AUSLEY & MCMULLEN

ATTORNEYS AND COUNSELORS AT LAW

P.O. BOX 30: (2/P 32302)
TALLAMABBEE, FLORIDA 32301
1006) 2240115 FAX (904) 222-7860

June 18, 1996



BY MAND DELIVERY

Ms. Blanca S. Bayo, Director Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

> Re: Notice of Election of Price Regulation by BellSouth Telecommunications, Inc. Docket No. 201204-File

Dear Ms. Bayo:

Central Telephone Company of Florida and United Telephone Company of Florida today filed a Petition to Intervene in this proceeding. In order to meet the procedural deadlines, Central Telephone Company of Florida and United Telephone Company of Florida are hereby enclosing for filing the original and fifteen (15) copies of their Joint Prehearing Statement.

We are also submitting the Joint Prehearing Statement on a 3.5" high-density diskette generated on a DOS computer in WordPerfect 5.1 format.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

oc: All Parties of Record

Enclosure

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EPSC-BUREAU OF RECORDS

DOCUMENT NUMBER - DATE

06573 JUN 18%

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE CONNISSION

In re: Notice of election of)
price regulation by BellSouth)
Telecommunications, Inc.

DOCKET NO. 951354-TL FILED: June 18, 1996

> ORIGINAL FILE COPY

CHITRAL TELEPHONE COMPANY OF PLORIDA AND UNITED TELEPHONE COMPANY OF PLORIDA'S JOINT PRESERVING STATISHENT

Pursuant to the Order on Prehearing Procedure in this docket, Central Telephone Company of Florida ("Sprint/Centel") and United Telephone Company of Florida ("Sprint/United") (together, "Sprint-United/Centel"), through their undersigned counsel, file their Joint Prehearing Statement.

- A. WITHER! None.
- B. EXELUTE: None.
- c. **PASIC POSITION:** Reclassification of an exchange (rate regrouping) subsequent to the election of price regulation is not prohibited by Section 364.051, Florida Statutes.

D-G. ISSUES AND POSITIONS:

ISSUE 1: Is reclassification of an exchange (rate regrouping) subsequent to election of price regulation by BellSouth, a price increase that is prohibited under Section 364.051, Florida Statutes?

Position: No. Section 364.051, Florida Statutes, caps rates for basic residential and single line business local telecommunications services at the rates in effect on July 1, 1995, and prohibits increasing such rates DOCUMENT NUMBER-DATE

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prior to January 1, 1999, or January 1, 2001, where applicable. The local service rates in effect on that date are based on rates and rate groups which were established prior to July 1, 1995. Rate groups are based on the number of access lines a customer can call in the local calling area. When the access lines in the local calling area of an exchange exceed the upper limit of its assigned rate group, all the customers in that exchange move to the next rate group at the previously established rate. Moving an exchange to the next rate group does not constitute a rate increase, because the rates are not increased.

ISSUE 2: If rate regrouping by BellSouth is not allowed, does any resulting disparity in prices constitute undue discrimination in violation of Section 364.051, Florida Statutes?

"undue discrimination" as applicable to "basic" services.

"Undue discrimination" applicable to "basic" services is addressed in Sections 364.08, 364.09 and 364.10, Florida Statutes. These sections provide that if customers are similarly situated, charging different rates to different customers for the same service with the same calling scope may be considered undue price discrimination.

E. STIPULATIONS: The Companies are not aware of any pending stipulations at this time.

- I. PENDING MOTICES: With the exception of the Companies'
 petition to intervene, dated June 18, 1996, the Companies are not
 aware of any pending motions at this time.
- Companies do not know of any requirement of the Order on Prehearing

 Procedure with which they cannot comply.

DATED this 18th day of June, 1996.

LEE PRILIS
JOHN/P. PONS
J. JEFFRY WAHLEN
Ausley & McMullen
Post Office Box 391
Tallahassee, Florida 32302
(904) 224-9115

ATTORNEYS FOR SPRINT/CENTEL and SPRINT/UNITED

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Hand Delivery (*) or U.S. Mail this 18th day of June, 1996 to the following:

Tracy Hatch *
Division of Legal Services
Florida Public Service Comm.
2540 Shumard Oak Boulevard
Tallahaesee, FL 32399-0850

Nancy H. Sims BellSouth Telecommunications 150 S. Monroe St., Suite 400 Tallahassee, FL 32301 Angela Green FPTA 125 S. Gadsden St., Suite 200 Tallahassee, FL 32301-1525

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