historical salvage and on future salvage expectations for the submarine cable account.

COMPANY	:	BELLSOUTH TELECOMMUNICATION
STATE	:	FLORIDA
ACCOUNT	:	2424.0000
CATEGORY	:	SUBMARINE CABLE

INDEX

September 30, 1997

Run Date : 09/30/97 - 16.48.37
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2424.0000
Category : Submarine Cable

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	10,231,062	8,619,344	
Adjustment		0	
Study	10,231,062	8,619,344	
% Tot. Depr. Plant		.08	
Depr. Reserve ($)	5,087,511	5,339,899	
(%)	49.7	62.0	
P-Life/AYFR (Yrs)			
Submarine Cable	13.9	14.0	
Curve			
Submarine Cable		1994-96 BUR MET	
C	0.00000000E+00	1.06000000E+00	
G	0.00000000E+00	-7.96353020E-02	
S	0.00000000E+00	4.49205680E-03	
Whole Life (Yrs)	22.0	17.8	
Avg. Net Salv. (%)	-3	-3	
WL Rate (%)	.0	5.8	
Composite Rem Life (Yrs)	9.9	4.4	
Fut. Net Salv. (%)	0	-5	
Composite RL Rate (%)	5.3	9.8	
Intrastate Factor (%)	71.59	74.62	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.26.11
Report : FCC_TBL1, FSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2424.0000
Category : Submarine Cable

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E*	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	0	.0000	.00	13.51	.00	0	0
VG 1996	1.5	231829	.9254	1.46	12.57	13.09	17707	222525
VG 1995	2.5	13288	.9326	2.47	11.67	13.35	996	11616
VG 1994	3.5	108131	.9383	3.47	10.81	13.61	7943	85871
VG 1993	4.5	409763	.9429	4.47	10.00	13.90	29480	294759
VG 1992	5.5	281310	.9466	5.47	9.23	14.21	19797	182701
VG 1991	6.5	295203	.5608	4.23	8.50	9.00	32797	278801
VG 1990	7.5	173066	.5376	5.53	7.81	9.73	17790	139023
VG 1989	8.5	54578	.9126	8.37	7.17	14.91	3660	26239
VG 1988	9.5	146322	.3309	6.57	6.56	8.74	16740	109865
VG 1987	10.5	132265	.7960	8.89	6.00	13.66	9683	58060
VG 1986	11.5	201979	.4813	9.44	5.47	12.09	16712	91366
VG 1985	12.5	75615	.5462	11.85	4.97	14.57	5189	25814
VG 1984	13.5	83081	.9589	13.56	4.52	17.89	4644	20976
VG 1983	14.5	7722	.0625	8.97	4.09	9.22	837	3428
VG 1982	15.5	815580	.6910	14.32	3.70	16.88	48315	178920
VG 1981	16.5	58051	.3362	8.79	3.34	9.91	5856	19584
VG 1980	17.5	465395	.9538	17.46	3.01	20.34	22883	68980
VG 1979	18.5	413500	.8809	17.61	2.71	20.00	20672	56090
VG 1978	19.5	291467	.7708	19.04	2.44	20.92	13930	33974
VG 1977	20.5	280700	.6613	18.81	2.19	20.25	13859	30348
VG 1976	21.5	85717	.1871	17.17	1.96	17.54	4888	9602
VG 1975	22.5	358375	.4042	16.99	1.76	17.70	20246	35653
VG 1974	23.5	534662	.7226	22.58	1.58	23.72	22545	35586
VG 1973	24.5	361851	.6808	22.25	1.42	23.22	15587	22060
PRIOR		2739895	.3405	24.63	.80	24.72	110829	88540
Totals		8619345					483585	2130381
Composites			.502008		4.40539*	17.82385#		

Plife: 14.0
c = +1.06000000E+00 G = -7.96353020E-02 S = +4.49205680E-03 Unscaled
c = +1.14249415E+00 G = -7.96353020E-02 S = +1.02696900E-02 Scaled

* From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 17170121

Run Date : 09/30/97 - 15.37.06
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2424.0000
Category : Submarine Cable

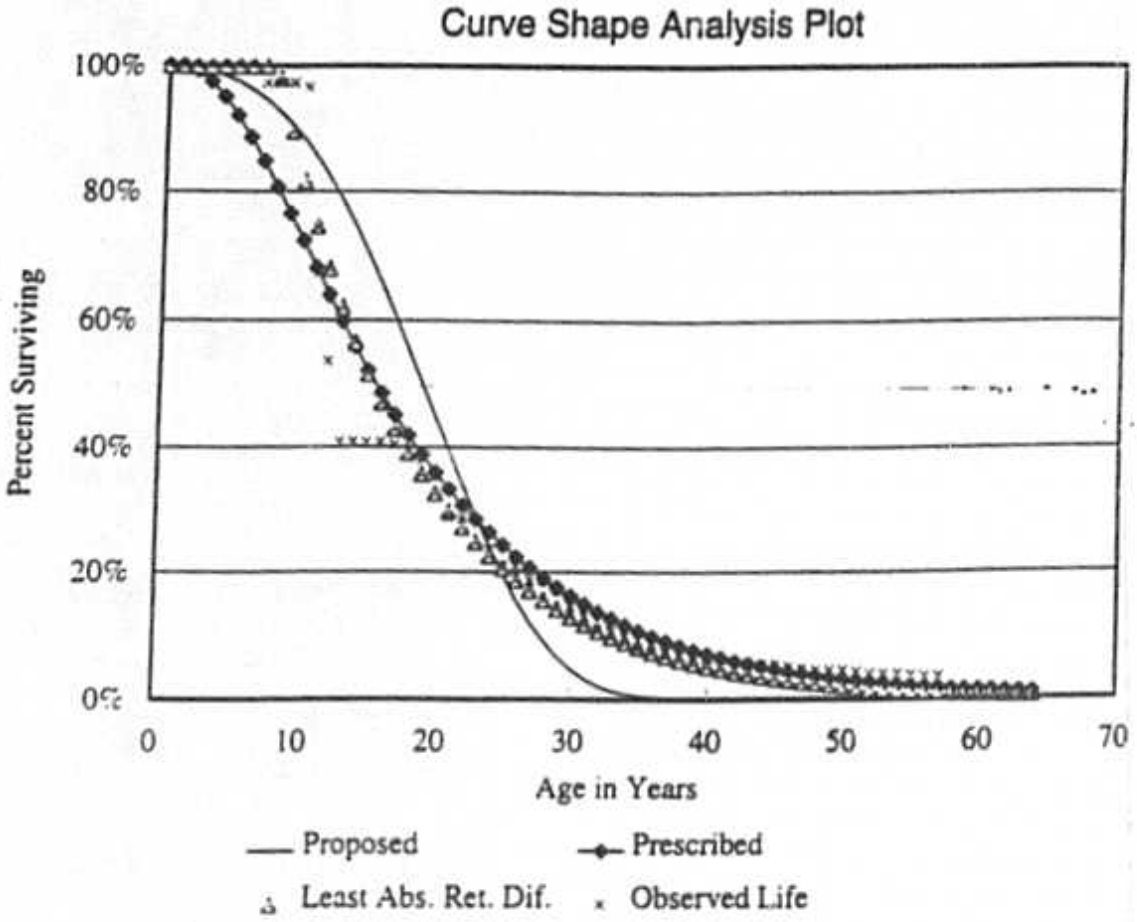
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 14.0
C = +1.06000000E+00 G = -7.96353020E-02 S = +4.49205680E-03 Unscaled
C = +1.14249415E+00 G = -7.96353020E-02 S = +1.02696900E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	81	.5	161	9477	10.55	10.55	14.00
.5	99919	427	1.0	427	9316	10.73	10.23	13.51
1.5	99493	819	2.0	409	8889	11.19	9.69	12.57
2.5	98674	1256	3.0	419	8480	11.64	9.14	11.67
3.5	97418	1738	4.0	435	8061	12.08	8.58	10.81
4.5	95680	2263	5.0	453	7627	12.55	8.05	10.00
5.5	93417	2826	6.0	471	7174	13.02	7.52	9.23
6.5	90591	3418	7.0	488	6703	13.51	7.01	8.50
7.5	87173	4029	8.0	504	6215	14.03	6.53	7.81
8.5	83144	4640	9.0	516	5711	14.56	6.06	7.17
9.5	78504	5233	10.0	523	5196	15.11	5.61	6.56
10.5	73272	5780	11.0	525	4672	15.68	5.18	6.00
11.5	67491	6255	12.0	521	4147	16.28	4.78	5.47
12.5	61236	6624	13.0	510	3626	16.89	4.39	4.97
13.5	54612	6857	14.0	490	3116	17.53	4.03	4.52
14.5	47755	6925	15.0	462	2626	18.18	3.68	4.09
15.5	40831	6806	16.0	425	2165	18.86	3.36	3.70
16.5	34025	6492	17.0	382	1739	19.56	3.06	3.34
17.5	27533	5988	18.0	333	1357	20.28	2.78	3.01
18.5	21545	5319	19.0	280	1025	21.02	2.52	2.71
19.5	16226	4529	20.0	226	745	21.79	2.29	2.44
20.5	11696	3676	21.0	175	518	22.57	2.07	2.19
21.5	8020	2826	22.0	128	343	23.37	1.87	1.96
22.5	5194	2043	23.0	89	215	24.18	1.68	1.76
23.5	3151	1377	24.0	57	126	25.02	1.52	1.58
24.5	1774	857	25.0	34	69	25.87	1.37	1.42
Total		100001						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2424.0000
Category : Submarine Cable



Method = MORT 1994-1996 Band T = 57

c = +1.06000000E+00 G = -7.96353020E-02 S = +4.49205680E-03

Curves Scaled to the Observed Life of 18.20

Run Date : 12/01/97 - 15.13.06
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2424.0000
Category : Submarine Cable

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	8551*	3.7**	316	4.0**	342	-.3
FUTURE	8619#	2.0##	172	7.0##	603	-5.0
TOTAL	17170		488		945	
AVERAGE		2.8		5.5		-2.7

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/01/97 - 15.13.13
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2424.0000
Category : Submarine Cable

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1972%	68828738	1458138	102674	7.0	80908	5.5	1.5
1973	7217145	137134	-55	.0	10239	7.5	-7.5
1974	8098623	92917	2134	2.3	5411	5.8	-3.5
1975	8756719	174708	12466	7.1	7530	4.3	2.8
1976	8966302	112051	14	.0	4419	3.9	-3.9
1977	9466429	131415	1074	.8	4306	3.3	-2.5
1978	9596261	165900	16883	10.2	20325	12.3	-2.1
1979	9860977	235877	0	.0	6205	2.6	-2.6
1980	9834216	537843	24590	4.6	36208	6.7	-2.2
1981	9787880	214494	3994	1.9	5289	2.5	-.6
1982	10492943	160764	0	.0	1045	.7	-.7
1983	10318709	257556	0	.0	1927	.7	-.7
1984	10767956	355302	0	.0	17964	5.1	-5.1
1985	10750900	159831	0	.0	2595	1.6	-1.6
1986	10964597	317301	215	.1	2731	.9	-.8
1987	11037328	104609	75480	72.2	2395	2.3	69.9
1988	11064169	255631	0	.0	1377	.5	-.5
1989	10711710	384121	0	.0	22911	6.0	-6.0
1990	10778208	155429	1722	1.1	832	.5	.6
1991	10231062	547146	5788	1.1	5243	1.0	.1
1992	9914568	633945	0	.0	12579	2.0	-2.0
1993	9730564	618560	0	.0	30457	4.9	-4.9
1994	9378097	467704	69282	14.8	64818	13.9	1.0
1995	9246735	145637	16384	11.2	4181	2.9	8.4
1996	9003344	493874	6227	1.3	6356	1.3	.0
1997#	8619344	384000	14976	3.9	19200	5.0	-1.1
Grand Total		8701887	353848	4.1	377451	4.3	-.3
1949-1997 @@		8552782	334688	3.9	358793	4.2	-.3
1988-1997 **		4086047	114379	2.8	167954	4.1	-1.3

% Represents 1972 and prior years
@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/01/97 - 15.13.13
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2424.0000
Category : Submarine Cable

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1975	648225	15633	2.4	31905	4.9	-2.5
1976	676991	32571	4.8	41991	6.2	-1.4
1977	819951	30437	3.7	42785	5.2	-1.5
1978	1183086	42561	3.6	71463	6.0	-2.4
1979	1285529	46541	3.6	72333	5.6	-2.0
1980	1314878	45467	3.5	69072	5.3	-1.8
1981	1406534	28584	2.0	50674	3.6	-1.6
1982	1525959	28584	1.9	62433	4.1	-2.2
1983	1147947	3994	.3	28820	2.5	-2.2
1984	1250754	215	.0	26262	2.1	-2.1
1985	1194599	75695	6.3	27612	2.3	4.0
1986	1192674	75695	6.3	27062	2.3	4.1
1987	1221493	75695	6.2	32009	2.6	3.6
1988	1217091	77417	6.4	30246	2.5	3.9
1989	1446936	82990	5.7	32758	2.3	3.5
1990	1976272	7510	.4	42942	2.2	-1.8
1991	2339201	7510	.3	72022	3.1	-2.8
1992	2422784	76792	3.2	113929	4.7	-1.5
1993	2412992	91454	3.8	117278	4.9	-1.1
1994	2359720	91893	3.9	118391	5.0	-1.1
1995	2119775	106869	5.1	125012	5.9	-.9

Run Date : 12/01/97 - 15.13.34
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2424.0000
Category : Submarine Cable

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	10318709							
1984	10767956	10543333	355302	.03370				
1985	10750900	10759428	159832	.01486	84-86	32160510	832436	.02588
1986	10964597	10857749	317302	.02922	85-87	32618140	581743	.01783
1987	11037328	11000963	104609	.00951	86-88	32909461	677542	.02059
1988	11064169	11050749	255631	.02313	87-89	32939652	744361	.02260
1989	10711710	10887940	384121	.03528	88-90	32683648	795181	.02433
1990	10778208	10744959	155429	.01447	89-91	32137534	1086696	.03381
1991	10231062	10504635	547146	.05209	90-92	31322409	1336520	.04267
1992	9914568	10072815	633945	.06294	91-93	30400016	1799651	.05920
1993	9730564	9822566	618560	.06297	92-94	29449712	1720209	.05841
1994	9378097	9554331	467704	.04895	93-95	28689298	1231901	.04294
1995	9246705	9312401	145637	.01564	94-96	27991757	1107215	.03956
1996	9003344	9125025	493874	.05412	95-97	27248770	1023511	.03756
1997#	8619344	8811344	384000	.04358				

Forecasted activity

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2426.0000
Category	:	Intra-Bldg Network Cable

Account Description

The Intrabuilding Network Cable Account consists of cable and wires located on the Company's side of the demarcation point or Standard Network Interface (SNI), inside subscriber's buildings or between buildings on one customer's premises. Intrabuilding network cables are used to distribute network access facilities to equipment rooms, cross-connections or other distribution points on the same premises.

Investment and Reserve Statistics

The estimated 1-1-98 investment and reserve in the Intrabuilding Network Cable Account are shown below in Table 1.

State	Invest ($M)	% of Depr Plant	Reserve ($M)	Res %
Florida	43.1	0.4	32.4	75.3

Table 1

Life Proposal

The Company selects a projection life of 20 based on our analysis of historical data and life expectations for this account.

The graduated curve shape for the 1994-1996 band with the least absolute retirement differences to total data was selected.

Salvage Proposal

Historical salvage in this account has ranged from about –3% to –8%. The Company believes that the cost of removing cable in this account will continue to be greater than any realized salvage, and that future cost of removal will be somewhat higher than currently being experienced. Therefore, the Company is selecting a future net salvage of –10%.

COMPANY	:	BELLSOUTH TELECOMMUNICATION
STATE	:	FLORIDA
ACCOUNT	:	2426.0000
CATEGORY	:	INTRA-BLDG NETWK

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September 30, 1997

Run Date : 09/30/97 - 16.49.03
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2426.0000
Category : Intra-Bldg Netwk Cable

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	41,631,197	43,099,744	
Adjustment	0	0	
Study	41,631,197	43,099,744	
% Tot. Depr. Plant	.00	.39	
Depr. Reserve ($)	21,135,260	32,446,455	
(%)	50.8	75.3	
P-Life/AYFR (Yrs)			
Intra-Bldg Netwk Cable	13.8	20.0	
Curve			
Intra-Bldg Netwk Cable		1994-96 AER MET	
C	0.00000000E+00	1.02000000E+00	
G	0.00000000E+00	-1.18860420E+00	
S	0.00000000E+00	2.14624200E-02	
Whole Life (Yrs)	17.7	22.0	
Avg. Net Salv. (%)	-6	-6	
WL Rate (%)	.0	4.8	
Composite Rem Life (Yrs)	9.7	11.3	
Fut. Net Salv. (%)	-9	-10	
Composite RL Rate (%)	6.0	3.1	
Intrastate Factor (%)	71.59	74.62	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.26.28
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2426.0000
Category : Intra-Bldg Netwk Cable

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-98 Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	1413367	.9628	.48	19.58	19.33	73115	1431442
VG 1996	1.5	670580	.9628	1.48	18.76	19.55	34307	643715
VG 1995	2.5	1021339	.9547	2.47	17.99	19.64	52008	935528
VG 1994	3.5	820814	.9393	3.43	17.25	19.64	41799	721020
VG 1993	4.5	668522	.9278	4.41	16.55	19.76	33836	559851
VG 1992	5.5	690275	.9106	5.25	15.88	19.71	35023	556012
VG 1991	6.5	870752	.9271	6.33	15.24	20.46	42558	648447
VG 1990	7.5	1815062	.9249	7.28	14.63	20.81	87232	1275953
VG 1989	8.5	1211073	.9094	8.26	14.05	21.04	57569	808604
VG 1988	9.5	835470	.8581	8.97	13.49	20.55	40664	548606
VG 1987	10.5	771935	.8581	9.78	12.96	20.90	36931	478692
VG 1986	11.5	1164974	.9257	11.31	12.46	22.85	50994	635189
VG 1985	12.5	1192382	.9132	12.32	11.97	23.25	51278	613965
VG 1984	13.5	1382327	.8429	12.65	11.51	22.35	61854	712053
VG 1983	14.5	2562993	.7166	12.70	11.07	20.63	124235	1375387
VG 1982	15.5	2666019	.8017	13.97	10.65	22.51	118441	1261310
VG 1981	16.5	2669364	.8193	14.80	10.25	23.19	115094	1179263
VG 1980	17.5	7184212	.7895	14.93	9.86	22.71	316304	3118900
VG 1979	18.5	3468496	.6850	15.21	9.49	21.71	159730	1516062
VG 1978	19.5	1482790	.6295	15.47	9.14	21.22	69864	638427
VG 1977	20.5	1035064	.6493	16.72	8.80	22.43	46137	406004
VG 1976	21.5	1373432	.6377	17.24	8.48	22.65	60644	514016
VG 1975	22.5	1041138	.6121	16.94	8.17	21.94	47449	387448
VG 1974	23.5	723284	.5441	17.47	7.87	21.75	33258	261678
VG 1973	24.5	846860	.4975	17.70	7.58	21.47	39447	299131
PRIOR		3517220	.2986	21.84	6.20	22.69	154992	961006
Totals		43099744					1984763	22487709
Composites			.685900		11.33017*	21.71531#		

Plife: 20.0
c = +1.02000000E+00 G = -1.18860420E+00 S = +2.14624200E-02 Unscaled
c = +1.03027955E+00 G = -1.18860420E+00 S = +3.23304418E-02 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 62836821

Run Date : 09/30/97 - 15.37.23
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2426.0000
Category : Intra-Bldg Netwk Cable

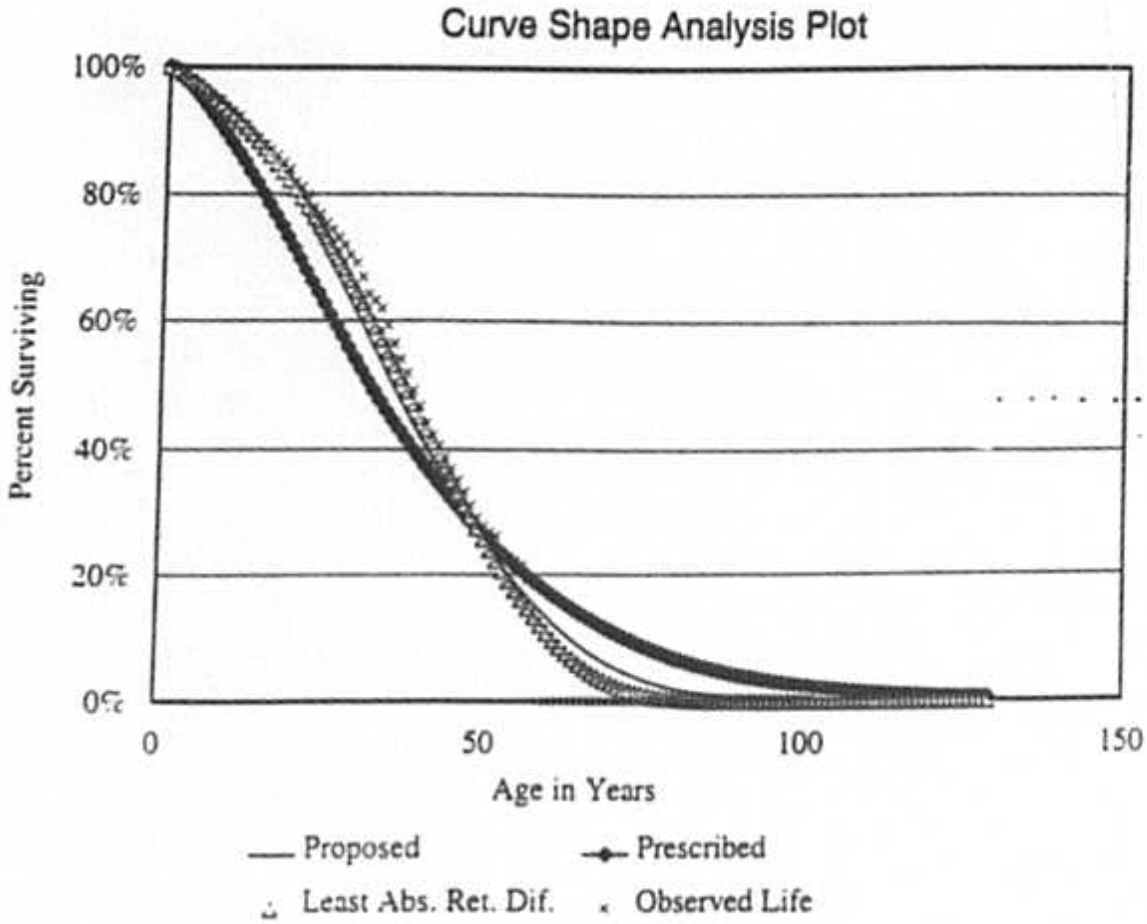
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 20.0
C = +1.02000000E+00 G = -1.18860420E+00 S = +2.14624200E-02 Unscaled
C = +1.03027955E+00 G = -1.18860420E+00 S = +3.23304418E-02 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	390	.5	779	9104	10.98	10.98	20.00
.5	99610	959	1.0	959	8324	11.97	11.47	19.58
1.5	98651	1198	2.0	599	7365	13.39	11.89	18.76
2.5	97453	1436	3.0	479	6766	14.40	11.90	17.99
3.5	96017	1670	4.0	418	6288	15.27	11.77	17.25
4.5	94347	1899	5.0	380	5870	16.07	11.57	16.55
5.5	92448	2120	6.0	353	5490	16.84	11.34	15.88
6.5	90328	2332	7.0	333	5137	17.58	11.08	15.24
7.5	87996	2533	8.0	317	4804	18.32	10.82	14.63
8.5	85463	2720	9.0	302	4487	19.05	10.55	14.05
9.5	82743	2892	10.0	289	4185	19.77	10.27	13.49
10.5	79851	3047	11.0	277	3896	20.50	10.00	12.96
11.5	76804	3184	12.0	265	3619	21.22	9.72	12.46
12.5	73620	3301	13.0	254	3353	21.95	9.45	11.97
13.5	70318	3397	14.0	243	3099	22.69	9.19	11.51
14.5	66921	3472	15.0	231	2857	23.43	8.93	11.07
15.5	63449	3524	16.0	220	2625	24.17	8.67	10.65
16.5	59925	3553	17.0	209	2405	24.92	8.42	10.25
17.5	56372	3560	18.0	198	2196	25.67	8.17	9.86
18.5	52812	3544	19.0	187	1998	26.43	7.93	9.49
19.5	49268	3506	20.0	175	1812	27.20	7.70	9.14
20.5	45762	3447	21.0	164	1636	27.97	7.47	8.80
21.5	42316	3368	22.0	153	1472	28.74	7.24	8.48
22.5	38948	3270	23.0	142	1319	29.53	7.03	8.17
23.5	35678	3156	24.0	131	1177	30.31	6.81	7.87
24.5	32522	3026	25.0	121	1045	31.11	6.61	7.58
Total		99998						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company	:	BellSouth Telecommunications
State	:	Florida
Account	:	2426.0000
Category	:	Intra-Bldg Netwk Cable



Method = MORT 1994-1996 Band T = 56

c = +1.02000000E+00 G = -1.18860420E+00 S = +2.14624200E-02

Curves Scaled to the Observed Life of 36.82

Run Date : 12/01/97 - 15.36.55
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2426.0000
Category : Intra-Bldg Netwk Cable

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	19737*	11.0**	2171	7.4**	1461	3.6
FUTURE	43100#	3.0##	1293	13.0##	5603	-10.0
TOTAL	62837		3464		7064	
AVERAGE		5.5		11.2		-5.7

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/01/97 - 15.37.02
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2426.0000
Category : Intra-Bldg Netwk Cable

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1988	38545134	220806	225821	102.3	21704	9.8	92.4
1989	39559751	273444	107246	39.2	52905	19.3	19.9
1990	40823833	737612	19927	2.7	61205	8.3	-5.6
1991	41118089	704549	38798	5.5	49544	7.0	-1.5
1992	42034673	-170233	127330	-74.8	48154	-28.3	-46.5
1993	42099472	556618	32369	5.8	50603	9.1	-3.3
1994	42586564	405520	7017	1.7	33246	8.2	-6.5
1995	43328220	325902	20884	6.4	47159	14.5	-8.1
1996	43297744	727417	19837	2.7	40216	5.5	-2.8
1997#	43099744	1666000	186592	11.2	198254	11.9	-7.
Grand Total		5447635	785821	14.4	602990	11.1	3.4
1988-1997 @@		5447635	785821	14.4	602990	11.1	3.4
1988-1997 **		5447635	785821	14.4	602990	11.1	3.4

@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/01/97 - 15.37.02
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2426.0000
Category : Intra-Bldg Netwk Cable

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1990	1766178	519122	29.4	233512	13.2	16.2
1991	2101990	325670	15.5	262411	12.5	3.0
1992	2234066	225441	10.1	242752	10.9	-.8
1993	1822356	226398	12.4	228706	12.6	-.1
1994	1845224	207437	11.2	219378	11.9	-.6
1995	3681457	266699	7.2	369478	10.0	-2.8

Run Date : 12/01/97 - 15.37.19
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2426.0000
Category : Intra-Bldg Netwk Cable

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retire-ments	Retire-ment Ratio	Band	Average Plant Balance	Retire-ments	Retire ment Ratio
	A	B=(A+ prev A)/2	C	D=C/B	E	F	G	H=G/F
1988	38545134							
1989	39559751	39052443	273444	.00700				
1990	40823833	40191792	737612	.01835	89-91	120215196	1715605	.01427
1991	41118089	40970961	704549	.01720	90-92	122739134	1271928	.01036
1992	42034673	41576381	-170233	-.00409	91-93	124614415	1090934	.00875
1993	42099472	42067073	556618	.01323	92-94	125986472	791905	.00629
1994	42586564	42343018	405520	.00958	93-95	127367483	1288040	.01011
1995	43328220	42957392	325902	.00759	94-96	128613392	1458839	.01134
1996	43297744	43312982	727417	.01679	95-97	129469118	2719319	.02100.
1997#	43099744	43198744	1666000	.03857				

Forecasted activity

CONDUIT

Company : BellSouth Telecommunications
State : Florida
Account : 2441
Category : Conduit System

Account Description

This account consists of the tile, pipe, and other conduit, whether underground, in tunnels or on bridges. This account also includes manholes, service boxes, markers, plugs and other associated items of plant required as supporting structure for underground cable.

Investment and Reserve Statistics

The estimated 1 1 98 investment and reserve for this account are summarized in Table 1 below.

	Invest. (SM)	% of Depr Plant	Res. (SM)	Res. %
Florida	728.4	6.6	206.0	28.3

Table 1

Life Proposal

The Company selects a projection life of 55 years. This life is currently in effect and the Company's analysis does not indicate that a change should be made at this time.

The Company selects a Bell =5 curve for all states for the Conduit account. Conduit is expected to experience few interim retirements and its life cycle is expected to follow that of a Bell =5 curve.

Salvage Proposal

Based on an analysis of historical and expected salvage, the Company is selecting a future net salvage of -10%.

COMPANY	:	BELLSOUTH TELECOMMUNICATION
STATE	:	FLORIDA
ACCOUNT	:	2441.0000
CATEGORY	:	CONDUIT SYSTEM

INDEX

September 30, 1997

Run Date : 09/30/97 - 16.49.29
Report : RATESUMM
PSC_PRES PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2441.0000
Category : Conduit System

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1992	Company Proposal 1998 @	Agreement 1998
Investment Bal ($)			
Form M	615,557,955	728,371,590	
Adjustment	0	0	
Study	615,557,955	728,371,590	
% Tot. Depr. Plant	6.98	6.55	
Depr. Reserve ($)	129,911,416	206,043,646	
(%)	21.1	28.3	
P-Life/AYFR (Yrs)			
Conduit System	55.0	55.0	
Curve			
Conduit System	88-90 MORT	BELL #5.0	
c	1.11000000E+00	1.71629560E+00	
G	-5.19281140E-04	-1.14622770E-03	
S	-1.06580400E-04	3.81733890E-04	
Whole Life (Yrs)	55.0	55.0	
Avg. Net Salv. (%)	-30	-11	
WL Rate (%)	2.4	2.0	
Composite Rem Life (Yrs)	43.0	39.0	
Fut. Net Salv. (%)	-5	-10	
Composite RL Rate (%)	2.0	2.1	
Intrastate Factor (%)	71.59	74.62	

@ Estimated Investment and Reserve

Run Date : 09/30/97 - 15.26.47
Report : FCC_TBL1, PSC98PRO
Estimated Investment

Company : BellSouth Telecommunications
State : Florida
Account : 2441.0000
Category : Conduit System

Generation Arrangement
Development Of Average Remaining Life & Average Service Life

Experience as of 1-1-98

Vintage	Age A	Amount Surviving B	Prop Surv C	Real Life D	Remaining Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
VG 1997	.5	16282682	.9997	.50	54.50	54.99	296111	16138945
VG 1996	1.5	16073584	.9994	1.50	53.51	54.98	292363	15644319
VG 1995	2.5	23754332	.9977	2.50	52.52	54.89	432738	22726603
VG 1994	3.5	21217011	.9960	3.49	51.53	54.81	387082	19945520
VG 1993	4.5	18579300	.9979	4.50	50.54	54.93	338257	17095289
VG 1992	5.5	19666948	.9966	5.49	49.55	54.88	358376	17758441
VG 1991	6.5	21825091	.9905	6.46	48.57	54.57	399945	19424413
VG 1990	7.5	18336660	.9964	7.49	47.58	54.90	333979	15892291
VG 1989	8.5	23250077	.9957	8.49	46.60	54.89	423575	19740284
VG 1988	9.5	21484984	.9849	9.37	45.63	54.31	395592	18049109
VG 1987	10.5	12344180	.9931	10.48	44.65	54.82	225179	10054171
VG 1986	11.5	13125039	.9905	11.42	43.68	54.68	240039	10484020
VG 1985	12.5	11535718	.9956	12.45	42.71	54.97	209850	8961802
VG 1984	13.5	13557999	.9854	13.38	41.74	54.51	248734	10381748
VG 1983	14.5	8958769	.9925	14.44	40.77	54.91	163158	6652617
VG 1982	15.5	53261566	.9957	15.48	39.81	55.12	966322	38472371
VG 1981	16.5	44043418	.9916	16.41	38.86	54.94	801615	31147551
VG 1980	17.5	70201213	.9889	17.38	37.90	54.86	1279538	48497943
VG 1979	18.5	53009204	.9872	18.36	36.95	54.84	966625	35720258
VG 1978	19.5	36627637	.9856	19.34	36.01	54.83	668055	24055907
VG 1977	20.5	15360671	.9839	20.31	35.07	54.81	280240	9827723
VG 1976	21.5	10413591	.9823	21.28	34.13	54.81	189989	6485067
VG 1975	22.5	12014650	.9806	22.26	33.20	54.82	219169	7277354
VG 1974	23.5	37110107	.9788	23.23	32.28	54.83	676881	21849960
VG 1973	24.5	33218183	.9767	24.19	31.36	54.82	605918	19003048
PRIOR		103118976	.9385	31.77	25.09	55.11	1871010	46941457
Totals		728371590					13270340	518228211
Composites			.982298		39.05162*	54.88718#		

Plife: 55.0
c = +1.71629560E+00 G = -1.14622770E-03 S = +3.81733890E-04 Unscaled
c = +1.10319708E+00 G = -1.14622770E-03 S = +6.94061566E-05 Scaled

\+ From Projection Life Table
@@ For VG vintages = D + (C * E); for ELG vintages = A + E
* Average Remaining Life = Total H / Total G
\# Average Service Life = Total B / Total G
@ Average Proportion Surviving = Total B / Total IGA
= Total B / 741505450

373

Run Date : 09/30/97 - 15.37.40
Report : GENRTBL2, PSC98PRO

Company : BellSouth Telecommunications
State : Florida
Account : 2441.0000
Category : Conduit System

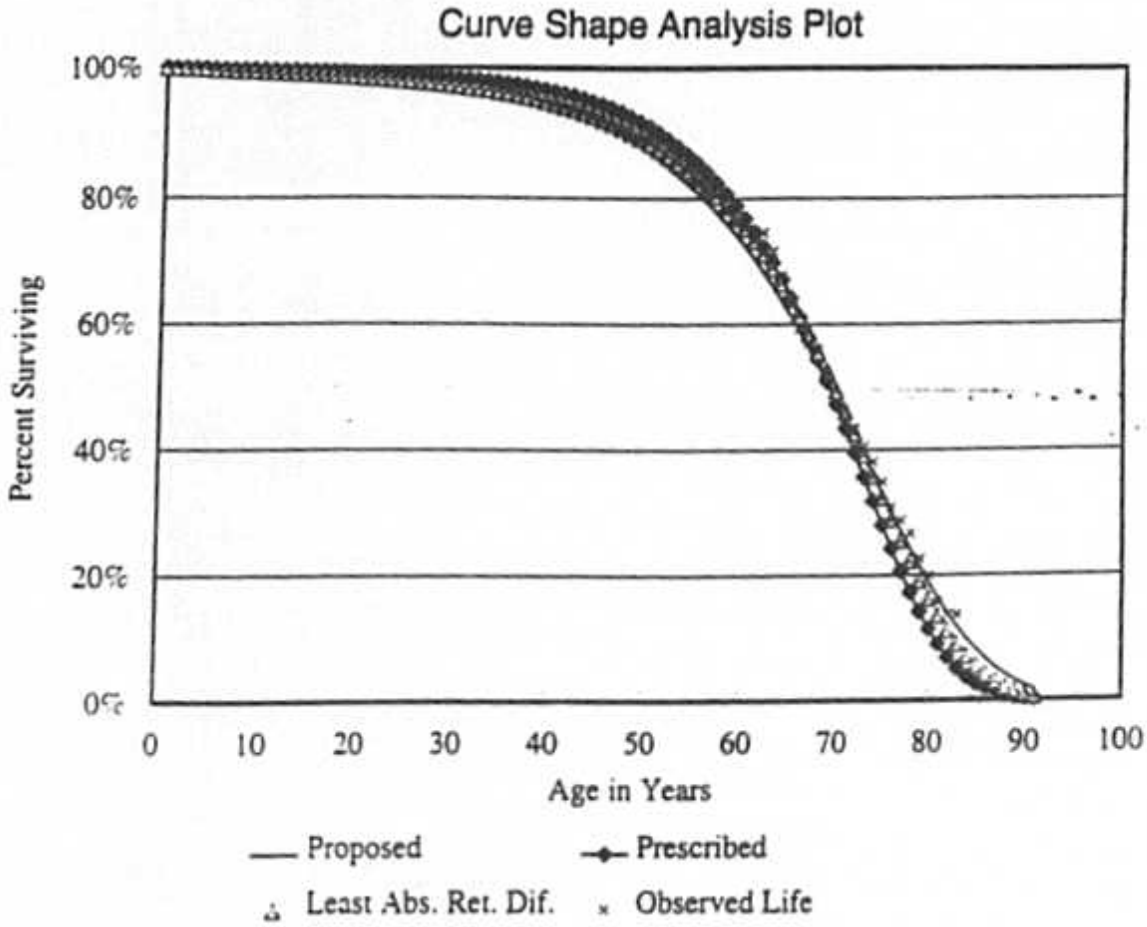
Projection Life Table
Development of Average Service Life and Remaining Life by Age

Plife = 55.0
C = +1.71629560E+00 G = -1.14622770E-03 S = +3.81733890E-04 Unscaled
C = +1.10319708E+00 G = -1.14622770E-03 S = +6.94061566E-05 Scaled

Beginning Of Year		Amount Retired		Annual Accruals For BOY Age A			Remaining Life	
Age A	Amount In Service B	During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	5	.5	11	2016	49.61	49.61	55.00
.5	99995	13	1.0	13	2005	49.87	49.37	54.50
1.5	99982	16	2.0	8	1993	50.18	48.68	53.51
2.5	99967	19	3.0	6	1985	50.37	47.87	52.52
3.5	99948	22	4.0	6	1979	50.52	47.02	51.53
4.5	99925	26	5.0	5	1973	50.65	46.15	50.54
5.5	99899	31	6.0	5	1968	50.77	45.27	49.55
6.5	99868	36	7.0	5	1963	50.89	44.39	48.57
7.5	99833	41	8.0	5	1957	51.00	43.50	47.58
8.5	99792	47	9.0	5	1952	51.11	42.61	46.60
9.5	99745	53	10.0	5	1947	51.23	41.73	45.63
10.5	99692	60	11.0	5	1942	51.34	40.84	44.65
11.5	99632	68	12.0	6	1936	51.45	39.95	43.68
12.5	99564	77	13.0	6	1931	51.57	39.07	42.71
13.5	99487	86	14.0	6	1925	51.69	38.19	41.74
14.5	99401	97	15.0	6	1919	51.81	37.31	40.77
15.5	99305	108	16.0	7	1912	51.93	36.43	39.81
16.5	99197	121	17.0	7	1905	52.06	35.56	38.86
17.5	99076	135	18.0	7	1898	52.19	34.69	37.90
18.5	98941	150	19.0	8	1891	52.33	33.83	36.95
19.5	98791	167	20.0	8	1883	52.47	32.97	36.01
20.5	98625	185	21.0	9	1875	52.61	32.11	35.07
21.5	98439	206	22.0	9	1866	52.76	31.26	34.13
22.5	98234	228	23.0	10	1856	52.91	30.41	33.20
23.5	98006	252	24.0	11	1847	53.07	29.57	32.28
24.5	97754	279	25.0	11	1836	53.24	28.74	31.36
Total		100002						

* F(AGE A) = Sum of Col. E from Age A through End
\# I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

Company : BellSouth Telecommunications
State : Florida
Account : 2441.0000
Category : Conduit System



Method = MORT 1994-1996 Band T = 80

c = +1.71629560E+00 G = -1.14622770E-03 S = +3.81733890E-04

Curves Scaled to the Observed Life of 66.50

Run Date : 12/01/97 - 15.59.29
Report : ANSD, SEC98SAL

Company : BellSouth Telecommunications
State : Florida
Account : 2441.0000
Category : Conduit System

Average Net Salvage
as of January 1998
($000)

	Plant Retired	Gross Salvage Percent	Gross Salvage Amount	Cost of Removal Percent	Cost of Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	13134*	4.2**	552	55.0**	7224	-50.8
FUTURE	728372#	.0##	0	10.0##	72837	-10.0
TOTAL	741506		552		80061	
AVERAGE		.1		10.8		-10.7

* Represents retirements from surviving vintages.

** From Table A.

\# Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 12/01/97 - 15.59.35
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2441.0000
Category : Conduit System

Table A

Annual Retirements
Gross Salvage and Cost of Removal

Year	Plant In Service Dec. 31 ($) A	Plant Retired ($) B	Gross Salvage Amount ($) C	Gross Salvage Percent C/B D	Cost of Removal Amount ($) E	Cost of Removal Percent E/B F	Percent Net Salvage (C-E)/B G
1972%	680005409	1592934	95543	6.0	1227059	77.0	-71.0
1973	129219916	217656	11650	5.4	207601	95.4	-90.0
1974	163485586	174743	37672	21.6	250587	143.4	-121.8
1975	174392725	195617	23336	11.9	178253	91.1	-79.2
1976	183769020	161625	52634	32.6	127099	78.6	-46.1
1977	197644216	258411	7325	2.8	137658	53.3	-50.4
1978	230919654	297127	1165	.4	287605	96.8	-96.4
1979	279529012	260588	1765	.7	151848	58.3	-57.6
1980	343309808	574542	25447	4.4	286749	49.9	-45.5
1981	382854841	507751	25285	5.0	413887	81.5	-76.5
1982	428433668	884215	7562	.9	302821	34.2	-33.4
1983	450079516	500791	2145	.4	225167	45.0	-44.5
1984	471140224	384786	80750	21.0	184773	48.0	-27.0
1985	493773218	354448	8269	2.3	145135	40.9	-38.6
1986	515613947	217063	10221	4.7	112850	52.0	-47.3
1987	534109868	176361	2084	1.2	122921	69.6	-68.5
1988	554741392	1021319	10376	1.0	220698	21.6	-20.6
1989	577463322	808581	8410	1.0	222746	27.5	-26.5
1990	594889787	129728	34701	26.7	188863	145.6	-118.8
1991	615557955	1637540	-9470	-.6	159212	9.7	-10.3
1992	635390265	-399952	17517	-4.4	254541	-63.6	59.3
1993	653997523	354888	26208	7.4	333035	93.8	-86.5
1994	673846411	761627	3160	.4	1060068	139.2	-138.8
1995	697060949	1237467	40137	3.2	-62592	-5.1	8.3
1996	712606590	240274	4460	1.9	429216	178.6	-176.8
1997#	728371590	522000	21924	4.2	253692	48.6	-44.4
Grand Total		13072130	550276	4.2	7421392	56.8	-52.6
1945-1997 @@		13072130	550276	4.2	7421392	56.8	-52.6
1988-1997 **		6313472	157423	2.5	3059479	48.5	-46.0

% Represents 1972 and prior years
@@ Represents retirements from surviving vintages
** Represents the most recent ten-year band of activity
# Forecasted activity

Run Date : 12/01/97 - 15.59.35
Report : TABLEAB
BUD_9708, RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2441.0000
Category : Conduit System

Table B

5-YR Overlapping Bands of Annual Retirements Gross Salvage and Cost of Removal

Center Year	Plant Retired ($) A	Gross Salvage Amount ($) B	Gross Salvage Percent B/A C	Cost of Removal Amount ($) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
1975	1008052	132617	13.2	901198	89.4	-76.2
1976	1087523	122132	11.2	981202	90.2	-79.0
1977	1173368	86225	7.3	882463	75.2	-67.9
1978	1552293	88336	5.7	990959	63.8	-58.1
1979	1898419	60987	3.2	1277747	67.3	-64.1
1980	2524223	61224	2.4	1442910	57.2	-54.7
1981	2727887	62204	2.3	1380472	50.6	-48.3
1982	2852085	141189	5.0	1413397	49.6	-44.6
1983	2631991	124011	4.7	1271783	48.3	-43.6
1984	2341303	108947	4.7	970746	41.5	-36.8
1985	1633449	103469	6.3	790746	48.4	-42.1
1986	2153977	111700	5.2	786277	36.5	-31.3
1987	2577772	39360	1.5	824250	32.0	-30.4
1988	2353052	65792	2.8	867978	36.9	-34.1
1989	3773529	46101	1.2	914340	24.2	-23.0
1990	3197216	61534	1.9	1046060	32.7	-30.8
1991	2530785	77366	3.1	1158397	45.8	-42.7
1992	2483831	72116	2.9	1995719	80.3	-77.4
1993	3591570	77552	2.2	1744264	48.5	-46.4
1994	2194304	91482	4.2	2014268	91.8	-87.6
1995	3116256	95889	3.1	2013419	64.6	-61.5

Run Date : 12/01/97 - 15.59.55
Report : RETRATIO
RF9708S2

Company : BellSouth Telecommunications
State : Florida
Account : 2441.0000
Category : Conduit System

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	Retirements	Retirement Ratio	Band	Average Plant Balance	Retirements	Retirement Ratio
	A	B=(A+prev A)/2	C	D=C/B	E	F	G	H=G/F
1983	450079516							
1984	471140224	460609870	384791	.00084				
1985	493773218	482456721	354448	.00073	84-86	1447760174	971553	.00067
1986	515613947	504693583	232314	.00046	85-87	1512012212	763123	.00050
1987	534109868	524861908	176361	.00034	86-88	1573981121	1429994	.00091
1988	554741392	544425630	1021319	.00188	87-89	1635389895	2006261	.00123
1989	577463322	566102357	808581	.00143	88-90	1696704542	1959628	.00115
1990	594889787	586176555	129728	.00022	89-91	1757502783	2575849	.00147
1991	615557955	605223871	1637540	.00271	90-92	1816874536	1367316	.00075
1992	635390265	625474110	-399952	-.00064	91-93	1875391875	1592476	.00085
1993	653997523	644693894	354888	.00055	92-94	1934089971	716563	.00037
1994	673846411	663921967	761627	.00115	93-95	1994069541	2353982	.00118
1995	697060949	685453680	1237467	.00181	94-96	2054209417	2239368	.00109
1996	712606590	704833770	240274	.00034	95-97	2110776540	1999741	.00095
1997#	728371590	720489090	522000	.00072				

Forecasted activity

Comparison of Projection Lives

	1994 AT&T Prescribed	BellSouth Cost Studies
Digital Electronic Switching	9.7	10
Circuit Digital Equipment	7.2	9
Circuit Analog Equipment	2.5	7.8
Metallic Cable	3.4 - 15	12 - 14
Non-Metallic Cable	20	20

Source of AT&T Prescribed Lives: 1994 FCC Represcription "Three-Way Meeting" Results for AT&T Communications, August 2, 1994.