

SOUTHERN BELL TELEPHONE
SURVEILLANCE AUDIT
DKT# 920260-TL
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TPE DECEMBER 31, 1994
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REC-RECORDS/REPORTING

COMPANY SOUTHERN BELL
 TITLE EXPLANATION OF SOUTHERN BELL'S BOOKS
 PERIOD TYPE 12.31.94
 DATE JULY 27, 1995
 AUDITOR GABRIELA LEON
 WORKPAPER # RATE BASE SUMMARY

EXPLANATION OF SOUTHERN BELL'S BOOKS

COMBINED = MR GENERAL LEDGER
 COMBINED = Interstate and Intrastate

MR GENERAL LEDGER - FR Adjustments = FR General Ledger
 FR General Ledger - Part 64 Adjustments = FLORIDA COMBINED REGULATED

FLA COMBINED REGULATED is on the Surveillance Report and gets allocated between interstate and intrastate

Southern Bell keeps a Florida Combined (Interstate and Intrastate Regulated and Nonregulated) general ledger called the MR BOOKS

The MR Books are adjusted with 'off-book adjustments' or FR adjustments. The FR adjustments are comprised of adjustments which are PSC adjustments and JD adjustments which are the differences between the FCC and GAAP. The balance after these FR adjustments are called the FR BOOKS (Florida Combined with FR Adjustments)

The FR Books are adjusted with Part 64 adjustments per the Cost Allocation Manual (Part 64 adjustments allocate regulated and nonregulated activities). This results in Fla Combined regulated balances. These are the balances used in the Surveillance report which are further allocated to interstate and intrastate tolls. The intrastate total is comprised of intrastate toll and local.

The Florida Combined Regulated Balances are allocated to interstate and intrastate based on the separations factor.

Staff tested the following Rate Base Adjustments:

	Plant in Service	Accumulated Depreciation & Amortization	Working Capital	Total	Reference
Excess Plug-in - Units	(\$23,598,000.00)			(\$23,598,000.00)	15-1/1
WECO Tax Credits	\$34,468,000.00	\$23,350,000.00		\$11,118,000.00	15-1/2
BELLCORE Investment	\$5,197,000.00			\$5,197,000.00	15-1/3
Other Rate Base Adjust.	\$979,000.00	(\$12,586,000.00)		\$13,565,000.00	15-1/4
Net Sharing Adjustment			\$10,108,000.00	\$10,108,000.00	15-1/5
	\$17,046,000.00	\$10,764,000.00	\$10,108,000.00	<u>\$16,390,000.00</u>	

wp. asp. 2
 This adjustment was audited in section wp. asp. 2

FLORIDA
1994

ACCOUNT	COMBMR	TOTAL 2001 COMBMR	NONREG	REGMR	TOTAL 2001 REGMR	REGMR %	TOTAL 2001 REGMR %
1220	65,474,017.14	9,809,563,514.67	1,878,861.77	63,795,155.37	9,714,229,690.02	0.974358	0.990282
2111	49,905,988.86		1,770,037.11	48,135,951.75		0.964533	
2112	50,992,167.13		5,746,006.33	45,246,160.80		0.887316	
2113	0.00		0.00	0.00			
2114	167.83		20.69	147.14		0.876720	
2115	1,766,195.79		162,402.24	1,603,793.55		0.908050	
2116	90,398,895.87		7,255,200.31	83,143,695.56		0.919742	
2121	690,863,038.18		22,599,867.38	668,263,170.80		0.967287	
2122	14,281,946.12		888,638.81	13,393,307.31		0.937779	
2123	34,650,845.49		968,495.28	33,682,350.21		0.972050	
2124	364,300,496.12		20,187,971.35	344,112,524.77		0.944584	
2211	448,362,271.47		110.20	448,362,161.27		1.000000	
2212	1,178,584,372.37		28,272,857.20	1,150,311,515.17		0.976011	
2215	2,481.26			2,481.26		1.000000	
2220	44,167,135.01			44,167,135.01		1.000000	
2231	4,776,991.09			4,776,991.09		1.000000	
2232	1,922,248,664.56			1,922,248,664.56		1.000000	
2311	330,424.79		0.00	330,424.79		1.000000	
2321	0.00			0.00			
2341	7,698,849.60		1,070.01	7,697,779.59		0.999861	
2351	59,660,554.14		0.00	59,660,554.14		1.000000	
2362	101,394,331.53		6,112,537.75	95,281,793.78		0.939715	
2411	132,880,493.26			132,880,493.26		1.000000	
2421	692,023,132.79			692,023,132.79		1.000000	
2422	902,099,599.54			902,099,599.54		1.000000	
2423	2,282,173,738.23			2,282,173,738.23		1.000000	
2424	9,711,235.32			9,711,235.32		1.000000	
2426	42,305,100.62			42,305,100.62		1.000000	
2431	0.00			0.00			
2441	663,545,839.61			663,545,839.61		1.000000	
2681	6,177,780.91		320,148.65	5,857,632.26		0.948177	
2682	14,260,777.18		1,048,461.34	13,212,315.84		0.926479	
2690	0.00			0.00			
3100	(4,259,437,317.53)		(34,672,574.65)	(4,224,764,742.88)		0.991860	
3200	0.00			0.00			
3300	(6,617,283.33)		(215,640.54)	(6,401,642.79)		0.967413	
3410	(3,748,188.54)		(205,319.00)	(3,542,869.54)		0.945222	
3420	(9,421,185.36)		(626,343.35)	(8,794,842.01)		0.933518	
3500	0.00			0.00			
4010	(48,239,527.92)			(48,239,527.92)		1.000000	
4020	0.00			0.00			
4030	(75,928,623.90)			(75,928,623.90)		1.000000	
4040	(35,886,050.65)		(969,063.48)	(34,916,987.17)		0.972996	
4050	0.00			0.00			
4060	0.00			0.00			
4070	(313,097,960.04)			(313,097,960.04)		1.000000	
4080	(64,939,448.40)			(64,939,448.40)		1.000000	
4100	1,443,505.96		304,604.85	1,138,901.11		0.788983	
4110	76.50			76.50		1.000000	
4120	(61,981,477.38)		(30,320,197.31)	(31,661,280.07)		0.510818	
4130	(1,291.93)			(1,291.93)		1.000000	
4210	0.00			0.00			
4220	0.00			0.00			
4230	0.00			0.00			
4250	0.00			0.00			
4260	0.00			0.00			
4270	0.00			0.00			
4310	0.00		0.00	0.00			
4320	(117,143,748.62)		(496,148.37)	(116,647,600.25)		0.995765	
4330	0.00			0.00			
4340	(844,819,616.19)		(3,163,601.43)	(841,656,014.76)		0.996255	
4341	50,283,374.38			50,283,374.38		1.000000	
4350	600,731.25			600,731.25		1.000000	
4360	(757,698.27)		(107,510,315.78)	106,752,617.51		-140.890671	
4361	(95,254,137.67)			(95,254,137.67)		1.000000	
4370	3,729,136.08			3,729,136.08		1.000000	

ACCOUNT	REGMR	FLORIDA 1994		TOTAL 2001 INTRASTATE	TOTAL 2001 INTRASTATE	TOTAL 2001 INTRA %	TOTAL 2001 INTRA %
		TOTAL 2001 REGMR	INTERSTATE				
1220	63,795,155.37		16,023,903.92	47,771,251.45		0.748823	
Summary 2110	1,237,581,101.89	9,714,229,690.02	259,627,488.00	977,953,613.89	7,371,518,623.68	0.790214	0.758837
2111	48,135,951.75						
2112	45,246,160.80						
2113	0.00						
2114	147.14						
2115	1,603,793.55						
2116	83,143,695.56						
2121	668,263,170.80						
2122	13,393,307.31						
2123	33,682,350.21						
2124	344,112,524.77						
Summary 2210	1,598,676,157.70		283,075,444.00	1,315,600,713.70		0.822931	
2211	448,362,161.27						
2212	1,150,311,515.17						
2215	2,481.26						
Summary 2220	44,167,135.01		5,537,603.17	38,629,531.84		0.874622	
2220	44,167,135.01						
Summary 2230	1,927,025,655.65		560,782,463.00	1,366,243,192.65		0.708991	
2231	4,776,991.09						
2232	1,922,248,664.56						
Summary 2310	162,970,552.30		41,015,192.00	121,955,360.30		0.748328	
2311	330,424.79						
2321	0.00						
2341	7,697,779.59						
2351	59,660,554.14						
2362	95,281,793.78						
Summary 2410	4,724,739,139.37		1,188,678,848.00	3,536,060,291.37		0.748414	
2411	132,880,493.26						
2421	692,023,132.79						
2422	902,099,599.54						
2423	2,282,173,738.23						
2424	9,711,235.32						
2426	42,305,100.62						
2431	0.00						
2441	663,545,839.61						
Summary 2680	19,069,948.10		3,994,028.17	15,075,919.93		0.790559	
2681	5,857,632.26						
2682	13,212,315.84						
Summary 2690	0.00		0.00	0.00			
2690	0.00						
Summary 3100	(4,237,102,454.43)		(1,034,076,877.00)	(3,203,025,577.43)		0.755947	
3100	(4,224,764,742.88)						
3200	0.00		0.00	0.00			
3300	(6,401,642.79)						
3410	(3,542,869.54)						
3420	(8,794,842.01)						
3500	0.00						
3600	0.00						
4100/4340	(840,517,113.65)		(197,317,077)	(643,200,036.65)		0.765243	
4100	1,138,901.11						
4110	76.50						
4120	(31,661,280.07)						
4130	(1,291.93)						
4310	0.00						
4320	(116,647,600.25)						
4330	0.00						
4340	(841,656,014.76)						
4341	50,283,374.38						
4350	600,731.25						
4360	106,752,617.51						
4361	(95,254,137.67)						
4370	3,729,136.08						

HQ Private 2645

FLORIDA
1994

ACCOUNT	TOTAL EXPENSES EXCLUDING 6560		NONREG	TOTAL EXPENSES EXCLUDING 6560		TOTAL EXPENSES EXCLUDING 6560	
	COMBMR	COMBMR		REGMR	REGMR %	REGMR %	
6112	3,662,064.76	1,818,287,120.53	218,662.51	3,443,402.25	1,696,623,429.35	0.940290	0.933089
6113	1,597,245.58		94,286.47	1,502,959.11		0.940969	
6114	852.00		55.89	796.11		0.934401	
6115	188,140.33		17,345.05	170,795.28		0.907808	
6116	548,130.40		33,065.28	515,065.12		0.939676	
6121	70,700,015.60		2,231,408.03	68,468,607.57		0.968438	
6122	6,504,159.48		427,645.61	6,076,513.87		0.934250	
6123	5,882,343.69		139,546.27	5,742,797.42		0.976277	
6124	83,763,144.92		4,265,741.34	79,497,403.58		0.949074	
6211	27,800,875.93		787.84	27,800,088.09		0.999972	
6212	76,881,540.58		2,350,385.95	74,531,154.63		0.969428	
6215	0.00			0.00			
6220	1,384,480.62			1,384,480.62		1.000000	
6231	307,193.19			307,193.19		1.000000	
6232	50,948,603.62			50,948,603.62		1.000000	
6311	1,052,403.81		1,067.42	1,051,336.39		0.998986	
6341	44,174.67		0.00	44,174.67		1.000000	
6351	13,600,402.00			13,600,402.00		1.000000	
6362	71,406,110.82		45,823,093.97	25,583,016.85		0.358275	
6411	10,424,921.57			10,424,921.57		1.000000	
6421	65,585,579.14			65,585,579.14		1.000000	
6422	19,335,547.85			19,335,547.85		1.000000	
6423	162,107,332.60			162,107,332.60		1.000000	
6424	88,275.40			88,275.40		1.000000	
6426	1,424,875.70			1,424,875.70		1.000000	
6431	0.00			0.00			
6441	3,378,028.97			3,378,028.97		1.000000	
6511	5,177.83		184.77	4,993.06		0.964315	
6512	2,314,826.13		138,937.79	2,175,888.34		0.939979	
6531	10,795,875.74		85,237.31	10,710,638.43		0.992105	
6532	25,010,355.47		761,516.13	24,248,839.34		0.969552	
6533	78,384,400.46		17,427,189.26	60,957,211.20		0.777670	
6534	92,014,802.42		8,425,721.19	83,589,081.23		0.908431	
6535	74,600,144.86		741,732.20	73,858,412.66		0.990057	
6540	10,019,905.89			10,019,905.89		1.000000	
6561	686,032,327.34		7,004,164.00	679,028,163.34		0.989790	
6562	0.00		0.00	0.00			
6563	2,563,596.98		159,257.30	2,404,339.68		0.937877	
6564	0.00			0.00			
6565	3,840,264.76		170,722.46	3,669,542.30		0.955544	
6611	24,246,765.04		3,890,494.66	20,356,270.38		0.839546	
6612	75,660,854.19		1,158,296.45	74,502,557.74		0.984691	
6613	16,592,436.80		946,871.01	15,745,565.79		0.943275	
6621	21,137,441.22		0.00	21,137,441.22		1.000000	
6622	61,865,524.95			61,865,524.95		1.000000	
6623	279,098,995.95		9,822,895.32	269,276,100.63		0.964805	
6711	8,306,632.40		477,558.50	7,829,073.90		0.942509	
6712	4,032,444.36		243,618.42	3,788,825.94		0.939585	
6721	36,825,925.90		1,565,159.06	35,260,766.84		0.957498	
6722	21,918,161.20		473,991.31	21,444,169.89		0.978374	
6723	36,702,210.66		2,705,119.75	33,997,090.91		0.926295	
6724	112,768,981.94		6,225,312.59	106,543,669.35		0.944796	
6725	17,195,415.20		5,160,990.43	12,034,424.77		0.699862	
6726	9,441,240.18		450,403.93	8,990,836.25		0.952294	
6727	8,806,632.42		167,308.90	8,639,523.52		0.981002	
6728	111,804,414.09		5,192,060.57	106,612,353.52		0.953561	
6790	20,912.00			20,912.00		1.000000	
7110	0.00			0.00			
7140	0.00			0.00			
7150	(185,766.25)		(5,837.74)	(179,928.51)		0.968575	
7160	(43,492.49)		418.46	(43,910.95)		1.009621	
7210	(14,355,232.00)		(84,282.00)	(14,270,950.00)		0.994129	
7220	222,550,448.00		(13,064,350.10)	235,614,798.10		1.058703	
7230	37,708,848.00		(2,031,829.75)	39,740,677.75		1.053882	
7240	175,489,393.78		1,092,566.02	174,396,827.76		0.993774	
7250	(16,639,922.00)		1,096,578.50	(17,736,500.50)		1.065900	
7310	(3.76)		(3.76)	0.00		0.000000	
7320	(310,880.34)		(310,880.34)	0.00		0.000000	
7340	(2,272,641.56)		(48,011.19)	(2,224,630.37)		0.978874	
7350	(102,480.00)			(102,480.00)		1.000000	
7360	(431,959.30)		(431,959.30)	0.00		0.000000	
7370	28,483,398.42		20,508,089.76	7,975,308.66		0.279998	

34

Southern Bell
Rate Base

TRE 12/31/94

W 11/11/95
7/10/95

FLORIDA PUBLIC SERVICE COMMISSION
TELEPHONE EARNINGS SURVEILLANCE REPORT

Page 1

Company : Southern Bell Tel. & Tel. Co.
12 Months Ended : December 31, 1994

RATE BASE(000)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Total Company Columns (2 + 3)	Interstate Toll	Total Intrastate Columns (4 + 7)	Intrastate Toll Columns (5 + 6)	IntraToll		Local
					Inter- territory	Intra- territory	
AVERAGE RATE BASE							
1. General Support	\$1,235,530	\$259,627	\$975,903	\$198,640	\$90,602	\$108,038	\$777,263
2. Central Office	3,569,869	849,396	2,720,473	530,540	247,773	302,767	2,169,933
3. Information Orig/Term	162,970	41,015	121,955	23,409	13,815	9,594	98,546
4. Cable and Wire Facilities	4,728,775	1,188,679	3,540,096	716,316	396,345	319,971	2,823,780
5. Amortizable Assets	12,070	3,994	15,076	3,062	1,400	1,669	12,007
6. Plant in Service	\$9,716,214	\$2,342,711	\$7,373,503	\$1,491,974	\$749,935	\$742,039	\$5,881,529
7. Accumulated Depreciation and Amortization	4,296,627	1,034,077	3,262,550	664,633	336,583	328,050	2,597,917
8. Net Plant in Service	\$5,419,587	\$1,308,634	\$4,110,953	\$827,341	\$413,352	\$413,989	\$3,283,612
9. Property Held for Future Use	227	54	173	35	18	17	138
10. TPUC (No IDC)	42,611	10,209	32,402	6,339	3,280	3,259	25,863
11. Acquisition Adjustments	0	0	0	0	0	0	0
12. Working Capital Allowance ²⁴	(160,663)	(31,360)	(129,303)	(25,970)	(12,584)	(13,386)	(103,333)
13. Per Book Average Rate Base ^A	<u>\$5,301,762</u>	<u>\$1,287,537</u>	<u>\$4,014,225</u>	<u>\$807,945</u>	<u>\$404,066</u>	<u>\$403,879</u>	<u>\$3,206,280</u>
14. % Distribution	100%	24.29%	75.71%	15.24%	7.62%	7.62%	60.48%

ADJUSTMENTS TO AVERAGE RATE BASE

15. Adjustments for Achieved Rate Base	15p 2	\$16,390
16. Adjusted Achieved Rate Base		<u>\$4,030,615</u>

ADJUSTED ANNUALIZED/PRO FORMA YEAR END RATE BASE

17. Year End Rate Base per Books		4,016,129
18. Adjustments for Year End Rate Base	15p 2	(7,190)
19. Adjusted Year End Rate Base		<u>\$4,008,939</u>

RATES OF RETURN

20. Average Per Book	9.52%	12.37%	8.61%	19.91%	18.77%	21.05%	5.76%
21. Average Adjusted Achieved			<u>8.74%</u>				
22. Adjusted Year End			<u>7.86%</u>				

Form PSC/AFA 15 (12/94)

Staff recomputed these.

15p 1

COMPANY	SOUTHERN BELL
TITLE	EXPLANATION OF EXCESS PLUG IN UNITS
PERIOD	TYE 12/31/94
DATE	JULY 11, 1995
AUDITOR	GABRIELA LEON
WORKPAPER #	15-1/1

PER ORDER 12221, DOCKET 820294 - TP, PAGE 10 THE COMMISSION EXPLAINS THE EXCESS PLUG IN UNITS ADJUSTMENT AS FOLLOWS:

Excess Balance of Plug-In Units

"Plug-in units are prewired pieces of electronic equipment that can be plugged into larger pieces of equipment to complete a unit. Nearly all central offices require plug-in units and a limited number of the units are maintained as spares at each central office. Most of these units are stored in warehouses and are available for use throughout the state. Those stored in the warehouse are carried on the books of the Company as plant in service, thus earning a return. Western Electric also maintains a stock of various types of plug-in units in its distribution warehouse available for use as needed".

"From evidence presented at the hearing, the Company maintained an average balance of plug-in units in central stock of \$13,653,640 during the test year. The average monthly consumption was \$6,683,194. In addition to the central stock plug-ins, \$3.7 million were kept in account 122.14 (Materials and Supplies, Central Office Equipment). The Company produced no credible evidence in support of its position that its approximately 60 day supply of spare plug-in units is reasonable. At the hearing, two Company witnesses supporting the level of plug-in units admitted having no knowledge of Bell System Publication IP 10040 (Exhibit 28d), which details how to determine the proper level of the units. A late filed exhibit was produced by one of the witnesses after the conclusion of the hearing stating that the publication was used in relation to new products. The exhibit also mentions field experience as the relevant determining factor once the Company has become familiar with a product. As this information was provided after the hearing, we, as well as the staff and intervenors, were unable to question and verify the methodology used by the Company".

"In the Company's last rate case we found that it was maintaining an unnecessary 2.4 month supply of plug-in units. We adjusted the rate base to recognize a more appropriate one month supply. Again we find that the Company has failed to meet its burden on this issue and we believe a 30-day's supply of plug-in units is appropriate and, therefore, reduce rate base by \$4,752,673"

"In the future, the Company should utilize Bell System Publication IP 10040 in determining the appropriate level of spare plug-in units"

AMOUNTS USED ON THE SURVEILLANCE REPORT

EXCESS PLUG-IN UNITS

Intrastate Rate Base Adjustment

(23,598) ✓ 15-1 p.2

Combined Rate Base Adjustment

(30,966) ✓

Per Order 12221 the excess of the stock of plug-in units has to be removed. See explanation of this adjustment on WP 15-1.

In addition to the excess the Company is also removing .4 extra because $365 \div 12 = 30.4$. In order to have only 30 days they are further removing .4.

Southern Bell

Net Investment

TYE 12/31/94

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Southern Bell keeps a Florida Combined (intrastate and interstate) general ledger, called the HR books.

The HR books are adjusted with "offbook adjustments" or FR adjustment. The balance after these FR adjustments are called the FR books. FR combined (intrastate + interstate with FR adjustments). These are the adjustments used in the Form H. They are also on a general ledger.

The FR books are adjusted until part of adjustment until part of cost allocation (manual). This month's intrastate and interstate in FR combined (intrastate and interstate) reported and balances used in the summary report which and they were allocated to intrastate and interstate total in 1994.

The intrastate total is composed of intrastate hold and local flow. Combined FR (intrastate and interstate) are allocated to intrastate + interstate based on the parameters.

2,342,711,066
3,569,868,949
15-1
1-1

BELLSOUTH TELECOMMUNICATIONS INC.
STATE: FLORIDA
AVG
ENDING PERIOD: 12 1994

	BOOKED	NONREG	COMBINED	INTRASTATE	INTRASTATE
1	1,295,108,683	1,235,530,043	259,627,488	975,902,555	975,902,555
2	1,626,949,125	1,598,676,158	283,075,444	1,315,600,714	1,315,600,714
3	44,167,135	44,167,135	0	38,629,532	38,629,532
4	1,927,025,656	1,927,025,656	560,782,463	1,366,243,193	1,366,243,193
5	169,084,160	162,970,552	41,015,192	121,955,360	121,955,360
6	4,728,774,437	4,728,774,437	1,188,678,848	3,540,095,589	3,540,095,589
7	20,438,558	1,368,610	19,069,948	15,075,920	15,075,920
8	0	0	0	0	0
9	9,811,547,754	9,716,213,929	2,342,711,066	7,373,502,863	7,373,502,863
10	43,212,616	42,611,458	10,209,246	32,402,212	32,402,212
11	26,223,389	563,242	25,660,147	6,202,842	19,457,305
12	235,581	8,355	227,226	54,574	172,652
13	0	0	0	0	0
14	65,474,017	1,678,862	63,795,155	16,023,904	47,771,251
15	9,946,693,357	9,848,442	9,848,507,915	2,375,201,632	7,473,306,283
16	4,332,131,161	35,504,237	4,296,626,924	1,034,076,877	3,262,550,047
17	815,257,178	2,858,997	812,398,181	185,293,330	627,104,851
18	4,799,305,018	59,822,208	4,739,482,810	1,155,831,425	3,583,651,385
19	57,608	244	57,364	13,843	43,521
20	119,981,239	495,905	119,485,334	28,127,773	91,357,561
21	4,679,266,171	59,326,059	4,619,940,112	1,127,689,809	3,492,250,303
22	12,548,458	417,158	12,101,300	2,902,037	9,199,263
23	6,617,283	215,641	6,401,642	1,535,191	4,866,451
24	-127,752	0	-127,752	-34,879	-92,873
25	0	0	0	0	0
26	4,685,295,098	59,527,576	4,625,767,522	1,129,091,534	3,496,675,988

Combined = HR GIL
MAR - FR NT = FR General Ledger
FR = Port by ADS = FIA, COMBINED
FIA, COMBINED gets a mirror
FR - FR NT = FR General Ledger
FR = Port by ADS = FIA, COMBINED
FIA, COMBINED gets a mirror

Interstate
Interstate -> Survey Invoice Report

15-1	1-1	1-1
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COMPANY: Southern Bell
 TITLE: Plug in Units
 PERIOD: TYE 12.31.94
 DATE: July 17, 1995
 AUDITOR: Gabriela Leon
 WORKPAPER #: 15-1/1

Sour. W.
 PER MR LEDGER

ACCOUNTS	DESCRIPTION	Date	Amount	AVERAGE	12 Month Average
2001 - 2211****	Analog Electronic Switching	12/93	\$474,696,693.95		
		1/94	\$465,979,648.78	\$470,338,171.37	
		2/94	\$475,611,592.95	\$470,795,620.87	
		3/94	\$464,830,784.84	\$470,221,188.90	
		4/94	\$463,835,560.14	\$464,333,172.49	
		5/94	\$461,577,395.48	\$462,706,477.81	
		6/94	\$448,751,521.36	\$455,164,458.42	
		7/94	\$447,716,189.65	\$448,233,855.51	
		8/94	\$448,555,571.45	\$448,135,880.55	
		9/94	\$436,383,140.56	\$442,469,356.01	
		10/94	\$420,817,703.02	\$428,600,421.79	
		11/94	\$407,050,447.47	\$413,934,075.25	
		12/94	\$403,778,709.91	\$405,414,578.69	\$448,362,271.47
2001 - 2212****	Digital Electronic Switching	12/93	\$1,148,813,556.00		
		1/94	\$1,147,292,133.37	\$1,148,052,844.69	
		2/94	\$1,149,530,686.30	\$1,148,411,409.84	
		3/94	\$1,157,689,820.96	\$1,153,610,253.63	
		4/94	\$1,158,579,804.96	\$1,158,134,812.96	
		5/94	\$1,164,492,199.13	\$1,161,536,002.05	
		6/94	\$1,176,888,734.68	\$1,170,690,466.91	
		7/94	\$1,182,070,042.08	\$1,179,479,388.38	
		8/94	\$1,186,735,816.73	\$1,184,402,929.41	
		9/94	\$1,188,478,311.52	\$1,187,607,064.13	
		10/94	\$1,212,128,582.04	\$1,200,303,446.78	
		11/94	\$1,227,736,394.30	\$1,219,932,488.17	
		12/94	\$1,233,966,328.64	\$1,230,851,361.47	\$1,178,584,372.37
2001 - 2215****	Electro - Mechanical Switching	12/93	\$2,835.72		
		1/94	\$2,776.65	\$2,806.19	
		2/94	\$2,717.58	\$2,747.12	
		3/94	\$2,658.50	\$2,688.04	
		4/94	\$2,599.42	\$2,628.96	
		5/94	\$2,540.34	\$2,569.88	
		6/94	\$2,481.26	\$2,510.80	
		7/94	\$2,422.18	\$2,451.72	
		8/94	\$2,363.10	\$2,392.64	
		9/94	\$2,304.02	\$2,333.56	
		10/94	\$2,244.94	\$2,274.48	
		11/94	\$2,185.86	\$2,215.40	
		12/94	\$2,126.78	\$2,156.32	\$2,481.26
2001 - 2220****	Operator System	12/93	\$42,120,109.59		
		1/94	\$41,801,980.84	\$41,861,045.22	
		2/94	\$44,545,631.58	\$43,073,806.21	
		3/94	\$44,541,449.38	\$44,543,540.48	
		4/94	\$45,612,950.31	\$45,077,199.85	
		5/94	\$45,590,973.74	\$45,601,962.03	
		6/94	\$45,591,442.10	\$45,591,207.92	
		7/94	\$45,549,315.56	\$45,570,378.83	
		8/94	\$45,426,319.55	\$45,487,817.56	
		9/94	\$42,770,651.82	\$44,098,485.69	
		10/94	\$42,246,465.56	\$42,508,558.69	
		11/94	\$43,953,998.19	\$43,100,231.88	
		12/94	\$43,028,773.28	\$43,491,385.74	\$44,167,135.01

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COMPANY SOUTHERN BELL TELEPHONE AND TELEGRAPH
TITLE WECO ADJUSTMENT
PERIOD TYE 12/31/94
DATE JULY 10, 1995
AUDITOR GABRIELA LEON
WORKPAPER # 15-1/2

WJH/LLS

Per Company's description of WECO Adjustment provided in the last Surveillance audit.

"In Docket No. 820376-TP, Rule #25-14.010 the FPSC ruled that deferred taxes on intercompany transactions shall be treated as zero cost capital instead of as a rate base reduction".

"The BELLSOUTH tax office developed procedures to adjust our rate base for WECO deferred taxes on intercompany profits to comply with the FPSC rule. For rate making purposes, Southern Bell is required to 1) restore its original surviving WECO taxes to plant accounts, 2) establish a deferred tax account balance representing the unamortized WECO tax and 3) adjust depreciation reserve by the cumulative WECO tax restoral. Annually, the surviving WECO tax for the previous tax year and the deferred tax balance on intercompany deferred profit are provided by the BELLSOUTH tax office".

"The WE Worksheet - Est is used to calculate the estimated surviving WECO taxes for the current year".
"WE Worksheet, Page 1 of 2, calculates the cumulative WECO taxes restored for the current year and the WECO tax unrestored".

"On WE Worksheet Page 2 of 2 End of Period, the estimated surviving WECO taxes as of 12/31 for the current year (Col A, Page 1 of 2), cumulative WECO taxes restored (Col E, Page 1 of 2) and WECO taxes unrestored (Col F, Page 1 of 2) are allocated to regulated combined as well as interstate and intrastate. On the second Page 2 of 2 the EOP regulated amounts from Col B of the previous page are converted to an average based on the ratio of the per books average intrastate rate base to the per books end of period intrastate rate base from Page 1 of the Surveillance Report".

Prior to divestiture, WECO credits for deferred taxes were shown as a reduction of Rate Base. Rule 25-14.010 effective 9/29/86 required deferred tax to be shown as zero-cost capital.

* Conclusion on the WECO Adjustment:

Staff recalculated the WECO Adjustment and found that the Company was following the Commission's Rules and Regulations. Staff compared the retirement of WECO credits to the last audit performed and found it to be reasonable. Staff spoke to Mr. Rick Wright, Staff Analysts to inform him that we need the Tax Department to audit the Surviving WECO taxes.

*Notes:
The explanation is to be in a separate file
Company's audit is to be done in the
audit report. See last audit.*

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Southern Bell
WECO ADJUSTMENT
TYE 12/31/94

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Objective

1.01 The Florida Public Service Commission (FPSC) has proposed a new rule which requires that deferred intercompany profits enter in the ratemaking process as zero-cost capital rather than as a reduction of rate base. The following procedures and worksheets were developed for the calculation of rate base in accordance with the FPSC's provisions.

Method I vs Method II

2.01 "Western Electric Company (WECO.) gains arose from transactions whereby the public utility members of the AT&T Consolidated Tax Return Group acquired property, services etc., from WECO. and capitalized the expenditure in the purchaser's accounts. The amount capitalized was reduced by the associated taxes on the intercompany gain through a credit to the plant accounts on the purchaser's book of accounts.

2.02 For tax purposes, the entire WECO. gains are eliminated from the BOC's tax basis for depreciation, resulting in a higher tax liability over the life of the property. To compensate the BOC's for the tax consequences of having to take a tax basis in the purchased property lower than its actual cost, WECO. transferred to the BOC the tax that would have been incurred if it had currently recognized the intercompany profit on the sale.

2.03 The methodology adopted by the BOC, whereby the BOC's rate base is reduced by the WECO. tax, is generally referred to as "Method I" (see Attachment 1) under Case 26 in Part 31 of the Uniform System of Accounts. As an alternative to "Method I", the BOC can elect to credit a deferred tax reserve account with the amount of the taxes and to amortize such amount to operating taxes over the estimated life of the plant. This method is illustrated on Attachment 2 and referred to as "Method II".

2.04 As shown on the attachments, the plant accounts are charged at the time of purchase with \$954 under Method I and \$1,000 under Method II. Consequently, the Method I Telephone Company will record less book depreciation expense over the life of the plant. It is offset by the additional income taxes recognized on the books due to the exclusions of the WECO. gains in its tax depreciation base.

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Southern Bell
WECO Adjustment
TYE 12/31/94

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With respect to normalization excess and deferred taxes (from accelerated depreciation) no impact will result from the change of method over the life of the telephone plant as evidenced in entry 3 of each attachment.

2.05 The FPSC's provisions require, for ratemaking purposes (FR only), Southern Bell to change to "Method II" and to 1) restore its original surviving WECO, taxes to plant accounts; 2) establish a deferred tax account balance (A/C 176) representing the unamortized WECO, tax; and 3) adjust the depreciation reserve (A/C 171) by the cumulative WECO, tax restoral. Note that there will be no net income effect on the books since the increase of book depreciation expenses is offset by the decrease to the tax expenses booked. No adjustment is required for either account.

2.06 The Florida Forecast and Regulatory Support group is responsible for the development of the adjustments and the submission of the rate base data according to the FPSC's requirements. The BellSouth Tax Department is responsible for furnishing the WECO, tax data as prescribed in paragraph 3.

WE Worksheet

3.01 WE Worksheet (attached) is developed for calculating the adjustments necessary to meet the FPSC's requirements. The worksheet can be used for estimating purposes or annual true-ups. For estimates, the attached WE Worksheet-EST must be completed before the preparation of the WE Worksheet. Page 1 of WE Worksheet is designed for developing the rate base adjustment prior to separations. ~~Page 2 of the worksheet is designed to separate the adjustments into interstate, intrastate and local jurisdictions.~~ Below are instructions for preparing page 1 of the worksheet.

WE Worksheet Page 1

3.02 For annual true-ups, enter in column A the surviving WECO, tax as of 12/31 of the activity year. The data will be provided by the BellSouth Tax Department after the annual tax return is filed with the Internal Revenue Service. This column is used to adjust A/C 100.1 investment. For estimates, enter WECO, surviving tax calculated in column F of the WE Worksheet-EST.

3.03 Enter in column B the book depreciation reserve (A/C 171) amount on a FR basis as of 12/31.

Correction:

Ⓐ this sentence should read as follows:

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"Page 2 of the worksheet is designed to separate the adjustment to interstate and intrastate".

When the adjustment (WECO) was reviewed, the Sur. will use Report 1000 and adjustments broken down between COMBINED, INTERSTATE, INTRASTATE and LOCAL. Since the adjustments are broken down, the WE WORKSHEET has now been used to meet the requirements.

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WECO Ad.
T4E 12/31/94

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3.04 Enter in column C the Account 100.1 investment balance on a PR basis as of 12/31.

3.05 Divide the A/C 171 book depreciation reserve amount in column B by the A/C 100.1 investment amount in column C and enter the result in column D. The book reserve ratio developed in column D will be used to calculate the cumulative WECO. tax restoral for each plant account.

3.06 Enter in column E the result of multiplying the amount in column A by the book reserve ratio from column D. This column represents the cumulative WECO. tax restoral (i.e. WECO. tax that would have been depreciated had the original WECO. tax been included in the plant account). The amount in this column is added to A/C 171 for rate making purposes.

3.07 Enter in column F the amount determined by deducting column E from column A. The result is the unrestored WECO. tax. This column represents the unamortized WECO. tax balance that would have been recorded in A/C 176 by the Method II company for the given year (after the current year depreciation deduction).

3.08 The net change to the rate base is the unrestored WECO. tax developed in column F of this worksheet. However, the adjustments will be made to A/C 100.1 investment (using column A) and to A/C 171 book depreciation reserve (using column E) separately.
 ⓑ Due to the FPSC's requirement, the adjustments will be broken down further to interstate, intrastate (interlata and intralata) and local jurisdictions by major account categories. Worksheet WE page 2 is designed for such purpose.

WE Worksheet Page 2

4.01 The WE Worksheet page 2 provides for the separation of the rate base adjustment into interstate, intrastate (interlata and intralata) and local portions in accordance with rules prescribed by the various regulatory agencies.
 ⓑ

4.02 The Worksheet WE page 2 consists of 2 parts, one for separation of A/C 100.1 adjustments, and the other for the separation of the book depreciation reserve (A/C 171) adjustments. They should be prepared by major account categories as required by the regulatory agencies. These major categories are Buildings, Central Office Equipment (COE), Stations, Outside Plant (OSP), Furniture and Motor Vehicles. Summarization from the detailed account levels is accomplished on WE Worksheet, page 1.

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ⓑ The Company is no longer required to separate the adjustment into intrastate interlata and intralata + local.

Southern Bell
WECO ADJUSTMENT
T/E 12/31/94

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4.03 Obtain A/C 100.1 adjustments from column A of the Worksheet WE page 1 and A/C 171 adjustments from column E of the Worksheet WE page 1. Post the interstate, intrastate interstate, and intrastate intralata factors to columns B, C and D respectively. These factors are prepared regularly by the Florida Forecast and Regulatory Support Group. Calculate columns E, F, G and column H according to the instructions in the column headings which are self-explanatory. The results will be used to adjust the rate base which will be submitted to each appropriate jurisdictional regulator

WE Worksheet-EST

5.01 WE Worksheet-EST is designed for the development of the estimated WECO tax needed to adjust the rate base at a time when the Tax Department has not finalized the tax return data. The worksheet also will allow the preparer to estimate the rate base adjustment at the end of any calendar month.

5.02 Enter in column A the surviving WECO tax on the true-up worksheet for the previous activity year. If the preparer is working on 1986 estimate, he or she should refer to the 1985 true-up worksheet, column A.

then
step
to
provide
the
investment
amounts

5.03 Post in column B the year-to-date retirements from the current year 2A Special Report.

5.04 Post in column C the A/C 100.1 investment balance as of December 31 of the true-up year (1985 in the example).

5.05 Divide the cumulative retirements in column B by the A/C 100.1 investment in column C and enter the result in column D.

5.06 Multiply the retirement ratio developed in column D by the WECO surviving tax amount in column A and post the result in column E. The amount computed in column E is the WECO tax retired during the current year.

5.07 Enter in column F the amount determined by deducting column E from column A. The amount in column F is estimated surviving WECO tax. This data will be posted to column A of the WE Worksheet to calculate the rate base adjustment. Note that the WE Worksheet-EST is required only for estimating purposes. For true-up adjustments, the preparer must refer to reports furnished by the Tax Department.

(c) The steps indicated here are all done in a PC program automatically except for separations to intrastate interstate, intrastate intralata and local which are no longer used.

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Southern Bell
WECC Adjustment
TYE 12/31/94

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METHOD I

ATTACHMENT 1
SHEET 1

1) PURCHASE OF TELEPHONE BY BOC FOR \$ 1000 WHICH COSTS WECC. \$ 900 AND THE SUBSEQUENT CREDIT OF PLANT ACCOUNT FOR \$ 46 RECEIVED FROM AT&T

TEL. PLANT	CASH
1000 46	46
-----	-----
954	
=====	

2) BOOK DEPRECIATION RECORDED BY THE BOC (ASSUMING 10 YEAR LIFE , 5/L)

	BOOK DEP. A/C 608 <i>Dep. Expense</i>	BOOK DEP. RES. A/C 171 <i>acc. dep.</i>
YEAR 1	95.4	95.4
YEAR 2	95.4	95.4
YEAR 3	95.4	95.4
YEAR 4	95.4	95.4
YEAR 5	95.4	95.4
YEAR 6	95.4	95.4
YEAR 7	95.4	95.4
YEAR 8	95.4	95.4
YEAR 9	95.4	95.4
YEAR 10	95.4	95.4
TOTAL	954	954

3) TAX ACCOUNTS ENTRIES
(FOR SUPPORTING COMPUTATION, SEE SHEET 2 OF ATTACHMENT 1)

	TAX ACCRUED A/C 166 (from sheet 2 item 1 and 2)	FED. INC. TAX A/C 306 (from sheet 2 item 1 and 2)	TAX DEFERRED A/C 308 (from sheet 2 item 1)	ACCUM. DEF. TAX A/C 176 (from sheet item 1)
YEAR 1	82.8	82.8	41.4	41.4
YEAR 2	66.2	66.2	24.8	24.8
YEAR 3	52.9	52.9	11.5	11.5
YEAR 4	30.4	30.4		11.0
YEAR 5	30.4	30.4		11.0
YEAR 6	30.4	30.4		11.0
YEAR 7	30.4	30.4		11.0
YEAR 8	30.4	30.4		11.0
YEAR 9	30.4	30.4		11.0
YEAR 10	30.4	30.4		11.5
TOTAL	414.0 *	414.0 *	0 *	0 *

* ROUNDED TO THE NEAREST DOLLAR

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Southern Bell Telephone & Telephone

WECCO Adjustment

TYE 12/31/94

YWL 9/14/95
18/1/95

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SENT BY: REGULATED TAX

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BST 5TH FLR-

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Page 5

METHOD I

ATTACHMENT 1
SHEET 2

1. COMPUTATION SUPPORTING ACCOUNTING ENTRIES TO REFLECT ACCELERATED TAX DEPRECIATION

TAX DEPRECIATION BASE = \$ 900 (\$1000 PURCHASE PRICE LESS \$ 100 GROSS PROFIT)
BOOK DEPRECIATION - USE 10 YEAR LIFE, STRAIGHT LINE METHOD
TAX DEPRECIATION - USE 10 YEAR LIFE, 200% DECLINING METHOD

	BOOK DEP. TAX BASIS	TAX DEP. TAX BASIS	EXCESS DEPRE.	DEFERRED TAXES \$
YEAR 1	90	180.00	90.00	41.40
YEAR 2	90	144.00	54.00	24.80
YEAR 3	90	118.00	28.00	11.50
YEAR 4	90	66.00	-24.00	-11.0
YEAR 5	90	66.00	-24.00	-11.0
YEAR 6	90	66.00	-24.00	-11.0
YEAR 7	90	66.00	-24.00	-11.0
YEAR 8	90	66.00	-24.00	-11.0
YEAR 9	90	66.00	-24.00	-11.0
YEAR 10	90	65.00	-25.00	-11.5
TOTAL	900	900.00	0.00	0.00 *

DEFERRED TAX COLUMN IS USED TO DR A/C 166, CR A/C 306, DR A/C 308, CR A/C 176
ROUNDED TO THE NEAREST DOLLAR

ENTRIES MADE TO TAX ACCOUNTS TO REFLECT THE DISALLOWED BOOK DEPRECIATION OF THE WECCO. TAXES (4.6) AND REGULAR PIT EXPENSE (46) EACH YEAR.

	FED. INC. TAX A/C 306		TAX ACCRUED A/C 166	
YEAR 1	4.6	46.0	46.0	4.6
YEAR 2	4.6	46.0	46.0	4.6
YEAR 3	4.6	46.0	46.0	4.6
YEAR 4	4.6	46.0	46.0	4.6
YEAR 5	4.6	46.0	46.0	4.6
YEAR 6	4.6	46.0	46.0	4.6
YEAR 7	4.6	46.0	46.0	4.6
YEAR 8	4.6	46.0	46.0	4.6
YEAR 9	4.6	46.0	46.0	4.6
YEAR 10	4.6	46.0	46.0	4.6

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Southern Bell
WECO ADJUSTMENT
TYE 12/31/94

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METHOD II

ATTACHMENT 2
SHEET 1

1) PURCHASE OF TELEPHONE BY BOC FOR \$ 1000 WHICH COSTS WECO. \$ 900 AND THE SUBSEQUENT CREDIT OF DEFERRED TAX ACCOUNT FOR \$ 46 RECEIVED FROM AT&T

TEL. PLANT	CASH	ACC. DEF. TAX
1000	46	46

1000		

2) BOOK DEPRECIATION RECORDED BY THE BOC (ASSUMING 10 YEAR LIFE, S/L)

	Dr. Expense BOOK DEP. A/C 608	Acc. Dep BOOK DEP. RES. A/C 171
YEAR 1	100	100
YEAR 2	100	100
YEAR 3	100	100
YEAR 4	100	100
YEAR 5	100	100
YEAR 6	100	100
YEAR 7	100	100
YEAR 8	100	100
YEAR 9	100	100
YEAR 10	100	100
TOTAL	1000	1000

3) ENTRIES TO REFLECT DEFERRED TAXES DUE TO ACCELERATED DEPRECIATION (FOR SUPPORTING COMPUTATION, SEE SHEET 2 OF ATTACHMENT 2)

	TAX ACCRUED A/C 166 (from sheet 2 item 1 and 2)	FED. INC. TAX A/C 306 (from sheet 2 item 1)	TAX DEFERRED A/C 308 (from sheet 2 item 1)	ACCUM. DEF. TAX A/C 176 (from sheet item 1 AND 2)
YEAR 1	87.4	93.0	46.0	87.4
YEAR 2	69.0	73.6	27.6	23.0
YEAR 3	54.3	58.9	12.9	8.3
YEAR 4	39.0	33.6		
YEAR 5	29.0	33.6	12.4	17.0
YEAR 6	29.0	33.6	12.4	17.0
YEAR 7	29.0	33.6	12.4	17.0
YEAR 8	29.0	33.6	12.4	17.0
YEAR 9	29.0	33.6	12.4	17.0
YEAR 10	29.0	33.6	12.4	17.0
TOTAL	414.0	460	0	0

* ROUNDED TO THE NEAREST DOLLAR
@ SEE SHEET 2, ITEM 3), CASH ACCOUNT ENTRY

Southern Bell Telephone & Telegraph

WECO U.O.I. Adjustment

TYE 12/31/94

W 9/11/95
 8/11/95

PBC

SENT BY: REGULATED TAX

: 7-21-95 : 11:26AM :

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Page 6

ATTACHMENT 2

METHOD II

SHEET 2

1) COMPUTATION SUPPORTING ACCOUNTING ENTRIES TO REFLECT ACCELERATED TAX DEPRECIATION

TAX DEPRECIATION BASE = \$ 1000

BOOK DEPRECIATION - USE 10 YEAR LIFE, STRAIGHT LINE METHOD

TAX DEPRECIATION - USE 10 YEAR LIFE, 200% DECLINING METHOD

	BOOK DEPRE. TAX BASIS	TAX DEPRE. TAX BASIS	EXCESS DEPRE.	DEFERRED TAXES \$
YEAR 1 77	100	200.00	100.00	46.00
YEAR 2 78	100	160.00	60.00	27.60
YEAR 3 79	100	128.00	28.00	12.90
YEAR 4 80	100	73.14	-26.90	-12.40
YEAR 5 81	100	73.14	-26.90	-12.40
YEAR 6 82	100	73.14	-26.90	-12.40
YEAR 7 83	100	73.14	-26.90	-12.40
YEAR 8 84	100	73.14	-26.90	-12.40
YEAR 9	100	73.14	-26.90	-12.40
YEAR 10	100	73.14	-26.90	-12.40
TOTAL	1000	1000 *	0.00 *	0.00 *

DEFERRED TAX COLUMN IS USED TO DR A/C 166, CR A/C 306, DR A/C 308, CR A/C 176
 ROUNDED TO THE NEAREST DOLLAR

2) ENTRIES REFLECTING THE AMORTIZATION OF DEFERRED TAX FOR THE METHOD II COMPANY, AND THE RECORDING OF REGULAR FIT EXPENSE.

	ACCUM. DEF. TX A/C 176		TAX ACCRUED A/C 166		FED. INC. TAX A/C 306		CASH	
YEAR 1	4.6	46.0	46.0	4.6	46.0	46.0		
YEAR 2	4.6		46.0	4.6	46.0			
YEAR 3	4.6		46.0	4.6	46.0			
YEAR 4	4.6		46.0	4.6	46.0			
YEAR 5	4.6		46.0	4.6	46.0			
YEAR 6	4.6		46.0	4.6	46.0			
YEAR 7	4.6		46.0	4.6	46.0			
YEAR 8	4.6		46.0	4.6	46.0			
YEAR 9	4.6		46.0	4.6	46.0			
YEAR 10	4.6		46.0	4.6	46.0			
		0	414.0		460.0		46.0	

15-1
 2 99

COMPANY: Southern Bell
 Title: WECO
 Period: TYE 12/31/94
 Date: July 28, 1995
 Auditor: Gabriela Leon
 Workpaper #: 15-1/2-1

\$46,914,678.00 Total Booked End of Period (15-1/2-1/1 P₁)
99.02820% Factor to allocate to Regulated EOP (A)

\$46,458,761.16 Total Regulated End of Period
98.58790% Factor to allocate to Combined (B)

\$45,802,716.99 Total Average Combined
 75.25% Factor to allocate to Intrastate
\$34,466,544.54 Total Average Combined (P₂)

(A) MR Total Regulated Plant in Service (MR 12 Months Average) $\frac{9,714,229,690}{7,809,563,515} = 99.02820\%$
 (MR 12 Months Average) $\frac{15-1}{2-3} P_2$
 (MR Total Booked Plant in Service (MR 12 Months Average)) $\frac{15-1}{2-3} P_2$

(B) Average Rate Base Plant in Service (MR) = $\frac{7,371,519}{7,477,100} = 98.58790\%$
 EOP Rate Base Plant in Service (MR)
 (MR EOP plant in Service Acct 2001) $\frac{15-1}{2-3} P_3$

ESTIMATED WECO. SURVIVING TAXES

WE WORKSHEET-EST

YEAR 1994

AS OF 12/31/94

Total Booked
End of Period

BK ACCT/ SUBACCT	(A) SURVIVING WECO. TAXES AS OF 12/31/93 (TRUE-UP)	(B) CUMULATIVE RETIREMENTS CURRENT YR	(C) 2001 INV. AS OF 12/31	(D)=(B)/(C) RETIREMENT RATIO	(E)=(A)+(D) WECO. TAXES RETIRED CURRENT YR	(F)=(A)+(E) ESTIMATED SURVIVING WECO. TAXES AS OF 12/31/94
2115.0000	Same Day EQUIPMENT	5,377	0	0	714	4,663
2116.0000	Other, Same Day EQUIPMENT	297,344	0	0	19,274	278,070
2121.9000	Furniture - Other	132,798	0	0	1,131	131,667
2122.2000	Furniture	4,808	0	0	0	4,808
2122.3000	Furniture - Imported Items	5,601	0	0	0	5,601
2122.9000	Furniture - Other Hotel Furniture	6,267	0	0	0	6,267
2123.1000	Office Equipment EQUIP.	9,156	0	0	448	8,708
2124.1000	Gen. Equip. - Computers	408,003	0	0	0	408,003
2211.1000	Analog Elect. Switch Eq.	7,138,313	0	0	1,358,006	5,780,307
2211.8000	Analog Elect. Switch Eq.	0	0	0	0	0
2212.1000	Digital Electronic Switching	466,227	0	0	37,931	428,296
2215.1100	Access Switching	0	0	0	0	0
2215.2000	Crossbar Switching	0	0	0	0	0
2215.3000	Other Electronic Switch	2,556	0	0	0	2,556
2220.0000	Computer SYSTEMS	65,069	0	0	15,136	49,933
2231.2200	Cellular - Non-cellular	15,237	0	0	0	15,237
2231.2310	Terrestrial Microwave	40,220	0	0	7,891	32,329
2232.1100	Circuit Eq. - Digital Data	1,478,859	0	0	11,316	36,543
2232.1200	Circuit Eq. - Subscriber Pair	1,646,960	0	0	74,649	1,572,311
2232.1300	Other Digital Circuit Eq.	1,939,846	0	0	338,772	1,601,074
2232.1500	Embedded Test Instruments	11,479	0	0	0	11,479
2232.1800	Circuit Equipment	0	0	0	0	0
2232.2100	Analog Pair Equip. Syst.	12,125	0	0	582	11,543
2232.2300	Analog - Emphasis on INV.	1,880	0	0	0	1,880
2232.2900	Analog - Other	2,168,299	0	0	192,255	1,976,044
2341.0000	Large Private Branch Exch	21,688	0	0	0	21,688
2351.0000	Public Phone Terminal Eq.	22,825	0	0	13,204	9,621
2362.2000	Analog Network Terminal Eq.	81,569	0	0	14,763	66,806
2362.9000	Other NON-CPE EQUIP.	80,793	0	0	3,790	77,003
2411.1000	Poles	577,223	0	0	15,918	561,305
2421.1100	Aerial Cable - Other	3,573,645	0	0	115,573	3,460,072
2421.2100	Non-Metallic - Other	1,224	0	0	822	402
2422.1100	Underground Cable - Other	10,964,856	0	0	342,080	10,622,776
2422.2100	Underground Cable - Other	185,739	0	0	2,807	182,932
2423.1100	Plastic Cable - Other	13,963,600	0	0	197,641	13,765,959
2423.2100	Plastic Cable - Non-metallic	7,038	0	0	597	6,441
2424.1100	Submarine Cable - Other	111,451	0	0	15,437	96,014
2426.1000	Intellig. Network Cable	447,982	0	0	8,362	439,620
2431.0000		0	0	0	0	0
2441.1000	Conduit Systems - Other	5,286,398	0	0	49,678	5,236,720
2682.1000	Household Improvements	0	0	0	0	0
TOTAL	Building	49,753,455	0	0	2,838,777	46,914,678

In this worksheet used in the last Surveillance Report (California year 1992, columns (E) + (C) were picked up from the 2A Spl report. Since that time the tax office has been providing the column (A), (E) and (F) amounts, therefore, there is no need to complete columns (B), (C) and (D).

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P1

YEAR 1994

ADJUSTMENTS TO FLORIDA RATE BASE
REFLECTING WECO TAXES
AS ZERO-COST CAPITAL

PAGE 2 OF 2

BALANCE AS OF 12/31/94

TRUE-UP () OR ESTIMATE (X)

AVERAGE

SEPARATION OF 2001 INVESTMENT ADJUSTMENT

Plant ID Service

MAJOR ACCOUNT CATEGORY	(A) ADJUSTMENT	(B) INTERSTATE FACTOR	(C)=(A)X(B) ADJUSTMENT (INTERSTATE)	(D)=(A)X(C) ADJUSTMENT (INTRASTATE)
GEN SUPT	827,693	20.9786%	173,631 X	654,055 *
CENT OFC	11,246,498	23.7935%	2,675,936	8,570,562
INFO/ORIG	170,967	25.1672%	43,028	127,939
CAB & WTR	33,557,558	25.1586%	8,442,612	25,114,946
AMORT ASSETS	0	20.9441%	0	0
TOTAL	F 45,802,716 <u>15-1</u> 2-1		F 11,335,214	34,467,502 <u>15-1</u> 2-1

SEPARATION OF A/C 3100 ADJUSTMENT

Depreciation Reserve

GEN SUPT	568,475	20.9786%	119,258	449,217
CENT OFC	9,527,603	23.7935%	2,266,950	7,260,653
INFO/ORIG	168,843	25.1672%	42,493	126,350
CAB & WTR	20,729,258	25.1586%	5,215,191	15,514,067
AMORT ASSETS	0	20.9441%	0	0
TOTAL	30,994,179		7,643,892	23,350,287

SEPARATION OF A/C 4140 ADJUSTMENT

GEN SUPT	259,218	20.9786%	54,380	204,838
CENT OFC	1,718,896	23.7935%	408,986	1,309,910
INFO/ORIG	2,125	25.1672%	535	1,590
CAB & WTR	12,828,299	25.1586%	3,227,420	9,600,879
AMORT ASSETS	0	20.9441%	0	0
TOTAL	14,808,538		3,691,321	11,117,217

Index

F Footed

* Recalculated by staff

YEAR 1994

ADJUSTMENTS TO FLORIDA RATE BASE
REFLECTING WECO TAXES
AS ZERO-COST CAPITAL

WB WORKSHEET
PAGE 1 OF 2

BALANCE AS OF 12/31/94

TRUE-UP () OR ESTIMATE (X)

BK ACCT/ SUBACCT	(A)	(B)	(C)	(D)=(B)/(C)	(E)=(A)(X)(D)	(F)=(A)-(E)
	ESTIMATED SURVIVING WECO. TAXES AS OF 12/31	A/C 3100 BALANCE (MR BASIS - EST)	A/C 2001 INVESTMENTS (MR BASIS - EST)	A/C 3100 RESERVE RATIO (MR BASIS)	CUMULATIVE WECO. TAXES RESTORED	WECO. TAXES UNRESTORED
2115.0000	4,663	(1,954,334)	540,339	-3.616866	(16,865)	21,528
2116.0000	278,070	15,031,797	28,795,711	0.522015	145,157	132,913
2121.9000	131,667	116,040,209	467,092,348	0.248431	32,710	98,957
2122.2000	4,808	780,577	1,625,470	0.480216	2,309	2,499
2122.3000	5,601	0	0	0.000000	0	5,601
2122.9000	6,267	2,788,987	7,745,445	0.360081	2,257	4,010
2123.1000	8,708	3,508,685	3,510,030	0.999617	8,705	3
2124.1000	408,003	33,536,911	33,536,911	1.000000	408,003	0
TOT GEN SUPT	847,787	169,732,832	542,846,254		582,276	265,511
2211.1000	5,780,307	202,389,463	216,805,477	0.934430	5,401,292	379,015
2211.8000	0	0	0	0.000000	0	0
2212.1000	428,296	10,883,007	20,233,741	0.537864	230,365	197,931
2215.1100	0	0	0	0.000000	0	0
2215.2000	0	0	0	0.000000	0	0
2215.3000	2,556	0	0	0.000000	0	2,556
2220.0000	49,933	1,802,919	2,733,237	0.659628	32,937	16,996
2231.2200	15,237	475,946	475,946	1.000000	15,237	0
2231.2310	32,329	1,314,865	1,315,913	0.999204	32,303	26
2232.1700	36,543	2,083,823	2,083,823	1.000000	36,543	0
2232.1200	1,572,311	54,793,755	54,793,755	1.000000	1,572,311	0
2232.1300	1,601,074	61,726,649	70,211,792	0.879149	1,407,583	193,491
2232.1500	11,479	0	0	0.000000	0	11,479
2232.1800	0	0	0	0.000000	0	0
2232.2100	11,543	145,952	504,537	0.289279	3,339	8,204
2232.2300	1,880	0	0	0.000000	0	1,880
2232.2900	1,976,044	40,422,433	77,776,836	0.519723	1,026,996	949,048
TOT CENT OFC	11,519,532	376,238,812	446,935,057		9,758,906	1,760,626
2341.0000	21,688	1,533,392	1,533,392	1.000000	21,688	0
2351.0000	9,621	397,552	397,552	1.000000	9,621	0
2362.2000	66,806	4,615,203	4,615,207	0.999999	66,806	0
2362.9000	77,003	5,298,482	5,452,574	0.971740	74,827	2,176
TOT INFO/ORIG	175,118	11,844,629	11,998,725		172,942	2,176
2411.1000	561,305	38,253,382	45,954,679	0.832415	467,239	94,066
2421.1100	3,460,072	214,160,081	249,623,169	0.857934	2,968,513	491,559
2421.2100	402	34,985	34,985	1.000000	402	0
2422.1100	10,622,776	265,105,560	517,121,743	0.512656	5,445,830	5,176,946
2422.2100	182,932	2,824,723	5,100,018	0.555826	101,678	81,254
2423.1100	13,765,959	735,640,931	971,186,091	0.757467	10,427,260	3,338,699
2423.2100	6,441	987,012	1,306,890	0.755237	4,864	1,577
2424.1100	96,014	2,836,514	5,749,105	0.493384	47,372	48,642
2426.1000	439,620	24,517,311	30,560,163	0.802264	352,691	86,929
2431.0000	0	0	0	0.000000	0	0
2441.1000	5,236,720	120,376,677	444,976,096	0.270524	1,416,658	3,820,062
TOT CAB & WTR	34,372,241	1,404,747,176	2,271,612,939		21,232,507	13,139,734
2682.1000	0	392,720	392,720	1.000000	0	0
TOT AMR ASSETS	0	392,720	392,720		0	0
TOTAL	46,014,678	1,962,956,169	3,273,785,695		31,746,631	15,168,047

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The Tax Office is providing the reserve and investment balances used to complete the reserve ratios in Column D.

What is the balance that needs to be amortized

Southern Bell Telephone & Telegraph

WECO Adjustment

T/E 12/31/94

JK
8/2/95

(PBC)

FL WECO INFORMATION BASED ON FALL 1994 ESTIMATE
PREPARED FOR THE REGULATORY MATTERS GROUP
FOR USE IN FL PSC SURVEILLANCE REPORTING

(Not audited)

STATE	BOOK ACCOUNT	CCATS ELEMENT D.7	CCATS ELEMENT D.6	'93 SURVIVING WECO TAX	'94 RETIRED WECO TAX	'94 SURVIVING WECO TAX
FL	LSD	0	0	0	0	0
FL	2111.0000	0	42,243,695	0	0	0
FL	2112.0000	2,893,940	14,507,462	0	0	0
FL	2115.0000	82,739	622,992	5,377	714	4,663
FL	2116.0000	1,995,652	30,787,285	297,344	19,274	278,070
FL	2121.9000	3,769,833	442,787,336	132,798	1,131	131,667
FL	2122.1000	0	174,432	0	0	0
FL	2122.2000	0	1,515,625	4,808	0	4,808
FL	2122.3000	0	0	5,601	0	5,601
FL	2122.9000	0	7,592,612	6,267	0	6,267
FL	2123.1000	175,100	3,582,534	9,156	448	8,708
FL	2123.2000	0	0	0	0	0
FL	2123.3000	0	0	0	0	0
FL	2124.1000	0	32,782,075	408,003	0	408,003
FL	2124.2000	0	0	0	0	0
FL	2211.1000	47,233,522	248,281,382	7,138,313	1,358,006	5,780,307
FL	2211.8000	0	0	0	0	0
FL	2212.1000	1,673,821	20,573,852	466,227	37,931	428,296
FL	2215.1100	0	0	0	0	0
FL	2215.2000	0	0	0	0	0
FL	2215.3000	0	0	2,556	0	2,556
FL	2220.0000	767,401	3,298,982	65,069	15,136	49,833
L	2231.2200	94,757	543,629	15,237	0	15,237
FL	2231.2310	300,810	1,533,235	40,220	7,891	32,329
FL	2232.1100	625,042	2,643,410	47,859	11,316	36,543
FL	2232.1200	2,501,876	55,198,182	1,646,960	74,649	1,572,311
FL	2232.1300	13,967,066	79,976,851	1,939,846	338,772	1,601,074
FL	2232.1500	0	0	11,479	0	11,479
FL	2232.1800	0	0	0	0	0
FL	2232.2100	23,358	487,031	12,125	582	11,543
FL	2232.2300	0	0	1,880	0	1,880
FL	2232.2900	7,136,465	80,486,741	2,168,299	192,255	1,976,044
FL	2320SWC	0	0	0	0	0
FL	2321.0000	0	0	0	0	0
FL	2341.0000	0	1,373,896	21,688	0	21,688
FL	2351.0000	526,561	910,244	22,825	13,204	9,621
FL	2362.NC	0	0	0	0	0
FL	2362.2000	923,381	5,101,937	81,569	14,763	66,806
FL	2362.9000	246,637	5,258,353	80,793	3,790	77,003
FL	2411.1000	1,207,747	43,795,285	577,223	15,918	561,305
FL	2421.1100	7,483,170	231,518,217	3,575,645	115,573	3,460,072
FL	2421.2100	63,802	95,053	1,224	822	402
FL	2422.1100	15,184,817	486,725,810	10,964,856	342,080	10,622,776
FL	2422.2100	68,478	4,531,244	185,739	2,807	182,932
FL	2423.1100	12,678,973	895,788,118	13,963,600	197,641	13,765,959
FL	2423.2100	112,959	1,332,616	7,038	597	6,441
FL	2424.1100	861,414	6,219,271	111,451	15,437	96,014
FL	2426.1000	530,297	28,410,457	447,982	8,362	439,620
FL	2431.0000	0	0	0	0	0
FL	2441.1000	3,944,364	419,733,147	5,286,398	49,678	5,236,720
FL	2682.1000	0	368,496	0	0	0
TOTALS		127,073,982	3,200,781,487	49,753,455	2,838,774	46,914,681

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FLORIDA PUBLIC SERVICE COMMISSION

AUDIT REQUEST NO 39

REQUEST:

Reconciliation #1, Reconciliation #2

Question #3 Page 1 and Page 2 Provide the account where I can trace the \$7,477,100 amount of EOP Rate Base Plant in Service to the trial balance or General Ledger.

Question #4 Page 4 Please provide the source of this schedule and how these %'s were developed.

RESPONSE:

Reconciliation # 1

Reconcile	\$9,809,563,515	This is MR 12 Mos Average.
Trial Balance	9,963,383,714	This is MR EOP.
Difference	(153,820,199)	

See Attachment 1 - Average MR Net Investment

See Attachment 2 - EOP MR Net Investment

Reconciliation # 2

Reconcile	\$9,714,229,690	This is MR 12 Mos Average.
Trial Balance	9,859,320,825	This is FR Regulated EOP.
Difference	(145,091,135)	

See Attachment 1 - Average MR Net Investment.

See Attachment 3 - EOP FR Net Investment

Question #3

The \$7,477,100 is not traceable to the General Ledger or Trial Balance. This amount is the intrastate MR EOP Plant in Service (A/C 2001) and is shown on Attachment 2.

Question #4

The amounts on Page 4-7 were downloaded from COREDATA files into a Lotus spreadsheet. For balance sheet accounts, the amounts shown are MR 12 months averages and for income statements accounts, the amounts shown are MR 12 months ending totals. These sheets were prepared to calculate the MR Reg %'s by account and the intra %'s by summary account. MR Reg %'s and Intra %'s were used as needed to separate adjustments used on the Surveillance Report. The RegMR %'s are calculated by dividing the amounts in the REGMR column by the amounts in the COMBMR column. Intra %'s are calculated by dividing the amounts in the INTRAMR column by the amounts in the REGMR column.

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P,

DATE 02/17/95
 TIME 11:30:05

BELLSOUTH TELECOMMUNICATIONS INC.
 STATE: FLORIDA
 AVG
 ENDING PERIOD: 12 1994

MR BASIS

MR EOP

NET INVESTMENT	BOOKED	NONREG	COMBINED	INTERSTATE	INTRASTATE
1 General Support	1,297,159,741	59,578,640	1,237,581,101	259,627,488	977,953,613
2 Central Office Switching	1,626,949,125	28,272,967	1,598,676,158	283,075,444	1,315,600,714
3 Operator Systems	44,167,135	0	44,167,135	5,537,603	38,629,532
4 Central Office Transmission	1,927,025,656	0	1,927,025,656	560,782,463	1,366,243,193
5 Information Orig/Term	169,084,160	6,113,608	162,970,552	41,015,192	121,955,360
6 Cable & Wire Facilities	4,724,739,139	0	4,724,739,139	1,188,678,848	3,536,060,291
7 Tangible Assets	20,438,558	1,368,610	19,069,948	3,994,028	15,075,920
8 Intangible Assets	0	0	0	0	0
9 Telecomm. Plant in Service	9,809,563,514	95,333,825	9,714,229,689	2,342,711,066	7,371,518,623
10 Telecomm. Plant Under Const-ST	43,212,616	601,158	42,611,458	10,209,246	32,402,212
11 Telecomm. Plant Under Const-LT	26,223,389	563,242	25,660,147	6,202,842	19,457,305
12 Property Held for Future Use	235,581	8,355	227,226	54,574	172,652
13 Telecomm. Plt Adjustment	0	0	0	0	0
14 Material & Supplies	65,474,017	1,678,862	63,795,155	16,023,904	47,771,251
15 GROSS PLANT, MAT & SUPPL.	9,944,709,117	98,185,442	9,846,523,675	2,375,201,632	7,471,322,043
16 Depreciation Reserve-CR	4,272,606,691	35,504,237	4,237,102,454	1,034,076,877	3,203,025,577
17 Deferred Income Tax Reserve-CR	843,376,110	2,858,997	840,517,113	197,317,077	643,200,036
18 NET BOOK COST	4,828,726,316	59,822,208	4,768,904,108	1,143,807,678	3,625,096,430
19 Unamortized ITC-Sec.38-CR	57,608	244	57,364	13,843	43,521
20 Unamortized ITC-Sec.50-CR	117,086,138	495,905	116,590,233	28,127,773	88,462,460
21 OPERATING INVESTMENT	4,711,582,570	59,326,059	4,652,256,511	1,115,666,062	3,536,590,449
NON-OPERATING INVESTMENT					
22 Non-operating Plant	12,518,458	417,158	12,101,300	2,902,037	9,199,263
23 Non-op Depreciation Reserve-CR	6,617,283	215,641	6,401,642	1,535,191	4,866,451
24 Non-op Deferred Inc Tax Reserve-CR	-600,808	0	-600,808	-144,081	-456,727
25 Non-op Unamortized ITC-CR	0	0	0	0	0
26 NET INVESTMENT	4,718,084,553	59,527,576	4,658,556,977	1,117,176,989	3,541,379,988

15-1 P1
2-1 P1

15-1 P1

Attachment 1

2

DATE 02/17/95
TIME 11:29:46

BELLSOUTH TELECOMMUNICATIONS INC.
STATE: FLORIDA
EOP
ENDING PERIOD: 12 1994

MR BASIS

NET INVESTMENT	BOOKED	NONREG	COMBINED	INTERSTATE	INTRASTATE
1 General Support	1,312,072,330	69,221,127	1,242,851,203	260,733,083	982,118,120
2 Central Office Switching	1,637,747,165	28,977,809	1,608,769,356	284,862,633	1,323,906,723
3 Operator Systems	43,028,773	0	43,028,773	5,394,877	37,633,896
4 Central Office Transmission	1,985,002,126	0	1,985,002,126	577,654,157	1,407,347,969
5 Information Orig/Ferm	169,610,569	6,362,258	163,248,311	41,085,096	122,163,215
6 Cable & Wire Facilities	4,796,908,061	0	4,796,908,061	1,206,835,548	3,590,072,513
7 Tangible Assets	19,014,690	1,485,935	17,528,755	3,671,239	13,857,516
8 Intangible Assets	0	0	0	0	0
9 Telecomm. Plant in Service	9,963,383,714	106,047,129	9,857,336,585	2,380,236,633	7,477,099,952
10 Telecomm. Plant Under Const-ST	33,135,959	526,643	32,609,316	7,812,841	24,796,475
11 Telecomm. Plant Under Const-LT	17,789,401	708,598	17,080,803	4,128,952	12,951,851
12 Property Held for Future Use	235,581	9,263	226,318	54,356	171,962
13 Telecomm. Plt Adjustment	0	0	0	0	0
14 Material & Supplies	82,650,512	2,200,877	80,449,635	20,207,134	60,242,501
15 GROSS PLANT, MAT & SUPPL.	10,097,195,167	109,492,510	9,987,702,657	2,412,439,916	7,575,262,741
16 Depreciation Reserve-CR	4,437,753,369	39,910,162	4,397,843,207	1,073,306,114	3,324,537,093
17 Deferred Income Tax Reserve-CR	828,531,563	2,036,966	826,494,597	194,025,197	632,469,400
18 NET BOOK COST	4,830,910,235	67,545,382	4,763,364,853	1,145,108,605	3,618,256,248
19 Unamortized ITC-Sec.38-CR	45,714	212	45,502	10,980	34,522
20 Unamortized ITC-Sec.50-CR	109,836,273	508,542	109,327,731	26,375,671	82,952,060
21 OPERATING INVESTMENT	4,721,028,248	67,036,628	4,653,991,620	1,118,721,954	3,535,269,666
NON-OPERATING INVESTMENT					
22 Non-operating Plant	12,629,560	466,037	12,163,523	2,923,855	9,239,668
23 Non-op Depreciation Reserve-CR	6,710,373	241,842	6,468,531	1,554,899	4,913,632
24 Non-op Deferred Inc Tax Reserve-CR	-9,712	0	-9,712	-2,335	-7,377
25 Non-op Unamortized ITC-CR	0	0	0	0	0
26 NET INVESTMENT	4,726,957,147	67,260,823	4,659,696,324	1,120,093,245	3,539,603,079

1507
2-1
1

Attachment 2

13

BELLSOUTH TELECOMMUNICATIONS INC.
 STATE: FLORIDA
 EOP
 ENDING PERIOD: 12 1994

DATE 02/17/95
 TIME 11:45:52
 FR BASIS

NET INVESTMENT	BOOKED	NONREG	COMBINED	INTERSTATE	INTRASTATE
1 General Support	1,310,021,272	69,221,127	1,240,800,145	260,733,083	980,067,062
2 Central Office Switching	1,637,747,165	28,977,809	1,608,769,356	284,862,633	1,323,906,723
3 Operator Systems	43,028,773	0	43,028,773	5,394,877	37,633,896
4 Central Office Transmission	1,985,002,126	0	1,985,002,126	577,654,157	1,407,347,969
5 Information Orig/Term	169,610,569	6,362,258	163,248,311	41,085,096	122,163,215
6 Cable & Wire Facilities	4,800,943,359	0	4,800,943,359	1,206,835,548	3,594,107,811
7 Tangible Assets	19,014,690	1,485,935	17,528,755	3,671,239	13,857,516
8 Intangible Assets	0	0	0	0	0
9 Telecomm. Plant in Service	9,965,367,954	106,047,129	9,859,320,825	2,380,236,633	7,479,084,192
10 Telecomm. Plant Under Const-ST	33,135,959	526,643	32,609,316	7,812,841	24,796,475
11 Telecomm. Plant Under Const-LT	17,789,401	708,598	17,080,803	4,128,952	12,951,851
12 Property Held for Future Use	235,581	9,263	226,318	54,356	171,962
13 Telecomm. Plt Adjustment	0	0	0	0	0
14 Material & Supplies	82,650,512	2,200,877	80,449,635	20,207,134	60,242,501
15 GROSS PLANT, MAT & SUPPL.	10,099,179,407	109,492,510	9,989,686,897	2,412,439,916	7,577,246,981
16 Depreciation Reserve-CR	4,484,308,078	39,910,162	4,444,397,916	1,073,306,114	3,371,091,802
17 Deferred Income Tax Reserve-CR	786,206,411	2,036,966	784,169,445	171,492,272	612,677,173
18 NET BOOK COST	4,828,664,918	67,545,382	4,761,119,536	1,167,641,530	3,593,478,006
19 Unamortized ITC-Sec.38-CR	45,714	212	45,502	10,980	34,522
20 Unamortized ITC-Sec.50-CR	109,595,415	508,542	109,086,873	26,375,671	82,711,202
21 OPERATING INVESTMENT	4,719,023,789	67,036,628	4,651,987,161	1,141,254,879	3,510,732,282
NON-OPERATING INVESTMENT					
22 Non-operating Plant	12,629,560	466,037	12,163,523	2,923,855	9,239,668
23 Non-op Depreciation Reserve-CR	6,710,373	241,842	6,468,531	1,554,899	4,913,632
24 Non-op Deferred Inc Tax Reserve-CR	346,514	0	346,514	83,295	263,219
25 Non-op Unamortized ITC-CR	0	0	0	0	0
26 NET INVESTMENT	4,724,596,462	67,260,823	4,657,335,639	1,142,540,540	3,514,795,099

PBC
 Southern Bell Telephone & Telegraph
 WECO Adt.
 IVE 12/31/94
 1/18/95
 SFO/LAS

Attachment 3

11	11
42	42
15-1	15-1
2-3	2-3
THE WALTER LATTIN COMPANY	
(708) 945-8172	

COMPANY: SOUTHERN BELL
TITLE: BELLCORE INVESTMENTS ADJUSTMENT TO RATE BASIS
PERIOD: TYPE 12/31/94
DATE: AUGUST 22, 1995
AUDITOR: GABRIELA LEON
WORKPAPER #: 15-1/3

W 9/14/95

BELLCORE INVESTMENTS

The general ledger account for BST's investment in Bellcore is account 1401.1400. This amount is only booked at the BST-headquarters level, not on the Florida Ledger.

Florida Combined is the total Florida amount included in the BST total company balance.

Florida Combined includes regulated (interstate and intrastate) plus nonregulated amounts.

The percent used to allocate the BST Company amounts (for the dividend and investment) to Florida is the ratio of Florida average net investment to total BST average net investment.

Monthly computations are attached.

The general ledger account for the dividend income is Account 7360.3000, ⁷³⁶⁰⁻⁷³⁶⁰⁻³⁰⁰⁰ and the general ledger account for the investment is Account 1401.1400.

See section wp. 49.

Staff traced dividends paid to Bellcore's Annual Report. No exceptions found.

Southern Bell
Bellcore Investment
TVE 12/31/94

KW 9/14/95
SL
2/10/95

PBC

BELLCORE INVESTMENT

	BALANCE	AVERAGE	12 MOS AVG	% FLA	FLA COMB	AVERAGE	12 MOS AVG
DEC 93	28,514,965.92			23.7891%	6,783,453.76		
JAN 94	28,514,965.92	28,514,966		24.3358%	6,939,345.08	6,861,399	
FEB	28,514,965.92	28,514,966		24.3336%	6,938,717.75	6,939,031	
MAR	28,514,965.92	28,514,966		24.3115%	6,932,415.94	6,935,567	
APR	28,514,965.92	28,514,966		24.2916%	6,926,741.46	6,929,579	
MAY	28,514,965.92	28,514,966		24.2334%	6,910,145.75	6,918,444	
JUNE	28,514,965.92	28,514,966		24.1518%	6,886,877.54	6,898,512	
JULY	28,514,965.92	28,514,966		24.0714%	6,863,951.51	6,875,415	
AUG	28,514,965.92	28,514,966		24.0149%	6,847,840.55	6,855,896	
SEPT	28,514,965.92	28,514,966		23.9664%	6,834,010.79	6,840,926	
OCT	28,514,965.92	28,514,966		23.9069%	6,817,044.39	6,825,528	
NOV	28,514,965.92	28,514,966		23.8525%	6,801,532.25	6,809,288	
DEC	28,514,965.92	28,514,966	28,514,966	23.8000%	6,786,561.89	6,794,047	6,873,636

	EOP	AVERAGE
COMPANY	28,514,966	28,514,966
FLA COMBINED	6,786,562	6,873,636
FLORIDA INTRA %	75.6127%	75.6127%
FLORIDA INTRASTATE	5,131,503	5,197,342

15-1 p. 2

AMOUNTS USED ON THE SURVEILLANCE REPORT

	COMBINED	INTRASTATE
EOP	6,787	5,132
AVERAGE	6,874	5,197

Index

- Δ Traced to the General Ledger Account 1401200-1400
- ✱ Recalculated by staff
- ✱ Traced to Report FBab - Cumulative Prorate Results

										15-1 3-1
THE WALTER LATHAM COMPANY (708) 345-8787										

Southern Bell Teleg. ^{Telephone}
Bellcore Adjustment - Book Basis
 PBC T/E 12/31/94

100
 11/11/95
 8/24/95

FLORIDA 12/94 BELLCORE ADJUSTMENT- BOOK BASIS

DR/(CR) (CR)=INCOME	BST BELLCORE Dividend	FLA BELLCORE Dividend
JAN		
FEB	(23,370.86)	(5,677.16)
MAR	(1,028,560.00)	(249,853.68)
APR	0.00	
MAY	(138,569.52)	▷(33,467.03) ✓
JUN	(886,168.91)	▷(213,315.43) ✓
JUL	0.00	
AUG	0.00	
SEP	(1,100,000.00)	▷(263,630.40) ✓
OCT	0.00	
NOV	116,694.58	▷27,773.33 ✓
DEC	0.00	

Ⓐ 738,170.37
 742,911.92 Per G/L
 (+4,741.55) ^{Net 360-30c} Difference

12 MO. TOTAL ¹⁵⁻¹ ₃₋₄ (3,059,974.71) (738,170.37) Ⓐ

4th Qtr ¹⁵⁻¹ ₃₋₃ ^{Impacted} (630,000) (149,740)
 (3,689,715) (787,110)
 (15-1) (15-1)
 3-3 3-3

Estimated amount to be paid in 1995

DR/(CR) (CR)=INCOME	BST BELLCORE Investment	FLA BELLCORE Investment
DEC	28,514,965.92	6,783,453.76
JAN	28,514,965.92	6,939,345.08
FEB	28,514,965.92	6,938,717.75
MAR	28,514,965.92	6,932,415.94
APR	28,514,965.92	6,926,741.46
MAY	28,514,965.92	6,910,145.75
JUN	28,514,965.92	6,886,877.54
JUL	28,514,965.92	6,863,951.51
AUG	28,514,965.92	6,847,840.55
SEP	28,514,965.92	6,834,010.79
OCT	28,514,965.92	6,817,044.39
NOV	28,514,965.92	6,801,532.25
DEC	28,514,965.92	6,786,561.89

EOP 28,514,965.92 6,786,561.89
 12 MONTH AV 28,514,965.92 6,873,635.90 Fla. Combined

1	Index			
22	Δ Traced to FR G/L		15-1	0
13			3-	1

REQUEST: RE: BellCore Investment

(1) Please reconcile Florida BellCore Dividend: per G/L and Company's prepared schedule.

Account 7360.3000 G/L.	Amount	<i>acct 7360.3000</i>
Company's Schedule	\$742,911.92	
	738,170.37	
	<hr/>	
	\$4,741.55	Difference to be reconciled.

(15-1 / 3-1)

* RESPONSE (1): A \$4,741.55 true-up of the third quarter 1993 BellCore dividend accrual was booked in January 1994. This was adjusted out of the 1994 BellCore dividend on the Company's prepared schedule.

REQUEST (2): Please provide the calculation and backup for the BellCore dividend adjustment to NOI - \$682,000.

RESPONSE (2): Assuming you are referring to the BellCore dividend net operating income intrastate revenue adjustment of \$672,000 (page 2A; 1 of 3; line 21; column (1) of the surveillance report), the calculation and backup is attached.

* Staff agrees with this treatment because the '93 true-up should not be included in the '94 Surveillance Report.

*15-1
3-2*

P.

AMOUNTS USED ON THE SURVEILLANCE REPORT

BELLCORE DIVIDENDS(NET INCOME)

Intrastate Revenue
Intrastate SIT
Intrastate FIT
Intrastate NOI

672
11
67
594

40.1
1

R

REQUEST: Further, to request 49, please provide the Florida amounts of the \$3,036,612 and the Florida intrastate amounts. Show how it would impact page 2A; 1 of 3; line 21 of December 1994 Surveillance Report.

RESPONSE: Assuming a Bellcore dividend of \$3,036,612, the Florida amount would be \$732,431 (using the average net investment prorate factor of 24.12%) and the Florida intrastate amount would be \$553,811 (intrastate average net investment factor of 75.6127%). However, these total dividends differ from our Surveillance Report adjustment as follows:

	BST	Florida
Per General Ledger:	\$3,079,467.57	\$742,911.92
Transposition error	(9.00)	
Less January true-up of 3rd quarter 1993 accrual (on 1993 Surv. Rept)	<u>19,483.86</u>	<u>4,741.55</u>
Amount per Response No. 52	\$3,059,974.71	\$738,170.37
Less True-up of Dec 1993 accrual	<u>23,370.86</u>	<u>5,677.16</u>
Sub-Total	<u>\$3,036,603.85</u>	<u>\$732,493.21</u>
Per C&L	3,036,612.00	

Amount per Response No. 52	\$3,059,974.71	\$738,170.37
Plus Accrual for 4th Qtr 1994 (documentation attached)	<u>630,000.00</u>	<u>149,940.00</u>
Total for Proforma Adjustment	<u>\$3,689,974.71</u>	<u>\$888,110.37</u>
Intrastate (75.6127%)	<u>2,778,110.37</u>	<u>\$671,524</u>

Using the amounts per C&L, the credit to Account 6724 would be 26.45% Florida (\$803,184), 94.48% regulated (\$758,848) and 78.99% intrastate (\$599,414). This does not match the dividend reduction of \$553,411 because the Florida, regulated and intrastate percents are all different for the expense account versus the dividend account. Furthermore, the taxability of dividends is different than the taxability of the expenses. Only 30% of the dividend is taxable; whereas, 100% of the expense is deductible. Therefore, to net the income against the expense and then apply a statutory tax rate would not be appropriate. The C&L recommendation would result in \$121,178 less net income (after tax) as illustrated below:

	Florida Dividends	Florida Expenses	Net Income Impact	Reduced Sharing
Reduced Inc/Expense	(\$553,411)	(\$599,414)		
Net of Tax	(\$489,368)	(\$368,190)	(\$121,178)	(\$72,707)

15-1
3-3

This request by written by Ruth Young, Manager because p. 1 of notes taken from the external auditors workpapers on a different treatment of Bellcore Dividends proposed by C&L. Analyst

FPSC Staff Audit
1994 Surveillance Report
Request No. 58 - (Revised)
August 28, 1995
Page 1 of 2

The Company does not believe such a netting of dividends against expense is appropriate. We have contracted with Bellcore to perform certain services for us, an activity which is independent of our minority stock ownership. Even if the stock were sold and we no longer received dividend income, we could still contract with Bellcore to perform services for us. Furthermore, dividends are paid based on our percent of ownership, not our percent of services purchased. The character of the income and the expense are not the same and, therefore, should remain separate.

In addition, we have consistently reported the Bellcore dividends as dividend income (not as credits to expense). To change this method of accounting on the Surveillance Report would violate the consistency provisions of the Stipulation and Agreement (copy provided in response to Audit Request No. 35).

15-1
3-3
p2

MESSAGE

Subject: BellCore Dividend
Creator: Daniel E. Retter / AL, BRHM06
PHONE-1=404 529-6263;

Dated: 07/25/95 at 11:26
Contents: 2

Part 1

TO: YVETTE DAVIE / BRIDGE (TKNDJNJ@UOS1)
PHONE-1=(404) 529-6265;
Amos Mitchim / AL, BRHM07
JOHN YELVINGTON / BRIDGE (BYPWPQQ@UOS1)
PHONE-1=(404) 529-6786;

Part 2

As information, I have recently inquired of the status of BellCore Dividends for 1995. As you may recall, during 1994 and preceeding years, BST had been recognizing an estimated BellCore dividned receivable (and income) at the end of each quarter and performing a true-up of the related income at the time the dividend was actually paid to us. However, BellCore did not declare an estimated dividend at the end of 1994, and Dell Coleman in Accounting Policy and Compliance indicated to me that we should be recognizing the Bellcore Dividend when received by BST rather than when declared by BellCore.

According to Sandy Rhodes in Regualtory and External Affairs, Bellcore has paid the following dividends to BST in 1995

April 12, 1995	\$629,412.43	Related to 4th quarter 1994
May 10, 1995	\$900,204.00	Related to 1st quarter 1995

Both of these amounts were recognized in Account 7360.3000 - BellCore Income in May 1995 business.

Sandy Rhodes also informed me that we should expect to recieve a dividend paymet from Bellcore of \$1,021,228.72 on August 9, 1995.

Yvette, please ensure that this amount is credited to Account 7360.3000 in August business. In the past, we had instructed Treasury to credit Account 1210.2100 - BellCore Dividends receivable on the cash book since we had been accruing the dividend at the end of the quarter. Please be sure that Treaury knows that account 7360.3000 should be credited, or that Celeste Cooper changes the account before the cash book is input to

the Financial Processor.

Thanks.

15-1
3-3
p.3

REQUEST:

Please provide documentation from Bellcore whereby it shows Bellcore's dividend to BST. If this information can't be provided, state so in writing and the reason why.
BST Dividend \$3,059,974.71

RESPONSE:

Attached is a page from the Bellcore Annual Report showing that Bellcore paid out \$29,120,000 in dividends during 1994. Bellcore is owned by seven companies, of which BST is one, owning 1/7. BST's 1/7 share of the \$29,120,000 is \$4,160,000. Also attached is a letter from Bellcore listing the total dividends paid to BST during 1994, totaling \$4,159,984 (rounds to \$4,160,000). The amount of \$4,159,984 reconciles to the amount per books as follows:

Total dividends paid in 1994	\$4,159,984
Transposition error	(9)
Less portion of 2/94 payment (1993 dividend) accrued in 1993	<u>(1,100,000)</u>

Amount per Response Item 52

(P)

\$3,059,975

5-1/3-1/1 P₁

Please see our response to Item No. 58 for a detailed reconciliation of Bellcore dividends.

15-1
3-4

P₁

Birmingham, Alabama
September 11, 1995

TO: Patti Klein
FROM: Sandee Rhodes
SUBJECT: Dividends paid in 1994

Attached is a page from the Bellcore Annual Report Financial section that shows that Bellcore paid out \$29,120 in dividends during 1994. 29,120 divided by 7 regions equals 4,160. This matches the amounts given to you in the letter from Bellcore.

Call me if you have any questions.



$$\begin{array}{r}
 \textcircled{P_3} \ \$ \ 29,120 \\
 \div 7 \text{ regions} \\
 \hline
 \textcircled{P_1} \ \$ \ 4,160
 \end{array}$$

Attachment

BELLCORE AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS (DEFICIT)

<i>Dollars in thousands</i>	<i>For the years ended December 31,</i>		
	1994	1993	1992
Revenues			
Owners	\$ 830,345	\$ 904,906	\$ 1,035,244
Industry markets and other	222,599	180,654	145,392
Total Revenues	1,052,944	1,085,560	1,180,636
Cost of products and services	516,253	563,834	557,573
Gross Margin	536,691	521,726	623,063
Selling, general and administrative expenses	367,684	363,927	417,346
Depreciation	74,986	78,819	94,139
Non-recurring costs	61,959	22,071	53,942
Income Before Interest, Income Taxes and Cumulative Effect of Accounting Changes	32,062	56,909	57,636
Interest	9,559	8,518	8,166
Income Before Income Taxes and Cumulative Effect of Accounting Changes	22,503	48,391	49,470
Provision for income taxes	4,124	17,497	18,914
Income Before Cumulative Effect of Accounting Changes	18,379	30,894	30,556
Cumulative effect of accounting changes, net of tax (Note C)	0	1,421	0
Net Income	\$ 18,379	\$ 32,315	\$ 30,556
Retained Earnings			
Retained earnings, beginning of period	\$ 7,863	\$ 7,381	\$ 6,074
Net income	18,379	32,315	30,556
Deduct: Dividends paid	(P ₃) 29,120	31,833	29,249
Retained Earnings (Deficit), End of Period	\$ (2,878)	\$ 7,863	\$ 7,381

The accompanying Notes are an integral part of the financial statements.

Other Rate Base Adj

	Plant	Reserve
Depr 4/94		<802> P ₂
9/94		(A) <7,857> P ₃ (15/4-1/1)
11/94		<5,893> P ₄
2/95		136 P ₃
3/95		<u>1,529</u> P ₆
		<12,887>

Protocol Conv.	(15-1 P ₂) 979	300	(15-1 P ₂)
	979	(B) <12,587>	13,565

Due to time constraints staff chose to audit the largest item in the Other Rate Base Adjustment—Depreciation amount of \$7,857,000 out of a total adjustment of Rate Base of \$12,587,000.

- (A) \$7,857,000.00 = 62.4265% Staff is auditing 62% of the Accumulated
- (B) \$12,587,000.00 Depreciation adjustment to Rate Base

The reason for this adjustment is due to the fact that the Company has been depreciating total investment (Digital and Analog) of the Operator System and treating it as analog when in reality total investment includes both analog and digital systems.

For a detailed explanation of this adjustment see w.p. (15-1 Page 1-7)

15-1
4-1
P 186

SUMMARY OF DEPR ADJ BOOKED 4/94

<u>TAB NO</u>	<u>DEPR RESV</u>	<u>DEPR EXPENSE</u>
1	(154,431.32)	529,478.81
2	(382,501.21)	1,311,432.72
3	380,918.25	(1,299,835.76)
4	(662,075.58)	750,937.01
5	ADJ NOT BOOKED	
6	6,705.94	(266.48)
7	(220.46)	755.87
8	(262.60)	900.34
9	(8.41)	0.00
10	(2,121.77)	7,269.40
11	(34.21)	103.63
12	11,555.37	(37,613.31)
13	(5.69)	19.50
14	15.96	(43.94)
15	(3.82)	0.00
16	10.66	(35.23)
TOTAL	(P) (802,458.89)	1,263,102.56

NOTE: See Separate file
for detail
workpapers

Pg 286

10

Depr Exp Booked 09/94
12/94 Surveillance Report

Tab 4: 117C Correction of 1992 - 10/94

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>Total</u> <u>1988 - 1992</u>
117C	0.00	0.00	0.00	0.00	(2,368,059.98)	(2,368,059.98)

	<u>Mo Amt</u>	<u>Balance</u>	<u>Average</u>	<u>12 Mos Avg</u>
1/93	(216,381.10)	(2,584,441.08)	(2,476,250.53)	
2/93	(305,286.89)	(2,889,727.97)	(2,737,084.53)	
3/93	(308,977.19)	(3,198,705.16)	(3,044,216.57)	
4/93	(314,324.78)	(3,513,029.94)	(3,355,867.55)	
5/93	(489,746.79)	(4,002,776.73)	(3,757,903.34)	
6/93	(544,881.98)	(4,547,658.71)	(4,275,217.72)	
7/93	(688,458.67)	(5,236,117.38)	(4,891,888.05)	
8/93	(691,033.61)	(5,927,150.99)	(5,581,634.19)	
9/93	(1,073,994.86)	(7,001,145.85)	(6,464,148.42)	
10/93	(1,076,471.72)	(8,077,617.57)	(7,539,381.71)	
11/93	(1,086,212.79)	(9,163,830.36)	(8,620,723.97)	
12/93	(1,093,279.85)	(10,257,110.21)	(9,710,470.29)	
1/94	(1,108,213.81)	(11,365,324.02)	(10,811,217.12)	
2/94	(13,822.82)	(11,379,146.84)	(11,372,235.43)	
3/94	65,788.66	(11,313,358.18)	(11,346,252.51)	
4/94	120,133.93	(11,193,224.25)	(11,253,291.22)	
5/94	57,827.01	(11,135,397.24)	(11,164,310.75)	
6/94	106,316.80	(11,029,080.44)	(11,082,238.84)	
7/94	91,709.83	(10,937,370.61)	(10,983,225.53)	
8/94	108,346.75	(10,829,023.86)	(10,883,197.24)	
9/94	110,988.70	(10,718,035.16)	(10,773,529.51)	
10/94	(25,555.04)	(10,743,590.20)	(10,730,812.68)	
11/94	0.00	(10,743,590.20)	(10,743,590.20)	
12/94	0.00	(10,743,590.20)	(10,743,590.20)	(10,990,624.27)
Adj to Depr Exp 12/94			10,257,110.21	
As Booked:				
9/94	(10,743,590.20)	(10,743,590.20)	(5,371,795.10)	
10/94		(10,743,590.20)	(10,743,590.20)	
11/94		(10,743,590.20)	(10,743,590.20)	
12/94		(10,743,590.20)	(10,743,590.20)	
12 Mos Average				(3,133,547.14)
Diff to adjust Depr Reserve			(P _i)	(7,857,077.13)

Handwritten calculations:

$$\frac{15-4}{4-1} = \frac{11}{3} = 3\frac{2}{3}$$

$$\frac{12-7}{3-1} = \frac{5}{2} = 2\frac{1}{2}$$

Pg 386

SUMMARY OF DEPR ADJ BOOKED 11/94
NOT APPLICABLE TO 12 MOS END 12/31/94

<u>TAB NO</u>	<u>DEPR RESV</u>	<u>DEPR EXPENSE</u>
1	(704.80)	0.00
2	(2,212,019.08)✓	2,515,165.96✓
3	409.65	0.00
4	Booked 9/94	
5	(3,088,878.78)·	3,509,413.65✓
6	(591,799.86)	801,822.57
TOTAL (P)	(5,892,992.87)	6,826,402.18

Pg 4 of 6

SUMMARY OF DEPR ADJ BOOKED 2/95
 APPLICABLE TO 12 MOS END 12/31/94

<u>TAB NO</u>	<u>DEPR RESY</u>	<u>DEPR EXPENSE</u>
1	(335,315.14) ✓	(16,957.25) ✓
2	169.58 ✓	4,070.69 ✓
3	625.08	1,200.83
4	60.83	20.36
5	302,116.76 ✓	103,647.32 ✓
6	0.01	0.01
7	(104.92)	(226.07)
8	168,968.73	311,209.11
TOTAL	(P) 136,520.93 ✓	402,965.00 ✓

+ 2771,425
 3,174,390

3/95

Pg 586

P5

Southern Bell

WV
9/12/95
YL
7/18/95

PBC

Other Rate Base Adrs.
T/E 12/31/94

Depr Exp Booked 3/95
12/94 Surveillance Report

Esitimated Accrual Adjustment For C to C Transfers

77C	Mo Amt	Balance	Average
1/94	0.00	0.00	0.00
2/94	228,964.25	228,964.25	114,482.13
3/94	204,655.17	433,619.42	331,291.84
4/94	872,179.99	1,305,799.41	869,709.42
5/94	662,698.88	1,968,498.29	1,637,148.85
6/94	95,986.01	2,064,484.30	2,016,491.30
7/94	47,675.55	2,112,159.85	2,088,322.08
8/94	41,305.60	2,153,465.45	2,132,812.65
9/94	6,079.37	2,159,544.82	2,156,505.14
10/94	80,563.19	2,240,108.01	2,199,826.42
11/94	61,524.73	2,301,632.74	2,270,870.38
12/94	469,792.51	2,771,425.25	2,536,529.00
12/94 12 Mos Average if booked properly			1,529,499.10 \checkmark P1
Adj to Depr Exp			2,771,425.25 \checkmark

P6.86

42																						
13																						15-1
																						2-1

FPSC Staff Audit
1994 Surveillance Report
Request No. 61
August 29, 1995
Page 1 of 1

REQUEST: Please provide further backup and explanations for "Other Rate Base Adjustment - Depreciation" in the amount of \$7,857,000.

RESPONSE: The 9/94 rate base adjustment of \$7,857,000 resulted from the adjustment to depreciation expense and reserve for the reallocation of Operator Systems between analog and digital. For further details on the reason for the adjustment, refer to Attachment A.

Verbal and written explanations were provided on 8/29/95 for the rate base adjustment calculation worksheet and depreciation adjustment worksheets (see Attachment B for the written explanation).

Access was provided on 8/29/95 to the binder containing notes, calculations and backup for the Operator Systems reallocation and adjustment. Attachment C contains the auditor-selected pages from the binder.

A copy of the order reflecting the prescribed depreciation rates and schedules used in the calculation of this adjustment is included in Attachment D.

15-1
4-1
1 P₁

COMPANY
TITLE:
PERIOD:
AUDITOR:
WORKPAPER

SOUTHERN BELL TELEPHONE AND TELEGRAPH
OTHER RATE BASE ADJUSTMENT-DEPRECIATION DIFF. BETWEEN ANAL
TYE 12/31/94
GABRIELA LEON

ACCOUNT 2220- OPERATOR SYSTEM - PER SUPPLIER'S EXPLANATION OF DEPRECIATION ADJUSTMENT

Operator system is comprised of equipment necessary to provide subscribers personal assistance in using the network. It includes direct assistance call intercept automatic call dist. and other operator assisted call completion activities."

Estimated 1/1/92 investment and associated reserve

	Investment	% Depreciator Plant	Depreciation \$M	Reserve %
Operator System Analog	\$15.1	0.17	\$4.8	\$31.5
Operator System Digital	\$12.3	0.14	\$0.0	\$0.0
Operator System Crossbar	\$5.0	0.06	\$2.7	\$21.5
	<u>\$32.4</u>	<u>0.37</u>	<u>\$7.5</u>	<u>\$53.0</u>

Future Expectation

The evolution of switching equipment has had a profound effect on the Operator System account. Technology is rapidly changing from an analog to a digital based network which provides for higher capacity switches, enhanced features and services and additional automated services. These automated operator service functions offer high quality digitized voice technology and computerized call handling equipment. These serve to reduce labor and equipment costs and at the same time offer improved services."

Automatic Call Distribution ACD by the end of 1992. Listed below are the locations and currently estimated replacement date.

Location	Equipment Type	Replacement
Jacksonville Pearl	#5ACD	1992
Orlando Magnolia	#5ACD	1992

Also scheduled for retirement is the ISS-3000 Rockwell Digital Automatic Call Distributor DACD at the Miami, FL Alhambra Building in 3rd quarter of 1991. Traffic from this switch will be terminated onto the existing WPB Gardens DMS-200.

Florida plans to replace 3 Automatic Intercept System AIS switches. Location and currently estimated replacement dates are as follows:

Location	Equipment	Replacement
JAX Pearl	#2 ESS AIS	1993
Orlando	#2 ESS AIS	1992
Ft. Lauderdale	#2 ESS AIS	1992

COMPANY: SOUTHERN BELL TELEPHONE AND TELEGRAPH
 TITLE: OTHER RATE BASE ADJUSTMENT-DEPRECIATION DIFF. BE
 PERIOD: TYE 12/31/94
 AUDITOR: GABRIELA LEON
 WORKPAPER

The evolution of switch equipment will continue to have a profound effect on the Operator System Account. With the modularization of switching machines, the addition of software and/or hardware modules will continue the evolution that will provide the customer with the enhanced services required in the high technology, highly competitive environment today.

Life and Salvage Proposal:

Depreciation rates for Operator System Digital were developed using the currently prescribed projection rounded to the nearest half year. The proposed projection lives, remaining lives, and net salvage % are indicated:

	Proposed Life (YRS)	Proposed ARL (YRS)	Proposed FNS %
Operator System Digital	16	13.6	0

For the investment remaining in Operator Systems-Crossbar the Company proposes to continue accruals under the current recovery schedule, since all crossbar investment in this account is planned to retire in 1992. For the analog System Crossbar account the Company proposes amortizing the net investment over the years 1992-1993m as all investment in this account is planned to retire by the end of 1993.

COMPANY SOUTHERN BELL TELEPHONE AND TELEGRAPH
TITLE OTHER RATE BASE ADJUSTMENT - DEPRECIATION DIFF BETWEEN ANALOG A
PERIOD TYE 12:31:94
AUDITOR GABRIELA LEON
WORKPAPER

ANALOG *(1/1/92 - 12/31/94)*

Ending investment balance - less ending reserve _____ = depreciation amount

Number of periods remaining in the amortization

DIGITAL *(1/1/92 - 12/31/94)*

The digital depreciation is based on an applied rate.

Procedures used in computing depreciation adjustment

The revised depreciation and adjustment to booked depreciation were computed as:

- (1) The 1/1/92 analog investment and reserve balance and all analog activity for 1992 to current were identified.

Note: The 1/1/92 analog reserve balance per location was estimated using a proration (based on the 1/1/92 analog investment balance determined through this analysis) of the total 1/1/92 analog reserve balance from the 1992 status report.

- (2) The balance and activity from (1) above were deducted from the total 117C balance and activity to compute the digital 1/1/92 balances and activity for 1992 to current.
- (3) The revised PSC amortization and depreciation were computed based on the balances and activity and (2) above.
- (4) The recomputed depreciation and amortization from (3) above were compared with the booked expense to arrive at the amount of the adjustment on a PSC combined basis.
- (5) The PSC combined adjustment for each month was multiplied by the appropriate intrastate factor to arrive at the adjustment on an intrastate (FR) basis.

COMPANY: SOUTHERN BELL TELEPHONE AND TELEGRAPH
 TITLE: OTHER RATE BASE ADJUSTMENT-DEPRECIATION DIFF. BE
 PERIOD: TYE 12/31/94
 AUDITOR: GABRIELA LEON
 WORKPAPER :
 DA-Directory Assistance
 TOPS-Traffic Operators Positions Systems

Type of Equipment	Building Code	Address	
FAC-AN	E4409	5395 N.E. 14 Avenue	Ft. Lauderdale
CIB-AN	31232	735 Millcreek Road, JAX	
FAC-AN	31232	735 Millcreek Road, JAX	
FMC-AN	31232	735 Millcreek Road, JAX	
DSC 1-AN	31232	735 Millcreek Road, JAX	
DSC 2-AN	31232	735 Millcreek Road, JAX	
OSC-Digital	33460	130 N. Nassau Street.	Lake City
OSC-Digital	N6516	2100 N.E. 164 Street	Miami
OSC-Digital	N6516	2100 N.E. 164 Street	Miami
FAC	33313	1501 E. Senoran Blvd.,	Orlando

FUTURE TRACKING AND DEPRECIATION COMPUTATION PROCEDURES

" Because the operator systems location which still has analog investment also has some digital investment, the following procedures will be followed for future tracking and depreciation

Computation:

- (1) Monthly activity will be tracked by location for 117C by establishing a separate depreciation category for each area number
- (2) For purposes of the data base load, all categories will be treated as Digital, however, after the load, the data will be reviewed for analog activity
- (3) Any analog activity from the review in (2) above will be deducted from the total
- (4) Depreciation and amortization will then be manually recomputed based on the the revised activity and balance for each category from (3) above. The recomputed depreciation and amortization will then be input to the data base."

Depr Exp Booked 09/94
12/94 Surveillance Report

Tab 4: 117C Correction of 1992 - 10/94

	1988	1989	1990	1991	1992	Total 1988 - 1992
117C	0.00	0.00	0.00	0.00	(2,368,059.98)	(2,368,059.98)
	Mo Amt	Reserve Balance	Average	12 Mos Avg	(A)	
1/93	(B) (216,381.10)	(C) (2,584,441.08)	(D) (2,476,250.53)	(B) dep. adj. for 1/93.		
2/93	(305,286.89)	(2,889,727.97)	(2,737,084.53)	(C) = (A) + (B)		
3/93	(308,977.19)	(3,198,705.16)	(3,044,216.57)	(D) = Average of (B) + (C)		
4/93	(314,324.78)	(3,513,029.94)	(3,355,867.55)	(E) Ave. exp. instead of adj. on the reserve bal. for 12 months. = 17		
5/93	(489,746.79)	(4,002,776.73)	(3,757,903.34)			
6/93	(544,881.98)	(4,547,658.71)	(4,275,217.72)			
7/93	(688,458.67)	(5,236,117.38)	(4,891,888.05)			
8/93	(691,033.61)	(5,927,150.99)	(5,581,634.19)			
9/93	(1,073,994.86)	(7,001,145.85)	(6,464,148.42)			
10/93	(1,076,471.72)	(8,077,617.57)	(7,539,381.71)			
11/93	(1,086,212.79)	(9,163,830.36)	(8,620,723.97)			
12/93	(1,093,279.85)	(10,257,110.21)	(9,710,470.29)			
1/94	(1,108,213.81)	(11,365,324.02)	(10,811,217.12)			
2/94	(13,822.82)	(11,379,146.84)	(11,372,235.43)			
3/94	65,788.66	(11,313,358.18)	(11,346,252.51)			
4/94	120,133.93	(11,193,224.25)	(11,253,291.22)			
5/94	57,827.01	(11,135,397.24)	(11,164,310.75)			
6/94	106,316.80	(11,029,080.44)	(11,082,238.84)			
7/94	91,709.83	(10,937,370.61)	(10,983,225.53)			
8/94	108,346.75	(10,829,023.86)	(10,883,197.24)			
9/94	110,988.70	(10,718,035.16)	(10,773,529.51)			
10/94	(25,555.04)	(10,743,590.20)	(10,730,812.68)			
11/94	0.00	(10,743,590.20)	(10,743,590.20)			
12/94	0.00	(10,743,590.20)	(10,743,590.20)	(10,990,624.27)	(E)	

Adj to Depr Exp 12/94

10,257,110.21

$$\frac{15-4}{4-1} = P2$$

$$\frac{12-A}{3-1} = \frac{12-10,990,624.27}{2} = 5,004,737.76$$

As Booked:

9/94	(F) (10,743,590.20)	(10,743,590.20)	(5,371,795.10)
10/94		(10,743,590.20)	(10,743,590.20)
11/94		(10,743,590.20)	(10,743,590.20)
12/94		(10,743,590.20)	(10,743,590.20)

(G)

$$\Sigma G = +37,602,565$$

$$+ \frac{37,602,565}{12} = +3,133,547$$

12 Mos Average

(3,133,547.14)

(H)

Diff to adjust Depr Reserve

(7,857,077.13)

$$(E) - (H) = 10,990,624.27 - 3,133,547.14$$

The Company booked the \$10,743,590.20 adjustment in Sept '94 as a lump sum, therefore, the Company went back and calculated the monthly impact of the adjustment & then calculated its monthly average.

$$\frac{15-1}{4-1} = P1$$

Other Rate Base Adj: Depr Exp Booked 9/94
Legend to Page 1

<u>Reference</u>	<u>Description</u>
A	Cumulative adjustment to depreciation expense and depreciation reserve balance thru the end of 1992. (See also Page 2)
B	Depreciation adjustment for month 1/93. (See also Pages 2 and 3)
C	A + B
D	Average of A and C.
E	Average impact of the adjustment on the reserve balance for the 12 months ended 12/31/94. Represents the amount by which the rate base would have been adjusted if the correct reserve balance had been carried thru the end of the year.
F	The total adjustment to the reserve balance actually booked in 9/94. (See also Page 3)
G	The average impact of the booked adjustment (F above) on the reserve balance for each month following and including the month in which the adjustment was booked.
H	Sum of the amounts from G above divided by 12. Represents the average impact of the booked adjustment on the reserve balance for the 12 months ended 12/31/94. In other words, this is the amount by which the rate base already has been adjusted by booking the depreciation adjustment in 9/94.
I	Difference between E and H. The calculation of E treats the adjustment to depreciation reserve as if booked in the appropriate months. Because the adjustment actually was booked in 9/94, the average impact of that booked adjustment (H above) must be backed out of the amount from E.

CALCULATION OF DEPRECIATION ADJUSTMENT DUE TO 894 REALLOCATION BETWEEN ANALOG AND DIGITAL OPERATOR SYSTEMS

as analog
Depreciation treating investment

ACCT	DEP CAT	BUS DATE	SHB <i>Should be:</i>	BOOKED <i>booked incorrectly</i>	ADJUSTMENT TO ACCRUAL (PSC COMBINED)	INTRASTATE FACTOR	ADJUSTMENT TO ACCRUAL (INTRASTATE)
117C	TOTAL	9201	*313,226.08	532,516.60	(219,290.52)	0.878375	(192,619.31)
117C	TOTAL	9202	306,410.91	526,568.52	(220,157.61)	0.884786	(194,792.37)
117C	TOTAL	9203	308,143.75	528,424.84	(220,281.09)	0.860895	(189,638.89)
117C	TOTAL	9204	308,201.98	528,906.00	(220,704.02)	0.860397	(189,893.07)
117C	TOTAL	9205	310,147.50	529,923.55	(219,776.05)	0.859566	(188,912.02)
117C	TOTAL	9206	318,455.95	538,734.39	(220,278.44)	0.865705	(190,696.15)
117C	TOTAL	9207	321,834.89	554,485.78	(232,650.89)	0.868519	(202,061.71)
117C	TOTAL	9208	325,163.89	558,763.16	(233,599.27)	0.869306	(203,069.25)
117C	TOTAL	9209	325,253.12	561,140.91	(235,887.79)	0.869306	(205,058.67)
117C	TOTAL	9210	325,190.84	560,538.78	(235,347.94)	0.864276	(203,405.58)
117C	TOTAL	9211	325,495.19	562,003.53	(236,508.34)	0.869871	(205,731.75)
117C	TOTAL	9212	337,026.90	569,047.06	(232,020.16)	0.871395	(202,181.21)
1992 TOTALS			3,824,551.00	6,551,053.12	(2,726,502.12)		(2,368,059.98)
117C	TOTAL	9301	329,259.19	577,295.99	(248,036.80)	0.872375	(216,381.10)
117C	TOTAL	9302	341,868.39	691,817.54	(349,949.15)	0.872375	(305,286.89)
117C	TOTAL	9303	339,650.46	705,328.17	(365,677.71)	0.844944	(308,977.19)
117C	TOTAL	9304	342,374.70	709,208.43	(366,833.73)	0.856859	(314,324.78)
117C	TOTAL	9305	357,976.74	945,932.05	(587,955.31)	0.832966	(489,746.79)
117C	TOTAL	9306	356,371.68	1,001,300.88	(644,929.20)	0.844871	(544,881.98)
117C	TOTAL	9307	356,144.02	1,166,364.72	(800,220.70)	0.860336	(688,458.67)
117C	TOTAL	9308	363,676.87	1,154,533.15	(790,856.28)	0.873779	(691,033.61)
117C	TOTAL	9309	379,964.65	1,618,096.13	(1,238,131.48)	0.867432	(1,073,994.86)
117C	TOTAL	9310	378,878.94	1,632,897.05	(1,254,018.11)	0.858418	(1,076,471.72)
117C	TOTAL	9311	383,590.05	1,639,668.63	(1,256,078.58)	0.864765	(1,086,212.79)
117C	TOTAL	9312	386,523.66	1,650,251.31	(1,263,727.65)	0.865123	(1,093,279.85)
1993 TOTALS			4,326,279.37	13,492,694.05	(9,166,414.68)		(7,889,050.23)
117C	TOTAL	9401	231,382.52	1,474,393.41	(1,243,010.89)	0.891556	(1,108,213.81)
117C	TOTAL	9402	158,788.99	174,273.64	(15,484.65)	0.892679	(13,822.82)
117C	TOTAL	9403	317,734.82	239,674.07	78,060.75	0.842788	65,788.66
117C	TOTAL	9404	240,625.34	96,674.62	143,950.72	0.834549	120,133.93
117C	TOTAL	9405	251,631.42	184,679.38	66,952.04	0.863708	57,827.01
117C	TOTAL	9406	248,602.79	125,463.86	123,138.93	0.863389	106,316.80
117C	TOTAL	9407	236,432.83	131,103.25	105,329.58	0.870694	91,709.83
117C	TOTAL	9408	253,272.02	129,900.46	123,371.56	0.878215	108,346.75
117C	TOTAL	9409	250,848.23	124,225.56	126,622.67	0.876531	110,988.70
117C	TOTAL	9410	248,240.87	276,634.95	(28,394.08)	0.900013	(25,555.04)
1994 TOTALS			2,437,559.83	2,957,023.20	(519,463.37)		(486,480.00)
GRAND TOTALS			10,588,390.19	23,000,770.37	(12,412,380.18)		(10,743,590.20)

NOTE: THE BOOKED ACCRUAL FOR 9403 INCLUDED A BOTTOM-LINE PSC COMBINED ADJUSTMENT OF \$(2,978,762.02). THAT ADJUSTMENT IS REFLECTED HERE.

* 167,213.60 15-4/4-1/2-1/1 P.
 46,312.49 15-4/4-1/2-1/2 P.
313,226.09

P₁

15-4
 4-1 P.
 2

CALCULATION OF DEPRECIATION ADJUSTMENT DUE TO 8/94 REALLOCATION BETWEEN
ANALOG AND DIGITAL OPERATOR SYSTEMS

ANALOG

ACCT	DEP CAT	BUS DATE	SHB	BOOKED	ADJUSTMENT TO ACCRUAL (PSC COMBINED)	INTRASTATE FACTOR	ADJUSTMENT TO ACCRUAL (INTRASTATE)
117C	COSAN	9201	167,213.60	442,885.16	(275,671.56)	0.878375	(242,143.01)
117C	COSAN	9202	167,213.60	443,076.62	(275,863.02)	0.884786	(244,079.74)
117C	COSAN	9203	167,207.55	443,164.08	(275,956.53)	0.860895	(237,569.60)
117C	COSAN	9204	167,207.55	443,606.96	(276,399.41)	0.860397	(237,813.23)
117C	COSAN	9205	167,222.28	442,695.66	(275,473.38)	0.859566	(236,787.55)
117C	COSAN	9206	167,217.88	443,188.65	(275,970.77)	0.865705	(238,909.28)
117C	COSAN	9207	167,217.88	457,914.52	(290,696.64)	0.868519	(252,475.56)
117C	COSAN	9208	167,217.88	458,111.75	(290,893.87)	0.869306	(252,875.79)
117C	COSAN	9209	167,217.88	458,352.36	(291,134.48)	0.869306	(253,084.95)
117C	COSAN	9210	167,217.88	458,512.84	(291,294.96)	0.864276	(251,759.24)
117C	COSAN	9211	167,379.41	459,991.27	(292,611.86)	0.869871	(254,534.57)
117C	COSAN	9212	167,379.57	455,461.48	(288,081.91)	0.871395	(251,033.14)
1992 TOTALS			2,006,912.93	5,406,961.35	(3,400,048.42)		(2,953,065.66)
117C	COSAN	9301	167,379.57	473,559.75	(306,180.18)	0.872375	(267,103.93)
117C	COSAN	9302	167,379.57	585,714.35	(418,334.78)	0.872375	(364,944.80)
117C	COSAN	9303	167,379.57	598,897.54	(431,517.97)	0.844944	(364,608.52)
117C	COSAN	9304	167,379.57	599,737.32	(432,357.75)	0.856859	(370,469.63)
117C	COSAN	9305	167,379.57	837,735.31	(670,355.74)	0.832966	(558,383.54)
117C	COSAN	9306	167,379.57	893,037.38	(725,657.81)	0.844871	(613,087.24)
117C	COSAN	9307	167,611.49	1,055,899.18	(888,287.69)	0.860336	(764,225.88)
117C	COSAN	9308	167,644.26	1,043,754.00	(876,109.74)	0.873779	(765,526.29)
117C	COSAN	9309	167,534.29	1,507,351.85	(1,339,817.56)	0.867432	(1,162,200.63)
117C	COSAN	9310	171,711.78	1,522,204.16	(1,350,492.38)	0.858418	(1,159,286.97)
117C	COSAN	9311	171,121.57	1,523,577.28	(1,352,455.71)	0.864765	(1,169,556.36)
117C	COSAN	9312	174,562.04	1,534,732.80	(1,360,170.76)	0.865123	(1,176,715.01)
1993 TOTALS			2,024,462.85	12,176,200.92	(10,151,738.07)		(8,736,108.80)
117C	COSAN	9401	5,747.97	1,356,602.97	(1,350,855.00)	0.891556	(1,204,362.88)
117C	COSAN	9402	(64,009.98)	57,339.56	(121,349.54)	0.892679	(108,326.19)
117C	COSAN	9403	68,597.55	122,713.04	(54,115.49)	0.842788	(45,607.89)
117C	COSAN	9404	(77.02)	(20,793.68)	20,716.66	0.834549	17,289.07
117C	COSAN	9405	1,486.77	57,773.47	(56,286.70)	0.863708	(48,615.27)
117C	COSAN	9406	1,692.43	1,782.00	(89.57)	0.863389	(77.33)
117C	COSAN	9407	(10,490.20)	7,571.23	(18,061.43)	0.870694	(15,725.98)
117C	COSAN	9408	6,714.25	6,656.83	57.42	0.878215	50.43
117C	COSAN	9409	2,585.61	(611.80)	3,197.41	0.876531	2,802.63
117C	COSAN	9410	2,935.23	31,329.17	(28,393.94)	0.900013	(25,554.92)
1994 TOTALS			15,182.61	1,620,362.79	(1,605,180.18)		(1,428,128.33)

Total this page * (13,117,302.79)

(13,117,302.79) Digital
2,373,712.57 Analog
10,743,590.21
P1

P2

Southern Bell Telephone & Telegraph

Depreciation Adj.

TYE 12/31/94

W 9/11/95

9/11/95

CALCULATION OF DEPRECIATION ADJUSTMENT DUE TO 8/94 REALLOCATION BETWEEN ANALOG AND DIGITAL OPERATOR SYSTEMS

DIGITAL

ACCT	DEP CAT	BUS DATE	SHB	BOOKED	ADJUSTMENT TO ACCRUAL (PSC COMBINED)	INTRASTATE FACTOR	ADJUSTMENT TO ACCRUAL (INTRASTATE)
117C	COSDG	9201	146,012.49	89,631.44	56,381.05	0.878375	49,523.70
117C	COSDG	9202	139,197.31	83,491.90	55,705.41	0.884786	49,287.37
117C	COSDG	9203	140,936.20	85,260.76	55,675.44	0.860895	47,930.71
117C	COSDG	9204	140,994.44	85,299.04	55,695.40	0.860397	47,920.15
117C	COSDG	9205	142,925.22	87,227.89	55,697.33	0.859566	47,875.53
117C	COSDG	9206	151,238.07	95,545.74	55,692.33	0.865705	48,213.13
117C	COSDG	9207	154,617.02	96,571.26	58,045.76	0.868519	50,413.84
117C	COSDG	9208	157,946.01	100,651.41	57,294.60	0.869306	49,806.54
117C	COSDG	9209	158,035.24	102,788.55	55,246.69	0.869306	48,026.28
117C	COSDG	9210	157,972.96	102,025.94	55,947.02	0.864276	48,353.67
117C	COSDG	9211	158,115.78	102,012.26	56,103.52	0.869871	48,802.83
117C	COSDG	9212	169,647.33	113,585.58	56,061.75	0.871395	48,851.93
1992 TOTALS			1,817,638.06	1,144,091.77	673,546.29		585,005.67
117C	COSDG	9301	161,879.62	103,736.24	58,143.38	0.872375	50,722.83
117C	COSDG	9302	174,488.82	106,103.19	68,385.63	0.872375	59,657.91
117C	COSDG	9303	172,270.89	106,430.63	65,840.26	0.844944	55,631.33
117C	COSDG	9304	174,995.13	109,471.11	65,524.02	0.856859	56,144.85
117C	COSDG	9305	190,597.17	108,196.74	82,400.43	0.832966	68,636.75
117C	COSDG	9306	188,992.11	108,263.50	80,728.61	0.844871	68,205.26
117C	COSDG	9307	198,532.54	110,465.54	88,067.00	0.860336	75,767.21
117C	COSDG	9308	196,032.61	110,779.15	85,253.46	0.873779	74,492.68
117C	COSDG	9309	212,430.37	110,744.28	101,686.09	0.867432	88,205.76
117C	COSDG	9310	207,167.16	110,692.89	96,474.27	0.858418	82,815.25
117C	COSDG	9311	212,468.48	116,091.35	96,377.13	0.864765	83,343.57
117C	COSDG	9312	211,961.62	115,518.51	96,443.11	0.865123	83,435.15
1993 TOTALS			2,301,816.52	1,316,493.13	985,323.39		847,058.57
117C	COSDG	9401	225,634.55	117,790.44	107,844.11	0.891556	96,149.07
117C	COSDG	9402	222,798.97	116,934.08	105,864.89	0.892679	94,503.37
117C	COSDG	9403	249,137.27	116,961.03	132,176.24	0.842788	111,396.55
117C	COSDG	9404	240,702.36	117,468.30	123,234.06	0.834549	102,844.86
117C	COSDG	9405	250,144.65	126,905.91	123,238.74	0.863708	106,442.29
117C	COSDG	9406	246,910.36	123,681.86	123,228.50	0.863389	106,394.13
117C	COSDG	9407	246,923.03	123,532.02	123,391.01	0.870694	107,435.81
117C	COSDG	9408	246,557.77	123,243.63	123,314.14	0.878215	108,296.32
117C	COSDG	9409	248,262.62	124,837.36	123,425.26	0.876531	108,186.07
117C	COSDG	9410	245,305.64	245,305.78	(0.14)	0.900013	(0.13)
1994 TOTALS			2,422,377.22	1,336,660.41	1,085,716.81		941,648.33

total this page $\frac{2,373,712.57}{P_1} = 10,743,590.21$

P₃

Index	Recalculated by Staff	Recalculated using analog + digital schedules	
1			
2			
3			
4			
		wp. 15-44-1/2-1/1 P ₁ -4	15-4
		15-44-1/2-1/2 P ₁ -4	16-1
			2-1

calc (K) = end(S) less acc(10)
 current accual = ending bal - (10)

ANALOG OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

Line #	ACTDATE	(A) BEO INV BAL	(B) BEO RES BAL	(C) ADDITIONS	(D) RETIREMENTS	(E) SALVAGE	(F) COST OF RES	(G) OTH CRED	(H) OTH DEB	(I) END INV BAL	(J) END RES BAL	(K) = (S) - (10)
(1)	9201	5,707,076.87	1,693,930.58	0.00	0.00	0.00	0.00	0.00	0.00	5,707,076.87	1,861,164.18	167,213.60
(2)	9202	5,707,076.87	1,861,164.18	(133.05)	13.11	0.00	0.00	0.00	0.00	5,706,930.71	2,028,364.66	167,213.60
(3)	9203	5,706,930.71	2,028,364.66	0.00	4,107.61	0.00	0.00	0.00	0.00	5,702,823.10	2,191,464.60	167,207.55
(4)	9204	5,702,823.10	2,191,464.60	0.00	34.55	0.00	294.69	0.00	0.00	5,702,788.55	2,358,342.91	167,207.55
(5)	9205	5,702,788.55	2,358,342.91	(83.64)	4.20	0.00	0.00	0.00	0.00	5,702,700.67	2,525,560.99	167,222.28
(6)	9206	5,702,700.67	2,525,560.99	0.00	0.00	0.00	0.00	0.00	0.00	5,702,700.67	2,692,778.87	167,217.88
(7)	9207	5,702,700.67	2,692,778.87	0.00	0.00	0.00	0.00	0.00	0.00	5,702,700.67	2,859,996.75	167,217.88
(8)	9208	5,702,700.67	2,859,996.75	0.00	169.11	0.00	0.00	0.00	0.00	5,702,531.56	3,027,045.51	167,217.88
(9)	9209	5,702,531.56	3,027,045.51	0.00	0.00	0.00	0.00	0.00	0.00	5,702,531.56	3,194,263.39	167,217.88
(10)	9210	5,702,531.56	3,194,263.39	(134.67)	6.28	0.00	2,396.06	0.00	0.00	5,702,390.61	3,359,078.93	167,217.88
(11)	9211	5,702,390.61	3,359,078.93	0.00	0.00	0.00	2.14	0.00	0.00	5,702,390.61	3,526,456.20	167,379.41
(12)	9212	5,702,390.61	3,526,456.20	0.00	862,667.47	0.00	0.00	0.00	0.00	4,839,723.14	2,831,168.30	167,379.57
(13)	9301	4,839,723.14	2,831,168.30	0.00	(862,667.47)	0.00	0.00	0.00	0.00	5,702,390.61	3,861,215.34	167,379.57

By the end of 1993 everything should have been included from Analog.

For formulas on how to calculate current accual see 15-4/4-12-1/1 Pg 5-8.

ANALOG OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-95

	ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL
(14)	9302	5,702,390.61	3,861,215.34	0.00	111.80	0.00	0.00	0.00	0.00	5,702,278.81	4,028,483.11	167,379.57
(15)	9303	5,702,278.81	4,028,483.11	0.00	0.00	0.00	0.00	0.00	0.00	5,702,278.81	4,195,862.68	167,379.57
(16)	9304	5,702,278.81	4,195,862.68	0.00	12.16	0.00	0.00	0.00	0.00	5,702,266.65	4,363,230.09	167,379.57
(17)	9305	5,702,266.65	4,363,230.09	0.00	0.00	0.00	0.00	0.00	0.00	5,702,266.65	4,530,609.66	167,379.57
(18)	9306	5,702,266.65	4,530,609.66	0.00	301,780.35	0.00	1,391.49	0.00	0.00	5,400,486.30	4,394,817.39	167,379.57
(19)	9307	5,400,486.30	4,394,817.39	0.00	717,443.12	0.00	163.88	0.00	0.00	4,683,043.18	3,844,821.87	167,611.49
(20)	9308	4,683,043.18	3,844,821.87	0.00	696,990.41	1,860.01	1,420.12	0.00	0.00	3,986,052.77	3,315,915.61	167,644.26
(21)	9309	3,986,052.77	3,315,915.61	0.00	7.43	0.00	12,532.48	0.00	0.00	3,986,045.34	3,470,909.99	167,534.29
(22)	9310	3,986,045.34	3,470,909.99	0.00	0.00	11,978.30	10,797.88	0.00	0.00	3,986,045.34	3,643,802.20	171,711.78
(23)	9311	3,986,045.34	3,643,802.20	0.00	0.00	(2,139.95)	1,300.52	0.00	0.00	3,986,045.34	3,811,483.30	171,121.57
(24)	9312	3,986,045.34	3,811,483.30	0.00	623,209.38	712.37	6,460.34	0.00	0.00	3,362,835.96	3,357,087.99	174,562.04
(25)	9401	3,362,835.96	3,357,087.99	(77.72)	728,318.92	83,368.00	19,435.74	0.00	0.00	2,634,439.32	2,698,449.30	5,747.97
(26)	9402	2,634,439.32	2,698,449.30	(272.47)	1,322.47	(67,406.39)	1,463.63	0.00	0.00	2,632,844.38	2,564,246.83	(64,009.98)

ANALOG OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-95

ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL
(27) 9403	2,632,844.38	2,564,246.83	0.00	65,440.75	1,287.39	1,210.37	0.00	0.00	2,567,403.63	2,567,480.65	68,597.55
(28) 9404	2,567,403.63	2,567,480.65	0.00	13,146.75	143.04	1,629.81	0.00	0.00	2,554,256.88	2,552,770.11	(77.02)
(29) 9405	2,554,256.88	2,552,770.11	0.00	3,210.56	3,858.16	5,550.59	0.00	0.00	2,551,046.32	2,549,353.89	1,486.77
(30) 9406	2,551,046.32	2,549,353.89	0.00	0.00	15,953.97	5,463.77	0.00	0.00	2,551,046.32	2,561,536.52	1,692.43
(31) 9407	2,551,046.32	2,561,536.52	0.00	1,126.11	0.00	6,714.25	0.00	0.00	2,549,920.21	2,543,205.96	(10,490.20)
(32) 9408	2,549,920.21	2,543,205.96	0.00	80,582.74	0.00	2,585.61	0.00	0.00	2,469,337.47	2,466,751.86	6,714.25
(33) 9409	2,469,337.47	2,466,751.86	0.00	2,304,303.31	0.00	2,935.23	0.00	0.00	165,034.16	162,098.93	2,585.61
(34) 9410	165,034.16	162,098.93	0.00	0.00	0.00	783.04	0.00	0.00	165,034.16	164,251.12	2,935.23
(35) 9411	165,034.16	164,251.12	0.00	0.00	0.00	2,609.60	0.00	0.00	165,034.16	162,424.56	783.04
(36) 9412	165,034.16	162,424.56	(445.84)	(6,297.43)	0.00	18,119.97	0.00	0.00	170,885.75	153,211.62	2,609.60
(37) 9501	170,885.75	153,211.62	0.00	0.00	5,923.54	8,540.86	0.00	0.00	170,885.75	168,268.43	17,674.13
(38) 9502	170,885.75	168,268.43	0.00	222,474.40	19,060.93	540.30	0.00	0.00	(51,588.65)	(33,068.02)	2,617.32
(39) 9503	(51,588.65)	(33,068.02)	0.00	0.00	0.00	10,988.02	0.00	0.00	(51,588.65)	(62,576.67)	(18,520.63)

ANALOG OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-95

ACTDATE	IBO INV BAL	IBO RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL
(40) 9504	(51,588.65)	(62,576.67)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	10,988.02
(41) 9505	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(42) 9506	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(43) 9507	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(44) 9508	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(45) 9509	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(46) 9510	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(47) 9511	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
(48) 9512	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	0.00
TOTALS			(1,147.43)	5,535,043.69	49,614.90	105,261.21	0.00	0.00			(A) 4,049,951.04

Note:

This schedule does not add up
 in total to wp. $\frac{15-4}{4-1}$ p. because
 this schedule includes 1995.

EP

ANALOG OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/82 BALANCES BASED ON 8/84 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-95

A	B	C	D	E	F	G	H	I	J	K	L	M
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL	# OF MNTHS REM
9201	5,707,076.87	1,683,950.58	0.00	0.00	0.00	0.00	0.00	0.00	5,707,076.87	1,861,164.18	(B8-C8)/M8	24
9202	5,707,076.87	1,861,164.18	(133.05)	13.11	0.00	0.00	0.00	0.00	5,706,930.71	2,028,364.66	(J8-K8)/M10	23
9203	5,706,930.71	2,028,364.66	0.00	4,107.61	0.00	0.00	0.00	0.00	5,702,823.10	2,191,464.60	(J10-K10)/M12	22
9204	5,702,823.10	2,191,464.60	0.00	34.55	0.00	294.69	0.00	0.00	5,702,788.55	2,358,342.91	(J12-K12)/M14	21
9205	5,702,788.55	2,358,342.91	(83.68)	4.20	0.00	0.00	0.00	0.00	5,702,700.87	2,525,560.99	(J14-K14)/M16	20
9206	5,702,700.87	2,525,560.99	0.00	0.00	0.00	0.00	0.00	0.00	5,702,700.87	2,692,778.87	(J16-K16)/M18	19
9207	5,702,700.87	2,692,778.87	0.00	0.00	0.00	0.00	0.00	0.00	5,702,700.87	2,859,996.75	(J18-K18)/M20	18
9208	5,702,700.87	2,859,996.75	0.00	169.11	0.00	0.00	0.00	0.00	5,702,531.56	3,027,045.51	(J20-K20)/M22	17
9209	5,702,531.56	3,027,045.51	0.00	0.00	0.00	0.00	0.00	0.00	5,702,531.56	3,194,263.39	(J22-K22)/M24	16
9210	5,702,531.56	3,194,263.39	(134.67)	6.28	0.00	2,396.06	0.00	0.00	5,702,390.61	3,359,078.93	(J24-K24)/M26	15
9211	5,702,390.61	3,359,078.93	0.00	0.00	0.00	2.14	0.00	0.00	5,702,390.61	3,526,456.20	(J26-K26)/M28	14
9212	5,702,390.61	3,526,456.20	0.00	862,667.47	0.00	0.00	0.00	0.00	4,839,723.14	2,831,168.30	(J28-K28)/M30	13
9301	4,839,723.14	2,831,168.30	0.00	(862,667.47)	0.00	0.00	0.00	0.00	5,702,390.61	3,881,215.34	(J30-K30)/M32	12
9302	5,702,390.61	3,881,215.34	0.00	111.80	0.00	0.00	0.00	0.00	5,702,278.81	4,028,483.11	(J32-K32)/M34	11
9303	5,702,278.81	4,028,483.11	0.00	0.00	0.00	0.00	0.00	0.00	5,702,278.81	4,195,862.68	(J34-K34)/M36	10
9304	5,702,278.81	4,195,862.68	0.00	12.16	0.00	0.00	0.00	0.00	5,702,268.65	4,363,230.09	(J36-K36)/M38	9

58

ANALOG OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-85

A	B	C	D	E	F	G	H	I	J	K	L	M
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL	# OF MNTS REM
9305	5,702,266.65	4,363,230.09	0.00	0.00	0.00	0.00	0.00	0.00	5,702,266.65	4,530,609.66	(J38-K38)/M40	8
9306	5,702,266.65	4,530,609.66	0.00	301,780.35	0.00	1,391.49	0.00	0.00	5,400,486.30	4,394,817.39	(J40-K40)/M42	7
9307	5,400,486.30	4,394,817.39	0.00	717,443.12	0.00	163.88	0.00	0.00	4,683,043.18	3,844,821.87	(J42-K42)/M44	6
9308	4,683,043.18	3,844,821.87	0.00	696,990.41	1,860.01	1,420.12	0.00	0.00	3,986,052.77	3,315,915.61	(J44-K44)/M46	5
9309	3,986,052.77	3,315,915.61	0.00	7.43	0.00	12,532.48	0.00	0.00	3,986,045.34	3,470,909.99	(J46-K46)/M48	4
9310	3,986,045.34	3,470,909.99	0.00	0.00	11,978.30	10,797.88	0.00	0.00	3,986,045.34	3,643,802.20	(J48-K48)/M50	3
9311	3,986,045.34	3,643,802.20	0.00	0.00	(2,139.95)	1,300.52	0.00	0.00	3,986,045.34	3,811,483.30	(J50-K50)/M52	2
9312	3,986,045.34	3,811,483.30	0.00	823,209.38	712.37	6,460.34	0.00	0.00	3,362,835.96	3,357,087.99	(J52-K52)/M54	1
9401	3,362,835.96	3,357,087.99	(77.72)	728,318.92	83,368.00	19,435.74	0.00	0.00	2,634,439.32	2,698,449.30	(J54-K54)/M56	1
9402	2,634,439.32	2,698,449.30	(272.47)	322.47	(67,408.39)	1,463.63	0.00	0.00	2,632,844.38	2,564,246.63	(J56-K56)/M58	1
9403	2,632,844.38	2,564,246.63	0.00	65,440.75	1,287.39	1,210.37	0.00	0.00	2,567,403.63	2,567,480.65	(J58-K58)/M60	1
9404	2,567,403.63	2,567,480.65	0.00	13,146.75	143.04	1,629.81	0.00	0.00	2,554,256.88	2,552,770.11	(J60-K60)/M62	1
9405	2,554,256.88	2,552,770.11	0.00	3,210.56	3,858.16	5,550.59	0.00	0.00	2,551,046.32	2,549,353.89	(J62-K62)/M64	1
9406	2,551,046.32	2,549,353.89	0.00	0.00	15,953.97	5,463.77	0.00	0.00	2,551,046.32	2,581,536.52	(J64-K64)/M66	1
9407	2,551,046.32	2,581,536.52	0.00	1,126.11	0.00	6,714.25	0.00	0.00	2,549,920.21	2,543,205.96	(J66-K66)/M68	1

22

ANALOG OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-95

	A	B	C	D	E	F	G	H	I	J	K	L	M
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL	# OF MONTHS REM	
9408	2,549,920.21	2,543,205.98	0.00	80,582.74	0.00	2,585.81	0.00	0.00	2,469,337.47	2,466,751.86	(J68-K68)/M70	1	
9409	2,469,337.47	2,466,751.86	0.00	2,304,303.31	0.00	2,935.23	0.00	0.00	165,034.16	162,098.93	(J70-K70)/M72	1	
9410	165,034.16	162,098.93	0.00	0.00	0.00	783.04	0.00	0.00	165,034.16	164,251.12	(J72-K72)/M74	1	
9411	165,034.16	164,251.12	0.00	0.00	0.00	2,609.60	0.00	0.00	165,034.16	162,424.56	(J74-K74)/M76	1	
9412	165,034.16	162,424.56	(445.84)	(8,297.43)	0.00	18,119.97	0.00	0.00	170,885.75	153,211.62	(J76-K76)/M78	1	
9501	170,885.75	153,211.62	0.00	0.00	5,923.54	8,540.88	0.00	0.00	170,885.75	168,268.43	(J78-K78)/M80	1	
9502	170,885.75	168,268.43	0.00	222,474.40	19,060.93	540.30	0.00	0.00	(51,588.65)	(33,068.02)	(J80-K80)/M82	1	
9503	(51,588.65)	(33,068.02)	0.00	0.00	0.00	10,988.02	0.00	0.00	(51,588.65)	(62,576.67)	(J82-K82)/M84	1	
9504	(51,588.65)	(62,576.67)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J84-K84)/M86	1	
9505	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J86-K86)/M88	1	
9506	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J88-K88)/M90	1	
9507	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J90-K90)/M92	1	
9508	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J92-K92)/M94	1	
9509	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J94-K94)/M96	1	
9510	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J96-K96)/M98	1	
9511	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J98-K98)/M100	1	

27

41 INDEX
 42 Recalculated by staff
 43 10000 to 75
 15-1
 4-1
 2-2
 7-1

ANALOG OPERATOR SYSTEMS
REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

ANALOG SUMMARY AS OF: 24-Apr-95

A	B	C	D	E	F	G	H	I	J	K	L	M
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL	# OF MONTHS REM
9512	(51,588.65)	(51,588.65)	0.00	0.00	0.00	0.00	0.00	0.00	(51,588.65)	(51,588.65)	(J100-K100)M10	1
TOTALS			(1,147.43)	5,535,043.60	40,614.90	106,281.21	0.00	0.00			⊙SUM(L78..L8)	

PCB
 Souders Bell Telephone & Telegraph
 Offer Rate Base Ad5 - Depreciation
 T16 12/31/94
 9/7/95

Southern Bell Telephone & Telegraph
 Recalculation of Depreciation
 TVE 12/31/94

JY
 9/11/95

ANALOG

Recalculation of Current Annual column on Depreciation

Worksheet see WP (5-4/4-1/27/11/11)

January, 1992 - Line 1

ENDING BALANCE Inv. Bal Less Ending Res. Balance

\$ 5,707,074.87

- 1,861,164.18

\$ 3,845,910.70

÷ 23

\$ 167,213.59

February, 1992 - Line 2

\$ 5,706,930.71

2,028,364.66

3,678,566.10

÷ 22

\$ 167,207.55

~~15.1~~
~~34.1~~
 1.1

ORDER NO. PSC-93-0462-POF-TL
 DOCKET NO. 920385-TL
 PAGE 27

ATTACHMENT A

SOUTHERN BELL TEL AND TEL CO.
 1992 STUDY
 COMMISSION APPROVED RATES

ACCOUNT	AVERAGE REMAINING LIFE (YRS.)	NET SALVAGE (%)	RESERVE (%)	REMAINING LIFE RATE (%)
GENERAL SUPPORT ASSETS				
Motor Veh. - Light	3.9	14.0	45.14	10.5
Motor Veh. - Other	2.6	14.0	71.36	5.6
Special Purpose Vehicles	5.0	0.0	87.70	2.5
Bldgs. - Large Adm's & DPC's	36.0	6.0	19.36	2.1
Buildings - Large Cent. Ofcs.	33.0	3.0	18.25	2.4
Buildings - Local Cent. Ofcs.	42.0	3.0	19.25	1.9
Buildings - Misc.	23.0	6.0	15.48	3.4
Garage Work Equipment		7 Year Amortization		
Other Work Equip.		7 Year Amortization		
Furniture		10 Year Amortization		
Office Support Equip.		7 Year Amortization		
Official Comm. Equip.		5 Year Amortization		
Gen. Purpose Computers		5 Year Amortization		
Building Computers		5 Year Amortization		
CENTRAL OFFICE ASSETS				
Analog ESS	6.8	6.0	53.87	5.9
Digital ESS	10.7	0.0	19.80	7.5
Operator Systems - Digital	13.6	0.0	2.90 **	7.1
Radio - Non - Cellular	3.0	(3.0)	82.89	6.7
Radio, Microwave & Other	9.8	(3.0)	10.90	9.4
Circuit - Analog	2.2	3.0	36.58	27.5
Circuit - Analog Cap. Rec. Sch.	2.2	3.0	36.58	27.5
Circuit - Digital	7.7	2.0	40.61 **	7.5
Circuit - Digital Cap. Rec. Sch.	7.7	2.0	40.61 **	7.5
Circuit - Optical Eqpt.	6.2	2.0	23.39	12.0
INFORMATION ORIGINATOR/TERMINATION				
Public Telephone	3.0	20.0	59.79	6.7
Info Orig. Term.	5.7	9.0	46.75	7.8
CABLE & WIRE FACILITIES				
Poles	34.0	(51.0)	33.67	3.5
Aerial Cable - Metallic	9.7	(9.0)	42.41	6.9
Aerial Cable - Fiber	17.7	0.0	6.06	5.3
Undgd. Cable - Metallic	6.0	0.0	45.96	9.0
Undgd. Cable - Fiber	16.5	2.0	23.69	4.5
Buried Cable - Metallic	9.0	(4.0)	42.10	6.9
Buried Cable - Fiber	16.9	3.0	17.11	4.7
Submarine Cable - Metallic	9.0	(2.0)	52.55	5.5
Submarine Cable - Fiber	16.7	0.0	27.07	4.4
Intrabuilding Cable - Metallic	9.7	(9.0)	50.80	6.0
Intrabuilding Cable - Fiber	18.6	(5.0)	39.29	3.5
Aerial Wire	6.5	(35.0)	68.80	10.2
Conduit	43.0	(5.0)	21.10	2.0

(5-4)
 (4-1) → 7.1
 (2-1)
 2

p. 1 of 3

SOUTHERN BELL TEL AND TEL CO.
 1992 STUDY
 SUMMARY OF APPROVED CAPITAL RECOVERY SCHEDULES

	1-1-92 INVESTMENT (000)	1-1-92 RESERVE (000)	EST ADDS (000)	EXPECTED SALVAGE (000)	NET TO BE RECOVERED (000)
Analogue ESS					
1992 Ret.	69,462	43,543	112	3,473	22,558
1993 Ret.	126,652	86,397	1,572	6,333	35,494
1994 Ret.	72,451	47,451	872	3,623	22,249
Total	268,565	177,391	2,556	13,429	80,301
Digital ESS					
1993 Ret.	1,896	376	0	379	1,141
1994 Ret.	2,713	537	0	543	1,633
Total	4,609	913	0	922	2,774
Operator Systems Analogue					
1993 Ret.	15,117	4,488	0	0	10,629
Total	15,117	4,488	0	0	10,629
Operator Systems Digital					
1993 Ret.	4,954	3,065	0	0	1,889
Total	4,954	3,065	0	0	1,889
TOTALS	293,245	185,857	2,556	14,351	95,593

The monthly expense for each recovery schedule shall be calculated by dividing the net amount to be recovered by the months remaining for recovery. This will take care of additions and interim retirements, as well as actual salvage experienced, and any shifts in retirement dates. All activity relating to these schedules shall be recorded to these schedules and not to another depreciation category or account.

DIGITAL OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

DIGITAL SUMMARY AS OF: 24-Apr-95

2.1%

The accrual that should be made is not for by to be correct.

ACTDATE	BEG INV BAL.	BEG RES BAL.	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL.	END RES BAL.	CURR ACCRUAL
9201	24,426,548.22	3,228,904.79	6,303.71	606,465.17	0.00	1,407.56	0.00	0.00	23,826,386.76	2,767,044.54	146,012.49
9202	23,826,386.76	2,767,044.54	4,226.56	8,348.89	0.00	559.98	(248.87)	0.00	23,822,264.43	2,897,084.11	139,197.31
9203	23,822,264.43	2,897,084.11	5,632.77	445.41	76,000.00	8,790.68	77.39	0.00	23,827,451.79	3,104,861.62	140,936.20
9204	23,827,451.79	3,104,861.62	219,282.53	0.00	25,872.00	(1,082.84)	0.00	0.00	24,046,734.12	3,272,810.89	140,994.44
9205	24,046,734.12	3,272,810.89	1,010,307.04	553.78	4,020.00	9,220.99	0.00	0.00	25,056,487.38	3,409,981.34	142,925.22
9206	25,056,487.38	3,409,981.34	717,315.32	4.63	0.00	0.00	0.00	0.00	25,773,798.07	3,561,214.78	151,238.07
9207	25,773,798.07	3,561,214.78	613,835.94	(365.23)	0.00	0.00	0.00	0.00	26,387,999.24	3,716,197.03	154,617.02
9208	26,387,999.24	3,716,197.03	448,148.79	233,360.29	0.00	0.00	0.00	0.00	26,602,787.74	3,640,782.75	157,946.01
9209	26,602,787.74	3,640,782.75	64,578.55	0.00	0.00	0.00	0.00	0.00	26,667,366.29	3,798,817.99	158,035.24
9210	26,667,366.29	3,798,817.99	37,618.69	0.00	(1,985.51)	0.00	0.00	0.00	26,704,984.98	3,954,805.44	157,972.96
9211	26,704,984.98	3,954,805.44	1,311,868.41	0.00	60,328.00	0.00	383.48	206.00	28,016,853.39	4,173,426.71	158,115.78
9212	28,016,853.39	4,173,426.71	613,828.87	1,051,773.76	733,294.68	412.69	300,280.02	0.00	27,578,908.50	4,324,462.28	169,647.33
9301	27,578,908.50	4,324,462.28	1,274,773.08	0.00	(94,560.00)	585.60	(1,300.96)	0.00	28,853,681.58	4,389,895.34	161,879.62

300,080.73

P. 4

See Note on WP 15-4 P. 4
 $\frac{4-1}{2-1}$

DIGITAL OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

AS OF:

24-Apr-95

ACTDATE	MO INV BAL	MO RES BAL	ADDITIONS	RETIREMENTS	BAL VABS	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CUMR ACCRUAL
9302	28,853,681.58	4,389,895.34	225,342.72	50,325.72	42,758.63	593.65	212.27	0.00	29,028,698.58	4,556,435.69	174,488.82
9303	29,028,698.58	4,556,435.69	365,587.29	291.76	30,682.00	955.70	(968.90)	0.00	29,393,994.11	4,757,172.23	172,270.89
9304	29,393,994.11	4,757,172.23	1,879,954.59	213.74	213.74	790.23	0.00	0.00	31,273,734.96	4,931,377.13	174,995.13
9305	31,273,734.96	4,931,377.13	445,729.02	0.00	61,729.00	817.70	0.00	0.00	31,719,463.98	5,182,885.59	190,597.17
9306	31,719,463.98	5,182,885.59	1,223,553.92	0.00	(213.74)	0.00	0.00	0.00	32,943,017.90	5,371,663.96	188,992.11
9307	32,943,017.90	5,371,663.96	127,022.43	852.86	852.86	0.00	69,060.54	0.00	33,069,187.47	5,639,257.04	198,532.54
9308	33,069,187.47	5,639,257.04	1,912,230.38	22,539.47	21,994.87	0.00	0.00	0.00	34,958,878.38	5,834,745.05	196,032.61
9309	34,958,878.38	5,834,745.05	37,693.63	834.08	(244.68)	96.84	0.00	0.00	34,995,737.93	6,045,999.82	212,430.37
9310	34,995,737.93	6,045,999.82	621,799.04	12,180.26	(127.99)	(0.00)	(1,048.86)	0.00	35,605,356.71	6,239,809.86	207,167.16
9311	35,605,356.71	6,239,809.86	146,206.38	111.30	111.30	734.41	0.00	(2,556.00)	35,751,451.79	6,454,099.94	212,468.48
9312	35,751,451.79	6,454,099.94	1,631,080.63	41,770.07	0.00	780.87	(21,278.85)	0.00	37,340,762.35	6,602,231.77	211,961.62
9401	37,340,762.35	6,602,231.77	211,299.43	1,031.54	526,181.00	121.30	91,223.04	0.00	37,551,030.24	7,444,117.52	225,634.53
9402	37,551,030.24	7,444,117.52	3,093,179.57	55,394.87	55,394.87	0.00	426.80	0.00	40,588,814.94	7,667,343.29	222,798.97

2 of 2

DIGITAL OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

DIGITAL SUMMARY AS OF: 24-Apr-95

ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL
9403	40,588,814.94	7,667,343.29	62,671.26	488.77	0.00	126.75	25,398.04	0.00	40,650,997.43	7,941,263.08	249,137.27
9404	40,650,997.43	7,941,263.08	1,084,647.68	0.00	(55,394.87)	(0.00)	0.00	0.00	41,735,645.11	8,126,570.57	240,702.36
9405	41,735,645.11	8,126,570.57	(2,203.75)	673.92	0.00	0.00	1,252.39	0.00	41,732,767.44	8,377,293.69	250,144.65
9406	41,732,767.44	8,377,293.69	1,680.49	1,212.13	50,000.00	0.00	0.00	0.00	41,733,235.80	8,672,991.92	246,910.36
9407	41,733,235.80	8,672,991.92	(38,376.85)	2,623.58	0.00	0.00	0.00	0.00	41,692,235.37	8,917,291.37	246,923.03
9408	41,692,235.37	8,917,291.37	178,224.63	(204.73)	0.00	0.00	(17,962.38)	0.00	41,870,664.73	9,146,091.49	246,557.77
9409	41,870,664.73	9,146,091.49	17,791.25	291,495.96	0.00	0.00	2,430.22	0.00	41,596,960.02	9,105,288.37	248,262.62
9410	41,596,960.02	9,105,288.37	19,414.20	543,600.46	0.00	(0.00)	0.00	0.00	41,072,773.76	8,806,993.54	245,305.64
9411	41,072,773.76	8,806,993.54	1,857,139.29	149,606.66	0.00	(0.00)	2,909.98	(19,516.00)	42,780,306.39	8,921,276.06	241,463.19
9412	42,780,306.39	8,921,276.06	23,357.46	60,302.03	0.00	0.00	405.21	0.00	42,743,361.82	9,119,547.50	258,168.26
9501	42,743,361.82	9,119,547.50	(89,479.07)	42,283.36	0.00	0.00	2,580.42	0.00	42,611,599.39	9,332,633.49	252,788.93
9502	42,611,599.39	9,332,633.49	3,568.93	0.00	0.00	(0.00)	2,194.60	0.00	42,615,168.32	9,586,556.92	251,728.83
9503	42,615,168.32	9,586,556.92	6,408.50	0.00	0.00	0.00	814.64	0.00	42,621,576.82	9,839,521.87	252,150.30

287

DIGITAL OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

DIGITAL SUMMARY AS OF: 24-Apr-95

ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL
9504	42,621,576.82	9,839,521.87	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,091,718.49	252,196.62
9505	42,621,576.82	10,091,718.49	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,343,896.15	252,177.66
9506	42,621,576.82	10,343,896.15	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,596,073.81	252,177.66
9507	42,621,576.82	10,596,073.81	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,848,251.48	252,177.66
9508	42,621,576.82	10,848,251.48	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,100,429.14	252,177.66
9509	42,621,576.82	11,100,429.14	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,352,606.80	252,177.66
9510	42,621,576.82	11,352,606.80	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,604,784.47	252,177.66
9511	42,621,576.82	11,604,784.47	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,856,962.13	252,177.66
9512	42,621,576.82	11,856,962.13	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	12,109,139.79	252,177.66
TOTALS			21,373,243.11	3,178,214.51	1,536,906.16	24,912.11	456,840.22	(21,866.00)			7,041,463.25

287

DIGITAL OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

AS OF: 24-Apr-95

ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIRE	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACRRUAL	FSC RATE
9201	24,426,548.22	3,228,904.79	6,303.71	606,465.17	0.00	1,407.56	0.00	0.00	23,822,264.43	2,787,044.54	(78)((456250.56+46986.33)(2)))(AKB12)	0.071
9202	23,828,386.76	2,787,044.54	4,228.56	8,348.89	0.00	559.98	(248.87)	0.00	23,822,264.43	2,897,084.11	(AH8)((AB8-AC8)(2)))(AK10/12)	0.071
9203	23,822,264.43	2,897,084.11	5,832.77	445.41	76,000.00	8,790.68	77.39	0.00	23,827,451.79	3,104,861.62	(AH10)((AB10-AC10)(2)))(AK12/12)	0.071
9204	23,827,451.79	3,104,861.62	219,282.33	0.00	25,872.00	(1,082.84)	0.00	0.00	24,046,734.12	3,272,810.89	(AH12)((AB12-AC12)(2)))(AK14/12)	0.071
9205	24,046,734.12	3,272,810.89	1,010,307.04	553.78	4,020.00	8,220.99	0.00	0.00	25,056,487.38	3,409,981.34	(AH14)((AB14-AC14)(2)))(AK16/12)	0.071
9206	25,056,487.38	3,409,981.34	717,315.32	4.63	0.00	0.00	0.00	0.00	25,773,798.07	3,561,214.78	(AH16)((AB16-AC16)(2)))(AK18/12)	0.071
9207	25,773,798.07	3,561,214.78	613,835.94	(365.23)	0.00	0.00	0.00	0.00	26,387,633.94	3,716,197.03	(AH18)((AB18-AC18)(2)))(AK20/12)	0.071
9208	26,387,633.94	3,716,197.03	448,148.79	233,360.29	0.00	0.00	0.00	0.00	26,835,782.75	3,640,782.75	(AH20)((AB20-AC20)(2)))(AK22/12)	0.071
9209	26,835,782.75	3,640,782.75	64,578.55	0.00	0.00	0.00	0.00	0.00	26,897,361.29	3,798,817.99	(AH22)((AB22-AC22)(2)))(AK24/12)	0.071
9210	26,897,361.29	3,798,817.99	37,818.89	(1,985.51)	0.00	0.00	0.00	0.00	26,935,180.18	3,954,805.44	(AH24)((AB24-AC24)(2)))(AK26/12)	0.071
9211	26,935,180.18	3,954,805.44	1,311,868.41	60,328.00	383.48	0.00	208.00	0.00	28,016,853.39	4,173,428.71	(AH26)((AB26-AC26)(2)))(AK28/12)	0.071
9212	28,016,853.39	4,173,428.71	613,828.87	1,051,773.76	733,294.68	412.68	300,280.02	0.00	27,578,908.50	4,324,462.28	(AH28)((AB28-AC28)(2)))(AK30/12)	0.071
9301	27,578,908.50	4,324,462.28	1,274,773.08	0.00	(94,560.00)	585.60	(1,300.96)	0.00	28,853,681.58	4,389,895.34	(AH30)((AB30-AC30)(2)))(AK32/12)	0.071
9302	28,853,681.58	4,389,895.34	225,342.72	50,325.72	42,758.63	593.65	212.27	0.00	29,078,898.58	4,558,435.89	(AH32)((AB32-AC32)(2)))(AK34/12)	0.071
9303	29,078,898.58	4,558,435.89	365,587.29	291.76	30,682.00	955.70	(968.90)	0.00	29,393,994.11	4,757,172.23	(AH34)((AB34-AC34)(2)))(AK36/12)	0.071
9304	29,393,994.11	4,757,172.23	1,879,954.59	213.74	213.74	780.23	0.00	0.00	31,273,734.98	4,931,377.13	(AH36)((AB36-AC36)(2)))(AK38/12)	0.071

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DIGITAL SUMMARY

555
 24-Apr-95

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 Order fsc 93-0462-FOI-EI
 Wp 15-4/4-1/1-2

265

DIGITAL OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

DIGITAL SUMMARY			AS OF: 24-Apr-95									
Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIRE	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL	PSCRATE
9305	31,273,734.96	4,931,377.13	445,729.02	0.00	61,729.00	817.70	0.00	0.00	31,719,463.98	5,182,885.59	(AH38+((AB38-AC38)/2))*(AK40/12)	0.071
9306	31,719,463.98	5,182,885.59	1,223,553.92	0.00	(213.74)	0.00	0.00	0.00	32,943,017.90	5,371,663.96	(AH40+((AB40-AC40)/2))*(AK42/12)	0.071
9307	32,943,017.90	5,371,663.96	127,022.43	852.86	852.86	0.00	69,060.54	0.00	33,069,187.47	5,639,257.04	(AH42+((AB42-AC42)/2))*(AK44/12)	0.071
9308	33,069,187.47	5,639,257.04	1,912,230.38	22,539.47	21,994.87	0.00	0.00	0.00	34,958,878.38	5,834,745.05	(AH44+((AB44-AC44)/2))*(AK46/12)	0.071
9309	34,958,878.38	5,834,745.05	37,693.63	834.08	(244.68)	96.84	0.00	0.00	34,995,737.93	6,045,999.82	(AH46+((AB46-AC46)/2))*(AK48/12)	0.071
9310	34,995,737.93	6,045,999.82	621,799.04	12,180.26	(127.99)	(0.00)	(1,048.86)	0.00	35,605,356.71	6,239,809.86	(AH48+((AB48-AC48)/2))*(AK50/12)	0.071
9311	35,605,356.71	6,239,809.86	146,206.38	111.30	111.30	734.41	0.00	(2,556.00)	35,751,451.79	6,454,099.94	(AH50+((AB50-AC50)/2))*(AK52/12)	0.071
9312	35,751,451.79	6,454,099.94	1,831,080.63	41,770.07	0.00	780.87	(21,278.85)	0.00	37,340,762.35	6,602,231.77	(AH52+((AB52-AC52)/2))*(AK54/12)	0.071
9313	37,340,762.35	6,602,231.77	211,299.43	1,031.54	526,181.00	121.30	91,223.04	0.00	37,551,030.24	7,444,117.52	(AH54+((AB54-AC54)/2))*(AK56/12)	0.071
9402	37,551,030.24	7,444,117.52	3,093,179.57	55,394.87	55,394.87	0.00	426.80	0.00	40,588,814.94	7,667,343.29	(AH56+((AB56-AC56)/2))*(AK58/12)	0.071
9403	40,588,814.94	7,667,343.29	62,671.26	488.77	0.00	126.75	25,398.04	0.00	40,650,997.43	7,941,263.08	(AH58+((AB58-AC58)/2))*(AK60/12)	0.071
9404	40,650,997.43	7,941,263.08	1,084,847.68	0.00	(55,394.87)	(0.00)	0.00	0.00	41,735,845.11	8,126,570.57	(AH60+((AB60-AC60)/2))*(AK62/12)	0.071
9405	41,735,845.11	8,126,570.57	(2,203.75)	673.92	0.00	0.00	1,252.39	0.00	41,732,767.44	8,377,293.69	(AH62+((AB62-AC62)/2))*(AK64/12)	0.071
9406	41,732,767.44	8,377,293.69	1,880.49	1,212.13	50,000.00	0.00	0.00	0.00	41,733,235.80	8,672,991.92	(AH64+((AB64-AC64)/2))*(AK66/12)	0.071
9407	41,733,235.80	8,672,991.92	(38,376.85)	2,623.58	0.00	0.00	0.00	0.00	41,892,235.37	8,917,291.37	(AH66+((AB66-AC66)/2))*(AK68/12)	0.071

249

DIGITAL OPERATOR SYSTEMS
 REVISED ACTIVITY & 1/1/92 BALANCES BASED ON 8/94 ANALYSIS

DIGITAL SUMMARY AS OF: 24-Apr-95												
Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK
ACTDATE	BEG INV BAL	BEG RES BAL	ADDITIONS	RETIRE	SALVAGE	COST OF REM	OTH CRED	OTH DEB	END INV BAL	END RES BAL	CURR ACCRUAL	PSC RATE
9408	41,692,235.37	8,917,291.37	178,224.83	(204.73)	0.00	0.00	(17,962.38)	0.00	41,870,664.73	9,146,091.49	(AH68+((AB68-AC68)/2))*(AK70/12)	0.071
9409	41,870,664.73	9,146,091.49	17,791.25	291,485.96	0.00	0.00	2,430.22	0.00	41,596,960.02	9,105,288.37	(AH70+((AB70-AC70)/2))*(AK72/12)	0.071
9410	41,596,960.02	9,105,288.37	19,414.20	543,600.48	0.00	(0.00)	0.00	0.00	41,072,773.76	8,806,993.54	(AH72+((AB72-AC72)/2))*(AK74/12)	0.071
9411	41,072,773.76	8,806,993.54	1,857,139.29	149,606.66	0.00	(0.00)	2,909.98	(19,516.00)	42,780,306.39	8,921,276.06	(AH74+((AB74-AC74)/2))*(AK76/12)	0.071
9412	42,780,306.39	8,921,276.06	23,357.46	60,302.03	0.00	0.00	405.21	0.00	42,743,361.82	9,119,547.50	(AH76+((AB76-AC76)/2))*(AK78/12)	0.071
9501	42,743,361.82	9,119,547.50	(89,479.07)	42,283.36	0.00	0.00	2,580.42	0.00	42,611,599.39	9,332,633.49	(AH78+((AB78-AC78)/2))*(AK80/12)	0.071
9502	42,611,599.39	9,332,633.49	3,568.93	0.00	0.00	(0.00)	2,194.60	0.00	42,615,168.32	9,586,556.92	(AH80+((AB80-AC80)/2))*(AK82/12)	0.071
9503	42,615,168.32	9,586,556.92	6,408.50	0.00	0.00	0.00	814.64	0.00	42,621,576.82	9,839,521.87	(AH82+((AB82-AC82)/2))*(AK84/12)	0.071
9504	42,621,576.82	9,839,521.87	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,091,718.49	(AH84+((AB84-AC84)/2))*(AK86/12)	0.071
9505	42,621,576.82	10,091,718.49	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,343,896.15	(AH86+((AB86-AC86)/2))*(AK88/12)	0.071
9506	42,621,576.82	10,343,896.15	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,596,073.81	(AH88+((AB88-AC88)/2))*(AK90/12)	0.071
9507	42,621,576.82	10,596,073.81	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	10,848,251.48	(AH90+((AB90-AC90)/2))*(AK92/12)	0.071
9508	42,621,576.82	10,848,251.48	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,100,429.14	(AH92+((AB92-AC92)/2))*(AK94/12)	0.071
9509	42,621,576.82	11,100,429.14	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,352,606.80	(AH94+((AB94-AC94)/2))*(AK96/12)	0.071
9510	42,621,576.82	11,352,606.80	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,604,784.47	(AH96+((AB96-AC96)/2))*(AK98/12)	0.071
9,511.00	42,621,576.82	11,604,784.47	0.00	0.00	0.00	0.00	0.00	0.00	42,621,576.82	11,856,962.13	(AH98+((AB98-AC98)/2))*(AK100/12)	0.071

282



Data As of 7/94 or 8/94
(Plug-ins as of 4/94)

August 5, 1994

Memorandum To: Karol Hoffman

From: Janell Usery

Subject: Request For Information In Separating Analog and Digital Operator System
(117C) For Florida

Please find below the detailed information you requested to create a new PSC depreciation
data base table:

CLI	Location/Area #	Investment	Year Placed	Analog	Digital
JCVLFLCL	31131	\$ 6,880.38	1975	-	100%
		853,625.45	1976	-	100%
		147,053.55	1977-1983	-	100%
		60,734.99	1985-1989	-	100%
		122,830.43	1990	-	100%
		5,876.60	1992	-	100%
		4,404.12	1993	-	100%
		\$1,201,405.52			
JCVLFLRE	31885	\$ 91,886.51	1983-1988	-	100%
		665,014.50	1989		
		TOTAL \$ 756,901.01			
LKCYFLMA	33460	\$ 976,476.36	1993	-	100%
GSVFLMA	33447	\$ 600,393.29	1989	-	100%
		15,079.63	1990		
		150,477.36	1993		
		TOTAL \$ 765,950.28			
JCVLFLRE (Mill Creek)	31232	\$ 174,211.32	1976(Analog)	9.5%	90.5%
		55,541.92	1978-1989(Analog)		
		2,187,373.22	1993 (Digital)		
		TOTAL \$2,417,126.46			
Per Engineer has analog and digital (Analog will retire 8/94), therefore, office will be 100% digital.					
ORLDFLME	33221	\$ 134,356.55	1992	-	100%
		1,126,623.26	1993		
		TOTAL \$1,260,979.81			

Per Judy Bonner 8/23/94
To be 100%
Digital following
7/94 interest
Mark of switch
for vintage thru
1989 ANKLOG

See
WP 15-1P.
4-1
3-7

ORLDFLMA	33222	\$1,023,149.64	1976	100%	<i>WP 15-1 P.3</i> <i>4-1</i> <i>3-1</i>
		30,266.81	1977-1981		
		68,480.93	1982		
		5,870.01	1983		
		16,015.71	1987		
		<u>8,450.51</u>	1991		
		TOTAL \$1,152,233.61			

NOTE: Analog due to retire 9/94

ORLDFLSE	33313	\$ 2,028,369.75	1993	100%
FTLDFLCY	E4449	\$ 60,173.31	1975-1988	- 100%
		5,285,597.04	1990	- 100%
		41,695.78	1991	- 100%
		7,865.48	1992	- 100%
		<u>1,844,785.44</u>	1993	- 100%
		TOTAL \$7,240,117.05		

Check to see what degree date 9/94 in

NDADFLWFA	E8105	\$ 30,166.08	1986	- 100%
		2,346,159.24	1989	- 100%
		680,821.14	1990	- 100%
		1,135,535.37	1991	- 100%
		<u>177,499.85</u>	1993	- 100%
		TOTAL \$4,370,181.68		

WPBHFLAN	E8508	350.70	1983	
WPBHFLMA	E8509	\$ 870,842.25	1990	- 100%
		<u>11,190.01</u>	1991	- 100%
		TOTAL \$ 882,032.26		

WPBHFLGR	E8519	\$ 16,525.03	1986-1989	- 100%
		1,365,273.39	1990	- 100%
		777,335.43	1991	- 100%
		676,949.50	1992	- 100%
		<u>212,364.68</u>	1993	- 100%
		TOTAL \$ 3,048,448.05		

FTLDFLCY	E8655	\$ 4,220.72	1985	- 100%
		109,382.64	1990	- 100%
		877,326.98	1991	- 100%
		<u>21.23</u>	1993	- 100%
		TOTAL \$ 990,951.57		

MIAMFLCC	M2406	\$ 39,974.77	1980	-	100%
		1,056,873.26	1981		
		606.38	1987(Digital)		
		28,669.13	1990(Digital)		
		241,006.78	1991		
		1,325,924.90	1992		
		<u>1,063,098.64</u>	1993		
		\$3,756,153.96			
MIAMFLGB	M2505	\$.00	-	-	-
MIAMFLAE	M2523	NOTE: Operator Service was retired, office is now Customer Service Switch, 377C. Handled Reclas 117C to 377C, 7-25-94.			
HMSTFLHM	M2625	\$1,026,127.79	1991	-	100%
KYLRFLMA	M2648	77,519.69	1971-1986	-	100%
		<u>1,711,384.39</u>	1991		
		TOTAL \$1,788,904.08			
MIAMFLLR	M6301	All Dollars Retired in 8/94			
NDADFLHM	M6506	\$ 2,060.30	1985		
		1,345,715.68	1987	-	100%
		138,178.94	1988		
		94,553.61	1989		
		1,110,429.61	1990		
		60,156.66	1991		
		1,235,786.47	1992		
		<u>373,649.62</u>	1993		
		TOTAL \$4,360,530.89			
NDADFLAC	M6518	\$ 812,383.11	1989	-	100%
		759,150.88	1990		
		2,666.43	1991		
		<u>44,601.04</u>	1993		
		TOTAL \$ 1,618,801.46			
MIAMFLFL	M6606	(Was analog - hardwired portion retired, plug-in will retire 8/94)			

If I can be of any further assistance or there is any questions, please call 904-350-3523.

Southern Bell T & T
Other Rate Base Adj.
T4E 12/31/94

11/14/95
9/11/95

fbc

08-08-94 02:17 PM

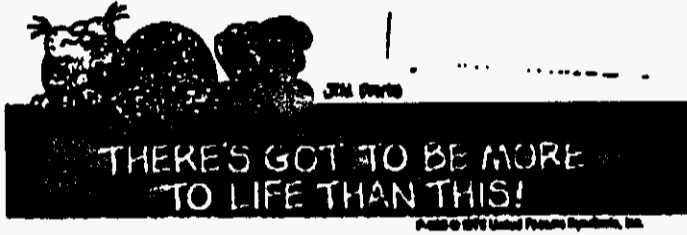
FOOI

WHEN FAX IS RECEIVED PLEASE CALL: _____

AT: _____

FAX TO: Karel Heyman

FAX #: 404-391-3319



FROM: Judy Bunn

TELEPHONE #: 904 350-7356

REMARKS: _____

DATE: 8/8/94

R-96X 904+350+8430 08-08-94 02:32PM FOOI #16 Pu

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
This is the new PSC depreciation table which																									the Company has reclassified the investment																									15-1																																																	
as either Digital or analog. Most of the investment																									is now digital.																									4-1																																																	
																																																		3																																																	

AREA #: 33221

LOCATION: Orlando Mercy

STATUS AS OF 1/1/92:

INVESTMENT BALANCE: 488,851.46
RESERVE BALANCE: 145,098.84

INVESTMENT INFO FROM JANELL USSERY	As of 7/94, investment 100% DIGITAL. Major investment dollars of \$1.1 M in 1993 vintage. Retirement in 12/93 of \$488,851.46 was ANALOG.
NARRATIVE FROM ELAINE HEMEKE	<u>Intercept:</u> Nothing. <u>DA:</u> Rehoming to TOPS: Serviced 12/4/93 (Proj. #16488)
INFO FROM CAPITAL RECOVERY'S INTERROGATORY RESPONSE	As of 1/1/92, pure ANALOG.
TOPS INFO FROM RON BOYCE	Nothing.
OTHER	Additions of \$1,126,015 in 12/93; Retirements of \$623,200 in 12/93.

CONCLUSION:

Because the retirement in 12/93 was ANALOG and equalled the 1/1/92 investment balance, will allocate 100% to ANALOG as of 1/1/92.

Based on the dates of rehoming of DA to TOPS and the major additions and retirements, will reflect cutover from ANALOG to DIGITAL in 12/93.

All additions will be allocated to DIGITAL. Retirements up thru 1/94 will be allocated to ANALOG. Because the only retirements booked since 1/1/92 were ANALOG, will allocate all salvage and cost of removal to ANALOG. No reclass or transfer activity involving this location.

The Company analyzed each investment in each area to see whether it is now digital or analog.

P1

ACTIVITY ALLOCATED TO ANALOG

() = ANALOG

AREA #	YMM	BEG BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB
33221	9201	48851.46						
	9202							
	9203							
	9204					142.77		
	9205							
	9206	130368.80						
	9207	117.95						
	9208	3818.72						
	9209	202.14						
	9210	-0.06				1383.68		
	9211					7.81		
	9212							
	9301							
	9302	8.00						
	9303							
	9304							
	9305							
	9306					1391.49		
	9307							
	9308							
	9309							
	9310	449.04				156.52		
	9311					264.57		
	9312	1126015.22	623200.01	712.37		1019.56		
	9401	4382.98	-134348.55			18429.02		
	9402	21308.12			1150.58			
	9403				1287.39			
	9404				143.04		814.22	
	9405				3858.16		3827.73	
	9406				26.13		3541.72	
	9407							

AREA #: E4449

LOCATION: Ft. Ldie. Cypress

STATUS AS OF 1/1/92:

INVESTMENT BALANCE: 6,280,363.72
RESERVE BALANCE: 1,864,111.18

INVESTMENT INFO FROM JANELL USSERY	As of 7/94, investment 100% DIGITAL. Major investment dollars of \$5.3 M in vintage 1990 and \$1.8 M in vintage 1993. Retirement of \$1,396,778.63 in 11/90 was ANALOG. • Retirement of \$862,667.47 in 1/93 was ANALOG.
NARRATIVE FROM ELAINE HEMEKE	<u>Intercept:</u> Rehomed in 2 phases. Phase 1: Cutover 7/17-8/3/90 (Proj. #EA3075); Phase 2: Cut complete 2/4/93 (Proj. #EAS136) <u>DA:</u> Rehoming to TOPS: Cutover 10/27/90 (Proj. #EA3219)
INFO FROM CAPITAL RECOVERY'S INTERROGATORY RESPONSE	As of 1/1/92, pure ANALOG.
TOPS INFO FROM RON BOYCE	DA sent to TOPS in 8/90.
OTHER	Additions of \$1,226,569 in 1/93 and \$2,978,762 in 2/94; Retirements of \$862,667 in 1/94.

CONCLUSION:

Because the intercept was rehomed in 2 phases and the cutover not completed until 2/93 and because the retirement in 1/93 was ANALOG, that retirement amount of \$862,667.47 will be allocated to ANALOG while the remainder of the investment will be allocated to DIGITAL as of 1/1/92. Based on the dates of the rehoming of intercept and the major additions and retirements, will reflect complete cutover from ANALOG to DIGITAL in 1/93; however, the final ANALOG retirement was not booked until 1/94.

All additions will be allocated to DIGITAL. All retirements with auth. # L0820 up thru 1/94 will be allocated to ANALOG. Because the major retirements since 1/1/92 have been ANALOG, will allocate all salvage and cost of removal to ANALOG. No reclass or transfer activity involving this location. location.

ACTIVITY ALLOCATED TO ANALOG

([] = ANALOG)

AREA #	YYMM	BEG BAL	ADDITIONS	RETIREMENTS	SALVAGE	COST OF REM	OTH CRED	OTH DEB
E4449	9201	6280363.72						
	9202							
	9203							
	9204		120.60					
	9205							
	9206							
	9207							
	9208							
	9209							
	9210		12518.88					
	9211							
	9212			862667.47				
	9301		1226569.09	-862667.47				
	9302		168950.88					
	9303		1140.43					
	9304		1344.11					
	9305		437656.09					
	9306		3915.19					
	9307		5209.65					
	9308		-25645.80	812.26				
	9309		-3586.12	113.58				
	9310		-70.72	2.24	12247.98	2252.68		
	9311				-2139.95	861.35		
	9312					2414.31		
	9401			862667.47	83368.00			
	9402		2978762.02		-68556.97			
	9403		3329.24					
	9404		2930.95			815.59		
	9405		1425.38					
	9406		165.13					
	9407						57.42	

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24

76C
Southern Bell T's T
Other Rate Based Adj.
T/E 12/31/94
9/11/95
9/11/95
9/11/95

COMPANY: SOUTHERN BELL
TITLE: NET SHARING ADJUSTMENT **TO RATE BASE**
PERIOD: TYE 12/31/94
DATE: AUGUST 21, 1995
AUDITOR: GABRIELA LEON

EXPLANATION OF NET SHARING ADJUSTMENT FOR ORDER 20162:

ORDER 20162, page 7

Authorized floor	11.50%
Rate Setting Floor	13.20%
Sharing Begins	14.00%
Authorized Ceiling after Sharing	16.00%

"Acceptance of the sharing concept dictates that this Commission set a point at which sharing begins or a sharing threshold. Those earnings between the sharing threshold and the ROE ceiling after sharing make up the zone in which earnings will be divided between the Company's stockholders and ratepayers. One goal in setting the sharing threshold is to encourage efficient performance by Southern Bell. We believe that more efficient operations will result from setting the sharing threshold above the level at which rates are set. This will give the Company a reason to reduce costs and introduce new services in order to reach the sharing threshold. Upon reaching the threshold, fresh incentives occur because the Company shares in earnings after the point. We seek to improve incentives for economic behavior and eliminate the disincentives for uneconomic behavior to encourage the Company to make decisions which are consistent with the best overall interest of the ratepayers."

....."We find that the split should be 60/40 in the ratepayers' favor. We have deliberately tilted the balance in favor of ratepayers because of our inability to precisely identify earnings that result exclusively from productivity improvements generated by Southern Bell. The Company will generally retain earnings caused by external factors with a revenue impact of less than \$3,000,000. For this reason, it is appropriate to allow ratepayers to keep 60% of the benefits of the earnings in the 14-16% ROE range. Any and all earnings over 16% after sharing will go to the ratepayers".

this adjustment was audited in section Wp. 25p.2.

Southern Bell Telephone & Telegraph

Net Sharing Adjustment

PBC

TYE 12/31/94

YE
8/22/95

Net Sharing Adjustment:

The amounts shown on your workpapers Pages 10-11 are the rate base adjustments to remove the sharing accrual as booked (Page 11), and replace it with the average rate base as if the year-end calculation of \$30,450,000 had been booked prorata during the year (average rate base balance of $\$30,450/2 = 15,225$). The amounts in the "Monthly Accruals" column on Page 11 were booked to Account 5264.9900. The liability was booked to Account 4010.6920 for March through September; the balance was reclassified to Account 4120.8200 in October, and subsequent entries were made to 4120.8200.

FPSC Staff Audit
1994 Surveillance Report
Item No. 29
July 20, 1995
Page 1 of 2

Net Sharing Adjustment (cont):

Periodically during the year, we computed an estimate of the annual amount to be paid to ratepayers ("sharing amount"), based on actual results available plus budgeted amounts for the remainder of the year. A copy of these monthly computations are enclosed. (Please note, a separate computation was not prepared each month.) Although the sharing computations varied, a monthly amount of \$5,000 (or \$60,000 on an annual basis) was considered appropriate through October. At that point, expenses were running over-budget, so we did not book anything for November, and booked a credit of \$12,000 in December (reduced the cumulative sharing amount from \$50,000 to \$38,000). When we filed the 1994 Surveillance Report, the sharing amount was determined to be \$30,450, based on actual results through year-end.

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5

Rate Base
Net Sharing Adjustment

	<u>000</u>
Removal of average as booked	\$25,333
Amount calculated at 3/15/95	<u><15,225></u>
Net increase to rate base	<u>10,108</u>
	<u>(15-1 P₂)</u>

February 1994
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$ 41.4
Performas:		
1) Achieved "stretch" - Actual per books expense less than budget 5,033 + 4768 = 9,801/34,000	0.29%	5.9
2) Stretch for remainder of year (Budgeted as extraordinary) 22,175/34,000	0.65%	13.3
3) Expected Revenues in excess of budget Achieved: 3,780 + (2,237) = 1,543/34,000 <i>(2,269) 1,511</i>	0.05%	1.0
4) Remainder of excess revenues for year 35,288/34,000	1.03%	21.0
5) Increased intrastate operating expense for budget months based on actual YTD separations factors budget 1,513,680 revised 1,519,980 diff 6,300	-0.19%	-3.9
6) Budgeted Commission Adjustments 529 Revised Commission Adjustments (760) Diff (1,289) (1,289)/34,000	-0.04%	-.8
7) Difference for Revised Rate Base and Capital	-0.20%	-4.1
Revised ROE	15.62%	\$ 73.8

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March 1994
Projection of 1994 Intrastate Results

		Sharing (Mil)	
Budget ROE (Budget Before Sharing)	14.03%	\$ 41.4	
Proformas:			
1) Achieved "stretch" - Actual per books expense less than budget 6,232/34,000	$\begin{array}{r} 448,123 \\ -44,953 \\ \hline 6,230 \end{array}$	0.18%	3.7
2) Stretch for remainder of year (Budgeted as extraordinary) 26,237/34,000		0.77%	15.7
3) Expected Revenues in excess of budget Achieved: 8,127/34,000	$\langle 1,272 \rangle + 10,580 = 2,122$	0.24%	4.9
4) Remainder of excess revenues for year 19,990/34,000		0.59%	12.0
5) Increased intrastate operating expense for budget months based on actual YTD separations factors budget 1,360,653 revised 1,366,144 diff 5,491		-0.16%	-3.2
6) Budgeted Commission Adjustments 529 Revised Commission Adjustments (410) Diff (939) (939)/34,000		-0.03%	-.6
7) Difference for Revised Rate Base and Capital	- .03%	0.14%	2.8
Revised ROE	15.60	15.76%	\$ 76.7

Accrued March, 1994 10.0

Accrued May, 1994 5.0

Rate Base per Feb Survey Report (VE)
 " " " " " " " " " " " "

7/5/94

April 1994
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$41.4
Proformas:		
1) Achieved "stretch" - Actual per books expense less than budget 15,929/34,000	0.47%	9.6
2) Stretch for remainder of year (Budgeted as extraordinary) 16,567/34,000	0.49%	10.0
3) Expected Revenues in excess of budget Achieved: 11,456/34,000	0.34%	6.9
4) Remainder of excess revenues for year 16,661/34,000	0.49%	10.0
5) Increased intrastate operating expense for budget months based on actual YTD separations factors 1,210,207 1,214,234 4,027	-0.12%	-2.4
6) Budgeted Commission Adjustment 529 Revised Commission Adjustment 195 Diff -334 -334/34,000	-0.01%	-0.2
7) Decrease in YTD tax expense [in excess of tax effect of items (1) & (3)] (808)/21,000	0.04%	0.8
8) Increase in tax expense May - Dec [in excess of tax effect of items (2) & (5)] 474/21,000	-0.02%	-0.4
9) Difference for Revised Rate Base and Ca	-0.06%	-1.2
Revised ROE	15.65%	74.5

Note: Tax effect of Item (4) is included in revised budget amounts for May - December

Accrued February, 1994 * 10.0
Accrued May, 1994 5.0

3

May 1994
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$41.4
Proformas:		
1) Achieved "stretch" -- Actual per books expense less than budget ✓17,443/34,000	0.51%	10.4
2) Stretch for remainder of year (Budgeted as extraordinary) ✓15,136/34,000	0.45%	9.2
3) Revenues in excess of budget Achieved: 15,446/34,000	0.45%	9.2
4) Remainder of excess revenues for year 17,386/34,000	0.51%	10.4
5) Increased intrastate operating expense for budget months based on actual YTD separations factors budget 1,058,473 revised 1,064,482 diff 6,009	-0.18%	(3.7)
6) Budgeted Commission Adjustments 529 Revised Commission Adjustments -335 Diff -864 -864/34,000	-0.03%	(0.6)
7) Decrease in YTD tax expense [in excess of tax effect of items (1) & (3)] -841/21,000	0.04%	0.8
8) Increase in tax expense June -- Dec [in excess of tax effect of items (2) & (5)] 917/21,000	-0.04%	(0.8)
9) Difference for Revised Rate Base and Capital	-0.13%	(2.7)
Revised ROE	15.61%	\$73.6

Note: Tax effect of Item (4) is included in revised budget amounts
for June -- December

June 1994
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$41.4
Proformas:		
1) Achieved "stretch" – Actual per books expense less than budget 12,564/34,000	0.37%	7.6
2) Stretch for remainder of year (Budgeted as extraordinary) 10,866/34,000	0.32%	6.5
3) Revenues in excess of budget Achieved: 20,529/34,000	0.60%	12.2
4) Remainder of excess revenues for year 17,588/34,000	0.52%	10.6
5) Increased intrastate operating expense for budget months based on actual YTD separations factors		
budget 912,417		
revised 916,804		
diff 4,387	-0.13%	(2.6)
6) Budgeted Commission Adjustments 529		
Revised Commission Adjustments 557		
Diff 28		
28/34,000	0.00%	0.0
7) Decrease in YTD tax expense [in excess of tax effect of items (1) & (3)] -1,938/21,000	0.09%	1.8
8) Increase in tax expense July – Dec [in excess of tax effect of items (2) & (5)] 5,474/21,000	-0.26%	(5.3)
9) Difference for Revised Rate Base and Capital	-0.36%	(7.3)
Revised ROE	15.18%	\$64.9

Note: Tax effect of Item (4) is included in revised budget amounts
for July – December

5

September 1994 •
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$41.4
Proformas:		
1) Achieved "stretch" – Actual per books expense less than budget 12,536/34,000	0.37%	7.5
2) Stretch for remainder of year (Budgeted as extraordinary) 0/34,000	0.00%	0.0
3) Revenues in excess of budget Achieved: 21,651/34,000	0.64%	13.1
4) Remainder of excess revenues for year 11,466/34,000	0.34%	6.9
5) Increased intrastate operating expense for budget months based on actual YTD separations factors		
budget 758,087		
revised 767,630		
diff 9,543	-0.28%	(5.7)
6) Budgeted Commission Adjustments 529		
Revised Commission Adjustments -370		
Diff -899	-0.03%	(0.6)
-899/34,000		
7) Decrease in YTD tax expense [in excess of tax effect of items (1) & (3)] -1,880/21,000	0.09%	1.8
8) Decrease in tax expense Aug – Dec [in excess of tax effect of items (2) & (5)] -3,920/21,000	0.19%	3.9
9) Difference for Revised Rate Base and Capital	-0.73%	(14.9)
Revised ROE	14.62%	\$53.4

Note: Tax effect of Item (4) is included in revised budget amounts
for Sept – December

- This projection includes combined actuals through August and separated actuals through July.

(L)

October 1994 •
Projection of 1994 Intrastate Results

		Sharing (Mil)
Budget ROE (Budget Before Sharing)	14.03%	\$41.5
Proformas:		
1) Achieved "stretch" – Actual per books expense less than budget 7,122/34,000 12,110	.36 0.21%	4.3
2) Stretch for remainder of year (Budgeted as extraordinary) 0/34,000	0.00%	0.0
3) Revenues in excess of budget Achieved: 22,638/34,000	0.67%	13.7
4) Remainder of excess revenues for year 10,479/34,000	0.31%	6.3
5) Increased intrastate operating expense for budget months based on actual YTD separations factors budget 608,652 revised 609,454 diff 802	-0.02%	(0.4)
6) Budgeted Commission Adjustments 529 Revised Commission Adjustments -889 Diff -1,418 -1,418/34,000	-0.04%	(0.8)
7) Additional Restructure not in budget -23,549/34,000	-0.69%	(14.1)
8) Out of Period Items – NOR(Revenues – Expenses) -10,109/34,000	-0.30%	(6.1)
8) Out of Period Taxes -2,203/21,000	0.10%	2.0
9) Difference for Revised Rate Base and Capital	-0.64%	(13.1)
Revised ROE	13.63%	\$33.3

Note: Tax effect of Item (4) is included in revised budget amounts
for Oct – December

- This projection includes combined actuals through September and separated actuals through August.

7

ACTUALS
1994

SOUTHERN BELL TELEPHONE & TELEGRAPH COMPANY
STATE OF FLORIDA

ACTUALS
YEAR: 1994

38,000
-30,450
7,550

INCOME	COMBINED	INTRASTA	EXCESS REVENUE:
Local Revenues	1,540,045	1,558,397	
Interstate Access Chgs	788,074	0	OVERALL RETURN 8.74%
Intrastate Access Chgs	299,185	299,185	ALLOWED AT 12% 8.44%
Intra-LATA Toll	360,474	360,035	EXCESS 0.30%
Miscellaneous	299,868	289,823	
Uncollectibles	37,100	33,440	
Total Operating Rev	3,259,548	2,451,800	RATE BASE 4,030,815
Depreciation Exp	699,417	503,274	12,178
Other Expense & Taxes	1,881,289	1,470,328	
Total Operating Exp	2,550,608	1,973,602	GROSS UP FACTOR 0.597287
SIT	34,230	18,702	EXCESS REVENUE 20,390
FIT	169,782	109,040	
Total Income Taxes	204,012	127,742	
Net Operating Income	504,548	350,458	
Commission Adj	xxx	1,715	
Adj Net Operating Inc	xxx	352,171	
RATE BASE			
Plant In Service	9,718,214	7,390,549	
Plant Und Constr-ST	42,811	32,402	
Plant Held Ful. Use	227	173	
Cash	xxx	(119,195)	
Depreciation Reserve	4,298,627	3,273,313	
PSC Rate Base Adj.	xxx	0	
Rate Base	5,482,425	4,030,815	
Cost Free Capital	812,388	645,479	
Rate of Return	xxx	8.7374%	

INTRA PER BOOK	Add Back Sharing	Proforma Adjustment	NET
1,548,847	7,550	0	1,558,397
0			0
299,185	0	0	299,185
360,035	0	0	360,035
289,823	0	0	289,823
33,440	0	0	33,440
2,444,250	7,550	0	2,451,800
503,274	0	0	503,274
1,470,328	0	0	1,470,328
1,973,802	0	0	1,973,602
			0
18,800	102	0	18,702
108,433	2,607	0	109,040
125,033	2,709	0	127,742
345,815	4,841	0	350,458
	0	1,715	1,715
345,815		1,715	352,171
7,373,503	0	17,048	7,390,549
32,402			32,402
173			173
(129,303)	10,108	0	(119,195)
3,282,650		10,763	3,273,313
0			0
4,014,225	10,108	6,282	4,030,815
645,479			645,479

15,333
-15,225

COST OF CAPITAL	CAP STRUCTU	C.S.= RATE	(3) % OF TOTA	(4) COST RATE	(5) WEIGHTED COST	(6) WEIGHTED COST @ 12.0%
SHORT TERM DEBT	188,155	185,235	4.59%	4.3200%	0.1983%	
LONG TERM DEBT	1,114,839	1,097,539	27.23%	7.4400%	2.0259%	
EQUITY	2,018,432	1,987,109	49.30%	12.8008%	6.2121%	5.92%
PREFERRED STOCK	0	0	0.00%	0.0000%	0.0000%	
CUSTOMER DEPOSITS	35,888	35,329	0.88%	8.9400%	0.0811%	
COST FREE CAPITAL	645,479	635,481	15.77%	0.0000%	0.0000%	
JDIC	91,358	89,940	2.23%	10.7844%	0.2400%	0.23%
TOTAL CAPITAL	4,094,149	4,030,815	100.00%		8.7374%	8.44%

CAPITAL STRUCTURE FORECAST	INTRA	COST RATE
SHORT TERM DEBT	188,155	4.3200%
LONG TERM DEBT	1,114,839	7.4400%
EQUITY	1,994,905	
	3,297,899	
COST FREE CAPITAL W/O DEPR	645,479	
JDIC	91,358	
CUSTOMER DEPOSITS	35,888	
ACCRUED DIVIDENDS	23,527	

JDIC COST RATE CALC:	%	COST WEIGHTED	WEIGHTED @ 12%
LTD	1,097,539 35.5807%	7.4400%	2.6472%
EQUITY	1,987,109 64.4193%	12.8008%	8.1172%
TOTAL	3,084,648	10.7844%	10.38%

NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE OF BELL SOUTH EXCEPT UNDER WRITTEN AGREE
SOUTHERN BELL PROPRIETARY AND CONFIDENTIAL

Add Back earnings as Boo, ed

ACTUALS 1994			SOUTHERN BELL TELEPHONE & TELEGRAPH COMPANY STATE OF FLORIDA		ACTUALS YEAR: 1994					
INCOME	COMBINED		INTRASTA	EXCESS REVENUE:		INTRA PER BOOK	Add Back Sharing	Proforma Adjustment	NET	
	Local Revenues	1,549,045	1,586,847	1,586,847			1,548,847	38,000	0	1,586,847
Interstate Access Chgs	788,074	0	0		OVERALL RETURN 9.19%	0	0	0	0	
Intrastate Access Chgs	299,185	299,185	299,185			299,185	0	0	299,185	
Intra-LATA Toll	360,474	360,035	360,035		ALLOWED AT 12% 8.44%	360,035	0	0	360,035	
Miscellaneous	299,668	269,823	269,823			269,823	0	0	269,823	
Uncollectibles	37,100	33,440	33,440		EXCESS 0.75%	33,440	0	0	33,440	
Total Operating Rev	3,260,546	2,482,250	2,482,250			2,444,250	38,000	0	2,482,250	
Depreciation Exp	669,417	503,274	503,274		RATE BASE 4,045,840	503,274	0	0	503,274	
Other Expense & Taxes	1,881,209	1,470,328	1,470,328			1,470,328	0	0	1,470,328	
Total Operating Exp	2,550,666	1,973,602	1,973,602		30,419	1,973,602	0	0	1,973,602	
SIT	34,230	19,113	19,113		GROSS UP FACTOR 0.597287	18,600	513	0	19,113	
FIT	169,782	119,554	119,554			108,433	13,121	0	119,554	
Total Income Taxes	204,012	138,668	138,668		EXCESS REVENUE 50,930	125,033	13,633	0	138,668	
Net Operating Income	504,848	369,982	369,982			345,615	24,367	0	369,982	
Commission Adj	xxx	1,715	1,715				0	1,715	1,715	
Adj Net Operating Inc	xxx	371,697	371,697			345,615		1,715	371,697	
RATE BASE										
Plant in Service	9,718,214	7,390,549	7,390,549			7,373,503	0	17,046	7,390,549	
Plant Und Constr-ST	42,811	32,402	32,402			32,402			32,402	
Plant Held Fut. Use	227	173	173			173			173	
Cash	xxx	(103,970)	(103,970)			(129,303)	25,333	0	(103,970)	
Depreciation Reserve	4,298,827	3,273,313	3,273,313			3,262,550		10,763	3,273,313	
PSC Rate Base Adj.	xxx	0	0			0			0	
Rate Base	5,462,425	4,045,840	4,045,840			4,014,225	25,333	6,282	4,045,840	
Cost Free Capital	812,398	645,479	645,479			645,479			645,479	
Rate of Return	xxx	9.1871%	9.1871%							

COST OF CAPITAL	CAP STRUCTU	C.S. = RATE BAS	(3) % OF TOTA	(4) COST RATE	(5) WEIGHTED COST	(6) WEIGHTED COST @ 12.0%
SHORT TERM DEBT	188,155	185,935	4.59%	4.3200%	0.1983%	
LONG TERM DEBT	1,114,839	1,101,684	27.23%	7.4400%	2.0259%	
EQUITY	2,018,432	1,994,615	49.30%	13.4870%	6.8491%	5.92%
PREFERRED STOCK	0	0	0.00%	0.0000%	0.0000%	
CUSTOMER DEPOSITS	35,888	35,463	0.88%	6.9400%	0.0811%	
COST FREE CAPITAL	645,479	637,862	15.77%	0.0000%	0.0000%	
JDIC	91,358	90,280	2.23%	11.3354%	0.2528%	0.23%
TOTAL CAPITAL	4,094,149	4,045,840	100.00%		9.1871%	8.44%

CAPITAL STRUCTURE	INTRA FORECAST	COST RATE
SHORT TERM DEBT	188,155	4.3200%
LONG TERM DEBT	1,114,839	7.4400%
EQUITY	1,994,905	
	3,297,899	
COST FREE CAPITAL W/O DEPR		645,479
JDIC		91,358
CUSTOMER DEPOSITS		35,888
ACCRUED DIVIDENDS		23,527

JDIC COST RATE CALC:				WEIGHTED @ 12%	
		%	COST WEIGHTED		
LTD	1,101,684	35.5807%	7.4400%	2.6472%	
EQUITY	1,994,615	64.4193%	13.4870%	8.6882%	7.73%
TOTAL	3,096,300		11.3354%		10.38%

NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE OF BELL SOUTH EXCEPT UNDER WRITTEN AGREE
SOUTHERN BELL PROPRIETARY AND CONFIDENTIAL

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Sharing as Picked

ACTUALS 1994			SOUTHERN BELL TELEPHONE & TELEGRAPH COMPANY STATE OF FLORIDA		ACTUALS YEAR: 1994		INTRA PER BOOK	Add Back Sharing	Proforma Adjustment	NET
INCOME	COMBINED	INTRASTA	EXCESS REVENUE:							
Local Revenues	1,548,045	1,548,847		OVERALL RETURN	8.64%	1,548,847	0	0	1,548,847	
Interstate Access Chgs	788,074	0				0	0	0	0	
Intrastate Access Chgs	299,185	299,185		ALLOWED AT 12%	8.44%	299,185	0	0	299,185	
Intra-LATA Toll	360,474	360,035				360,035	0	0	360,035	
Miscellaneous	299,868	269,623		EXCESS	0.20%	269,623	0	0	269,623	
Uncollectibles	37,100	33,440				33,440	0	0	33,440	
Total Operating Rev	3,259,546	2,444,250		RATE BASE	4,020,507	2,444,250	0	0	2,444,250	
Depreciation Exp	669,417	503,274				503,274	0	0	503,274	
Other Expense & Taxes	1,861,269	1,470,328				1,470,328	0	0	1,470,328	
Total Operating Exp	2,560,666	1,973,602			8.189	1,973,602	0	0	1,973,602	
SIT	34,230	18,600		GROSS UP FACTOR	0.597267	18,600	0	0	18,600	
FIT	189,782	108,433				108,433	0	0	108,433	
Total Income Taxes	204,012	125,033		EXCESS REVENUE	13,711	125,033	0	0	125,033	
Net Operating Income	604,648	345,615				345,615	0	0	345,615	
Commission Adj	xxx	1,715					0	1,715	1,715	
Adj Net Operating Inc	xxx	347,330				345,615	0	1,715	347,330	
RATE BASE										
Plant In Service	9,718,214	7,390,549				7,373,503	0	17,046	7,390,549	
Plant Und Constr-ST	42,811	32,402				32,402	0	0	32,402	
Plant Held Fut. Use	227	173				173	0	0	173	
Cash	xxx	(129,303)				(129,303)	0	0	(129,303)	
Depreciation Reserve	4,298,627	3,273,313				3,262,550	0	10,763	3,273,313	
PSC Rate Base Adj.	xxx	0				0	0	0	0	
Rate Base	5,462,425	4,020,507				4,014,225	0	6,282	4,020,507	
Cost Free Capital	612,398	645,479				645,479	0	0	645,479	
Rate of Return	xxx	8.6390%								

COST OF CAPITAL	CAP STRUCTU	C.S.= RATE BAS	(3) % OF TOTA	(4) COST RATE	(5) WEIGHTED COST	(6) WEIGHTED COST @ 12.0%	INTRA COST RAT	COST RAT
SHORT TERM DEBT	188,155	184,771	4.59%	4.3200%	0.1883%		188,155	4.3200%
LONG TERM DEBT	1,114,839	1,094,786	27.23%	7.4400%	2.0259%		1,114,839	7.4400%
EQUITY	2,018,432	1,982,128	49.30%	12.4086%	6.1164%	5.92%	1,994,905	
PREFERRED STOCK	0	0	0.00%	0.0000%	0.0000%		3,297,899	
CUSTOMER DEPOSITS	35,886	35,241	0.88%	6.9400%	0.0611%			
COST FREE CAPITAL	645,479	633,868	15.77%	0.0000%	0.0000%			
JDIC	91,358	89,715	2.23%	10.6394%	0.2373%	0.23%		
TOTAL CAPITAL	4,094,149	4,020,507	100.00%		8.6390%	8.44%		

JDIC COST RATE CALC:		%	COST WEIGHTED	WEIGHTED @ 12%
LTD	1,094,786	35.5807%	7.4400%	2.6472%
EQUITY	1,982,128	64.4193%	12.4086%	7.9922%
TOTAL	3,076,912		10.6394%	10.36%

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3

FPSC Staff Audit
1994 Surveillance Report
Item No. 64
September 5, 1995
Page 1 of 1

REQUEST: Please provide the "Schedule of the Regulated & Intrastate Percentages by account for the year 1994".

RESPONSE: The schedule requested is attached as follows:

Page 1: Regulated percents for expense accounts.

Page 2: Intrastate percents for expense accounts.

Page 3: Regulated percents for balance sheet accounts.

Page 4: Intrastate percents for balance sheet accounts.

Note that each account has a regulated percent; however, amounts are separated to interstate and intrastate only at the summary account level. For example, accounts 6112 - 6116 are totaled as summary account 6110, and the total for 6110 is separated to intrastate.

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HQ Private 2645

FLORIDA
1994

ACCOUNT	TOTAL EXPENSES EXCLUDING 6560			NONREG	TOTAL EXPENSES EXCLUDING 6560		REGMR %	TOTAL EXPENSES EXCLUDING 6560	REGMR %
	COMBMR	COMBMR	COMBMR		REGMR	REGMR			
6112	3,662,064.76	1,818,287,120.53		218,662.51	3,443,402.25	1,696,623,429.35	0.940290	0.933089	
6113	1,597,245.58			94,286.47	1,502,959.11		0.940969		
6114	852.00			55.89	796.11		0.934401		
6115	188,140.33			17,345.05	170,795.28		0.907808		
6116	548,130.40			33,065.28	515,065.12		0.939676		
6121	70,700,015.60			2,231,408.03	68,468,607.57		0.968438		
6122	6,504,159.48			427,645.61	6,076,513.87		0.934250		
6123	5,882,343.69			139,546.27	5,742,797.42		0.976277		
6124	83,763,144.92			4,265,741.34	79,497,403.58		0.949074		
6211	27,800,875.93			787.84	27,800,088.09		0.999972		
6212	76,881,540.58			2,350,385.95	74,531,154.63		0.969428		
6215	0.00				0.00				
6220	1,384,480.62				1,384,480.62		1.000000		
6231	307,193.19				307,193.19		1.000000		
6232	50,948,603.62				50,948,603.62		1.000000		
6311	1,052,403.81			1,067.42	1,051,336.39		0.998986		
6341	44,174.67			0.00	44,174.67		1.000000		
6351	13,600,402.00				13,600,402.00		1.000000		
6362	71,406,110.82			45,823,093.97	25,583,016.85		0.358275		
6411	10,424,921.57				10,424,921.57		1.000000		
6421	65,585,579.14				65,585,579.14		1.000000		
6422	19,335,547.85				19,335,547.85		1.000000		
6423	162,107,332.60				162,107,332.60		1.000000		
6424	88,275.40				88,275.40		1.000000		
6426	1,424,875.70				1,424,875.70		1.000000		
6431	0.00				0.00				
6441	3,378,028.97				3,378,028.97		1.000000		
6511	5,177.83			184.77	4,993.06		0.964315		
6512	2,314,826.13			138,937.79	2,175,888.34		0.939979		
6531	10,795,875.74			85,237.31	10,710,638.43		0.992105		
6532	25,010,355.47			761,516.13	24,248,839.34		0.969552		
6533	78,384,400.46			17,427,189.26	60,957,211.20		0.777670		
6534	92,014,802.42			8,425,721.19	83,589,081.23		0.908431		
6535	74,600,144.86			741,732.20	73,858,412.66		0.990057		
6540	10,019,905.89				10,019,905.89		1.000000		
6561	686,032,327.34			7,004,164.00	679,028,163.34		0.989790		
6562	0.00			0.00	0.00				
6563	2,563,596.98			159,257.30	2,404,339.68		0.937877		
6564	0.00				0.00				
6565	3,840,264.76			170,722.46	3,669,542.30		0.955544		
6611	24,246,765.04			3,890,494.66	20,356,270.38		0.839546		
6612	75,660,854.19			1,158,296.45	74,502,557.74		0.984691		
6613	16,692,436.80			946,871.01	15,745,565.79		0.943275		
6621	21,137,441.22			0.00	21,137,441.22		1.000000		
6622	61,865,524.95				61,865,524.95		1.000000		
6623	279,098,995.95			9,822,895.32	269,276,100.63		0.964805		
6711	8,306,632.40			477,558.50	7,829,073.90		0.942509		
6712	4,032,444.36			243,618.42	3,788,825.94		0.939585		
6721	36,825,925.90			1,565,159.06	35,260,766.84		0.957498		
6722	21,918,161.20			473,991.31	21,444,169.89		0.978374		
6723	36,702,210.66			2,705,119.75	33,997,090.91		0.926295		
6724	112,768,981.94			6,225,312.59	106,543,669.35		0.944796		
6725	17,195,415.20			5,160,990.43	12,034,424.77		0.699862		
6726	9,441,240.18			450,403.93	8,990,836.25		0.952294		
6727	8,806,832.42			167,308.90	8,639,523.52		0.981002		
6728	111,804,414.09			5,192,060.57	106,612,353.52		0.953561		
6790	20,912.00				20,912.00		1.000000		
7110	0.00				0.00				
7140	0.00				0.00				
7150	(185,766.25)			(5,837.74)	(179,928.51)		0.968575		
7160	(43,492.49)			418.46	(43,910.95)		1.009621		
7210	(14,355,232.00)			(84,282.00)	(14,270,950.00)		0.994129		
7220	222,550,448.00			(13,064,350.10)	235,614,798.10		1.058703		
7230	37,708,848.00			(2,031,829.75)	39,740,677.75		1.053882		
7240	175,489,393.78			1,092,566.02	174,396,827.76		0.993774		
7250	(16,639,922.00)			1,096,578.50	(17,736,500.50)		1.065900		
7310	(3.76)			(3.76)	0.00		0.000000		
7320	(310,880.34)			(310,880.34)	0.00		0.000000		
7340	(2,272,641.56)			(48,011.19)	(2,224,630.37)		0.978874		
7350	(102,480.00)				(102,480.00)		1.000000		
7360	(431,959.30)			(431,959.30)	0.00		0.000000		
7370	28,483,398.42			20,508,089.76	7,975,308.66		0.279998		

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2

Regulated Parents personal funds.

FLORIDA
1994

ACCOUNT	REGMR	TOTAL EXPENSES EXCLUDING 6560	INTERSTATE	TOTAL EXPENSES EXCLUDING 6560	TOTAL EXPENSES EXCLUDING 6560		
		REGMR		INTRAMR	INTRAMR%	INTRAMR%	
Summary 6110	5,633,017.87	1,696,623,429.35	1,181,889.00	4,451,128.87	1,332,631,949.35	0.790185	0.785461
6112	3,443,402.25						
6113	1,502,959.11						
6114	796.11						
6115	170,795.28						
6116	515,065.12						
Summary 6120	159,785,322.44		33,538,619.00	126,246,703.44		0.790102	$\frac{40-1}{2-1}$
6121	68,468,607.57						
6122	6,076,513.87						
6123	5,742,797.42						
6124	79,497,403.58						
Summary 6210	102,331,242.72		24,154,967.00	78,176,275.72		0.763953	
6211	27,800,088.09						
6212	74,531,154.63						
6215	0.00						
Summary 6220	1,384,480.62		333,764.00	1,050,716.62		0.758925	
6220	1,384,480.62						
Summary 6230	51,255,796.81		12,114,708.00	39,141,088.81		0.763642	
6231	307,193.19						
6232	50,948,603.62						
Summary 6310	40,278,929.91		10,357,338.00	29,921,591.91		0.742860	
6311	1,051,336.39						
6341	44,174.67						
6351	13,600,402.00						
6362	25,583,016.85						
Summary 6410	262,344,561.23		66,009,547.00	196,335,014.23		0.748388	$\frac{40-1}{2-1}$
6411	10,424,921.57						
6421	65,585,579.14						
6422	19,335,547.85						
6423	162,107,332.60						
6424	88,275.40						
6428	1,424,875.70						
6431	0.00						
6441	3,378,028.97						
Summary 6510	2,180,881.40		510,534.00	1,670,347.40		0.765905	
6511	4,993.06						
6512	2,175,888.34						
Summary 6530	253,364,182.86		62,110,466.00	191,253,716.86		0.754857	
6531	10,710,638.43						
6532	24,248,839.34						
6533	60,957,211.20						
6534	83,589,081.23						
6535	73,858,412.66						
Summary 6540	10,019,905.89		0.00	10,019,905.89		1.000000	
6540	10,019,905.89						
Summary 6560	685,102,045.32		166,142,919.00	518,959,126.32		0.757192	$\frac{40-1}{2-1}$
6561	679,028,163.34						
6562	0.00						
6563	2,404,339.88						
6564	0.00						
6565	3,669,542.30						
Summary 6610	110,604,393.91		30,791,097.00	79,813,296.91		0.721611	
6611	20,356,270.38						
6612	74,502,557.74						
6613	15,745,565.79						
Summary 6620	352,279,068.80		50,368,122.00	301,890,944.80		0.856965	
6621	21,137,441.22						
6622	61,865,524.95						
6623	269,276,100.63						
Summary 6710	11,617,899.84		2,440,848.00	9,177,051.84		0.789906	
6711	7,829,073.90						
6712	3,788,825.94						
Summary 6720	333,522,835.05		70,059,581.00	263,463,254.05		0.789941	$\frac{40-1}{2-1}$
6721	35,260,766.84						
6722	21,444,169.89						
6723	33,997,090.91						
6724	106,543,669.35						
6725	12,034,424.77						
6726	8,990,836.25						
6727	8,639,523.52						
6728	106,612,353.52						
Summary 6790	20,912.00		0.00	20,912.00		1.000000	
6790	20,912.00						
7210	(14,270,950.00)		(3,474,829.00)	(10,796,121.00)		0.756510	
7220	235,614,798.10		86,439,768.00	149,175,030.10		0.633131	
7230	39,740,677.75		17,804,027.00	21,936,650.75		0.551995	
7240	174,396,827.76		34,077,178.00	140,319,651.76		0.804800	
7250	(17,736,500.50)		(4,115,065.00)	(13,621,435.50)		0.767989	
7310	0.00						
7320	0.00						
7340	(2,224,630.37)		(538,290.00)	(1,686,340.37)		0.758032	
7350	(102,480.00)		24,705.00	(127,185.00)		1.241071	
7360	0.00						
7370	7,975,308.66		678,035.00	7,297,273.66		0.914983	

Interstate rate per cents for expenses

30

FLORIDA
1994

ACCOUNT	COMBMR	TOTAL 2001 COMBMR	NONREG	REGMR	TOTAL 2001 REGMR	REGMR %	TOTAL 2001 REGMR %
1220	65,474,017.14	9,809,563,514.67	1,678,861.77	63,795,155.37	9,714,229,690.02	0.974358	0.990282
2111	49,905,988.86		1,770,037.11	48,135,951.75		0.964533	
2112	50,992,167.13		5,746,006.33	45,246,160.80		0.887316	
2113	0.00		0.00	0.00			
2114	167.83		20.69	147.14		0.876720	
2115	1,766,195.79		162,402.24	1,603,793.55		0.908050	
2116	90,398,895.87		7,255,200.31	83,143,695.56		0.919742	
2121	690,863,038.18		22,599,867.38	668,263,170.80		0.967287	
2122	14,281,946.12		888,638.81	13,393,307.31		0.937779	
2123	34,650,845.49		968,495.28	33,682,350.21		0.972050	
2124	364,300,496.12		20,187,971.35	344,112,524.77		0.944584	
2211	448,362,271.47		110.20	448,362,161.27		1.000000	
2212	1,178,584,372.37		28,272,857.20	1,150,311,515.17		0.976011	
2215	2,481.26			2,481.26		1.000000	
2220	44,167,135.01			44,167,135.01		1.000000	
2231	4,776,991.09			4,776,991.09		1.000000	
2232	1,922,248,664.56			1,922,248,664.56		1.000000	
2311	330,424.79		0.00	330,424.79		1.000000	
2321	0.00			0.00			
2341	7,698,849.60		1,070.01	7,697,779.59		0.999861	
2351	59,660,554.14		0.00	59,660,554.14		1.000000	
2362	101,394,331.53		6,112,537.75	95,281,793.78		0.939715	
2411	132,880,493.26			132,880,493.26		1.000000	
2421	692,023,132.79			692,023,132.79		1.000000	
2422	902,099,599.54			902,099,599.54		1.000000	
2423	2,282,173,738.23			2,282,173,738.23		1.000000	
2424	9,711,235.32			9,711,235.32		1.000000	
2426	42,305,100.62			42,305,100.62		1.000000	
2431	0.00			0.00			
2441	663,545,839.61			663,545,839.61		1.000000	
2681	6,177,780.91		320,148.65	5,857,632.26		0.948177	
2682	14,260,777.18		1,048,461.34	13,212,315.84		0.926479	
2690	0.00			0.00			
3100	(4,259,437,317.53)		(34,672,574.65)	(4,224,764,742.88)		0.991860	
3200	0.00		0.00	0.00			
3300	(6,617,283.33)		(215,640.54)	(6,401,642.79)		0.967413	
3410	(3,748,188.54)		(205,319.00)	(3,542,869.54)		0.945222	
3420	(9,421,185.36)		(626,343.35)	(8,794,842.01)		0.933518	
3500	0.00			0.00			
4010	(48,239,527.92)			(48,239,527.92)		1.000000	
4020	0.00			0.00			
4030	(75,928,623.90)			(75,928,623.90)		1.000000	
4040	(35,886,050.65)		(969,063.48)	(34,916,987.17)		0.972996	
4050	0.00			0.00			
4060	0.00			0.00			
4070	(313,097,960.04)			(313,097,960.04)		1.000000	
4080	(64,939,448.40)			(64,939,448.40)		1.000000	
4100	1,443,505.96		304,604.85	1,138,901.11		0.788983	
4110	76.50			76.50		1.000000	
4120	(61,981,477.38)		(30,320,197.31)	(31,661,280.07)		0.510818	
4130	(1,291.93)			(1,291.93)		1.000000	
4210	0.00			0.00			
4220	0.00			0.00			
4230	0.00			0.00			
4250	0.00			0.00			
4260	0.00			0.00			
4270	0.00			0.00			
4310	0.00		0.00	0.00			
4320	(117,143,748.62)		(496,148.37)	(116,647,600.25)		0.995765	
4330	0.00			0.00			
4340	(844,819,816.19)		(3,163,601.43)	(841,656,014.76)		0.996255	
4341	50,283,374.38			50,283,374.38		1.000000	
4350	600,731.25			600,731.25		1.000000	
4360	(757,698.27)		(107,510,315.78)	106,752,617.51		-140.890671	
4361	(95,254,137.67)			(95,254,137.67)		1.000000	
4370	3,729,136.08			3,729,136.08		1.000000	

...into 3 percent for E/S

(4)

FLORIDA
1994

ACCOUNT	REGMR	TOTAL 2001 REGMR	INTERSTATE	INTRASTATE	TOTAL 2001 INTRASTATE	INTRA %	TOTAL 2001 INTRA %
1220	63,795,155.37		16,023,903.92	47,771,251.45		0.748823	
Summary 2110	1,237,581,101.89	9,714,229,690.02	259,627,488.00	977,953,613.89	7,371,518,623.68	0.790214	0.758837
2111	48,135,951.75						
2112	45,246,160.80						
2113	0.00						
2114	147.14						
2115	1,603,793.55						
2116	83,143,695.56						
2121	668,263,170.80						
2122	13,393,307.31						
2123	33,682,350.21						
2124	344,112,524.77						
Summary 2210	1,598,676,157.70		283,075,444.00	1,315,600,713.70		0.822931	
2211	448,362,161.27						
2212	1,150,311,515.17						
2215	2,481.26						
Summary 2220	44,167,135.01		5,537,603.17	38,629,531.84		0.874622	
2220	44,167,135.01						
Summary 2230	1,927,025,655.65		560,782,463.00	1,366,243,192.65		0.708991	
2231	4,776,991.09						
2232	1,922,248,664.56						
Summary 2310	162,970,552.30		41,015,192.00	121,955,360.30		0.748328	
2311	330,424.79						
2321	0.00						
2341	7,697,779.59						
2351	59,660,554.14						
2362	95,281,793.78						
Summary 2410	4,724,739,139.37		1,188,678,848.00	3,536,060,291.37		0.748414	
2411	132,880,493.26						
2421	692,023,132.79						
2422	902,099,599.54						
2423	2,282,173,738.23						
2424	9,711,235.32						
2426	42,305,100.62						
2431	0.00						
2441	663,545,839.61						
Summary 2680	19,069,948.10		3,994,028.17	15,075,919.93		0.790559	
2681	5,857,632.26						
2682	13,212,315.84						
Summary 2690	0.00		0.00	0.00			
2690	0.00						
Summary 3100	(4,237,102,454.43)		(1,034,076,877.00)	(3,203,025,577.43)		0.755947	
3100	(4,224,764,742.88)						
3200	0.00		0.00	0.00			
3300	(6,401,642.79)						
3410	(3,542,869.54)						
3420	(8,794,842.01)						
3500	0.00						
3600	0.00						
4100/4340	(840,517,113.65)		(197,317,077)	(643,200,036.65)		0.765243	
4100	1,138,901.11						
4110	76.50						
4120	(31,661,280.07)						
4130	(1,291.93)						
4310	0.00						
4320	(116,647,600.25)						
4330	0.00						
4340	(841,656,014.76)						
4341	50,283,374.38						
4350	600,731.25						
4360	106,752,617.51						
4361	(95,254,137.67)						
4370	3,729,136.08						

Interstate % is 6.5

(5)

<p>(2) See WP 15-1 for explanation of these acc'ts.</p>						15-1
						6

FPSC Staff Audit
1994 Surveillance Report
Item No. 83
September 19, 1995
Page 1 of 1

REQUEST:

Please answer the attached questions.

- (1) Accounts missing from the Regulated Percents Schedule: 6120, 6410, 6720.
- (2) Provide the account for the Florida Intra Percent of 75.6127% used to separate the Bellcore Investment.
- (3) Provide the account used to derive the percents to separate the Excess Plug-In Units Adjustment.

RESPONSE:

- (1) Accounts 6120, 6410, and 6720 are summary level accounts. They do not have any activity, therefore, they do not have a regulated percent. They are shown on the second page (intrastate percents) because intrastate amounts are calculated only at the summary account level. For instance, the regulated amounts for accounts 6121, 6122, 6123, and 6124 are added together to get the summary account 6120 total, which is then separated to interstate and intrastate.
- (2) The Florida intrastate percent of 75.6127% used to separate the Bellcore investment is based on the average net investment for the year. This can be seen from the schedule attached by taking the intrastate amount for Line 18, Net Book Cost, divided by the Combined amount for Line 18. We have not applied a nonregulated percent because the Bellcore investment is not applicable to nonregulated operations.
- (3) The Regulated and Intrastate percents used to separate the Excess Plug-In Units adjustment are based on the average 2200 accounts (Central Office Equipment). These are shown on the schedule for average net investment provided in (2) above, Lines 2, 3, and 4.

**THIS PAGE WAS A COPY OF EXTERNAL AUDITORS'
WORKPAPERS**

REMOVED AS PROPRIETARY AND CONFIDENTIAL DATA

21-1 p2

574502L

(Please Use Ball Point Pen - Press Hard)

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Patte Klein

UTILITY: BSJ

FROM: Ruth Young
(AUDIT MANAGER)

K. Ulele
(AUDITOR PREPARING REQUEST)

REQUEST NUMBER: 38

DATE OF REQUEST: 8/3/95

AUDIT PURPOSE: Surveillance

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY 8/14/95
(DATE)

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:

- INCIDENT TO AN INQUIRY
- OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Provide entry under in second quarter
to record discontinuance of SPAS 1/1

TO: AUDIT MANAGER Ruth Young DATE 8/4/95

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY. Federal Express to Miami
- (2) CANNOT BE PROVIDED IN THREE (3) WORK DAYS BUT WILL BE MADE AVAILABLE BY _____.
- (3) AND IN MY OPINION, THE MATERIAL IN ITEM NOS. _____ IS PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

Patricia D Klein Manager
SIGNATURE AND TITLE OF RESPONDENT

DISTRIBUTION:
Written Utility Complete and Return to Auditor
One to FPSC Analyst
One to FPSC Audit File Copy
One to Utility Branch

(1)

FPSC Staff Audit
1994 Surveillance Report
Item No. 38
August 3, 1995
Page 1 of 1

REQUEST: Provide entry made in second quarter to record discontinuance of SFAS 71.

RESPONSE: Attached is a copy of the FR Adjustment for SFAS 101 (Accounting for the Discontinuation of SFAS 71), showing both the income statement and balance sheet entries. These amounts are treated as nonregulated entries for purposes of regulated reports, such as the Florida Surveillance Report.

BellSouth announces move to prepare itself for competition

Staff and wire reports

BellSouth Corp. will change its accounting practices to prepare for the day when it faces more competition in local telephone service, a decision that will result in a \$2.7 billion charge against second-quarter earnings.

The charge, announced Friday, covers capital and assets the company is depreciating faster than it would if it maintained its books as a monopoly business.

BellSouth is the fourth of the seven regional Bell operating companies to make the change in accounting methods. All local phone companies expect to soon face more competition because of changing technology and regulations.

By coincidence, also on Friday, Teleport Communications Group notified the Florida Public Service Commission of

"This change won't have any adverse effect on our cash flow, credit rating or dividend policy. I will not be writing a check for this charge."

— Ronald M. Dykes, BellSouth vice president

its intention to provide local telephone service in South Florida and compete with Southern Bell.

New York-based TCG's request to become a competitive local exchange carrier (ComLEC) would take effect Jan. 1, 1996, when TCG would be able to compete with Southern Bell for a full range of local telecommunications services. The move is possible under new Florida legislation that permits competition for local telephone services.

"For the consumer, this translates into a future of choice which will lead to re-

duced prices, greater attentiveness to customer needs, improved service quality, and new growth for the local economy," said Graham Taylor, vice president for TCG's South Florida fiber-optic network.

BellSouth said it would take the \$2.7 billion non-cash charge in the second quarter to bring its accounting methods in line with non-regulated companies.

The charge, for adjusting the depreciation value of equipment and facilities, won't affect earnings, the regional Bell company said.

BellSouth, the largest of the seven regional Bell telephone companies, expects 1995 earnings of about \$4.45 a share before the charge, in line with Wall Street estimates, Ronald M. Dykes, BellSouth vice president and chief financial officer, said. The second-quarter charge will amount to \$5.47 per share, the company said.

"This change won't have any adverse effect on our cash flow, credit rating or dividend policy," Dykes said. "I will not be writing a check for this charge."

Instead, BellSouth's equipment assets will be depreciated quicker than if the company was regulated in the utility-type fashion in which federal regulators have treated the Bells since AT&T was broken up in 1984.

That means the life of a telephone cable, which BellSouth has historically had

to pay depreciation costs on for 25 years, can be ratcheted down to 12 years, for example.

Dykes said BellSouth will probably report a net loss of \$2.2 billion on its second-quarter earnings statement. That will be offset by about \$500 million in operating income, he said.

Analysts' opinion of BellSouth's health weren't swayed by the news.

"We continue to rate BellSouth attractive," PaineWebber analyst Richard Klugman said in a research report. "[They] have the fastest [phone] line growth among the [Bells], and low exposure to competitive risk compared to other [Bells]."

Information from Bloomberg Business News was used to supplement this report.

See Reg 38

for when adjusted

21-3

2 The company tax contingency column 13 of the company's schedule of Cash Working Capital Disallowances changed for the month of December 1994 because a payment had been omitted from the worksheet provided to the tax officer. This adjustment increased the total average tax contingency by \$17,246. This amount was allocated to the utility cash working capital using the Regulated %, State%, and Intrastate % from the working capital printouts. Staff's calculation follows:

$$\frac{17,246}{113,743} = 15.16\%$$

24-3

The company revised Cash Working Capital Disallowance schedule indicates that the correct NQDP amount to be removed from Southern Bell Cash Working Capital is \$123,761,122. A compilation of BellSouth's general ledger confirmed this. The difference in the twelve months average for the NQDP disallowance is \$72,113,743. This amount was allocated to the utility cash working capital using the Regulated %, State% and intrastate % from the working capital printouts.

1 The total average Non-Qualified Deferred Plan (NQDP) on Column 3 of \$195,874,866 on the company's schedule of Cash Working Capital Disallowances included subaccounts of account 4310 Other Long Term Liabilities related to the Supplemental Executive Retirement Plan (SERP), Management Savings Plan (MSP) and Shareholders Retirement Cash Plan (SRCP) that were not interest bearing. The total average Non-Qualified Deferred Plan (NQDP) on Column 3 should only have amounts from account 4310 5100-5400.

The reasons why Cash Working Capital changed from \$177,074,126 to \$189,832,029 are due to the following:

In June 1995, the company prepared a revised Cash Working Capital Analysis for 12 month period ending December 31, 1994. The revision has caused Florida Intrastate Cash Working Capital to increase by (\$12,757,909) from (\$177,074,126) to (\$189,832,029). The allowance for cash working capital was revised to reflect the adjustments made to correct deferred compensation liability and ad-valorem tax contingency reported on the Cash Working Capital Disallowances Schedule.

The intrastate and intrastate %s are worked from the data on the 12 months Average Net Investment report with all FRS.

The Monthly detail of accounts used to calculate the working capital allowance was agreed to FI general ledger (24-1). The Cash Working Capital Disallowances were recalculated and supporting documentation were reviewed. See work paper (24-1/2P1) The Specific Adjustments which consist of Florida Casualty Damage Reserve (2) FI-Intra-Overearnings (3) Lawsuit were traced to the general ledger and supporting documentation. (WP 24-1/2P2) The working capital allowance consists of Cash Working Capital (CWC), Florida Specific Adjustments less account 1220 Materials & Supplies.

Prior to auditing working capital, staff reviewed the computation of the allowance for working capital in prior audits and in the DORPS. The company used the same method to compute the allowance for working capital that was used in the last rate case (Docket 920260-TL, AFAD # 93-193-4-1). The following describes audit work done on working capital allowance:

Company Southern Bell
 Title Cash Working Capital
 Period 12 Months Ended December 31, 1994
 Auditor Raymond Grant
 WP 24
 Date 8-21-95

Raymond Grant
 9/28/95

Company: Southern Bell
 Title: Cash Working Capital
 Period: 12 Months Ended December 31, 1994
 Auditor: Raymond Grant
 WP: 24
 Date: 8-21-95

Handwritten: 9/14/95

	Combined	Interstate	Intrastate
CWC	(\$193,991,467)	(\$47,351,739)	(\$146,639,728)
FLORIDA SPECIFIC ADJUSTMENTS			
Casualty Damage Reserve	$\frac{24-1}{2} P_2$ (\$5,000,000)	$\frac{24-1}{1} P_2$ (\$5,000,000)	
Intra Overearnings	(\$25,333,333)		(\$25,333,333)
Lawsuit	(\$133,700)	(\$32,635)	(\$101,065)
Adj. CWC	(\$224,458,500)		(\$177,074,126)
% Interlata	10.12550%		(\$17,929,641)
% Interlata	9.99770%		(\$17,703,340)
% Interlata = 353,608,990/3,492,250,303 % Interlata = 349,143,805/3,492,250,303			

Lex

Accout 1220	(\$224,458,500)	(\$177,074,126)
	$\frac{24-2}{1}$ \$63,795,155	$\frac{24-2}{1}$ \$47,771,251
Working Capital Allowance	(\$160,663,345)	(\$129,302,875)

Revised Cash Working Capital

CWC	(\$210,869,051)	(\$159,397,631)
FLORIDA SPECIFIC ADJUSTMENTS		
Casualty Damage Reserve	$\frac{24-2}{1}$ (\$5,000,000)	$\frac{24-2}{1}$ (\$5,000,000)
Intra Overearnings	(\$25,333,333)	(\$25,333,333)
Lawsuit	(\$133,700)	(\$32,635)
Adj. CWC	(\$241,336,084)	(\$189,832,029)
% Interlata	10.12550%	(\$19,221,442)
% Interlata	9.99770%	(\$18,978,837)
% Interlata = 353,608,990/3,492,250,303 % Interlata = 349,143,805/3,492,250,303		

Accout 1220	(\$241,336,084)	(\$189,832,029)
	$\frac{24-2}{1}$ \$63,795,155	\$47,771,251
Revised Working Capital Allowance	(\$177,540,929)	(\$142,060,778)

Source: Company's ... Sch.

The interlata and intrastate are computed from the data over 12 month average net investment Report.

24 p2

11-Mar-95
02:31 PM

CASH WORKING CAPITAL DISALLOWANCES
12 Month Average

1994
avg

AVG	(1) CO LAWSUIT REIM 4010.695 + 1350.5	(2) CO INTEREST BEARING LIAB 4310.9 BAL	(3) CO NQOP BSTCOMBFR 4310.61-5520 4310.67-5800	(4) CO INTER DEFERRAL 4360.98.99 FR#14+FR#27	(5) CO STATE DEF. EXP 1439.9900 JD# 14	(6) CO INTRA OVER-EARN 4010.6920 FR# 12	(7) CO INCENTIVE REG SHRNG 4360.9800 FR# 22	(8) CO TN-BELLBOY & OTHER 1439.99,4310.9 JD# 2	(9) CO CONTINGENCY 4120.1 & 9 FR # 4	(10) CO LPSC RECOVERY 1439.9900 JD# 15	(11) CO MS-CAS DMG RSVE 4360.9900 JD# 17	(12) CO-SC CASUALTY DMG RSVE 4310.8000 JD# 17	(13) CO TAX CONTGCY 4040.1000	(14) CO LAWSUIT 4010.6910
DEC93	972,320	(2,191,947)	(187,543,676)	(45,557,271)	2,365,546	0	(9,311,000)	0	(16,103,945)	736,912	0	0	(16,208,072)	0
JAN94	843,342	(2,180,947)	(180,485,406)	(44,539,938)	1,027,675	0	(9,311,000)	0	(16,103,945)	736,921	0	0	(16,297,578)	0
FEB94	829,604	(2,127,273)	(182,391,172)	(43,522,805)	837,885	0	(9,311,000)	0	(16,103,945)	736,921	0	0	(13,001,393)	0
MAR94	826,304	(2,127,273)	(185,301,018)	(57,505,272)	648,095	0	(9,311,000)	0	(16,439,945)	736,921	0	0	(10,797,134)	0
APR94	2,573,123	(2,127,273)	(188,298,340)	(58,487,939)	458,305	0	(9,311,000)	0	(16,439,945)	736,921	0	0	(10,886,639)	0
MAY94	1,453,584	(2,127,273)	(191,058,842)	(85,170,808)	288,515	(7,100,000)	(9,311,000)	0	(16,439,945)	736,921	0	0	(10,976,145)	0
JUN94	1,240,097	(2,127,273)	(198,783,014)	(108,953,288)	78,725	(36,100,000)	(9,311,000)	0	(16,439,945)	736,921	0	0	(8,158,732)	0
JUL94	1,184,117	(2,127,273)	(201,193,839)	(115,239,018)	(111,065)	(41,700,000)	(9,311,000)	(8,154,625)	(16,439,945)	736,921	(5,673,641)	0	(8,248,238)	0
AUG94	1,157,080	(2,127,273)	(204,124,395)	(123,524,787)	(300,855)	(47,300,000)	(9,311,000)	(8,038,500)	(16,439,945)	736,921	(5,673,641)	0	(8,337,744)	0
SEP94	1,147,246	(2,127,273)	(203,665,828)	(142,283,516)	(490,845)	(50,100,000)	(9,311,000)	(5,809,568)	(20,080,337)	736,921	(5,673,641)	0	(8,427,250)	0
OCT94	1,143,061	(2,127,273)	(208,427,833)	(181,319,791)	(680,435)	(52,900,000)	(9,311,000)	(5,501,853)	(20,080,337)	736,921	(5,673,641)	0	(8,516,755)	0
NOV94	1,138,657	(2,127,273)	(209,288,175)	(171,641,778)	(870,225)	(32,500,000)	(9,311,000)	(5,394,138)	(20,080,337)	736,921	(5,673,641)	0	(8,606,261)	(20,000,000)
DEC94	1,177,880	(2,127,273)	(211,821,795)	(183,229,627)	(736,925)	(27,495,000)	(9,311,000)	(5,288,423)	(27,823,780)	736,921	(5,673,641)	(833,333)	(9,101,214)	(20,000,000)
	✓ 1,215,758	✓ (2,134,441)	✓ (195,874,868)	✓ (99,381,825)	✓ 140,024	✓ (23,453,958)	✓ (9,311,000)	✓ (2,811,825)	✓ (17,746,036)	✓ 736,921	✓ (2,600,419)	✓ (34,722)	✓ (10,409,043)	✓ (2,500,000)

24-1
2-2

TOTAL DISALLOWANCE (COMPANY AND FLORIDA) ~~44~~ (394,434,184) ^(A)
FLORIDA SPECIFIC P-2 (30,434,398) ^(A)

24-1

E ← P1 + P2 394,434,184 ^(A)

24-1

AS FILED

AVG	(1) FL CASUALTY DMG RSVE 4310.8000 JD# 17	(2) FL-INTRA OVER EARN 4120.8200 4010.6920 FR# 12	(3) FL LAWSUIT 4010.6920 ✓
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6728.200

	(1) FL	(2) FL-INTRA	(3) FL
DEC93	0	0	0
JAN94	(833,333)	0	0
FEB94	(1,666,666)	0	0
MAR94	(2,500,000)	(10,000,000)	0
APR94	(3,333,333)	(10,000,000)	0
MAY94	(4,166,666)	(15,000,000)	0
JUN94	(5,000,000)	(30,000,000)	0
JUL94	(5,833,333)	(35,000,000)	0
AUG94	(6,666,667)	(40,000,000)	0
SEP94	(7,500,000)	(45,000,000)	0
OCT94	(8,333,334)	(50,000,000)	0
NOV94	(9,166,667)	(50,000,000)	0
DEC94	(10,000,001)	(38,000,000)	(3,250,000)
	(5,000,000)	(25,333,333)	(135,417)

FLA-REG 4,619,997,476
 FLA-BOOKED 4,679,323,779
 98.7321608%
 FLA-INTRA 75.5908133%

FLA-SPECIFIC CWC		
FLA. COMB	(30,333,333)	(135,417)
FLA. REG	(30,333,333)	(133,700)
FLA. INTRA	(30,333,333)	(101,065)
FLA TOTAL	(30,434,398)	

P1

24

AS FILED

Southern Bell Tel. & Tel. Co.
 FPSC Docket No. 920260-77
 Public Counsel's
 Fifth Set of Interrogatories
 April 14, 1995
 Item No. 46j
 page 1 of 5

REQUEST: The following questions relate to the Company's response to
 OPC's First Production of Documents, Item No. 2 - the detailed
 workpapers supporting the 1994 Surveillance Report:

- j. Refer to the cash working capital (15951). On this
 schedule, the Company identifies certain liability accounts
 which are not considered in the cash working capital
 allowance. Explain in detail the basis for each liability
 account in columns 1 through 14.
- i. In column 3, the Company lists balances in two accounts
 and identifies those balances as the NQDP. Assuming
 these balances relate to a non-qualified deferred
 compensation plan, identify the specific accounting
 treatment that the Company follows in recording the
 liability for non-qualified deferred compensation. In
 other words, is this a separate charge to wage and
 salary expense above and beyond normal wages and
 salaries or is this a charge to accrued wages and a
 credit to this liability account?
 - (1) Please explain the rationale for excluding this
 liability in the computation of the cash working
 capital allowance and identify the specific
 Commission Order and page number which allowed the
 Company to remove this liability in the computation
 of the cash working capital allowance.
 - (2) To the extent that this deferred compensation plan
 resulted in a tax timing difference and thus a
 deferred income tax charge, show how the total
 Company liability of \$195,874,866 apparently yields
 a deferred income tax charge of \$7,212,732 shown on
 15962 in the capital structure workpapers.

RESPONSE: On the cash working capital schedule (15951) the following
 liabilities are excluded from the cash working capital
 computation:

Column (1) - Co. Lawsuit reimbursement - A/C 4010.6950 + A/C 1350.5000

A/C 4010.6950 and A/C 1350.5000 were set up for Special Florida
 refunds. Amounts in these accounts are related to refunds to
 customers due to the Attorney General investigation. All amounts
 related to this investigation are excluded from regulation.

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260-TL
Public Counselor's
Fifth Set of Interrogatories
April 14, 1995
Item No. 46j
Page 2 of 5

Column (2) - Co Interest Bearing Liability - A/C 4310

A/C 4310.9000 is other long term debt-other. The amounts being excluded here are antitrust liability and the interest on that liability. Interest bearing amounts are excluded from cash working capital.

Column (3) - Co NQDF - A/C 4310-5100 - 5520, 5700-5800

A/C 4310.5100-Executive/Key manager Nonqualified Deferred Compensation Plan
A/C 4310.5200-Executive/Key Manager Nonqualified Deferred Income Plan
A/C 4310.5300-Board of Directors Nonqualified Deferred Compensation Plan
A/C 4310.5400-Board of Directors Deferred Compensation Plan
A/C 4310.5500-Supplemental Executive Retirement Plan
A/C 4310.5700-Management Savings Plan Match Recovery
A/C 4310.5800-Shareholders Return Cash Plan

Amounts in these accounts were excluded from cash working capital because they are interest bearing. Upon further investigation it has been determined that the amounts for A/C 4310.5500, 5700 and 5800 should not have been excluded from cash working capital and will be revised in the final December 31, 1994 Surveillance Report.

Column (4) - Co InterDeferral - A/C 4360.9800, 9900 FR#14 & FR#27

Account 4360.9800 and 9900 are other deferred credits - miscellaneous revenue and disbursements. The amounts in FR#14 are for interstate overearnings and the amounts in FR#27 are for 1991 revenues under price cap regulation. Since these amounts are 100% interstate they are being excluded from the allocation to Company Regulated, Florida regulated and Florida intrastate.

Column (5) - Co State Deferred Expense - A/C 1439.9900 JD#14

A/C 1439.9900 is other deferred charges-miscellaneous disbursements. This JD is applicable to other states and should not be included in the total Company amounts that are being allocated to Florida.

FROM FINANCE REGULATORY

04-17-95 10:44 AM

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COMPANY: SOUTHERN BELL
 TITLE:
 TEST PERIOD: 12 MONTHS ENDED 12-31-94
 AUDITOR: RAYMOND GRANT
 DATE: JULY 8, 1995

	4310.5100 NON-QUAL DEFERRED COMP. PLAN	4310.5200 NON-QUAL DEFERRED INCOME PLAN	4310.5300 BD DIR. NON-QUAL DEFERRED COMP. PLAN	4310.5400 BD OF DIR. DEFERRED COMP. PLAN	4310.5500-5510 S.E.R.P. ACCUM LIABIL. TO DATE	4310.5500-5520 S.E.R.P. MINIMUM LIABILITY	4310.5500-5700 S.E.R.P. MANAG. SAVINGS PLAN	4310.5500-5800 S.E.R.P. SHAREHOLDER RET. CASH PLAN	Total	AVERAGE
12/93	(\$57,262,435.32)	(\$59,034,043.62)	(\$177,250.00)	-302659.84	(\$38,502,253.31)	(\$27,855,329.00)	(\$529,833.50)	(\$1,155,971.00)	(\$187,543,675.59)	
1/94	(\$54,330,737.80)	(\$53,957,490.89)	(\$312,710.61)	(\$3,041,629)	(\$39,183,538.91)	(\$27,855,329.00)	(\$450,830.24)	(\$1,353,139.00)	(\$180,485,405.72)	(\$184,014,541)
2/94	(\$47,689,091.91)	(\$55,179,203.09)	(\$8,890,058.47)	(\$1,151,163)	(\$39,716,598.46)	(\$27,947,291.00)	(\$450,830.24)	(\$1,366,936.02)	(\$182,391,171.95)	(\$181,438,289)
3/94	(\$48,651,160.82)	(\$56,217,048.59)	(\$9,054,439.97)	(\$1,151,163)	(\$40,264,980.95)	(\$27,947,291.00)	(\$450,830.24)	(\$1,564,104.02)	(\$185,301,018.35)	(\$183,846,095)
4/94	(\$48,878,136.42)	(\$58,060,537.33)	(\$9,228,171.47)	(\$1,166,381)	(\$40,805,720.43)	(\$27,947,291.00)	(\$450,830.24)	(\$1,761,272.02)	(\$188,298,339.71)	(\$186,799,679)
5/94	(\$49,840,205.33)	(\$59,154,391.10)	(\$9,362,002.97)	(\$1,166,381)	(\$41,186,316.13)	(\$27,947,291.00)	(\$441,814.94)	(\$1,958,440.02)	(\$191,056,842.29)	(\$189,677,591)
6/94	(\$54,988,559.26)	(\$60,723,279.52)	(\$9,486,234.47)	(\$1,166,381)	(\$41,873,846.09)	(\$27,947,291.00)	(\$441,814.94)	(\$2,155,608.02)	(\$198,783,014.10)	(\$194,919,928)
7/94	(\$55,940,044.84)	(\$61,769,758.29)	(\$9,681,565.97)	(\$1,184,389)	(\$42,396,736.33)	(\$27,930,368.82)	(\$441,814.94)	(\$1,849,160.78)	(\$201,193,839.11)	(\$199,988,427)
8/94	(\$56,891,530.42)	(\$62,822,837.10)	(\$10,029,454.34)	(\$1,184,389)	(\$42,922,815.61)	(\$27,930,368.82)	(\$296,670.77)	(\$2,046,328.78)	(\$204,124,394.98)	(\$202,659,117)
9/94	(\$55,171,753.41)	(\$63,524,745.70)	(\$9,949,924.07)	(\$998,553)	(\$43,446,542.13)	(\$27,930,368.82)	(\$300,444.56)	(\$2,243,496.78)	(\$203,565,828.04)	(\$203,845,112)
10/94	(\$56,088,489.00)	(\$64,534,891.14)	(\$10,123,655.57)	(\$998,553)	(\$43,993,644.60)	(\$27,947,291.00)	(\$300,444.56)	(\$2,440,664.78)	(\$206,427,633.22)	(\$204,996,731)
11/94	(\$57,039,974.58)	(\$65,560,039.01)	(\$10,274,287.07)	(\$1,014,869)	(\$44,513,437.51)	(\$27,947,291.00)	(\$300,444.56)	(\$2,637,832.78)	(\$209,288,175.47)	(\$207,857,904)
12/94	(\$57,991,460.00)	(\$66,809,826.23)	(\$9,719,129.57)	(\$985,726)	(\$45,032,916.29)	(\$27,947,291.00)	(\$300,444.56)	(\$2,835,000.79)	(\$211,621,794.70)	(\$210,454,985)
TOTAL OF MONTHLY AVG										(\$2,350,498,398.08)
12 MONTH AVERAGE										(\$195,874,867)

24-1

 2

Source: ... Grant, July 11, 1995

$$\frac{2^4 - 1}{2 - 2}$$

AUDIT EXCEPTION NO

SUBJECT WORKING CAPITAL ADJUSTMENTS

STATEMENTS OF FACTS

In June 1995, the company prepared a revised Cash Working Capital Analysis for 12 month period ending December 31, 1994. The revision has caused Florida Intrastate Cash Working Capital to increase by (\$12,757,909) from (\$177,074,126) to (\$189,832,029). The allowance for cash working capital was revised to reflect the adjustments made to correct deferred compensation liability and ad valorem tax contingency reported on the Cash Working Capital Disallowances. 24-1
24-3
1

The reasons why Cash Working Capital changed from \$177,074,126 to \$189,832,029 are due to the following:

1 The total average Non Qualified Deferred Compensation Plan (NQDCP) on Column 3 of \$195,874,866 on the company's schedule of Cash Working Capital Disallowances included subaccounts of 4310 related to the Supplemental Executive Retirement Plan (SERP), Management Savings Plan (MSP) and Shareholders Retirement Cash Plan (SRCP) that were not interest bearing. The total average Non Qualified Deferred Compensation Plan (NQDCP) on Column 3 should only have amounts from account 4310.5100-5400.

The company revised Cash Working Capital Disallowance schedule indicates that the correct NQDCP amount to be removed from Southern Bell Cash Working Capital is \$123,761,122. The difference in the twelve months average for the NQDCP disallowance is \$72,113,743. This amount was allocated to the utility cash working capital using the Regulated % State% and Intrastate % from the working capital printouts.

2 The company tax contingency column 13 of the company's schedule of Cash Working Capital Disallowances changed for the month of December 1994 because a payment had been omitted from the worksheet provided to the tax office. This adjustment increased the total average tax contingency by \$17,246. This amount was allocated to the utility cash working capital using the Regulated %, State% and Intrastate % from the working capital printouts. Staff's calculation follows.

<u>Deferred Compensation Liability</u>	<u>Amount</u>
Revised Deferred Comp. Liab. On Working Capital Disallowances Sch. Column No.3	\$123,761,122
Deferred Comp. Liability On Working Capital Disallowances Sch. Column No.3	\$195,874,866

	(\$72,113,744) A
Regulated Cash Working Capital	98.9866426% (\$71,382,974)
State Portion:	
FLORIDA	23.6493668% (\$16,881,621)
Intrastate Portion:	
FLORIDA	75.5908133% (\$12,760,955)
Impact on WC	----- (\$12,760,955)

24-3
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RC
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P6 8/24/95

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FLORIDA
CASH WORKING CAPITAL FR ANALYSIS
12 MONTH AVERAGE ENDING
1994

REVISED

Account Number	Description	avg	Company Average Balances
Current Assets:			
1130	Cash	24-1	89,199,358
1140	Special Cash Deposits		604,810
1150	Working Funds		2,181,432
1160	Temporary Cash Investments		0
1200/1201	Notes Receivable		275,997
1180/1181	Due From Customers and Agents		2,019,336,614
1190/1191	Accounts Receivable		137,745,597
1350	Other Current Assets		1,293,043
	SubTotal		2,250,636,851
Prepayments:			
1290	Prepaid Rents	24-1	105,356
1300	Prepaid Taxes		15,061,167
1310	Prepaid Insurance		8,063,888
1320	Prepaid Directory Expenses		0
1330	Other Prepayments		12,531,369
1410	Other Noncurrent Assets		51,395,254
1438/9	Other Deferred Charges		229,895,196
	Total Assets		2,567,689,081
Current Liabilities			
4010	Accounts Payable	24-1	1,144,550,019
4030	Advanced billing and Payments		311,217,822
4130	Other Current Liabilities		40,270,450
4070	Income Taxes Accrued		145,017,127
4080	Other Taxes Accrued		264,877,987
4120	Unmatured Interest, Dividends and Rents Accrued		881,094,872
4120.2	Less: Accrued Dividends		132,953,864
	SubTotal		2,654,074,413
4310	Other Long Term Liabilities	24-1	997,799,696
4360	Other Deferred Credits		138,928,505
	Total Liabilities		3,790,802,614
	Disallowance Total		(322,337,687)
	Southern Bell Net Cash Working Capital		(900,775,846)
	Regulated Cash Working Capital		(891,647,767)
	State Portion:		
	FLORIDA	23.6493668%	(210,869,051)
	Intrastate Portion:		
	FLORIDA	75.5908133%	(159,397,631)
	Includes Fla. Specific Entries		(30,434,398)
	FLORIDA INTRASTATE CASH WORKING CAPITAL		(189,832,029)

										24-3
										1

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REVISED

CASH WORKING CAPITAL DISALLOWANCES
12 Month Average
1994
avg

AVG	(1) CO LAWSUIT REIM 4010.895 + 1350.5	(2) CO INTEREST BEARING LIAB 4310.9 BAL	(3) CO NQDP BSTCOMBFR 4310.61-6400	(4) CO INTER DEFERRAL 4360.98.99 FR#14+FR#27	(5) CO STATE DEF. EXP 1439.9900 JD# 14	(6) CO INTRA OVER-EARN 4010.6920 FR# 12	(7) CO INCENTIVE REG SHRNG 4360.9800 FR# 12	(8) CO TN-BELLBOY & OTHER 1439.99.4310.9 JD# 2	(9) CO CONTGCY 4120.1 & 9	(10) CO LPSC RECOVERY 1439.9900 JD# 15	(11) CO MS-CAS. DMG RSVE 4360.9900 JD# 17	(12) CO-SC CASUALTY DMG RSVE 4310-8000 JD# 17	(13) CO TAX CONTGCY 4040-1000	(14) CO LAWSUIT 4010.6910
DEC93	972,320	(2,191,947)	(119,500,289)	(45,557,271)	2,365,548	0	(9,311,000)	0	(18,103,945)	736,912	0	0	(16,208,072)	0
JAN94	843,342	(2,180,947)	(111,642,569)	(44,539,938)	1,027,675	0	(9,311,000)	0	(18,103,945)	736,921	0	0	(16,297,578)	0
FEB94	829,604	(2,127,273)	(112,909,517)	(43,622,605)	837,865	0	(9,311,000)	0	(18,103,945)	736,921	0	0	(13,001,393)	0
MAR94	826,304	(2,127,273)	(115,073,812)	(57,505,272)	648,095	0	(9,311,000)	0	(18,439,945)	736,921	0	0	(10,797,134)	0
APR94	2,673,123	(2,127,273)	(117,333,227)	(58,467,939)	458,306	0	(9,311,000)	0	(18,439,945)	736,921	0	0	(10,886,639)	0
MAY94	1,453,684	(2,127,273)	(119,822,980)	(65,170,608)	268,515	(7,100,000)	(9,311,000)	0	(18,439,945)	736,921	0	0	(10,976,145)	0
JUN94	1,240,097	(2,127,273)	(128,364,454)	(108,953,269)	78,725	(36,100,000)	(9,311,000)	0	(18,439,945)	736,921	0	0	(8,158,732)	0
JUL94	1,164,117	(2,127,273)	(128,576,758)	(115,239,018)	(111,065)	(41,700,000)	(9,311,000)	(6,154,825)	(18,439,945)	736,921	(5,673,641)	0	(8,248,238)	0
AUG94	1,157,060	(2,127,273)	(130,928,211)	(123,524,767)	(300,855)	(47,300,000)	(9,311,000)	(6,038,500)	(18,439,945)	736,921	(5,673,641)	0	(8,337,744)	0
SEP94	1,147,246	(2,127,273)	(129,644,975)	(142,263,616)	(490,845)	(50,100,000)	(9,311,000)	(5,809,568)	(20,080,337)	736,921	(5,673,641)	0	(8,427,250)	0
OCT94	1,143,081	(2,127,273)	(131,745,587)	(161,319,791)	(680,435)	(52,900,000)	(9,311,000)	(5,501,853)	(20,080,337)	736,921	(5,673,641)	0	(8,516,755)	0
NOV94	1,136,657	(2,127,273)	(133,889,168)	(171,641,778)	(870,225)	(32,500,000)	(9,311,000)	(5,364,138)	(20,080,337)	736,921	(5,673,641)	0	(8,606,261)	(20,000,000)
DEC94	1,177,480	(2,127,273)	(135,506,142)	(183,229,527)	(738,925)	(27,495,000)	(9,311,000)	(5,286,423)	(27,623,780)	736,921	(5,673,641)	(833,333)	(9,515,116)	(20,000,000)
	1,215,766	(2,134,441)	(123,761,123)	(99,361,626)	140,024	(23,453,958)	(9,311,000)	(2,811,825)	(17,746,036)	736,921	(2,600,419)	(34,722)	(19,426,289)	(2,500,000)

TOTAL DISALLOWANCE (COMPANY AND FLORIDA) (322,337,687)

FLORIDA SPECIFIC (30,434,388)

24-3
1-1
1-3

24-3
1-1

24-3
1-1

✓ - Trade to 30. 24-3
1-1

24-3
1-1

AVG	(1) FL CASUALTY DMG RSVE 4310.8000 JD# 17 *	(2) FL-INTRA OVER EARN 4120.8200 4010.6920 FR# 12 *	(3) FL LAWSUIT 4010.6920 ✓ L728.200
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	307		
DEC93	0	0	0
JAN94	(833,333)	0	0
FEB94	(1,666,666)	0	0
MAR94	(2,500,000)	(10,000,000)	0
APR94	(3,333,333)	(10,000,000)	0
MAY94	(4,166,666)	(15,000,000)	0
JUN94	(5,000,000)	(30,000,000)	0
JUL94	(5,833,333)	(35,000,000)	0
AUG94	(6,666,667)	(40,000,000)	0
SEP94	(7,500,000)	(45,000,000)	0
OCT94	(8,333,334)	(50,000,000)	0
NOV94	(9,166,667)	(50,000,000)	0
DEC94	(10,000,001) F	(38,000,000) F	(3,250,000) F
	(5,000,000) ✓	(25,333,333) ✓	(135,417) ✓

FLA-REG 4,619,997,476
 FLA-BOOKED 4,679,323,779
 98.7321608%
 FLA-INTRA 75.5908133%

*****	*****	*****
FLA-SPECIFIC CWC		
FLA. COMB	(30,333,333)	(135,417)
FLA. REG	(30,333,333)	(133,700)
FLA. INTRA	(30,333,333)	(101,065)
FLA TOTAL	(30,434,398) P1	

* Included in Prior Rate
 Case Audit schedule of
 Disallowances
 Docket 920260-JL
 AFAN # 93-193-4-1

AS FIVE

ABC

Southern Bell Tel. & Tel. Co.
FPSC Docket No. 920260-TL
Public Counsel's
Fifth Set of Interrogatories
April 14, 1995
Item No. 46j
Page 4 of 5

Column (13) - Co Tax Contingency - A/C 4040.1000

Account heading 4040.1000 should have been 4080.1000 which is other taxes accrued. The dollar amounts have been stated correctly. This adjustment is for an ad valorem tax contingency and such contingencies are excluded from regulation until paid.

Column (14) - Co Lawsuit - A/C 4010.6910

A/C 4010.6910 is account payable - miscellaneous revenues. This amount is being excluded from the amount to be allocated to Florida because it is interest bearing related to 100% nonregulated operations.

i. The accounting treatment for the deferred compensation plans is: Dr Salary Expense and Cr Deferred Compensation Liability. These dollars are a portion of the regular salary treatment for certain specific employees, and are part of a plan to defer the receipt of these salary dollars to a later date.

(1) This liability has been excluded from the computation of cash working capital based on the computation used in Docket No. 820294-TP, Order No. 12221, Page 10, Item 3, Working Capital Section and approved by the Florida Public Service Commission. In that section it states that the Company used cost free current assets and cost free current liabilities to determine net cash working capital.

(2) The total average deferred compensation liability of \$195,874,866 shown above includes BST's liabilities for NQDCP, NQDIP, SERP, MSP, and SRCP. However, the average deferred income tax charge for Florida of \$7,212,732 shown above relates only to the liabilities for NQDCP and NQDIP. As stated

(Please Use Ball Point Pen - Press Hard)

FLORIDA PUBLIC SERVICE COMMISSION
DOCUMENT / RECORD REQUEST

TO: Pat Peacock

UTILITY: Southern Bell

FROM: Ruth Young
(AUDIT MANAGER)

Raymond Grant
(AUDITOR PREPARING REQUEST)

REQUEST NUMBER: 41

DATE OF REQUEST: 8-15-95

AUDIT PURPOSE: Surveillance

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY _____
(DATE) 8-18-95

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:

ITEM DESCRIPTION:

- INCIDENT TO AN INQUIRY
- OUTSIDE OF AN INQUIRY

1 Please provide a detailed explanation of why the Florida
IntraState Cash Working Capital Analysis changed from
\$177,074,126 to \$189,832,029

2 To the best of your knowledge please indicate when
the revised schedules will be filed with the FPSC.

TO: AUDIT MANAGER Ruth Young DATE 8/17/95

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY Federal Express to Miami
- (2) CANNOT BE PROVIDED IN THREE (3) WORK DAYS BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION THIS MATERIAL IS PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. I UNDERSTAND THAT TO OBTAIN TEMPORARY CONFIDENTIAL HANDLING A NOTICE OF INTENT MUST BE FILED WITH THE DIVISION OF RECORDS AND REPORTING. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE COMMISSION STAFF HAS OBTAINED THE MATERIAL (OR IN THE CASE OF MATERIAL OBTAINED DURING THE COURSE OF AN AUDIT, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE) FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING, REFER TO RULE 25-22.006 F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

Patricia J. Klein Manager
SIGNATURE AND TITLE OF RESPONDENT

DISTRIBUTION:

PROGRAM: C702A450
 RUN DATE/TIME: 01/11/95 185304
 PASS: 10
 SITE: COMPANY

BELLSOUTH TELECOMMUNICATIONS
 REPORT MONTH: DECEMBER, 1994
 GENERAL LEDGER - FR BASIS

FORM: MP-1580
 PAGE: 503
 RETENTION: PERM.

ACCOUNT 4310-4000-4300

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
		.00	848,916.67	848,916.67-	116,440,220.67-
JANUARY	115,591,304.00-	.00	848,916.67	848,916.67-	117,289,137.34-
FEBRUARY	116,440,220.67-	.00	848,916.67	848,916.67-	118,138,054.01-
MARCH	117,289,137.34-	.00	848,916.67	848,916.67-	118,986,970.68-
APRIL	118,138,054.01-	.00	848,916.67	848,916.67-	119,835,887.35-
MAY	118,986,970.68-	.00	848,916.67	848,916.67-	120,684,804.02-
JUNE	119,835,887.35-	.00	848,916.67	848,916.67-	121,533,720.69-
JULY	120,684,804.02-	.00	848,916.67	848,916.67-	122,382,637.36-
AUGUST	121,533,720.69-	.00	848,916.67	848,916.67-	123,231,554.03-
SEPTEMBER	122,382,637.36-	.00	848,916.67	848,916.67-	124,080,470.70-
OCTOBER	123,231,554.03-	.00	848,916.67	848,916.67-	124,929,387.37-
NOVEMBER	124,080,470.70-	.00	1,374,612.63	1,374,612.63-	126,304,000.00-
DECEMBER	124,929,387.37-	.00			
YTD TOTAL	115,591,304.00-	.00	10,712,696.00	10,712,696.00-	126,304,000.00-

ACCOUNT 4310-5000 HMMK

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
		12,032,005.83	5,400,958.36	7,423,927.47	102,202,812.43-
JANUARY	189,706,739.90-	11,342,389.29	13,240,155.52	1,907,766.23-	104,100,570.66-
FEBRUARY	182,202,812.43-	661,647.79	3,571,494.19	2,909,846.40-	107,098,425.06-
MARCH	184,100,570.66-	1,323,341.82	4,311,869.52	2,988,527.70-	190,006,952.76-
APRIL	187,090,425.06-	835,513.91	3,594,015.59	2,758,502.58-	192,845,455.34-
MAY	190,004,952.76-	690,307.09	8,416,559.70	7,726,171.81-	200,571,627.15-
JUNE	192,845,455.34-	1,344,290.09	3,707,533.90	2,363,235.89-	202,934,863.04-
JULY	200,571,627.15-	843,666.98	3,774,222.05	2,930,555.07-	205,865,418.91-
AUGUST	202,934,863.04-	4,139,798.41	3,581,231.47	558,566.94	205,306,851.97-
SEPTEMBER	205,865,418.91-	810,020.74	3,632,516.61	2,814,495.87-	208,121,347.84-
OCTOBER	205,306,851.97-	720,115.37	3,580,657.62	2,860,542.25-	210,981,890.09-
NOVEMBER	208,121,347.84-	1,523,729.65	3,857,340.91	2,333,619.26-	213,315,509.35-
DECEMBER	210,981,890.09-				
YTD TOTAL	189,706,739.90-	37,075,794.87	60,684,564.32	23,608,769.45-	213,315,509.35-

ACCOUNT 4310-5000-5100

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
		5,422,670.00	2,490,972.48	2,931,697.52	54,330,737.80-
JANUARY	57,262,435.32-	7,639,048.12	997,402.23	6,641,645.89	47,609,091.91-
FEBRUARY	54,330,737.80-	.00	962,068.91	962,068.91-	48,651,160.82-
MARCH	47,609,091.91-	779,509.97	1,006,405.57	226,975.60-	48,878,136.42-
APRIL	48,651,160.82-	.00	962,068.91	962,068.91-	49,840,205.33-
MAY	48,878,136.42-	9,166.65	5,157,520.50	5,148,353.93-	54,988,559.26-
JUNE	49,840,205.33-	.00	951,485.58	951,485.58-	55,940,044.84-
JULY	54,988,559.26-	.00	951,485.58	951,485.58-	56,891,530.42-
AUGUST	55,940,044.84-	2,671,262.59	914,735.59	1,719,777.91	55,171,753.41-
SEPTEMBER	56,891,530.42-	34,749.99	951,485.58	914,735.59-	56,000,489.00-
OCTOBER	55,171,753.41-	.00	951,485.58	951,485.58-	57,039,974.58-
NOVEMBER	56,000,489.00-	.00	951,485.46	951,485.46-	57,991,460.04-
DECEMBER	57,039,974.58-				
YTD TOTAL	57,262,435.32-	16,556,407.32	17,285,432.04	729,024.72-	57,991,460.04-

***** NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE BELLSOUTH EXCEPT UNDER WRITTEN AGREEMENT *****

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PROGRAM: CZ02A450
 RUN DATE/TIME: 01/11/95 185304
 PASS: 10
 SITE: COMPANY

BELLSOUTH TELECOMMUNICATIONS
 REPORT MONTH: DECEMBER, 1994
 GENERAL LEDGER - FR BASIS

FORM: MP-1580
 PAGE: 504
 RETENTION: PERM.

ACCOUNT 4310-5000-5200

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
	59,034,943.62	6,231,598.23	1,155,045.50	5,074,552.73	53,957,490.89
JANUARY	53,957,490.89	.00	1,221,712.20	1,221,712.20	55,179,203.09
FEBRUARY	55,179,203.09	833.29	1,030,678.79	1,037,045.50	56,217,048.59
MARCH	56,217,048.59	6,083.33	1,849,572.07	1,043,488.74	50,860,537.33
APRIL	50,860,537.33	.00	1,093,853.77	1,093,853.77	59,154,391.10
MAY	59,154,391.10	.00	1,568,888.42	1,568,888.42	60,723,279.52
JUNE	60,723,279.52	.00	1,046,478.77	1,046,478.77	61,769,758.29
JULY	61,769,758.29	.00	1,053,078.81	1,053,078.81	62,822,837.10
AUGUST	62,822,837.10	325,236.83	1,027,145.43	701,908.60	63,524,745.70
SEPTEMBER	63,524,745.70	14,999.98	1,075,145.42	1,010,145.44	64,534,891.14
OCTOBER	64,534,891.14	9,747.59	1,014,895.46	1,025,147.87	65,560,039.01
NOVEMBER	65,560,039.01	104,000.00	1,353,787.22	1,249,787.22	66,809,826.23
DECEMBER					
YTD TOTAL	59,034,943.62	6,692,499.25	14,468,281.86	7,775,782.61	46,809,826.23

24-3/1-1/1-3

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ACCOUNT 4310-5000-5300

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
	177,250.00	35,020.89	170,481.50	135,460.61	312,718.61
JANUARY	312,710.61	919,547.47	9,496,895.33	8,577,347.86	8,890,050.47
FEBRUARY	8,890,050.47	.00	164,381.50	164,381.50	9,054,439.97
MARCH	9,054,439.97	.00	173,731.50	173,731.50	9,228,171.47
APRIL	9,228,171.47	.00	133,831.50	133,831.50	9,362,002.97
MAY	9,362,002.97	.00	124,251.50	124,251.50	9,486,254.47
JUNE	9,486,254.47	.00	195,331.50	195,331.50	9,681,585.97
JULY	9,681,585.97	.00	347,888.37	347,888.37	10,029,454.34
AUGUST	10,029,454.34	247,064.24	167,533.97	79,530.27	9,949,924.07
SEPTEMBER	9,949,924.07	.00	173,731.50	173,731.50	10,123,655.57
OCTOBER	10,123,655.57	.00	150,431.50	150,431.50	10,274,287.07
NOVEMBER	10,274,287.07	679,389.00	124,251.50	555,157.50	9,719,129.57
DECEMBER					
YTD TOTAL	177,250.00	1,881,021.60	11,422,901.17	9,541,879.57	9,719,129.57

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ACCOUNT 4310-5000-5400

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
	3,026,559.84	13,500.00	28,569.43	15,069.43	3,041,629.27
JANUARY	3,041,629.27	1,917,466.51	27,000.00	1,890,466.51	1,151,162.76
FEBRUARY	1,151,162.76	.00	.00	.00	1,151,162.76
MARCH	1,151,162.76	.00	15,218.04	15,218.04	1,166,380.80
APRIL	1,166,380.80	.00	.00	.00	1,166,380.80
MAY	1,166,380.80	.00	.00	.00	1,166,380.80
JUNE	1,166,380.80	.00	18,000.34	18,000.34	1,104,389.14
JULY	1,104,389.14	.00	.00	.00	1,104,389.14
AUGUST	1,104,389.14	185,836.57	.00	185,836.57	998,552.57
SEPTEMBER	998,552.57	.00	.00	.00	998,552.57
OCTOBER	998,552.57	1,944.66	18,261.05	16,316.39	1,014,868.96
NOVEMBER	1,014,868.96	29,142.70	.00	29,142.70	985,726.26
DECEMBER					
YTD TOTAL	3,026,559.84	2,147,898.44	107,856.86	2,040,833.50	985,726.26

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PROGRAM: CZ02A450
 RUN DATE/TIME: 01/11/95 185304
 PASS: 10
 SITE: COMPANY

BELLSOUTH TELECOMMUNICATIONS
 REPORT MONTH: DECEMBER, 1994
 GENERAL LEDGER - FR BASIS

FORM: NP-1530
 PAGE: 505
 RETENTION: PERM.

ACCOUNT 4310-5000-5500 WWWW						
MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE	
JANUARY	66,357,502.31-	648,067.40	1,329,353.00	681,285.60-	67,038,867.91-	
FEBRUARY	67,038,867.91-	676,538.21	1,301,559.76	625,021.55-	67,663,889.46-	
MARCH	67,663,889.46-	660,814.50	1,209,196.99	548,382.49-	68,212,271.95-	
APRIL	68,212,271.95-	507,657.43	1,048,396.91	540,739.48-	68,753,011.43-	
MAY	68,753,011.43-	826,497.71	1,207,093.41	380,595.70-	69,133,607.13-	
JUNE	69,133,607.13-	681,221.24	1,368,751.20	687,529.96-	69,821,137.09-	
JULY	69,821,137.09-	714,891.34	1,220,859.40	505,968.06-	70,327,105.15-	
AUGUST	70,327,105.15-	698,522.81	1,225,595.86	526,079.28-	70,853,104.43-	
SEPTEMBER	70,853,104.43-	701,868.54	1,225,595.86	523,726.52-	71,376,910.95-	
OCTOBER	71,376,910.95-	702,347.47	1,228,216.03	544,824.65-	71,940,935.60-	
NOVEMBER	71,940,935.60-	708,423.12	1,230,676.73	519,792.91-	72,460,728.51-	
DECEMBER	72,460,728.51-	711,197.95		519,478.78-	72,980,207.29-	
YTD TOTAL	66,357,502.31-	8,238,047.72	14,860,672.70	6,622,624.98-	72,980,207.29-	

ACCOUNT 4310-5000-5500-5510						
MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE	
JANUARY	38,502,253.31-	648,067.40	1,329,353.00	681,285.60-	39,183,538.91-	
FEBRUARY	39,183,538.91-	676,538.21	1,209,597.76	533,059.55-	39,716,598.46-	
MARCH	39,716,598.46-	660,814.50	1,209,196.99	548,382.49-	40,264,908.95-	
APRIL	40,264,908.95-	507,657.43	1,048,396.91	540,739.48-	40,805,728.43-	
MAY	40,805,728.43-	826,497.71	1,207,093.41	380,595.70-	41,186,316.13-	
JUNE	41,186,316.13-	681,221.24	1,368,751.20	687,529.96-	41,873,846.09-	
JULY	41,873,846.09-	697,969.16	1,220,859.40	522,890.24-	42,396,736.33-	
AUGUST	42,396,736.33-	698,522.81	1,225,595.86	526,079.28-	42,922,815.61-	
SEPTEMBER	42,922,815.61-	701,868.54	1,225,595.86	523,726.52-	43,446,542.13-	
OCTOBER	43,446,542.13-	702,347.47	1,249,449.94	547,102.47-	43,993,644.60-	
NOVEMBER	43,993,644.60-	708,423.12	1,228,216.03	519,792.91-	44,513,437.51-	
DECEMBER	44,513,437.51-	711,197.95	1,230,676.73	519,478.78-	45,032,916.29-	
YTD TOTAL	38,502,253.31-	8,221,125.54	14,751,788.52	6,530,662.98-	45,032,916.29-	

ACCOUNT 4310-5000-5500-5520						
MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE	
JANUARY	27,855,329.00-	.00	.00	.00	27,855,329.00-	
FEBRUARY	27,855,329.00-	.00	91,962.00	91,962.00-	27,947,291.00-	
MARCH	27,947,291.00-	.00	.00	.00	27,947,291.00-	
APRIL	27,947,291.00-	.00	.00	.00	27,947,291.00-	
MAY	27,947,291.00-	.00	.00	.00	27,947,291.00-	
JUNE	27,947,291.00-	16,922.18	.00	16,922.18-	27,930,368.82-	
JULY	27,947,291.00-	.00	.00	.00	27,930,368.82-	
AUGUST	27,930,368.82-	.00	.00	.00	27,947,291.00-	
SEPTEMBER	27,930,368.82-	.00	16,922.18	16,922.18-	27,947,291.00-	
OCTOBER	27,947,291.00-	.00	.00	.00	27,947,291.00-	
NOVEMBER	27,947,291.00-	.00	.00	.00	27,947,291.00-	
DECEMBER	27,947,291.00-	.00	.00	.00	27,947,291.00-	
YTD TOTAL	27,855,329.00-	16,922.18	108,804.18	91,962.00-	27,947,291.00-	

***** NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE BELLSOUTH EXCEPT UNDER WRITTEN AGREEMENT *****

BELLSOUTH TELECOMMUNICATIONS
REPORT MONTH: DECEMBER, 1994
GENERAL LEDGER - FR BASIS

PROGRAM: C702A050
RUN DATE/TIME: 01/11/95 105304
PASS: 10
SITE: COMPANY

RETENTION: PERM.

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	529,833.50	116,371.71	57,360.45	79,083.26	450,830.24
FEBRUARY	450,830.24	.00	.00	.00	450,830.24
MARCH	450,830.24	.00	.00	.00	450,830.24
APRIL	441,814.94	9,015.30	.00	9,015.30	441,814.94
MAY	458,830.24	.00	.00	.00	441,814.94
JUNE	441,814.94	.00	.00	.00	296,670.77
JULY	441,814.94	145,144.17	.00	145,144.17	300,444.56
AUGUST	441,814.94	8,529.64	12,303.43	3,773.79	300,444.56
SEPTEMBER	296,670.77	.00	.00	.00	300,444.56
OCTOBER	300,444.56	.00	.00	.00	300,444.56
NOVEMBER	300,444.56	.00	.00	.00	300,444.56
DECEMBER	300,444.56	.00	.00	.00	300,444.56
YTD TOTAL	529,833.50	279,060.82	49,671.00	229,360.94	300,444.56

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	1,155,971.00	.00	197,168.00	197,168.00	1,353,139.00
FEBRUARY	1,353,139.00	109,708.98	203,506.00	15,797.02	1,564,104.02
MARCH	1,564,104.02	.00	197,168.00	197,168.00	1,761,272.02
APRIL	1,761,272.02	.00	197,168.00	197,168.00	1,958,440.02
MAY	1,958,440.02	.00	197,168.00	197,168.00	2,155,608.02
JUNE	2,155,608.02	503,615.24	306,447.24	306,447.24	1,849,164.78
JULY	1,849,164.78	.00	197,168.00	197,168.00	2,046,328.78
AUGUST	2,046,328.78	.00	197,168.00	197,168.00	2,243,496.78
SEPTEMBER	2,243,496.78	.00	197,168.00	197,168.00	2,440,664.78
OCTOBER	2,440,664.78	.00	197,168.00	197,168.00	2,637,832.78
NOVEMBER	2,637,832.78	.00	197,168.00	197,168.00	2,835,000.78
DECEMBER	2,835,000.78	.00	.00	.00	2,835,000.78
YTD TOTAL	1,155,971.00	693,404.22	2,372,434.00	1,679,029.78	2,835,000.78

MONTH	BEGINNING BALANCE	DEBITS	CREDITS	NET ACTIVITY	ENDING BALANCE
JANUARY	833,333.00	1,666,666.80	2,499,999.00	833,333.00	633,333.00
FEBRUARY	633,333.00	833,333.34	1,666,666.68	833,333.34	1,666,666.34
MARCH	1,666,666.34	833,333.34	1,666,666.68	833,333.34	2,499,999.68
APRIL	2,499,999.68	833,333.34	1,666,666.68	833,333.34	3,333,333.02
MAY	3,333,333.02	833,333.34	1,666,666.68	833,333.34	4,166,666.36
JUNE	4,166,666.36	3,333,333.34	4,166,666.68	833,333.34	4,999,999.70
JULY	4,999,999.70	833,333.34	1,666,666.68	833,333.34	5,833,333.04
AUGUST	5,833,333.04	833,333.34	1,666,666.68	833,333.34	6,666,666.38
SEPTEMBER	6,666,666.38	833,333.34	1,666,666.68	833,333.34	7,499,999.72
OCTOBER	7,499,999.72	833,333.34	1,666,666.68	833,333.34	8,333,333.06
NOVEMBER	8,333,333.06	833,333.34	1,666,666.68	833,333.34	9,166,666.40
DECEMBER	9,166,666.40	1,666,666.34	3,333,332.68	1,666,666.34	10,833,332.74
YTD TOTAL	.00	14,166,667.74	25,000,000.40	10,833,332.74	10,833,332.74

4

***** NOTICE: NOT FOR USE OR DISCLOSURE OUTSIDE BELLSOUTH EXCEPT UNDER WRITTEN AGREEMENT *****

Southern Bell

Bell South Telecom. Co. 6/2 12/24

12 months end 12-31-94

PBC

Related to Audit Request #41

- NADP - CWC Disallowance

1. Accounts picked up originally:

4310.5100, .5200, .5300, .5400, .5510, .5520, .5700, .5800

2. Accounts included in revised amount:

4310.5100, .5200, .5300, .5400

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