NANCY B. WHITE General Attorney

Southern Bell Telephone and Telegraph Company Suite 400 150 South Monroe Street Tallahassee, Florida 32301 (404) 529-5387

February 22, 1993

Mr. Steve C. Tribble Director, Division of Records and Reporting Florida Public Service Commission 101 East Gaines Street Tallahassee, Florida 32301

RE: Docket No. 920260-TL, 900960-TL, 910163-TL, 910727-TI

Dear Mr. Tribble:

Enclosed is an original and fifteen copies of a Southern Bell Telephone and Telegraph Company's Response and Memorandum in Opposition to Public Counsel's Motion for Review of Order Establishing Revised Procedural Schedule. Please file this document in the above-captioned dockets.

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 on the parties shown on the attached Certificate of Service.

Sincerely,

ancy B. White

Enclosures

cc: All Parties of Record

A. M. Lombardo H. R. Anthony R. D. Lackey CERTIFICATE OF SERVICE Docket No. 920260-TL

Docket No. 900960-TL

Docket No. 910163-TL

Docket No. 910727-TL

I HEREBY CERTIFY that a copy of the foregoing has been furnished by United States Mail this 22nd day of February, 1993 to:

Robin Norton
Division of Communications
Florida Public Service
Commission
101 East Gaines Street
Tallahassee, FL 32399-0866

Tracy Hatch Division of Legal Services Florida Public Svc. Commission 101 East Gaines Street Tallahassee, FL 32399-0863

Joseph A. McGlothlin Vicki Gordon Kaufman McWhirter, Grandoff & Reeves 315 South Calhoun Street Suite 716 Tallahassee, Florida 32301 atty for FIXCA

Joseph Gillan J. P. Gillan and Associates Post Office Box 541038 Orlando, Florida 32854-1038

Patrick K. Wiggins
Wiggins & Villacorta, P.A.
Post Office Drawer 1657
Tallahassee, Florida 32302
atty for Intermedia and Cox

Laura L. Wilson, Esq.
Messer, Vickers, Caparello,
Madsen, Lewis & Metz, PA
Post Office Box 1876
Tallahassee, FL 32302
atty for FPTA

Charles J. Beck
Deputy Public Counsel
Office of the Public Counsel
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

Michael J. Henry MCI Telecommunications Corp. MCI Center Three Ravinia Drive Atlanta, Georgia 30346-2102

Richard D. Melson Hopping Boyd Green & Sams Post Office Box 6526 Tallahassee, Florida 32314 atty for MCI

Rick Wright
Regulatory Analyst
Division of Audit and Finance
Florida Public Svc. Commission
101 East Gaines Street
Tallahassee, FL 32399-0865

Peter M. Dunbar
Haben, Culpepper, Dunbar & French, P.A.
306 North Monroe Street
Post Office Box 10095
Tallahassee, FL 32301
atty for FCTA

Chanthina R. Bryant Sprint 3065 Cumberland Circle Atlanta, GA 30339 Michael W. Tye
AT&T Communications of the
Southern States, Inc.
106 East College Avenue
Suite 1410
Tallahassee, Florida 32301

Dan B. Hendrickson Post Office Box 1201 Tallahassee, FL 32302 atty for FCAN

Benjamin H. Dickens, Jr. Blooston, Mordkofsky, Jackson & Dickens 2120 L Street, N.W. Washington, DC 20037 Atty for Fla Ad Hoc

C. Everett Boyd, Jr.
Ervin, Varn, Jacobs, Odom
& Ervin
305 South Gadsen Street
Post Office Drawer 1170
Tallahassee, Florida 32302
atty for Sprint

Florida Pay Telephone Association, Inc. c/o Mr. Lance C. Norris President Suite 202 8130 Baymeadows Circle, West Jacksonville, FL 32256

Monte Belote Florida Consumer Action Network 4100 W. Kennedy Blvd., #128 Tampa, FL 33609

Bill L. Bryant, Jr., Esq. Foley & Lardner Suite 450 215 South Monroe Street Tallahassee, FL 32302-0508 Atty for AARP Michael B. Twomey Assistant Attorney General Department of Legal Affairs Room 1603, The Capitol Tallahassee, FL 32399-1050

Mr. Douglas S. Metcalf Communications Consultants, Inc. 631 S. Orlando Ave., Suite 250 P. O. Box 1148 Winter Park, FL 32790-1148

Mr. Cecil O. Simpson, Jr. General Attorney
Mr. Peter Q. Nyce, Jr. General Attorney
Regulatory Law Office
Office of the Judge
Advocate General
Department of the Army
901 North Stuart Street
Arlington, VA 22203-1837

Mr. Michael Fannon Cellular One 2735 Capital Circle, NE Tallahassee, FL 32308

Floyd R. Self, Esq. Messer, Vickers, Caparello, Madsen, Lewis, Goldman & Metz Post Office Box 1876 Tallahassee, FL 32302-1876 Attys for McCaw Cellular

Angela Green
Division of Legal Services
Florida Public Svc. Commission
101 East Gaines Street
Tallahassee, FL 32399-0863

Stan Greer Division of Legal Services Florida Public Svc. Commission 101 East Gaines Street Tallahassee, FL 32399-0863

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## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Comprehensive Review of the Revenue Requirements and Rate Stabilization Plan of Southern Bell Telephone and Telegraph Company

Docket No. 900960-TL

Docket No. 920260-TL

In re: Show cause proceeding against Southern Bell Telephone and Telegraph Company for misbilling customers

Docket No. 910163-TL

In re: Petition on behalf of Citizens of the State of Florida to initiate investigation into integrity of Southern Bell Telephone and Telegraph Company's repair service activities and reports

In re: Investigation into Southern Bell Telephone and Telegraph Company's compliance with Rule 25-4.110(2), F.A.C., Rebates Docket No. 910727-TL

Filed: February 22, 1993

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S RESPONSE AND MEMORANDUM IN OPPOSITION TO PUBLIC COUNSEL'S MOTION FOR REVIEW OF ORDER ESTABLISHING REVISED PROCEDURAL SCHEDULE

COMES NOW, BellSouth Telecommunications, Inc., d/b/a
Southern Bell Telephone and Telegraph Company ("Southern Bell" or
"Company"), pursuant to Rule 25-22.038(2)(b), Florida
Administrative Code, and files its Response and Memorandum in
Opposition to the Office of Public Counsel's ("Public Counsel")
Motion for Review of Order Revising Procedural Schedule (the
"Motion"), and states the following:

1. In its Motion dated February 15, 1993, Public Counsel takes issue with the procedural schedule set by the Prehearing Officer in Order No. PSC-93-0177-PCO-TL and requests, as an alternative, that it not be forced to file testimony until a

reasonable time after all discovery has been received and it has had sufficient time to follow up on that discovery.

- 2. Public Counsel's Motion, is, in effect, a request for a continuance of the hearings currently scheduled for March and April of 1993. Public Counsel has already filed a related Motion to Postpone Hearings to be heard by the Prehearing Officer. A copy of Southern Bell's response to that Motion is attached hereto as Attachment A.
- 3. The first justification advanced by Public Counsel is that Public Counsel is still awaiting discovery from Southern Bell and should not be forced to prepare its case without use of this discovery. Southern Bell avers that the discovery discussed within Public Counsel's motion relates solely to the investigation aspects of these dockets, which are fully separable from the incentive regulation portion of these dockets. issues dealing with incentive regulation and traditional rate case concerns in Docket 920260-TL can and should be heard in March of 1993, as currently scheduled. On the other hand, Southern Bell has no objection to the postponement of the hearings related to the matters to be reviewed in Dockets 910163-TL, 910727-TL, and 900960-TL. The discovery to which Public Counsel refers in its Motion relates to the matters under review in these latter dockets. Thus, there would be no prejudice to any party to hear the "rate case issues" in the period currently scheduled.
  - 4. In addition, the testimony filed thus far by Public

Counsel's witness, Earl Poucher, as well as by the witness for the Attorney General, Mike Maloy, is totally irrelevant both to the traditional rate case and incentive regulation issues which are contained in Docket No. 920260-TL. In Mr. Poucher's testimony, filed on February 15, 1993, he concerns himself with alleged improper sales activities which occurred between 1987 and 1990. (Poucher Direct in Docket No. 900960-TL, p. 7). Mr. Maloy's testimony, filed on November 16, 1992, contains allegations of improper repair reporting which supposedly began in the early 1980's. (Maloy Direct in Docket No. 920260-TL, pp. 12, 20, 38, and 65). All of these alleged improper activities predated the inception of incentive regulation in late 1988. Thus, by their testimony, these witnesses demonstrate that the allegations of irregularities predate incentive regulation. current hearing schedule should therefore be maintained for all traditional rate case and incentive regulation issues.

5. The second justification advanced by Public Counsel for its motion is that a continuance will allow the staff auditors to complete an audit of Southern Bell's affiliate transactions. This contention is clearly without merit. The staff of the Public Service Commission has already performed an audit of affiliated transaction issues and has prefiled testimony in Docket No. 920260-TL relating to this audit. Thus, there is no need to postpone the hearing on this basis. Moreover, the audit to which Public Counsel refers in its Motion is being conducted under the joint auspices of the National Association of

Regulatory Utility Commissioners ("NARUC") and the Florida Public Service Commission ("Commission") and was placed under the umbrella of Docket No. 920260-TL merely as a convenience. In light of the Staff's already completed audit, the NARUC Audit should not serve as an impediment to the orderly conduct of these proceedings or as a vehicle of delay.

WHEREFORE, Southern Bell requests that the full Commission deny Public Counsel's Motion for Review of the Prehearing Officer's Order Revising Procedural Schedule.

Respectfully submitted this 22nd day of February, 1993.

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

HARRIS R. ANTHONY J. PHILLIP CARVER

c/o Marshall M. Criser

400 - 150 South Monroe Street Tallahassee, Florida 32301 (305) \$20,55\$5

R. DOUGLAS LACKEY

NANCY B. WHITE

4300 - 675 West Peachtred St., N.E.

Atlanta, Georgia 30375

(404) 529-3862 (404) 529-5387

## ATTACHMENT A

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Comprehensive Review of the Revenue Requirements and Rate Stabilization Plan of Southern Bell Telephone and Telegraph Company Docket No. 920260-TL

In re: Show cause proceeding against Southern Bell Telephone and Telegraph Company for misbilling customers

Docket No. 900960-TL

In re: Petition on behalf of Citizens of the State of Florida to initiate investigation into integrity of Southern Bell Telephone and Telegraph Company's repair service activities and reports Docket No. 910163-TL

In re: Investigation into Southern Bell Telephone and Telegraph Company's compliance with Rule 25-4.110(2), F.A.C., Rebates Docket No. 910727-TL

Filed: February 22, 1993

## SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S RESPONSE AND OPPOSITION TO PUBLIC COUNSEL'S MOTION TO POSTPONE HEARINGS

COMES NOW, BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company ("Southern Bell" or "Company"), and, pursuant to Rule 25-22.073, Florida Administrative Code, files its Response and Opposition to the Office of Public Counsel's ("Public Counsel") Motion to Postpone Hearings, showing in support thereof the following:

1. The hearings in the above-captioned dockets are currently scheduled for March and April of 1993. These dockets encompass review of and proposed revisions to the incentive regulation plan under which Southern Bell currently operates, as well as investigations into allegations concerning repair

reporting and non-contact sales.

- 2. On February 17, 1993, Public Counsel filed a Motion to Postpone Hearings in these dockets. Public Counsel set forth essentially two reasons why he believed that a delay in the scheduled hearings was appropriate.
- 3. The first justification advanced by Public Counsel is that Public Counsel is still awaiting discovery from Southern Bell and should not be forced to prepare its case without use of this discovery. Southern Bell avers that the discovery discussed within Public Counsel's motion relates solely to the investigation aspects of these dockets, which are fully separable from the incentive regulation portion of these dockets. issues dealing with incentive regulation and traditional rate case concerns in Docket 920260-TL can and should be heard in March of 1993, as currently scheduled. On the other hand, Southern Bell has no objection to the postponement of the hearings related to the matters to be reviewed in Dockets 910163-TL, 910727-TL, and 900960-TL. The discovery to which Public Counsel refers in its Motion relates to the matters under review in these latter dockets. Thus, there would be no prejudice to any party to hear the "rate case issues" in the period currently scheduled.
- 4. In addition, the testimony filed thus far by Public Counsel's witness, Earl Poucher, as well as by the witness for the Attorney General, Mike Maloy, is totally irrelevant both to the traditional rate case and incentive regulation issues which

are contained in Docket No. 920260-TL. In Mr. Poucher's testimony, filed on February 15, 1993, he concerns himself with alleged improper sales activities which occurred between 1987 and 1990. (Poucher Direct in Docket No. 900960-TL, p. 7). Mr. Maloy's testimony, filed on November 16, 1992, contains allegations of improper repair reporting which supposedly began in the early 1980's. (Maloy Direct in Docket No. 920260-TL, pp. 12, 20, 38, and 65). All of these alleged improper activities predated the inception of incentive regulation in late 1988. Thus, by their testimony, these witnesses demonstrate that the allegations of irregularities predate incentive regulation. The current hearing schedule should therefore be maintained for all traditional rate case and incentive regulation issues.

5. The second justification advanced by Public Counsel for its motion is that a continuance will allow the staff auditors to complete an audit of Southern Bell's affiliate transactions.

This contention is clearly without merit. The staff of the Public Service Commission has already performed an audit of affiliated transaction issues and has prefiled testimony in Docket No. 920260-TL relating to this audit. Thus, there is no need to postpone the hearing on this basis. Moreover, the audit to which Public Counsel refers in its motion is being conducted under the joint auspices of the National Association of Regulatory Utility Commissioners ("NARUC") and the Florida Public Service Commission ("Commission") and was placed under the umbrella of Docket No. 920260-TL merely as a convenience. In

light of the Staff's already completed audit, the NARUC Audit should not serve as an impediment to the orderly conduct of these proceedings or as a vehicle of delay.

WHEREFORE, Southern Bell requests that, while it has no objection to the delay of the investigation portions of dockets 910163-TL, 910727-TL, and 900960-TL, it is opposed to any delay in the incentive regulation/traditional rate case hearings of docket 920260-TL currently scheduled for March of 1993.

Respectfully submitted this 22nd day of February, 1993.

SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

RRIS R. ANTHONY J. PHILLIP CARVER

c/o Marshall M. Criser

400 - 150 South Monroe Street Tallahassee Florida 32301 (305) 539-5555

R. DOUGLAS LACKEY

NANCY B. WHITE

4300 - 675 West Peachtree St., N.E.

Atlanta, Georgia 30375

(404) 529-3862

(404) 529-5387