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October 30, 1992

Mr. Steve Tribble, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32399-0850

via Hand Delivery

Re: Southern Bell Rate Case; Docket No. 920260-TL

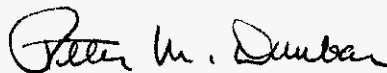
Dear Mr. Tribble:

Enclosed for filing please find an original and fifteen copies of the Motion to Dismiss Southern Bell's Petition for Ordering Adopting Plan for Alternative Method of Regulation by Florida Cable Television Association for the above-referenced docket. You will also find a copy of this letter enclosed and a diskette containing this same information. Please date-stamp the copy of the letter to indicate that the original was filed and return a copy to me.

If you have any questions regarding this matter, please feel free to contact me. Thank you for your assistance in processing this filing.

Respectfully,

HABEN, CULPEPPER, DUNBAR  
& FRENCH, P.A.



Peter M. Dunbar

ACK \_\_\_\_\_  
AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
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Enclosures  
LEG 1  
LIN cc:6 All parties of record  
OPC \_\_\_\_\_  
RCH \_\_\_\_\_  
SEC 1  
WAS \_\_\_\_\_  
CFL \_\_\_\_\_

DOCUMENT NUMBER-DATED  
12736 OCT 30 1992  
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: 920260-TL  
Filed: October 30, 1992

**MOTION TO DISMISS SOUTHERN BELL TELEPHONE AND TELEGRAPH  
COMPANY'S PETITION FOR ORDERING ADOPTING PLAN  
FOR ALTERNATIVE METHOD OF REGULATION**

COMES NOW, The Florida Cable Television Association ("FCTA"), by and through its undersigned counsel and does hereby file its Motion to Dismiss Southern Bell Telephone and Telegraph Company's ("Southern Bell" or "Company") Petition for Order Adopting Plan for Alternative Method of Regulation, and in support thereof states as follows:

1. That the Commission pursuant to Section 364.036 (2), Florida Statutes, may implement an alternative method of regulation only when the seven (7) criteria of the statute are appropriately met. Specific among the criteria of the statute is the requirement that the alternative method of regulation assure that competitive services are not subsidized by rates for monopoly services, to wit:

"Includes adequate safeguards to assure that the rates for monopoly services do not subsidize competitive service." (Section 364.036 (2)(f), F.S.).

2. That the Petition by Southern Bell specifically acknowledges that, "Section 364.036 (2)(f) requires the assurance that the rates for monopoly services do not subsidize competitive services." (Company Petition, 7).

3. That the Company is currently engaged in the offering of competitive telecommunications services in a competitive telecommunications environment. This is substantiated by:

A. The direct testimony of Company witness Mr. Anthony Lombardo in this Docket, as follows:

"Competition and its impact on Southern Bell can only be described as substantial and growing. The variety and viability of competitors, their market expansions, as well as strategic alliances among competitors have all increased the level of competition. Technology developments and regulatory trends have also increased the scope and depth of competition." (Lombardo Direct, 6).

B. The testimony of Company witness Mr. Jerry L. Wilson in Docket No. 920385-TL, as follows:

"... our business is rapidly emerging as a competitive one, and there are a lot of potential competitors out there and real competitors out there that might have a self-interest in harming us in anyway that they can to put us at a competitive disadvantage." (Tr. 38).

C. The testimony of Company witness Mr. Hamilton E. Gray, Jr. in Docket No. 920385-TL who testified that for purposes of planning and forecasting that the Company makes no distinction between monopoly and competitive services, to wit:

"...(I)f the services are under the regulatory jurisdiction of this Commission, i.e., they're regulated services, then whether they're competitive or not, from my standpoint as a network planner, doesn't matter." (Tr. 156).

D. The Company states in its Petition in this Docket that the alternative method of regulation will give Southern Bell "(t)he enhanced ability to timely respond to emerging competition (and)

will give Southern Bell the means to compete on a more equal basis which will help Southern Bell offer affordable rates for those services not subject to competition."

4. That one of the "adequate safeguards" specified in Chapter 364, Florida Statutes, "to assure that the rates for monopoly services do not subsidize competitive services", are found in Section 364.3381 (2), Florida Statutes which provides as follows:

"A local exchange telecommunications company which offers both monopoly and competitive services shall segregate its intrastate investments and expenses in accordance with allocation methodologies as prescribed by the Commission to ensure that competitive telecommunications services are not subsidized by monopoly telecommunications services." (Section 364.3381 (2), F.S.).

5. That no allocation methodology has been prescribed by the Commission requiring the segregation of intrastate investments and expenses for competitive and monopoly telecommunications services as required by Section 364.3381 (2), F.S., to protect against unauthorized cross-subsidization.

6. That Southern Bell has failed to identify all of the services in this Docket which it considers to be competitive.

7. That where no allocation methodology has been prescribed and where the Company is engaged in offering competitive and monopoly services without regard to the distinction between competitive and monopoly services, there are not adequate safeguards to assure that the rates for monopoly services do not

subsidize competitive services as required by Section 364.036 (2)(f), F.S.

8. That, without identification of the competitive services offered by Southern Bell and without said adequate safeguards, including the allocation methodologies as prescribed by Section 364.3381, Florida Statutes, no alternative method of regulation can be approved by the Commission.

**WHEREFORE**, based upon the fact that the competitive services have not been identified and the fact that no allocation methodologies have been prescribed by the Commission, FCTA respectfully requests the entry of an order dismissing Southern Bell's Petition for an Alternative Method of Regulation.

**RESPECTFULLY SUBMITTED** this 30th day of October, 1992.

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By: *Peter M. Dunbar*  
Peter M. Dunbar

Counsel for: Florida Cable Television  
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**CERTIFICATE OF SERVICE  
DOCKET NO. 920260-TL**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing Florida Cable Television Association's Motion to Dismiss Southern Bell Telephone and Telegraph Company's Petition for Ordering Adopting Plan for Alternative Method of Regulation has been served by U.S. Mail or hand delivery on this 30th day of October, 1992, to the following parties of record:

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