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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: December 18, 1992
)

INTERMEDIA COMMUNICATIONS OF FLORIDA INC.'S
PREHEARING STATEMENT

Pursuant to Order No. PSC-92-0459-PCO-WS, issued June 5, 1992, the Intermedia Communications of Florida, Inc. (Intermedia) files its prehearing statement as follows:

A. All Known Witnesses

None.

B. All Known Exhibits

None.

C. Intermedia's Statement of Basic Position

Intermedia takes no position with respect to whether Southern Bell is entitled to rate relief. Intermedia's principal interest in this proceeding remains to ensure that the regulatory treatment of Southern Bell's monopoly and competitive services does not inhibit competition in the market place by creating for Southern Bell both the incentive and opportunity to engage in discriminatory, anticompetitive behavior (such as cross-subsidization of competitive services with revenues from basic services). Thus, Intermedia opposes any pricing flexibility plan - including Southern Bell's proposal in this case - that does not protect the competitive process in telecommunications.

D-I Issues & Intermedia's Respective Positions

The positions taken herein are preliminary and Intermedia reserves the right pending completion of discovery among the parties to change them.

Intermedia takes no position on the following issues:

1 and 2; 3 through 26B; 31 through 32a; 33b through 35d; 37 through 39g; 41 through 45c.

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Intermedia takes the following positions on the remaining issues:

Issue

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

Intermedia: No.

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

Intermedia: No. While strategically it may be prudent for Southern Bell to invest heavily in an interLATA network in anticipation of interLATA authority, it is not a prudent use of the local dollars supposedly earmarked for local facilities. The excess investment should be charged to the shareholder.

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?

Intermedia: From Intermedia's perspective there is a fundamental problem woven throughout Southern Bell's proposal: as proposed, its key element - pricing flexibility - would give the Company virtually unfettered ability to price anticompetitively in the provision of both basic and non-basic services.

- 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?

Intermedia: No.

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

Intermedia: Yes.

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

Intermedia: No.

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

Intermedia: No.

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

Intermedia: No.

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

Intermedia: No.

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

Intermedia: No.

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.?

Intermedia: Yes, but not the plan proposed by Southern Bell. The existing incentive plan is adequate as a basis for going forward. However, it is imperative that the Commission protect the competitive process by effectively prohibiting subsidization of competitive telecommunications services by monopoly services.

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

Intermedia: No.

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

Intermedia: No position.

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?

Intermedia: Yes.

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?

Intermedia: No.

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?

Intermedia: No position.

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

Intermedia: No.

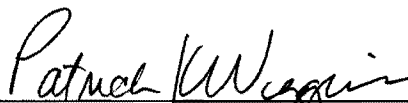
33b Should Southern Bell's proposed Optional Expanded Local Service (ELS) plan be approved? If not, what alternative plan, if any, should be approved on IntraLATA Toll Calls? Over what distance?

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?

Intermedia: Yes.

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

Intermedia: No.



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CERTIFICATE OF SERVICE
Docket No. 920260-TL

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