## State of Florida



# Hublic Service Commission -M-E-M-O-R-A-N-D-U-M-

DATE: November 24, 2003

TO: Division of competitive Markets and Enforcement (Salak)

FROM: Division of Auditing and Safety (Vandiver)

RE: Docket No. 030869-TL; Company Name: BellSouth Telecommunications, Inc.;

Audit Purpose: Verification of Pricing Units: Audit Control No. 03-247-1-1

Attached is the final audit report for the utility stated above. I am sending the utility a copy of this memo and the audit report. If the utility desires to file a response to the audit report, it should send the response to the Division of the Commission Clerk and Administrative Services. There are confidential work papers associated with this audit.

# DNV/jcp Attachment

CC:

Division of Auditing and Safety (Hoppe, District Offices, File Folder) Division of the Commission Clerk and Administrative Services (2) Division of Competitive Markets and Enforcement (Harvey) General Counsel
Office of Public Counsel

Ms. Nancy H. Sims, Director - Regulatory Relations BellSouth Telecommunications, Inc. 150 So. Monroe Street, Suite 400 Tallahassee, FL 32301-1556

Mr. Marshall M. Criser III, Vice President - Regulatory BellSouth Telecommunications, Inc. 150 So. Monroe Street, Suite 400 Tallahassee, FL 32301-1556



# FLORIDA PUBLIC SERVICE COMMISSION

# DIVISION OF AUDITING AND SAFETY BUREAU OF AUDITING

Tallahassee District Office

BellSouth Telecommunications, Inc.

Verification of Pricing Units

12 MONTHS ENDED JUNE 30, 2003

DOCKET NUMBER 030869-TL AUDIT CONTROL NO. 03-247-1-1

Barry Davis, Audit Staff

oseph Perdue, Audit Staff

Lynn Deamer, Audit Supervisor

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# DIVISION OF AUDITING AND SAFETY AUDITOR'S REPORT

**November 17, 2003** 

## TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have applied the procedures described later in this report to audit the Pricing Units reported on Exhibit SB1 and Revised Exhibit SB1 filed with this Commission by BellSouth Telecommunications, Inc., in support of Docket 030869-TL. There are confidential workpapers associated with this audit.

This is an internal accounting report prepared after performing a limited scope audit. Accordingly, this report should not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards and produce audited financial statements for public use.

## SUMMARY OF SIGNIFICANT PROCEDURES

Our audit was performed by examining, on a test basis, certain transactions and account balances which we believe are sufficient to base our opinion. Our examination did not entail a complete review of all financial transactions of the company. Our more important audit procedures are summarized below. The following definitions apply when used in this report:

**Scanned** - The documents or accounts were read quickly looking for obvious errors.

**Compiled** - The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

**Reviewed** - The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers, and selective analytical review procedures were applied.

**Examined** - The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers. Selective analytical review procedures were applied, and account balances were tested to the extent further described.

**Confirmed** - Evidential matter supporting an account balance, transaction, or other information was obtained directly from an independent third party.

Verify - The item was tested for accuracy, and substantiating documentation was examined.

Obtained Schedule 8 of the reports filed monthly with this Commission with the Division of Competitive Markets and Enforcement in compliance with Rule 25-4.0185 F.A.C. Summarized this schedule to obtain yearly totals. Company reconciled June 2003 for Flat Rate Residence to the Exhibit SB1. Due to time constraints audit staff accepts this as valid support for the Exhibit SB1 filing and no further work was done.

Compared the annual present revenue for Line Connection Charges, Line Charge Charges, Secondary Service Charge, Premises Work Charge, Extended Calling Service and local Calling Plus on Exhibit SB1 to the Detailed Revenue Reports for the 12 months ended June 30, 2003.

Scanned 10K report filed in 2002 with the SEC for mention of Pricing Units. Scanned online annual report on BellSouth's website for mention of pricing units. Scanned FCC website for reports referring to pricing units.

## Disclosure No. 1

Subject: Reconciliation of Access Lines.

Statement of Fact: BellSouth Telecommunications, Inc., files a monthly report (PSC/CMU 28) detailing access lines in service, by exchange, with the Division of Competitive Markets and Enforcement (CMP) of this Commission in compliance with Rule 25-4.0185 F.A.C. Audit staff summarized these schedules to obtain yearly totals and then compared them to the Exhibit SB1 filed in this docket. Differences were noted. We asked the Company about the differences.

The Company satisfactorily reconciled June 2003 for Flat Rate Residence only. The Company requested to not reconcile Flat Rate Single Line Business Service because the Single Line Business Service is 5% of the total line count in the SB1 filing.

**Recommendation:** The Auditor defers final disposition of this matter to other CMP Staff.

State: Florida Basic Exhibit SB1 Present and Proposed Rates and Revenues LOCAL EXCHANGE Develop Date : 12 mos ending June 2003 Page : 1 of 13

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						RECURRING RA	TES				
Tariff Section, Page #	/ Service <u>Description</u> USQC	Present <u>Demand</u>	Proposed Demand	Present Rate	Proposed Rate	\$ <u>Change</u>	t Change	Present Annual Revenue	Proposed Annual Revenue	Annual Revenue <u>Change</u>	MB Seg.
(1)	(2) (3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	{12}	(13)
	RATE GROUP - 1										
A3/17	Flat Rate Single Line Business - Retail			\$20.55	\$25.00	\$4.45	21.65%				1002
A3/17	Flat Rate Single Line Business - Wholesale			\$17.10	\$20.80	\$3.70	21.64%				1002
A3/17	Flat Rate Residence - Retail - No Concession	on		\$7.57	\$11.07	\$3.50	46.24%				1001
A3/17	Flat Rate Residence - Wholesale			\$5.92	\$8.66	\$2.74	46.28%				1001
A3/17	Flat Rate Residence - Retail - 100% Concess	sion _		\$0.00	\$0.00	\$0.00	N/A				1001
	RATE GROUP - 1	•				SUBTOTAL					
	RATE GROUP - 2										
A3/17	Plat Rate Single Line Business Retail			\$21.58	\$25.00	\$3.42	15.85%				1002
A3/17	Flat Rate Single Line Business - Wholesale			\$17.95	\$20.80	\$2.85	15.88%				1002
A3/17	Flat Rate Residence - Retail - No Concession			\$7.98	\$11.48	\$3.50	43.86%				1001
A3/17	Plat Rate Residence - Wholesale			\$6.24	\$8.98	\$2.74	43.91%				1001
A3/17	Plat Rate Residence - Retail - 40% Concess.	ion		\$4,79	\$6.89	\$2.10	43.84%				1001
A3/17	Flat Rate Residence - Retail - 100% Conces			\$0.00	\$0.00	\$0.00	N/A				1001
	RATE GROUP - 2			,	**	SUBTOTAL	.,				1001
A3/17	RATE GROUP - 3 Plat Rate Single Line Business - Retail			***	*** **						
A3/17	Flat Rate Single Line Business - Wholesale			\$22.72 \$18.90	\$25.00 \$20.80	\$2.28	10.04%				1002
A3/17	Plat Rate Residence - Retail - No Concession			\$8.39	\$20.80 \$11.89	\$1.90 \$3.50	10.05% 41.72%				1002
A3/17	Flat Rate Residence - Wholesale	VII.		\$6.56	\$9.30	\$2.74	41.778				1001
λ3/17	Flat Rate Residence - Retail - 40% Concess:	ion		\$5.03	\$7.13	\$2.10	41.75%				1001
A3/17	Plat Rate Residence - Retail - 100% Concess			\$0.00	\$0.00	\$0.00	N/A				1001
,	RATE GROUP - 3			<b>40.00</b>	40.50	SUBTOTAL	14/14				1001
	RATE GROUP - 4										
A3/17	Plat Rate Single Line Business - Retail			\$23.76	\$28,00	\$4.24	17.85%				1002
A3/17	Flat Rate Single Line Business - Wholesale			\$19.77	\$23.29	\$3.52	17.80%				1002
A3/17	Flat Rate Residence - Retail - No Concession	n		\$8.71	\$12.21	\$3.50	40.18%				1001
A3/17	Flat Rate Residence - Wholesale	•		\$6.81	\$9.55	\$2.74	40.23*				7007
A3/17	Flat Rate Residence - Retail - 40% Concess			\$5.23	\$7.33	\$2.10	40.15%				1001
A3/17	Flat Rate Residence - Retail - 100% Concess	arou		\$0.00	\$0.00	\$0.00	N/A				1001
	RATE GROUP - 4					SUBTOTAL					

Private/Proprietary: No disclosure outside BELLSOUTH except under written agreement.

1001

State: Florida Present and Proposed Rates and Revenues LOCAL EXCHANGE Basic Exhibit SB2

Develop Date : 12 mos ending June 2003 2 of 13 Page :

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Tariff Section, Page #		Present <u>Demand</u> (4)	Proposed <u>Demand</u> (5)	Present Rate (6)	Proposed Rate (7)	\$ <u>Change</u> (8)	Change (9)	Present Annual Revenue (10)	Proposed Annual <u>Revenue</u> (11)	Annual Revenue <u>Change</u> (12)	MB Seg. (13)
1-7	<b>147</b>										
	RATE GROUP - 5										1602
A3/17	Plat Rate Single Line Business - Retail			\$24.75	\$28.00	\$3.25	13,13%				1002
A3/17	Plat Rate Single Line Business - Wholesale			\$20.59	\$23.29	\$2.70	13.11%				1002
A3/17	Plat Rate Residence - Retail - No Concession			\$9.12	\$12.98	\$3.86	42.32%				
A3/17	Flat Rate Residence - Wholesale	~		\$7.13	\$10.15	\$3.02	42.36%				1001
A3/17	Plat Rate Residence - Retail - 40% Concession			<b>\$5.47</b>	\$7.79	\$2.32	42.41%				1001
A3/17	Flat Rate Residence - Retail - 100% Concession	n		\$0.00	\$0.00	\$0.00	N/A				1001
	RATE GROUP - 5					SUBTOTAL					
	RATE GROUP - 6										
A3/17	Flat Rate Single Line Business - Retail			\$25.84	\$28 00	\$2.16	8.36%				1002
A3/17	Plat Rate Single Line Business - Wholesale			\$21.50	\$23.29	\$1.79	8.33%				1002
A3/17	Flat Rate Residence - Retail - No Concession			\$9.49	\$13.35	\$3.86	40.67%				1001
A3/17	Flat Rate Residence - Wholesale			\$7.42	\$10.44	\$3.02	40.70%				1001
A3/17	Flat Rate Residence - Retail - 40% Concession			\$5.69	\$8.01	\$2.32	40.77%				1001
A3/17	Plat Rate Residence - Retail - 100% Concession			\$0.00	\$0 00	\$0.00	N/A				1001
,	RATE GROUP - 6			*****	·	SUBTOTAL	.,				
	RATE GROUP - 7					_					
A3/17	Plat Rate Single Line Business - Retail			\$26.72	\$30.20	\$3.48	13.02%				1002
A3/17	Flat Rate Single Line Business - Wholesale			\$22.23	\$25.12	\$2.89	13 00%				1002
A3/17	Flat Rate Residence - Retail - No Concession			\$9.85	\$13.71	\$3.86	39.19%				1001
A3/17	Plat Rate Residence - Wholesale			\$7,70	\$10.72	\$3.02	39.22%				1001
A3/17	Flat Rate Residence - Retail - 40% Concession			\$5.91	\$8.23	\$2.32	39.26%				1001
A3/17	Flat Rate Residence - Retail - 100% Concession	n		\$0.00	\$0.00	\$0.00	N/A				1001
	RATE GROUP - 7					SUBTOTAL					
	RATE GROUP - 0										
A3/17	Plat Rate Single Line Business - Retail			\$27.61	\$30 20	\$2.59	9.36%				1002
A3/17	Plat Rate Single Line Business - Wholesale			\$22.97	\$25.12	\$2.15	9.36%				1002
/				7		T	J.30%				1002

\$10.16

RECURRING RATES

\$14.02

\$3.86 37.994

A3/17 Plat Rate Residence - Retail - No Concession

Present and Proposed Rates and Revenues LOCAL EXCHANGE Develop Date : 12 mos ending June 2003 Page : 3 of 1.3

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RECURRING RATES	s	RATE	RRING	RECT
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Tariff Section/ Page # (1)	Service <u>Description</u> (2)	1990 (1)	Present Demand (4)	Proposed <u>Demand</u> (5)	Present <u>Rate</u> (G)	Proposed <u>Rate</u> (7)	Ş <u>Change</u> (8)	t <u>Change</u> (9)	Present Annual Revenue (10)	Proposed Annual <u>Revenue</u> {11}	Annual Revenue <u>Change</u> (12)	MB Seg. (13)
A3/17	Flat Rate Residence -	Wholesale			\$7.94	\$10.68	\$2.74	34.51%				1001
A3/17		Retail - 40% Concession			\$6.10	\$8.20	\$2,10	34.43%				1001
A3/17		Retail - 100% Concession			\$0.00	\$0.00	\$0.00	N/A				1001
1.3/11	RATE GROUP - 8						SUBTOTAL	•				
	RATE GROUP - 9											
A3/17	Flat Rate Single Line	Business - Retail			\$28.43	\$30.20	\$1.77	6.23%				1002
A3/17	Flat Rate Single Line				\$23.65	\$25.12	\$1.47	6.22%				1002
A3/17		Retail - No Concession			\$10.42	\$13.92	\$3.50	33.59%				1001
A3/17	Flat Rate Residence -				\$8.15	\$10.89	\$2.74	33.62%				1001
A3/17		Retail - 40% Concession			\$6.25	\$8.35	\$2.10	33.60%				1001
A3/17		Retail - 100% Concession			\$0.00	\$0.00	\$0.00	N/A				1001
	RATE GROUP - 9	•					SUBTOTAL					
	RATE GROUP -10											
V3/12	Plat Rate Single Line				\$29.05	\$30.20	\$1.15	3.96%				1002
A3/17	Flat Rate Single Line				\$24.17	\$25.12	\$0.95	3.93%				1003
A3/17		Retail - No Concession			\$10.68	\$14.18	\$3.50	32.77%				1001
A3/17	Flat Rate Residence -				\$8.35	\$11.09	\$2.74	32.81%				1001
A3/17		Retail - 40% Concession			\$6.41	\$8.51	\$2.10	32.76%				1001
A3/17		Retail - 100% Concession			\$0.00	\$0.00	\$0.00	N/A				1001
	RATE GROUP -10						SUBTOTAL					
	RATE GROUP -11											
A3/17	Flat Rate Single Line				\$29.68	\$30.20	\$0.52	1.75%				1002
A3/17	Plat Rate Single Line				\$24.69	\$25.12	\$0.43	1.74%				1002
A3/17		Retail - No Concession			\$10.83	\$14.33	\$3.50	32.32%				1001
A3/17	Flat Rate Residence -				\$8.47	\$11.21	\$2.74	32.35%				1001
A3/17		Retail - 40% Concession			\$6.50	\$8.60	\$2.10	32.31%				1001
A3/17		Retail - 100% Concession			\$0.00	\$0.00	\$0.00	N/A				1001
	RATE GROUP -11						SUBTOTAL					

State: Florida Basic Exhibit SB1

State: Plorida Basic Exhibit SB1

Present and Proposed Rates and Revenues LOCAL EXCHANGE

Develop Date : 12 mos ending June 2003 Page : 4 of 13

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RECURRING	RATES
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Tariff Section Page # (1)	/ Service	(1) 0200	Present <u>Demand</u> (4)	Proposed <u>Demand</u> (5)	Present <u>Rate</u> (6)	Proposed <u>Rate</u> (7)	\$ <u>Change</u> (8)	t Change (9)	Present Annual <u>Revenue</u> (10)	Proposed Annual <u>Revenue</u> (11)	Annual Revenue <u>Change</u> (12)	MB Seg. (13)
	RATE GROUP -12											
A3/17	Flat Rate Single Line Bu	siness - Retail			\$30.20	\$30.20	\$0.00	0.00%				1002
A3/17	Plat Rate Single Line Bu				\$25,12	\$25.12	\$0.00	0.00%				1002
A3/17	Flat Rate Residence - Re	tail - No Concession			\$11.04	\$14.54	\$3.50	31.70%				1001
A3/17	Flat Rate Residence - Wh				\$8.63	\$11.37	\$2.74	31.75				1001
A3/17	Plat Rate Residence - Re				\$6.62	\$8.72	\$2,10	31.721				1001
A3/17	Plat Rate Residence - Re	tail - 100% Concessio	n		\$0.00	\$0.00	\$0.00	N/A				1001
	RATE GROUP -12						SUBTOTAL					
	RATE CODE X2											
A3/43	Flat Rate Single Line Bu	sıness - Retail			\$30.93	\$30.20	(\$0.73)	-2.36%				1002
A3/43	Flat Rate Single Line Bu	siness - Wholesale			\$25.73	\$25.12	(\$0.61)	-2.37%				1002
A3/43	Plat Rate Residence - Re				\$11.41	\$14.91	\$3.50	30.674				1001
A3/43	Flat Kate Residence - Wh				\$8.92	\$11.66	\$2.74	30.72%				1001
A3/43	Flat Rate Residence - Re				\$6.85	\$8.95	\$2.10	30.66%				1001
A3/43	Flat Rate Residence - Re	tail - 100% Concession	n		\$0.00	\$0.00	\$0.00	N/A				1001
	RATE CODE X2						SUBTOTAL					
	RATE CODE X1											
A3/43	flat Rate Single Line Bu	siness - Retail			\$23.86	\$28.00	54.14	17.35%				1002
A3/43	Flat Rate Single Line Bu	siness - Wholesale			\$19.85	\$23.29	\$3.44	17.335				1002
A3/43	Flat Rate Residence - Re	tail - No Concession			\$8.83	\$12.33	\$3.50	39.64%				1001
A3/43	Flat Rate Residence - Wh	olesale			\$6.90	\$9.64	\$2.74	39.71				1001
A3/43	Flat Rate Residence - Re	tail - 40% Concession			\$5.30	\$7.40	52.10	39.62%				1001
A3/43	Flat Rate Residence - Re	tail - 100% Concession	n		\$0.00	\$0.00	\$0.00	N/A				1001
	RATE CODE X1						SUBTOTAL					1001
	RATE CODE X3											
A3/43	Flat Rate Single Line Bu	siness - Retail			\$32.31	\$30.20	(\$2.11)	-6.531				
A3/43	Plat Rate Single Line Bu				\$26.88	\$25.12	(\$1.76)	-6.55 <b>t</b>				1002
A3/43	Flat Rate Residence - Re				\$11.86	\$15.36	\$3.50	29.51				1002 1001
A3/43	Flat Rate Residence - Wh				\$9.27	\$12.01	\$2.74	29.564				1001
					4-1-	4	<b>V</b> =	27.201				1001

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Develop Date 12 mos ending June 2003

State: Plo Basic Exhibit SE		-		Present and Proceed Local Exchange	roposed Rates a	and Revenues					12 mos ending June 5 of 13 08/26/03	
							RECURRING RA	tes				
Tariff Section/ Page #	Service <u>Description</u> (2)	<u>usoc</u> ( )	Present <u>Demand</u> (4)	Proposed <u>Demand</u> (5)	Present <u>Rate</u> (6)	Proposed <u>Rate</u> (7)	\$ <u>Change</u> (8)	t Change (9)	Present Annual <u>Revenue</u> (10)	Proposed Annual Revenue (11)	Anmal Revenue <u>Change</u> (12)	MB Seg.
A3/43 A3/43	Flat Rate Residence - Ret Flat Rate Residence - Ret RATE CODE X3				\$7.12 \$0.00	\$9.22 \$0.00	\$2.10 \$0.00 SUBTOTAL	29.49% N/A				1001 1001
A3/43 A3/43 A3/43 A3/43 A3/43	RATE CODE X4  Flat Rate Single Line Bur Flat Rate Single Line Bur Flat Rate Residence - Rei RATE CODE X4	siness - Wholesale tail - No Concession olesale tail - 40% Concession	٠		\$29.68 \$24.69 \$10.83 \$8.47 \$6.50 \$0.00	\$30.20 \$25.12 \$14.33 \$11.21 \$8.60 \$0.00	\$0.52 \$0.43 \$3.50 \$2.74 \$2.10 \$0.00 SUBTOTAL	1.75% 1.74% 32.32% 32.35% 32.31% N/A				1002 1002 1001 1001 1001
		TOTAL.					00010276		\$362,347,587	\$472,210,66	9 \$109,863,083	

Annual Revenue Change

6

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SUB-TOTALS

TOTAL REVENUES

\$0

Present

Annual

Revenue

(1)

\$362,347,587 \$472,210,669 \$109,863,083 \$0

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(3)

SECTION

Recurring

Non-recurring

TOTALS

Present and Proposed Rates and Revenues

LOCAL EXCHANGE

\$362,347,587 \$472,210,669 \$109,863,083

Page :

Run Date :

Proposed

Annual

<u>Revenue</u>

(2)

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State: Plorida

Exhibit SB1

Basic

Run Date :

08/26/03

State: Plorida Develop Date . 12 mos ending June 2003 Present and Proposed Rates and Revenues LOCAL EXCHANGE Basic Page : 7 of 13

TOTAL REVENUES SUMMED BY MARKET BASKET

M B Segment (1)	Service  Description (2)	Present Annual R <u>evenue</u> (3)	Proposed Annual Revenue (4)	Annual Revenue Change (5)
1001	FLAT RATE RESIDENTIAL SERVICE FLAT BATE. SINGLE LINE BUSINESS SERVICE	\$315,871,275	\$423,638,823	

Exhibit SB1

State: Florida Basic Exhibit SB1	Present and Proposed Rates and Revenues											
	RECURRING RATES											
Tariff Section/ Page # (1)	Service <u>Description</u> (2)	<u>USOC</u> (3)	Present <u>Demand</u> (4)	Proposed <u>Demand</u> (5)	Present <u>Rate</u> (6)	Proposed <u>Rate</u> (7)	\$ <u>Change</u> (8)	t Change (9)	Present Annual <u>Revenue</u> (10)	Proposed Annual <u>Revenue</u> (11)	Annual Revenue <u>Change</u> (12)	NB Seg. (13)
A3/42 A3/42 A3/42	A3.7.3 EXTENDED CALLI RESIDENTIAL - PER MSG BUSINESS - INITIAL MINUTE BUSINESS - ADDITIONAL MIN A3.7.3 EXTENDED CALLI	i Ute			\$0.25 \$0.10 \$0.06	\$0.25 \$0.10 \$0.06	\$0.00 \$0.00 \$0.00 SUBTOTAL	0.00% 0.00% 0.00%				1007 1008 1008
A3/91 A3/91	A3.8.50 LOCAL CALLING USAGE - CHIP, GRACEVILLE, V USAGE - ALL OTHER A3.8.50 LOCAL CALLING	PER JON			\$0.20 \$0.25	\$0.20 \$0.25	\$0.00 \$0.00 Subtotal	0.00% 0.00%				1010 1010
		TOTAL							\$56,269,410	\$56,269,410	\$0	

State: Florida

Basic

Present and Proposed Rates and Revenues

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Exhibit SB1

A003 BASIC LOCAL EXCHANGE SERVICE

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7

TOTAL REVENUES				
	Present Annual <u>Rovenue</u> (1)	Proposed Annual <u>Revenue</u> (2)	Annual Revenue <u>Change</u> (3)	
SUB-TOTALS Recurring Non-recurring	\$56,269,410 \$0	\$56,269,410 \$0	\$0 \$0	
SECTION TOTALS	\$56,269,410	\$56,269,410	\$0	

08/26/03

Develop Date : 12 mos ending June 2003 Present and Proposed Rates and Revenues A003 BASIC LOCAL EXCHANGE SERVICE Page: 10 of 13 Run Date:

TOTAL REVENUES SUMMED BY MARKET BASKET

M B Segment (1)	Service <u>Description</u> (2)	Present Annual <u>Revenue</u> (3)	Proposed Annual Revenue (4)	Annual Revenue <u>Change</u> (5)
1007	BCS - RES BASIC	\$30,728,159	\$30,728,159	\$0
1008	BCS - BUS BASIC	\$20,175,209	\$20,175,209	\$0
1010	LCP - BASIC	\$5,366,042	\$5,366,042	\$0

State: Plorida

Basic Exhibit SB1 State: Florida

State: Florida

Present and Proposed Rates and Revenues

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Exhibit SB1

A004 SERVICE CHARGES

Run Date: 08/26/03

					NON-RECURRING RATES							
Tariff Section/ <u>Page #</u> (1)	Service <u>Descriptio</u> n (2)	<u>usoc</u> (3)	Present Annual <u>Demand</u> (4)	Proposed Annual <u>Demand</u> (5)	Present <u>Rate</u> (6)	Proposed <u>Rate</u> (7)	\$ <u>Change</u> (B)	<b>t</b> <u>Change</u> (9)	Present Annual <u>Revenue</u> (10)	Proposed Annual Revenue (11)	Annual Revenue <u>Change</u> (12)	MB Seg. (13)
A4/6 A4/6 A4/6	A4.3.1 LINE CONNECTION ORES PLAT - 1ST LINE RES PLAT - ADDL LINE BUS SINGLE LINE PLAT-1ST A4.3.1 LINE CONNECTION OR				\$40.88 \$12.05 \$56.24	\$46.50 \$14.00 \$65.00	\$5.62 \$1.95 \$8.76 SUBTOTAL	13.75% 16.18% 15.50%				1006 1006 1006
A4/6 A4/6 A4/6	A4.3.1 LINE CHANGE CHARGE RES FLAT - 1ST LINE RES FLAT - ADDL LINE BUS SINGLE LINE FLAT-1ST A4.3.1 LINE CHANGE CHARGE		-		\$23.50 \$11.00 \$38.16	\$28.12 \$14.95 \$42.00	\$4.62 \$3.95 \$3.84 SUBTOTAL	19.66% 35.91% 10.06%				1006 1006 1006
A4/6 A4/6	A4.3.1 SECONDARY SERVICE RES FLAT - PER CUST REQ BUS SINGL IN FL CUST REQ A4.3.1 SECONDARY SERVICE				\$10.00 \$19.00	\$10.00 \$19.00	\$0.00 \$0.00 SUBTOTAL	0.00% 0.00%				1006 1006
R4/6 R4/6 R4/6 R4/6	A4.3.1 PREMISES WORK CH/ RES FLAT - 1ST 15 MIN RES FLAT - ADDL 15 MIN BUS SGL LN PL-1ST 15 MIN BUS SGL LN PL-ADL 15 MIN BUS SGL LN PL-ADL 15 MIN A4.3.1 PREMISES WORK CH/				\$25.00 \$9.00 \$28.00 \$9.00	\$25.00 \$9.00 \$28.00 \$9.00	\$0.00 \$0.00 \$0.00 \$0.00 SUBTOTAL	0.00% 0.00% 0.00% 0.00%				1006 1006 1006 1006

200

\$0

\$15,349,113

\$15,349,113

\$97,538,599 \$112,887,711

\$97,538,599 \$112,687,711

Non-recurring

SECTION TOTALS

Develop Date : 12 mos ending June 2003 Basic Present and Proposed Rates and Revenues A004 SERVICE CHARGES Page : 12 of 13 Exhibit \$B1 Run Date : 08/26/03 TOTAL REVENUES Present Proposed Annual Annua1 Annual Revenue Revenue Revenue Change (3) (1) (2) SUB-TOTALS Recurring

State: Florida

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tate: Florida Basic Exhibit SB1		Present and Proposed Rates and Revenues A004 SERVICE CHARGES			nos ending June 2003 of 13 08/26/03				
		TOTAL REVENUES SUN	TOTAL REVENUES SUMMED BY MARKET BASKET						
м в	Service		Present Annual	Proposed Annual	Annual Revenue				
Segment (1)	Description (2)		Revenue (3)	Revenue (4)	Change (5)				
1006	CHARGES FOR CONNECTING OR CHANGING S	ERVICE - RES SINGLE LINE, AP. CC. AP/CC & BUSINESS SINGLE LINE PLAY	\$97,538,599	\$112,887,711	\$15,349,113				