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ORIGINAL
FILE COPY

August 15, 1994

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

RE: Docket No. 920260-TL

Dear Mrs. Bayo:

Enclosed are an original and fifteen copies of Southern Bell Telephone and Telegraph Company's Prehearing Statement. Please file these documents in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

RECEIVED & FILED

Sincerely,

ACK
AFA *John*
APP
CAF
CMIS *Norton*
CTR
EAG
LEG *Natch*
LIN *6*
OPC
RCH *Kinsler*
SEC *1*
WAS
OTH

FPSC-BUREAU OF RECORDS

Nancy B. White
Nancy B. White (DJ)

Enclosures

cc: All Parties of Record
A. M. Lombardo
R. G. Beatty
R. D. Lackey

DOCUMENT NUMBER-DATE
08290 AUG 15 1994
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Comprehensive Review of)
the Revenue Requirements and Rate) Docket No. 920260-TL
Stabilization Plan of Southern)
Bell Telephone and Telegraph) Filed: August 15, 1994
Company)
_____)

PREHEARING STATEMENT OF
BELLSOUTH TELECOMMUNICATIONS, INC.

COMES NOW, BellSouth Telecommunications, Inc., d/b/a Southern Bell Telephone and Telegraph Company, ("Company" or "Southern Bell") and in compliance with Order No. PSC-94-0893-PCO-TL issued July 21, 1994, herewith submits its Prehearing Statement.

A. WITNESSES

Southern Bell proposes to call the following witness to offer testimony on the matters indicated below:

<u>Witnesses</u>	<u>Subject/Issues</u>
Nancy Sims (Rebuttal)	Ms. Sims will testify on rebuttal regarding Issues 1, 2 and 3.

Southern Bell further reserves the right to call additional rebuttal witnesses, witnesses to respond to Commission inquiries not addressed in direct or rebuttal testimony and witnesses to address issues not presently designated which may be designated by the Prehearing Officer at the prehearing conference to be held on August 19, 1994.

B. EXHIBITS

<u>Witness</u>	<u>Document Indicator</u>	<u>Title of Exhibit</u>
Nancy Sims		None at this time

Southern Bell reserves the right to file exhibits to any additional testimony that may be filed under the circumstances

DOCUMENT NUMBER-DATE

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identified in Section "A" above. Southern Bell also reserves the right to introduce exhibits for cross-examination, impeachment or any other purpose authorized by the applicable Florida Rules of Evidence and the Rules of this Commission.

C. STATEMENT OF BASIC POSITION

The Settlement reached in the above captioned matter and approved by the Commission in Order No. PSC-94-0172-707-TL, dated February 11, 1994, provided for a \$10 million revenue reduction, which was not specifically allocated, to be implemented on July 1, 1994. On February 18, 1994, the Communication Workers of America ("CWA") filed a proposal to utilize the \$10 million to fund the creation of a "workers/citizens cooperative" related to the so-called information superhighway. By Order No. PSC-94-0669-707-TL, dated June 2, 1994, the Commission approved Southern Bell's modified alternative proposal to provide for the \$10 million rate reductions through the elimination of Billed Number Screening charges, reduction of rates for DID trunk terminations, and reduction of mobile interconnection usage rates. These rate reductions were implemented on July 1, 1994.

The Commission correctly rejected the CWA's proposal on the basis that the Commission lacked the statutory authority both to create the cooperative suggested by the CWA and to place the \$10 million at such a cooperative's disposal. Further, as it found, the Commission was not required to hold an evidentiary hearing on the rate design proposals for the allocation of the unspecified \$10 million rate reduction. Instead, the Commission ordered rate

reductions that were in the best interests of the ratepayers and benefitted the greatest number of ratepayers. For these reasons, the CWA's request should be denied.

D. SOUTHERN BELL'S POSITION ON THE ISSUE

Issue 1: Under the terms of the Settlement, is the Florida Public Service Commission required to hold hearings on the rate design issues to implement the proposed rate reductions?

Position: No. As noted by the Commission in Order No. PSC-94-0172-707-TL, dated February 11, 1994, although the Settlement provided for such hearings, the Commission could not be bound to such a course of action as a matter of law. In any event, the agenda conference held on May 3, 1994 served as a sufficient hearing.

Issue 2: Under applicable law, does the Commission have the authority to adopt the CWA proposal?

Position: No. Such an action would be an improper delegation of the Commission's legislatively mandated authority.

Issue 3: Whether the rate reductions described in Order PSC-94-0669-707-TL are in the best interests of the ratepayer?

Position: Yes. The rate reductions benefitted the greatest number of ratepayers.

E. STIPULATIONS

There have been no stipulations entered into at this time.

F. PENDING MOTIONS FILED BY SOUTHERN BELL

Southern Bell's Motion to Dismiss the CWA's Petition on Proposed Agency Action for Formal Hearing, filed on July 1, 1994.

Southern Bell's Renewal of its Motion to Dismiss the CWA's Petition on Proposed Agency Action for Formal Hearing, filed on August 10, 1994.

G. OTHER REQUIREMENTS

Southern Bell knows of no requirements set forth in any prehearing orders with which it cannot comply.

Respectfully submitted this 15th day of August, 1994.

SOUTHERN BELL TELEPHONE
AND TELEGRAPH COMPANY

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CERTIFICATE OF SERVICE

Docket No. 920260-TL

Docket No. 900960-TL

Docket No. 910163-TL

Docket No. 910727-TL

I HEREBY CERTIFY that a copy of the foregoing has been
furnished by United States Mail this 15th day of August, 1994 to:

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