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**GTE Florida  
Incorporated**

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May 31, 1991

Mr. Steve C. Tribble, Director  
Division of Records & Reporting  
Florida Public Service Commission  
101 E. Gaines Street  
Tallahassee, FL 32399-0865

Dear Mr. Tribble:

Re: Docket No. 890216-TL; Order No. 24306  
Investigation into the proper application of  
Rule 25-14.003, F.A.C. relating to tax savings  
refund for 1988 and 1989 for GTE Florida Incorporated

On April 1, 1991, the Commission issued Order No. 24306 which among other matters required GTE Florida Incorporated ("GTEFL") to file a report detailing procedures to govern its employees' responses to audit record requests. The order expressed concern that the Company was allowing too much interpretation of audit requests between its employees and that the Company may be forcing auditors to narrow their record requests. Based on the foregoing, the Commission directed GTEFL to file a report implementing new policies to eliminate the foregoing concerns.

In preparing its report, the Company has examined its procedures and has reviewed the depositions taken in Docket No. 890216-TL regarding this matter. The Company's conclusion is that its procedures are appropriately designed to produce timely, accurate and comprehensive information responsive to audit requests. The impetus behind the problem contained in Order No. 24306 was an incomplete application of such procedures. This isolated instance has been resolved.

- ACK \_\_\_\_\_
- AFA   1
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG   1
- LIN   6
- OPC   1
- RCH \_\_\_\_\_
- SEC   1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

GTE Florida Incorporated  
GTE South Incorporated  
A part of GTE Corporation

DOCUMENT NUMBER-DATE

05495 MAY 31 1991

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The Company's audit request response process is designed to cope with a live interactive process. It has never been GTEFL's intent in any manner to engage in unnecessary interpretation of data requests or to limit responsive information. Indeed, GTEFL believes that it enjoys the reputation of being completely candid and cooperative in the discovery process. Nonetheless, it is a fact that any discovery request is subject to interpretation and the Company must retain the flexibility to interact with the auditors in order to produce responsive and relevant information.

With the foregoing matters noted, GTEFL submits the following narrative report of its discovery response procedures which will ensure the delivery of timely and accurate information.

In order to assure the accuracy and consistency of the data provided as well as timeliness of response, GTEFL has designated certain departments to handle inquiries and requests from the Commission and other parties. Where the information request is initially sent depends on the discovery vehicle utilized to pursue discovery and the nature of the docket. For example, interrogatories or a request for production of documents would be received by the Legal Department, whereas, an on-site audit request would go directly to either Regulatory Compliance, Regulatory Accounting or Revenue and Earnings (hereinafter collectively referred to as RC for convenience). The responsible department then determines who has accountability for responding to the request and executes a follow-up procedure to assure accuracy, consistency and timeliness of the response to the requesting party. While subject matter experts must answer the discovery request, designated people with the requisite knowledge must deliver the data request to the appropriate individual within the Company. In all instances, the Company will transmit the actual document to the responding individual(s) to ensure no unnecessary interpretation or confusion exists regarding the data request. GTEFL has chosen this approach due to the complexity and size of the Company.

The process of responding to a document request from the Commission's auditors during the course of a Commission audit is performed in the following manner. The Company's

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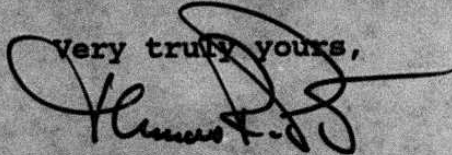
RC staff receives notice of a pending audit by the Commission staff. RC communicates the receipt of the audit notice to the Company's Legal staff who, when appropriate, sends a document retention memo which informs affected parties of the audit and requests retention of files.

RC identifies the responsible party who will prepare the request, determines the time frame for response, and then forwards the audit request to that party. The responsible party prepares the response within the specified time frame and forwards the response to RC. RC provides the completed response to the Commission's auditor. If the request does require a site visit, RC accompanies the Commission's auditor to the site.

If the request is determined to be completed, then RC conducts an exit interview with the Commission's auditor. However, if the request is determined not to be complete, the process would begin again at the point where RC receives the document request from the Commission's auditor.

The foregoing constitutes the Company's response and report to Order No. 24306. If there are any questions, please call me at 813-228-3087 at your convenience.

Very truly yours,



Thomas R. Parker  
Associate General Counsel

TP:fm  
Airborne