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September 20, 1996

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

RE: Docket Nos. 920260-TL

Dear Mrs. Bayo:

Enclosed are an original and fifteen copies of BellSouth Telecommunications, Inc.'s Prehearing Statement. Please file these documents in the captioned docket.

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

Sincerely,

*Nancy B. White (30)*  
Nancy B. White

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Enclosures

cc: All Parties of Record  
A. M. Lombardo  
R. G. Beatty  
W. J. Ellenberg

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
10068 SEP 20 88  
FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Comprehensive Review	)	
of the Revenue Requirements	)	Docket No. 920260-TL
and Rate Stabilization Plan	)	
of Southern Bell Telephone	)	Filed: September 20, 1996
and Telegraph Company	)	
<hr/>		

PREHEARING STATEMENT OF  
BELLSOUTH TELECOMMUNICATIONS, INC.

BellSouth Telecommunications, Inc. ("Company" or "BellSouth") in compliance with Order No. PSC-96-0965-PCO-TL issued July 26, 1996, herewith submits its Prehearing Statement.

A. WITNESSES

BellSouth proposes to call the following witnesses to offer testimony on the matters indicated below:

<u>Witnesses</u>	<u>Subject/Issues</u>
A. J. Varner	Issues 1, 2, and 3
Jerry Hendrix	Issues 1, 2, and 3

BellSouth further reserves the right to call additional rebuttal witnesses, witnesses to respond to Commission inquiries not addressed in direct or rebuttal testimony and witnesses to address issues not presently designated which may be designated by the Prehearing Officer at the prehearing conference to be held on October 7, 1996.

B. EXHIBITS

<u>Witness</u>	<u>Document Indicator</u>	<u>Title of Exhibit</u>
A. J. Varner	AJV-1	Letter dated June 20, 1996

DOCUMENT NUMBER-DATE  
10068 SEP 20 88  
FPSC-RECORDS/REPORTING

	AJV-2	GSST-Section A3
	AJV-3	ECS Routes
Jerry D. Hendrix	JDH-1	Florida FGD Switched Access Rate Comparison
	JDH-2	Planned Zone Pricing
	JDH-3	MTS Rates Compared to Switched Access Rates

BellSouth reserves the right to file exhibits to any additional testimony that may be filed under the circumstances identified in Section "A" above. BellSouth also reserves the right to introduce exhibits for cross-examination, impeachment, or any other purpose authorized by the applicable Florida Rules of Evidence and the Rules of this Commission.

C. STATEMENT OF BASIC POSITION

The Settlement reached in the above captioned matter and approved by the Commission in Order No. PSC-94-0172-FOF-TL, dated February 11, 1994, provided for an \$84 million revenue reduction, to be implemented in 1996. Of that amount, \$40 million is required to bring switched access charges to parity with December 1993 interstate levels. The remaining \$44 million is not specifically allocated. BellSouth proposed to provide for the \$44 million rate reduction by reducing the rates of the following services:

	Annual Effect
-Switched Access	(\$16,400,067)

-Selected Secondary Service Charges	
-Residence	(\$3,609,180)
-Business	(\$2,203,791)
-First Line Connection Charge for Business Customers	(\$3,222,592)
-PBX monthly & term contracts	(\$13,451,394)
-DID Recurring	(\$987,012)
-DID Nonrecurring	(\$893,625)
-WATS & 800 Service Access Line	(\$355,721)
-Secondary Service Charge for WatsSaver® (Registered Service Mark of BellSouth)	(\$301,093)
-Business Line Monthly Rates	(\$622,518)
-AREA PLUS® for Business customers	(\$2,254,140)
-Usage Charge on RCF	(\$2,010,198)
-Special Number Assignment Charges for Business	(\$70,500)
-MegaLink® interoffice	(\$579,192)
-DS1 interoffice	(\$39,216)
-Extended Calling Service	(\$1,096,628)

BellSouth's proposal more than satisfies the requirement for the 1996 unspecified rate reductions; in fact, BellSouth's proposal totals more than \$48 million in rate reductions. It is a proposal that is in the best interest of and benefits the greatest number of ratepayers in Florida. For these reasons, BellSouth's proposal should be adopted by this Commission.

Issue No. 1: Below are listed the proposals of various interested parties to this proceeding with respect to the

disposition of the scheduled 1996 unspecified rate reductions.

Which, if any, should be approved?

<b>A) BellSouth Telecommunications, Inc.:</b>	<u>millions</u>
1) Reduce switched access (introduce zone density)	\$16.40
2) Reduce PBX rates and introduce term contracts	13.45
3) Waive certain business and residential Secondary Service Order charges	5.81
4) Reduce First Line Connection charge (Business)	3.22
5) Introduce Area Plus for Business	2.25
6) Eliminate usage charge on Remote Call Forwarding	2.01
7) Reduce DID recurring and non-recurring charges	1.88
8) Credit for ECS routes implemented	1.10
9) Reduce Business Line monthly rates in Rate Group 12	.62
10) Reduce Megalink interoffice rates	.58
11) Reduce WATS and 800 Service access line charges	.36
12) Eliminate the Secondary Service Order charge for WatsSaver	.30
13) Reduce SNAC charges for Business	.07
14) Reduce DS-1 interoffice mileage rates	<u>.04</u>
	\$48.09

**B) Joint Proposal of AT&T, MCI, Sprint Communications, FIXCA,  
Ad Hoc and McCaw Communications:**

	<u>millions</u>
1) Reduce PBX and DID trunk charges	\$11.00
2) Eliminate the Residual Interconnection Charge	35.00
3) Reduce mobile interconnection rates	<u>2.00</u>
	\$48.00

**C) Public Counsel:**

Establish a reserve fund to assist BellSouth Telecommunication, Inc. customers who have experienced problems with conversion to the 954 NPA.

**D) FCTA:**

Eliminate nonrecurring charges for interconnection trunks and special access circuits ordered by ALECs.

**E) Palm Beach Newspapers, Inc./Florida Today:**

Reduce usage rates for N11 service to \$.02 per minute.

Position: 1(A) BellSouth's proposal should be approved.

1(B) The Joint Proposal should not be approved because it is

speculative and benefits only a small number of consumers. 1(C) Public Counsel's proposal should not be approved because it is unnecessary. 1(D) The FCTA's proposal should not be approved because it conveys a small benefit to a special interest group. 1(E) The Palm Beach Newspapers, Inc./Florida Today's proposal should not be approved because it conveys a small benefit to a special interest group.

Issue No. 2: To the extent the Commission does not approve the plans proposed by BellSouth, Public Counsel, FCTA, Palm Beach Newspapers, Inc./Florida Today and AT&T, MCI, Sprint, FIXCA, AD Hoc and McCaw, how should the Commission implement the scheduled rate reduction?

Position: The Commission should approve BellSouth's proposal.

Issue No. 3: What should be the effective dates of the approved tariffs?

Position: Tariffs were filed by BellSouth on May 31, 1996 to implement BellSouth's proposal in October, 1996.

E. STIPULATIONS

There have been no stipulations entered into at this time.

F. PENDING MOTIONS

BellSouth's Opposition to Intermedia's Motion for Leave to  
File Amended Direct Testimony filed on September 13, 1996.

G. OTHER REQUIREMENTS

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

Respectfully submitted this 20th day of September, 1996.

BELLSOUTH TELECOMMUNICATION, INC.

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**CERTIFICATE OF SERVICE**

**Docket No. 920260-TL**

**Docket No. 900960-TL**

**Docket No. 910163-TL**

**Docket No. 910727-TL**

I HEREBY CERTIFY that a copy of the foregoing has been

furnished by United States Mail this 20th day of September, 1996 to:

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