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RECORDS AND REPORTING

MARY K. KEYER
General Attorney

BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(404) 335-0729

September 8, 1998

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

Re: Docket No. 980733-TL

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of BellSouth Telecommunications, Inc.'s Responses and Objections to the Attorney General's Third Request for Production of Documents, which we served today. Please file them in the captioned matter.

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 to the parties shown on the attached Certificate of Service.

Sincerely,

Mary K. Keyer

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FPSC-BUREAU OF RECORDS

Enclosures

cc: All parties of record
A. M. Lombardo
R. G. Beatty
William J. Ellenberg II (w/o enclosures)

- ACK _____
- AFA 1
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
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- QPC _____
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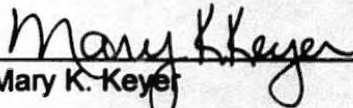
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FPSC-RECORDS/REPORTING

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CERTIFICATE OF SERVICE
Docket No. 980733-TL

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Hand-Delivery this 8th day of September, 1998, to the following:

Michael A. Gross
Assistant General Attorney
Office of the Attorney General
PL-01 The Capitol
Tallahassee, FL 32399-1050



Mary K. Keyer

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Discovery for Study on Fair & Reasonable Rates and on Relationships Among Costs and Charges Associated with Certain Telecommunications Services Provided by LECs, as Required by Chapter 98-277.)

Docket No.: 980733-TL

Filed: September 8, 1998

BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSES AND OBJECTIONS TO ATTORNEY GENERAL'S THIRD REQUEST FOR PRODUCTION OF DOCUMENTS

BellSouth Telecommunications, Inc. ("BellSouth"), files pursuant to Rule 25-22.034, Florida Administrative Code, and Rule 1.350, Florida Rules of Civil Procedure, its Responses and Objections to the Attorney General's ("Attorney General") Third Request for Production of Documents dated August 7, 1998.

GENERAL RESPONSES

1. BellSouth incorporates by reference its General Objections to the Attorney General's Third Request for Production of Documents filed August 17, 1998, as if they were fully set forth herein.

2. BellSouth objects to the Attorney General's proposed "Instruction" relating to details of privileged documents. To the extent a document responsive to any of the requests is subject to an applicable privilege, some of the information requested by the Attorney General would be similarly privileged and therefore not subject to discovery. Notwithstanding this objection, BellSouth agrees to identify any documents withheld on the basis of privilege.

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3. With regard to the Attorney General's definition of "document" or "documents", BellSouth has made a diligent, good faith attempt to locate documents responsive to the scope of the Attorney General's individual requests for documents.

4. BellSouth objects to the Attorney General's definition of "you" and "your." It appears that the Attorney General, through its definition of these words, is attempting to obtain discovery of information in the possession, custody, or control of entities that are not parties to this docket. Requests for Production may only be directed to parties, and any attempt by the Attorney General to obtain discovery from non-parties should be prohibited. See Rule 1.340, Florida Rules of Civil Procedure; Broward v. Kerr, 454 So. 2d 1068 (4th D.C.A. 1984).

5. BellSouth does not believe it was the Attorney General's intent to require BellSouth to produce again the same documents previously produced in other dockets, but to the extent it does, BellSouth objects on the basis that such a request would be unduly burdensome, oppressive, and unnecessary, and for these reasons is prohibited.

SPECIFIC RESPONSES

The following Specific Responses are given subject to the above-stated General Responses and Objections.

6. Please provide copies of all responses provided by your company to any request by Staff and any other party in this proceeding. This request

includes responses that have already been provided by your company, and also is a continuing request that applies to all future responses provided by your company in this proceeding. Copies of all attachments or documents provided in response to the requests of Staff or other parties should also be provided.

Response: BellSouth objects to this request to the extent the Attorney General asks for all of BellSouth's future responses provided in this proceeding. BellSouth is not aware of any provision in the Florida Rules of Civil Procedure or the Florida Administrative Code which allows the Attorney General to make a continuing request for future responses to requests not yet received by BellSouth. Should there be future requests served on BellSouth for which the Attorney General would like copies of BellSouth's responses, the Attorney General can request copies of those responses at that time with what is customarily referred to as a "me too" request. BellSouth will respond to any such request accordingly. The Attorney General, by making a continuing request such as this, attempts to place an undue administrative burden on BellSouth to track which parties should receive copies of what pleadings and documents in the future. BellSouth will provide copies of its responses and documents provided in response to prior requests made by Staff and other parties in this proceeding which have not already been provided to the Attorney General subject to the Protective Agreement executed by the Attorney General for documents which contain confidential proprietary business information.

7. Part 1, Request 3 of the June 19th Division of Auditing Requests asked your Company to provide a 1997 Part 36 separations study with certain assumptions. Please provide the workpapers which support the Company response to this Staff request, including but not necessarily limited to, the following workpapers:

- a. Workpapers showing the traffic factor development;
- b. Workpapers showing the quantity and development of the loop counts, circuit miles, and terminations; and
- c. For all traffic factors, loop counts, circuit miles, and terminations, the summation workpapers should be provided showing these counts by category (i.e. local, private line loops, or intrastate intraLATA toll minutes of use, etc.) and the summation of those counts.
- d. The COE and cable and wire facility categorization workpapers.

Response: BellSouth will provide the requested documents to the extent such documents exist.

8. The workpaper showing DEMs for all categories and summing those minutes to arrive at the unweighted DEM factor utilized.

Response: BellSouth has provided the requested documents in response to Request 7a.

9. Please provide the workpapers and other documents which support the responses provided to all portions of Interrogatory 6.

Response: BellSouth objects to this request as asking for information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. See BellSouth's objection to Interrogatory 6. To the extent this request and Interrogatory 6 asks for information regarding business or deregulated services, BellSouth objects because such information is irrelevant to the cost of providing residential basic local telecommunications service. The information requested in Interrogatory 6 pertains to deregulated services which is not relevant to the verification of the cost data and analyses submitted by BellSouth in this docket. The 1997 separations study requested in Part I, Request 3 of the June 19th Division of Auditing request, as referred to in Interrogatory 6, pertained to intrastate only, not deregulated services. The information requested by the Attorney General for deregulated services is irrelevant to the cost of providing residential basic local telecommunications service.

10. Please provide a copy of the pages from the Company study which show the calculation of the observed average service life indication for each of the accounts for which information is listed in response to Interrogatory 8a.

Response: This request was withdrawn by the Attorney General on August 24, 1998.

11. Please prepare and provide a copy of the FPSC Schedule Z-7 "Analysis of Directory Advertising Operations" for the year ended December 31, 1997. A blank copy of Schedule Z-7 is attached to this Request. Be sure to

follow the instruction in Footnote (f) of that Schedule, which requires that "the gross amounts billed from all sources" be included.

Response: BellSouth objects to this request to the extent it requires BellSouth to create a document. Without waiving this objection, BellSouth will provide the Schedule Z-7 already prepared for 1997.

12. Please provide the workpapers and other calculations which support the responses provided to all portions of Interrogatory 9.

Response: BellSouth objects to this request insofar as it requests workpapers and other calculations which support BellSouth's answers to Interrogatory 9.c, d, e, and f, as being irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. See BellSouth's objection to Interrogatory 9.c, d, e, and f. To the extent this request asks for revenue information, BellSouth objects as this information is not relevant to the verification of the cost data and analyses submitted by BellSouth in compliance with Chapter 98-277, General Laws of Florida. Nor is revenue information related to the cost of providing residential basic local telecommunications service. BellSouth will provide the documents requested which support BellSouth's answers to Interrogatory 9.a and b, subject to the Protective Agreement executed by the Attorney General, as these documents contain confidential proprietary business information.

13. If your answer to Interrogatory 11 is negative, please provide the studies which show the time of day and day of week of residential local exchange usage, and separately for business local exchange usage.

Response: Not applicable.

14. If your answer to Interrogatory 13 is negative, please provide all supporting explanations and workpapers.

Response: This request was withdrawn by the Attorney General on August 24, 1998.

15. Please provide copies of the document which supports the response to Interrogatory 15a.

Response: BellSouth will provide the requested documents.

16. Please provide copies of the document which supports your answer to Interrogatory 15b.

Response: See the documents produced in response to Request 15.

17. If the answer to 22a is yes, please provide a copy of the tariff.

Response: Not applicable.

18. If the answer to Interrogatory 27 is no, please provide evidence supporting the correct statement.

Response: This request was withdrawn by the Attorney General on August 24, 1998.

19. If the answer to Interrogatory 27a is no, please provide evidence in support of the statement provided.

Response: This request was withdrawn by the Attorney General on August 24, 1998.

20. Please provide a copy of each of the Company's proxy models or TSLRIC studies on an Iomega ZIP 100 MG disk or on a CD, that is readable by an IBM compatible personal computer. (As a less preferable option, the Company model can be provided on 3.25" computer disks that are readable by an IBM compatible personal computer.)

Response: The requested CD contains confidential proprietary business information which BellSouth will produce subject to the Protective Agreement executed by the Attorney General.

21. Please provide the Company documents which explain how the model is to be run, as well as the documents which explain the calculations and concepts incorporated in the model (i.e. User Guide, Loop Methodology, etc.).

Response: BellSouth has provided the BCPM 3.1 Model and all supplementing documentation in FPSC Docket No. 980696-TP, and Section 3, Descriptions of Models and Price Calculators, pp. 20-42, in its filing in 980000A-SP: Undocketed Special Project: Fair and Reasonable Rates. BellSouth will provide additional documents, some of which contain confidential proprietary business information, subject to the Protective Agreement executed by the Attorney General.

22. Please provide the workpapers which support the inputs utilized in this model.

Response: The information requested has been produced in response to Request 20 and in BellSouth's filing in 980000A-SP: Undocketed Special Project: Fair and Reasonable Rates - Section 5, Service Cost Study Workpapers, pp. 85-639; Appendix A, Model Workpapers, pp. 640-714; and Appendix B, Loadings and Factor Workpapers, pp. 715-799, copies of which the Attorney General received subject to the Protective Agreement executed by the Attorney General.

23. With respect to Interrogatory 39, please provide the workpapers which show the calculation of the cost of money, including the cost of money factor for each investment account in the voice grade flat rate residential basic exchange service TSLRIC study. The workpapers provided should allow the tracking of the determination of the cost of money from the associated gross investment amounts.

Response: This request was withdrawn by the Attorney General on August 24, 1998.

24. With respect to Interrogatory 40, please provide the workpapers which show the calculation of the income tax factor or other calculations used in the Company study to determine the income tax. The workpapers provided should allow the tracking of the determination of the income tax from the associated gross investment amounts.

Response: This request was withdrawn by the Attorney General on August 24, 1998.

25. Please provide a complete copy of the definition of TSLRIC that has been specifically approved by the FPSC, as well as a copy of the order, rules of the Commission or other relevant document that proves that the definition provided has been specifically approved by the FPSC.

Response: This request was withdrawn by the Attorney General on August 24, 1998.

26. Please provide a complete copy of the definition of Stand-Alone Cost that has been specifically approved by the FPSC, as well as a copy of the order, rules of the Commission or other relevant document that proves that the definition provided has been specifically approved by the FPSC.

Response: See BellSouth's answer to Request 47c.

27. Please provide the supporting documents for the percent used in your answer to Interrogatory 31b.

Response: This request was withdrawn by the Attorney General on August 24, 1998.

28. Please provide the support documents for the percent used in your answer to Interrogatory 32b.

Response: This request was withdrawn by the Attorney General on August 24, 1998.

29. Please provide the supporting documents for the percent used in your answer to Interrogatory 32d.

Response: This request was withdrawn by the Attorney General on
August 24, 1998.

Respectfully submitted this 8th day of September, 1998.

BELLSOUTH TELECOMMUNICATIONS, INC.

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