



ORIGINAL

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October 7, 1998

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

MAIL ROOM
98 OCT - 7 PM 11:47

Re: Docket No. 980696-TP
Determination of the cost of basic local telecommunications service,
pursuant to Section 364.025, Florida Statutes

Dear Ms. Bayo:

This letter responds to certain requests made by Commission Staff and Commissioner Jacobs at the September 28 prehearing conference in this matter.

First, GTE Florida Incorporated (GTEFL) will stipulate to entry into the record of the items included on Staff's draft Exhibit List distributed at the prehearing conference.

Second, Commissioner Jacobs asked for a description of the respective areas of expertise for witnesses who will testify on a panel. As I mentioned at the prehearing conference, Drs. Murphy and Tardiff will appear as a panel. Both witnesses will critique the HAI Model. Dr. Murphy principally addresses the engineering problems with the Model, while Dr. Tardiff focuses more on the economic flaws in the Model. However, Dr. Tardiff also speaks to certain engineering aspects of the HAI Model. In practice, it is sometimes difficult to neatly divide the two subject areas. GTE's experience in other states, however, is that the panel testimony goes quite smoothly.

- ACK _____
- AFA 1
- APP _____
- CAF _____
- CMU King
- CTR _____
- EAG _____
- LEG 1
- LIN 5
- DPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

A part of GTE Corporation

DOCUMENT NUMBER-DATE

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Third, Staff asked for a brief description of the exhibits listed by number in the draft prehearing order. These descriptions follow.

Witness Seaman

MCS-1 Economic Costs Based on UNE Rates
MCS-2 GTE USF Report
MCS-3 Comparison of Current and AT&T-Proposed Switched Access Rates

Witness Tucek

DGT-1 GTE's Company-Specific Inputs for BCPM
DGT-2 BCPM CD with GTE Inputs
DGT-3 BCPM Model Run Results

Witness Norris

MRN-1 Expense Cost Pool Assignment
MRN-2 Expense Cost Pool Summary
MRN-3 BCPM Expense Inputs and Results

Witness Sovereign

AES-1 Comparison of FPSC and GTE Lives*
AES-2 Economic Depreciation Input Parameters
AES-3 Comparison of TFI and GTE Lives
AES-4 Comparison of AT&T and GTE Lives
AES-5 Comparison of RBOC and GTE Lives
AES-6 Comparison of FPSC and GTE Lives (with footnotes)*
AES-7 Analog Switching Account Equipment Reserve Analysis

* The only difference between Exhibits AES-1 and AES-6 is the addition of two footnotes with citations to Commission orders.

Witness Vander Weide

JVW-1 Capital Structure of S&P Industrials
JVW-2 Capital Structure of RBHCs and GTE
JVW-3 DCF Analysis of S&P Industrial Group
JVW-4 Regulatory Book Value Capital Structure of LECs
JVW-5 Market to Book Ratios of Electric and Gas Companies
JVW-6 Impacts of Extraordinary Write-Offs on Total Equity of Mr. Hirshleifer's Cos.
JVW 7 Value Line Internal Growth Rate and I/B/E/S Estimates for Mr. Hirshleifer's THC's

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JVW8 Anomalous DCF Results for Interexchange Carriers and Florida Electric
Utilities using Mr. Hirshleifer's Three-Stage DCF Methodology

Witness Olson
SAO-1 Income and Expense Statement

Witness Tardiff
TJT-1 Table of Contents for Analysis of HAI Model Release 5.0a
TJT-2 Analysis of HAI Model Release 5.0a

Please contact me if you have any questions.

Sincerely,



for Kimberly Caswell

KC:tas

c: Parties of Record