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FILE COPY

REPLY TO: Tallahassee

December 18, 1992

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

HAND DELIVERED

Re: FPSC Docket No. 920260-TL

Dear Mr. Tribble:

Enclosed for filing are an original and fifteen copies of Florida Pay Telephone Association, Inc.'s Prehearing Statement in the above-referenced docket.

Please date stamp the extra copy of this letter enclosed to indicate this filing and return the copy to me. Thank you for your assistance in the processing of this filing, and please call if there are any questions or further requirements.

Yours very truly,

Laura L. Wilson
Laura L. Wilson

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Enclosures

cc: Parties of Record
Mr. Lance C. Norris

RECORDS

DOCUMENT NUMBER-DATE

14702 DEC 18 1992

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
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Comprehensive Review of the)
Revenue Requirement and Rate)
Stabilization Plan of Southern)
Bell Telephone & Telegraph Company)
_____)

Docket No. 920260-TL

Filed: December 18, 1992

**FLORIDA PAY TELEPHONE ASSOCIATION, INC.'S
PREHEARING STATEMENT**

Florida Pay Telephone Association, Inc. ("FPTA"), pursuant to Florida Public Service Commission ("Commission") Order No. PSC-92-1195-PCO-TL and Florida Administrative Code Rule 25-22.038(3), respectfully submits the following Prehearing Statement in the above-captioned docket.

A. WITNESSES

FPTA does not intend to present witnesses; however, FPTA reserves the right to call witnesses, if necessary, as may be required by later filed testimony, the completion of discovery, or new issues identified at the prehearing conference.

B. EXHIBITS

FPTA does not intend to present independent exhibits; however, FPTA reserves the right to present exhibits, if necessary, as may be required by later filed testimony, the completion of discovery, or new issues identified at the prehearing conference.

C. BASIC POSITION

The incentive regulation plan proposed by BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Co. ("Southern Bell") in this proceeding must meet the requirements of section 364.036(2), Florida Statutes. The

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FPSC-RECORDS/REPORTING

Commission has not prescribed a cost allocation methodology sufficient to assure that Southern Bell's plan contains adequate safeguards to assure against cross-subsidization as required by subsection (2). Therefore, Southern Bell's proposal should be rejected.

D. ISSUES AND POSITIONS

FPTA presents the following positions on the issues of law, fact, and policy identified in this docket.

ISSUE 1 Is the test year ended December 31, 1991 an appropriate test year?

FPTA has no position at this time.

ISSUE 2 What is the appropriate amount of plant in service for the test year?

FPTA has no position at this time.

ISSUE 2a Have the investments and expenses for video transport service been appropriately identified and accounted for?

FPTA has not position at this time.

ISSUE 2b Is Southern Bell's investment in its interLATA internal company network prudent? If not, what action should the Commission take?

FPTA takes no position at this time.

ISSUE 3 What is the appropriate amount of depreciation reserve for the test year?

FPTA takes no position at this time.

ISSUE 4 What adjustment should be made to the depreciation reserve to reflect new depreciation rates and recovery schedules as approved in Docket No. 920385-TL?

FPTA takes no position at this time.

ISSUE 5 What is the appropriate amount of construction work in progress for the test year?

FPTA takes no position at this time.

ISSUE 6 What is the appropriate amount of property held for future use for the test year?

FPTA takes no position at this time.

ISSUE 7 What is the appropriate amount of working capital allowance for the test year?

FPTA takes no position at this time.

ISSUE 8 What is the appropriate amount of rate base for the test year?

FPTA takes no position at this time.

ISSUE 9 What is the appropriate cost of common equity capital for Southern Bell?

FPTA takes no position at this time.

ISSUE 9a Should there be a penalty imposed for poor quality of service? If so, what should be the penalty?

FPTA takes no position at this time.

ISSUE 10 Is Southern Bell's proposed test year equity ratio prudent and reasonable? If not, how should this be treated?

FPTA takes no position at this time.

ISSUE 11 Is Southern Bell's balance of accumulated deferred investment tax credits, prior to reconciliation to rate base, appropriate?

FPTA takes no position at this time.

ISSUE 12 Is Southern Bell's balance of accumulated deferred taxes, prior to reconciliation to rate base, appropriate?

FPTA takes no position at this time.

ISSUE 13 What is the appropriate weighted average cost of capital including the proper components, amounts, and cost rates associated with the capital structure for the test year?

FPTA takes no position at this time.

ISSUE 14 What is the appropriate amount of operating revenue for the test year?

FPTA takes no position at this time.

ISSUE 14a Are all of the revenues from significant tariff revisions or planned tariff filings appropriately reflected in the test year?

FPTA takes no position at this time.

ISSUE 14b Has the Company accounted for employee concessions appropriately during the test year?

FPTA takes no position at this time.

ISSUE 14c Should an adjustment be made to intrastate revenues for the test period to recognize adjustments to IXC's percentage interstate usage (PIU)?

FPTA takes no position at this time.

ISSUE 14d How often should Southern Bell be required to perform PIU audits?

FPTA takes no position at this time.

ISSUE 14e What is the appropriate amount of directory advertising revenue that should be included in the test period?

FPTA takes no position at this time.

ISSUE 14f Does the Company's uncollectible accounts ratio represent a reasonable and necessary ongoing level?

FPTA takes no position at this time.

ISSUE 15 What is the appropriate amount of O&M expense for the test year?

FPTA takes no position at this time.

ISSUE 15a Are the allocations to non-regulated operations reasonable?

FPTA takes no position at this time.

ISSUE 15b What is the appropriate adjustment to revenue requirements related to BellSouth's reorganization?

FPTA takes no position at this time.

ISSUE 15c What adjustment, if any, should be made to expenses for USTA dues?

FPTA takes no position at this time.

ISSUE 15d Is Southern Bell correctly separating the revenues, expenses and investment in its Line Identification Data Base (LIDB) offering to the appropriate jurisdictions?

FPTA takes no position at this time.

ISSUE 15e Is the amount of lobbying and other political expenses included in the Company's intrastate operating expenses appropriate for ratemaking purposes?

FPTA takes no position at this time.

ISSUE 15f Is the amount of advertising and public relations expenses included in the Company's intrastate operating expenses appropriate for ratemaking purposes?

FPTA takes no position at this time.

ISSUE 15g Has the Company properly employed an appropriate expense/capitalization ratio for compensation?

FPTA takes no position at this time.

ISSUE 15h Does the level of legal, injury and damage claims expense represent a reasonable and necessary ongoing level?

FPTA takes no position at this time.

ISSUE 15i What is the appropriate treatment of the Company's promotional and charitable contributions?

FPTA takes no position at this time.

ISSUE 15j Are the test year expenses for software reasonable?

FPTA takes no position at this time.

ISSUE 15k How should software additions be treated for ratemaking purposes?

FPTA takes no position at this time.

ISSUE 15l How should the Commission treat the Company's incentive compensation/bonus plan payments?

FPTA takes no position at this time.

ISSUE 15m Are employee benefits expenses reasonable and based on known and measurable events?

FPTA takes no position at this time.

ISSUE 15n How should the Commission treat the Company's abandoned projects?

FPTA takes no position at this time.

ISSUE 15o Should ratepayers receive credit for pension collections not funded or paid into the pension plan?

FPTA takes no position at this time.

ISSUE 15p How should overfunded pension amounts be treated?

FPTA takes no position at this time.

ISSUE 16 Have non-recurring items been removed from the determination of revenue requirements?

FPTA takes no position at this time.

ISSUE 16a Does the level of employee relocation expenses represent a reasonable and necessary ongoing level?

FPTA takes no position at this time.

ISSUE 16b How should the Commission treat the expenses included in the test year related to early retirement?

FPTA takes no position at this time.

ISSUE 17 Are the affiliated charges and overhead allocations to Southern Bell-Florida reasonable, including charges from the central management/service organization?

FPTA takes no position at this time.

ISSUE 17a Are the ownership costs incurred at the corporate level appropriate for ratepayers to pay?

FPTA takes no position at this time.

ISSUE 17b How should the Commission treat the expenses incurred by BellSouth for supplemental executive retirement, stock appreciation rights and incentive compensation?

FPTA takes no position at this time.

ISSUE 17c Are the regulated operations being properly compensated for billing and collection services provided to nonaffiliated companies, and nonregulated and/or affiliated company operations?

FPTA takes no position at this time.

ISSUE 17d How should the Commission treat BST Research Organization expenses?

FPTA takes no position at this time.

ISSUE 17e Do Southern Bell's intrastate expenses include Bellcore and BellSouth Services allocated research and development costs which are of no tangible benefit to ratepayers? If so, what adjustment should be made?

FPTA takes no position at this time.

ISSUE 17f Do Southern Bell's expenditures for Bellcore services cause ratepayers of regulated telephone services to pay inappropriately for future, potentially non-regulated BellSouth products and services? If so, what adjustment should be made?

FPTA takes no position at this time.

ISSUE 17g Are the rental costs incurred by BellSouth Corporation Headquarters and allocated to Southern Bell-Florida reasonable?

FPTA takes no position at this time.

ISSUE 18 What is the appropriate amount of expense for postretirement benefits other than pensions for the test year?

FPTA takes no position at this time.

ISSUE 19 What is the appropriate amount of depreciation expense for the test year?

FPTA takes no position at this time.

ISSUE 19a What adjustment should be made to depreciation expense to reflect the new depreciation rates and recovery schedules as approved in Docket No. 920385-TL?

FPTA takes no position at this time.

ISSUE 20 What is the appropriate amount of taxes other than income for the test year?

FPTA takes no position at this time.

ISSUE 21 What is the appropriate amount of income tax expense for the test year?

FPTA takes no position at this time.

ISSUE 21a How should the effect of implementing SFAS 109, Accounting for Income Taxes, be treated by the Commission?

FPTA takes no position at this time.

ISSUE 21b How should the unprotected excess deferred income taxes be amortized?

FPTA takes no position at this time.

ISSUE 22 Should consolidated tax savings be recognized for ratemaking?

FPTA takes no position at this time.

ISSUE 23 What is the appropriate achieved test year net operating income?

FPTA takes no position at this time.

ISSUE 24 Is Southern Bell's attrition (accretion) allowance appropriate?

FPTA takes no position at this time.

ISSUE 25 What is the appropriate amount of revenue increase/decrease for the test year?

FPTA takes no position at this time.

ISSUE 25a Did Southern Bell earn above 14% Return on Equity (ROE) for 1991 therefore requiring a sharing of earnings between the company and ratepayers per Order No. 20162? If so, what is the amount to be shared?

FPTA takes no position at this time.

ISSUE 25b Did Southern Bell experience an increase in earnings when netting rate changes against changes in earnings due to exogenous factors and debt refinancings, therefore requiring a refund and/or a permanent disposition for 1991 per Order No. 20162? If so, what is the amount?

FPTA takes no position at this time.

ISSUE 25c What amount of revenue is subject to disposition in 1993 due to orders issued in DN 880069?

FPTA takes no position at this time.

ISSUE 25d What amount of revenue, if any, should be refunded?

FPTA takes no position at this time.

ISSUE 25e Should Southern Bell be required to file, within 30 days after the date of the final order in this docket, an updated schedule to reflect the actual rate case expense?

FPTA takes no position at this time.

ISSUE 26a What criteria should the Commission use to evaluate Southern Bell's performance under, and its proposal for, an incentive regulation, price cap or price regulation plan? (For example, data provided in MFR Schedules on expenses, productivity, efficiency, comparisons of that or other data with other LECs, etc.)

The Commission's criteria should include the requirement that Southern Bell's performance under and proposal for incentive regulation meets the requirements of sections 364.3381, 364.036, and 364.338(6), Florida Statutes.

ISSUE 26b Has the current incentive regulation plan under which Southern Bell has been operating achieved the goals as set forth in DN 880069-TL? What are the positive and negative results, if any?

FPTA has no position at this time.

ISSUE 27 Southern Bell (SBT) proposes to change its current form of regulation. The proposed plan includes the following components listed below. On the basis of these components, what are the pros and cons of this plan?

- A. Places ceiling on aggregate prices via a Price Regulation Index (PRI). This index is composed of an inflation measure, less a productivity factor offset, plus or minus any exogenous factors.
- B. For inflation, PRI uses the Gross National Product-Price Index (GNP-PI).
- C. PRI Productivity offset set at 4%.
- D. Defines exogenous factors as those measurable expenses beyond SBT's control. This includes changes in regulations or statutes, taxes, separations, and accounting practices, and adjustments to depreciation rates.
- E. PRI initially indexed at 100 as the starting point.
- F. PRI is adjusted annually and aggregate prices are then adjusted accordingly. Downward adjustments are required, upward adjustments are optional. First adjustment is in 1994.
- G. Any changes in aggregate prices during the year must be below or at the PRI of 100.
- H. Regulated services with no tariffed rates are excluded from the PRI.
- I. Contract Service Arrangement prices are excluded from PRI.

- J. New service prices excluded from PRI for at least 12 months.
- K. Restructured services are placed in the PRI upon filing.
- L. PRI to be recalculated annually. Price changes required to bring average prices at or below the PRI would be filed in associated tariffs in an annual May 1 filing and would go into effect 60 days later.
- M. Proposes two categories of services, basic and non-basic services.
- N. Defines basic services as those services generally required to provide essential local exchange services to an end user as well as access to providers of basic local services and toll service.
- O. Defines Non-Basic services as those tariffed services not in the basic category. Includes those that are optional or can be provided by a vendor other than SBT.
- P. Installs pricing rules for each category.
 - 1. For basic services:
 - Sets limit on service category increases at 5%.
 - Individual service prices could be raised a maximum of 5% annually, as long as the average for all prices did not exceed the PCI.
 - No floor set on reductions.
 - Lifeline and Link-up rates could not be changed without Commission approval.
 - 2. For non-basic services:
 - Sets limit on service category increases at 20%.
 - Individual service prices could be raised a maximum of 20% annually, as long as the average for all prices did not exceed the PCI.
 - No floors set on reductions.
 - For those services currently having banded rates, the existing maximum and minimum rates will be retained. Price changes can be made anywhere within the range.
 - 3. For both:
 - Increases and decreases in rates are treated the same for both basic and non-basic services. Increases in rates become effective on 30 day notice. Decreases become effective on 15 days notice. Changes are presumptively valid.
- Q. Services can be recategorized. Requests for recategorization of services would be ruled upon by the Commission within 60 days.
- R. Services can be removed from price earnings regulation all together.
- S. Defines new services as those not previously offered or not replacing an existing services.
- T. Prices new services above incremental cost.
- U. New service prices are excluded for at least 12 months from the PRI calculation.
- V. Effective within 30 days with presumptively valid approval.
- W. Floor for rates at incremental cost. No ceiling.

- X. Rate changes allowed with 15 day effective date during the first 12 months the service is offered.
- Y. Defines restructured services as those replacing an existing service.
- Z. The rate cannot exceed the rate of the existing service it is replacing.
- AA. Restructured services are placed in the PRI upon filing.
- AB. Sharing ratio is 50/50 split between the company and the ratepayers. No rate setting point was proposed. Floor is to be set at 11.5% ROE. Ceiling is to be set at 16% ROE. Sharing begins at 14% ROE. Any ROE above 16% ROE is to be 100% returned to ratepayers.
- AC. SBT can request rates be moved above PRI under the following circumstances:
 1. Earnings fall below the established floor.
 2. Structural changes form changes in the industry or Commission orders.
 3. Changes in competitive conditions as authorized by the Commission.
- AD. Plan goes into effect May 1, 1993.
- AE. Plan reviewed after four years for adjustment.
- AF. No termination date set.
- AG. Service requirements - none proposed.

Southern Bell's plan contains too much pricing flexibility and permits Southern Bell to price its services in an anticompetitive manner. Also, rather than permitting some pricing changes to be presumptively valid, all proposed price changes should be subject to challenge by affected persons. Further, the Commission has not prescribed a cost allocation methodology. Thus, the Commission cannot determine that the plan is consistent with the public interest and contain adequate safeguards to assure that the rates for monopoly services do not subsidize competitive services consistent with section 364.036, Florida Statutes.

ISSUE 28 Does SBT's proposed Price Regulation Plan meet the requirements of S. 364.036(2)(a)-(g) F.S. as follows:

- A. Is the Price Regulation Plan (PRP) consistent with the public interest?

No. The plan does not contain adequate assurances against cross-subsidization.

- B. Does the PRP jeopardize the availability of reasonably affordable and reliable telecommunications services?

Yes. The plan does not contain adequate safeguards for ratepayers to protect against cross-subsidization.

C. Does the PRP provide identifiable benefits to consumers that are not otherwise available under existing regulatory procedures?

No.

D. Does the PRP provide effective safeguards to consumers of telecommunications services including consumers of local exchange services?

No.

E. Does the PRP assure that rates for monopoly services are just, reasonable, and not unduly discriminatory and do not yield excessive compensation?

No.

F. Does the PRP include adequate safeguards to assure that the rates for monopoly services do not subsidize competitive services?

No. The Commission has not prescribed an allocation methodology pursuant to section 364.3381, Florida Statutes.

G. Does the PRP jeopardize the ability of Southern Bell to provide quality, affordable telecommunications service?

FPTA takes no position at this time.

ISSUE 29 Should the Commission approve an incentive regulation plan for SBT? If so, what is the appropriate plan? If not, what is the appropriate form of regulation for SBT? How does the appropriate form of regulation meet the requirements of Chap. 364.036(a)-(g) F.S.?

No. Traditional rate base regulation is the appropriate form of regulation.

ISSUE 30a Should Southern Bell be permitted to cross-subsidize their competitive or effectively competitive services?

No. Chapter 364, Florida Statutes, prohibits cross-subsidization of competitive and effectively competitive services.

ISSUE 30b Should Southern Bell's basic telephone service rates be based on the most cost effective means of providing basic telephone service?

Yes.

ISSUE 30c Should Southern Bell segregate its intrastate investments and expenses in accordance with an allocation methodology

as prescribed by the Commission to ensure that competitive telecommunications services are not subsidized by monopoly telecommunications services?

Yes. Section 364.3381 requires that Southern Bell's intrastate investments and expenses be segregated between competitive and monopoly services.

ISSUE 30d Has the Commission prescribed an allocation methodology to ensure that competitive telecommunications services are not subsidized by monopoly telecommunications services? If so, has Southern Bell followed that prescribed allocation methodology?

No.

ISSUE 30e Has the replacement of copper with fiber since the last depreciation study been accomplished in a cost effective manner for adequate basic telephone service?

FPTA takes no position at this time.

ISSUE 31 Is Southern Bell's quality of service adequate?

FPTA takes no position at this time.

ISSUE 31a Do Rules 25-4.070 & 25-4.110 require Southern Bell to provide a rebate for an out-of-service condition when the company fails to notify, within 24 hours of the trouble report, that the trouble is located in the Customer Premises Equipment (CPE)?

FPTA takes no position at this time.

ISSUE 32 Are Southern Bell's test year billing units appropriate?

FPTA takes no position at this time.

ISSUE 32a Have billing units for employee concessions been properly accounted for in MFR Schedule E-1a?

FPTA takes no position at this time.

ISSUE 33a Is it appropriate to combine local measured usage with discounted intraLATA toll offerings?

No. However, FPTA supports rate changes that would permit it to effectively compete with the local exchange companies.

ISSUE 33b Should Southern Bell's proposed Optional Expanded Local Service (ELS) plan be approved? If not, what alternative plan, if any, should be approved on IntraLATA Toll Calls? Over what distance?

- A. \$0.25 Plan
- B. \$0.25 Plan for Residences; Businesses \$0.10 first minute and \$0.06 additional minutes
- C. Other, explain

It is more appropriate for Southern Bell to charge cost based rates for the access line plus a usage rate of 1¢ set up and .8¢ per minute which would include a contribution.

ISSUE 33c Is Southern Bell's proposal to eliminate or grandfather various existing measured and message rate offerings appropriate?

FPTA takes no position at this time.

ISSUE 33d If the Company's Optional ELS plan or any other alternative is approved, should stimulation be taken into account? If so, how?

FPTA takes no position at this time.

ISSUE 33e If the Commission approves an OELS or similar plan, what other action should the Commission take, if any? (e.g., route-specific switched access charges, 1+ IntraLATA presubscription)

FPTA takes no position at this time.

ISSUE 34 Southern Bell has made proposals in the areas of switched access service rates, the interconnection usage rates for mobile service providers and toll services as shown below. Should SBT's proposals be approved? Should there be any other changes in switched access, toll or mobile interconnection usage rates (e.g., reduce intrastate switched access rates to interstate levels)?

- A. To reduce switched access rates in the local transport element for both originating and terminating access from \$.01600 to \$.01328.
- B. To reduce current mobile originating peak usage rate from \$.03470 to \$.03200.
- C. To reduce the optional land-to-mobile intra-company usage charge from \$.0597 to \$.0572.
- D. To reduce the optional land-to-mobile inter-company usage charge from \$.1692 to \$.1667.
- E. To make no changes to its toll services rates.

FPTA takes no position at this time.

ISSUE 35a Should the Company's proposal to reduce Residential Call Waiting from \$3.50 to \$3.35 and the Residential Call Forwarding-Variable from \$2.45 to \$2.20 be approved?

FPTA takes no position at this time.

ISSUE 35b The Company has made no proposal to change its current Touchtone charges. Is this appropriate?

The Commission should consider eliminating touchtone charges, folding the service into basic rates, and adopting policies to encourage all customers to use touchtone since it promotes more efficient use of the local network.

ISSUE 35c Should customers be allowed to subscribe to Call Forward-Busy in lieu of rotary or hunting service?

FPTA takes no position at this time.

ISSUE 35d What other changes, if any, should be made to services in the Miscellaneous Service Arrangements section of Southern Bell's tariff?

FPTA takes no position at this time.

ISSUE 36 Should Southern Bell be required to provide billing and collection services for others on the same terms and conditions it provides those services to itself or to its affiliated companies?

Yes.

ISSUE 37 Southern Bell has proposed to restructure and reduce its Service Connection Charges as shown below. What changes, if any, should be made to Service Connection Charges?

Current

Residential

Primary Service Order	\$25.00
Secondary Service Order	\$ 9.00
Access Line Connection Charge - C.O. Work	\$19.50
Access Line Connection Charge - New Line	\$31.50
Number Change-per S.O.	\$ 9.00
Number Change-per No.	\$11.50

Business

Primary Service Order	\$35.00
Secondary Service Order	\$12.00

Proposed

Residential

Line Connection - First	\$40.00
Line Connection - Add'l	\$12.00
Line Change - First	\$24.00
Line Change - Add'l	\$10.00
Secondary Service Charge	\$ 9.00

Business

Line Connection - First	\$60.00
Line Connection - Add'l	\$13.00

Access Line Connection		Line Change - First	\$38.00
Charge - C.O. Work	\$19.50	Line Change - Add'l	\$11.00
Access Line Connection		Secondary Service Charge	\$19.00
Charge - New Line	\$31.50		
Number Change-per S.O.	\$12.50		
Number Change-per No.	\$11.50		

The above charges should be priced at cost, and FPTA is presently unable to verify whether the rates are cost based.

ISSUE 38a Should the EAS additives on the Yulee/Jacksonville, Munson/Pensacola and Century/Pensacola routes be eliminated? If not, why not?

FPTA takes no position at this time.

ISSUE 38b What alternative toll relief plan should be approved for the routes in Docket No. 911034-TL (Between Ft. Lauderdale and Miami; Ft. Lauderdale and N. Dade; and Hollywood and Miami)?

FPTA takes no position at this time.

ISSUE 38c Should the revenue losses resulting from combining the calling areas of North and South St. Lucie be offset in this proceeding (DN 911011-TL), and if so, how?

FPTA takes no position at this time.

ISSUE 38d Should the OEAS and EOEAS plans in Section A3.7 of the General Subscriber Service Tariff be eliminated or modified? If modified, how should this be accomplished?

FPTA takes no position at this time.

ISSUE 38e Should any of The "Local Exceptions" in Section A3.8 be eliminated or modified? If modified, how should this be accomplished?

FPTA takes no position at this time.

ISSUE 39a Southern Bell has proposed no change to its current rate group structure of 12 rate groups. Is this appropriate? If not, what changes should be made?

FPTA takes no position at this time.

ISSUE 39b Southern Bell has proposed to reduce the rates and modify the rate relationships between certain of its business access lines as shown below. It has proposed no other changes to business rate relationships? Is this appropriate? What changes, if any, should be made to business access line rate relationships?

<u>SERVICE</u>	<u>REDUCTION</u>	<u>CUR./PROP.</u> <u>B-1 RATIO</u>
Business Rotary (or hunting)	31%	.50/ .35
Residential PBX Trunks	22%	.84/ .66
Business PBX Trunks	24%	2.24/1.70
Network Access Registers	24%	2.24/1.70
NARs - Small, Medium, Large	42%	1.03/ .59

FPTA takes no position at this time.

ISSUE 39c Aside from Network Access Registers, what changes, if any, should be made to Southern Bell's ESSX offerings?

FPTA takes no position at this time.

ISSUE 39d Southern Bell has proposed to introduce a new rotary rate for both its ESSX NARs and for PBX trunks. These new elements would be priced identically within each rate group. The proposed rate is 35% of the B-1 rate. Should this proposal be approved?

FPTA takes no position at this time.

ISSUE 39e The Company has made no other proposals to change its basic local exchange rates. Is this appropriate? If not, what changes should be made?

No. The line charge for non-LEC pay telephone providers should be disengaged from the B-1 rate schedule and set out as a separate rate schedule in Section A7 independent of the B-1 rates.

ISSUE 39f Southern Bell has proposed to offer a lifeline rate to qualified subscribers composed of a federal credit of \$3.50 and a matching credit from the state/Southern Bell. Should this proposal be approved, modified, or rejected?

FPTA takes no position at this time.

ISSUE 39g Southern Bell has proposed an Economic Development plan by which businesses which locate in "Enterprise Zones" as defined in the Florida Enterprise Zone Statute, would receive a waiver of service connection charges, and a 50% discount off their basic local service charges for one year. Should this proposal be approved?

FPTA takes no position at this time.

ISSUE 40 Except for ELS, Southern Bell has proposed no stimulation or repression effects. Is this appropriate?

FPTA takes no position at this time.

ISSUE 41 Should the Company be required to identify, notify, and, if appropriate, provide refunds to customers that are being billed for non-required Protective Connective Arrangement (PCA) devices?

FPTA takes no position at this time.

ISSUE 42 Should Southern Bell be required to itemize customer bills on a monthly basis?

Yes.

ISSUE 42a Is Southern Bell complying with Rule 25-4.110 concerning customer billing?

FPTA takes no position at this time.

ISSUE 43 Is Southern Bell able to reconcile billed revenue to booked revenue for 1991? If not, should any adjustment be made to recognize the inability to reconcile billed and booked revenue?

FPTA takes no position at this time.

ISSUE 44 What other changes, if any, should be approved?

FPTA takes no position at this time.

ISSUE 45a What should be the effective date(s) of any rate changes approved in this docket?

FPTA takes no position at this time.

ISSUE 45b When should customers be notified of any rate changes and other Commission decisions in this docket?

FPTA takes no position at this time.

ISSUE 45c What information should be contained in the bill stuffers sent to customers?

FPTA takes no position at this time.

E. STIPULATIONS

FPTA is not aware of any stipulations between the parties in this docket.

F. PENDING MOTIONS

FPTA does not presently have any pending motions in this docket.

G. OTHER REQUIREMENTS

FPTA is unaware of any requirements of the procedural order that cannot be complied with.

Respectfully submitted this 18th day of December, 1992.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida Pay Telephone Association, Inc.'s Prehearing Statement in Docket No. 920260-TL has been sent by Hand Delivery (*) and/or U.S. Mail on this December 18, 1992 to the following parties of record:

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