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RECORDS AND REPORTING

August 11, 1999

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. 990649-TP (UNEs)

Dear Ms. Bayó:

Enclosed please find the original and fifteen copies of BellSouth Telecommunication, Inc.'s Direct Testimony of Dr. Randall S. Billingsley, CFA, D. Daonne Caldwell, G. David Cunningham, Dr. Richard D. Emmerson, Jerry Hendrix, Walter S. Reid and Alphonso J. Varner, which we ask that you file in the above-referenced 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.

Sincerely,

Nancy B. White (kk)
Nancy B. White

cc: All Parties of Record
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Varner 09540-99
Billingsley 09561-99
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CERTIFICATE OF SERVICE
Docket No. 990649-TP

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Federal Express (3-day delivery) this 11th day of August, 1999 to the following:

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BELLSOUTH TELECOMMUNICATIONS, INC.
DIRECT TESTIMONY OF G. DAVID CUNNINGHAM
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 990649-TP
AUGUST 11, 1999

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 rescription 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 that BellSouth has determined to be appropriate for use
25 in the cost studies.

1 Q. WHAT LIVES DOES BELLSOUTH CONSIDER TO BE APPROPRIATE
2 FOR USE IN THE COST STUDIES?

3

4 A. The asset lives that BellSouth has determined to be appropriate for use
5 in the cost studies are included in Exhibit GDC-1. These are
6 BellSouth's expected economic lives for newly placed plant.

7

8 Q. WHAT IS THE SOURCE OF THE LIVES BELLSOUTH CONSIDERS
9 TO BE APPROPRIATE FOR USE IN THE COST STUDIES?

10

11 A. The source of the lives BellSouth has determined to be appropriate for
12 use in the cost studies is the 1999 BellSouth Florida Depreciation
13 Study, attached to this testimony as Exhibit GDC-2. Projection
14 (economic) lives are defined as the average life expectancy of new
15 additions to plant. The depreciation study also describes average
16 remaining lives and depreciation rates to be used for depreciation
17 booking purposes. These parameters, however, relate to embedded
18 investment and are not appropriate for use in the cost studies.

19

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

23

24 BellSouth prepared the detailed depreciation study in this exhibit,
25 analyzing the various asset accounts to determine appropriate

1 depreciation parameters for each account. The depreciation study
2 provides explanations of methodology, data and analysis that support
3 the asset lives and other depreciation parameters for asset accounts,
4 including those accounts that are used in the cost studies.

5

6 Q. PLEASE SUMMARIZE BELLSOUTH'S APPROACH IN DETERMINING
7 THE ASSET LIVES APPROPRIATE FOR USE IN THE COST
8 STUDIES.

9

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

17

18 A second factor used in assessing the life of an account is normal
19 mortality, i.e., wear and tear with usage, deterioration with age and
20 accidental removal, breakage, or damage. The technique used to
21 assess normal mortality is called Historical Mortality Analysis. For
22 some accounts, like poles, Company planning data and normal
23 mortality alone are the major considerations in determining the life. In
24 these cases, the Company does not expect that the future
25 characteristics of this type of plant will differ significantly from the past.

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

12

13 Q. HOW DO THE LIVES BELLSOUTH CONSIDERS TO BE
14 APPROPRIATE FOR USE IN THE COST STUDIES COMPARE TO
15 THE LIVES USED TO DETERMINE THE DEPRECIATION RATES
16 BOOKED BY BELLSOUTH IN FLORIDA?

17

18 A. The economic lives BellSouth considers to be appropriate for use in the
19 cost studies are consistent with those used to determine the
20 depreciation rates currently being booked in Florida for intrastate and
21 for external reporting purposes.

22

23 With implementation of Price Regulation, BellSouth was given authority
24 to establish its own depreciation rates in Florida for intrastate purposes.
25 As a result, BellSouth uses the lives supported by the depreciation

1 study in Exhibit GDC-2 to determine depreciation rates booked in
2 Florida for intrastate purposes, as well as external reporting purposes.

3

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

6

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

9

10 Q. DO YOU BELIEVE THAT LIVES PRESCRIBED BY THE FCC ARE
11 APPROPRIATE FOR THIS APPLICATION?

12

13 A. No, I do not.

14

15 Q. WHY ARE THE LIVES PRESCRIBED BY THE FCC FOR
16 INTERSTATE DEPRECIATION PURPOSES NOT APPROPRIATE
17 FOR USE IN THE COST STUDIES?

18

19 A. Lives were last prescribed by the FCC in Florida in 1995. These lives,
20 particularly for the technology-sensitive accounts, are much too long.
21 They are based on the old regulatory paradigm in which plant lives
22 were artificially lengthened beyond their true economic lives so that the
23 investment in that plant would be recovered in smaller year-to-year
24 increments over longer periods of time. The assumption under this
25 paradigm was always that BellSouth was entitled to and would recover

1 all of its investments, but over a longer period of time, thus reducing the
2 amount the customer paid in the short term.

3
4 In today's competitive environment, however, the marketplace is not
5 likely to allow BellSouth to recover investment based on lives that are
6 inappropriately long. The rapid changes in technology, which BellSouth
7 must embrace in order to stay competitive, shorten asset lives
8 significantly beyond what the FCC has prescribed. BellSouth has
9 emphasized to the FCC that substantially more progress is needed in
10 moving to lives that adequately reflect the current pace of technology
11 and competitive changes.

12
13 BellSouth's recommended lives, which are supported by the
14 depreciation study, are significantly shorter than those prescribed by
15 the FCC, particularly for the technology-sensitive accounts. As
16 previously stated, these lives are used to determine depreciation rates
17 booked in Florida for intrastate purposes and for external reporting
18 purposes. Prior to implementation of Price Regulation in Florida, the
19 Florida PSC established intrastate depreciation rates for BellSouth, and
20 were considerably more progressive than the FCC in determining
21 appropriate lives for depreciation purposes. The Florida PSC
22 historically prescribed Average Remaining Lives, not "Projection",
23 economic lives as used in the cost studies. However, projection lives
24 corresponding to the Average Remaining Lives last prescribed by the

25

1 Florida PSC for intrastate depreciation purposes can be determined,
2 and are shown in Exhibit GDC-3.

3

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

7

8 A. Yes. The FCC has acknowledged the need to examine its depreciation
9 practices in today's environment. In accordance with 1996 Telecom
10 Act requirements to conduct biennial regulatory reviews, the FCC has
11 issued a Notice of Proposed Rulemaking concerning depreciation
12 requirements, citing the FCC's depreciation prescription process as a
13 prime candidate for review. BellSouth filed comments to this Notice
14 recommending that the FCC grant forbearance from depreciation
15 regulation, since interstate price regulation has eliminated the need for
16 such regulation. Resolution of this issue has not yet been reached.

17

18 In addition, attached to the January 9, 1999, Memorandum Opinion and
19 Order (FCC 99-1) revising depreciation rates for those companies that
20 filed for represcription in 1998, was a separate statement of FCC
21 Commissioner Harold Furchtgott-Roth. His statement included the
22 following: "The Commission's authority to prescribe depreciation rates
23 for LECs is a mere vestige of outdated rate of return regulation.... I am
24 becoming increasingly convinced that the current regulatory

25

1 mechanisms – and certainly the level of detail – are no longer
2 necessary in today’s increasingly competitive marketplace.”

3

4 Clearly, the FCC’s own concerns with its depreciation practices further
5 demonstrate why using FCC-prescribed lives in forward-looking cost
6 studies is not appropriate.

7

8 Q. DID THE FLORIDA COMMISSION STAFF’S APRIL 29, 1998,
9 FINDINGS IN DOCKET NO. 960833-TP RECOMMEND LIVES
10 CONSISTENT WITH BELLSOUTH’S PROPOSAL FOR THE MAJOR
11 TECHNOLOGY-SENSITIVE ACCOUNTS?

12

13 A. No. For the five major technology-sensitive accounts (Digital Electronic
14 Switching, Digital Circuit, Aerial Metallic Cable, Underground Metallic
15 Cable, and Buried Metallic Cable), the Commission ordered that FCC-
16 prescribed lives be used. However, in Florida Universal Service
17 proceedings, Docket No. 980696-TP, the order dated January 7, 1999,
18 included lives for the Digital Circuit account and the Digital Electronic
19 Switching account that were shorter than those ordered in Docket No.
20 960833-TP. The Staff cited, for example, recognition of the phase out
21 of asynchronous equipment, as Synchronous Optical Network
22 (SONET) equipment increases, as support for a shorter life for Digital
23 Circuit Equipment.

24

25

1 Q. WHAT SEEMED TO BE STAFF'S CHIEF CONCERNS WITH
2 BELLSOUTH'S RECOMMENDATIONS IN THE ABOVE TWO
3 PROCEEDINGS FOR THE ECONOMIC LIFE OF AERIAL,
4 UNDERGROUND AND BURIED METALLIC CABLE?

5

6 A. The main concerns specified by the Staff in these orders seem to focus
7 on the substitution model that BellSouth used in determining the life of
8 this equipment, and on the historical retirement patterns for metallic
9 cable.

10

11 Q. HOW DO YOU RESPOND TO THESE CONCERNS?

12

13 A. The substitution analysis technique used by BellSouth and recognized
14 in technical depreciation literature has been proven effective in
15 projecting the adoption of new technologies and the obsolescence of
16 old technologies. Since substitution analysis recognizes technological
17 obsolescence as the major cause of displacements, it is a more
18 appropriate life analysis method than Historical Mortality Analysis alone
19 for technology-sensitive asset accounts. Substitution analysis
20 examines patterns of technology substitution, and these patterns are
21 remarkably consistent from one substitution to another. This is a
22 reliable method that has been developed and tested over many years
23 in telecommunications and other industries.

24

25

1 For example, the substitution of metallic cable by fiber in the interoffice
2 (IOF) portion of the network is a well established process, and
3 illustrates the usefulness and accuracy of substitution analysis for
4 determining economic lives. Forecasts made in the late 1980s
5 regarding the penetration of fiber in the IOF have proven to be very
6 close to the actual penetration that has occurred. In fact, the "end
7 date," where fiber reached 99% of circuits in service, has occurred
8 within a year of the date that was forecasted about a decade ago.
9 Based on the accuracy of substitution analysis in the IOF, we have
10 used the same method for the feeder and distribution. As expected,
11 the rate of fiber penetration has not been as rapid as in the IOF due to
12 lower traffic concentrations. However, the pattern of substitution has
13 been similar and has proven to be useful in estimating economic lives.

14
15 Regarding the impact of historical retirement patterns on the life of
16 technology-sensitive equipment, BellSouth does not believe that simply
17 looking at the past is a proper approach for projecting the future of
18 equipment sensitive to rapid changes in technology. Emphasis on
19 historical retirement patterns is an indication that the future is not
20 expected to vary significantly from the past. Even a casual observation
21 of the telecommunications industry today leaves no doubt that there is
22 an evolution taking place that cannot help but have a major effect on
23 telecommunications assets.

24
25

1 Q. SOME MAY BELIEVE THAT AN INCREASE IN THE DEPRECIATION
2 RESERVE OVER TIME IS EVIDENCE THAT FCC-PRESCRIBED
3 LIVES HAVE BEEN FORWARD-LOOKING. HOW DO YOU
4 RESPOND?

5

6 A. The fact that the reserve has grown over time is not an indication that
7 the reserve is at the appropriate level. The depreciation reserve is the
8 accumulation of all past depreciation accruals, reduced by plant
9 retirements. In an environment in which one technology is rapidly
10 displacing another technology, it is obvious that the depreciation
11 reserve must be built up by appropriate accruals to a level high enough
12 to handle the inevitable asset retirements. Today, we have two
13 situations in which a major technology displacement is occurring;
14 specifically, digital is replacing analog, and fiber is replacing copper.
15 Never in the history of this industry has technology displacement been
16 so pronounced. Huge retirements of these old technologies are
17 expected in bulk at the end of the technologies' life span. Depreciation
18 accruals over the years have not been high enough, due to
19 inappropriately long FCC-prescribed lives for copper and analog related
20 assets, to position the depreciation reserve for the avalanche of
21 retirements that will soon come.

22

23 The critical issue here is not just that the reserve has increased over
24 the past few decades. The issue is that the reserve has not increased

25

1 enough to handle retirements caused by the dramatic paradigm shift
2 that has occurred in the telecommunications industry.

3

4 Q. WHAT OTHER OBSERVATIONS DO YOU HAVE AS TO THE
5 INAPPROPRIATENESS OF USING LIVES PRESCRIBED BY THE
6 FCC IN BELLSOUTH'S COST STUDIES?

7

8 A. The FCC has emphasized historical data when prescribing BellSouth's
9 depreciation lives. As stated earlier, BellSouth does not believe that
10 simply looking at the past can possibly indicate what will happen in the
11 future with equipment that is sensitive to rapid changes in technology.
12 This rear-view mirror approach is clearly not appropriate for projecting
13 the future of this equipment.

14

15 It is clear that forward-looking lives should be used for depreciation
16 purposes and in the cost studies. However, BellSouth believes that the
17 FCC has not properly assessed the impact of technological evolution
18 and increasing competition to determine appropriate forward-looking
19 lives. BellSouth's depreciation study, as demonstrated in Exhibit GDC-
20 2, provides detailed analysis to support forward-looking lives
21 significantly below those prescribed by the FCC, particularly for the
22 technology-sensitive accounts.

23

24 Q. ARE THE LIVES BELLSOUTH CONSIDERS TO BE APPROPRIATE
25 FOR USE IN THE COST STUDIES REASONABLE WHEN

1 COMPARED TO LIVES PROPOSED BY OTHER
2 TELECOMMUNICATIONS COMPANIES?

3

4 A. Yes. One comparison of lives can be found in Exhibit GDC-4, which
5 lists the lives that BellSouth recommends for the major technology-
6 sensitive accounts and the lives that the FCC last prescribed in 1994
7 for AT&T. As shown in this comparison, AT&T's depreciation life for
8 Digital Electronic Switching is 9.7 years. The life that BellSouth
9 recommends for this account is 10 years. The life prescribed by the
10 FCC in 1995 for BellSouth in Florida was an unrealistically long 16
11 years. The comparison in this exhibit demonstrates that, for all the
12 major technology-sensitive accounts, the lives that BellSouth
13 recommends are comparable or conservative when compared to the
14 lives last prescribed by the FCC for AT&T as shown in Exhibit GDC-4.

15

16 Q. HAS A STREAMLINED DEPRECIATION RATE-SETTING PROCESS
17 BEEN DEVELOPED BY THE FCC?

18

19 A. Yes. As part of CC Docket No. 92-296, the FCC issued a Notice of
20 Proposed Rulemaking in which it stated that it was continuing its
21 "efforts to reduce unnecessary regulatory burdens and their associated
22 costs by undertaking simplification of our depreciation prescription
23 process." The FCC's approach to simplification was to set up ranges of
24 projection life and future net salvage estimates for most of the asset
25 accounts. Under this procedure, if a company is meeting certain

1 predetermined prerequisites and proposes to use projection lives or
2 future net salvage estimates from within these ranges, the company
3 need not submit the voluminous, detailed supporting data otherwise
4 required.

5

6 Q. DOES BELLSOUTH BELIEVE THAT THE LIVES SPECIFIED IN THE
7 FCC'S RANGES ARE FORWARD-LOOKING AND APPROPRIATE TO
8 BE USED IN THE COST STUDIES?

9

10 A. No. As stated above, the main purpose of this simplification effort was
11 merely to lessen paperwork and the cost of unnecessary regulation.
12 Simplification was not designed to assure forward-looking lives. In fact,
13 the FCC has prescribed lives lower than these ranges in Alabama,
14 Florida, Georgia, Louisiana, Mississippi, North Carolina and South
15 Carolina for some of the major accounts. In Florida, this includes the
16 Aerial Metallic Cable, Underground Metallic Cable, Buried Metallic
17 Cable and Circuit Digital accounts.

18

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

22

23 A. The FCC's ranges were generally developed by nothing more than
24 taking one standard deviation around the mean of the lives and salvage
25 values that the FCC had prescribed most recently for the various

1 accounts for the local exchange carriers. For the first set of accounts
2 for which the FCC ordered ranges, the ranges were based on 1990-
3 1992 represcriptions, and have not been updated since. Lives
4 prescribed in 1990-1992 could hardly be considered forward-looking
5 today.

6

7 Q. SOME CONCERN HAS BEEN EXPRESSED IN OTHER
8 JURISDICTIONS AS TO THE APPROPRIATENESS OF THE LIVES
9 USED IN STUDIES FOR A NARROWBAND NETWORK. DO YOU
10 HAVE COMMENTS REGARDING THESE CONCERNS?

11

12 A. Yes. The lives that BellSouth has determined to be appropriate for use
13 in the cost studies are based on the economics of providing traditional
14 telecommunications services, and would be appropriate even if the only
15 services BellSouth ever provided in the future were narrowband,
16 traditional telephony services. Our existing network can be described
17 as narrowband, and fiber deployment in the feeder is already at a
18 significant penetration level. This is due to the advantages of fiber's
19 high capacity, low maintenance and reliability. Deployment of fiber in
20 the distribution will also be driven by these advantages. Fiber
21 deployment in the feeder is greater than that in the distribution because
22 traffic in the feeder can be aggregated and carried more efficiently in
23 larger "pipes". Increasingly, the economics of fiber deployment make it
24 desirable further and further out in the network (closer and closer to the
25 customer premises).

1 It should be pointed out that many customers use modems that operate
2 at up to 56,000 bits per second (bps) over our narrowband, voice grade
3 network. Data transmission at these rates meet the current needs of
4 most residential customers. However, customer needs are expanding,
5 and BellSouth is designing today's network to meet customers' growing
6 needs. Today's customers are requesting services that require higher
7 bandwidth, but this is a long way from broadband, cable TV capability.
8 Replacement of today's network will occur due to normal mortality and
9 technological obsolescence, that is, when the current technology is not
10 the most efficient means of providing narrowband service in the future.

11

12 Two other characteristics of fiber which are closely related are reliability
13 and maintainability. Customer needs for reliability, which are
14 increasing, can be met through the use of fiber in our network.
15 Maintenance expense, which the Company is always seeking ways to
16 reduce, can also be improved through the use of fiber. Both factors
17 add to the economic attractiveness of fiber for a narrowband, voice
18 grade network.

19

20 As stated above, the lives recommended by BellSouth are based on
21 the economics of providing traditional telecommunications services.
22 They do not include future demands for emerging digital and
23 multimedia services, nor do they include the impact of a paradigm shift
24 to a totally competitive marketplace. Including these impacts would

25

1 likely result in a reduction of lives below the Company's current
2 recommendations.

3

4 Q. PLEASE SUMMARIZE YOUR TESTIMONY.

5

6 A. BellSouth's Depreciation organization performed detailed analyses of
7 each asset account, and the resulting economic lives are appropriate
8 for use in the cost studies. The 1999 BellSouth Florida Depreciation
9 Study, which documents this analysis, is attached to this testimony as
10 Exhibit GDC-2. The lives prescribed by the FCC for depreciation
11 purposes are inappropriately long, particularly for the technology-
12 sensitive accounts.

13

14 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

15

16 A. Yes, it does.

17

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19

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24

25

<u>Category</u>	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
Official Communications Equipment	7.0
Computers	5.0
Analog ESS	2.6
Digital ESS	10.0
Operator Systems	10.0
Radio Systems	9.0
Circuit DDS	8.0
Circuit Digital	9.0
Circuit Analog	7.5
Station Apparatus	6.0
Large PBX	6.0
Other Terminal Equipment	6.0
Poles	36.0
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
Submarine Cable	14.0
Intrabuilding Cable	20.0
Conduit	55.0

**BELLSOUTH
TELECOMMUNICATIONS,
INC.**

EXHIBIT GDC-2

**Florida Docket No.
990649-TP**

**1999 Florida Depreciation
Study**

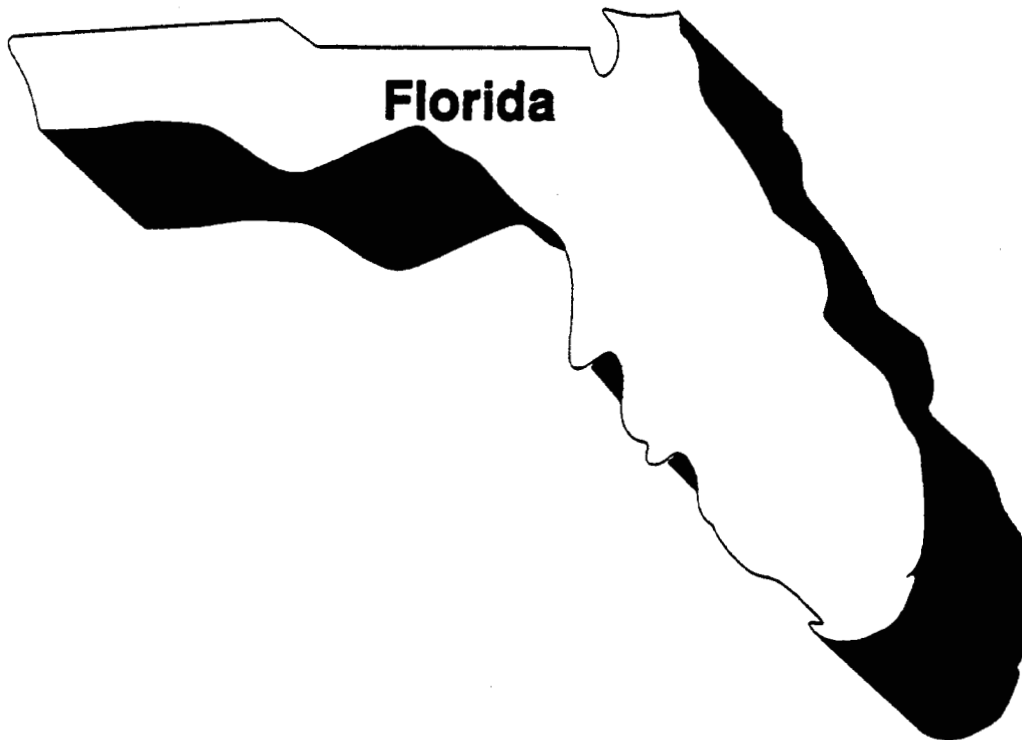
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1999

DEPRECIATION

RATE STUDY

FLORIDA PSC



BELLSOUTH
TELECOMMUNICATIONS 

002

January 1, 1999

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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. When used in this study, "BST" refers 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 support the depreciation rates found on Statement A of the Statements, effective on January 1, 1999.

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. 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 shows by account, the existing rates and rate parameters, as well as those effective on January 1, 1999. Statement B displays investment, existing and proposed accruals, and changes in expense resulting from the proposed rate 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 displacement 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 Digital Loop Carrier (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 near the end of 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 MCI/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 parameters presented in this study are conservative, in that they do 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 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 developed 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.

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 book reserve as of January 1, 1999. 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.

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.

One 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 by other disciplines, is useful in assessing the lives 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.

Experience shows that the substitution of a new technology for an old technology takes place over a predictable 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 may other industries.

To adequately reflect the impact of mortality and technological substitution, we used an approach that combines these two impacts through the use of probability techniques. Simply adding the rates of displacement due to mortality and substitution would overstate the total impact. Therefore, we statistically combined the probabilities of mortality and substitution to determine the aggregate impact. This approach has been found to accurately model actual equipment displacements that have been observed.

~~This combined analysis was 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~~

January 1, 1999

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.

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. Cable pairs in a copper cable that 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, have effectively been technologically displaced, and their 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 solve BellSouth'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.

Run Date : 03/18/99 - 09.46.18
 Report : STM-A-RL, 99P1999A

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

Summary of Changes in Depreciation Rates

Account Number	Class or Subclass of Plant	Rates in Effect				Rates Effective 1999			
		RL	Future	Depr.	RL	Future	Depr.		
		Life Years	Reserve Percent	Net Salv	Rate %	Life Years	Reserve Percent	Net Salv	Rate %
		A	B	C	D	E	F	G	H
2112.00	Motor Vehicles	5.0	24.3	16	11.9	4.6	30.6	16	11.6
2114.00	Special Purpose Veh.	3.7	1.4	0	26.6	2.8	28.0	0	25.7
2115.00	Garage Work Equipment	8.9	71.2	0	3.2	6.8	86.4	0	2.0
2116.00	Other Work Equipment	11.7	94.6	0	.5	11.2	87.3	0	1.1
2121.00	Buildings	34.0	17.5	0	2.4	33.0	21.1	0	2.4
2122.00	Furniture	15.0	.0	10	6.0	14.7	57099.2	10	.0
2123.10	Office Support Equipment	24.0	155.4	5	.0	9.6	406.8	5	.0
2123.20	Company Comm. Equipment	3.1	56.4	10	10.8	4.8	42.2	10	10.0
2124.00	Genl Purpose Computers	3.5	66.7	0	9.5	3.1	69.0	2	9.4
2211.00	Analog ESS	3.3	69.4	0	9.3	2.6	76.0	0	9.2
2212.00	Digital ESS	6.0	39.6	0	10.1	5.7	40.2	0	10.5
2220.00	Operator Systems	5.9	16.4	0	14.2	5.8	7.7	0	15.9
2231.00	Radio Systems	6.3	-22.2	-5	20.2	4.5	-16.7	-5	27.0
2232.11	Circuit-DDS	3.7	6.2	2	24.8	3.6	32.4	2	18.2
2232.12	Circuit Digital	5.6	50.0	0	8.9	5.3	52.8	0	8.9
2232.20	Circuit Analog	4.4	109.2	-3	.0	4.2	106.2	-3	.0
2311.00	Station Apparatus	1.6	46.9	0	33.2	1.6	69.7	0	18.9
2341.00	Large PBX	3.1	22.2	0	25.1	3.5	36.5	0	18.1
2362.00	Other Terminal Equip.	2.1	68.0	5	12.9	2.0	77.3	5	8.9
2411.00	Poles	27.0	34.0	-60	4.7	27.0	37.2	-55	4.4
2421.10	Aerial Cable Metal	8.3	62.4	-14	6.2	7.4	65.7	-14	6.5
2421.20	Aerial Cable Fiber	16.8	16.7	-14	5.8	15.1	19.8	-14	6.2
2422.10	Undergrd Cable Metal	4.7	90.3	-8	3.8	4.4	92.8	-8	3.5
2422.20	Undergrd Cable Fiber	15.4	30.2	-8	5.1	14.3	33.7	-8	5.2
2423.10	Buried Cable Metal	6.6	66.5	-7	6.1	5.8	70.0	-7	6.4
2423.20	Buried Cable Fiber	15.1	24.6	-7	5.5	14.5	24.8	-7	5.7
2424.00	Submarine Cable	4.4	62.0	-5	9.8	4.1	68.2	-5	9.0
2426.00	Intra-Bldg Netwk Cable	11.3	75.3	-10	3.1	10.1	78.1	-10	3.2
2441.00	Conduit System	39.0	28.3	-10	2.1	38.0	29.7	-10	2.1
Composite Rate					6.9				7.0

Run Date : 03/18/99 - 09.46.18
 Report : STM-B-RL, 99P1999A

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 1-1-99	Rates in Effect			Rates Effective 1999			Total Change in Expense
			Depr. Accruals	Annual Amort Amount	Total	Depr. Accruals	Annual Amort Amount	Total	
			I	J=D*I	K	L=J+K	M=H*I	N	
2112.00	Motor Vehicles	104,018	12,378	---	12,378	12,066	---	12,066	-312
2114.00	Special Purpose Veh.	4	1	---	1	1	---	1	0
2115.00	Garage Work Equipment	1,431	46	---	46	29	---	29	-17
2116.00	Other Work Equipment	76,884	384	---	384	846	---	846	461
2121.00	Buildings	785,698	18,857	---	18,857	18,857	---	18,857	0
2122.00	Furniture	4	0	---	0	0	---	0	0
2123.10	Office Support Equipment	3,181	0	---	0	0	---	0	0
2123.20	Company Comm. Equipment	25,251	2,727	---	2,727	2,525	---	2,525	-202
2124.00	Genl Purpose Computers	363,683	34,550	---	34,550	34,186	---	34,186	-364
2211.00	Analog ESS	346,057	32,183	---	32,183	31,837	---	31,837	-346
2212.00	Digital ESS	1,669,225	168,592	---	168,592	175,269	---	175,269	6,677
2220.00	Operator Systems	34,847	4,948	---	4,948	5,541	---	5,541	592
2231.00	Radio Systems	2,058	416	---	416	556	---	556	140
2232.11	Circuit-DDS	17,476	4,334	---	4,334	3,181	---	3,181	-1,153
2232.12	Circuit Digital	2,629,244	234,003	---	234,003	234,003	---	234,003	0
2232.20	Circuit Analog	83,477	0	---	0	0	---	0	0
2311.00	Station Apparatus	310	103	---	103	59	---	59	-44
2341.00	Large PBX	13,191	3,311	---	3,311	2,388	---	2,388	-923
2362.00	Other Terminal Equip.	112,439	14,505	---	14,505	10,007	---	10,007	-4,498
2411.00	Poles	147,130	6,915	---	6,915	6,474	---	6,474	-441
2421.10	Aerial Cable Metal	776,214	48,125	---	48,125	50,454	---	50,454	2,329
2421.20	Aerial Cable Fiber	44,010	2,553	---	2,553	2,729	---	2,729	176
2422.10	Undergrd Cable Metal	738,694	28,070	---	28,070	25,854	---	25,854	-2,216
2422.20	Undergrd Cable Fiber	252,620	12,884	---	12,884	13,136	---	13,136	253
2423.10	Buried Cable Metal	2,531,446	154,418	---	154,418	162,013	---	162,013	7,594
2423.20	Buried Cable Fiber	191,756	10,547	---	10,547	10,930	---	10,930	384
2424.00	Submarine Cable	8,918	874	---	874	803	---	803	-71
2426.00	Intra-Bldg Netwk Cable	45,062	1,397	---	1,397	1,442	---	1,442	45
2441.00	Conduit System	737,951	15,497	---	15,497	15,497	---	15,497	0
TOTAL		11,742,281	812,618	0	812,618	820,680	0	820,680	8,062

Composite Rate (%)

6.9

6.9

7.0

7.0

017

January 1, 1999

018

PARAMETER REPORT

Run Date : 03/18/99 - 09.46.18
 Report : RATPARAM,99P1999A

Company : BellSouth Telecommunications
 State : Florida

Parameter Report

Acct	Title	Edate	Year	Plife or AYFR	Avg. Rem. Life	Avg. Serv. Life	Avg. Net Salv.	Fut. Net Salv.	Curve Shape Parameters		
									c	G	S
2112.0	Motor Vehicles	199901	1998	8.0	4.6	8.0	16	16	1.37000000E+00	-1.18281590E-02	6.86371910E-03
	Motor Vehicle-Light	199901	1998	8.0	4.7	8.0	16	16	1.96000000E+00	-3.90191900E-04	-2.43638360E-03
	Motor Vehicle-Other	199901	1998	8.0	4.3	8.1	16	16	1.70000000E+00	-4.74059300E-04	-1.73573910E-03
2114.0	Special Purpose Veh.	199901	1998	7.0	2.8	7.3	0	0	1.71629560E+00	-1.14622770E-03	3.81733890E-04
2115.0	Garage Work Equipment	199901	1998	12.0	6.8	11.9	-19	0	1.08000000E+00	-1.02010420E-01	-8.36183190E-04
2116.0	Other Work Equipment	199901	1998	15.0	11.2	10.8	0	0	8.30000000E-01	-9.42322560E-01	-1.83282430E-01
2121.0	Buildings	199901	1998	45.0	33.0	42.0	-2	0	1.18428730E+00	-1.01449700E-01	1.55765450E-02
2122.0	Furniture	199901		15.0	14.7	15.2	10	10	9.50000000E-01	-2.62877800E+00	-1.56087630E-01
2123.1	Office Support Equipment	199901	1998	11.5	9.6	10.8	2	5	4.20000000E-01	-8.28941170E-02	-4.70502870E-02
2123.2	Company Comm. Equipment	199901		7.0	4.8	7.2	19	10	1.10249400E+00	-3.34100410E-01	2.40118790E-02
2124.0	Genl Purpose Computers	199901	1998	5.0	3.1	5.8	6	2	8.00000000E-01	-5.78501900E-01	-1.19763850E-01
2211.0	Analog ESS	199901		2001.1	2.6	7.9	9	0	1.00000000E+00	0.00000000E+00	-6.56376950E-03
2212.0	Digital ESS	199901	1998	10.0	5.7	10.3	1	0	1.13339740E+00	-2.17455120E-01	2.39688400E-02
2220.0	Operator Systems	199901	1998	10.0	5.8	8.1	4	0	1.13339740E+00	-2.17455120E-01	2.39688400E-02
2231.0	Radio Systems	199901	1998	9.0	4.5	7.4	-2	-5	4.60000000E-01	-8.64331530E-01	-3.10985320E-01
2232.1	Circuit-DDS	199901	1998	8.0	3.6	8.4	5	2	1.01000000E+00	-8.45658730E+01	8.58800300E-01
	Circuit Digital	199901	1998	9.0	5.3	9.8	2	0	1.05000000E+00	-3.10654090E-01	9.18477930E-03
2232.2	Circuit Analog	199901	1998	7.5	4.2	9.6	4	-3	9.80000000E-01	-4.52197650E+00	-1.00201500E-01
2311.0	Station Apparatus	199901		6.0	1.6	7.7	0	0	1.18428730E+00	-1.01449700E-01	1.55765450E-02
2341.0	Large PBX	199901		6.0	3.5	6.7	9	0	1.18428730E+00	-1.01449700E-01	1.55765450E-02
2362.0	Other Terminal Equip.	199901		6.0	2.0	8.7	10	5	1.18428730E+00	-1.01449700E-01	1.55765450E-02
2411.0	Poles	199901	1998	36.0	27.0	34.0	-54	-55	1.05000000E+00	-1.02851280E-02	-4.19851080E-03
2421.1	Aerial Cable Metal	199901	1998	14.0	7.4	15.9	-13	-14	1.04000000E+00	-1.56106240E-01	3.77364150E-03
2421.2	Aerial Cable Fiber	199901	1998	20.0	15.1	18.5	-13	-14	1.04000000E+00	-1.56106240E-01	3.77364150E-03
2422.1	Undergrd Cable Metal	199901	1998	12.0	4.4	18.6	-7	-8	1.10249400E+00	-3.34100410E-01	2.40118790E-02
2422.2	Undergrd Cable Fiber	199901	1998	20.0	14.3	20.0	-8	-8	1.10249400E+00	-3.34100410E-01	2.40118790E-02
2423.1	Buried Cable Metal	199901	1998	14.0	5.8	16.1	-7	-7	1.09000000E+00	-1.45940210E-02	4.19465160E-04
2423.2	Buried Cable Fiber	199901	1998	20.0	14.5	19.1	-7	-7	1.09000000E+00	-1.45940210E-02	4.19465160E-04
2424.0	Submarine Cable	199901	1998	14.0	4.1	17.4	-3	-5	1.09000000E+00	-1.45940210E-02	4.19465160E-04
2426.0	Intra-Bldg Netwk Cable	199901	1998	20.0	10.1	22.0	-6	-10	1.04000000E+00	-1.56106240E-01	3.77364150E-03
2441.0	Conduit System	199901	1998	55.0	38.0	55.0	-11	-10	1.71629560E+00	-1.14622770E-03	3.81733890E-04

Company : BellSouth Telecommunications
State : Florida
Account : 2112
Category : Motor Vehicles

Account Description

This account includes the 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 1-1-99 investment and reserve amounts in the Motor Vehicles account are shown on Table 1.

Investment and Reserve Statistics

State	Investment \$M	Reserve \$M	Res. Pct. %
Florida	104.0	31.8	30.6

Table 1

Life Proposal

The Company selects the current projection life of 8.0 years for the Motor Vehicles Account. Company guidelines for replacing vehicles range from 6 to 10 years.

Curve Shape

The selected curve shape for each of the two study categories is derived from the most recent band (1995-1997) of historical mortality data. The selected curve is the one that satisfies the least absolute retirement difference criteria.

Company : BellSouth Telecommunications
State : Florida
Account : 2112
Category : Motor Vehicles

Salvage Proposal

The Company has elected to continue the use of the current 16% future net salvage percent for the Motor Vehicles Account. While this percent is less than the latest band indicates, the latest band has been heavily influenced by year 1998 gross salvage, which is considerably higher than that experienced any year shown. The Company believes salvage in 1998 is an anomaly. Thus, the current 16% salvage rate was maintained.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2112.0000
CATEGORY : MOTOR VEHICLES

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January 1, 1999

Run Date : 07/23/99 - 11.09.10
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	90,750,364	104,018,164	
Adjustment	0	0	
Study	90,750,364	104,018,164	
% Tot. Depr. Plant	.12	.00	
Depr. Reserve (\$)	22,045,326	31,787,863	
(%)	24.3	30.6	
P-Life/AYFR (Yrs)			
Motor Vehicle-Light	8.0	8.0	
Motor Vehicle-Other	8.0	8.0	
Curve			
Motor Vehicle-Light	94-96 MORT	1995-1997 MORT	
c	1.38000000E+00	1.96000000E+00	
G	-1.67062010E-02	-3.90191900E-04	
S	9.36039130E-03	-2.43638360E-03	
Motor Vehicle-Other	94-96 MORT	1995-1997 MORT	
c	1.37000000E+00	1.70000000E+00	
G	-1.18281590E-02	-4.74059300E-04	
S	6.86371910E-03	-1.73573910E-03	
Whole Life (Yrs)	8.1	8.0	
Avg. Net Salv. (%)	15	16	
WL Rate (%)	10.5	10.5	
Composite Rem Life (Yrs)	5.0	4.6	
Fut. Net Salv. (%)	16	16	
Composite RL Rate (%)	11.9	11.6	
Intrastate Factor (%)	78.42	78.42	

@ Estimated Investment and Reserve

Run Date : 07/23/99 - 11.09.35
 Report : FCC_DRFC, 99P1999A

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

Depreciation Rate Factors Composite
 1999 Represcription

Category	Investment A#	Avg. Serv Life B#	ASL Weight C#	Avg. Rem Life D#	ARL Weight E#
Motor Vehicle-Light	66561871	8.0	8322207	4.7	39511808
Motor Vehicle-Other	37456293	8.1	4627397	4.3	19819882
Total	104018164	8.0	12949604	4.6	59331690

	ANS Weight F=GXC	ANS % G	FNS Weight H=AXI	FNS % I
Motor Vehicle-Light	134902968	16.2	1064989936	16.0
Motor Vehicle-Other	76166950	16.5	599300688	16.0
Total	211069918	16.3	1664290624	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 : 07/23/99 - 11.09.47
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	9995480	.9968	.50	6.60	7.10	1407631	9291665
VG 1997	1.5	13305448	.9952	1.50	6.59	8.05	1652269	10883167
VG 1996	2.5	9830557	.9768	2.47	5.65	7.99	1230513	6949844
VG 1995	3.5	5715063	.9507	3.43	4.72	7.92	721512	3406295
VG 1994	4.5	7178236	.9725	4.46	3.82	8.18	877897	3353344
VG 1993	5.5	9683423	.9625	5.43	2.97	8.28	1169256	3466851
VG 1992	6.5	5450033	.9234	6.34	2.19	8.36	651911	1425299
VG 1991	7.5	2801066	.9289	7.40	1.52	8.81	318053	483389
VG 1990	8.5	1770240	.9729	8.49	1.00	9.46	187102	187509
VG 1989	9.5	518696	.3873	7.19	.66	7.45	69625	46175
VG 1988	10.5	22093	.2188	8.41	.52	8.52	2592	1344
VG 1987	11.5	15055	.0587	9.09	.50	9.11	1652	827
VG 1986	12.5	13210	.0383	8.12	.50	8.14	1622	812
VG 1985	13.5	122605	.0935	9.14	.50	9.18	13353	6677
VG 1984	14.5	0	.0000	.00	.50	6.41	0	0
VG 1983	15.5	140666	.0284	8.16	.50	8.17	17219	8610
Totals		66561871					8322207	39511808
Composites			.87621@		4.74776*	7.99810#		

Plife: 8.0

c = +1.96000000E+00 G = -3.90191900E-04 S = -2.43638360E-03 Unscaled
 c = +2.18905625E+00 G = -3.90191900E-04 S = -2.83654119E-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 / 75965380

January 1, 1999

Run Date : 07/23/99 - 11.10.03
 Report : GENRTBL2, 99P1999A

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 = +1.96000000E+00 G = -3.90191900E-04 S = -2.43638360E-03 Unscaled
 C = +2.18905625E+00 G = -3.90191900E-04 S = -2.83654119E-03 Scaled

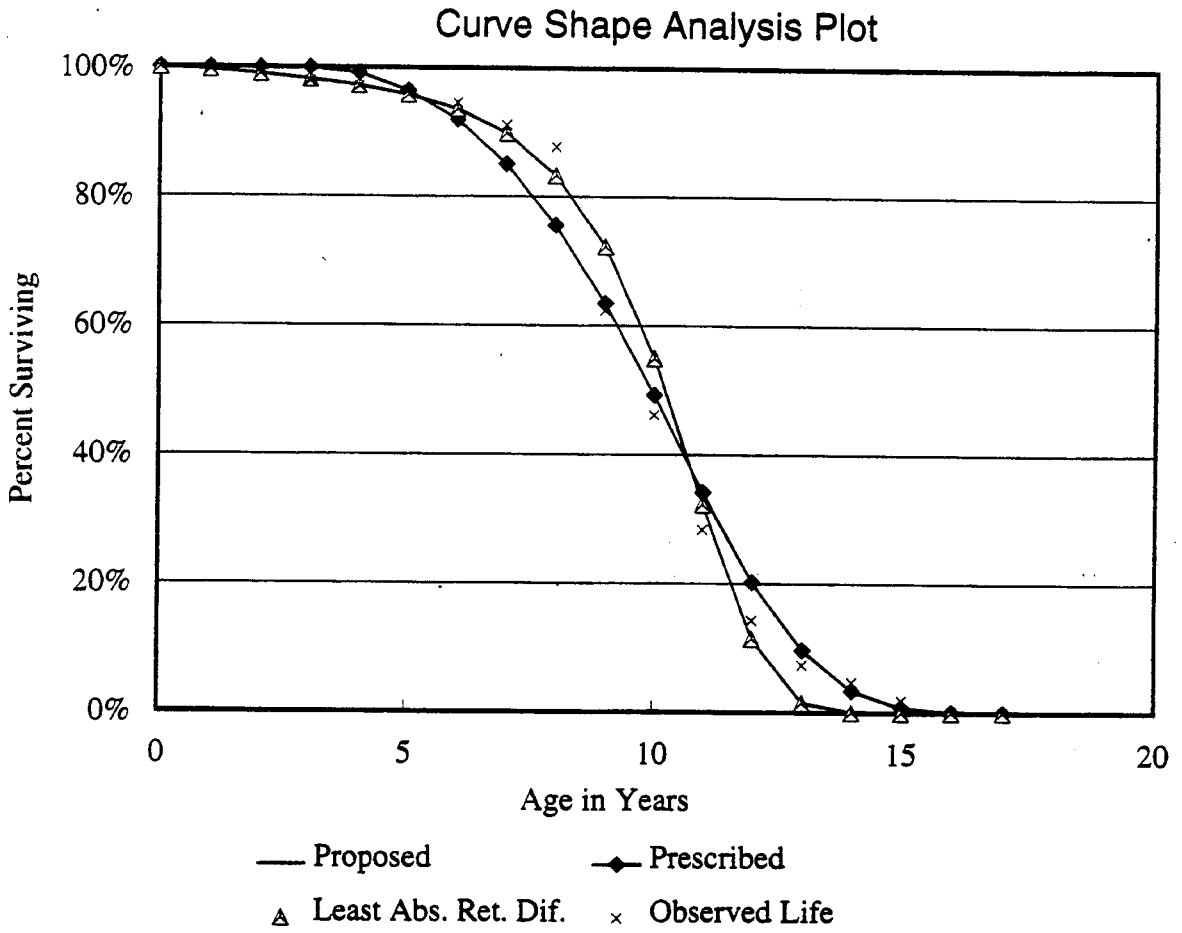
Beginning Of Year.		Annual Accruals For BOY Age A					Remaining Life	
Age	Amount In Service	Amount Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Ser- vice Life G=B/F	ELG Life H=G-A	VG Life I#
A	B							
.0	100000	369	.5	738	14769	6.77	6.77	8.00
.5	99631	805	1.0	805	14031	7.10	6.60	7.53
1.5	98826	983	2.0	491	13226	7.47	5.97	6.59
2.5	97844	1370	3.0	457	12735	7.68	5.18	5.65
3.5	96473	2204	4.0	551	12278	7.86	4.36	4.72
4.5	94269	3952	5.0	790	11727	8.04	3.54	3.82
5.5	90317	7441	6.0	1240	10936	8.26	2.76	2.97
6.5	82876	13684	7.0	1955	9696	8.55	2.05	2.19
7.5	69192	22217	8.0	2777	7741	8.94	1.44	1.52
8.5	46975	26695	9.0	2966	4964	9.46	.96	1.00
9.5	20280	17030	10.0	1703	1998	10.15	.65	.66
10.5	3250	3190	11.0	290	295	11.02	.52	.52
11.5	60	59	12.0	5	5	12.00	.50	.50
12.5	0	0	13.0	0	0	.00	.50	.50
13.5	0	0	14.0	0	0	.00	.50	.50
14.5	0	0	15.0	0	0	.00	.50	.50
15.5	0	0	16.0	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)

January 1, 1999

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



Method = MORT 1995-1997 Band T = 11
 c = +1.96000000E+00 G = -3.90191900E-04 S = -2.43638360E-03

Curves Scaled to the Observed Life of 9.29

January 1, 1999

Run Date : 07/23/99 - 11.10.23
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	5624737	.9972	.50	6.62	7.12	790307	5229584
VG 1997	1.5	232344	.9971	1.50	6.58	8.06	28829	189703
VG 1996	2.5	7239070	.9454	2.42	5.64	7.75	933871	5266441
VG 1995	3.5	4330649	.9932	3.49	4.71	8.17	529810	2496765
VG 1994	4.5	6830596	.9957	4.50	3.81	8.30	823425	3140382
VG 1993	5.5	4448868	.9560	5.30	2.96	8.14	546685	1620400
VG 1992	6.5	6263550	.9934	6.50	2.19	8.67	722088	1582825
VG 1991	7.5	1295256	.9913	7.50	1.53	9.01	143688	220133
VG 1990	8.5	300961	.8796	8.31	1.02	9.21	32679	33272
VG 1989	9.5	129546	.9833	9.49	.68	10.16	12754	8639
VG 1988	10.5	48375	.9734	10.48	.52	10.99	4401	2305
VG 1987	11.5	22	.1692	9.64	.50	9.72	2	2
VG 1986	12.5	1	.0000	6.40	.50	6.40	0	1
VG 1985	13.5	29561	.1652	10.40	.50	10.48	2821	1411
VG 1984	14.5	0	.0000	.00	.50	10.04	0	0
VG 1983	15.5	126212	.0286	11.71	.50	11.73	10761	5381
VG 1982	16.5	232853	.0785	12.15	.50	12.19	19106	9553
VG 1981	17.5	323692	.0504	12.34	.50	12.37	26170	13085
Totals		37456293					4627397	19819882
Composites			.72438@		4.28316*	8.09446#		

Plife: 8.0

c = +1.70000000E+00 G = -4.74059300E-04 S = -1.73573910E-03 Unscaled
 c = +2.14366844E+00 G = -4.74059300E-04 S = -2.49427602E-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 / 51708308

Run Date : 07/23/99 - 11.10.39
 Report : GENRTBL2, 99P1999A

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

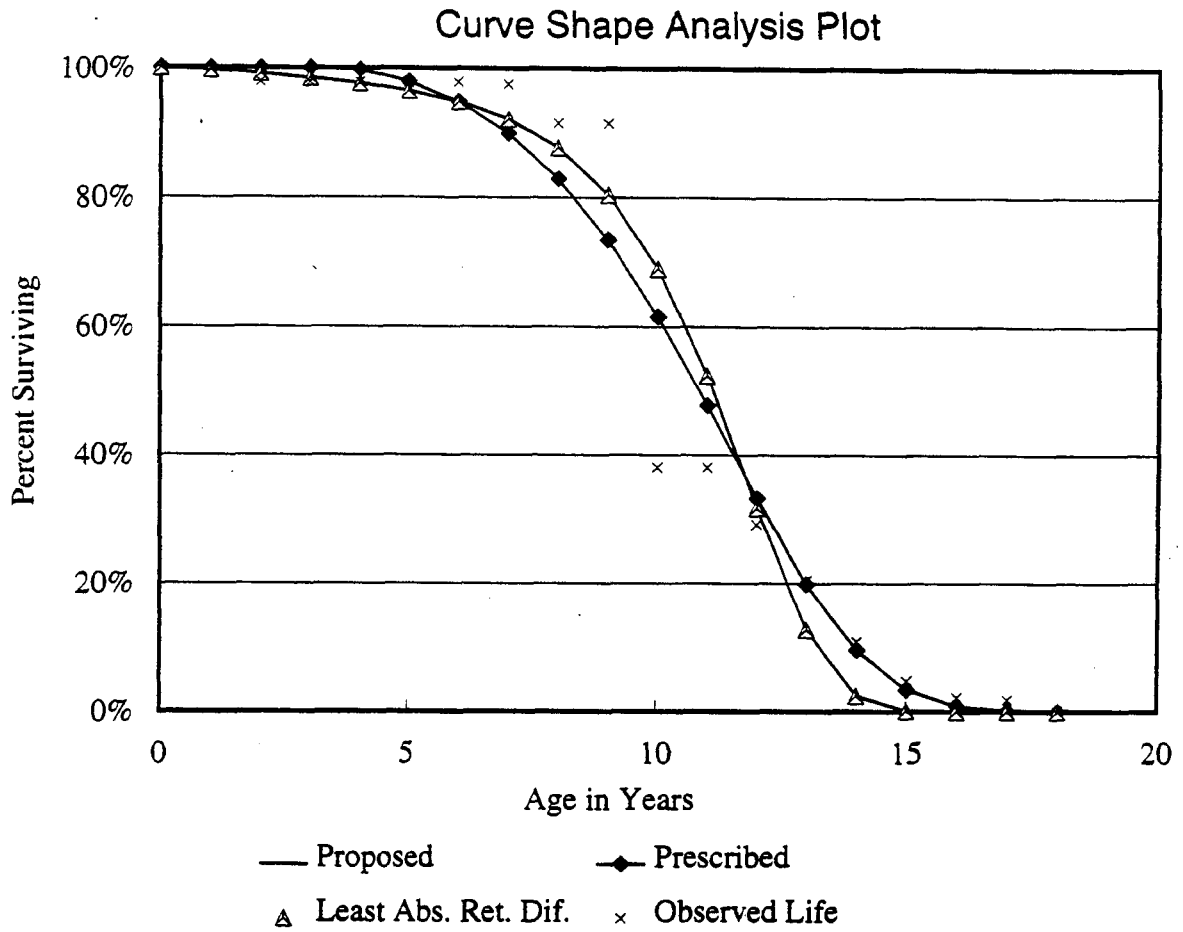
Projection Life Table
 Development of Average Service Life and Remaining Life by Age

Plife = 8.0
 C = +1.70000000E+00 G = -4.74059300E-04 S = -1.73573910E-03 Unscaled
 C = +2.14366844E+00 G = -4.74059300E-04 S = -2.49427602E-03 Scaled

Beginning Of Year. ----- Age A	Amount In Service B	Amount Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Annual Accruals For BOY Age A		Ser- vice Life G=B/F	Remaining Life	
				Each Life Groups E=C/D	All Remaining Groups F*		ELG Life H=G-A	VG Life I#
.0	100000	337	.5	675	14678	6.81	6.81	8.00
.5	99663	752	1.0	752	14003	7.12	6.62	7.53
1.5	98911	951	2.0	476	13251	7.46	5.96	6.58
2.5	97960	1376	3.0	459	12776	7.67	5.17	5.64
3.5	96584	2267	4.0	567	12317	7.84	4.34	4.71
4.5	94318	4091	5.0	818	11751	8.03	3.53	3.81
5.5	90227	7641	6.0	1273	10933	8.25	2.75	2.96
6.5	82586	13819	7.0	1974	9659	8.55	2.05	2.19
7.5	68768	22020	8.0	2752	7685	8.95	1.45	1.53
8.5	46748	26175	9.0	2908	4933	9.48	.98	1.02
9.5	20573	17008	10.0	1701	2024	10.16	.66	.68
10.5	3564	3481	11.0	316	323	11.02	.52	.52
11.5	84	84	12.0	7	7	12.00	.50	.50
12.5	0	0	13.0	0	0	.00	.50	.50
13.5	0	0	14.0	0	0	.00	.50	.50
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
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 : 2112.0000
 Category : Motor Vehicle-Other



Method = MORT

1995-1997 Band

T = 13

c = +1.70000000E+00

G = -4.74059300E-04

S = -1.73573910E-03

Curves Scaled to the Observed Life of 10.15

January 1, 1999

Run Date : 07/23/99 - 11.11.00
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$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	23656*	18.8**	4447	1.1**	260	17.7
FUTURE	104018#	20.0##	20804	4.0##	4161	16.0
TOTAL AVERAGE	127674	19.8	25251	3.5	4421	16.3

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/23/99 - 11.11.07
 Report : TABLEAB
 HIST1998, HPSC1999

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
1973*	148881766	11773486	1573794	13.4	30850	.3	13.1
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	89351441	3294205	1348247	40.9	62140	1.9	39.0
1998	104018164	1086845	1016429	93.5	115174	10.6	82.9
Grand Total		134520453	25309669	18.8	1298929	1.0	17.8
1992-1998 @@		25315761	5572282	22.0	377251	1.5	20.5
1989-1998 **		46628750	8399658	18.0	582717	1.2	16.8

* Represents 1973 and prior years

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

January 1, 1999

Run Date : 07/23/99 - 11.11.07
 Report : TABLEAB
 HIST1998, HPSC1999

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
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	22423074	4361353	19.5	242206	1.1	18.4
1996	16040608	4816997	30.0	300924	1.9	28.2

Run Date : 07/23/99 - 11.11.29
 Report : RETRATIO
 HPSC1999

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	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
1984	69776977							
1985	65131571	67454274	5071332	.07518				
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	213661171	10153541	.04752
1997	89351441	84068903	3294205	.03918	96-98	251273189	7865771	.03130
1998	104018164	96684803	1086845	.01124				

January 1, 1999

**SPECIAL PURPOSE
VEHICLES**

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

Account Description

This account includes self-propelled vehicles that are designed primarily for use as a means of transportation. Vehicles that are routinely licensed to operate on public streets and highways are not included in this account. Neither does this account include items of equipment whose primary purpose is use as work equipment. Items that might be found in the Special Purpose Vehicles account are: boats, barges, golf carts, motor scooters, snowmobiles, and watercraft.

Investment in this account represents a small gas-powered vehicle used by telephone company personnel as a means of transportation within the customers' complex.

Investment and Reserve Statistics

The 1/1/99 investment and reserve in the Special Purpose Vehicles account are shown in Table 1.

Investment and Reserve Statistics

	Investment (\$000)	Reserve (\$000)	Res. Pct. %
Florida	4.0	1.1	28.0

Table 1

Projection Life

The company selected a projection life of 7 years for the Special Purpose Vehicles account. This life is based on the life (5years) experienced in the past by a similar vehicle in the Special Purpose Vehicles account, as well as an analogy with the life (8years) of the Motor Vehicles account.

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

Curve Shape

Insufficient retirement history exists on which to derive Gompertz-Makeham curve shape parameters. The Company believes that investment in this account will exhibit a retirement pattern represented by a Bell #5.0 curve, which was selected for this account.

Salvage

The company selected a future net salvage of 0.0%. BellSouth's future net salvage value is based on historical salvage and future salvage expectations for the Special Purpose Vehicles account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2114
CATEGORY : SPECIAL PURPOSE VEHICLES.

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--- January 1, 1999

Run Date : 07/23/99 - 07.57.10
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary
 =====

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
	=====	=====	=====
Investment Bal (\$)			
Form M	4,028	4,028	
Adjustment	0	0	
Study	4,028	4,028	
% Tot. Depr. Plant	.00	.00	
Depr. Reserve (\$)	56	1,127	
(%)	1.4	28.0	
P-Life/AYFR (Yrs)			
Special Purpose Veh.	7.0	7.0	
Curve			
Special Purpose Veh.			
c	BELL #5 1.71629560E+00	BELL #5 1.71629560E+00	
G	-1.14622770E-03	-1.14622770E-03	
S	3.81733890E-04	3.81733890E-04	
Whole Life (Yrs)	7.2	7.3	
Avg. Net Salv. (%)	0	0	
WL Rate (%)	13.9	13.7	
Composite Rem Life (Yrs)	3.7	2.8	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	26.6	25.7	
Intrastate Factor (%)	79.34	79.34	

@ Estimated Investment and Reserve

Run Date : 07/23/99 - 07.57.47
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	0	.0000	.00	5.93	6.43	0	0
VG 1997	1.5	0	.0000	.00	5.52	.00	0	0
VG 1996	2.5	0	.0000	.00	4.57	.00	0	0
VG 1995	3.5	0	.0000	.00	3.65	.00	0	0
VG 1994	4.5	4028	1.0000	4.50	2.79	7.29	552	1543
Totals		4028					552	1543
Composites		1.00000@			2.79529*	7.29710#		

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 : 07/23/99 - 07.58.11
 Report : GENRTBL2, 99P1999A

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

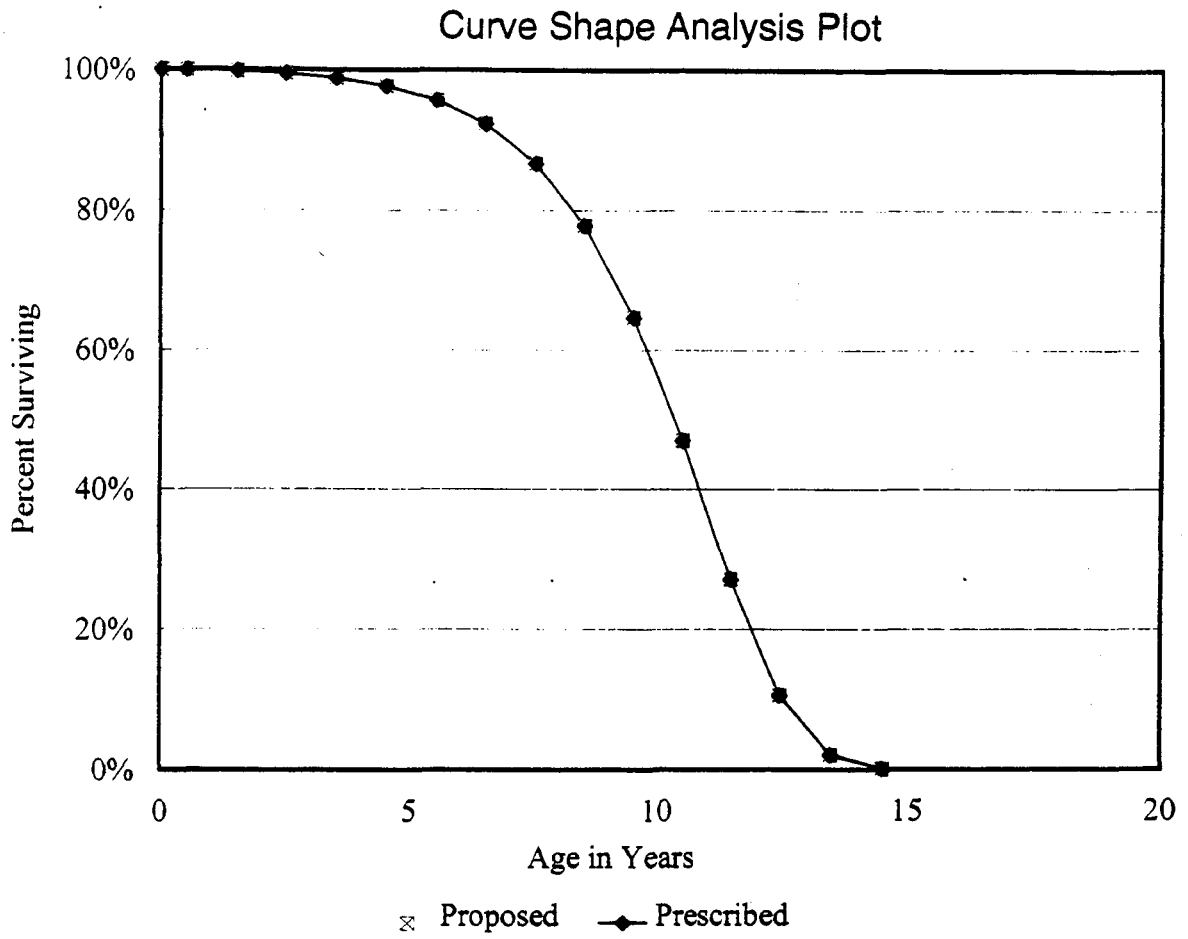
Plife = 7.0
 C = +1.71629560E+00 G = -1.14622770E-03 S = +3.81733890E-04 Unscaled
 C = +2.16337362E+00 G = -1.14622770E-03 S = +5.45334087E-04 Scaled

Beginning Of Year.		Amount		Annual Accruals For BOY Age A			Remaining Life	
Age	Amount In Service	Retired During Year (Life Group)	Age of Amount Retired	Each Life Groups	All Remaining Groups	Ser- vice Life	ELG Life	VG Life
A	B	C=B-Next B	D	E=C/D	F*	G=B/F	H=G-A	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	13103	7.07	2.57	2.79
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)

January 1, 1999

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



c = -1.14622770E-03 G = +3.81733890E-04 S = Percent Surviving

Run Date : 07/23/99 - 07.58.42
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$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 AVERAGE	4	.0	0	.0	0	.0

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/23/99 - 07.58.54
 Report : TABLEAB
 HIST1998, HPSC1999

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
1998	4028	0	0	.0	0	.0	.0
Grand Total		3049	0	.0	150	4.9	-4.9
1993-1998 @@		3049	0	.0	0	.0	.0
1989-1998 **		3049	0	.0	0	.0	.0

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

Run Date : 07/23/99 - 07.58.54
 Report : TABLEAB
 HIST1998, HPSC1999

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
1996	0	0	.0	0	.0	.0

January 1, 1999

Run Date : 07/23/99 - 07.59.18
 Report : RETRATIO
 HPSC1999

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	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	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	96-98	12084	0	.00000
1998	4028	4028	0	.00000				

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 1/1/99 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	1.4	1.2	86.4

Table 1

Projection Life

The company selected a projection life of 12 years based on an analysis of historical mortality data.

Curve Shape

The graduated curve shape for the 1995-1997 band with the least absolute retirement difference to total data was selected for the Garage Work Equipment account.

Future Net Salvage

History shows that net salvage experienced in this account has tended to be negative. However, a conservative decision was made to select a salvage value of 0.0%, rather than a negative salvage percent for the Garage Work Equipment account.

January 1, 1999

1

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2115
CATEGORY : GARAGE WORK EQUIPMENT

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--- January 1, 1999

Run Date : 07/22/99 - 16.25.21
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary
 =====

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
	=====	=====	=====
Investment Bal (\$)			
Form M	1,478,031	1,431,474	
Adjustment	0	0	
Study	1,478,031	1,431,474	
% Tot. Depr. Plant	.01	.01	
Depr. Reserve (\$)	1,051,737	1,236,883	
(%)	71.2	86.4	
P-Life/AYFR (Yrs)			
Garage Work Equipment	12.0	12.0	
Curve			
Garage Work Equipment	1994-1996 MORT	1995-1997 MORT	
c	2.60000000E-01	1.08000000E+00	
G	-1.79985680E-01	-1.02010420E-01	
S	-2.87961570E-02	-8.36183190E-04	
Whole Life (Yrs)	12.0	11.9	
Avg. Net Salv. (%)	-20	-19	
WL Rate (%)	10.0	10.0	
Composite Rem Life (Yrs)	8.9	6.8	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	3.2	2.0	
Intrastate Factor (%)	79.34	79.34	

@ Estimated Investment and Reserve

January 1, 1999

Run Date : 07/22/99 - 16.25.53
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@#	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	31594	1.0000	.50	6.33	6.83	4627	29281
VG 1997	1.5	94843	1.0000	1.50	11.05	12.55	7557	83508
VG 1996	2.5	73752	1.0000	2.50	10.44	12.94	5701	59500
VG 1995	3.5	84445	.9575	3.41	9.84	12.84	6578	64743
VG 1994	4.5	55182	.7254	3.88	9.27	10.60	5206	48234
VG 1993	5.5	132551	.9560	5.37	8.71	13.70	9677	84275
VG 1992	6.5	30011	.8471	6.18	8.17	13.10	2290	18719
VG 1991	7.5	325576	.9404	7.34	7.66	14.54	22386	171380
VG 1990	8.5	18516	.9247	8.33	7.16	14.95	1239	8869
VG 1989	9.5	30020	.5405	6.08	6.68	9.69	3098	20708
VG 1988	10.5	75488	.6632	9.49	6.23	13.62	5542	34529
VG 1987	11.5	30894	.0275	5.50	5.80	5.66	5455	31618
VG 1986	12.5	25251	.1536	7.89	5.38	8.72	2896	15593
VG 1985	13.5	24632	.6709	11.78	4.99	15.13	1628	8129
VG 1984	14.5	53681	.6527	12.64	4.62	15.65	3430	15853
VG 1983	15.5	75263	.2197	8.47	4.27	9.41	8002	34185
VG 1982	16.5	65488	.3001	11.48	3.94	12.66	5173	20393
VG 1981	17.5	137277	.1291	9.40	3.63	9.87	13909	50523
VG 1980	18.5	12477	.0055	8.41	3.34	8.43	1480	4946
VG 1979	19.5	2411	.0093	8.11	3.07	8.14	296	910
VG 1978	20.5	21484	.1951	12.54	2.82	13.09	1642	4625
VG 1977	21.5	10849	.2415	14.16	2.58	14.78	734	1895
VG 1976	22.5	5825	.2228	13.20	2.36	13.72	424	1004
VG 1975	23.5	1067	.0784	12.58	2.16	12.75	84	181
VG 1974	24.5	0	.0000	.00	1.97	8.58	0	0
PRIOR		12897	.0539	23.16	1.67	10.27	1256	2097
Totals		1431474					120310	815698
Composites			.20222@		6.77997*	11.89821#		

Plife: 12.0

c = +1.08000000E+00 G = -1.02010420E-01 S = -8.36183190E-04 Unscaled
 c = +1.11928638E+00 G = -1.02010420E-01 S = -1.22439338E-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 / 7078786

January 1, 1999

Run Date : 07/22/99 - 16.26.13
 Report : GENRTBL2, 99P1999A

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 = +1.08000000E+00 G = -1.02010420E-01 S = -8.36183190E-04 Unscaled
 C = +1.11928638E+00 G = -1.02010420E-01 S = -1.22439338E-03 Scaled

Beginning Of Year		Annual Accruals For BOY Age A			Remaining Life			
Age	Amount In Service A	Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Ser- vice Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	1491	.5	2982	17408	5.74	5.74	12.00
.5	98509	3146	1.0	3146	14426	6.83	6.33	11.68
1.5	95362	3372	2.0	1686	11279	8.45	6.95	11.05
2.5	91990	3603	3.0	1201	9593	9.59	7.09	10.44
3.5	88387	3837	4.0	959	8392	10.53	7.03	9.84
4.5	84550	4071	5.0	814	7433	11.38	6.88	9.27
5.5	80479	4299	6.0	716	6619	12.16	6.66	8.71
6.5	76180	4516	7.0	645	5902	12.91	6.41	8.17
7.5	71665	4715	8.0	589	5257	13.63	6.13	7.66
8.5	66950	4890	9.0	543	4668	14.34	5.84	7.16
9.5	62060	5032	10.0	503	4124	15.05	5.55	6.68
10.5	57028	5132	11.0	467	3621	15.75	5.25	6.23
11.5	51896	5183	12.0	432	3155	16.45	4.95	5.80
12.5	46714	5176	13.0	398	2723	17.16	4.66	5.38
13.5	41538	5104	14.0	365	2325	17.87	4.37	4.99
14.5	36434	4962	15.0	331	1960	18.59	4.09	4.62
15.5	31472	4748	16.0	297	1629	19.32	3.82	4.27
16.5	26724	4462	17.0	262	1333	20.05	3.55	3.94
17.5	22262	4111	18.0	228	1070	20.80	3.30	3.63
18.5	18151	3703	19.0	195	842	21.56	3.06	3.34
19.5	14448	3253	20.0	163	647	22.34	2.84	3.07
20.5	11195	2777	21.0	132	484	23.12	2.62	2.82
21.5	8418	2298	22.0	104	352	23.92	2.42	2.58
22.5	6120	1835	23.0	80	248	24.73	2.23	2.36
23.5	4285	1409	24.0	59	168	25.55	2.05	2.16
24.5	2876	1035	25.0	41	109	26.38	1.88	1.97
Total		100000						

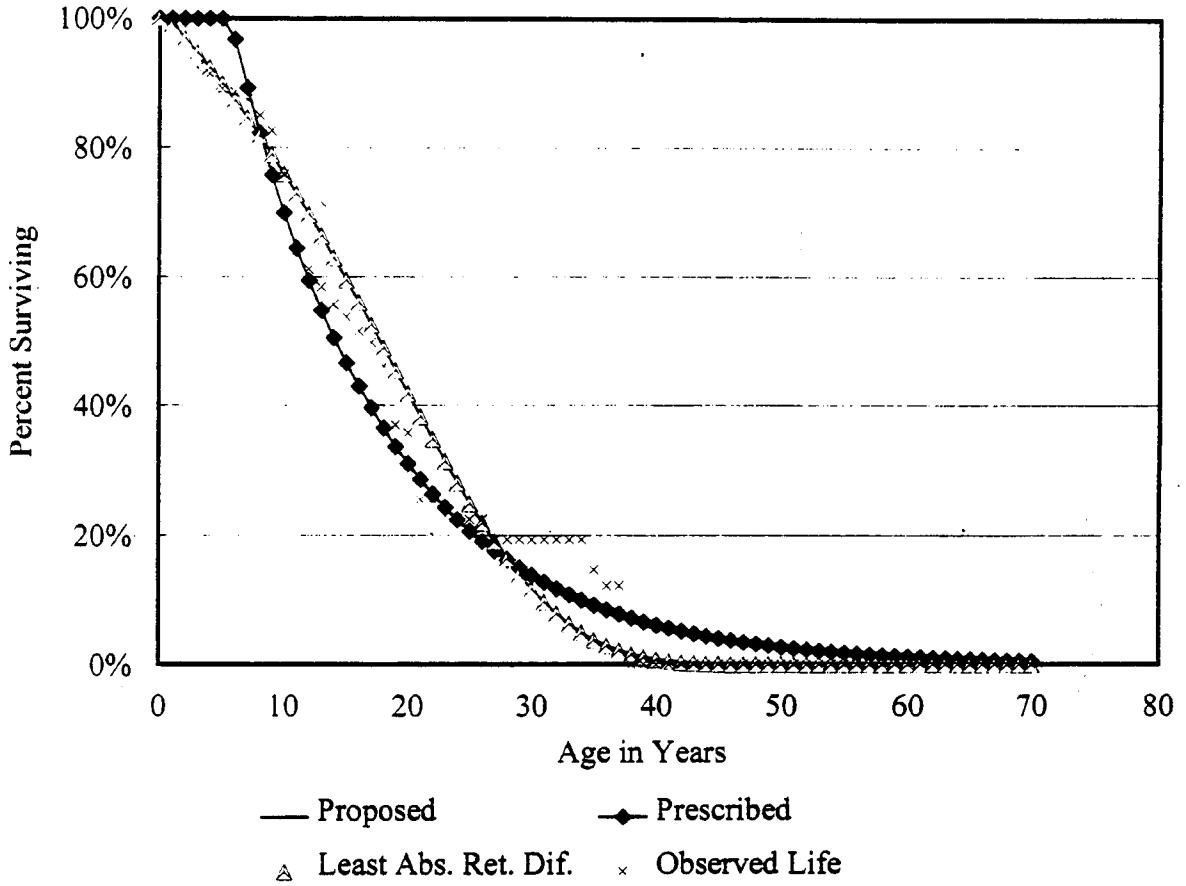
* F(AGE A) = Sum of Col. E from Age A through End

I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

January 1, 1999

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

Curve Shape Analysis Plot



Method = MORT

1995-1997 Band

T = 38

c = +1.08000000E+00

G = -1.02010420E-01

S = -8.36183190E-04

Curves Scaled to the Observed Life of 17.39

054

January 1, 1999

5

Run Date : 07/22/99 - 16.26.34
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$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	5647*	.7**	40	24.9**	1407	-24.2
FUTURE	1431#	2.0##	29	2.0##	29	.0
TOTAL AVERAGE	7078	1.0	69	20.3	1436	-19.3

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/22/99 - 16.26.41
 Report : TABLEAB
 HIST1998, HPSC1999

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	1851350	96172	1	.0	3387	3.5	-3.5
1998	1431474	0	0	.0	3834	.0	.0
Grand Total		4397428	29605	.7	1104575	25.1	-24.4
1988-1998 @@		4397428	29605	.7	1104575	25.1	-24.4
1989-1998 **		2838158	29605	1.0	661739	23.3	-22.3

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

January 1, 1999

Run Date : 07/22/99 - 16.26.41
 Report : TABLEAB
 HIST1998, HPSC1999

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	1758442	8704	.5	370711	21.1	-20.6
1996	361784	8704	2.4	15696	4.3	-1.9

Run Date : 07/22/99 - 16.26.58
 Report : RETRATIO
 HPSC1999

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	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	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	5410106	206289	.03813
1997	1851350	1841923	96172	.05221	96-98	5290180	130430	.02466
1998	1431474	1641412	0	.00000				

EQUIPMENT

059

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

Account Description

The Other Work Equipment account includes the cost of tools and work equipment. This account includes 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. Equipment in this account includes 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.

Investment and Reserve Statistics

The 1/1/99 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	76.9	67.2	87.3

Table 1

Projection Life

Though historical mortality data indicates a lesser projection life, the Company has made a conservative decision to maintain the current projection life of 15 years for the Other Work Equipment account.

Curve Shape

The graduated curve shape for the 1995-1997 band with the least absolute retirement differences to total data was selected for the Other Work Equipment account.

January 1, 1999

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

Future Net Salvage

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

January 1, 1999

2

061

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2116
CATEGORY : OTHER WORK EQUIPMENT

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--- January 1, 1999

Run Date : 07/23/99 - 07.32.34
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary
 =====

ELG Start Year: 1998

	Prescribed 1998 =====	Company Proposal 1999 @ =====	Agreement 1999 =====
Investment Bal (\$)			
Form M	77,961,182	76,883,599	
Adjustment	0	0	
Study	77,961,182	76,883,599	
% Tot. Depr. Plant	.70	.65	
Depr. Reserve (\$)	73,752,315	67,156,191	
(%)	94.6	87.3	
P-Life/AYFR (Yrs)			
Other Work Equipment	15.0	15.0	
Curve			
Other Work Equipment	1994-1996 MORT	1995-1997 MORT	
c	7.10000000E-01	8.30000000E-01	
G	-3.62995440E-01	-9.42322560E-01	
S	-1.02890690E-01	-1.83282430E-01	
Whole Life (Yrs)	11.5	10.8	
Avg. Net Salv. (%)	0	0	
WL Rate (%)	8.7	9.3	
Composite Rem Life (Yrs)	11.7	11.2	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	.5	1.1	
Intrastate Factor (%)	79.34	79.34	

@ Estimated Investment and Reserve

January 1, 1999

Run Date : 07/23/99 - 07.32.59
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@E	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	6942783	.9470	.47	7.97	8.47	819546	6533011
VG 1997	1.5	7920166	.8297	1.31	13.78	12.74	621828	8568001
VG 1996	2.5	7982737	.7137	2.14	13.09	11.48	695320	9103651
VG 1995	3.5	17987561	.7181	3.11	12.49	12.08	1489097	18601057
VG 1994	4.5	6571520	.4678	3.52	11.96	9.11	721174	8626666
VG 1993	5.5	5128543	.4347	4.43	11.49	9.42	544274	6255641
VG 1992	6.5	5394433	.3916	5.23	11.08	9.57	563583	6243085
VG 1991	7.5	3801159	.3540	6.15	10.71	9.94	382294	4093034
VG 1990	8.5	2316558	.3230	7.03	10.37	10.38	223070	2314264
VG 1989	9.5	1490967	.4124	7.91	10.08	12.06	123578	1245254
VG 1988	10.5	1027279	.2535	8.24	9.81	10.73	95768	939333
VG 1987	11.5	989042	.1974	8.70	9.57	10.59	93394	893435
VG 1986	12.5	1111875	.1937	10.05	9.35	11.86	93742	876216
VG 1985	13.5	506775	.1323	10.19	9.15	11.40	44437	406517
VG 1984	14.5	1385467	.2571	11.59	8.97	13.89	99742	894425
VG 1983	15.5	5934481	.1282	10.72	8.80	11.85	500852	4408820
VG 1982	16.5	99528	.1162	13.03	8.65	14.04	7090	61347
VG 1981	17.5	60413	.0779	12.63	8.51	13.30	4543	38684
VG 1980	18.5	87457	.0918	12.96	8.39	13.73	6372	53451
VG 1979	19.5	57976	.0552	12.40	8.27	12.85	4511	37317
VG 1978	20.5	23908	.0263	12.02	8.17	12.24	1953	15954
VG 1977	21.5	7499	.0689	13.63	8.07	14.18	529	4267
VG 1976	22.5	1751	.0564	11.88	7.98	12.33	142	1134
VG 1975	23.5	3931	.1693	16.57	7.90	17.91	220	1734
VG 1974	24.5	3601	.0099	11.30	7.82	11.38	316	2475
PRIOR		46189	.0270	13.26	7.58	13.22	3493	26475
Totals		76883599					7140868	80245248
Composites			.40179@		11.23746*	10.76670#		

Plife: 15.0

c = +8.30000000E-01 G = -9.42322560E-01 S = -1.83282430E-01 Unscaled
 c = +9.37041296E-01 G = -9.42322560E-01 S = -6.39644889E-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 / 191350954

January 1, 1999

064

Run Date : 07/23/99 - 07.33.16
 Report : GENRTBL2, 99P1999A

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 = +8.30000000E-01 G = -9.42322560E-01 S = -1.83282430E-01 Unscaled
 C = +9.37041296E-01 G = -9.42322560E-01 S = -6.39644889E-02 Scaled

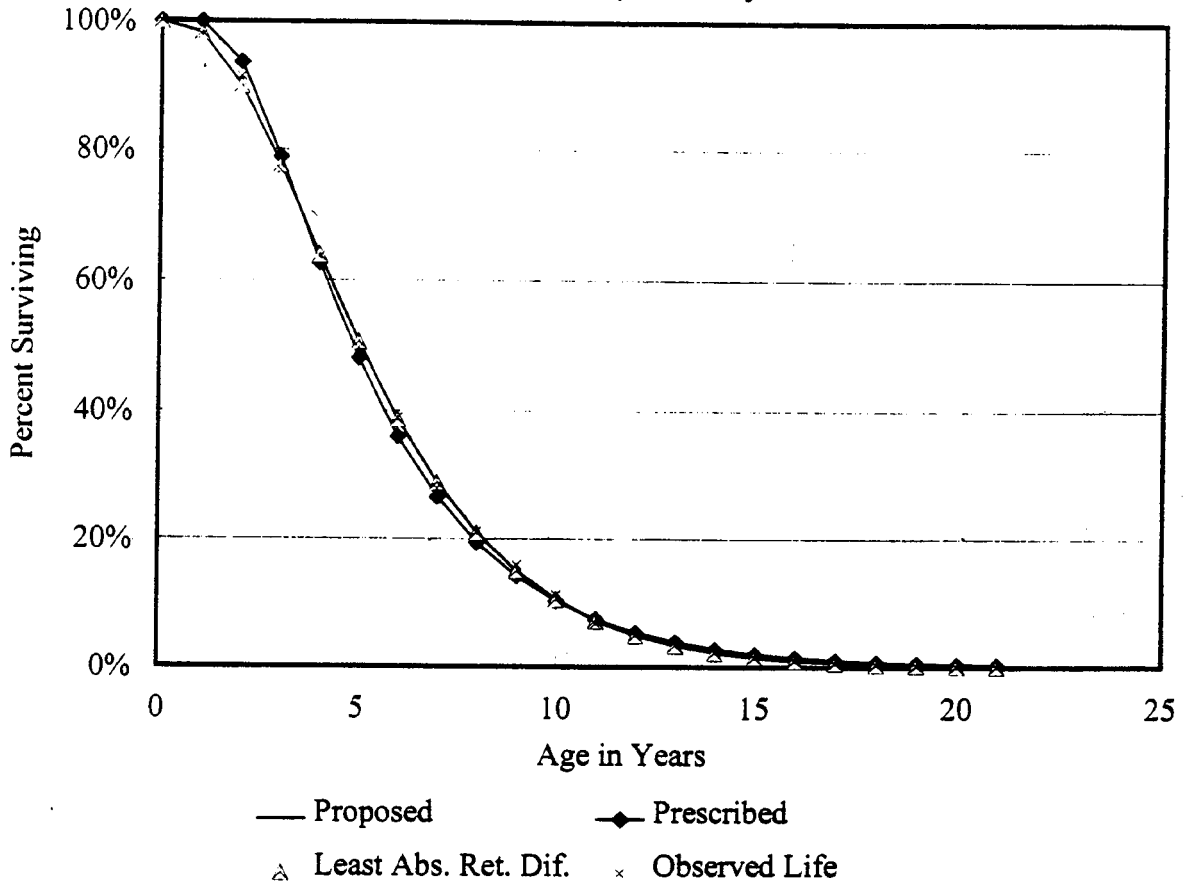
Beginning Of Year.		Amount		Annual Accruals For BOY Age A			Remaining Life	
Age	Amount In Service A	Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	422	.5	844	12598	7.94	7.94	15.00
.5	99578	1487	1.0	1487	11754	8.47	7.97	14.57
1.5	98091	2266	2.0	1133	10267	9.55	8.05	13.78
2.5	95825	2941	3.0	980	9134	10.49	7.99	13.09
3.5	92884	3507	4.0	877	8154	11.39	7.89	12.49
4.5	89377	3961	5.0	792	7277	12.28	7.78	11.96
5.5	85416	4308	6.0	718	6485	13.17	7.67	11.49
6.5	81108	4553	7.0	650	5767	14.06	7.56	11.08
7.5	76555	4703	8.0	588	5117	14.96	7.46	10.71
8.5	71852	4769	9.0	530	4529	15.87	7.37	10.37
9.5	67082	4762	10.0	476	3999	16.78	7.28	10.08
10.5	62320	4692	11.0	427	3523	17.69	7.19	9.81
11.5	57629	4570	12.0	381	3096	18.61	7.11	9.57
12.5	53059	4406	13.0	339	2715	19.54	7.04	9.35
13.5	48653	4210	14.0	301	2376	20.47	6.97	9.15
14.5	44443	3990	15.0	266	2076	21.41	6.91	8.97
15.5	40453	3755	16.0	235	1810	22.36	6.86	8.80
16.5	36698	3511	17.0	207	1575	23.30	6.80	8.65
17.5	33187	3263	18.0	181	1368	24.25	6.75	8.51
18.5	29923	3017	19.0	159	1187	25.21	6.71	8.39
19.5	26907	2775	20.0	139	1028	26.17	6.67	8.27
20.5	24132	2541	21.0	121	890	27.13	6.63	8.17
21.5	21591	2317	22.0	105	769	28.09	6.59	8.07
22.5	19274	2105	23.0	92	663	29.06	6.56	7.98
23.5	17169	1906	24.0	79	572	30.03	6.53	7.90
24.5	15263	1719	25.0	69	492	31.01	6.51	7.82
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 : 2116.0000
 Category : Other Work Equipment

Curve Shape Analysis Plot



Method = MORT

1995-1997 Band

T = 94

c = +8.30000000E-01

G = -9.42322560E-01

S = -1.83282430E-01

Curves Scaled to the Observed Life of 5.17

January 1, 1999

Run Date : 07/23/99 - 07.33.46
Report : ANSD, 99P1999A

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

Average Net Salvage
as of January 1999
(\$000)

	Plant Retired	Gross Salvage Percent	Amount	Cost of Removal Percent	Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	114467*	.5**	572	.0**	0	.5
FUTURE	76884#	.0##	0	.0##	0	.0
TOTAL AVERAGE	191351	.3	572	.0	0	.3

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

067

Run Date : 07/23/99 - 07.33.53
 Report : TABLEAB
 HIST1998, HPSC1999

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	99039742	30240959	229640	.8	0	.0	.8
1998	76883599	4300562	15443	.4	103	.0	.4
Grand Total		104695647	490753	.5	11819	.0	.5
1988-1998 @@		104695647	490753	.5	11819	.0	.5
1989-1998 **		100908032	287952	.3	11819	.0	.3

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

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

Account Description

The 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 1/1/99 and reserve for this account are summarized in Table 1 below.

Investment and Reserve Statistics

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	785.7	165.6	21.1

Table 1

Life Proposal

The projection life currently used for the Buildings account is 45 years. There are no factors that the Company currently foresees that would lead to making a change in this life.

Curve Shape

For many years, Bell curves have been used for the Buildings account. There is no compelling reason at this time to make changes to curve shapes. Thus, the Company elects to continue the use of the current Bell No. 3.0 curve.

Future Net Salvage

While history shows that the Building account has experienced negative net salvage, this percent is primarily the result of interim, rather than final retirements, and the dollars primarily reflect retirement of small structures. Therefore, the company selects a future net salvage of 0.0%.

January 1, 1999

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2121
CATEGORY : BUILDINGS

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January 1, 1999

071

Run Date : 07/23/99 - 07.44.05
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary
 =====

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
	=====	=====	=====
Investment Bal (\$)			
Form M	750,645,024	785,698,392	
Adjustment	0	0	
Study	750,645,024	785,698,392	
% Tot. Depr. Plant	6.75	6.69	
Depr. Reserve (\$)	131,129,473	165,642,469	
(%)	17.5	21.1	
P-Life/AYFR (Yrs)			
Buildings	45.0	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)	43.0	42.0	
Avg. Net Salv. (%)	-3	-2	
WL Rate (%)	2.4	2.4	
Composite Rem Life (Yrs)	34.0	33.0	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	2.4	2.4	
Intrastate Factor (%)	79.34	79.34	

@ Estimated Investment and Reserve

Run Date : 07/23/99 - 07.44.30
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	38246668	.9901	.50	31.34	31.84	1201252	37646041
VG 1997	1.5	22595415	.9189	1.39	43.57	41.42	545458	23766280
VG 1996	2.5	25259122	.6311	1.95	42.64	28.86	875210	37315194
VG 1995	3.5	27933813	.9179	3.38	41.71	41.67	670369	27963855
VG 1994	4.5	26632990	.9846	4.48	40.81	44.66	596322	24333725
VG 1993	5.5	36815846	.7802	5.17	39.91	36.31	1013959	40469435
VG 1992	6.5	17094966	.9832	6.47	39.03	44.85	381200	14879004
VG 1991	7.5	17329321	.9672	7.42	38.17	44.34	390837	14916400
VG 1990	8.5	22074016	.9556	8.40	37.31	44.06	500983	18692732
VG 1989	9.5	20852052	.9311	9.18	36.47	43.14	483309	17627410
VG 1988	10.5	19889714	.9028	10.15	35.65	42.34	469813	16746978
VG 1987	11.5	32141448	.9408	11.18	34.83	43.95	731362	25475556
VG 1986	12.5	15732244	.9359	12.15	34.03	44.00	357534	12168046
VG 1985	13.5	15659587	.7268	12.73	33.25	36.89	424520	14113874
VG 1984	14.5	14900872	.8755	13.76	32.47	42.19	353207	11469717
VG 1983	15.5	143501833	.9706	15.38	31.71	46.16	3108606	98581709
VG 1982	16.5	29646521	.8809	15.64	30.96	42.92	690769	21389538
VG 1981	17.5	22664726	.8930	16.72	30.23	43.72	518430	15672137
VG 1980	18.5	29713893	.8840	17.75	29.51	43.83	677880	20002750
VG 1979	19.5	23883296	.8208	18.31	28.80	41.94	569398	16397684
VG 1978	20.5	9914983	.8628	19.38	28.10	43.63	227274	6386687
VG 1977	21.5	6032959	.8311	19.82	27.42	42.61	141583	3881749
VG 1976	22.5	14387172	.8842	21.38	26.74	45.02	319554	8546321
VG 1975	23.5	36600862	.9235	22.97	26.08	47.06	777754	20287399
VG 1974	24.5	52239583	.9210	24.00	25.44	47.43	1101484	28018197
PRIOR		63954490	.7509	29.04	21.13	44.89	1424609	30098938
Totals		785698392					18552676	606847356
Composites			.88638@		32.70942*	42.34960#		

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 / 886417609

Run Date : 07/23/99 - 07.44.47
 Report : GENRTBL2, 99P1999A

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

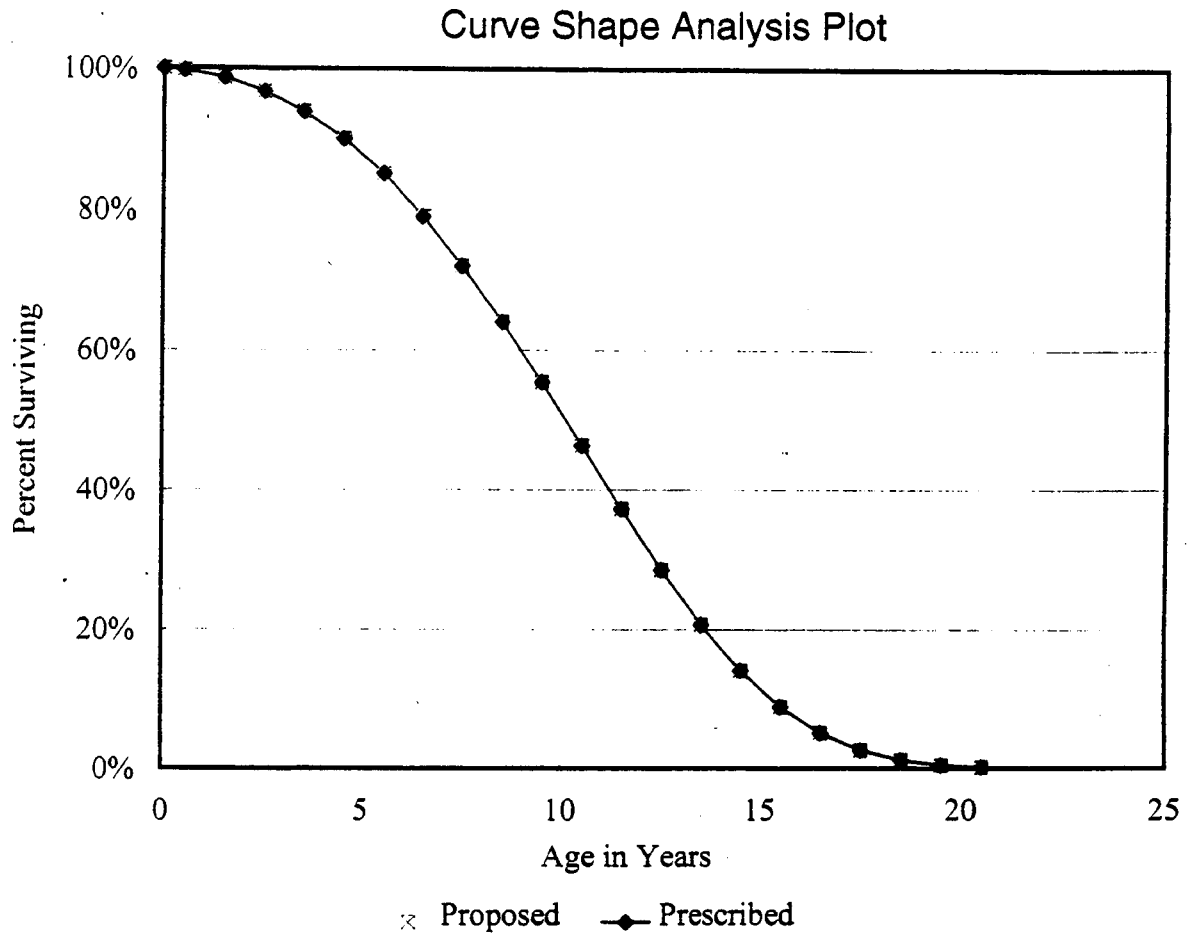
Beginning Of Year. ----- Age A	Amount In Service B	Amount During Year (Life Group) C=B-Next B	Age of Retired Amount D	Annual Accruals For BOY Age A		Ser- vice Life G=B/F	Remaining Life		
				Each Life Groups E=C/D	All Remaining Groups F*		ELG Life H=G-A	VG Life I#	
.0	100000		45	.5	89	3229	30.97	30.97	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	1015	21.0	48	2069	43.40	22.90	28.10
21.5	88767	1068	1068	22.0	49	2020	43.94	22.44	27.42
22.5	87699	1122	1122	23.0	49	1972	44.48	21.98	26.74
23.5	86577	1176	1176	24.0	49	1923	45.02	21.52	26.08
24.5	85401	1229	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)

January 1, 1999

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



c = +1.18428730E+00 G = -1.01449700E-01 S = +1.55765450E-02

January 1, 1999

Run Date : 07/23/99 - 07.45.09
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$000)

	Plant Retired	Gross Salvage Percent	Amount	Cost of Removal Percent	Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	100719*	9.5**	9568	30.8**	31021	-21.3
FUTURE	785698#	10.0##	78570	10.0##	78570	.0
TOTAL AVERAGE	886417	9.9	88138	12.4	109591	-2.5

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/23/99 - 07.45.16
 Report : TABLEAB
 HIST1998, HPSC1999

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	759610137	31426375	11173963	35.6	4441219	14.1	21.4
1998	785698392	7849433	1196247	15.2	7695682	98.0	-82.8
Grand Total		186611892	12964601	6.9	37987272	20.4	-13.4
1980-1998 @@		101634003	12116767	11.9	36050794	35.5	-23.5
1989-1998 **		75619432	14817402	19.6	29508878	39.0	-19.4

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

Run Date : 07/23/99 - 07.45.16
 Report : TABLEAB
 HIST1998, HPSC1999

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 (\$) 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	56920703	12193207	21.4	18517419	32.5	-11.1
1996	60015576	13237371	22.1	22608747	37.7	-15.6

January 1, 1999

Run Date : 07/23/99 - 07.45.34
 Report : RETRATIO
 HPSC1999

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

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
1984	533989402							
1985	544609995	539299699	3960251	.00734				
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	15261136	.00737
1995	730471849	717442737	6000652	.00836	94-96	2158452074	20769132	.00962
1996	765442024	747956937	9780091	.01308	95-97	2227925755	47207118	.02119
1997	759610137	762526081	31426375	.04121	96-98	2283137283	49055899	.02149
1998	785698392	772654265	7849433	.01016				

January 1, 1999

FURNITURE

080

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

Changing the capitalization limit from \$500 to \$2000 significantly affected the Furniture account. Although zero investment and reserve balances were anticipated in FRC 30 (Furniture Other) and FRC 31 (Hotel Furnishings), residual investment and reserve remains at 1/1/99 in some states. At 1/1/98, the embedded investment in the Furniture account transferred into a new Small Value Field Reporting Code (FRC), and is being amortized over a five-year period. On a going forward basis, investment over \$2000 will be capitalized and depreciated in the traditional manner.

Table 1 contains actual 1/1/99 investment and reserve.

Investment and Reserve Statistics

	Invest.	Res.	Res.
	<u>(\$M)</u>	<u>(\$M)</u>	<u>(%)</u>
Florida	.004	2.3	57,099.2

Table 1

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 current curve shape is reflective of mortality experienced in the furniture account and will continue to be appropriate.

Future Net Salvage

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

January 1, 1999

Page 1

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2122.0000
CATEGORY : FURNITURE

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Generation Arrangement	3
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Average Net Salvage	5
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January 1, 1999

Run Date : 07/27/99 - 07.43.35
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2122.0000
 Category : Furniture

Account Parameter Summary

ELG Start Year: 0000

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	1,159,739	4,046	
Adjustment	0	0	
Study	1,159,739	4,046	
% Tot. Depr. Plant	.01	.00	
Depr. Reserve (\$)	5,707,497	2,310,235	
(%)	492.1	57,099.2	
P-Life/AYFR (Yrs)			
Furniture	15.0	15.0	
Curve			
Furniture	1988-1990 MORT	1988-1990 MORT	
c	9.50000000E-01	9.50000000E-01	
G	-2.62877800E+00	-2.62877800E+00	
S	-1.56087630E-01	-1.56087630E-01	
Whole Life (Yrs)	12.2	15.2	
Avg. Net Salv. (%)	2	10	
WL Rate (%)	8.0	5.9	
Composite Rem Life (Yrs)	15.0	14.7	
Fut. Net Salv. (%)	10	10	
Composite RL Rate (%)	6.0	0	
Intrastate Factor (%)	78.42	78.42	

@ Estimated Investment and Reserve

Run Date : 07/27/99 - 07.44.01
 Report : FCC_TBL1, 99P1999A
 Actual Balance

Company : BellSouth Telecommunications
 State : Florida
 Account : 2122.0000
 Category : Furniture

Generation Arrangement
 Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-99			Remain ing Life E+	Avg Svc Life F@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
VG 1998	.5	4046	1.0000	.50	14.71	15.21	266	3913
Totals		4046					266	3913
Composites			1.00000@		14.71053*	15.21053#		

Plife: 15.0

c = +9.50000000E-01 G = -2.62877800E+00 S = -1.56087630E-01 Unscaled
 c = +9.72854832E-01 G = -2.62877800E+00 S = -8.37457351E-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 / 4046

January 1, 1999

Run Date : 07/27/99 - 07.44.20
 Report : GENRTBL2, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2122.0000
 Category : Furniture

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

Plife = 15.0

C = +9.50000000E-01 G = -2.62877800E+00 S = -1.56087630E-01 Unscaled
 C = +9.72854832E-01 G = -2.62877800E+00 S = -8.37457351E-02 Scaled

Beginning Of Year		Amount		Annual Accruals For BOY Age A			Remaining Life	
Age	Amount In Service	Retired During Year (Life Group)	Age of Retired	Each Life Groups	All Remaining Groups	Service Life	ELG Life	VG Life
A	B	C=B-Next B	D	E=C/D	F*	G=B/F	H=G-A	I#
.0	100000	1360	.5	2721	16255	6.15	6.15	15.00
.5	98640	2989	1.0	2989	13535	7.29	6.79	14.71
1.5	95651	3305	2.0	1653	0	.00	.00	.00
2.5	92346	3572	3.0	1191	0	.00	.00	.00
3.5	88774	3788	4.0	947	0	.00	.00	.00
4.5	84986	3956	5.0	791	0	.00	.00	.00
5.5	81030	4075	6.0	679	0	.00	.00	.00
6.5	76955	4150	7.0	593	0	.00	.00	.00
7.5	72805	4183	8.0	523	0	.00	.00	.00
8.5	68622	4177	9.0	464	0	.00	.00	.00
9.5	64446	4136	10.0	414	0	.00	.00	.00
10.5	60310	4064	11.0	369	0	.00	.00	.00
11.5	56246	3965	12.0	330	0	.00	.00	.00
12.5	52282	3843	13.0	296	0	.00	.00	.00
13.5	48439	3702	14.0	264	0	.00	.00	.00
14.5	44736	3546	15.0	236	0	.00	.00	.00
15.5	41190	3378	16.0	211	0	.00	.00	.00
16.5	37812	3202	17.0	188	0	.00	.00	.00
17.5	34610	3021	18.0	168	0	.00	.00	.00
18.5	31589	2836	19.0	149	0	.00	.00	.00
19.5	28753	2652	20.0	133	0	.00	.00	.00
20.5	26101	2469	21.0	118	0	.00	.00	.00
21.5	23632	2290	22.0	104	0	.00	.00	.00
22.5	21342	2115	23.0	92	0	.00	.00	.00
23.5	19227	1947	24.0	81	0	.00	.00	.00
24.5	17280	1786	25.0	71	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)

January 1, 1999

Run Date : 07/27/99 - 07.44.39
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2122.0000
 Category : Furniture

Average Net Salvage
 as of January 1999
 (\$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*	.1**	0	12.7**	0	-12.6
FUTURE	4#	10.0##	0	.0##	0	10.0
TOTAL AVERAGE	4	10.0	0	.0	0	10.0

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/27/99 - 07.44.46
 Report : TABLEAB
 HIST1998, HPSC1999

Company : BellSouth Telecommunications
 State : Florida
 Account : 2122.0000
 Category : Furniture

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
1973*	107097412	2098441	102143	4.9	374	.0	4.8
1974	13262203	237754	4305	1.8	0	.0	1.8
1975	13953781	299226	1603	.5	0	.0	.5
1976	16211624	243325	5062	2.1	0	.0	2.1
1977	18000196	351649	5167	1.5	0	.0	1.5
1978	21495550	322169	2894	.9	0	.0	.9
1979	26309711	585889	13158	2.2	0	.0	2.2
1980	30014672	923146	40322	4.4	0	.0	4.4
1981	33119889	1226317	10840	.9	1525	.1	.8
1982	27938547	2109534	8950	.4	1469	.1	.4
1983	32426507	1257422	63209	5.0	0	.0	5.0
1984	29546025	1974713	696047	35.2	190	.0	35.2
1985	28922625	2406664	-391603	-16.3	0	.0	-16.3
1986	28568592	1336169	51221	3.8	683	.1	3.8
1987	37174956	1383698	12031	.9	138329	10.0	-9.1
1988	24078978	1223129	345493	28.2	-9703	-.8	29.0
1989	24524543	-65261	-15270	23.4	0	.0	23.4
1990	7253663	772571	11541	1.5	0	.0	1.5
1991	6743331	445840	219082	49.1	1373	.3	48.8
1992	7542634	84707	0	.0	-63	-.1	.1
1993	5873092	39470	0	.0	0	.0	.0
1994	6028592	15678	4475	28.5	33696	214.9	-186.4
1995	6049875	62020	0	.0	29589	47.7	-47.7
1996	6140380	15335	0	.0	6759	44.1	-44.1
1997	6103839	106138	80	.1	4116	3.9	-3.8
1998	4046	0	0	.0	9326	.0	.0
Grand Total		19455743	1190750	6.1	217663	1.1	5.0
1997-1998 @@		106138	80	.1	13442	12.7	-12.6
1989-1998 **		1476498	219908	14.9	84796	5.7	9.2

* Represents 1973 and prior years

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/27/99 - 07.44.46
 Report : TABLEAB
 HIST1998, HPSC1999

Company : BellSouth Telecommunications
 State : Florida
 Account : 2122.0000
 Category : Furniture

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
1976	1454123	19031	1.3	0	.0	1.3
1977	1802258	27884	1.5	0	.0	1.5
1978	2426178	66603	2.7	0	.0	2.7
1979	3409170	72381	2.1	1525	.0	2.1
1980	5167055	76164	1.5	2994	.1	1.4
1981	6102308	136479	2.2	2994	.0	2.2
1982	7491132	819368	10.9	3184	.0	10.9
1983	8974650	387443	4.3	3184	.0	4.3
1984	9084502	427824	4.7	2342	.0	4.7
1985	8358666	430905	5.2	139202	1.7	3.5
1986	8324373	713189	8.6	129499	1.6	7.0
1987	6284399	1872	.0	129309	2.1	-2.0
1988	4650306	405016	8.7	129309	2.8	5.9
1989	3759977	572877	15.2	129999	3.5	11.8
1990	2460986	560846	22.8	-8393	-.3	23.1
1991	1277327	215353	16.9	1310	.1	16.8
1992	1358266	235098	17.3	35006	2.6	14.7
1993	647715	223557	34.5	64595	10.0	24.5
1994	217210	4475	2.1	69981	32.2	-30.2
1995	238641	4555	1.9	74160	31.1	-29.2
1996	199171	4555	2.3	83486	41.9	-39.6

Run Date : 07/27/99 - 07.45.06
 Report : RETRATIO
 HPSC1999

Company : BellSouth Telecommunications
 State : Florida
 Account : 2122.0000
 Category : Furniture

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
1984	29546025							
1985	28922625	29234325	2406402	.08231				
1986	28568592	28745609	1336169	.04648	85-87	90851708	5126268	.05642
1987	37174956	32871774	1383697	.04209	86-88	92244350	3942995	.04275
1988	24078978	30626967	1223129	.03994	87-89	87800502	2541565	.02895
1989	24524543	24301761	-65261	-.00269	88-90	70817831	1930439	.02726
1990	7253663	15889103	772571	.04862	89-91	47189361	1153150	.02444
1991	6743331	6998497	445840	.06371	90-92	30030583	1303118	.04339
1992	7542634	7142983	84707	.01186	91-93	20849343	570017	.02734
1993	5873092	6707863	39470	.00588	92-94	19801688	139855	.00706
1994	6028592	5950842	15678	.00263	93-95	18697939	117168	.00627
1995	6049875	6039234	62020	.01027	94-96	18085204	93033	.00514
1996	6140380	6095128	15335	.00252	95-97	18256472	183493	.01005
1997	6103839	6122110	106138	.01734	96-98	15271181	121473	.00795
1998	4046	3053943	0	.00000				

January 1, 1999

OFFICE SUPPORT
EQUIPMENT

050

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

Table 1 contains actual 1/1/99 investment and reserve. Office Support Equipment exceeded service value in Florida. Hence, a zero depreciation rate is used.

Investment and Reserve Statistics

	Invest. <u>(\$M)</u>	Res. <u>(\$M)</u>	Res. <u>(%)</u>
Florida	3.2	12.9	406.8

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 shape with the least absolute retirement difference for the 1995-1997 band is 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

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January 1, 1999

Run Date : 07/27/99 - 08.01.47
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary
 =====

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
	=====	=====	=====
Investment Bal (\$)			
Form M	4,833,148	3,181,396	
Adjustment	0	0	
Study	4,833,148	3,181,396	
% Tot. Depr. Plant	.04	.03	
Depr. Reserve (\$)	7,511,399	12,941,519	
(%)	155.4	406.8	
P-Life/AYFR (Yrs)			
Office Support Equipment	11.5	11.5	
Curve			
Office Support Equipment	1994-1996 GRAD	1995-1997 GRAD	
c	9.50000000E-01	4.20000000E-01	
G	5.71431430E-01	-8.28941170E-02	
S	-4.84797440E-03	-4.70502870E-02	
Whole Life (Yrs)	16.5	10.8	
Avg. Net Salv. (%)	3	2	
WL Rate (%)	5.9	9.1	
Composite Rem Life (Yrs)	24.0	9.6	
Fut. Net Salv. (%)	5	5	
Composite RL Rate (%)	.0	0	
Intrastate Factor (%)	78.42	78.42	

@ Estimated Investment and Reserve

Run Date : 07/27/99 - 07.59.40
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	39163	.9838	.49	5.28	5.78	6775	35776
VG 1997	1.5	21733	.9694	1.48	10.20	11.38	1911	19492
VG 1996	2.5	124223	.9061	2.41	9.93	11.40	10893	108124
VG 1995	3.5	246601	.8677	3.37	9.81	11.88	20764	203629
VG 1994	4.5	165449	.6514	3.89	9.76	10.24	16155	157598
VG 1993	5.5	154393	.4140	4.11	9.73	8.14	18975	184683
VG 1992	6.5	266760	.5424	5.80	9.72	11.07	24095	234277
VG 1991	7.5	151215	.3377	5.21	9.72	8.50	17797	172962
VG 1990	8.5	68159	.1383	5.17	9.72	6.52	10456	101603
VG 1989	9.5	151044	.3629	8.06	9.72	11.59	13031	126615
VG 1988	10.5	178144	.2975	8.12	9.72	11.02	16173	157129
VG 1987	11.5	99039	.2174	8.16	9.72	10.27	9644	93693
VG 1986	12.5	171887	.3229	8.99	9.72	12.13	14171	137676
VG 1985	13.5	62868	.0445	4.97	9.72	5.40	11646	113147
VG 1984	14.5	77286	.0878	8.03	9.72	8.88	8702	84544
VG 1983	15.5	711027	.3506	12.09	9.72	15.50	45885	445791
VG 1982	16.5	116993	.0348	8.46	9.72	8.80	13293	129142
VG 1981	17.5	115609	.0862	8.42	9.72	9.26	12484	121289
VG 1980	18.5	124309	.1541	11.82	9.72	13.32	9333	90670
VG 1979	19.5	70654	.0490	8.99	9.72	9.46	7465	72526
VG 1978	20.5	5300	.0053	11.23	9.72	11.28	470	4566
VG 1977	21.5	24547	.0235	10.61	9.72	10.84	2265	22009
VG 1976	22.5	13992	.0113	8.58	9.72	8.69	1610	15636
VG 1975	23.5	8037	.0025	10.12	9.72	10.15	792	7694
VG 1974	24.5	12964	.0211	13.27	9.72	13.47	962	9349
Totals		3181396					295747	2849620
Composites			.13879@		9.63533*	10.75715#		

Plife: 11.5

c = +4.20000000E-01 G = -8.28941170E-02 S = -4.70502870E-02 Unscaled
 c = +4.38271826E-01 G = -8.28941170E-02 S = -4.47406420E-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 / 22923195

Run Date : 07/27/99 - 07.59.57
 Report : GENRTBL2, 99P1999A

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 = +4.20000000E-01 G = -8.28941170E-02 S = -4.70502870E-02 Unscaled
 C = +4.38271826E-01 G = -8.28941170E-02 S = -4.47406420E-02 Scaled

Beginning Of Year Age A	Amount In Service B	Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Annual Accruals For BOY Age A		Ser- vice Life G=B/F	Remaining Life	
				Each Life Groups E=C/D	All Remaining Groups F*		ELG Life H=G-A	VG Life I#
.0	100000	0	.5	0	17300	5.78	5.78	11.50
.5	100000	1886	1.0	1886	17300	5.78	5.28	11.00
1.5	98114	6808	2.0	3404	15415	6.37	4.87	10.20
2.5	91306	7807	3.0	2602	12011	7.60	5.10	9.93
3.5	83499	7722	4.0	1931	9408	8.88	5.38	9.81
4.5	75777	7239	5.0	1448	7478	10.13	5.63	9.76
5.5	68538	6638	6.0	1106	6030	11.37	5.87	9.73
6.5	61900	6031	7.0	862	4924	12.57	6.07	9.72
7.5	55869	5458	8.0	682	4062	13.75	6.25	9.72
8.5	50411	4930	9.0	548	3380	14.92	6.42	9.72
9.5	45481	4450	10.0	445	2832	16.06	6.56	9.72
10.5	41030	4016	11.0	365	2387	17.19	6.69	9.72
11.5	37014	3623	12.0	302	2022	18.31	6.81	9.72
12.5	33391	3269	13.0	251	1720	19.41	6.91	9.72
13.5	30123	2949	14.0	211	1468	20.51	7.01	9.72
14.5	27174	2660	15.0	177	1258	21.60	7.10	9.72
15.5	24514	2400	16.0	150	1081	22.69	7.19	9.72
16.5	22114	2165	17.0	127	931	23.77	7.27	9.72
17.5	19950	1953	18.0	108	803	24.84	7.34	9.72
18.5	17997	1762	19.0	93	695	25.91	7.41	9.72
19.5	16235	1589	20.0	79	602	26.97	7.47	9.72
20.5	14646	1434	21.0	68	523	28.03	7.53	9.72
21.5	13212	1293	22.0	59	454	29.09	7.59	9.72
22.5	11919	1167	23.0	51	395	30.14	7.64	9.72
23.5	10752	1053	24.0	44	345	31.19	7.69	9.72
24.5	9699	949	25.0	38	301	32.24	7.74	9.72
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)

Run Date : 07/27/99 - 08.00.47
 Report : RETRATIO
 HPSC1999

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

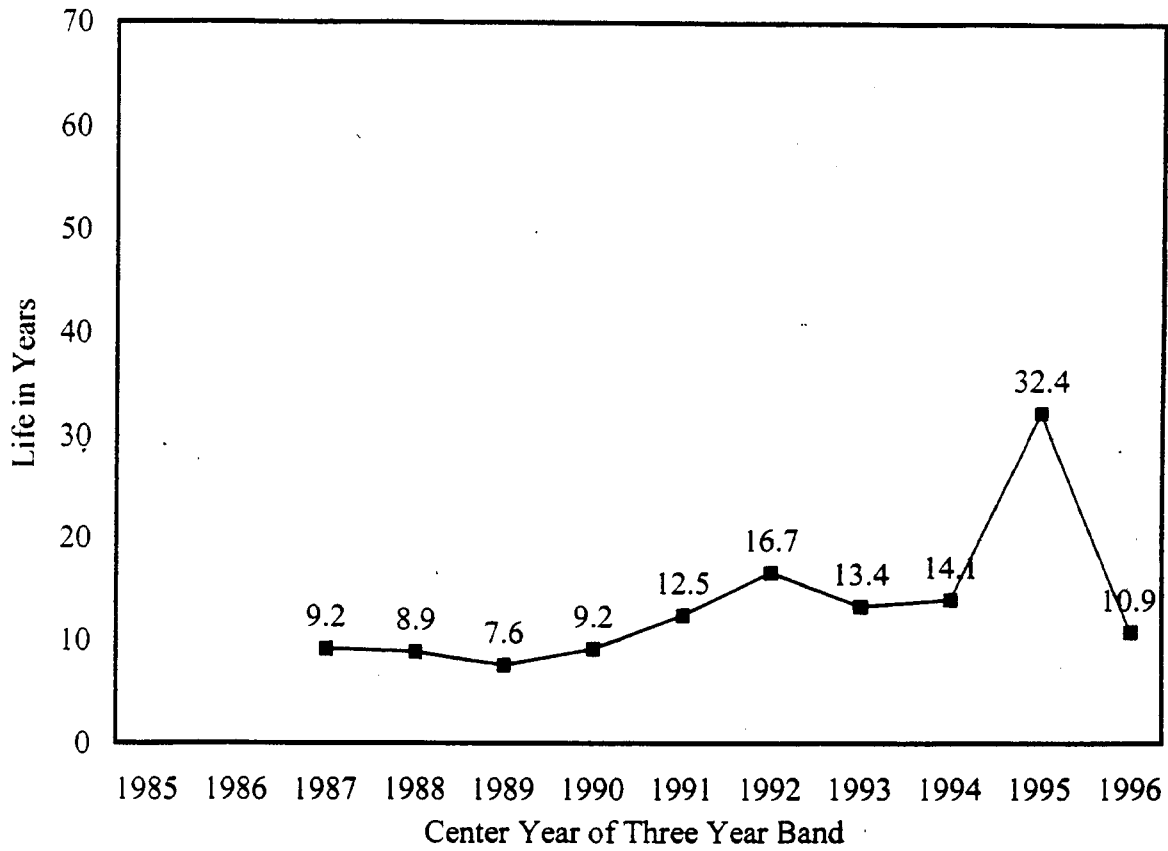
Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	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	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	26128198	2519056	.09641
1997	5958249	6763137	1537095	.22728	96-98	20336340	3167305	.15575
1998	3181396	4569823	862315	.18870				

January 1, 1999

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

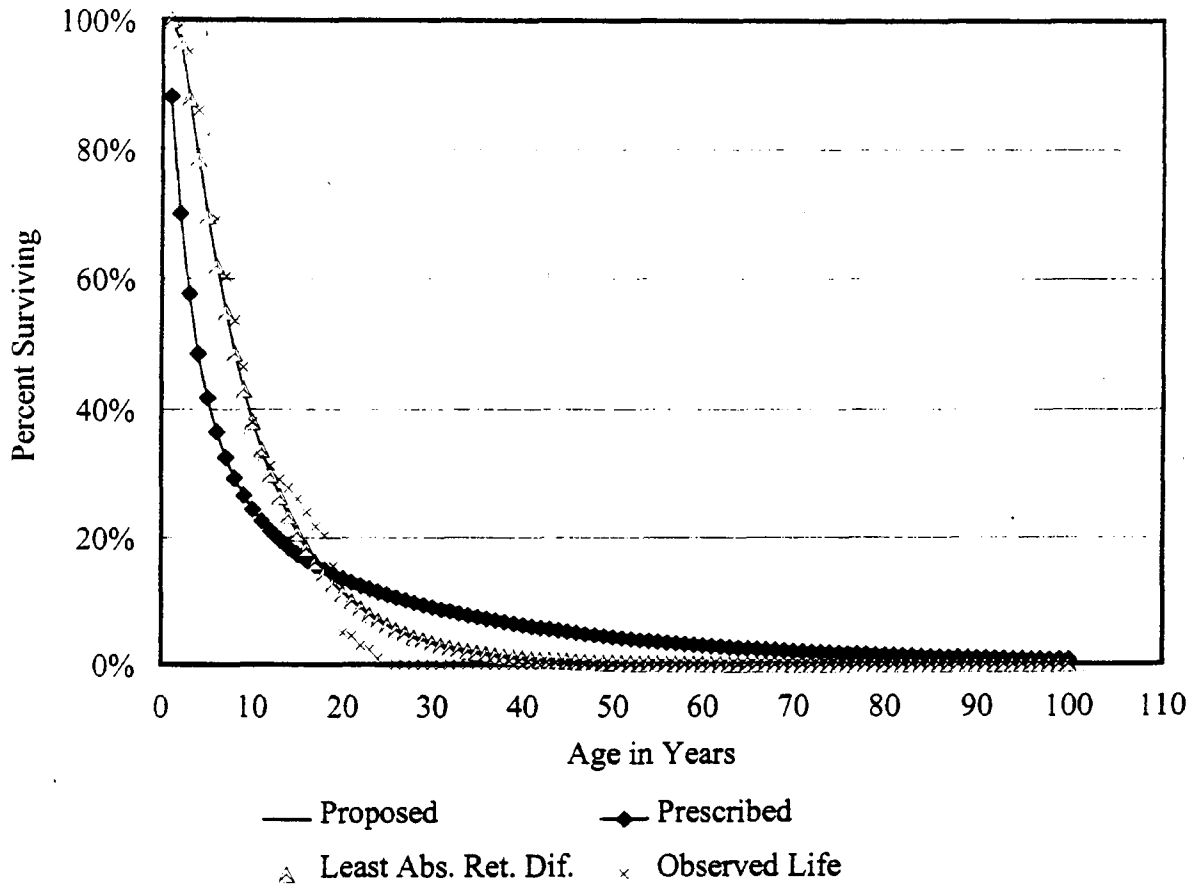
Average Life Indications Full Mortality



January 1, 1999
6

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

Curve Shape Analysis Plot



Method = GRAD 1995-1997 BAND T CUT = 18
 c = +4.20000000E-01 G = -8.28941170E-02 S = -4.70502870E-02

Curve Scaled to the Observed Life of 9.74

Run Date : 07/27/99 - 08.00.24
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$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	19742*	1.7**	336	.0**	0	1.7
FUTURE	3181#	5.0##	159	.0##	0	5.0
TOTAL AVERAGE	22923	2.2	495	.0	0	2.2

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/27/99 - 08.03.03
 Report : TABLEAB
 HIST1998, HPSC1999

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	5958249	1537095	408	.0	1618	.1	-.1
1998	3181396	862315	0	.0	260	.0	.0
Grand Total		12577812	215236	1.7	1541	.0	1.7
1988-1998 @@		12577812	215236	1.7	1541	.0	1.7
1989-1998 **		11066934	210345	1.9	1541	.0	1.9

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

January 1, 1999

Run Date : 07/27/99 - 08.00.31
 Report : TABLEAB
 HIST1998, HPSC1999

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	5251229	2255	.0	1743	.0	.0
1996	4003786	1841	.0	2003	.1	.0

January 1, 1999

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

Table 1 contains actual investment and reserve at 1/1/99.

Investment and Reserve Statistics

	Invest.	Res.	Res.
	<u>(\$M)</u>	<u>(\$M)</u>	<u>(%)</u>
Florida	25.3	10.7	42.2

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 life table associated with the previous curve shape used for the Company Communications account closely aligns with the life table of a #2 Bell Curve. The Company feels that this curve shape accurately depicts the percentage of surviving investment by age. In addition, an attempt to standardize curve shapes in all BellSouth states, influenced the selection of the #2 Bell Curve as a reasonable representation of the surviving investment at various ages.

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

Future Net Salvage

BellSouth is selecting a 10% future net salvage in Company Communications Equipment. While the latest Table B 5-Year Band shows a higher net salvage percent, this was caused by unprecedented high net salvage in 1994 and 1995. The Company does not believe this will be the norm in the future. Salvage for years since 1995 is more reflective of salvage expected in this account. Excluding data for 1994 and 1995 results in a net salvage percent close to the 10% selected, which is the current net salvage percent.

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

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January 1, 1999

Run Date : 07/27/99 - 10.17.06
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary

ELG Start Year: 0000

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	16,225,741	25,251,162	
Adjustment	0	0	
Study	16,225,741	25,251,162	
% Tot. Depr. Plant	.15	.22	
Depr. Reserve (\$)	9,156,746	10,666,626	
(%)	56.4	42.2	
P-Life/AYFR (Yrs)			
Company Comm. Equipment	7.0	7.0	
Curve			
Company Comm. Equipment	1900-1941 BAND	BELL #2.0	
c	1.22810520E+00	1.10249400E+00	
G	-9.83328530E-02	-3.34100410E-01	
S	2.01992260E-02	2.40118790E-02	
Whole Life (Yrs)	6.9	7.2	
Avg. Net Salv. (%)	21	19	
WL Rate (%)	11.4	11.3	
Composite Rem Life (Yrs)	3.1	4.8	
Fut. Net Salv. (%)	10	10	
Composite RL Rate (%)	10.8	10.0	
Intrastate Factor (%)	78.42	78.42	

@ Estimated Investment and Reserve

Run Date : 07/27/99 - 10.17.57
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
VG 1998	.5	3439782	.9930	.50	6.61	7.06	487031	3220523
VG 1997	1.5	10832199	.9820	1.49	5.89	7.27	1489524	8773289
VG 1996	2.5	1019205	.9594	2.46	5.24	7.49	1361111	713164
VG 1995	3.5	645369	.9309	3.42	4.66	7.75	83240	387498
VG 1994	4.5	1957970	.9000	4.37	4.13	8.09	241989	999693
VG 1993	5.5	1503056	.8443	5.20	3.66	8.29	181285	663887
VG 1992	6.5	1030284	.7209	5.61	3.24	7.95	129662	420525
VG 1991	7.5	778382	.5597	5.64	2.87	7.25	107434	308328
VG 1990	8.5	716841	.2830	4.21	2.54	4.93	145350	368898
VG 1989	9.5	3320468	.2977	6.01	2.24	6.68	497209	1115543
VG 1988	10.5	1287	.0040	2.80	1.98	2.81	458	909
VG 1987	11.5	5847	.0008	3.36	1.75	3.36	1738	3048
VG 1986	12.5	454	.0001	4.02	1.55	4.02	113	176
VG 1985	13.5	18	.0000	4.55	1.37	4.55	4	6
Totals		25251162					3501148	16975487
Composites			.37046@		4.84855*	7.21225#		

Plife: 7.0

c = +1.10249400E+00 G = -3.34100410E-01 S = +2.40118790E-02 Unscaled
 c = +1.14957542E+00 G = -3.34100410E-01 S = +3.43026789E-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 / 68161863

January 1, 1999

Run Date : 07/27/99 - 10.18.14
 Report : GENRTBL2, 99P1999A

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 = +1.10249400E+00 G = -3.34100410E-01 S = +2.40118790E-02 Unscaled
 C = +1.14957542E+00 G = -3.34100410E-01 S = +3.43026789E-02 Scaled

Beginning Of Year.		Amount			Annual Accruals For BOY Age A			Remaining Life	
Age	Amount In Service A	Retired During Year (Life Group) B	Age of Retired Amount 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	1591	.5	3182	24099	4.15	4.15	7.00	
.5	98409	4273	1.0	4273	20917	4.70	4.20	6.61	
1.5	94136	5734	2.0	2867	16644	5.66	4.16	5.89	
2.5	88403	7127	3.0	2376	13777	6.42	3.92	5.24	
3.5	81276	8353	4.0	2088	11402	7.13	3.63	4.66	
4.5	72923	9303	5.0	1861	9313	7.83	3.33	4.13	
5.5	63620	9876	6.0	1646	7453	8.54	3.04	3.66	
6.5	53743	9994	7.0	1428	5807	9.26	2.76	3.24	
7.5	43749	9621	8.0	1203	4379	9.99	2.49	2.87	
8.5	34128	8777	9.0	975	3176	10.74	2.24	2.54	
9.5	25351	7550	10.0	755	2201	11.52	2.02	2.24	
10.5	17801	6085	11.0	553	1446	12.31	1.81	1.98	
11.5	11716	4558	12.0	380	893	13.12	1.62	1.75	
12.5	7158	3143	13.0	242	513	13.95	1.45	1.55	
13.5	4015	1974	14.0	141	271	14.80	1.30	1.37	
14.5	2041	1114	15.0	74	0	.00	.00	.00	
15.5	927	557	16.0	35	0	.00	.00	.00	
16.5	370	243	17.0	14	0	.00	.00	.00	
17.5	127	90	18.0	5	0	.00	.00	.00	
18.5	37	28	19.0	1	0	.00	.00	.00	
19.5	9	7	20.0	0	0	.00	.00	.00	
20.5	2	1	21.0	0	0	.00	.00	.00	
21.5	0	0	22.0	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)

January 1, 1999

Run Date : 07/27/99 - 10.19.39
 Report : RETRATIO
 HPSC1999

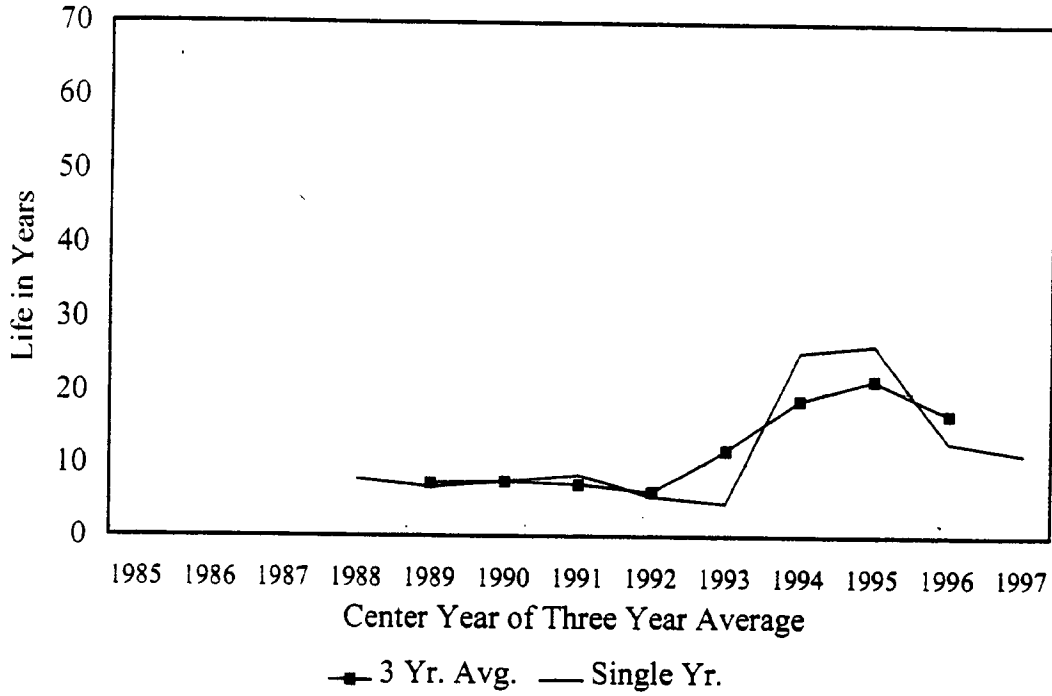
Company : BellSouth Telecommunications
 State : Florida
 Account : 2123.2000
 Category : Company Comm. Equipment

Development of Retirement Ratios -- Total Retirements

End of Year	Plant Balance	Average Plant Balance	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
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	52758179	1556559	.02950
1997	24938545	20854312	870155	.04173	96-98	62484538	2806910	.04492
1998	25251162	25094854	1342574	.05350				

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

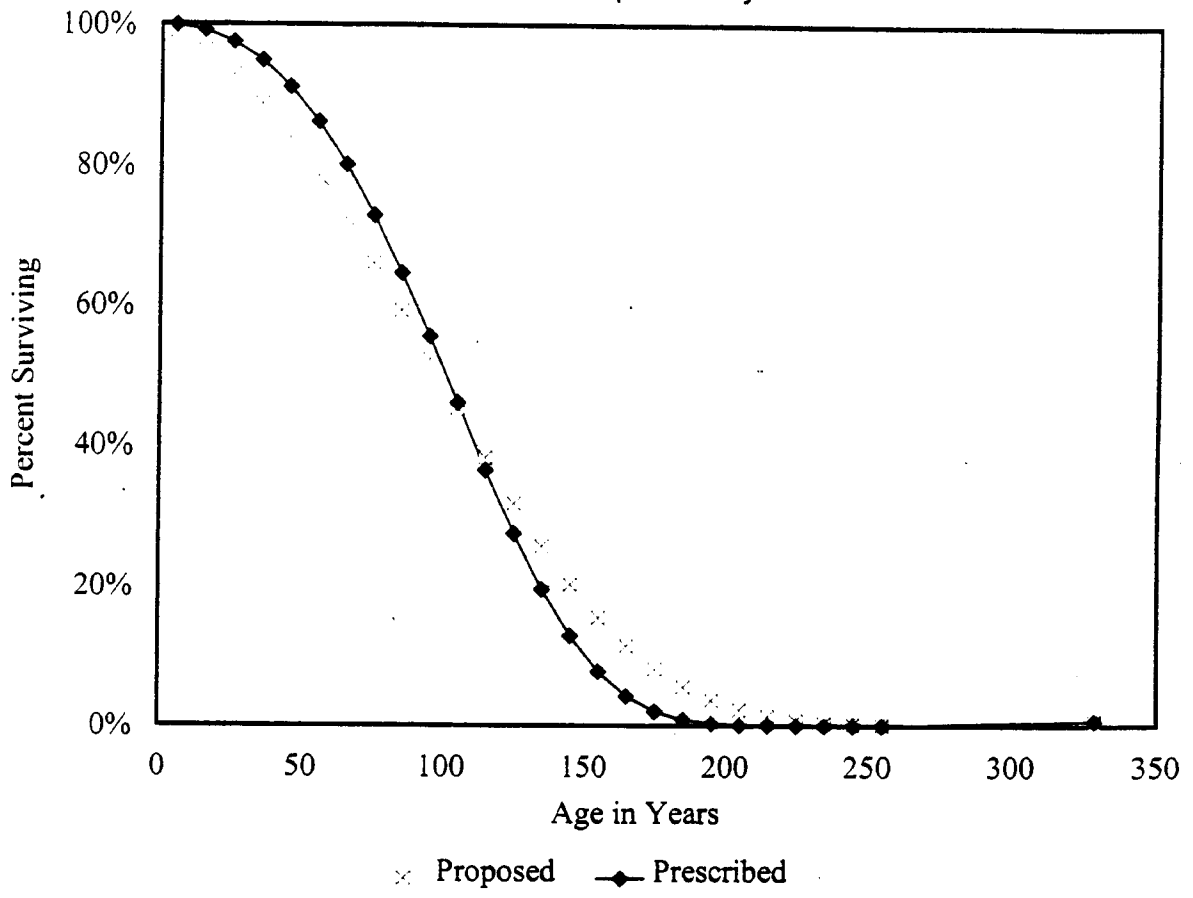
Average Life Indications
 Computed Mortality



Year	3 Year Avg.	Single Year
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	16.9	13.0
1997		11.4

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

Curve Shape Analysis Plot



BELL #2.0

c = +1.10249400E+00

G = -3.34100410E-01

S = +2.40118790E-02

Run Date : 07/27/99 - 10.18.48
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$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	42911*	26.0**	11157	1.5**	644	24.5
FUTURE	25251#	30.0##	7575	20.0##	5050	10.0
TOTAL AVERAGE	68162	27.5	18732	8.4	5694	19.1

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/27/99 - 10.19.03
 Report : TABLEAB
 HIST1998, HPSC1999

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	24938545	870155	138429	15.9	16871	1.9	14.0
1998	25251162	1342574	63684	4.7	35576	2.6	2.1
Grand Total		125765927	63298980	50.3	1205589	1.0	49.4
1989-1998 @@		48298191	12541552	26.0	708424	1.5	24.5
1989-1998 **		48298191	12541552	26.0	708424	1.5	24.5

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/27/99 - 10.19.03
 Report : TABLEAB
 HIST1998, HPSC1999

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	6452441	958027	14.8	128455	2.0	12.9
1996	2970776	876132	29.5	125849	4.2	25.3

January 1, 1999

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

Actual 1/1/99 investment and reserve are shown in Table 1 for the Computers account.

Investment and Reserve Statistics

	Invest.	Res.	Res.
	<u>(\$M)</u>	<u>(\$M)</u>	<u>(%)</u>
Florida	363.7	250.8	69.0

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 (45.3%), minicomputers (43.1%), followed by mainframe computers (11.6%). 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 1/1/99 computer investment.

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

Computer Investment Segmentation
 (\$M)

	Mainframe Processor & Peripherals	Minicomputer Processors & Peripherals	Personal Computers	Total
Florida	42.1	156.8	164.8	363.7

Table 2

In 1998, BellSouth and Electronic Data Systems (EDS) began 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 existing data centers in Birmingham and Charlotte. The initial data center closings occurred in Nashville on approximately 12/31/1998. The remaining data centers are scheduled as follows, subject to change: 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. 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.

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

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 outsourced its mainframe computer operations in December 1997, and will no longer acquire 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 proved to not be 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 because of their limited available capacity. 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 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.

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

3. BellSouth has increased reliance on mechanized systems and the move toward 24 hour, 7 days a 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-compatible 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 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 owns mainframe computers acquired after December 1997. However, BellSouth owns 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

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

provisioning, billing, maintenance, support, and office mechanization. Early generation computers required significant floorspace, power, and environmental conditioning for efficient operation. In addition, efforts to support and maintain these early generation computers are significant. Minicomputers, unlike mainframe computers, do not only reside in the data centers, but also throughout BellSouth buildings in the distributed environment. Although EDS has taken over responsibility of maintaining these systems with the data centers, BellSouth still has ownership of the investment. The bulk of the midrange investments are owned and a small number are leased.

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.

Hewlett Packard and Sun Microsystems servers represent the bulk of BellSouth's investment in minicomputer systems. HP and Sun are, at this time, the approved platform architectures within BellSouth, although there are still a number of legacy midrange systems currently being utilized. Midrange computers typically have a technological life span of approximately 3-5 years, although the system's useful life tends to be longer.

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.

With the increasing demand on floorspace, there is a need to be innovative with reducing the number of processors occupying a given area. Technology is advancing rapidly in the midrange environment. Technology is also allowing multiple applications on a single minicomputer, thus further reducing the number of systems. Some current models of the minicomputers will allow partitioning of the applications as in the mainframe environment. There is also progress being made with data center storage consolidation allowing multiple applications to share a storage unit.

As always, economic replacement studies and the priority needs of the business determines the pace and scope of new minicomputer implementation.

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

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 the 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 advancement 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

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

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 is employed in arriving at a life BellSouth feels is appropriate for the Computers account. Table 3 is an investment weighted life calculation, based on Florida specific data. Though a lower life is calculated a more conservative projection life of 5.0 years is selected. Additionally, consideration is given to technological advancements, competitive factors, as well as future company plans to ensure the projection life provides total cost recovery. The selected curve shape is based on Florida specific data for the 1995-1997 band for the Computer account.

<u>Type</u>	<u>Life</u>	<u>Inv</u> (\$M)	<u>Weight</u>
Mainframes	5.5	42.1	231.6
Mini's	5.0	156.8	784.0
PCs	3.5	164.8	576.8
BST	4.4	363.7	1592.4

Table 3

Table 4 is a summary of calculations performed on the location-listing exhibit. The location listing is based on historical data by location and indicates the approximate life span associated with Florida's mainframe computers.

	<u>BST</u>
Average Year of Final Retirement	1999.7
Average Year Placed	1993.8
Life Span	5.9

Table 4

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

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 -17% and 24%. 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 is 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 2% future net salvage to be appropriate for the Computers account.

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

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Table A	10
Table B	11
Last Numbered Page in Section	11

January 1, 1999

Run Date : 07/27/99 - 07.56.20
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary
 =====

ELG Start Year: 1998

	Prescribed 1998 =====	Company Proposal 1999 @ =====	Agreement 1999 =====
Investment Bal (\$)			
Form M	390,272,630	363,682,980	
Adjustment	0	0	
Study	390,272,630	363,682,980	
% Tot. Depr. Plant	3.51	3.10	
Depr. Reserve (\$)	260,203,077	250,813,571	
(%)	66.7	69.0	
P-Life/AYFR (Yrs)			
Genl Purpose Computers	5.0	5.0	
Curve			
Genl Purpose Computers	1994-1996 MORT	1995-1997 GRAD	
c	9.90000000E-01	8.00000000E-01	
G	-9.26815440E+01	-5.78501900E-01	
S	-9.49730870E-01	-1.19763850E-01	
Whole Life (Yrs)	5.9	5.8	
Avg. Net Salv. (%)	5	6	
WL Rate (%)	16.1	16.2	
Composite Rem Life (Yrs)	3.5	3.1	
Fut. Net Salv. (%)	0	2	
Composite RL Rate (%)	9.5	9.4	
Intrastate Factor (%)	78.42	78.42	

@ Estimated Investment and Reserve

Run Date : 07/27/99 - 07.56.54
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	19357312	1.0000	.50	2.75	3.25	5955046	16379790
VG 1997	1.5	39917364	.9961	1.50	3.84	5.33	7491881	28805145
VG 1996	2.5	81477879	.9487	2.46	3.44	5.73	14222060	48951523
VG 1995	3.5	60359563	.8533	3.27	3.18	5.98	10087017	32109755
VG 1994	4.5	28893791	.6233	3.69	3.01	5.56	5194265	15640586
VG 1993	5.5	40677106	.6787	4.82	2.89	6.78	5996173	17350354
VG 1992	6.5	20325127	.5064	5.29	2.81	6.71	3028787	8516342
VG 1991	7.5	31688112	.5153	6.16	2.75	7.58	4179731	11511618
VG 1990	8.5	12337269	.2206	6.01	2.71	6.60	1868108	5068389
VG 1989	9.5	5969716	.1615	4.31	2.68	4.74	1259339	3379672
VG 1988	10.5	5795288	.2754	6.39	2.66	7.12	813639	2166288
VG 1987	11.5	5577688	.1255	7.13	2.65	7.47	747018	1977426
VG 1986	12.5	4112333	.0985	7.09	2.64	7.35	559226	1474064
VG 1985	13.5	2604041	.0651	7.31	2.63	7.48	348215	915006
VG 1984	14.5	2124399	.0757	7.23	2.62	7.43	285960	749687
VG 1983	15.5	775317	.0366	7.81	2.62	7.90	98126	256805
VG 1982	16.5	390471	.0392	9.94	2.61	10.05	38863	101572
VG 1981	17.5	787876	.0693	8.54	2.61	8.72	90324	235805
VG 1980	18.5	505327	.0374	11.32	2.61	11.41	44274	115469
VG 1979	19.5	933	.0000	11.30	2.61	11.30	83	216
VG 1978	20.5	0	.0000	.00	2.60	11.35	0	0
VG 1977	21.5	0	.0000	.00	2.60	10.88	0	0
VG 1976	22.5	2138	.0005	8.46	2.59	8.46	253	656
VG 1975	23.5	3930	.0007	7.74	2.59	7.74	508	1314
Totals		363682980					62308896	195707482
Composites			.46580@		3.14092*	5.83677#		

Plife: 5.0

c = +8.00000000E-01 G = -5.78501900E-01 S = -1.19763850E-01 Unscaled
 c = +7.30268196E-01 G = -5.78501900E-01 S = -1.68711925E-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 / 780771916

January 1, 1999

Run Date : 07/27/99 - 07.57.10
 Report : GENRTBL2, 99P1999A

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 = +8.00000000E-01 G = -5.78501900E-01 S = -1.19763850E-01 Unscaled
 C = +7.30268196E-01 G = -5.78501900E-01 S = -1.68711925E-01 Scaled

Beginning Of Year		Annual Accruals For BOY Age A					Remaining Life	
Age	Amount In Service A	Retired During Year (Life Group) C=B-Next B	Age of Retired Amount D	Each Life Groups E=C/D	All Remaining Groups F*	Ser- vice Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	50	.5	100	30848	3.24	3.24	5.00
.5	99950	7817	1.0	7817	30748	3.25	2.75	4.51
1.5	92133	13956	2.0	6978	22932	4.02	2.52	3.84
2.5	78178	15735	3.0	5245	15954	4.90	2.40	3.44
3.5	62443	14723	4.0	3681	10709	5.83	2.33	3.18
4.5	47720	12409	5.0	2482	7028	6.79	2.29	3.01
5.5	35311	9790	6.0	1632	4546	7.77	2.27	2.89
6.5	25521	7390	7.0	1056	2915	8.76	2.26	2.81
7.5	18130	5411	8.0	676	1859	9.75	2.25	2.75
8.5	12719	3878	9.0	431	1183	10.76	2.26	2.71
9.5	8842	2737	10.0	274	752	11.76	2.26	2.68
10.5	6105	1910	11.0	174	478	12.77	2.27	2.66
11.5	4195	1323	12.0	110	304	13.78	2.28	2.65
12.5	2872	911	13.0	70	194	14.79	2.29	2.64
13.5	1961	625	14.0	45	124	15.80	2.30	2.63
14.5	1337	427	15.0	28	80	16.81	2.31	2.62
15.5	910	291	16.0	18	51	17.82	2.32	2.62
16.5	619	198	17.0	12	33	18.83	2.33	2.61
17.5	420	135	18.0	7	21	19.84	2.34	2.61
18.5	286	92	19.0	5	14	20.85	2.35	2.61
19.5	194	62	20.0	3	9	21.86	2.36	2.61
20.5	132	42	21.0	2	6	22.87	2.37	2.60
21.5	89	29	22.0	1	4	23.87	2.37	2.60
22.5	61	19	23.0	1	2	24.88	2.38	2.59
23.5	41	13	24.0	1	2	25.88	2.38	2.59
24.5	28	9	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 : 07/27/99 - 07.58.13
 Report : RETRATIO
 HPSC1999

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

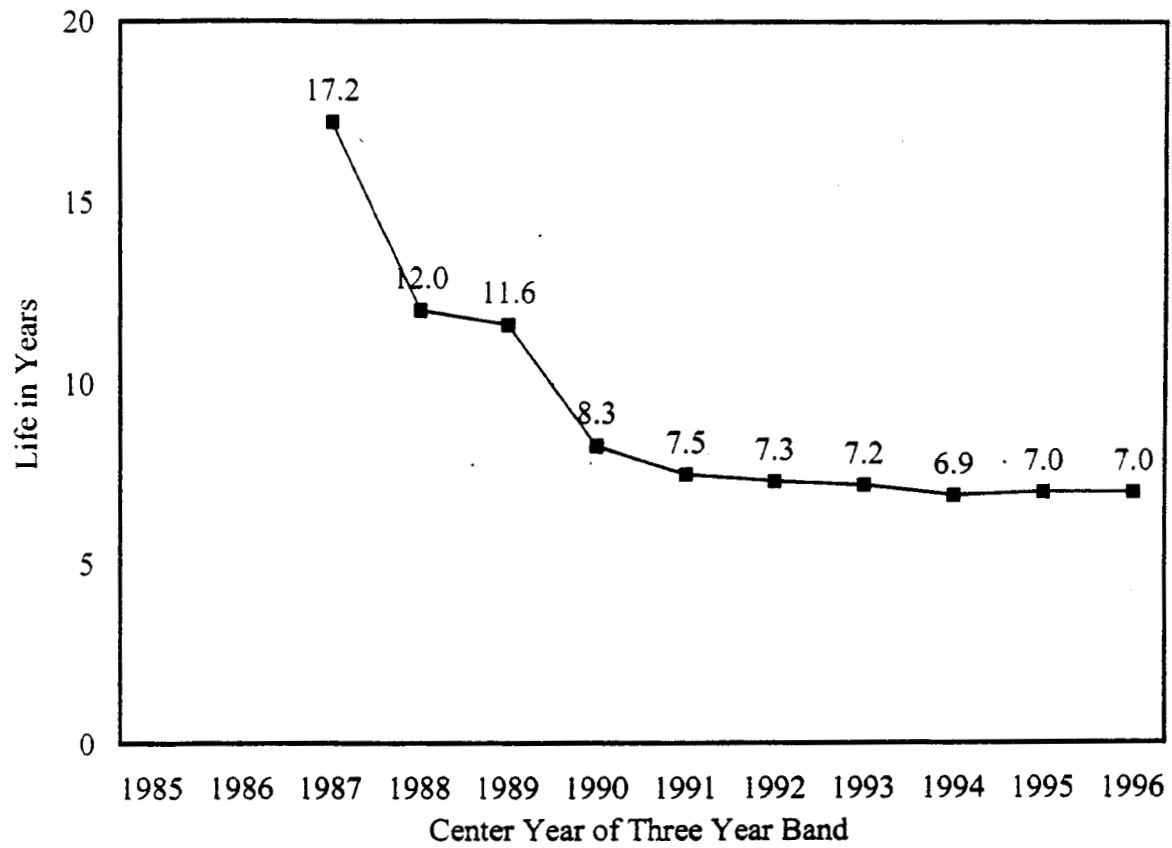
Development of Retirement Ratios -- Total Retirements

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
1984	106691386							
1985	119363827	113027607	4641198	.04106				
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	1177384769	134229871	.11401
1997	421332350	409353254	22656140	.05535	96-98	1195628232	102763376	.08595
1998	363682980	392507665	33462757	.08525				

January 1, 1999

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

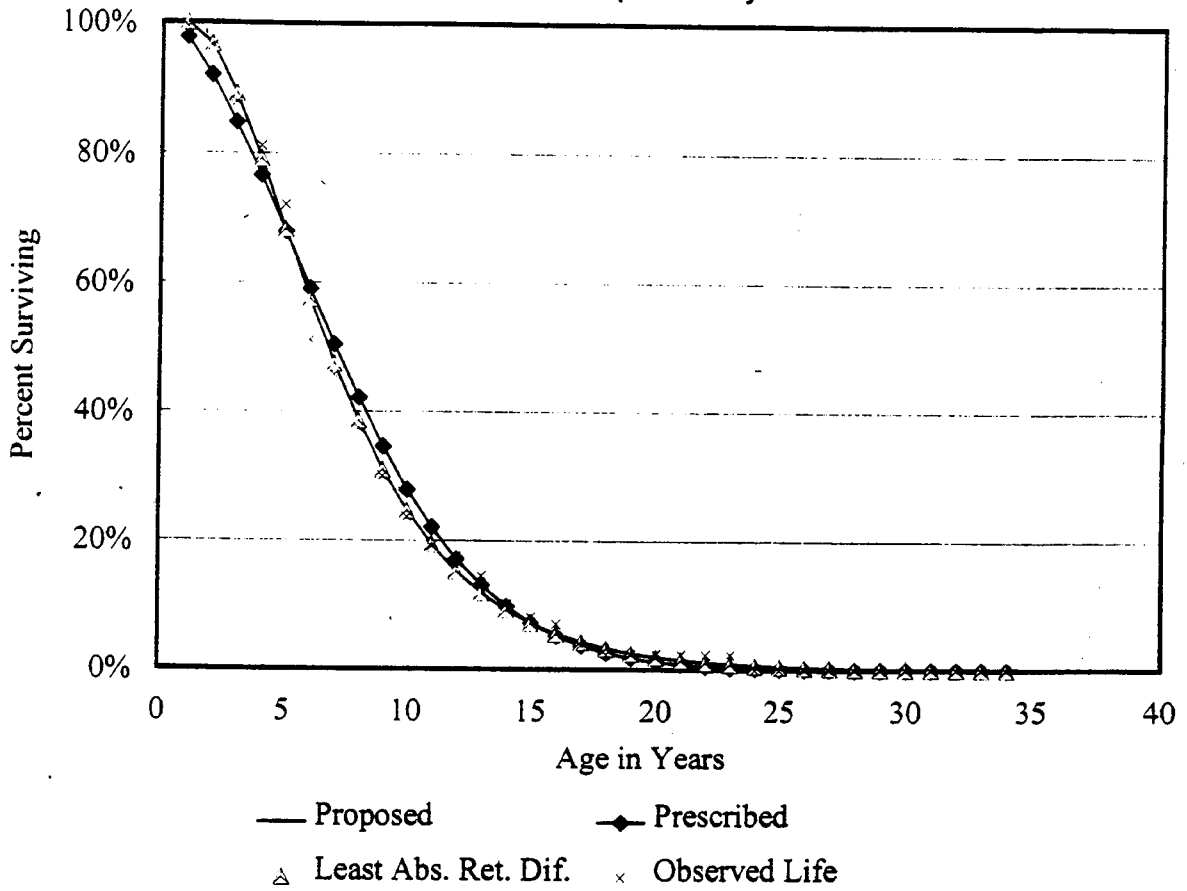
Average Life Indications Full Mortality



January 1, 1999
6

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

Curve Shape Analysis Plot



Method = GRAD

1995-1997 BAND

T CUT = 10

c = +8.00000000E-01

G = -5.78501900E-01

S = -1.19763850E-01

Curve Scaled to the Observed Life of 7.19

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

LOCATION LISTING
 MAINFRAME COMPUTERS

1/1/99
 (\$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	529,650
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 F	7	672,113	623,610
Miami	AMD 5995-1400A	1	1990	7,925	1998 F	8	776,650	713,250
Miami	IBM 9021-9X2	1	1994	12,960	1999	5	1,283,040	1,218,240
Miami	HDS GX-8824	1	1991	13,672	2000	9	1,367,200	1,244,152
Miami	HDS SK-525	1	1996	12,205	2000	4	1,220,500	1,171,680
Miami	HDS SK-525	1	1997	3,286	2000	3	328,600	318,742

TOTAL 15 \$104,787 10,150,977 9,504,068

Total Investment Remaining \$42,123 4,199,340 3,952,814
 Average Year of Final Retirement = 1999.7
 Average Year Placed = 1993.8
 Life Span = 5.9

HDS GX8424 1 13,672
 HDS SK-525 2 15,491
 IBM 9021-9X2 1 12,960

TOTAL* 4 \$42,123

* Excludes Retired Offices

F = Final Retirement

January 1, 1999
 Page 8

Run Date : 07/27/99 - 07.57.47
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$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	417089*	9.6**	40041	.1**	417	9.5
FUTURE	363683#	3.0##	10910	1.0##	3637	2.0
TOTAL AVERAGE	780772	6.5	50951	.5	4054	6.0

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/27/99 - 07.57.54
 Report : TABLEAB
 HIST1998, HPSC1999

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
1973*	17135696	820776	644	.1	0	.0	.1
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	421332350	22656140	1752054	7.7	22162	.1	7.6
1998	363682980	33462757	613714	1.8	39083	.1	1.7
Grand Total		408203908	39081691	9.6	478017	.1	9.5
1963-1998 @@		408203908	39081691	9.6	478017	.1	9.5
1989-1998 **		371207075	37088407	10.0	115532	.0	10.0

* Represents 1973 and prior years

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/27/99 - 07.57.54
 Report : TABLEAB
 HIST1998, HPSC1999

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
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	214777631	20694510	9.6	197947	.1	9.5
1996	225342660	15836038	7.0	155276	.1	7.0

January 1, 1999

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 processor, and power plant.

Investment and Reserve Statistics

The 1-1-99 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Invest. (\$M)	Res. (\$M)	Res. %
Florida	346.1	263.0	76.0

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.

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

- Provision of network features for regulatory mandated capabilities.
- 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. While BellSouth has implemented local number portability throughout the network, further enhancements are needed in analog ESS switches to allow portability for single numbers rather than groups of 1000. This will require new software in these 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. The AYFR and an interim retirement curve were then used in the generation arrangement to calculate an average remaining life. Table 2 shows the development of AYFR calculation.

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

Average Year of Final Retirement (AYFR)
 1/1/99

Switch	Ret. Yr.	Investment	Weight
a	b	c	d=b*c
Boynton Beach-Main	1999	15,195,267	30,375,338,733
Orange Park-Main	1999	6,564,919	13,123,273,081
Pompano Beach-Federal	1999	14,269,592	28,524,914,408
Jacksonville-Riverside	1999	9,388,144	18,766,899,856
Miami-Silver Oaks	1999	14,009,706	28,005,402,294
Orlando-Magnolia	1999	17,787,890	35,557,992,110
Jupiter-Main	2000	11,374,764	22,749,528,000
Jacksonville-Lake Forest	2000	10,515,835	21,031,670,000
Fort Lauderdale-Coral Ridge	2000	12,504,550	25,009,100,000
North Miami Beach-Arch Creek	2000	13,711,696	27,423,392,000
Jacksonville Beach-Main	2001	9,572,632	19,154,836,632
Delray Beach-Main	2001	10,947,802	21,906,551,802
Delray Beach-Kings Beach	2001	9,825,948	19,661,721,948
West Point Beach-Lake Worth	2001	11,874,020	23,759,914,020
Fort Pierce-Main	2002	13,291,747	26,610,077,494
West Palm Beach-Main	2002	12,123,035	24,270,316,070
New Smyrna Beach-Main	2002	7,560,799	15,136,719,598
Hollywood-Hallendale	2000	9,693,323	19,406,032,646
Fort Lauderdale-Sunrise	2002	12,070,083	24,164,306,166
Miami-Opa Locka	2003	9,612,799	19,254,436,397
Miami-Metro	2003	13,734,601	27,510,405,803
Miami-Allaphatta	2003	11,934,189	23,904,180,567
Miami-West Miami	2003	10,928,681	21,890,148,043
Miami-Bayshore	2003	9,360,654	18,749,389,962
Miami-Miami Shores	2003	11,798,606	23,632,607,818
Miami-Poinciana	2003	12,290,057	24,616,984,171
Miami-Indian Creek	2003	10,784,324	21,601,000,972
Total/Composite	2001.10	312,725,663	625,797,140,591

AYFR = Sum Col. d / Sum Col. c= 2001.1

Table 2

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

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

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January 1, 1999

Run Date : 07/22/99 - 14.03.38
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary
 =====

ELG Start Year: 0000

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
	=====	=====	=====
Investment Bal (\$)			
Form M	366,112,937	346,057,164	
Adjustment	0	0	
Study	366,112,937	346,057,164	
% Tot. Depr. Plant	3.29	2.95	
Depr. Reserve (\$)	253,952,224	262,993,296	
(%)	69.4	76.0	
P-Life/AYFR (Yrs)			
Analog ESS	2000.9	2001.1	
Curve			
Analog ESS	1.5 INTERIM RET	1.5 INTERIM RET	
c	1.00000000E+00	1.00000000E+00	
G	0.00000000E+00	0.00000000E+00	
S	-6.56376950E-03	-6.56376950E-03	
Whole Life (Yrs)	8.9	7.9	
Avg. Net Salv. (%)	8	9	
WL Rate (%)	10.3	11.5	
Composite Rem Life (Yrs)	3.3	2.6	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	9.3	9.2	
Intrastate Factor (%)	81.44	81.44	

@ Estimated Investment and Reserve

Run Date : 07/22/99 - 14.04.03
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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

Generation Arrangement
 Development Of Average Remaining Life & Average Service Life

Experience as of 1-1-99								
Vintage	Age	Amount Surviving	Prop Surv	Real Life	Remaining Life	Avg Svc Life	Annual Accruals	Remaining Accruals
	A	B	C	D	E+	F@@	G=B/F	H=E*G
VG 1998	.5	14586692	.8889	.44	2.55	2.71	5376266	13721039
VG 1997	1.5	13509336	.8882	1.44	2.55	3.71	3641414	9293437
VG 1996	2.5	10434109	.8766	2.42	2.55	4.66	2238299	5712475
VG 1995	3.5	6864495	.7406	3.17	2.55	5.06	1356102	3460977
VG 1994	4.5	10384928	.6881	3.85	2.55	5.60	1852804	4728636
VG 1993	5.5	5346103	.5566	4.31	2.55	5.73	932443	2379736
VG 1992	6.5	7175924	.3391	3.27	2.55	4.13	1735619	4429560
VG 1991	7.5	6821122	.4556	5.48	2.55	6.64	1026956	2620947
VG 1990	8.5	10739236	.3248	4.93	2.55	5.76	1864606	4758755
VG 1989	9.5	18020729	.3533	6.03	2.55	6.93	2601154	6638535
VG 1988	10.5	27311363	.3550	6.73	2.55	7.64	3575713	9125757
VG 1987	11.5	11053380	.2557	6.96	2.55	7.61	1452599	3707251
VG 1986	12.5	6944065	.2386	7.39	2.55	8.00	868179	2215722
VG 1985	13.5	16502206	.3274	9.35	2.55	10.18	1620707	4136288
VG 1984	14.5	21587507	.3166	9.89	2.55	10.70	2017814	5149765
VG 1983	15.5	32937373	.4985	12.12	2.55	13.39	2460212	6278829
VG 1982	16.5	8676103	.1538	9.50	2.55	9.89	877219	2238795
VG 1981	17.5	25391048	.2936	12.29	2.55	13.04	1947712	4970854
VG 1980	18.5	7751167	.1275	10.68	2.55	11.01	703994	1796699
VG 1979	19.5	11514416	.1873	13.55	2.55	14.02	821091	2095547
VG 1978	20.5	7934919	.1570	13.13	2.55	13.53	586270	1496249
VG 1977	21.5	7213152	.1920	13.27	2.55	13.76	524243	1337946
VG 1976	22.5	11352732	.3160	14.80	2.55	15.61	727387	1856400
VG 1975	23.5	27161488	.3208	15.58	2.55	16.40	1656148	4226738
VG 1974	24.5	14837325	.2266	15.79	2.55	16.37	906333	2313097
PRIOR		4006246	.0734	15.59	2.55	16.69	240073	612711
Totals		346057164					43611357	111302745
Composites			.30746@		2.55215*	7.93502#		

AYFR: 2001.1

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 / 1125542002

Run Date : 07/22/99 - 14.04.20
 Report : GENRTBL2, 99P1999A

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 = 2001.1

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

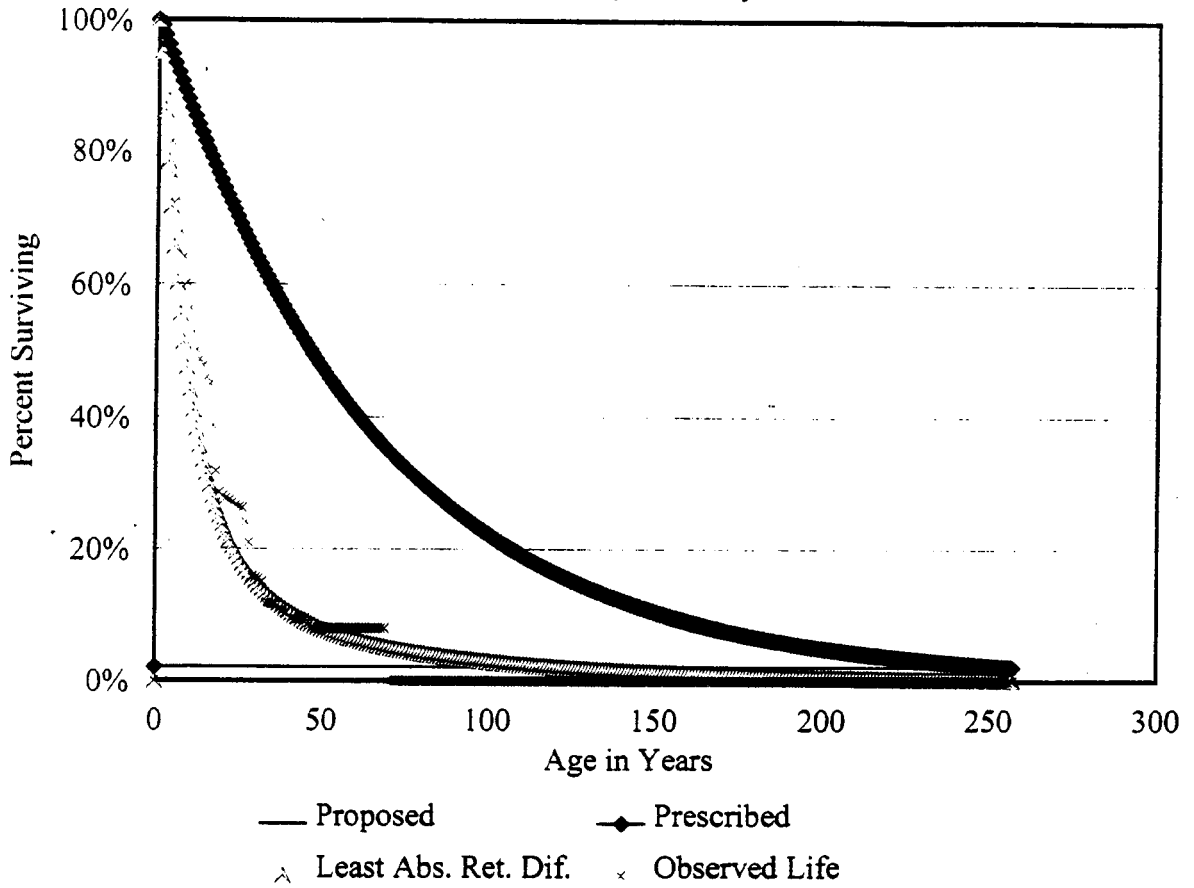
Beginning Of Year		Amount		Annual Accruals For BOY Age A			Remaining Life	
Age	Amount In Service A	Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	753	.5	1506	7577	13.20	13.20	66.13
.5	99247	1489	1.0	1489	6071	16.35	15.85	2.55
1.5	97758	1466	2.0	733	4582	21.33	19.83	2.55
2.5	96292	1444	3.0	481	3849	25.02	22.52	2.55
3.5	94848	1423	4.0	356	3368	28.16	24.66	2.55
4.5	93425	1401	5.0	280	3012	31.02	26.52	2.55
5.5	92024	1380	6.0	230	2732	33.69	28.19	2.55
6.5	90643	1360	7.0	194	2502	36.23	29.73	2.55
7.5	89284	1339	8.0	167	2308	38.69	31.19	2.55
8.5	87944	1319	9.0	147	2140	41.09	32.59	2.55
9.5	86625	1299	10.0	130	1994	43.45	33.95	2.55
10.5	85326	1280	11.0	116	1864	45.78	35.28	2.55
11.5	84046	1261	12.0	105	1747	48.10	36.60	2.55
12.5	82785	1242	13.0	96	1642	50.41	37.91	2.55
13.5	81543	1223	14.0	87	1547	52.72	39.22	2.55
14.5	80320	1205	15.0	80	1459	55.04	40.54	2.55
15.5	79116	1187	16.0	74	1379	57.37	41.87	2.55
16.5	77929	1169	17.0	69	1305	59.72	43.22	2.55
17.5	76760	1151	18.0	64	1236	62.10	44.60	2.55
18.5	75608	1134	19.0	60	1172	64.51	46.01	2.55
19.5	74474	1117	20.0	56	1112	66.95	47.45	2.55
20.5	73357	1100	21.0	52	1057	69.43	48.93	2.55
21.5	72257	1084	22.0	49	1004	71.96	50.46	2.55
22.5	71173	1068	23.0	46	955	74.53	52.03	2.55
23.5	70105	1052	24.0	44	908	77.17	53.67	2.55
24.5	69054	1036	25.0	41	865	79.86	55.36	2.55
Total		67072						

* 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

Curve Shape Analysis Plot



Method = MORT

1995-1997 Band

T = 69

c = +1.00000000E+00

G = +0.00000000E+00

S = -6.56376950E-03

Curves Scaled to the Observed Life of 17.78

January 1, 1999

Run Date : 07/22/99 - 14.04.42
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$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	779485*	15.0**	111466	1.9**	14810	13.1
FUTURE	346057#	7.0##	24224	7.0##	24224	.0
TOTAL AVERAGE	1125542	12.5	135690	3.5	39034	9.1

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/22/99 - 14.04.49
 Report : TABLEAB
 HIST1998, HPSC1999

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
1973*	154206811	1115803	807346	72.4	81194	7.3	65.1
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	374253362	26477226	7891454	29.8	284516	1.1	28.7
1998	346057164	43236811	6648422	15.4	568534	1.3	14.1
Grand Total		785764413	118725409	15.1	14964320	1.9	13.2
1976-1998 @@		783052645	117297266	15.0	14660321	1.9	13.1
1989-1998 **		556057648	75519140	13.6	7259396	1.3	12.3

* Represents 1973 and prior years

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/22/99 - 14.04.49
 Report : TABLEAB
 HIST1998, HPSC1999

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 (\$) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
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	3238515	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	261581046	33797387	12.9	3989184	1.5	11.4
1996	185166806	25835735	14.0	3637994	2.0	12.0

Run Date : 07/22/99 - 14.05.07
 Report : RETRATIO
 HPSC1999

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
1984	645623837							
1985	685336022	665479930	20149818	.03028				
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	1167190096	61884453	.05302
1997	374253362	381033212	26477226	.06949	96-98	1130305111	87548120	.07746
1998	346057164	360155263	43236811	.12005				

January 1, 1999

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

Account Description

The investment in the Digital Electronic Switching (DESS) account 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.

Switches in the telecommunications network link customer calls by determining the desired destination and connecting one customer line to another, often via intermediate switches. Over the past few decades, telephony switching has evolved rapidly with each generation incorporating new concepts: from mechanical switches under the control of hard-wired logic, to program (computer) control, to narrowband digital connections, and now to broadband switching fabrics.

Investment and Reserve Statistics

The 1-1-99 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	1,669.2	671.6	40.2

Table 1

Historical Experience and Future Expectations

Background: Analog stored program control (ASPC) switches first appeared in 1965 while digital SPC switches arrived in the late 1970s. With the advent of equal access requirements, DSPC switch deployment grew rapidly resulting in the decline of ASPC lines in the mid- to late 1980s.

Current Trend: Narrowband digital technology is the primary switching vehicle for BST and other local exchange carriers. These switches use a modular architecture, with each module having its own life characteristics. Experience has shown that the life of digital switches is extended through the regular upgrade of component modules rather than complete replacement

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

of the switch. Individual modules will be replaced as required to satisfy the demand for new services or to eliminate equipment incompatibilities and capacity limitations.

Drivers: Customer demand for new services and the advantages of digital technology, including cost factors, are the main drivers for the deployment of digital switching. While some advanced services are available from the 1AESS (ASPC) switch, Lucent may no longer provide support after 2002. It is expected that little or no new feature development will occur in the 1AESS. Limited new services and potential maintenance problems are drivers that will accelerate the removal of this last type of ASPC switch in BST's network.

Since digital switches can interface directly with other digital equipment, capital and expense savings are being obtained from the direct termination of digital loop and trunk facilities on new switches, which eliminates analog to digital conversion equipment. This provides maintenance savings and improves reliability. Direct optical interfaces are also planned for digital switches, which will provide further savings and operational capabilities.

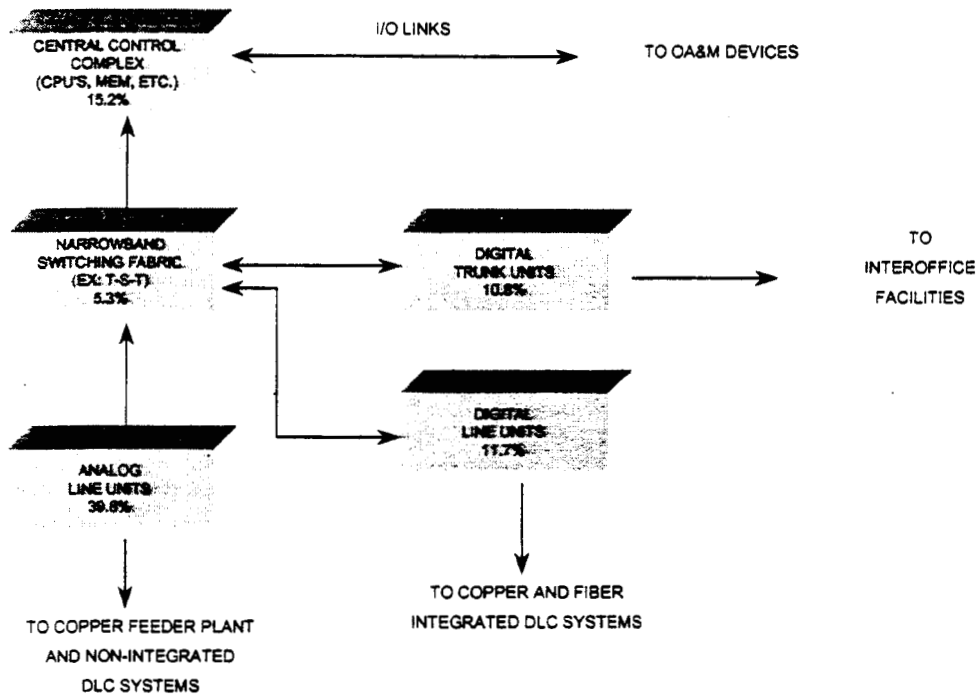
Customer demand is growing for services requiring advanced intelligent capability and end-to-end digital connectivity. Higher bandwidth and increased customer control are needed by both residential and business customers to support personal computer access, LAN connectivity, imaging, advanced fax and multimedia.

Future Expectation: Broadband switching capability is being provided as an overlay architecture to our existing switching network. True broadband machines use a multiplexing and cell-switching technique referred to as asynchronous transfer mode (ATM). This involves the use of self-routing cell switch hardware, since direct software control would be too slow for ATM requirements. Interworking between the separate narrowband and broadband networks will probably be provided in the near future to allow voice traffic from narrowband switches to be carried over ATM facilities. It is expected that ATM machines will be used as tandem switches to provide relief where trunk capacity is needed, especially where demand is high from competitive local exchange carriers (CLECs) for interface to our network.

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

Although broadband switches are few compared to the quantity of narrowband machines, the use of broadband switches is expanding rapidly. Fast Packet switches have been deployed, and now ATM switches are being deployed to meet the needs for data connectivity. Although broadband switches are not seen currently as a direct replacement for digital switching, services that once were switched by digital machines can now bypass these circuit switches and be handled by broadband switches.

GENERIC DIGITAL SWITCHING SYSTEM
 (SIMPLIFIED FUNCTIONAL DIAGRAM WITH INVESTMENT PERCENTS)



NOTE: COMMON SYSTEMS EQUIPMENT (17.2%) SUCH AS MDF AND POWER IS NOT SHOWN.

S:\TFGURLISW_DIAG.PPT

Services are evolving to end-to-end digital arrangements and will interface with broadband switches.

Current software programs for ATM machines do not support telephony voice features such as Custom Calling Services or any of the more advanced capabilities. It is not expected that ATM machines will support these features until it is technically and economically feasible for these switches to handle a significant portion of the overall volume of voice traffic. Therefore, narrowband-switching systems may function as servers for those broadband customers requiring access to supplementary features.

January 1, 1999

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

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) central processor and memory complex, and (6) common systems. A discussion of the development of the remaining lives for these components is found in the following sections.

Based on the modular upgrades of digital switching, the average economic life expectancy of embedded narrowband digital switches is 6.1 years. Although our life analysis for digital switches does not reflect the impact of broadband substitution, it is likely that broadband technology will eventually replace most, if not all the digital switch functionality.

Analog Line Equipment

Analog line equipment (ALE), the largest equipment category, represents about 40% of the investment in a typical digital switch. The retirement of ALE will be driven primarily by the displacement of copper feeder plant with new integrated digital loop carrier (IDLC) fiber facilities as well as by the conversion and integration of non-integrated DLC systems. As the network evolves from a copper-based voice frequency (VF) arrangement to an IDLC architecture, the embedded base of ALE will be displaced with new digital line peripherals. Further, some non-switched services are evolving to switched arrangements, which will allow more lines to interface digitally, facilitating the migration away from ALE. The resulting life cycle of ALE is given in Table 2 and is 5.3 years as of 1/1/99.

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

Analog Line Equipment

Year	Survival Rate	Percent of Pre-1999 Survivors
a	b	c
1999	0.9189	100.00%
2000	0.9030	91.89%
2001	0.8821	82.98%
2002	0.8546	73.20%
2003	0.8186	62.56%
2004	0.7740	51.21%
2005	0.7225	39.64%
2006	0.6689	28.64%
2007	0.6192	19.16%
2008	0.5776	11.86%
2009	0.5456	6.85%
2010	0.5220	3.74%
2011	0.5046	1.95%
2012	0.4917	0.98%
2013	0.4815	0.48%
2014	0.4731	0.23%
2015	0.0000	0.11%

Table 2

ARL = Total Col c/ Col c(1999) - .5 = 5.3 Years

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

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 the digital carrier line unit (DCLU) in the 5ESS switch, and the subscriber carrier modules for SLC-96 and DMS-1 URBAN in the DMS-100 switch.

The displacement of the existing digital line equipment (DLE) module will be driven by the conversion or replacement of current generation DLC systems to a newer arrangement such as the TR-303 configuration. Virtually none of the pre-1996 DLE modules are compatible with the new IDLC TR-303 products, and it is generally not feasible or cost effective to upgrade this embedded hardware. Table 3 shows the development of the remaining life for this category, which is 4.9 years.

Digital Line Equipment

Year	Survival Rate	Percent of Pre-1999 Survivors
a	b	c
1999	0.91259	100.00%
2000	0.89127	91.26%
2001	0.86409	81.34%
2002	0.82968	70.28%
2003	0.78773	58.31%
2004	0.74015	45.93%
2005	0.69088	34.00%
2006	0.64492	23.49%
2007	0.60588	15.15%
2008	0.57509	9.18%
2009	0.55177	5.28%
2010	0.53437	2.91%
2011	0.52099	1.56%
2012	0.23923	0.81%
2013	0.02988	0.19%
2014	0.00000	0.01%

Table 3

$ARL = \text{Total Col } c / \text{Col } c(1998) - .5 = 4.9 \text{ Years}$

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

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 4.3 years.

Today, all interfaces on digital trunk units operate at the DS-1 rate. Deployment of new higher-speed trunk interfaces will eventually lead to the demise of current generation trunk interface modules, as we evolve to an all SONET interoffice network.

Trunk Interface Equipment

Year	Survival Rate	Percent of Pre-1998 Survivors
a	b	c
1999	0.83992	100.00%
2000	0.82249	83.99%
2001	0.80786	69.08%
2002	0.79543	55.81%
2003	0.78449	44.39%
2004	0.77461	34.83%
2005	0.76530	26.98%
2006	0.75641	20.64%
2007	0.74768	15.62%
2008	0.57176	11.68%
2009	0.56523	6.68%
2010	0.55876	3.77%
2011	0.55216	2.11%
2012	0.54563	1.16%
2013	0.53903	0.64%
2014	0.53244	0.34%
2015	0.52584	0.18%
2016	0.00000	0.10%

Table 4

$$ARL = \text{Total Col c} / \text{Col c (1998)} - .5 = 4.3 \text{ Years}$$

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

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 become available from Lucent and NTI about every three to four years, and this pattern will continue. For example, upgrades in Nortel's DMS100/200 switches were implemented in 1997, and upgrades for Lucent's 5ESS switch fabric are being planned. Since it would be highly unlikely for any switching fabric to remain in service longer than two technology generations and considering the age of embedded equipment, the ARL for this category is projected to be 6.0 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.

Central Processor and Memory

In a modern digital switching system, those machine 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.

Central processor modules and associated memory are upgraded frequently in digital switches. The demands on these processors are ever increasing due to new service capabilities and regulatory requirements such as local number portability. The speed of the processors must increase and the memory must be expanded to maintain the call processing and maintenance capacity. This situation is similar to personal computers that must be upgraded to keep up with the advancing demands of software and user requirements.

Historically, upgrades and retrofits of processor/memory equipment have been available from the switch vendors every two to three years. Since it would be highly unlikely for any embedded processor/memory to remain in service longer than two technology generations and considering the age of embedded equipment, the ARL for this category is projected to be 4.0 years.

Common Systems Equipment

Common Systems Equipment (CSE) refers to the hardware grouping that supports all of the other modular categories. CSE 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

January 1, 1999

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

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 12.0 year ARL has been determined to be appropriate for embedded CSE.

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, which yields a weighted component of the composite ARL, as shown in Table 5. These weighted components are then summed to produce the composite ARL of 6.1 years for DESS. This represents a conservative estimate due to the conservative lives used for the individual modules.

Composite Digital Switching ARL

1/1/99

Equipment Category	ARL	Investment %	Weight
a	b	c	d=b*c
Analog Line Equipment	5.3	39.7	2.1
Digital Line Equipment	4.9	11.6	0.6
Trunk Interface Equipment	4.3	10.7	0.5
Switching Fabric	6.0	5.3	0.3
Central Processor/Memory	4.0	15.1	0.6
Common Systems Equipment	12.0	17.2	2.1
Total/Composite		100.0	6.1

Table 5

The composite ARL in Table 5 was used in a generation arrangement to determine the underlying VG projection life. Based on the generation arrangement results, a 10.0 projection life is proposed, as shown in Table 6. The VG projection life was then used in a generation arrangement to determine the Equal Life Group (ELG) procedure remaining life for the DESS account.

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

Digital ESS Projection Life

State	VG ARL	VG PLife	Investment \$M
a	b	c	d
Florida	6.1	10.0	1,669.2

Table 6

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 0.0% future net salvage.

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

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January 1, 1999

Run Date : 08/02/99 - 15.17.21
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	1,510,337,561	1,669,225,034	
Adjustment	0	0	
Study	1,510,337,561	1,669,225,034	
% Tot. Depr. Plant	13.59	14.22	
Depr. Reserve (\$)	598,674,025	671,565,838	
(%)	39.6	40.2	
P-Life/AYFR (Yrs)			
Digital ESS	10.0	10.0	
Curve			
Digital ESS	GM 2.5	GM 2.5	
c	1.13339740E+00	1.13339740E+00	
G	-2.17455120E-01	-2.17455120E-01	
S	2.39688400E-02	2.39688400E-02	
Whole Life (Yrs)	11.1	10.3	
Avg. Net Salv. (%)	1	1	
WL Rate (%)	8.9	9.6	
Composite Rem Life (Yrs)	6.0	5.7	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	10.1	10.5	
Intrastate Factor (%)	81.44	81.44	

@ Estimated Investment and Reserve

January 1, 1999

Run Date : 07/22/99 - 14.20.43
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99				Remain ing Life E+	Avg Svc Life F@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D					
ELG 1998	.5	230369695	.9907	.50	6.56	7.06	32639030	214050182	
VG 1997	1.5	173848250	.9859	1.49	8.69	10.06	17276344	150180748	
VG 1996	2.5	130817722	.9731	2.48	7.90	10.17	12864099	101673404	
VG 1995	3.5	59607470	.8867	3.33	7.18	9.69	6151428	44144097	
VG 1994	4.5	115584472	.9113	4.36	6.51	10.29	11231456	73081920	
VG 1993	5.5	146083166	.8898	5.29	5.89	10.53	13870953	81728754	
VG 1992	6.5	85183923	.8693	6.17	5.33	10.80	7888345	42031951	
VG 1991	7.5	126382152	.8315	7.05	4.81	11.05	11432287	55017280	
VG 1990	8.5	103649276	.7628	7.79	4.34	11.11	9332775	40515272	
VG 1989	9.5	87155068	.7571	8.72	3.91	11.68	7462477	29189768	
VG 1988	10.5	105163665	.7264	9.56	3.52	12.12	8678154	30552529	
VG 1987	11.5	103830535	.7099	10.38	3.17	12.62	8224215	26035231	
VG 1986	12.5	75692859	.7240	11.43	2.84	13.49	5609512	15953871	
VG 1985	13.5	66721122	.6628	12.02	2.55	13.71	4866179	12424910	
VG 1984	14.5	38400797	.6478	12.68	2.29	14.17	2710621	6210191	
VG 1983	15.5	9071113	.5200	12.66	2.06	13.73	660839	1358071	
VG 1982	16.5	2209228	.4228	12.40	1.84	13.18	167611	308953	
VG 1981	17.5	1759096	.5507	15.94	1.65	16.85	104409	172663	
VG 1980	18.5	950680	.3494	16.03	1.48	16.55	57455	85297	
VG 1979	19.5	1002603	.3906	16.03	1.33	16.55	60581	80829	
VG 1978	20.5	1207326	.3532	15.60	1.20	16.02	75365	90516	
VG 1977	21.5	895330	.6097	20.01	1.08	20.67	43318	46940	
VG 1976	22.5	728467	.3577	19.14	.98	19.49	37378	36653	
VG 1975	23.5	592898	.3181	19.98	.89	20.27	29253	26056	
VG 1974	24.5	1014416	.3943	21.21	.81	21.53	47119	38277	
PRIOR		1303705	.1031	17.50	.63	20.42	63856	39924	
Totals		1669225034					161585059	925074287	
Composites			.82915@		5.72500*	10.33032#			

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 / 2013183701

Run Date : 07/22/99 - 14.21.06
 Report : GENRTBL2, 99P1999A

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

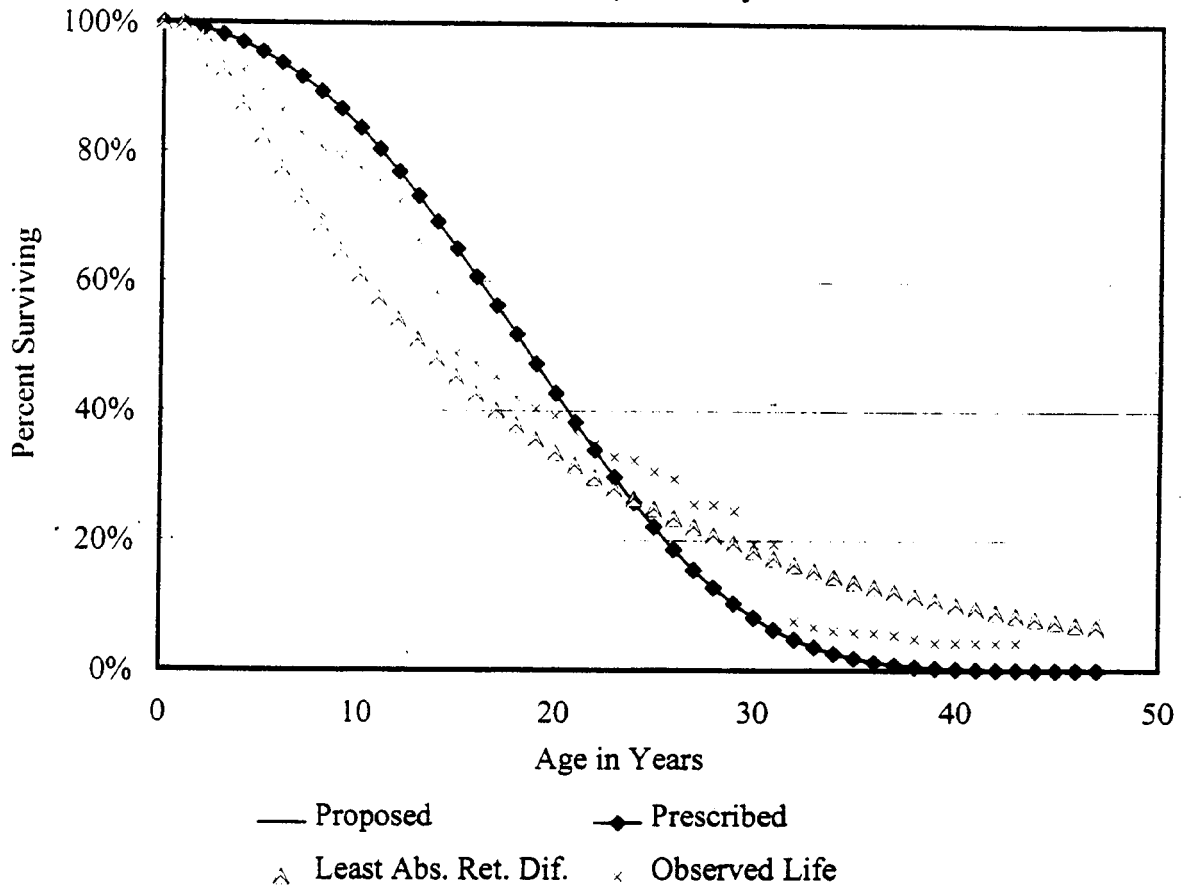
Beginning Of Year Age A	Amount In Service B	Amount Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Annual Accruals For BOY Age A		Ser- vice Life G=B/F	Remaining Life	
				Each Life Groups E=C/D	All Remaining Groups F*		ELG Life H=G-A	VG Life I#
.0	100000	475	.5	949	15050	6.64	6.64	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)

January 1, 1999

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

Curve Shape Analysis Plot



Method = MORT

1994-1996 Band

T = 52

c = +1.13339740E+00

G = -2.17455120E-01

S = +2.39688400E-02

Curves Scaled to the Observed Life of 17.96

January 1, 1999

Run Date : 07/22/99 - 14.21.27
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$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	343959*	9.2**	35428	1.1**	4128	8.1
FUTURE	1669225#	7.0##	116846	7.0##	116846	.0
TOTAL AVERAGE	2013184	7.4	152274	6.0	120974	1.4

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/22/99 - 14.21.34
 Report : TABLEAB
 HIST1998, HPSC1999

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	1509227167	74841452	2316174	3.1	1386295	1.9	1.2
1998	1669225034	82880798	2977277	3.6	1399210	1.7	1.9
Grand Total		335107370	30933969	9.2	3606477	1.1	8.2
1980-1998 @@		335107370	30933969	9.2	3606477	1.1	8.2
1989-1998 **		322101718	26812524	8.3	3633071	1.1	7.2

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

January 1, 1999

Run Date : 07/22/99 - 14.21.34
 Report : TABLEAB
 HIST1998, HPSC1999

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	191352359	14224843	7.4	4701917	2.5	5.0
1996	253741622	12324240	4.9	5545788	2.2	2.7

Run Date : 07/22/99 - 14.22.00
 Report : RETRATIO
 HPSC1999

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	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
1984	65547541							
1985	167426689	116487115	334062	.00287				
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	4044672679	132290860	.03271
1997	1509227167	1454919429	74841452	.05144	96-98	4380698617	189959675	.04336
1998	1669225034	1589226101	82880798	.05215				

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 and equipment used in the provision of directory assistance, call intercept, and other operator assisted call completion activities. This includes Automatic Call Distributor (ACD) and switching system equipment dedicated to providing access to operator services. Equipment in this account includes: announcement equipment, conference calling equipment, directory assistance positions, intercept equipment, switchboards, time and charge quotation equipment, and toll operator systems positions.

Investment and Reserve Statistics

The 1-1-99 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Invest. (\$M)	Res. (\$M)	Res. %
Florida	34.8	2.7	7.7

Table 1

Projection Life

Equipment in the Operator Systems account performs functions similar to that of digital electronic switching equipment. Investment in switches that solely handle Operator Systems traffic is assigned to this account. The life selected for the Digital Electronic Switching account is 10 years. The Company selected a projection life of 10 years for the Operator Systems account, which is the same life selected for the Digital Electronic Switching account.

Curve Shape

As mentioned in the previous section, the equipment in this account is similar to that in the Computers and Digital Electronic Switching account. Therefore, the Company has selected the same curve shape (Bell #2.5 curve) for the Operator Systems account as used in the Digital Electronic Switching account.

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

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 on future salvage expectations for the Operator Systems account.

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

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January 1, 1999

Run Date : 07/22/99 - 15.08.47
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary
 =====

ELG Start Year: 1998

	Prescribed 1998 =====	Company Proposal 1999 @ =====	Agreement 1999 =====
Investment Bal (\$)			
Form M	36,791,456	34,846,832	
Adjustment	0	0	
Study	36,791,456	34,846,832	
% Tot. Depr. Plant	.33	.30	
Depr. Reserve (\$)	6,033,360	2,700,127	
(%)	16.4	7.7	
P-Life/AYFR (Yrs)			
Operator Systems	10.0	10.0	
Curve			
Operator Systems	GM 2.5	GM 2.5	
c	1.13339740E+00	1.13339740E+00	
G	-2.17455120E-01	-2.17455120E-01	
S	2.39688400E-02	2.39688400E-02	
Whole Life (Yrs)	8.7	8.1	
Avg. Net Salv. (%)	4	4	
WL Rate (%)	11.0	11.9	
Composite Rem Life (Yrs)	5.9	5.8	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	14.2	15.9	
Intrastate Factor (%)	87.94	87.94	

@ Estimated Investment and Reserve

Run Date : 07/22/99 - 15.09.38
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99				Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D					
ELG 1998	.5	2579281	.8036	.40	6.56	7.06	365435	2396564	
VG 1997	1.5	4384016	.8036	1.40	8.69	8.39	522670	4543493	
VG 1996	2.5	3607345	.7776	2.36	7.90	8.50	424291	3353448	
VG 1995	3.5	709842	.4622	2.39	7.18	5.70	124465	893188	
VG 1994	4.5	3906294	.7774	4.32	6.51	9.38	416535	2710348	
VG 1993	5.5	3390726	.3251	3.99	5.89	5.90	574245	3383496	
VG 1992	6.5	2427325	.5768	5.31	5.33	8.38	289609	1543139	
VG 1991	7.5	3200695	.4865	6.06	4.81	8.41	380771	1832442	
VG 1990	8.5	4512551	.4061	6.85	4.34	8.61	524059	2275037	
VG 1989	9.5	3081332	.6794	8.71	3.91	11.37	271011	1060070	
VG 1988	10.5	27750	.0402	4.59	3.52	4.73	5871	20669	
VG 1987	11.5	1175555	.2762	6.64	3.17	7.52	156401	495117	
VG 1986	12.5	850077	.1534	4.24	2.84	4.68	181593	516464	
VG 1985	13.5	1684	.0318	5.37	2.55	5.45	309	789	
VG 1984	14.5	5562	.0047	3.16	2.29	3.17	1757	4025	
VG 1983	15.5	342	.0006	5.79	2.06	5.79	59	122	
VG 1982	16.5	4046	.0060	5.36	1.84	5.37	754	1390	
VG 1981	17.5	862986	.3018	11.53	1.65	12.03	71749	118653	
VG 1980	18.5	35007	.0141	8.89	1.48	8.91	3927	5831	
VG 1979	19.5	365	.0016	5.11	1.33	5.11	71	96	
VG 1978	20.5	1459	.0014	5.75	1.20	5.76	253	305	
VG 1977	21.5	6319	.0030	7.42	1.08	7.42	852	923	
VG 1976	22.5	14944	.0021	9.95	.98	9.95	1502	1473	
VG 1975	23.5	38268	.0024	6.95	.89	6.95	5503	4902	
VG 1974	24.5	4111	.0004	8.63	.81	8.63	476	387	
PRIOR		18950	.0124	13.72	.50	21.36	887	446	
Totals		34846832					4325055	25162817	
Composites			.31063@		5.81792*	8.05697#			

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 / 112179700

January 1, 1999

Run Date : 07/22/99 - 15.10.06
 Report : GENRTBL2, 99P1999A

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

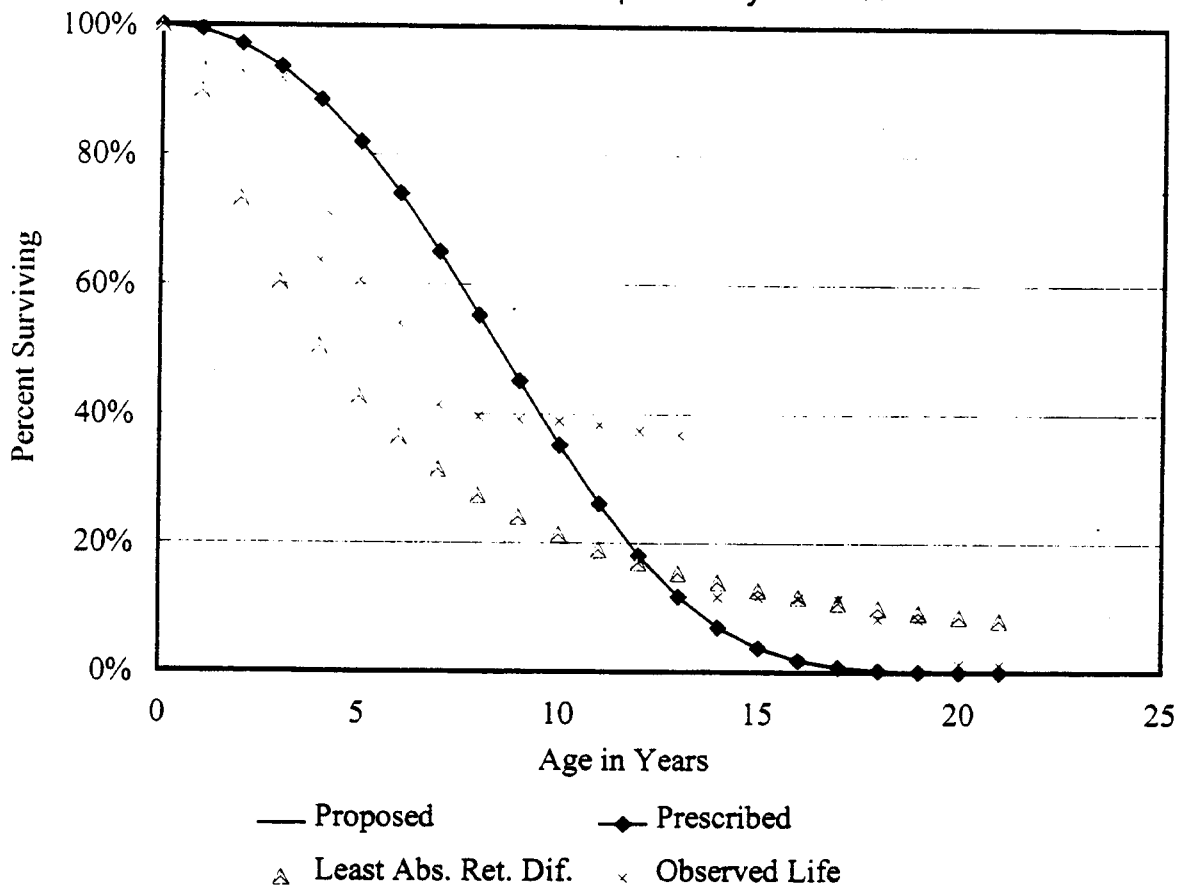
Beginning Of Year		Annual Accruals For BOY Age A				Remaining Life		
Age	Amount In Service A	Amount Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	475	.5	949	15050	6.64	6.64	10.00
.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

Curve Shape Analysis Plot



Method = GRAD 1995-1997 Band T = 13
 c = +1.13339740E+00 G = -2.17455120E-01 S = +2.39688400E-02

Curves Scaled to the Observed Life of 8.05

January 1, 1999

Run Date : 07/22/99 - 15.10.41
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$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	77333*	7.5**	5955	1.3**	928	6.2
FUTURE	34847#	7.0##	2439	7.0##	2439	.0
TOTAL AVERAGE	112180	7.3	8394	3.1	3367	4.3

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/22/99 - 15.10.54
 Report : TABLEAB
 HIST1998, HPSC1999

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	40018527	841548	120213	14.3	34861	4.1	10.1
1998	34846832	8514482	542616	6.4	127441	1.5	4.9
Grand Total		38827211	2921707	7.5	500725	1.3	6.2
1988-1998 @@		38827211	2921707	7.5	500725	1.3	6.2
1989-1998 **		38769918	2917175	7.5	497541	1.3	6.2

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

January 1, 1999

Run Date : 07/22/99 - 15.10.54
 Report : TABLEAB
 HIST1998, HPSC1999

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	20342846	1449575	7.1	258706	1.3	5.9
1996	27251322	1916584	7.0	346725	1.3	5.8

January 1, 1999

Run Date : 07/22/99 - 15.11.24
 Report : RETRATIO
 HPSC1999

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	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	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	120563650	14439461	.11977
1997	40018527	37743640	841548	.02230	96-98	114696320	22398405	.19528
1998	34846832	37432680	8514482	.22746				

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

Account Description

The Radio Systems account consists of radio and associated equipment, including portable equipment, used to provide radio communications channels. Radio equipment is used for the generation, amplification, propagation, reception, modulation, and demodulation of radio waves in free space over which communication channels can be provided. This account also includes the associated carrier and auxiliary equipment and patch bay equipment, which is an integral part of the radio equipment. Major types of equipment in this category include transmitters and receiver terminals, antennas, waveguides and their respective components, power facilities and television transport systems.

Investment in cellular and Personal Communications Services (PCS) is not included in this account. Cellular and PCS services are provided by separate subsidiaries of BellSouth. Radio investment is recorded on the books of the respective companies that provide these services.

Investment and Reserve Statistics

The 1-1-99 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Invest. (\$M)	Res. (\$M)	Res. %
Florida	2.1	-0.3	-16.7

Table 1

Projection Life

For a number of years, investment in the Radio account has been declining. Several factors have contributed to this decline. As the Company sold its mobile radio and paging operations, substantial investment reductions occurred. Changes in the Capitalization in 1990 also had an investment reduction impact. Finally, radio routes have declined where fiber cable routes have been placed and radio traffic could be transferred to the fiber cable. Replacements of radio routes are likely to continue where opportunities exist to switch traffic to fiber cable.

Based on the previously discussed factors, and in consultation with our Network subject matter expert, we have determined that the current 9-year projection life for the Radio account should be maintained.

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

Curve Shape

The curve shape for the Radio Systems account is the graduated curve from the 1995-1997 band of data that satisfies the least absolute retirement difference criteria.

Future Net Salvage

The company selected 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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January 1, 1999

Run Date : 07/22/99 - 15.29.04
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	3,135,863	2,058,256	
Adjustment	0	0	
Study	3,135,863	2,058,256	
% Tot. Depr. Plant	.03	.02	
Depr. Reserve (\$)	-695,683	-344,508	
(%)	-22.2	-16.7	
P-Life/AYFR (Yrs)			
Radio Systems	9.0	9.0	
Curve			
Radio Systems	1994-1996 MORT	1995-1997 MORT	
c	5.10000000E-01	4.60000000E-01	
G	-5.62917020E-01	-8.64331530E-01	
S	-1.92631870E-01	-3.10985320E-01	
Whole Life (Yrs)	8.0	7.4	
Avg. Net Salv. (%)	-2	-2	
WL Rate (%)	12.8	13.8	
Composite Rem Life (Yrs)	6.3	4.5	
Fut. Net Salv. (%)	-5	-5	
Composite RL Rate (%)	20.2	27.0	
Intrastate Factor (%)	69.65	69.65	

@ Estimated Investment and Reserve

Run Date : 07/22/99 - 15.29.28
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@G	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	829	.9869	.49	7.54	8.04	103	778
VG 1997	1.5	141406	.9823	1.49	7.49	8.85	15986	119688
VG 1996	2.5	619895	.9762	2.49	6.49	8.82	70278	455892
VG 1995	3.5	79780	.4538	2.12	5.49	4.61	17318	95021
VG 1994	4.5	33716	.8193	4.07	4.49	7.74	4355	19542
VG 1993	5.5	12084	.0244	2.93	3.71	3.02	3995	14836
VG 1992	6.5	116312	.1599	4.09	3.55	4.66	24985	88586
VG 1991	7.5	338603	.4078	4.74	3.43	6.14	55151	189302
VG 1990	8.5	216286	.3988	6.13	3.36	7.47	28946	97118
VG 1989	9.5	24296	.0781	3.95	3.30	4.21	5771	19056
VG 1988	10.5	6587	.0132	4.50	3.26	4.54	1451	4739
VG 1987	11.5	1743	.0022	4.34	3.24	4.34	401	1300
VG 1986	12.5	66100	.0669	7.68	3.22	7.90	8372	26963
VG 1985	13.5	297858	.2020	9.51	3.21	10.16	29325	94062
VG 1984	14.5	2254	.0018	7.17	3.20	7.18	314	1005
VG 1983	15.5	41368	.0217	7.19	3.19	7.26	5701	18198
VG 1982	16.5	13226	.0048	7.75	3.19	7.76	1703	5430
VG 1981	17.5	18620	.0251	7.37	3.18	7.45	2499	7958
VG 1980	18.5	16925	.0276	11.42	3.18	11.51	1471	4680
VG 1979	19.5	6866	.0036	11.88	3.18	11.89	578	1837
VG 1978	20.5	0	.0000	.00	3.18	9.97	0	0
VG 1977	21.5	582	.0013	9.30	3.18	9.30	63	199
VG 1976	22.5	146	.0002	11.62	3.18	11.62	13	40
VG 1975	23.5	1833	.0011	12.30	3.18	12.30	149	474
VG 1974	24.5	127	.0002	12.57	3.17	12.57	10	33
PRIOR		814	.0005	12.95	3.22	12.92	63	203
Totals		2058256					279001	1266940
Composites			.09361@		4.54099*	7.37724#		

Plife: 9.0

c = +4.60000000E-01 G = -8.64331530E-01 S = -3.10985320E-01 Unscaled
 c = +7.08767728E-01 G = -8.64331530E-01 S = -1.37856668E-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 / 21986796

January 1, 1999

Run Date : 07/22/99 - 15.29.45
 Report : GENRTBL2, 99P1999A

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 = +4.60000000E-01 G = -8.64331530E-01 S = -3.10985320E-01 Unscaled
 C = +7.08767728E-01 G = -8.64331530E-01 S = -1.37856668E-01 Scaled

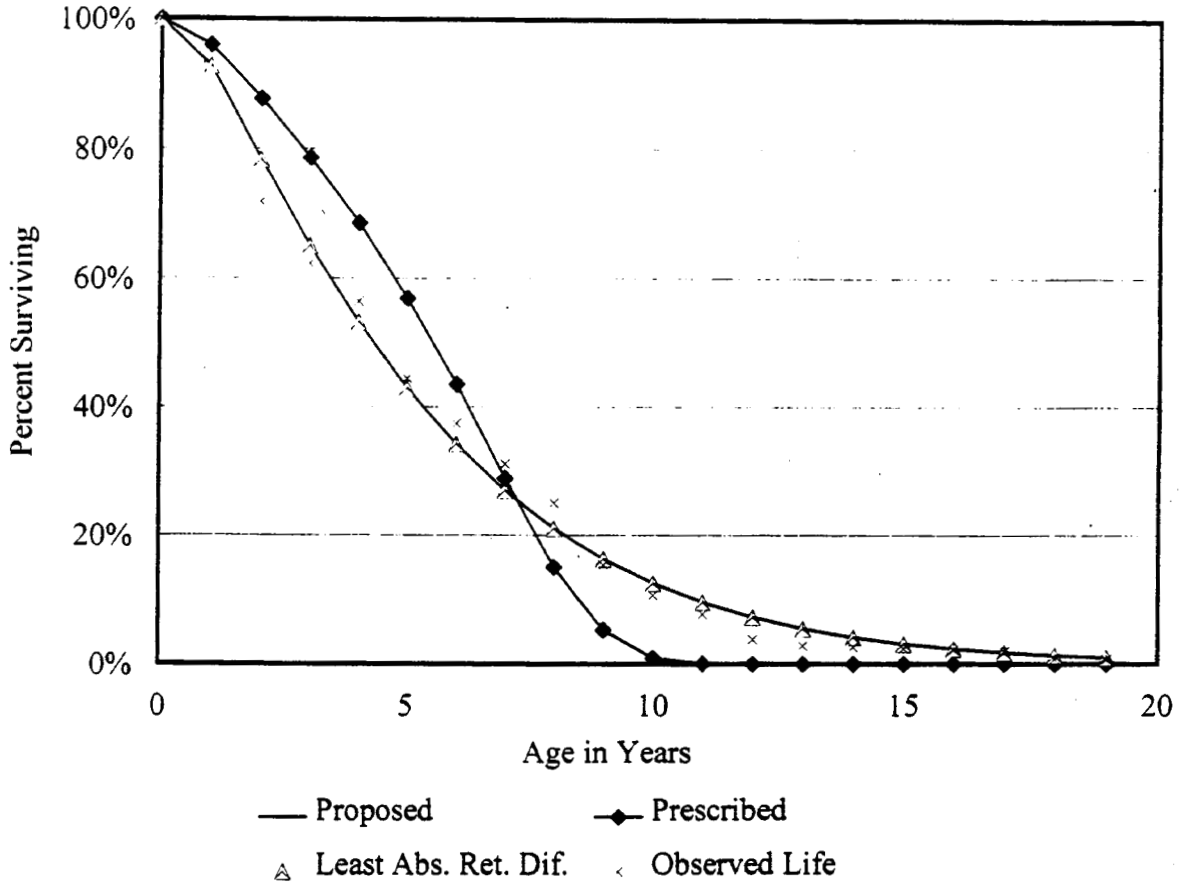
Beginning Of Year.		Annual Accruals For BOY Age A					Remaining Life	
Age	Amount In Service A	Amount Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	0	.5	0	12431	8.04	8.04	8.99
.5	100000	0	1.0	0	12431	8.04	7.54	8.49
1.5	100000	0	2.0	0	12431	8.04	6.54	7.49
2.5	100000	0	3.0	0	12431	8.04	5.54	6.49
3.5	100000	0	4.0	0	12431	8.04	4.54	5.49
4.5	100000	5383	5.0	1077	12431	8.04	3.54	4.49
5.5	94617	19452	6.0	3242	11354	8.33	2.83	3.71
6.5	75165	16951	7.0	2422	8112	9.27	2.77	3.55
7.5	58214	13933	8.0	1742	5690	10.23	2.73	3.43
8.5	44280	11026	9.0	1225	3949	11.21	2.71	3.36
9.5	33254	8505	10.0	851	2723	12.21	2.71	3.30
10.5	24749	6448	11.0	586	1873	13.21	2.71	3.26
11.5	18301	4829	12.0	402	1287	14.22	2.72	3.24
12.5	13472	3587	13.0	276	884	15.23	2.73	3.22
13.5	9885	2648	14.0	189	608	16.25	2.75	3.21
14.5	7237	1947	15.0	130	419	17.26	2.76	3.20
15.5	5289	1428	16.0	89	289	18.27	2.77	3.19
16.5	3861	1045	17.0	61	200	19.29	2.79	3.19
17.5	2817	763	18.0	42	139	20.30	2.80	3.18
18.5	2054	557	19.0	29	96	21.31	2.81	3.18
19.5	1496	406	20.0	20	67	22.33	2.83	3.18
20.5	1090	296	21.0	14	47	23.34	2.84	3.18
21.5	794	216	22.0	10	33	24.35	2.85	3.18
22.5	578	157	23.0	7	23	25.36	2.86	3.18
23.5	421	114	24.0	5	16	26.37	2.87	3.18
24.5	307	83	25.0	3	11	27.38	2.88	3.17

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)

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

Curve Shape Analysis Plot



Method = MORT

1994-1996 Band

T = 37

c = +8.60000000E-01

G = -5.23954750E-01

S = -1.50216460E-01

Curves Scaled to the Observed Life of 4.82

January 1, 1999

Run Date : 07/22/99 - 15.30.06
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$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	19929*	2.4**	538	4.0**	817	-1.6
FUTURE	2058#	2.0##	41	7.0##	144	-5.0
TOTAL AVERAGE	21987	2.4	579	4.3	961	-1.9

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/22/99 - 15.30.13
 Report : TABLEAB
 HIST1998, HPSC1999

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
1973*	252411554	6723773	1051794	15.6	711089	10.6	5.1
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	2116568	24517	1852	7.6	21298	86.9	-79.3
1998	2058256	252874	61720	24.4	1924	.8	23.6
Grand Total		44408742	2799408	6.3	3587673	8.1	-1.8
1986-1998 @@		21718502	525511	2.4	860379	4.0	-1.5
1989-1998 **		16870278	457098	2.7	696193	4.1	-1.4

* Represents 1973 and prior years
 @@ Represents retirements from surviving vintages
 ** Represents the most recent ten-year band of activity

Run Date : 07/22/99 - 15.30.13
 Report : TABLEAB
 HIST1998, HPSC1999

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
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	458632	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	4203042	292026	6.9	357133	8.5	-1.5
1996	4301284	343134	8.0	65441	1.5	6.5

January 1, 1999

Run Date : 07/22/99 - 15.30.32
 Report : RETRATIO
 HPSC1999

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	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
1984	17345777							
1985	16868920	17107349	1791950	.10475				
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	13093638	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	8307293	3359955	.40446
1997	2116568	2048181	24517	.01197	96-98	6615260	1875742	.28355
1998	2058256	2087412	252874	.12114				

Company: BellSouth Telecommunications
State: Company
Account: 2232
Category: Circuit

Account Description

The circuit equipment category includes equipment that performs various functions needed in the telecommunications network such as amplification, conversion (analog to digital and digital to analog), signaling, and multiplexing (simultaneous placement of several signals on a single transmission path). Some examples of circuit equipment are: amplifiers, carrier terminal equipment, channel bank and related equipment, line repeaters, multiplexing equipment, and subscriber loop carrier equipment. Signals, whether they carry voice or data, often need to be "treated" by circuit equipment as they transverse the network. Therefore, circuit equipment is needed at various points in the network such as central offices, manholes, on poles, in huts or other company locations.

Investment and Reserve Statistics

The following tables show the 1-1-99 investment, reserve, and reserve percents in the Circuit account.

Investment and Reserve Statistics Circuit Analog

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	83.5	88.7	106.2

Table 1

Investment and Reserve Statistics Circuit Digital

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	2,629.2	1,389.3	52.8

Table 2

Company: BellSouth Telecommunications
State: Company
Account: 2232
Category: Circuit

**Investment and Reserve Statistics
Circuit DDS**

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	17.5	5.7	32.4

Table 3

Life Analysis

Background

Digital circuit equipment has been available in our network since the 1960s. Initially, digital equipment operated asynchronously where start and stop pulses were needed to mark the beginning and end parts of the signal. This was true for copper-based equipment as well as the first fiber-based equipment. Now, current fiber-based equipment operates with transmitter and receivers synchronized. This eliminates the need for the start/stop pulses, providing more flexibility in multiplexing and demultiplexing signals, and allowing the development of more reliable architectures. The introduction of Synchronous Optical Network (SONET) technologies in the Company's network began in 1991 in the form of field trials. Initial deployment began in early 1992.

Current Trend

Circuits on SONET equipment presently account for over half of the circuits on fiber-based equipment. This represents a very rapid substitution process and is due to the significant advantages of SONET. Today, SONET equipment elements (i.e., fiber optic terminals, add/drop multiplexers, wideband and broadband digital cross-connect systems) are the economic choice whenever there are needs for new optical systems. However, the use of Dense Wavelength Division Multiplexing (DWDM) is being considered where fiber cables are exhausted. Rather than using a higher speed SONET multiplexer to provide relief, placement of DWDM equipment will allow existing systems to be placed on various wavelengths, with room for growth on additional wavelengths. The use of Asynchronous Transfer Mode (ATM) technology is also being considered as a means to extend the effective capacity of carrier systems.

The additional economic and operational benefits of SONET, DWDM and ATM make these technologies even more desirable. Therefore, older circuit equipment (mostly analog, but also digital) associated with copper cable or analog switching technologies are undergoing technological obsolescence.

Company: BellSouth Telecommunications
State: Company
Account: 2232
Category: Circuit

Drivers

Economics and customer demand drive the trend toward digital/optical equipment. SONET circuit equipment with its efficiencies and flexibility provides several advantages that include:

- Standard interfaces for transmission and maintenance that allow the use of multiple vendors (bringing more competition and lower prices), and interworking of various carrier networks.
- The capability to build high-speed, intelligent ring configurations for reliability.
- More efficient multiplexing of channels at various speeds through the capability to add/drop narrowband/wideband/broadband systems.
- Intelligent network element capability for improving operations and provisioning efficiencies.
- Future capability to terminate higher speed carrier systems (greater than DS1s) directly on a digital switch.

Customer needs for greater bandwidth are apparent through the growth of new data services and Internet-related applications. With SONET's inherent flexibility, many types of voice and data can be efficiently transported. The use of ATM makes SONET facilities more effective, and the use of DWDM extends the capacity of fiber cable.

Future Expectation

Most of BST's existing SONET deployments in the interoffice are self-healing ring configurations consisting mainly of either OC-12 (622 Mb/s) or OC-48 (2.4 Gb/s) systems. BST is currently evaluating systems operating at OC-192 (10 Gb/s) as well as DWDM equipment which allows multiple systems (e.g., OC-48s) to be carried over each set of fiber strands.

In just six years of general deployment (1992 - 1998), interoffice SONET has achieved 59% of the total working optical capacity. It is projected that interoffice SONET penetration will reach 99% of total working capacity by 2005.

Overall SONET penetration in the feeder network is anticipated to lag the interoffice, primarily because of the lower capacity demand in the feeder network. Today, approximately 13% of the feeder network is SONET. By year-end 2002, feeder SONET is projected to reach 50% and 99% by year-end 2010.

Company: BellSouth Telecommunications
State: Company
Account: 2232
Category: Circuit

Next Phase

Presently, SONET carries primarily STM (Synchronous Transfer Mode) traffic where fixed bandwidth capacities are allocated to various trunks or customers. To meet the need for varying bandwidth demand, ATM technologies will be used in the near future. ATM will make more efficient use of available network transport capacity. During 1999, ATM over SONET will be used in selected locations based on traffic demand and current capacities. With ATM-SONET, the entire bandwidth of the access ring is potentially available from any access point on the ring. The only limitation is the port speed of the user, and the total capacity of the system as compared to the current cumulative demand from other users. The efficiency in bandwidth utilization offered by ATM-SONET, combined with its allowance for more flexibility in the amount of bandwidth to each user, will serve to move the network toward the objective of bandwidth on demand.

As mentioned previously, DWDM will also be a major component in our future network architecture. The economics of DWDM have improved, and the number of wavelengths that can be multiplexed on a set of fiber strands is expected to increase.

Substitution Dynamics

There are several substitution scenarios in the circuit category. Analog equipment is being replaced by digital; copper-related by fiber optical, and asynchronous by synchronous.

Firstly, reflective of the broader electronic industry, circuit equipment is rapidly moving to a totally digital environment. This is due to the inherent advantages of digital technology such as better transmission quality, improved reliability, increased flexibility, reduced maintenance and lower cost. Since circuit equipment is closely related to switching equipment, there are synergies between these two areas, which serve as drivers toward a seamless digital network.

Secondly, fiber is becoming the transmission media of choice. The advantages of fiber relate to both the medium and the electronics associated with it. Optical-capable circuit equipment (which is mostly digital) is replacing analog or older digital equipment associated with copper cable.

Finally, the use of synchronous optical equipment offers advantages over the first generation asynchronous optical equipment resulting in the third substitution scenario. However, the use of ATM and DWDM technologies will introduce new parameters for estimating economic lives of circuit equipment sub-categories. ATM allows network managers to make more efficient use of facilities such as SONET systems, as well as asynchronous systems. Through the concept of statistical multiplexing, the same number of systems can carry more traffic when ATM is first used to aggregate the traffic. However, while the rate of SONET circuit growth may actually decline, the use of SONET will continue, and the obsolescence of asynchronous equipment may increase due to the enhanced economics and capabilities of ATM via SONET.

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Category: Circuit

DWDM, another new technology, makes it possible to expand the capacity of fiber cables by allowing multiple systems to work over single fiber pairs. This should postpone the need for placement of higher speed systems in some locations while making the overall advantages of fiber greater as compared to copper systems. Also, the cost of earlier versions of wavelength division multiplexing equipment, which uses only two wavelengths, is being reduced in part due to advances in DWDM. The improved prices are making DWDM an attractive alternative even for short fiber lengths in the loop.

Substitution Analysis Overview

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. Circuit DDS was treated as a single study group. These study groups are discussed in the following paragraphs, and the remaining life developments for Circuit Analog and Circuit Digital are also shown.

Circuit Study Groups

Analog Circuit Equipment

This category is composed mainly of equipment associated with analog trunks, special service circuits and long distribution loops. Examples of this equipment would include Metallic Facility Terminals (MFT) and Range Extension with Gain (REG) circuits. The continued deployment of digital central offices, digital loop carrier and fiber-optic cable is causing the rapid displacement of analog equipment. Therefore, it is rapidly approaching the end of its economic life. Accordingly, the resulting average remaining life (ARL) of embedded analog circuit equipment as of 1/1/99 is 3.8 years. The life expectancy for this group was developed via a correlation with the life expectancy of copper feeder cable, combined with the impact of normal mortality.

Company: BellSouth Telecommunications
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 Category: Circuit

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

**Remaining Life Development
 Analog Circuit Equipment**

Year	Survival Rate	Percent of Pre-1999 Survivors
a	B	C
1999	0.86598	100.00%
2000	0.83223	86.60%
2001	0.78885	72.07%
2002	0.73758	56.85%
2003	0.68264	41.93%
2004	0.63011	28.62%
2005	0.58505	18.04%
2006	0.54938	10.55%
2007	0.52254	5.80%
2008	0.50262	3.03%
2009	0.48747	1.52%
2010	0.47540	0.74%
2011	0.00000	0.35%

ARL = Total Col c / Col c(1999) - .5 = 3.8 Years

Table 6

Analog / Digital Conversion Circuit Equipment

This technology study group includes circuit equipment that performs analog-to-digital and digital-to-analog conversions such as D-type channel banks (i.e., D3, D4 & D5), digital carrier trunk (DCT) terminals, and digital loop carrier - central office terminals. 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, fiber-optic cable, and modifications in service designs will diminish or eliminate the need for analog/digital conversion circuit equipment. The life expectancy for this technology study group was developed via a correlation with the life expectancy of analog switching, combined with the impact of normal mortality. This approach yielded an ARL of 2.4 years as of 1/1/99 for embedded equipment.

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 Category: Circuit

Table 7 shows the development of the remaining life for the Analog/Digital Circuit equipment category.

**Remaining Life Development
 Analog / Digital Conversion Circuit Equipment**

Year	Survival Rate	Percent of Pre-1999 Survivors
a	b	c
1999	0.76753	100.0%
2000	0.71589	76.8%
2001	0.63237	54.9%
2002	0.47808	34.7%
2003	0.19730	16.6%
2004	0.00000	3.3%
2005		0.0%

ARL = Total Col c/ Col c(1999) - .5 = 2.4 Years

Table 7

Other Digital Circuit Equipment

This technology study group includes digital loop carrier - remote terminals [non-Next Generation Digital Loop Carrier (NGDLC)], digital muldems (multiplexers/demultiplexers) and asynchronous digital cross-connect systems (DCS), but excludes equipment used for Digital Data Systems (DDS) assigned to the Circuit - DDS sub-account. BST is deploying NGDLC (SONET-capable) systems because of the economic and capability-related advantages of these technologies. Little growth is expected in this study group with the eventual displacement by SONET products. However, for the next few years, the impact of SONET, as well as TR-303 IDLC deployment, on this technology study group is expected to be small. Existing systems and equipment will continue to provide adequate capabilities. Taking a conservative stance, only the historical mortality rate was included in the development of the ARL for this entire group, which is estimated to be 6.9 years.

Company: BellSouth Telecommunications
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 Account: 2232
 Category: Circuit

Table 8 shows the development of the remaining life of equipment in this category.

**Remaining Life Development
 Other Digital Circuit Equipment**

Year	Survival Rate	Percent of Pre-1999 Survivors
a	b	c
1999	0.93384	100.0%
2000	0.92467	93.4%
2001	0.91542	86.3%
2002	0.90612	79.0%
2003	0.89670	71.6%
2004	0.88730	64.2%
2005	0.87780	57.0%
2006	0.81873	50.0%
2007	0.78905	41.0%
2008	0.74881	32.3%
2009	0.70100	24.2%
2010	0.64983	17.0%
2011	0.60074	11.0%
2012	0.55871	6.6%
2013	0.52562	3.7%
2014	0.50094	1.9%
2015	0.00000	1.0%
2016		0.0%

ARL = Total Col c / Col c(1999) - .5 = 6.9 Years

Table 8

Asynchronous Optical Circuit Equipment

This technology study group includes all asynchronous, digital equipment associated exclusively with fiber optic cable, such as fiber optic terminals, integrated terminals, regenerators, and lightguide cable interconnecting equipment supporting asynchronous lightwave transmission. SONET technologies will eventually displace the existing asynchronous fiber technologies. The life expectancy for asynchronous optical circuit equipment was developed via a correlation with SONET's forecasted deployment and penetration into the telecommunications network, combined with the impact of normal mortality. The resulting average remaining life for embedded equipment as of 1/1/99 is 2.9 years.

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 Account: 2232
 Category: Circuit

Table 9 shows the development of the remaining life of equipment in this category.

**Remaining Life Development
 Asynchronous Optical Circuit Equipment**

Year	Survival Rate	Percent of Pre-1999 Survivors
a	b	c
1999	0.79740	100.0%
2000	0.74222	79.7%
2001	0.69034	59.2%
2002	0.64631	40.9%
2003	0.61183	26.4%
2004	0.58611	16.2%
2005	0.56725	9.5%
2006	0.55315	5.4%
2007	0.54228	3.0%
2008	0.53338	1.6%
2009	0.52573	0.0%

ARL = Total Col c/ Col c(1999) - .5 = 2.9 Years

Table 9

SONET Circuit Equipment

This technology study group includes all circuit equipment comprising the Synchronous Optical Network transmission product line. Such equipment includes SONET terminals, add/drop multiplexers, digital cross-connect systems, Next Generation Digital Loop Carrier (NGDLC), 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. However, recent historical life characteristics of the "Circuit" account can be applied to this technology study group to provide an accurate, fair and reasonable estimate of its life expectancy. The resulting ARL for embedded SONET circuit equipment, excluding NGDLC, is 7.5 years as of 1/1/99.

Company: BellSouth Telecommunications
 State: Company
 Account: 2232
 Category: Circuit

Table 10 shows the development of the remaining life of equipment in the SONET Circuit Equipment category.

**Remaining Life Development
 SONET Circuit Equipment**

Year	Survival Rate	Percent of Pre-1999 Survivors
a	b	c
1999	0.93364	100.0%
2000	0.92434	93.4%
2001	0.91488	86.3%
2002	0.90524	79.0%
2003	0.89526	71.5%
2004	0.88496	64.0%
2005	0.87401	56.6%
2006	0.86216	49.5%
2007	0.84880	42.7%
2008	0.83326	36.2%
2009	0.81435	30.2%
2010	0.79088	24.6%
2011	0.76114	19.4%
2012	0.72455	14.8%
2013	0.68159	10.7%
2014	0.63514	7.3%
2015	0.58964	4.6%
2016	0.54922	2.7%
2017	0.51633	1.5%
2018	0.00000	0.8%
2019		0.0%

ARL = Total Col c / Col c(1999) - .5 = 7.5 Years

Table 10

Figure 1 shows the graph of the life cycle plot for SONET Circuit Equipment.

Company: BellSouth Telecommunications
State: Company
Account: 2232
Category: Circuit

**SONET Circuit Equipment
Life Cycle Plot**

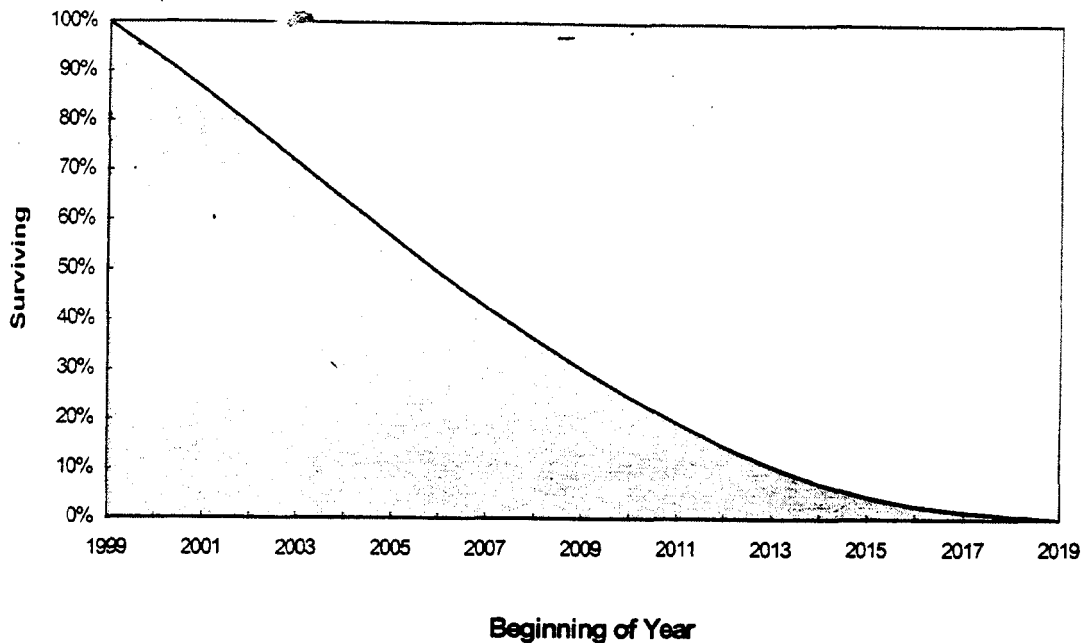


Figure 1

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[®] (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)

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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 11 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 1/1/99)

<u>Technology Study Groups</u>	<u>VG/ARL</u>
Analog	3.8 Years
Analog / Digital Conversion	2.4 Years
Other Digital	6.9 Years
Asynchronous Optical	2.9 Years
SONET	7.5 Years

Table 11

A composite average remaining life for the Circuit Digital account was calculated using the estimated 1-1-99 Circuit investment and the study group's average remaining lives. Table 12 summarizes this calculation.

Calculation of Composite VG Average Remaining Lives (ARL)

Study Group	BST Investment (\$M)	ARL	Weight
a	b	c	d=b*c
Analog/Digital Conversion	1,850.2	2.4	4,440.5
Other Digital	6,546.9	6.9	45,173.6
Asynchronous Optical	1,462.9	2.9	4,242.4
SONET	473.3	7.5	3,549.8
Total/composite	10,333.3	5.6	57,406.3

Table 12

Company: BellSouth Telecommunications
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 Account: 2232
 Category: Circuit

The projection lives underlying the composite VG ARLs of 3.8 years and 5.6 years for the Analog and Digital Circuit accounts, respectively, were determined by using the Generation Arrangement. A company composite Plife for these accounts was then calculated. An analysis of the projection life was made and the Company determined a projection life of 7.5 years for the Analog Circuit account and a projection life of 9.0 years for the Digital Circuit account was appropriate. Table 13 shows the Circuit Analog composite Plife calculation and Table 14 shows the Circuit Digital composite Plife calculation.

Circuit Analog Composite Plife - 1/1/99

State	VG ARL	Investment (\$000)	VG Plife	Weight
a	b	c	d	e=c*d
Florida	3.8	83,447	6.8	567,440

Table 13

Circuit Digital Composite Plife - 1/1/99

State	TF ARL	Investment (\$000)	VG Plife	Weight
a	b	c	d	e=c*d
Florida	5.6	2,629,243	8.9	23,400,263

Table 14

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.

Curve Shapes

The Company determined curve shapes for each Circuit rate account based on the latest band of data, using the least absolute retirement difference as the selection criteria. A curve based on Company data and the least absolute retirement criteria was used.

January 1, 1999

Company: BellSouth Telecommunications
State: Company
Account: 2232
Category: Circuit

Salvage Proposal

Analog Circuit Equipment

Over the past three years, the gross salvage values for the Company have declined. This trend is expected to continue. 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. 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 proposal was 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.

CIRCUIT-DDS

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2232.1100
CATEGORY : CIRCUIT DDS

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January 1, 1999

Run Date : 07/22/99 - 15.48.51
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	16,993,373	17,476,345	
Adjustment	0	0	
Study	16,993,373	17,476,345	
% Tot. Depr. Plant	.15	.15	
Depr. Reserve (\$)	1,053,027	5,656,227	
(%)	6.2	32.4	
P-Life/AYFR (Yrs)			
Circuit-DDS	8.0	8.0	
Curve			
Circuit-DDS	1994-1996 MORT	1995-1997 MORT	
C	1.48000000E+00	1.01000000E+00	
G	-1.09332160E-02	-8.45658730E+01	
S	3.03576640E-03	8.58800300E-01	
Whole Life (Yrs)	7.8	8.4	
Avg. Net Salv. (%)	5	5	
WL Rate (%)	12.2	11.3	
Composite Rem Life (Yrs)	3.7	3.6	
Fut. Net Salv. (%)	2	2	
Composite RL Rate (%)	24.8	18.2	
Intrastate Factor (%)	69.65	69.65	

@ Estimated Investment and Reserve

Run Date : 07/22/99 - 15.49.18
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	493869	1.0000	.50	6.31	6.81	72562	457589
VG 1997	1.5	1118305	.9935	1.49	6.50	7.95	140731	914572
VG 1996	2.5	1320457	.9767	2.46	5.50	7.83	168584	926996
VG 1995	3.5	1373021	.9738	3.44	4.69	8.01	171428	804261
VG 1994	4.5	1432153	.9617	4.41	4.12	8.38	170995	704981
VG 1993	5.5	2274969	.9293	5.31	3.66	8.71	261168	955204
VG 1992	6.5	1923306	.8963	6.23	3.27	9.17	209841	686651
VG 1991	7.5	1837301	.7941	6.73	2.95	9.07	202550	597539
VG 1990	8.5	1280565	.6291	7.25	2.68	8.93	143329	383836
VG 1989	9.5	1230671	.5282	7.43	2.45	8.72	141109	345182
VG 1988	10.5	1145967	.3885	7.53	2.25	8.40	136404	306516
VG 1987	11.5	620574	.2149	6.54	2.07	6.98	88874	184401
VG 1986	12.5	250366	.1542	7.06	1.92	7.35	34053	65545
VG 1985	13.5	272871	.0683	7.21	1.79	7.33	37239	66776
VG 1984	14.5	432939	.0908	7.49	1.68	7.64	56657	95022
VG 1983	15.5	297813	.0741	8.21	1.57	8.32	35777	56324
VG 1982	16.5	69310	.0198	8.46	1.48	8.49	8168	12111
VG 1981	17.5	73607	.0330	8.70	1.40	8.74	8418	11791
VG 1980	18.5	13385	.0084	8.63	1.33	8.64	1550	2056
VG 1979	19.5	2537	.0046	9.08	1.26	9.08	279	352
VG 1978	20.5	10413	.0194	10.99	1.20	11.01	946	1133
VG 1977	21.5	0	.0000	.00	1.14	7.28	0	0
VG 1976	22.5	650	.0054	8.73	1.07	8.74	74	80
VG 1975	23.5	1175	.0033	9.13	.99	9.13	129	128
VG 1974	24.5	121	.0060	10.53	.85	10.53	11	10
Totals		17476345					2090876	7579056
Composites			.37739@		3.62482*	8.35838#		

Plife: 8.0

c = +1.01000000E+00 G = -8.45658730E+01 S = +8.58800300E-01 Unscaled
 c = +1.01393917E+00 G = -8.45658730E+01 S = +1.19476401E+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 / 46308552

January 1, 1999

Run Date : 07/22/99 - 15.49.39
 Report : GENRTBL2, 99P1999A

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 = +1.01000000E+00 G = -8.45658730E+01 S = +8.58800300E-01 Unscaled
 C = +1.01393917E+00 G = -8.45658730E+01 S = +1.19476401E+00 Scaled

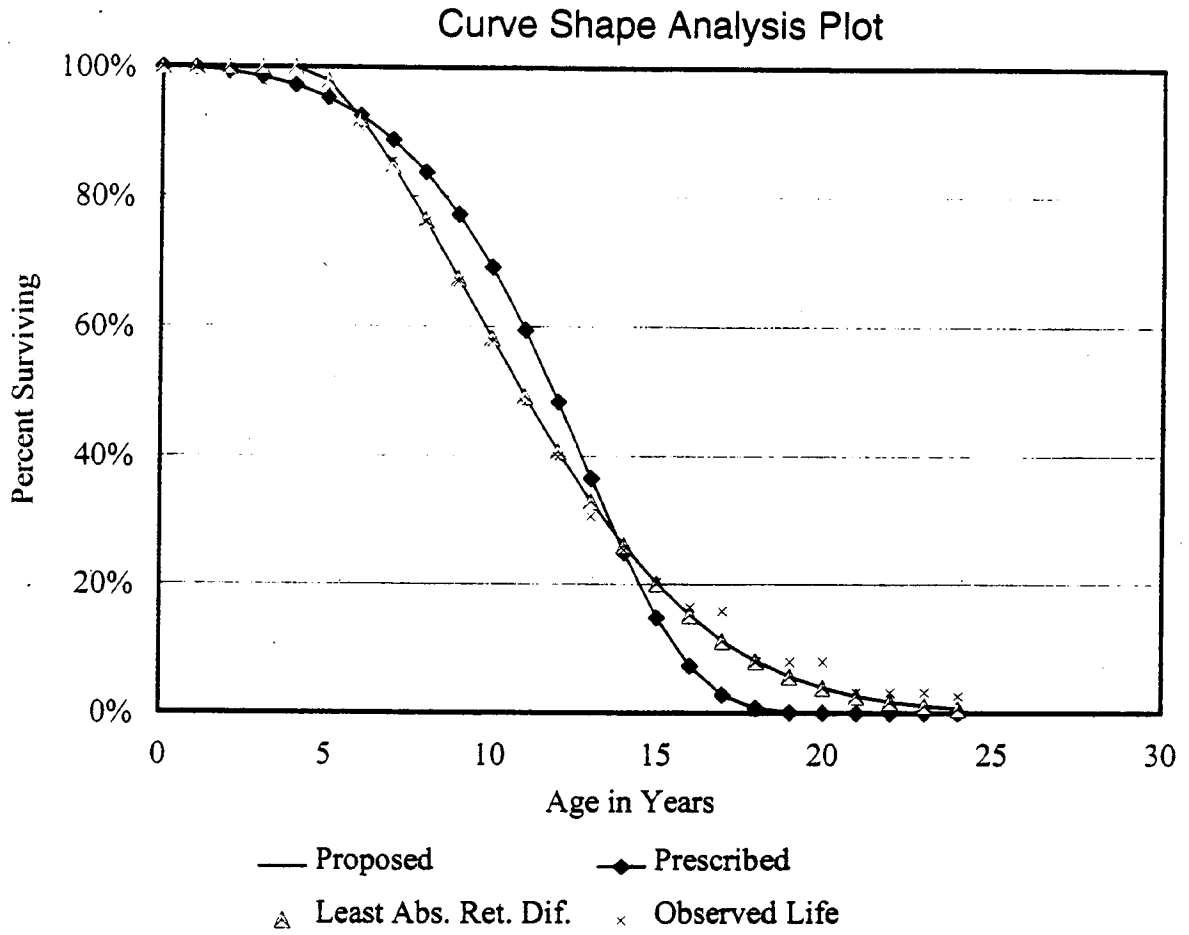
Beginning Of Year		Annual Accruals For BOY Age A					Remaining Life		
Age	Amount In Service A	Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Ser- vice Life G=B/F	ELG Life H=G-A	VG Life I#	
.0	100000	0	.5	0	14692	6.81	6.81	8.00	
.5	100000	0	1.0	0	14692	6.81	6.31	7.50	
1.5	100000	0	2.0	0	14692	6.81	5.31	6.50	
2.5	100000	3714	3.0	1238	14692	6.81	4.31	5.50	
3.5	96286	8983	4.0	2246	13454	7.16	3.66	4.69	
4.5	87303	11227	5.0	2245	11209	7.79	3.29	4.12	
5.5	76077	12399	6.0	2067	8963	8.49	2.99	3.66	
6.5	63677	12511	7.0	1787	6897	9.23	2.73	3.27	
7.5	51167	11720	8.0	1465	5110	10.01	2.51	2.95	
8.5	39447	10285	9.0	1143	3645	10.82	2.32	2.68	
9.5	29161	8502	10.0	850	2502	11.66	2.16	2.45	
10.5	20660	6641	11.0	604	1652	12.51	2.01	2.25	
11.5	14018	4914	12.0	409	1048	13.38	1.88	2.07	
12.5	9105	3448	13.0	265	638	14.26	1.76	1.92	
13.5	5657	2297	14.0	164	373	15.16	1.66	1.79	
14.5	3360	1453	15.0	97	209	16.06	1.56	1.68	
15.5	1907	874	16.0	55	112	16.98	1.48	1.57	
16.5	1033	499	17.0	29	58	17.90	1.40	1.48	
17.5	534	271	18.0	15	28	18.83	1.33	1.40	
18.5	263	140	19.0	7	13	19.76	1.26	1.33	
19.5	124	68	20.0	3	6	20.71	1.21	1.26	
20.5	55	32	21.0	2	3	21.65	1.15	1.20	
21.5	24	14	22.0	1	1	22.59	1.09	1.14	
22.5	10	6	23.0	0	0	.00	.50	1.07	
23.5	4	2	24.0	0	0	.00	.50	.99	
24.5	1	1	25.0	0	0	.00	.50	.85	
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)

January 1, 1999

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



Method = MORT 1995-1997 Band T = 15
 c = +1.01000000E+00 G = -8.45658730E+01 S = +8.58800300E-01

Curves Scaled to the Observed Life of 10.97

January 1, 1999

Run Date : 07/22/99 - 15.50.01
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$000)

	Plant Retired	Gross Salvage Percent	Amount	Cost of Removal Percent	Amount	Net Salvage Percent
	A	B	C = (AxB) / 100	D	E = (AxD) / 100	F = B-D
PAST	28832*	7.9**	2278	.6**	173	7.3
FUTURE	17476#	5.0##	874	3.0##	524	2.0
TOTAL	46308		3152		697	
AVERAGE		6.8		1.5		5.3

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/22/99 - 15.50.09
 Report : TABLEAB
 HIST1998, HPSC1999

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	-40.3
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	17200521	1199208	46344	3.9	0	.0	3.9
1998	17476345	593151	18564	3.1	0	.0	3.1
Grand Total		28711055	2269140	7.9	178472	.6	7.3
1977-1998 @@		28711055	2269140	7.9	178472	.6	7.3
1989-1998 **		22997465	452417	2.0	119872	.5	1.4

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/22/99 - 15.50.09
 Report : TABLEAB
 HIST1998, HPSC1999

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	11779946	335728	2.8	63745	.5	2.3
1996	8078313	304807	3.8	42024	.5	3.3

January 1, 1999

Run Date : 07/22/99 - 15.50.38
 Report : RETRATIO
 HPSC1999

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	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
1984	14201661							
1985	17994274	16097968	230682	.01433				
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	50309964	3511417	.06980
1997	17200521	17125675	1199208	.07002	96-98	51068983	2419102	.04737
1998	17476345	17338433	593151	.03421				

January 1, 1999

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2232.1200
CATEGORY : CIRCUIT DIGITAL

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January 1, 1999

Run Date : 07/22/99 - 16.00.12
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	2,361,140,532	2,629,244,355	
Adjustment	0	0	
Study	2,361,140,532	2,629,244,355	
% Tot. Depr. Plant	21.24	22.39	
Depr. Reserve (\$)	1,179,656,956	1,389,263,017	
(%)	50.0	52.8	
P-Life/AYFR (Yrs)			
Circuit Digital	9.0	9.0	
Curve			
Circuit Digital	1994-1996 MORT	1995-1997 MORT	
c	1.05000000E+00	1.05000000E+00	
G	-5.78373200E-01	-3.10654090E-01	
S	2.36054040E-02	9.18477930E-03	
Whole Life (Yrs)	10.2	9.8	
Avg. Net Salv. (%)	2	2	
WL Rate (%)	9.6	10.0	
Composite Rem Life (Yrs)	5.6	5.3	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	8.9	8.9	
Intrastate Factor (%)	69.65	69.65	

@ Estimated Investment and Reserve

Run Date : 07/22/99 - 16.00.37
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	266083048	.9949	.50	5.08	5.58	47646384	242259858
VG 1997	1.5	257305551	.9891	1.49	7.96	9.37	27473518	218733711
VG 1996	2.5	216103698	.9699	2.45	7.33	9.56	22604694	165607906
VG 1995	3.5	194059218	.9563	3.43	6.74	9.87	19668650	132469166
VG 1994	4.5	181595812	.9243	4.33	6.19	10.05	18074600	111802300
VG 1993	5.5	185972340	.9054	5.24	5.68	10.38	17913090	101668772
VG 1992	6.5	191775142	.8833	6.14	5.20	10.73	17870044	92978438
VG 1991	7.5	194636963	.8699	7.05	4.77	11.19	17386602	82857027
VG 1990	8.5	180938974	.8238	7.73	4.36	11.32	15977627	69681878
VG 1989	9.5	152362399	.7710	8.46	3.99	11.53	13210590	52683815
VG 1988	10.5	142163847	.7196	9.05	3.64	11.67	12180118	44384519
VG 1987	11.5	111200179	.6506	9.51	3.33	11.68	9521633	31682603
VG 1986	12.5	97083929	.5571	9.62	3.04	11.32	8579826	26052737
VG 1985	13.5	79376357	.5127	10.27	2.77	11.69	6788970	18802557
VG 1984	14.5	49737863	.5178	11.09	2.53	12.40	4012240	10131035
VG 1983	15.5	36961665	.4933	11.94	2.30	13.07	2827350	6506781
VG 1982	16.5	24180771	.3938	12.07	2.10	12.89	1875655	3933541
VG 1981	17.5	27239714	.3945	12.80	1.91	13.56	2009266	3839774
VG 1980	18.5	12663274	.3087	12.42	1.74	12.95	977562	1702641
VG 1979	19.5	7989762	.3058	13.10	1.59	13.59	587958	933688
VG 1978	20.5	6498511	.2420	12.65	1.45	13.00	499740	724019
VG 1977	21.5	3585791	.1826	13.37	1.32	13.62	263368	348428
VG 1976	22.5	4533803	.2135	14.80	1.21	15.05	301164	364264
VG 1975	23.5	1339560	.0438	12.98	1.11	13.03	102844	113888
VG 1974	24.5	1401080	.0312	11.53	1.02	11.56	121217	123066
PRIOR		2454157	.0265	13.58	.74	13.43	182679	136015
Totals		2629243408					268657389	1420522427
Composites			.74790@		5.28749*	9.78660#		

Plife: 9.0

c = +1.05000000E+00 G = -3.10654090E-01 S = +9.18477930E-03 Unscaled
 c = +1.11162653E+00 G = -3.10654090E-01 S = +1.99214883E-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 / 3515521170

Run Date : 07/22/99 - 16.00.55
 Report : GENRTBL2, 99P1999A

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 = -3.10654090E-01 S = +9.18477930E-03 Unscaled
 C = +1.11162653E+00 G = -3.10654090E-01 S = +1.99214883E-02 Scaled

Beginning Of Year ----- Age A	Amount In Service B	Amount Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Annual Accruals For BOY Age A		Ser- vice Life G=B/F	Remaining Life	
				Each Life Groups E=C/D	All Remaining Groups F*		ELG Life H=G-A	VG Life I#
.0	100000	1581	.5	3161	20785	4.81	4.81	9.00
.5	98419	3700	1.0	3700	17624	5.58	5.08	8.64
1.5	94720	4413	2.0	2207	13924	6.80	5.30	7.96
2.5	90307	5102	3.0	1701	11717	7.71	5.21	7.33
3.5	85204	5742	4.0	1436	10017	8.51	5.01	6.74
4.5	79462	6306	5.0	1261	8581	9.26	4.76	6.19
5.5	73156	6765	6.0	1127	7320	9.99	4.49	5.68
6.5	66392	7093	7.0	1013	6192	10.72	4.22	5.20
7.5	59299	7266	8.0	908	5179	11.45	3.95	4.77
8.5	52033	7267	9.0	807	4271	12.18	3.68	4.36
9.5	44766	7087	10.0	709	3464	12.93	3.43	3.99
10.5	37679	6728	11.0	612	2755	13.68	3.18	3.64
11.5	30951	6206	12.0	517	2143	14.44	2.94	3.33
12.5	24746	5548	13.0	427	1626	15.22	2.72	3.04
13.5	19197	4794	14.0	342	1199	16.01	2.51	2.77
14.5	14403	3992	15.0	266	857	16.81	2.31	2.53
15.5	10412	3190	16.0	199	591	17.63	2.13	2.30
16.5	7221	2438	17.0	143	391	18.45	1.95	2.10
17.5	4784	1773	18.0	98	248	19.29	1.79	1.91
18.5	3011	1220	19.0	64	149	20.15	1.65	1.74
19.5	1791	791	20.0	40	85	21.01	1.51	1.59
20.5	1000	479	21.0	23	46	21.89	1.39	1.45
21.5	520	270	22.0	12	23	22.77	1.27	1.32
22.5	250	140	23.0	6	11	23.67	1.17	1.21
23.5	111	66	24.0	3	4	24.57	1.07	1.11
24.5	44	28	25.0	1	2	25.48	.98	1.02
Total		100001						

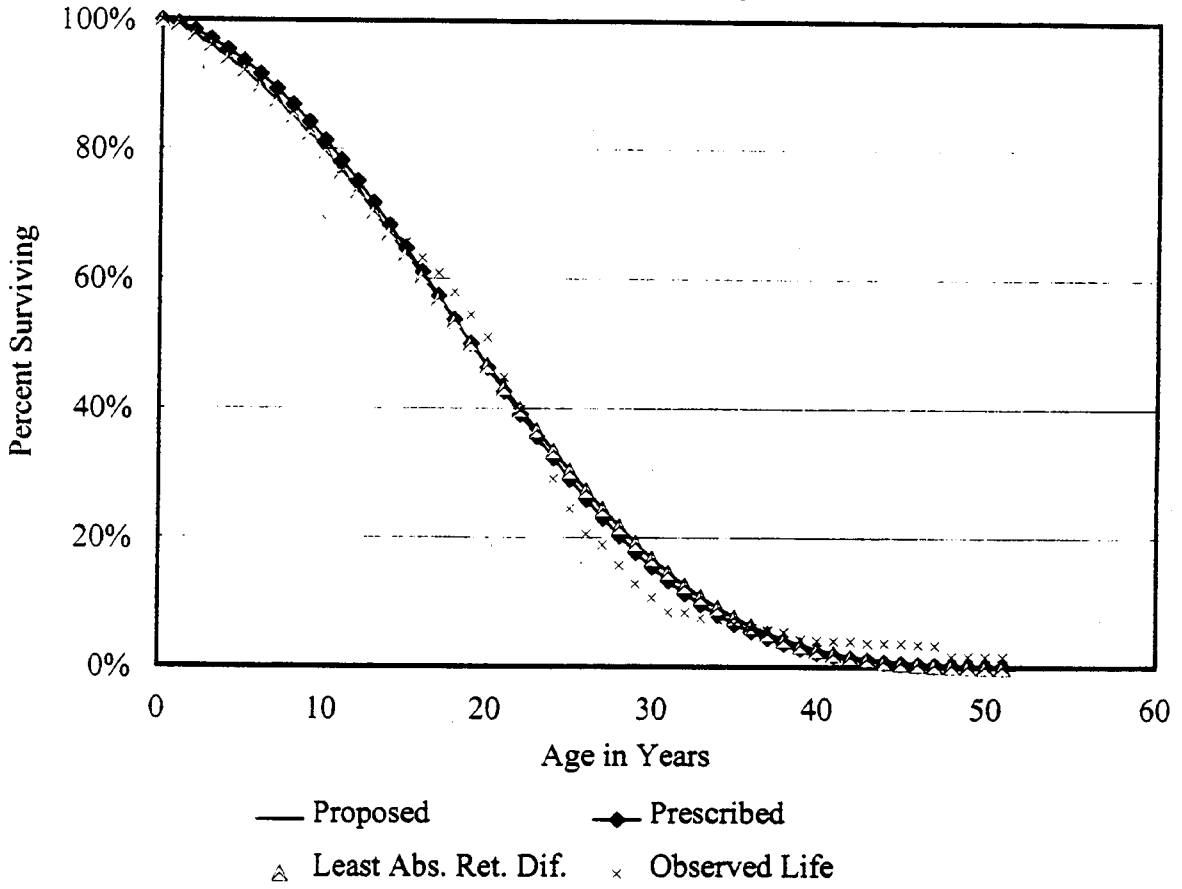
* F(AGE A) = Sum of Col. E from Age A through End

I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

January 1, 1999

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

Curve Shape Analysis Plot



Method = MORT

1995-1997 Band

T = 51

c = +1.05000000E+00

G = -3.10654090E-01

S = +9.18477930E-03

Curves Scaled to the Observed Life of 18.99

January 1, 1999

Run Date : 07/22/99 - 16.01.19
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$000)

	Plant Retired	Gross Salvage Percent	Amount	Cost of Removal Percent	Amount	Net Salvage Percent
	A	B	C = (AxB) / 100	D	E = (AxD) / 100	F = B-D
PAST	886278*	10.8**	97491	2.2**	20384	8.6
FUTURE	2629243#	5.0##	131462	5.0##	131462	.0
TOTAL AVERAGE	3515521	6.5	228953	4.3	151846	2.2

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/22/99 - 16.01.27
 Report : TABLEAB
 HIST1998, HPSC1999

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	2390042089	51221793	1478350	2.9	1303748	2.5	.3
1998	2629243408	66832528	5349748	8.0	1168331	1.7	6.3
Grand Total		696856379	75263797	10.8	15672376	2.2	8.6
1988-1998 @@		696856379	75263797	10.8	15672376	2.2	8.6
1989-1998 **		668507697	65292072	9.8	14914765	2.2	7.5

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/22/99 - 16.01.27
 Report : TABLEAB
 HIST1998, HPSC1999

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 (\$) 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	335710898	31625238	9.4	8307419	2.5	6.9
1996	316855910	27125529	8.6	8081750	2.6	6.0

January 1, 1999

Run Date : 07/22/99 - 16.01.46
 Report : RETRATIO
 HPSC1999

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	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	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	.02524	95-97	6252320933	173456999	.02774
1997	2390042089	2278091054	51221793	.02248	96-98	6864556473	170465345	.02483
1998	2629243408	2509642749	66832528	.02663				

January 1, 1999

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2232.2000
CATEGORY : CIRCUIT ANALOG

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January 1, 1999

Run Date : 07/22/99 - 16.10.55
 Report : RATESUMM
 PSC_PRES 99P1999A

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

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	85,399,149	83,477,378	
Adjustment	0	0	
Study	85,399,149	83,477,378	
% Tot. Depr. Plant	.77	.71	
Depr. Reserve (\$)	93,240,496	88,688,430	
(%)	109.2	106.2	
P-Life/AYFR (Yrs)			
Circuit Analog	7.8	7.5	
Curve			
Circuit Analog	1994-1996 MTCO	CO 1995-97 MORT	
c	9.70000000E-01	9.80000000E-01	
G	-3.00512200E+00	-4.52197650E+00	
S	-9.83341400E-02	-1.00201500E-01	
Whole Life (Yrs)	9.8	9.6	
Avg. Net Salv. (%)	4	4	
WL Rate (%)	9.8	10.0	
Composite Rem Life (Yrs)	4.4	4.2	
Fut. Net Salv. (%)	-3	-3	
Composite RL Rate (%)	.0	.0	
Intrastate Factor (%)	69.65	69.65	

@ Estimated Investment and Reserve

Run Date : 07/22/99 - 16.11.30
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@e	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	1948167	.9619	.48	3.85	4.35	448184	1724076
VG 1997	1.5	2758903	.9152	1.41	6.62	7.47	369363	2445566
VG 1996	2.5	2538594	.9272	2.41	6.14	8.11	313166	1923867
VG 1995	3.5	2703946	.7829	3.12	5.73	7.61	355380	2037945
VG 1994	4.5	4442773	.8731	4.26	5.38	8.96	495709	2668000
VG 1993	5.5	4222451	.7630	4.75	5.08	8.62	489658	2485641
VG 1992	6.5	3047526	.7058	5.27	4.81	8.66	351873	1692152
VG 1991	7.5	2882305	.6370	6.22	4.57	9.14	315459	1442922
VG 1990	8.5	2279800	.5049	6.23	4.37	8.44	270149	1179575
VG 1989	9.5	3217921	.6359	7.89	4.18	10.55	305042	1275668
VG 1988	10.5	7262191	.5436	7.37	4.02	9.56	759766	3052244
VG 1987	11.5	7094413	.4855	8.42	3.87	10.30	689024	2666400
VG 1986	12.5	3897498	.4790	8.92	3.74	10.71	364070	1360556
VG 1985	13.5	4895563	.4514	9.70	3.62	11.33	432014	1562669
VG 1984	14.5	5626901	.3882	9.85	3.51	11.21	501830	1760672
VG 1983	15.5	4528094	.2691	9.35	3.41	10.27	440897	1503327
VG 1982	16.5	3791531	.2450	10.19	3.32	11.00	344621	1144004
VG 1981	17.5	4186736	.2201	10.77	3.24	11.49	364487	1179915
VG 1980	18.5	3019573	.1537	10.49	3.16	10.98	275024	869526
VG 1979	19.5	2460667	.1620	11.31	3.09	11.82	208251	643946
VG 1978	20.5	1775171	.1058	10.63	3.03	10.95	162048	490706
VG 1977	21.5	1450753	.0948	11.42	2.97	11.70	123984	368110
VG 1976	22.5	774150	.0532	11.60	2.91	11.76	65831	191847
VG 1975	23.5	1294105	.0553	12.45	2.86	12.60	102672	293989
VG 1974	24.5	729138	.0230	11.08	2.82	11.15	65411	184198
PRIOR		648508	.0053	14.34	2.73	12.19	53194	145465
Totals		83477378					8667107	36292986
Composites			.20222@		4.18744*	9.63152#		

Plife: 7.5

c = +9.80000000E-01 G = -4.52197650E+00 S = -1.00201500E-01 Unscaled
 c = +9.57321053E-01 G = -4.52197650E+00 S = -2.16329185E-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 / 412813469

January 1, 1999

Run Date : 07/22/99 - 16.12.00
 Report : GENRTBL2, 99P1999A

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 = 7.5

C = +9.80000000E-01 G = -4.52197650E+00 S = -1.00201500E-01 Unscaled
 C = +9.57321053E-01 G = -4.52197650E+00 S = -2.16329185E-01 Scaled

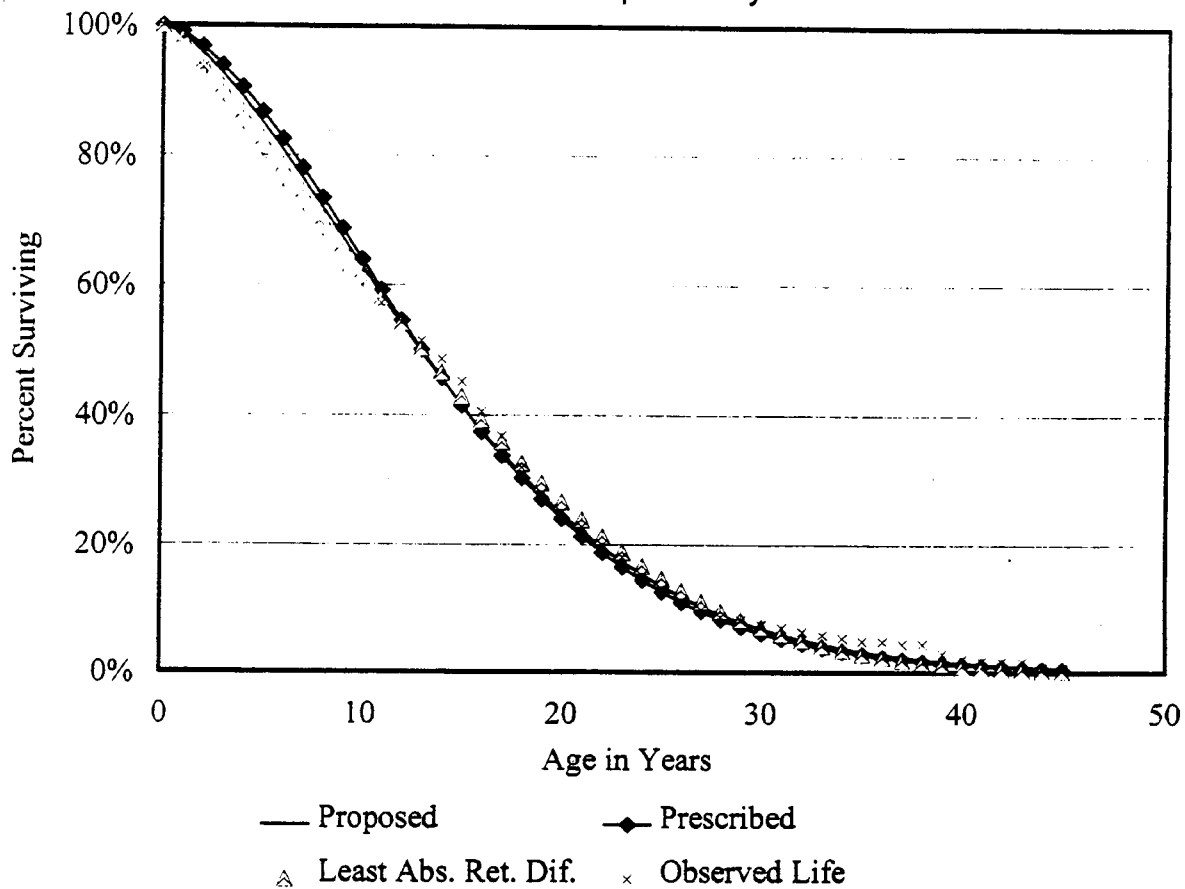
Beginning Of Year Age A	Amount In Service B	Amount Retired During Year (Life Group) C=B-Next B	Age of Retired Amount D	Annual Accruals For BOY Age A		Ser- vice Life G=B/F	Remaining Life	
				Each Life Groups E=C/D	All Remaining Groups F*		ELG Life H=G-A	VG Life I#
.0	100000	2415	.5	4830	27279	3.67	3.67	7.50
.5	97585	5987	1.0	5987	22450	4.35	3.85	7.18
1.5	91598	7201	2.0	3600	16462	5.56	4.06	6.62
2.5	84397	8004	3.0	2668	12862	6.56	4.06	6.14
3.5	76393	8411	4.0	2103	10194	7.49	3.99	5.73
4.5	67982	8462	5.0	1692	8091	8.40	3.90	5.38
5.5	59520	8214	6.0	1369	6399	9.30	3.80	5.08
6.5	51306	7736	7.0	1105	5030	10.20	3.70	4.81
7.5	43570	7094	8.0	887	3925	11.10	3.60	4.57
8.5	36476	6354	9.0	706	3038	12.01	3.51	4.37
9.5	30122	5571	10.0	557	2332	12.92	3.42	4.18
10.5	24551	4790	11.0	435	1775	13.83	3.33	4.02
11.5	19762	4045	12.0	337	1339	14.75	3.25	3.87
12.5	15717	3360	13.0	258	1002	15.68	3.18	3.74
13.5	12357	2748	14.0	196	744	16.61	3.11	3.62
14.5	9610	2215	15.0	148	548	17.55	3.05	3.51
15.5	7395	1762	16.0	110	400	18.48	2.98	3.41
16.5	5633	1383	17.0	81	290	19.43	2.93	3.32
17.5	4250	1073	18.0	60	209	20.38	2.88	3.24
18.5	3177	823	19.0	43	149	21.33	2.83	3.16
19.5	2354	624	20.0	31	106	22.28	2.78	3.09
20.5	1729	469	21.0	22	74	23.24	2.74	3.03
21.5	1260	349	22.0	16	52	24.20	2.70	2.97
22.5	911	257	23.0	11	36	25.16	2.66	2.91
23.5	654	188	24.0	8	25	26.12	2.62	2.86
24.5	466	136	25.0	5	17	27.09	2.59	2.82
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 : 2232.2000
 Category : Circuit Analog

Curve Shape Analysis Plot



Method = MORT

1995-1997 Band

T = 58

c = +9.80000000E-01

G = -4.52197650E+00

S = -1.00201500E-01

Curves Scaled to the Observed Life of 13.98

January 1, 1999

Run Date : 07/22/99 - 16.12.27
 Report : ANSD, 99P1999A

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

Average Net Salvage
 as of January 1999
 (\$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	329336*	10.4**	33922	4.8**	16137	5.6
FUTURE	83477#	2.0##	1670	5.0##	4174	-3.0
TOTAL AVERAGE	412813	8.7	35592	4.8	20311	3.9

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/22/99 - 16.12.36
 Report : TABLEAB
 HIST1998, HPSC1999

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	87289863	6391122	306596	4.8	271576	4.2	.5
1998	83477378	6936404	860348	12.4	194716	2.8	9.6
Grand Total		314543325	32713322	10.4	15154328	4.8	5.6
1988-1998 @@		314543325	32713322	10.4	15154328	4.8	5.6
1989-1998 **		260783747	21179017	8.1	12926282	5.0	3.2

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/22/99 - 16.12.36
 Report : TABLEAB
 HIST1998, HPSC1999

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	44785880	1516049	3.4	5614541	12.5	-9.2
1996	38688098	1926856	5.0	4284678	11.1	-6.1

January 1, 1999

Run Date : 07/22/99 - 16.12.55
 Report : RETRATIO
 HPSC1999

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	301619864	19920837	.06605
1997	87289863	88547572	6391122	.07218	96-98	264001076	18564091	.07032
1998	83477378	85383621	6936404	.08124				

January 1, 1999

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 actual 1/1/99 investment and reserve in the Station Apparatus account are shown in Table 1.

Investment and Reserve Statistics

	Invest.	Res.	Res.
	(\$M)	(\$M)	(%)
Florida	.310	.216	69.7

Table 1

Projection Life

BellSouth is selecting a projection life of 6 years. The selected projection life is based on analysis of historical data, as well as future expectations for this account. The life table associated with the previous curve shaped used in the Station Apparatus account closely aligns with the life table of a #3 Bell Curve. The Company feels that this curve shape accurately depicts the percentage of surviving investment by age. In addition, an attempt to standardize curve shapes in all BellSouth states, influenced the selection of the #3 Bell Curve as a reasonable representation of the surviving investment at various ages.

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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January 1, 1999

Run Date : 07/27/99 - 07.53.56
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2311.0000
 Category : Station Apparatus

Account Parameter Summary
 =====

ELG Start Year: 0000

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
	=====	=====	=====
Investment Bal (\$)			
Form M	288,766	310,360	
Adjustment	0	0	
Study	288,766	310,360	
% Tot. Depr. Plant	.00	.00	
Depr. Reserve (\$)	135,297	216,427	
(%)	46.9	69.7	
P-Life/AYFR (Yrs)			
Station Apparatus	6.0	6.0	
Curve			
Station Apparatus	1900-1941 BAND	BELL #3.0	
c	1.22810520E+00	1.18428730E+00	
G	-9.83328530E-02	-1.01449700E-01	
S	2.01992260E-02	1.55765450E-02	
Whole Life (Yrs)	7.4	7.7	
Avg. Net Salv. (%)	0	0	
WL Rate (%)	13.5	13.0	
Composite Rem Life (Yrs)	1.6	1.6	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	33.2	18.9	
Intrastate Factor (%)	75.11	75.11	

@ Estimated Investment and Reserve

Run Date : 07/27/99 - 07.54.21
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
VG 1998	.5	7714	1.0000	.50	5.53	6.03	1279	7075
VG 1997	1.5	3253	.9979	1.50	4.67	6.16	528	2468
VG 1996	2.5	0	.0000	.00	3.92	.00	0	0
VG 1995	3.5	14701	.9604	3.42	3.25	6.54	2247	7313
VG 1994	4.5	21842	.9378	4.37	2.68	6.88	3174	8512
VG 1993	5.5	0	.0000	.00	2.19	.00	0	0
VG 1992	6.5	30039	.8256	5.91	1.78	7.39	4067	7250
VG 1991	7.5	76729	.7501	6.59	1.44	7.67	10006	14438
VG 1990	8.5	38652	.6605	7.17	1.17	7.95	4865	5682
VG 1989	9.5	42724	.5571	7.67	.95	8.20	5211	4955
VG 1988	10.5	21899	.4429	8.07	.78	8.42	2601	2042
VG 1987	11.5	18879	.3220	8.33	.66	8.55	2209	1468
VG 1986	12.5	31020	.2102	8.62	.58	8.74	3548	2070
VG 1985	13.5	1360	.1170	8.93	.53	8.99	151	81
VG 1984	14.5	731	.0526	9.34	.50	9.37	78	40
VG 1983	15.5	492	.0173	9.71	.50	9.72	51	26
VG 1982	16.5	325	.0038	10.08	.50	10.08	32	17
Totals		310360					40047	63437
Composites			.43146@		1.58406*	7.74989#		

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 / 719320

Run Date : 07/27/99 - 07.54.37
 Report : GENRTBL2, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2311.0000
 Category : Station Apparatus

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

Plife = 6.0
 C = +1.18428730E+00 C = -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	In Service	Retired During Year (Life Group)	Age of Retired	Each Life Groups	All Remaining Groups	Service Life	ELG Life	VG Life
A	B	C=B-Next B	D	E=C/D	F*	G=B/F	H=G-A	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 : 07/27/99 - 07.54.52
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2311.0000
 Category : Station Apparatus

Average Net Salvage
 as of January 1999
 (\$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	409*	.0**	0	.0**	0	.0
FUTURE	310#	.0##	0	.0##	0	.0
TOTAL AVERAGE	719	.0	0	.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 : 07/27/99 - 07.54.59
 Report : TABLEAB
 HIST1998, HPSC1999

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	302646	20945	0	.0	0	.0	.0
1998	310360	0	0	.0	0	.0	.0
Grand Total		260550	0	.0	0	.0	.0
1988-1998 @@		260550	0	.0	0	.0	.0
1989-1998 **		271127	0	.0	0	.0	.0

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

January 1, 1999

Run Date : 07/27/99 - 07.54.59
 Report : TABLEAB
 HIST1998, HPSC1999

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	463965	0	.0	0	.0	.0
1996	82561	0	.0	0	.0	.0

January 1, 1999

Run Date : 07/27/99 - 07.55.17
 Report : RETRATIO
 HPSC1999

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	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	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	977579	95117	.09730
1997	302646	295706	20945	.07083	96-98	928061	95117	.10249
1998	310360	306503	0	.00000				

January 1, 1999

LARGE PBX

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 actual 1/1/99 investment and reserve in the Large PBX account are shown in Table 1.

Investment and Reserve Statistics

	Invest.	Res.	Res.
	<u>(\$M)</u>	<u>(\$M)</u>	<u>(%)</u>
Florida	13.2	4.8	36.5

Table 1

Projection Life

The Company is selecting a six-year projection life, based on analysis of historical data and future expectations for this account. The Company is maintaining the curve shape 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

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January 1, 1999

Run Date : 07/27/99 - 07.51.28
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2341.0000
 Category : Large PBX

Account Parameter Summary

ELG Start Year: 0000

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	10,808,919	13,190,977	
Adjustment	0	0	
Study	10,808,919	13,190,977	
% Tot. Depr. Plant	.10	.11	
Depr. Reserve (\$)	2,397,042	4,816,387	
(%)	22.2	36.5	
P-Life/AYFR (Yrs)			
Large PBX	6.0	6.0	
Curve			
Large PBX	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)	7.1	6.7	
Avg. Net Salv. (%)	9	9	
WL Rate (%)	12.8	13.6	
Composite Rem Life (Yrs)	3.1	3.5	
Fut. Net Salv. (%)	0	0	
Composite RL Rate (%)	25.1	18.1	
Intrastate Factor (%)	75.11	75.11	

@ Estimated Investment and Reserve

Run Date : 07/27/99 - 07.51.53
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
VG 1998	.5	2089967	.9930	.50	5.53	5.99	348868	1930201
VG 1997	1.5	2282938	.9809	1.48	4.67	6.07	376222	1758714
VG 1996	2.5	1175345	.9566	2.45	3.92	6.20	189643	742750
VG 1995	3.5	1859160	.9360	3.42	3.25	6.47	287339	934954
VG 1994	4.5	1686590	.8986	4.33	2.68	6.74	250225	670904
VG 1993	5.5	966190	.8002	4.94	2.19	6.70	144298	316418
VG 1992	6.5	775363	.7561	5.83	1.78	7.18	107964	192423
VG 1991	7.5	589502	.6716	6.48	1.44	7.44	79183	114257
VG 1990	8.5	16903	.0336	5.70	1.17	5.74	2943	3438
VG 1989	9.5	734480	.7191	9.13	.95	9.81	74879	71186
VG 1988	10.5	630124	.4130	8.29	.78	8.61	73176	57427
VG 1987	11.5	221	.0004	5.55	.66	5.55	40	27
VG 1986	12.5	23952	.0353	6.58	.58	6.60	3627	2116
VG 1985	13.5	0	.0000	.00	.53	6.90	0	0
VG 1984	14.5	0	.0000	.00	.50	7.33	0	0
VG 1983	15.5	153372	.1302	10.21	.50	10.28	14920	7461
VG 1982	16.5	119486	.1279	11.08	.50	11.15	10719	5360
VG 1981	17.5	87384	.0861	10.86	.50	10.91	8013	4007
Totals		13190977					1972059	6811643
Composites			.65660@		3.45408*	6.68894#		

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 / 20089714

Run Date : 07/27/99 - 07.52.12
 Report : GENRTBL2, 99P1999A

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 -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	Amount In Service	Retired During Year (Life Group)	Age of Retired	Each Life Groups	All Remaining Groups	Service Life	ELG Life	VG Life
A	B	C=B-Next B	D	E=C/D	F*	G=B/F	H=G-A	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

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 : 07/27/99 - 07.52.28
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2341.0000
 Category : Large PBX

Average Net Salvage
 as of January 1999
 (\$000)

	Plant Retired	Gross Salvage Percent	Amount	Cost of Removal Percent	Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	6899*	28.1**	1939	2.1**	145	26.0
FUTURE	13191#	5.0##	660	5.0##	660	.0
TOTAL AVERAGE	20090	12.9	2599	4.0	805	8.9

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/27/99 - 07.52.35
 Report : TABLEAB
 HIST1998, HPSC1999

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	11576464	1818500	58917	3.2	7577	.4	2.8
1998	13190977	498302	311940	62.6	48600	9.8	52.8
Grand Total		7548372	1971163	26.1	148730	2.0	24.1
1989-1998 @@		7074143	1991264	28.1	148798	2.1	26.0
1989-1998 **		7074143	1991264	28.1	148798	2.1	26.0

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/27/99 - 07.52.35
 Report : TABLEAB
 HIST1998, HPSC1999

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	5521124	1226257	22.2	117049	2.1	20.1
1996	4651947	902345	19.4	156740	3.4	16.0

January 1, 1999

Run Date : 07/27/99 - 07.52.53
 Report : RETRATIO
 HPSC1999

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	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	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	28350887	2318135	.08177
1997	11576464	10750692	1818500	.16915	96-98	32487035	2799835	.08618
1998	13190977	12383721	498302	.04024				

**OTHER TERMINAL
EQUIPMENT**

258

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, and 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 actual 1/1/99 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.	Res.	Res.
	<u>(\$M)</u>	<u>(\$M)</u>	<u>(%)</u>
Florida	112.4	86.9	77.3

Table 1

Projection Life

The projection life of 6 years is recommended for Other Terminal Equipment based on analysis of historical data and future expectations for this account. 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 reflective of salvage activity in this account. Although 1996 has an unusually high net salvage percent, the 1998 net salvage percent shows a negative trend, which significantly reduces the net salvage percent. Exclusion of the 1996 abnormality yields a net salvage percent that is indicative of the historical salvage experienced in this account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2362.0000
CATEGORY : OTHER TERMINAL EQUIPMENT

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January 1, 1999

Run Date : 07/27/99 - 07.48.56
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2362.0000
 Category : Other Terminal Equip.

Account Parameter Summary
 =====

ELG Start Year: 0000

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
	=====	=====	=====
Investment Bal (\$)			
Form M	110,300,054	112,438,753	
Adjustment	0	0	
Study	110,300,054	112,438,753	
% Tot. Depr. Plant	.99	.96	
Depr. Reserve (\$)	74,995,983	86,862,304	
(%)	68.0	77.3	
P-Life/AYFR (Yrs)			
Other Terminal Equip.	6.0	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)	8.3	8.7	
Avg. Net Salv. (%)	10	10	
WL Rate (%)	10.8	10.3	
Composite Rem Life (Yrs)	2.1	2.0	
Fut. Net Salv. (%)	5	5	
Composite RL Rate (%)	12.9	8.9	
Intrastate Factor (%)	75.11	75.11	

@ Estimated Investment and Reserve

Run Date : 07/27/99 - 07.49.21
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@G	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
VG 1998	.5	4451549	.9979	.50	5.53	6.02	739432	4091099
VG 1997	1.5	3317746	.9960	1.50	4.67	6.15	539206	2520612
VG 1996	2.5	7423527	.9924	2.49	3.92	6.38	1163802	4558121
VG 1995	3.5	6253051	.9881	3.48	3.25	6.70	933632	3037890
VG 1994	4.5	5921440	.9813	4.46	2.68	7.09	834879	2238480
VG 1993	5.5	4460140	.9706	5.42	2.19	7.55	590891	1295709
VG 1992	6.5	6543230	.9572	6.36	1.78	8.07	811214	1445817
VG 1991	7.5	8087699	.9351	7.24	1.44	8.59	941983	1359230
VG 1990	8.5	9904627	.9216	8.17	1.17	9.24	1071459	1251427
VG 1989	9.5	7229261	.7365	7.59	.95	8.29	871546	828561
VG 1988	10.5	11478840	.8542	9.73	.78	10.40	1103781	866209
VG 1987	11.5	6204567	.7766	9.92	.66	10.43	594740	395068
VG 1986	12.5	6599314	.7616	10.90	.58	11.35	581681	339271
VG 1985	13.5	5969674	.7078	11.33	.53	11.71	509815	272616
VG 1984	14.5	5432278	.6406	11.60	.50	11.92	455839	227920
VG 1983	15.5	4353003	.4984	10.44	.50	10.69	407231	203616
VG 1982	16.5	2969168	.4790	11.13	.50	11.37	261063	130532
VG 1981	17.5	2449800	.3801	10.41	.50	10.60	231048	115524
VG 1980	18.5	1122812	.3581	10.92	.50	11.10	101199	50600
VG 1979	19.5	722357	.2086	8.76	.50	8.86	81496	40749
VG 1978	20.5	497950	.2079	9.60	.50	9.70	51329	25665
VG 1977	21.5	334700	.1680	9.48	.50	9.56	35002	17501
VG 1976	22.5	214329	.1227	9.31	.50	9.37	22868	11434
VG 1975	23.5	178277	.0784	8.54	.50	8.58	20779	10390
VG 1974	24.5	138535	.0511	7.97	.50	7.99	17329	8665
PRIOR		180879	.0071	9.16	.50	7.59	23828	11926
Totals		112438753					12997072	25354632
Composites			.62516@		1.95080*	8.65108#		

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 / 179855165

January 1, 1999

Run Date : 07/27/99 - 07.49.41
 Report : GENRTBL2, 99P1999A

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 S = -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	In Service	Retired During Year (Life Group)	Age of Retired	Each Life Groups	All Remaining Groups	Service Life	ELG Life	VG Life
A	B	C=B-Next B	D	E=C/D	F*	G=B/F	H=G-A	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 : 07/27/99 - 07.50.02
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2362.0000
 Category : Other Terminal Equip.

Average Net Salvage
 as of January 1999
 (\$000)

	Plant Retired	Gross Salvage Percent	Salvage Amount	Cost of Removal Percent	Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	67416*	25.7**	17326	8.1**	5461	17.6
FUTURE	112439#	10.0##	11244	5.0##	5622	5.0
TOTAL AVERAGE	179855	15.9	28570	6.2	11083	9.7

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/27/99 - 07.50.09
 Report : TABLEAB
 HIST1998, HPSC1999

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	107882501	1276050	509589	39.9	187918	14.7	25.2
1998	112438753	1411459	165673	11.7	338952	24.0	-12.3
Grand Total		22906230	5878798	25.7	1865337	8.1	17.5
1988-1998 @@		22906230	5878798	25.7	1865337	8.1	17.5
1989-1998 **		21491613	5526355	25.7	1821287	8.5	17.2

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/27/99 - 07.50.09
 Report : TABLEAB
 HIST1998, HPSC1999

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	8726725	2711977	31.1	1071533	12.3	18.8
1996	7349741	2479081	33.7	1230903	16.7	17.0

Run Date : 07/27/99 - 07.50.27
 Report : RETRATIO
 HPSC1999

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	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	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	305889545	3164915	.01035
1997	107882501	106771278	1276050	.01195	96-98	319364457	3379528	.01058
1998	112438753	110160627	1411459	.01281				

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 actual 1/1/99 investment and reserve in the Pole account are shown in Table 1.

Investment and Reserve Statistics

	Invest. <u>(\$M)</u>	Res. <u>(\$M)</u>	Res. <u>(%)</u>
Florida	147.1	54.8	37.2

Table 1

Table 2 is a listing of the number of poles in service over a six-year period.

<u>YEAR</u>	<u>FLORIDA</u>
1993	448,326
1994	449,979
1995	458,945
1996	457,305
1997	454,608
1998	447,387

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 36-year projection life based on an analysis of historical data and long-range company plans. The graduated curve shape for the 1995-1997 band with the least absolute retirement differences to total data is selected.

Company : BellSouth Telecommunications
State : Florida
Account : 2411
Category : Poles

Future Net Salvage

The Company is selecting a future net salvage percent of -55%. The future net salvage value is based on Table B five year banded average and on future salvage expectations for the Pole account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2411.0000
CATEGORY : POLES

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January 1, 1999

Run Date : 07/27/99 - 07.46.09
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2411.0000
 Category : Poles

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	144,517,039	147,130,400	
Adjustment	0	0	
Study	144,517,039	147,130,400	
% Tot. Depr. Plant	1.30	1.25	
Depr. Reserve (\$)	49,079,249	54,774,623	
(%)	34.0	37.2	
P-Life/AYFR (Yrs)			
Poles	34.0	36.0	
Curve			
Poles	1994-1996 MORT	1995-1997 MORT	
c	1.03000000E+00	1.05000000E+00	
G	-9.35254580E-02	-1.02851280E-02	
S	-2.25398200E-03	-4.19851080E-03	
Whole Life (Yrs)	34.0	34.0	
Avg. Net Salv. (%)	-57	-54	
WL Rate (%)	4.6	4.5	
Composite Rem Life (Yrs)	27.0	27.0	
Fut. Net Salv. (%)	-60	-55	
Composite RL Rate (%)	4.7	4.4	
Intrastate Factor (%)	74.62	74.62	

@ Estimated Investment and Reserve

Run Date : 07/27/99 - 07.46.37
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99				Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D					
ELG 1998	.5	5540580	.9944	.50	14.14	14.64	378563	5351299	
VG 1997	1.5	3284228	.9732	1.47	35.28	35.80	91749	3236504	
VG 1996	2.5	5037899	.9771	2.47	34.79	36.46	138195	4807452	
VG 1995	3.5	3814028	.9392	3.36	34.30	35.57	107217	3677147	
VG 1994	4.5	5780852	.9456	4.38	33.80	36.34	159066	5376783	
VG 1993	5.5	11395571	.9560	5.38	33.31	37.22	306146	10196259	
VG 1992	6.5	8300830	.9237	6.29	32.81	36.59	226867	7442474	
VG 1991	7.5	5297095	.9263	7.18	32.30	37.11	142750	4611276	
VG 1990	8.5	4555666	.9083	8.08	31.80	36.96	123267	3919681	
VG 1989	9.5	5174962	.9172	9.10	31.29	37.80	136902	4283817	
VG 1988	10.5	5914331	.8977	9.92	30.78	37.55	157486	4847658	
VG 1987	11.5	6319353	.8888	10.83	30.27	37.74	167456	5068920	
VG 1986	12.5	5249772	.8924	11.87	29.76	38.43	136617	4065292	
VG 1985	13.5	6015878	.8830	12.73	29.24	38.55	156067	4563685	
VG 1984	14.5	7451717	.8137	12.81	28.73	36.18	205939	5915624	
VG 1983	15.5	6672986	.8317	13.98	28.21	37.44	178242	5027720	
VG 1982	16.5	7245139	.7905	14.38	27.69	36.27	199747	5530644	
VG 1981	17.5	6001511	.7533	14.82	27.17	35.28	170107	4621504	
VG 1980	18.5	4385487	.7283	15.31	26.65	34.72	126319	3366066	
VG 1979	19.5	3431359	.7254	16.28	26.13	35.24	97384	2544269	
VG 1978	20.5	2769399	.7162	17.15	25.60	35.49	78037	1998095	
VG 1977	21.5	2288445	.7079	17.99	25.08	35.75	64010	1605555	
VG 1976	22.5	2087655	.7156	18.87	24.56	36.44	57286	1407021	
VG 1975	23.5	1719854	.6664	19.16	24.04	35.18	48890	1175324	
VG 1974	24.5	1456400	.6385	19.38	23.52	34.40	42338	995791	
PRIOR		19939403	.4019	24.02	17.90	33.35	597804	10699527	
Totals		147130400					4294451	116335387	
Composites			.74494@		27.08970*	34.26059#			

Plife: 36.0

c = +1.05000000E+00 G = -1.02851280E-02 S = -4.19851080E-03 Unscaled
 c = +1.06707514E+00 G = -1.02851280E-02 S = -5.58664127E-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 / 197506058

January 1, 1999

Run Date : 07/27/99 - 07.46.55
 Report : GENRTBL2, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2411.0000
 Category : Poles

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

Plife = 36.0

C = +1.05000000E+00 G = -1.02851280E-02 S = -4.19851080E-03 Unscaled
 C = +1.06707514E+00 G = -1.02851280E-02 S = -5.58664127E-03 Scaled

Beginning Of Year ----- Age A	Amount In Service B	Amount Retired During Year (Life Group) C=B-Next B	Age of Retired Amount D	Annual Accruals For BOY Age A		Ser- vice Life G=B/F	Remaining Life	
				Each Life Groups E=C/D	All Remaining Groups F*		ELG Life H=G-A	VG Life I#
.0	100000	719	.5	1437	8221	12.16	12.16	36.00
.5	99281	1430	1.0	1430	6783	14.64	14.14	35.76
1.5	97852	1420	2.0	710	5354	18.28	16.78	35.28
2.5	96432	1410	3.0	470	4644	20.77	18.27	34.79
3.5	95022	1401	4.0	350	4174	22.77	19.27	34.30
4.5	93620	1393	5.0	279	3824	24.49	19.99	33.80
5.5	92227	1385	6.0	231	3545	26.02	20.52	33.31
6.5	90842	1378	7.0	197	3314	27.41	20.91	32.81
7.5	89464	1371	8.0	171	3117	28.70	21.20	32.30
8.5	88093	1365	9.0	152	2946	29.90	21.40	31.80
9.5	86727	1360	10.0	136	2794	31.04	21.54	31.29
10.5	85367	1355	11.0	123	2658	32.12	21.62	30.78
11.5	84012	1351	12.0	113	2535	33.14	21.64	30.27
12.5	82660	1348	13.0	104	2422	34.13	21.63	29.76
13.5	81312	1345	14.0	96	2319	35.07	21.57	29.24
14.5	79967	1343	15.0	90	2222	35.98	21.48	28.73
15.5	78625	1341	16.0	84	2133	36.86	21.36	28.21
16.5	77283	1341	17.0	79	2049	37.72	21.22	27.69
17.5	75942	1341	18.0	74	1970	38.55	21.05	27.17
18.5	74602	1341	19.0	71	1896	39.35	20.85	26.65
19.5	73260	1343	20.0	67	1825	40.14	20.64	26.13
20.5	71918	1345	21.0	64	1758	40.91	20.41	25.60
21.5	70573	1348	22.0	61	1694	41.66	20.16	25.08
22.5	69225	1351	23.0	59	1633	42.40	19.90	24.56
23.5	67874	1355	24.0	56	1574	43.12	19.62	24.04
24.5	66519	1360	25.0	54	1518	43.83	19.33	23.52
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)

January 1, 1999

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Run Date : 07/27/99 - 07.47.50
 Report : RETRATIO
 HPSC1999

Company : BellSouth Telecommunications
 State : Florida
 Account : 2411.0000
 Category : Poles

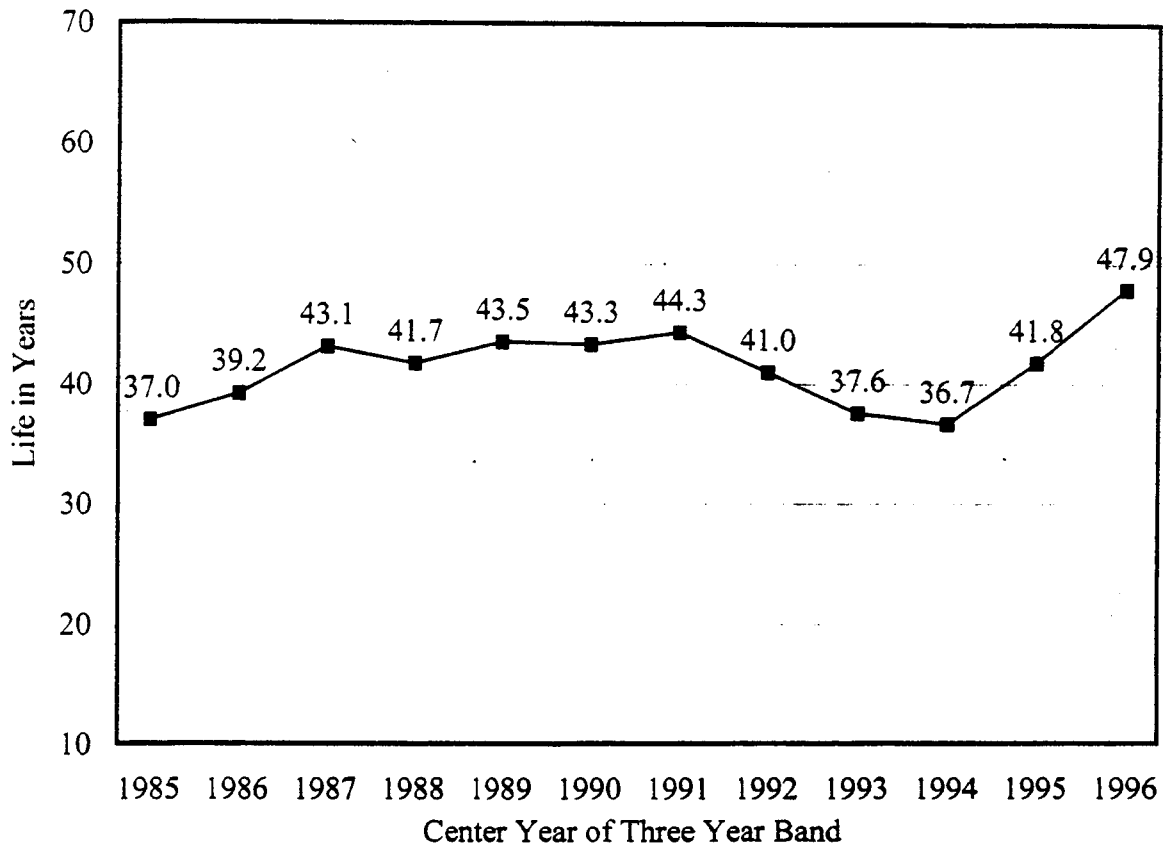
Development of Retirement Ratios -- Total Retirements

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
1984	79649276							
1985	85275392	82462334	1176253	.01426				
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	418526830	4367412	.01044
1997	143675011	142503525	1224197	.00859	96-98	427421481	4137153	.00968
1998	147130400	145402706	1517788	.01044				

January 1, 1999

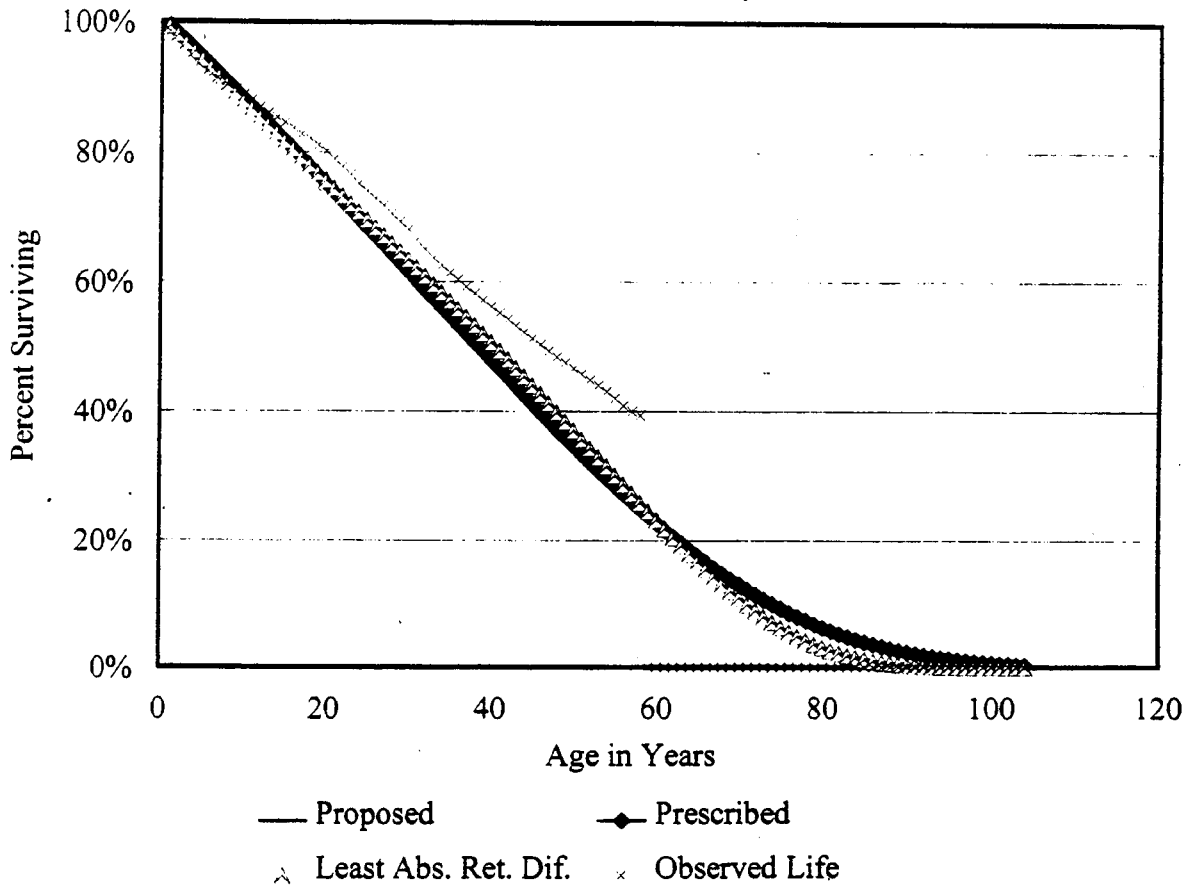
Company : BellSouth Telecommunications
State : Florida
Account : 2411
Category : Poles

Average Life Indications Full Mortality



Company : BellSouth Telecommunications
 State : Florida
 Account : 2411.0000
 Category : Poles

Curve Shape Analysis Plot



Method = MORT 1995-1997 BAND T CUT = 58
 c = +1.05000000E+00 G = -1.02851280E-02 S = -4.19851080E-03

CurveS Scaled to the Observed Life of 39.63

Run Date : 07/27/99 - 07.47.24
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2411.0000
 Category : Poles

Average Net Salvage
 as of January 1999
 (\$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	50376*	7.8**	3929	58.6**	29520	-50.8
FUTURE	147130#	5.0##	7357	60.0##	88278	-55.0
TOTAL	197506		11286		117798	
AVERAGE		5.7		59.6		-53.9

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/27/99 - 07.47.30
 Report : TABLEAB
 HIST1998, HPSC1999

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
1973*	391659417	17583325	2056393	11.7	6020621	34.2	-22.5
1974	31902026	648950	36028	5.6	553864	85.3	-79.8
1975	33839009	595362	42291	7.1	584666	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	143675011	1224197	0	.0	550530	45.0	-45.0
1998	147130400	1517788	0	.0	651198	42.9	-42.9
Grand Total		45188938	3520242	7.8	26498721	58.6	-50.8
1945-1998 @@		45188938	3520242	7.8	26498721	58.6	-50.8
1989-1998 **		15237870	426063	2.8	10235896	67.2	-64.4

* Represents 1973 and prior years

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/27/99 - 07.47.30
 Report : TABLEAB
 HIST1998, HPSC1999

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
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	9221541	96932	1.1	5648680	61.3	-60.2
1996	7419621	66948	.9	4183026	56.4	-55.5

January 1, 1999

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.

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. As our customers' need for communication capacity increases, BellSouth continues to implement communication links with greater bandwidth. In most cases this involves the deployment of fiber cable which augments or replaces existing metallic cable.

Our customers are making greater use of BellSouth's network as they link their home PCs to the Internet, their business PCs to each other, and as they talk, fax and meet electronically. Not only is the demand for capacity accelerating, the need for reliability and security is increasing. The deployment of fiber in the transport network addresses all these concerns. Through the use of multiplexing equipment, single fibers can carry millions of voice and data channels. With the application of alternate routing schemes such as ring architectures, these channels are not interrupted

even when a link is broken. Furthermore, these channels are not susceptible to eavesdropping, as are channels on wireless and copper cable.

Fiber optic cable was introduced as a substitute for copper in the public network infrastructure in the late 1970's and early 1980's. Due to the characteristics of each network segment, fiber began substituting for copper in the interoffice arena first, followed by the feeder (about 1982), and finally the distribution. Today fiber is the first choice in the interoffice, the feeder, and in new residential areas and total rehabilitation undertakings in the distribution network. While fiber offers needed capacity and other features, it is also the best economic choice in these situations. Further, as the installed first cost of fiber improves with regard to metallic cable, the deployment of fiber in the distribution area will increase.

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 1997", it continues to lead most Regional Bell Operating Companies, and all other local telephone exchange carriers, 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.

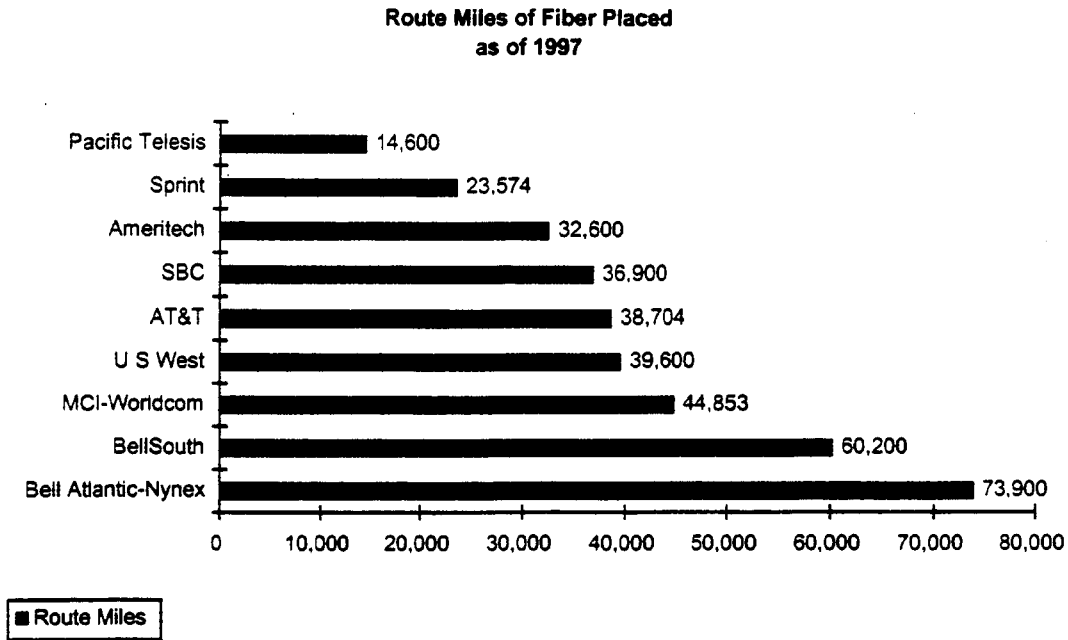


Figure 1

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. Though interrelated, the architecture of each component evolves at its own pace.

Interoffice

Description: The interoffice infrastructure provides the communication links between central office switching centers.

Substitution Dynamics: In the Interoffice segment, fiber has nearly replaced all the copper cable.

Background: In 1982 fiber represented 1% of the interoffice circuits and was initially deployed for new growth, often paralleling copper cables. The increased capacity of fiber made existing metallic circuit facilities requiring replacement due to attrition ready candidates for cutover to existing fiber routes. As the cost of fiber came down, fiber placement became the economic choice for rehabilitation/modernization and general replacement of the embedded copper base.

Current Trend: Fiber optic cable deployment for metallic copper in the interoffice network is now a well established technological substitution with over 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.

Drivers: The primary driver is economics (fiber is the clear winner over copper), but closely linked is the need for 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.

Future Expectation: 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 2001.

**Life Analysis
 BellSouth Interoffice Fiber Deployment**

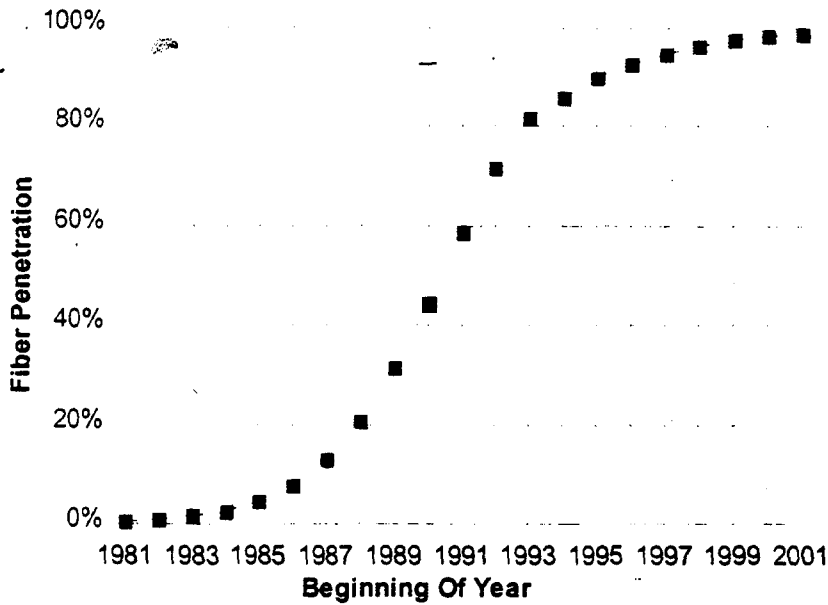


Figure 2

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.

Due to the high penetration levels of fiber, no new metallic cables are being placed in the IOF. As of 1/1/99, the average remaining life (ARL) of Interoffice network metallic cable is 1.7 years (Table 1).

Development of IOF Metallic Cable Remaining Life

<u>BOY</u> <u>Year</u> A	<u>Survival</u> <u>Rate</u> B	BST Pre-1999 Percent <u>Surviving</u> C
1999	70.10%	1.00000
2000	69.94%	0.70830
2001	00.00%	0.49623

IOF ARL = Sum (col C) / C[1999] - 0.5 = 1.7 Years

Table 1

Feeder

Description: The feeder segment provides the first link in the "loop" from switching centers toward customer locations.

Substitution Dynamics: As in the IOF, fiber is replacing copper. Following an early, rapid ramp-up, the rate of displacement has slowed but is expected to increase in the next two to three years.

Background: In 1982 fiber began penetrating the feeder loop. As with IOF, fiber in the feeder network was initially deployed for new growth, often paralleling copper cables. The bandwidth capacity of fiber makes embedded metallic circuits ready candidates for cutover to existing fiber routes. Many feeder routes were ideal targets for replacement, and therefore, there was an early surge in copper displacement. Overall, however, the substitution rate of fiber in the feeder for copper is slower than in the IOF. The slower fiber deployment rate is attributable to the fact that the feeder has shorter routes and lower traffic concentrations than the IOF. While fiber remains the clear economic choice for modernization and general replacement of the existing copper base, the rate of deployment has decreased slightly during the last two years.

Current Trend: Today, fiber cables are the first choice for all new feeder cable placements and terminations. No new copper cables are to be terminated at central offices. Approximately 26% of BellSouth's working feeder circuits are now on fiber.

Drivers: As in the interoffice, fiber optics in the feeder network have economic and technological advantages over copper. First cost and operational maintenance savings are the key economic considerations today. Fiber and fiber-related electronic costs are decreasing as the technology matures. Maintenance savings are derived from fiber systems' high bandwidth and range capabilities - fewer electronics are needed for even greater capacity.

Diversity in the loop is increasingly becoming a necessity, and is achieved through separate paths and a means to switch to the protection path in the event of an outage. Although asynchronous systems were used in the past, SONET-based facilities (e.g., NGDLC or Next Generation Digital Loop Carrier) are employed primarily today. 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.

Future Expectation: By the turn of the century, demand for DS-1 (Digital Signal-1, 1.544 mbs) and greater levels of service will be ubiquitous across the network. While conditioned copper facilities can accommodate DS-1 levels of service, ubiquitous demand will drive increasing fiber deployment rather than conditioning of existing copper facilities. Fiber-In-The-Feeder (FITF) deployment is required to meet this anticipated demand and to compete with alternative providers on an economic basis. Therefore, we expect that fiber deployment in the feeder will accelerate again around 2001.

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 2010.

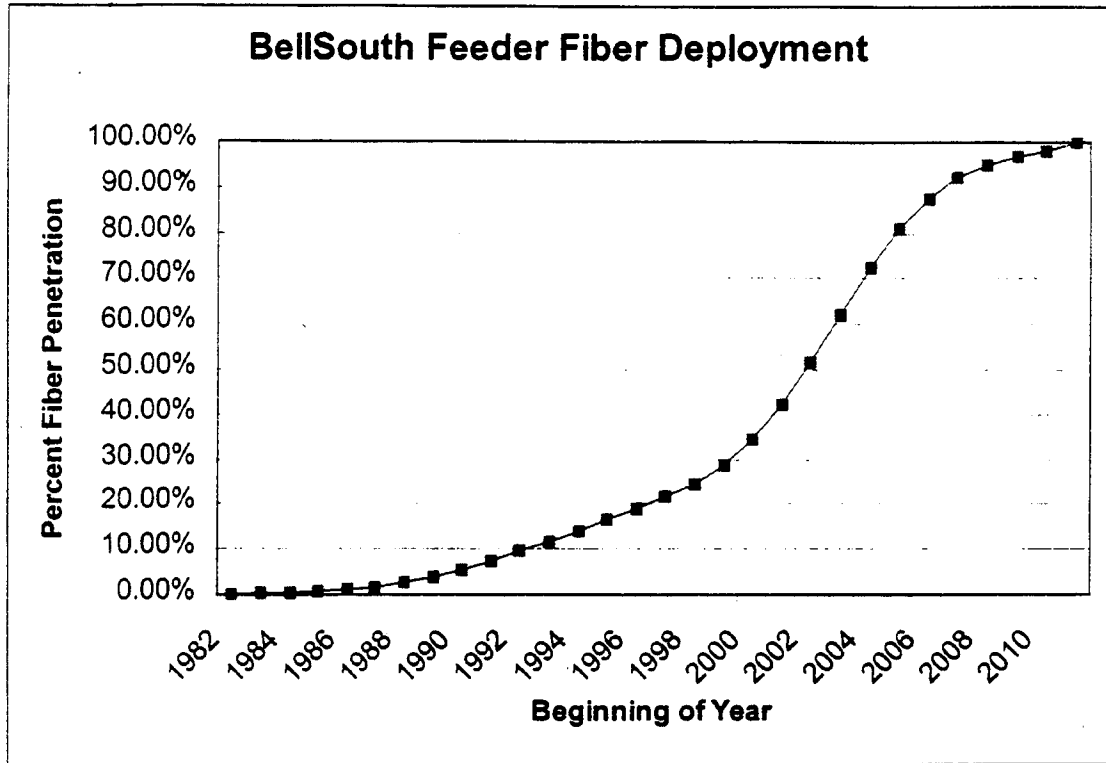


Figure 3

The average remaining life (ARL) of embedded Feeder network metallic cable as of 1/1/99 is 4.9 years. Table 2 shows the development of the average remaining life.

Development of FDR Metallic Cable Remaining Life

<u>BOY</u> <u>Year</u> A	<u>Survival</u> <u>Rate</u> B	BST Pre-1999 Percent <u>Surviving</u> C
1999	0.9297	100.0%
2000	0.9050	93.0%
2001	0.8676	84.1%
2002	0.8206	73.0%
2003	0.7685	59.9%
2004	0.7180	46.0%
2005	0.6749	33.1%
2006	0.6418	22.3%
2007	0.6184	14.3%
2008	0.6026	8.9%
2009	0.5923	5.3%
2010	0.5856	3.2%
2011	0.0000	1.9%

FDR ARL = Sum (col C) / C[1999] - 0.5 = 4.9 Years

Table 2

Distribution

Description: The distribution is often referred to as the “last mile” to the customer. In residential areas and 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.

Substitution Dynamics: The distribution network is essentially a copper-based network in the introductory stages of fiber-in-the-loop (FITL) deployment. Competing for the same customer base are the wireless services such as cellular/PCS. The combination of fiber and wireless substituting for copper results in a multiple substitution scenario.

Background: General deployment of fiber in the distribution began the 3rd Quarter of 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 that extend fiber to an area of no more than several hundred customers.

Regarding the impact of wireless services, cellular and PCS have been viewed until now as complimentary services to wireline. However, as wireless prices continue to decline, it is likely that wireless will substitute for wireline, first in usage then in access.

Current Trend: 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 DSL and new PC-data services via the existing FITL architecture, will make FITL even more attractive.

Predicting how and when wireless will substitute for wireline is as difficult as deciphering cellular/PCS price plans. However, it is likely that \$30 per month price plans that include around 250 minutes of use will be common in the near future. At this level direct substitution of wireless for wireline is likely.

Drivers: 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 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.

Future Expectation: 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 2016.

Life Analysis
BellSouth Distribution Fiber Deployment

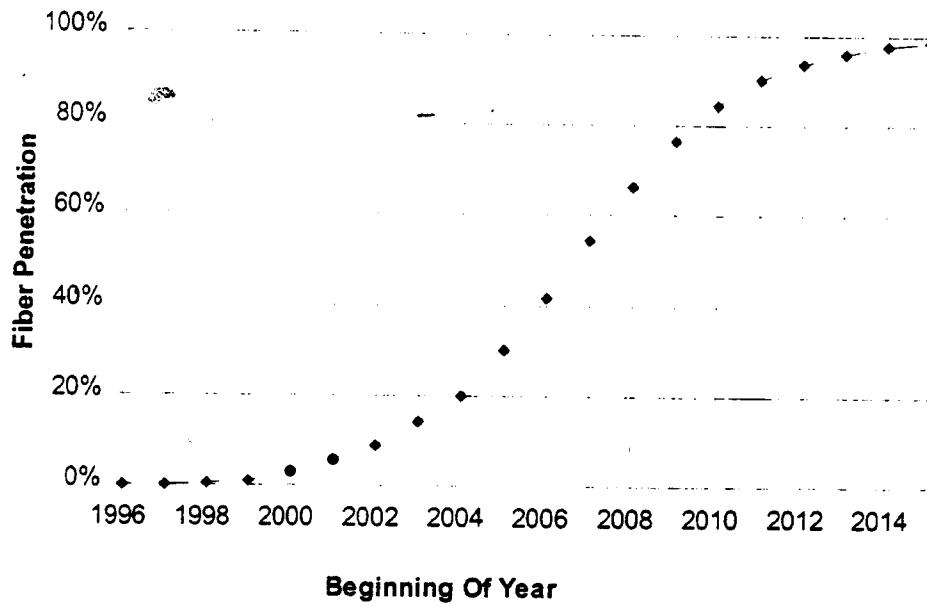


Figure 4

The average remaining life (ARL) of embedded Distribution network metallic cable as of 1/1/99 is 7.1 years. Table 3 shows the development of the Distribution average remaining life.

Development of DIST Metallic Cable Remaining Life

<u>BOY</u> <u>Year</u> A	<u>Survival</u> <u>Rate</u> B	BST Pre-1999 Percent Surviving Access Lines (000) C
1999	96.55%	100.00%
2000	95.98%	96.55%
2001	95.34%	92.67%
2002	92.71%	88.35%
2003	91.29%	81.91%
2004	85.66%	74.78%
2005	81.53%	64.06%
2006	75.69%	52.22%
2007	70.88%	39.53%
2008	65.42%	28.02%
2009	60.93%	18.33%
2010	59.29%	11.17%
2011	58.39%	6.62%
2012	57.31%	3.87%
2013	56.57%	2.22%
2014	56.03%	1.25%
2015	55.61%	0.70%
2016	56.08%	0.39%
2017	00.00%	0.00%

DIST ARL = Sum (col C) / C[1999] - 0.5 = 7.1 Years

Table 3

Life Proposal (Plives and ARL's)

Vintage Group (VG) remaining lives were calculated based on estimated 1/1/99 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 in Florida.

Projection lives underlying remaining lives were determined 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. 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
 1/1/99

State	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
Florida	11.16	88.70	0.14	100.00	4.9	7.1	1.7	6.8	13.0
Aerial	11.16	88.70	0.14	100.00	4.9	7.1	1.7	6.8	13.0
Underground	94.69	5.12	0.19	100.00	4.9	7.1	1.7	5.0	12.8
Buried	22.51	77.31	0.18	100.00	4.9	7.1	1.7	6.6	15.0

Notes:

1. $h = (a * e) + (b * f) + (c * g)$
2. I = Underlying Plife for the VG ARL

Table 4

AERIAL CABLE -
METALLIC

Company : BellSouth Telecommunications
 State : Florida
 Account : 2421.1000
 Category : Aerial Cable Metal

Account Description

The Aerial Cable Metal 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 Statistics

1-1-99 investment and reserve in the Aerial Cable Metal Account are shown below in Table 1.

<u>State</u>	<u>Invest (\$M)</u>	<u>% of Depr Plant</u>	<u>Reserve (\$M)</u>	<u>Reserve %</u>
Florida	776.2	6.6	510.0	65.7

Table 1

Life Summary and 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 1995-1997 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 METALLIC

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January 1, 1999

Run Date : 07/22/99 - 15.21.42
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2421.1000
 Category : Aerial Cable Metal

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	749,266,848	776,213,504	
Adjustment	0	0	
Study	749,266,848	776,213,504	
% Tot. Depr. Plant	6.74	6.61	
Depr. Reserve (\$)	467,443,756	509,985,831	
(%)	62.4	65.7	
P-Life/AYFR (Yrs)			
Aerial Cable Metal	14.0	14.0	
Curve			
Aerial Cable Metal	1994-1996 MORT	1995-1997 MORT	
c	1.02000000E+00	1.04000000E+00	
G	-1.18860420E+00	-1.56106240E-01	
S	2.14624200E-02	3.77364150E-03	
Whole Life (Yrs)	16.4	15.9	
Avg. Net Salv. (%)	-13	-13	
WL Rate (%)	6.9	7.1	
Composite Rem Life (Yrs)	8.3	7.4	
Fut. Net Salv. (%)	-14	-14	
Composite RL Rate (%)	6.2	6.5	
Intrastate Factor (%)	74.62	74.62	

@ Estimated Investment and Reserve

Run Date : 07/22/99 - 15.22.15
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	31492109	.9950	.50	8.33	8.83	3565653	29709283
VG 1997	1.5	28799376	.9920	1.49	12.81	14.20	2027628	25979626
VG 1996	2.5	31609258	.9890	2.49	12.06	14.42	2192602	26447829
VG 1995	3.5	33834516	.9759	3.46	11.34	14.53	2329195	26423475
VG 1994	4.5	28325446	.9718	4.43	10.66	14.79	1915363	20415225
VG 1993	5.5	45283147	.9615	5.39	10.00	15.01	3016625	30179108
VG 1992	6.5	44376162	.9017	6.10	9.38	14.56	3048274	28594520
VG 1991	7.5	30018045	.9188	7.14	8.79	15.22	1972870	17335347
VG 1990	8.5	29642642	.9049	8.04	8.22	15.49	1914268	15739971
VG 1989	9.5	29837310	.9324	9.16	7.69	16.33	1827292	14045579
VG 1988	10.5	33538533	.8750	9.85	7.18	16.13	2079168	14925111
VG 1987	11.5	37845698	.8716	10.80	6.70	16.63	2275441	15239118
VG 1986	12.5	35658509	.8482	11.65	6.24	16.95	2104251	13135087
VG 1985	13.5	41893216	.8396	12.51	5.81	17.39	2408430	13998832
VG 1984	14.5	53553434	.8281	13.29	5.41	17.77	3014465	16299698
VG 1983	15.5	38574731	.8172	13.86	5.03	17.97	2146580	10787637
VG 1982	16.5	37429629	.8032	14.82	4.67	18.57	2015425	9405151
VG 1981	17.5	38380308	.7337	15.38	4.33	18.55	2068798	8956928
VG 1980	18.5	31322011	.6330	14.76	4.01	17.30	1810175	7265087
VG 1979	19.5	20303319	.6246	15.68	3.72	18.01	1127630	4191992
VG 1978	20.5	12999194	.5727	15.84	3.44	17.81	729959	2511656
VG 1977	21.5	8453571	.5611	16.59	3.18	18.38	460028	1464028
VG 1976	22.5	6994553	.5273	16.93	2.94	18.48	378439	1113232
VG 1975	23.5	4708200	.4420	16.60	2.72	17.80	264503	718780
VG 1974	24.5	4572589	.4231	17.05	2.51	18.12	252415	633342
PRIOR		36767998	.2639	21.42	1.56	20.68	1778122	2773289
Totals		776213504					48723599	358288931
Composites			.75471@		7.35350*	15.93096#		

Plife: 14.0

c = +1.04000000E+00 G = -1.56106240E-01 S = +3.77364150E-03 Unscaled
 c = +1.09890764E+00 G = -1.56106240E-01 S = +9.07472437E-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 / 1028486389

January 1, 1999

Run Date : 07/22/99 - 15.22.42
 Report : GENRTBL2, 99P1999A

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 = +1.04000000E+00 G = -1.56106240E-01 S = +3.77364150E-03 Unscaled
 C = +1.09890764E+00 G = -1.56106240E-01 S = +9.07472437E-03 Scaled

Beginning Of Year		Amount		Annual Accruals For BOY Age A			Remaining Life	
Age	Amount In Service A	Retired During Year (Life Group) C=B-Next B	Age of Retired Amount 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	689	.5	1377	12622	7.92	7.92	14.00
.5	99311	1613	1.0	1613	11244	8.83	8.33	13.60
1.5	97699	1940	2.0	970	9632	10.14	8.64	12.81
2.5	95758	2281	3.0	760	8661	11.06	8.56	12.06
3.5	93477	2632	4.0	658	7901	11.83	8.33	11.34
4.5	90845	2989	5.0	598	7243	12.54	8.04	10.66
5.5	87856	3346	6.0	558	6645	13.22	7.72	10.00
6.5	84510	3697	7.0	528	6088	13.88	7.38	9.38
7.5	80813	4036	8.0	504	5559	14.54	7.04	8.79
8.5	76777	4353	9.0	484	5055	15.19	6.69	8.22
9.5	72425	4639	10.0	464	4571	15.84	6.34	7.69
10.5	67785	4886	11.0	444	4107	16.50	6.00	7.18
11.5	62899	5084	12.0	424	3663	17.17	5.67	6.70
12.5	57815	5223	13.0	402	3240	17.85	5.35	6.24
13.5	52592	5295	14.0	378	2838	18.53	5.03	5.81
14.5	47297	5293	15.0	353	2460	19.23	4.73	5.41
15.5	42004	5212	16.0	326	2107	19.94	4.44	5.03
16.5	36792	5050	17.0	297	1781	20.66	4.16	4.67
17.5	31742	4810	18.0	267	1484	21.39	3.89	4.33
18.5	26932	4496	19.0	237	1217	22.14	3.64	4.01
19.5	22436	4118	20.0	206	980	22.89	3.39	3.72
20.5	18318	3689	21.0	176	774	23.66	3.16	3.44
21.5	14629	3227	22.0	147	598	24.45	2.95	3.18
22.5	11402	2749	23.0	120	452	25.24	2.74	2.94
23.5	8653	2276	24.0	95	332	26.05	2.55	2.72
24.5	6376	1827	25.0	73	237	26.86	2.36	2.51
Total		100000						

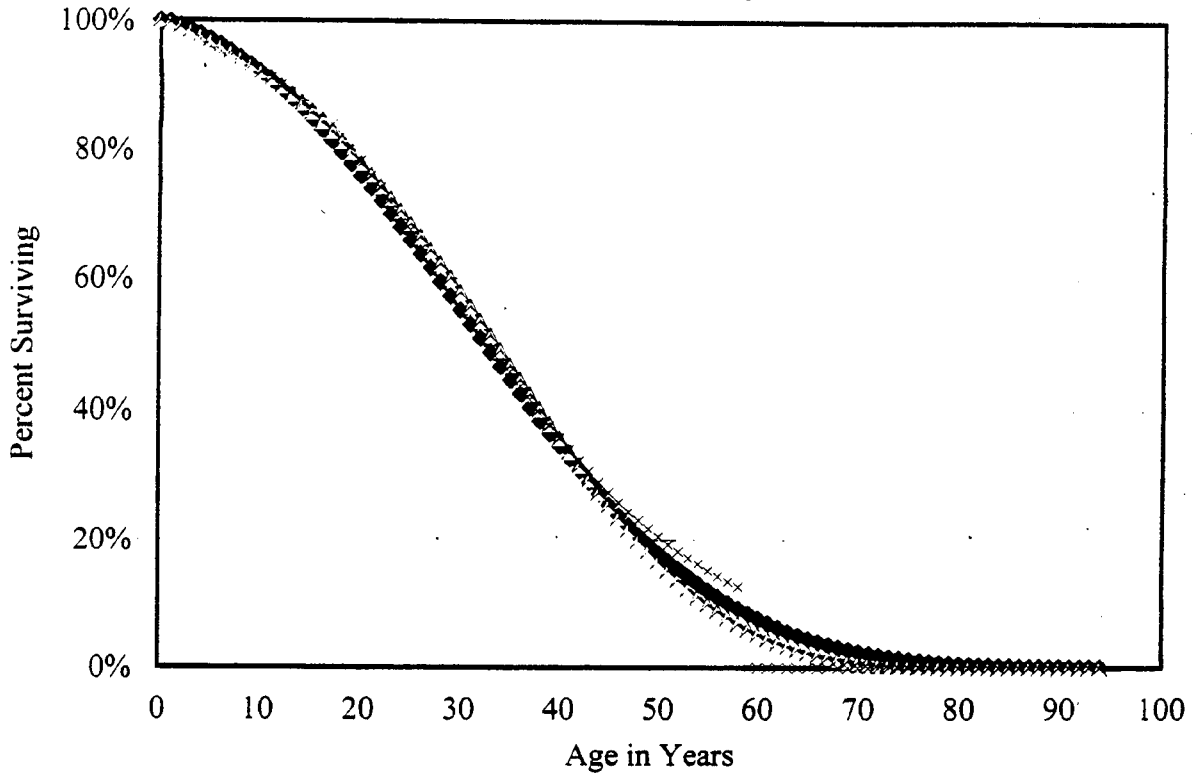
* F(AGE A) = Sum of Col. E from Age A through End

I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

January 1, 1999

Company : BellSouth Telecommunications
 State : Florida
 Account : 2421.1000
 Category : Aerial Cable Metal

Curve Shape Analysis Plot



— Proposed ◆ Prescribed
 ▲ Least Abs. Ret. Dif. × Observed Life

Method = MORT 1995-1997 Band T = 58
 c = +1.04000000E+00 G = -1.56106240E-01 S = +3.77364150E-03

Curves Scaled to the Observed Life of 33.07

January 1, 1999

Run Date : 07/22/99 - 15.23.05
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2421.1000
 Category : Aerial Cable Metal

Average Net Salvage
 as of January 1999
 (\$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	252273*	15.0**	38345	24.6**	61302	-9.6
FUTURE	776214#	3.0##	23286	17.0##	131956	-14.0
TOTAL	1028487		61631		193258	
AVERAGE		5.9		18.9		-12.9

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/22/99 - 15.23.12
 Report : TABLEAB
 HIST1998, HPSC1999

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
1973*	644587264	20783547	4627617	22.3	4836422	23.3	-1.0
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	748536818	5541305	701675	12.7	1644051	29.7	-17.0
1998	776213504	5687029	417897	7.3	1868384	32.9	-25.5
Grand Total		232229876	34944827	15.0	57106557	24.6	-9.5
1945-1998 @@		232229876	34944827	15.0	57106557	24.6	-9.5
1989-1998 **		116026635	13624058	11.7	23326055	20.1	-8.4

* Represents 1973 and prior years

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

January 1, 1999

Run Date : 07/22/99 - 15.23.12
 Report : TABLEAB
 HIST1998, HPSC1999

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 (\$) D	Cost of Removal Percent D/A E	Percent Net Salvage (B-D)/A F
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	63654237	8320892	13.1	12652325	19.9	-6.8
1996	42407216	6518864	15.4	10141673	23.9	-8.5

Run Date : 07/22/99 - 15.23.32
 Report : RETRATIO
 HPSC1999

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
1984	431920252							
1985	471748502	451834377	10620666	.02351				
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	2140280342	27377094	.01279
1997	748536818	736367333	5541305	.00753	96-98	2211940760	20223677	.00914
1998	776213504	762375161	5687029	.00746				

AERIAL CABLE -
FIBER

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 Statistics

1-1-99 investment and reserve in the Aerial Cable Fiber Account are shown below in Table 1.

<u>State</u>	<u>Invest</u> <u>(\$M)</u>	<u>% of</u> <u>Depr</u> <u>Plant</u>	<u>Reserve</u> <u>(\$M)</u>	<u>Reserve</u> <u>%</u>
Florida	44.0	0.4	8.7	19.8

Table 1

Life Summary and 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 selected a projection life for fiber optic cable of 20.0 years.

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 selected curve shapes which satisfied the least absolute retirement difference in the latest 3 year (1995 - 1997) aerial metallic band.

Company : BellSouth Telecommunications
State : Florida
Account : 2421.2000
Category : Aerial Cable Fiber

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 selected a future net salvage of -14%.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : AERIAL CABLE FIBER
CATEGORY : 2421.2000

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January 1, 1999

Run Date : 07/22/99 - 15.57.44
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2421.2000
 Category : Aerial Cable Fiber

Account Parameter Summary
 =====

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
	=====	=====	=====
Investment Bal (\$)			
Form M	39,950,671	44,010,283	
Adjustment	0	0	
Study	39,950,671	44,010,283	
% Tot. Depr. Plant	.36	.37	
Depr. Reserve (\$)	6,656,246	8,713,953	
(%)	16.7	19.8	
P-Life/AYFR (Yrs)			
Aerial Cable Fiber	20.0	20.0	
Curve			
Aerial Cable Fiber	1994-96 AER MET	1995-97 AER MET	
c	1.02000000E+00	1.04000000E+00	
G	-1.18860420E+00	-1.56106240E-01	
S	2.14624200E-02	3.77364150E-03	
Whole Life (Yrs)	19.9	18.5	
Avg. Net Salv. (%)	-13	-13	
WL Rate (%)	5.7	6.1	
Composite Rem Life (Yrs)	16.8	15.1	
Fut. Net Salv. (%)	-14	-14	
Composite RL Rate (%)	5.8	6.2	
Intrastate Factor (%)	74.62	74.62	

@ Estimated Investment and Reserve

Run Date : 07/22/99 - 15.58.10
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	5876302	.9983	.50	11.60	12.10	485816	5633394
VG 1997	1.5	4254368	.9960	1.50	18.80	20.22	210375	3955261
VG 1996	2.5	6703089	.9914	2.49	18.03	20.37	329121	5934191
VG 1995	3.5	5021136	.9836	3.47	17.28	20.47	245276	4239114
VG 1994	4.5	3365732	.9528	4.36	16.56	20.14	167107	2767042
VG 1993	5.5	2853469	.9466	5.36	15.86	20.37	140100	2221514
VG 1992	6.5	3114835	.9321	6.28	15.18	20.43	152471	2314043
VG 1991	7.5	4078167	.9135	7.23	14.52	20.49	198995	2889257
VG 1990	8.5	4282857	.8104	7.56	13.88	18.81	227631	3160239
VG 1989	9.5	1899772	.8436	8.84	13.27	20.03	94825	1258167
VG 1988	10.5	770377	.8227	9.85	12.67	20.28	37991	481508
VG 1987	11.5	710724	.8915	11.01	12.10	21.80	32604	394541
VG 1986	12.5	568746	.7741	11.28	11.55	20.22	28134	324890
VG 1985	13.5	311604	.4780	11.06	11.01	16.33	19084	210194
VG 1984	14.5	71701	.0708	7.63	10.50	8.38	8558	89863
VG 1983	15.5	127404	.8759	14.98	10.01	23.74	5366	53689
Totals		44010283					2383454	35926907
Composites			.91322@		15.07346*	18.46492#		

Plife: 20.0

c = +1.04000000E+00 G = -1.56106240E-01 S = +3.77364150E-03 Unscaled
 c = +1.06824984E+00 G = -1.56106240E-01 S = +6.35230706E-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 / 48192650

Run Date : 07/22/99 - 15.58.29
 Report : GENRTBL2, 99P1999A

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 = +1.04000000E+00 G = -1.56106240E-01 S = +3.77364150E-03 Unscaled
 C = +1.06824984E+00 G = -1.56106240E-01 S = +6.35230706E-03 Scaled

Beginning Of Year		Amount		Annual Accruals For BOY Age A			Remaining Life	
Age	In Service	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#
A	B							
.0	100000	474	.5	948	9176	10.90	10.90	20.00
.5	99526	1062	1.0	1062	8228	12.10	11.60	19.59
1.5	98464	1219	2.0	610	7166	13.74	12.24	18.80
2.5	97245	1381	3.0	460	6557	14.83	12.33	18.03
3.5	95863	1548	4.0	387	6096	15.73	12.23	17.28
4.5	94315	1719	5.0	344	5709	16.52	12.02	16.56
5.5	92596	1892	6.0	315	5365	17.26	11.76	15.86
6.5	90704	2067	7.0	295	5050	17.96	11.46	15.18
7.5	88637	2242	8.0	280	4755	18.64	11.14	14.52
8.5	86395	2417	9.0	269	4474	19.31	10.81	13.88
9.5	83978	2588	10.0	259	4206	19.97	10.47	13.27
10.5	81389	2755	11.0	250	3947	20.62	10.12	12.67
11.5	78634	2916	12.0	243	3696	21.27	9.77	12.10
12.5	75718	3068	13.0	236	3453	21.93	9.43	11.55
13.5	72649	3210	14.0	229	3217	22.58	9.08	11.01
14.5	69439	3339	15.0	223	2988	23.24	8.74	10.50
15.5	66101	3452	16.0	216	2765	23.90	8.40	10.01
16.5	62649	3548	17.0	209	0	.00	.00	.00
17.5	59102	3623	18.0	201	0	.00	.00	.00
18.5	55478	3677	19.0	194	0	.00	.00	.00
19.5	51801	3708	20.0	185	0	.00	.00	.00
20.5	48093	3712	21.0	177	0	.00	.00	.00
21.5	44381	3690	22.0	168	0	.00	.00	.00
22.5	40691	3641	23.0	158	0	.00	.00	.00
23.5	37050	3564	24.0	148	0	.00	.00	.00
24.5	33486	3459	25.0	138	0	.00	.00	.00
Total		99997						

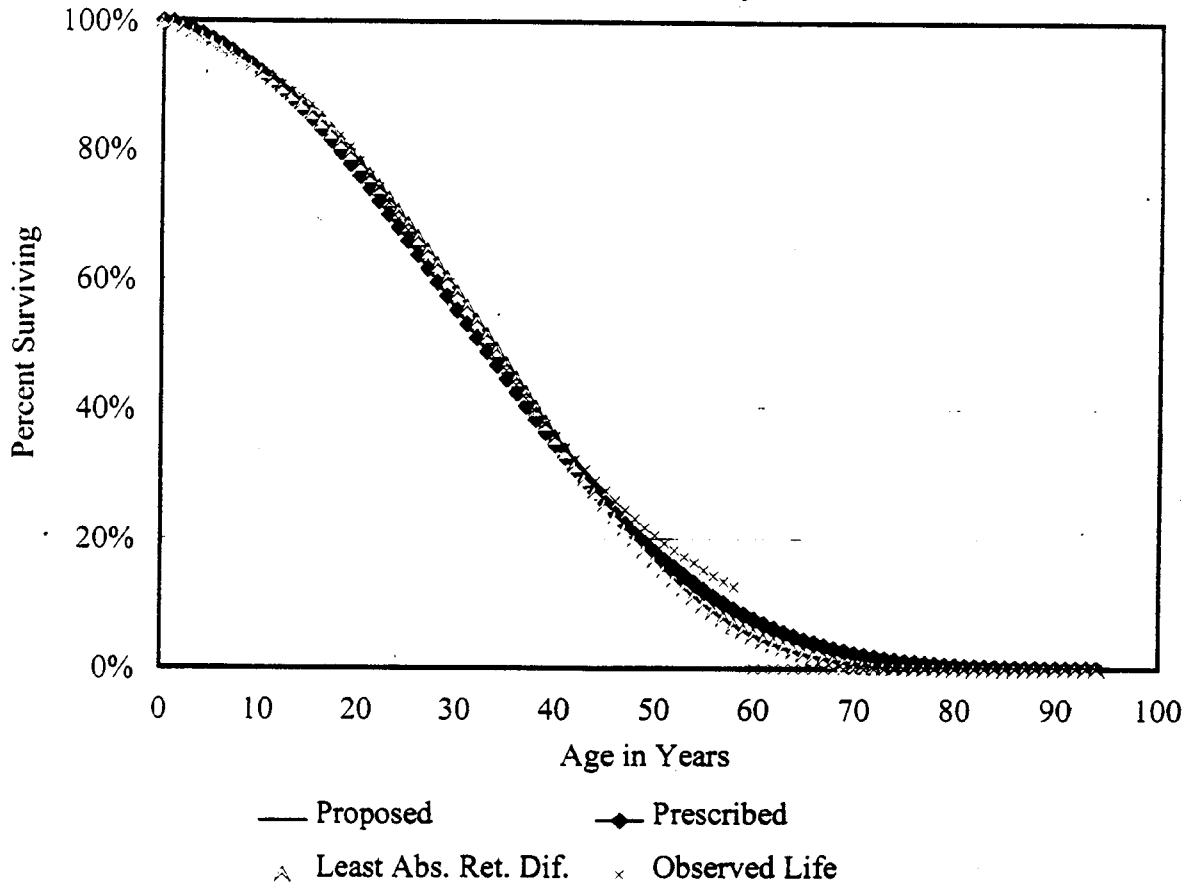
* F(AGE A) = Sum of Col. E from Age A through End

I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

January 1, 1999

Company : BellSouth Telecommunications
 State : Florida
 Account : 2421.2000
 Category : Aerial Cable Fiber

Curve Shape Analysis Plot



Method = MORT 1995-1997 Band T = 15
 c = +1.04000000E+00 G = -1.56106240E-01 S = +3.77364150E-03

Curves Scaled to the Observed Life of 12.59

January 1, 1999

Run Date : 07/22/99 - 15.58.51
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2421.2000
 Category : Aerial Cable Fiber

Average Net Salvage
 as of January 1999
 (\$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	4182*	1.8**	63	5.7**	222	-3.9
FUTURE	44010#	3.0##	1320	17.0##	7482	-14.0
TOTAL AVERAGE	48192	2.9	1383	16.0	7704	-13.1

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/22/99 - 15.58.58
 Report : TABLEAB
 HIST1998, HPSC1999

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	38732439	206951	0	.0	15966	7.7	-7.7
1998	44010283	407847	0	.0	48197	11.8	-11.8
Grand Total		4222700	75539	1.8	244902	5.8	-4.0
1988-1998 @@		4209917	74176	1.8	240716	5.7	-4.0
1989-1998 **		3912048	73304	1.9	218257	5.6	-3.7

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

Run Date : 07/22/99 - 15.58.58
 Report : TABLEAB
 HIST1998, HPSC1999

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	113994	5.5	-4.8
1994	-1459564	43256	-3.0	135289	-9.3	6.3
1995	2272443	43256	1.9	137168	6.0	-4.1
1996	2178868	39325	1.8	165557	7.6	-5.8

January 1, 1999

Run Date : 07/22/99 - 15.59.18
 Report : RETRATIO
 HPSC1999

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	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
1984	1566290							
1985	2254292	1910291	704	.00037				
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	94012596	1495877	.01591
1997	38732439	36623555	206951	.00565	96-98	109348938	1066658	.00975
1998	44010283	41371361	407847	.00986				

January 1, 1999

UNDERGROUND
CABLE - METALLIC

316

Company : BellSouth Telecommunications
 State : Florida
 Account : 2422.1000
 Category : Undergrd Cable Metal

Account Description

The Underground Cable Metal 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, terminals, and stubs served by underground cable.

Investment Statistics

1-1-99 investment and reserve in the Underground Cable Metal Account are shown below in Table 1.

<u>State</u>	<u>Invest (\$M)</u>	<u>% of Depr Plant</u>	<u>Reserve (\$M)</u>	<u>Reserve %</u>
Florida	738.7	6.3	685.6	92.8

Table 1

Life Summary and 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 proposes a Bell 2.0 curve as being predictive of the future retirement pattern of this account.

Salvage Proposal

The Company is selecting a future net salvage of -8%. BellSouth's future net salvage value is based on historical salvage and on future salvage expectations for the Underground Cable Metallic account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2422.1000
CATEGORY : UNDERGROUND CABLE METALLIC

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Retirement Ratios	9

January 1, 1999

Run Date : 07/22/99 - 15.00.46
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2422.1000
 Category : Undergrd Cable Metal

Account Parameter Summary
 =====

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
	=====	=====	=====
Investment Bal (\$)			
Form M	730,492,384	738,694,255	
Adjustment	0	0	
Study	730,492,384	738,694,255	
% Tot. Depr. Plant	6.57	6.29	
Depr. Reserve (\$)	659,810,221	685,606,300	
(%)	90.3	92.8	
P-Life/AYFR (Yrs)			
Undergrd Cable Metal	12.0	12.0	
Curve			
Undergrd Cable Metal	BELL #2.0	BELL #2.0	
c	1.10249400E+00	1.10249400E+00	
G	-3.34100410E-01	-3.34100410E-01	
S	2.40118790E-02	2.40118790E-02	
Whole Life (Yrs)	18.5	18.6	
Avg. Net Salv. (%)	-7	-7	
WL Rate (%)	5.8	5.8	
Composite Rem Life (Yrs)	4.7	4.4	
Fut. Net Salv. (%)	-8	-8	
Composite RL Rate (%)	3.8	3.5	
Intrastate Factor (%)	74.62	74.62	

@ Estimated Investment and Reserve

January 1, 1999

Run Date : 07/22/99 - 15.01.11
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99				Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D					
ELG 1998	.5	11642385	.9986	.50	6.97	7.47	1558672	10863050	
VG 1997	1.5	8406985	.9957	1.49	10.85	12.30	683500	7417440	
VG 1996	2.5	10234033	.9889	2.48	10.14	12.51	818343	8299029	
VG 1995	3.5	10395652	.9737	3.43	9.47	12.65	821489	7781573	
VG 1994	4.5	12527967	.9840	4.45	8.84	13.15	952808	8426447	
VG 1993	5.5	13067502	.9781	5.44	8.25	13.51	967270	7982936	
VG 1992	6.5	11238428	.9705	6.40	7.70	13.87	810456	6239162	
VG 1991	7.5	10574731	.9650	7.37	7.18	14.29	739800	5310103	
VG 1990	8.5	12513778	.9618	8.35	6.69	14.79	846223	5660818	
VG 1989	9.5	13115226	.9666	9.33	6.23	15.35	854218	5323388	
VG 1988	10.5	18562487	.9203	10.14	5.80	15.48	1198952	6957796	
VG 1987	11.5	23800477	.9122	10.93	5.40	15.86	1500554	8105950	
VG 1986	12.5	21214922	.9546	12.24	5.03	17.04	1244911	6257664	
VG 1985	13.5	22147703	.8895	12.83	4.68	16.99	1303852	6096373	
VG 1984	14.5	27415166	.8945	13.72	4.35	17.61	1556995	6769496	
VG 1983	15.5	36342902	.9031	14.70	4.04	18.35	1980819	8005834	
VG 1982	16.5	59217809	.9055	15.76	3.76	19.17	3089861	11605725	
VG 1981	17.5	56364855	.8560	16.59	3.49	19.57	2879855	10050015	
VG 1980	18.5	83098282	.8882	17.71	3.24	20.59	4035678	13082210	
VG 1979	19.5	48423363	.8524	18.32	3.01	20.89	2318371	6979719	
VG 1978	20.5	36755690	.7931	18.70	2.80	20.92	1757142	4912382	
VG 1977	21.5	24645768	.7872	19.88	2.60	21.93	1123942	2917560	
VG 1976	22.5	12408333	.6786	19.73	2.41	21.36	580860	1399978	
VG 1975	23.5	10866782	.5941	20.35	2.24	21.68	501307	1121850	
VG 1974	24.5	19307366	.6175	21.29	2.08	22.57	855390	1777518	
PRIOR		124405663	.5660	26.39	1.43	26.38	4715686	6758661	
Totals		738694255					39696954	176102677	
Composites			.79642@		4.43618*	18.60834#			

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

+ 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 / 927517690

Run Date : 07/22/99 - 15.01.34
 Report : GENRTBL2, 99P1999A

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		Annual Accruals For BOY Age A			Remaining Life	
Age	Amount In Service A	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	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						

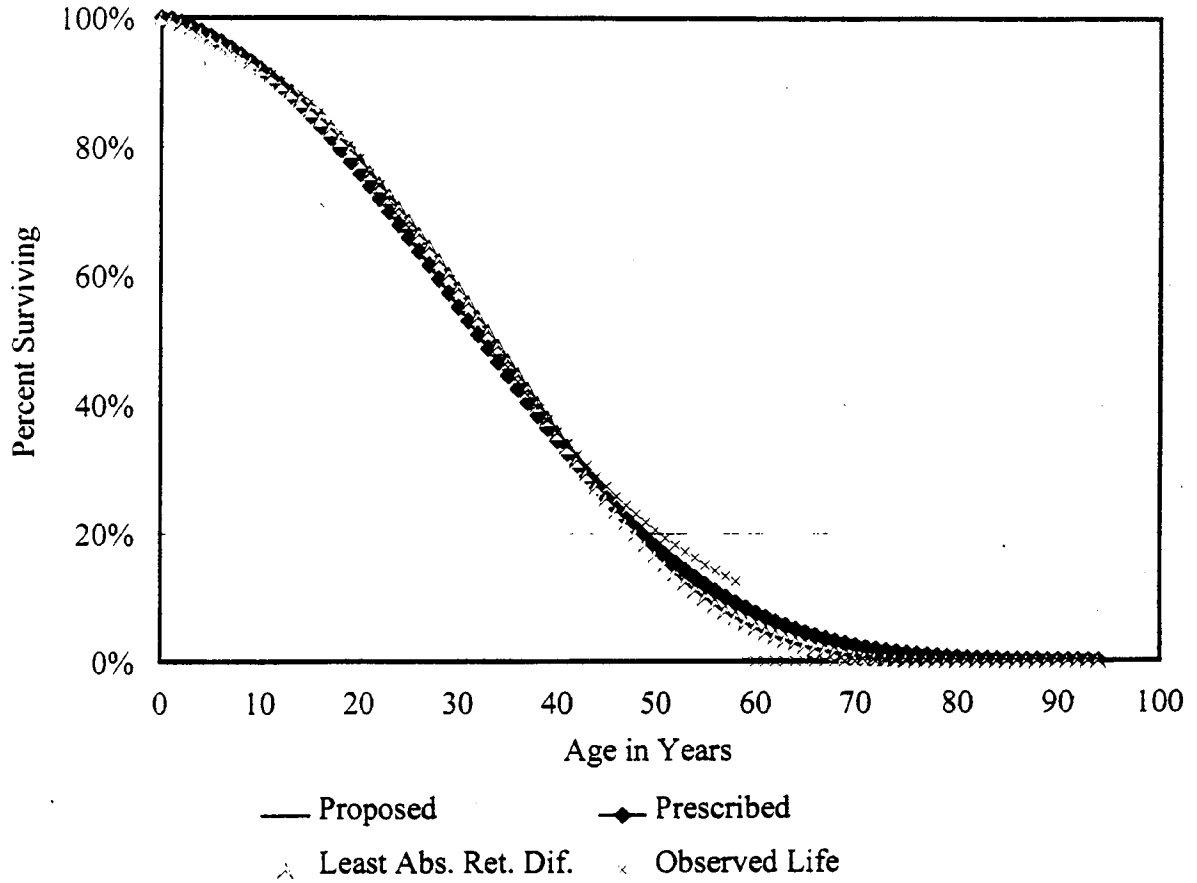
* F(AGE A) = Sum of Col. E from Age A through End

I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

January 1, 1999

Company : BellSouth Telecommunications
 State : Florida
 Account : 2422.1000
 Category : Undergrd Cable Metal

Curve Shape Analysis Plot



Method = MORT

1995-1997 Band

T = 58

c = +1.10249400E+00

G = -3.34100410E-01

S = +2.40118790E-02

Curves Scaled to the Observed Life of 41.38

January 1, 1999

Run Date : 07/22/99 - 15.01.56
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2422.1000
 Category : Undergrd Cable Metal

Average Net Salvage
 as of January 1999
 (\$000)

	Plant Retired	Gross Salvage Percent	Salvage Amount	Cost of Removal Percent	Removal Amount	Net Salvage Percent
	A	B	C = (AxB) / 100	D	E = (AxD) / 100	F = B-D
PAST	188823*	17.1**	32478	21.6**	40030	-4.5
FUTURE	738694#	2.0##	14774	10.0##	73869	-8.0
TOTAL	927517		47252		113899	
AVERAGE		5.1		12.4		-7.3

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/22/99 - 15.02.02
 Report : TABLEAB
 HIST1998, HPSC1999

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
1973*	1473662811	13157111	3593805	27.3	3209393	24.4	2.9
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	14845424	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	729438586	3128833	611396	19.5	1197994	38.3	-18.7
1998	738694255	1057763	36485	3.4	929449	87.9	-84.4
Grand Total		179596310	30718036	17.1	38812021	21.6	-4.5
1945-1998 @@		179596310	30718036	17.1	38812021	21.6	-4.5
1989-1998 **		103401150	14877950	14.4	18194871	17.6	-3.2

* Represents 1973 and prior years

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

January 1, 1999

Run Date : 07/22/99 - 15.02.02
 Report : TABLEAB
 HIST1998, HPSC1999

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
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	55392405	10494775	18.9	10750040	19.4	-.5
1996	37047793	6285445	17.0	6856810	18.5	-1.5

January 1, 1999

Run Date : 07/22/99 - 15.02.23
 Report : RETRATIO
 HPSC1999

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
1984	656078047							
1985	671537198	663807623	8403924	.01266				
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	2168515252	21144606	.00975
1997	729438586	726675985	3128833	.00431	96-98	2182659375	10365063	.00475
1998	738694255	734066421	1057763	.00144				

January 1, 1999

UNDERGROUND
CABLE - FIBER

327

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 Statistics

1-1-99 investment and reserve in the Underground Cable Fiber Account are shown below in Table 1.

<u>State</u>	<u>Invest</u> <u>(\$M)</u>	% of		<u>Reserve</u> <u>(\$M)</u>	<u>Reserve</u> <u>%</u>
		<u>Depr</u> <u>Plant</u>	<u>Reserve</u> <u>(\$M)</u>		
Florida	252.6	2.2	85.2	33.7	

Table 1

Life Summary and 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 believes that a reasonable projection life for fiber optic cable is 20.0 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 Metallic curves from the latest 3 year (1995 - 1997) band reflect the impact of technological substitution. For these reasons, the Company selected 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 selected a future net salvage of -8%.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2422.2000
CATEGORY : UNDERGROUND CABLE FIBER

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January 1, 1999

Run Date : 07/22/99 - 15.03.32
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2422.2000
 Category : Undergrd Cable Fiber

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	236,519,642	252,619,675	
Adjustment	0	0	
Study	236,519,642	252,619,675	
% Tot. Depr. Plant	2.13	2.15	
Depr. Reserve (\$)	71,318,759	85,164,884	
(%)	30.2	33.7	
P-Life/AYFR (Yrs)			
Undergrd Cable Fiber	20.0	20.0	
Curve			
Undergrd Cable Fiber	BELL #2.0	BELL #2.0	
c	1.10249400E+00	1.10249400E+00	
G	-3.34100410E-01	-3.34100410E-01	
S	2.40118790E-02	2.40118790E-02	
Whole Life (Yrs)	21.0	20.0	
Avg. Net Salv. (%)	-7	-8	
WL Rate (%)	5.1	5.4	
Composite Rem Life (Yrs)	15.4	14.3	
Fut. Net Salv. (%)	-8	-8	
Composite RL Rate (%)	5.1	5.2	
Intrastate Factor (%)	74.62	74.62	

@ Estimated Investment and Reserve

January 1, 1999

Run Date : 07/22/99 - 15.03.57
 Report : FCC_TBL1, 99P1999A
 Actual Balance

Company : BellSouth Telecommunications
 State : Florida
 Account : 2422.2000
 Category : Undergrd Cable Fiber

Generation Arrangement
 Development Of Average Remaining Life & Average Service Life

Experience as of 1-1-99								
Vintage	Age A	Amount Surviving B	Prop Surv C	Real Life D	Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
ELG 1998	.5	17972040	.9961	.50	11.17	11.67	1540247	17201917
VG 1997	1.5	13678705	.9931	1.49	18.83	20.19	677339	12755070
VG 1996	2.5	21041225	.9825	2.47	18.08	20.24	1039780	18804123
VG 1995	3.5	19547186	.9908	3.49	17.36	20.69	944636	16403504
VG 1994	4.5	15271054	.9605	4.39	16.67	20.41	748323	12475179
VG 1993	5.5	13570806	.9702	5.42	16.00	20.94	647976	10368808
VG 1992	6.5	16490173	.9724	6.44	15.36	21.37	771478	11847628
VG 1991	7.5	18968042	.9477	7.36	14.74	21.32	889499	13107444
VG 1990	8.5	20285986	.9313	8.25	14.14	21.42	947169	13390342
VG 1989	9.5	16578728	.9078	9.18	13.56	21.50	771282	10459159
VG 1988	10.5	10945536	.8784	10.20	13.01	21.63	506084	6581945
VG 1987	11.5	9379413	.8743	11.17	12.47	22.08	424852	5298408
VG 1986	12.5	19362810	.9117	12.16	11.96	23.06	839602	10038932
VG 1985	13.5	18989608	.9158	13.28	11.46	23.78	798688	9154355
VG 1984	14.5	15958816	.8942	14.25	10.99	24.08	662802	7281188
VG 1983	15.5	3853768	.8236	14.47	10.53	23.14	166576	1753602
VG 1982	16.5	368869	.8680	15.49	10.09	24.25	15213	153447
VG 1981	17.5	4852	.9882	17.49	9.66	27.04	179	1734
VG 1980	18.5	352058	.9764	18.45	9.26	27.49	12807	118540
Totals		252619675					12404532	177195325
Composites			.94140@		14.28473*	20.36511#		

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 / 268344935

January 1, 1999

Run Date : 07/22/99 - 15.04.14
 Report : GENRTBL2, 99P1999A

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 ----- Age A	Amount In Service B	Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Annual Accruals For BOY Age A		Ser- vice Life G=B/F	Remaining Life	
				Each Life Groups E=C/D	All Remaining Groups 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	4421	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	2050	26.34	7.84	9.26
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						

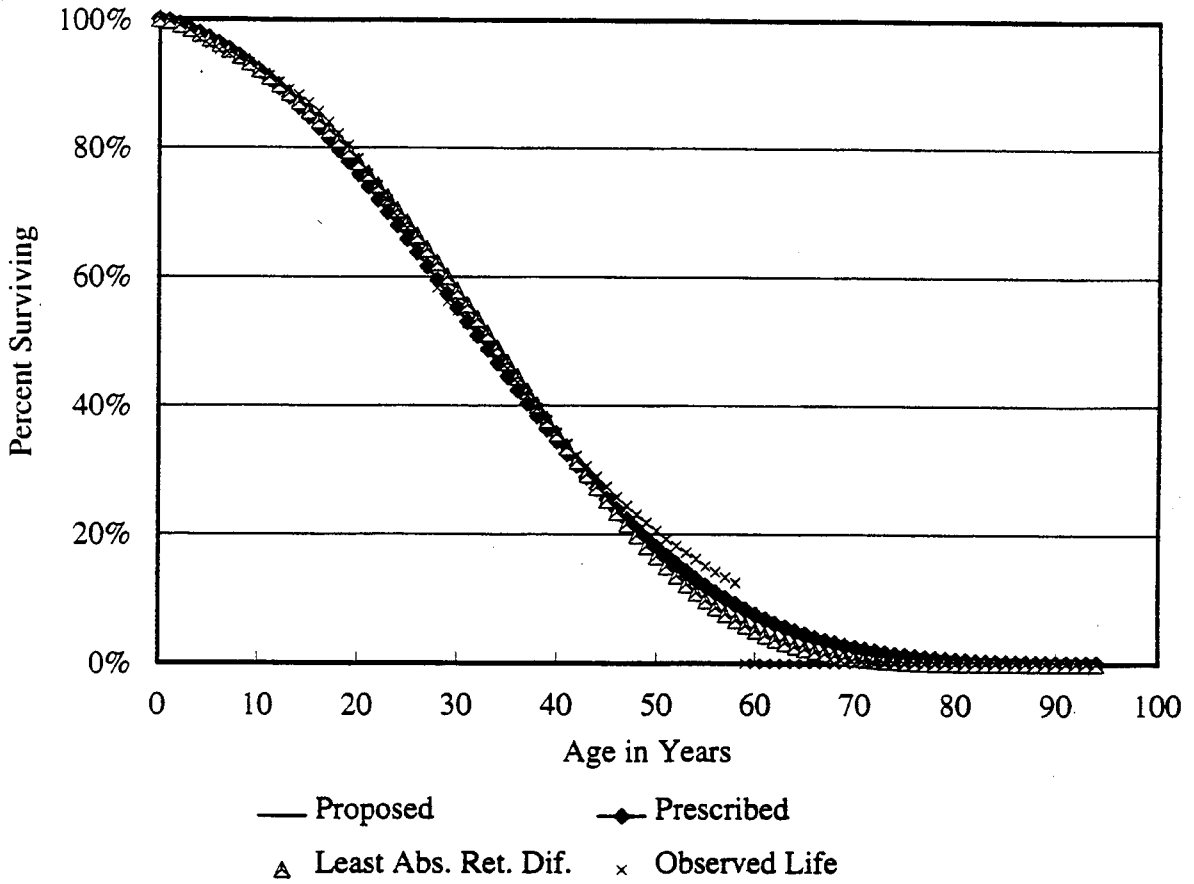
* F(AGE A) = Sum of Col. E from Age A through End

I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

January 1, 1999

Company : BellSouth Telecommunications
 State : Florida
 Account : 2422.2000
 Category : Undergrd Cable Fiber

Curve Shape Analysis Plot



Method = MORT

1995-1997 Band

T = 18

c = +1.10249400E+00

G = -3.34100410E-01

S = +2.40118790E-02

Curves Scaled to the Observed Life of 16.16

January 1, 1999

Run Date : 07/22/99 - 15.04.46
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2422.2000
 Category : Undergrd Cable Fiber

Average Net Salvage
 as of January 1999
 (\$000)

	Plant Retired	Gross Salvage Percent	Salvage Amount	Cost of Removal Percent	Removal Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	15725*	3.0**	519	4.6**	676	-1.6
FUTURE	252620#	2.0##	5052	10.0##	25262	-8.0
TOTAL AVERAGE	268345	2.1	5571	9.7	25938	-7.6

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/22/99 - 15.04.58
 Report : TABLEAB
 HIST1998, HPSC1999

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	237093426	2400066	0	.0	81509	3.4	-3.4
1998	252619675	1734919	6000	.3	130015	7.5	-7.1
Grand Total		15703839	478531	3.0	723773	4.6	-1.6
1980-1998 @@		15703839	478531	3.0	723773	4.6	-1.6
1989-1998 **		14241637	412646	2.9	708769	5.0	-2.1

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/22/99 - 15.04.58
 Report : TABLEAB
 HIST1998, HPSC1999

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	11022499	270437	2.5	479690	4.4	-1.9
1996	11113917	251551	2.3	527621	4.7	-2.5

January 1, 1999

Run Date : 07/22/99 - 15.05.19
 Report : RETRATIO
 HPSC1999

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
1984	23430175							
1985	44876825	34153500	28118	.00082				
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	646325367	7608448	.01177
1997	237093426	231305034	2400066	.01038	96-98	692669134	7651018	.01105
1998	252619675	244856551	1734919	.00709				

UNILED
CABLE-METALLIC

Company : BellSouth Telecommunications
 State : Florida
 Account : 2423.1000
 Category : Buried Cable Metal

Account Description

The Buried Cable Metal 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 Statistics

1-1-99 investment and reserve in the Buried Cable Metal Account are shown below in Table 1.

<u>State</u>	<u>Invest (\$M)</u>	<u>% of Depr Plant</u>	<u>Reserve (\$M)</u>	<u>Reserve %</u>
Florida	2531.4	21.6	1772.5	70.0

Table 1

Life Summary and 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.

Graduated curve shapes satisfy the least absolute retirement difference from the latest three year band (1995 - 1997).

Salvage Proposal

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 composite future net salvage of -7.0%.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2423.1000
CATEGORY : BURIED CABLE METALLIC

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January 1, 1999

Run Date : 07/22/99 - 15.06.23
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2423.1000
 Category : Buried Cable Metal

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	2,443,086,436	2,531,445,575	
Adjustment	0	0	
Study	2,443,086,436	2,531,445,575	
% Tot. Depr. Plant	21.98	21.56	
Depr. Reserve (\$)	1,625,248,929	1,772,531,112	
(%)	66.5	70.0	
P-Life/AYFR (Yrs)			
Buried Cable Metal	14.0	14.0	
Curve			
Buried Cable Metal	1994-1996 MORT	1995-1997 MORT	
C	1.06000000E+00	1.09000000E+00	
G	-7.96353020E-02	-1.45940210E-02	
S	4.49205680E-03	4.19465160E-04	
Whole Life (Yrs)	16.4	16.1	
Avg. Net Salv. (%)	-7	-7	
WL Rate (%)	6.5	6.6	
Composite Rem Life (Yrs)	6.6	5.8	
Fut. Net Salv. (%)	-7	-7	
Composite RL Rate (%)	6.1	6.4	
Intrastate Factor (%)	74.62	74.62	

@ Estimated Investment and Reserve

Run Date : 07/22/99 - 15.07.14
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99				Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D					
ELG 1998	.5	101620616	1.0000	.50	10.32	10.82	9392838	96924195	
VG 1997	1.5	87574704	.9992	1.50	12.62	14.11	6206086	78332562	
VG 1996	2.5	89754886	.9971	2.50	11.73	14.19	6326030	74189277	
VG 1995	3.5	96398456	.9909	3.48	10.86	14.24	6769602	73488256	
VG 1994	4.5	94244141	.9864	4.47	10.01	14.34	6573327	65786933	
VG 1993	5.5	117036218	.9807	5.45	9.19	14.46	8096080	74383494	
VG 1992	6.5	94782363	.9811	6.45	8.40	14.68	6454855	54197043	
VG 1991	7.5	91732524	.9682	7.37	7.64	14.76	6213712	47452664	
VG 1990	8.5	102260308	.9738	8.40	6.91	15.13	6759829	46719160	
VG 1989	9.5	113663905	.9852	9.43	6.22	15.56	7303602	45444193	
VG 1988	10.5	123799808	.9593	10.30	5.57	15.64	7914545	44095400	
VG 1987	11.5	130478290	.9459	11.21	4.96	15.91	8203109	40695098	
VG 1986	12.5	119099014	.9332	12.10	4.39	16.20	7353942	32299478	
VG 1985	13.5	126107812	.9257	13.04	3.87	16.62	7589410	29341476	
VG 1984	14.5	143103221	.9198	13.95	3.38	17.06	8387669	28379565	
VG 1983	15.5	98830345	.9035	14.79	2.94	17.45	5664314	16678009	
VG 1982	16.5	115660193	.8785	15.51	2.55	17.75	6516222	16606417	
VG 1981	17.5	125179970	.8625	16.34	2.19	18.23	6867456	15072890	
VG 1980	18.5	161851698	.8763	17.42	1.88	19.07	8485447	15970626	
VG 1979	19.5	89035111	.8125	17.83	1.61	19.14	4652866	7484623	
VG 1978	20.5	64615475	.7884	18.47	1.37	19.55	3304744	4534811	
VG 1977	21.5	50428755	.7782	19.41	1.17	20.32	2481396	2904843	
VG 1976	22.5	33698232	.7395	19.77	1.00	20.51	1643067	1645518	
VG 1975	23.5	29058473	.6774	19.75	.86	20.34	1428959	1232155	
VG 1974	24.5	31217942	.5892	19.49	.75	19.93	1566186	1175490	
PRIOR		100213115	.2880	21.67	.57	20.54	4878301	2773929	
Totals		2531445575					157033594	917808105	
Composites			.84205@		5.84466*	16.12041#			

Plife: 14.0

c = +1.09000000E+00 G = -1.45940210E-02 S = +4.19465160E-04 Unscaled
 c = +1.23919136E+00 G = -1.45940210E-02 S = +1.04386747E-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 / 3006299782

January 1, 1999

Run Date : 07/22/99 - 15.07.54
 Report : GENRTBL2, 99P1999A

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 = +1.09000000E+00 G = -1.45940210E-02 S = +4.19465160E-04 Unscaled
 C = +1.23919136E+00 G = -1.45940210E-02 S = +1.04386747E-03 Scaled

Beginning Of Year		Amount		Annual Accruals For BOY Age A		Remaining Life		
Age	Amount In Service	Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Ser- vice Life G=B/F	ELG Life H=G-A	VG Life I#
A	B							
.0	100000	260	.5	520	9739	10.27	10.27	14.00
.5	99740	651	1.0	651	9219	10.82	10.32	13.54
1.5	99090	857	2.0	428	8568	11.56	10.06	12.62
2.5	98233	1107	3.0	369	8140	12.07	9.57	11.73
3.5	97126	1410	4.0	352	7771	12.50	9.00	10.86
4.5	95716	1773	5.0	355	7418	12.90	8.40	10.01
5.5	93943	2204	6.0	367	7064	13.30	7.80	9.19
6.5	91739	2711	7.0	387	6697	13.70	7.20	8.40
7.5	89028	3298	8.0	412	6309	14.11	6.61	7.64
8.5	85730	3965	9.0	441	5897	14.54	6.04	6.91
9.5	81765	4704	10.0	470	5457	14.98	5.48	6.22
10.5	77062	5496	11.0	500	4986	15.46	4.96	5.57
11.5	71565	6308	12.0	526	4487	15.95	4.45	4.96
12.5	65257	7084	13.0	545	3961	16.48	3.98	4.39
13.5	58173	7750	14.0	554	3416	17.03	3.53	3.87
14.5	50423	8211	15.0	547	2862	17.62	3.12	3.38
15.5	42212	8365	16.0	523	2315	18.23	2.73	2.94
16.5	33847	8118	17.0	478	1792	18.89	2.39	2.55
17.5	25729	7423	18.0	412	1315	19.57	2.07	2.19
18.5	18306	6307	19.0	332	902	20.29	1.79	1.88
19.5	11999	4894	20.0	245	570	21.04	1.54	1.61
20.5	7105	3396	21.0	162	326	21.82	1.32	1.37
21.5	3709	2053	22.0	93	164	22.64	1.14	1.17
22.5	1657	1047	23.0	46	71	23.48	.98	1.00
23.5	610	433	24.0	18	25	24.35	.85	.86
24.5	177	139	25.0	6	7	25.24	.74	.75
Total		100002						

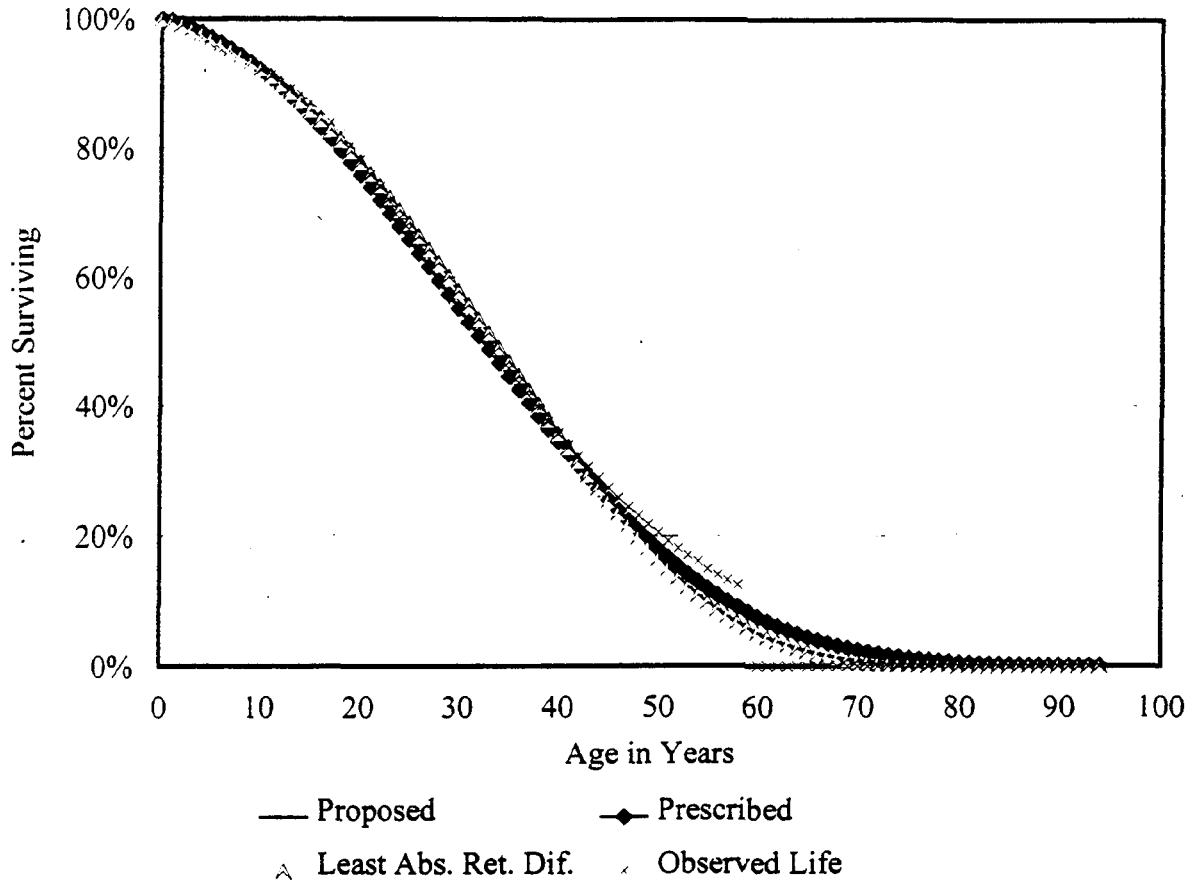
* F(AGE A) = Sum of Col. E from Age A through End

I = 0.5 + (Sum of Col. B from Age A + 1 through End / Col. B at Age A)

January 1, 1999

Company : BellSouth Telecommunications
 State : Florida
 Account : 2423.1000
 Category : Buried Cable Metal

Curve Shape Analysis Plot



Method = MORT

1995-1997 Band

T = 46

c = +1.09000000E+00

G = -1.45940210E-02

S = +4.19465160E-04

Curves Scaled to the Observed Life of 34.45

January 1, 1999

Run Date : 07/22/99 - 15.08.36
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2423.1000
 Category : Buried Cable Metal

Average Net Salvage
 as of January 1999
 (\$000)

	Plant Retired	Gross Salvage Percent	Amount	Cost of Removal Percent	Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	474854*	4.2**	19944	11.1**	52234	-6.9
FUTURE	2531446#	5.0##	126572	12.0##	303774	-7.0
TOTAL AVERAGE	3006300	4.9	146516	11.9	356008	-7.0

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/22/99 - 15.08.52
 Report : TABLEAB
 HIST1998, HPSC1999

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
1973*	1924338071	29780064	2209028	7.4	4176615	14.0	-6.6
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	1897995558	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	2435977197	12381914	2078192	16.8	1121719	9.1	7.7
1998	2531445575	7802919	593568	7.6	1343862	17.2	-9.6
Grand Total		454978801	19013121	4.2	50724408	11.1	-7.0
1945-1998 @@		454978801	19013121	4.2	50724408	11.1	-7.0
1989-1998 **		201188061	11620348	5.8	15994532	8.0	-2.2

* Represents 1973 and prior years

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/22/99 - 15.08.52
 Report : TABLEAB
 HIST1998, HPSC1999

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
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	99751787	8373659	8.4	7451748	7.5	.9
1996	85271298	7994855	9.4	6975012	8.2	1.2

January 1, 1999

Run Date : 07/22/99 - 15.09.35
 Report : RETRATIO
 HPSC1999

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	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
1984	1283643891							
1985	1396155235	1339899563	22782094	.01700				
1986	1504082536	1450118886	18788882	.01296	85-87	4353603911	58845607	.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	6972810524	53962667	.00774
1997	2435977197	2396678317	12381914	.00517	96-98	7204631861	41629735	.00578
1998	2531445575	2483711386	7802919	.00314				

January 1, 1999

BURIED CABLE -
FIBER

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 Statistics

1-1-99 investment and reserve in the Buried Cable Fiber Account are shown below in Table 1.

<u>State</u>	<u>Invest</u> <u>(\$M)</u>	<u>% of</u> <u>Depr</u> <u>Plant</u>	<u>Reserve</u> <u>(\$M)</u>	<u>Reserve</u> <u>%</u>
Florida	191.8	1.6	47.5	24.8

Table 1

Life Summary and 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 believes that a reasonable projection life for Buried Cable Fiber is 20.0 years.

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 satisfy the least absolute retirement difference in the latest 3 year (1995 -1997) buried metallic 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 selected a future net salvage rate of -7%.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2423.2000
CATEGORY : BURIED CABLE FIBER

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January 1, 1999

Run Date : 07/22/99 - 15.11.14
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2423.2000
 Category : Buried Cable Fiber

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	156,630,897	191,756,078	
Adjustment	0	0	
Study	156,630,897	191,756,078	
% Tot. Depr. Plant	1.41	1.63	
Depr. Reserve (\$)	38,473,337	47,540,072	
(%)	24.6	24.8	
P-Life/AYFR (Yrs)			
Buried Cable Fiber	20.0	20.0	
Curve			
Buried Cable Fiber	1994-96 BUR MET	1995-97 BUR MET	
c	1.06000000E+00	1.09000000E+00	
G	-7.96353020E-02	-1.45940210E-02	
S	4.49205680E-03	4.19465160E-04	
Whole Life (Yrs)	20.0	19.1	
Avg. Net Salv. (%)	-7	-7	
WL Rate (%)	5.4	5.6	
Composite Rem Life (Yrs)	15.1	14.5	
Fut. Net Salv. (%)	-7	-7	
Composite RL Rate (%)	5.5	5.7	
Intrastate Factor (%)	74.62	74.62	

@ Estimated Investment and Reserve

January 1, 1999

Run Date : 07/22/99 - 15.11.58
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	31949331	.9979	.50	14.65	15.15	2108789	30894937
VG 1997	1.5	20710694	.9971	1.50	18.62	20.06	1032505	19220415
VG 1996	2.5	20447418	.9937	2.49	17.71	20.09	1017738	18022708
VG 1995	3.5	12950186	.9955	3.50	16.82	20.24	639929	10761243
VG 1994	4.5	10850962	.9844	4.47	15.94	20.16	538117	8577320
VG 1993	5.5	12478685	.9665	5.41	15.08	19.98	624592	9418412
VG 1992	6.5	12720022	.9545	6.32	14.24	19.91	638781	9094205
VG 1991	7.5	14150488	.9764	7.45	13.41	20.55	688691	9237552
VG 1990	8.5	13732515	.9529	8.31	12.61	20.33	675583	8518864
VG 1989	9.5	10040886	.9363	9.30	11.83	20.37	492923	5829966
VG 1988	10.5	7733475	.9371	10.24	11.07	20.61	375272	4153295
VG 1987	11.5	4695033	.8875	10.94	10.33	20.11	233473	2412036
VG 1986	12.5	11476590	.8682	11.86	9.62	20.21	567737	5461322
VG 1985	13.5	4323966	.7565	12.22	8.93	18.98	227818	2035230
VG 1984	14.5	2389559	.7920	13.45	8.27	20.00	119460	988463
VG 1983	15.5	1036084	.7227	13.81	7.64	19.33	53600	409660
VG 1982	16.5	67709	.9858	16.49	7.04	23.43	2890	20343
VG 1981	17.5	0	.0000	.00	6.47	.00	0	0
VG 1980	18.5	2475	.3726	16.48	5.92	18.69	132	785
Totals		191756078					10038030	145056756
Composites			.95750@		14.45072*	19.10296#		

Plife: 20.0

c = +1.09000000E+00 G = -1.45940210E-02 S = +4.19465160E-04 Unscaled
 c = +1.16197521E+00 G = -1.45940210E-02 S = +7.30707230E-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 / 200267690

January 1, 1999

Run Date : 07/22/99 - 15.12.21
 Report : GENRTBL2, 99P1999A

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

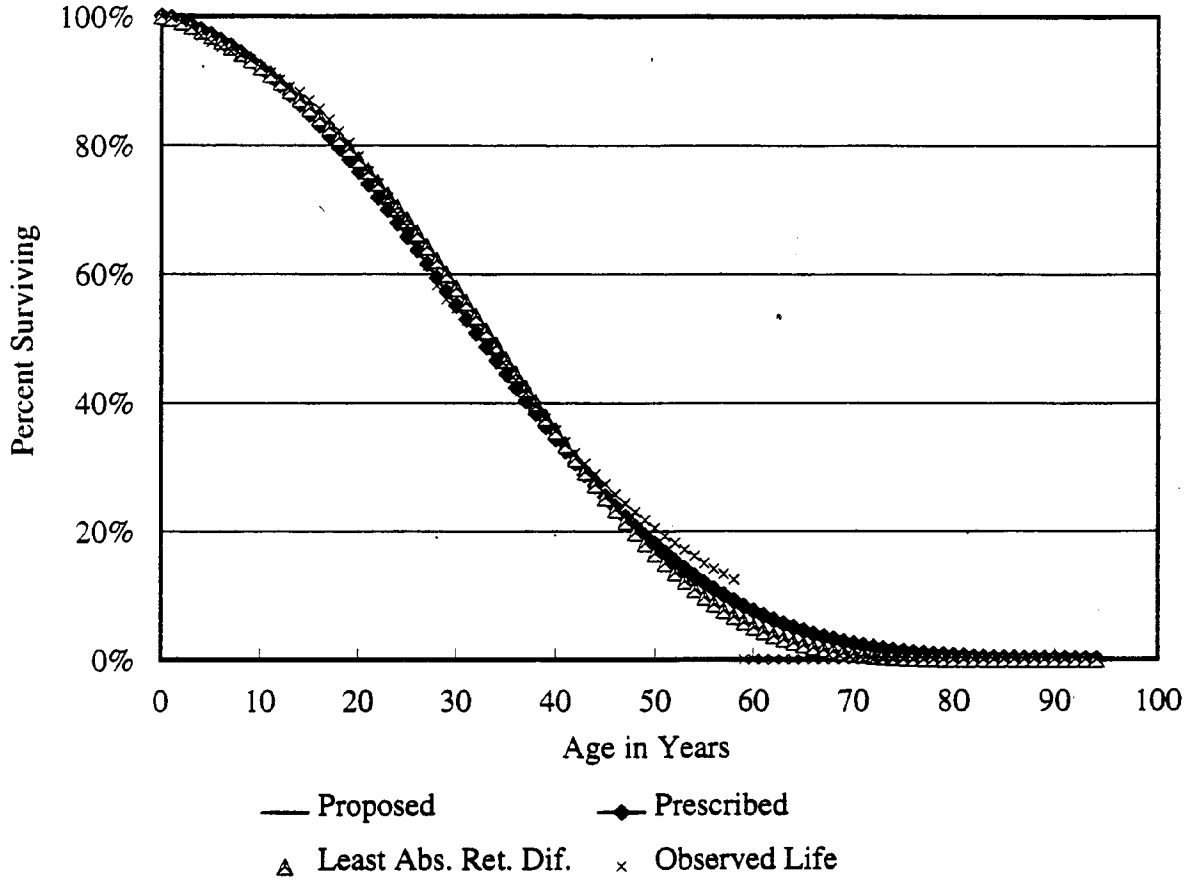
C = +1.09000000E+00 G = -1.45940210E-02 S = +4.19465160E-04 Unscaled
 C = +1.16197521E+00 G = -1.45940210E-02 S = +7.30707230E-04 Scaled

Beginning Of Year		Annual Accruals For BOY Age A					Remaining Life		
Age	Amount In Service	Retired During Year (Life Group)	Age of Amount Retired	Each Life Groups	All Remaining Groups	Service Life	ELG Life	VG Life	
A	B	C=B-Next B	D	E=C/D	F*	G=B/F	H=G-A	I#	
.0	100000	178	.5	355	6944	14.40	14.40	20.00	
.5	99822	417	1.0	417	6589	15.15	14.65	19.54	
1.5	99405	509	2.0	255	6172	16.11	14.61	18.62	
2.5	98896	615	3.0	205	5917	16.71	14.21	17.71	
3.5	98281	737	4.0	184	5712	17.21	13.71	16.82	
4.5	97545	875	5.0	175	5528	17.65	13.15	15.94	
5.5	96669	1033	6.0	172	5353	18.06	12.56	15.08	
6.5	95636	1212	7.0	173	5181	18.46	11.96	14.24	
7.5	94424	1415	8.0	177	5008	18.86	11.36	13.41	
8.5	93009	1642	9.0	182	4831	19.25	10.75	12.61	
9.5	91366	1896	10.0	190	4648	19.66	10.16	11.83	
10.5	89470	2178	11.0	198	4459	20.07	9.57	11.07	
11.5	87292	2487	12.0	207	4261	20.49	8.99	10.33	
12.5	84804	2824	13.0	217	4053	20.92	8.42	9.62	
13.5	81981	3185	14.0	227	3836	21.37	7.87	8.93	
14.5	78796	3566	15.0	238	3609	21.84	7.34	8.27	
15.5	75230	3961	16.0	248	3371	22.32	6.82	7.64	
16.5	71269	4359	17.0	256	3123	22.82	6.32	7.04	
17.5	66910	4749	18.0	264	2867	23.34	5.84	6.47	
18.5	62161	5112	19.0	269	2603	23.88	5.38	5.92	
19.5	57049	5428	20.0	271	0	.00	.00	.00	
20.5	51621	5675	21.0	270	0	.00	.00	.00	
21.5	45947	5826	22.0	265	0	.00	.00	.00	
22.5	40121	5858	23.0	255	0	.00	.00	.00	
23.5	34263	5749	24.0	240	0	.00	.00	.00	
24.5	28515	5486	25.0	219	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)

Company : BellSouth Telecommunications
 State : Florida
 Account : 2423.2000
 Category : Buried Cable Fiber

Curve Shape Analysis Plot



Method = MORT

1995-1997 Band

T = 18

c = +1.09000000E+00

G = -1.45940210E-02

S = +4.19465160E-04

Curves Scaled to the Observed Life of 15.94

January 1, 1999

5

Run Date : 07/22/99 - 15.12.42
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2423.2000
 Category : Buried Cable Fiber

Average Net Salvage
 as of January 1999
 (\$000)

	Plant Retired	Gross Salvage Percent	Amount	Cost of Removal Percent	Amount	Net Salvage Percent
	A	B	C=(AxB)/100	D	E=(AxD)/100	F = B-D
PAST	8512*	.6**	34	1.3**	102	-.7
FUTURE	191756#	5.0##	9588	12.0##	23011	-7.0
TOTAL	200268		9622		23113	
AVERAGE		4.8		11.6		-6.7

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

January 1, 1999

Run Date : 07/22/99 - 15.12.49
 Report : TABLEAB
 HIST1998, HPSC1999

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	6.8
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	161825305	577424	0	.0	5021	.9	-.9
1998	191756078	1017370	16000	1.6	14842	1.5	.1
Grand Total		8621580	102884	1.2	108226	1.3	-.1
1988-1998 @@		8568844	50735	.6	108053	1.3	-.7
1989-1998 **		8458684	50735	.6	106855	1.3	-.7

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

January 1, 1999

Run Date : 07/22/99 - 15.12.49
 Report : TABLEAB
 HIST1998, HPSC1999

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	4939775	7370	.1	65861	1.3	-1.2
1996	4552978	22722	.5	66100	1.5	-1.0

Run Date : 07/22/99 - 15.13.07
 Report : RETRATIO
 HPSC1999

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	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
1984	4845143							
1985	9867989	7356566	40354	.00549				
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	399947435	2737679	.00685
1997	161825305	151482101	577424	.00381	96-98	460153809	2850738	.00620
1998	191756078	176790692	1017370	.00575				

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 Statistics

1-1-99 investment and reserve in the Submarine Cable Account are shown below in Table 1.

<u>State</u>	<u>Invest</u> <u>(\$M)</u>	<u>% of</u> <u>Depr</u> <u>Plant</u>	<u>Reserve</u> <u>(\$M)</u>	<u>Reserve</u> <u>%</u>
Florida	8.9	0.08	6.1	68.2

Table 1

Life Summary and Proposal

Submarine Cable is flanked on either side of the splice by runs of aerial, underground, or primarily buried cable. 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. Therefore, the Company proposes the same 14.0 year projection life as selected for buried cable metal (See the General Cable Narrative for details).

The selected curve shape satisfies the least absolute retirement difference from the latest 3 year (1995 – 1997) Company band.

Salvage Proposal

The Company selected a composite future net salvage of -5.0%. BellSouth's future net salvage value is based on historical salvage and on future salvage expectations for the submarine cable account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2424.0000
CATEGORY : SUBMARINE CABLE

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Retirement Ratios	9

January 1, 1999

Run Date : 07/23/99 - 07.56.54
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2424.0000
 Category : Submarine Cable

Account Parameter Summary
 =====

ELG Start Year: 1998

	Prescribed 1998 =====	Company Proposal 1999 @ =====	Agreement 1999 =====
Investment Bal (\$)			
Form M	8,619,344	8,918,244	
Adjustment	0	0	
Study	8,619,344	8,918,244	
% Tot. Depr. Plant	.08	.08	
Depr. Reserve (\$)	5,339,899	6,080,983	
(%)	62.0	68.2	
P-Life/AYFR (Yrs)			
Submarine Cable	14.0	14.0	
Curve			
Submarine Cable	1994-96 BUR MET	1995-97 BUR MET	
c	1.06000000E+00	1.09000000E+00	
G	-7.96353020E-02	-1.45940210E-02	
S	4.49205680E-03	4.19465160E-04	
Whole Life (Yrs)	17.8	17.4	
Avg. Net Salv. (%)	-3	-3	
WL Rate (%)	5.8	5.9	
Composite Rem Life (Yrs)	4.4	4.1	
Fut. Net Salv. (%)	-5	-5	
Composite RL Rate (%)	9.8	9.0	
Intrastate Factor (%)	74.62	74.62	

@ Estimated Investment and Reserve

Run Date : 07/23/99 - 07.57.32
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	338916	.9920	.50	10.32	10.82	31326	323253
VG 1997	1.5	28923	.9920	1.50	12.62	14.02	2063	26044
VG 1996	2.5	246753	.9920	2.50	11.73	14.13	17463	204798
VG 1995	3.5	14133	.9920	3.50	10.86	14.26	991	10756
VG 1994	4.5	114336	.9920	4.50	10.01	14.42	7927	79331
VG 1993	5.5	431159	.9920	5.50	9.19	14.61	29510	271130
VG 1992	6.5	294842	.9920	6.50	8.40	14.83	19888	166983
VG 1991	7.5	308440	.5859	4.84	7.64	9.31	33126	252975
VG 1990	8.5	180376	.5602	6.10	6.91	9.98	18082	124973
VG 1989	9.5	41925	.7009	8.97	6.22	13.33	3145	19568
VG 1988	10.5	151960	.3436	6.92	5.57	8.84	17197	95810
VG 1987	11.5	137187	.8255	9.73	4.96	13.83	9920	49214
VG 1986	12.5	209284	.5018	9.95	4.39	12.16	17216	75616
VG 1985	13.5	78286	.5655	12.43	3.87	14.62	5355	20703
VG 1984	14.5	85961	.9920	14.58	3.38	17.93	4794	16220
VG 1983	15.5	7986	.0646	9.03	2.94	9.22	866	2550
VG 1982	16.5	843087	.7142	15.05	2.55	16.87	49966	127337
VG 1981	17.5	59988	.3474	9.14	2.19	9.91	6055	13291
VG 1980	18.5	480806	.9853	18.47	1.88	20.33	23655	44521
VG 1979	19.5	427105	.9098	18.54	1.61	20.01	21347	34340
VG 1978	20.5	301007	.7960	19.86	1.37	20.95	14368	19716
VG 1977	21.5	289849	.6828	19.50	1.17	20.30	14276	16712
VG 1976	22.5	88501	.1932	17.37	1.00	17.56	5040	5048
VG 1975	23.5	369987	.4173	17.42	.86	17.78	20814	17948
VG 1974	24.5	385810	.5214	23.00	.75	23.39	16494	12380
PRIOR		3001637	.3499	24.83	.53	24.74	121351	64590

Totals 8918244 512235 2095807
 Composites .50844@ 4.09150* 17.41045#

Plife: 14.0
 c = +1.09000000E+00 G = -1.45940210E-02 S = +4.19465160E-04 Unscaled
 c = +1.23919136E+00 G = -1.45940210E-02 S = +1.04386747E-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 / 17540419

January 1, 1999

Run Date : 07/23/99 - 07.57.57
 Report : GENRTBL2, 99P1999A

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 = +1.09000000E+00 G = -1.45940210E-02 S = +4.19465160E-04 Unscaled
 C = +1.23919136E+00 G = -1.45940210E-02 S = +1.04386747E-03 Scaled

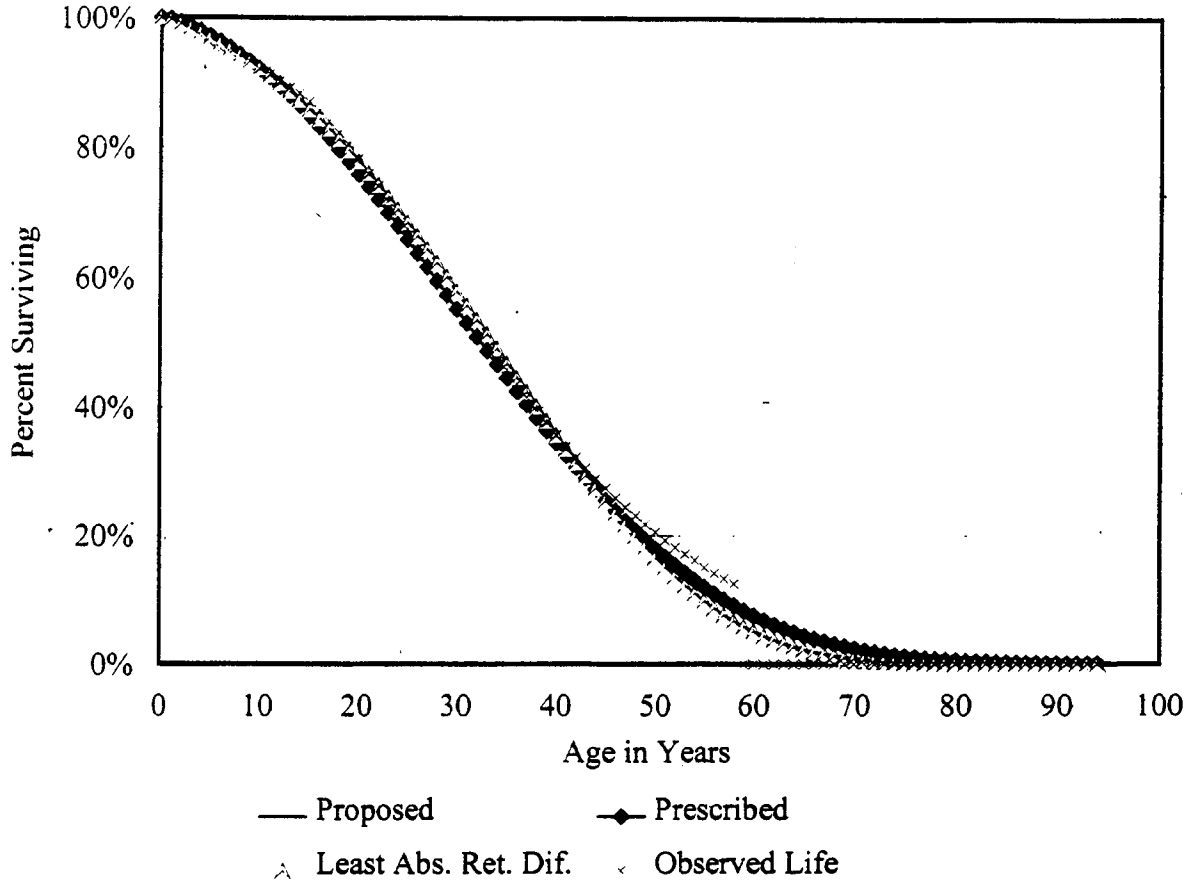
Beginning Of Year		Annual Accruals For BOY Age A			Remaining Life			
Age	Amount In Service A	Retired During Year (Life Group) C=B-Next B	Age of Amount Retired D	Each Life Groups E=C/D	All Remaining Groups F*	Service Life G=B/F	ELG Life H=G-A	VG Life I#
.0	100000	260	.5	520	9739	10.27	10.27	14.00
.5	99740	651	1.0	651	9219	10.82	10.32	13.54
1.5	99090	857	2.0	428	8568	11.56	10.06	12.62
2.5	98233	1107	3.0	369	8140	12.07	9.57	11.73
3.5	97126	1410	4.0	352	7771	12.50	9.00	10.86
4.5	95716	1773	5.0	355	7418	12.90	8.40	10.01
5.5	93943	2204	6.0	367	7064	13.30	7.80	9.19
6.5	91739	2711	7.0	387	6697	13.70	7.20	8.40
7.5	89028	3298	8.0	412	6309	14.11	6.61	7.64
8.5	85730	3965	9.0	441	5897	14.54	6.04	6.91
9.5	81765	4704	10.0	470	5457	14.98	5.48	6.22
10.5	77062	5496	11.0	500	4986	15.46	4.96	5.57
11.5	71565	6308	12.0	526	4487	15.95	4.45	4.96
12.5	65257	7084	13.0	545	3961	16.48	3.98	4.39
13.5	58173	7750	14.0	554	3416	17.03	3.53	3.87
14.5	50423	8211	15.0	547	2862	17.62	3.12	3.38
15.5	42212	8365	16.0	523	2315	18.23	2.73	2.94
16.5	33847	8118	17.0	478	1792	18.89	2.39	2.55
17.5	25729	7423	18.0	412	1315	19.57	2.07	2.19
18.5	18306	6307	19.0	332	902	20.29	1.79	1.88
19.5	11999	4894	20.0	245	570	21.04	1.54	1.61
20.5	7105	3396	21.0	162	326	21.82	1.32	1.37
21.5	3709	2053	22.0	93	164	22.64	1.14	1.17
22.5	1657	1047	23.0	46	71	23.48	.98	1.00
23.5	610	433	24.0	18	25	24.35	.85	.86
24.5	177	139	25.0	6	7	25.24	.74	.75
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 : 2424.0000
 Category : Submarine Cable

Curve Shape Analysis Plot



Method = MORT

1995-1997 Band

T = 58

c = +1.09000000E+00

G = -1.45940210E-02

S = +4.19465160E-04

Curves Scaled to the Observed Life of 24.03

January 1, 1999

Run Date : 07/23/99 - 07.58.28
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2424.0000
 Category : Submarine Cable

Average Net Salvage
 as of January 1999
 (\$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	8622*	3.7**	328	4.1**	362	-.4
FUTURE	8918#	2.0##	178	7.0##	624	-5.0
TOTAL	17540		506		986	
AVERAGE		2.8		5.6		-2.7

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/23/99 - 07.58.39
 Report : TABLEAB
 HIST1998, HPSC1999

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
1973*	76045883	1595272	102619	6.4	91147	5.7	.7
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	9246705	145637	16384	11.2	4181	2.9	8.4
1996	9003344	493874	6227	1.3	6356	1.3	.0
1997	8646902	383774	0	.0	14088	3.7	-3.7
1998	8918244	71625	0	.0	2825	3.9	-3.9
Grand Total		8773286	338872	3.9	375164	4.3	-.4
1949-1998 @@		8624181	319712	3.7	356506	4.1	-.4
1989-1998 **		3901815	99403	2.5	164290	4.2	-1.7

* Represents 1973 and prior years

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/23/99 - 07.58.39
 Report : TABLEAB
 HIST1998, HPSC1999

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
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	2109549	91893	4.4	119900	5.7	-1.3
1996	1562614	91893	5.9	92268	5.9	.0

Run Date : 07/23/99 - 07.59.06
 Report : RETRATIO
 HPSC1999

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	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
1984	10767956							
1985	10750900	10759428	159832	.01486				
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	27262549	1023285	.03753
1997	8646902	8825123	383774	.04349	96-98	26732721	949273	.03551
1998	8918244	8782573	71625	.00816				

INTRABUILDING
CABLE

Company : BellSouth Telecommunications
 State : Florida
 Account : 2426.0000
 Category : Intra-Bldg Netwk 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 Statistics

1-1-99 investment and reserve in the Intrabuilding Network Cable Account are shown below in Table 1.

<u>State</u>	<u>Invest</u> <u>(\$M)</u>	<u>% of</u> <u>Depr</u> <u>Plant</u>	<u>Reserve</u> <u>(\$M)</u>	<u>Reserve</u> <u>%</u>
Florida	45.1	0.4	35.2	78.1

Table 1

Life Summary and Proposal

A 20 year projection life was selected for the Intrabuilding Network Cable account. Selected curve shapes satisfy the least absolute retirement difference from the latest 3 year (1995 - 1997) band.

Salvage Proposal

Because of the wide variation in the level of retirements, historical net salvage values for Intrabuilding Network Cable fluctuate from year to year. The Company selected a composite future net salvage of -10%.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2426.0000
CATEGORY : INTRABUILDING NETWORK CABLE

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January 1, 1999

Run Date : 07/23/99 - 08.00.28
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2426.0000
 Category : Intra-Bldg Netwk Cable

Account Parameter Summary
 =====

ELG Start Year: 1998

	Prescribed 1998 =====	Company Proposal 1999 @ =====	Agreement 1999 =====
Investment Bal (\$)			
Form M	43,099,744	45,061,555	
Adjustment	0	0	
Study	43,099,744	45,061,555	
% Tot. Depr. Plant	.39	.38	
Depr. Reserve (\$)	32,446,455	35,200,540	
(%)	75.3	78.1	
P-Life/AYFR (Yrs)			
Intra-Bldg Netwk Cable	20.0	20.0	
Curve			
Intra-Bldg Netwk Cable	1994-96 AER MET	1995-97 AER MET	
c	1.02000000E+00	1.04000000E+00	
G	-1.18860420E+00	-1.56106240E-01	
S	2.14624200E-02	3.77364150E-03	
Whole Life (Yrs)	22.0	22.0	
Avg. Net Salv. (%)	-6	-6	
WL Rate (%)	4.8	4.8	
Composite Rem Life (Yrs)	11.3	10.1	
Fut. Net Salv. (%)	-10	-10	
Composite RL Rate (%)	3.1	3.2	
Intrastate Factor (%)	74.62	74.62	

@ Estimated Investment and Reserve

Run Date : 07/23/99 - 08.00.56
 Report : FCC_TBL1, 99P1999A
 Actual Balance

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 1-1-99			Remain ing Life E+	Avg Svc Life F@@	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D				
ELG 1998	.5	1125029	.9965	.50	11.60	12.10	93010	1078524
VG 1997	1.5	987517	.9894	1.49	18.80	20.09	49157	924196
VG 1996	2.5	691683	.9689	2.46	18.03	19.93	34712	625870
VG 1995	3.5	1052389	.9855	3.47	17.28	20.50	51330	887139
VG 1994	4.5	806644	.9247	4.36	16.56	19.67	41016	679163
VG 1993	5.5	689793	.9590	5.38	15.86	20.59	33499	531178
VG 1992	6.5	713135	.9425	6.21	15.18	20.52	34757	527507
VG 1991	7.5	899591	.9595	7.31	14.52	21.25	42343	614797
VG 1990	8.5	1875153	.9572	8.26	13.88	21.54	87034	1208311
VG 1989	9.5	1246699	.9378	9.22	13.27	21.66	57552	763622
VG 1988	10.5	863361	.8879	9.88	12.67	21.13	40862	517898
VG 1987	11.5	796904	.8873	10.68	12.10	21.42	37200	450155
VG 1986	12.5	1203556	.9581	12.29	11.55	23.36	51531	595069
VG 1985	13.5	1231830	.9451	13.28	11.01	23.69	51991	572648
VG 1984	14.5	1426347	.8711	13.53	10.50	22.68	62888	660346
VG 1983	15.5	2646740	.7411	13.45	10.01	20.87	126836	1269058
VG 1982	16.5	2748272	.8278	14.82	9.53	22.70	121053	1153541
VG 1981	17.5	2751341	.8458	15.66	9.07	23.33	117917	1069647
VG 1980	18.5	7411796	.8158	15.76	8.63	22.80	325067	2805654
VG 1979	19.5	3564968	.7049	15.93	8.21	21.72	164153	1347404
VG 1978	20.5	1527679	.6494	16.13	7.80	21.20	72061	562257
VG 1977	21.5	1067451	.6705	17.40	7.41	22.37	47708	353677
VG 1976	22.5	1415410	.6580	17.91	7.04	22.55	62780	441990
VG 1975	23.5	1075446	.6331	17.59	6.68	21.82	49286	329377
VG 1974	24.5	747047	.5626	18.04	6.34	21.61	34573	219225
PRIOR		4495774	.3337	21.66	4.79	22.26	201997	968448
Totals		45061555					2092313	21156701
Composites			.71037@		10.11163*	21.53672#		

Plife: 20.0

c = +1.04000000E+00 G = -1.56106240E-01 S = +3.77364150E-03 Unscaled
 c = +1.06824984E+00 G = -1.56106240E-01 S = +6.35230706E-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 / 63434202

Run Date : 07/23/99 - 08.01.17
 Report : GENRTBL2, 99P1999A

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 = +1.04000000E+00 G = -1.56106240E-01 S = +3.77364150E-03 Unscaled
 C = +1.06824984E+00 G = -1.56106240E-01 S = +6.35230706E-03 Scaled

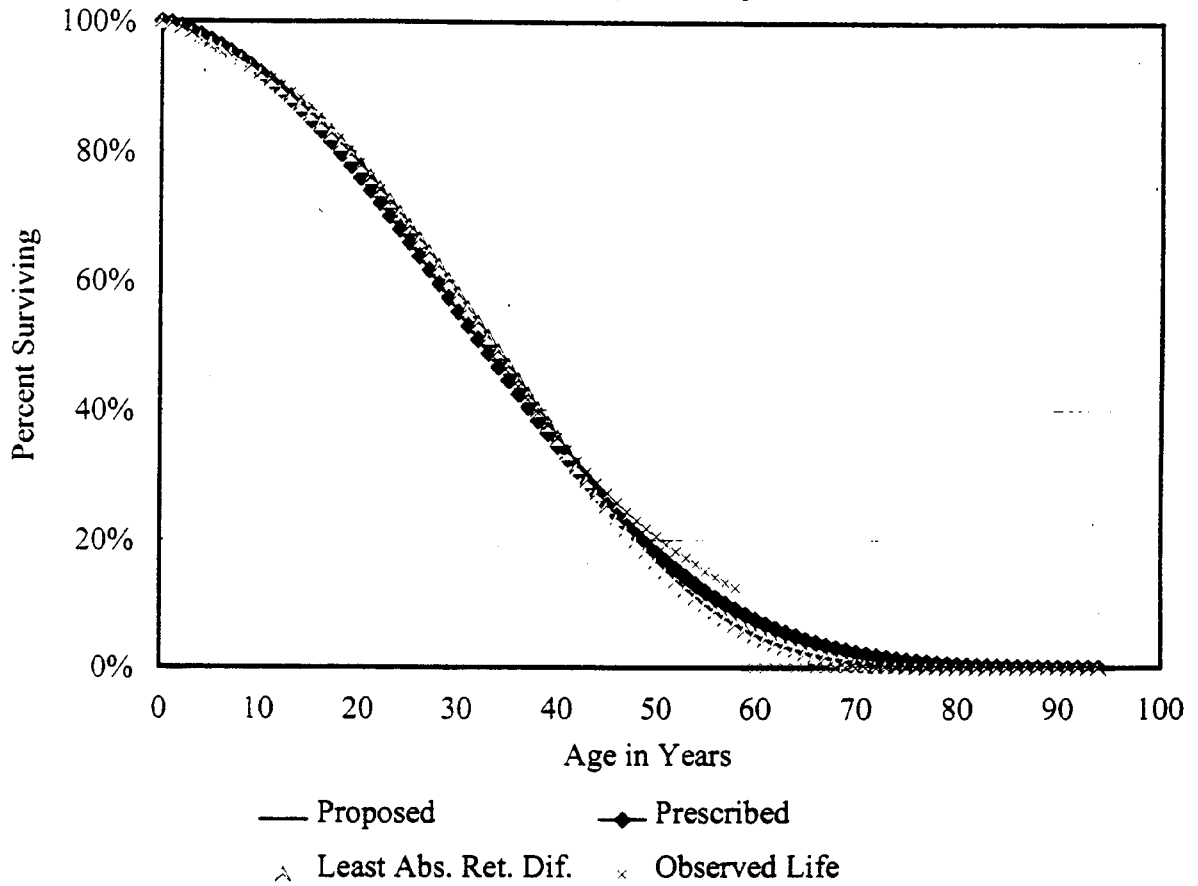
Beginning Of Year. ----- Age A	Amount In Service B	Amount Retired During Year (Life Group) C=B-Next B	Age of Retired Amount D	Annual Accruals For BOY Age A		Ser- vice Life G=B/F	Remaining Life	
				Each Life Groups E=C/D	All Remaining Groups F*		ELG Life H=G-A	VG Life I#
.0	100000	474	.5	948	9176	10.90	10.90	20.00
.5	99526	1062	1.0	1062	8228	12.10	11.60	19.59
1.5	98464	1219	2.0	610	7166	13.74	12.24	18.80
2.5	97245	1381	3.0	460	6557	14.83	12.33	18.03
3.5	95863	1548	4.0	387	6096	15.73	12.23	17.28
4.5	94315	1719	5.0	344	5709	16.52	12.02	16.56
5.5	92596	1892	6.0	315	5365	17.26	11.76	15.86
6.5	90704	2067	7.0	295	5050	17.96	11.46	15.18
7.5	88637	2242	8.0	280	4755	18.64	11.14	14.52
8.5	86395	2417	9.0	269	4474	19.31	10.81	13.88
9.5	83978	2588	10.0	259	4206	19.97	10.47	13.27
10.5	81389	2755	11.0	250	3947	20.62	10.12	12.67
11.5	78634	2916	12.0	243	3696	21.27	9.77	12.10
12.5	75718	3068	13.0	236	3453	21.93	9.43	11.55
13.5	72649	3210	14.0	229	3217	22.58	9.08	11.01
14.5	69439	3339	15.0	223	2988	23.24	8.74	10.50
15.5	66101	3452	16.0	216	2765	23.90	8.40	10.01
16.5	62649	3548	17.0	209	2550	24.57	8.07	9.53
17.5	59102	3623	18.0	201	2341	25.25	7.75	9.07
18.5	55478	3677	19.0	194	2140	25.93	7.43	8.63
19.5	51801	3708	20.0	185	1946	26.62	7.12	8.21
20.5	48093	3712	21.0	177	1761	27.31	6.81	7.80
21.5	44381	3690	22.0	168	1584	28.02	6.52	7.41
22.5	40691	3641	23.0	158	1416	28.73	6.23	7.04
23.5	37050	3564	24.0	148	1258	29.45	5.95	6.68
24.5	33486	3459	25.0	138	1110	30.18	5.68	6.34
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 : 2426.0000
 Category : Intra-Bldg Netwk Cable

Curve Shape Analysis Plot



Method = MORT

1995-1997 Band

T = 58

c = +1.04000000E+00

G = -1.56106240E-01

S = +3.77364150E-03

Curves Scaled to the Observed Life of 39.91

January 1, 1999

Run Date : 07/23/99 - 08.01.39
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2426.0000
 Category : Intra-Bldg Netwk Cable

Average Net Salvage
 as of January 1999
 (\$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	18373*	14.7**	2664	10.6**	1911	4.1
FUTURE	45062#	3.0##	1352	13.0##	5858	-10.0
TOTAL AVERAGE	63435	6.4	4016	12.3	7769	-5.9

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/23/99 - 08.01.46
 Report : TABLEAB
 HIST1998, HPSC1999

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	44171966	144761	0	.0	7923	5.5	-5.5
1998	45061555	156809	0	.0	20901	13.3	-13.3
Grand Total		4083205	599229	14.7	433560	10.6	4.1
1988-1998 @@		4083205	599229	14.7	433560	10.6	4.1
1989-1998 **		3862399	373408	9.7	411856	10.7	-1.0

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

Run Date : 07/23/99 - 08.01.46
 Report : TABLEAB
 HIST1998, HPSC1999

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	2160218	80107	3.7	179147	8.3	-4.6
1996	1760409	47738	2.7	149445	8.5	-5.8

Run Date : 07/23/99 - 08.02.04
 Report : RETRATIO
 HPSC1999

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	130005229	1198080	.00922
1997	44171966	43734855	144761	.00331	96-98	131664598	1028987	.00782
1998	45061555	44616761	156809	.00351				

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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

1/1/99 investment and reserve in the Conduit Account are summarized in Table 1 below.

<u>State</u>	<u>Invest.</u> <u>(\$M)</u>	<u>% of</u> <u>Depr</u> <u>Plant</u>	<u>Reserve</u> <u>(\$M)</u>	<u>Reserve</u> <u>%</u>
Florida	738.0	6.3	219.2	29.7

Table 1

Life Proposal

The Company is selecting 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 selected a Bell #5 curve 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 -10.0%.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2441.000
CATEGORY : CONDUIT

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January 1, 1999

Run Date : 07/23/99 - 08.03.39
 Report : RATESUMM
 PSC_PRES 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2441.0000
 Category : Conduit System

Account Parameter Summary

ELG Start Year: 1998

	Prescribed 1998	Company Proposal 1999 @	Agreement 1999
Investment Bal (\$)			
Form M	728,371,590	737,951,097	
Adjustment	0	0	
Study	728,371,590	737,951,097	
% Tot. Depr. Plant	6.55	6.28	
Depr. Reserve (\$)	206,043,646	219,157,744	
(%)	28.3	29.7	
P-Life/AYFR (Yrs)			
Conduit System	55.0	55.0	
Curve			
Conduit System	BELL #5.0	BELL #5.0	
C	1.71629560E+00	1.71629560E+00	
G	-1.14622770E-03	-1.14622770E-03	
S	3.81733890E-04	3.81733890E-04	
Whole Life (Yrs)	55.0	55.0	
Avg. Net Salv. (%)	-11	-11	
WL Rate (%)	2.0	2.0	
Composite Rem Life (Yrs)	39.0	38.0	
Fut. Net Salv. (%)	-10	-10	
Composite RL Rate (%)	2.1	2.1	
Intrastate Factor (%)	74.84	74.84	

@ Estimated Investment and Reserve

Run Date : 07/23/99 - 08.04.15
 Report : FCC_TBL1, 99P1999A
 Actual Balance

Company : BellSouth Telecommunications
 State : Florida
 Account : 2441.0000
 Category : Conduit System

Generation Arrangement
 Development Of Average Remaining Life & Average Service Life

Vintage	Age A	Experience as of 1-1-99				Remain ing Life E+	Avg Svc Life F@E	Annual Accruals G=B/F	Remaining Accruals H=E*G
		Amount Surviving B	Prop Surv C	Real Life D					
ELG 1998	.5	17204870	.9997	.50	49.37	49.87	345008	17032367	
VG 1997	1.5	11726790	.9996	1.50	53.51	54.99	213255	11411220	
VG 1996	2.5	16704373	.9982	2.50	52.52	54.92	304160	15973927	
VG 1995	3.5	23686411	.9976	3.49	51.53	54.90	431467	22232577	
VG 1994	4.5	21153860	.9959	4.49	50.54	54.82	385882	19502247	
VG 1993	5.5	18522605	.9977	5.49	49.55	54.93	337194	16708821	
VG 1992	6.5	19608429	.9965	6.49	48.57	54.89	357239	17350269	
VG 1991	7.5	21756454	.9902	7.45	47.58	54.57	398656	18969943	
VG 1990	8.5	18267737	.9963	8.49	46.60	54.92	332634	15502093	
VG 1989	9.5	23128685	.9956	9.48	45.63	54.91	421237	19219201	
VG 1988	10.5	21375879	.9827	10.36	44.65	54.23	394147	17598523	
VG 1987	11.5	12283064	.9911	11.47	43.68	54.75	224338	9798241	
VG 1986	12.5	13085018	.9904	12.41	42.71	54.70	239212	10215753	
VG 1985	13.5	11500559	.9954	13.45	41.74	55.00	209112	8727998	
VG 1984	14.5	13516320	.9852	14.36	40.77	54.53	247849	10105805	
VG 1983	15.5	8924066	.9915	15.43	39.81	54.91	162531	6470890	
VG 1982	16.5	53093891	.9954	16.47	38.86	55.15	962711	37407081	
VG 1981	17.5	43902743	.9913	17.41	37.90	54.98	798554	30267373	
VG 1980	18.5	69956165	.9883	18.37	36.95	54.89	1274439	47095091	
VG 1979	19.5	52820539	.9865	19.35	36.01	54.87	962666	34664551	
VG 1978	20.5	36494292	.9849	20.32	35.07	54.86	665237	23329130	
VG 1977	21.5	15303269	.9830	21.29	34.13	54.85	279020	9524059	
VG 1976	22.5	10373491	.9813	22.27	33.20	54.85	189133	6280021	
VG 1975	23.5	11966781	.9795	23.24	32.28	54.86	218144	7041770	
VG 1974	24.5	36956444	.9775	24.21	31.36	54.87	673587	21125333	
PRIOR		134638362	.9400	30.86	25.88	55.04	2446124	63311576	
Totals		737951097					13473536	516865860	
Composites			.98069@		38.36156*	54.77041#			

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 / 752480300

Run Date : 07/23/99 - 08.04.32
 Report : GENRTBL2, 99P1999A

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

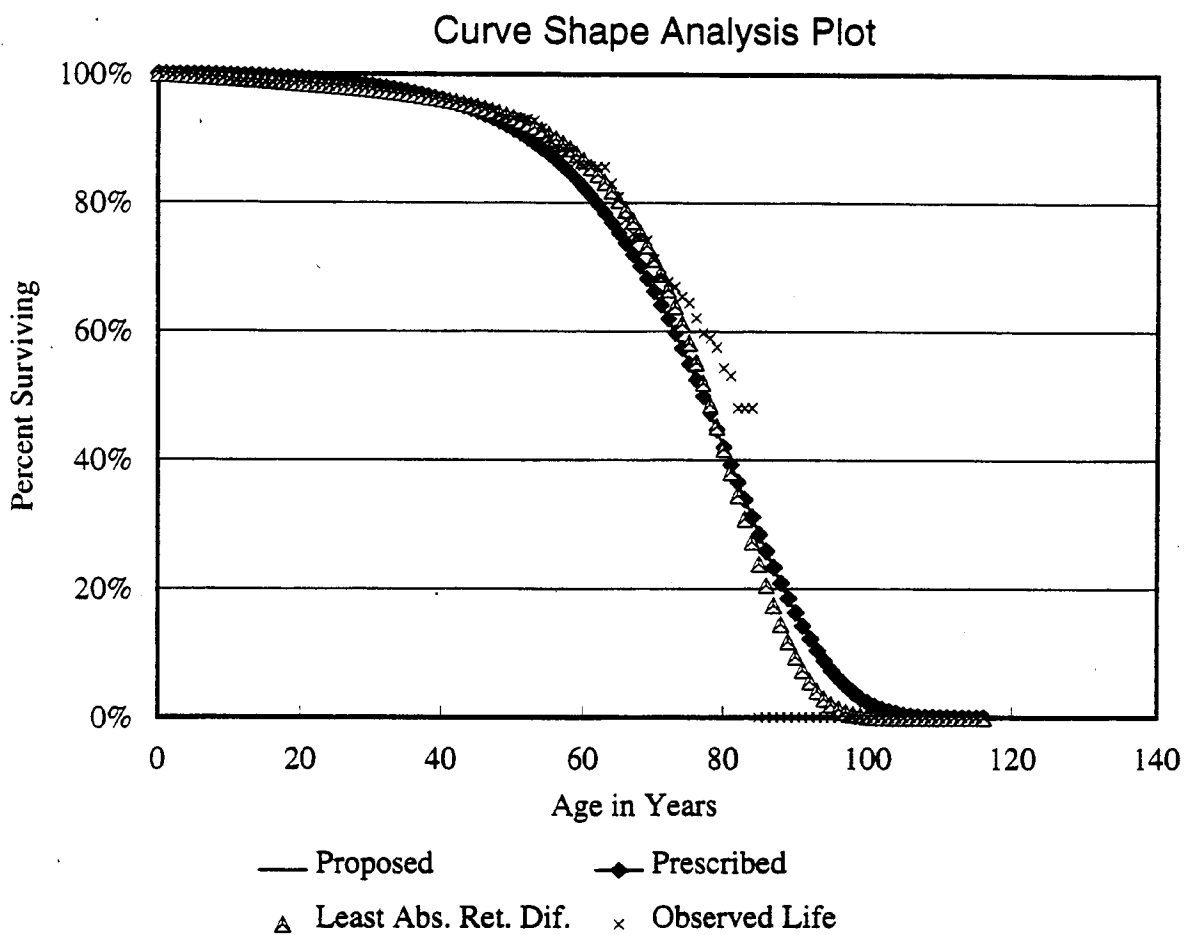
C = +1.71629560E+00 G = -1.14622770E-03 S = +3.81733890E-04 Unscaled
 C = +1.10319708E+00 G = -1.14622770E-03 S = +6.94061566E-05 Scaled

Beginning Of Year		Amount		Annual Accruals For BOY Age A			Remaining Life	
Age	Amount In Service	Retired During Year (Life Group)	Age of Amount Retired	Each Life Groups	All Remaining Groups	Service Life	ELG Life	VG Life
A	B	C=B-Next B	D	E=C/D	F*	G=B/F	H=G-A	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 1995-1997 Band T = 84

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

Curves Scaled to the Observed Life of 73.92

January 1, 1999

Run Date : 07/23/99 - 08.04.53
 Report : ANSD, 99P1999A

Company : BellSouth Telecommunications
 State : Florida
 Account : 2441.0000
 Category : Conduit System

Average Net Salvage
 as of January 1999
 (\$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	14529*	3.5**	567	54.0**	8093	-50.5
FUTURE	737951#	.0##	0	10.0##	73795	-10.0
TOTAL AVERAGE	752480	.1	567	10.9	81888	-10.8

* Represents retirements from surviving vintages.

** From Table A.

Amount surviving from Generation Arrangement.

Proposed Gross Salvage and Cost of Removal.

Run Date : 07/23/99 - 08.05.01
 Report : TABLEAB
 HIST1998, HPSC1999

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
1973*	809225325	1810590	107193	5.9	1434660	79.2	-73.3
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	122821	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	724818203	190370	0	.0	218478	114.8	-114.8
1998	737951097	1983541	0	.0	481126	24.3	-24.3
Grand Total		14724041	528352	3.6	7867304	53.4	-49.8
1951-1998 @@		14533484	511566	3.5	7845442	54.0	-50.5
1989-1998 **		6944064	125123	1.8	3284693	47.3	-45.5

* Represents 1973 and prior years

@@ Represents retirements from surviving vintages

** Represents the most recent ten-year band of activity

January 1, 1999

Run Date : 07/23/99 - 08.05.01
 Report : TABLEAB
 HIST1998, HPSC1999

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
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	48.6	-46.4
1994	2194304	91482	4.2	2014268	91.8	-87.6
1995	2784626	73965	2.7	1978205	71.0	-68.4
1996	4413279	47757	1.1	2126296	48.2	-47.1

Run Date : 07/23/99 - 08.05.28
 Report : RETRATIO
 HPSC1999

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	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
1984	471140224							
1985	493773218	482456721	354448	.00073				
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	2108999847	1668111	.00079
1997	724818203	718712397	190370	.00026	96-98	2154930817	2414185	.00112
1998	737951097	731384650	1983541	.00271				

PROJECTION LIVES

<u>Category</u>	<u>Recommended for Use in Cost Studies</u>	<u>FL PSC Last Prescribed</u>
Computers	5	5 yr Amortization Schedule
Digital Electronic Switching	10	13.7
• Circuit-Digital	9	11.9
• Circuit-Optical	9	8.1
Aerial Cable-Metallic	14	15.5
Underground Cable-Metallic	12	11.6
Buried Cable-Metallic	14	15
Fiber Cable	20	19.4 - 20

* BellSouth treated Circuit-Digital and Circuit Optical as one account in the Depreciation Study.

Comparison of Projection Lives

	<u>1994 AT&T Prescribed</u>	<u>BellSouth Cost Studies</u>
Digital Electronic Switching	9.7	10
Circuit Digital Equipment	7.2	9
Circuit Analog Equipment	2.5	7.5
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.