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BELLSOUTH TELECOMMUNICATIONS, INC.
DIRECT TESTIMONY OF G. DAVID CUNNINGHAM
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 990649-TP
MAY 1, 2000

Q. PLEASE STATE YOUR NAME, ADDRESS AND POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. (HEREINAFTER REFERRED TO AS "BELLSOUTH" OR "THE COMPANY").

A. My name is G. David Cunningham and my business address is 3535 Colonnade Parkway, Birmingham, Alabama 35243. My position is Director in the Finance Department of BellSouth.

Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.

A. I graduated from Morehead State University, Morehead, Kentucky in 1971 with a Bachelor of Arts Degree in Economics. I was employed by South Central Bell in 1972 and held various staff and line assignments in the Kentucky Network Operations Department until mid-1983. In July of 1983, I moved to Birmingham, Alabama with BellSouth Services, Inc., holding positions in the Corporate Affairs Department and later in the Regulatory Department. My current assignment

1 includes responsibility for Regulatory and Depreciation concerns within
2 the Finance organization.

3

4 Q. WHAT ARE YOUR CURRENT JOB DUTIES AND
5 RESPONSIBILITIES?

6

7 A. I am responsible for the preparation of depreciation studies for the nine
8 states comprising BellSouth to determine appropriate depreciation
9 parameters and depreciation rates for booking purposes and to meet
10 regulatory requirements as necessary.

11

12 Q. HAVE YOU PREVIOUSLY APPEARED IN REGULATORY
13 PROCEEDINGS REGARDING DEPRECIATION ISSUES?

14

15 A. Yes. I have testified and also participated in workshops before various
16 state commissions regarding depreciation. I have served as
17 BellSouth's chief representative on several occasions in negotiations
18 with the Federal Communications Commission (FCC) and the various
19 state commissions in depreciation rescription meetings.

20

21 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

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23 A. The purpose of my testimony in this proceeding is to present the
24 economic lives that BellSouth has determined to be appropriate for use
25 in the cost studies.

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Q. WHAT LIVES DOES BELLSOUTH CONSIDER TO BE APPROPRIATE FOR USE IN THE COST STUDIES?

A. The asset lives that BellSouth has determined to be appropriate for use in the cost studies are included in Exhibit GDC-1. These are BellSouth's expected economic lives for newly placed plant.

Q. WHAT IS THE SOURCE OF THE LIVES BELLSOUTH CONSIDERS TO BE APPROPRIATE FOR USE IN THE COST STUDIES?

A. The source of the lives BellSouth has determined to be appropriate for use in the cost studies is the 2000 BellSouth Florida Depreciation Study, attached to this testimony as Exhibit GDC-2. Projection (economic) lives are defined as the average life expectancy of new additions to plant. The depreciation study also describes average remaining lives and depreciation rates to be used for depreciation booking purposes. These parameters, however, relate to embedded investment and are not appropriate for use in the cost studies.

Although this is not a depreciation proceeding, the depreciation study included as Exhibit GDC-2 is being provided to demonstrate the appropriateness of the data.

1 BellSouth prepared the detailed depreciation study in this exhibit,
2 analyzing the various asset accounts to determine appropriate
3 depreciation parameters for each account. The depreciation study
4 provides explanations of methodology, data and analysis that support
5 the asset lives and other depreciation parameters for asset accounts,
6 including those accounts that are used in the cost studies.

7

8 Q. PLEASE SUMMARIZE BELLSOUTH'S APPROACH IN DETERMINING
9 THE ASSET LIVES APPROPRIATE FOR USE IN THE COST
10 STUDIES.

11

12 A. As demonstrated in the attached depreciation study, numerous
13 methods are utilized to determine the appropriate economic lives of the
14 different asset accounts. One factor used in determining the
15 appropriate lives of all accounts is an analysis of Company planning
16 data. This data is useful in assessing the near term portion of the life
17 cycles of most assets, and is particularly useful when the technology is
18 near the end of its life cycle.

19

20 A second factor used in assessing the life of an account is normal
21 mortality, i.e., wear and tear with usage, deterioration with age and
22 accidental removal, breakage, or damage. The technique used to
23 assess normal mortality is called Historical Mortality Analysis. For
24 some accounts, like poles, Company planning data and normal
25 mortality alone are the major considerations in determining the life. In

1 these cases, the Company does not expect that the future
2 characteristics of this type of plant will differ significantly from the past.

3
4 In cases where a newer technology is substituting for an established
5 embedded technology, use of Company planning data and the
6 Historical Mortality Analysis alone to assess the life will generally result
7 in an inappropriately long life. Over the long term, the substitution of a
8 new technology for the old is the primary force driving the displacement
9 of the old technology. Therefore, after initial deployment of the new
10 technology, life analysis techniques that take into account technological
11 substitution must also be used. These technology-sensitive accounts
12 (that is, Digital Electronic Switching, Digital Circuit, Aerial Metallic
13 Cable, Underground Metallic Cable, Buried Metallic Cable) comprise
14 more than 70% of BellSouth's total plant investment.

15

16 Q. HOW DO THE LIVES BELLSOUTH CONSIDERS TO BE
17 APPROPRIATE FOR USE IN THE COST STUDIES COMPARE TO
18 THE LIVES USED TO DETERMINE THE DEPRECIATION RATES
19 BOOKED BY BELLSOUTH IN FLORIDA?

20

21 A. The economic lives BellSouth considers to be appropriate for use in the
22 cost studies are consistent with those used to determine the
23 depreciation rates currently being booked in Florida for intrastate and
24 for external reporting purposes.

25

1 With implementation of Price Regulation, BellSouth was given authority
2 to establish its own depreciation rates in Florida for intrastate purposes.
3 As a result, BellSouth uses the lives supported by the depreciation
4 study in Exhibit GDC-2 to determine depreciation rates booked in
5 Florida for intrastate purposes, as well as external reporting purposes.

6

7 Q. HAS THE FCC PRESCRIBED LIVES TO BE USED IN FLORIDA TO
8 DETERMINE DEPRECIATION RATES ON AN INTERSTATE BASIS?

9

10 A. Yes. Lives were last prescribed by the FCC in 1995 for booking
11 depreciation expense on an interstate basis in Florida.

12

13 Q. DO YOU BELIEVE THAT LIVES PRESCRIBED BY THE FCC ARE
14 APPROPRIATE FOR THIS APPLICATION?

15

16 A. No, I do not.

17

18 Q. WHY ARE THE LIVES PRESCRIBED BY THE FCC FOR
19 INTERSTATE DEPRECIATION PURPOSES NOT APPROPRIATE
20 FOR USE IN THE COST STUDIES?

21

22 A. Lives were last prescribed by the FCC in Florida in 1995. These lives,
23 particularly for the technology-sensitive accounts, are much too long.
24 They are based on the old regulatory paradigm in which plant lives
25 were artificially lengthened beyond their true economic lives so that the

1 investment in that plant would be recovered in smaller year-to-year
2 increments over longer periods of time. The assumption under this
3 paradigm was always that BellSouth was entitled to and would recover
4 all of its investments, but over a longer period of time, thus reducing the
5 amount the customer paid in the short term.

6

7 In today's competitive environment, however, the marketplace is not
8 likely to allow BellSouth to recover investment based on lives that are
9 inappropriately long. The rapid changes in technology, which BellSouth
10 must embrace in order to stay competitive, shorten asset lives
11 significantly beyond what the FCC has prescribed. BellSouth has
12 emphasized to the FCC many times that *substantially more progress* is
13 needed in moving to lives that adequately reflect the current pace of
14 technology and competitive changes. In fact, BellSouth has made
15 clear to the FCC its position that BellSouth should be allowed to
16 establish its own interstate depreciation rates, as it does in Florida and
17 other states for intrastate purposes with implementation of Price
18 Regulation. BellSouth agrees with FCC Commissioner Harold
19 Furchtgott-Roth in his *Concurring Statement* attached to an April 3,
20 2000, Further Notice of Proposed Rulemaking in CC Docket No. 98-
21 137, "As I indicated last year, I do not believe that the Commission's
22 depreciation requirements continue to serve a useful purpose."

23

24 BellSouth's recommended lives, which are supported by the
25 depreciation study, are significantly shorter than those prescribed by

1 the FCC, particularly for the technology-sensitive accounts. As
2 previously stated, these lives are used to determine depreciation rates
3 booked in Florida for intrastate purposes and for external reporting
4 purposes. Prior to implementation of Price Regulation in Florida, the
5 Florida PSC established intrastate depreciation rates for BellSouth, and
6 were considerably more progressive than the FCC in determining
7 appropriate lives for depreciation purposes. The Florida PSC
8 historically prescribed Average Remaining Lives, not "Projection",
9 economic lives as used in the cost studies. However, projection lives
10 corresponding to the Average Remaining Lives last prescribed by the
11 Florida PSC for intrastate depreciation purposes can be determined,
12 and are shown in Exhibit GDC-3.

13

14 Q. DID THE FLORIDA COMMISSION STAFF'S APRIL 29, 1998,
15 FINDINGS IN DOCKET NO. 960833-TP RECOMMEND LIVES
16 CONSISTENT WITH BELLSOUTH'S PROPOSAL FOR THE MAJOR
17 TECHNOLOGY-SENSITIVE ACCOUNTS?

18

19 A. No. For the five major technology-sensitive accounts (*Digital Electronic*
20 *Switching*, *Digital Circuit*, *Aerial Metallic Cable*, *Underground Metallic*
21 *Cable*, and *Buried Metallic Cable*), the Commission ordered that FCC-
22 prescribed lives be used. However, in Florida Universal Service
23 proceedings, Docket No. 980696-TP, the order dated January 7, 1999,
24 included lives for the *Digital Circuit* account and the *Digital Electronic*
25 *Switching* account that were shorter than those ordered in Docket No.

1 960833-TP. The Staff cited, for example, recognition of the phase out
2 of asynchronous equipment, as Synchronous Optical Network
3 (SONET) equipment increases, as support for a shorter life for Digital
4 Circuit Equipment.

5

6 Q. WHAT SEEMED TO BE STAFF'S CHIEF CONCERNS WITH
7 BELLSOUTH'S RECOMMENDATIONS IN THE ABOVE TWO
8 PROCEEDINGS FOR THE ECONOMIC LIFE OF AERIAL,
9 UNDERGROUND AND BURIED METALLIC CABLE?

10

11 A. The main concerns specified by the Staff in these orders seem to focus
12 on the substitution model that BellSouth used in determining the life of
13 this equipment, and on the historical retirement patterns for metallic
14 cable.

15

16 Q. HOW DO YOU RESPOND TO THESE CONCERNS?

17

18 A. The substitution analysis technique used by BellSouth and recognized
19 in technical depreciation literature has been proven effective in
20 projecting the adoption of new technologies and the obsolescence of
21 old technologies. Since substitution analysis recognizes technological
22 obsolescence as the major cause of displacements, it is a more
23 appropriate life analysis method than Historical Mortality Analysis alone
24 for technology-sensitive asset accounts. Substitution analysis
25 examines patterns of technology substitution, and these patterns are

1 remarkably consistent from one substitution to another. This is a
2 reliable method that has been developed and tested over many years
3 in telecommunications and other industries.

4
5 For example, the substitution of metallic cable by fiber in the interoffice
6 (IOF) portion of the network is a well established process, and
7 illustrates the usefulness and accuracy of substitution analysis for
8 determining economic lives. Forecasts made in the late 1980s
9 regarding the penetration of fiber in the IOF have proven to be very
10 close to the actual penetration that has occurred. In fact, the "end
11 date," where fiber reached 99% of circuits in service, has occurred
12 within a year of the date that was forecasted about a decade ago.
13 Based on the accuracy of substitution analysis in the IOF, we have
14 used the same method for the feeder and distribution. As expected,
15 the rate of fiber penetration has not been as rapid as in the IOF due to
16 lower traffic concentrations. However, the pattern of substitution has
17 been similar and has proven to be useful in estimating economic lives.

18
19 Regarding the impact of historical retirement patterns on the life of
20 technology-sensitive equipment, BellSouth does not believe that simply
21 looking at the past is a proper approach for projecting the future of
22 equipment sensitive to rapid changes in technology. Emphasis on
23 historical retirement patterns is an indication that the future is not
24 expected to vary significantly from the past. Even a casual observation
25 of the telecommunications industry today leaves no doubt that there is

1 an evolution taking place that cannot help but have a major effect on
2 telecommunications assets.

3

4 Q. SOME MAY BELIEVE THAT AN INCREASE IN THE DEPRECIATION
5 RESERVE OVER TIME IS EVIDENCE THAT FCC-PRESCRIBED
6 LIVES HAVE BEEN FORWARD-LOOKING. HOW DO YOU
7 RESPOND?

8

9 A. The fact that the reserve has grown over time is not an indication that
10 the reserve is at the appropriate level. The depreciation reserve is the
11 accumulation of all past depreciation accruals, reduced by plant
12 retirements. In an environment in which one technology is rapidly
13 displacing another technology, it is obvious that the depreciation
14 reserve must be built up by appropriate accruals to a level high enough
15 to handle the inevitable asset retirements. Today, we have two
16 situations in which a major technology displacement is occurring;
17 specifically, digital is replacing analog, and fiber is replacing copper.
18 Never in the history of this industry has technology displacement been
19 so pronounced. Huge retirements of these old technologies are
20 expected in bulk at the end of the technologies' life span. Depreciation
21 accruals over the years have not been high enough, due to
22 inappropriately long FCC-prescribed lives for copper and analog related
23 assets, to position the depreciation reserve for the avalanche of
24 retirements that will soon come.

25

1 The critical issue here is not just that the reserve has increased over
2 the past few decades. The issue is that the reserve has not increased
3 enough to handle retirements caused by the dramatic paradigm shift
4 that has occurred in the telecommunications industry.

5

6 Q. WHAT OTHER OBSERVATIONS DO YOU HAVE AS TO THE
7 INAPPROPRIATENESS OF USING LIVES PRESCRIBED BY THE
8 FCC IN BELLSOUTH'S COST STUDIES?

9

10 A. The FCC has emphasized historical data when prescribing BellSouth's
11 depreciation lives. As stated earlier, BellSouth does not believe that
12 simply looking at the past can possibly indicate what will happen in the
13 future with equipment that is sensitive to rapid changes in technology.
14 This rear-view mirror approach is clearly not appropriate for projecting
15 the future of this equipment.

16

17 It is clear that forward-looking lives should be used for depreciation
18 purposes and in the cost studies. However, BellSouth believes that the
19 FCC has not properly assessed the impact of technological evolution
20 and increasing competition to determine appropriate forward-looking
21 lives. BellSouth's depreciation study, as demonstrated in Exhibit GDC-
22 2, provides detailed analysis to support forward-looking lives
23 significantly below those prescribed by the FCC, particularly for the
24 technology-sensitive accounts.

25

1 Q. ARE THE LIVES BELLSOUTH CONSIDERS TO BE APPROPRIATE
2 FOR USE IN THE COST STUDIES REASONABLE WHEN
3 COMPARED TO LIVES PROPOSED BY OTHER
4 TELECOMMUNICATIONS COMPANIES?

5

6 A. Yes. One comparison of lives can be found in Exhibit GDC-4, which
7 lists the lives that BellSouth recommends for the major technology-
8 sensitive accounts and the lives that the FCC last prescribed in 1994
9 for AT&T. As shown in this comparison, AT&T's depreciation life for
10 Digital Electronic Switching, for example, is 9.7 years. The life that
11 BellSouth recommends for this account is 10 years. The life prescribed
12 by the FCC in 1995 for BellSouth in Florida was an unrealistically long
13 16 years. The comparison in this exhibit demonstrates that, for all the
14 major technology-sensitive accounts, the lives that BellSouth
15 recommends are comparable or conservative when compared to the
16 lives last prescribed by the FCC for AT&T as shown in Exhibit GDC-4.

17

18 Q. PLEASE SUMMARIZE YOUR TESTIMONY.

19

20 A. BellSouth's Depreciation organization performed detailed analyses of
21 each asset account, and the resulting economic lives are appropriate
22 for use in the cost studies. The 2000 BellSouth Florida Depreciation
23 Study, which documents this analysis, is attached to this testimony as
24 Exhibit GDC-2. The lives prescribed by the FCC for depreciation

25

1 purposes are inappropriately long, particularly for the technology-
2 sensitive accounts.

3

4 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

5

6 A. Yes, it does.

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<u>Category</u>	<u>Company Composite Projection (Economic) Life</u>
Motor Vehicles	8
Special Purpose Vehicles	7
Garage Work Equipment	12
Other Work Equipment	15
Buildings	45
Furniture	15
Office Support Equipment	11.5
Official Communications Equipment	7
Computers	4.5
Analog ESS	2.1
Digital ESS	10
Operator Systems	10
Radio Systems	9
Circuit DDS	8
Circuit Digital	9
Circuit Analog	7.5
Station Apparatus	6
Large PBX	6
Other Terminal Equipment	6
Poles	36
Aerial Cable Metallic	15
Aerial Cable Fiber	20
Underground Cable Metallic	14
Underground Cable Fiber	20
Buried Cable Metallic	15
Buried Cable Fiber	20
Submarine Cable	15
Intrabuilding Cable	20
Conduit	55

2000 Florida Depreciation Study

001

002619

Depreciation Rate Study

Florida PSC

As of 1/1/2000

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Buildings	2121.00	10
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Office Support Equipment	2123.10	11
Company Communications Equipment	2123.20	12
Computers	2124.00	18
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Aerial Cable Metallic	2421.10	10
Aerial Cable Fiber	2421.2	11
Underground Cable Metallic	2422.10	10
Underground Cable Fiber	2422.2	11
Buried Cable Metallic	2423.10	10
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Preface

New intrastate (PSC) depreciation rates for booking depreciation expense are developed in this study for the assets of BellSouth Telecommunications, Inc. in the state of Florida. When used in this study, "BST" refers to the nine states in the BellSouth region, that is, Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.

This study consists of data and narrative information that details the development of parameters (average remaining life, projection life, future net salvage, etc.) that support the depreciation rates found on Statement A of the Statements. The Company plans to implement the depreciation rates on January 1, 2000.

Overview

The premise of this study is that depreciation is driven by network evolution. The evolution of the network is pushed by technological advancements, pulled by the marketplace, and governed by the economics of providing telecommunications services. Customer demands, as well as an ever-expanding competitive environment, further increase the pressure for a technologically advanced network. Competitive Local Exchange Carriers (CLECs) have begun to provide local and long distance telecommunications services in areas that once were exclusively served by BellSouth. When such carriers are facility-based, they construct the latest in fiber and digital technology. To remain competitive, BellSouth must have facilities that allow it to at least provide equitable services. In addition, wireless service is becoming an economical alternative to traditional wireline service. Both of these impacts contribute to BellSouth's copper and analog facilities being replaced with fiber and digital facilities. Thus, competition is increasing the obsolescence and more quickly reducing the overall economic value of Company assets. Depreciation lives must reflect the fact that displacement of equipment is taking place to make way for a more economic, efficient, and state of the art telecommunications infrastructure.

This Introduction summarizes the assumptions made concerning the network evolution and briefly discusses the study principles and methods used by the Company in its study. The Introduction also discusses the curve shapes and salvage associated with the various accounts.

Existing and newly developed depreciation schedules by account are found in the Statements. Statement A shows by account, the existing rates and rate parameters, as well as those to be implemented on January 1, 2000. Statement B displays investment, existing and proposed accruals, and changes in expense resulting from the proposed rate changes.

The Station Apparatus account is not included in this depreciation study. It was determined that all of the equipment in this account was used for emergency (911) telephone service and should appropriately be included in the account having such equipment. Therefore, as of 1/1/2000, all investment in the Station Apparatus account transferred into the Large PBX account.

Network Evolution

BellSouth's network is evolving to meet the changing needs of customers. To more efficiently provide telephony services, digital and optical technology is being introduced to increase the flexibility, bandwidth and intelligence of network components. This evolution is being prompted by customer demands for new services, higher transmission rates, faster response to service requests, enhanced reliability and increased control over their network configurations. The economic introduction of digital and optical technologies is resulting in the increasing displacement of analog and copper technologies and associated equipment. The depreciation lives of these technologies should mirror this displacement.

The information needs of customers are increasing and becoming more sophisticated. The use of new technology in the telecommunications infrastructure has been a major factor in helping the Company to meet customer demand economically. Fiber optics, digital switching, Synchronous Optical Network (SONET) and Asynchronous Transfer Mode (ATM) technologies are key elements in the ongoing modernization of the network infrastructure.

Today, the pace of technological advancement is the single greatest influence on the life cycle of network technologies. To accurately estimate proper depreciation requirements, we must look beyond historical trends and near-term plans, and evaluate the complete life cycle of network facilities. The major technological changes impacting the life cycles of network assets are summarized below and in more detail in the account narratives.

Switching Equipment

The rapid substitution of Digital Electronic Switching Systems (DESS) for Analog Electronic Switching Systems (AESS) in BellSouth is complete in some states and will continue in the others. This substitution is well established and is driven by customer demand for new digital services and economic benefits, due in part to capital and maintenance savings realized from the integration of digital loop carrier systems.

Modern digital electronic switches are modular, with each modular group having distinct life characteristics. The remaining life of this account is determined by analyzing the life characteristics of each modular group.

Circuit Equipment

The displacement of analog circuit equipment, as well as analog/digital conversion equipment, is driven by the benefits of optical and digital technologies. The displacement pattern for analog circuit equipment is linked to the displacement of copper feeder cable by fiber optic cable, while the pattern for analog/digital conversion equipment is linked to the displacement of analog switches by digital switches.

The transport network has seen a rapid introduction of synchronous transmission over fiber via SONET equipment. Well over half the optical circuits are on SONET components in both the IOF and Loop. However, the use of Asynchronous Transfer Mode (ATM), Internet Protocol (IP) and Dense Wavelength Division Multiplexing (DWDM) technologies may present an alternative architecture for the transport network. The predominance of data traffic over voice is driving the need to make the network more efficient for all forms of communication. Eventually SONET and/or ATM/IP devices will displace all non-compatible asynchronous transmission equipment.

Next Generation Digital Loop Carrier (NGDLC) is in the early stages of deployment and will eventually replace earlier generations of Digital Loop Carrier (DLC), both copper and fiber based. However, since the impact of DLC remote terminals should not be great in the next few years, historical mortality was the primary impact considered in the life analysis of Other Digital Equipment.

Cable

The life cycle for fiber based systems in the interoffice (IOF) network is nearing the end of the rapid deployment phase. Correspondingly, the life cycle of IOF copper cable is near the end of the rapid replacement phase of its life cycle. This substitution will complete within the next few years.

Fiber in the feeder loop has demonstrated significant price performance benefits over copper, and is the economic choice for feeder applications today. Fiber in the feeder loop is entering the rapid deployment phase. Led by the economics of fiber deployment, copper cable in the feeder loop will soon be entering the rapid replacement phase of its life cycle.

Continued improvements in the long-term price performance advantages of fiber-based systems make them the first choice architecture for certain distribution applications. The use of fiber in the distribution is referred to generally as Fiber-In-The-Loop (FITL) and is recommended in BellSouth for all new residential developments (buried and aerial) and for plant replacement ("rehab") projects. While the installed first cost of FITL is slightly higher than copper, it is still the economic winner in these areas. Other developments, including additional components to provide DS1 and new PC data services via the existing FITL architecture, will make FITL even more attractive. While fiber is displacing copper in the distribution, wireless service will begin to displace traditional wireline service.

Already, wireless has begun to replace wireline service in terms of usage. Eventually, it will also displace wireline in terms of access for a segment of the market.

Competitive Environment

Impact of Competition

The passage of the Telecommunications Act of 1996 made it clear that competition is the way of the future in the telecommunications industry. This act allowed Bell Operating Companies to enter lines of business formerly prohibited by the Modified Final Judgment. It also opened the door for long distance companies to effectively compete with local telephone companies like BellSouth in providing local telephone service. The Telecommunications Act also lifts the prohibition on electric and gas utilities from entering the telecommunications market.

Competitive Access Providers (CAPs) are established and providing alternate access by means of fiber optic facilities in practically every major metropolitan area that BellSouth serves. CAPs have built fiber networks in large cities where the concentration of business and interexchange carrier revenues enables competitors to target, with a very limited investment in infrastructure, specific high revenue customers. Clearly, the threat of competition from these access providers is real and pervasive.

The traditional telecommunications business is on the verge of an explosion of competition. Almost daily, new groups of competitors are surfacing and new alliances are being formed to provide telecommunications services. Mergers, such as Sprint/MCI/WorldCom, AT&T/TCI, SBC/Ameritech and AOL/Time Warner, are creating companies that are formidable competitors to BellSouth. With increasing competition as the indisputable way of the future, BellSouth must recover its investment over an appropriate period of time to be able to compete with these providers.

Accounting Considerations

On June 30, 1995, BellSouth Telecommunications announced that it would stop using Statement of Financial Accounting Standards (SFAS) No. 71 as the basis for reporting financial information. All Regional Bell Operating Companies have made similar announcements. This action was prompted by the success the Company has had in obtaining price regulation and the increased levels of competition in BST markets. The SFAS 71 accounting rule sets out criteria companies must meet if they are considered regulated enterprises for accounting purposes, and based on these factors, BellSouth believed that it no longer met those criteria. Under price regulation, prices are no longer set to ensure the recovery of specific costs of telephone plant and equipment, which have been depreciated according to overly long regulator-prescribed lives. Also, it is no longer reasonable to assume that customers will pay traditional cost-based regulated rates in an

increasingly competitive environment. As part of this change, BellSouth adjusted the net book value of its telephone plant downward by \$4.9 billion for financial reporting purposes. This action makes a strong statement as to the Company's view of the changing regulatory environment, fast paced technological change and the advancing impact of competition on the value of its assets. It also supports the Company's belief that the depreciation rate parameters developed in this study are not only appropriate, but are critical for competing in today's telecommunications market.

Study Methods and Principles

General

This section describes the methodology used in the development of the Company's proposed depreciation rates and briefly describes the various methodologies used for analyzing the lives of the various accounts. A more detailed and account specific description of the life analysis methodology used for each account is given in the respective account narratives.

Depreciation Rate Method

Depreciation rates in this study were developed using the Remaining Life depreciation rate formula. This formula is:

$$\text{Rate} = \frac{100\% - \text{Book Reserve}\% - \text{Future Net Salvage}\%}{\text{Average Remaining Life}}$$

The Book Reserve percent in this study represents the estimated book reserve as of January 1, 2000. The Average Remaining Life represents the Vintage Group/Equal Life Group (VG/ELG) Remaining Life for full mortality accounts and the VG Remaining Life for computed mortality accounts.

Life Analysis for Network Technology Accounts

Numerous methods have been utilized in the telecommunication industry to assess the lives of network technologies. All methods determine the life by first estimating the remaining life cycle (i.e., forecasted survivors or percent surviving) and then calculating the life from the life cycle. The individual methods and techniques utilized in our life analysis are briefly discussed below. Details of the specific approach taken for each individual technology are given in the account narrative for each technology.

One factor used in life analysis is Company planning data. Network deployment planning data is of considerable value in assessing the near term impact for most technologies. In some cases, network deployment plans alone can accurately define the remaining life cycle

for a technology, provided the technology is near the end of its life cycle. For example, network plans are used in developing Average Year of Final Retirements (AYFR) for the AESS account.

Historical Mortality Analysis (HMA), more commonly referred to as Actuarial Analysis by other disciplines, is useful in assessing the lives of accounts not impacted by a competing newer technology. In cases where a newer technology is substituting for an established embedded technology, use of HMA alone to assess the remaining life of the embedded technology will generally result in insufficient and/or untimely depreciation. On the other hand, in the early stages of a technological substitution, the historical retirement pattern of the embedded technology is only marginally impacted by the new technology. In the initial deployment stages, the new technology is typically deployed primarily for growth applications and as a replacement for the embedded technology that has worn out. In this case, HMA techniques are useful in predicting the displacements of the old technology in the near term. Over the long term, the substitution of the new technology for the old is the primary force driving the displacement of the embedded technology. Therefore, after initial deployment of the new technology, life analysis techniques that take into account the technological substitution must also be used.

Experience shows that the substitution of a new technology for an old technology takes place over a predictable period of time. The penetration of the new technology, defined as the percentage of total market captured, yields the classic S-shaped curve if plotted over time. For most technological substitutions, the Fisher-Pry model, developed by John Fisher and Robert Pry of the General Electric Company in 1971, is the best model for development of this curve. Substitution analysis has been shown to accurately describe the life for technologies in the telecommunications industry, as well as many other industries.

To adequately reflect the impact of mortality and technological substitution, we used an approach that combines these two impacts through the use of probability techniques. Simply adding the rates of displacement due to mortality and substitution would overstate the total impact. Therefore, we statistically combined the probabilities of mortality and substitution to determine the aggregate impact. This approach has been found to accurately model actual equipment displacements that have been observed.

This combined analysis was used in this study to determine account remaining lives for metallic cable, analog circuit, digital circuit, and in part, for digital electronic switching. Within the narratives for these accounts are tables that show the development of remaining lives of various technology study groups for these accounts. The composition of the study groups and detailed explanation of the process for arriving at remaining lives are documented in these narratives.

Technological displacement occurs when existing units of an older technology are displaced by a newer technology. Due to regulatory accounting rules, every displacement will not result in a booked retirement. Regulatory accounting rules allow the Company to

retire assets only in groups of defined quantities called retirement units. In the case of metallic cable, for example, a retirement unit is a section of cable, not an individual pair of wires within the cable. Cable pairs in a copper cable that are no longer in service and are not expected to be utilized in the future, because of the availability of capacity in a fiber optic cable, have effectively been technologically displaced, and their economic value has been lost. For example, the Company may have an 1800 pair copper cable in which circuits on all but 100 pairs have been transferred to a new fiber cable. Under current retirement rules, the cable cannot be retired as long as it has any working pairs. Thus, a displacement does not necessarily result in a retirement, but it does directly result in loss of value, and the displaced investment should be completely depreciated.

Life Analysis for Other Accounts

As with the technology accounts, there are many approaches to analyzing the life of the non-technology accounts. Many factors were examined to determine the appropriate life for assets in a given account. Projected lives were determined by an analysis of the historical life characteristics of the account, along with any known anticipated impacts. Other factors that gave insight into life determinations include Company plans, engineering judgment, industry data, and analogies with related accounts.

Curve Shapes

Specific curve shape information is found behind the *Parameter Report* tab of the study. Curve shapes are also found behind each account tab, on the *Account Parameter Summary* and on the *Projection Life Table*.

Salvage

Discussion of the Company's salvage proposal and the rationale for the proposal is found in the appropriate account narrative. Historical salvage data is found in *Table A* and *Table B* in each account section. Specific account salvage proposal information is found behind the *Parameter Report* tab.

Summary

In this Introduction, the Company has summarized its assumptions and projections concerning the evolution of the network and has discussed the methods and principles used in conducting the depreciation study. This study, as a whole, reflects the Company's economic planning to evolve BellSouth's switched network into the network necessary to serve current and future customer requirements. This state-of-the-art telecommunications infrastructure will allow the Company to provide the most economic telecommunications service available.

STATEMENTS

014

002632

03/16/00
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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: STATEMENT A

SUMMARY OF DEPRECIATION RATES

ACCOUNT NUMBER	CLASS OR SUBCLASS OF PLANT	RATES EFFECTIVE 1999				RATES EFFECTIVE 2000			
		REM LIFE	FUTURE NET RESERVE	DEPR SALVAGE	DEPR RATE	REM LIFE	FUTURE NET RESERVE	DEPR SALVAGE	DEPR RATE
		YEARS	%	%	%	YEARS	%	%	%
		A	B	C	D	E	F	G	H
211200	MOTOR VEHICLES	4.6	30.6	16.0	11.6	4.3	35.5	16.0	11.3
211400	SPECIAL PURP VEHICLES	2.8	28.0	0.0	25.7	5.0	53.7	0.0	9.3
211510	GARAGE WORK EQUIPMENT	6.8	86.4	0.0	2.0	8.9	76.7	0.0	2.6
211610	OTHER WORK EQUIPMENT	11.2	87.3	0.0	1.1	10.7	77.8	0.0	2.1
212100	BUILDINGS	33.0	21.1	0.0	2.4	32.0	5.1	0.0	3.0
212290	FURNITURE	14.7	0.0	10.0	0.0	11.2	4.9	10.0	7.6
212310	OFFICE SUPPORT EQUIP	9.6	406.8	5.0	0.0	5.8	428.3	5.0	0.0
212320	OFFICIAL COMM EQUIP	4.8	42.2	10.0	10.0	4.4	48.6	10.0	9.4
212400	GEN PURPOSE COMPUTERS	3.1	69.0	2.0	9.4	2.9	61.5	2.0	12.6
221110	ANALOG ESS	2.6	76.0	0.0	9.2	2.1	77.0	0.0	11.0
221210	DIGITAL ESS	5.7	40.2	0.0	10.5	5.4	43.4	0.0	10.5
222010	OPERATOR SYSTEMS	5.8	7.7	0.0	15.9	5.5	15.8	0.0	15.3
223120	RADIO SYSTEMS	4.5	-16.7	-5.0	27.0	7.8	-30.3	-5.0	17.3
223211	CIRCUIT DDS	3.6	32.4	2.0	18.2	4.0	32.0	2.0	16.5
223212	CIRCUIT DIGITAL	5.3	52.8	0.0	8.9	5.1	54.4	0.0	8.9
223220	CIRCUIT ANALOG	4.2	106.2	-3.0	0.0	4.3	47.5	0.0	12.2
231100	STATION APPARATUS	1.6	69.7	0.0	18.9	0.0	0.0	0.0	0.0
234100	LARGE PEX	3.5	36.5	0.0	18.1	3.4	42.4	5.0	15.5
236200	OTHER TERMINAL EQUIP	2.0	77.3	5.0	8.9	1.9	81.3	5.0	7.2
241100	POLES	27.0	37.2	-55.0	4.4	25.0	39.9	-55.0	4.6
242110	AERIAL CABLE METAL	7.4	65.7	-14.0	6.5	7.8	69.0	-14.0	5.8
242120	AERIAL CABLE FIBER	15.1	19.8	-14.0	6.2	14.2	21.7	-14.0	6.5
242210	UGRD CABLE METAL	4.4	92.8	-8.0	3.5	5.5	94.9	-8.0	2.4
242220	UGRD CABLE FIBER	14.3	33.7	-8.0	5.2	13.7	36.8	-8.0	5.2
242310	BURIED CABLE METAL	5.8	70.0	-7.0	6.4	6.4	73.6	-7.0	5.2
242320	BURIED CABLE FIBER	14.5	24.8	-7.0	5.7	13.9	26.5	-7.0	5.8
242400	SUBMARINE CABLE	4.1	68.2	-5.0	9.0	4.1	76.5	-5.0	7.0
242600	INTRABLDG NETWORK CBL	10.1	78.1	-10.0	3.2	9.7	79.0	-10.0	3.2
244100	CONDUIT SYSTEMS	38.0	29.7	-10.0	2.1	38.0	31.3	-10.0	2.1

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 XREF: 99
 PRES: 1999,PA,01
 PROP: 2000,PA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: STATEMENT B

CHANGE IN ANNUAL DEPRECIATION EXPENSE
 RESULTING FROM CHANGES IN DEPRECIATION RATES AND AMORTIZATIONS
 (\$000)

ACCOUNT NUMBER	CLASS OR SUBCLASS OF PLANT	INVESTMENT 1/1/00	RATES EFFECTIVE 1999			RATES EFFECTIVE 2000			CHANGE IN EXPENSE
			RATE	AMORT	TOTAL	RATE	AMORT	TOTAL	
			AMOUNT	AMOUNT		AMOUNT	AMOUNT		
		I	J=D*I	K	L=J+K	M=H*I	N	O=M+N	P=O-L
211200	MOTOR VEHICLES	124,340	14,423	0	14,423	14,050	0	14,050	-373
211400	SPECIAL PURP VEHICLES	4	1	0	1	0	0	0	-1
211510	GARAGE WORK EQUIPMENT	1,578	32	0	32	41	0	41	9
211610	OTHER WORK EQUIPMENT	82,483	907	0	907	1,732	0	1,732	825
212100	BUILDINGS	671,526	16,117	0	16,117	20,146	0	20,146	4,029
212290	FURNITURE	4	0	0	0	0	0	0	0
212310	OFFICE SUPPORT EQUIP	2,953	0	0	0	0	-9,842	-9,842	-9,842
212320	OFFICIAL COMM EQUIP	26,778	2,678	0	2,678	2,517	0	2,517	-161
212400	GEN PURPOSE COMPUTERS	309,799	29,121	0	29,121	39,035	0	39,035	9,914
221110	ANALOG ESS	276,077	25,399	0	25,399	30,368	0	30,368	4,969
221210	DIGITAL ESS	1,811,981	190,258	0	190,258	190,258	0	190,258	0
222010	OPERATOR SYSTEMS	33,224	5,283	0	5,283	5,083	0	5,083	-200
223120	RADIO SYSTEMS	1,561	421	0	421	270	0	270	-151
223211	CIRCUIT DDS	19,105	3,477	0	3,477	3,152	0	3,152	-325
223212	CIRCUIT DIGITAL	2,871,101	255,528	0	255,528	255,528	0	255,528	0
223220	CIRCUIT ANALOG	90,852	0	0	0	11,084	0	11,084	11,084
231100	STATION APPARATUS	0	0	0	0	0	0	0	0
234100	LARGE PEX	15,361	2,780	0	2,780	2,381	0	2,381	-399
236200	OTHER TERMINAL EQUIP	116,796	10,395	0	10,395	8,409	0	8,409	-1,986
241100	POLES	150,984	6,643	0	6,643	6,945	0	6,945	302
242110	AERIAL CABLE METAL	803,556	52,231	0	52,231	46,606	0	46,606	-5,625
242120	AERIAL CABLE FIBER	49,912	3,095	0	3,095	3,244	0	3,244	149
242210	UGRD CABLE METAL	746,436	26,125	0	26,125	17,914	0	17,914	-8,211
242220	UGRD CABLE FIBER	262,382	13,644	0	13,644	13,644	0	13,644	0
242310	BURIED CABLE METAL	2,608,853	166,967	0	166,967	135,660	0	135,660	-31,307
242320	BURIED CABLE FIBER	217,327	12,388	0	12,388	12,605	0	12,605	217
242400	SUBMARINE CABLE	8,988	809	0	809	629	0	629	-180
242600	INTRABLDG NETWORK CAB	46,101	1,475	0	1,475	1,475	0	1,475	0
244100	CONDUIT SYSTEMS	750,101	15,752	0	15,752	15,752	0	15,752	0
	TOTAL	12,100,163	855,949	0	855,949	838,528	-9,842	828,686	-27,263
	COMPOSITE RATE (%)				7.1			6.8	

016

January 1, 2000

002634

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 XREF: 99
 PRES: 1999,PA,01
 PROP: 2000,PA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida

PARAMETER REPORT

CATEGORY	ELG YEAR	PLIFE OR AYFR	ANS	FNS	ASL	ARL	CURVE SHAPE PARAMETERS		
							C	G	S
MOTOR VEHICLES	1998	8.0	16	16	8.0	4.3	1.960000E+00	-3.900000E-04	-2.43600E-03
SPECIAL PURP VEHICLES	1998	7.0	0	0	6.5	5.0	1.716296E+00	-1.146000E-03	3.82000E-04
GARAGE WORK EQUIPMENT	1998	12.0	-19	0	11.9	8.9	2.600000E-01	-1.1990200E-01	-1.67110E-02
OTHER WORK EQUIPMENT	1998	15.0	0	0	10.6	10.7	9.200000E-01	-3.4916870E+00	-3.21529E-01
BUILDINGS	1998	45.0	-3	0	37.5	32.0	1.184287E+00	-1.0145000E-01	1.55770E-02
FURNITURE		15.0	0	10	6.5	11.2	9.500000E-01	-2.6287780E+00	-1.56088E-01
OFFICE SUPPORT EQUIP	1998	11.5	2	5	9.9	5.8	8.500000E-01	-1.4514730E+00	-1.99576E-01
OFFICIAL COMM EQUIP		7.0	19	10	7.5	4.4	1.102494E+00	-3.3410000E-01	2.40120E-02
GEN PURPOSE COMPUTERS	1998	4.5	6	2	5.1	2.9	6.600000E-01	-2.0128100E-01	-6.89960E-02
ANALOG ESS		2001.6	9	0	7.6	2.1	1.000000E+00	0.0000000E+00	-6.56400E-03
DIGITAL ESS	1998	10.0	1	0	10.2	5.4	1.133397E+00	-2.1745500E-01	2.39690E-02
OPERATOR SYSTEMS	1998	10.0	4	0	8.2	5.5	1.133397E+00	-2.1745500E-01	2.39690E-02
RADIO SYSTEMS	1998	9.0	-2	-5	7.7	7.8	2.600000E-01	-6.6895000E-02	-9.97970E-02
CIRCUIT DDS	1998	8.0	5	2	7.9	4.0	1.010000E+00	-8.4565873E+01	8.58800E-01
CIRCUIT DIGITAL	1998	9.0	2	0	9.5	5.1	1.040000E+00	-2.9177100E-01	4.59400E-03
CIRCUIT ANALOG	1998	7.5	8	0	9.2	4.3	9.900000E-01	-1.0400173E+01	-1.18570E-01
STATION APPARATUS		0.0	0	0	0.0	0.0	0.000000E+00	0.0000000E+00	0.00000E+00
LARGE PBX		6.0	11	5	6.6	3.4	1.184287E+00	-1.0145000E-01	1.55770E-02
OTHER TERMINAL EQUIP		6.0	9	5	8.9	1.9	1.184287E+00	-1.0145000E-01	1.55770E-02
POLES	1998	36.0	-54	-55	33.0	25.0	1.070000E+00	-6.7640000E-03	-2.89500E-03
AERIAL CABLE METAL	1998	15.0	-13	-14	16.6	7.8	1.030000E+00	-2.2861500E-01	5.26800E-03
AERIAL CABLE FIBER	1998	20.0	-13	-14	17.7	14.2	1.030000E+00	-2.2861500E-01	5.26800E-03
UGRD CABLE METAL	1998	14.0	-7	-8	20.3	5.5	1.102494E+00	-3.3410000E-01	2.40120E-02
UGRD CABLE FIBER	1998	20.0	-8	-8	20.2	13.7	1.102494E+00	-3.3410000E-01	2.40120E-02
BURIED CABLE METAL	1998	15.0	-7	-7	17.0	6.4	1.070000E+00	-1.9166000E-02	4.96000E-04
BURIED CABLE FIBER	1998	20.0	-7	-7	18.7	13.9	1.070000E+00	-1.9166000E-02	4.96000E-04
SUBMARINE CABLE	1998	15.0	-3	-5	18.4	4.1	1.070000E+00	-1.9166000E-02	4.96000E-04
INTRABLDG NETWRK CBL	1998	20.0	-6	-10	21.5	9.7	1.030000E+00	-2.2861500E-01	5.26800E-03
CONDUIT SYSTEMS	1998	55.0	-11	-10	54.7	38.0	1.716296E+00	-1.1460000E-03	3.82000E-04

019



002637

Company : BellSouth Telecommunications
State : Florida
Account : 2112
Category : Motor Vehicles

Account Description

This account includes the cost of motor vehicles, which are designed and routinely licensed to operate on public streets and highways. Included are passenger and material carrying automobiles, trucks, truck-type tractors and vans. It also includes the cost of associated power-operated equipment items, which are considered an integral part of a particular motor vehicle, such as concrete mixers, lifts and other aerial devices on trucks.

Historically, this account was divided into two categories, Motor Vehicles Light and Motor Vehicles Other. Effective with this study, the Company has combined the investment into one study category – Motor Vehicles.

Investment and Reserve Statistics

The 1-1-00 investment and reserve amounts in the Motor Vehicles account are shown on Table 1.

Investment and Reserve Statistics

State	Investment \$M	Reserve \$M	Res. Pct. %
Florida	124.3	44.2	35.5

Table 1

Life Proposal

The Company selects the current projection life of 8 years for the Motor Vehicles Account. Company guidelines for replacing vehicles range from 6 to 10 years.

Curve Shape

The selected curve shape for this account is derived from the 1995-1997 band of historical mortality data. The selected curve is the one that satisfies the least absolute retirement difference criteria.

Company : BellSouth Telecommunications
State : Florida
Account : 2112
Category : Motor Vehicles

Salvage Proposal

The Company has elected to continue the use of the current 16% future net salvage percent for the Motor Vehicles Account. While this percent is less than the latest band indicates, the latest band has been heavily influenced by year 1998 gross salvage, which is considerably higher than the experience of any other year shown. The Company believes salvage in 1998 is an anomaly. Thus, the current 16% salvage rate was maintained.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2112
CATEGORY : MOTOR VEHICLES

INDEX

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January 1, 2000

022

1
002640

Run Date: 3/21/00 13:05
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2112.00
 Category: Motor Vehicles

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	104,018,164	124,340,164
Adjustment	0	0
Study	104,018,164	124,340,164
% Tot. Depr. Plant	0.89	1.03
Depr. Reserve (\$)	31,787,863	44,156,526
(%)	30.6	35.5
Plife/AYFR (Yrs)		
Motor Vehicles	8.0	8.0
Curve		
Motor Vehicles	95-97 MORT	95-97 MORT
c	1.96000000E+00	1.96000000E+00
G	-3.90190000E-04	-3.90191900E-04
S	-2.43638360E-03	-2.43638360E-03
Whole Life (yrs)	8.0	8.0
Avg. Net Salv. (%)	16	16
WL Rate (%)	10.5	10.5
Comp. Rem. Life (Yrs)	4.6	4.3
Fut. Net Salv. (%)	16	16
Comp. RL Rate (%)	11.6	11.3
Intrastate Factor (%)	78.42	73.95

@ Estimated Investment and Reserve

03/13/00
 11:05 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: MOTOR VEHICLES
 CATEGORY: MOTOR VEHICLES
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT		EXPERIENCE AS OF 1-1-2000*				REMAIN	VINT	AVERAGE	REMAINING
AGE	AGE	AMOUNT	PROP	REAL	ING	AVG	LIFE	LIFE	
		SURVIVING	SURV	LIFE	LIFE	YEARS	WEIGHTS	WEIGHTS	
N	A	B	C	D	E	F	G=B/F	H=E*G	
*1999	0.5	21,151,606	0.9980	0.50	6.60	7.10	2,978,668	19,662,272	
*1998	1.5	15,478,748	0.9961	1.50	5.97	7.47	2,071,485	12,371,521	
1997	2.5	13,557,737	0.9960	2.50	5.65	8.12	1,668,970	9,426,178	
1996	3.5	16,934,884	0.9568	3.41	4.72	7.92	2,137,192	10,089,723	
1995	4.5	10,068,652	0.9709	4.43	3.82	8.14	1,236,526	4,723,155	
1994	5.5	14,066,544	0.9871	5.47	2.96	8.40	1,674,775	4,965,610	
1993	6.5	14,208,447	0.9649	6.36	2.19	8.47	1,677,392	3,667,210	
1992	7.5	11,746,451	0.9615	7.39	1.52	8.85	1,327,066	2,016,805	
1991	8.5	3,993,743	0.9215	8.34	1.00	9.27	431,057	431,954	
1990	9.5	2,090,746	0.9665	9.44	0.66	10.08	207,371	137,513	
1989	10.5	644,991	0.4237	7.88	0.52	8.10	79,624	41,269	
1988	11.5	62,387	0.4136	9.49	0.50	9.70	6,432	3,217	
1987	12.5	122	0.0005	9.06	0.50	9.06	13	7	
1986	13.5	9	0.0000	7.51	0.50	7.51	1	1	
1985	14.5	172,331	0.1087	9.64	0.50	9.69	17,784	8,892	
1984	15.5	0	0.0000	8.76					
1983	16.5	38,945	0.0041	9.90	0.50	9.91	3,932	1,966	
1982	17.5	35,696	0.0055	9.87	0.50	9.87	3,616	1,808	
1981	18.5	88,125	0.0045	10.10	0.50	10.10	8,727	4,364	
TOTAL		124,340,164					15,530,631	67,553,464	
NON-ELG V		87,709,810					10,480,478	35,519,671	
ELG V		36,630,354					5,050,153	32,033,793	

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 8.00612 8.36888 7.25332
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 4.34969 3.38913 6.34313
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 165,891,980 B/ SUM OF (B/C) 0.74952

ORIGINAL: c 1.960000000000 G -3.900000000000E-004 S -2.436000000000E-003
 RESCALED: c 2.189190538757 G -3.900000000000E-004 S -2.836316640069E-003
 * ELG VINTAGES, PROJECTION LIFE 8.0
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 % ACTUAL

03/13/00
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 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: MOTOR VEHICLES
 CATEGORY: MOTOR VEHICLES
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

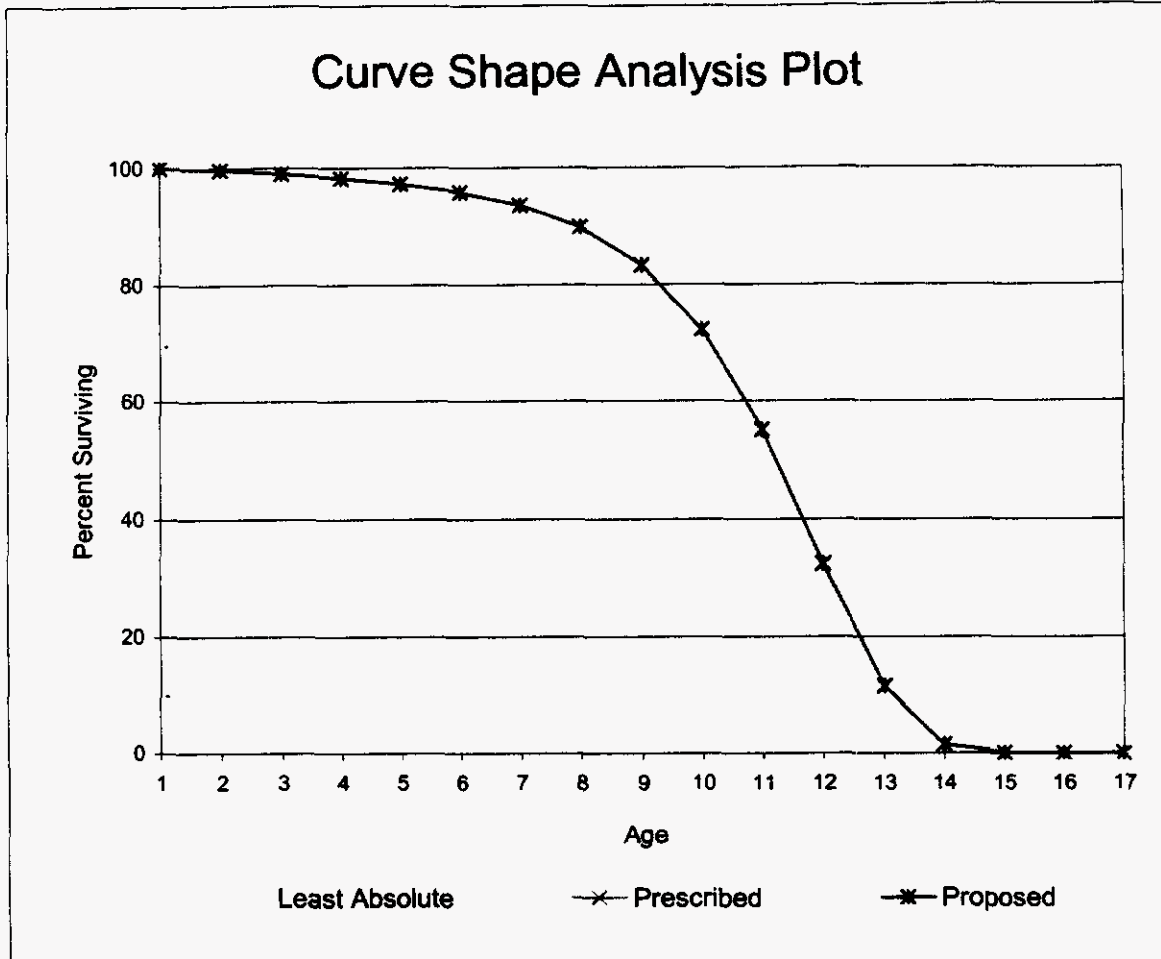
PROJECTION LIFE TABLE PARAMETERS AVG LIFE 8.00

ORIGINAL: c 1.960000000000 RESCALED: c 2.189190538757
 G -3.900000000000E-004 G -3.900000000000E-004
 S -2.436000000000E-003 S -2.836316640069E-003

BEGINNING OF YEAR ----- AGE	AMOUNT IN SERVICE	AMOUNT RETIRE DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIRE D	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG VINT REMAIN. LIFE
				EACH LIFE GROUP	FOR ALL REMAINING GROUPS	AVG. SER VICE LIFE	AVG. REMAIN ING LIFE	
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	369	0.5	738	14,768	6.77	6.77	8.00
0.5	99,631	805	1.0	805	14,031	7.10	6.60	7.53
1.5	98,826	982	2.0	491	13,226	7.47	5.97	6.59
2.5	97,844	1,370	3.0	457	12,735	7.68	5.18	5.65
3.5	96,474	2,204	4.0	551	12,278	7.86	4.36	4.72
4.5	94,270	3,952	5.0	790	11,727	8.04	3.54	3.82
5.5	90,318	7,441	6.0	1,240	10,936	8.26	2.76	2.96
6.5	82,877	13,684	7.0	1,955	9,696	8.55	2.05	2.19
7.5	69,193	22,219	8.0	2,777	7,741	8.94	1.44	1.52
8.5	46,974	26,697	9.0	2,966	4,964	9.46	0.96	1.00
9.5	20,277	17,029	10.0	1,703	1,998	10.15	0.65	0.66
10.5	3,248	3,189	11.0	290	295	11.02	0.52	0.52
11.5	59	59	12.0	5	5	12.00	0.50	0.50
12.5	0	0	13.0	0	0	13.00	0.50	0.50
TOTAL		100,000						

* F(AGE A) = SUM OF COL E AGE A TO END
 # I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
 STATE : Florida
 ACCOUNT : 2112
 CATEGORY : Motor Vehicles



$c = 1.96$ $G = -0.000390192$ $S = -0.00243638$

Curves scaled to observed life of 9.29

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: MOTOR VEHICLES
 CATEGORY: MOTOR VEHICLES
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT	GROSS SALVAGE		COST OF REMOVAL		NET
	RETIRED	PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	41,552#	18.1*	7,503	1.3*	544	16.8
FUTURE	124,340&	20.0**	24,868	4.0**	4,974	16.0
TOTAL	165,892		32,371		5,518	
AVERAGE		19.5		3.3		16.2

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

027

January 1, 2000

6

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03/20/00
 01:23 PM
 KREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: MOTOR VEHICLES
 CATEGORY: MOTOR VEHICLES
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIREDS*	GROSS SALVAGE*		COST OF REMOVAL*		NET
			AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1975##		18,930,155	2,750,290	14.5	30,850	0.2	14.3
1976	34,000,120	2,623,715	503,505	19.2	0	0.0	19.2
1977	37,377,950	2,391,499	498,987	20.9	0	0.0	20.9
1978	46,426,511	3,363,142	807,691	24.0	0	0.0	24.0
1979	52,997,622	5,974,876	1,258,271	21.1	0	0.0	21.1
1980	57,267,828	2,095,624	668,423	31.9	0	0.0	31.9
1981	73,980,658	4,605,229	812,276	17.6	-16,661	-0.4	18.0
1982	76,746,536	5,727,730	986,458	17.2	39,584	0.7	16.5
1983	77,660,865	8,843,830	1,889,765	21.4	109,213	1.2	20.2
1984	69,776,977	7,013,293	2,267,387	32.3	181,270	2.6	29.7
1985	65,131,571	5,071,332	1,088,314	21.5	55,200	1.1	20.4
1986	61,787,728	4,087,603	516,121	12.6	49,372	1.2	11.4
1987	56,254,827	5,478,538	843,922	15.4	125,401	2.3	13.1
1988	44,606,625	11,685,135	2,018,601	17.3	141,983	1.2	16.1
1989	38,101,940	9,451,420	1,405,106	14.9	78,282	0.8	14.1
1990	28,973,871	9,118,392	1,031,348	11.3	93,180	1.0	10.3
1991	30,224,104	2,743,177	390,922	14.3	34,004	1.2	13.1
1992	39,647,986	1,805,842	194,500	10.8	19,871	1.1	9.7
1993	46,754,331	7,469,311	560,785	7.5	56,456	0.8	6.7
1994	55,892,969	4,800,222	649,825	13.5	56,058	1.2	12.3
1995	62,252,601	3,374,615	675,271	20.0	43,897	1.3	18.7
1996	78,786,364	3,484,721	1,127,225	32.3	23,655	0.7	31.6
1997	89,351,441	3,294,205	1,348,247	40.9	62,140	1.9	39.0
1998	104,018,164	1,086,845	1,016,429	93.5	115,174	10.6	82.9
1999	124,340,164	1,043,000	208,600	20.0	41,720	4.0	16.0
GRAND TOTAL		135,563,451	25,518,269	18.8	1,340,649	1.0	17.8
1989-1999#		47,671,750	8,608,258	18.1	624,437	1.3	16.8
1990-1999##		38,220,330	7,203,152	18.8	546,155	1.4	17.4

* REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

January 1, 2000

7

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03/20/00
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 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: MOTOR VEHICLES
 CATEGORY: MOTOR VEHICLES
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1977	18,713,516	3,837,701	20.5	0	0.0	20.5
1978	16,448,856	3,736,877	22.7	0	0.0	22.7
1979	18,430,370	4,045,648	22.0	-16,661	-0.1	22.1
1980	21,766,601	4,533,119	20.8	22,923	0.1	20.7
1981	27,247,289	5,615,193	20.6	132,136	0.5	20.1
1982	28,285,706	6,624,309	23.4	313,406	1.1	22.3
1983	31,261,414	7,044,200	22.5	368,606	1.2	21.3
1984	30,743,788	6,748,045	21.9	434,639	1.4	20.5
1985	30,494,596	6,605,509	21.7	520,456	1.7	20.0
1986	33,335,901	6,734,345	20.2	553,226	1.7	18.5
1987	35,774,028	5,872,064	16.4	450,238	1.3	15.1
1988	39,821,088	5,815,098	14.6	488,218	1.2	13.4
1989	38,476,662	5,689,899	14.8	472,850	1.2	13.6
1990	34,803,966	5,040,477	14.5	367,320	1.1	13.4
1991	30,588,142	3,582,661	11.7	281,793	0.9	10.8
1992	25,936,944	2,827,380	10.9	259,569	1.0	9.9
1993	20,193,167	2,471,303	12.2	210,286	1.0	11.2
1994	20,934,711	3,207,606	15.3	199,937	1.0	14.3
1995	22,423,074	4,361,353	19.5	242,206	1.1	18.4
1996	16,040,608	4,816,997	30.0	300,924	1.9	28.1
1997	12,283,386	4,375,772	35.6	286,586	2.3	33.3

Run Date: 3/21/00 11:10
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2112.00
 Category: Motor Vehicles

Development of Retirement Ratios -- Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ment Ratio C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ment Ratio G	Retire- ment Ratio H=G/F
1985	65,131,571							
1986	61,787,728	63,459,650	4,087,603	0.06441				
1987	56,254,827	59,021,278	5,478,538	0.09282	86-88	172,911,653	21,251,276	0.12290
1988	44,606,625	50,430,726	11,685,135	0.23171	87-89	150,806,286	26,615,093	0.17649
1989	38,101,940	41,354,283	9,451,420	0.22855	88-90	125,322,914	30,254,947	0.24142
1990	28,973,871	33,537,906	9,118,392	0.27188	89-91	104,491,176	21,312,989	0.20397
1991	30,224,104	29,598,988	2,743,177	0.09268	90-92	98,072,938	13,667,411	0.13936
1992	39,647,986	34,936,045	1,805,842	0.05169	91-93	107,736,191	12,018,330	0.11155
1993	46,754,331	43,201,159	7,469,311	0.17290	92-94	129,460,854	14,075,375	0.10872
1994	55,892,969	51,323,650	4,800,222	0.09353	93-95	153,597,594	15,644,148	0.10185
1995	62,252,601	59,072,785	3,374,615	0.05713	94-96	180,915,918	11,659,558	0.06445
1996	78,786,364	70,519,483	3,484,721	0.04942	95-97	213,661,170	10,153,541	0.04752
1997	89,351,441	84,068,903	3,294,205	0.03918	96-98	251,273,188	7,865,771	0.03130
1998	104,018,164	96,684,803	1,086,845	0.01124	97-99	294,932,869	5,424,050	0.01839
1999 #	124,340,164	114,179,164	1,043,000	0.00913				

Forecasted Activity

SPECIAL PURPOSE
VEHICLES

031

002649

Company : BellSouth Telecommunications
State : Florida
Account : 2114
Category : Special Purpose Vehicles

Account Description

This account includes self-propelled vehicles that are designed primarily for use as a means of transportation. Vehicles that are routinely licensed to operate on public streets and highways are not included in this account. Neither does this account include items of equipment whose primary purpose is use as work equipment. Items that might be found in the Special Purpose Vehicles account are: boats, barges, golf carts, motor scooters, snowmobiles, and watercraft.

Investment in this account represents a small gas-powered vehicle used by telephone company personnel as a means of transportation within the customers' complex.

Investment and Reserve Statistics

The 1/1/00 investment and reserve in the Special Purpose Vehicles account are shown in Table 1.

Investment and Reserve Statistics

State	Investment (\$000)	Reserve (\$000)	Res. Pct. %
Florida	4.0	2.2	53.7

Table 1

Projection Life

The company selected a projection life of 7 years for the Special Purpose Vehicles account. This life is based on the life (5 years) experienced in the past by a similar vehicle in the Special Purpose Vehicles account, as well as an analogy with the life (8 years) of the Motor Vehicles account.

Company : BellSouth Telecommunications
State : Florida
Account : 2114
Category : Special Purpose Vehicles

Curve Shape

Insufficient retirement history exists on which to derive Gompertz-Makeham curve shape parameters. The Company believes that investment in this account will exhibit a retirement pattern represented by a Bell #5.0 curve, which was selected for this account.

Salvage

The company selected a future net salvage of 0.0%. BellSouth's future net salvage value is based on historical salvage and future salvage expectations for the Special Purpose Vehicles account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2114
CATEGORY : SPECIAL PURPOSE VEHICLES

INDEX

Account Parameter Summary	2
Generation Arrangement	3
Projection Life Table/Remaining Life Development	4
Curve Shape Analysis plot	5
Average Net Salvage	6
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Retirement Ratios	9

January 1, 2000

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1

002652

Run Date: 3/21/00 13:05
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2114.00
 Category: Special Purpose Vehicles

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	4,028	4,028
Adjustment	0	0
Study	4,028	4,028
% Tot. Depr. Plant	0.00	0.00
Depr. Reserve (\$)	1,127	2,162
(%)	28.0	53.7
Plife/AYFR (Yrs)		
Special Purpose Vehicles	7.0	7.0
Curve		
Special Purpose Vehicles	BELL #5	BELL #5
c	1.71629560E+00	1.71629600E+00
G	-1.14622770E-03	-1.14600000E-03
S	3.81733890E-04	3.82000000E-04
Whole Life (yrs)	7.3	6.5
Avg. Net Salv. (%)	0	0
WL Rate (%)	13.7	15.4
Comp. Rem. Life (Yrs)	2.8	5.0
Fut. Net Salv. (%)	0	0
Comp. RL Rate (%)	25.7	9.3
Intrastate Factor (%)	79.34	73.95

@ Estimated Investment and Reserve

03/20/00
 07:43 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: SPECIAL PURPOSE VEHICLES
 CATEGORY: SPECIAL PURPOSE VEHICLES
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

EXPERIENCE AS OF 1-1-2000*					VINT		AVERAGE LIFE WEIGHTS	REMAINING LIFE WEIGHTS
VINT AGE	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE	RL LIFE YEARS	AVG LIFE YEARS		
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5		0 0.0000	0.00				
*1998	1.5	4,028	1.0000	5.50	5.04	6.54	616	3,104
TOTAL		4,028					616	3,104
NON-ELG V		0					0	0
ELG V		4,028					616	3,104

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 6.54210 0.00000 6.54210
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 5.04210 0.00000 5.04210
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 4,028 B/ SUM OF (B/C) 1.00000

ORIGINAL: c 1.716295600000 G -1.146227700000E-003 S +3.817338900000E-004
 RESCALED: c 2.163373623972 G -1.146227700000E-003 S +5.453340872216E-004

* ELG VINTAGES, PROJECTION LIFE 7.0
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 % ACTUAL

02/23/00
 10:59 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: SPECIAL PURPOSE VEHICLES
 CATEGORY: SPECIAL PURPOSE VEHICLES
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

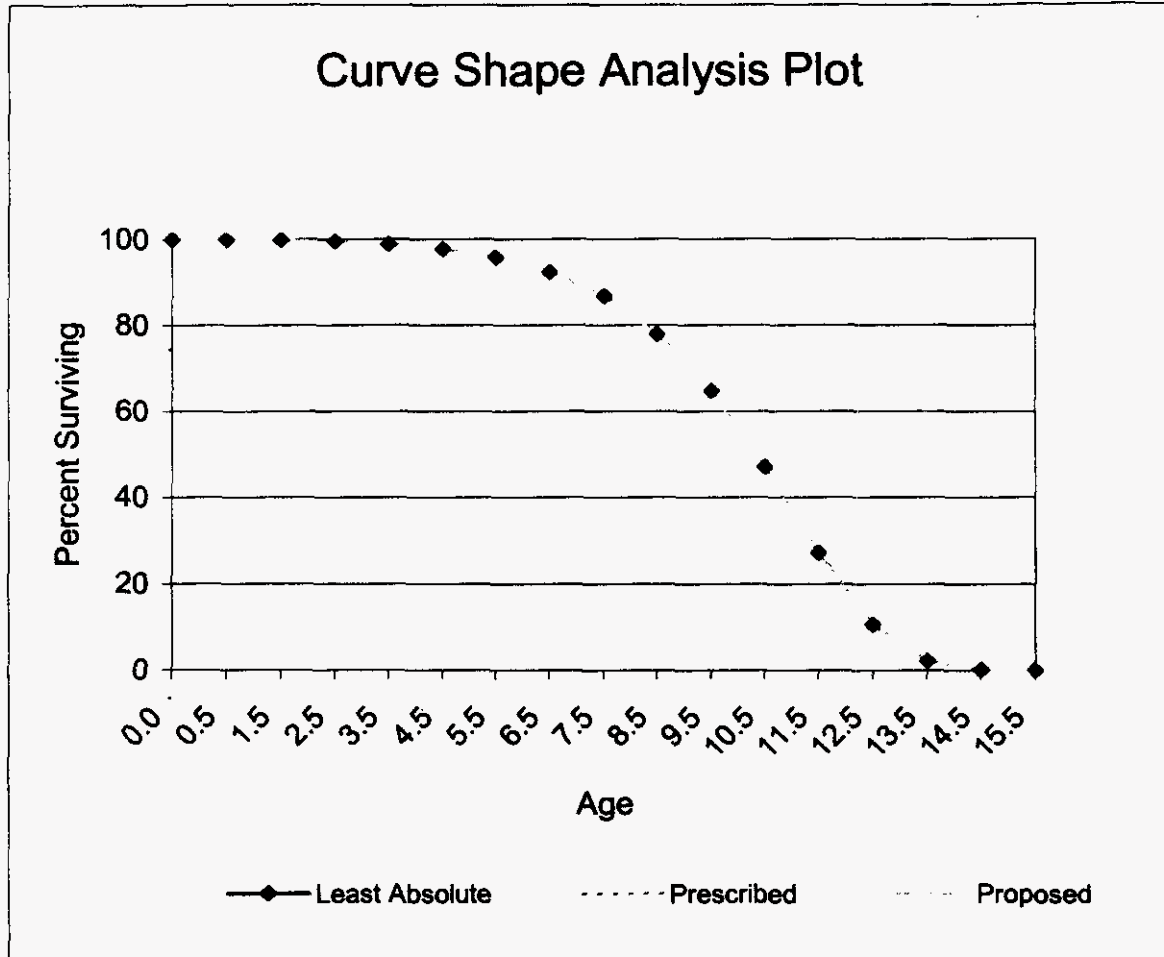
PROJECTION LIFE TABLE PARAMETERS AVG LIFE 7.00

ORIGINAL: C 1.716295600000 RESCALED: C 2.163373623972
 G -1.146227700000E-003 G -1.146227700000E-003
 S +3.817338900000E-004 S +5.453340872216E-004

BEGINNING OF YEAR AGE	AMOUNT IN SERVICE	AMOUNT DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIRE	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
				EACH LIFE GROUP	FOR ALL REMAINING GROUPS	AVG. SER VICE LIFE	AVG. REMAIN ING LIFE	VINT REMAIN. LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	61	0.5	123	15,675	6.38	6.38	7.00
0.5	99,939	325	1.0	325	15,552	6.43	5.93	6.50
1.5	99,613	845	2.0	422	15,226	6.54	5.04	5.52
2.5	98,769	1,944	3.0	648	14,804	6.67	4.17	4.57
3.5	96,824	4,212	4.0	1,053	14,156	6.84	3.34	3.65
4.5	92,613	8,618	5.0	1,724	13,103	7.07	2.57	2.79
5.5	83,995	16,097	6.0	2,683	11,380	7.38	1.88	2.03
6.5	67,898	25,109	7.0	3,587	8,697	7.81	1.31	1.39
7.5	42,789	27,053	8.0	3,382	5,110	8.37	0.87	0.91
8.5	15,736	13,931	9.0	1,548	1,728	9.11	0.61	0.62
9.5	1,805	1,788	10.0	179	180	10.01	0.51	0.51
10.5	17	17	11.0	2	2	11.00	0.50	0.50
11.5	0	0	12.0	0	0	12.00	0.50	0.50
TOTAL		100,000						

* F(AGE A) = SUM OF COL E AGE A TO END
 # I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
 STATE : Florida
 ACCOUNT : 2114
 CATEGORY : Special Purpose Vehicles



c = 1.7163 G = -0.001146228 S = 0.000381734

Curves scaled to life of 10.0

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: SPECIAL PURPOSE VEHICLES
 CATEGORY: SPECIAL PURPOSE VEHICLES
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C = (AxB) / 100	D	E = (AxD) / 100	F = (B-D)
PAST	0#	0.0*	0	0.0*	0	0.0
FUTURE	4&	0.0**	0	0.0**	0	0.0
TOTAL AVERAGE	4	0.0	0	0.0	0	0.0

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: SPECIAL PURPOSE VEHICLES
 CATEGORY: SPECIAL PURPOSE VEHICLES
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
			AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1988	3,049	0	0	0.0	150	0.0	0.0
1989	3,049	0	0	0.0	0	0.0	0.0
1990	3,049	0	0	0.0	0	0.0	0.0
1991	3,049	0	0	0.0	0	0.0	0.0
1992	3,049	0	0	0.0	0	0.0	0.0
1993	0	3,049	0	0.0	0	0.0	0.0
1994	4,028	0	0	0.0	0	0.0	0.0
1995	4,028	0	0	0.0	0	0.0	0.0
1996	4,028	0	0	0.0	0	0.0	0.0
1997	4,028	0	0	0.0	0	0.0	0.0
1998	4,028	0	0	0.0	0	0.0	0.0
1999	4,028	0	0	0.0	0	0.0	0.0
GRAND TOTAL		3,049	0	0.0	150	4.9	-4.9
1993-1999#		3,049	0	0.0	0	0.0	0.0
1990-1999##		3,049	0	0.0	0	0.0	0.0

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: SPECIAL PURPOSE VEHICLES
 CATEGORY: SPECIAL PURPOSE VEHICLES
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1990	0	0	0.0	150	0.0	0.0
1991	3,049	0	0.0	0	0.0	0.0
1992	3,049	0	0.0	0	0.0	0.0
1993	3,049	0	0.0	0	0.0	0.0
1994	3,049	0	0.0	0	0.0	0.0
1995	3,049	0	0.0	0	0.0	0.0
1996	0	0	0.0	0	0.0	0.0
1997	0	0	0.0	0	0.0	0.0

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/21/00 11:10
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2114.00
 Category: Special Purpose Vehicles

Development of Retirement Ratios -- Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ments C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ments G	Retire- ment Ratio H=G/F
1988	3,049							
1989	3,049	3,049	0	0.00000				
1990	3,049	3,049	0	0.00000	89-91	9,147	0	0.00000
1991	3,049	3,049	0	0.00000	90-92	9,147	0	0.00000
1992	3,049	3,049	0	0.00000	91-93	7,623	3,049	0.40000
1993	0	1,525	3,049	2.00000	92-94	6,588	3,049	0.46285
1994	4,028	2,014	0	0.00000	93-95	7,567	3,049	0.40296
1995	4,028	4,028	0	0.00000	94-96	10,070	0	0.00000
1996	4,028	4,028	0	0.00000	95-97	12,084	0	0.00000
1997	4,028	4,028	0	0.00000	96-98	12,084	0	0.00000
1998	4,028	4,028	0	0.00000	97-99	12,084	0	0.00000
1999 #	4,028	4,028	0	0.00000				

Forecasted Activity

**GARAGE WORK
EQUIPMENT**

043

002661

Company : BellSouth Telecommunications
State : Florida
Account : 2115
Category : Garage Work Equipment

Account Description

The Garage Work Equipment account consists of investment in tools and work equipment (e.g., air compressors, chain hoists, power machine tools, hydraulic lubricating equipment, welding equipment etc.) used to maintain items included in Accounts: 2112, Motor Vehicles; 2113, Aircraft; 2114, Special Purpose Vehicles; and 2116, Other Work Equipment.

Investment and Reserve Statistics

The 1/1/2000 investment and reserve in the Garage Work Equipment account is shown in Table 1 below.

Investment and Reserve Statistics

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	1.6	1.2	76.7

Table 1

Projection Life

The company selected a projection life of 10 years based on an analysis of historical mortality data and subject matter expert input.

Curve Shape

The graduated curve shape for the 1996-1998 band with the least absolute retirement difference to total data was selected for the Garage Work Equipment account.

Future Net Salvage

History shows that net salvage experienced in this account has tended to be negative. However, a conservative decision was made to select a salvage value of 0.0%, rather than a negative salvage percent for the Garage Work Equipment account.

January 1, 2000

1

044

002662

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2115
CATEGORY : GARAGE WORK EQUIPMENT

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Run Date: 3/13/00 17:03
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2115.10
 Category: Garage Work Equipment

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	1,431,474	1,578,474
Adjustment	0	0
Study	1,431,474	1,578,474
% Tot. Depr. Plant	0.01	0.01
Depr. Reserve (\$)	1,236,883	1,209,983
(%)	86.4	76.7
Plife/AYFR (Yrs)		
Garage Work Equipment	12.0	12.0
Curve		
Garage Work Equipment	1995-1997 MORT	1996-1998 MORT
c	1.08000000E+00	2.60000000E-01
G	-1.02010420E-01	-1.19902000E-01
S	-8.36183190E-04	-1.67110000E-02
Whole Life (yrs)	11.9	11.9
Avg. Net Salv. (%)	-19	-19
WL Rate (%)	10.0	10.0
Comp. Rem. Life (Yrs)	6.8	8.9
Fut. Net Salv. (%)	0	0
Comp. RL Rate (%)	2.0	2.6
Intrastate Factor (%)	79.34	73.95

@ Estimated Investment and Reserve

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: GARAGE WORK EQUIPMENT
 CATEGORY: GARAGE WORK EQUIPMENT
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT		EXPERIENCE AS OF 1-1-2000%			REMAIN	VINT	AVERAGE	REMAINING
AGE	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE	ING LIFE YEARS	AVG LIFE YEARS	LIFE WEIGHTS	LIFE WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	181,431	0.9883	0.49	6.88	7.38	24,575	169,143
*1998	1.5	26,347	0.9762	1.49	5.88	7.38	3,569	20,994
1997	2.5	119,528	0.9754	2.49	9.50	11.76	10,165	96,618
1996	3.5	56,805	0.9745	3.49	9.41	12.66	4,487	42,234
1995	4.5	50,201	0.9068	4.26	9.41	12.79	3,924	36,940
1994	5.5	30,669	0.5817	4.06	9.41	9.54	3,215	30,264
1993	6.5	64,519	0.8887	6.10	9.41	14.47	4,459	41,974
1992	7.5	17,248	0.7412	6.69	9.41	13.66	1,262	11,882
1991	8.5	390,617	0.9211	8.28	9.41	16.95	23,042	216,889
1990	9.5	22,233	0.9070	9.26	9.41	17.79	1,250	11,762
1989	10.5	37,238	0.5778	6.65	9.41	12.08	3,082	29,007
1988	11.5	76,026	0.6456	10.02	9.41	16.10	4,722	44,443
1987	12.5	35,516	0.0310	5.52	9.41	5.81	6,110	57,512
1986	13.5	28,039	0.1646	7.98	9.41	9.52	2,944	27,709
1985	14.5	25,522	0.6560	12.24	9.41	18.41	1,386	13,049
1984	15.5	54,637	0.6339	13.03	9.41	19.00	2,875	27,065
1983	16.5	71,748	0.2071	8.22	9.41	10.16	7,059	66,442
1982	17.5	68,517	0.3017	11.51	9.41	14.35	4,776	44,953
1981	18.5	159,309	0.1439	9.47	9.41	10.82	14,719	138,548
1980	19.5	7,658	0.0033	8.38	9.41	8.41	910	8,569
1979	20.5	0	0.0000	7.97				
1978	21.5	23,532	0.2044	12.55	9.41	14.47	1,626	15,305
1977	22.5	12,367	0.2584	14.29	9.41	16.72	739	6,960
1976	23.5	6,748	0.2417	13.33	9.41	15.61	432	4,070
1975	24.5	0	0.0000	11.38				
1974/PRIOR		12,019	0.1090	9.94	9.41	10.97	1,096	10,314
TOTAL		1,578,474					132,424	1,172,646
NON-ELG V		1,370,696					104,281	982,508
ELG V		207,778					28,144	190,137

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 11.91981 13.14430 7.38274
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 8.85521 9.42177 6.75594
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 6,958,441 B/ SUM OF (B/C) 0.22684

ORIGINAL: c 0.260000000000 G -1.199020000000E-001 S -1.671100000000E-002
 RESCALED: c 0.024169013366 G -1.199020000000E-001 S -4.618141765458E-002

* ELG VINTAGES, PROJECTION LIFE 12.0
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 & ACTUAL

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: GARAGE WORK EQUIPMENT
 CATEGORY: GARAGE WORK EQUIPMENT
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 12.00

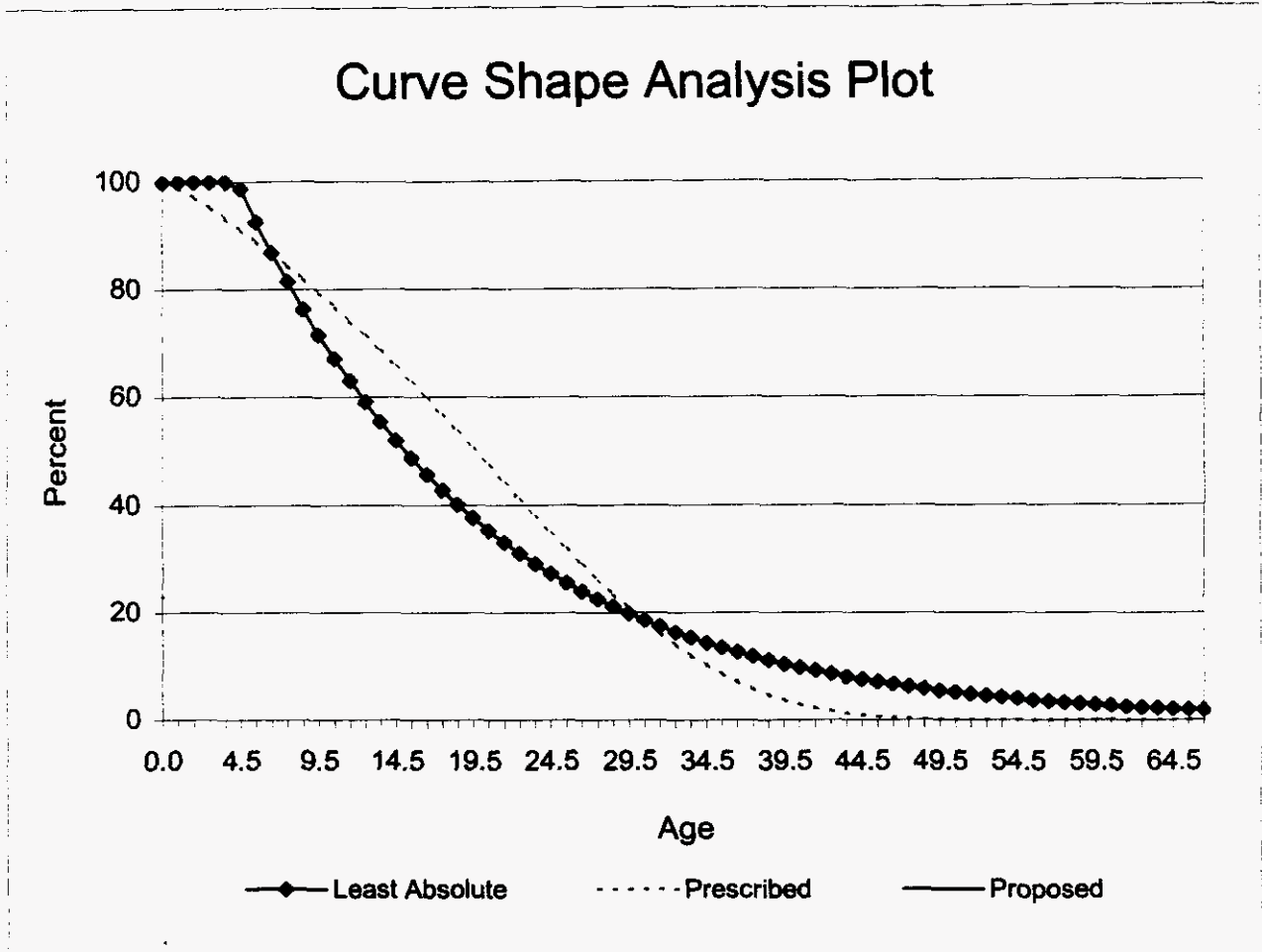
ORIGINAL: c 0.260000000000 RESCALED: c 0.024169013366
 G -1.199020000000E-001 G -1.199020000000E-001
 S -1.671100000000E-002 S -4.618141765458E-002

BEGINNING OF YEAR AGE	AMOUNT IN SERVICE	AMOUNT RETIRE DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIRE D	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
				EACH LIFE GROUP	FOR ALL REMAINING GROUPS	AVG. SER VICE LIFE	AVG. REMAIN ING LIFE	VINT REMAIN. LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	0	0.5	0	13,545	7.38	7.38	12.00
0.5	100,000	0	1.0	0	13,545	7.38	6.88	11.50
1.5	100,000	0	2.0	0	13,545	7.38	5.88	10.50
2.5	100,000	9,162	3.0	3,054	13,545	7.38	4.88	9.50
3.5	90,838	9,163	4.0	2,291	10,491	8.66	5.16	9.41
4.5	81,674	8,239	5.0	1,648	8,200	9.96	5.46	9.41
5.5	73,435	7,408	6.0	1,235	6,552	11.21	5.71	9.41
6.5	66,027	6,661	7.0	952	5,318	12.42	5.92	9.41
7.5	59,366	5,989	8.0	749	4,366	13.60	6.10	9.41
8.5	53,378	5,385	9.0	598	3,618	14.76	6.26	9.41
9.5	47,993	4,841	10.0	484	3,019	15.90	6.40	9.41
10.5	43,152	4,353	11.0	396	2,535	17.02	6.52	9.41
11.5	38,799	3,914	12.0	326	2,139	18.14	6.64	9.41
12.5	34,885	3,519	13.0	271	1,813	19.24	6.74	9.41
13.5	31,366	3,164	14.0	226	1,543	20.33	6.83	9.41
14.5	28,201	2,845	15.0	190	1,317	21.42	6.92	9.41
15.5	25,357	2,558	16.0	160	1,127	22.50	7.00	9.41
16.5	22,799	2,300	17.0	135	967	23.58	7.08	9.41
17.5	20,499	2,068	18.0	115	832	24.65	7.15	9.41
18.5	18,431	1,859	19.0	98	717	25.71	7.21	9.41
19.5	16,572	1,672	20.0	84	619	26.77	7.27	9.41
20.5	14,900	1,503	21.0	72	535	27.83	7.33	9.41
21.5	13,397	1,351	22.0	61	464	28.88	7.38	9.41
22.5	12,045	1,215	23.0	53	402	29.94	7.44	9.41
23.5	10,830	1,093	24.0	46	350	30.98	7.48	9.41
24.5	9,738	982	25.0	39	304	32.03	7.53	9.41
TOTAL		91,245						

* F(AGE A) = SUM OF COL E AGE A TO END
 # I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2115.0000
CATEGORY : Garage Work Equipment

Curve Shape Analysis Plot



c = 0.26 G = -0.11990172 S = -0.016711123

Curves scaled to observed life of 19.87

03/13/00
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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: GARAGE WORK EQUIPMENT
 CATEGORY: GARAGE WORK EQUIPMENT
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	5,380#	0.7*	37	24.8*	1,335	-24.1
FUTURE	1,578&	2.0**	32	2.0**	32	0.0
TOTAL	6,958		69		1,368	
AVERAGE		1.0		19.7		-18.7

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: GARAGE WORK EQUIPMENT
 CATEGORY: GARAGE WORK EQUIPMENT
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE
	DEC. 31				AMOUNT	PERCENT	PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1988	3,491,867	1,559,270	0	0.0	442,836	28.4	-28.4
1989	3,126,829	427,720	20,000	4.7	93,519	21.9	-17.2
1990	2,840,533	203,325	0	0.0	15,693	7.7	-7.7
1991	3,064,452	141,811	901	0.6	121,468	85.7	-85.1
1992	3,002,799	306,860	0	0.0	56,514	18.4	-18.4
1993	1,792,789	1,396,658	0	0.0	358,849	25.7	-25.7
1994	1,741,480	155,495	0	0.0	8,475	5.5	-5.5
1995	1,781,195	75,859	0	0.0	0	0.0	0.0
1996	1,832,495	34,258	8,703	25.4	0	0.0	25.4
1997	1,851,350	96,172	1	0.0	3,387	3.5	-3.5
1998	1,431,474	0	0	0.0	3,834	0.0	0.0
1999	1,578,474	57,000	1,157	2.0	1,157	2.0	0.0
GRAND TOTAL		4,454,428	30,762	0.7	1,105,732	24.8	-24.1
1988-1999#		4,454,428	30,762	0.7	1,105,732	24.8	-24.1
1990-1999##		2,467,438	10,762	0.4	569,377	23.1	-22.7

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: GARAGE WORK EQUIPMENT
 CATEGORY: GARAGE WORK EQUIPMENT
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1990	2,638,986	20,901	0.8	730,030	27.7	-26.9
1991	2,476,374	20,901	0.8	646,043	26.1	-25.3
1992	2,204,149	901	0.0	560,999	25.5	-25.5
1993	2,076,683	901	0.0	545,306	26.3	-26.3
1994	1,969,130	8,703	0.4	423,838	21.5	-21.1
1995	1,758,442	8,704	0.5	370,711	21.1	-20.6
1996	361,784	8,704	2.4	15,696	4.3	-1.9
1997	263,289	9,861	3.7	8,378	3.2	0.5

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/22/00 16:11
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2115.10
 Category: Garage Work Equipment

Development of Retirement Ratios - Total Retirements

<u>End Of Year</u>	<u>Plant Balance</u> A	<u>Average Plant Balance</u> B=(A + prev A)/2	<u>Retire- ments</u> C	<u>Retire- ment Ratio</u> D=C/B	<u>Band</u> E	<u>Average Plant Balance</u> F	<u>Retire- ments</u> G	<u>Retire- ment Ratio</u> H=G/F
1988	3,491,867							
1989	3,126,829	3,309,348	427,720	0.12925				
1990	2,840,533	2,983,681	203,325	0.06815	89-91	9,245,522	772,856	0.08359
1991	3,064,452	2,952,493	141,811	0.04803	90-92	8,969,799	651,996	0.07269
1992	3,002,799	3,033,626	306,860	0.10115	91-93	8,383,912	1,845,329	0.22010
1993	1,792,789	2,397,794	1,396,658	0.58248	92-94	7,198,554	1,859,013	0.25825
1994	1,741,480	1,767,135	155,495	0.08799	93-95	5,926,266	1,628,012	0.27471
1995	1,781,195	1,761,338	75,859	0.04307	94-96	5,335,317	265,612	0.04978
1996	1,832,495	1,806,845	34,258	0.01896	95-97	5,410,105	206,289	0.03813
1997	1,851,350	1,841,923	96,172	0.05221	96-98	5,290,180	130,430	0.02466
1998	1,431,474	1,641,412	0	0.00000	97-99	4,988,309	153,172	0.03071
1999 #	1,578,474	1,504,974	57,000	0.03787				

Forecasted Activity

OTHER WORK
EQUIPMENT

054

002672

Company : BellSouth Telecommunications
State : Florida
Account : 2116
Category : Other Work Equipment

Account Description

The Other Work Equipment account includes the cost of tools and work equipment. This account includes tools and work equipment that are used in or with vehicles but are not attached components considered to be associated equipment in such vehicles. Also included are tools used in central offices as well as those used by employees whether or not involved in the construction, maintenance and/or removal of telecommunications plant. Equipment in this account includes cable lashers, chain hoists, ladders, pumps, blowers, heaters, test sets (except those classified as computers or C.O. equipment), underground service modules and mobile power unit splicing modules, etc.

Investment and Reserve Statistics

The 1/1/2000 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	82.5	64.2	77.8

Table 1

Projection Life

Though historical mortality data indicates a lesser projection life, the Company has made a conservative decision to maintain the current projection life of 15 years for the Other Work Equipment account.

Curve Shape

The graduated curve shape for the 1996-1998 band with the least absolute retirement differences to total data was selected for the Other Work Equipment account.

January 1, 2000

1

055

002673

Company : BellSouth Telecommunications
State : Florida
Account : 2116
Category : Other Work Equipment

Future Net Salvage

Net salvage experienced in the Other Work Equipment account has been about 0.0%. It is expected that future salvage will be similar to historical salvage. Therefore a future net salvage of 0.0% for this account is selected.

January 1, 2000

2

056

002674

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2116
CATEGORY : OTHER WORK EQUIPMENT

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Run Date: 3/10/00 11:07
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2116.10
 Category: Other Work Equipment

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	76,883,599	82,482,599
Adjustment	0	0
Study	76,883,599	82,482,599
% Tot. Depr. Plant	0.65	0.68
Depr. Reserve (\$)	67,156,191	64,154,705
(%)	87.3	77.8
Plife/AYFR (Yrs)		
Other Work Equipment	15.0	15.0
Curve		
Other Work Equipment	1995-1997 MORT	1996-1998 MORT
c	8.30000000E-01	9.20000000E-01
G	-9.42322560E-01	-3.49168700E+00
S	-1.83282430E-01	-3.21529000E-01
Whole Life (yrs)	10.8	10.6
Avg. Net Salv. (%)	0	0
WL Rate (%)	9.3	9.4
Comp. Rem. Life (Yrs)	11.2	10.7
Fut. Net Salv. (%)	0	0
Comp. RL Rate (%)	1.1	2.1
Intrastate Factor (%)	79.34	73.95

@ Estimated Investment and Reserve

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: OTHER WORK EQUIPMENT
 CATEGORY: OTHER WORK EQUIPMENT
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

		EXPERIENCE AS OF 1-1-2000%			REMAIN	VINT	AVERAGE	REMAINING
VINT	AGE	AMOUNT	PROP	REAL	ING	AVG	LIFE	LIFE
AGE	AGE	SURVIVING	SURV	LIFE	LIFE	LIFE	WEIGHTS	WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	9,582,400	0.9551	0.48	7.15	7.65	1,253,188	8,955,806
*1998	1.5	5,915,241	0.9549	1.48	7.80	9.30	636,270	4,960,836
1997	2.5	10,900,850	0.8630	2.24	13.49	13.88	785,187	10,591,488
1996	3.5	7,342,105	0.6849	2.80	12.97	11.69	628,298	8,147,534
1995	4.5	15,973,407	0.6858	3.76	12.49	12.32	1,296,220	16,187,366
1994	5.5	5,683,256	0.4340	3.82	12.05	9.05	627,830	7,563,029
1993	6.5	5,491,519	0.4528	4.86	11.64	10.13	542,212	6,310,423
1992	7.5	5,725,828	0.4058	5.60	11.26	10.17	562,834	6,337,934
1991	8.5	4,381,074	0.3875	6.55	10.91	10.78	406,552	4,435,778
1990	9.5	2,440,584	0.3229	7.35	10.59	10.77	226,645	2,399,187
1989	10.5	1,280,213	0.3318	8.17	10.28	11.58	110,566	1,136,967
1988	11.5	634,926	0.1604	8.19	10.00	9.79	64,827	648,351
1987	12.5	561,366	0.1133	8.63	9.74	9.73	57,699	561,870
1986	13.5	945,624	0.1624	10.14	9.49	11.68	80,980	768,648
1985	14.5	422,692	0.1073	10.28	9.26	11.27	37,491	347,220
1984	15.5	940,713	0.1691	11.62	9.05	13.15	71,530	647,012
1983	16.5	3,882,308	0.0881	10.42	8.84	11.20	346,722	3,065,839
1982	17.5	118,288	0.1353	13.16	8.65	14.33	8,254	71,409
1981	18.5	57,444	0.0738	12.65	8.47	13.27	4,328	36,670
1980	19.5	71,704	0.0764	12.84	8.30	13.47	5,323	44,196
1979	20.5	62,687	0.0594	12.42	8.14	12.90	4,858	39,555
1978	21.5	12,523	0.0138	12.02	7.99	12.13	1,033	8,252
1977	22.5	2,359	0.0230	13.06	7.85	13.24	178	1,399
1976	23.5	0	0.0000	11.00				
1975	24.5	3,964	0.1667	16.58	7.59	17.84	222	1,685
1974/PRIOR		49,524	0.0324	12.60	7.08	13.03	3,800	26,895
TOTAL		82,482,599					7,763,049	83,295,350
NON-ELG V		66,984,958					5,873,591	69,378,708
ELG V		15,497,641					1,889,458	13,916,642

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 10.62503 11.40443 8.20216
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 10.72972 11.81198 7.36541
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 199,444,849 B/ SUM OF (B/C) 0.41356

ORIGINAL: c 0.920000000000 G -3.491687000000E+000 S -3.215290000000E-001
 RESCALED: c 0.974976456312 G -3.491687000000E+000 S -9.772147312986E-002

• ELG VINTAGES, PROJECTION LIFE 15.0
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 % ACTUAL

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: OTHER WORK EQUIPMENT
 CATEGORY: OTHER WORK EQUIPMENT
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 15.00

ORIGINAL: c 0.920000000000 RESCALED: c 0.974976456312
 G -3.491687000000E+000 G -3.491687000000E+000
 S -3.215290000000E-001 S -9.772147312986E-002

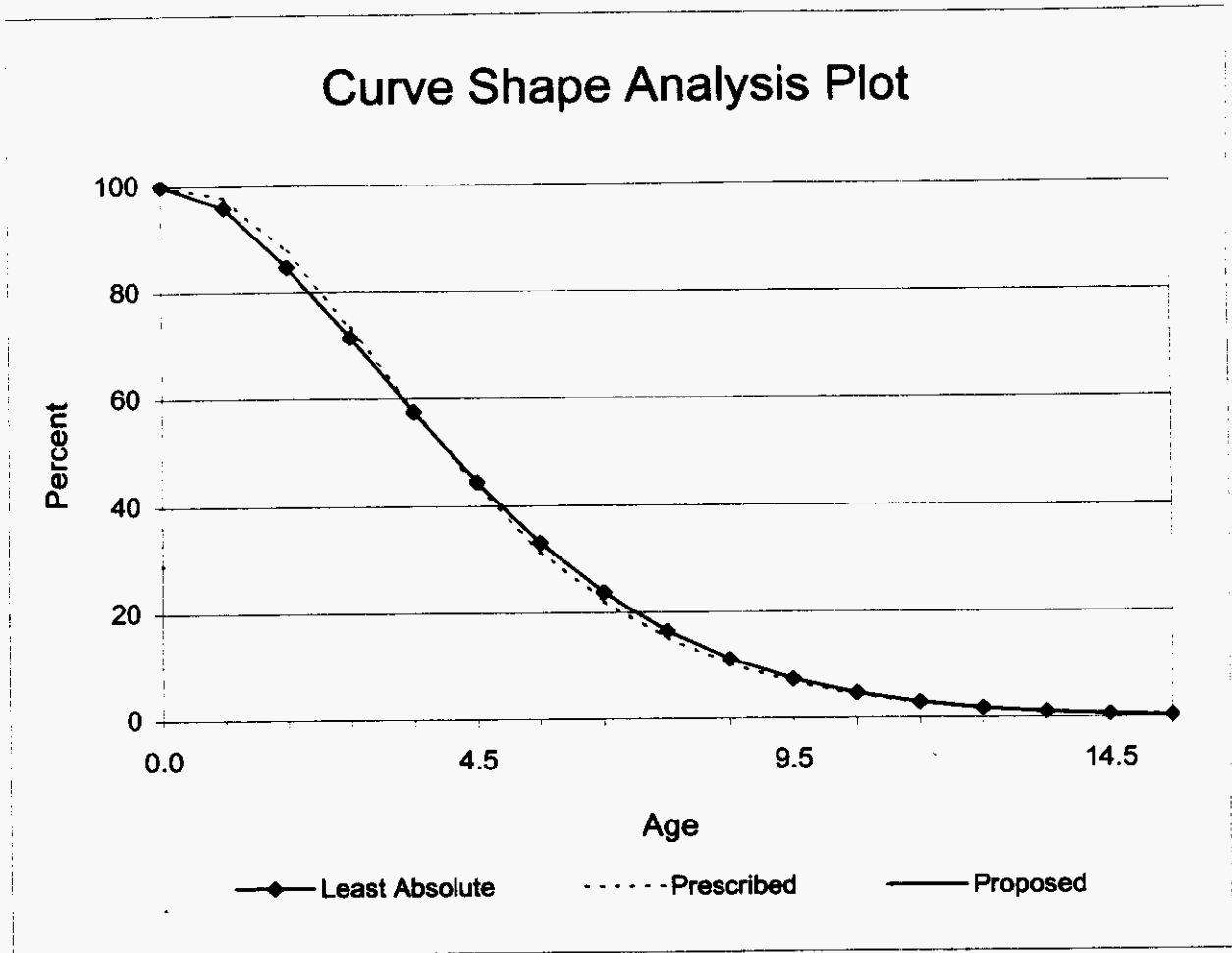
BEGINNING OF YEAR AGE	AMOUNT IN SERVICE	AMOUNT RETIRE DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIRE D	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
				EACH LIFE GROUP	FOR ALL REMAINING GROUPS	SER VICE LIFE	REMAIN ING LIFE	VINT REMAIN. LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	1,121	0.5	2,242	15,174	6.59	6.59	15.01
0.5	98,879	2,572	1.0	2,572	12,931	7.65	7.15	14.68
1.5	96,307	2,970	2.0	1,485	10,359	9.30	7.80	14.06
2.5	93,336	3,316	3.0	1,105	8,874	10.52	8.02	13.49
3.5	90,020	3,608	4.0	902	7,769	11.59	8.09	12.97
4.5	86,412	3,844	5.0	769	6,867	12.58	8.08	12.49
5.5	82,568	4,027	6.0	671	6,098	13.54	8.04	12.05
6.5	78,541	4,157	7.0	594	5,427	14.47	7.97	11.64
7.5	74,384	4,237	8.0	530	4,833	15.39	7.89	11.26
8.5	70,147	4,271	9.0	475	4,303	16.30	7.80	10.91
9.5	65,876	4,261	10.0	426	3,829	17.21	7.71	10.59
10.5	61,615	4,213	11.0	383	3,403	18.11	7.61	10.28
11.5	57,402	4,131	12.0	344	3,019	19.01	7.51	10.00
12.5	53,271	4,019	13.0	309	2,675	19.91	7.41	9.74
13.5	49,252	3,883	14.0	277	2,366	20.82	7.32	9.49
14.5	45,369	3,726	15.0	248	2,089	21.72	7.22	9.26
15.5	41,643	3,553	16.0	222	1,840	22.63	7.13	9.05
16.5	38,090	3,368	17.0	198	1,618	23.54	7.04	8.84
17.5	34,722	3,175	18.0	176	1,420	24.45	6.95	8.65
18.5	31,547	2,977	19.0	157	1,244	25.36	6.86	8.47
19.5	28,570	2,778	20.0	139	1,087	26.28	6.78	8.30
20.5	25,793	2,579	21.0	123	948	27.20	6.70	8.14
21.5	23,214	2,384	22.0	108	825	28.12	6.62	7.99
22.5	20,830	2,193	23.0	95	717	29.05	6.55	7.85
23.5	18,637	2,010	24.0	84	622	29.98	6.48	7.71
24.5	16,627	1,834	25.0	73	538	30.91	6.41	7.59
TOTAL		85,207						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2116.0000
CATEGORY : Other Work Equipment

Curve Shape Analysis Plot



c = 0.92 G = -3.4916868 S = -0.32152943

Curves scaled to observed life of 4.58

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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: OTHER WORK EQUIPMENT
 CATEGORY: OTHER WORK EQUIPMENT
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	$C = (A \times B) / 100$	D	$E = (A \times D) / 100$	$F = (B - D)$
PAST	116,962#	0.5*	529	0.0*	13	0.5
FUTURE	82,483&	0.0**	0	0.0**	0	0.0
TOTAL	199,445		529		13	
AVERAGE		0.3		0.0		0.3

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 • FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: OTHER WORK EQUIPMENT
 CATEGORY: OTHER WORK EQUIPMENT
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1988	59,323,241	3,787,615	202,801	5.4	0	0.0	5.4
1989	59,726,230	1,391,504	-177,196	-12.7	-1,703	-0.1	-12.6
1990	58,330,629	3,516,972	2,341	0.1	0	0.0	0.1
1991	65,812,637	1,438,762	10,493	0.7	-133	0.0	0.7
1992	77,907,992	4,308,020	14,588	0.3	20,511	0.5	-0.2
1993	84,895,883	3,059,892	26,554	0.9	-18,904	-0.6	1.5
1994	92,245,276	2,391,768	71,907	3.0	7,306	0.3	2.7
1995	90,895,244	12,167,558	17,979	0.1	672	0.0	0.1
1996	105,373,730	38,092,035	76,203	0.2	3,967	0.0	0.2
1997	99,039,742	30,240,959	229,640	0.8	0	0.0	0.8
1998	76,883,599	4,300,562	15,443	0.4	103	0.0	0.4
1999	82,482,599	3,878,000	0	0.0	0	0.0	0.0
GRAND TOTAL		108,573,647	490,753	0.5	11,819	0.0	0.5
1988-1999#		108,573,647	490,753	0.5	11,819	0.0	0.5
1990-1999##		103,394,528	465,148	0.4	13,522	0.0	0.4

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/13/00
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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: OTHER WORK EQUIPMENT
 CATEGORY: OTHER WORK EQUIPMENT
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1990	14,442,873	53,027	0.4	18,675	0.1	0.3
1991	13,715,150	-123,220	-0.9	-229	0.0	-0.9
1992	14,715,414	125,883	0.9	8,780	0.1	0.8
1993	23,366,000	141,521	0.6	9,452	0.0	0.6
1994	60,019,273	207,231	0.3	13,552	0.0	0.3
1995	85,952,212	422,283	0.5	-6,959	0.0	0.5
1996	87,192,882	411,172	0.5	12,048	0.0	0.5
1997	88,679,114	339,265	0.4	4,742	0.0	0.4

• EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/22/00 16:37
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2116.10
 Category: Other Work Equipment

Development of Retirement Ratios -- Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire-ments C	Retire-ment Ratio D=C/B	Band E	Average Plant Balance F	Retire-ments G	Retire-ment Ratio H=G/F
1988	59,323,241							
1989	59,726,230	59,524,736	1,391,504	0.02338				
1990	58,330,629	59,028,430	3,516,972	0.05958	89-91	180,624,798	6,347,238	0.03514
1991	65,812,637	62,071,633	1,438,762	0.02318	90-92	192,960,377	9,263,754	0.04801
1992	77,907,992	71,860,315	4,308,020	0.05995	91-93	215,333,885	8,806,674	0.04090
1993	84,895,883	81,401,938	3,059,892	0.03759	92-94	241,832,832	9,759,680	0.04036
1994	92,245,276	88,570,580	2,391,768	0.02700	93-95	261,542,777	17,619,218	0.06737
1995	90,895,244	91,570,260	12,167,558	0.13288	94-96	278,275,327	52,651,361	0.18921
1996	105,373,730	98,134,487	38,092,035	0.38816	95-97	291,911,483	80,500,552	0.27577
1997	99,039,742	102,206,736	30,240,959	0.29588	96-98	281,297,071	72,633,556	0.25821
1998	76,883,599	87,961,671	4,300,562	0.04889	97-99	258,405,940	38,419,521	0.03071
1999 #	82,482,599	79,683,099	3,878,000	0.04867				

Forecasted Activity

066

BUILDINGS
ST
002684

Company : BellSouth Telecommunications
State : Florida
Account : 2121
Category : Buildings

Account Description

The Buildings account consists of investment in company owned buildings, antenna support on buildings, antenna towers and the cost of all permanent fixtures, machinery, appurtenances and appliances installed as part of the buildings.

The Buildings account includes the cost of computers dedicated to operating building systems. This includes HVAC (Heating Ventilation and Air Conditioning), fire protection, or buildings access systems, along with associated peripheral devices and the initial operating systems software.

Investment and Reserve Statistics

The 1/1/2000 investment and reserve for this account are summarized in Table 1 below.

Investment and Reserve Statistics

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	671.5	34.5	5.1

Table 1

Life Proposal

The projection life currently used for the Buildings account is 45 years. There are no factors that the Company currently foresees that would lead to making a change in this life.

Curve Shape

For many years, Bell curves have been used for the Buildings account. There is no compelling reason at this time to make changes to curve shapes. Thus, the Company elects to continue the use of the current Bell No. 3.0 curve.

Future Net Salvage

While history shows that the Building account has experienced negative net salvage, this percent is primarily the result of interim, rather than final retirements, and the dollars primarily reflect retirement of small structures. Therefore, the company selects a future net salvage of 0.0%.

January 1, 2000

1

067

002685

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2121.0000
CATEGORY : BUILDINGS

INDEX

Account Parameter Summary	2
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Run Date: 3/21/00 13:05
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2121.00
 Category: Buildings

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	785,698,392	671,526,391
Adjustment	0	0
Study	785,698,392	671,526,391
% Tot. Depr. Plant	6.69	5.55
Depr. Reserve (\$)	165,642,469	34,462,166
(%)	21.1	5.1
Plife/AYFR (Yrs)		
Buildings	45.0	45.0
Curve		
Buildings	BELL #3.0	BELL #3.0
c	1.18428730E+00	1.18428700E+00
G	-1.01449700E-01	-1.01450000E-01
S	1.55765450E-02	1.55770000E-02
Whole Life (yrs)	42.0	38.0
Avg. Net Salv. (%)	-2	-3
WL Rate (%)	2.4	2.7
Comp. Rem. Life (Yrs)	33.0	32.0
Fut. Net Salv. (%)	0	0
Comp. RL Rate (%)	2.4	3.0
Intrastate Factor (%)	79.34	73.95

@ Estimated Investment and Reserve

03/13/00
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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BUILDINGS
 CATEGORY: BUILDINGS
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT AGE		EXPERIENCE AS OF 1-1-2000%			REMAINING LIFE YEARS	VINT AVG LIFE YEARS	AVERAGE LIFE WEIGHTS	REMAINING LIFE WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	28,845,840	0.8187	0.41	31.34	31.84	905,991	28,392,845
*1998	1.5	23,782,065	0.8186	1.41	31.51	33.01	720,517	22,701,289
1997	2.5	15,903,619	0.7472	2.20	42.64	34.06	466,944	19,908,495
1996	3.5	17,673,790	0.4896	2.44	41.71	22.86	772,997	32,244,861
1995	4.5	24,684,749	0.7583	4.23	40.81	35.17	701,807	28,638,166
1994	5.5	22,063,061	0.8109	5.39	39.91	37.75	584,416	23,325,398
1993	6.5	38,591,619	0.6747	5.98	39.03	32.32	1,194,211	46,612,386
1992	7.5	14,051,912	0.8040	7.36	38.17	38.05	369,344	14,096,123
1991	8.5	14,202,286	0.7886	8.30	37.31	37.72	376,472	14,046,961
1990	9.5	18,229,003	0.7851	9.28	36.47	37.91	480,825	17,536,838
1989	10.5	17,440,724	0.7705	10.05	35.65	37.51	464,925	16,572,735
1988	11.5	16,394,123	0.7450	10.98	34.83	36.94	443,861	15,461,029
1987	12.5	26,659,383	0.7765	12.04	34.03	38.47	693,004	23,585,193
1986	13.5	12,977,497	0.7683	13.00	33.25	38.55	336,676	11,193,342
1985	14.5	12,851,888	0.5943	13.39	32.47	32.68	393,210	12,768,737
1984	15.5	12,343,322	0.7219	14.56	31.71	37.46	329,529	10,450,206
1983	16.5	119,199,489	0.8021	16.28	30.96	41.11	2,899,191	89,772,981
1982	17.5	24,413,339	0.7221	16.45	30.23	38.27	637,871	19,282,829
1981	18.5	18,874,689	0.7365	17.55	29.51	39.28	480,506	14,178,672
1980	19.5	24,564,494	0.7275	18.56	28.80	39.51	621,752	17,905,382
1979	20.5	19,745,044	0.6644	19.06	28.10	37.73	523,319	14,705,949
1978	21.5	8,170,197	0.7092	20.17	27.42	39.61	206,264	5,655,084
1977	22.5	5,010,421	0.6873	20.59	26.74	38.97	128,558	3,438,231
1976	23.5	12,171,609	0.7313	22.21	26.08	41.29	294,792	7,689,535
1975	24.5	30,079,043	0.7609	23.82	25.44	43.17	696,742	17,722,877
1974/PRIOR		92,603,185	0.6504	26.70	22.45	42.33	2,187,848	49,111,493
TOTAL		671,526,391					17,911,571	576,997,636
NON-ELG V		618,898,486					16,285,063	525,903,502
ELG V		52,627,905					1,626,508	51,094,134

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 37.49120 38.00406 32.35638
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 32.21368 32.29361 31.41339
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 920,820,547 B/ SUM OF (B/C) 0.72927

ORIGINAL: c 1.184287300000 G -1.014497000000E-001 S +1.557654500000E-002
 RESCALED: c 1.038302240664 G -1.014497000000E-001 S +3.461453901401E-003

* ELG VINTAGES, PROJECTION LIFE 45.0
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 % ACTUAL

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BUILDINGS
 CATEGORY: BUILDINGS
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 45.00

ORIGINAL: c 1.184287300000 RESCALED: c 1.038302240664
 G -1.014497000000E-001 G -1.014497000000E-001
 S +1.557654500000E-002 S +3.461453901401E-003

BEGINNING OF YEAR AGE	AMOUNT IN SERVICE	AMOUNT RETIRE DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIRE D	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
				EACH LIFE GROUP	FOR ALL REMAINING GROUPS	AVG. SER VICE LIFE	AVG. REMAIN ING LIFE	VINT REMAIN LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	45	0.5	89	3,229	30.97	30.97	45.00
0.5	99,955	115	1.0	115	3,139	31.84	31.34	44.52
1.5	99,841	149	2.0	75	3,025	33.01	31.51	43.57
2.5	99,692	185	3.0	62	2,950	33.79	31.29	42.64
3.5	99,506	222	4.0	56	2,889	34.45	30.95	41.71
4.5	99,284	260	5.0	52	2,833	35.05	30.55	40.81
5.5	99,024	300	6.0	50	2,781	35.61	30.11	39.91
6.5	98,724	340	7.0	49	2,731	36.15	29.65	39.03
7.5	98,384	382	8.0	48	2,682	36.68	29.18	38.17
8.5	98,002	425	9.0	47	2,635	37.20	28.70	37.31
9.5	97,577	469	10.0	47	2,587	37.71	28.21	36.47
10.5	97,108	514	11.0	47	2,540	38.22	27.72	35.65
11.5	96,594	560	12.0	47	2,494	38.73	27.23	34.83
12.5	96,034	607	13.0	47	2,447	39.24	26.74	34.03
13.5	95,427	655	14.0	47	2,400	39.75	26.25	33.25
14.5	94,772	704	15.0	47	2,354	40.27	25.77	32.47
15.5	94,067	754	16.0	47	2,307	40.78	25.28	31.71
16.5	93,313	805	17.0	47	2,259	41.30	24.80	30.96
17.5	92,508	857	18.0	48	2,212	41.82	24.32	30.23
18.5	91,651	909	19.0	48	2,165	42.34	23.84	29.51
19.5	90,743	961	20.0	48	2,117	42.87	23.37	28.80
20.5	89,781	1,014	21.0	48	2,069	43.40	22.90	28.10
21.5	88,767	1,068	22.0	49	2,020	43.94	22.44	27.42
22.5	87,699	1,122	23.0	49	1,972	44.48	21.98	26.74
23.5	86,577	1,176	24.0	49	1,923	45.02	21.52	26.08
24.5	85,401	1,229	25.0	49	1,874	45.57	21.07	25.44
TOTAL		15,828						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

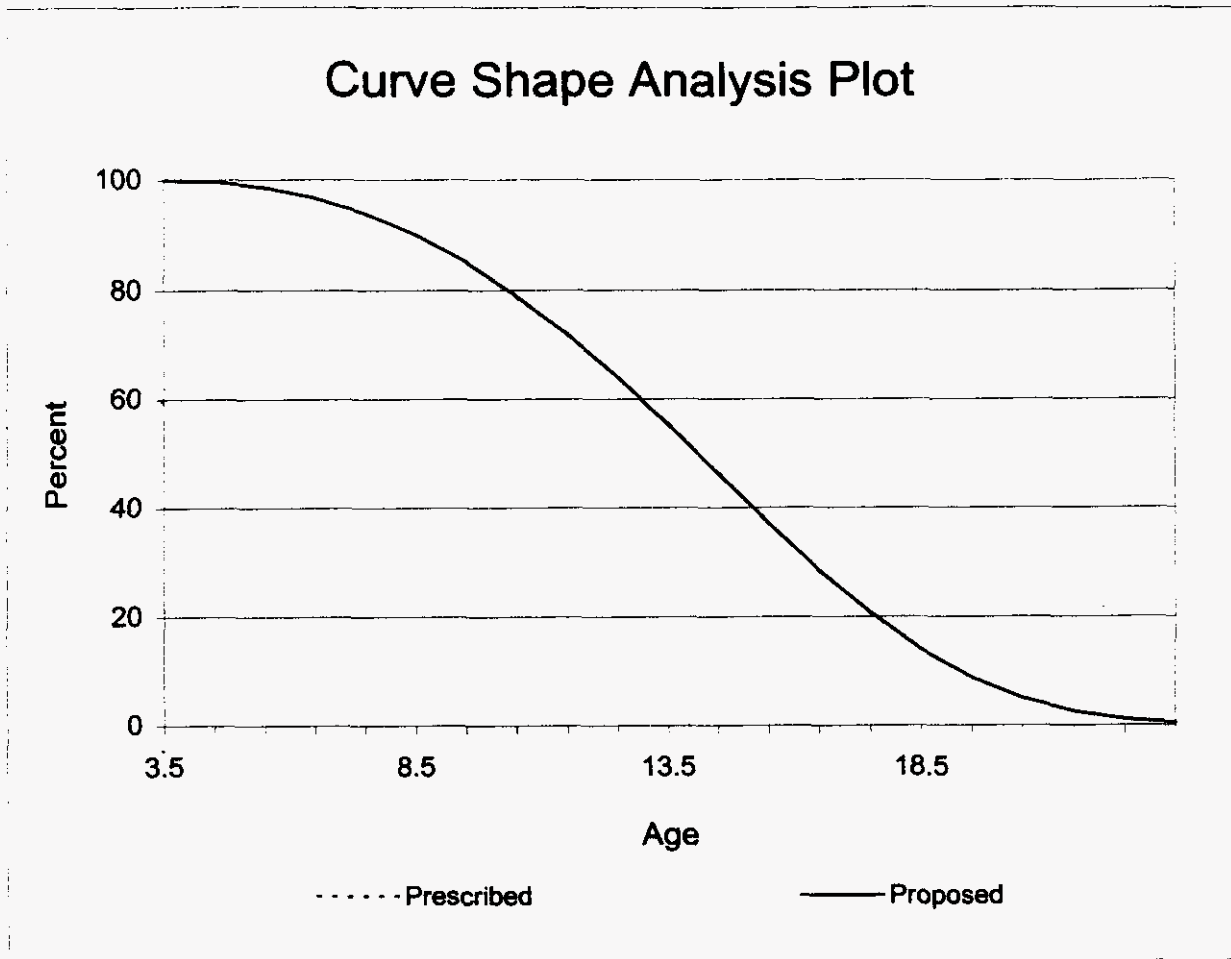
071

January 1, 2000

4

002689

COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2121.0000
CATEGORY : Buildings



c = 1.038302

G = -0.1014497

S = 0.003461454

Curves scaled to observed life of 10.00

072

January 1, 2000

5

002690

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BUILDINGS
 CATEGORY: BUILDINGS
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	249,294#	10.0*	24,823	19.4*	48,270	-9.4
FUTURE	671,526&	10.0**	67,153	10.0**	67,153	0.0
TOTAL	920,821		91,975		115,423	
AVERAGE		10.0		12.5		-2.5

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

073

January 1, 2000

002691⁶

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BUILDINGS
 CATEGORY: BUILDINGS
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN	PLANT	GROSS	SALVAGE*	COST OF REMOVAL*		NET
	SERVICE				RETIREMENT*	AMOUNT	PERCENT
	DEC. 31						PERCENT
	A	B	C	D=(C/B)	E	F=(E/B)	G=(D-F)
				*100		*100	
1975%%		1,453,172	131,965	9.1	497,068	34.2	-25.1
1976	276,362,571	77,291,716	-26,867	0.0	344,919	0.4	-0.4
1977	289,639,961	1,100,784	246,605	22.4	208,471	18.9	3.5
1978	311,240,964	494,640	200,135	40.5	247,874	50.1	-9.6
1979	342,878,311	4,637,577	295,996	6.4	638,146	13.8	-7.4
1980	375,485,106	3,793,244	222,036	5.9	719,597	19.0	-13.1
1981	402,327,627	1,358,544	1,706,489	125.6	694,056	51.1	74.5
1982	437,259,673	2,072,821	26,781	1.3	834,238	40.2	-38.9
1983	591,939,553	5,101,387	3,634,162	71.2	910,002	17.8	53.4
1984	533,989,402	1,329,798	119,041	9.0	577,200	43.4	-34.4
1985	544,609,995	3,960,251	-209,298	-5.3	449,083	11.3	-16.6
1986	558,948,598	6,406,786	-1,301,098	-20.3	541,038	8.4	-28.7
1987	561,394,503	8,470,559	-6,898,748	-81.4	826,653	9.8	-91.2
1988	571,243,596	1,244,364	0	0.0	990,049	79.6	-79.6
1989	588,599,131	4,833,859	1,377,464	28.5	748,565	15.5	13.0
1990	608,720,219	2,105,337	23,000	1.1	899,744	42.7	-41.6
1991	623,284,151	3,261,135	2,604	0.1	1,015,569	31.1	-31.0
1992	639,628,620	1,658,987	24,880	1.5	631,899	38.1	-36.6
1993	681,691,176	4,272,095	152,083	3.6	3,604,354	84.4	-80.8
1994	704,413,624	4,988,389	734,407	14.7	2,596,361	52.0	-37.3
1995	730,471,849	6,000,652	23,954	0.4	3,776,806	62.9	-62.5
1996	765,442,024	9,780,091	108,800	1.1	4,098,679	41.9	-40.8
1997	759,610,137	31,426,375	11,173,963	35.6	4,441,219	14.1	21.5
1998	785,698,392	7,849,433	1,196,247	15.2	7,695,682	98.0	-82.8
1999	671,526,391	148,667,000	14,866,700	10.0	14,866,700	10.0	0.0
GRAND TOTAL		343,558,996	27,831,301	8.1	52,853,972	15.4	-7.3
1983-1999#		251,356,498	25,028,161	10.0	48,669,603	19.4	-9.4
1990-1999##		220,009,494	28,306,638	12.9	43,627,013	19.8	-6.9

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BUILDINGS
 CATEGORY: BUILDINGS
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1977	84,977,889	847,834	1.0	1,936,478	2.3	-1.3
1978	87,317,961	937,905	1.1	2,159,007	2.5	-1.4
1979	11,384,789	2,671,261	23.5	2,508,144	22.0	1.5
1980	12,356,826	2,451,437	19.8	3,133,911	25.4	-5.6
1981	16,963,573	5,885,464	34.7	3,796,039	22.4	12.3
1982	13,655,794	5,708,509	41.8	3,735,093	27.4	14.4
1983	13,822,801	5,277,175	38.2	3,464,579	25.1	13.1
1984	18,871,043	2,269,588	12.0	3,311,561	17.5	-5.5
1985	25,268,781	-4,655,941	-18.4	3,303,976	13.1	-31.5
1986	21,411,758	-8,290,103	-38.7	3,384,023	15.8	-54.5
1987	24,915,819	-7,031,680	-28.2	3,555,388	14.3	-42.5
1988	23,060,905	-6,799,382	-29.5	4,006,049	17.4	-46.9
1989	19,915,254	-5,495,680	-27.6	4,480,580	22.5	-50.1
1990	13,103,682	1,427,948	10.9	4,285,826	32.7	-21.8
1991	16,131,413	1,580,031	9.8	6,900,131	42.8	-33.0
1992	16,285,943	936,974	5.8	8,747,927	53.7	-47.9
1993	20,181,258	937,928	4.6	11,624,989	57.6	-53.0
1994	26,700,214	1,044,124	3.9	14,708,099	55.1	-51.2
1995	56,467,602	12,193,207	21.6	18,517,419	32.8	-11.2
1996	60,044,940	13,237,371	22.0	22,608,747	37.7	-15.7
1997	203,723,551	27,369,664	13.4	34,879,086	17.1	-3.7

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/14/00 10:29
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2121.00
 Category: Buildings

Development of Retirement Ratios – Total Retirements

<u>End Of Year</u>	<u>Plant Balance</u> A	<u>Average Plant Balance</u> B=(A + prev A)/2	<u>Retire-ments</u> C	<u>Retire-ment Ratio</u> D=C/B	<u>Band</u> E	<u>Average Plant Balance</u> F	<u>Retire-ments</u> G	<u>Retire-ment Ratio</u> H=G/F
1985	544,609,995							
1986	558,948,598	551,779,297	6,406,786	0.01161				
1987	561,394,503	560,171,551	8,470,559	0.01512	86-88	1,678,269,897	16,121,709	0.00961
1988	571,243,596	566,319,050	1,244,364	0.00220	87-89	1,706,411,964	14,548,782	0.00853
1989	588,599,131	579,921,364	4,833,859	0.00834	88-90	1,744,900,088	8,183,560	0.00469
1990	608,720,219	598,659,675	2,105,337	0.00352	89-91	1,794,583,224	10,200,331	0.00568
1991	623,284,151	616,002,185	3,261,135	0.00529	90-92	1,846,118,246	7,025,459	0.00381
1992	639,628,620	631,456,386	1,658,987	0.00263	91-93	1,908,118,469	9,192,217	0.00482
1993	681,691,176	660,659,898	4,272,095	0.00647	92-94	1,985,168,684	10,919,471	0.00550
1994	704,413,624	693,052,400	4,988,389	0.00720	93-95	2,071,155,035	15,261,136	0.00737
1995	730,471,849	717,442,737	6,000,652	0.00836	94-96	2,158,452,073	20,769,132	0.00962
1996	765,442,024	747,956,937	9,780,091	0.01308	95-97	2,227,925,754	47,207,118	0.0211888
1997	759,610,137	762,526,081	31,426,375	0.04121	96-98	2,283,137,282	49,055,899	0.0214862
1998	785,698,392	772,654,265	7,849,433	0.01016	97-99	2,263,792,737	187,942,808	0.0830212
1999 #	671,526,391	728,612,392	148,667,000	0.20404				

Forecasted Activity

FURNITURE

077

002695

Company : BellSouth Telecommunications
 State : Florida
 Account : 2122
 Category : Furniture

Account Description

The Furniture account consists of investment in furniture located in offices, storerooms, shops, hotels and all other quarters. The investment includes items such as desks, chairs, tables, cabinets, modular furniture, credenzas, televisions and movable partitions.

Investment and Reserve Statistics

Changing the capitalization limit from \$500 to \$2000 significantly affected the Furniture account. Although zero investment and reserve balances were anticipated in FRC 30 (Furniture Other) and FRC 31 (Hotel Furnishings), residual investment and reserve remains in some states. At 1/1/98, the embedded investment in the Furniture account transferred into a new Small Value Field Reporting Code (FRC), and is being amortized over a five-year period. On a going forward basis, investment over \$2000 will be capitalized and depreciated in the traditional manner.

Table 1 shows estimated 1/1/00 investment and reserve.

Investment and Reserve Statistics

	Invest. <u>(\$M)</u>	Res. <u>(\$M)</u>	Res. <u>(%)</u>
Florida	.004	.0002	4.9

Table 1

Projection Life

The useful life of furniture assets is influenced by wear and tear and by replacement of stand alone pieces with modular installations as well as by continuing efforts to operate more efficiently.

A projection life of fifteen is selected for the Furniture account. This is the current Furniture account life and is the life used prior to it becoming a computed mortality account. Also, investment in this account has been greatly reduced because of the impact of the increased capitalization limit. Thus, sufficient historical data is not available for life analysis. BellSouth expects that the current curve shape is reflective of mortality experienced in the furniture account and will continue to be appropriate.

Company : BellSouth Telecommunications
State : Florida
Account : 2122
Category : Furniture

Future Net Salvage

BellSouth is selecting a future net salvage of 10%. The future net salvage selection is based on the decreasing trend exhibited in the historical data and future salvage expectations in the Furniture account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2122.0000
CATEGORY : FURNITURE

INDEX

Account Parameter Summary	2
Generation Arrangement	3
Projection Life Table/Remaining Life Development	4
Retirement Ratios	5
Average Net Salvage	6
Table A	7
Table B	8
Last Numbered Page in Section	8

January 1, 2000

080

1

002698

Run Date: 3/21/00 13:05
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2122.90
 Category: Furniture

Account Parameter Summary

ELG Start Year: 0

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	4,046	3,833
Adjustment	0	0
Study	4,046	3,833
% Tot. Depr. Plant	0.00	0.00
Depr. Reserve (\$)	2,310,235	187
(%)	57,099.2	4.9
Plife/AYFR (Yrs)		
Furniture	15.0	15.0
Curve		
Furniture	1988-1990 MORT	1988-1990 MORT
c	9.50000000E-01	9.50000000E-01
G	-2.62877800E+00	-2.62877800E+00
S	-1.56087630E-01	-1.56088000E-01
Whole Life (yrs)	15.2	6.5
Avg. Net Salv. (%)	10	0
WL Rate (%)	5.9	15.4
Comp. Rem. Life (Yrs)	14.7	11.2
Fut. Net Salv. (%)	10	10
Comp. RL Rate (%)	0.0	7.6
Intrastate Factor (%)	78.42	73.95

@ Estimated Investment and Reserve

02/23/00
 10:51 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2122
 CATEGORY: FURNITURE
 TABLE 1-VG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

		EXPERIENCE AS OF 1-1-2000%			REMAIN	VINT		
VINT	AGE	AMOUNT	PROP	REAL	ING	AVG	AVERAGE	REMAINING
AGE	AGE	SURVIVING	SURV	LIFE	LIFE	LIFE	LIFE	LIFE
					YEARS	YEARS	WEIGHTS	WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
1999	0.5	0	0.0000	0.00				
1998	1.5	1,962	0.9694	1.48	14.15	15.20	129	1,826
1997	2.5	10	0.0578	0.14	13.64	0.93	11	146
1996	3.5	27	0.0255	0.97	13.17	1.30	21	273
1995	4.5	10	0.0190	1.50	12.74	1.75	6	73
1994	5.5	53	0.0129	2.13	12.33	2.29	23	285
1993	6.5	9	0.0106	2.79	11.96	2.91	3	37
1992	7.5	49	0.0095	3.53	11.61	3.64	13	156
1991	8.5	101	0.0083	4.05	11.29	4.14	24	275
1990	9.5	84	0.0040	2.73	10.99	2.78	30	333
1989	10.5	33	0.0035	3.73	10.71	3.77	9	94
1988	11.5	145	0.0009	2.78	10.45	2.78	52	544
1987	12.5	176	0.0004	3.62	10.20	3.62	49	496
1986	13.5	106	0.0003	4.29	9.97	4.29	25	246
1985	14.5	144	0.0004	3.89	9.75	3.90	37	360
1984	15.5	52	0.0003	5.26	9.55	5.26	10	94
1983	16.5	449	0.0007	6.13	9.36	6.14	73	684
1982	17.5	185	0.0004	5.75	9.18	5.75	32	295
1981	18.5	52	0.0001	6.42	9.01	6.42	8	73
1980	19.5	52	0.0001	6.52	8.85	6.52	8	71
1979	20.5	53	0.0002	3.35	8.70	3.35	16	138
1978	21.5	24	0.0001	7.13	8.55	7.14	3	29
1977	22.5	14	0.0001	8.14	8.42	8.14	2	14
1976	23.5	6	0.0000	8.69	8.29	8.69	1	6
1975	24.5	3	0.0000	10.91	8.17	10.91	0	2
1974/PRIOR		34	0.0000	11.15	7.90	11.15	3	24
TOTAL		3,833					588	6,576

AVG SERVICE LIFE: ALL VINTS
 TOT B/TOT G 6.52096
 AVG REMAINING LIFE: ALL VINTS
 TOT H/TOT G 11.18728

COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 6,790,424 B/ SUM OF (B/C) 0.00056

ORIGINAL: c 0.950000000000 G -2.628778000000E+000 S -1.560880000000E-001
 RESCALED: c 0.972854968932 G -2.628778000000E+000 S -8.374550584901E-002
 ++ FROM TABLE 2-VG, PROJECTION LIFE 15.0
 % ACTUAL

02/23/00
 10:51 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2122
 CATEGORY: FURNITURE
 TABLE 2-VG

PROJECTION LIFE TABLE
 DEVELOPMENT OF VINTAGE GROUP REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 15.0

ORIGINAL: c 0.950000000000 RESCALED: c 0.972854968932
 G -2.628778000000E+000 G -2.628778000000E+000
 S -1.560880000000E-001 S -8.374550584901E-002

AGE YEARS	PROPORTION SURVIVING	REMAINING LIFE OF SURVIVORS	AGE YEARS	PROPORTION SURVIVING	REMAINING LIFE OF SURVIVORS
A	B	C*	A	B	C*
0.5	0.98640	14.71	13.5	0.48439	9.97
1.5	0.95651	14.15	14.5	0.44736	9.75
2.5	0.92346	13.64	15.5	0.41190	9.55
3.5	0.88774	13.17	16.5	0.37812	9.36
4.5	0.84986	12.74	17.5	0.34610	9.18
5.5	0.81030	12.33	18.5	0.31589	9.01
6.5	0.76955	11.96	19.5	0.28753	8.85
7.5	0.72805	11.61	20.5	0.26101	8.70
8.5	0.68622	11.29	21.5	0.23632	8.55
9.5	0.64446	10.99	22.5	0.21342	8.42
10.5	0.60310	10.71	23.5	0.19227	8.29
11.5	0.56246	10.45	24.5	0.17280	8.17
12.5	0.52282	10.20	25.5	0.15494	8.05

				15.00271	

* C = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

Run Date: 3/14/00 7:14
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2122.90
 Category: Furniture

Development of Retirement Ratios – Total Retirements

<u>End Of Year</u>	<u>Plant Balance</u> A	<u>Average Plant Balance</u> B=(A + prev A)/2	<u>Retire-ments</u> C	<u>Retire-ment Ratio</u> D=C/B	<u>Band</u> E	<u>Average Plant Balance</u> F	<u>Retire-ments</u> G	<u>Retire-ment Ratio</u> H=G/F
1985	28,922,625							
1986	28,568,592	28,745,609	1,336,169	0.04648				
1987	37,174,956	32,871,774	1,383,697	0.04209	86-88	92,244,350	3,942,995	0.04275
1988	24,078,978	30,626,967	1,223,129	0.03994	87-89	87,800,502	2,541,565	0.02895
1989	24,524,543	24,301,761	-65,261	-0.00269	88-90	70,817,831	1,930,439	0.02726
1990	7,253,663	15,889,103	772,571	0.04862	89-91	47,189,361	1,153,150	0.02444
1991	6,743,331	6,998,497	445,840	0.06371	90-92	30,030,583	1,303,118	0.04339
1992	7,542,634	7,142,983	84,707	0.01186	91-93	20,849,343	570,017	0.02734
1993	5,873,092	6,707,863	39,470	0.00588	92-94	19,801,688	139,855	0.00706
1994	6,028,592	5,950,842	15,678	0.00263	93-95	18,697,939	117,168	0.00627
1995	6,049,875	6,039,234	62,020	0.01027	94-96	18,085,203	93,033	0.00514
1996	6,140,380	6,095,128	15,335	0.00252	95-97	18,256,471	183,493	0.01005
1997	6,103,839	6,122,110	106,138	0.01734	96-98	15,271,180	121,473	0.00795
1998	4,046	3,053,943	0	0.00000	97-99	9,179,992	106,351	0.01159
1999 #	3,833	3,940	213	0.05407				

Forecasted Activity

03/02/00
 08:39 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2122.0000
 CATEGORY: FURNITURE
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	$C = (A \times B) / 100$	D	$E = (A \times D) / 100$	$F = (B - D)$
PAST	6,787#	3.0*	206	2.7*	186	0.3
FUTURE	4&	10.0**	0	0.0**	0	10.0
TOTAL	6,790		206		186	
AVERAGE		3.0		2.7		0.3

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/02/00
 08:39 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2122.0000
 CATEGORY: FURNITURE
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE PERCENT
	DEC. 31				AMOUNT	PERCENT	
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1975##		2,635,421	108,051	4.1	374	0.0	4.1
1976	16,211,624	243,325	5,062	2.1	0	0.0	2.1
1977	18,000,196	351,649	5,167	1.5	0	0.0	1.5
1978	21,495,550	322,169	2,894	0.9	0	0.0	0.9
1979	26,309,711	585,889	13,158	2.2	0	0.0	2.2
1980	30,014,672	923,146	40,322	4.4	0	0.0	4.4
1981	33,119,889	1,226,317	10,840	0.9	1,525	0.1	0.8
1982	27,938,547	2,109,534	8,950	0.4	1,469	0.1	0.3
1983	32,426,507	1,257,421	63,209	5.0	0	0.0	5.0
1984	29,546,025	1,974,712	696,047	35.2	190	0.0	35.2
1985	28,922,625	2,406,402	-391,603	-16.3	0	0.0	-16.3
1986	28,568,592	1,336,169	51,221	3.8	683	0.1	3.7
1987	37,174,956	1,383,697	12,031	0.9	138,329	10.0	-9.1
1988	24,078,978	1,223,129	345,493	28.2	-9,703	-0.8	29.0
1989	24,524,543	-65,261	-15,270	23.4	0	0.0	23.4
1990	7,253,663	772,571	11,541	1.5	0	0.0	1.5
1991	6,743,331	445,840	219,082	49.1	1,373	0.3	48.8
1992	7,542,634	84,707	0	0.0	-63	-0.1	0.1
1993	5,873,092	39,470	0	0.0	0	0.0	0.0
1994	6,028,592	15,678	4,475	28.5	33,696	214.9	-186.4
1995	6,049,875	62,020	0	0.0	29,589	47.7	-47.7
1996	6,140,380	15,335	0	0.0	6,759	44.1	-44.1
1997	6,103,839	106,138	80	0.1	4,116	3.9	-3.8
1998	4,046	0	0	0.0	9,326	0.0	0.0
1999	3,833	213	21	10.0	0	0.0	10.0
GRAND TOTAL		19,455,691	1,190,771	6.1	217,663	1.1	5.0
1985-1999#		7,826,108	237,071	3.0	214,105	2.7	0.3
1990-1999##		1,541,972	235,199	15.3	84,796	5.5	9.8

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/02/00
 08:39 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2122.0000
 CATEGORY: FURNITURE
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1977	1,802,258	27,884	1.5	0	0.0	1.5
1978	2,426,178	66,603	2.7	0	0.0	2.7
1979	3,409,170	72,381	2.1	1,525	0.0	2.1
1980	5,167,055	76,164	1.5	2,994	0.1	1.4
1981	6,102,307	136,479	2.2	2,994	0.0	2.2
1982	7,491,130	819,368	10.9	3,184	0.0	10.9
1983	8,974,386	387,443	4.3	3,184	0.0	4.3
1984	9,084,238	427,824	4.7	2,342	0.0	4.7
1985	8,358,401	430,905	5.2	139,202	1.7	3.5
1986	8,324,109	713,189	8.6	129,499	1.6	7.0
1987	6,284,136	1,872	0.0	129,309	2.1	-2.1
1988	4,650,305	405,016	8.7	129,309	2.8	5.9
1989	3,759,976	572,877	15.2	129,999	3.5	11.7
1990	2,460,986	560,846	22.8	-8,393	-0.3	23.1
1991	1,277,327	215,353	16.9	1,310	0.1	16.8
1992	1,358,266	235,098	17.3	35,006	2.6	14.7
1993	647,715	223,557	34.5	64,595	10.0	24.5
1994	217,210	4,475	2.1	69,981	32.2	-30.1
1995	238,641	4,555	1.9	74,160	31.1	-29.2
1996	199,171	4,555	2.3	83,486	41.9	-39.6
1997	183,706	101	0.1	49,790	27.1	-27.0

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

087

January 1, 2000

8

002705

OFFICE SUPPORT
EQUIPMENT

088

002706

Company : BellSouth Telecommunications
State : Florida
Account : 2123
Category : Office Support Equipment

Account Description

The Office Support Equipment study category includes items such as typewriters, billing, posting, decollating machines, coin counters, copiers, video equipment, cafeteria equipment and medical equipment.

Investment and Reserve Statistics

Table 1 shows estimated 1/1/00 investment and reserve.

Investment and Reserve Statistics

	Invest.	Res.	Res.
	<u>(\$M)</u>	<u>(\$M)</u>	<u>(%)</u>
Florida	2.9	12.6	428.3

Table 1

Projection Life

The useful life of this equipment is influenced by wear and tear and technological change as well as the continuing efforts to operate more efficiently.

BellSouth is selecting a projection life of 11.5 years, based on historical life indications and future life expectations. The graduated curve shape with the least absolute retirement difference for the 1996-1998 band is selected for Office Support Equipment account.

Future Net Salvage

The Company is selecting 5% future net salvage. Historical salvage experienced in this account exhibits a decreasing trend, and BellSouth expects that future net salvage projections will be consistent with the selected salvage value.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2123.1000
CATEGORY : OFFICE SUPPORT EQUIPMENT

INDEX

Account Parameter Summary	2
Generation Arrangement	3
Projection Life Table/Remaining Life Development	4
Retirement Ratios	5
Life Indications Plot (Worm Chart)	6
Curve Shape Analysis Plot	7
Average Net Salvage	8
Table A	9
Table B	10
Last Numbered Page in Section	10

January 1, 2000

090

1

002708

Run Date: 3/10/00 11:07
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2123.10
 Category: Office Support Equipment

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	3,181,396	2,953,396
Adjustment	0	0
Study	3,181,396	2,953,396
% Tot. Depr. Plant	0.03	0.02
Depr. Reserve (\$)	12,941,519	12,648,062
(%)	406.8	428.3
Plife/AYFR (Yrs)		
Office Support Equipment	11.5	11.5
Curve		
Office Support Equipment	1995-1997 GRAD	1996-1998 GRAD
c	4.20000000E-01	8.50000000E-01
G	-8.28941170E-02	-1.45147300E+00
S	-4.70502870E-02	-1.99576000E-01
Whole Life (yrs)	10.8	9.9
Avg. Net Salv. (%)	2	2
WL Rate (%)	9.1	9.9
Comp. Rem. Life (Yrs)	9.6	5.8
Fut. Net Salv. (%)	5	5
Comp. RL Rate (%)	0.0	0.0
Intrastate Factor (%)	78.42	73.95

@ Estimated Investment and Reserve

02/23/00
 10:51 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2123.1
 CATEGORY: OFFICE SUPPORT EQUIPMENT
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT AGE	EXPERIENCE AS OF 1-1-2000%				REMAIN	VINT	AVERAGE LIFE WEIGHTS	REMAINING LIFE WEIGHTS
	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE	ING LIFE YEARS	AVG LIFE YEARS		
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	108,846	0.9983	0.50	8.70	9.20	11,825	102,933
*1998	1.5	13,577	0.6861	1.04	7.70	9.20	1,475	11,364
1997	2.5	32,555	0.9836	2.49	9.00	11.35	2,868	25,830
1996	3.5	148,314	0.8821	3.30	8.00	10.36	14,310	114,548
1995	4.5	286,460	0.8764	4.27	7.35	10.72	26,726	196,499
1994	5.5	203,391	0.6546	4.57	6.85	9.06	22,454	153,880
1993	6.5	161,860	0.3912	4.46	6.44	6.98	23,193	149,358
1992	7.5	173,261	0.3409	6.00	6.09	8.08	21,453	130,745
1991	8.5	166,695	0.3549	5.42	5.80	7.48	22,296	129,391
1990	9.5	47,152	0.0996	4.97	5.56	5.52	8,540	47,447
1989	10.5	166,400	0.3901	8.37	5.34	10.45	15,916	85,058
1988	11.5	136,523	0.2585	7.80	5.16	9.13	14,947	77,154
1987	12.5	34,964	0.0869	7.44	5.00	7.88	4,439	22,213
1986	13.5	113,232	0.2032	8.78	4.87	9.77	11,593	56,418
1985	14.5	17,229	0.0127	4.48	4.75	4.54	3,792	18,001
1984	15.5	48,877	0.0585	7.48	4.64	7.75	6,304	29,259
1983	16.5	893,463	0.3961	12.31	4.55	14.11	63,321	288,029
1982	17.5	80,518	0.0243	8.28	4.47	8.38	9,604	42,898
1981	18.5	41,074	0.0326	7.43	4.39	7.57	5,426	23,844
1980	19.5	34,533	0.0475	10.45	4.33	10.66	3,240	14,030
1979	20.5	25,219	0.0185	8.15	4.27	8.23	3,064	13,093
1978	21.5	0	0.0000	11.23				
1977	22.5	8,515	0.0085	10.09	4.18	10.12	841	3,513
1976	23.5	0	0.0000	8.17				
1975	24.5	3,749	0.0012	10.06	4.10	10.06	373	1,527
1974/PRIOR		6,989	0.0118	12.78	4.07	12.83	545	2,215
TOTAL		2,953,396					298,545	1,739,249
NON-ELG V		2,830,973					285,245	1,624,951
ELG V		122,423					13,300	114,298

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 9.89262 9.92471 9.20441
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 5.82574 5.69669 8.59351
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 20,623,144 B/ SUM OF (B/C) 0.14321
 ORIGINAL: c 0.850000000000 G -1.451473000000E+000 S -1.995760000000E-001
 RECALC: c 0.909669757823 G -1.451473000000E+000 S -1.162608454099E-001

• ELG VINTAGES, PROJECTION LIFE 11.5
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 % ACTUAL

02/23/00
 10:51 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2123.1
 CATEGORY: OFFICE SUPPORT EQUIPMENT
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 11.50

ORIGINAL: c 0.850000000000 RESCALED: c 0.909669757823
 G -1.451473000000E+000 G -1.451473000000E+000
 S -1.995760000000E-001 S -1.162608454099E-001

BEGINNING OF YEAR		AMOUNT		ANNUAL ACCRUALS		ELG	ELG	VG	
AGE		RETIREMENT		AGE OF	EACH	FOR ALL	AVG.	AVG.	
IN SERVICE		DURING YEAR		AMOUNT	LIFE	REMAINING	SER	REMAIN	
(LIFE GROUP)		(LIFE GROUP)		RETIREMENT	GROUP	GROUPS	VICE	ING	
A	B	C=B-next	B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000		0	0.5	0	10,864	9.20	9.20	11.50
0.5	100,000		0	1.0	0	10,864	9.20	8.70	11.00
1.5	100,000		0	2.0	0	10,864	9.20	7.70	10.00
2.5	100,000		0	3.0	0	10,864	9.20	6.70	9.00
3.5	100,000		4,424	4.0	1,106	10,864	9.20	5.70	8.00
4.5	95,576		6,509	5.0	1,302	9,758	9.79	5.29	7.35
5.5	89,067		7,531	6.0	1,255	8,457	10.53	5.03	6.85
6.5	81,536		8,094	7.0	1,156	7,201	11.32	4.82	6.44
7.5	73,442		8,258	8.0	1,032	6,045	12.15	4.65	6.09
8.5	65,184		8,100	9.0	900	5,013	13.00	4.50	5.80
9.5	57,084		7,699	10.0	770	4,113	13.88	4.38	5.56
10.5	49,385		7,132	11.0	648	3,343	14.77	4.27	5.34
11.5	42,252		6,465	12.0	539	2,695	15.68	4.18	5.16
12.5	35,787		5,753	13.0	443	2,156	16.60	4.10	5.00
13.5	30,034		5,038	14.0	360	1,713	17.53	4.03	4.87
14.5	24,997		4,350	15.0	290	1,353	18.47	3.97	4.75
15.5	20,646		3,711	16.0	232	1,063	19.42	3.92	4.64
16.5	16,936		3,131	17.0	184	831	20.37	3.87	4.55
17.5	13,805		2,616	18.0	145	647	21.33	3.83	4.47
18.5	11,189		2,167	19.0	114	502	22.29	3.79	4.39
19.5	9,021		1,782	20.0	89	388	23.26	3.76	4.33
20.5	7,240		1,455	21.0	69	299	24.23	3.73	4.27
21.5	5,785		1,181	22.0	54	230	25.20	3.70	4.22
22.5	4,604		953	23.0	41	176	26.18	3.68	4.18
23.5	3,651		765	24.0	32	134	27.16	3.66	4.14
24.5	2,886		611	25.0	24	103	28.15	3.65	4.10
TOTAL			97,725						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

Run Date: 3/14/00 7:14
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2123.10
 Category: Office Support Equipment

Development of Retirement Ratios – Total Retirements

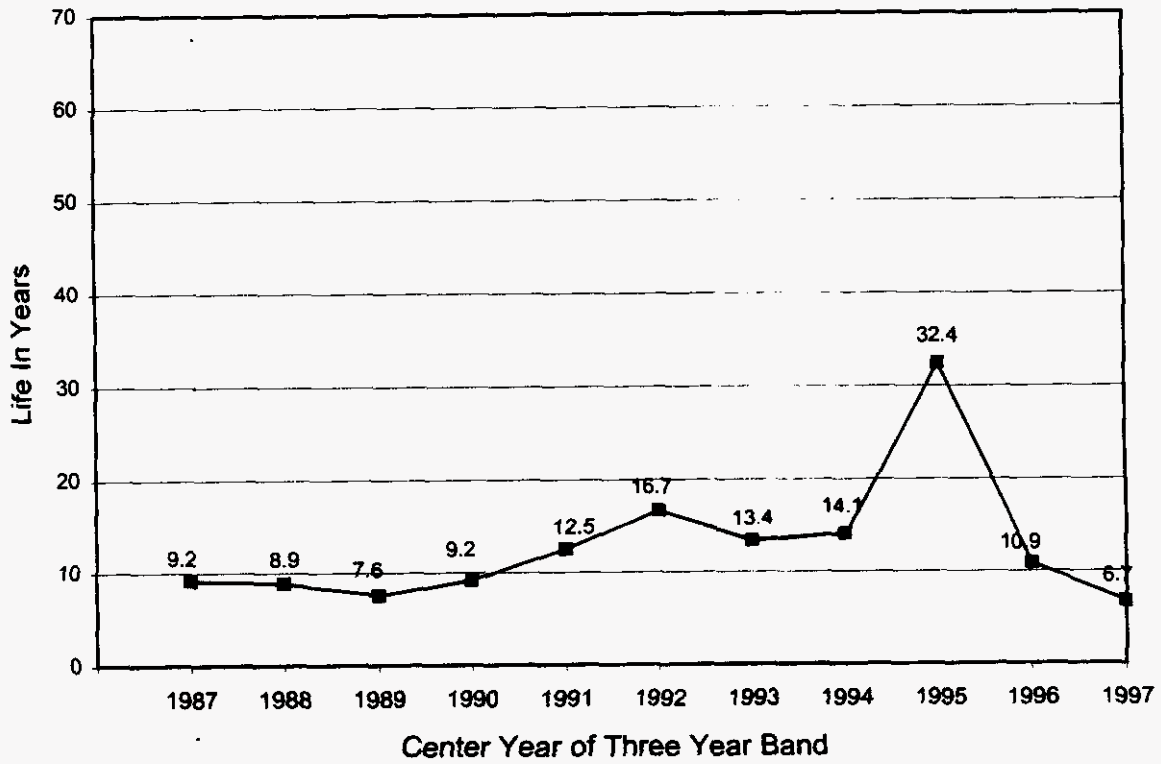
<u>End Of Year</u>	<u>Plant Balance</u> A	<u>Average Plant Balance</u> B=(A + prev A)/2	<u>Retire-ments</u> C	<u>Retire-ment Ratio</u> D=C/B	<u>Band</u> E	<u>Average Plant Balance</u> F	<u>Retire-ments</u> G	<u>Retire-ment Ratio</u> H=G/F
1988	12,178,495							
1989	14,065,863	13,122,179	1,855,170	0.14138				
1990	10,249,383	12,157,623	2,203,399	0.18124	89-91	35,439,239	4,635,919	0.13081
1991	10,069,491	10,159,437	577,350	0.05683	90-92	32,561,529	3,098,220	0.09515
1992	10,419,446	10,244,469	317,471	0.03099	91-93	30,925,186	3,004,579	0.09716
1993	10,623,114	10,521,280	2,109,758	0.20052	92-94	31,219,618	3,049,644	0.09768
1994	10,284,625	10,453,870	622,415	0.05954	93-95	31,336,830	2,946,239	0.09402
1995	10,438,736	10,361,681	214,066	0.02066	94-96	29,818,930	1,604,376	0.05380
1996	7,568,024	9,003,380	767,895	0.08529	95-97	26,128,197	2,519,056	0.09641
1997	5,958,249	6,763,137	1,537,095	0.22728	96-98	20,336,339	3,167,305	0.15575
1998	3,181,396	4,569,823	862,315	0.18870	97-99	14,400,355	2,708,410	0.18808
1999 #	2,953,396	3,067,396	309,000	0.10074				

Forecasted Activity

Company : BellSouth Telecommunications
State : Florida
Account : 2123.1000
Category : Office Support Equipment

Average Life Indications Full Mortality

Life Indication



095

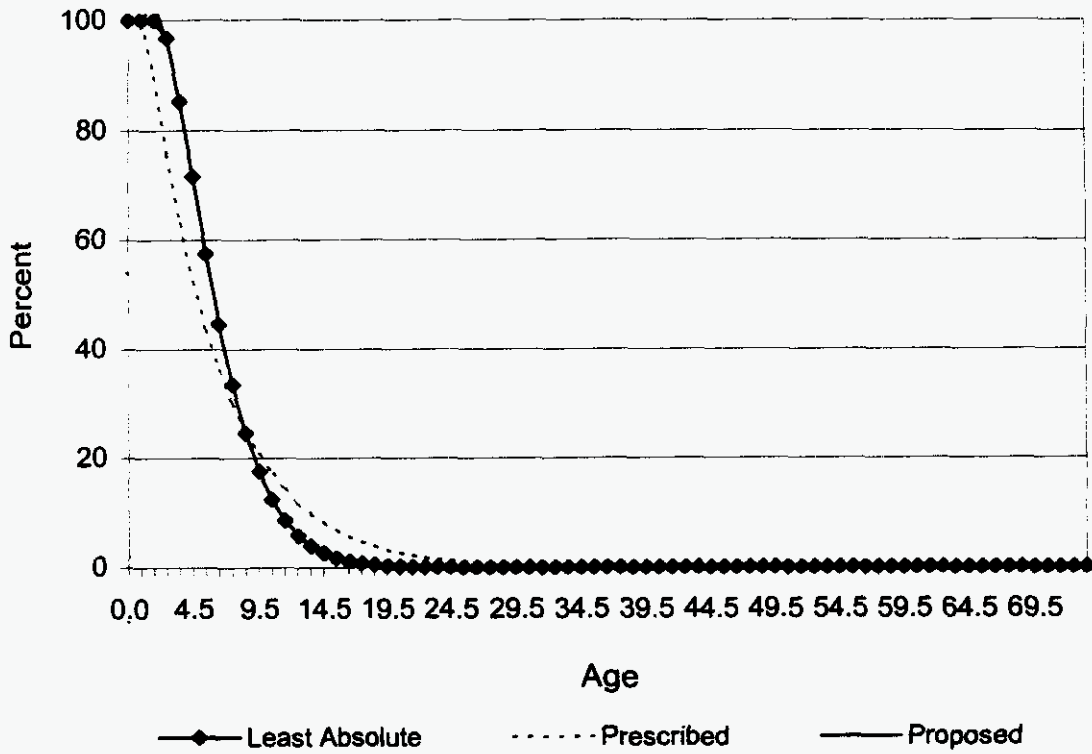
January 1, 2000

6

002713

COMPANY : BellSouth Telecommunications
 STATE : Florida
 ACCOUNT : 2123.1
 CATEGORY : Office Support Equipment

Curve Shape Analysis Plot



c = 0.91 G = -1.451473 S = -0.116260845

Curves scaled to observed 6.70

02/28/00
 07:21 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2123.1000
 CATEGORY: OFFICE SUPPORT EQUIPMENT
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	$C=(A \times B) / 100$	D	$E=(A \times D) / 100$	$F=(B-D)$
PAST	17,670#	1.8*	316	0.0*	2	1.8
FUTURE	2,953&	5.0**	149	0.0**	0	5.0
TOTAL AVERAGE	20,623	2.3	465	0.0	2	2.2

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

097

January 1, 2000

8

002715

02/28/00
 07:21 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2123.1000
 CATEGORY: OFFICE SUPPORT EQUIPMENT
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE
	DEC. 31				AMOUNT	PERCENT	PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1988	12,178,495	1,510,878	4,891	0.3	0	0.0	0.3
1989	14,065,863	1,855,170	2,062	0.1	408	0.0	0.1
1990	10,249,383	2,203,399	0	0.0	0	0.0	0.0
1991	10,069,491	577,350	205,054	35.5	-870	-0.2	35.7
1992	10,419,446	317,471	974	0.3	0	0.0	0.3
1993	10,623,114	2,109,758	414	0.0	0	0.0	0.0
1994	10,284,625	622,415	234	0.0	0	0.0	0.0
1995	10,438,736	214,066	1,193	0.6	125	0.1	0.5
1996	7,568,024	767,895	6	0.0	0	0.0	0.0
1997	5,958,249	1,537,095	408	0.0	1,618	0.1	-0.1
1998	3,181,396	862,315	0	0.0	260	0.0	0.0
1999	2,953,396	309,000	15,543	5.0	0	0.0	5.0
GRAND TOTAL		12,886,812	230,779	1.8	1,541	0.0	1.8
1988-1999#		12,886,812	230,779	1.8	1,541	0.0	1.8
1990-1999##		9,520,764	223,826	2.4	1,133	0.0	2.4

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

02/28/00
 07:21 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2123.1000
 CATEGORY: OFFICE SUPPORT EQUIPMENT
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1990	6,464,268	212,981	3.3	-462	0.0	3.3
1991	7,063,148	208,504	3.0	-462	0.0	3.0
1992	5,830,393	206,676	3.5	-870	0.0	3.5
1993	3,841,060	207,869	5.4	-745	0.0	5.4
1994	4,031,605	2,821	0.1	125	0.0	0.1
1995	5,251,229	2,255	0.0	1,743	0.0	0.0
1996	4,003,786	1,841	0.0	2,003	0.1	-0.1
1997	3,690,371	17,150	0.5	2,003	0.1	0.4

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

COMPANY COMM.
EQUIPMENT

100

002718

Company : BellSouth Telecommunications
 State : Florida
 Account : 2123
 Category : Company Communications Eqpt.

F Account Description

This account consists of investment in Company Communications Equipment. The Company Communications Equipment includes stand-alone company communications equipment, private branch exchange and key system intrasystems, including the associated communications equipment and inside wiring, installed for official company business.

Stand-alone equipment includes cellular mobile telecommunications equipment, telephone sets, display phones, operator's head sets, pagers and teleconferencing equipment. PBX Intrasystems consist of common equipment such as a switchboard or switching equipment shared by all stations, station equipment, the wires connecting the common equipment and station equipment plus terminal boxes or cross connector points and the cable or wires that connect the PBX with the network interface. Key Intrasystems includes only those key systems that require common control equipment including the associated intrasystem wiring.

Investment and Reserve Statistics

Table 1 shows estimated investment and reserve at 1/1/00.

Investment and Reserve Statistics

	Invest. (\$M)	Res. (\$M)	Res. (%)
Florida	26.8	13.0	48.6

Table 1

Projection Life

The useful life of this equipment is influenced by wear and tear and technological change as well as continuing efforts to operate more efficiently.

BellSouth is selecting a projection life of 7 years, based on historical life indications and future life expectations for this account. The life table associated with the previous curve shape used for the Company Communications account closely aligns with the life table of a #2 Bell Curve. The Company feels that this curve shape accurately depicts the percentage of surviving investment by age.

Company : BellSouth Telecommunications
State : Company
Account : 2123
Category : Company Communications Eqpt.

Future Net Salvage

BellSouth is selecting a 10% future net salvage in Company Communications Equipment. While the latest Table B 5-Year Band shows a higher net salvage percent, this was caused by unprecedented high net salvage in 1994 and 1995. The Company does not believe this will be the norm in the future. Salvage for years since 1995 is more reflective of salvage expected in this account. Excluding data for 1994 and 1995 results in a net salvage percent close to the 10% selected, which is the current net salvage percent.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2123.2000
CATEGORY : COMPANY COMMUNICATIONS EQPT.

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January 1, 2000

Run Date: 3/10/00 11:07
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2123.20
 Category: Official Communications Equipment

Account Parameter Summary

ELG Start Year: 0

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	25,251,162	26,778,162
Adjustment	0	0
Study	25,251,162	26,778,162
% Tot. Depr. Plant	0.22	0.22
Depr. Reserve (\$)	10,666,626	13,013,392
(%)	42.2	48.6
Plife/AYFR (Yrs)		
Official Communications Equipment	7.0	7.0
Curve		
Official Communications Equipment	BELL #2.0	BELL #2.0
c	1.10249400E+00	1.10249400E+00
G	-3.34100410E-01	-3.34100000E-01
S	2.40118790E-02	2.40120000E-02
Whole Life (yrs)	7.2	7.5
Avg. Net Salv. (%)	19	19
WL Rate (%)	11.3	10.8
Comp. Rem. Life (Yrs)	4.8	4.4
Fut. Net Salv. (%)	10	10
Comp. RL Rate (%)	10.0	9.4
Intrastate Factor (%)	78.42	73.95

@ Estimated Investment and Reserve

02/23/00
 10:51 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2123.2
 CATEGORY: OFFICIAL COMMUNICATIONS EQPT
 TABLE 1-VG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

EXPERIENCE AS OF 1-1-2000%					REMAIN	VINT	AVERAGE	REMAINING
VINT	AGE	AMOUNT	PROP	REAL	ING	AVG	LIFE	LIFE
AGE	AGE	SURVIVING	SURV	LIFE	LIFE	LIFE	WEIGHTS	WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
1999	0.5	945,066	0.9998	0.50	6.61	7.11	132,906	878,847
1998	1.5	3,442,370	0.9946	1.49	5.89	7.35	468,230	2,757,872
1997	2.5	11,211,296	0.9778	2.47	5.24	7.59	1,476,906	7,738,368
1996	3.5	1,052,279	0.9529	3.42	4.66	7.85	133,998	623,788
1995	4.5	664,510	0.9222	4.34	4.13	8.15	81,493	336,658
1994	5.5	2,010,053	0.8890	5.26	3.66	8.52	235,915	863,948
1993	6.5	1,537,995	0.8315	6.03	3.24	8.72	176,319	571,840
1992	7.5	1,050,444	0.7079	6.29	2.87	8.32	126,291	362,443
1991	8.5	790,475	0.5478	6.13	2.54	7.52	105,139	266,842
1990	9.5	724,810	0.2762	4.41	2.24	5.03	144,118	323,343
1989	10.5	3,341,293	0.2891	6.23	1.98	6.81	490,928	973,600
1988	11.5	1,287	0.0039	2.80	1.75	2.81	458	803
1987	12.5	5,818	0.0007	3.36	1.55	3.36	1,730	2,684
1986	13.5	449	0.0001	4.02	1.37	4.02	112	154
1985	14.5	17	0.0000	4.55	1.22	4.55	4	5
TOTAL		26,778,162					3,574,547	15,701,194

AVG SERVICE LIFE: ALL VINTS
 TOT B/TOT G 7.49135
 AVG REMAINING LIFE: ALL VINTS
 TOT H/TOT G 4.39250

COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 71,789,483 B/ SUM OF (B/C) 0.37301

ORIGINAL: c · 1.102494000000 G -3.341000000000E-001 S +2.401200000000E-002
 RESCALED: c 1.149575862374 G -3.341000000000E-001 S +3.430294684762E-002
 ++ FROM TABLE 2-VG, PROJECTION LIFE 7.0
 % ACTUAL

02/23/00
 10:51 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2123.2
 CATEGORY: OFFICIAL COMMUNICATIONS EQPT
 TABLE 2-VG

PROJECTION LIFE TABLE
 DEVELOPMENT OF VINTAGE GROUP REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 7.0

ORIGINAL: c 1.102494000000 RESCALED: c 1.149575862374
 G -3.341000000000E-001 G -3.341000000000E-001
 S +2.401200000000E-002 S +3.430294684762E-002

AGE YEARS	PROPORTION SURVIVING	REMAINING LIFE OF SURVIVORS	AGE YEARS	PROPORTION SURVIVING	REMAINING LIFE OF SURVIVORS
A	B	C*	A	B	C*
0.5	0.98409	6.61	13.5	0.04015	1.37
1.5	0.94136	5.89	14.5	0.02041	1.22
2.5	0.88403	5.24	15.5	0.00927	1.09
3.5	0.81276	4.66	16.5	0.00370	0.97
4.5	0.72923	4.13	17.5	0.00127	0.87
5.5	0.63620	3.66	18.5	0.00037	0.79
6.5	0.53743	3.24	19.5	0.00009	0.72
7.5	0.43749	2.87	20.5	0.00002	0.65
8.5	0.34128	2.54	21.5	0.00000	0.50
9.5	0.25351	2.24	22.5	0.00000	0.50
10.5	0.17801	1.98	23.5	0.00000	0.50
11.5	0.11716	1.75	24.5	0.00000	0.50
12.5	0.07158	1.55	25.5	0.00000	0.50

				6.99940	

* C = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

Run Date: 3/14/00 7:16
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2123.20
 Category: Official Communications Equipment

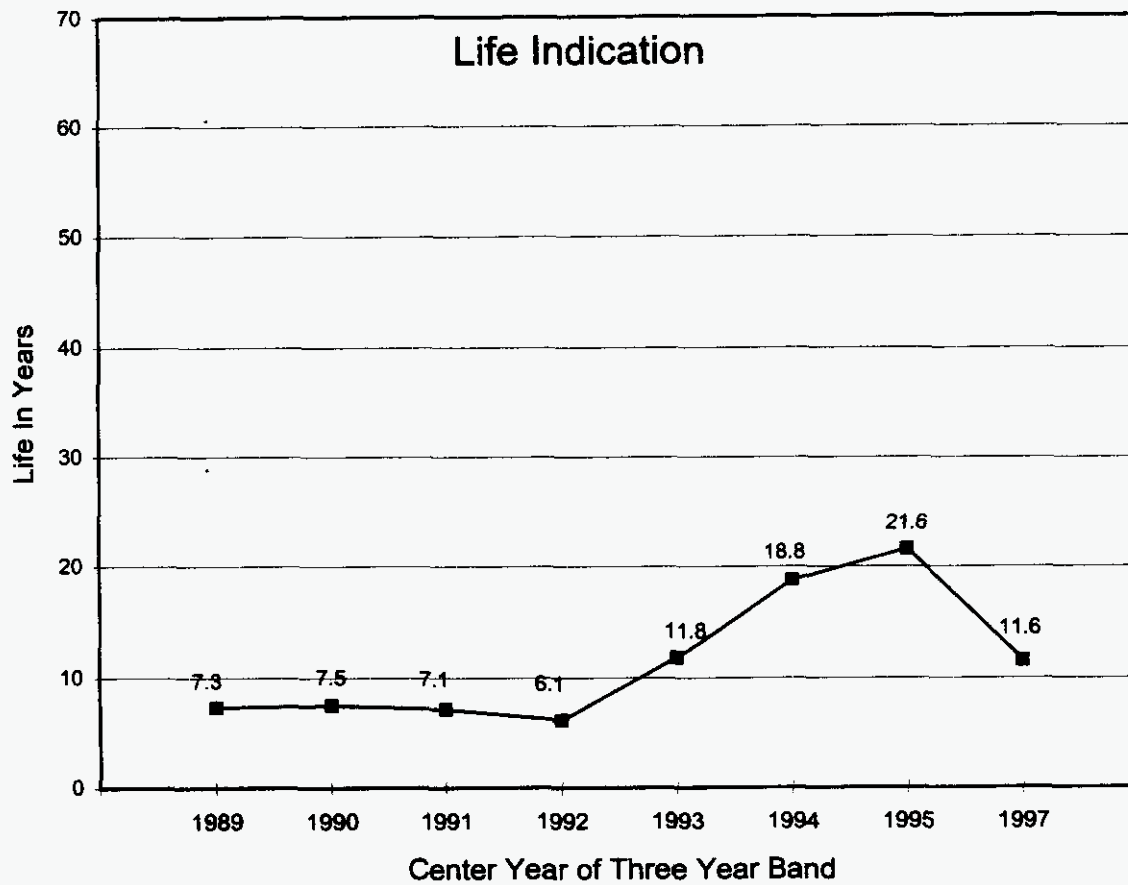
Development of Retirement Ratios – Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ments C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ments G	Retire- ment Ratio H=G/F
1985	84,540,133							
1986	93,398,835	88,969,484	6,613,838	0.07434				
1987	109,786,044	101,592,440	7,714,892	0.07594	86-88	306,753,312	24,263,783	0.07910
1988	122,596,732	116,191,388	9,935,053	0.08551	87-89	341,333,372	35,780,847	0.10483
1989	124,502,356	123,549,544	18,130,902	0.14675	88-90	352,901,554	44,879,395	0.12717
1990	101,818,887	113,160,622	16,813,440	0.14858	89-91	299,337,978	38,007,721	0.12697
1991	23,436,737	62,627,812	3,063,379	0.04891	90-92	195,317,565	22,372,274	0.11454
1992	15,621,526	19,529,132	2,495,455	0.12778	91-93	95,858,074	10,383,073	0.10832
1993	11,780,734	13,701,130	4,824,239	0.35211	92-94	46,338,791	7,391,337	0.15951
1994	14,436,325	13,108,530	71,643	0.00547	93-95	42,178,155	4,988,105	0.11826
1995	16,300,665	15,368,495	92,223	0.00600	94-96	45,012,397	758,047	0.01684
1996	16,770,079	16,535,372	594,181	0.03593	95-97	52,758,179	1,556,559	0.02950
1997	24,938,545	20,854,312	870,155	0.04173	96-98	62,484,538	2,806,910	0.04492
1998	25,251,162	25,094,854	1,342,574	0.05350	97-99	71,963,828	2,495,729	0.03468
1999 #	26,778,162	26,014,662	283,000	0.01088				

Forecasted Activity

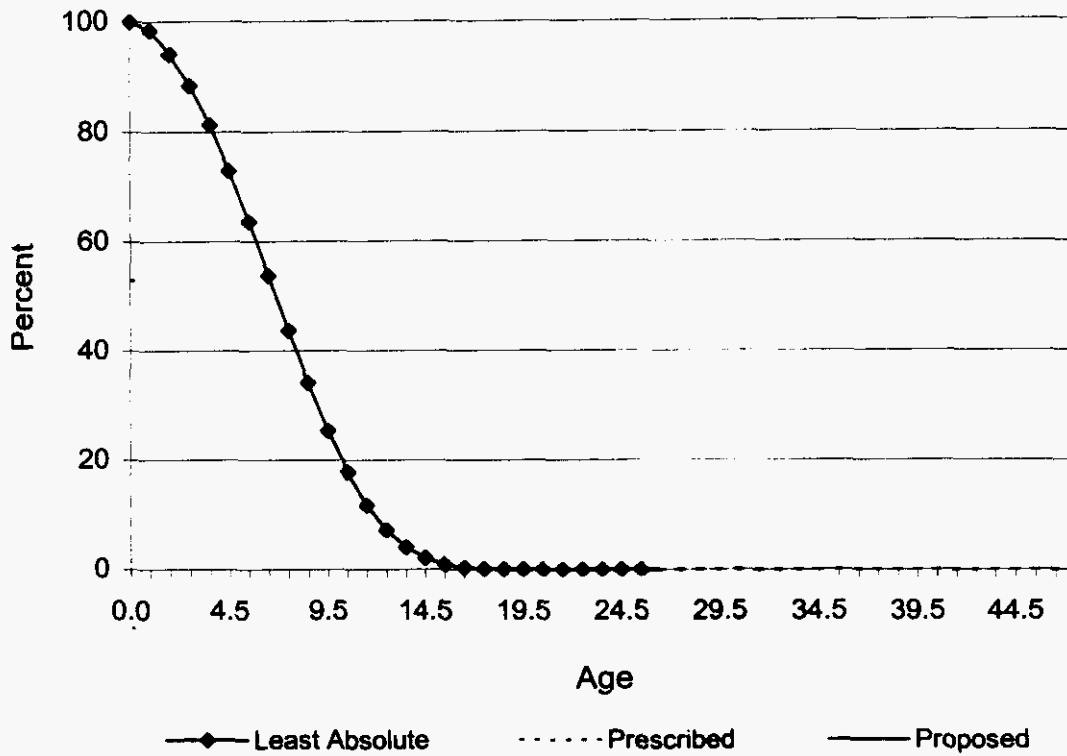
Company : BellSouth Telecommunications
State : Florida
Account : 2123.2000
Category : Official Communications Eqpt.

Average Life Indications Computed Mortality



COMPANY : BellSouth Telecommunications
 STATE : Florida
 ACCOUNT : 2123.2
 CATEGORY : Company Communications Eqpt.

Curve Shape Analysis Plot



$c = 1.149576$ $G = -0.3341$ $S = 0.034302947$

Curves scaled to observed 10.00

02/28/00
 07:21 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2123.2000
 CATEGORY: OFFICIAL COMMUNICATIONS EQPT
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	45,011#	26.0*	11,699	1.6*	709	24.4
FUTURE	26,778&	30.0**	8,033	20.0**	5,356	10.0
TOTAL	71,789		19,732		6,064	
AVERAGE		27.5		8.4		19.0

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

02/28/00
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 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2123.2000
 CATEGORY: OFFICIAL COMMUNICATIONS EQPT
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN	PLANT	GROSS	SALVAGE*	COST OF REMOVAL*		NET
	SERVICE				RETIRED*	AMOUNT	PERCENT
	DEC. 31			PERCENT	AMOUNT	PERCENT	PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1984	73,144,169	26,172,623	19,724,812	75.4	257,317	1.0	74.4
1985	84,540,133	25,566,019	19,321,282	75.6	-428,147	-1.7	77.3
1986	93,398,835	6,613,838	5,812,546	87.9	286,964	4.3	83.6
1987	109,786,044	7,714,892	4,581,055	59.4	47,513	0.6	58.8
1988	122,596,732	9,935,053	1,317,733	13.3	333,518	3.4	9.9
1989	124,502,356	18,130,902	5,859,434	32.3	110,942	0.6	31.7
1990	101,818,887	16,813,440	5,457,807	32.5	193,485	1.2	31.3
1991	23,436,737	3,063,379	-27,288	-0.9	141,744	4.6	-5.5
1992	15,621,526	2,495,455	229,888	9.2	98,222	3.9	5.3
1993	11,780,734	4,824,239	145,579	3.0	38,182	0.8	2.2
1994	14,436,325	71,643	234,859	327.8	72,015	100.5	227.3
1995	16,300,665	92,223	230,755	250.2	590	0.6	249.6
1996	16,770,079	594,181	208,405	35.1	797	0.1	35.0
1997	24,938,545	870,155	138,429	15.9	16,871	1.9	14.0
1998	25,251,162	1,342,574	63,684	4.7	35,576	2.6	2.1
1999	26,778,162	283,000	84,900	30.0	56,600	20.0	10.0
GRAND TOTAL		124,583,616	63,383,880	50.9	1,262,189	1.0	49.9
1989-1999#		48,581,191	12,626,452	26.0	765,024	1.6	24.4
1990-1999##		30,450,289	6,767,018	22.2	654,082	2.1	20.1

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

02/28/00
 07:21 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2123.2000
 CATEGORY: OFFICIAL COMMUNICATIONS EQPT
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIREDA*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET
				AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1986	76,002,425	50,757,428	66.8	497,165	0.7	66.1
1987	67,960,704	36,892,050	54.3	350,790	0.5	53.8
1988	59,208,125	23,028,575	38.9	972,422	1.6	37.3
1989	55,657,666	17,188,741	30.9	827,202	1.5	29.4
1990	50,438,229	12,837,574	25.5	877,911	1.7	23.8
1991	45,327,415	11,665,420	25.7	582,575	1.3	24.4
1992	27,268,156	6,040,845	22.2	543,648	2.0	20.2
1993	10,546,939	813,793	7.7	350,753	3.3	4.4
1994	8,077,741	1,049,486	13.0	209,806	2.6	10.4
1995	6,452,441	958,027	14.8	128,455	2.0	12.8
1996	2,970,776	876,132	29.5	125,849	4.2	25.3
1997	3,182,133	726,173	22.8	110,434	3.5	19.3

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

COMPUTERS

113

002731

Company : BellSouth Telecommunications
 State : Florida
 Account : 2124
 Category : Computers

Account Description

This account consists of the original investment in computers and peripheral devices, which are used to perform general administrative information processing activities. This account also includes the initial operating system software investment for computers classifiable to this account whether acquired separately or in conjunction with associated hardware. In addition, this account may also include power inverters and standby power generating equipment, which serves only general-purpose computer equipment. Standby generating equipment, which serves central office equipment, and/or building and computer equipment should be included in the class of plant, which uses the greater percentage of the generated power.

The computers account also includes the cost of data controllers and workstation equipment, including terminals, printers, modems, and other associated equipment.

Account 2124 does not include the cost of computers, their associated peripheral devices, or their initial operating system software dedicated to specific telecommunications plant functions.

Investment and Reserve Statistics

Estimated 1/1/00 investment and reserve are shown in Table 1 for the Computers account.

Investment and Reserve Statistics

	Invest.	Res.	Res.
	<u>(\$M)</u>	<u>(\$M)</u>	<u>(%)</u>
Florida	309.8	190.5	61.5

Table 1

Investment in the Computers account can be segmented into three distinct categories: mainframe, minicomputers, and personal computers. The majority of the investment in Computers is associated with personal computers (45.3%), minicomputers (43.1%), followed by mainframe computers (11.6%). Included in the mainframe and minicomputer peripheral investment are items such as disk drives, tape drives, display monitors, control consoles, optical scanners and printers. Table 2 shows the segmentation of 1/1/00 Computer investment.

Company : BellSouth Telecommunications
 State : Florida
 Account : 2124
 Category : Computers

Computer Investment Segmentation
 (\$M)

	<u>Mainframe Processor & Peripherals</u>	<u>Minicomputer Processors & Peripherals</u>	<u>Personal Computers</u>	<u>Total</u>
Florida	35.9	133.5	140.3	309.8

Table 2

The Data Center Application Redeployment initiated in 1998 by BellSouth and EDS continues. This initiative is scheduled for completion by year-end 2000, leaving production data centers in Charlotte and Birmingham, with a test/development and possibly disaster recovery center, in Jackson. These relocations provided opportunities for systems consolidations, which accelerated retirement activity in the computer account. The Company believes this resource redeployment initiative provided significant financial and operational benefits for BellSouth.

EDS will continue to have investment management responsibilities for Mainframes and Mainframe related computer assets. BellSouth's Mainframes should completely retire by the year 2002. Until then, EDS will be responsible for the physical maintenance of Mainframe computing devices (e.g., all moves, additions, changes, upgrades, and modifications).

Mainframe Computers

Mainframe computers are no longer considered a strategic platform; rather they are a declining platform. The processing power growth rate of Mainframe Computers has slowed to approximately 25%. Very few new applications are being added to Mainframe Computers. The current trend in BellSouth is migrating towards a distributed computing environment. Most of the new applications employed in the distributed environment are placed on midrange computers. BellSouth believes that in a distributed computing environment, the ability to significantly increase or decrease capacity without major disruptions and excessive costs are major advantages.

Moving into a competitive environment will continue to put pressure on the need for operational efficiencies, including cost reduction and quick response to customers' needs. These pressures will in a large part be met with state of the art information technologies. IBM and IBM

Company : BellSouth Telecommunications
State : Florida
Account : 2124
Category : Computers

compatible processors represent the bulk of BellSouth's investment in Mainframe systems. This equipment has a life span of approximately 5 to 5.5 years. BellSouth outsourced its Mainframe Computer operations in December 1997, and will no longer acquire Mainframe assets. Future Mainframe capacity requirements will be acquired, owned and operated by EDS. Over time, as existing BellSouth owned Mainframe assets reach the end of their useful life and are retired, BellSouth's investment in Mainframe Computer equipment will decline to zero.

A mixture of IBM ES/9000 (9021), Hitachi Data Systems (HDS) Skyline and Amdahl Millennium processors provides most of BellSouth's mainframe processing capacity. BellSouth's mainframe computing capacity is projected to be around 14,000 MIPS by year-end 2000, about 20% of which will be BellSouth owned. A 5-year life cycle is estimated for these processors.

Leases on nine small Amdahl Millennium (first-generation CMOS) processors totaling about 1,200 MIPS, used for a network provisioning application, will expire during the year. This equipment will be replaced by EDS owned equipment

Unisys processors are also part of the BellSouth Mainframe computing environment. A 5-year life cycle is also seen in this product line. BellSouth has retained two 2200/500 (third generation technology) processors for test/development and a minor application, but has moved the other applications to current generation processors (IX5802), which are owned by EDS.

There are three primary reasons for this five-year trend:

1. The price/performance improvements of new processors make it wiser to invest in new products.
2. New functionality required by the enhanced sophistication of user processing requirements is only introduced into these new machines.
3. BellSouth has increased reliance on mechanized systems and the move toward 24 hour, 7 days a week availability, requires that we provide the increased reliability that comes with each new generation processor.

Peripherals

Tape drives, printers, and Direct Access Storage Devices (DASD) represent the bulk of the Company's investment in peripheral products. Most of these devices have a life cycle ranging from three to seven years.

Company : BellSouth Telecommunications
State : Florida
Account : 2124
Category : Computers

Mainframe tape equipment is mostly STK (Storage Technology) automated tape libraries. Approximately 70% of our existing STK Silverton (fourth generation 36-track) tape equipment will retire during 2000. A small portion will be eliminated because of reduced demand, and the rest will be replaced by EDS-owned current generation technology. The expected life cycle for this equipment is still estimated at five to seven years.

BellSouth projects approximately 80 terabytes of mainframe DASD storage capacity by the end of this year. BellSouth will own 20% of this equipment. The expected life cycle for all classes of DASD is still estimated at three years.

The IBM 3900-DW1/DW2 duplex printers used for bill printing transferred to Customer Billing Services during 1997. BellSouth retained a number of IBM 3900-001 laser printers, acquired in 1992-1993, for non-bill printing requirements. This equipment is near the end of its useful life. EDS owns mainframe computers acquired after December 1997. However, BellSouth owns mainframe printers.

Midrange Computers

BellSouth has utilized midrange computers since the 1970s, initially to support Network applications. Now, midrange computers support almost every aspect of our business: service provisioning, billing, maintenance, support and office mechanization. Early generation computers required significant floorspace, power, and environmental conditioning for efficient operation. In addition, efforts to support and maintain these early generation computers are significant. Midrange Computers, unlike mainframe computers, do not only reside in the data centers, but also throughout BellSouth buildings in the distributed environment. Although EDS has taken over responsibility of maintaining these systems with the data centers, BellSouth still has ownership of the investment. The bulk of midrange computer investments are owned and a small number are leased.

Technological advancements driven by dramatic computer chip improvements and miniaturization have produced a new generation of computer equipment that will provide fifty times the processing power of those early and subsequent generation computers. This new technology utilizes 75% less floorspace, which defers building additions and requires less power and environmental conditioning that *minimizes* expenses, and requires fewer and more reliable entities.

Hewlett Packard and Sun Microsystems servers represent the bulk of BellSouth's investment in midrange computer systems. Sun Microsystems is, at this time, the approved platform architecture within BellSouth. Although there are still a number of legacy midrange

Company : BellSouth Telecommunications
State : Florida
Account : 2124
Category : Computers

computer systems currently being utilized, all other incumbent UNIX platforms are categorized as declining.

Midrange computers are managed on a 5-year hardware lifecycle. Servers in service more than 5 years may continue to be used when such use is justified by business requirements. However, servers that are no longer supported by the manufacturer or for which parts are no longer available are not used.

Economic studies continue to show that upgrading early generation equipment with current, advanced technology is financially attractive. The result of these trends is that each subsequent generation of computers have a much shorter installed life cycle. In some cases, past computer equipment has shown a service span of 10 to 15 years, whereas technology change and asset turnover has significantly increased, reducing the service life of midrange computers to 5 years.

With the increasing demand on floorspace, there is a need to be innovative with reducing the number of processors occupying a given area. Technology is advancing rapidly in the midrange environment. Technology is allowing multiple applications on a single midrange computer, thus further reducing the number of systems. Some current models of the midrange computer will allow partitioning of the applications as in the mainframe environment. There is also progress being made with data center storage consolidation allowing multiple applications to share a storage unit.

As always, economic replacement studies and the priority needs of the business determine the pace and scope of new midrange computer implementation.

Personal Computers

The life cycle of personal computers (PCs) continues to shorten. Technology advances in semiconductors have had a dramatic effect on the life of Personal Computers. Illustrative of this fast paced technology change is the recent development of microprocessors, which are at the heart of a PC. The basic work unit for microprocessors has increased from 33 MHz in 1990 to 133 MHz by 1995 for PCs, and is currently available at 733 MHz for Pentium III processors. Significant improvements have been attained with respect to the current state of the art for workstation microprocessors, which lead the way for technological progress in personal computers. The price and efficiency of PC hard drives, CD-ROM and DVD drives advanced at an even faster pace than microprocessors. Today hard drives typically hold 6 to 12 gigabytes of data, up from 1 to 2 gigabytes in 1996 and density continues to double every 16 to 18 months. In addition, CD-ROM drives are now being replaced by digital video disk drives, which holds 7 to 14 times as much data.

January 1, 2000

Page 5

Company : BellSouth Telecommunications
State : Florida
Account : 2124
Category : Computers

In 1996, BellSouth began providing Internet connections and information services to residential and business customers. Since then, BellSouth has become an industry leader in providing its customers' data communication and electronic commerce needs both locally and globally. In order to pursue a multifaceted electronic commerce strategy and maintain a strong customer base, it is imperative that we upgrade our network with state of the art equipment.

Several factors influence a user's need to have the latest PC technology. These include the need for faster processing requirements and more memory to support more powerful and graphics oriented software packages, and the need to quickly access large amounts of data from host processors. In an ever increasing competitive, highly complex and data intensive business as telecommunications, the support of efficient personal computing power becomes increasingly essential. Personal Computer requirements and technology have continued to change at such a rapid pace that the current PC life cycle is estimated at 3 to 3.5 years.

Projection Life

The rapid advancement of computer hardware has made it economical to retire computers at an increasing rate. Each generation of computers has greater computing power, lower maintenance and reduced space and power needs. BellSouth has undergone a major infrastructure upgrade with the latest technology, which accounts for the increase seen in retirements.

Technological advances and competition heavily influence the life span of personal computers. To effectively compete in the industry, we must stay current with technology to ensure efficient operations.

An investment weighting technique is employed in arriving at a life BellSouth feels is appropriate for the Computers account. Table 3 is an investment weighted life calculation, based on Florida specific data. Though a lower life is calculated, a more conservative projection life of 4.5 years is selected. Additionally, consideration is given to technological advancements, competitive factors, as well as future company plans to ensure the projection life provides total cost recovery. The selected curve shape is based on Florida specific data for the 1996-1998 band for the Computer account.

Company : BellSouth Telecommunications
 State : Florida
 Account : 2124
 Category : Computers

<u>Type</u>	<u>Life</u>	<u>Inv</u> (<u>\$M</u>)	<u>Weight</u>
Mainframes	5.5	35.9	197.5
Mini's	5.0	133.5	667.5
PCs	3.5	140.3	491.1
BST	4.4	309.8	1356.1

Table 3

Table 4 is a summary of calculations performed on the location-listing exhibit. The location listing is based on historical data by location and indicates the approximate life span associated with Florida's mainframe computers.

	<u>FL</u>
Average Year of Final Retirement	2000.0
Average Year Placed	1993.8
Life Span	6.2

Table 4

Future Net Salvage

The rapid advances in computing equipment and the ever-changing requirements necessitate equipment that ensures efficiency in operations. Looking at historical salvage as a percentage of original investment over a 10-year period reveals sporadic salvage. Currently, there is a decreasing trend in salvage value. Frequently, salvage values in the past have been distorted due to large trade-ins of mainframe computer components, in order to provide an effective discount on new purchases. The economic value of computers is drastically reduced when new higher-speed, higher memory version of a technology is introduced. Equipment identified as obsolete due to infrastructure upgrade is sold. The salvage experienced in this account is attributed to the sale of this obsolete equipment and the consolidation of BellSouth data centers. The Company considers 2% future net salvage to be appropriate for the Computers account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2124.0000
CATEGORY : GENERAL PURPOSE COMPUTERS

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January 1, 2000

Run Date: 3/10/00 11:07
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2124.00
 Category: General Purpose Computers

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	363,682,980	309,798,980
Adjustment	0	0
Study	363,682,980	309,798,980
% Tot. Depr. Plant	3.10	2.56
Depr. Reserve (\$)	250,813,571	190,462,863
(%)	69.0	61.5
Plife/AYFR (Yrs)		
General Purpose Computers	5.0	4.5
Curve		
General Purpose Computers	1995-1997 GRAD	1996-1998 GRAD
c	8.00000000E-01	6.60000000E-01
G	-5.78501900E-01	-2.01281000E-01
S	-1.19763850E-01	-6.89960000E-02
Whole Life (yrs)	5.8	5.1
Avg. Net Salv. (%)	6	6
WL Rate (%)	16.2	18.4
Comp. Rem. Life (Yrs)	3.1	2.9
Fut. Net Salv. (%)	2	2
Comp. RL Rate (%)	9.4	12.6
Intrastate Factor (%)	78.42	73.95

@ Estimated Investment and Reserve

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 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2124
 CATEGORY: GENERAL PURPOSE COMPUTERS
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT AGE	EXPERIENCE AS OF 1-1-2000%				REMAIN ING LIFE YEARS	VINT AVG LIFE YEARS	AVERAGE LIFE WEIGHTS	REMAINING LIFE WEIGHTS
	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE				
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	40,451,422	0.7674	0.38	2.21	2.71	14,901,783	33,000,531
*1998	1.5	12,877,974	0.7674	1.38	2.17	3.67	3,511,033	7,611,425
1997	2.5	29,724,618	0.7548	2.36	3.36	4.89	6,073,080	20,383,132
1996	3.5	64,193,057	0.7260	3.30	3.28	5.68	11,304,228	37,060,544
1995	4.5	43,406,597	0.6621	4.02	3.24	6.16	7,041,656	22,849,166
1994	5.5	19,262,242	0.4594	4.12	3.23	5.61	3,436,278	11,099,759
1993	6.5	30,303,486	0.5282	5.39	3.22	7.10	4,270,157	13,765,743
1992	7.5	15,484,391	0.4075	5.70	3.22	7.01	2,208,670	7,113,794
1991	8.5	17,767,608	0.3024	6.38	3.22	7.35	2,417,438	7,783,110
1990	9.5	9,282,210	0.1711	6.16	3.22	6.71	1,382,720	4,450,942
1989	10.5	5,412,723	0.1487	4.49	3.22	4.97	1,088,826	3,504,573
1988	11.5	5,390,241	0.2570	6.70	3.22	7.53	715,741	2,303,599
1987	12.5	5,265,804	0.1216	7.27	3.22	7.66	687,731	2,213,338
1986	13.5	4,096,854	0.1007	7.21	3.22	7.53	543,725	1,749,787
1985	14.5	2,605,232	0.0669	7.40	3.22	7.61	342,249	1,101,330
1984	15.5	2,144,530	0.0783	7.33	3.22	7.58	282,787	909,903
1983	16.5	868,181	0.0423	7.86	3.22	8.00	108,545	349,213
1982	17.5	446,770	0.0462	10.01	3.22	10.16	43,974	141,451
1981	18.5	361,123	0.0342	8.13	3.22	8.24	43,801	140,860
1980	19.5	446,059	0.0340	11.36	3.21	11.47	38,886	125,014
1979	20.5	0	0.0000	11.30				
1978	21.5	0	0.0000	11.35				
1977	22.5	0	0.0000	10.88				
1976	23.5	2,739	0.0006	8.46	3.21	8.46	324	1,038
1975	24.5	5,119	0.0010	7.74	3.20	7.74	661	2,115

TOTAL 309,798,980 60,444,292 177,660,365
 NON-ELG V 256,469,584 42,031,476 137,048,410
 ELG V 53,329,396 18,412,815 40,611,956

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 5.12536 6.10185 2.89632
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 2.93924 3.26061 2.20564

COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 784,225,001 B/ SUM OF (B/C) 0.39504

ORIGINAL: c 0.660000000000 G -2.012810000000E-001 S -6.899600000000E-002
 RESCALED: c 0.440778566525 G -2.012810000000E-001 S -1.360295906439E-001

* ELG VINTAGES, PROJECTION LIFE 4.5
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 % ACTUAL

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 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2124
 CATEGORY: GENERAL PURPOSE COMPUTERS
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 4.50

ORIGINAL: c 0.6600000000000 RESCALED: c 0.440778566525
 G -2.0128100000000E-001 G -2.0128100000000E-001
 S -6.8996000000000E-002 S -1.360295906439E-001

BEGINNING OF YEAR AGE	AMOUNT IN SERVICE	AMOUNT DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIRED	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
				EACH LIFE GROUP	FOR ALL REMAINING GROUPS	AVG. SER VICE LIFE	AVG. REMAIN ING LIFE	VINT REMAIN. LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	84	0.5	169	36,976	2.70	2.70	4.51
0.5	99,916	13,153	1.0	13,153	36,808	2.71	2.21	4.01
1.5	86,763	18,333	2.0	9,167	23,655	3.67	2.17	3.54
2.5	68,430	16,701	3.0	5,567	14,488	4.72	2.22	3.36
3.5	51,729	13,349	4.0	3,337	8,921	5.80	2.30	3.28
4.5	38,380	10,138	5.0	2,028	5,584	6.87	2.37	3.24
5.5	28,242	7,535	6.0	1,256	3,557	7.94	2.44	3.23
6.5	20,707	5,549	7.0	793	2,301	9.00	2.50	3.22
7.5	15,157	4,070	8.0	509	1,508	10.05	2.55	3.22
8.5	11,088	2,980	9.0	331	999	11.10	2.60	3.22
9.5	8,108	2,180	10.0	218	668	12.14	2.64	3.22
10.5	5,928	1,594	11.0	145	450	13.17	2.67	3.22
11.5	4,334	1,165	12.0	97	305	14.20	2.70	3.22
12.5	3,169	852	13.0	66	208	15.23	2.73	3.22
13.5	2,317	623	14.0	44	143	16.25	2.75	3.22
14.5	1,694	455	15.0	30	98	17.27	2.77	3.22
15.5	1,238	333	16.0	21	68	18.29	2.79	3.22
16.5	905	243	17.0	14	47	19.31	2.81	3.22
17.5	662	178	18.0	10	33	20.33	2.83	3.22
18.5	484	130	19.0	7	23	21.34	2.84	3.22
19.5	354	95	20.0	5	16	22.36	2.86	3.21
20.5	259	70	21.0	3	11	23.37	2.87	3.21
21.5	189	51	22.0	2	8	24.38	2.88	3.21
22.5	138	37	23.0	2	5	25.39	2.89	3.21
23.5	101	27	24.0	1	4	26.40	2.90	3.21
24.5	74	20	25.0	1	3	27.41	2.91	3.20
TOTAL		99,946						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

Run Date: 3/14/00 7:17
 Report: RETRATIO
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Company: BellSouth Telecommunications
 State: Florida
 Account: 2124.00
 Category: General Purpose Computers

Development of Retirement Ratios - Total Retirements

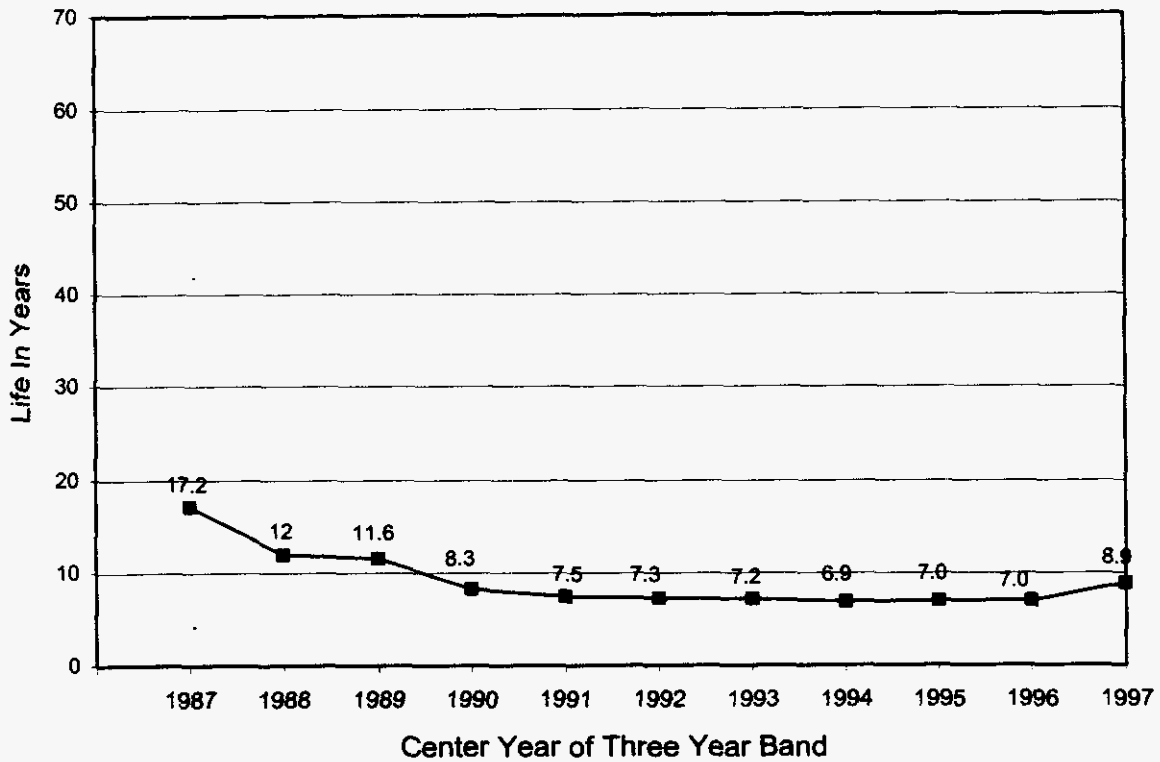
<u>End Of Year</u>	<u>Plant Balance</u> A	<u>Average Plant Balance</u> B=(A + prev A)/2	<u>Retire-ments</u> C	<u>Retire-ment Ratio</u> D=C/B	<u>Band</u> E	<u>Average Plant Balance</u> F	<u>Retire-ments</u> G	<u>Retire-ment Ratio</u> H=G/F
1985	119,363,827							
1986	154,030,435	136,697,131	1,829,507	0.01338				
1987	176,554,415	165,292,425	7,337,214	0.04439	86-88	489,712,039	16,643,690	0.03399
1988	198,890,550	187,722,483	7,476,969	0.03983	87-89	556,183,890	31,766,561	0.05712
1989	207,447,414	203,168,982	16,952,378	0.08344	88-90	616,665,381	36,060,367	0.05848
1990	244,100,419	225,773,917	11,631,020	0.05152	89-91	724,299,784	77,006,366	0.10632
1991	346,613,352	295,356,886	48,422,968	0.16395	90-92	863,457,926	106,014,673	0.12278
1992	338,040,895	342,327,124	45,960,685	0.13426	91-93	988,718,037	117,281,381	0.11862
1993	364,027,160	351,034,028	22,897,728	0.06523	92-94	1,054,558,699	126,508,445	0.11996
1994	358,367,936	361,197,548	57,650,032	0.15961	93-95	1,086,495,778	145,477,012	0.13390
1995	390,160,468	374,264,202	64,929,252	0.17349	94-96	1,129,229,063	169,223,763	0.14986
1996	397,374,157	393,767,313	46,644,479	0.11846	95-97	1,177,384,768	134,229,871	0.11401
1997	421,332,350	409,353,254	22,656,140	0.05535	96-98	1,195,628,231	102,763,376	0.08595
1998	363,682,980	392,507,665	33,462,757	0.08525	97-99	1,138,601,899	150,000,897	0.13174
1999 #	309,798,980	336,740,980	93,882,000	0.27880				

Forecasted Activity

Company : BellSouth Telecommunications
State : Florida
Account : 2124.0000
Category : General Purpose Computers

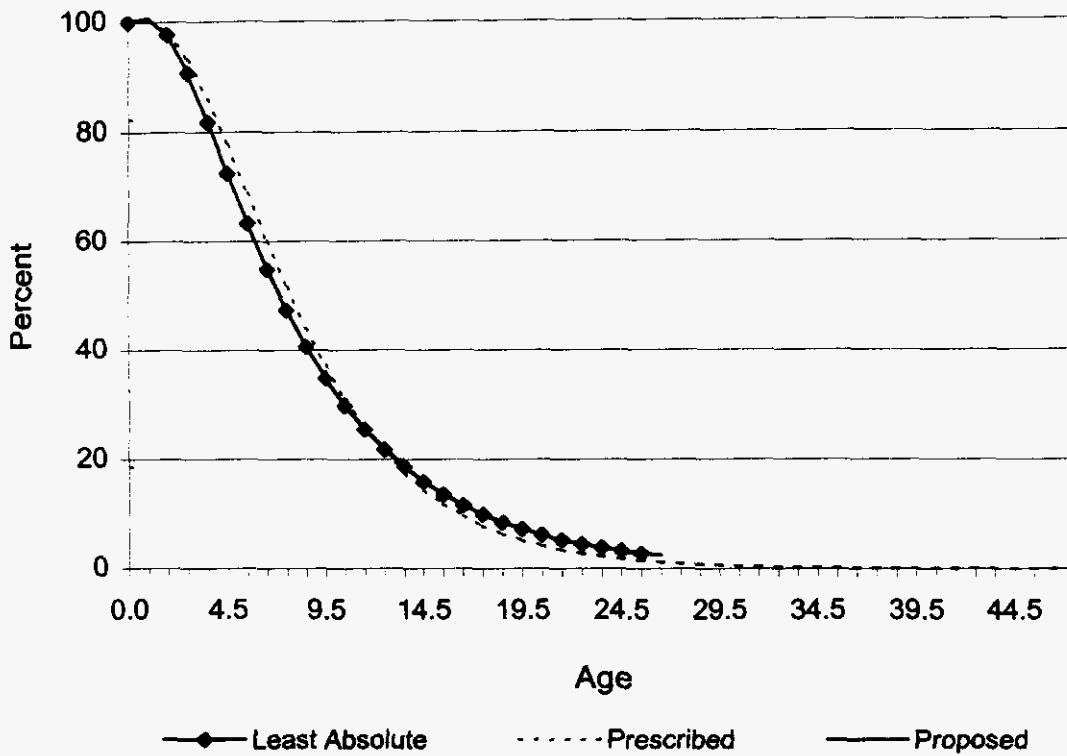
Average Life Indications Full Mortality

Life Indication



COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2124
CATEGORY : General Purpose Computers

Curve Shape Analysis Plot



c = 0.440779 G = -0.201281 S = -0.136029591

Curves scaled to observed 8.90

Company : BellSouth Telecommunications
 State : Florida
 Account : 2124
 Category : Computers

LOCATION LISTING
 MAINFRAME COMPUTERS

1/1/00
 (\$000)

TYPE	# OF	YEAR	BOOK	EST	LIFE	EST RET	YEAR
MAINFRAME	UNITS	PLACED	AMOUNT	RET	SPAN	YEAR	PLACED
(a)	(b)	(c)	(d)	YEAR	(f=e-c)	WEIGHT	WEIGHT
				(e)		g=d*(e-1900)]	h=d*(c-1900)]
AMD 5995-14	1	1990	7,925	1998 F	8	776,650	713,250
IBM 9021-9X2	1	1994	12,960	1999 F	5	1,283,040	1,218,240
HDS GX-8824	1	1991	13,672	2000	9	1,367,200	1,244,152
HDS SK-525	1	1996	12,205	2000	4	1,220,500	1,171,680
HDS SK-525	1	1997	3,286	2000	3	328,600	318,742
TOTAL	5		\$50,048			4,975,990	4,666,064
Total Investment Remaining			\$29,163			2,916,300	2,734,574
Average Year of Final Retirement =			2000.0				
Average Year Placed =			1993.8				
Life Span =			6.2				
HDS GX-8824	1		13,672				
HDS SK-525	2		15,491				
TOTAL*	3		\$29,163				

* Excludes Retired Offices
 F = Final Retirement

January 1, 2000

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02/28/00
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 XREF: 99
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COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2124.0000
 CATEGORY: GENERAL PURPOSE COMPUTERS
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	$C = (A \times B) / 100$	D	$E = (A \times D) / 100$	$F = (B - D)$
PAST	474,426#	8.5*	40,382	0.3*	1,200	8.2
FUTURE	309,799&	3.0**	9,294	1.0**	3,098	2.0
TOTAL AVERAGE	784,225	6.3	49,676	0.5	4,298	5.8

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

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COMPANY: BellSouth Telecommunications
 STATE: Florida
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 CATEGORY: GENERAL PURPOSE COMPUTERS
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE PERCENT
					AMOUNT	PERCENT	
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1975##		821,988	644	0.1	2,494	0.3	-0.2
1976	17,888,366	47,819	0	0.0	5,856	12.2	-12.2
1977	25,573,865	166,381	36,400	21.9	2,677	1.6	20.3
1978	31,704,946	368,835	319,251	86.6	10,720	2.9	83.7
1979	43,496,238	2,054,347	11,873	0.6	48,303	2.4	-1.8
1980	57,371,811	677,487	5,486	0.8	44,342	6.5	-5.7
1981	70,867,287	5,419,078	29,050	0.5	30,909	0.6	-0.1
1982	82,022,649	3,009,774	90	0.0	8,991	0.3	-0.3
1983	93,836,645	3,934,933	-68,060	-1.7	26,218	0.7	-2.4
1984	106,691,386	3,190,507	136,345	4.3	-13,204	-0.4	4.7
1985	119,363,827	4,641,198	73,487	1.6	-185,540	-4.0	5.6
1986	154,030,435	1,829,507	505,647	27.6	220,850	12.1	15.5
1987	176,554,415	7,337,214	2,360,134	32.2	281,689	3.8	28.4
1988	198,890,550	7,476,969	-1,417,063	-19.0	-121,820	-1.6	-17.4
1989	207,447,414	16,952,378	-113,796	-0.7	-251,656	-1.5	0.8
1990	244,100,419	11,631,020	254,155	2.2	19,098	0.2	2.0
1991	346,613,352	48,422,968	9,780,942	20.2	60,272	0.1	20.1
1992	338,040,895	45,960,685	5,858,882	12.7	50,788	0.1	12.6
1993	364,027,160	22,897,728	5,472,186	23.9	81,754	0.4	23.5
1994	358,367,936	57,650,032	6,482,602	11.2	155,175	0.3	10.9
1995	390,160,468	64,929,252	3,338,438	5.1	-129,012	-0.2	5.3
1996	397,374,157	46,644,479	3,649,230	7.8	67,868	0.1	7.7
1997	421,332,350	22,656,140	1,752,054	7.7	22,162	0.1	7.6
1998	363,682,980	33,462,757	613,714	1.8	39,083	0.1	1.7
1999	309,798,980	93,882,000	2,816,460	3.0	938,820	1.0	2.0
GRAND TOTAL		506,065,476	41,898,151	8.3	1,416,837	0.3	8.0
1987-1999#		479,903,622	40,847,938	8.5	1,214,221	0.3	8.2
1990-1999##		448,137,061	40,018,663	8.9	1,306,008	0.3	8.6

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

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 PRES: 1998, SA, 01
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COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2124.0000
 CATEGORY: GENERAL PURPOSE COMPUTERS
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1977	2,637,792	367,524	13.9	70,050	2.7	11.2
1978	3,314,869	373,010	11.3	111,898	3.4	7.9
1979	8,686,128	402,060	4.6	136,951	1.6	3.0
1980	11,529,521	365,750	3.2	143,265	1.2	2.0
1981	15,095,619	-21,561	-0.1	158,763	1.1	-1.2
1982	16,231,779	102,911	0.6	97,256	0.6	0.0
1983	20,195,490	170,912	0.8	-132,626	-0.7	1.5
1984	16,605,919	647,509	3.9	57,315	0.3	3.6
1985	20,933,359	3,007,553	14.4	330,013	1.6	12.8
1986	24,475,395	1,658,550	6.8	181,975	0.7	6.1
1987	38,237,266	1,408,409	3.7	-56,477	-0.1	3.8
1988	45,227,088	1,589,077	3.5	148,161	0.3	3.2
1989	91,820,549	10,864,372	11.8	-12,417	0.0	11.8
1990	130,444,020	14,363,120	11.0	-243,318	-0.2	11.2
1991	145,864,779	21,252,369	14.6	-39,744	0.0	14.6
1992	186,562,433	27,848,767	14.9	367,087	0.2	14.7
1993	239,860,665	30,933,050	12.9	218,977	0.1	12.8
1994	238,082,176	24,801,338	10.4	226,573	0.1	10.3
1995	214,777,631	20,694,510	9.6	197,947	0.1	9.5
1996	225,342,660	15,836,038	7.0	155,276	0.1	6.9
1997	261,574,628	12,169,896	4.7	938,921	0.4	4.3

• EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Company : BellSouth Telecommunications
State : Florida
Account : 2211
Category : Analog Electronic Switching

Account Description

The investment in the Analog Electronic Switching (AESS) category includes the original investment and construction cost of analog switching equipment used for providing local and tandem service. Contained in the equipment costs are line and trunk peripherals, main distributing frame, central processor, and power plant.

Investment and Reserve Statistics

The 1-1-2000 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Invest. (\$M)	Res. (\$M)	Res. %
Florida	276.1	212.6	77.0

Table 1

Historical Experience

During the 1970's, analog stored program control (SPC) switches began to displace the electromechanical switches. The last electromechanical switches were retired in BellSouth in 1990. The reasons for replacement were varied. Stored program control capability, which allows Equal Access and Custom Calling features to be offered, was one of the primary drivers.

Currently there are two basic types of circuit switches in the telephone network: analog stored program control and digital stored program control. The replacement of analog electronic switches with digital electronic switches is proceeding very rapidly.

Future Expectations

The development of new hardware or software features for analog switching will be minimal, and the rapid displacement of analog machines will continue. Some of the factors that are influencing analog replacements are listed below:

- Reduction of operating expense and cost.
- Elimination of analog-to-digital conversion devices.

Company : BellSouth Telecommunications
State : Florida
Account : 2211
Category : Analog Electronic Switching

- Provision of network features for regulatory mandated capabilities.
- Meeting customer demands for new services.
- Provision of full Advanced Intelligent Network (AIN) feature set.

Near-Term Modernization Factors

One of the factors contributing to the displacement of AESS technology is the incompatibility of the analog switch with digital loops and trunks in the network. *Digital switching (DESS)* provides for the integration of digital trunks and loops, which eliminates costly Digital Carrier Trunk (DCT) equipment and central office terminal (COT) equipment required by AESS machines. Eliminating analog-to-digital conversion interfaces saves both the capital and maintenance costs of these devices.

Operational considerations and greater customer control of services are also affecting the substitution of digital switching for analog switching. Digital switching and synchronous transport technology may be integrated with digital operating support systems (OSS) to provide software control of all network elements. Integrated OSS will reduce the cost for surveillance, maintenance, provisioning and testing of the digital network. This integrated approach will also provide customer control capabilities. Total integration of OSS will allow customers to have more direct control of their routine services and produce a corresponding reduction in operating expenses.

Local number portability is required by the Telecommunications Act of 1996 and allows customers to keep their telephone number even if they change service providers. While BellSouth has implemented local number portability throughout the network, further enhancements are needed in analog ESS switches to allow portability for single numbers rather than groups of 1000. This would require new software in these switches. However, no new software development is expected from Lucent, the vendor for analog ESS switches. Therefore, this requirement and others related to the introduction of local competition will prompt continued retirement of aging switches that do not support the necessary features.

Average Year of Final Retirement (AYFR)

This account is considered a major structure account and an average year of final retirement was determined rather than a projection life. The AYFR is based on company plans for retiring analog electronic switches. The AYFR and an interim retirement curve were then used in the generation arrangement to calculate an average remaining life. Table 2 shows the development of AYFR calculation.

Company : BellSouth Telecommunications
 State : Florida
 Account : 2211
 Category : Analog Electronic Switching

Average Year of Final Retirement (AYFR)
 1/1/2000

Switch	Ret. Yr.	Investment	Weight
a	b	C	d=b*c
Orange Park-Main	2000	7,379,730	14,759,460,000
North Miami Beach-Arch Creek	2000	14,444,750	28,889,500,000
West Point Beach-Lake Worth	2000	11,964,553	23,929,106,000
Miami-Indian Creek	2000	11,701,169	23,402,338,000
Orlando-Magnolia	2001	18,402,469	36,823,340,469
Jupiter-Main	2001	12,426,078	24,864,582,078
Fort Lauderdale-Coral Ridge	2001	12,975,384	25,963,743,384
Jacksonville Beach-Main	2001	9,993,277	19,996,547,277
Fort Pierce-Main	2001	13,793,147	27,600,087,147
Fort Lauderdale-Sunrise	2001	12,934,723	25,882,380,723
Miami-Metro	2001	14,128,736	28,271,600,736
Miami-West Miami	2001	11,233,997	22,479,227,997
Jacksonville-Riverside	2002	9,924,727	19,869,303,454
Delray Beach-Main	2002	11,692,004	23,407,392,008
Miami-Miami Shores	2002	12,471,642	24,968,227,284
Miami-Poinciana	2002	13,175,921	26,378,193,842
Jacksonville-Lake Forest	2003	11,010,874	22,054,780,622
Delray Beach-Kings Beach	2003	10,783,275	21,598,899,825
West Palm Beach-Riviera Beach	2003	13,089,789	26,218,847,367
Hollywood-Hallendale	2003	10,110,302	20,250,934,906
Miami-Opa Locka	2003	10,054,509	20,139,181,527
Miami-Allaphatta	2003	12,582,449	25,202,645,347
Miami-Bayshore	2003	9,803,659	19,636,728,977
Total/Composite	2001.6	276,077,164	552,587,048,970

AYFR = Sum Col. d / Sum Col. c= 2001.6

Table 2

Company : BellSouth Telecommunications
State : Florida
Account : 2211
Category : Analog Electronic Switching

Future Net Salvage

Salvage for the Analog ESS account is derived from the reuse of equipment being held for spare parts, sale of surplus retired equipment and equipment that has been declared junk. Although recent salvage experienced by the Company is somewhat higher than historical salvage, the Company believes that as the analog technology reaches the end of its life cycle, its reuse and salvage potential will decrease as fewer and fewer analog offices remain in operation. In addition, there will be a limited market for selling Analog ESS equipment as it is taken out of service because the industry as a whole has recognized that this technology is no longer the technology of choice. Based on these considerations, a future net salvage value of 0.0% is selected for this account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2211
CATEGORY : ANALOG ELECTRONIC SWITCHING

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Run Date: 3/13/00 17:03
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2211.10
 Category: Analog ESS

Account Parameter Summary

ELG Start Year: 0

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	346,057,164	276,077,164
Adjustment	0	0
Study	346,057,164	276,077,164
% Tot. Depr. Plant	2.95	2.28
Depr. Reserve (\$)	262,993,296	212,551,475
(%)	76.0	77.0
Plife/AYFR (Yrs)		
Analog ESS	2001.1	2001.6
Curve		
Analog ESS	1.5 INTERIM RET	1.5 INTERIM RET
c	1.00000000E+00	1.00000000E+00
G	0.00000000E+00	0.00000000E+00
S	-6.56376950E-03	-6.56400000E-03
Whole Life (yrs)	7.9	7.6
Avg. Net Salv. (%)	9	9
WL Rate (%)	11.5	12.0
Comp. Rem. Life (Yrs)	2.6	2.1
Fut. Net Salv. (%)	0	0
Comp. RL Rate (%)	9.2	11.0
Intrastate Factor (%)	81.44	86.90

@ Estimated Investment and Reserve

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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: ANALOG ESS
 CATEGORY: ANALOG ESS
 TABLE 1-VG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT AGE	EXPERIENCE AS OF 1-1-2000%				REMAIN	VINT	AVERAGE	REMAINING
	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE	ING LIFE YEARS	AVG LIFE YEARS	LIFE WEIGHTS	LIFE WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
1999	0.5	4,632,620	0.7774	0.39	2.07	2.00	2,321,366	4,798,578
1998	1.5	11,839,315	0.7716	1.38	2.07	2.97	3,981,904	8,231,132
1997	2.5	12,240,329	0.6875	2.23	2.07	3.65	3,354,909	6,935,051
1996	3.5	6,037,292	0.6068	3.07	2.07	4.32	1,397,060	2,887,912
1995	4.5	5,340,834	0.5745	3.83	2.07	5.01	1,065,189	2,201,890
1994	5.5	8,434,896	0.5492	4.49	2.07	5.62	1,499,677	3,100,035
1993	6.5	4,278,612	0.4289	4.83	2.07	5.71	748,912	1,548,102
1992	7.5	5,664,835	0.2634	3.59	2.07	4.13	1,371,210	2,834,476
1991	8.5	5,308,363	0.3480	5.89	2.07	6.61	803,498	1,660,938
1990	9.5	8,874,436	0.2645	5.26	2.07	5.80	1,529,560	3,161,807
1989	10.5	14,350,390	0.2793	6.34	2.07	6.92	2,074,696	4,288,678
1988	11.5	22,015,888	0.2837	7.06	2.07	7.64	2,880,842	5,955,090
1987	12.5	8,866,736	0.2038	7.18	2.07	7.60	1,166,850	2,412,037
1986	13.5	4,919,706	0.1676	7.56	2.07	7.91	621,929	1,285,611
1985	14.5	13,207,176	0.2581	9.66	2.07	10.20	1,295,288	2,677,536
1984	15.5	17,481,466	0.2544	10.18	2.07	10.70	1,633,507	3,376,680
1983	16.5	26,111,674	0.3902	12.57	2.07	13.38	1,952,106	4,035,267
1982	17.5	3,018,541	0.0529	9.53	2.07	9.64	313,289	647,611
1981	18.5	21,050,859	0.2412	12.57	2.07	13.06	1,611,286	3,330,745
1980	19.5	6,523,594	0.1063	10.81	2.07	11.03	591,438	1,222,581
1979	20.5	8,840,471	0.1426	13.70	2.07	14.00	631,678	1,305,764
1978	21.5	4,251,793	0.0835	13.19	2.07	13.36	318,207	657,776
1977	22.5	5,999,660	0.1584	13.45	2.07	13.77	435,595	900,434
1976	23.5	9,983,166	0.2750	15.14	2.07	15.70	635,710	1,314,099
1975	24.5	20,463,584	0.2403	15.82	2.07	16.31	1,254,481	2,593,182
1974/PRIOR		16,340,928	0.1350	16.12	2.07	16.50	990,097	2,046,664
TOTAL		276,077,164					36,480,284	75,409,673

AVG SERVICE LIFE: ALL VINTS
 TOT B/TOT G 7.56785
 AVG REMAINING LIFE: ALL VINTS
 TOT H/TOT G 2.06714

COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 1,141,639,186 B/ SUM OF (B/C) 0.24183

ORIGINAL: c 1.000000000000 G +0.000000000000E+000 S -6.563769500000E-003
 RESCALED: c 1.000000000000 G +0.000000000000E+000 S -6.563769500000E-003
 ++ FROM INTERIM CURVE, TABLE 2-VG, AYFR 2001.6 % ACTUAL

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COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: ANALOG ESS
 CATEGORY: ANALOG ESS
 TABLE 2-VG

PROJECTION LIFE TABLE
 DEVELOPMENT OF VINTAGE GROUP REMAINING LIFE BY AGE

INTERIM LIFE TABLE PARAMETERS AVG YEAR OF FINAL RETIREMENT (AYFR) 2001.6
 UPDATE EXPERIENCE YEAR 2000

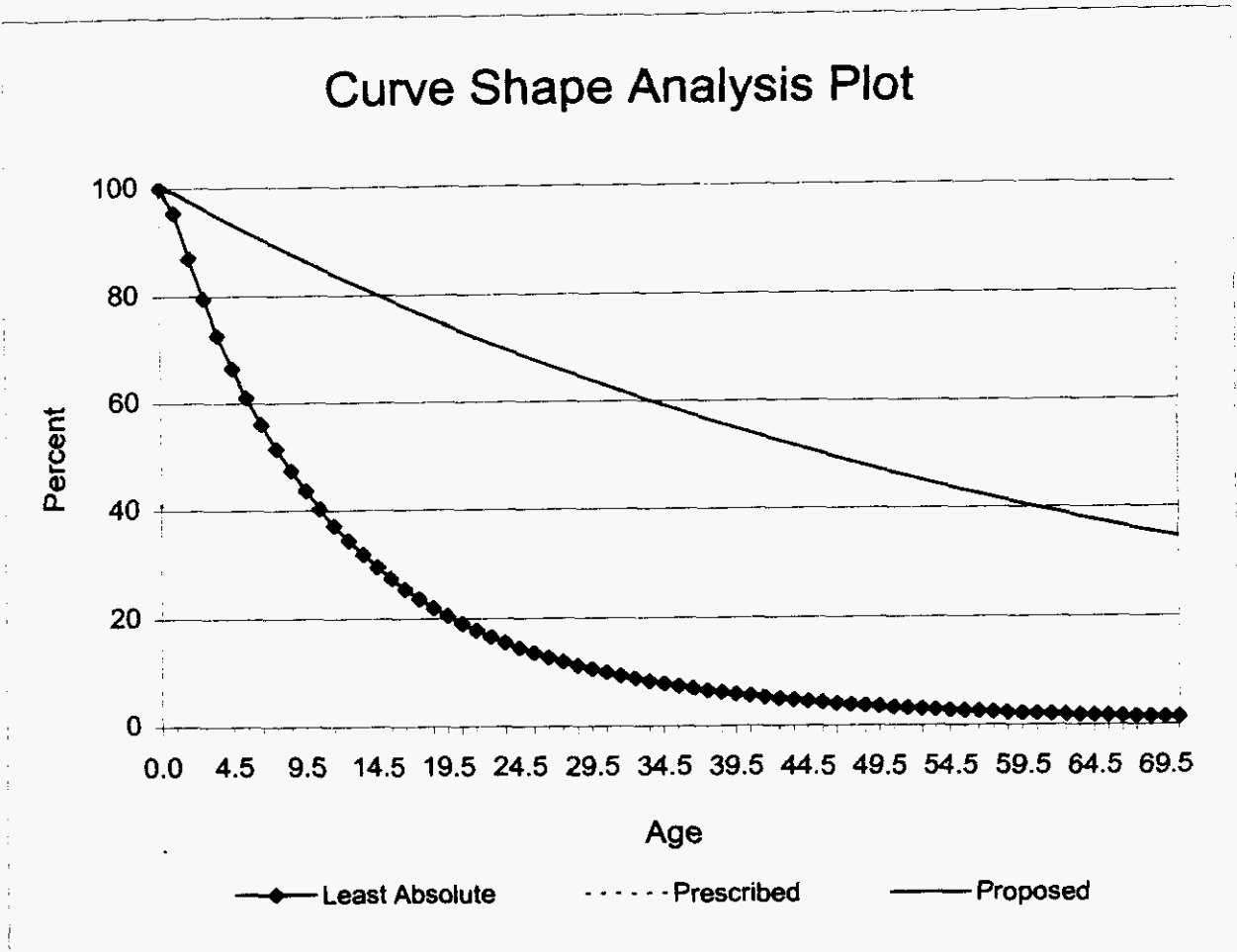
ORIGINAL: c 1.000000000000 RESEALED: c 1.000000000000
 G +0.000000000000E+000 G +0.000000000000E+000
 S -6.563769500000E-003 S -6.563769500000E-003

AGE YEARS	PROPORTION SURVIVING	REMAINING LIFE OF SURVIVORS	AGE YEARS	PROPORTION SURVIVING	REMAINING LIFE OF SURVIVORS
A	B	C*	A	B	C*
0.5	0.99247	2.07	13.5	0.81543	2.07
1.5	0.97758	2.07	14.5	0.80320	2.07
2.5	0.96292	2.07	15.5	0.79115	2.07
3.5	0.94848	2.07	16.5	0.77929	2.07
4.5	0.93425	2.07	17.5	0.76760	2.07
5.5	0.92024	2.07	18.5	0.75608	2.07
6.5	0.90643	2.07	19.5	0.74474	2.07
7.5	0.89284	2.07	20.5	0.73357	2.07
8.5	0.87944	2.07	21.5	0.72257	2.07
9.5	0.86625	2.07	22.5	0.71173	2.07
10.5	0.85326	2.07	23.5	0.70105	2.07
11.5	0.84046	2.07	24.5	0.69054	2.07
12.5	0.82785	2.07	25.5	0.68018	2.07

* C = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH AGE A+W) / (COL B AT AGE A))
 WHERE W = AYFR-UPDATE EXPERIENCE YEAR= 2001.6-2000= 1.6

COMPANY : BellSouth Telecommunications
 STATE : Florida
 ACCOUNT : 2211.0000
 CATEGORY : Analog ESS

Curve Shape Analysis Plot



c = 1 G = 0 S = -0.00656377

Curves scaled to observed life of 13.06

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 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: ANALOG ESS
 CATEGORY: ANALOG ESS
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	$C=(A \times B) / 100$	D	$E=(A \times D) / 100$	$F=(B-D)$
PAST	865,562#	14.4*	124,366	2.4*	20,516	12.0
FUTURE	276,077&	7.0**	19,325	7.0**	19,325	0.0
TOTAL	1,141,639		143,691		39,841	
AVERAGE		12.6		3.5		9.1

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 • FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/13/00
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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: ANALOG ESS
 CATEGORY: ANALOG ESS
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE PERCENT
	A				B	C	
1975%		2,711,768	1,428,143	52.7	303,999	11.2	41.5
1976	275,365,872	4,961,512	2,360,936	47.6	257,729	5.2	42.4
1977	312,975,156	3,508,554	1,413,334	40.3	454,459	13.0	27.3
1978	376,216,583	3,092,994	1,279,497	41.4	501,158	16.2	25.2
1979	433,863,415	12,840,030	6,973,260	54.3	585,782	4.6	49.7
1980	512,868,021	11,163,155	4,625,053	41.4	434,225	3.9	37.5
1981	607,787,862	15,050,644	5,788,471	38.5	424,486	2.8	35.7
1982	661,760,011	13,519,029	97,186	0.7	702,424	5.2	-4.5
1983	725,910,875	10,601,096	-332,310	-3.1	602,235	5.7	-8.8
1984	645,623,837	49,363,810	4,312,954	8.7	861,459	1.7	7.0
1985	685,336,022	20,149,818	3,192,258	15.8	481,579	2.4	13.4
1986	688,221,818	30,562,688	1,119,334	3.7	472,313	1.5	2.2
1987	704,514,164	19,431,110	7,822,002	40.3	820,929	4.2	36.1
1988	732,949,261	32,750,557	3,126,151	9.5	802,147	2.4	7.1
1989	754,213,623	34,553,339	5,833,966	16.9	469,161	1.4	15.5
1990	736,064,344	53,530,075	20,140,390	37.6	715,589	1.3	36.3
1991	659,813,676	91,207,852	3,737,789	4.1	700,961	0.8	3.3
1992	587,496,870	71,948,525	5,361,186	7.5	815,967	1.1	6.4
1993	474,538,793	119,651,051	14,610,074	12.2	919,724	0.8	11.4
1994	403,660,284	80,045,542	18,156,411	22.7	1,334,305	1.7	21.0
1995	390,420,211	17,573,144	-5,279,813	-30.0	1,220,344	6.9	-36.9
1996	387,813,061	17,834,083	-1,580,739	-8.9	230,295	1.3	-10.2
1997	374,253,362	26,477,226	7,891,454	29.8	284,516	1.1	28.7
1998	346,057,164	43,236,811	6,648,422	15.4	568,534	1.3	14.1
1999	276,077,164	79,060,000	5,534,200	7.0	5,534,200	7.0	0.0
GRAND TOTAL		864,824,413	124259609	14.4	20,498,520	2.4	12.0
1966-1999#		864,824,413	124259609	14.4	20,498,520	2.4	12.0
1990-1999##		600,564,309	75,219,374	12.5	12,324,435	2.1	10.4

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/13/00
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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: ANALOG ESS
 CATEGORY: ANALOG ESS
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1977	25,497,532	12,420,110	48.7	1,945,411	7.6	41.1
1978	35,566,245	16,652,080	46.8	2,233,353	6.3	40.5
1979	45,655,377	20,079,615	44.0	2,400,110	5.3	38.7
1980	55,665,852	18,763,467	33.7	2,648,075	4.8	28.9
1981	63,173,954	17,151,660	27.1	2,749,152	4.4	22.7
1982	99,697,734	14,491,354	14.5	3,024,829	3.0	11.5
1983	108,684,397	13,058,559	12.0	3,072,183	2.8	9.2
1984	124,196,441	8,389,422	6.8	3,120,010	2.5	4.3
1985	130,108,522	16,114,238	12.4	3,238,515	2.5	9.9
1986	152,257,983	19,572,699	12.9	3,438,427	2.3	10.6
1987	137,447,512	21,093,711	15.3	3,046,129	2.2	13.1
1988	170,827,769	38,041,843	22.3	3,280,139	1.9	20.4
1989	231,472,933	40,660,298	17.6	3,508,787	1.5	16.1
1990	283,990,348	38,199,482	13.5	3,503,825	1.2	12.3
1991	370,890,842	49,683,405	13.4	3,621,402	1.0	12.4
1992	416,383,045	62,005,850	14.9	4,486,546	1.1	13.8
1993	380,426,114	36,585,647	9.6	4,991,301	1.3	8.3
1994	307,052,345	31,267,119	10.2	4,520,635	1.5	8.7
1995	261,581,046	33,797,387	12.9	3,989,184	1.5	11.4
1996	185,166,806	25,835,735	14.0	3,637,994	2.0	12.0
1997	184,181,264	13,213,524	7.2	7,837,889	4.3	2.9

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/21/00 10:18
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2211.10
 Category: Analog ESS

Development of Retirement Ratios -- Total Retirements

<u>End Of Year</u>	<u>Plant Balance</u> A	<u>Average Plant Balance</u> B=(A + prev A)/2	<u>Retire-ments</u> C	<u>Retire-ment Ratio</u> D=C/B	<u>Band</u> E	<u>Average Plant Balance</u> F	<u>Retire-ments</u> G	<u>Retire-ment Ratio</u> H=G/F
1985	685,336,022							
1986	688,221,818	686,778,920	30,562,688	0.04450				
1987	704,514,164	696,367,991	19,431,110	0.02790	86-88	2,101,878,624	82,744,355	0.03937
1988	732,949,261	718,731,713	32,750,557	0.04557	87-89	2,158,681,146	86,735,006	0.04018
1989	754,213,623	743,581,442	34,553,339	0.04647	88-90	2,207,452,138	120,833,971	0.05474
1990	736,064,344	745,138,984	53,530,075	0.07184	89-91	2,186,659,436	179,291,266	0.08199
1991	659,813,676	697,939,010	91,207,852	0.13068	90-92	2,066,733,267	216,686,452	0.10484
1992	587,496,870	623,655,273	71,948,525	0.11537	91-93	1,852,612,115	282,807,428	0.15265
1993	474,538,793	531,017,832	119,651,051	0.22532	92-94	1,593,772,643	271,645,118	0.17044
1994	403,660,284	439,099,539	80,045,542	0.18229	93-95	1,367,157,618	217,269,737	0.15892
1995	390,420,211	397,040,248	17,573,144	0.04426	94-96	1,225,256,422	115,452,769	0.09423
1996	387,813,061	389,116,636	17,834,083	0.04583	95-97	1,167,190,095	61,884,453	0.05302
1997	374,253,362	381,033,212	26,477,226	0.06949	96-98	1,130,305,111	87,548,120	0.07746
1998	346,057,164	360,155,263	43,236,811	0.12005	97-99	1,052,255,639	148,774,037	0.14139
1999 #	276,077,164	311,067,164	79,060,000	0.25416				

Forecasted Activity

Company : BellSouth Telecommunications
State : Florida
Account : 2212
Category : Digital Electronic Switching

Account Description

The investment in the Digital Electronic Switching (DESS) account includes the original investment of stored program control digital switching equipment used for local and tandem service. This includes line and trunk peripherals, main distributing frames, central processing equipment, and power plant. Also included is the investment of any digital remote electronic switching units.

Switches in the telecommunications network link customer calls by determining the desired destination and connecting one customer line to another, often via intermediate switches. Over the past few decades telephony switching has evolved rapidly with each generation incorporating new concepts: from mechanical switches under the control of hard-wired logic, to program (computer) control to narrowband digital connections and now to broadband switching fabrics.

Investment and Reserve Statistics

The 1-1-2000 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	1,812	786	43.4

Table 1

Historical Experience and Future Expectations

Background: Analog Stored Program Control (ASPC) switches first appeared in 1965 while digital SPC switches arrived in the late 1970s. With the advent of equal access requirements, Digital Stored Program Control (DSPC) switch deployment grew rapidly, resulting in the decline of ASPC lines in the mid- to late 1980s.

Current Trend: Narrowband digital technology is the primary switching vehicle for BST and other local exchange carriers. These switches use a modular architecture, with each module having its own life characteristics. Experience has shown that the life of digital switches is extended through the regular upgrade of component modules rather than complete replacement

Company : BellSouth Telecommunications
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Category : Digital Electronic Switching

of the switch. Individual modules will be replaced as required to satisfy the demand for new services or to eliminate equipment incompatibilities and capacity limitations.

Drivers: Customer demand for new services and the advantages of digital technology, including cost factors, are the main drivers for the deployment of digital switching. While some advanced services are available from the 1AESS (ASPC) switch, Lucent may no longer provide support after 2002. It is expected that little or no new feature development will occur in the 1AESS. Limited new services and potential maintenance problems are drivers that will accelerate the removal of this last type of ASPC switch in BST's network.

Since digital switches can interface directly with other digital equipment, capital and expense savings are being obtained from the direct termination of digital loop and trunk facilities on new switches, which eliminates analog to digital conversion equipment. This provides maintenance savings and improves reliability. Direct optical interfaces are also available for digital switches, which provide further savings and operational capabilities.

Customer demand is growing for services requiring advanced intelligent capability and end-to-end digital connectivity. Higher bandwidth and increased customer control are needed by both residential and business customers to support personal computer access, LAN connectivity, imaging, advanced fax and multimedia.

Future Expectation: Broadband switching capability is currently being provided as an overlay architecture to our existing switching network to serve the data needs of customers. True broadband machines use a multiplexing and cell-switching technique referred to as asynchronous transfer mode (ATM). This involves the use of self-routing cell switch hardware, since direct software control would be too slow for ATM requirements. The first application of ATM switching as an integral part of our existing network will be in the form of tandem switches that interconnect circuit-switching end offices. This application will first be used in areas where demand was high from competitive local exchange carriers (CLECs) for interface to our network.

Although broadband switches are few compared to the quantity of narrowband machines, the use of broadband switches is expanding rapidly. Fast Packet switches have been deployed, and now ATM switches are being deployed to meet the needs for data connectivity. Although broadband switches are not seen currently as a direct replacement for digital switching, services that once were switched by digital machines can now bypass these circuit switches and be handled by broadband switches. Services are evolving to end-to-end digital arrangements and will interface with broadband switches.

Current software programs for ATM machines do not support all telephony voice features such as Custom Calling Services and many of the more advanced capabilities. When ATM machines support these features and economically handle voice traffic, they will be viable alternatives to

Company : BellSouth Telecommunications
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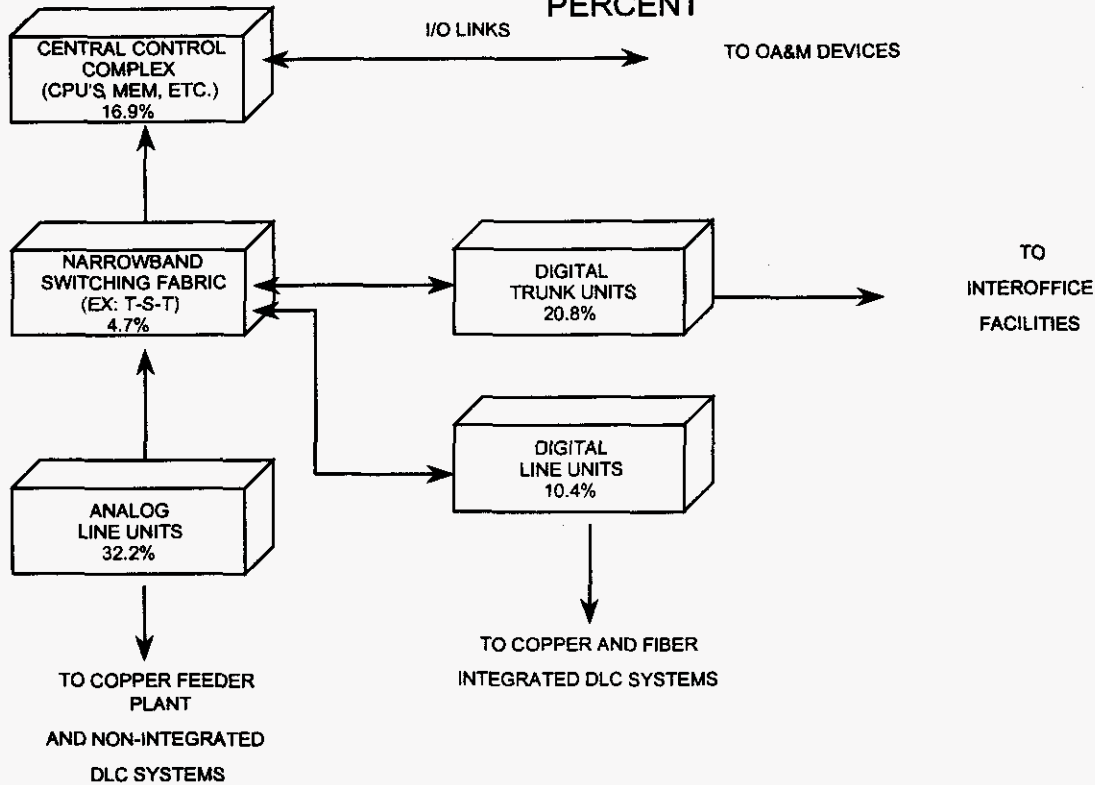
current circuit switches. In the interim, narrowband-switching systems may function as servers for those broadband customers requiring access to supplementary features. Also, the move from circuit to broadband switching will probably be an evolutionary process, at least to some degree. Broadband switching elements will appear in current digital switches, replacing comparable circuit-based elements. Eventually all elements of local and tandem switches will be broadband-based.

Life Analysis

A typical digital switch today consists of six modular categories. These categories are (1) analog line peripherals, (2) digital line units, (3) digital trunk interface units, (4) narrowband switching fabric, (5) central processor and memory complex, and (6) common systems. A discussion of the development of the remaining lives for these components is found in the following sections.

Based on the modular upgrades of digital switching, the average economic life expectancy of embedded narrowband digital switches is 5.76 years. Although our life analysis for digital switches does not reflect the impact of direct broadband substitution, it is likely that broadband technology will eventually replace most, if not all, the digital switch functionality.

GENERIC DIGITAL SWITCHING SYSTEM
 (SIMPLIFIED FUNCTIONAL DIAGRAM WITH PERCENT)



NOTE: COMMON SYSTEMS EQUIPMENT (15.0%) SUCH AS MDF AND POWER IS NOT SHOWN.

Analog Line Equipment

Analog line equipment (ALE), the largest equipment category, represents about 32% of the investment in a typical digital switch. The retirement of ALE will be driven primarily by the displacement of copper feeder plant with new integrated digital loop carrier (IDLC) fiber facilities as well as by the conversion and integration of non-integrated DLC systems. As the network evolves from a copper-based voice frequency (VF) arrangement to an IDLC architecture, the embedded base of ALE will be displaced with new digital line peripherals. Further, some non-switched services are evolving to switched arrangements, which will allow more lines to interface digitally, facilitating the migration away from ALE. The resulting life cycle of ALE is given in Table 2 and is 4.5 years as of 1/1/2000.

Company : BellSouth Telecommunications
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 Category : Digital Electronic Switching

Analog Line Equipment

Year	Survival Rate	Percent of Pre-2000 Survivors
a	B	c
2000	0.86581	100.00%
2001	0.84411	86.58%
2002	0.82165	73.08%
2003	0.79892	60.05%
2004	0.77638	47.97%
2005	0.75465	37.25%
2006	0.73405	28.11%
2007	0.71493	20.63%
2008	0.69734	14.75%
2009	0.68138	10.29%
2010	0.66685	7.01%
2011	0.65375	4.67%
2012	0.64167	3.06%
2013	0.63064	1.96%
2014	0.62033	0.00%

Table 2

ARL = Total Col c/ Col c(1999) - .5 = 4.5 Years

Company : BellSouth Telecommunications
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 Category : Digital Electronic Switching

Digital Line Equipment

Digital line equipment (DLE) provides a direct interface to the digital switch for those subscribers served on IDLC systems. This modular category includes the digital carrier line unit (DCLU) in the 5ESS switch, and the subscriber carrier modules for SLC-96 and DMS-1 URBAN in the DMS-100 switch. This equipment represents the incumbent technology for interfacing IDLC systems.

The displacement of the existing digital line equipment (DLE) will be driven by the conversion or replacement of current generation DLC systems to a newer arrangement such as the GR-303 (formerly TR-303) configuration. Virtually none of the pre-1996 DLE modules are compatible with the new IDLC TR-303 products, and it is generally not feasible or cost effective to upgrade this embedded hardware. Lucent Technologies has introduced the capability of terminating GR-303 IDLC systems on the Digital Network Unit – Synchronous Optical NETWORK (SONET). This SONET-based peripheral unit provides many operational and economic advantages. Table 3 shows the development of the remaining life for this category, which is 5.3 years.

Digital Line Equipment

Year	Survival Rate	Percent of Pre-2000 Survivors
a	B	c
2000	0.92825	100.00%
2001	0.91351	92.83%
2002	0.89326	84.80%
2003	0.86722	75.75%
2004	0.83136	65.69%
2005	.077990	54.61%
2006	0.70719	42.59%
2007	0.61038	31.12%
2008	0.49356	18.38%
2009	0.37009	9.07%
2010	0.25736	3.36%
2011	0.16787	0.86%
2012	0.10447	0.00%

Table 3

ARL = Total Col c/ Col c(1998) - .5 = 5.3 Years

Company : BellSouth Telecommunications
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 Account : 2212
 Category : Digital Electronic Switching

Trunk Interface Equipment

Trunk peripherals provide a direct interface to the digital switch for interoffice and intermachine trunks. Typical embedded trunk peripherals include the digital line trunk unit (DLTU) in the 5ESS and the digital trunk controller (DTC) in the DMS-100. Table 4 shows the development of the remaining life for this category, which is 4.8 years.

The incumbent technology for interfacing digital trunks is units that operate at the DS-1 rate. Units that terminate STS-1 trunks are in use today and are the preferred technology for trunk interface. Deployment of new higher-speed trunk interfaces will eventually lead to the demise of the incumbent technology of trunk interface modules, as we evolve to an all SONET interoffice network.

Trunk Interface Equipment

Year	Survival Rate	Percent of Pre-2000 Survivors
a	b	c
2000	0.90277	100.00%
2001	0.88016	90.28%
2002	0.85311	79.46%
2003	0.82148	67.79%
2004	0.78589	55.69%
2005	0.74821	43.76%
2006	0.71082	32.74%
2007	0.67626	23.27%
2008	0.64611	15.74%
2009	0.62105	10.17%
2010	0.60068	6.32%
2011	0.58433	3.79%
2012	0.57087	2.22%
2013	0.55968	1.27%
2014	0.54995	0.00%

Table 4

$$ARL = \text{Total Col c} / \text{Col c (1998)} - .5 = 4.8 \text{ Years}$$

Company : BellSouth Telecommunications
State : Florida
Account : 2212
Category : Digital Electronic Switching

Switching Fabric (Switching Network)

A modern digital switch contains a solid state multistage time division switching network that establishes the connection between an originating line or trunk and a terminating line or trunk. Typical examples of switching fabrics include the Communications Module in the 5ESS, and the Network Modules and the Enhanced Network (E-NET) in the DMS-100.

Historically, upgrades to the narrowband switching fabric have become available from Lucent and Nortel about every four years, and this pattern will continue. Lucent and Nortel have presented plans for migration to a packet switching fabric, which will replace the existing circuit switching fabric.

Since it would be highly unlikely for any switching fabric to remain in service longer than two technology generations and considering the age of embedded equipment, the ARL for this category is projected to be 6.0 years.

Central Processor and Memory

In a modern digital switching system, those machines functions that are best performed from a central location are provided by an equipment category referred to as the processor/memory area. Typical examples of processor/memory areas include the DMS SuperNode in the DMS-100 and the Administrative Module (AM) in the 5ESS.

Central processor modules and associated memory are also upgraded frequently in digital switches. The demands on these processors are ever increasing due to new service capabilities and regulatory requirements such as local number portability. The speed of the processors must increase and the memory must be expanded to maintain the call processing and maintenance performance. This situation is similar to personal computers that must be upgraded to keep up with the advancing demands of software and user requirements.

Historically, upgrades and retrofits of processor/memory equipment have been available from the switch vendors every two to three years. Since it would be highly unlikely for any embedded processor/memory to remain in service longer than two technology generations and considering the age of embedded equipment, the ARL for this category is projected to be 4.0 years.

Common Systems Equipment

Common Systems Equipment (CSE) refers to the hardware grouping that supports all of the other modular categories. CSE includes the Main Distribution Frame (MDF), the AC to DC power plants, and some test and alarm circuitry. The bulk of CSE will not be replaced until the working access line or trunk is removed from service. Obviously, CSE has the longest life expectancy of

Company : BellSouth Telecommunications
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any of the equipment categories. The demise of CSE is synonymous with the final replacement of a switch entity. A 12.0 year ARL has been determined to be appropriate for embedded CSE.

Projection Life

The Company's projection life is based upon the composite ARL for digital switching. The composite ARL is calculated by multiplying each module's individual ARL times its investment percentage, which yields a weighted component of the composite ARL, as shown in Table 5. These weighted components are then summed to produce the composite ARL of 5.76 years for DESS. This represents a conservative estimate due to the conservative lives used for the individual modules.

Composite Digital Switching ARL

1/1/2000

Equipment Category	ARL	Investment %	Weight
a	b	c	d=b*c
Analog Line Equipment	4.5	32.3	1.45
Digital Line Equipment	5.3	10.4	0.55
Trunk Interface Equipment	4.8	20.8	1.00
Switching Fabric	6.0	4.7	0.28
Central Processor/Memory	4.0	16.9	0.68
Common Systems Equipment	12.0	15.0	1.80
Total/Composite		100.0	5.76

Table 5

The composite ARL in Table 5 was used in a generation arrangement to determine the underlying VG projection life. The underlying Digital ESS projection life for Florida is 9.8 years. Based on the generation arrangement results, a 10.0 projection life is proposed. The VG projection life was then used in a generation arrangement to determine the Equal Life Group (ELG) procedure remaining life for the DESS account.

Company : BellSouth Telecommunications
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Category : Digital Electronic Switching

Future Net Salvage

The future net salvage of digital electronic switching is expected to be relatively high in the early life cycle of the technology but declining as the technology ages. As the equipment begins the rapid retirement phase of the life cycle, the net salvage will probably become less than 0% as it has for previous switching technologies. Based on these considerations, the company selected a 0.0% future net salvage.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2212
CATEGORY : DIGITAL ELECTRONIC SWITCHING

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Run Date: 3/13/00 17:03
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2212.10
 Category: Digital ESS

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	1,669,225,034	1,811,981,034
Adjustment	0	0
Study	1,669,225,034	1,811,981,034
% Tot. Depr. Plant	14.22	14.97
Depr. Reserve (\$)	671,565,838	785,955,157
(%)	40.2	43.4
Plife/AYFR (Yrs)		
Digital ESS	10.0	10.0
Curve		
Digital ESS	GM 2.5	GM 2.5
c	1.13339740E+00	1.13339700E+00
G	-2.17455120E-01	-2.17455000E-01
S	2.39688400E-02	2.39690000E-02
Whole Life (yrs)	10.3	10.2
Avg. Net Salv. (%)	1	1
WL Rate (%)	9.6	9.7
Comp. Rem. Life (Yrs)	5.7	5.4
Fut. Net Salv. (%)	0	0
Comp. RL Rate (%)	10.5	10.5
Intrastate Factor (%)	81.44	86.90

@ Estimated Investment and Reserve

03/13/00
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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: DIGITAL ESS
 CATEGORY: DIGITAL ESS
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT AGE	EXPERIENCE AS OF 1-1-2000%				REMAIN	VINT	AVERAGE LIFE WEIGHTS	REMAINING LIFE WEIGHTS
	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE	ING LIFE YEARS	AVG LIFE YEARS		
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	170,777,223	0.9636	0.48	6.56	7.06	24,195,909	158,679,268
*1998	1.5	212,079,664	0.9627	1.48	6.32	7.82	27,126,810	171,389,449
1997	2.5	185,541,821	0.9506	2.46	7.90	9.97	18,601,481	147,019,692
1996	3.5	114,983,071	0.9118	3.39	7.18	9.94	11,572,546	83,047,318
1995	4.5	60,329,072	0.8468	4.19	6.51	9.70	6,219,419	40,469,116
1994	5.5	113,757,630	0.8733	5.25	5.89	10.39	10,943,563	64,480,350
1993	6.5	143,179,217	0.8436	6.14	5.33	10.64	13,458,168	71,709,976
1992	7.5	85,223,702	0.8414	7.03	4.81	11.08	7,691,529	37,015,079
1991	8.5	124,811,861	0.8062	7.88	4.34	11.38	10,969,419	47,620,253
1990	9.5	102,264,192	0.7375	8.55	3.91	11.43	8,943,483	34,982,796
1989	10.5	77,870,431	0.6563	9.36	3.52	11.67	6,673,479	23,494,824
1988	11.5	101,458,531	0.6877	10.26	3.17	12.43	8,159,160	25,829,292
1987	12.5	108,829,793	0.7130	11.15	2.84	13.17	8,261,500	23,496,329
1986	13.5	76,101,044	0.7152	12.17	2.55	14.00	5,435,488	13,878,540
1985	14.5	69,560,593	0.6757	12.74	2.29	14.28	4,870,022	11,157,503
1984	15.5	40,558,347	0.6709	13.40	2.06	14.78	2,744,898	5,640,959
1983	16.5	9,784,964	0.5431	13.27	1.84	14.28	685,449	1,263,469
1982	17.5	2,498,459	0.4608	12.97	1.65	13.74	181,891	300,797
1981	18.5	1,752,138	0.5226	16.51	1.48	17.28	101,374	150,499
1980	19.5	1,012,131	0.3601	16.44	1.33	16.92	59,823	79,816
1979	20.5	1,161,434	0.4359	16.57	1.20	17.09	67,957	81,619
1978	21.5	1,332,977	0.3693	16.15	1.08	16.55	80,521	87,253
1977	22.5	1,297,415	0.7716	21.04	0.98	21.79	59,532	58,377
1976	23.5	925,331	0.4460	19.65	0.89	20.05	46,157	41,112
1975	24.5	1,184,298	0.5142	21.18	0.81	21.59	54,842	44,550
1974/PRIOR		3,705,695	0.2199	21.37	0.61	21.62	171,408	105,144
TOTAL		1,811,981,034					177,375,828	962,123,382
NON-ELG V		1,429,124,147					126,053,109	632,054,665
ELG V		382,856,887					51,322,719	330,068,718

AVG SERVICE LIFE:	ALL VINTS	NELG VINTS	ELG VINTS
TOT B/TOT G	10.21549	11.33748	7.45979
AVG REMAINING LIFE:	ALL VINTS	NELG VINTS	ELG VINTS
TOT H/TOT G	5.42421	5.01419	6.43124
COMPUTED GROSS ADDS-ALL VINTS:	AVG PROPORTION SURVIVING:		
SUM OF (B/C)	2,232,245,052	B/ SUM OF (B/C)	0.81173

ORIGINAL: c 1.133397400000 G -2.174551200000E-001 S +2.396884000000E-002
 RESCALED: c 1.133397358351 G -2.174551200000E-001 S +2.396883296611E-002

* ELG VINTAGES, PROJECTION LIFE 10.0
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 % ACTUAL

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: DIGITAL ESS
 CATEGORY: DIGITAL ESS
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 10.00

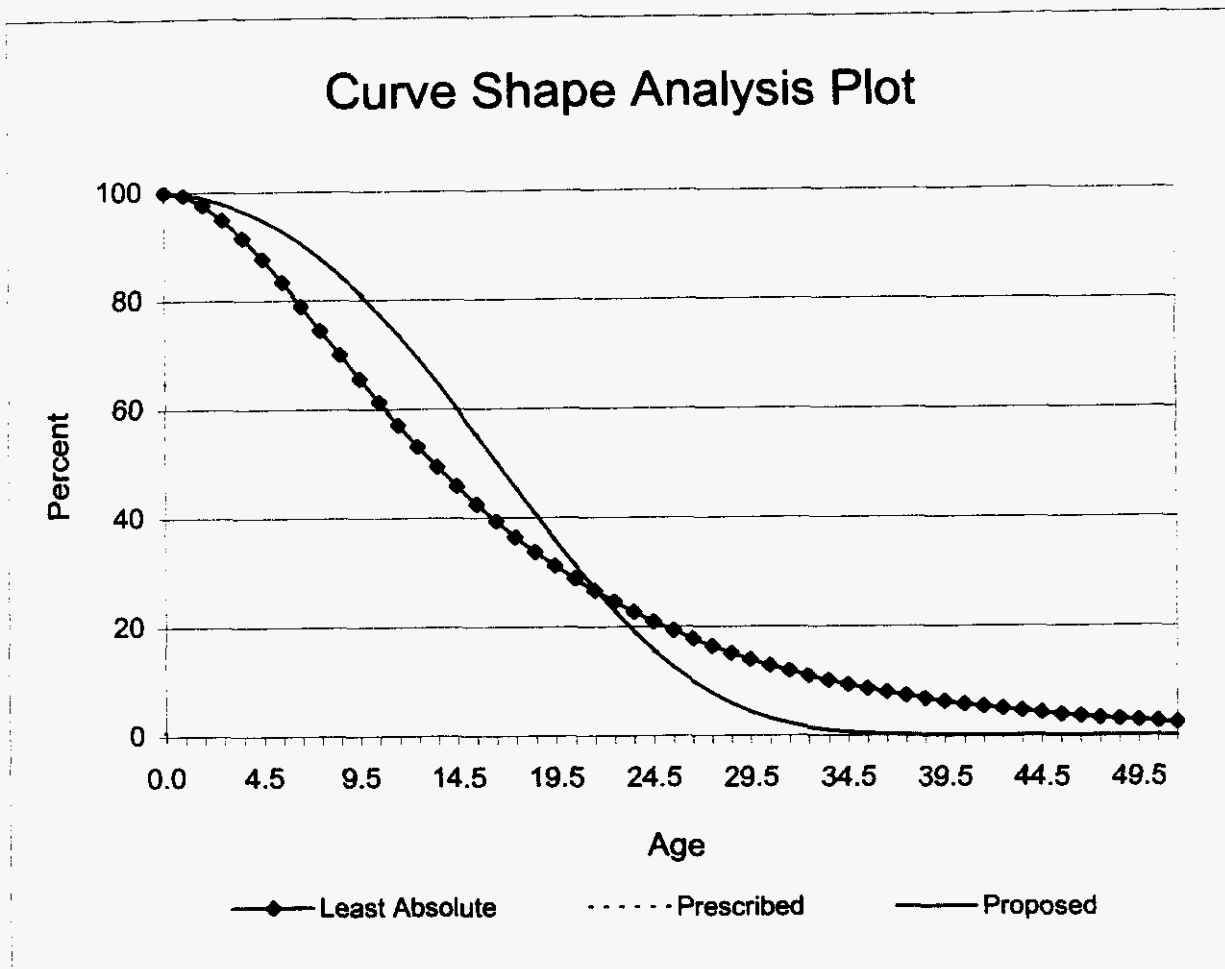
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 G -2.174551200000E-001 G -2.174551200000E-001
 S +2.396884000000E-002 S +2.396883296611E-002

BEGINNING OF YEAR AGE	AMOUNT IN SERVICE	AMOUNT DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIRED	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
				EACH LIFE GROUP	FOR ALL REMAINING GROUPS	SER VICE LIFE	REMAIN ING LIFE	VINT REMAIN. LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	475	0.5	949	15,050	6.64	6.64	10.00
0.5	99,525	1,572	1.0	1,572	14,101	7.06	6.56	9.55
1.5	97,954	2,457	2.0	1,229	12,529	7.82	6.32	8.69
2.5	95,497	3,391	3.0	1,130	11,301	8.45	5.95	7.90
3.5	92,106	4,347	4.0	1,087	10,170	9.06	5.56	7.18
4.5	87,759	5,288	5.0	1,058	9,084	9.66	5.16	6.51
5.5	82,471	6,173	6.0	1,029	8,026	10.28	4.78	5.89
6.5	76,297	6,952	7.0	993	6,997	10.90	4.40	5.33
7.5	69,345	7,574	8.0	947	6,004	11.55	4.05	4.81
8.5	61,771	7,986	9.0	887	5,057	12.21	3.71	4.34
9.5	53,785	8,148	10.0	815	4,170	12.90	3.40	3.91
10.5	45,637	8,031	11.0	730	3,355	13.60	3.10	3.52
11.5	37,606	7,629	12.0	636	2,625	14.33	2.83	3.17
12.5	29,977	6,963	13.0	536	1,989	15.07	2.57	2.84
13.5	23,014	6,083	14.0	435	1,454	15.83	2.33	2.55
14.5	16,931	5,063	15.0	338	1,019	16.62	2.12	2.29
15.5	11,868	3,992	16.0	250	681	17.42	1.92	2.06
16.5	7,876	2,964	17.0	174	432	18.23	1.73	1.84
17.5	4,912	2,057	18.0	114	258	19.07	1.57	1.65
18.5	2,856	1,323	19.0	70	143	19.92	1.42	1.48
19.5	1,533	781	20.0	39	74	20.78	1.28	1.33
20.5	752	419	21.0	20	35	21.66	1.16	1.20
21.5	333	202	22.0	9	15	22.55	1.05	1.08
22.5	131	86	23.0	4	6	23.46	0.96	0.98
23.5	45	32	24.0	1	2	24.37	0.87	0.89
24.5	13	10	25.0	0	1	25.30	0.80	0.81
TOTAL		99,997						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
 STATE : Florida
 ACCOUNT : 2212.0000
 CATEGORY : Digital ESS



c = 1.133397

G = -0.21745512

S = 0.023968833

Curves scaled to observed life of 16.65

03/13/00
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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: DIGITAL ESS
 CATEGORY: DIGITAL ESS
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AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	$C = (A \times B) / 100$	D	$E = (A \times D) / 100$	$F = (B - D)$
PAST	420,264#	8.8*	37,179	2.1*	8,735	6.7
FUTURE	1,811,981&	7.0**	126,839	7.0**	126,839	0.0
TOTAL	2,232,245		164,018		135,574	
AVERAGE		7.3		6.1		1.3

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/13/00
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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: DIGITAL ESS
 CATEGORY: DIGITAL ESS
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE
	DEC. 31				AMOUNT	PERCENT	PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1980	0	0	0	0.0	0	0.0	0.0
1981	0	0	0	0.0	0	0.0	0.0
1982	1,526,287	0	0	0.0	0	0.0	0.0
1983	14,628,463	63,406	0	0.0	0	0.0	0.0
1984	65,547,541	227,892	0	0.0	0	0.0	0.0
1985	167,426,689	334,062	167,489	50.1	47,760	14.3	35.8
1986	264,047,441	1,333,518	390,996	29.3	93,269	7.0	22.3
1987	392,601,880	1,956,760	475,187	24.3	202,776	10.4	13.9
1988	542,898,070	9,381,312	3,087,773	32.9	-370,399	-3.9	36.8
1989	646,565,743	11,990,056	3,088,142	25.8	-1,932,218	-16.1	41.9
1990	763,880,850	13,822,610	1,837,951	13.3	-1,100,554	-8.0	21.3
1991	903,017,713	10,821,285	1,175,776	10.9	281,230	2.6	8.3
1992	1,005,106,515	11,234,610	3,508,535	31.2	283,486	2.5	28.7
1993	1,148,732,908	20,491,535	4,877,880	23.8	555,339	2.7	21.1
1994	1,233,905,842	38,569,964	4,788,802	12.4	752,398	2.0	10.4
1995	1,272,494,483	25,211,983	2,043,557	8.1	677,998	2.7	5.4
1996	1,400,611,690	32,237,425	198,430	0.6	1,329,887	4.1	-3.5
1997	1,509,227,167	74,841,452	2,316,174	3.1	1,386,295	1.9	1.2
1998	1,669,225,034	82,880,798	2,977,277	3.6	1,399,210	1.7	1.9
1999	1,811,981,034	68,374,000	4,786,180	7.0	4,786,180	7.0	0.0
GRAND TOTAL		403,772,668	35,720,149	8.8	8,392,657	2.1	6.7
1980-1999#		403,772,668	35,720,149	8.8	8,392,657	2.1	6.7
1990-1999##		378,485,662	28,510,562	7.5	10,351,469	2.7	4.8

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/13/00
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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: DIGITAL ESS
 CATEGORY: DIGITAL ESS
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1982	291,298	0	0.0	0	0.0	0.0
1983	625,360	167,489	26.8	47,760	7.6	19.2
1984	1,958,878	558,485	28.5	141,029	7.2	21.3
1985	3,915,638	1,033,672	26.4	343,805	8.8	17.6
1986	13,233,544	4,121,445	31.1	-26,594	-0.2	31.3
1987	24,995,708	7,209,587	28.8	-1,958,812	-7.8	36.6
1988	38,484,256	8,880,049	23.1	-3,107,126	-8.1	31.2
1989	47,972,023	9,664,829	20.1	-2,919,165	-6.1	26.2
1990	57,249,873	12,698,177	22.2	-2,838,455	-5.0	27.2
1991	68,360,096	14,488,284	21.2	-1,912,717	-2.8	24.0
1992	94,940,004	16,188,944	17.1	771,899	0.8	16.3
1993	106,329,377	16,394,550	15.4	2,550,451	2.4	13.0
1994	127,745,517	15,417,204	12.1	3,599,108	2.8	9.3
1995	191,352,359	14,224,843	7.4	4,701,917	2.5	4.9
1996	253,741,622	12,324,240	4.9	5,545,788	2.2	2.7
1997	283,545,658	12,321,618	4.3	9,579,570	3.4	0.9

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/21/00 15:27
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2212.10
 Category: Digital ESS

Development of Retirement Ratios – Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ments C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ments G	Retire- ment Ratio H=G/F
1985	167,426,689							
1986	264,047,441	215,737,065	1,333,518	0.00618				
1987	392,601,880	328,324,661	1,956,760	0.00596	86-88	1,011,811,701	12,671,590	0.01252
1988	542,898,070	467,749,975	9,381,312	0.02006	87-89	1,390,806,542	23,328,128	0.01677
1989	646,565,743	594,731,907	11,990,056	0.02016	88-90	1,767,705,178	35,193,978	0.01991
1990	763,880,850	705,223,297	13,822,610	0.01960	89-91	2,133,404,485	36,633,951	0.01717
1991	903,017,713	833,449,282	10,821,285	0.01298	90-92	2,492,734,692	35,878,505	0.01439
1992	1,005,106,515	954,062,114	11,234,610	0.01178	91-93	2,864,431,107	42,547,430	0.01485
1993	1,148,732,908	1,076,919,712	20,491,535	0.01903	92-94	3,222,301,201	70,296,109	0.02182
1994	1,233,905,842	1,191,319,375	38,569,964	0.03238	93-95	3,521,439,249	84,273,482	0.02393
1995	1,272,494,483	1,253,200,163	25,211,983	0.02012	94-96	3,781,072,624	96,019,372	0.02539
1996	1,400,611,690	1,336,553,087	32,237,425	0.02412	95-97	4,044,672,678	132,290,860	0.03271
1997	1,509,227,167	1,454,919,429	74,841,452	0.05144	96-98	4,380,698,616	189,959,675	0.04336
1998	1,669,225,034	1,589,226,101	82,880,798	0.05215	97-99	4,784,748,563	226,096,250	0.04725
1999 #	1,811,981,034	1,740,603,034	68,374,000	0.03928				

Forecasted Activity

Company : BellSouth Telecommunications
State : Florida
Account : 2220
Category : Operator Systems

Account Description

The Operator Systems account is comprised of equipment necessary to provide personal assistance to subscribers in using the network and equipment used in the provision of directory assistance, call intercept, and other operator assisted call completion activities. This includes Automatic Call Distributor (ACD) and switching system equipment dedicated to providing access to operator services. Equipment in this account includes: announcement equipment, conference calling equipment, directory assistance positions, intercept equipment, switchboards, time and charge quotation equipment, and toll operator systems positions.

Investment and Reserve Statistics

The 1-1-2000 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Invest. (\$M)	Res. (\$M)	Res. %
Florida	33.2	5.3	15.8

Table 1

Projection Life

Equipment in the Operator Systems account performs functions similar to that of Digital Electronic Switching equipment. Investment in switches that solely handle Operator Systems traffic is assigned to this account. The Company selected a projection life of 10 years for the Operator Systems account, which is the same life selected for the Digital Electronic Switching account.

Curve Shape

The equipment in this account is similar to that in the Computers and Digital Electronic Switching account. Therefore, the Company has selected the same curve shape (Bell #2.5 curve) for the Operator Systems account as used in the Digital Electronic Switching account.

Company : BellSouth Telecommunications
State : Florida
Account : 2220
Category : Operator Systems

Future Net Salvage

The company is selecting a future net salvage of 0%. BellSouth's future net salvage value is based on historical salvage and on future salvage expectations for the Operator Systems account. Also, since Operator Systems equipment is similar to that of Digital Electronic Switching, it is expected that similar salvage (0%) will be experienced.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2220
CATEGORY : OPERATOR SYSTEMS

INDEX

Account Parameter Summary	2
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Projection Life Table/Remaining Life Development	4
Curve Shape Analysis Plot	5
Average Net Salvage	6
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Retirement Ratios	9

Run Date: 3/10/00 11:07
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2220.10
 Category: Operator Systems

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	34,846,832	33,223,832
Adjustment	0	0
Study	34,846,832	33,223,832
% Tot. Depr. Plant	0.30	0.27
Depr. Reserve (\$)	2,700,127	5,234,744
(%)	7.7	15.8
Plife/AYFR (Yrs)		
Operator Systems	10.0	10.0
Curve		
Operator Systems	GM 2.5	GM 2.5
c	1.13339740E+00	1.13339700E+00
G	-2.17455120E-01	-2.17455000E-01
S	2.39688400E-02	2.39690000E-02
Whole Life (yrs)	8.1	8.2
Avg. Net Salv. (%)	4	4
WL Rate (%)	11.9	11.7
Comp. Rem. Life (Yrs)	5.8	5.5
Fut. Net Salv. (%)	0	0
Comp. RL Rate (%)	15.9	15.3
Intrastate Factor (%)	87.94	91.28

@ Estimated Investment and Reserve

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: OPERATOR SYSTEMS
 CATEGORY: OPERATOR SYSTEMS
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

		EXPERIENCE AS OF 1-1-2000*			REMAIN	VINT	AVERAGE	REMAINING
VINT	AGE	AMOUNT	PROP	REAL	ING	AVG	LIFE	LIFE
AGE	AGE	SURVIVING	SURV	LIFE	LIFE	LIFE	WEIGHTS	WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	1,020,255	0.9203	0.46	6.56	7.06	144,551	947,980
*1998	1.5	2,590,066	0.9203	1.46	6.32	7.82	331,292	2,093,128
1997	2.5	5,073,409	0.8906	2.41	7.90	9.45	536,751	4,242,292
1996	3.5	3,819,417	0.7673	3.19	7.18	8.69	439,343	3,152,828
1995	4.5	601,361	0.4526	2.74	6.51	5.68	105,795	688,398
1994	5.5	4,460,522	0.8833	5.33	5.89	10.54	423,323	2,494,254
1993	6.5	2,929,723	0.2801	4.27	5.33	5.76	508,350	2,708,672
1992	7.5	1,535,488	0.3641	5.60	4.81	7.35	208,920	1,005,418
1991	8.5	2,165,502	0.3284	6.34	4.34	7.77	278,775	1,210,212
1990	9.5	4,301,727	0.3871	7.26	3.91	8.77	490,536	1,918,750
1989	10.5	2,295,915	0.5051	9.17	3.52	10.95	209,627	738,018
1988	11.5	208,295	0.2351	6.12	3.17	6.86	30,360	96,109
1987	12.5	1,147,992	0.2690	6.93	2.84	7.69	149,205	424,352
1986	13.5	966,394	0.1740	4.43	2.55	4.88	198,076	505,751
1985	14.5	1,928	0.0363	5.41	2.29	5.49	351	804
1984	15.5	6,375	0.0054	3.16	2.06	3.17	2,010	4,130
1983	16.5	392	0.0007	5.79	1.84	5.79	68	125
1982	17.5	4,636	0.0068	5.37	1.65	5.38	862	1,425
1981	18.5	3,618	0.0013	11.38	1.48	11.38	318	472
1980	19.5	2,153	0.0009	8.89	1.33	8.89	242	323
1979	20.5	418	0.0018	5.11	1.20	5.12	82	98
1978	21.5	1,672	0.0016	5.76	1.08	5.76	290	315
1977	22.5	7,243	0.0034	7.42	0.98	7.42	976	957
1976	23.5	17,128	0.0024	9.95	0.89	9.95	1,721	1,533
1975	24.5	43,861	0.0028	6.95	0.81	6.96	6,305	5,122
1974/PRIOR		18,342	0.0016	20.82	0.51	20.98	874	449
TOTAL		33,223,832					4,069,000	22,241,914
NON-ELG V		29,613,511					3,593,158	19,200,806
ELG V		3,610,321					475,843	3,041,108

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 8.16511 8.24164 7.58722
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 5.46619 5.34371 6.39100
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 113,753,458 B/ SUM OF (B/C) 0.29207

ORIGINAL: c 1.133397400000 G -2.174551200000E-001 S +2.396884000000E-002
 RESCALED: c 1.133397358351 G -2.174551200000E-001 S +2.396883296611E-002

* ELG VINTAGES, PROJECTION LIFE 10.0
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 § ACTUAL

03/13/00
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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: OPERATOR SYSTEMS
 CATEGORY: OPERATOR SYSTEMS
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 10.00

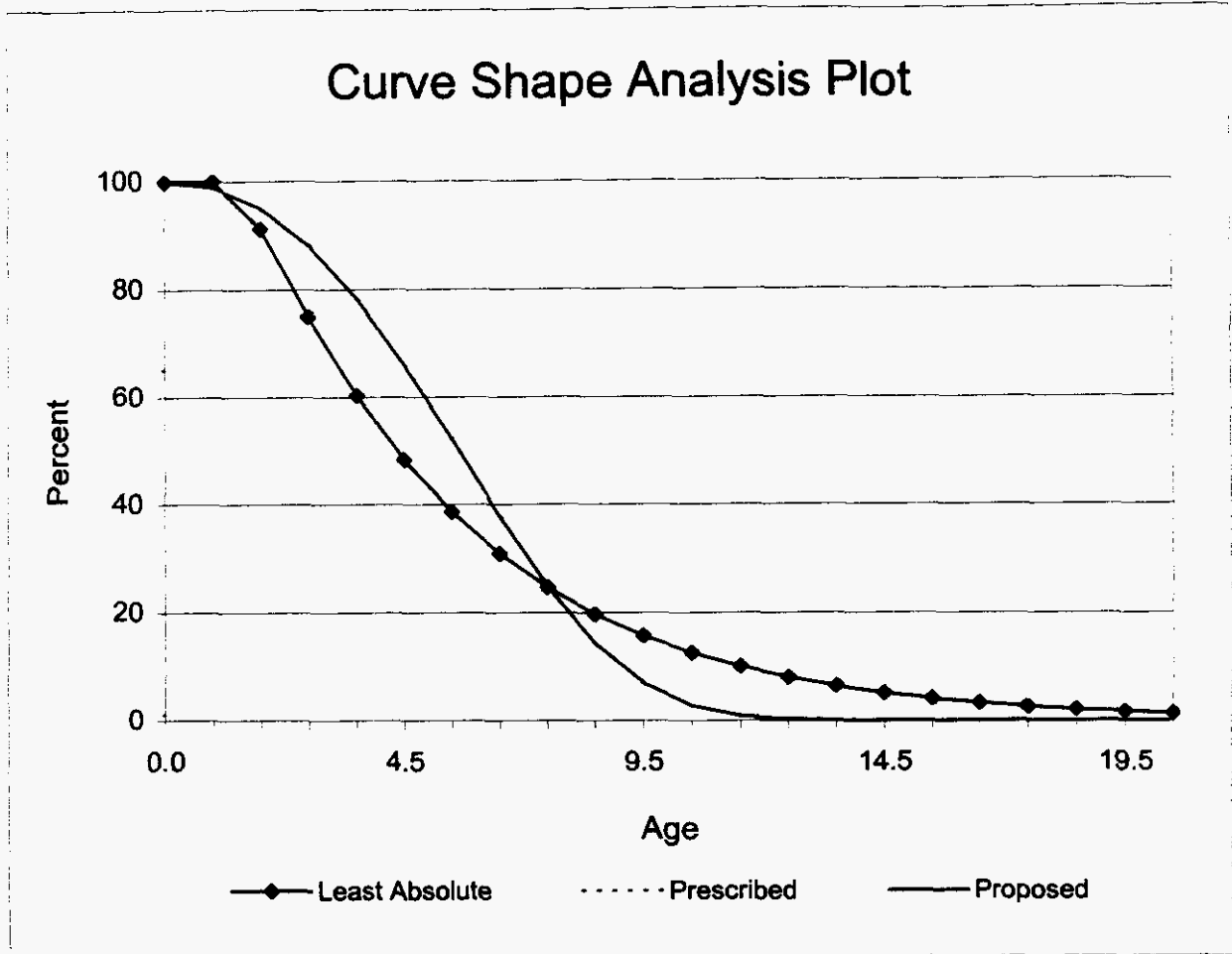
ORIGINAL: c 1.133397400000 RESEALED: c 1.133397358351
 G -2.174551200000E-001 G -2.174551200000E-001
 S +2.396884000000E-002 S +2.396883296611E-002

BEGINNING OF YEAR AGE	AMOUNT IN SERVICE	AMOUNT DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIRED	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
				EACH LIFE GROUP	FOR ALL REMAINING GROUPS	SER VICE LIFE	REMAIN ING LIFE	VINT REMAIN. LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	475	0.5	949	15,050	6.64	6.64	10.00
0.5	99,525	1,572	1.0	1,572	14,101	7.06	6.56	9.55
1.5	97,954	2,457	2.0	1,229	12,529	7.82	6.32	8.69
2.5	95,497	3,391	3.0	1,130	11,301	8.45	5.95	7.90
3.5	92,106	4,347	4.0	1,087	10,170	9.06	5.56	7.18
4.5	87,759	5,288	5.0	1,058	9,084	9.66	5.16	6.51
5.5	82,471	6,173	6.0	1,029	8,026	10.28	4.78	5.89
6.5	76,297	6,952	7.0	993	6,997	10.90	4.40	5.33
7.5	69,345	7,574	8.0	947	6,004	11.55	4.05	4.81
8.5	61,771	7,986	9.0	887	5,057	12.21	3.71	4.34
9.5	53,785	8,148	10.0	815	4,170	12.90	3.40	3.91
10.5	45,637	8,031	11.0	730	3,355	13.60	3.10	3.52
11.5	37,606	7,629	12.0	636	2,625	14.33	2.83	3.17
12.5	29,977	6,963	13.0	536	1,989	15.07	2.57	2.84
13.5	23,014	6,083	14.0	435	1,454	15.83	2.33	2.55
14.5	16,931	5,063	15.0	338	1,019	16.62	2.12	2.29
15.5	11,868	3,992	16.0	250	681	17.42	1.92	2.06
16.5	7,876	2,964	17.0	174	432	18.23	1.73	1.84
17.5	4,912	2,057	18.0	114	258	19.07	1.57	1.65
18.5	2,856	1,323	19.0	70	143	19.92	1.42	1.48
19.5	1,533	781	20.0	39	74	20.78	1.28	1.33
20.5	752	419	21.0	20	35	21.66	1.16	1.20
21.5	333	202	22.0	9	15	22.55	1.05	1.08
22.5	131	86	23.0	4	6	23.46	0.96	0.98
23.5	45	32	24.0	1	2	24.37	0.87	0.89
24.5	13	10	25.0	0	1	25.30	0.80	0.81
TOTAL		99,997						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
 STATE : Florida
 ACCOUNT : 2220.000
 CATEGORY : Operator Systems



$c = 1.133397$ $G = -0.217455$ $S = 0.023969$

Curves scaled to observed life of 5.67

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 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: OPERATOR SYSTEMS
 CATEGORY: OPERATOR SYSTEMS
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	$C = (A \times B) / 100$	D	$E = (A \times D) / 100$	$F = (B - D)$
PAST	80,530#	7.5*	6,030	1.7*	1,356	5.8
FUTURE	33,224&	7.0**	2,326	7.0**	2,326	0.0
TOTAL	113,753		8,356		3,681	
AVERAGE		7.3		3.2		4.1

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 • FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: OPERATOR SYSTEMS
 CATEGORY: OPERATOR SYSTEMS
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE PERCENT
	A				B	C	D=(C/B) *100
1988	17,755,762	58,901	4,532	7.7	3,184	5.4	2.3
1989	18,786,407	2,725,638	2,271	0.1	40,218	1.5	-1.4
1990	24,713,818	1,483,023	17,662	1.2	64,394	4.3	-3.1
1991	30,133,625	2,936,340	7,522	0.3	-15,220	-0.5	0.8
1992	32,418,632	2,767,589	897,529	32.4	22,002	0.8	31.6
1993	40,703,598	1,606,006	75,607	4.7	39,422	2.5	2.2
1994	43,028,773	4,297,379	613,385	14.3	68,750	1.6	12.7
1995	43,571,247	555,538	63,247	11.4	53,563	9.6	1.8
1996	35,468,753	13,042,375	577,123	4.4	62,110	0.5	3.9
1997	40,018,527	841,548	120,213	14.3	34,861	4.1	10.2
1998	34,846,832	8,514,482	542,616	6.4	127,441	1.5	4.9
1999	33,223,832	2,877,000	201,390	7.0	201,390	7.0	0.0
GRAND TOTAL		41,705,819	3,123,097	7.5	702,115	1.7	5.8
1988-1999#		41,705,819	3,123,097	7.5	702,115	1.7	5.8
1990-1999##		38,921,280	3,116,294	8.0	658,713	1.7	6.3

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: OPERATOR SYSTEMS
 CATEGORY: OPERATOR SYSTEMS
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1990	9,971,491	929,516	9.3	114,578	1.1	8.2
1991	11,518,596	1,000,591	8.7	150,816	1.3	7.4
1992	13,090,337	1,611,705	12.3	179,348	1.4	10.9
1993	12,162,852	1,657,290	13.6	168,517	1.4	12.2
1994	22,268,887	2,226,891	10.0	245,847	1.1	8.9
1995	20,342,846	1,449,575	7.1	258,706	1.3	5.8
1996	27,251,322	1,916,584	7.0	346,725	1.3	5.7
1997	25,830,943	1,504,589	5.8	479,365	1.9	3.9

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/21/00 10:57
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2220.10
 Category: Operator Systems

Development of Retirement Ratios – Total Retirements

<u>End Of Year</u>	<u>Plant Balance</u> A	<u>Average Plant Balance</u> B=(A + prev A)/2	<u>Retire-ments</u> C	<u>Retire-ment Ratio</u> D=C/B	<u>Band</u> E	<u>Average Plant Balance</u> F	<u>Retire-ments</u> G	<u>Retire-ment Ratio</u> H=G/F
1988	17,755,762							
1989	18,786,407	18,271,085	2,725,638	0.14918				
1990	24,713,818	21,750,113	1,483,023	0.06818	89-91	67,444,919	7,145,001	0.10594
1991	30,133,625	27,423,722	2,936,340	0.10707	90-92	80,449,963	7,186,952	0.08933
1992	32,418,632	31,276,129	2,767,589	0.08849	91-93	95,260,965	7,309,935	0.07674
1993	40,703,598	36,561,115	1,606,006	0.04393	92-94	109,703,429	8,670,974	0.07904
1994	43,028,773	41,866,186	4,297,379	0.10265	93-95	121,727,311	6,458,923	0.05306
1995	43,571,247	43,300,010	555,538	0.01283	94-96	124,686,196	17,895,292	0.14352
1996	35,468,753	39,520,000	13,042,375	0.33002	95-97	120,563,650	14,439,461	0.11977
1997	40,018,527	37,743,640	841,548	0.02230	96-98	114,696,320	22,398,405	0.19528
1998	34,846,832	37,432,680	8,514,482	0.22746	97-99	109,211,652	12,233,030	0.11201
1999 #	33,223,832	34,035,332	2,877,000	0.08453				

Forecasted Activity

Company : BellSouth Telecommunications
State : Florida
Account : 2231
Category : Radio

Account Description

The Radio Systems account consists of radio and associated equipment, including portable equipment, used to provide radio communications channels. Radio equipment is used for the generation, amplification, propagation, reception, modulation, and demodulation of radio waves in free space over which communication channels can be provided. This account also includes the associated carrier and auxiliary equipment and patch bay equipment, which is an integral part of the radio equipment. Major types of equipment in this category include transmitters and receiver terminals, antennas, waveguides and their respective components, power facilities and television transport systems.

Investment in cellular and Personal Communications Services (PCS) is not included in this account. Cellular and PCS services are provided by separate subsidiaries of BellSouth. Radio investment is recorded on the books of the respective companies that provide these services.

Investment and Reserve Statistics

The 1-1-2000 investment and reserve for this account is summarized in Table 1 below.

Investment and Reserve Statistics

	Invest. (\$M)	Res. (\$M)	Res. %
Florida	1.6	-0.47	-30.3

Table 1

Projection Life

For a number of years, investment in the Radio account has been declining. Several factors have contributed to this decline. As the Company sold its mobile radio and paging operations, substantial investment reductions occurred. Finally, radio routes have declined where fiber cable routes have been placed and radio traffic could be transferred to the fiber cable. Replacements of radio routes are likely to continue where opportunities exist to switch traffic to fiber cable.

Based on the previously discussed factors, and in consultation with our Network subject matter expert, we have determined that the current 9-year projection life for the Radio account should be maintained.

Company : BellSouth Telecommunications
State : Florida
Account : 2231
Category : Radio

Curve Shape

The curve shape for the Radio Systems account is the graduated curve from the 1996-1998 band of data that satisfies the least absolute retirement difference criteria.

Future Net Salvage

The company selected a future net salvage of -5%. BellSouth's future net salvage value is based on historical salvage and on future salvage expectations for the radio account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2231
CATEGORY : RADIO

INDEX

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Run Date: 3/13/00 17:03
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2231.20
 Category: Radio Systems

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	2,058,256	1,561,256
Adjustment	0	0
Study	2,058,256	1,561,256
% Tot. Depr. Plant	0.02	0.01
Depr. Reserve (\$)	-344,508	-472,283
(%)	-16.7	-30.3
Plife/AYFR (Yrs)		
Radio Systems	9.0	9.0
Curve		
Radio Systems	1995-1997 MORT	1996-1998 MORT
c	4.60000000E-01	2.60000000E-01
G	-8.64331530E-01	-6.68950000E-02
S	-3.10985320E-01	-9.97970000E-02
Whole Life (yrs)	7.4	7.7
Avg. Net Salv. (%)	-2	-2
WL Rate (%)	13.8	13.2
Comp. Rem. Life (Yrs)	4.5	7.8
Fut. Net Salv. (%)	-5	-5
Comp. RL Rate (%)	27.0	17.3
Intrastate Factor (%)	69.65	65.50

@ Estimated Investment and Reserve

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COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: RADIO SYSTEMS
 CATEGORY: RADIO SYSTEMS
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT AGE		EXPERIENCE AS OF 1-1-2000%			REMAINING LIFE YEARS	VINT AVG LIFE YEARS	AVERAGE LIFE WEIGHTS	REMAINING LIFE WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	34,662	0.9929	0.50	3.73	4.23	8,192	30,566
*1998	1.5	928	0.9789	1.49	4.05	5.55	167	677
1997	2.5	111,077	0.3773	1.58	8.06	4.62	24,048	193,830
1996	3.5	535,856	0.8587	3.33	7.97	10.18	52,658	419,924
1995	4.5	70,220	0.4109	2.51	7.93	5.77	12,178	96,624
1994	5.5	30,205	0.7698	4.88	7.92	10.97	2,754	21,797
1993	6.5	10,627	0.0209	2.96	7.91	3.12	3,406	26,924
1992	7.5	99,280	0.1349	4.23	7.90	5.29	18,758	148,221
1991	8.5	280,748	0.3419	5.11	7.90	7.82	35,922	283,776
1990	9.5	164,888	0.3058	6.49	7.90	8.90	18,526	146,333
1989	10.5	19,226	0.0602	4.06	7.90	4.53	4,241	33,498
1988	11.5	6,718	0.0130	4.56	7.90	4.67	1,440	11,371
1987	12.5	1,100	0.0014	4.34	7.90	4.35	253	1,997
1986	13.5	36,743	0.0365	7.74	7.90	8.02	4,579	36,164
1985	14.5	140,435	0.0948	9.69	7.90	10.44	13,457	106,284
1984	15.5	860	0.0007	7.17	7.90	7.18	120	946
1983	16.5	11,452	0.0059	7.20	7.90	7.25	1,579	12,473
1982	17.5	2,678	0.0009	7.75	7.90	7.76	345	2,725
1981	18.5	2,349	0.0031	7.40	7.90	7.42	317	2,500
1980	19.5	1,204	0.0019	11.45	7.90	11.47	105	829
1979	20.5	0	0.0000	11.88				
1978	21.5	0	0.0000	9.97				
1977	22.5	0	0.0000	9.47				
1976	23.5	0	0.0000	11.62				
1975	24.5	0	0.0000	12.30				
1974/PRIOR		0	0.0000	0.00				
TOTAL		1,561,256					203,045	1,577,461
NON-ELG V		1,525,666					194,686	1,546,217
ELG V		35,590					8,359	31,243

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 7.68922 7.83655 4.25778
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 7.76903 7.94211 3.73779
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 15,346,749 B/ SUM OF (B/C) 0.10173

ORIGINAL: c 0.260000000000 G -6.689500000000E-002 S -9.979700000000E-002
 RESCALED: c 0.475573152027 G -6.689500000000E-002 S -5.506200803880E-002

- ELG VINTAGES, PROJECTION LIFE 9.0
- ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
- +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
- & ACTUAL

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COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: RADIO SYSTEMS
 CATEGORY: RADIO SYSTEMS
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 9.00

ORIGINAL: c 0.260000000000 RESCALED: c 0.475573152027
 G -6.689500000000E-002 G -6.689500000000E-002
 S -9.979700000000E-002 S -5.506200803880E-002

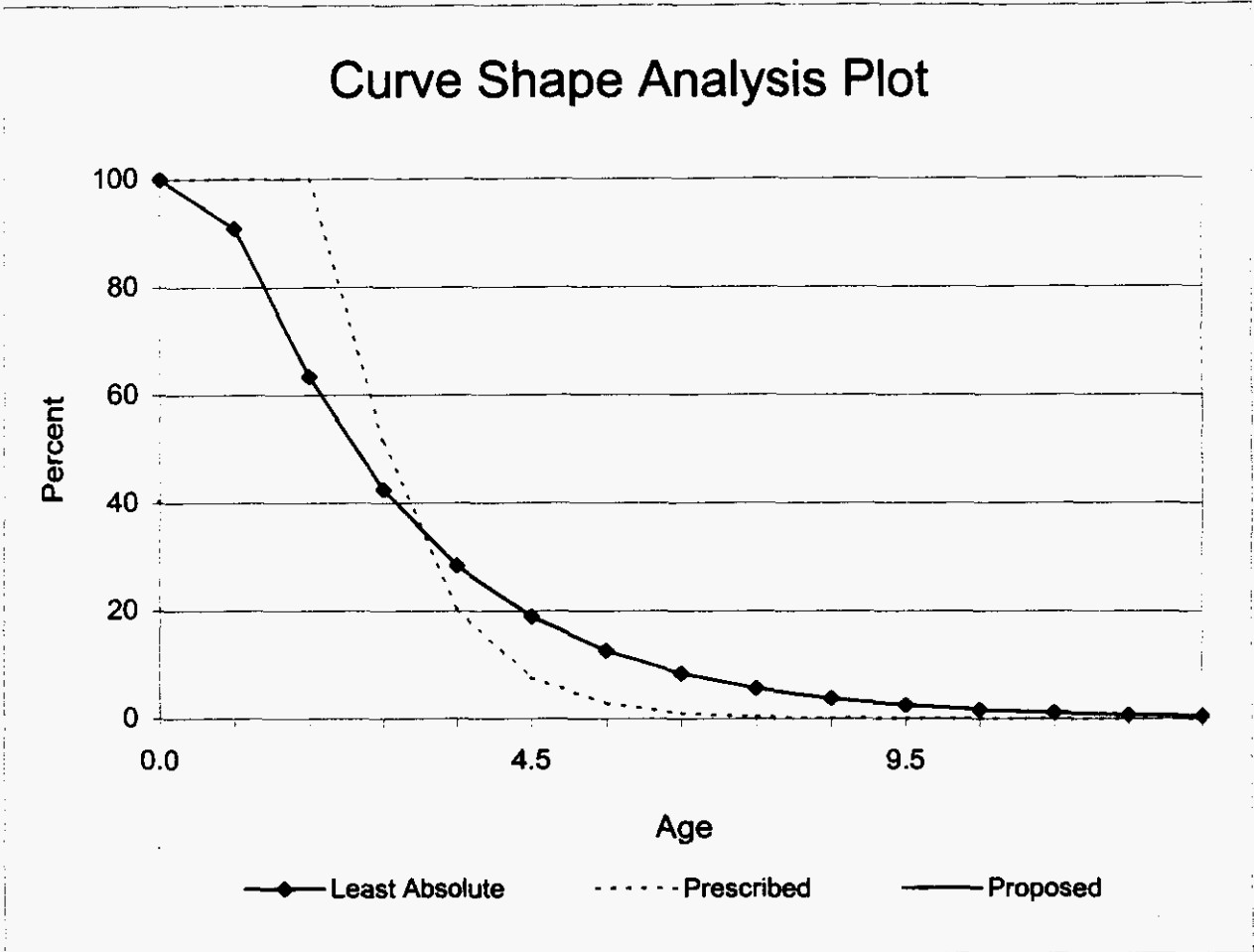
BEGINNING OF YEAR AGE	AMOUNT IN SERVICE	AMOUNT RETIRE DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIRE D	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
				EACH LIFE GROUP	FOR ALL REMAINING GROUPS	AVG. SER VICE LIFE	AVG. REMAIN ING LIFE	VINT REMAIN. LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	1,546	0.5	3,093	26,360	3.79	3.79	9.00
0.5	98,454	6,755	1.0	6,755	23,268	4.23	3.73	8.64
1.5	91,699	8,751	2.0	4,375	16,513	5.55	4.05	8.24
2.5	82,948	8,951	3.0	2,984	12,137	6.83	4.33	8.06
3.5	73,997	8,420	4.0	2,105	9,154	8.08	4.58	7.97
4.5	65,578	7,644	5.0	1,529	7,049	9.30	4.80	7.93
5.5	57,934	6,829	6.0	1,138	5,520	10.50	5.00	7.92
6.5	51,104	6,056	7.0	865	4,382	11.66	5.16	7.91
7.5	45,048	5,352	8.0	669	3,517	12.81	5.31	7.90
8.5	39,696	4,722	9.0	525	2,848	13.94	5.44	7.90
9.5	34,974	4,162	10.0	416	2,323	15.06	5.56	7.90
10.5	30,812	3,668	11.0	333	1,907	16.16	5.66	7.90
11.5	27,144	3,232	12.0	269	1,573	17.25	5.75	7.90
12.5	23,912	2,847	13.0	219	1,304	18.34	5.84	7.90
13.5	21,065	2,508	14.0	179	1,085	19.42	5.92	7.90
14.5	18,556	2,210	15.0	147	906	20.49	5.99	7.90
15.5	16,347	1,947	16.0	122	758	21.55	6.05	7.90
16.5	14,400	1,715	17.0	101	637	22.61	6.11	7.90
17.5	12,686	1,511	18.0	84	536	23.67	6.17	7.90
18.5	11,175	1,331	19.0	70	452	24.72	6.22	7.90
19.5	9,844	1,172	20.0	59	382	25.77	6.27	7.90
20.5	8,672	1,033	21.0	49	323	26.82	6.32	7.90
21.5	7,639	910	22.0	41	274	27.86	6.36	7.90
22.5	6,730	801	23.0	35	233	28.90	6.40	7.90
23.5	5,928	706	24.0	29	198	29.94	6.44	7.90
24.5	5,222	622	25.0	25	169	30.98	6.48	7.90
TOTAL		95,399						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2231.000
CATEGORY : Radio Systems

Curve Shape Analysis Plot



c = 0.26 G = -0.0668951 S = -0.09979665

Curves scaled to observed life of 2.83

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COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: RADIO SYSTEMS
 CATEGORY: RADIO SYSTEMS
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	$C = (A \times B) / 100$	D	$E = (A \times D) / 100$	$F = (B - D)$
PAST	13,785#	2.7*	370	4.2*	582	-1.5
FUTURE	1,561&	2.0**	31	7.0**	109	-5.0
TOTAL	15,347		401		691	
AVERAGE		2.6		4.5		-1.9

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

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COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: RADIO SYSTEMS
 CATEGORY: RADIO SYSTEMS
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE PERCENT
	A				C	E	
1975%%		8,799,807	1,362,176	15.5	1,057,640	12.0	3.5
1976	42,751,362	826,216	43,945	5.3	150,828	18.3	-13.0
1977	43,770,884	557,971	2,585	0.5	140,126	25.1	-24.6
1978	44,826,081	1,178,583	60,214	5.1	146,817	12.5	-7.4
1979	45,969,340	1,789,123	11,204	0.6	214,961	12.0	-11.4
1980	46,235,424	1,158,037	-78,292	-6.8	164,883	14.2	-21.0
1981	47,974,823	950,856	308,892	32.5	214,787	22.6	9.9
1982	54,679,891	2,636,690	162,217	6.2	326,826	12.4	-6.2
1983	57,910,864	2,303,695	232,297	10.1	203,551	8.8	1.3
1984	17,345,777	324,044	11,195	3.5	14,518	4.5	-1.0
1985	16,868,920	1,791,950	157,464	8.8	92,357	5.2	3.6
1986	16,503,647	2,147,729	92,565	4.3	87,414	4.1	0.2
1987	15,445,333	2,040,070	4,377	0.2	60,792	3.0	-2.8
1988	15,393,094	660,426	-28,529	-4.3	15,980	2.4	-6.7
1989	10,794,181	5,038,734	51,855	1.0	151,172	3.0	-2.0
1990	9,507,448	1,684,468	596	0.0	61,270	3.6	-3.6
1991	9,319,066	615,482	20,208	3.3	49,902	8.1	-4.8
1992	5,550,477	5,075,678	30,693	0.6	74,792	1.5	-0.9
1993	5,246,139	154,632	10,612	6.9	293,616	189.9	-183.0
1994	4,579,348	688,455	120,328	17.5	15,246	2.2	15.3
1995	2,979,541	1,737,087	128,839	7.4	4,909	0.3	7.1
1996	1,979,793	1,598,351	30,395	1.9	22,064	1.4	0.5
1997	2,116,568	24,517	1,852	7.6	21,298	86.9	-79.3
1998	2,058,256	252,874	61,720	24.4	1,924	0.8	23.6
1999	1,561,256	587,000	11,681	2.0	41,090	7.0	-5.0
GRAND TOTAL		44,622,475	2,811,089	6.3	3,628,763	8.1	-1.8
1989-1999#		17,457,278	468,779	2.7	737,283	4.2	-1.5
1990-1999##		12,418,544	416,924	3.4	586,111	4.7	-1.3

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.

BAND OF LAST 10 ACTIVITY YEARS.

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COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: RADIO SYSTEMS
 CATEGORY: RADIO SYSTEMS
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET SALVAGE
		AMOUNT	PERCENT	AMOUNT	PERCENT	PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1977	5,419,018	243,029	4.5	852,964	15.7	-11.2
1978	5,509,930	39,656	0.7	817,615	14.8	-14.1
1979	5,634,570	304,603	5.4	881,574	15.6	-10.2
1980	7,713,289	464,235	6.0	1,068,274	13.8	-7.8
1981	8,838,401	636,318	7.2	1,125,008	12.7	-5.5
1982	7,373,322	636,309	8.6	924,565	12.5	-3.9
1983	8,007,235	872,065	10.9	852,039	10.6	0.3
1984	9,204,108	655,738	7.1	724,666	7.9	-0.8
1985	8,607,488	497,898	5.8	458,632	5.3	0.5
1986	6,964,219	237,072	3.4	271,061	3.9	-0.5
1987	11,678,909	277,732	2.4	407,715	3.5	-1.1
1988	11,571,427	120,864	1.0	376,628	3.3	-2.3
1989	10,039,180	48,507	0.5	339,116	3.4	-2.9
1990	13,074,788	74,823	0.6	353,116	2.7	-2.1
1991	12,568,994	113,964	0.9	630,752	5.0	-4.1
1992	8,218,715	182,437	2.2	494,826	6.0	-3.8
1993	8,271,334	310,680	3.8	438,465	5.3	-1.5
1994	9,254,203	320,867	3.5	410,627	4.4	-0.9
1995	4,203,042	292,026	6.9	357,133	8.5	-1.6
1996	4,301,284	343,134	8.0	65,441	1.5	6.5
1997	4,199,829	234,487	5.6	91,285	2.2	3.4

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

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Company: BellSouth Telecommunications
 State: Florida
 Account: 2231.20
 Category: Radio Systems

Development of Retirement Ratios – Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ments C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ments G	Retire- ment Ratio H=G/F
1985	16,868,920							
1986	16,503,647	16,686,284	2,147,729	0.12871				
1987	15,445,333	15,974,490	2,040,070	0.12771	86-88	48,079,987	4,848,225	0.10084
1988	15,393,094	15,419,214	660,426	0.04283	87-89	44,487,341	7,739,230	0.17396
1989	10,794,181	13,093,638	5,038,734	0.38482	88-90	38,663,666	7,383,628	0.19097
1990	9,507,448	10,150,815	1,684,468	0.16594	89-91	32,657,709	7,338,684	0.22472
1991	9,319,066	9,413,257	615,482	0.06538	90-92	26,998,843	7,375,628	0.27318
1992	5,550,477	7,434,772	5,075,678	0.68269	91-93	22,246,337	5,845,792	0.26278
1993	5,246,139	5,398,308	154,632	0.02864	92-94	17,745,823	5,918,765	0.33353
1994	4,579,348	4,912,744	688,455	0.14014	93-95	14,090,496	2,580,174	0.18311
1995	2,979,541	3,779,445	1,737,087	0.45961	94-96	11,171,855	4,023,893	0.36018
1996	1,979,793	2,479,667	1,598,351	0.64458	95-97	8,307,292	3,359,955	0.40446
1997	2,116,568	2,048,181	24,517	0.01197	96-98	6,615,260	1,875,742	0.28355
1998	2,058,256	2,087,412	252,874	0.12114	97-99	5,945,349	864,391	0.14539
1999 #	1,561,256	1,809,756	587,000	0.32435				

Forecasted Activity

Company: BellSouth Telecommunications
 State: Florida
 Account: 2232
 Category: Circuit

Account Description

The circuit equipment category includes equipment that performs various functions needed in the telecommunications network such as amplification, conversion (analog to digital and digital to analog), signaling, and multiplexing (simultaneous placement of several signals on a single transmission path). Some examples of circuit equipment are: amplifiers, carrier terminal equipment, channel bank and related equipment, line repeaters, multiplexing equipment, and subscriber loop carrier equipment. Signals, whether they carry voice or data, often need to be "treated" by circuit equipment as they transverse the network. Therefore, circuit equipment is needed at various points in the network such as central offices, manholes, on poles, in huts or other company locations.

Investment and Reserve Statistics

The following tables show the 1-1-2000 investment, reserve, and reserve percents in the Circuit account.

**Investment and Reserve Statistics
 Circuit Analog**

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	90.9	43.2	47.5

Table 1

**Investment and Reserve Statistics
 Circuit Digital**

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	2,871.1	1,561.3	54.4

Table 2

Company: BellSouth Telecommunications
State: Florida
Account: 2232
Category: Circuit

**Investment and Reserve Statistics
Circuit DDS**

	Investment (\$M)	Reserve (\$M)	Reserve %
Florida	19.1	6.1	32.0

Table 3

Life Analysis

Background

Digital circuit equipment has been available in our network since the 1960s. Initially, digital equipment operated asynchronously where start and stop pulses are needed to mark the beginning and end parts of the signal. This was true for copper-based equipment as well as the first fiber-based equipment. Now, the current fiber-based equipment operates with transmitter and receivers synchronized. This eliminates the need for the start/stop pulses, providing more flexibility in multiplexing and demultiplexing signals, and allowing the development of more reliable architectures. The introduction of Synchronous Optical Network (SONET) technologies in the Company's network began in 1991 in the form of field trials. Initial deployment began in early 1992.

Current Trend

Circuits on SONET equipment presently account for over half of the circuits on fiber-based equipment. This represents a very rapid substitution process and is due to the significant advantages of SONET. Today, SONET equipment elements (i.e., fiber optic terminals, add/drop multiplexers, wideband and broadband digital cross-connect systems) are the economic choice whenever there are needs for new optical systems. However, Dense Wavelength Division Multiplexing (DWDM) is being placed where fiber cables are exhausted. Rather than using a higher speed SONET multiplexer to provide relief, placement of DWDM equipment allows existing systems to be placed on various wavelengths, with room for growth on additional wavelengths. The use of Asynchronous Transfer Mode (ATM) technology is also being used as a means to extend the effective capacity of carrier systems.

The additional economic and operational benefits of SONET, DWDM and ATM make these technologies even more desirable. Therefore, older circuit equipment (mostly analog, but also digital) associated with copper cable or analog switching technologies are undergoing technological obsolescence.

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Account: 2232
Category: Circuit

Drivers

Economics and customer demand drive the trend toward digital/optical equipment. SONET circuit equipment with its efficiencies and flexibility provides several advantages that include:

- Standard interfaces for transmission and maintenance that allow the use of multiple vendors (bringing more competition and lower prices), and interworking of various carrier networks,
- The capability to build high-speed, intelligent ring configurations for reliability,
- More efficient multiplexing of channels at various speeds through the capability to add/drop narrowband/wideband/broadband) systems,
- Intelligent network element capability for improving operations and provisioning efficiencies, and
- The capability to terminate higher speed carrier systems (greater than DS1s) directly on a digital switch.

Customer needs for greater bandwidth is apparent through the growth of new data services and Internet-related applications. With SONET's inherent flexibility, many types of voice, data and video can be efficiently transported. The use of ATM makes SONET facilities more effective, and the use of DWDM extends the capacity of fiber cable.

Future Expectation

Most of BST's existing SONET deployments (in the interoffice) are self-healing ring configurations consisting mainly of either OC-12 (622 Mb/s) systems or OC-48 (2.4 Gb/s). BST is currently evaluating systems operating at OC-192 (10 Gb/s) and plans to use this technology during 2000.

In just seven years of general deployment (1992 - 1999), interoffice SONET has achieved 62% of the total working optical capacity. It is projected that interoffice SONET penetration will reach 99% of total working capacity by 2008.

Overall SONET penetration in the feeder network is anticipated to lag the interoffice primarily because of the lower capacity demand in the feeder network. Today, approximately 5% of the feeder network is SONET. By year-end 2004, feeder SONET is projected to reach over 50% and 99% by year-end 2015.

Next Phase

Presently, SONET carries primarily STM (Synchronous Transfer Mode) traffic where fixed bandwidth capacities are allocated to various trunks or customers. To meet the need for varying bandwidth demand, ATM technologies will be used in the near future. ATM will make more

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efficient use of available network transport capacity. During 1999 ATM over SONET was used in selected locations based on traffic demand and current capacities. With ATM-SONET, the entire bandwidth of the access ring is potentially available from any access point on the ring. The only limitation is the port speed of the user, and the total capacity of the system as compared to the current cumulative demand from other users. The efficiency in bandwidth utilization offered by ATM-SONET, combined with its allowance for more flexibility in the amount of bandwidth to each user will serve to move the network toward the objective of "bandwidth on demand."

As mentioned previously, DWDM will also be a major component in our future network architecture. The economics of DWDM have improved, and the number of wavelengths that can be multiplexed on a set of fiber strands is expected to increase.

Substitution Dynamics

There are several substitution scenarios in the circuit category. Analog equipment is being replaced by digital, copper-related by fiber optical, and asynchronous by synchronous.

First, reflective of the broader electronic industry, circuit equipment is rapidly moving to a totally digital environment. This is due to the inherent advantages of digital technology such as better transmission quality, improved reliability, increased flexibility, reduced maintenance and lower cost. Since circuit equipment is closely related to switching equipment, there are synergies between these two areas, which serve as drivers toward a seamless digital network.

Secondly, as discussed in the section on Outside Plant Cable, fiber is becoming the transmission media of choice. The advantages of fiber relate to both the medium and the electronics associated with it. Optical-capable circuit equipment (which is mostly digital) is replacing analog or older digital equipment associated with copper cable.

Finally, the use of synchronous optical equipment offers advantages over the first generation asynchronous optical equipment resulting in the third substitution scenario. However, the use of ATM and DWDM technologies is introducing new parameters for estimating economic lives of circuit equipment sub-categories. ATM allows network managers to make more efficient use of facilities such as SONET systems, as well as asynchronous systems. Through the concept of statistical multiplexing, the same number of systems can carry more traffic when ATM is first used to aggregate the traffic. However, while the rate of SONET circuit *growth* may actually decline through the use of ATM, the use of SONET will continue, and the obsolescence of asynchronous equipment may increase due to the enhanced economics and capabilities of ATM via SONET.

DWDM, another new technology, makes it possible to expand the capacity of fiber cables by allowing multiple systems to work over single fiber pairs. This will postpone the need for placement of higher speed systems in some locations while making the overall advantages of

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fiber greater as compared to copper systems. Also, the cost of earlier versions of wavelength division multiplexing which use only two wavelengths is being reduced, in part due to advances in DWDM. The improved prices are making DWDM an attractive alternative to adding fiber or using higher-speed systems, even for short fiber lengths in the loop.

It should be noted, however, that neither ATM nor DWDM represent *replacement* technologies for SONET or other circuit equipment. ATM makes it possible for existing systems to carry more traffic, thus actually allowing these systems to remain in service longer than otherwise would have been possible. DWDM increases the capacity of existing fiber cable and thereby extends the life of it. DWDM also allows existing fiber optic systems to remain in service rather than being replaced by higher-speed systems. Prior to the use of DWDM, higher-speed systems replaced existing systems to gain needed additional capacity. Now DWDM can provide additional virtual fibers in existing cables on which new fiber optic systems can be placed. ATM and DWDM increase the advantages of fiber cable and fiber optic systems making them more desirable replacement technologies for metallic cable and metallic-based carrier systems.

Substitution Analysis Overview

The process used to estimate the remaining life of each class of plant begins with historical experience and near-term deployment plans. Past deployment and displacement patterns are identified and weighted with known deployment plans. Together these patterns establish the model from which long-term deployments and displacements are projected, and the resultant remaining life is determined.

For life estimation purposes, the circuit account was subdivided. Circuit Analog was treated as a single technology study group. Circuit Digital was divided into four technology study groups that are functionally similar and lend themselves to analysis. Circuit DDS was treated as a single study group. These study groups are discussed in the following paragraphs, and the remaining life developments for Circuit Analog and Circuit Digital are also shown.

Circuit Study Groups

Analog Circuit Equipment

This category is composed mainly of equipment associated with analog trunks, special service circuits and long distribution loops. Examples of this equipment would include Metallic Facility Terminals (MFT) and Range Extension with Gain (REG) circuits. The continued deployment of digital central offices, digital loop carrier and fiber-optic cable is causing the rapid displacement of analog equipment. Therefore, it is rapidly approaching the end of its economic life. Accordingly, the resulting average remaining life (ARL) of embedded analog circuit equipment as of 1/1/00 is 4.0 years. The life of analog circuit equipment is driven by technological obsolescence and not wear-out. The life expectancy for this group was developed via a

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correlation with the life expectancy of copper feeder cable, combined with the impact of normal mortality.

Table 4 shows the development of the remaining life of equipment in this category.

**Remaining Life Development
 Analog Circuit Equipment**

Year	Survival Rate	Percent of Pre-2000 Survivors
a	B	C
2000	0.86298	100.00%
2001	0.83469	86.30%
2002	0.80189	72.03%
2003	0.76561	57.76%
2004	0.72755	44.22%
2005	0.69005	32.17%
2006	0.65531	22.20%
2007	0.62459	14.55%
2008	0.59847	9.09%
2009	0.57679	5.44%
2010	0.55878	3.14%
2011	0.54362	1.75%

ARL = Total Col c/ Col c(1999) - .5 = 4.0 Years

Table 4

Analog / Digital Conversion Circuit Equipment

This technology study group includes circuit equipment that performs analog-to-digital and digital-to-analog conversions such as, D-type channel banks (i.e., D3, D4 & D5), digital carrier trunk (DCT) terminals, and digital loop carrier - central office terminals. This equipment primarily provides for the interface of digital transmission connections for switched as well as non-switched services at analog central office locations. Continued deployment of digital switches, integrated digital loop carrier (IDLC), placement of DS1/0 digital cross-connect systems, fiber-optic cable, and modifications in service designs will diminish or eliminate the need for analog/digital conversion circuit equipment. The life expectancy for this technology study group was developed via a correlation with the life expectancy of analog switching, combined with the impact of normal mortality. This approach yielded an ARL of 2.6 years as of 1/1/00 for embedded equipment.

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Table 5 shows the development of the remaining life for the Analog/Digital Circuit equipment category.

**Remaining Life Development
 Analog / Digital Conversion Circuit Equipment**

Year	Survival Rate	Percent of Pre-2000 Survivors
a	b	c
2000	0.91674	100.0%
2001	0.72746	91.7%
2002	0.52434	66.7%
2003	0.48361	35.0%
2004	0.12987	16.9%
2005	0.08601	2.2%

ARL = Total Col c/ Col c(1999) - .5 = 2.6 Years

Table 5

Other Digital Circuit Equipment

This technology study group includes digital loop carrier - remote terminals (non-Next Generation Digital Loop Carrier (NGDLC)), digital muldems (multiplexers/demultiplexers) and asynchronous digital cross-connect systems (DCS). BST is deploying NGDLC (SONET-capable) systems because of the economic and capability-related advantages of these technologies. Little growth is expected in this study group with the eventual displacement by SONET products. However, for the next few years, the impact of SONET, as well as GR-303 IDLC deployment, on this technology study group is expected to be small. Existing systems and equipment will continue to provide adequate capabilities. Taking a conservative stance, only the historical mortality rate was included in the development of the ARL for this entire group, which is estimated to be 6.9 years. However, there are few additions to most types of equipment in this category, and some types (e.g., asynchronous DCS) may begin to experience technological obsolescence.

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Table 6 shows the development of the remaining life of equipment in this category.

**Remaining Life Development
 Other Digital Circuit Equipment**

Year	Survival Rate	Percent of Pre-2000 Survivors
a	b	c
2000	0.93384	100.0%
2001	0.92467	93.4%
2002	0.91542	86.3%
2003	0.90612	79.0%
2004	0.89670	71.6%
2005	0.88730	64.2%
2006	0.83187	57.0%
2007	0.81738	47.4%
2008	0.79138	38.7%
2009	0.76119	30.7%
2010	0.72764	23.3%
2011	0.69258	17.0%
2012	0.65788	11.8%
2013	0.62580	7.7%
2014	0.59756	4.8%
2015	0.57373	2.9%
2016	0.55408	1.7%

ARL = Total Col c/ Col c(1999) - .5 = 6.9 Years

Table 6

Asynchronous Optical Circuit Equipment

This technology study group includes all asynchronous, digital equipment associated exclusively with fiber-optic cable, such as fiber optic terminals, integrated terminals, regenerators, and lightguide cable interconnecting equipment supporting asynchronous lightwave transmission. SONET technologies will eventually displace the existing asynchronous fiber technologies. The life expectancy for asynchronous optical circuit equipment was developed via a correlation with SONET's forecasted deployment and penetration into the telecommunications network, combined with the impact of normal mortality. The resulting average remaining life for embedded equipment as of 1/1/00 is 3.1 years.

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Table 7 shows the development of the remaining life of equipment in this category.

**Remaining Life Development
 Asynchronous Optical Circuit Equipment**

Year	Survival Rate	Percent of Pre-2000 Survivors
a	b	c
2000	0.79886	100.0%
2001	0.75713	79.7%
2002	0.71855	60.5%
2003	0.68508	43.5%
2004	0.65745	29.8%
2005	0.63530	19.6%
2006	0.61771	12.4%
2007	0.60357	7.7%
2008	0.59202	4.6%
2009	0.58218	0.0%

ARL = Total Col c/ Col c(1999) - .5 = 3.1 Years

Table 7

SONET Circuit Equipment

This technology study group includes all circuit equipment comprising the Synchronous Optical Network transmission product line. Such equipment includes SONET terminals, add/drop multiplexers, digital cross-connect systems, NGDLC, and other circuit equipment utilizing the SONET standards and technical requirements. SONET circuit equipment is currently in the rapid deployment stage and is not yet impacted by pending technological obsolescence. However, recent historical life characteristics of the "Circuit" account can be applied to this technology study group to provide an accurate, fair and reasonable estimate of its life expectancy. The resulting ARL for embedded SONET circuit equipment, excluding NGDLC, is 7.3 years as of 1/1/00.

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 Account: 2232
 Category: Circuit

Table 8 shows the development of the remaining life of equipment in the SONET Circuit Equipment category.

**Remaining Life Development
 SONET Circuit Equipment**

Year	Survival Rate	Percent of Pre-2000 Survivors
a	b	c
2000	0.93351	100.0%
2001	0.92412	93.4%
2002	0.91453	86.3%
2003	0.90467	78.9%
2004	0.89434	71.4%
2005	0.88346	63.8%
2006	0.87159	56.4%
2007	0.85829	49.2%
2008	0.84268	42.2%
2009	0.82376	35.5%
2010	0.80003	29.3%
2011	0.77024	23.4%
2012	0.73323	18.0%
2013	0.68993	13.2%
2014	0.64301	9.1%
2015	0.59704	5.9%
2016	0.55627	3.5%
2017	0.52298	1.9%
2018	0.49739	1.0%
2019	0.00000	0.5%
2020		0.0%

ARL = Total Col c / Col c(1999) - .5 = 7.3 Years

Table 8

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Account: 2232
Category: Circuit

Figure 1 shows the graph of the life cycle plot for SONET Circuit Equipment.

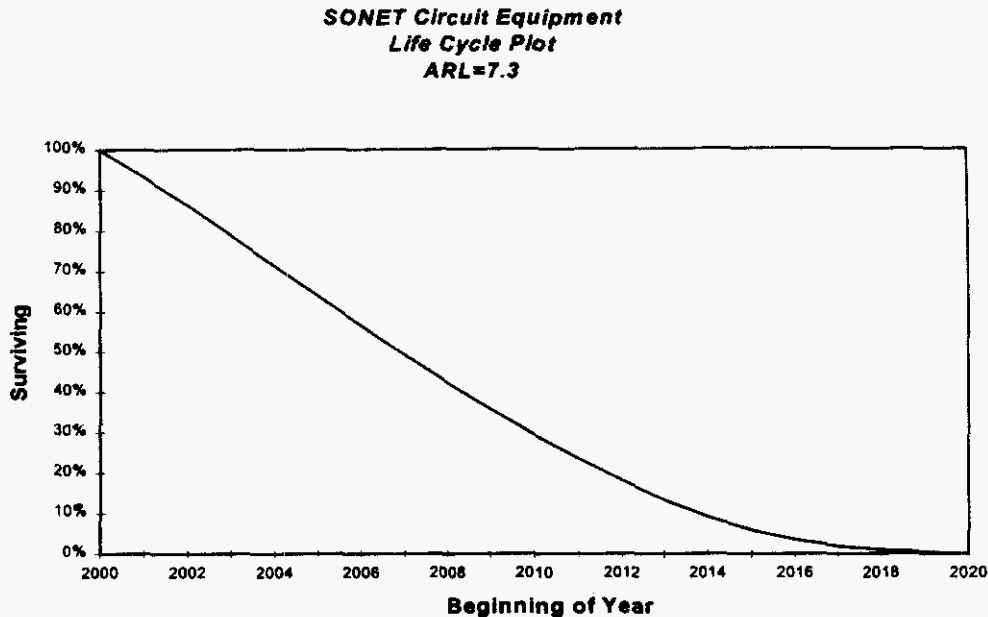


Figure 1

Circuit DDS

Some of the older DDS services have been "Grandfathered" and are no longer offered to new customers. In addition to those "Grandfathered", services utilizing DDS-type technology, including SynchroNet® (for intra-LATA access) and Digital Data Access Service (for inter-LATA access), are available for existing and new customers. These services provide a dedicated point-to-point (or point-to-multipoint) private line transmission medium supporting 2.4, 4.8, 9.6, 19.2, 56 and 64 kilobits per second (Kbps) customer digital data rates. Customer premises equipment is connected with local exchange distribution facilities to a centralized central office (Hub or SynchroNet Node) or through a local central office via dedicated interoffice trunks to the Hub or Node. The Hub and Node locations provide synchronization, testing capability, maintenance, multiplexing and multipoint junctioning as required.

There are multiple non-DDS alternatives to SynchroNet® service and Digital Data Access Service now available. These services include FlexServ®, LightGate®, SMARTRing® service, MegaLink®, PulseLink®, Public Switched Digital Service (PSDS), Derived Data Channel Service (DDCS) and fast packet services. Other service vendors are vigorously installing equipment in the digital data transport arena. Recent improvements to very small aperture terminals (VSAT) have made these small satellite earth stations attractive for bypassing interexchange carriers and local exchange companies.

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 Category: Circuit

Life Proposal

Circuit Analog and Circuit Digital

Summarized on Table 9 are the Average Remaining Lives developed for the Circuit Analog and Circuit Digital technology study groups. The preceding paragraphs describe the study groups and provide a discussion of the life analysis for each group.

**Average Remaining Lives
 (Estimated 1/1/2000)**

<u>Technology Study Groups</u>	<u>VG/ARL</u>
Analog	4.0 Years
Analog / Digital Conversion	2.6 Years
Other Digital	6.9 Years
Asynchronous Optical	3.1 Years
SONET	7.3 Years

Table 9

A composite average remaining life for the Circuit Digital account was calculated using the estimated 1-1-2000 Circuit investment and the study group's average remaining lives. Table 10 summarizes this calculation.

Calculation of Composite VG Average Remaining Lives (ARL)

Study Group	BST Investment (\$000)	ARL	Weight
a	b	c	d=b*c
Analog/Digital Conversion	75,471	2.6	196,224.6
Other Digital	312,840	6.9	2,158,596
Asynchronous Optical	54,251	3.1	168,178.1
SONET	45,317	7.3	330,814.1
Total/composite	487,879	5.8	2,853,832.8

Table 10

The projection lives underlying the composite VG ARLs of 4.0 years and 5.8 years for the Analog and Digital Circuit accounts, respectively, were determined by using the Generation Arrangement. A company composite Plife for these accounts was then calculated. An analysis

January 1, 2000

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 State: Florida
 Account: 2232
 Category: Circuit

of the projection life was then made. Florida's projection life for Circuit Analog was determined to be 6.4 years and 8.8 years for Circuit Digital. However, BellSouth decided to take a conservative view and maintain the current projection life of 7.5 years for the Analog Circuit account and 9.0 years for the Digital Circuit account. Table 11 shows the Circuit Analog composite Plife calculation and Table 12 shows the Circuit Digital composite Plife calculation.

Circuit Analog Composite Plife - 1/1/2000

State	VG ARL	Investment (\$000)	VG Plife	Weight
a	b	c	d	e=c*d
Florida	4.0	90,852	6.4	581,453

Table 11

Circuit Digital Composite Plife - 1/1/2000

State	VG ARL	Investment (\$000)	VG Plife	Weight
a	B	c	d	e=c*d
Florida	5.8	2,871,101	8.8	25,265,689

Table 12

Circuit DDS

The pressures of the alternative serving arrangements discussed in the Life Analysis section will serve to shorten the life expectancy of DDS circuit equipment. As integrated services digital network (ISDN) services and digital subscriber line technologies advance, the Circuit DDS account is expected to decline. Increasing customer demand for higher bandwidth and flexibility will further hasten the decline in the life expectancy of the Circuit DDS account. Based on these factors, the Company determines that an 8.0 year life is appropriate for this account.

Curve Shapes

The Company determined curve shapes for each Circuit rate account based on the latest band of data, using the least absolute retirement difference as the selection criteria. A curve based on Company data and the least absolute retirement criteria was used.

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Category: Circuit

Salvage Proposal

Analog Circuit Equipment

Over the past three years, the gross salvage values for the Company have declined. This trend is expected to continue. Only a small amount of the gross salvage for this account is received from the reuse and disposition of Analog Circuit equipment. Due to the demand for equipment automatically compatible with the digital technology, gross salvage for Analog Circuit equipment will become insignificant in the next three years. The Company expects the cost of removal for this account to continue to increase, due to labor intensive removal of hardwired frames and other support equipment, as this account reaches the end of its life cycle. Based on the anticipated decline in salvage value, the increased cost of removing circuit equipment, and recent net salvage amounts, a future net salvage value of 0.0% is selected.

Digital Circuit Equipment

Reuse is a major portion of the gross salvage for the Digital Circuit equipment account. This is primarily due to the accelerated recycling of D-4 channel banks and DSX panel equipment. The reuse demand for this equipment will decline with the increase of digital technology and fiber in the feeder and distribution network. As SONET equipment becomes more prevalent in the network, the gross salvage of Digital Circuit equipment is expected to decline to about 5.0%. On the other hand, cost of removal is expected to increase to about 5.0% with the removal of more asynchronous hardwired equipment. Therefore, a future net value of 0.0% is selected.

Circuit DDS

The future net salvage proposal was developed to reflect an expected decline in gross salvage value over the next three years. Customer demand for DDS is expected to decrease with the availability of several viable alternatives (i.e., ISDN, etc.), causing a decline in the reuse and junk salvage value of DDS circuit equipment. Cost of removal is expected to remain stable. Thus, a future net salvage value of 2.0% is selected.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2232.1100
CATEGORY : CIRCUIT DDS

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Run Date: 3/10/00 11:07
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2232.11
 Category: Circuit Digital Data Service

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	17,476,345	19,105,345
Adjustment	0	0
Study	17,476,345	19,105,345
% Tot. Depr. Plant	0.15	0.16
Depr. Reserve (\$)	5,656,227	6,119,641
(%)	32.4	32.0
Plife/AYFR (Yrs)		
Circuit Digital Data Service	8.0	8.0
Curve		
Circuit Digital Data Service	1995-1997 MORT	1996-1998 MORT
c	1.01000000E+00	1.01000000E+00
G	-8.45658730E+01	-8.45658730E+01
S	8.58800300E-01	8.58800000E-01
Whole Life (yrs)	8.4	7.9
Avg. Net Salv. (%)	5	5
WL Rate (%)	11.3	12.0
Comp. Rem. Life (Yrs)	3.6	4.0
Fut. Net Salv. (%)	2	2
Comp. RL Rate (%)	18.2	16.5
Intrastate Factor (%)	69.65	65.50

@ Estimated Investment and Reserve

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT DIGITAL DATA SERVICE
 CATEGORY: CIRCUIT DIGITAL DATA SERVICE
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT AGE	EXPERIENCE AS OF 1-1-2000%				REMAIN	VINT	AVERAGE	REMAINING
	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE	ING LIFE YEARS	AVG LIFE YEARS	LIFE WEIGHTS	LIFE WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	3,776,099	0.8673	0.43	6.31	6.81	554,803	3,498,697
*1998	1.5	475,814	0.8595	1.42	5.31	6.81	69,909	370,951
1997	2.5	1,134,299	0.8579	2.41	5.50	7.13	159,093	874,808
1996	3.5	1,249,900	0.7438	3.21	4.69	6.70	186,621	875,540
1995	4.5	1,184,172	0.8297	4.33	4.12	7.75	152,858	630,206
1994	5.5	1,195,810	0.8131	5.27	3.66	8.25	144,998	530,319
1993	6.5	1,935,589	0.8212	6.20	3.27	8.89	217,808	712,722
1992	7.5	1,617,487	0.7892	7.08	2.95	9.41	171,916	507,167
1991	8.5	1,525,550	0.6943	7.45	2.68	9.31	163,940	439,032
1990	9.5	1,077,664	0.5402	7.81	2.45	9.13	118,054	288,787
1989	10.5	1,061,864	0.4565	7.92	2.25	8.94	118,761	266,871
1988	11.5	982,520	0.3310	7.89	2.07	8.58	114,568	237,711
1987	12.5	562,162	0.1929	6.76	1.92	7.13	78,846	151,758
1986	13.5	231,263	0.1406	7.24	1.79	7.49	30,888	55,387
1985	14.5	253,436	0.0627	7.28	1.68	7.39	34,318	57,556
1984	15.5	402,921	0.0837	7.58	1.57	7.71	52,242	82,244
1983	16.5	279,922	0.0689	8.29	1.48	8.39	33,374	49,481
1982	17.5	65,741	0.0185	8.48	1.40	8.50	7,732	10,829
1981	18.5	69,932	0.0311	8.73	1.33	8.78	7,969	10,571
1980	19.5	12,208	0.0076	8.64	1.26	8.65	1,412	1,778
1979	20.5	2,447	0.0044	9.08	1.20	9.09	269	322
1978	21.5	6,501	0.0120	10.99	1.14	11.00	591	672
1977	22.5	0	0.0000	7.28				
1976	23.5	637	0.0052	8.74	0.99	8.74	73	72
1975	24.5	1,158	0.0033	9.13	0.85	9.14	127	107
1974/PRIOR		249	0.0121	16.81	0.50	16.84	15	7
TOTAL		19,105,345					2,421,184	9,653,596
NON-ELG V		14,853,432					1,796,472	5,783,948
ELG V		4,251,913					624,712	3,869,648

AVG SERVICE LIFE:	ALL VINTS	NELG VINTS	ELG VINTS
TOT B/TOT G	7.89091	8.26811	6.80620
AVG REMAINING LIFE:	ALL VINTS	NELG VINTS	ELG VINTS
TOT H/TOT G	3.98714	3.21961	6.19429
COMPUTED GROSS ADDS-ALL VINTS:		AVG PROPORTION SURVIVING:	
SUM OF (B/C)	51,189,567	B/ SUM OF (B/C)	0.37323

ORIGINAL: c 1.010000000000 G -8.456587300000E+001 S +8.588003000000E-001
 RESCALED: c 1.013939169011 G -8.456587300000E+001 S +1.194764010770E+000

* ELG VINTAGES, PROJECTION LIFE 8.0
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 % ACTUAL

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT DIGITAL DATA SERVICE
 CATEGORY: CIRCUIT DIGITAL DATA SERVICE
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 8.00

ORIGINAL: C 1.010000000000 RESCALED: C 1.013939169011
 G -8.456587300000E+001 G -8.456587300000E+001
 S +8.588003000000E-001 S +1.194764010770E+000

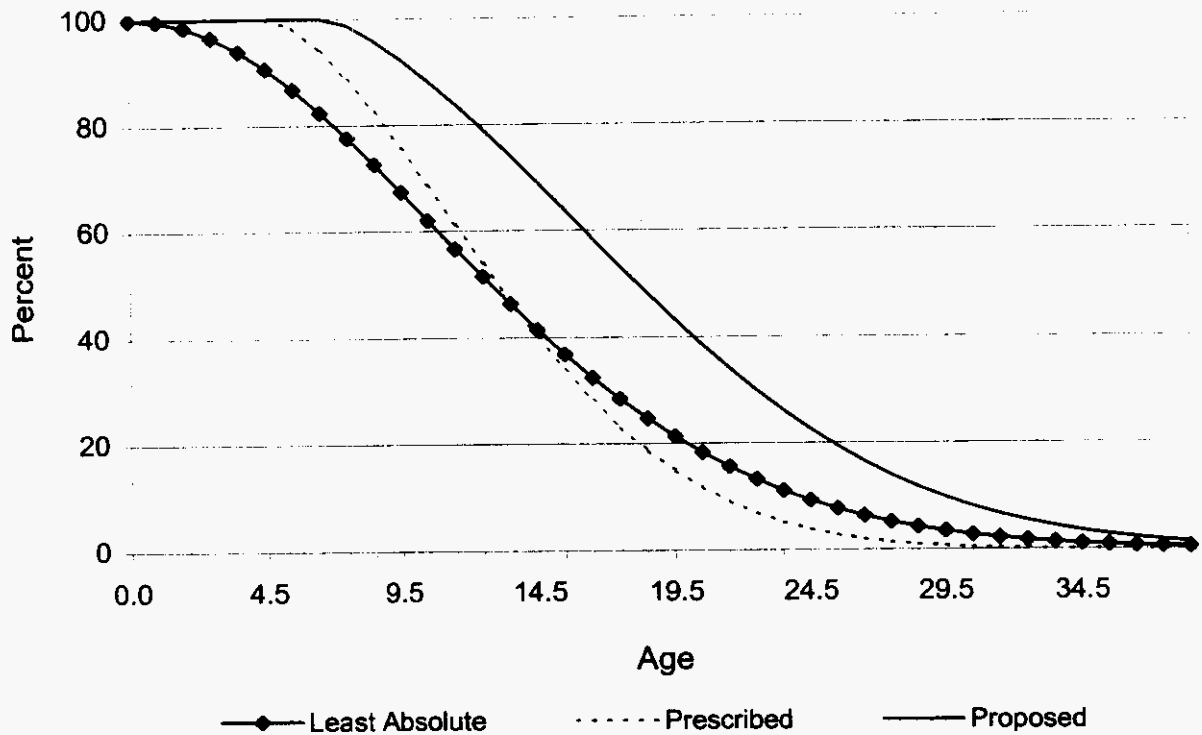
BEGINNING OF YEAR AGE	AMOUNT IN SERVICE	AMOUNT DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIRE	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
				EACH LIFE GROUP	FOR ALL REMAINING GROUPS	SER VICE LIFE	REMAIN ING LIFE	VINT REMAIN. LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	0	0.5	0	14,692	6.81	6.81	8.00
0.5	100,000	0	1.0	0	14,692	6.81	6.31	7.50
1.5	100,000	0	2.0	0	14,692	6.81	5.31	6.50
2.5	100,000	3,714	3.0	1,238	14,692	6.81	4.31	5.50
3.5	96,286	8,983	4.0	2,246	13,454	7.16	3.66	4.69
4.5	87,303	11,227	5.0	2,245	11,209	7.79	3.29	4.12
5.5	76,077	12,399	6.0	2,067	8,963	8.49	2.99	3.66
6.5	63,677	12,511	7.0	1,787	6,897	9.23	2.73	3.27
7.5	51,167	11,720	8.0	1,465	5,110	10.01	2.51	2.95
8.5	39,447	10,285	9.0	1,143	3,645	10.82	2.32	2.68
9.5	29,161	8,502	10.0	850	2,502	11.66	2.16	2.45
10.5	20,660	6,641	11.0	604	1,652	12.51	2.01	2.25
11.5	14,018	4,914	12.0	409	1,048	13.38	1.88	2.07
12.5	9,105	3,448	13.0	265	638	14.26	1.76	1.92
13.5	5,657	2,297	14.0	164	373	15.16	1.66	1.79
14.5	3,360	1,453	15.0	97	209	16.06	1.56	1.68
15.5	1,907	874	16.0	55	112	16.98	1.48	1.57
16.5	1,033	499	17.0	29	58	17.90	1.40	1.48
17.5	534	271	18.0	15	28	18.83	1.33	1.40
18.5	263	140	19.0	7	13	19.77	1.27	1.33
19.5	124	68	20.0	3	6	20.71	1.21	1.26
20.5	55	32	21.0	2	3	21.65	1.15	1.20
21.5	24	14	22.0	1	1	22.60	1.10	1.14
22.5	10	6	23.0	0	0	23.55	1.05	1.07
23.5	4	2	24.0	0	0	24.47	0.97	0.99
24.5	1	1	25.0	0	0	25.34	0.84	0.85
TOTAL		100,000						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2232.1100
CATEGORY : Circuit DDS

Curve Shape Analysis Plot



c = 1.01 G = -84.565873 S = 0.8588

Curves scaled to observed life of 13.75

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT DIGITAL DATA SERVICE
 CATEGORY: CIRCUIT DIGITAL DATA SERVICE
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET SALVAGE PERCENT
		PERCENT	WEIGHT	PERCENT	WEIGHT	
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	32,084#	7.6*	2,450	0.8*	270	6.8
FUTURE	19,105&	5.0**	955	3.0**	573	2.0
TOTAL	51,190		3,405		843	
AVERAGE		6.7		1.6		5.0

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT DIGITAL DATA SERVICE
 CATEGORY: CIRCUIT DIGITAL DATA SERVICE
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE
	DEC. 31				AMOUNT	PERCENT	PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1977	0	0	0	0.0	0	0.0	0.0
1978	848,394	5,133	0	0.0	0	0.0	0.0
1979	1,286,880	61,376	31,935	52.0	3,157	5.1	46.9
1980	2,730,029	72,482	32,896	45.4	1,670	2.3	43.1
1981	4,381,382	192,131	141,424	73.6	1,175	0.6	73.0
1982	8,058,290	480,384	27,804	5.8	15,357	3.2	2.6
1983	11,603,646	179,596	103,618	57.7	14,873	8.3	49.4
1984	14,201,661	1,780,618	1,674,075	94.0	5,256	0.3	93.7
1985	17,994,274	230,682	239,551	103.8	12,158	5.3	98.5
1986	18,661,581	927,431	-370,336	-39.9	3,379	0.4	-40.3
1987	20,462,670	682,069	23,701	3.5	892	0.1	3.4
1988	23,539,793	1,094,031	-87,945	-8.0	683	0.1	-8.1
1989	22,864,141	1,632,649	156,751	9.6	2,778	0.2	9.4
1990	24,763,904	1,379,986	-306,780	-22.2	6	0.0	-22.2
1991	21,857,231	5,056,505	-55,192	-1.1	75,791	1.5	-2.6
1992	21,388,381	2,555,228	303,346	11.9	-22,448	-0.9	12.8
1993	19,564,540	4,294,784	49,485	1.2	21,721	0.5	0.7
1994	16,999,907	3,973,745	113,533	2.9	37,751	1.0	1.9
1995	16,158,921	1,685,466	123,370	7.3	4,235	0.3	7.0
1996	17,050,829	626,743	2,996	0.5	38	0.0	0.5
1997	17,200,521	1,199,208	46,344	3.9	0	0.0	3.9
1998	17,476,345	593,151	18,564	3.1	0	0.0	3.1
1999	19,105,345	2,924,000	146,200	5.0	87,720	3.0	2.0
GRAND TOTAL		31,627,398	2,415,340	7.6	266,192	0.8	6.8
1977-1999#		31,627,398	2,415,340	7.6	266,192	0.8	6.8
1990-1999##		24,288,816	441,866	1.8	204,814	0.8	1.0

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.

BAND OF LAST 10 ACTIVITY YEARS.

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT DIGITAL DATA SERVICE
 CATEGORY: CIRCUIT DIGITAL DATA SERVICE
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET SALVAGE
		AMOUNT	PERCENT	AMOUNT	PERCENT	PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1979	331,122	206,255	62.3	6,002	1.8	60.5
1980	811,506	234,059	28.8	21,359	2.6	26.2
1981	985,969	337,677	34.2	36,232	3.7	30.5
1982	2,705,211	1,979,817	73.2	38,331	1.4	71.8
1983	2,863,411	2,186,472	76.4	48,819	1.7	74.7
1984	3,598,711	1,674,712	46.5	51,023	1.4	45.1
1985	3,800,396	1,670,609	44.0	36,558	1.0	43.0
1986	4,714,831	1,479,046	31.4	22,368	0.5	30.9
1987	4,566,862	-38,278	-0.8	19,890	0.4	-1.2
1988	5,716,166	-584,609	-10.2	7,738	0.1	-10.3
1989	9,845,240	-269,465	-2.7	80,150	0.8	-3.5
1990	11,718,399	10,180	0.1	56,810	0.5	-0.4
1991	14,919,152	147,610	1.0	77,848	0.5	0.5
1992	17,260,248	104,392	0.6	112,821	0.7	-0.1
1993	17,565,728	534,542	3.0	117,050	0.7	2.3
1994	13,135,966	592,730	4.5	41,297	0.3	4.2
1995	11,779,946	335,728	2.8	63,745	0.5	2.3
1996	8,078,313	304,807	3.8	42,024	0.5	3.3
1997	7,028,568	337,474	4.8	91,993	1.3	3.5

• EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/30/00 10:13
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2232.11
 Category: Circuit Digital Data Service

Development of Retirement Ratios – Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ments C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ments G	Retire- ment Ratio H=G/F
1985	17,994,274							
1986	18,661,581	18,327,928	927,431	0.05060				
1987	20,462,670	19,562,126	682,069	0.03487	86-88	59,891,285	2,703,531	0.04514
1988	23,539,793	22,001,232	1,094,031	0.04973	87-89	64,765,324	3,408,749	0.05263
1989	22,864,141	23,201,967	1,632,649	0.07037	88-90	69,017,221	4,106,666	0.05950
1990	24,763,904	23,814,023	1,379,986	0.05795	89-91	70,326,557	8,069,140	0.11474
1991	21,857,231	23,310,568	5,056,505	0.21692	90-92	68,747,396	8,991,719	0.13079
1992	21,388,381	21,622,806	2,555,228	0.11817	91-93	65,409,834	11,906,517	0.18203
1993	19,564,540	20,476,461	4,294,784	0.20974	92-94	60,381,490	10,823,757	0.17926
1994	16,999,907	18,282,224	3,973,745	0.21736	93-95	55,338,098	9,953,995	0.17988
1995	16,158,921	16,579,414	1,685,466	0.10166	94-96	51,466,513	6,285,954	0.12214
1996	17,050,829	16,604,875	626,743	0.03774	95-97	50,309,964	3,511,417	0.06980
1997	17,200,521	17,125,675	1,199,208	0.07002	96-98	51,068,983	2,419,102	0.04737
1998	17,476,345	17,338,433	593,151	0.03421	97-99	52,754,953	4,716,359	0.08940
1999 #	19,105,345	18,290,845	2,924,000	0.15986				

Forecasted Activity

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2232.1000
CATEGORY : CIRCUIT DIGITAL

INDEX

Account Parameter Summary	2
Generation Arrangement	3
Projection Life Table/Remaining Life Development	4
Curve Shape Analysis Plot	5
Average Net Salvage	6
Table A	7
Table B	8
Retirement Ratios	9

Run Date: 3/10/00 11:07
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2232.10
 Category: Circuit Digital

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	2,629,244,355	2,871,101,409
Adjustment	0	0
Study	2,629,244,355	2,871,101,409
% Tot. Depr. Plant	22.39	23.73
Depr. Reserve (\$)	1,389,263,017	1,561,312,361
(%)	52.8	54.4
Plife/AYFR (Yrs)		
Circuit Digital	9.0	9.0
Curve		
Circuit Digital	1995-1997 MORT	1996-1998 MORT
c	1.05000000E+00	1.04000000E+00
G	-3.10654090E-01	-2.91771000E-01
S	9.18477930E-03	4.59400000E-03
Whole Life (yrs)	9.8	9.5
Avg. Net Salv. (%)	2	2
WL Rate (%)	10.0	10.3
Comp. Rem. Life (Yrs)	5.3	5.1
Fut. Net Salv. (%)	0	0
Comp. RL Rate (%)	8.9	8.9
Intrastate Factor (%)	69.65	65.50

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT DIGITAL
 CATEGORY: CIRCUIT DIGITAL
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT AGE	EXPERIENCE AS OF 1-1-2000%				REMAIN ING LIFE YEARS	VINT AVG LIFE YEARS	AVERAGE LIFE WEIGHTS	REMAINING LIFE WEIGHTS
	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE				
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	291,686,298	0.9753	0.49	4.78	5.28	55,247,108	264,062,744
*1998	1.5	261,020,922	0.9732	1.48	5.17	6.67	39,153,939	202,290,014
1997	2.5	276,238,353	0.9700	2.48	7.52	9.77	28,272,773	212,596,704
1996	3.5	196,608,245	0.8915	3.33	6.98	9.55	20,577,052	143,700,458
1995	4.5	186,927,565	0.9220	4.35	6.48	10.33	18,099,070	117,261,355
1994	5.5	177,906,290	0.8943	5.23	6.00	10.60	16,777,728	100,739,195
1993	6.5	180,690,786	0.8806	6.13	5.56	11.03	16,382,083	91,065,147
1992	7.5	186,774,626	0.8644	7.01	5.14	11.46	16,302,102	83,811,848
1991	8.5	189,371,897	0.8513	7.91	4.75	11.96	15,837,898	75,233,457
1990	9.5	177,070,733	0.8060	8.55	4.38	12.09	14,648,969	64,233,169
1989	10.5	147,685,937	0.7504	9.22	4.04	12.25	12,052,259	48,737,516
1988	11.5	138,307,485	0.7032	9.76	3.73	12.38	11,168,870	41,616,932
1987	12.5	108,810,758	0.6402	10.16	3.43	12.36	8,804,513	30,204,931
1986	13.5	94,472,537	0.5446	10.17	3.16	11.89	7,945,760	25,077,911
1985	14.5	78,061,211	0.5067	10.78	2.90	12.25	6,372,252	18,489,874
1984	15.5	49,210,231	0.5087	11.64	2.67	12.99	3,787,827	10,098,394
1983	16.5	36,681,114	0.4919	12.43	2.45	13.64	2,690,028	6,585,912
1982	17.5	23,748,326	0.3878	12.45	2.25	13.32	1,782,605	4,006,199
1981	18.5	27,412,007	0.3969	13.21	2.06	14.03	1,953,448	4,028,759
1980	19.5	12,945,588	0.3143	12.76	1.89	13.35	969,391	1,834,403
1979	20.5	8,113,849	0.3103	13.42	1.74	13.96	581,113	1,008,988
1978	21.5	6,709,353	0.2494	12.91	1.59	13.31	504,061	803,196
1977	22.5	4,239,407	0.2092	13.82	1.46	14.13	300,118	439,050
1976	23.5	4,787,719	0.2251	15.03	1.34	15.33	312,288	419,690
1975	24.5	1,333,169	0.0434	13.01	1.24	13.07	102,021	126,057
1974/PRIOR		4,287,003	0.0309	12.91	0.95	12.94	331,256	315,832
TOTAL		2,871,101,409					300,956,534	1,548,787,733
NON-ELG V		2,318,394,189					206,555,487	1,082,434,976
ELG V		552,707,220					94,401,047	466,352,758

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 9.53992 11.22407 5.85488
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 5.14622 5.24041 4.94012
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 3,835,357,215 B/ SUM OF (B/C) 0.74859

ORIGINAL: c 1.040000000000 G -2.917710000000E-001 S +4.594000000000E-003
 RESCALED: c 1.105486632280 G -2.917710000000E-001 S +1.174665485763E-002

* ELG VINTAGES, PROJECTION LIFE 9.0
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 % ACTUAL

January 1, 2000

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999,PA,01
 PROP: 2000,PA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT DIGITAL
 CATEGORY: CIRCUIT DIGITAL
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 9.00

ORIGINAL: c 1.040000000000 RESCALED: c 1.105486632280
 G -2.917710000000E-001 G -2.917710000000E-001
 S +4.594000000000E-003 S +1.174665485763E-002

BEGINNING OF YEAR ----- AGE	AMOUNT		AGE OF AMOUNT RETIRE	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
	AMOUNT IN SERVICE	DURING YEAR (LIFE GROUP)		EACH LIFE GROUP	FOR ALL REMAINING GROUPS	SER	REMAIN	VINT
						VICE LIFE	ING LIFE	REMAIN. LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	2,080	0.5	4,161	22,707	4.40	4.40	9.00
0.5	97,920	4,539	1.0	4,539	18,547	5.28	4.78	8.69
1.5	93,380	5,026	2.0	2,513	14,007	6.67	5.17	8.09
2.5	88,354	5,479	3.0	1,826	11,494	7.69	5.19	7.52
3.5	82,876	5,882	4.0	1,471	9,668	8.57	5.07	6.98
4.5	76,994	6,220	5.0	1,244	8,198	9.39	4.89	6.48
5.5	70,773	6,477	6.0	1,079	6,954	10.18	4.68	6.00
6.5	64,296	6,637	7.0	948	5,874	10.95	4.45	5.56
7.5	57,659	6,689	8.0	836	4,926	11.71	4.21	5.14
8.5	50,970	6,622	9.0	736	4,090	12.46	3.96	4.75
9.5	44,349	6,432	10.0	643	3,354	13.22	3.72	4.38
10.5	37,916	6,122	11.0	557	2,711	13.99	3.49	4.04
11.5	31,795	5,698	12.0	475	2,154	14.76	3.26	3.73
12.5	26,096	5,179	13.0	398	1,679	15.54	3.04	3.43
13.5	20,918	4,584	14.0	327	1,281	16.33	2.83	3.16
14.5	16,334	3,944	15.0	263	954	17.13	2.63	2.90
15.5	12,390	3,287	16.0	205	691	17.94	2.44	2.67
16.5	9,103	2,648	17.0	156	485	18.76	2.26	2.45
17.5	6,455	2,053	18.0	114	329	19.59	2.09	2.25
18.5	4,402	1,527	19.0	80	215	20.43	1.93	2.06
19.5	2,875	1,085	20.0	54	135	21.29	1.79	1.89
20.5	1,790	733	21.0	35	81	22.15	1.65	1.74
21.5	1,057	468	22.0	21	46	23.02	1.52	1.59
22.5	589	281	23.0	12	25	23.90	1.40	1.46
23.5	307	158	24.0	7	12	24.80	1.30	1.34
24.5	150	82	25.0	3	6	25.70	1.20	1.24
TOTAL		99,933						

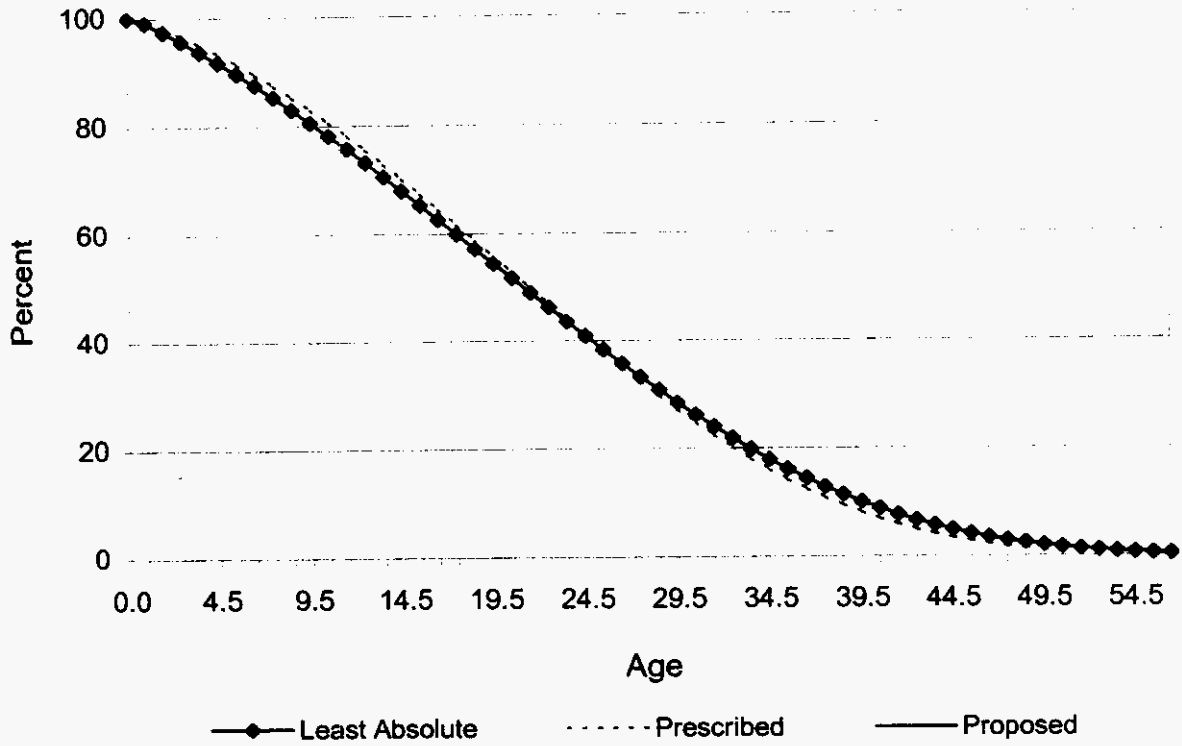
* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

January 1, 2000

COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2232.1200
CATEGORY : Circuit Digital

Curve Shape Analysis Plot



c = 1.04 G = -0.291771 S = 0.004594

Curves scaled to observed life of 21.99

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT DIGITAL
 CATEGORY: CIRCUIT DIGITAL
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	964,256#	10.2*	98,730	2.5*	24,161	7.7
FUTURE	2,871,101&	5.0**	143,555	5.0**	143,555	0.0
TOTAL	3,835,357		242,285		167,716	
AVERAGE		6.3		4.4		1.9

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT DIGITAL
 CATEGORY: CIRCUIT DIGITAL
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE PERCENT
					AMOUNT	PERCENT	
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1988	1,004,815,141	29,357,550	9,971,725	34.0	757,611	2.6	31.4
1989	1,151,027,138	52,280,206	14,859,016	28.4	1,261,538	2.4	26.0
1990	1,313,295,850	54,066,893	-4,044,072	-7.5	1,476,643	2.7	-10.2
1991	1,449,640,047	78,488,605	-1,871,341	-2.4	1,501,516	1.9	-4.3
1992	1,584,901,175	81,128,567	19,373,483	23.9	1,199,318	1.5	22.4
1993	1,700,978,843	85,687,516	9,849,457	11.5	1,394,000	1.6	9.9
1994	1,807,309,097	76,566,383	12,197,941	15.9	2,176,035	2.8	13.1
1995	1,987,505,321	69,824,182	10,591,356	15.2	2,343,335	3.4	11.8
1996	2,166,140,018	52,411,024	-2,491,866	-4.8	1,090,301	2.1	-6.9
1997	2,390,042,089	51,221,793	1,478,350	2.9	1,303,748	2.5	0.4
1998	2,629,243,408	66,832,528	5,349,748	8.0	1,168,331	1.7	6.3
1999	2,871,101,409	72,716,000	3,635,800	5.0	3,635,800	5.0	0.0
GRAND TOTAL		770,581,247	78,899,597	10.2	19,308,176	2.5	7.7
1988-1999#		770,581,247	78,899,597	10.2	19,308,176	2.5	7.7
1990-1999##		688,943,491	54,068,856	7.8	17,289,027	2.5	5.3

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT DIGITAL
 CATEGORY: CIRCUIT DIGITAL
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1990	295,321,821	38,288,811	13.0	6,196,626	2.1	10.9
1991	351,651,787	38,166,543	10.9	6,833,015	1.9	9.0
1992	375,937,964	35,505,468	9.4	7,747,512	2.1	7.3
1993	391,695,253	50,140,896	12.8	8,614,204	2.2	10.6
1994	365,617,672	49,520,371	13.5	8,202,989	2.2	11.3
1995	335,710,898	31,625,238	9.4	8,307,419	2.5	6.9
1996	316,855,910	27,125,529	8.6	8,081,750	2.6	6.0
1997	313,005,527	18,563,388	5.9	9,541,515	3.0	2.9

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/30/00 11:38
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2232.10
 Category: Circuit Digital

Development of Retirement Ratios – Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire-ments C	Retire-ment Ratio D=C/B	Band E	Average Plant Balance F	Retire-ments G	Retire-ment Ratio H=G/F
1988	1,004,815,141							
1989	1,151,027,138	1,077,921,140	52,280,206	0.04850				
1990	1,313,295,850	1,232,161,494	54,066,893	0.04388	89-91	3,691,550,582	184,835,704	0.05007
1991	1,449,640,047	1,381,467,949	78,488,605	0.05682	90-92	4,130,900,054	213,684,065	0.05173
1992	1,584,901,175	1,517,270,611	81,128,567	0.05347	91-93	4,541,678,569	245,304,688	0.05401
1993	1,700,978,843	1,642,940,009	85,687,516	0.05215	92-94	4,914,354,590	243,382,466	0.04952
1994	1,807,309,097	1,754,143,970	76,566,383	0.04365	93-95	5,294,491,188	232,078,081	0.04383
1995	1,987,505,321	1,897,407,209	69,824,182	0.03680	94-96	5,728,373,849	198,801,589	0.03470
1996	2,166,140,018	2,076,822,670	52,411,024	0.02524	95-97	6,252,320,932	173,456,999	0.02774
1997	2,390,042,089	2,278,091,054	51,221,793	0.02248	96-98	6,864,556,472	170,465,345	0.02483
1998	2,629,243,408	2,509,642,749	66,832,528	0.02663	97-99	7,537,906,211	190,770,321	0.02531
1999 #	2,871,101,409	2,750,172,409	72,716,000	0.02644				

Forecasted Activity

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2232.2000
CATEGORY : CIRCUIT ANALOG

INDEX

Account Parameter Summary	2
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Projection Life Table/Remaining Life Development	4
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Average Net Salvage	6
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Retirement Ratios	9

Run Date: 3/13/00 17:03
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2232.20
 Category: Circuit Analog

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	83,477,378	90,852,378
Adjustment	0	0
Study	83,477,378	90,852,378
% Tot. Depr. Plant	0.71	0.75
Depr. Reserve (\$)	88,688,430	43,153,678
(%)	106.2	47.5
Plife/AYFR (Yrs)		
Circuit Analog	7.5	7.5
Curve		
Circuit Analog	C0 1995-97 MORT	C0 1996-98 MORT
c	9.80000000E-01	9.90000000E-01
G	-4.52197650E+00	-1.04001730E+01
S	-1.00201500E-01	-1.18570000E-01
Whole Life (yrs)	9.6	9.2
Avg. Net Salv. (%)	4	8
WL Rate (%)	10.0	10.0
Comp. Rem. Life (Yrs)	4.2	4.3
Fut. Net Salv. (%)	-3	0
Comp. RL Rate (%)	0.0	12.2
Intrastate Factor (%)	69.65	65.50

@ Estimated Investment and Reserve

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT ANALOG
 CATEGORY: CIRCUIT ANALOG
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

EXPERIENCE AS OF 1-1-2000%					REMAIN	VINT	AVERAGE	REMAINING
VINT	AGE	AMOUNT	PROP	REAL	ING	AVG	LIFE	LIFE
AGE	AGE	SURVIVING	SURV	LIFE	LIFE	LIFE	WEIGHTS	WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	6,692,286	0.9452	0.47	3.54	4.04	1,658,349	5,863,112
*1998	1.5	1,794,764	0.9122	1.42	3.98	5.48	327,414	1,303,644
1997	2.5	2,953,426	0.8603	2.30	6.51	7.89	374,216	2,434,504
1996	3.5	2,422,870	0.8112	3.21	6.18	8.22	294,642	1,820,120
1995	4.5	2,621,331	0.7085	3.83	5.88	8.00	327,579	1,926,858
1994	5.5	3,948,452	0.7105	4.94	5.62	8.93	442,205	2,483,187
1993	6.5	4,247,893	0.7039	5.48	5.37	9.27	458,417	2,463,446
1992	7.5	3,093,777	0.6611	5.97	5.15	9.38	329,933	1,700,503
1991	8.5	2,849,167	0.5898	6.83	4.95	9.75	292,097	1,446,951
1990	9.5	2,298,244	0.4712	6.75	4.77	9.00	255,336	1,218,028
1989	10.5	3,277,304	0.6067	8.53	4.60	11.32	289,491	1,332,256
1988	11.5	7,418,229	0.5233	7.92	4.45	10.25	723,755	3,218,758
1987	12.5	7,295,193	0.4689	8.92	4.30	10.94	667,126	2,871,697
1986	13.5	3,765,425	0.4347	9.37	4.17	11.18	336,801	1,405,350
1985	14.5	4,815,832	0.4163	10.14	4.05	11.83	407,159	1,649,157
1984	15.5	5,813,813	0.3779	10.25	3.94	11.73	495,511	1,950,778
1983	16.5	4,589,960	0.2564	9.62	3.83	10.60	432,812	1,658,233
1982	17.5	3,737,791	0.2274	10.42	3.73	11.26	331,828	1,238,666
1981	18.5	4,155,386	0.2055	10.98	3.64	11.73	354,295	1,289,955
1980	19.5	3,174,953	0.1518	10.66	3.55	11.20	283,537	1,007,938
1979	20.5	2,455,871	0.1517	11.48	3.47	12.01	204,550	710,657
1978	21.5	1,791,246	0.1002	10.74	3.40	11.08	161,696	549,532
1977	22.5	1,499,090	0.0920	11.52	3.33	11.82	126,782	421,850
1976	23.5	825,947	0.0533	11.66	3.26	11.83	69,797	227,557
1975	24.5	1,529,171	0.0612	12.52	3.20	12.72	120,233	384,386
1974/PRIOR		1,784,957	0.0083	11.76	3.05	11.83	150,924	459,908
TOTAL		90,852,378					9,916,486	43,037,029
NON-ELG V		82,365,328					7,930,724	35,870,274
ELG V		8,487,050					1,985,762	7,166,755

AVG SERVICE LIFE:	ALL VINTS	NELG VINTS	ELG VINTS
TOT B/TOT G	9.16175	10.38560	4.27395
AVG REMAINING LIFE:	ALL VINTS	NELG VINTS	ELG VINTS
TOT H/TOT G	4.33995	4.52295	3.60907
COMPUTED GROSS ADDS-ALL VINTS:		AVG PROPORTION SURVIVING:	
SUM OF (B/C)	498,330,457	B/ SUM OF (B/C)	0.18231

ORIGINAL: c 0.990000000000 G -1.040017300000E+001 S -1.185700000000E-001
 RESCALED: c 0.977988895926 G -1.040017300000E+001 S -2.625790944687E-001

* ELG VINTAGES, PROJECTION LIFE 7.5
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 % ACTUAL

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT ANALOG
 CATEGORY: CIRCUIT ANALOG
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 7.50

ORIGINAL: C 0.990000000000 RESCALED: C 0.977988895926
 G -1.040017300000E+001 G -1.040017300000E+001
 S -1.185700000000E-001 S -2.625790944687E-001

BEGINNING OF YEAR AGE	AMOUNT IN SERVICE	AMOUNT RETIRE DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIRE D	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
				EACH LIFE GROUP	FOR ALL REMAINING GROUPS	SER VICE LIFE	REMAIN ING LIFE	VINT REMAIN. LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	3,660	0.5	7,320	31,193	3.21	3.21	7.50
0.5	96,340	7,703	1.0	7,703	23,873	4.04	3.54	7.28
1.5	88,637	8,018	2.0	4,009	16,170	5.48	3.98	6.87
2.5	80,619	8,111	3.0	2,704	12,161	6.63	4.13	6.51
3.5	72,508	8,006	4.0	2,002	9,457	7.67	4.17	6.18
4.5	64,502	7,735	5.0	1,547	7,456	8.65	4.15	5.88
5.5	56,767	7,329	6.0	1,222	5,909	9.61	4.11	5.62
6.5	49,438	6,823	7.0	975	4,687	10.55	4.05	5.37
7.5	42,615	6,248	8.0	781	3,713	11.48	3.98	5.15
8.5	36,367	5,635	9.0	626	2,932	12.41	3.91	4.95
9.5	30,732	5,010	10.0	501	2,305	13.33	3.83	4.77
10.5	25,722	4,395	11.0	400	1,804	14.25	3.75	4.60
11.5	21,328	3,805	12.0	317	1,405	15.18	3.68	4.45
12.5	17,522	3,255	13.0	250	1,088	16.11	3.61	4.30
13.5	14,267	2,752	14.0	197	837	17.04	3.54	4.17
14.5	11,515	2,301	15.0	153	641	17.97	3.47	4.05
15.5	9,214	1,903	16.0	119	487	18.90	3.40	3.94
16.5	7,311	1,557	17.0	92	369	19.84	3.34	3.83
17.5	5,754	1,262	18.0	70	277	20.78	3.28	3.73
18.5	4,492	1,013	19.0	53	207	21.72	3.22	3.64
19.5	3,480	805	20.0	40	154	22.66	3.16	3.55
20.5	2,675	634	21.0	30	113	23.61	3.11	3.47
21.5	2,041	495	22.0	23	83	24.56	3.06	3.40
22.5	1,545	383	23.0	17	61	25.51	3.01	3.33
23.5	1,162	294	24.0	12	44	26.46	2.96	3.26
24.5	868	224	25.0	9	32	27.42	2.92	3.20
TOTAL		99,357						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

January 1, 2000

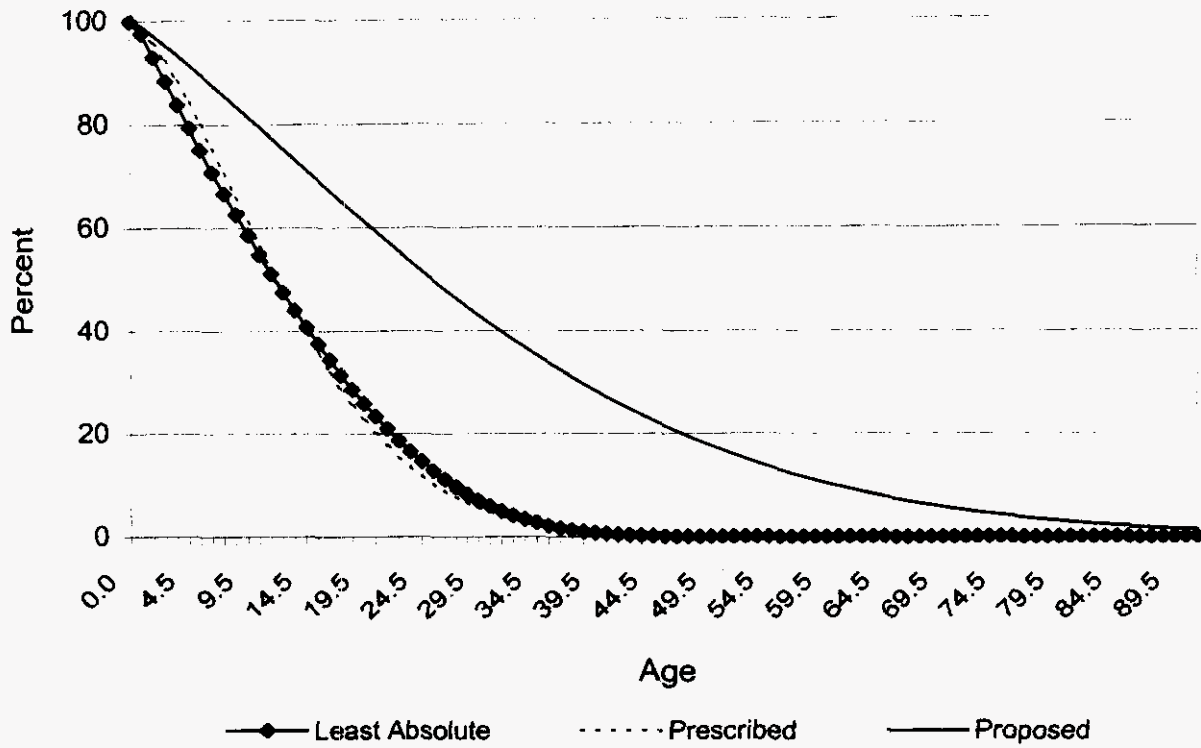
229

4

002847

COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2232.2000
CATEGORY : Circuit Analog

Curve Shape Analysis Plot



c = 0.99 G = -10.400173 S = -0.11857

Curves scaled to observed life of 13.46

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT ANALOG
 CATEGORY: CIRCUIT ANALOG
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET SALVAGE PERCENT
		PERCENT	WEIGHT	PERCENT	WEIGHT	
	A	B	$C = (A \times B) / 100$	D	$E = (A \times D) / 100$	$F = (B - D)$
PAST	407,478#	18.2*	74,296	8.6*	34,903	9.6
FUTURE	90,852&	6.0**	5,451	6.0**	5,451	0.0
TOTAL	498,330		79,747		40,354	
AVERAGE		16.0		8.1		7.9

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT ANALOG
 CATEGORY: CIRCUIT ANALOG
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE
	DEC. 31				AMOUNT	PERCENT	PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1988	250,875,766	23,306,240	11,534,305	49.5	2,228,046	9.6	39.9
1989	224,589,459	32,464,331	17,253,357	53.1	2,291,414	7.1	46.0
1990	208,433,630	20,299,472	-2,772,137	-13.7	2,246,002	11.1	-24.8
1991	180,559,816	33,292,268	1,630,296	4.9	1,221,015	3.7	1.2
1992	172,517,253	13,645,659	2,691,104	19.7	1,358,594	10.0	9.7
1993	163,343,650	13,034,186	449,541	3.4	1,524,579	11.7	-8.3
1994	155,670,333	11,830,857	381,145	3.2	1,701,158	14.4	-11.2
1995	90,334,485	8,293,150	350,386	4.2	1,746,259	21.1	-16.9
1996	89,805,281	5,236,565	28,381	0.5	370,969	7.1	-6.6
1997	87,289,863	6,391,122	306,596	4.8	271,576	4.2	0.6
1998	83,477,378	6,936,404	860,348	12.4	194,716	2.8	9.6
1999	90,852,378	5,264,000	105,280	2.0	263,200	5.0	-3.0
GRAND TOTAL		179,994,254	32,818,602	18.2	15,417,528	8.6	9.6
1988-1999#		179,994,254	32,818,602	18.2	15,417,528	8.6	9.6
1990-1999##		124,223,683	4,030,940	3.2	10,898,068	8.8	-5.6

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/13/00
 02:26 PM
 XREF: 99
 PRES: 1999, PA, 01
 PROP: 2000, PA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CIRCUIT ANALOG
 CATEGORY: CIRCUIT ANALOG
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1990	123,007,970	30,336,925	24.7	9,345,071	7.6	17.1
1991	112,735,916	19,252,161	17.1	8,641,604	7.7	9.4
1992	92,102,442	2,379,949	2.6	8,051,348	8.7	-6.1
1993	80,096,120	5,502,472	6.9	7,551,605	9.4	-2.5
1994	52,040,417	3,900,557	7.5	6,701,559	12.9	-5.4
1995	44,785,880	1,516,049	3.4	5,614,541	12.5	-9.1
1996	38,688,098	1,926,856	5.0	4,284,678	11.1	-6.1
1997	32,121,241	1,650,991	5.1	2,846,720	8.9	-3.8

• EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/30/00 10:38
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2232.20
 Category: Circuit Analog

Development of Retirement Ratios – Total Retirements

<u>End Of Year</u>	<u>Plant Balance</u> A	<u>Average Plant Balance</u> B=(A + prev A)/2	<u>Retire-ments</u> C	<u>Retire-ment Ratio</u> D=C/B	<u>Band</u> E	<u>Average Plant Balance</u> F	<u>Retire-ments</u> G	<u>Retire-ment Ratio</u> H=G/F
1988	250,875,766							
1989	224,589,459	237,732,613	32,464,331	0.13656				
1990	208,433,630	216,511,545	20,299,472	0.09376	89-91	648,740,880	86,056,071	0.13265
1991	180,559,816	194,496,723	33,292,268	0.17117	90-92	587,546,802	67,237,399	0.11444
1992	172,517,253	176,538,535	13,645,659	0.07730	91-93	538,965,709	59,972,113	0.11127
1993	163,343,650	167,930,452	13,034,186	0.07762	92-94	503,975,978	38,510,702	0.07641
1994	155,670,333	159,506,992	11,830,857	0.07417	93-95	450,439,852	33,158,193	0.07361
1995	90,334,485	123,002,409	8,293,150	0.06742	94-96	372,579,284	25,360,572	0.06807
1996	89,805,281	90,069,883	5,236,565	0.05814	95-97	301,619,864	19,920,837	0.06605
1997	87,289,863	88,547,572	6,391,122	0.07218	96-98	264,001,076	18,564,091	0.07032
1998	83,477,378	85,383,621	6,936,404	0.08124	97-99	261,096,071	18,591,526	0.07121
1999 #	90,852,378	87,164,878	5,264,000	0.06039				

Forecasted Activity

LARGE PBX

235

002853

Company : BellSouth Telecommunications
 State : Florida
 Account : 2341
 Category : Large PBX

Account Description

Large PBX includes investment associated with the installation of multiple manual private branch exchanges and of dial system private branch exchanges of types designed to accommodate 100 or more lines or which can normally be expanded to 100 or more lines, installed for customers' use. This account also includes investment for other large installations of station equipment: (a) which do not constitute stations, (b) which require special or individualized treatment because of their complexity, special design, or other distinctive characteristics, and (c) for which individual or other specialized cost records are appropriate.

Account 2341 consist of 911 equipment installed at a Public Safety Answering Point (PSAP), 911 peripheral equipment installed in support of PSAP (e.g., monitors, printers, displays & modems), and 911 direct material costs related to PSAP peripheral equipment. Additionally, PBXs are also being used as switching devices or network controllers to insure proper delivery of data.

Investment and Reserve Statistics

The estimated 1/1/00 investment and reserve in the Large PBX account are shown in Table 1. Investment and reserve in Account 2311 Station Apparatus have been reclassified to Large PBX. The equipment in this account consist of telephone sets used to monitor E911 equipment and calls.

Investment and Reserve Statistics

	Invest.	Res.	Res.
	(\$M)	(\$M)	(%)
Florida	15.4	6.5	42.4

Table 1

Projection Life

The Company is selecting a six-year projection life, based on analysis of historical data and future expectations for this account. The Company is maintaining the curve shape currently utilized in this account.

Company : BellSouth Telecommunications
State : Company
Account : 2341
Category : Large PBX

Future Net Salvage

The Company is selecting a 5% future net salvage, based on the increasing trends exhibited in historical data and future salvage expectations in the Large PBX account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2341.0000
CATEGORY : LARGE PBX

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January 1, 2000

Run Date: 3/21/00 13:05
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2341.00
 Category: Large PBX

Account Parameter Summary

ELG Start Year: 0

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	13,190,977	15,361,337
Adjustment	0	0
Study	13,190,977	15,361,337
% Tot. Depr. Plant	0.11	0.13
Depr. Reserve (\$)	4,816,387	6,514,686
(%)	36.5	42.4
Plife/AYFR (Yrs)		
Large PBX	6.0	6.0
Curve		
Large PBX	BELL #3.0	BELL #3.0
c	1.18428730E+00	1.18428700E+00
G	-1.01449700E-01	-1.01450000E-01
S	1.55765450E-02	1.55770000E-02
Whole Life (yrs)	6.7	6.6
Avg. Net Salv. (%)	9	11
WL Rate (%)	13.6	13.5
Comp. Rem. Life (Yrs)	3.5	3.4
Fut. Net Salv. (%)	0	5
Comp. RL Rate (%)	18.1	15.5
Intrastate Factor (%)	75.11	75.00

@ Estimated Investment and Reserve

02/23/00
 10:51 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2341
 CATEGORY: LARGE PBX
 TABLE 1-VG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

		EXPERIENCE AS OF 1-1-2000%			REMAIN	VINT	AVERAGE	REMAINING
VINT	AGE	AMOUNT	PROP	REAL	ING	AVG	LIFE	LIFE
AGE	AGE	SURVIVING	SURV	LIFE	LIFE	LIFE	WEIGHTS	WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
1999	0.5	2,443,364	0.9450	0.47	5.53	5.70	428,588	2,371,269
1998	1.5	2,054,504	0.9417	1.47	4.67	5.87	350,038	1,636,307
1997	2.5	2,235,294	0.9268	2.44	3.92	6.07	368,467	1,443,122
1996	3.5	1,150,727	0.9038	3.38	3.25	6.32	182,021	592,263
1995	4.5	1,820,049	0.8842	4.33	2.68	6.71	271,430	727,752
1994	5.5	1,650,923	0.8488	5.20	2.19	7.07	233,654	512,353
1993	6.5	945,630	0.7558	5.72	1.78	7.07	133,830	238,522
1992	7.5	758,743	0.7140	6.57	1.44	7.60	99,846	144,071
1991	8.5	576,754	0.6341	7.13	1.17	7.87	73,296	85,606
1990	9.5	16,534	0.0317	5.74	0.95	5.77	2,867	2,726
1989	10.5	718,242	0.6786	9.82	0.78	10.36	69,357	54,428
1988	11.5	615,998	0.3896	8.69	0.66	8.95	68,852	45,735
1987	12.5	216	0.0003	5.55	0.58	5.55	39	23
1986	13.5	23,395	0.0332	6.62	0.53	6.64	3,526	1,885
1985	14.5	0	0.0000	6.90				
1984	15.5	0	0.0000	7.33				
1983	16.5	149,532	0.1225	10.34	0.50	10.40	14,375	7,188
1982	17.5	116,394	0.1202	11.21	0.50	11.27	10,331	5,165
1981	18.5	85,038	0.0809	10.95	0.50	10.99	7,741	3,870
TOTAL		15,361,337					2,318,256	7,872,285

AVG SERVICE LIFE: ALL VINTS
 TOT B/TOT G 6.62625
 AVG REMAINING LIFE: ALL VINTS
 TOT H/TOT G 3.39578
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 23,404,422 B/ SUM OF (B/C) 0.65634

ORIGINAL: c 1.184287000000 G -1.014500000000E-001 S +1.557700000000E-002
 RESCALED: c 1.325650418212 G -1.014500000000E-001 S +2.596182425045E-002
 ++ FROM TABLE 2-VG, PROJECTION LIFE 6.0
 % ACTUAL

02/23/00
 10:51 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2341
 CATEGORY: LARGE PBX
 TABLE 2-VG

PROJECTION LIFE TABLE
 DEVELOPMENT OF VINTAGE GROUP REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 6.0

ORIGINAL: c 1.184287000000 RESCALED: c 1.325650418212
 G -1.014500000000E-001 G -1.014500000000E-001
 S +1.557700000000E-002 S +2.596182425045E-002

AGE YEARS	PROPORTION SURVIVING	REMAINING LIFE OF SURVIVORS	AGE YEARS	PROPORTION SURVIVING	REMAINING LIFE OF SURVIVORS
A	B	C*	A	B	C*
0.5	0.99455	5.53	13.5	0.00008	0.53
1.5	0.96727	4.67	14.5	0.00000	0.50
2.5	0.91429	3.92	15.5	0.00000	0.50
3.5	0.83215	3.25	16.5	0.00000	0.50
4.5	0.72036	2.68	17.5	0.00000	0.50
5.5	0.58350	2.19	18.5	0.00000	0.50
6.5	0.43279	1.78	19.5	0.00000	0.50
7.5	0.28562	1.44	20.5	0.00000	0.50
8.5	0.16147	1.17	21.5	0.00000	0.50
9.5	0.07435	0.95	22.5	0.00000	0.50
10.5	0.02608	0.78	23.5	0.00000	0.50
11.5	0.00638	0.66	24.5	0.00000	0.50
12.5	0.00097	0.58	25.5	0.00000	0.50

				5.99984	

* C = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

02/28/00
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 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2341.0000
 CATEGORY: LARGE PBX
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	8,043#	24.0*	1,928	2.3*	184	21.7
FUTURE	15,361&	10.0**	1,536	5.0**	768	5.0
TOTAL	23,404		3,465		952	
AVERAGE		14.8		4.1		10.7

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

02/28/00
 07:21 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2341.0000
 CATEGORY: LARGE PBX
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN	PLANT	GROSS	SALVAGE*	COST OF REMOVAL*		NET
	SERVICE				RETIREMENT*	AMOUNT	PERCENT
	DEC. 31		AMOUNT	PERCENT	AMOUNT	PERCENT	PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1988	3,995,189	449,872	-20,101	-4.5	-68	0.0	-4.5
1989	5,239,578	244,727	173,725	71.0	-25,434	-10.4	81.4
1990	5,560,954	116,287	0	0.0	213	0.2	-0.2
1991	6,040,660	195,514	183,814	94.0	6,736	3.4	90.6
1992	6,779,113	522,546	95,528	18.3	1,634	0.3	18.0
1993	7,386,374	1,367,479	635,852	46.5	8,909	0.7	45.8
1994	7,714,820	1,835,510	358,257	19.5	22,571	1.2	18.3
1995	8,780,325	16,602	251,769	1516.5	45,188	272.2	1244.3
1996	9,924,919	483,033	-78,538	-16.3	32,804	6.8	-23.1
1997	11,576,464	1,818,500	58,917	3.2	7,577	0.4	2.8
1998	13,190,977	498,302	311,940	62.6	48,600	9.8	52.8
1999	15,361,337	894,000	53,014	5.9	44,700	5.0	0.9
GRAND TOTAL		8,442,372	2,024,177	24.0	193,430	2.3	21.7
1988-1999#		8,442,372	2,024,177	24.0	193,430	2.3	21.7
1990-1999##		7,747,773	1,870,553	24.1	218,932	2.8	21.3

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

02/28/00
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 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2341.0000
 CATEGORY: LARGE PBX
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET
				AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1990	1,528,946	432,966	28.3	-16,919	-1.1	29.4
1991	2,446,553	1,088,919	44.5	-7,942	-0.3	44.8
1992	4,037,336	1,273,451	31.5	40,063	1.0	30.5
1993	3,937,651	1,525,220	38.7	85,038	2.2	36.5
1994	4,225,170	1,262,868	29.9	111,106	2.6	27.3
1995	5,521,124	1,226,257	22.2	117,049	2.1	20.1
1996	4,651,947	902,345	19.4	156,740	3.4	16.0
1997	3,710,437	597,102	16.1	178,869	4.8	11.3

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/14/00 7:18
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2341.00
 Category: Large PBX

Development of Retirement Ratios – Total Retirements

<u>End Of Year</u>	<u>Plant Balance</u> A	<u>Average Plant Balance</u> B=(A + prev A)/2	<u>Retire-ments</u> C	<u>Retire-ment Ratio</u> D=C/B	<u>Band</u> E	<u>Average Plant Balance</u> F	<u>Retire-ments</u> G	<u>Retire-ment Ratio</u> H=G/F
1988	3,995,189							
1989	5,239,578	4,617,384	244,727	0.05300				
1990	5,560,954	5,400,266	116,287	0.02153	89-91	15,818,457	556,528	0.03518
1991	6,040,660	5,800,807	195,514	0.03370	90-92	17,610,960	834,347	0.04738
1992	6,779,113	6,409,887	522,546	0.08152	91-93	19,293,437	2,085,539	0.10810
1993	7,386,374	7,082,744	1,367,479	0.19307	92-94	21,043,227	3,725,535	0.17704
1994	7,714,820	7,550,597	1,835,510	0.24309	93-95	22,880,913	3,219,591	0.14071
1995	8,780,325	8,247,573	16,602	0.00201	94-96	25,150,792	2,335,145	0.09285
1996	9,924,919	9,352,622	483,033	0.05165	95-97	28,350,886	2,318,135	0.08177
1997	11,576,464	10,750,692	1,818,500	0.16915	96-98	32,487,034	2,799,835	0.08618
1998	13,190,977	12,383,721	498,302	0.04024	97-99	37,410,569	3,210,802	0.08583
1999 #	15,361,337	14,276,157	894,000	0.06262				

Forecasted Activity

Company : BellSouth Telecommunications
 State : Florida
 Account : 2362
 Category : Other Terminal Equipment

Account Description

The Other Terminal Equipment account consists of investment in Other Non-Customer Premise Equipment not specifically provided for elsewhere. This account also includes items such as specialized communications equipment provided to meet the needs of the disabled, over-voltage protection equipment, and multiplexing equipment to deliver multiple channels to customers. Also included is investment associated with digital Non-CPE terminating equipment, Analog Non-CPE terminating equipment, subscriber pair gain devices located on customers' premises, devices used to provide service to the handicapped or disabled, and over-voltage protection systems.

Investment and Reserve Statistics

The actual 1/1/00 investment and reserve in the Other Terminal Equipment account are shown in Table 1. The investment and associated reserve in Other Terminal Equipment has decreased partially due to a past reclassification of Pair Gain equipment to Circuit Digital Pair Gain.

Investment and Reserve Statistics

	Invest. (\$M)	Res. (\$M)	Res. (%)
Florida	117.5	94.7	80.6

Table 1

Projection Life

The projection life of 6 years is recommended for Other Terminal Equipment based on analysis of historical data and future expectations for this account. The Company expects that the current curve shape will continue to be appropriate.

Future Net Salvage

The Company feels that a future net salvage of 5% is reflective of salvage activity in this account. Although 1996 has an unusually high net salvage percent, the 1998 net salvage percent shows a negative number, which significantly reduces the net salvage percent. Exclusion of the 1996 abnormality yields a net salvage percent that is indicative of the historical salvage experienced in this account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2362.0000
CATEGORY : OTHER TERMINAL EQUIPMENT

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January 1, 2000

Run Date: 3/13/00 11:34
Report: RATESUMM

Company: BellSouth Telecommunications
State: Florida
Account: 2362.00
Category: Other Terminal Equipment

Account Parameter Summary

ELG Start Year: 0

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	112,438,753	116,795,753
Adjustment	0	0
Study	112,438,753	116,795,753
% Tot. Depr. Plant	0.96	0.97
Depr. Reserve (\$)	86,862,304	95,003,640
(%)	77.3	81.3
Plife/AYFR (Yrs)		
Other Terminal Equipment	6.0	6.0
Curve		
Other Terminal Equipment	BELL #3	BELL #3
c	1.18428730E+00	1.18428700E+00
G	-1.01449700E-01	-1.01450000E-01
S	1.55765450E-02	1.55770000E-02
Whole Life (yrs)	8.7	8.9
Avg. Net Salv. (%)	10	9
WL Rate (%)	10.3	10.2
Comp. Rem. Life (Yrs)	2.0	1.9
Fut. Net Salv. (%)	5	5
Comp. RL Rate (%)	8.9	7.2
Intrastate Factor (%)	75.11	75.00

@ Estimated Investment and Reserve

02/23/00
 10:51 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2362
 CATEGORY: OTHER TERMINAL EQUIPMENT
 TABLE 1-VG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

EXPERIENCE AS OF 1-1-2000%					REMAIN	VINT	AVERAGE	REMAINING
VINT	AGE	AMOUNT	PROP	REAL	ING	AVG	LIFE	LIFE
AGE	AGE	SURVIVING	SURV	LIFE	LIFE	LIFE	WEIGHTS	WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
1999	0.5	5,592,714	0.9991	0.50	5.53	6.03	927,899	5,133,834
1998	1.5	4,511,319	0.9962	1.50	4.67	6.15	733,057	3,426,789
1997	2.5	3,330,744	0.9920	2.49	3.92	6.38	522,365	2,045,873
1996	3.5	7,442,277	0.9871	3.48	3.25	6.69	1,111,900	3,617,924
1995	4.5	6,259,517	0.9813	4.47	2.68	7.10	881,836	2,364,361
1994	5.5	5,918,098	0.9730	5.44	2.19	7.57	781,528	1,713,722
1993	6.5	4,449,986	0.9607	6.39	1.78	8.10	549,487	979,334
1992	7.5	6,516,332	0.9458	7.31	1.44	8.68	750,959	1,083,580
1991	8.5	8,038,569	0.9220	8.17	1.17	9.24	869,548	1,015,588
1990	9.5	9,823,621	0.9069	9.09	0.95	9.95	987,578	938,857
1989	10.5	7,153,853	0.7230	8.34	0.78	8.91	803,063	630,207
1988	11.5	11,331,435	0.8366	10.58	0.66	11.14	1,017,405	675,823
1987	12.5	6,108,877	0.7585	10.70	0.58	11.14	548,326	319,814
1986	13.5	6,479,310	0.7418	11.67	0.53	12.06	537,097	287,203
1985	14.5	5,843,479	0.6874	12.05	0.50	12.39	471,611	235,805
1984	15.5	5,300,274	0.6200	12.25	0.50	12.56	422,014	211,007
1983	16.5	4,232,510	0.4807	10.96	0.50	11.20	377,860	188,930
1982	17.5	2,876,248	0.4603	11.64	0.50	11.87	242,401	121,200
1981	18.5	2,363,669	0.3638	10.82	0.50	11.00	214,865	107,432
1980	19.5	1,078,701	0.3413	11.30	0.50	11.47	94,039	47,019
1979	20.5	690,791	0.1979	8.99	0.50	9.09	75,991	37,996
1978	21.5	473,845	0.1963	9.83	0.50	9.93	47,735	23,867
1977	22.5	316,815	0.1577	9.67	0.50	9.75	32,506	16,253
1976	23.5	201,726	0.1145	9.45	0.50	9.51	21,216	10,608
1975	24.5	166,773	0.0727	8.63	0.50	8.67	19,240	9,620
1974/PRIOR		294,270	0.0104	7.78	0.50	7.79	37,758	18,879
TOTAL		116,795,753					13,079,282	25,261,527

AVG SERVICE LIFE: ALL VINTS
 TOT B/TOT G 8.92983
 AVG REMAINING LIFE: ALL VINTS
 TOT H/TOT G 1.93142
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 186,894,337 B/ SUM OF (B/C) 0.62493

ORIGINAL: c 1.184287000000 G -1.014500000000E-001 S +1.557700000000E-002
 RESCALED: c 1.325650418212 G -1.014500000000E-001 S +2.596182425045E-002
 ++ FROM TABLE 2-VG, PROJECTION LIFE 6.0
 % ACTUAL

02/23/00
 10:51 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2362
 CATEGORY: OTHER TERMINAL EQUIPMENT
 TABLE 2-VG

PROJECTION LIFE TABLE
 DEVELOPMENT OF VINTAGE GROUP REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 6.0

ORIGINAL: c 1.184287000000 RESCALED: c 1.325650418212
 G -1.014500000000E-001 G -1.014500000000E-001
 S +1.557700000000E-002 S +2.596182425045E-002

AGE YEARS	PROPORTION SURVIVING	REMAINING LIFE OF SURVIVORS	AGE YEARS	PROPORTION SURVIVING	REMAINING LIFE OF SURVIVORS
A	B	C*	A	B	C*
0.5	0.99455	5.53	13.5	0.00008	0.53
1.5	0.96727	4.67	14.5	0.00000	0.50
2.5	0.91429	3.92	15.5	0.00000	0.50
3.5	0.83215	3.25	16.5	0.00000	0.50
4.5	0.72036	2.68	17.5	0.00000	0.50
5.5	0.58350	2.19	18.5	0.00000	0.50
6.5	0.43279	1.78	19.5	0.00000	0.50
7.5	0.28562	1.44	20.5	0.00000	0.50
8.5	0.16147	1.17	21.5	0.00000	0.50
9.5	0.07435	0.95	22.5	0.00000	0.50
10.5	0.02608	0.78	23.5	0.00000	0.50
11.5	0.00638	0.66	24.5	0.00000	0.50
12.5	0.00097	0.58	25.5	0.00000	0.50

				5.99984	

* C = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

02/28/00
 07:21 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2362.0000
 CATEGORY: OTHER TERMINAL EQUIPMENT
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	$C = (A \times B) / 100$	D	$E = (A \times D) / 100$	$F = (B - D)$
PAST	70,099#	24.3*	17,041	7.9*	5,518	16.4
FUTURE	116,796&	10.0**	11,680	5.0**	5,840	5.0
TOTAL AVERAGE	186,894	15.4	28,721	6.1	11,358	9.3

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES

* FROM TABLE A

& TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT

** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

02/28/00
 07:21 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2362.0000
 CATEGORY: OTHER TERMINAL EQUIPMENT
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS AMOUNT	SALVAGE* PERCENT	COST OF REMOVAL*		NET SALVAGE PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1988	68,325,424	1,438,974	352,443	24.5	44,050	3.1	21.4
1989	77,192,631	1,266,241	473,846	37.4	60,010	4.7	32.7
1990	83,663,649	2,243,642	727,813	32.4	65,089	2.9	29.5
1991	89,658,780	2,868,554	1,177,455	41.0	147,835	5.2	35.8
1992	91,123,989	4,950,636	269,591	5.4	137,868	2.8	2.6
1993	93,957,310	2,788,443	398,569	14.3	179,582	6.4	7.9
1994	94,166,379	2,773,367	598,193	21.6	226,934	8.2	13.4
1995	99,205,050	1,196,846	546,705	45.7	287,773	24.0	21.7
1996	105,660,054	692,019	658,921	95.2	189,326	27.4	67.8
1997	107,882,501	1,276,050	509,589	39.9	187,918	14.7	25.2
1998	112,438,753	1,411,459	165,673	11.7	338,952	24.0	-12.3
1999	116,795,753	2,168,000	216,800	10.0	108,400	5.0	5.0
GRAND TOTAL		25,074,231	6,095,598	24.3	1,973,737	7.9	16.4
1988-1999#		25,074,231	6,095,598	24.3	1,973,737	7.9	16.4
1990-1999##		22,369,016	5,269,309	23.6	1,869,677	8.4	15.2

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

02/28/00
 07:21 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2362.0000
 CATEGORY: OTHER TERMINAL EQUIPMENT
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1990	12,768,047	3,001,148	23.5	454,852	3.6	19.9
1991	14,117,516	3,047,274	21.6	590,384	4.2	17.4
1992	15,624,642	3,171,621	20.3	757,308	4.8	15.5
1993	14,577,846	2,990,513	20.5	979,992	6.7	13.8
1994	12,401,311	2,471,979	19.9	1,021,483	8.2	11.7
1995	8,726,725	2,711,977	31.1	1,071,533	12.3	18.8
1996	7,349,741	2,479,081	33.7	1,230,903	16.7	17.0
1997	6,744,374	2,097,688	31.1	1,112,369	16.5	14.6

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/14/00 7:19
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2362.00
 Category: Other Terminal Equipment

Development of Retirement Ratios - Total Retirements

<u>End Of Year</u>	<u>Plant Balance</u> A	<u>Average Plant Balance</u> B=(A + prev A)/2	<u>Retire-ments</u> C	<u>Retire-ment Ratio</u> D=C/B	<u>Band</u> E	<u>Average Plant Balance</u> F	<u>Retire-ments</u> G	<u>Retire-ment Ratio</u> H=G/F
1988	68,325,424							
1989	77,192,631	72,759,028	1,266,241	0.01740				
1990	83,663,649	80,428,140	2,243,642	0.02790	89-91	239,848,382	6,378,437	0.02659
1991	89,658,780	86,661,215	2,868,554	0.03310	90-92	257,480,739	10,062,832	0.03908
1992	91,123,989	90,391,385	4,950,636	0.05477	91-93	269,593,249	10,607,633	0.03935
1993	93,957,310	92,540,650	2,788,443	0.03013	92-94	276,993,879	10,512,446	0.03795
1994	94,166,379	94,061,845	2,773,367	0.02948	93-95	283,288,209	6,758,656	0.02386
1995	99,205,050	96,685,715	1,196,846	0.01238	94-96	293,180,111	4,662,232	0.01590
1996	105,660,054	102,432,552	692,019	0.00676	95-97	305,889,544	3,164,915	0.01035
1997	107,882,501	106,771,278	1,276,050	0.01195	96-98	319,364,457	3,379,528	0.01058
1998	112,438,753	110,160,627	1,411,459	0.01281	97-99	331,549,158	4,855,509	0.01464
1999 #	116,795,753	114,617,253	2,168,000	0.01892				

Forecasted Activity

256

002874

POLES

Company : BellSouth Telecommunications
 State : Company
 Account : 2411
 Category : Poles

Account Description

The Poles account consists of investment in poles, anchors, guys and other related items required as supporting structure for aerial cable and wire facilities.

Investment and Reserve Statistics

The estimated 1/1/00 investment and reserve in the Pole account are shown in Table 1.

Investment and Reserve Statistics

	Invest.	Res.	Res.
	<u>(\$M)</u>	<u>(\$M)</u>	<u>(%)</u>
Florida	151.0	60.2	39.9

Table 1

Table 2 is a listing of the number of poles in service over the most recent six-year period.

<u>YEAR</u>	<u>FLORIDA</u>
1994	449,979
1995	458,945
1996	457,305
1997	454,608
1998	447,387
1999	456,379

Table 2

Company : BellSouth Telecommunications
State : Company
Account : 2411
Category : Poles

Projection Life

The Poles account will continue to be influenced by the traditional forces; e.g. deterioration, road construction, joint use contracts, etc.

The Company selects a 36-year projection life based on an analysis of historical data and long-range company plans. The graduated curve shape for the 1996-1998 band with the least absolute retirement differences to total data was selected.

Future Net Salvage

The company is selecting a future net salvage percent of -55%. Florida's future net salvage value is based on Table B five year banded average and on future salvage expectations for the pole account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2411.0000
CATEGORY : POLES

INDEX

Account Parameter Summary	2
Generation Arrangement	3
Projection Life Table/Remaining Life Development	4
Retirement Ratios	5
Life Indications Plot (Worm Chart)	6
Curve Shape Analysis Plot	7
Average Net Salvage	8
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Last Numbered Page in Section	10

January 1, 2000

Run Date: 3/21/00 13:05
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2411.00
 Category: Poles

Account Parameter Summary

ELG Start Year: 1998

	Effective 1999	Effective 2000 @
Investment Bal (\$)		
Form M	147,130,400	150,984,400
Adjustment	0	0
Study	147,130,400	150,984,400
% Tot. Depr. Plant	1.25	1.25
Depr. Reserve (\$)	54,774,623	60,172,199
(%)	37.2	39.9
Plife/AYFR (Yrs)		
Poles	36.0	36.0
Curve		
Poles	1995-1997 MORT	1996-1998 MORT
c	1.05000000E+00	1.07000000E+00
G	-1.02851280E-02	-6.76400000E-03
S	-4.19851080E-03	-2.89500000E-03
Whole Life (yrs)	34.0	33.0
Avg. Net Salv. (%)	-54	-54
WL Rate (%)	4.5	4.7
Comp. Rem. Life (Yrs)	27.0	25.0
Fut. Net Salv. (%)	-55	-55
Comp. RL Rate (%)	4.4	4.6
Intrastate Factor (%)	74.62	74.24

@ Estimated Investment and Reserve

02/23/00
 10:51 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2411
 CATEGORY: POLES
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT AGE	EXPERIENCE AS OF 1-1-2000%				REMAIN ING LIFE YEARS	VINT AVG LIFE YEARS	AVERAGE LIFE WEIGHTS	REMAINING LIFE WEIGHTS
	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE				
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	5,245,900	0.9951	0.50	17.35	17.85	293,949	5,098,926
*1998	1.5	4,869,737	0.9849	1.48	19.85	21.35	228,067	4,527,636
1997	2.5	3,197,099	0.9473	2.40	34.36	34.95	91,474	3,142,747
1996	3.5	5,017,743	0.9729	3.44	33.70	36.22	138,519	4,667,504
1995	4.5	3,793,518	0.9347	4.30	33.03	35.18	107,845	3,562,448
1994	5.5	5,739,489	0.9393	5.32	32.37	35.72	160,663	5,200,469
1993	6.5	11,353,952	0.9530	6.34	31.70	36.55	310,616	9,847,553
1992	7.5	8,256,523	0.9194	7.21	31.04	35.74	230,996	7,169,364
1991	8.5	5,299,581	0.9274	8.12	30.37	36.28	146,072	4,436,141
1990	9.5	4,539,074	0.9057	8.98	29.70	35.88	126,493	3,757,092
1989	10.5	5,180,420	0.9189	10.02	29.03	36.70	141,152	4,098,207
1988	11.5	5,899,879	0.8962	10.82	28.37	36.24	162,783	4,617,521
1987	12.5	6,316,860	0.8892	11.73	27.70	36.36	173,751	4,812,649
1986	13.5	5,255,255	0.8940	12.77	27.03	36.94	142,269	3,845,782
1985	14.5	5,932,240	0.8714	13.60	26.37	36.57	162,203	4,276,640
1984	15.5	7,462,011	0.8158	13.63	25.70	34.60	215,682	5,543,362
1983	16.5	6,683,189	0.8339	14.82	25.04	35.70	187,228	4,687,966
1982	17.5	7,253,865	0.7924	15.18	24.38	34.50	210,262	5,125,797
1981	18.5	6,013,453	0.7558	15.58	23.72	33.50	179,481	4,257,286
1980	19.5	4,407,559	0.7335	16.05	23.06	32.97	133,696	3,083,642
1979	20.5	3,435,232	0.7272	17.02	22.41	33.32	103,113	2,311,012
1978	21.5	2,776,689	0.7191	17.87	21.76	33.53	82,821	1,802,518
1977	22.5	2,297,184	0.7117	18.71	21.12	33.74	68,079	1,437,797
1976	23.5	2,091,983	0.7181	19.59	20.48	34.30	60,996	1,249,165
1975	24.5	1,708,427	0.6631	19.82	19.84	32.98	51,800	1,027,933
1974/PRIOR		20,957,538	0.4050	24.05	13.49	31.53	664,770	8,969,436

TOTAL	150,984,400		4,574,779	112,556,593
NON-ELG V	140,868,763		4,052,763	102,930,031
ELG V	10,115,637		522,016	9,626,562

AVG SERVICE LIFE: ALL VINTS	NELG VINTS	ELG VINTS
TOT B/TOT G 33.00365	34.75870	19.37802
AVG REMAINING LIFE: ALL VINTS	NELG VINTS	ELG VINTS
TOT H/TOT G 24.60372	25.39750	18.44113

COMPUTED GROSS ADDS-ALL VINTS:	AVG PROPORTION SURVIVING:
SUM OF (B/C) 201,880,020	B/ SUM OF (B/C) 0.74789

ORIGINAL: c 1.070000000000 G -6.764000000000E-003 S -2.895000000000E-003
 RESCALED: c 1.087629564434 G -6.764000000000E-003 S -3.594245385083E-003

* ELG VINTAGES, PROJECTION LIFE 36.0

++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG

+++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES

% ACTUAL

02/23/00
 10:51 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2411
 CATEGORY: POLES
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 36.00

ORIGINAL: c 1.0700000000000 RESCALED: c 1.087629564434
 G -6.7640000000000E-003 G -6.7640000000000E-003
 S -2.8950000000000E-003 S -3.594245385083E-003

BEGINNING OF YEAR		AMOUNT		ANNUAL ACCRUALS		ELG	ELG	VG
-----		RETIRED		FOR BOY AGE A		AVG.	AVG.	VINT
AGE	AMOUNT	DURING YEAR	AGE OF	EACH	FOR ALL	SER	REMAIN	REMAIN.
	IN SERVICE	(LIFE GROUP)	AMOUNT	LIFE	GROUPS	VICE	ING	LIFE
			RETIRED	GROUP		LIFE	LIFE	LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	479	0.5	959	6,535	15.30	15.30	36.00
0.5	99,521	961	1.0	961	5,577	17.85	17.35	35.67
1.5	98,560	964	2.0	482	4,616	21.35	19.85	35.02
2.5	97,596	967	3.0	322	4,134	23.61	21.11	34.36
3.5	96,629	972	4.0	243	3,812	25.35	21.85	33.70
4.5	95,657	977	5.0	195	3,569	26.80	22.30	33.03
5.5	94,680	984	6.0	164	3,373	28.07	22.57	32.37
6.5	93,697	991	7.0	142	3,209	29.19	22.69	31.70
7.5	92,706	999	8.0	125	3,068	30.22	22.72	31.04
8.5	91,706	1,009	9.0	112	2,943	31.16	22.66	30.37
9.5	90,697	1,020	10.0	102	2,831	32.04	22.54	29.70
10.5	89,678	1,032	11.0	94	2,729	32.86	22.36	29.03
11.5	88,646	1,045	12.0	87	2,635	33.64	22.14	28.37
12.5	87,601	1,060	13.0	82	2,548	34.38	21.88	27.70
13.5	86,540	1,077	14.0	77	2,466	35.09	21.59	27.03
14.5	85,464	1,095	15.0	73	2,390	35.77	21.27	26.37
15.5	84,369	1,114	16.0	70	2,317	36.42	20.92	25.70
16.5	83,255	1,136	17.0	67	2,247	37.05	20.55	25.04
17.5	82,119	1,159	18.0	64	2,180	37.67	20.17	24.38
18.5	80,961	1,184	19.0	62	2,116	38.27	19.77	23.72
19.5	79,777	1,211	20.0	61	2,053	38.85	19.35	23.06
20.5	78,566	1,240	21.0	59	1,993	39.42	18.92	22.41
21.5	77,325	1,272	22.0	58	1,934	39.99	18.49	21.76
22.5	76,054	1,305	23.0	57	1,876	40.54	18.04	21.12
23.5	74,748	1,341	24.0	56	1,819	41.09	17.59	20.48
24.5	73,407	1,379	25.0	55	1,763	41.63	17.13	19.84
TOTAL		27,971						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

Run Date: 3/14/00 7:20
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2411.00
 Category: Poles

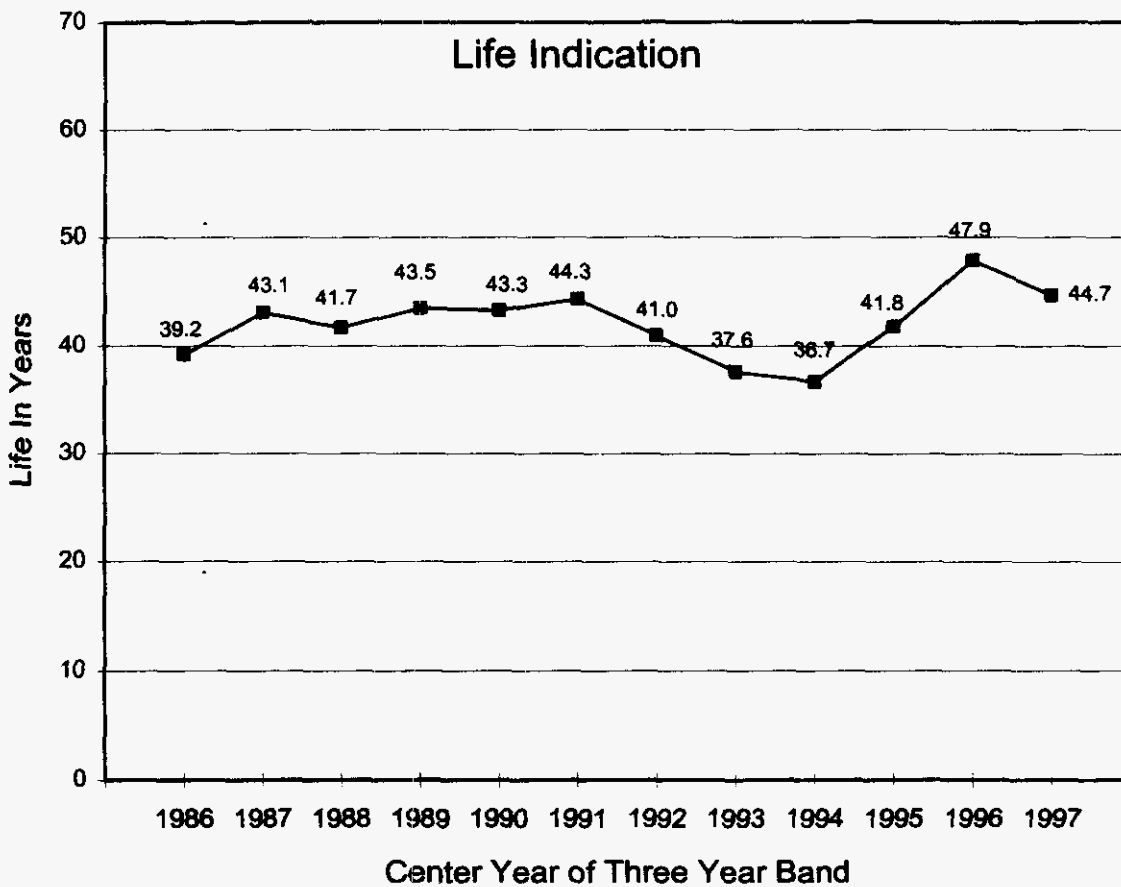
Development of Retirement Ratios – Total Retirements

<u>End Of Year</u>	<u>Plant Balance</u> A	<u>Average Plant Balance</u> B=(A + prev A)/2	<u>Retire-ments</u> C	<u>Retire-ment Ratio</u> D=C/B	<u>Band</u> E	<u>Average Plant Balance</u> F	<u>Retire-ments</u> G	<u>Retire-ment Ratio</u> H=G/F
1985	85,275,392							
1986	90,132,476	87,703,934	1,156,014	0.01318				
1987	95,805,523	92,969,000	1,294,941	0.01393	86-88	279,170,885	3,645,693	0.01306
1988	101,190,379	98,497,951	1,194,738	0.01213	87-89	294,938,932	3,682,786	0.01249
1989	105,753,583	103,471,981	1,193,107	0.01153	88-90	309,768,094	3,242,604	0.01047
1990	109,842,741	107,798,162	854,759	0.00793	89-91	323,400,448	3,141,759	0.00971
1991	114,417,869	112,130,305	1,093,893	0.00976	90-92	338,174,824	3,305,434	0.00977
1992	122,074,845	118,246,357	1,356,782	0.01147	91-93	356,775,054	5,770,383	0.01617
1993	130,721,938	126,398,392	3,319,708	0.02626	92-94	377,664,542	6,210,911	0.01645
1994	135,317,649	133,019,794	1,534,421	0.01154	93-95	395,926,240	6,602,176	0.01668
1995	137,698,461	136,508,055	1,748,047	0.01281	94-96	409,043,099	4,677,636	0.01144
1996	141,332,039	139,515,250	1,395,168	0.01000	95-97	418,526,830	4,367,412	0.01044
1997	143,675,011	142,503,525	1,224,197	0.00859	96-98	427,421,481	4,137,153	0.00968
1998	147,130,400	145,402,706	1,517,788	0.01044	97-99	436,963,631	3,490,985	0.00799
1999 #	150,984,400	149,057,400	749,000	0.00502				

Forecasted Activity

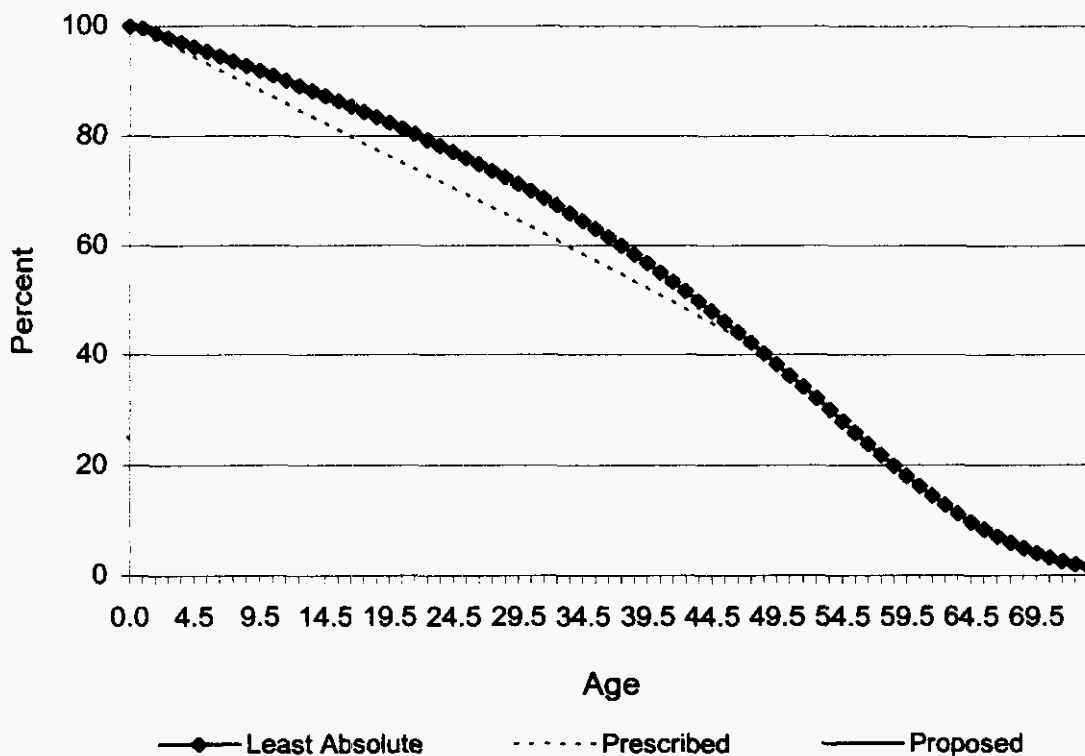
Company : BellSouth Telecommunications
State : Florida
Account : 2411.0000
Category : Poles

Average Life Indications Full Mortality



COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2411
CATEGORY : Poles

Curve Shape Analysis Plot



c = 1.08763 G = -0.006764 S = -0.003594245

Curves scaled to observed 41.00

02/28/00
 07:21 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2411.0000
 CATEGORY: POLES
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	$C = (A \times B) / 100$	D	$E = (A \times D) / 100$	$F = (B - D)$
PAST	50,896#	7.7*	3,942	58.7*	29,857	-51.0
FUTURE	150,984&	5.0**	7,549	60.0**	90,591	-55.0
TOTAL	201,880		11,491		120,447	
AVERAGE		5.7		59.7		-54.0

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

02/28/00
 07:21 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2411.0000
 CATEGORY: POLES
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN	PLANT	GROSS	SALVAGE*	COST OF REMOVAL*		NET
	SERVICE				RETIRED*	AMOUNT	PERCENT
	DEC. 31						
	A	B	C	D=(C/B)	E	F=(E/B)	G=(D-F)
				*100		*100	
1975##		18,827,637	2,134,712	11.3	7,159,151	38.0	-26.7
1976	35,939,417	571,001	60,479	10.6	591,753	103.6	-93.0
1977	38,351,094	518,162	55,381	10.7	623,216	120.3	-109.6
1978	41,205,009	628,855	84,720	13.5	658,839	104.8	-91.3
1979	45,060,394	579,901	41,344	7.1	750,570	129.4	-122.3
1980	49,887,374	690,202	100,567	14.6	627,301	90.9	-76.3
1981	56,509,352	674,180	82,416	12.2	828,599	122.9	-110.7
1982	64,241,392	821,923	51,780	6.3	877,515	106.8	-100.5
1983	72,323,572	793,300	40,681	5.1	692,079	87.2	-82.1
1984	79,649,276	1,023,780	58,506	5.7	586,887	57.3	-51.6
1985	85,275,392	1,176,253	104,571	8.9	731,311	62.2	-53.3
1986	90,132,476	1,156,014	76,554	6.6	730,244	63.2	-56.6
1987	95,805,523	1,294,941	84,851	6.6	675,085	52.1	-45.5
1988	101,190,379	1,194,738	117,617	9.8	730,275	61.1	-51.3
1989	105,753,583	1,193,107	86,889	7.3	810,931	68.0	-60.7
1990	109,842,741	854,759	96,180	11.3	796,410	93.2	-81.9
1991	114,417,869	1,093,893	67,337	6.2	966,728	88.4	-82.2
1992	122,074,845	1,356,782	78,725	5.8	1,361,949	100.4	-94.6
1993	130,721,938	3,319,708	29,984	0.9	2,116,852	63.8	-62.9
1994	135,317,649	1,534,421	37,843	2.5	1,221,073	79.6	-77.1
1995	137,698,461	1,748,047	19,540	1.1	1,014,310	58.0	-56.9
1996	141,332,039	1,395,168	9,565	0.7	745,915	53.5	-52.8
1997	143,675,011	1,224,197	0	0.0	550,530	45.0	-45.0
1998	147,130,400	1,517,788	0	0.0	651,198	42.9	-42.9
1999	150,984,400	749,000	37,450	5.0	449,400	60.0	-55.0
GRAND TOTAL		45,937,757	3,557,692	7.7	26,948,121	58.7	-51.0
1945-1999#		45,937,757	3,557,692	7.7	26,948,121	58.7	-51.0
1990-1999##		14,793,763	376,624	2.5	9,874,365	66.7	-64.2

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.

BAND OF LAST 10 ACTIVITY YEARS.

02/28/00
 07:21 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: 2411.0000
 CATEGORY: POLES
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1977	2,893,281	284,215	9.8	3,209,044	110.9	-101.1
1978	2,988,121	342,491	11.5	3,251,679	108.8	-97.3
1979	3,091,300	364,428	11.8	3,488,525	112.8	-101.0
1980	3,395,061	360,827	10.6	3,742,824	110.2	-99.6
1981	3,559,506	316,788	8.9	3,776,064	106.1	-97.2
1982	4,003,385	333,950	8.3	3,612,381	90.2	-81.9
1983	4,489,436	337,954	7.5	3,716,391	82.8	-75.3
1984	4,971,270	332,092	6.7	3,618,036	72.8	-66.1
1985	5,444,288	365,163	6.7	3,415,606	62.7	-56.0
1986	5,845,726	442,099	7.6	3,453,802	59.1	-51.5
1987	6,015,053	470,482	7.8	3,677,846	61.1	-53.3
1988	5,693,559	462,091	8.1	3,742,945	65.7	-57.6
1989	5,631,438	452,874	8.0	3,979,429	70.7	-62.7
1990	5,693,279	446,748	7.8	4,666,293	82.0	-74.2
1991	7,818,249	500,115	4.6	6,052,870	77.4	-72.8
1992	8,159,563	500,069	3.8	6,463,012	79.2	-75.4
1993	9,052,851	253,429	2.6	6,680,912	73.8	-71.2
1994	9,354,126	175,657	1.9	6,460,099	69.1	-67.2
1995	9,221,541	96,932	1.1	5,648,680	61.3	-60.2
1996	7,419,621	66,948	0.9	4,183,026	56.4	-55.5
1997	6,634,200	66,555	1.0	3,411,353	51.4	-50.4

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Account Description

The Outside Plant General Cable Account consists of investment in cable, including cost of construction and associated hardware, categorized according to placement as Aerial, Underground, Buried, Submarine, and Intrabuilding Cable. Aerial Cable (Account 2421) is composed of cable suspended from poles or other structures and includes the cost of terminals, load coils, build-out capacitors, etc. used in its construction. Underground Cable (Account 2422) includes the cost of cable placed in underground conduit runs plus loading coils, build-out capacitors, terminals, stubs, and other associated items of material defined as cable plant. Buried Cable (Account 2423) is entrenched directly into the ground and includes the cost of terminals, pedestals, markers, load coils, build-out capacitors, and associated items of material defined as cable plant.

Submarine Cable (Account 2424) is cable placed under bodies of water and its investment includes the cost of terminals, cable huts, and anchorages. Intrabuilding Cable (Account 2426) consists of cables and wires on the Company's side of the demarcation point, or standard network interface (SNI), which are placed inside customers' buildings or between buildings on the same customer's premises. Intrabuilding cables distribute network access facilities to equipment rooms, cross-connections, or other distribution points connected with customer wiring. Submarine and Intrabuilding Cable constitute only a small portion of the total General Cable Account investment and are excluded from discussions of remaining lives in this narrative.

To estimate remaining lives, the Company began by segmenting Aerial, Underground, and Buried Metallic Cable investment into functional groupings with similar life characteristics as Interoffice (IOF), Feeder (FDR), and Distribution (DIST). Interoffice cables extend from or connect switching centers or Central Offices to each other. Feeder cables extend from Central Offices toward customers' premises to feeder/distribution interfaces. Distribution cables extend from feeder/distribution interfaces to an individual customer's location.

Historical Experience

The 1980s and 1990s have brought unprecedented advances in microelectronics and computer technology. Integration of these advances into all facets of our lives has created an ever-increasing demand for high speed, reliable data transport. As our customers' need for communication capacity increases, BellSouth continues to implement communication links with greater bandwidth. In most cases this involves the deployment of fiber cable which augments or replaces existing metallic cable.

Our customers are making greater use of BellSouth's network as they link their home PCs to the Internet, their business PCs to each other, and as they talk, fax and meet electronically. Not only is the demand for capacity accelerating, the need for reliability and security is increasing. The deployment of fiber in the transport network addresses all these concerns. Through the use of multiplexing equipment, single fibers can carry millions of voice and data channels. With the application of alternate routing schemes such as ring architectures, these channels are not interrupted

even when a link is broken. Furthermore, these channels are not susceptible to eavesdropping, as are channels on wireless and copper cable.

Fiber optic cable was introduced as a substitute for copper in the public network infrastructure in the late 1970s and early 1980s. Due to the characteristics of each network segment, fiber began substituting for copper in the interoffice arena first, followed by the feeder (about 1982), and finally the distribution. Today fiber is the first choice in the interoffice, the feeder, and in new residential areas and total rehabilitation undertakings in the distribution network. While fiber offers needed capacity and other features, it is also the best economic choice in these situations. Further, as the installed first cost of fiber improves with regard to metallic cable, the deployment of fiber in the distribution area will increase.

Illustrative of BellSouth's commitment to aggressive fiber deployment is the fact that, as of the beginning of 2000, almost 72,400 sheath miles of fiber had been deployed across BellSouth's nine-state region. This includes over 16,100 sheath miles deployed in Florida alone, which represents over a half billion dollars of fiber cable investment in the state.

Life Analysis

The life analysis of metallic cable must consider all forces of mortality, both traditional factors (accidents, deterioration, wear-out, etc.) and technological obsolescence. Today, the dominant force of mortality is replacement by fiber optic cable. However, wireless service is becoming an economical alternative to traditional wireline service, which will impact the life of distribution cable. Assessment of the impact of substitution and traditional mortality forces begins with the identification of past deployment and displacement patterns and known future deployment plans. Together these patterns establish the basis for projecting the long-term deployments and displacements that determine metallic cable's life expectancy.

The Company's analysis addresses the architecture of the transport arena in three components: Interoffice, Feeder, and Distribution. Though interrelated, the architecture of each component evolves at its own pace.

Interoffice

Description: The interoffice infrastructure provides the communication links between central office switching centers.

Substitution Dynamics: In the Interoffice segment, fiber has nearly replaced all the copper cable.

Background: In 1982 fiber represented 1% of the interoffice circuits and was initially deployed for new growth, often paralleling copper cables. The increased capacity of fiber made existing metallic circuit facilities requiring replacement due to attrition ready candidates for cutover to existing fiber

routes. As the cost of fiber came down, fiber placement became the economic choice for rehabilitation/modernization and general replacement of the embedded copper base.

Current Trend: Fiber optic cable deployment for metallic copper in the interoffice network is virtually complete with over 99% of its circuits on fiber. The substitution of fiber for copper in the IOF has maintained one of the fastest technological substitutions in telephony history. Today, fiber optic cable is the technology of choice in virtually all interoffice applications.

Drivers: The primary driver is economics (fiber is the clear winner over copper), but closely linked is the need for greater capacity and better reliability. Diversity in the IOF is essential to providing reliable customer service, and in general, is achieved by providing capacity on a secondary protection route for each primary trunk group. The first choice for diversity in the IOF today is the use of Synchronous Optical Network (SONET) rings.

Future Expectation: The pace of fiber deployment will continue to accelerate given increasing price/performance, SONET and SONET Ring advantages, coupled with attrition and normal provisioning of new growth. Fiber optic cable substituting for metallic copper in the Interoffice network is a well-established technological substitution. Figure 1 depicts the current fiber penetration projection in the Interoffice.

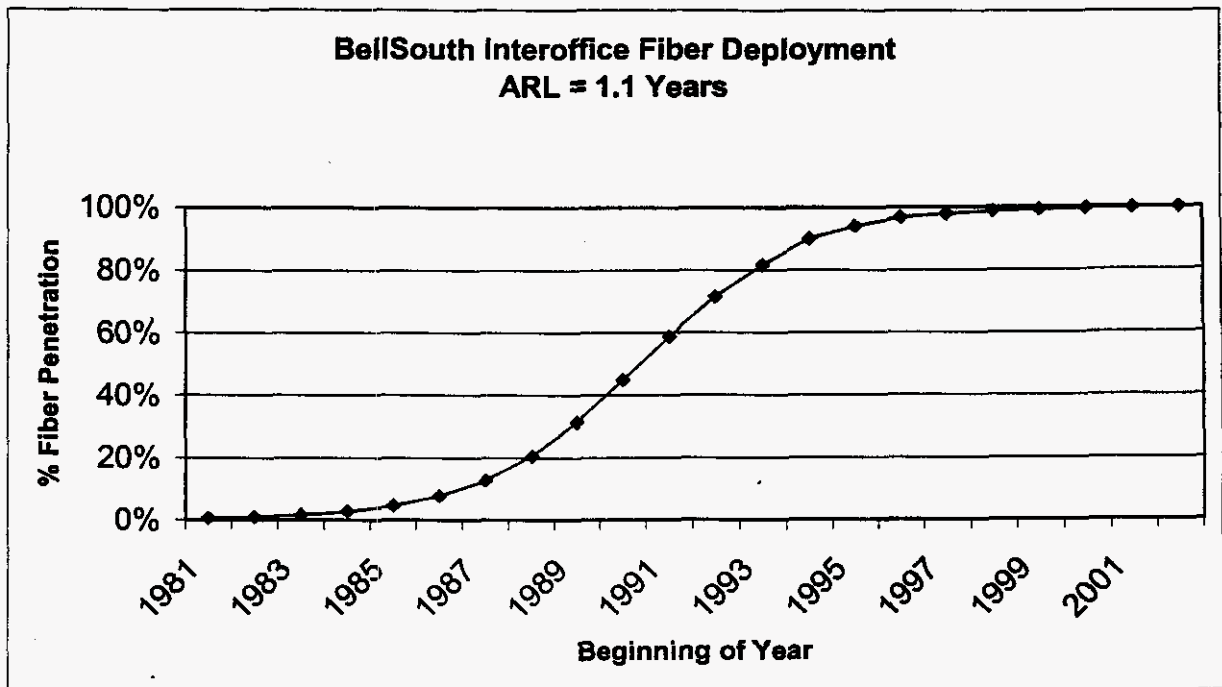


Figure 1

Due to the high penetration levels of fiber, no new metallic cables are being placed in the IOF. As of 1/1/00, the average remaining life (ARL) of Interoffice network metallic cable is 1.1 years (Table 1).

Development of IOF Metallic Cable Remaining Life
Units: Circuits

BOY Year A	Survival Rate B	BST Pre-2000 Percent Surviving C
2000	63.45%	100.0%
2001	0.00%	63.4%
2002	0.00%	0.0%
		163.4%

$$\text{IOF ARL} = \text{Sum (col C)} / \text{C[2000]} - 0.5 = 1.1 \text{ Years}$$

Table 1

Feeder

Description: The feeder segment provides the first link in the "loop" from switching centers toward customer locations.

Substitution Dynamics: As in the IOF, fiber is replacing copper. Following an early, rapid ramp-up, the rate of displacement has slowed but is expected to increase in the next two to three years.

Background: In 1982 fiber began penetrating the feeder loop. As with IOF, fiber in the feeder network was initially deployed for new growth, often paralleling copper cables. The bandwidth capacity of fiber makes embedded metallic circuits ready candidates for cutover to existing fiber routes. Many feeder routes were ideal targets for replacement, and therefore, there was an early surge in copper displacement. Overall, however, the substitution rate of fiber in the feeder for copper is slower than in the IOF. The slower fiber deployment rate is attributable to the fact that the feeder has shorter routes and lower traffic concentrations than the IOF. However, fiber remains the clear economic choice for modernization and general replacement of the existing copper base.

Current Trend: Today, fiber cables are the first choice for all new feeder cable placements and terminations. No new copper cables are to be terminated at central offices. Approximately 33% of BellSouth's working feeder circuits are now on fiber.

Drivers: As in the interoffice, fiber in the feeder network has economic and technological advantages over copper. First cost and operational maintenance savings are the key economic considerations today. Fiber and fiber-related electronic costs are decreasing as the technology matures. Maintenance savings are derived from fiber systems' high bandwidth and range capabilities - fewer electronics are needed for even greater capacity.

Diversity in the loop is increasingly becoming a necessity, and is achieved through separate paths and a means to switch to the protection path in the event of an outage. Although asynchronous systems were used in the past, SONET-based facilities (e.g., NGDLC or Next Generation Digital Loop Carrier) are employed primarily today. Also, more efficient use of network capacity can be achieved through the use of variable bandwidth technologies such as Asynchronous Transfer Mode (ATM). The need for ATM over SONET will further increase the deployment of fiber in the feeder segment.

Future Expectation: Demand for DS-1 (Digital Signal-1, 1.544 mbs) and greater levels of service will be ubiquitous across the network. While conditioned copper facilities can accommodate DS-1 levels of service, ubiquitous demand will drive increasing fiber deployment rather than conditioning of existing copper facilities. Fiber-In-The-Feeder (FITF) deployment is required to meet this anticipated demand and to compete with alternative providers on an economic basis. Therefore, we expect that fiber deployment in the feeder will accelerate again around 2001.

Figure 2 on the next page shows the projected Feeder fiber penetration levels. Fiber deployment in the Feeder loop is now in the rapid deployment phase with projected complete substitution (99%) by year-end 2015.

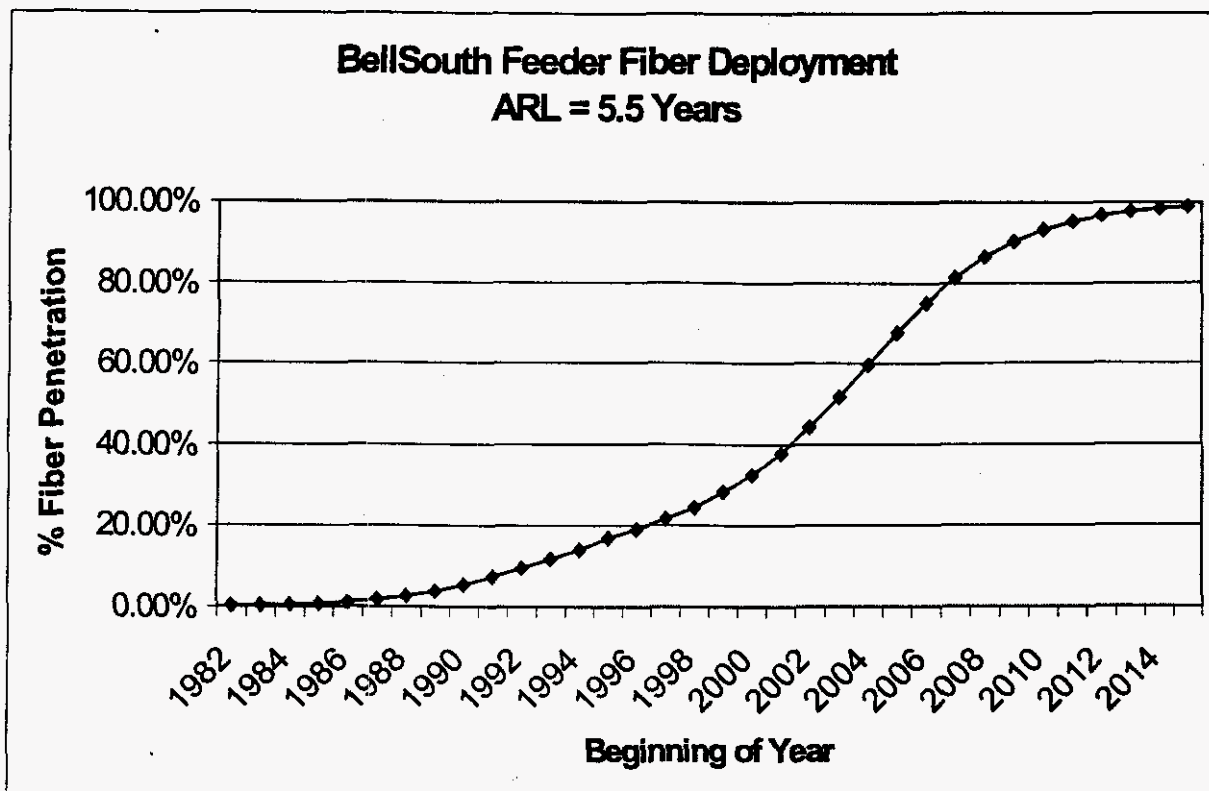


Figure 2

The average remaining life (ARL) of embedded Feeder network metallic cable as of 1/1/00 is 5.5 years. Table 2 shows the development of the average remaining life.

Development of Feeder Metallic Cable Remaining Life
Units: Circuits

BOY Year A	Survival Rate B	BST Pre-2000 Percent Surviving C
2000	92.81%	100.0%
2001	90.77%	92.8%
2002	88.19%	84.2%
2003	85.18%	74.3%
2004	81.91%	63.3%
2005	78.63%	51.8%
2006	75.59%	40.8%
2007	72.97%	30.8%
2008	70.82%	22.5%
2009	69.15%	15.9%
2010	67.89%	11.0%
2011	66.96%	7.5%
2012	66.38%	5.0%
2013	65.98%	3.3%
2014	65.70%	2.2%
2015	65.51%	1.4%
		606.8%

Feeder ARL = Sum (col C) / C[2000] - 0.5 = 5.5 Years

Table 2

Distribution

Description: The distribution is often referred to as the “last mile” to the customer. In residential areas and especially in rural regions, it is increasingly difficult to provide high-capacity transport to customers who are far from switching centers and far apart from one another.

Substitution Dynamics: The distribution network is essentially a copper-based network in the introductory stages of fiber-in-the-loop (FITL) deployment. Competing for the same customer base

are the wireless services such as cellular/PCS. The combination of fiber and wireless substituting for copper results in a multiple substitution scenario.

Background: General deployment of fiber in the distribution began in 1994. BellSouth has evaluated the feasibility of various architectures that include fiber or hybrid fiber/coax in the distribution. The current focus is on fiber-to-the-curb (FTTC) and fiber-to-the-home (FTTH) alternatives that extend fiber to an area of no more than several hundred customers.

Regarding the impact of wireless services, cellular and PCS have been viewed until now as complimentary services to wireline. However, wireless has begun to replace wireline service in terms of usage. As wireless prices continue to decline and performance improves, it is likely that it will begin to displace wireline in terms of access for a segment of the market.

Current Trend: FITL is the first choice architecture for all new residential developments (buried and aerial) and for plant replacement ("rehab") projects. While the installed-first-cost (IFC) of FITL is slightly higher than copper, FITL is the economic winner in these areas. As the IFC of FITL improves, the economics of deployment elsewhere will tilt toward fiber. Other developments, including additional components to provide DS1 and new PC-data services via the existing FITL architecture, will make FITL even more attractive.

Predicting how and when wireless will substitute for wireline is as difficult as deciphering cellular/PCS price plans. However, wireless price plans under \$50 per month that include hundreds of minutes of use with nationwide local calling are common. At this level direct substitution of wireless for wireline is likely.

Drivers: Fiber is being deployed in new service areas because it is the economic choice. As with the IOF and Feeder segments, capacity and reliability are major drivers for the deployment of fiber in the distribution. Other technologies such as ADSL (Asymmetrical Digital Subscriber Line) add value to the existing copper plant by expanding the bandwidth that copper pairs can deliver. However, utilizing these technologies will stimulate the demand for higher-speed data services. As customer demands increase beyond the capacity of copper cable, these technologies will ultimately accelerate the demise of metallic cables.

There are other technologies such as direct satellite broadcast, coaxial cable and wireless that may offer high capacity to meet data and multimedia needs. However, these technologies suffer from the inability to provide high bandwidth in both directions, and fall short of the security and reliability of FITL.

Future Expectation: FITL deployment will steadily increase in the next few years and greatly accelerate as the economics for fiber improve and as service requirements demand it. Wireless prices will also continue to decline, and the performance of wireless, especially in regard to data transmission will improve. BellSouth anticipates that virtually all (99%) copper will be displaced by year-end 2020. The displacement will likely be by a combination of fiber and wireless substitution.

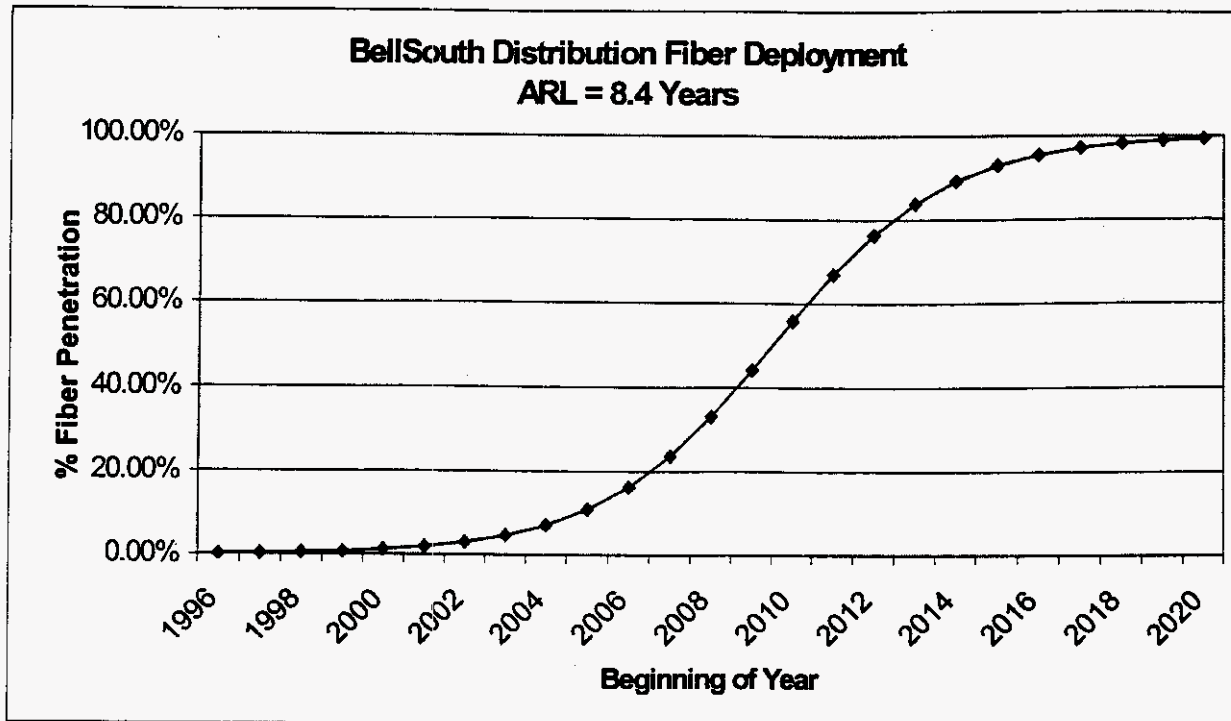


Figure 3

The average remaining life (ARL) of embedded Distribution network metallic cable as of 1/1/00 is 8.4 years. Table 3 shows the development of the Distribution average remaining life.

Development of Distribution Metallic Cable Remaining Life
Units: Circuits

BOY Year A	Survival Rate B	BST Pre-2000 Percent Surviving Access Lines (000) C
2000	97.96%	100.00%
2001	97.41%	97.96%
2002	96.64%	95.43%
2003	95.56%	92.23%
2004	94.01%	88.13%
2005	91.86%	82.85%
2006	88.09%	76.11%
2007	84.50%	67.05%
2008	78.68%	56.65%
2009	72.72%	44.58%
2010	69.37%	32.42%
2011	66.61%	22.49%
2012	63.81%	14.98%
2013	61.71%	9.56%
2014	60.18%	5.90%
2015	59.09%	3.55%
2016	59.15%	2.10%
2017	58.60%	1.24%
2018	58.19%	0.73%
2019	58.77%	0.42%
2020	0.00%	0.25%
		894.63%

Distribution ARL = Sum (col C) / C[2000] - 0.5 = 8.4 Years

Table 3

Life Proposal (Plives and ARLs)

Vintage Group (VG) remaining lives were calculated based on estimated 1/1/00 Interoffice, Feeder, and Distribution investment percentages and the ARLs developed for each functional area in the Life Analysis above. Table 4 shows the calculation methodology, resulting composite Vintage Group remaining lives, and corresponding projection lives (Plives) for Aerial, Underground, and Buried Metallic Cable for Florida and BellSouth Telecommunications.

Projection lives underlying remaining lives were determined using the generation arrangement. An analysis of projection lives was made for each BellSouth state, as well as a BellSouth composite. The BellSouth composite analysis indicated projection lives that were approximately 15 years for Aerial, 14 years for Underground and 15 years for Buried Metallic Cable. BellSouth expects that the life for the metallic cable accounts will ultimately be about the same throughout BellSouth. Thus, 15 years for Aerial, 14 years for Underground, and 15 years for Buried Cable are used in this study.

Life Composite 1/1/00

Location	Metallic Cable Percent by Function				VG ARL by Function			Composite	
	Feeder	Distr	Interof c	Total	Feeder	Distr	Interofc	VG ARL	Plife
	a	b	c	d	e	f	g	h	i
Florida									
Aerial	11.16	88.70	0.14	100.00	5.5	8.4	1.1	8.1	15.0
Underground	94.69	5.12	0.19	100.00	5.5	8.4	1.1	5.6	14.0
Buried	22.51	77.31	0.18	100.00	5.5	8.4	1.1	7.7	16.5
BellSouth (BST)									
Aerial	19.93	79.30	0.77	100.00	5.5	8.4	1.1	7.8	14.4
Underground	96.02	3.28	0.70	100.00	5.5	8.4	1.1	5.6	13.6
Buried	13.78	85.63	0.59	100.00	5.5	8.4	1.1	8.0	15.3

Notes:

1. $h = (a * e) + (b * f) + (c * g)$
2. $i =$ Underlying Plife for the VG ARL

Table 4

AERIAL CABLE -
METALLIC

281

002899

Company : BellSouth Telecommunications
 State : Florida
 Account : 2421.1000
 Category : Aerial Cable Metal

Account Description

The Aerial Cable Metal Account consists of aerially suspended metallic-conductor cables, wires, and service wires supported by poles or other structures. It also includes terminals, load coils, inductors, build-out capacitors, supporting strand, and other miscellaneous items used in the construction of aerial cable.

Investment Statistics

1-1-00 investment and reserve in the Aerial Cable Metal Account are shown below in Table 1.

State	Invest (\$M)	% of Depr Plant	Reserve (\$M)	Reserve %
Florida	803.6	6.6	554.3	69.0

Table 1

Life Summary and Proposal

The General Cable narrative provides a discussion of the development of remaining and projection lives for this account. A 15-year projection life was developed and selected for the Aerial Cable Metallic account.

The graduated curve shape for the 1996-1998 band with the least absolute retirement differences to total data was selected.

Salvage Proposal

The Company is selecting a future net salvage of -14%. BellSouth's future net salvage values are based on historical salvage and on future salvage expectations for the Aerial Cable Metallic account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2421.1
CATEGORY : AERIAL CABLE METAL

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January 1, 2000

Run Date: 3/13/00 11:34
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2421.10
 Category: Aerial Cable Metallic

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	776,213,504	803,555,504
Adjustment	0	0
Study	776,213,504	803,555,504
% Tot. Depr. Plant	6.61	6.64
Depr. Reserve (\$)	509,985,831	554,254,624
(%)	65.7	69.0
Plife/AYFR (Yrs)		
Aerial Cable Metallic	14.0	15.0
Curve		
Aerial Cable Metallic	1995-1997 MORT	1996-1998 MORT
c	1.04000000E+00	1.03000000E+00
G	-1.56106240E-01	-2.28615000E-01
S	3.77364150E-03	5.26800000E-03
Whole Life (yrs)	15.9	16.6
Avg. Net Salv. (%)	-13	-13
WL Rate (%)	7.1	6.8
Comp. Rem. Life (Yrs)	7.4	7.8
Fut. Net Salv. (%)	-14	-14
Comp. RL Rate (%)	6.5	5.8
Intrastate Factor (%)	74.62	74.24

@ Estimated Investment and Reserve

02/23/00
 10:59 AM
 KREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: AERIAL CABLE METALLIC
 CATEGORY: AERIAL CABLE METALLIC
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

EXPERIENCE AS OF 1-1-2000*					REMAIN	VINT	AVERAGE	REMAINING
VINT	AGE	AMOUNT	PROP	REAL	ING	AVG	LIFE	LIFE
AGE	AGE	SURVIVING	SURV	LIFE	LIFE	LIFE	WEIGHTS	WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	33,931,484	0.9974	0.50	9.18	9.68	3,506,667	32,178,150
*1998	1.5	30,772,600	0.9896	1.49	9.37	10.87	2,832,237	26,524,244
1997	2.5	30,255,182	0.9879	2.48	12.97	15.30	1,978,021	25,651,916
1996	3.5	31,598,188	0.9826	3.47	12.22	15.48	2,041,020	24,946,435
1995	4.5	33,944,821	0.9743	4.43	11.51	15.65	2,168,794	24,969,038
1994	5.5	28,107,459	0.9668	5.40	10.84	15.88	1,769,982	19,183,392
1993	6.5	44,876,635	0.9556	6.35	10.20	16.09	2,788,242	28,432,265
1992	7.5	43,865,238	0.8937	7.00	9.59	15.56	2,818,282	27,023,574
1991	8.5	29,793,806	0.9145	8.06	9.01	16.30	1,827,744	16,470,464
1990	9.5	29,284,535	0.8964	8.94	8.46	16.53	1,771,588	14,994,867
1989	10.5	29,648,072	0.9290	10.10	7.95	17.48	1,696,330	13,478,430
1988	11.5	33,130,489	0.8666	10.72	7.45	17.18	1,928,599	14,377,504
1987	12.5	37,483,452	0.8655	11.66	6.99	17.71	2,115,952	14,791,998
1986	13.5	35,330,705	0.8426	12.50	6.55	18.02	1,960,828	12,847,293
1985	14.5	41,514,092	0.8341	13.35	6.14	18.47	2,247,410	13,793,739
1984	15.5	53,060,734	0.8225	14.11	5.75	18.84	2,816,192	16,183,481
1983	16.5	38,163,038	0.8105	14.68	5.38	19.04	2,004,746	10,781,220
1982	17.5	37,005,711	0.7960	15.62	5.03	19.63	1,885,419	9,484,427
1981	18.5	37,818,836	0.7246	16.10	4.70	19.51	1,938,419	9,116,943
1980	19.5	30,824,749	0.6242	15.39	4.40	18.13	1,700,006	7,472,450
1979	20.5	19,972,310	0.6157	16.30	4.11	18.83	1,060,756	4,355,736
1978	21.5	12,803,796	0.5652	16.40	3.83	18.57	689,434	2,643,657
1977	22.5	8,311,087	0.5527	17.14	3.58	19.12	434,617	1,555,719
1976	23.5	6,851,594	0.5174	17.45	3.34	19.18	357,270	1,193,412
1975	24.5	4,637,884	0.4361	17.04	3.12	18.40	252,119	785,674
1974/PRIOR		40,569,007	0.2705	20.06	2.04	20.79	1,950,962	3,978,269
TOTAL		803,555,504					48,541,636	377,214,299
NON-ELG V		738,851,420					42,202,731	318,511,904
BLG V		64,704,084					6,338,905	58,702,394

AVG SERVICE LIFE: ALL VINTS NELG VINTS BLG VINTS
 TOT B/TOT G 16.55394 17.50719 10.20746
 AVG REMAINING LIFE: ALL VINTS NELG VINTS BLG VINTS
 TOT H/TOT G 7.77094 7.54719 9.26065
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 1,061,879,641 B/ SUM OF (B/C) 0.75673

ORIGINAL: c 1.030000000000 G -2.286150000000E-001 S +5.268000000000E-003
 RESCALED: c 1.081861717774 G -2.286150000000E-001 S +1.402303073298E-002
 * ELG VINTAGES, PROJECTION LIFE 15.0

03/20/00
 07:43 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: AERIAL CABLE METALLIC
 CATEGORY: AERIAL CABLE METALLIC
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 15.00

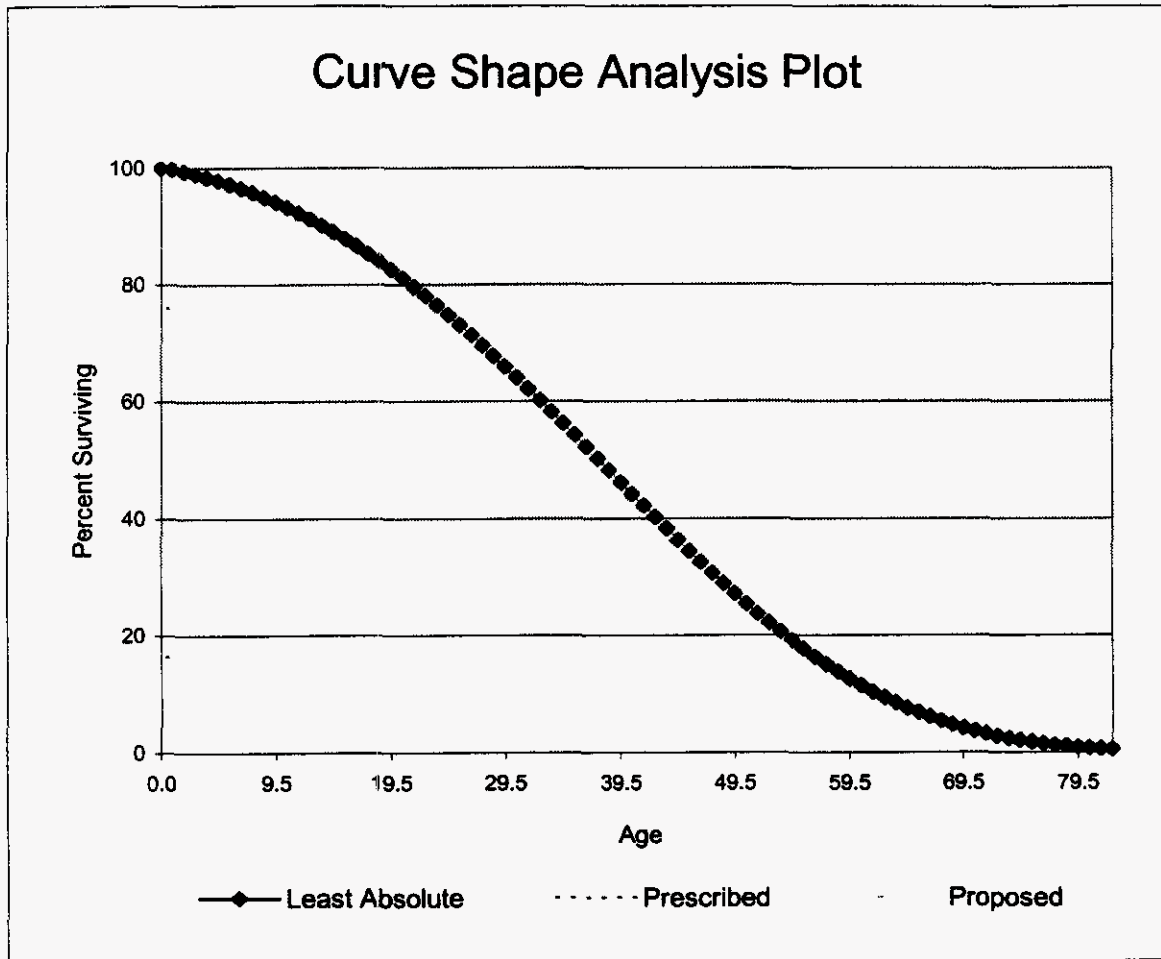
ORIGINAL: c 1.030000000000 RESCALED: c 1.081861717774
 G -2.286150000000E-001 G -2.286150000000E-001
 S +5.268000000000E-003 S +1.402303073298E-002

BEGINNING OF YEAR		AMOUNT		ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
AGE	AMOUNT IN SERVICE	RETIREMENT DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIREMENT	EACH LIFE GROUP	FOR ALL REMAINING GROUPS	AVG SVC LIFE	AVG RL LIFE	VINT RL LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	497	0.5	993	11,276	8.87	8.87	15.00
0.5	99,503	1,239	1.0	1,239	10,283	9.68	9.18	14.57
1.5	98,264	1,579	2.0	790	9,044	10.87	9.37	13.75
2.5	96,685	1,931	3.0	644	8,254	11.71	9.21	12.97
3.5	94,754	2,290	4.0	573	7,611	12.45	8.95	12.22
4.5	92,464	2,653	5.0	531	7,038	13.14	8.64	11.51
5.5	89,811	3,014	6.0	502	6,508	13.80	8.30	10.84
6.5	86,797	3,368	7.0	481	6,005	14.45	7.95	10.20
7.5	83,429	3,708	8.0	463	5,524	15.10	7.60	9.59
8.5	79,721	4,026	9.0	447	5,061	15.75	7.25	9.01
9.5	75,695	4,316	10.0	432	4,613	16.41	6.91	8.46
10.5	71,379	4,569	11.0	415	4,182	17.07	6.57	7.95
11.5	66,810	4,779	12.0	398	3,766	17.74	6.24	7.45
12.5	62,031	4,937	13.0	380	3,368	18.42	5.92	6.99
13.5	57,094	5,037	14.0	360	2,989	19.11	5.61	6.55
14.5	52,056	5,075	15.0	338	2,629	19.80	5.30	6.14
15.5	46,981	5,046	16.0	315	2,290	20.51	5.01	5.75
16.5	41,936	4,948	17.0	291	1,975	21.23	4.73	5.38
17.5	36,988	4,783	18.0	266	1,684	21.97	4.47	5.03
18.5	32,204	4,554	19.0	240	1,418	22.71	4.21	4.70
19.5	27,650	4,266	20.0	213	1,178	23.46	3.96	4.40
20.5	23,384	3,929	21.0	187	965	24.23	3.73	4.11
21.5	19,455	3,553	22.0	161	778	25.01	3.51	3.83
22.5	15,902	3,151	23.0	137	616	25.80	3.30	3.58
23.5	12,752	2,736	24.0	114	480	26.59	3.09	3.34
24.5	10,016	2,323	25.0	93	366	27.40	2.90	3.12
TOTAL		92,308						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END) / (COL B AT AGE A))

COMPANY : BellSouth Telecommunications
 STATE : Florida
 ACCOUNT : 2421.1
 CATEGORY : Aerial Cable Metal



c = 1.03 G = -0.228615 S = 0.005267804

Curves scaled to observed life of 37.85

03/20/00
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 XREF: 99
 PRES: 1998,SA,01
 EFOP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: AERIAL CABLE METALLIC
 CATEGORY: AERIAL CABLE METALLIC
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	258,324#	14.7*	38,062	24.4*	63,014	-9.7
FUTURE	803,556&	3.0**	24,107	17.0**	136,604	-14.0
TOTAL	1,061,880		62,169		199,619	
AVERAGE		5.9		18.8		-12.9

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: AERIAL CABLE METALLIC
 CATEGORY: AERIAL CABLE METALLIC
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET SALVAGE
	DEC. 31		AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1975**		24,905,157	5,722,806	23.0	6,263,630	25.1	-2.1
1976	125,975,961	1,727,624	273,617	15.8	718,475	41.6	-25.8
1977	137,380,607	2,148,951	355,995	16.6	949,771	44.2	-27.6
1978	153,835,360	2,836,096	399,656	14.1	1,321,988	46.6	-32.5
1979	175,243,267	4,212,667	853,162	20.3	1,844,147	43.8	-23.5
1980	208,637,859	5,600,308	1,214,656	21.7	2,190,675	39.1	-17.4
1981	252,632,768	7,549,904	2,007,641	26.6	2,767,965	36.7	-10.1
1982	296,884,644	9,899,596	1,239,038	12.5	2,972,011	30.0	-17.5
1983	346,715,159	9,360,913	1,460,298	15.6	2,585,600	27.6	-12.0
1984	431,920,252	11,275,994	1,425,542	12.6	2,821,812	25.0	-12.4
1985	471,748,502	10,620,666	2,902,445	27.3	2,658,858	25.0	2.3
1986	506,158,933	8,869,491	1,534,520	17.3	2,708,315	30.5	-13.2
1987	540,971,153	8,457,587	928,704	11.0	2,239,303	26.5	-15.5
1988	539,384,006	8,728,207	1,002,689	11.5	1,737,952	19.9	-8.4
1989	564,238,015	7,344,407	1,092,346	14.9	1,684,012	22.9	-8.0
1990	584,132,410	12,059,102	1,099,026	9.1	1,743,027	14.5	-5.4
1991	613,175,650	3,718,554	897,211	24.1	2,003,842	53.9	-29.8
1992	637,169,502	23,567,995	1,796,686	7.6	3,374,465	14.3	-6.7
1993	659,495,073	26,934,050	2,219,925	8.2	4,379,036	16.3	-8.1
1994	679,230,802	9,343,093	1,683,700	18.0	2,198,913	23.5	-5.5
1995	702,198,683	12,840,446	1,958,442	15.3	2,250,176	17.5	-2.2
1996	724,197,848	8,995,343	1,757,150	19.5	2,180,149	24.2	-4.7
1997	748,536,818	5,541,305	701,675	12.7	1,644,051	29.7	-17.0
1998	776,213,504	5,687,029	417,897	7.3	1,868,384	32.9	-25.6
1999	803,555,504	6,205,000	186,150	3.0	1,054,850	17.0	-14.0
GRAND TOTAL		238,429,485	35,130,977	14.7	58,161,407	24.4	-9.7
1945-1999#		238,429,485	35,130,977	14.7	58,161,407	24.4	-9.7
1990-1999##		114,891,917	12,717,862	11.1	22,696,893	19.8	-8.7

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

January 1, 2000

7

289

002907

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: AERIAL CABLE METALLIC
 CATEGORY: AERIAL CABLE METALLIC
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1977	12,973,956	2,292,011	17.7	5,595,049	43.1	-25.4
1978	16,525,646	3,097,086	18.7	7,025,056	42.5	-23.8
1979	22,347,926	4,831,110	21.6	9,074,546	40.6	-19.0
1980	30,098,571	5,714,153	19.0	11,096,786	36.9	-17.9
1981	36,623,388	6,774,795	18.5	12,360,398	33.8	-15.3
1982	43,686,715	7,347,175	16.8	13,338,063	30.5	-13.7
1983	48,707,073	9,034,964	18.5	13,806,246	28.3	-9.8
1984	50,026,660	8,561,843	17.1	13,746,596	27.5	-10.4
1985	48,584,651	8,251,509	17.0	13,013,888	26.8	-9.8
1986	47,951,945	7,793,900	16.3	12,166,240	25.4	-9.1
1987	44,020,358	7,460,704	16.9	11,028,440	25.1	-8.2
1988	45,458,794	5,657,285	12.4	10,112,609	22.2	-9.8
1989	40,307,857	5,019,976	12.5	9,408,136	23.3	-10.8
1990	55,418,265	5,887,958	10.6	10,543,298	19.0	-8.4
1991	73,624,108	7,105,194	9.7	13,184,382	17.9	-8.2
1992	75,622,794	7,696,548	10.2	13,699,283	18.1	-7.9
1993	76,404,138	8,555,964	11.2	14,206,432	18.6	-7.4
1994	81,680,927	9,415,903	11.5	14,382,739	17.6	-6.1
1995	63,654,237	8,320,892	13.1	12,652,325	19.9	-6.8
1996	42,407,216	6,518,864	15.4	10,141,673	23.9	-8.5
1997	39,269,123	5,021,314	12.8	8,997,610	22.9	-10.1

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/21/00 11:10
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2421.10
 Category: Aerial Cable Metallic

Development of Retirement Ratios -- Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ments C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ments G	Retire- ment Ratio H=G/F
1985	471,748,502							
1986	506,158,933	488,953,718	8,869,491	0.01814				
1987	540,971,153	523,565,043	8,457,587	0.01615	86-88	1,552,696,340	26,055,285	0.01678
1988	539,384,006	540,177,580	8,728,207	0.01616	87-89	1,615,553,633	24,530,201	0.01518
1989	564,238,015	551,811,011	7,344,407	0.01331	88-90	1,666,173,803	28,131,716	0.01688
1990	584,132,410	574,185,213	12,059,102	0.02100	89-91	1,724,650,253	23,122,063	0.01341
1991	613,175,650	598,654,030	3,718,554	0.00621	90-92	1,798,011,819	39,345,651	0.02188
1992	637,169,502	625,172,576	23,567,995	0.03770	91-93	1,872,158,894	54,220,599	0.02896
1993	659,495,073	648,332,288	26,934,050	0.04154	92-94	1,942,867,801	59,845,138	0.03080
1994	679,230,802	669,362,938	9,343,093	0.01396	93-95	2,008,409,968	49,117,589	0.02446
1995	702,198,683	690,714,743	12,840,446	0.01859	94-96	2,073,275,946	31,178,882	0.01504
1996	724,197,848	713,198,266	8,995,343	0.01261	95-97	2,140,280,341	27,377,094	0.01279
1997	748,536,818	736,367,333	5,541,305	0.00753	96-98	2,211,940,760	20,223,677	0.00914
1998	776,213,504	762,375,161	5,687,029	0.00746	97-99	2,288,626,998	17,433,334	0.00762
1999 #	803,555,504	789,884,504	6,205,000	0.00786				

Forecasted Activity

AERIAL CABLE -
FIBER

292

002910

Company : BellSouth Telecommunications
 State : Florida
 Account : 2421.2000
 Category : Aerial Cable Fiber

Account Description

The Aerial Cable Fiber Account consists of aerially suspended fiber optic cables supported by poles or other structures. It also includes terminals, supporting strand, and other miscellaneous items used in the construction of fiber optic aerial cable.

Investment Statistics

1-1-00 investment and reserve in the Aerial Cable Fiber Account are shown below in Table 1.

State	Invest (\$M)	% of Depr Plant	Reserve (\$M)	Reserve %
Florida	49.9	0.4	10.9	21.7

Table 1

Life Summary and Proposal

Fiber optic cable is subject to replacement due to enhancements in the existing technology, to manufacturing defects, and to clouding of the fiber. Accidents and weather disturbances can also damage aerial fiber optic cable. While a small portion of the investment in aerial cable fiber has been retired, there have not yet been sufficient retirements to establish reliable patterns based on historical data. Although there is presently no established replacement for fiber optic cable, improved technologies are likely to be developed. Based on prior experience, the increased capabilities and/or cost savings available from replacement technologies will probably become the primary determinants of the life of fiber optic cable.

In light of the present and expected future pace of technological innovation, the Company believes that a reasonable projection life for Aerial Cable Fiber is 20 years.

Graduations of the limited historical retirement data for Aerial Cable Fiber do not yield curve shapes indicative of the retirement pattern expected for this account. Therefore, the Company selected the curve shape that satisfied the least absolute retirement difference in the latest 3-year (1996 – 1998) aerial metallic band.

Company : BellSouth Telecommunications
State : Florida
Account : 2421.2000
Category : Aerial Cable Fiber

Salvage Proposal

Because of the limited number of retirements, historical net salvage data for aerial cable fiber is not yet consistent enough to be the basis of projections for the future. With little or no gross salvage being generated by the reclamation of fiber cable, the Company would expect long term future net salvage for this account to consist primarily of cost of removal. Future net salvage rates should be somewhat comparable to the values for aerial metallic cable. The Company selected a future net salvage of -14%.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2421.2
CATEGORY : AERIAL CABLE FIBER

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Account Parameter Summary	2
Generation Arrangement	3
Projection Life Table/Remaining Life Development	4
Curve Shape Analysis plot	5
Average Net Salvage	6
Table A	7
Table B	8
Retirement Ratios	9

January 1, 2000

Run Date: 3/13/00 11:34
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2421.20
 Category: Aerial Cable Fiber

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	44,010,283	49,912,283
Adjustment	0	0
Study	44,010,283	49,912,283
% Tot. Depr. Plant	0.37	0.41
Depr. Reserve (\$)	8,713,953	10,850,353
(%)	19.8	21.7
Plife/AYFR (Yrs)		
Aerial Cable Fiber	20.0	20.0
Curve		
Aerial Cable Fiber	1995-97 AER MET	1996-98 AER MET
c	1.04000000E+00	1.03000000E+00
G	-1.56106240E-01	-2.28615000E-01
S	3.77364150E-03	5.26800000E-03
Whole Life (yrs)	18.5	17.7
Avg. Net Salv. (%)	-13	-13
WL Rate (%)	6.1	6.4
Comp. Rem. Life (Yrs)	15.1	14.2
Fut. Net Salv. (%)	-14	-14
Comp. RL Rate (%)	6.2	6.5
Intrastate Factor (%)	74.62	74.24

@ Estimated Investment and Reserve

02/23/00
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 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: AERIAL CABLE FIBER
 CATEGORY: AERIAL CABLE FIBER
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT AGE		EXPERIENCE AS OF 1-1-2000%			REMAIN ING	VINT AVG	AVERAGE	REMAINING
AGE	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE	LIFE YEARS	LIFE YEARS	LIFE WEIGHTS	LIFE WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	7,004,486	0.9996	0.50	12.05	12.55	558,175	6,725,398
*1998	1.5	5,458,741	0.9966	1.50	12.46	13.96	390,894	4,872,400
1997	2.5	4,475,892	0.9889	2.49	17.94	20.23	221,296	3,969,501
1996	3.5	6,503,931	0.9838	3.48	17.16	20.36	319,383	5,481,680
1995	4.5	4,964,869	0.9770	4.46	16.42	20.50	242,228	3,976,735
1994	5.5	3,320,536	0.9445	5.32	15.70	20.14	164,836	2,587,679
1993	6.5	2,806,155	0.9353	6.30	15.01	20.34	137,966	2,070,379
1992	7.5	3,023,219	0.9124	7.20	14.34	20.29	149,023	2,137,009
1991	8.5	3,629,836	0.8902	8.11	13.70	20.31	178,757	2,448,785
1990	9.5	4,355,474	0.7943	8.41	13.08	18.80	231,697	3,031,114
1989	10.5	1,838,808	0.8208	9.68	12.49	19.93	92,271	1,152,403
1988	11.5	662,249	0.7111	10.53	11.92	19.01	34,844	415,317
1987	12.5	686,786	0.8658	11.90	11.37	21.74	31,587	359,198
1986	13.5	547,479	0.7493	12.05	10.85	20.17	27,139	294,350
1985	14.5	299,123	0.4621	11.54	10.34	16.32	18,329	189,547
1984	15.5	210,695	0.1830	9.66	9.86	11.46	18,387	181,244
1983	16.5	124,004	0.8244	15.73	9.39	23.48	5,282	49,615
TOTAL		49,912,283					2,822,095	39,942,352
NON-ELG V		37,449,056					1,873,025	28,344,553
ELG V		12,463,227					949,069	11,597,799

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 17.68625 19.99389 13.13205
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 14.15344 15.13303 12.22018
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 54,739,692 B/ SUM OF (B/C) 0.91181

ORIGINAL: c 1.030000000000 G -2.286150000000E-001 S +5.268000000000E-003
 RESCALED: c 1.060788529550 G -2.286150000000E-001 S +1.051727304974E-002
 * ELG VINTAGES, PROJECTION LIFE 20.0
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 % ACTUAL

03/20/00
 07:43 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: AERIAL CABLE FIBER
 CATEGORY: AERIAL CABLE FIBER
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

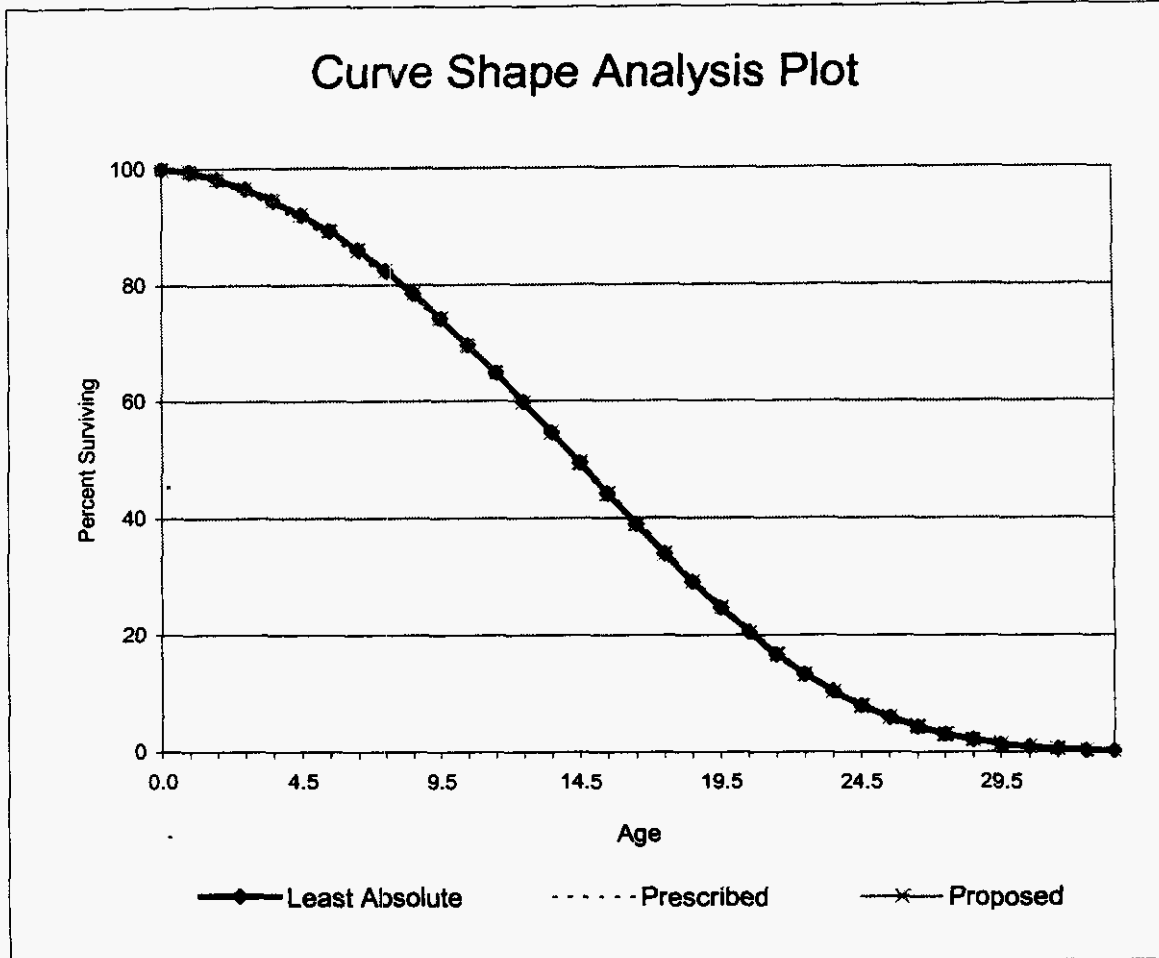
PROJECTION LIFE TABLE PARAMETERS AVG LIFE 20.00

ORIGINAL: c 1.030000000000 RESCALED: c 1.060788529550
 G -2.286150000000E-001 G -2.286150000000E-001
 S +5.268000000000E-003 S +1.051727304974E-002

BEGINNING OF YEAR		AMOUNT		ANNUAL ACCRUALS		ELG	ELG	VG
		RETIRE		FOR BOY AGE A		AVG	AVG	VINT
AGE	AMOUNT	DURING YEAR	AGE OF	EACH	FOR ALL	SVC	RL	RL
	IN SERVICE	(LIFE GROUP)	AMOUNT	LIFE	REMAINING	LIFE	LIFE	LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	365	0.5	730	8,669	11.53	11.53	20.00
0.5	99,635	867	1.0	867	7,940	12.55	12.05	19.57
1.5	98,768	1,056	2.0	528	7,073	13.96	12.46	18.74
2.5	97,713	1,249	3.0	416	6,545	14.93	12.43	17.94
3.5	96,463	1,448	4.0	362	6,128	15.74	12.24	17.16
4.5	95,015	1,650	5.0	330	5,766	16.48	11.98	16.42
5.5	93,365	1,854	6.0	309	5,436	17.17	11.67	15.70
6.5	91,512	2,058	7.0	294	5,128	17.85	11.35	15.01
7.5	89,454	2,261	8.0	283	4,834	18.51	11.01	14.34
8.5	87,193	2,461	9.0	273	4,551	19.16	10.66	13.70
9.5	84,733	2,655	10.0	266	4,278	19.81	10.31	13.08
10.5	82,077	2,842	11.0	258	4,012	20.46	9.96	12.49
11.5	79,235	3,020	12.0	252	3,754	21.11	9.61	11.92
12.5	76,215	3,185	13.0	245	3,502	21.76	9.26	11.37
13.5	73,029	3,336	14.0	238	3,257	22.42	8.92	10.85
14.5	69,693	3,470	15.0	231	3,019	23.09	8.59	10.34
15.5	66,223	3,585	16.0	224	2,787	23.76	8.26	9.86
16.5	62,638	3,678	17.0	216	2,563	24.44	7.94	9.39
17.5	58,960	3,747	18.0	208	2,347	25.12	7.62	8.95
18.5	55,213	3,791	19.0	200	2,139	25.82	7.32	8.52
19.5	51,423	3,807	20.0	190	1,939	26.52	7.02	8.11
20.5	47,616	3,795	21.0	181	1,749	27.23	6.73	7.72
21.5	43,820	3,755	22.0	171	1,568	27.94	6.44	7.35
22.5	40,065	3,686	23.0	160	1,397	28.67	6.17	6.99
23.5	36,379	3,588	24.0	150	1,237	29.40	5.90	6.64
24.5	32,791	3,464	25.0	139	1,088	30.15	5.65	6.32
TOTAL		70,673						

* F(AGE A) = SUM OF COL E AGE A TO END
 # I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END) / (COL B AT AGE A))

COMPANY : BellSouth Telecommunications
 STATE : Florida
 ACCOUNT : 2421.2
 CATEGORY : Aerial Cable Fiber



c = 1.03 G = -0.228615 S = 0.005267804

Curves scaled to observed life of 14.47

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: AERIAL CABLE FIBER
 CATEGORY: AERIAL CABLE FIBER
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	4,827#	1.9*	93	7.3*	352	-5.4
FUTURE	49,912&	3.0**	1,497	17.0**	8,485	-14.0
TOTAL	54,740		1,591		8,837	
AVERAGE		2.9		16.1		-13.2

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

January 1, 2000
 6

300

002918

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: AERIAL CABLE FIBER
 CATEGORY: AERIAL CABLE FIBER
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
			AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1981	0	0	0	0.0	0	0.0	0.0
1982	0	0	0	0.0	0	0.0	0.0
1983	119,870	0	0	0.0	0	0.0	0.0
1984	1,566,290	0	0	0.0	0	0.0	0.0
1985	2,254,292	704	0	0.0	0	0.0	0.0
1986	2,983,892	9,982	0	0.0	0	0.0	0.0
1987	3,730,896	12,783	1,363	10.7	4,186	32.7	-22.0
1988	4,338,323	297,869	872	0.3	22,459	7.5	-7.2
1989	6,047,569	564,710	490	0.1	1,117	0.2	-0.1
1990	10,766,663	190,923	29,104	15.2	8,458	4.4	10.8
1991	11,209,660	4,001,183	454	0.0	9,230	0.2	-0.2
1992	18,072,706	~3,525,056	0	0.0	14,087	-0.4	0.4
1993	20,583,274	501,422	3,931	0.8	19,808	4.0	-3.2
1994	23,876,665	275,144	198	0.1	19,045	6.9	-6.8
1995	28,193,372	837,066	9,220	1.1	51,824	6.2	-5.1
1996	34,514,671	451,860	29,907	6.6	30,525	6.8	-0.2
1997	38,732,439	206,951	0	0.0	15,966	7.7	-7.7
1998	44,010,283	407,847	0	0.0	48,197	11.8	-11.8
1999	49,912,283	680,000	20,400	3.0	115,600	17.0	-14.0
GRAND TOTAL		4,913,386	95,939	2.0	360,502	7.3	-5.3
1988-1999#		4,889,917	94,576	1.9	356,316	7.3	-5.4
1990-1999##		4,027,338	93,214	2.3	332,740	8.3	-6.0

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

January 1, 2000

7

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: AERIAL CABLE FIBER
 CATEGORY: AERIAL CABLE FIBER
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1983	704	0	0.0	0	0.0	0.0
1984	10,686	0	0.0	0	0.0	0.0
1985	23,469	1,363	5.8	4,186	17.8	-12.0
1986	321,338	2,235	0.7	26,645	8.3	-7.6
1987	886,048	2,725	0.3	27,762	3.1	-2.8
1988	1,076,265	31,829	3.0	36,220	3.4	-0.4
1989	5,067,466	32,283	0.6	45,450	0.9	-0.3
1990	1,529,627	30,920	2.0	55,351	3.6	-1.6
1991	1,733,180	33,979	2.0	52,700	3.0	-1.0
1992	1,443,614	33,687	2.3	70,628	4.9	-2.6
1993	2,089,759	13,803	0.7	113,994	5.5	-4.8
1994	-1,459,564	43,256	-3.0	135,289	-9.3	6.3
1995	2,272,443	43,256	1.9	137,168	6.0	-4.1
1996	2,178,868	39,325	1.8	165,557	7.6	-5.8
1997	2,583,724	59,527	2.3	262,112	10.1	-7.8

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/21/00 11:10
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2421.20
 Category: Aerial Cable Fiber

Development of Retirement Ratios -- Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A) / 2	Retire- ment Ratio C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ment Ratio G	Retire- ment Ratio H=G/F
1985	2,254,292							
1986	2,983,892	2,619,092	9,982	0.00381				
1987	3,730,896	3,357,394	12,783	0.00381	86-88	10,011,096	320,634	0.03203
1988	4,338,323	4,034,610	297,869	0.07383	87-89	12,584,950	875,362	0.06956
1989	5,047,569	5,192,946	564,710	0.10875	88-90	17,634,672	1,053,500	0.05974
1990	10,766,663	8,407,116	190,921	0.02271	89-91	24,588,224	4,756,814	0.19346
1991	11,209,660	10,988,162	4,001,183	0.36414	90-92	34,036,461	667,048	0.01960
1992	18,072,706	14,641,183	-3,525,056	-0.24076	91-93	44,957,335	977,549	0.02174
1993	20,583,274	19,327,990	501,422	0.02594	92-94	56,199,143	-2,748,490	-0.04891
1994	23,876,665	22,229,970	275,144	0.01238	93-95	67,592,978	1,613,632	0.02387
1995	28,193,372	26,035,019	837,066	0.03215	94-96	79,619,010	1,564,070	0.01964
1996	34,514,671	31,354,022	451,860	0.01441	95-97	94,012,595	1,495,877	0.01591
1997	38,732,439	36,623,555	206,951	0.00565	96-98	109,348,938	1,066,658	0.00975
1998	44,010,283	41,371,361	407,847	0.00986	97-99	124,956,199	1,294,798	0.01036
1999 #	49,912,283	46,961,283	680,000	0.01448				

Forecasted Activity

UNDERGROUND
CABLE - METALLIC

304

002922

Company : BellSouth Telecommunications
 State : Florida
 Account : 2422.1000
 Category : Undergrd Cable Metal

Account Description

The Underground Cable Metal Account consists of metallic-conductor cables placed in underground conduit, manholes, basements, and central office vaults including associated items such as load coils, build-out capacitors, terminals, and stubs served by underground cable.

Investment Statistics

1-1-00 investment and reserve in the Underground Cable Metal Account are shown below in Table 1.

State	Invest (\$M)	% of Depr Plant	Reserve (\$M)	Reserve %
Florida	746.4	6.2	708.7	94.9

Table 1

Life Summary and Proposal

The General Cable narrative provides a discussion of the development of remaining and projection lives for this account. A 14-year projection life was developed and selected for the Underground Cable Metallic account.

Graduated curves reflect the impact of fiber substitution. The Company proposes a Bell 2.0 curve as being predictive of the future retirement pattern of this account.

Salvage Proposal

The Company is selecting a future net salvage of -8%. BellSouth's future net salvage value is based on historical salvage and on future salvage expectations for the Underground Cable Metallic account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2422.1
CATEGORY : UNDERGROUND CABLE METAL

INDEX

Account Parameter Summary	2
Generation Arrangement	3
Projection Life Table/Remaining Life Development	4
Curve Shape Analysis plot	5
Average Net Salvage	6
Table A	7
Table B	8
Retirement Ratios	9

January 1, 2000

306

1
002924

Run Date: 3/13/00 11:34
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2422.10
 Category: Underground Cable Metallic

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	738,694,255	746,436,255
Adjustment	0	0
Study	738,694,255	746,436,255
% Tot. Depr. Plant	6.29	6.17
Depr. Reserve (\$)	685,606,300	708,696,284
(%)	92.8	94.9
Plife/AYFR (Yrs)		
Underground Cable Metallic	12.0	14.0
Curve		
Underground Cable Metallic	BELL #2.0	BELL #2.0
c	1.10249400E+00	1.10249400E+00
G	-3.34100410E-01	-3.34100000E-01
S	2.40118790E-02	2.40120000E-02
Whole Life (yrs)	18.6	20.3
Avg. Net Salv. (%)	-7	-7
WL Rate (%)	5.8	5.3
Comp. Rem. Life (Yrs)	4.4	5.5
Fut. Net Salv. (%)	-8	-8
Comp. RL Rate (%)	3.5	2.4
Intrastate Factor (%)	74.62	74.24

@ Estimated Investment and Reserve

02/23/00
 10:59 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: UNDERGROUND CABLE METALLIC
 CATEGORY: UNDERGROUND CABLE METALLIC
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

EXPERIENCE AS OF 1-1-2000*					REMAIN	VINT	AVERAGE	REMAINING
VINT	AGE	AMOUNT	PROP	REAL	ING	AVG	LIFE	LIFE
AGE	AGE	SURVIVING	SURV	LIFE	LIFE	LIFE	WEIGHTS	WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	10,616,225	0.9990	0.50	8.04	8.54	1,243,144	9,994,653
*1998	1.5	9,887,461	0.9924	1.49	8.40	9.90	999,193	8,388,671
1997	2.5	8,756,897	0.9950	2.49	12.12	14.55	601,773	7,294,190
1996	3.5	10,206,933	0.9844	3.46	11.43	14.72	693,497	7,929,804
1995	4.5	10,376,537	0.9705	4.40	10.78	14.87	697,979	7,526,348
1994	5.5	12,528,964	0.9825	5.43	10.17	15.42	812,606	8,260,346
1993	6.5	13,062,826	0.9763	6.41	9.58	15.77	828,476	7,936,492
1992	7.5	11,220,804	0.9675	7.36	9.02	16.10	697,141	6,291,517
1991	8.5	10,573,235	0.9635	8.33	8.50	16.52	639,987	5,439,388
1990	9.5	12,486,923	0.9583	9.31	8.00	16.98	735,346	5,884,034
1989	10.5	13,112,274	0.9650	10.30	7.53	17.56	746,565	5,622,361
1988	11.5	18,508,328	0.9163	11.06	7.09	17.55	1,054,525	7,472,088
1987	12.5	23,775,766	0.9100	11.84	6.66	17.91	1,327,516	8,847,666
1986	13.5	21,163,249	0.9508	13.19	6.27	19.15	1,104,902	6,924,522
1985	14.5	22,104,425	0.8865	13.72	5.89	18.94	1,167,184	6,876,387
1984	15.5	27,399,661	0.8928	14.61	5.54	19.56	1,401,042	7,757,276
1983	16.5	36,332,758	0.9015	15.60	5.20	20.29	1,790,586	9,314,877
1982	17.5	59,091,047	0.9024	16.67	4.89	21.08	2,803,529	13,699,456
1981	18.5	56,310,566	0.8540	17.44	4.59	21.36	2,636,233	12,097,526
1980	19.5	82,935,638	0.8853	18.60	4.31	22.41	3,700,342	15,943,137
1979	20.5	48,373,223	0.8504	19.17	4.04	22.61	2,139,210	8,651,990
1978	21.5	36,678,682	0.7905	19.49	3.80	22.49	1,630,630	6,189,673
1977	22.5	24,596,255	0.7846	20.67	3.56	23.47	1,048,158	3,733,504
1976	23.5	12,376,679	0.6762	20.40	3.34	22.66	546,088	1,825,016
1975	24.5	10,845,657	0.5924	20.94	3.14	22.80	475,705	1,491,428
1974/PRIOR		143,115,242	0.5696	25.40	2.23	26.89	5,322,265	11,868,507
TOTAL		746,436,255					36,843,626	203,260,857
NON-ELG V		725,932,569					34,601,288	184,877,534
ELG V		20,503,686					2,242,338	18,383,324

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 20.25958 20.97993 9.14389
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 5.51685 5.34308 8.19829
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 937,893,512 B/ SUM OF (B/C) 0.79586

ORIGINAL: c 1.102494000000 G -3.341004100000E-001 S +2.401187900000E-002
 RESCALED: c 1.072182548964 G -3.341004100000E-001 S +1.715133946436E-002
 * ELG VINTAGES, PROJECTION LIFE 14.0

03/20/00
 07:43 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: UNDERGROUND CABLE METALLIC
 CATEGORY: UNDERGROUND CABLE METALLIC
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 14.00

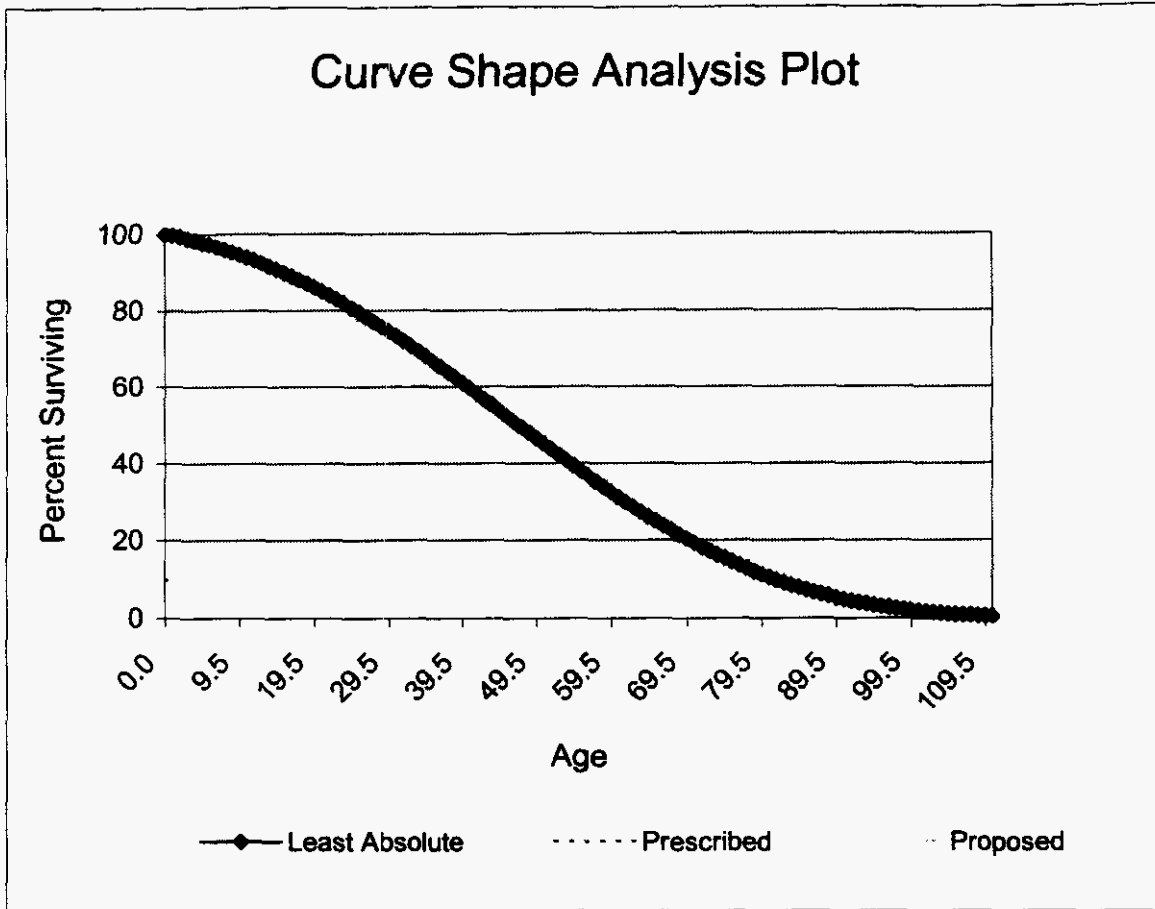
ORIGINAL: c 1.102494000000 RESCALED: c 1.072182548964
 G -3.341004100000E-001 G -3.341004100000E-001
 S +2.401187900000E-002 S +1.715133946436E-002

BEGINNING OF YEAR		AMOUNT		ANNUAL ACCRUALS		ELG	ELG	VG
-----		RETIRE		FOR BOY AGE A		AVG	AVG	VINT
AGE	AMOUNT	AMOUNT	AGE OF	EACH	FOR ALL	SVC	RL	RL
IN SERVICE	DURING YEAR	AMOUNT	RETIRE	LIFE	GROUPS	LIFE	LIFE	LIFE
-----	-----	-----	-----	-----	-----	-----	-----	-----
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	751	0.5	1,501	13,123	7.62	7.62	14.00
0.5	99,249	1,771	1.0	1,771	11,622	8.54	8.04	13.61
1.5	97,478	2,136	2.0	1,068	9,851	9.90	8.40	12.84
2.5	95,342	2,503	3.0	834	8,783	10.86	8.36	12.12
3.5	92,839	2,868	4.0	717	7,948	11.68	8.18	11.43
4.5	89,971	3,224	5.0	645	7,231	12.44	7.94	10.78
5.5	86,747	3,566	6.0	594	6,587	13.17	7.67	10.17
6.5	83,181	3,887	7.0	555	5,992	13.88	7.38	9.58
7.5	79,293	4,181	8.0	523	5,437	14.58	7.08	9.02
8.5	75,113	4,440	9.0	493	4,914	15.28	6.78	8.50
9.5	70,673	4,657	10.0	466	4,421	15.99	6.49	8.00
10.5	66,016	4,828	11.0	439	3,955	16.69	6.19	7.53
11.5	61,188	4,945	12.0	412	3,516	17.40	5.90	7.09
12.5	56,242	5,006	13.0	385	3,104	18.12	5.62	6.66
13.5	51,237	5,005	14.0	358	2,719	18.84	5.34	6.27
14.5	46,232	4,942	15.0	329	2,362	19.58	5.08	5.89
15.5	41,289	4,818	16.0	301	2,032	20.32	4.82	5.54
16.5	36,472	4,634	17.0	273	1,731	21.07	4.57	5.20
17.5	31,838	4,395	18.0	244	1,459	21.83	4.33	4.89
18.5	27,443	4,107	19.0	216	1,214	22.60	4.10	4.59
19.5	23,336	3,779	20.0	189	998	23.38	3.88	4.31
20.5	19,557	3,421	21.0	163	809	24.17	3.67	4.04
21.5	16,136	3,043	22.0	138	646	24.96	3.46	3.80
22.5	13,093	2,658	23.0	116	508	25.77	3.27	3.56
23.5	10,435	2,277	24.0	95	392	26.59	3.09	3.34
24.5	8,158	1,910	25.0	76	298	27.41	2.91	3.14
TOTAL		93,752						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
 STATE : Florida
 ACCOUNT : 2422.1
 CATEGORY : Underground Cable Metal



c = 1.102494 G = -0.33410041 S = 0.024011879

Curves scaled to observed life of 47.95

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: UNDERGROUND CABLE METALLIC
 CATEGORY: UNDERGROUND CABLE METALLIC
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	191,457#	16.9*	32,368	21.5*	41,108	-4.6
FUTURE	746,436&	2.0**	14,929	10.0**	74,644	-8.0
TOTAL	937,894		47,297		115,751	
AVERAGE		5.0		12.3		-7.3

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998, SA, 01
 PROF: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: UNDERGROUND CABLE METALLIC
 CATEGORY: UNDERGROUND CABLE METALLIC
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
			AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1975##		17,998,822	4,959,430	27.6	5,110,961	28.4	-0.8
1976	280,981,601	2,099,580	321,024	15.3	817,211	38.9	-23.6
1977	308,397,114	2,635,945	266,750	10.1	1,117,869	42.4	-32.3
1978	344,914,463	2,795,925	536,962	19.2	1,095,932	39.2	-20.0
1979	402,121,010	2,883,115	501,437	17.4	1,242,531	43.1	-25.7
1980	475,700,864	4,207,922	1,179,835	28.0	1,161,352	27.6	0.4
1981	537,779,220	6,633,491	1,467,388	22.1	1,528,344	23.0	-0.9
1982	601,625,999	4,525,082	1,208,656	26.7	1,300,894	28.7	-2.0
1983	634,052,323	4,233,630	947,948	22.4	991,521	23.4	-1.0
1984	656,078,047	4,865,993	821,605	16.9	1,087,611	22.4	-5.5
1985	671,537,198	8,403,924	1,156,247	13.8	1,202,163	14.3	-0.5
1986	692,258,106	2,185,451	848,413	38.8	1,612,749	73.8	-35.0
1987	712,450,175	5,342,776	540,799	10.1	1,163,563	21.8	-11.7
1988	723,796,568	7,135,509	1,083,592	15.2	1,184,449	16.6	-1.4
1989	731,373,319	6,133,600	507,846	8.3	930,662	15.2	-6.9
1990	735,646,583	10,454,726	1,241,996	11.9	1,263,366	12.1	-0.2
1991	726,387,289	19,941,913	862,712	4.3	2,167,060	10.9	-6.6
1992	727,016,786	10,403,747	1,734,136	16.7	2,154,294	20.7	-4.0
1993	721,466,949	19,402,375	4,245,815	21.9	4,822,679	24.9	-3.0
1994	719,924,042	14,845,424	1,996,897	13.5	2,562,687	17.3	-3.8
1995	719,920,554	11,837,306	2,425,413	20.5	1,551,967	13.1	7.4
1996	723,913,384	6,178,467	1,215,254	19.7	614,713	9.9	9.8
1997	729,438,586	3,128,833	611,396	19.5	1,197,994	38.3	-18.8
1998	738,694,255	1,057,763	36,485	3.4	929,449	87.9	-84.5
1999	746,436,255	2,685,000	53,700	2.0	268,500	10.0	-8.0
GRAND TOTAL		182,016,319	30,771,736	16.9	39,080,521	21.5	-4.6
1945-1999#		182,016,319	30,771,736	16.9	39,080,521	21.5	-4.6
1990-1999##		99,935,554	14,423,804	14.4	17,532,709	17.5	-3.1

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: UNDERGROUND CABLE METALLIC
 CATEGORY: UNDERGROUND CABLE METALLIC
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET SALVAGE
		AMOUNT	PERCENT	AMOUNT	PERCENT	PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1977	12,753,116	2,077,514	16.3	5,324,962	41.8	-25.5
1978	14,622,487	2,806,008	19.2	5,434,895	37.2	-18.0
1979	19,156,398	3,952,372	20.6	6,146,028	32.1	-11.5
1980	21,045,535	4,894,278	23.3	6,329,053	30.1	-6.8
1981	22,483,240	5,305,264	23.6	6,224,642	27.7	-4.1
1982	24,466,118	5,625,432	23.0	6,069,722	24.8	-1.8
1983	28,662,120	5,601,844	19.5	6,110,533	21.3	-1.8
1984	24,214,080	4,982,869	20.6	6,194,938	25.6	-5.0
1985	25,031,774	4,315,012	17.2	6,057,607	24.2	-7.0
1986	27,933,653	4,450,656	15.9	6,250,535	22.4	-6.5
1987	29,201,260	4,136,897	14.2	6,093,586	20.9	-6.7
1988	31,252,062	4,222,646	13.5	6,154,789	19.7	-6.2
1989	49,008,524	4,236,945	8.6	6,709,100	13.7	-5.1
1990	54,069,495	5,430,282	10.0	7,699,831	14.2	-4.2
1991	66,336,361	8,592,505	13.0	11,338,061	17.1	-4.1
1992	75,048,185	10,081,556	13.4	12,970,086	17.3	-3.9
1993	76,430,765	11,264,973	14.7	13,258,687	17.3	-2.6
1994	62,667,319	11,617,515	18.5	11,706,340	18.7	-0.2
1995	55,392,405	10,494,775	18.9	10,750,040	19.4	-0.5
1996	37,047,793	6,285,445	17.0	6,856,810	18.5	-1.5
1997	24,887,369	4,342,248	17.4	4,562,623	18.3	-0.9

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/21/00 11:10
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2422.10
 Category: Underground Cable Metallic

Development of Retirement Ratios -- Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ments C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ments G	Retire- ment Ratio H=G/F
1985	671,537,198							
1986	692,258,106	681,897,652	2,185,451	0.00320				
1987	712,450,175	702,354,141	5,342,776	0.00761	86-88	2,102,375,164	14,663,736	0.00697
1988	723,796,568	718,123,372	7,135,509	0.00994	87-89	2,148,062,456	18,611,895	0.00866
1989	731,373,319	727,584,944	6,133,600	0.00843	88-90	2,179,218,266	23,723,835	0.01089
1990	735,646,583	733,509,951	10,454,726	0.01425	89-91	2,192,111,831	36,530,239	0.01666
1991	726,387,289	731,016,936	19,941,913	0.02728	90-92	2,191,228,925	40,800,386	0.01862
1992	727,016,786	726,702,038	10,403,747	0.01432	91-93	2,181,960,841	49,748,035	0.02280
1993	721,466,949	724,241,868	19,402,375	0.02679	92-94	2,171,639,401	44,651,546	0.02056
1994	719,924,042	720,695,496	14,845,424	0.02060	93-95	2,164,859,661	46,085,105	0.02129
1995	719,920,554	719,922,298	11,837,306	0.01644	94-96	2,162,534,763	32,861,197	0.01520
1996	723,913,384	721,916,969	6,178,467	0.00856	95-97	2,168,515,252	21,144,606	0.00975
1997	729,438,586	726,675,985	3,128,833	0.00431	96-98	2,182,659,375	10,365,063	0.00475
1998	738,694,255	734,066,421	1,057,763	0.00144	97-99	2,203,307,661	6,871,596	0.00312
1999 #	746,436,255	742,565,255	2,685,000	0.00362				

Forecasted Activity

315

UNDERGROUND
CABLE - FIBER

002933

Company : BellSouth Telecommunications
 State : Florida
 Account : 2422.2000
 Category : Underground Cable Fiber

Account Description

The Underground Cable Fiber Account consists of fiber optic cables placed in underground conduit, manholes, basements, and central office vaults including terminals and other items associated with the construction of underground fiber optic cable.

Investment Statistics

1-1-00 investment and reserve in the Underground Cable Fiber Account are shown below in Table 1.

State	Invest (\$M)	% of Depr Plant	Reserve (\$M)	Reserve %
Florida	262.4	2.2	96.5	36.8

Table 1

Life Summary and Proposal

Since it is still a relatively new technology, much of the investment in Underground Cable Fiber remains in place. Underground Cable Fiber may have to be replaced for a variety of reasons including clouding of the fiber, new developments in the same technology, or manufacturing defects. In addition damage may be caused by excavation during construction or other types of accidents. Based on prior experience, the increased capabilities and/or cost savings available from replacement technologies will probably become the primary determinants of the life of fiber optic cable.

In light of the present and expected future pace of technological innovation, the Company believes that a reasonable projection life for Underground Cable Fiber is 20 years.

Because of the limited historical retirement data for Underground Cable Fiber, graduations do not yield curve shapes indicative of the retirement pattern expected for this account. The equivalent Underground Cable Metallic curve from the latest 3-year (1996 – 1998) band reflects the impact of technological substitution. For these reasons, the Company selected a Bell 2.0 curve.

Company : BellSouth Telecommunications
State : Florida
Account : 2422.2000
Category : Underground Cable Fiber

Salvage Proposal

Although there has been some gross salvage recorded for this account, the Company expects long term future net salvage to consist primarily of cost of removal. While there is little or no salvage to be received from scrap fiber optic cable, freeing duct space in underground conduit for new cable placement is important. Underground fiber cable's cost of removal may be somewhat less than underground metallic cable because of fiber's lighter weight, but we would expect future net salvage to be comparable to historical values for underground metallic cable. The Company selected a future net salvage of -8%.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2422.1
CATEGORY : UNDERGROUND CABLE FIBER

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Account Parameter Summary	2
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Projection Life Table/Remaining Life Development	4
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Average Net Salvage	6
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January 1, 2000

Run Date: 3/13/00 11:34
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2422.20
 Category: Underground Cable Fiber

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	252,619,675	262,381,675
Adjustment	0	0
Study	252,619,675	262,381,675
% Tot. Depr. Plant	2.15	2.17
Depr. Reserve (\$)	85,164,884	96,509,400
(%)	33.7	36.8
Plife/AYFR (Yrs)		
Underground Cable Fiber	20.0	20.0
Curve		
Underground Cable Fiber	BELL #2.0	BELL #2.0
c	1.10249400E+00	1.10249400E+00
G	-3.34100410E-01	-3.34100000E-01
S	2.40118790E-02	2.40120000E-02
Whole Life (yrs)	20.0	20.2
Avg. Net Salv. (%)	-8	-8
WL Rate (%)	5.4	5.3
Comp. Rem. Life (Yrs)	14.3	13.7
Fut. Net Salv. (%)	-8	-8
Comp. RL Rate (%)	5.2	5.2
Intrastate Factor (%)	74.62	74.24

@ Estimated Investment and Reserve

02/23/00
 10:59 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: UNDERGROUND CABLE FIBER
 CATEGORY: UNDERGROUND CABLE FIBER
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT		EXPERIENCE AS OF 1-1-2000*			REMAIN	VINT	AVERAGE	REMAINING
AGE	AGE	AMOUNT	PROP	REAL	ING	AVG	LIFE	LIFE
		SURVIVING	SURV	LIFE	LIFE	LIFE	WEIGHTS	WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	12,447,787	0.9981	0.50	11.17	11.67	1,066,805	11,914,385
*1998	1.5	16,891,901	0.9958	1.50	11.85	13.35	1,264,861	14,994,610
1997	2.5	13,893,321	0.9911	2.49	18.08	20.41	680,630	12,308,991
1996	3.5	21,003,077	0.9807	3.45	17.36	20.48	1,025,406	17,806,059
1995	4.5	19,521,888	0.9895	4.48	16.67	20.98	930,624	15,514,292
1994	5.5	15,218,343	0.9573	5.36	16.00	20.67	736,128	11,779,395
1993	6.5	13,550,170	0.9688	6.39	15.36	21.27	637,066	9,783,449
1992	7.5	16,463,344	0.9708	7.42	14.74	21.72	757,835	11,167,268
1991	8.5	18,915,209	0.9451	8.31	14.14	21.67	872,797	12,339,933
1990	9.5	20,223,817	0.9286	9.19	13.56	21.78	928,622	12,592,816
1989	10.5	16,437,834	0.9003	10.09	13.01	21.80	754,116	9,807,758
1988	11.5	10,186,806	0.8182	11.00	12.47	21.20	480,453	5,991,829
1987	12.5	9,378,279	0.8740	12.06	11.96	22.51	416,704	4,982,440
1986	13.5	19,298,060	0.8989	13.01	11.46	23.31	827,761	9,487,586
1985	14.5	18,820,703	0.9078	14.19	10.99	24.17	778,824	8,555,741
1984	15.5	15,556,140	0.8719	15.45	10.53	24.63	631,555	6,648,579
1983	16.5	3,850,009	0.8232	15.30	10.09	23.60	163,130	1,645,450
1982	17.5	368,488	0.8674	16.37	9.66	24.75	14,887	143,859
1981	18.5	4,847	0.9872	18.49	9.26	27.63	175	1,624
1980	19.5	351,652	0.9753	19.44	8.86	28.08	12,521	110,994
TOTAL		262,381,675					12,980,902	177,576,057
NON-ELG V		233,041,987					10,649,236	150,667,063
ELG V		29,339,688					2,331,666	26,908,994

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 20.21290 21.88345 12.58314
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 13.67979 14.14816 11.54067
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 280,185,270 B/ SUM OF (B/C) 0.93646

ORIGINAL: c 1.102494000000 G -3.341004100000E-001 S +2.401187900000E-002
 RESCALED: c 1.049997134853 G -3.341004100000E-001 S +1.200593762505E-002
 * ELG VINTAGES, PROJECTION LIFE 20.0
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*E) FOR VG VINTAGES
 % ACTUAL

03/20/00
 07:44 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: UNDERGROUND CABLE FIBER
 CATEGORY: UNDERGROUND CABLE FIBER
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

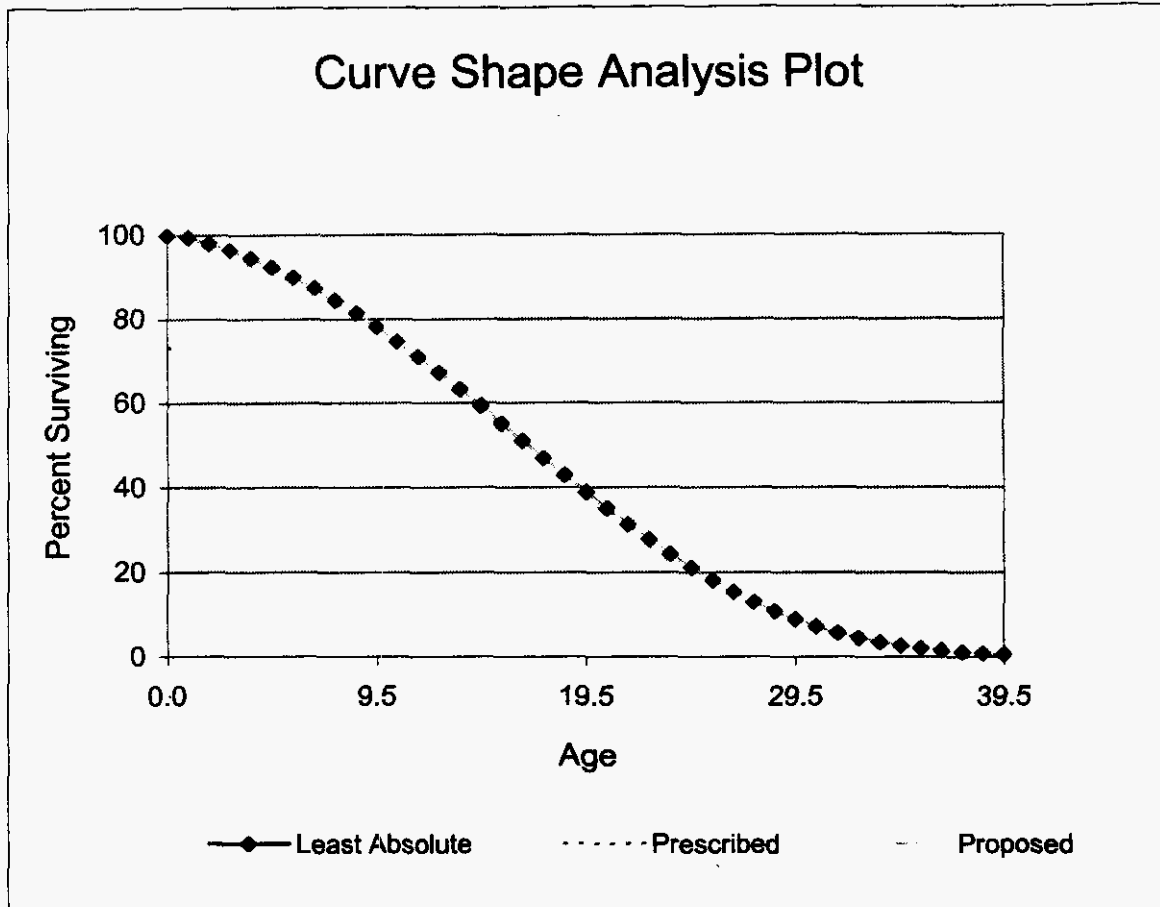
PROJECTION LIFE TABLE PARAMETERS AVG LIFE 20.00

ORIGINAL: c 1.102494000000 RESCALED: c 1.049997134853
 G -3.341004100000E-001 G -3.341004100000E-001
 S +2.401187900000E-002 S +1.200593762505E-002

BEGINNING OF YEAR		AMOUNT		ANNUAL ACCRUALS		ELG	ELG	VG
-----		RETIRE		FOR BOY AGE A		AVG	AVG	VINT
AGE	AMOUNT	AMOUNT	AGE OF	EACH	FOR ALL	SVC	RL	RL
IN SERVICE	DURING YEAR	RETIRE	AMOUNT	LIFE REMAINING	GROUPS	LIFE	LIFE	LIFE
-----	-----	-----	-----	-----	-----	-----	-----	-----
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	516	0.5	1,032	9,558	10.46	10.46	20.00
0.5	99,484	1,164	1.0	1,164	8,526	11.67	11.17	19.60
1.5	98,320	1,341	2.0	671	7,362	13.35	11.85	18.83
2.5	96,979	1,521	3.0	507	6,691	14.49	11.99	18.08
3.5	95,458	1,701	4.0	425	6,184	15.44	11.94	17.36
4.5	93,757	1,880	5.0	376	5,759	16.28	11.78	16.67
5.5	91,876	2,058	6.0	343	5,383	17.07	11.57	16.00
6.5	89,818	2,233	7.0	319	5,040	17.82	11.32	15.36
7.5	87,586	2,402	8.0	300	4,721	18.55	11.05	14.74
8.5	85,183	2,566	9.0	285	4,421	19.27	10.77	14.14
9.5	82,617	2,721	10.0	272	4,136	19.98	10.48	13.56
10.5	79,896	2,868	11.0	261	3,864	20.68	10.18	13.01
11.5	77,028	3,003	12.0	250	3,603	21.38	9.88	12.47
12.5	74,026	3,125	13.0	240	3,353	22.08	9.58	11.96
13.5	70,901	3,233	14.0	231	3,112	22.78	9.28	11.46
14.5	67,668	3,325	15.0	222	2,881	23.48	8.98	10.99
15.5	64,343	3,400	16.0	212	2,660	24.19	8.69	10.53
16.5	60,943	3,456	17.0	203	2,447	24.90	8.40	10.09
17.5	57,487	3,493	18.0	194	2,244	25.62	8.12	9.66
18.5	53,994	3,509	19.0	185	2,050	26.34	7.84	9.26
19.5	50,485	3,504	20.0	175	1,865	27.07	7.57	8.86
20.5	46,980	3,478	21.0	166	1,690	27.80	7.30	8.49
21.5	43,502	3,431	22.0	156	1,524	28.54	7.04	8.13
22.5	40,071	3,362	23.0	146	1,368	29.28	6.78	7.78
23.5	36,709	3,273	24.0	136	1,222	30.03	6.53	7.45
24.5	33,435	3,165	25.0	127	1,086	30.79	6.29	7.13
TOTAL		69,730						

* F(AGE A) = SUM OF COL E AGE A TO END
 # I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2422.2
CATEGORY : Underground Cable Fiber



c = 1.102494 G = -0.33410041 S = 0.024011879

Curves scaled to observed life of 17.06

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: UNDERGROUND CABLE FIBER
 CATEGORY: UNDERGROUND CABLE FIBER
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED A	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT B	WEIGHT C=(AxB)/100	PERCENT D	WEIGHT E=(AxD)/100	SALVAGE PERCENT F=(B-D)
PAST	17,804#	2.9*	516	5.1*	912	-2.2
FUTURE	262,382&	2.0**	5,248	10.0**	26,238	-8.0
TOTAL	280,185		5,764		27,151	
AVERAGE		2.1		9.7		-7.6

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: UNDERGROUND CABLE FIBER
 CATEGORY: UNDERGROUND CABLE FIBER
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET SALVAGE
	DEC. 31		AMOUNT	PERCENT	AMOUNT	PERCENT	PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1980	0	0	0	0.0	0	0.0	0.0
1981	19,780	0	0	0.0	0	0.0	0.0
1982	381,392	0	0	0.0	0	0.0	0.0
1983	6,739,896	0	0	0.0	0	0.0	0.0
1984	23,430,175	0	0	0.0	0	0.0	0.0
1985	44,876,825	28,118	0	0.0	0	0.0	0.0
1986	65,716,579	219,930	0	0.0	0	0.0	0.0
1987	76,412,843	111,530	10,758	9.6	3,052	2.7	6.9
1988	87,623,655	1,350,672	55,127	4.1	11,952	0.9	3.2
1989	106,378,890	-394,419	1,576	-0.4	16,173	-4.1	3.7
1990	127,965,255	327,190	56,027	17.1	16,769	5.1	12.0
1991	143,103,598	4,387,392	-32,305	-0.7	30,586	0.7	-1.4
1992	162,849,456	-2,834,842	110,911	-3.9	35,536	-1.3	-2.6
1993	175,381,256	1,543,501	24,886	1.5	82,084	5.0	-3.5
1994	189,527,112	1,770,550	44,213	2.5	89,504	5.1	-2.6
1995	207,498,456	1,692,349	77,534	4.6	127,575	7.5	-2.9
1996	225,516,642	3,516,033	123,804	3.5	99,018	2.8	0.7
1997	237,093,426	2,400,066	0	0.0	81,509	3.4	-3.4
1998	252,619,675	1,734,919	6,000	0.3	130,015	7.5	-7.2
1999	262,381,675	1,894,000	37,880	2.0	189,400	10.0	-8.0
GRAND TOTAL		17,846,989	516,411	2.9	913,173	5.1	-2.2
1986-1999#		17,818,871	516,411	2.9	913,173	5.1	-2.2
1990-1999##		16,531,158	448,950	2.7	881,996	5.3	-2.6

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/20/00
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 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: UNDERGROUND CABLE FIBER
 CATEGORY: UNDERGROUND CABLE FIBER
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET SALVAGE
		AMOUNT	PERCENT	AMOUNT	PERCENT	PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1982	0	0	0.0	0	0.0	0.0
1983	28,118	0	0.0	0	0.0	0.0
1984	248,048	0	0.0	0	0.0	0.0
1985	359,578	10,758	3.0	3,052	0.8	2.2
1986	1,710,250	65,885	3.9	15,004	0.9	3.0
1987	1,315,831	67,461	5.1	31,177	2.4	2.7
1988	1,614,903	123,488	7.6	47,946	3.0	4.6
1989	5,782,365	91,183	1.6	78,532	1.4	0.2
1990	2,835,993	191,336	6.7	111,016	3.9	2.8
1991	3,128,822	161,095	5.1	181,148	5.8	-0.7
1992	5,293,791	203,732	3.8	254,479	4.8	-1.0
1993	6,658,950	225,239	3.4	365,285	5.5	-2.1
1994	5,787,591	381,348	6.6	433,717	7.5	-0.9
1995	11,022,499	270,437	2.5	479,690	4.4	-1.9
1996	11,113,917	251,551	2.3	527,621	4.7	-2.4
1997	11,237,367	245,218	2.2	627,517	5.6	-3.4

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/21/00 11:10
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2422.20
 Category: Underground Cable Fiber

Development of Retirement Ratios -- Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ment Ratio H=G/F
			C			G
1985	44,876,825					
1986	65,716,579	55,296,702	219,930	0.00398		
1987	76,412,843	71,064,711	111,530	0.00157	86-88	208,379,662
1988	87,623,655	82,018,249	1,350,672	0.01647	87-89	250,084,233
1989	106,378,890	97,001,273	-394,419	-0.00407	88-90	296,191,594
1990	127,965,255	117,172,073	327,190	0.00279	89-91	349,707,772
1991	143,103,598	135,534,427	4,387,392	0.03237	90-92	405,683,026
1992	162,849,456	152,976,527	-2,834,842	-0.01853	91-93	457,626,310
1993	175,381,256	169,115,356	1,643,501	0.00972	92-94	504,546,067
1994	189,527,112	182,454,184	1,770,550	0.00970	93-95	550,082,324
1995	207,498,456	198,512,784	1,692,349	0.00853	94-96	597,474,517
1996	225,516,642	216,507,549	3,516,033	0.01624	95-97	646,325,367
1997	237,093,426	231,305,034	2,400,066	0.01038	96-98	692,669,134
1998	252,619,675	244,856,551	1,734,919	0.00709	97-99	733,662,260
1999 #	262,381,675	257,500,675	1,894,000	0.00736		6,028,985

Forecasted Activity

BURIED CABLE -
METALLIC

327

002945

Company : BellSouth Telecommunications
 State : Florida
 Account : 2423.1000
 Category : Buried Cable Metal

Account Description

The Buried Cable Metal Account consists of metallic-conductor cables or wires buried in the ground and includes terminals, pedestals, load coils, markers, short lengths of pipe, the cost of trenching and backfilling, and other miscellaneous items associated with buried cable.

Investment Statistics

1-1-00 investment and reserve in the Buried Cable Metal Account are shown below in Table 1.

State	Invest (\$M)	% of Depr Plant	Reserve (\$M)	Reserve %
Florida	2,608.9	21.6	1,921.2	73.6

Table 1

Life Summary and Proposal

The General Cable narrative provides a discussion of the development of remaining and projection lives for this account. A 15-year projection life was developed and selected for the Buried Cable Metallic account.

The selected graduated curve shape satisfies the least absolute retirement difference from the latest three year band (1996 - 1998).

Salvage Proposal

The Company is selecting a composite future net salvage of -7.0%. BellSouth's future net salvage values are based on historical salvage and on future salvage expectations for the Buried Cable Metallic account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2423.1
CATEGORY : BURIED CABLE METAL

INDEX

Account Parameter Summary	2
Generation Arrangement	3
Projection Life Table/Remaining Life Development	4
Curve Shape Analysis plot	5
Average Net Salvage	6
Table A	7
Table B	8
Retirement Ratios	9

January 1, 2000

329

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002947

Run Date: 3/13/00 11:34
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2423.10
 Category: Buried Cable Metallic

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	2,531,445,575	2,608,852,575
Adjustment	0	0
Study	2,531,445,575	2,608,852,575
% Tot. Depr. Plant	21.56	21.56
Depr. Reserve (\$)	1,772,531,112	1,921,199,633
(%)	70.0	73.6
Plife/AYFR (Yrs)		
Buried Cable Metallic	14.0	15.0
Curve		
Buried Cable Metallic	1995-1997 MORT	1996-1998 MORT
c	1.09000000E+00	1.07000000E+00
G	-1.45940210E-02	-1.91660000E-02
S	4.19465160E-04	4.96000000E-04
Whole Life (yrs)	16.1	17.0
Avg. Net Salv. (%)	-7	-7
WL Rate (%)	6.6	6.3
Comp. Rem. Life (Yrs)	5.8	6.4
Fut. Net Salv. (%)	-7	-7
Comp. RL Rate (%)	6.4	5.2
Intrastate Factor (%)	74.62	74.24

@ Estimated Investment and Reserve

02/23/00
 10:59 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BURIED CABLE METALLIC
 CATEGORY: BURIED CABLE METALLIC
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT		EXPERIENCE AS OF 1-1-2000*			REMAIN	VINT	AVERAGE	REMAINING
AGE	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE	ING LIFE YEARS	AVG LIFE YEARS	LIFE WEIGHTS	LIFE WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	90,410,197	0.9944	0.50	10.81	11.31	7,996,329	86,412,032
*1998	1.5	97,847,061	0.9937	1.50	10.65	12.15	8,052,923	85,767,677
1997	2.5	90,781,076	0.9909	2.49	12.75	15.13	6,001,658	76,522,745
1996	3.5	89,522,473	0.9898	3.49	11.89	15.25	5,869,386	69,771,252
1995	4.5	96,232,493	0.9853	4.47	11.05	15.36	6,266,606	69,234,181
1994	5.5	93,629,148	0.9800	5.45	10.23	15.48	6,049,251	61,910,524
1993	6.5	116,267,627	0.9744	6.42	9.45	15.63	7,439,342	70,286,712
1992	7.5	94,158,404	0.9748	7.42	8.69	15.89	5,923,926	51,482,167
1991	8.5	91,194,883	0.9627	8.33	7.96	16.00	5,699,339	45,388,575
1990	9.5	101,679,339	0.9684	9.37	7.27	16.41	6,196,751	45,046,873
1989	10.5	113,016,416	0.9797	10.42	6.61	16.89	6,691,278	44,221,568
1988	11.5	123,074,112	0.9538	11.25	5.98	16.96	7,256,329	43,417,181
1987	12.5	129,868,903	0.9416	12.16	5.39	17.24	7,534,163	40,639,913
1986	13.5	118,464,227	0.9283	13.03	4.84	17.52	6,760,730	32,734,685
1985	14.5	125,180,548	0.9190	13.96	4.33	17.94	6,979,642	30,203,218
1984	15.5	142,292,208	0.9147	14.87	3.85	18.39	7,738,066	29,796,849
1983	16.5	98,462,979	0.9002	15.69	3.41	18.76	5,247,772	17,904,806
1982	17.5	115,170,448	0.8748	16.39	3.01	19.02	6,054,478	18,227,297
1981	18.5	124,401,785	0.8572	17.19	2.65	19.46	6,391,885	16,912,614
1980	19.5	161,289,346	0.8734	18.30	2.32	20.33	7,935,457	18,387,027
1979	20.5	88,783,157	0.8102	18.64	2.02	20.28	4,377,652	8,854,293
1978	21.5	64,322,662	0.7848	19.26	1.76	20.64	3,116,395	5,488,090
1977	22.5	50,256,947	0.7755	20.19	1.53	21.38	2,350,940	3,598,423
1976	23.5	33,603,901	0.7374	20.51	1.33	21.49	1,563,723	2,079,042
1975	24.5	28,965,334	0.6752	20.43	1.16	21.21	1,365,669	1,578,524
1974/PRIOR		129,976,901	0.3240	20.54	0.76	20.89	6,221,273	4,756,350
TOTAL		2,608,852,575					153,080,965	980,622,619
NON-ELG V		2,420,595,317					137,031,713	808,442,910
ELG V		188,257,258					16,049,252	172,179,709

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 17.04231 17.66449 11.72997
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 6.40591 5.89968 10.72821
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 3,098,731,025 B/ SUM OF (B/C) 0.84191

ORIGINAL: c 1.070000000000 G -1.916600000000E-002 S +4.960000000000E-004
 RESCALED: c 1.203289577412 G -1.916600000000E-002 S +1.356653228592E-003
 * ELG VINTAGES, PROJECTION LIFE 15.0

03/20/00
 07:44 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BURIED CABLE METALLIC
 CATEGORY: BURIED CABLE METALLIC
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

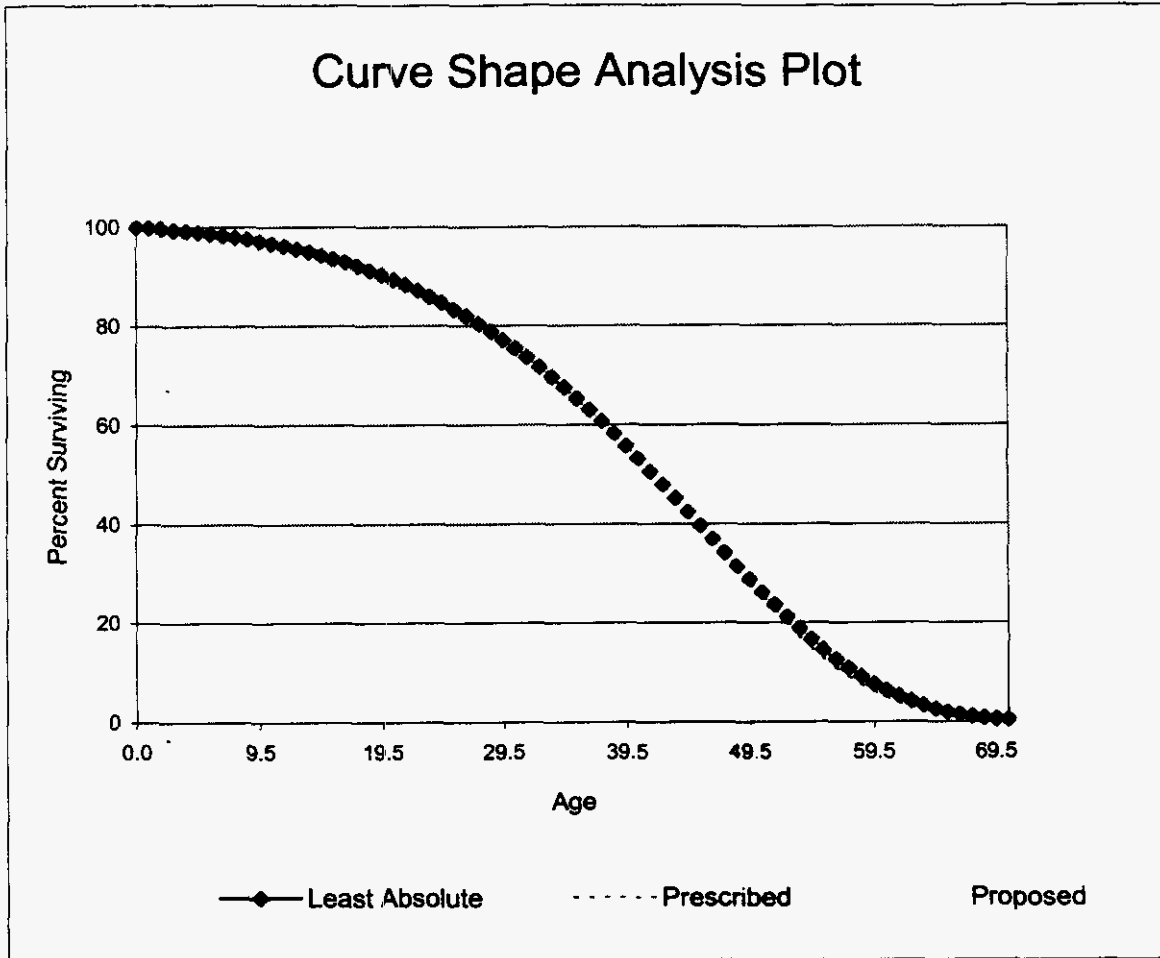
PROJECTION LIFE TABLE PARAMETERS AVG LIFE 15.00

ORIGINAL: c 1.0700000000000 RESCALED: c 1.203289577412
 G -1.9166000000000E-002 G -1.9166000000000E-002
 S +4.9600000000000E-004 S +1.356653228592E-003

BEGINNING OF YEAR		AMOUNT		ANNUAL ACCRUALS		ELG	ELG	VG
-----		RETIRE		FOR BOY AGE A		AVG	AVG	VINT
AGE	AMOUNT	DURING YEAR	AGE OF	EACH	FOR ALL	SVC	RL	RL
	IN SERVICE	(LIFE GROUP)	AMOUNT	LIFE	GROUPS	LIFE	LIFE	LIFE
			RETIRE	GROUP	GROUPS			
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	271	0.5	543	9,363	10.68	10.68	15.00
0.5	99,729	668	1.0	668	8,821	11.31	10.81	14.54
1.5	99,061	860	2.0	430	8,153	12.15	10.65	13.64
2.5	98,201	1,086	3.0	362	7,723	12.72	10.22	12.75
3.5	97,115	1,352	4.0	338	7,361	13.19	9.69	11.89
4.5	95,762	1,662	5.0	332	7,023	13.64	9.14	11.05
5.5	94,101	2,020	6.0	337	6,690	14.07	8.57	10.23
6.5	92,080	2,430	7.0	347	6,354	14.49	7.99	9.45
7.5	89,650	2,895	8.0	362	6,006	14.93	7.43	8.69
8.5	86,755	3,412	9.0	379	5,645	15.37	6.87	7.96
9.5	83,343	3,979	10.0	398	5,265	15.83	6.33	7.27
10.5	79,364	4,585	11.0	417	4,868	16.30	5.80	6.61
11.5	74,779	5,211	12.0	434	4,451	16.80	5.30	5.98
12.5	69,568	5,832	13.0	449	4,016	17.32	4.82	5.39
13.5	63,736	6,409	14.0	458	3,568	17.86	4.36	4.84
14.5	57,327	6,896	15.0	460	3,110	18.43	3.93	4.33
15.5	50,431	7,235	16.0	452	2,650	19.03	3.53	3.85
16.5	43,196	7,366	17.0	433	2,198	19.65	3.15	3.41
17.5	35,830	7,237	18.0	402	1,765	20.30	2.80	3.01
18.5	28,593	6,812	19.0	359	1,363	20.98	2.48	2.65
19.5	21,781	6,092	20.0	305	1,004	21.69	2.19	2.32
20.5	15,689	5,124	21.0	244	700	22.42	1.92	2.02
21.5	10,565	4,004	22.0	182	456	23.19	1.69	1.76
22.5	6,561	2,865	23.0	125	274	23.97	1.47	1.53
23.5	3,696	1,844	24.0	77	149	24.79	1.29	1.33
24.5	1,852	1,046	25.0	42	72	25.63	1.13	1.16
TOTAL		99,194						

* F(AGE A) = SUM OF COL E AGE A TO END
 # I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2423.1
CATEGORY : Buried Cable Metal



c = 1.07 G = -0.019165998 S = 0.00049639

Curves scaled to observed life of 40.19

03/20/00
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 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BURIED CABLE METALLIC
 CATEGORY: BURIED CABLE METALLIC
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	489,878#	4.2*	20,596	11.2*	54,740	-7.0
FUTURE	2,608,853&	5.0**	130,443	12.0**	313,062	-7.0
TOTAL	3,098,731		151,038		367,802	
AVERAGE		4.9		11.9		-7.0

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/20/00
 01:23 PM
 KREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BURIED CABLE METALLIC
 CATEGORY: BURIED CABLE METALLIC
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET SALVAGE PERCENT
			AMOUNT	PERCENT	AMOUNT	PERCENT	
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1975%		38,419,043	2,694,997	7.0	5,756,171	15.0	-8.0
1976	370,372,553	4,816,719	169,905	3.5	1,008,658	20.9	-17.4
1977	423,354,492	5,518,571	34,176	0.6	1,073,554	19.5	-18.9
1978	490,366,261	6,728,948	294,651	4.4	1,401,141	20.8	-16.4
1979	589,020,795	12,335,188	417,128	3.4	1,872,879	15.2	-11.8
1980	712,210,589	15,714,261	390,128	2.5	2,603,615	16.6	-14.1
1981	841,130,902	18,623,442	435,860	2.3	3,156,474	16.9	-14.6
1982	957,509,252	22,345,743	384,256	1.7	3,794,880	17.0	-15.3
1983	1,059,274,013	20,955,731	309,776	1.5	2,979,235	14.2	-12.7
1984	1,283,643,891	27,367,857	438,433	1.6	2,783,869	10.2	-8.6
1985	1,396,155,235	22,782,094	384,505	1.7	2,512,505	11.0	-9.3
1986	1,504,082,536	18,788,882	361,512	1.9	2,153,215	11.5	-9.6
1987	1,623,088,388	17,274,631	585,280	3.4	2,021,972	11.7	-8.3
1988	1,723,109,305	22,163,425	492,166	2.2	1,611,708	7.3	-5.1
1989	1,816,686,089	22,504,822	704,306	3.1	1,449,152	6.4	-3.3
1990	1,897,995,558	22,683,019	392,480	1.7	1,468,329	6.5	-4.8
1991	1,967,194,846	25,314,412	486,065	1.9	2,276,592	9.0	-7.1
1992	2,039,082,068	23,142,308	1,070,270	4.6	2,004,849	8.7	-4.1
1993	2,140,499,996	22,283,408	972,372	4.4	1,820,598	8.2	-3.8
1994	2,212,675,217	23,505,712	1,027,374	4.4	1,860,707	7.9	-3.5
1995	2,291,104,880	20,135,851	2,673,313	13.3	1,512,539	7.5	5.8
1996	2,357,379,436	21,444,902	1,622,408	7.6	1,136,185	5.3	2.3
1997	2,435,977,197	12,381,914	2,078,192	16.8	1,121,719	9.1	7.7
1998	2,531,445,575	7,802,919	593,568	7.6	1,343,862	17.2	-9.6
1999	2,608,852,575	14,786,000	739,300	5.0	1,774,320	12.0	-7.0
GRAND TOTAL		469,819,802	19,752,421	4.2	52,498,728	11.2	-7.0
1945-1999#		469,819,802	19,752,421	4.2	52,498,728	11.2	-7.0
1990-1999##		193,480,445	11,655,342	6.0	16,319,700	8.4	-2.4

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

January 1, 2000

7

03/20/00
 01:23 PM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BURIED CABLE METALLIC
 CATEGORY: BURIED CABLE METALLIC
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1977	33,871,535	1,063,914	3.1	6,243,175	18.4	-15.3
1978	45,113,687	1,305,988	2.9	7,959,847	17.6	-14.7
1979	58,920,410	1,571,943	2.7	10,107,663	17.2	-14.5
1980	75,747,582	1,922,023	2.5	12,828,989	16.9	-14.4
1981	89,974,365	1,937,148	2.2	14,407,083	16.0	-13.8
1982	105,007,034	1,958,453	1.9	15,318,073	14.6	-12.7
1983	112,074,867	1,952,830	1.7	15,226,963	13.6	-11.9
1984	112,240,307	1,878,482	1.7	14,223,704	12.7	-11.0
1985	107,169,195	2,079,506	1.9	12,450,796	11.6	-9.7
1986	108,376,889	2,261,896	2.1	11,083,269	10.2	-8.1
1987	103,513,854	2,527,769	2.4	9,748,552	9.4	-7.0
1988	103,414,779	2,535,744	2.5	8,704,376	8.4	-5.9
1989	109,940,309	2,660,297	2.4	8,827,753	8.0	-5.6
1990	115,807,986	3,145,287	2.7	8,810,630	7.6	-4.9
1991	115,927,969	3,625,493	3.1	9,019,520	7.8	-4.7
1992	116,928,859	3,948,561	3.4	9,431,075	8.1	-4.7
1993	114,381,691	6,229,394	5.4	9,475,285	8.3	-2.9
1994	110,512,181	7,365,737	6.7	8,334,878	7.5	-0.8
1995	99,751,787	8,373,659	8.4	7,451,748	7.5	0.9
1996	85,271,298	7,994,855	9.4	6,975,012	8.2	1.2
1997	76,551,586	7,706,781	10.1	6,888,625	9.0	1.1

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/21/00 11:10
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2423.10
 Category: Buried Cable Metallic

Development of Retirement Ratios -- Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ments C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ments G	Retire- ment Ratio H=G/F
1985	1,396,155,235							
1986	1,504,082,536	1,450,118,886	18,788,882	0.01296				
1987	1,623,088,388	1,563,585,462	17,274,631	0.01105	86-88	4,686,803,194	58,226,938	0.01242
1988	1,723,109,305	1,673,098,847	22,163,425	0.01325	87-89	5,006,582,006	61,942,878	0.01237
1989	1,816,686,089	1,769,897,697	22,504,822	0.01272	88-90	5,300,337,367	67,351,266	0.01271
1990	1,897,995,558	1,857,340,824	22,683,019	0.01221	89-91	5,559,833,723	70,502,253	0.01268
1991	1,967,194,846	1,932,595,202	25,314,412	0.01310	90-92	5,793,074,483	71,139,739	0.01228
1992	2,039,082,068	2,003,138,457	23,142,308	0.01155	91-93	6,025,524,691	70,740,128	0.01174
1993	2,140,499,996	2,089,791,032	22,283,408	0.01066	92-94	6,269,517,096	68,931,428	0.01099
1994	2,212,675,217	2,176,587,607	23,505,712	0.01080	93-95	6,518,268,687	65,924,971	0.01011
1995	2,291,104,880	2,251,890,049	20,135,851	0.00894	94-96	6,752,719,813	65,086,465	0.00964
1996	2,357,379,436	2,324,242,158	21,444,902	0.00923	95-97	6,972,810,523	53,962,667	0.00774
1997	2,435,977,197	2,396,678,317	12,381,914	0.00517	96-98	7,204,631,861	41,629,735	0.00578
1998	2,531,445,575	2,483,711,386	7,802,919	0.00314	97-99	7,450,538,778	34,970,833	0.00469
1999 #	2,608,852,575	2,570,149,075	14,786,000	0.00575				

Forecasted Activity

BURIED CABLE -
FIBER

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002956

Company : BellSouth Telecommunications
 State : Florida
 Account : 2423.2000
 Category : Buried Cable Fiber

Account Description

The Buried Cable Fiber Account consists of fiber optic cables buried in the ground and includes terminals, pedestals, markers, short lengths of pipe, the cost of trenching and backfilling, and other miscellaneous items associated with buried fiber optic cable.

Investment Statistics

1-1-00 investment and reserve in the Buried Cable Fiber Account are shown below in Table 1.

State	Invest (\$M)	% of		Reserve (\$M)	Reserve %
		Depr Plant	Reserve		
Florida	217.3	1.8	57.6	26.5	

Table 1

Life Summary and Proposal

Buried Cable Fiber may be subject to replacement due to enhancements in the existing technology, to manufacturing defects, and to clouding of the fiber. As with all exposed outside plant, buried fiber optic cable can be damaged by excavations or be rerouted because of road moves or construction. Although there is presently no established replacement for fiber optic cable, improved technologies are likely to be developed. Based on prior experience, the increased capabilities and/or cost savings available from replacement technologies will probably become the primary determinants of the life of fiber optic cable.

In light of the present and expected future pace of technological innovation, the Company believes that a reasonable projection life for Buried Cable Fiber is 20 years.

Graduations of the limited historical retirement data for Buried Cable Fiber do not yield curve shapes indicative of the retirement pattern expected for this account. The selected curve shape satisfies the least absolute retirement difference in the latest 3-year (1996 –1998) buried metallic band.

Company : BellSouth Telecommunications
State : Florida
Account : 2423.2000
Category : Buried Cable Fiber

Salvage Proposal

Historical salvage data for Buried Cable Fiber is not a good indicator of future values because of the limited number of retirements. Future net salvage for this account should consist almost entirely of cost of removal as there is scarcely any value provided by scrap fiber optic cable. The Company selected a future net salvage rate of -7%.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2423.2
CATEGORY : BURIED CABLE FIBER

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January 1, 2000

341

1

002959

Run Date: 3/13/00 11:34
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2423.20
 Category: Buried Cable Fiber

Account Parameter Summary

ELG Start Year: 1998

	<u>Effective</u> <u>1999</u>	<u>Effective</u> <u>2000 @</u>
Investment Bal (\$)		
Form M	191,756,078	217,327,078
Adjustment	0	0
Study	191,756,078	217,327,078
% Tot. Depr. Plant	1.63	1.80
Depr. Reserve (\$)	47,540,072	57,601,432
(%)	24.8	26.5
Plife/AYFR (Yrs)		
Buried Cable Fiber	20.0	20.0
Curve		
Buried Cable Fiber	1995-97 BUR MET	1996-98 BUR MET
c	1.09000000E+00	1.07000000E+00
G	-1.45940210E-02	-1.91660000E-02
S	4.19465160E-04	4.96000000E-04
Whole Life (yrs)	19.1	18.7
Avg. Net Salv. (%)	-7	-7
WL Rate (%)	5.6	5.7
Comp. Rem. Life (Yrs)	14.5	13.9
Fut. Net Salv. (%)	-7	-7
Comp. RL Rate (%)	5.7	5.8
Intrastate Factor (%)	74.62	74.24

@ Estimated Investment and Reserve

02/23/00
 10:59 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BURIED CABLE FIBER
 CATEGORY: BURIED CABLE FIBER
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT		EXPERIENCE AS OF 1-1-2000*			REMAIN	VINT	AVERAGE	REMAINING
AGE	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE	ING LIFE YEARS	AVG LIFE YEARS	LIFE WEIGHTS	LIFE WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	27,511,336	0.9989	0.50	14.31	14.81	1,857,370	26,582,651
*1998	1.5	29,961,309	0.9971	1.50	14.34	15.84	1,891,156	27,124,574
1997	2.5	21,666,265	0.9958	2.50	17.73	20.16	1,074,934	19,063,030
1996	3.5	20,391,028	0.9907	3.49	16.85	20.19	1,010,178	17,025,932
1995	4.5	12,867,331	0.9851	4.48	15.99	20.23	635,940	10,169,520
1994	5.5	10,805,178	0.9762	5.45	15.15	20.24	533,889	8,086,208
1993	6.5	12,430,247	0.9589	6.37	14.32	20.10	618,473	8,855,937
1992	7.5	12,698,225	0.9492	7.28	13.51	20.10	631,641	8,534,603
1991	8.5	13,933,983	0.9576	8.41	12.73	20.59	676,633	8,610,262
1990	9.5	13,727,019	0.9489	9.27	11.96	20.62	665,833	7,963,435
1989	10.5	10,037,811	0.9325	10.24	11.22	20.70	484,961	5,440,080
1988	11.5	7,602,411	0.9178	11.16	10.50	20.79	365,654	3,838,816
1987	12.5	4,683,745	0.8692	11.75	9.80	20.27	231,091	2,265,568
1986	13.5	11,325,489	0.8339	12.59	9.13	20.21	560,474	5,119,513
1985	14.5	4,303,759	0.7510	12.98	8.49	19.36	222,300	1,887,470
1984	15.5	2,277,138	0.7524	14.20	7.87	20.12	113,169	891,058
1983	16.5	1,032,873	0.7187	14.54	7.28	19.77	52,237	380,484
1982	17.5	67,453	0.9780	17.49	6.72	24.06	2,803	18,843
1981	18.5	4,478	0.5146	17.48	6.19	20.67	217	1,341
TOTAL		217,327,078					11,628,954	161,859,325
NON-ELG V		159,854,433					7,880,427	108,152,099
ELG V		57,472,645					3,748,527	53,707,225

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 18.68845 20.28500 15.33206
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 13.91865 13.72414 14.32756
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 227,708,711 B/ SUM OF (B/C) 0.95441

ORIGINAL: c 1.070000000000 G -1.916600000000E-002 S +4.960000000000E-004
 RESCALED: c 1.148887796091 G -1.916600000000E-002 S +1.017489921444E-003
 * ELG VINTAGES, PROJECTION LIFE 20.0
 ++ FROM TABLE 2-VG/ELG; COL H FOR ELG, COL I FOR VG
 +++ FROM TABLE 2-VG/ELG FOR ELG VINTAGES, COMPUTED AS D+(C*B) FOR VG VINTAGES
 % ACTUAL

03/20/00
 07:44 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BURIED CABLE FIBER
 CATEGORY: BURIED CABLE FIBER
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

PROJECTION LIFE TABLE PARAMETERS AVG LIFE 20.00

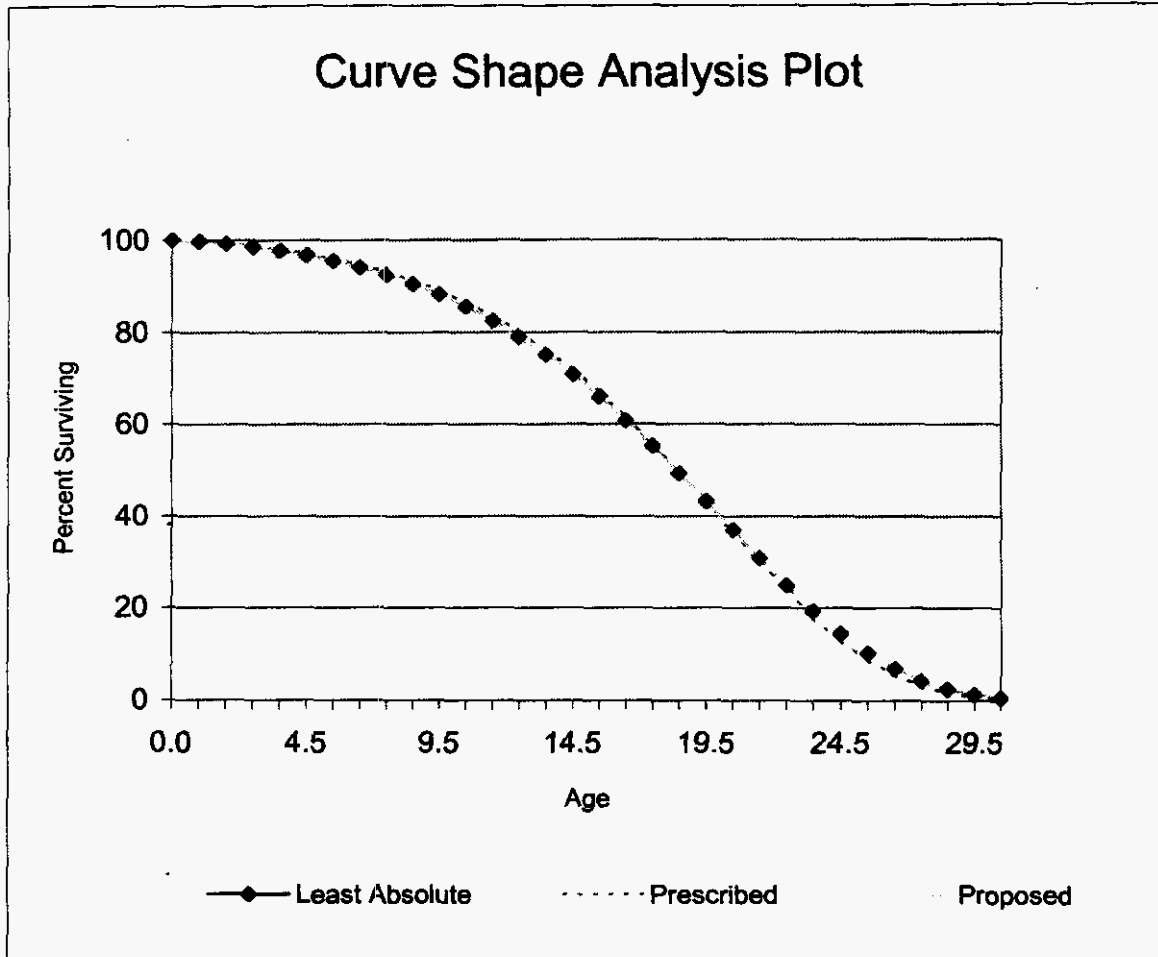
ORIGINAL: c 1.070000000000 RESCALED: c 1.148887796091
 G -1.916600000000E-002 G -1.916600000000E-002
 S +4.960000000000E-004 S +1.017489921444E-003

BEGINNING OF YEAR		AMOUNT		ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
AGE	AMOUNT IN SERVICE	RETIREMENT DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIREMENT	EACH LIFE GROUP	FOR ALL REMAINING GROUPS	SVC LIFE	AVG RL	VINT RL
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	200	0.5	400	7,137	14.01	14.01	20.00
0.5	99,800	468	1.0	468	6,738	14.81	14.31	19.54
1.5	99,332	569	2.0	285	6,270	15.84	14.34	18.63
2.5	98,763	684	3.0	228	5,985	16.50	14.00	17.73
3.5	98,079	814	4.0	204	5,757	17.04	13.54	16.85
4.5	97,264	961	5.0	192	5,553	17.51	13.01	15.99
5.5	96,303	1,125	6.0	188	5,361	17.96	12.46	15.15
6.5	95,178	1,309	7.0	187	5,174	18.40	11.90	14.32
7.5	93,869	1,514	8.0	189	4,987	18.82	11.32	13.51
8.5	92,354	1,741	9.0	193	4,797	19.25	10.75	12.73
9.5	90,613	1,991	10.0	199	4,604	19.68	10.18	11.96
10.5	88,622	2,264	11.0	206	4,405	20.12	9.62	11.22
11.5	86,358	2,559	12.0	213	4,199	20.57	9.07	10.50
12.5	83,800	2,874	13.0	221	3,986	21.02	8.52	9.80
13.5	80,925	3,208	14.0	229	3,765	21.50	8.00	9.13
14.5	77,717	3,555	15.0	237	3,536	21.98	7.48	8.49
15.5	74,162	3,908	16.0	244	3,299	22.48	6.98	7.87
16.5	70,254	4,260	17.0	251	3,054	23.00	6.50	7.28
17.5	65,994	4,597	18.0	255	2,804	23.54	6.04	6.72
18.5	61,397	4,908	19.0	258	2,548	24.09	5.59	6.19
19.5	56,489	5,174	20.0	259	2,290	24.67	5.17	5.68
20.5	51,315	5,378	21.0	256	2,031	25.26	4.76	5.20
21.5	45,937	5,501	22.0	250	1,775	25.88	4.38	4.75
22.5	40,436	5,524	23.0	240	1,525	26.51	4.01	4.33
23.5	34,912	5,432	24.0	226	1,285	27.17	3.67	3.94
24.5	29,481	5,214	25.0	209	1,059	27.85	3.35	3.57
TOTAL		75,733						

* F(AGE A) = SUM OF COL E AGE A TO END

I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
 STATE : Florida
 ACCOUNT : 2423.1
 CATEGORY : Buried Cable Fiber



c = 1.07 G = -0.019165998 S = 0.00049639

Curves scaled to observed life of 17.72

03/20/00
 01:24 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BURIED CABLE FIBER
 CATEGORY: BURIED CABLE FIBER
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	10,382#	1.8*	183	2.9*	296	-1.1
FUTURE	217,327&	5.0**	10,866	12.0**	26,079	-7.0
TOTAL	227,709		11,049		26,376	
AVERAGE		4.9		11.6		-6.7

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/20/00
 01:24 PM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BURIED CABLE FIBER
 CATEGORY: BURIED CABLE FIBER
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET SALVAGE
	DEC. 31		AMOUNT	PERCENT	AMOUNT	PERCENT	PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1981	0	0	0	0.0	0	0.0	0.0
1982	69,115	0	0	0.0	0	0.0	0.0
1983	1,423,314	0	0	0.0	0	0.0	0.0
1984	4,845,143	0	0	0.0	0	0.0	0.0
1985	9,867,989	40,354	0	0.0	0	0.0	0.0
1986	23,411,430	-83,842	0	0.0	0	0.0	0.0
1987	29,024,049	51,761	52,149	100.7	173	0.3	100.4
1988	37,546,165	110,160	0	0.0	1,198	1.1	-1.1
1989	47,930,091	389,506	7	0.0	4,689	1.2	-1.2
1990	62,557,025	202,742	16,101	7.9	2,409	1.2	6.7
1991	63,030,014	14,134,407	463	0.0	10,359	0.1	-0.1
1992	88,621,174	-12,225,116	10,794	-0.1	8,695	-0.1	0.0
1993	100,229,457	1,404,167	648	0.0	14,603	1.0	-1.0
1994	110,545,501	797,929	249	0.0	24,047	3.0	-3.0
1995	122,623,134	904,311	658	0.1	9,003	1.0	-0.9
1996	141,138,897	1,255,944	5,815	0.5	13,187	1.0	-0.5
1997	161,825,305	577,424	0	0.0	5,021	0.9	-0.9
1998	191,756,078	1,017,370	16,000	1.6	14,842	1.5	0.1
1999	217,327,078	1,493,000	74,650	5.0	179,160	12.0	-7.0
GRAND TOTAL		10,070,117	177,534	1.8	287,386	2.9	-1.1
1981-1999#		10,070,117	177,534	1.8	287,386	2.9	-1.1
1990-1999##		9,562,178	125,378	1.3	281,326	2.9	-1.6

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/20/00
 01:24 PM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: BURIED CABLE FIBER
 CATEGORY: BURIED CABLE FIBER
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1983	40,354	0	0.0	0	0.0	0.0
1984	-43,488	0	0.0	0	0.0	0.0
1985	8,273	52,149	630.4	173	2.1	628.3
1986	118,433	52,149	44.0	1,371	1.2	42.8
1987	507,939	52,156	10.3	6,060	1.2	9.1
1988	670,327	68,257	10.2	8,469	1.3	8.9
1989	14,888,576	68,720	0.5	18,828	0.1	0.4
1990	2,611,699	27,365	1.0	27,350	1.0	0.0
1991	3,905,706	28,013	0.7	40,755	1.0	-0.3
1992	4,314,129	28,255	0.7	60,113	1.4	-0.7
1993	5,015,698	12,812	0.3	66,707	1.3	-1.0
1994	-7,862,765	18,164	-0.2	69,535	-0.9	0.7
1995	4,939,775	7,370	0.1	65,861	1.3	-1.2
1996	4,552,978	22,722	0.5	66,100	1.5	-1.0
1997	5,248,049	97,123	1.9	221,213	4.2	-2.3

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/21/00 11:10
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2423.20
 Category: Buried Cable Fiber

Development of Retirement Ratios -- Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ments C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ments G	Retire- ment Ratio H=G/F
1985	9,867,989							
1986	23,411,430	16,639,710	-83,842	-0.00504				
1987	29,024,049	26,217,740	51,761	0.00197	86-88	76,142,556	78,079	0.00103
1988	37,546,165	33,285,107	110,160	0.00331	87-89	102,240,975	551,427	0.00539
1989	47,930,091	42,738,128	389,506	0.00911	88-90	131,266,793	702,408	0.00535
1990	62,557,025	55,243,558	202,742	0.00367	89-91	160,775,206	14,726,655	0.09160
1991	63,030,014	62,793,520	14,134,407	0.22509	90-92	193,862,672	2,112,033	0.01089
1992	88,621,174	75,825,594	-12,225,116	-0.16123	91-93	233,044,429	3,313,458	0.01422
1993	100,229,457	94,425,316	1,404,167	0.01487	92-94	275,638,389	-10,023,020	-0.03636
1994	110,545,501	105,387,479	797,929	0.00757	93-95	316,397,112	3,106,407	0.00982
1995	122,623,134	116,584,318	904,311	0.00776	94-96	353,852,812	2,958,184	0.00836
1996	141,138,897	131,881,016	1,255,944	0.00952	95-97	399,947,434	2,737,679	0.00685
1997	161,825,305	151,482,101	577,424	0.00381	96-98	460,153,808	2,850,738	0.00620
1998	191,756,078	176,790,692	1,017,370	0.00575	97-99	532,814,371	3,087,794	0.00580
1999 #	217,327,078	204,541,578	1,493,000	0.00730				

Forecasted Activity

Company : BellSouth Telecommunications
 State : Florida
 Account : 2424.0000
 Category : Submarine Cable

Account Description

The Submarine Cable Account consists of the investment in cable placed under bodies of water (except for minor stream crossings not requiring splices on either side). Terminals fed by submarine cable, cable huts, anchorages and other associated items used to construct submarine cable are also included in the account.

Investment Statistics

1-1-00 investment and reserve in the Submarine Cable Account are shown below in Table 1.

State	Invest (\$M)	% of Depr Plant	Reserve (\$M)	Reserve %
Florida	9.0	0.07	6.9	76.5

Table 1

Life Summary and Proposal

Submarine Cable is flanked on either side of the splice by runs of aerial, underground, or primarily buried cable. Since it is uneconomical and impractical to isolate a span of metallic cable in the middle of an all-fiber route, retirement of submarine cable will occur concurrent with the retirement of the flanking metallic cable. Therefore, the Company proposes the same 15-year projection life as selected for buried cable metal (See the General Cable Narrative for details).

The selected curve shape satisfies the least absolute retirement difference from the latest 3-year (1996 – 1998) buried metallic band.

Salvage Proposal

The Company selected a composite future net salvage of –5.0%. BellSouth's future net salvage value is based on historical salvage and on future salvage expectations for the submarine cable account.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2424
CATEGORY : SUBMARINE CABLE

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January 1, 2000

Run Date: 3/13/00 11:34
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2424.00
 Category: Submarine Cable

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	8,918,244	8,988,244
Adjustment	0	0
Study	8,918,244	8,988,244
% Tot. Depr. Plant	0.08	0.07
Depr. Reserve (\$)	6,080,983	6,873,125
(%)	68.2	76.5
Plife/AYFR (Yrs)		
Submarine Cable	14.0	15.0
Curve		
Submarine Cable	1995-97 BUR MET	1996-98 BUR MET
c	1.09000000E+00	1.07000000E+00
G	-1.45940210E-02	-1.91660000E-02
S	4.19465160E-04	4.96000000E-04
Whole Life (yrs)	17.4	18.4
Avg. Net Salv. (%)	-3	-3
WL Rate (%)	5.9	5.6
Comp. Rem. Life (Yrs)	4.1	4.1
Fut. Net Salv. (%)	-5	-5
Comp. RL Rate (%)	9.0	7.0
Intrastate Factor (%)	74.62	74.24

@ Estimated Investment and Reserve

02/23/00
 10:59 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: SUBMARINE CABLE
 CATEGORY: SUBMARINE CABLE
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

EXPERIENCE AS OF 1-1-2000%					REMAIN	VINT	AVERAGE	REMAINING
VINT	AGE	AMOUNT	PROP	REAL	ING	AVG	LIFE	LIFE
AGE	AGE	SURVIVING	SURV	LIFE	LIFE	LIFE	WEIGHTS	WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	83,872	0.9986	0.50	10.81	11.31	7,418	80,163
*1998	1.5	342,133	0.9986	1.50	10.65	12.15	28,158	299,896
1997	2.5	15,378	0.5223	1.78	12.75	8.44	1,821	23,223
1996	3.5	53,994	0.9986	3.50	11.89	15.37	3,513	41,761
1995	4.5	14,222	0.9985	4.50	11.05	15.53	916	10,117
1994	5.5	115,058	0.9986	5.50	10.23	15.72	7,320	74,913
1993	6.5	433,880	0.9986	6.50	9.45	15.93	27,231	257,273
1992	7.5	180,634	0.9986	7.50	8.69	16.18	11,166	97,038
1991	8.5	310,385	0.5897	5.43	7.96	10.13	30,653	244,118
1990	9.5	181,514	0.5639	6.67	7.27	10.77	16,855	122,529
1989	10.5	42,190	0.7055	9.68	6.61	14.34	2,942	19,441
1988	11.5	144,638	0.3334	7.19	5.98	9.18	15,750	94,237
1987	12.5	138,053	0.8309	10.57	5.39	15.05	9,173	49,478
1986	13.5	312,370	0.6020	11.06	4.84	13.97	22,358	108,253
1985	14.5	78,780	0.5692	13.01	4.33	15.47	5,093	22,039
1984	15.5	303,404	0.9986	15.52	3.85	19.37	15,666	60,325
1983	16.5	8,036	0.0650	9.10	3.41	9.32	862	2,942
1982	17.5	823,294	0.6976	15.74	3.01	17.84	46,140	138,905
1981	18.5	60,367	0.3497	9.50	2.65	10.42	5,793	15,328
1980	19.5	483,839	0.9917	19.47	2.32	21.77	22,229	51,506
1979	20.5	429,799	0.9158	19.46	2.02	21.32	20,163	40,782
1978	21.5	302,905	0.8012	20.66	1.76	22.07	13,722	24,165
1977	22.5	291,678	0.6873	20.19	1.53	21.25	13,728	21,013
1976	23.5	89,059	0.1944	17.56	1.33	17.82	4,998	6,645
1975	24.5	372,321	0.4200	17.84	1.16	18.32	20,319	23,486
1974/PRIOR		3,376,441	0.3624	24.77	0.65	25.08	134,613	87,021
TOTAL		8,988,244					488,599	2,016,598
NON-ELG V		8,562,239					453,023	1,636,539
ELG V		426,005					35,576	380,059

AVG SERVICE LIFE:	ALL VINTS	NELG VINTS	ELG VINTS
TOT B/TOT G	18.39594	18.90021	11.97451
AVG REMAINING LIFE:	ALL VINTS	NELG VINTS	ELG VINTS
TOT H/TOT G	4.12730	3.61248	10.68302
COMPUTED GROSS ADDS-ALL VINTS:	AVG PROPORTION SURVIVING:		
SUM OF (B/C)	17,622,504	B/ SUM OF (B/C)	0.51004

ORIGINAL: c 1.070000000000 G -1.916600000000E-002 S +4.960000000000E-004
 RESCALED: c 1.203289577412 G -1.916600000000E-002 S +1.356653228592E-003
 * ELG VINTAGES, PROJECTION LIFE 15.0

03/20/00
 07:44 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: SUBMARINE CABLE
 CATEGORY: SUBMARINE CABLE
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

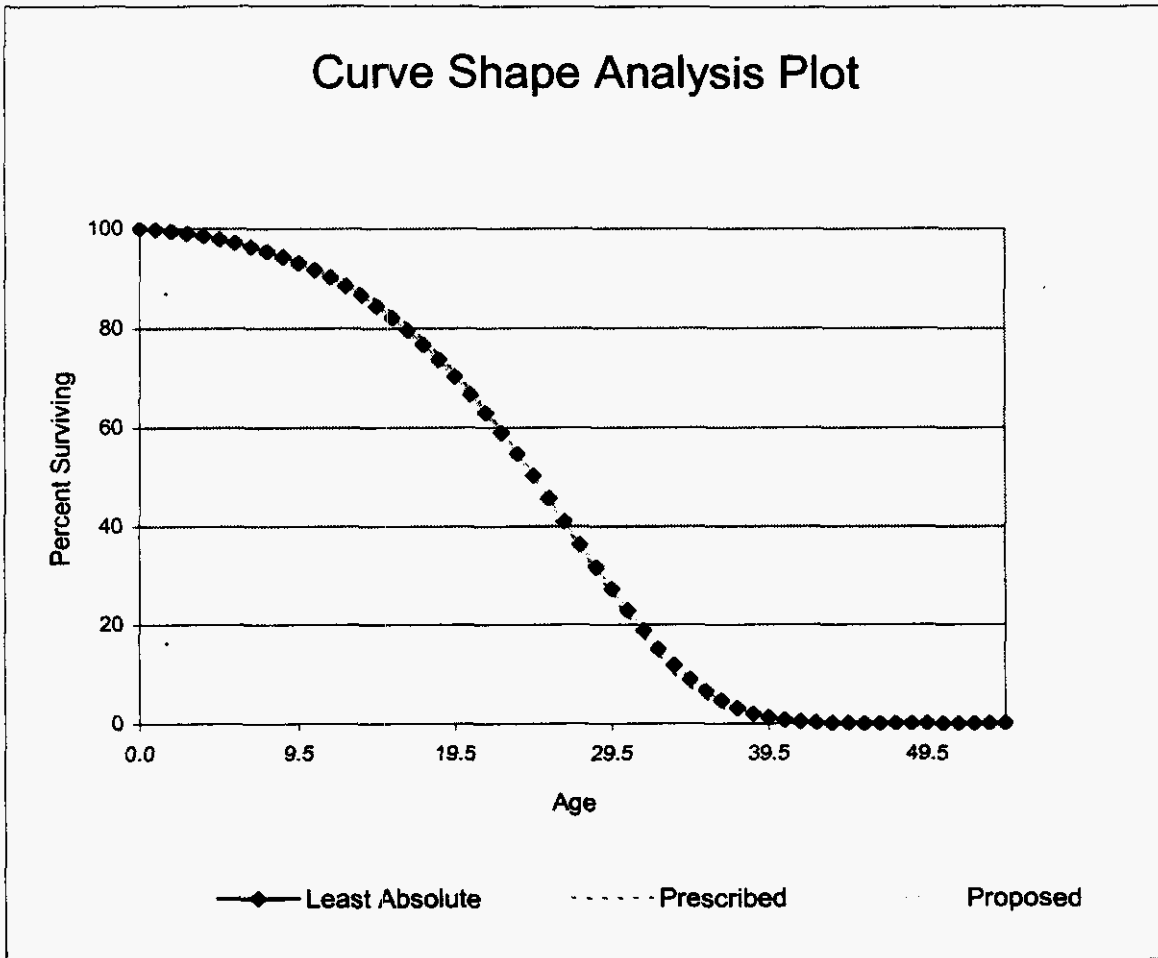
PROJECTION LIFE TABLE PARAMETERS AVG LIFE 15.00

ORIGINAL: c 1.070000000000 RESCALED: c 1.203289577412
 G -1.916600000000E-002 G -1.916600000000E-002
 S +4.960000000000E-004 S +1.356653228592E-003

BEGINNING OF YEAR AGE	AMOUNT		AGE OF AMOUNT RETIRE	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
	IN SERVICE	RETIRE DURING YEAR (LIFE GROUP)		EACH LIFE	FOR ALL REMAINING GROUPS	AVG SVC LIFE	AVG RL LIFE	VINT RL LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	271	0.5	543	9,363	10.68	10.68	15.00
0.5	99,729	668	1.0	668	8,821	11.31	10.81	14.54
1.5	99,061	860	2.0	430	8,153	12.15	10.65	13.64
2.5	98,201	1,086	3.0	362	7,723	12.72	10.22	12.75
3.5	97,115	1,352	4.0	338	7,361	13.19	9.69	11.89
4.5	95,762	1,662	5.0	332	7,023	13.64	9.14	11.05
5.5	94,101	2,020	6.0	337	6,690	14.07	8.57	10.23
6.5	92,080	2,430	7.0	347	6,354	14.49	7.99	9.45
7.5	89,650	2,895	8.0	362	6,006	14.93	7.43	8.69
8.5	86,755	3,412	9.0	379	5,645	15.37	6.87	7.96
9.5	83,343	3,979	10.0	398	5,265	15.83	6.33	7.27
10.5	79,364	4,585	11.0	417	4,868	16.30	5.80	6.61
11.5	74,779	5,211	12.0	434	4,451	16.80	5.30	5.98
12.5	69,568	5,832	13.0	449	4,016	17.32	4.82	5.39
13.5	63,736	6,409	14.0	458	3,568	17.86	4.36	4.84
14.5	57,327	6,896	15.0	460	3,110	18.43	3.93	4.33
15.5	50,431	7,235	16.0	452	2,650	19.03	3.53	3.85
16.5	43,196	7,366	17.0	433	2,198	19.65	3.15	3.41
17.5	35,830	7,237	18.0	402	1,765	20.30	2.80	3.01
18.5	28,593	6,812	19.0	359	1,363	20.98	2.48	2.65
19.5	21,781	6,092	20.0	305	1,004	21.69	2.19	2.32
20.5	15,689	5,124	21.0	244	700	22.42	1.92	2.02
21.5	10,565	4,004	22.0	182	456	23.19	1.69	1.76
22.5	6,561	2,865	23.0	125	274	23.97	1.47	1.53
23.5	3,696	1,844	24.0	77	149	24.79	1.29	1.33
24.5	1,852	1,046	25.0	42	72	25.63	1.13	1.16
TOTAL		99,194						

* F(AGE A) = SUM OF COL E AGE A TO END
 # I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
 STATE : Florida
 ACCOUNT : 2424.0
 CATEGORY : Submarine Cable



c = 1.07 G = -0.019165998 S = 0.00049639

Curves scaled to observed life of 23.66

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 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: SUBMARINE CABLE
 CATEGORY: SUBMARINE CABLE
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT	GROSS SALVAGE		COST OF REMOVAL		NET
	RETIRED	PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C=(AxB)/100	D	E=(AxD)/100	F=(B-D)
PAST	8,634#	3.7*	320	4.1*	357	-0.4
FUTURE	8,988&	2.0**	180	7.0**	629	-5.0
TOTAL	17,623		500		986	
AVERAGE		2.8		5.6		-2.8

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

January 1, 2000
 6

357

002975

03/20/00
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 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: SUBMARINE CABLE
 CATEGORY: SUBMARINE CABLE
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
			AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1975**		1,862,897	117,219	6.3	104,088	5.6	0.7
1976	8,966,302	112,051	14	0.0	4,419	3.9	-3.9
1977	9,466,429	131,415	1,074	0.8	4,306	3.3	-2.5
1978	9,596,261	165,900	16,883	10.2	20,325	12.3	-2.1
1979	9,860,977	235,877	0	0.0	6,205	2.6	-2.6
1980	9,834,216	537,843	24,590	4.6	36,208	6.7	-2.1
1981	9,787,880	214,494	3,994	1.9	5,289	2.5	-0.6
1982	10,492,943	160,764	0	0.0	1,045	0.7	-0.7
1983	10,318,709	257,557	0	0.0	1,927	0.7	-0.7
1984	10,767,956	355,302	0	0.0	17,964	5.1	-5.1
1985	10,750,900	159,832	0	0.0	2,595	1.6	-1.6
1986	10,964,597	317,302	215	0.1	2,731	0.9	-0.8
1987	11,037,328	104,609	75,480	72.2	2,395	2.3	69.9
1988	11,064,169	255,631	0	0.0	1,377	0.5	-0.5
1989	10,711,710	384,121	0	0.0	22,911	6.0	-6.0
1990	10,778,208	155,429	1,722	1.1	832	0.5	0.6
1991	10,231,062	547,146	5,788	1.1	5,243	1.0	0.1
1992	9,914,568	633,945	0	0.0	12,579	2.0	-2.0
1993	9,730,564	618,560	0	0.0	30,457	4.9	-4.9
1994	9,378,097	467,704	69,282	14.8	64,818	13.9	0.9
1995	9,246,705	145,637	16,384	11.2	4,181	2.9	8.3
1996	9,003,344	493,874	6,227	1.3	6,356	1.3	0.0
1997	8,646,902	383,774	0	0.0	14,088	3.7	-3.7
1998	8,918,244	71,625	0	0.0	2,825	3.9	-3.9
1999	8,988,244	13,000	260	2.0	910	7.0	-5.0
GRAND TOTAL		8,786,289	339,132	3.9	376,074	4.3	-0.4
1949-1999#		8,637,184	319,972	3.7	357,416	4.1	-0.4
1990-1999##		3,530,694	99,663	2.8	142,289	4.0	-1.2

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/20/00
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 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: SUBMARINE CABLE
 CATEGORY: SUBMARINE CABLE
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1977	819,951	30,437	3.7	42,785	5.2	-1.5
1978	1,183,086	42,561	3.6	71,463	6.0	-2.4
1979	1,285,529	46,541	3.6	72,333	5.6	-2.0
1980	1,314,878	45,467	3.5	69,072	5.3	-1.8
1981	1,406,535	28,584	2.0	50,674	3.6	-1.6
1982	1,525,960	28,584	1.9	62,433	4.1	-2.2
1983	1,147,949	3,994	0.3	28,820	2.5	-2.2
1984	1,250,757	215	0.0	26,262	2.1	-2.1
1985	1,194,602	75,695	6.3	27,612	2.3	4.0
1986	1,192,676	75,695	6.3	27,062	2.3	4.0
1987	1,221,495	75,695	6.2	32,009	2.6	3.6
1988	1,217,092	77,417	6.4	30,246	2.5	3.9
1989	1,446,936	82,990	5.7	32,758	2.3	3.4
1990	1,976,272	7,510	0.4	42,942	2.2	-1.8
1991	2,339,201	7,510	0.3	72,022	3.1	-2.8
1992	2,422,784	76,792	3.2	113,929	4.7	-1.5
1993	2,412,992	91,454	3.8	117,278	4.9	-1.1
1994	2,359,720	91,893	3.9	118,391	5.0	-1.1
1995	2,109,549	91,893	4.4	119,900	5.7	-1.3
1996	1,562,614	91,893	5.9	92,268	5.9	0.0
1997	1,107,910	22,871	2.1	28,360	2.6	-0.5

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/21/00 11:10
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2424.00
 Category: Submarine Cable

Development of Retirement Ratios -- Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ments C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ments G	Retire- ment Ratio H=G/F
1985	10,750,900							
1986	10,964,597	10,857,749	317,302	0.02922				
1987	11,037,328	11,000,963	104,609	0.00951	86-88	32,909,460	677,542	0.02059
1988	11,064,169	11,050,749	255,631	0.02313	87-89	32,939,651	744,361	0.02260
1989	10,711,710	10,887,940	384,121	0.03528	88-90	32,683,647	795,181	0.02433
1990	10,778,208	10,744,959	155,429	0.01447	89-91	32,137,534	1,086,696	0.03381
1991	10,231,062	10,504,635	547,146	0.05209	90-92	31,322,409	1,336,520	0.04267
1992	9,914,568	10,072,815	633,945	0.06294	91-93	30,400,016	1,799,651	0.05920
1993	9,730,564	9,822,566	618,560	0.06297	92-94	29,449,712	1,720,209	0.05841
1994	9,378,097	9,554,331	467,704	0.04895	93-95	28,689,298	1,231,901	0.04294
1995	9,246,705	9,312,401	145,637	0.01564	94-96	27,991,756	1,107,215	0.03956
1996	9,003,344	9,125,025	493,874	0.05412	95-97	27,262,549	1,023,285	0.03753
1997	8,646,902	8,825,123	383,774	0.04349	96-98	26,732,721	949,273	0.03551
1998	8,918,244	8,782,573	71,625	0.00816	97-99	26,560,940	468,399	0.01763
1999 #	8,988,244	8,953,244	13,000	0.00145				

Forecasted Activity

**INTRABUILDING
CABLE**

361

002979

Company : BellSouth Telecommunications
 State : Florida
 Account : 2426.0000
 Category : Intra-Bldg Netwk Cable

Account Description

The Intra-Building Network Cable Account consists of cable and wires located on the Company's side of the demarcation point or Standard Network Interface (SNI), inside subscriber's buildings or between buildings on one customer's premises. Intra-Building network cables are used to distribute network access facilities to equipment rooms, cross-connections or other distribution points on the same premises.

Investment Statistics

1-1-00 investment and reserve in the Intra-Building Network Cable Account are shown below in Table 1.

State	Invest (\$M)	% of Depr Plant	Reserve (\$M)	Reserve %
Florida	46.1	0.4	36.4	79.0

Table 1

Life Summary and Proposal

A 20-year projection life was selected for the Intra-Building Network Cable account. Due to the variation in retirement levels, selected curve shapes satisfy the least absolute retirement difference from the latest 3-year (1996 - 1998) aerial metallic band.

Salvage Proposal

Because of the wide variation in the level of retirements in Intra-Building Network Cable, historical net salvage values fluctuate from year to year. The Company selected a composite future net salvage of -10%.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2426
CATEGORY : INTRA-BLDG NETWORK CABLE

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January 1, 2000

Run Date: 3/13/00 11:34
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2426.00
 Category: Intrabuilding Network Cable

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	45,061,555	46,100,555
Adjustment	0	0
Study	45,061,555	46,100,555
% Tot. Depr. Plant	0.38	0.38
Depr. Reserve (\$)	35,200,540	36,403,934
(%)	78.1	79.0
Plife/AYFR (Yrs)		
Intrabuilding Network Cable	20.0	20.0
Curve		
Intrabuilding Network Cable	1995-97 AER MET	1996-98 AER MET
c	1.04000000E+00	1.03000000E+00
G	-1.56106240E-01	-2.28615000E-01
S	3.77364150E-03	5.26800000E-03
Whole Life (yrs)	22.0	21.5
Avg. Net Salv. (%)	-6	-6
WL Rate (%)	4.8	4.9
Comp. Rem. Life (Yrs)	10.1	9.7
Fut. Net Salv. (%)	-10	-10
Comp. RL Rate (%)	3.2	3.2
Intrastate Factor (%)	74.62	74.24

@ Estimated Investment and Reserve

02/23/00
 10:59 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: INTRABUILDING NETWORK CABLE
 CATEGORY: INTRABUILDING NETWORK CABLE
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT		EXPERIENCE AS OF 1-1-2000%			REMAIN	VINT	AVERAGE	REMAINING
AGE	AGE	AMOUNT SURVIVING	PROP SURV	REAL LIFE	ING LIFE YEARS	AVG LIFE YEARS	LIFE WEIGHTS	LIFE WEIGHTS
N	A	B	C	D	E	F	G=B/F	H=E*G
*1999	0.5	1,312,969	0.9950	0.50	12.05	12.55	104,628	1,260,655
*1998	1.5	1,014,448	0.9901	1.49	12.46	13.96	72,643	905,483
1997	2.5	998,864	0.9880	2.48	17.94	20.20	49,445	886,922
1996	3.5	667,686	0.9664	3.43	17.16	20.01	33,363	572,622
1995	4.5	1,051,595	0.9840	4.46	16.42	20.61	51,017	837,556
1994	5.5	752,312	0.9136	5.26	15.70	19.60	38,377	602,465
1993	6.5	688,228	0.9575	6.35	15.01	20.72	33,223	498,557
1992	7.5	701,515	0.9265	7.14	14.34	20.42	34,350	492,577
1991	8.5	895,589	0.9546	8.27	13.70	21.35	41,954	574,725
1990	9.5	1,867,901	0.9529	9.21	13.08	21.68	86,171	1,127,313
1989	10.5	1,237,907	0.9343	10.16	12.49	21.82	56,722	708,413
1988	11.5	858,263	0.8822	10.76	11.92	21.28	40,341	480,840
1987	12.5	795,375	0.8858	11.57	11.37	21.65	36,743	417,836
1986	13.5	1,202,642	0.9566	13.25	10.85	23.63	50,897	552,030
1985	14.5	1,224,713	0.9390	14.22	10.34	23.94	51,168	529,151
1984	15.5	1,422,213	0.8692	14.41	9.86	22.97	61,907	610,223
1983	16.5	2,641,206	0.7396	14.19	9.39	21.14	124,932	1,173,443
1982	17.5	2,735,008	0.8252	15.64	8.95	23.02	118,795	1,062,903
1981	18.5	2,733,907	0.8420	16.50	8.52	23.68	115,474	983,910
1980	19.5	7,390,759	0.8131	16.58	8.11	23.17	318,960	2,587,355
1979	20.5	3,543,292	0.7005	16.63	7.72	22.04	160,757	1,241,117
1978	21.5	1,523,577	0.6475	16.78	7.35	21.54	70,734	519,598
1977	22.5	1,061,696	0.6667	18.07	6.99	22.73	46,706	326,358
1976	23.5	1,410,675	0.6557	18.57	6.64	22.93	61,526	408,826
1975	24.5	1,069,105	0.6293	18.22	6.32	22.20	48,167	304,279
1974/PRIOR		5,299,110	0.3556	20.28	4.75	22.58	234,672	1,115,849
TOTAL		46,100,555					2,143,672	20,781,007
NON-ELG V		43,773,138					1,966,401	18,614,869
ELG V		2,327,417					177,272	2,166,138

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 21.50541 22.26054 13.12910
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 9.69412 9.46647 12.21932
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 64,685,403 B/ SUM OF (B/C) 0.71269

ORIGINAL: c 1.030000000000 G -2.286150000000E-001 S +5.268000000000E-003
 RESCALED: c 1.060788529550 G -2.286150000000E-001 S +1.051727304974E-002
 * ELG VINTAGES, PROJECTION LIFE 20.0

03/20/00
 07:44 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: INTRABUILDING NETWORK CABLE
 CATEGORY: INTRABUILDING NETWORK CABLE
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

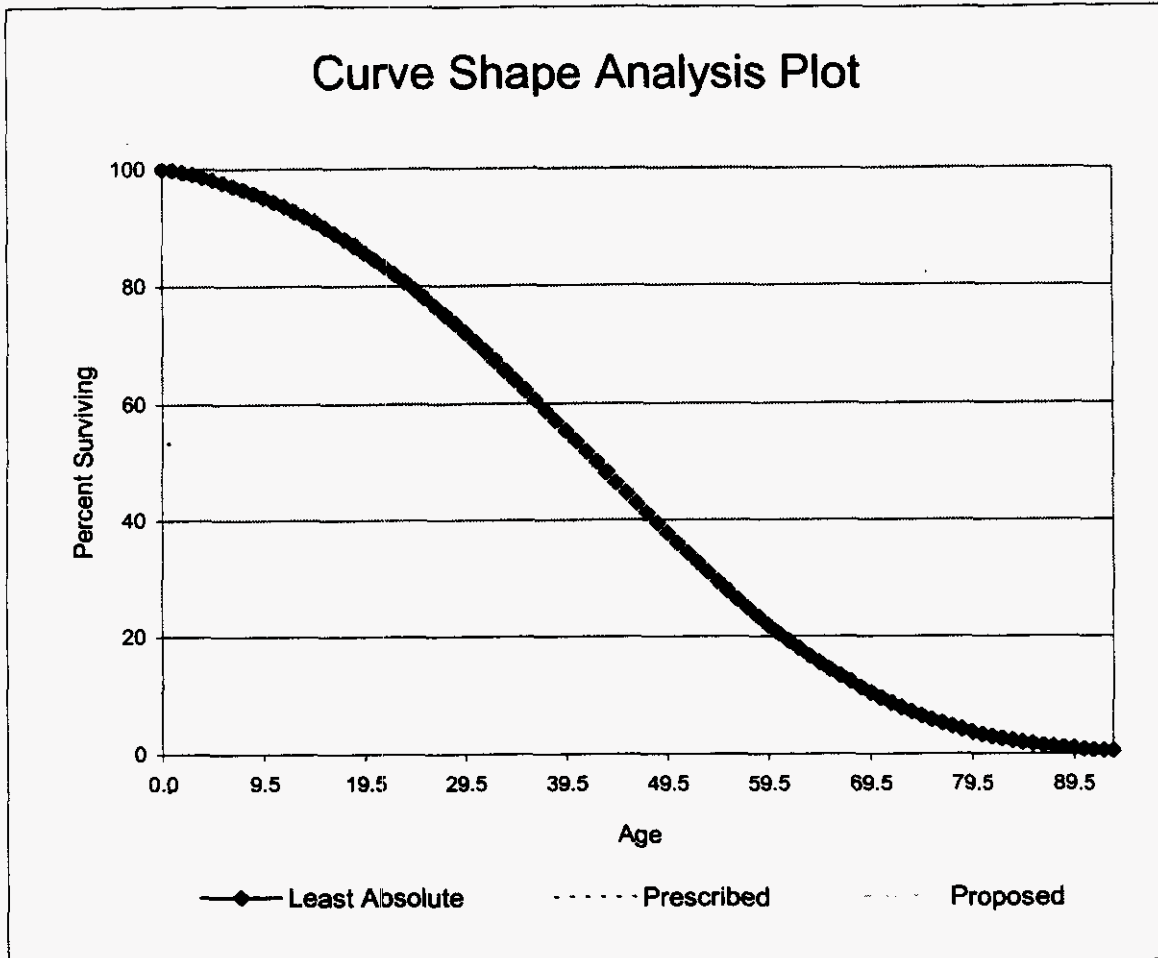
PROJECTION LIFE TABLE PARAMETERS AVG LIFE 20.00

ORIGINAL: c 1.030000000000 RESCALED: c 1.060788529550
 g -2.286150000000E-001 G -2.286150000000E-001
 s +5.268000000000E-003 S +1.051727304974E-002

BEGINNING OF YEAR		AMOUNT		ANNUAL ACCRUALS		ELG	ELG	VG
AGE		IN SERVICE	RETIREMENT	AGE OF	EACH	AVG	AVG	VINT
			DURING YEAR	AMOUNT	FOR ALL	SVC	RL	RL
		(LIFE GROUP)	RETIREMENT	RETIREMENT	REMAINING	LIFE	LIFE	LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	365	0.5	730	8,669	11.53	11.53	20.00
0.5	99,635	867	1.0	867	7,940	12.55	12.05	19.57
1.5	98,768	1,056	2.0	528	7,073	13.96	12.46	18.74
2.5	97,713	1,249	3.0	416	6,545	14.93	12.43	17.94
3.5	96,463	1,448	4.0	362	6,128	15.74	12.24	17.16
4.5	95,015	1,650	5.0	330	5,766	16.48	11.98	16.42
5.5	93,365	1,854	6.0	309	5,436	17.17	11.67	15.70
6.5	91,512	2,058	7.0	294	5,128	17.85	11.35	15.01
7.5	89,454	2,261	8.0	283	4,834	18.51	11.01	14.34
8.5	87,193	2,461	9.0	273	4,551	19.16	10.66	13.70
9.5	84,733	2,655	10.0	266	4,278	19.81	10.31	13.08
10.5	82,077	2,842	11.0	258	4,012	20.46	9.96	12.49
11.5	79,235	3,020	12.0	252	3,754	21.11	9.61	11.92
12.5	76,215	3,185	13.0	245	3,502	21.76	9.26	11.37
13.5	73,029	3,336	14.0	238	3,257	22.42	8.92	10.85
14.5	69,693	3,470	15.0	231	3,019	23.09	8.59	10.34
15.5	66,223	3,585	16.0	224	2,787	23.76	8.26	9.86
16.5	62,638	3,678	17.0	216	2,563	24.44	7.94	9.39
17.5	58,960	3,747	18.0	208	2,347	25.12	7.62	8.95
18.5	55,213	3,791	19.0	200	2,139	25.82	7.32	8.52
19.5	51,423	3,807	20.0	190	1,939	26.52	7.02	8.11
20.5	47,616	3,795	21.0	181	1,749	27.23	6.73	7.72
21.5	43,820	3,755	22.0	171	1,568	27.94	6.44	7.35
22.5	40,065	3,686	23.0	160	1,397	28.67	6.17	6.99
23.5	36,379	3,588	24.0	150	1,237	29.40	5.90	6.64
24.5	32,791	3,464	25.0	139	1,088	30.15	5.65	6.32
TOTAL		70,673						

* F(AGE A) = SUM OF COL E AGE A TO END
 # I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2426.0
CATEGORY : Intra-Bldg Network Cable



$c = 1.03$ $G = -0.228615$ $S = 0.005267804$

Curves scaled to observed life of 42.76

03/20/00
 01:24 PM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: INTRABUILDING NETWORK CABLE
 CATEGORY: INTRABUILDING NETWORK CABLE
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET
		PERCENT	WEIGHT	PERCENT	WEIGHT	SALVAGE PERCENT
	A	B	C= (AxB) /100	D	E= (AxD) /100	F= (B-D)
PAST	18,585#	14.0*	2,611	10.7*	1,997	3.3
FUTURE	46,101&	3.0**	1,383	13.0**	5,993	-10.0
TOTAL	64,685		3,994		7,990	
AVERAGE		6.2		12.4		-6.2

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/20/00
 01:24 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: INTRABUILDING NETWORK CABLE
 CATEGORY: INTRABUILDING NETWORK CABLE
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
			AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1988	38,545,134	220,806	225,821	102.3	21,704	9.8	92.5
1989	39,559,751	273,444	107,246	39.2	52,905	19.3	19.9
1990	40,823,833	737,612	19,927	2.7	61,205	8.3	-5.6
1991	41,118,089	704,549	38,798	5.5	49,544	7.0	-1.5
1992	42,034,673	-170,233	127,330	-74.8	48,154	-28.3	-46.5
1993	42,099,472	556,618	32,369	5.8	50,603	9.1	-3.3
1994	42,586,564	405,520	7,017	1.7	33,246	8.2	-6.5
1995	43,328,220	325,902	20,884	6.4	47,159	14.5	-8.1
1996	43,297,744	727,417	19,837	2.7	40,216	5.5	-2.8
1997	44,171,966	144,761	0	0.0	7,923	5.5	-5.5
1998	45,061,555	156,809	0	0.0	20,901	13.3	-13.3
1999	46,100,555	232,000	6,960	3.0	30,160	13.0	-10.0
GRAND TOTAL		4,315,205	606,189	14.0	463,720	10.7	3.3
1988-1999#		4,315,205	606,189	14.0	463,720	10.7	3.3
1990-1999##		3,820,955	273,122	7.1	389,111	10.2	-3.1

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/20/00
 01:24 PM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: INTRABUILDING NETWORK CABLE
 CATEGORY: INTRABUILDING NETWORK CABLE
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
		AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1990	1,766,178	519,122	29.4	233,512	13.2	16.2
1991	2,101,990	325,670	15.5	262,411	12.5	3.0
1992	2,234,066	225,441	10.1	242,752	10.9	-0.8
1993	1,822,356	226,398	12.4	228,706	12.6	-0.2
1994	1,845,224	207,437	11.2	219,378	11.9	-0.7
1995	2,160,218	80,107	3.7	179,147	8.3	-4.6
1996	1,760,409	47,738	2.7	149,445	8.5	-5.8
1997	1,586,889	47,681	3.0	146,359	9.2	-6.2

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

January 1, 2000

8

370

002988

Run Date: 3/21/00 11:10
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2426.00
 Category: Intrabuilding Network Cable

Development of Retirement Ratios -- Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ments C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ments G	Retire- ment Ratio H=G/F
1988	38,545,134							
1989	39,559,751	39,052,443	273,444	0.00700				
1990	40,823,833	40,191,792	737,612	0.01835	89-91	120,215,196	1,715,605	0.01427
1991	41,118,089	40,970,961	704,549	0.01720	90-92	122,739,134	1,271,928	0.01036
1992	42,034,673	41,576,381	-170,233	-0.00409	91-93	124,614,415	1,090,934	0.00875
1993	42,099,472	42,067,073	556,618	0.01323	92-94	125,986,472	791,905	0.00629
1994	42,586,564	42,343,018	405,520	0.00958	93-95	127,367,483	1,288,040	0.01011
1995	43,328,220	42,957,392	325,902	0.00759	94-96	128,613,392	1,458,839	0.01134
1996	43,297,744	43,312,982	727,417	0.01679	95-97	130,005,229	1,198,080	0.00922
1997	44,171,966	43,734,855	144,761	0.00331	96-98	131,664,598	1,028,987	0.00782
1998	45,061,555	44,616,761	156,809	0.00351	97-99	133,932,671	533,570	0.00398
1999 #	46,100,555	45,581,055	232,000	0.00509				

Forecasted Activity

372

002990

CONDUIT

Company : BellSouth Telecommunications
State : Florida
Account : 2441
Category : Conduit System

Account Description

This account consists of the tile, pipe, and other conduit, whether underground, in tunnels or on bridges. This account also includes manholes, service boxes, markers, plugs and other associated items of plant required as supporting structure for underground cable.

Investment and Reserve Statistics

1/1/00 investment and reserve in the Conduit Account are summarized in Table 1 below.

State	Invest. (\$M)	% of Depr Plant	Reserve (\$M)	Reserve %
Florida	750.1	6.2	234.5	31.3

Table 1

Life Proposal

The Company is selecting a projection life of 55 years. This life is currently in effect and the Company's analysis does not indicate that a change should be made at this time.

The Company selected a Bell #5 curve for the Conduit account. Conduit is expected to experience few interim retirements and its life cycle is expected to follow that of a Bell #5 curve.

Salvage Proposal

Based on an analysis of historical and expected salvage, the Company is selecting a future net salvage of -10.0%.

COMPANY : BELLSOUTH TELECOMMUNICATIONS
STATE : FLORIDA
ACCOUNT : 2441
CATEGORY : CONDUIT SYSTEM

INDEX

Account Parameter Summary	2
Generation Arrangement	3
Projection Life Table/Remaining Life Development	4
Curve Shape Analysis plot	5
Average Net Salvage	6
Table A	7
Table B	8
Retirement Ratios	9

January 1, 2000

Run Date: 3/21/00 14:40
 Report: RATESUMM

Company: BellSouth Telecommunications
 State: Florida
 Account: 2441.00
 Category: Conduit Systems

Account Parameter Summary

ELG Start Year: 1998

	Effective <u>1999</u>	Effective <u>2000 @</u>
Investment Bal (\$)		
Form M	737,951,097	750,101,097
Adjustment	0	0
Study	737,951,097	750,101,097
% Tot. Depr. Plant	6.28	6.20
Depr. Reserve (\$)	219,157,744	234,509,492
(%)	29.7	31.3
Plife/AYFR (Yrs)		
Conduit Systems	55.0	55.0
Curve		
Conduit Systems	BELL #5.0	BELL #5.0
c	1.71629560E+00	1.71629600E+00
G	-1.14622770E-03	-1.14600000E-03
S	3.81733890E-04	3.82000000E-04
Whole Life (yrs)	55.0	55.0
Avg. Net Salv. (%)	-11	-11
WL Rate (%)	2.0	2.0
Comp. Rem. Life (Yrs)	38.0	38.0
Fut. Net Salv. (%)	-10	-10
Comp. RL Rate (%)	2.1	2.1
Intrastate Factor (%)	74.84	74.24

@ Estimated Investment and Reserve

02/23/00
 10:59 AM
 XREF: 99
 PRES: 1998, SA, 01
 PROP: 1999, SA, 01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CONDUIT SYSTEMS
 CATEGORY: CONDUIT SYSTEMS
 TABLE 1-VG/ELG

GENERATION ARRANGEMENT
 DEVELOPMENT OF AVERAGE REMAINING LIFE AND AVERAGE SERVICE LIFE

VINT		EXPERIENCE AS OF 1-1-2000%				REMAIN	VINT	AVERAGE	REMAINING
AGE	AGE	AMOUNT	PROP	REAL	ING	AVG	LIFE	LIFE	
		SURVIVING	SURV	LIFE	LIFE	LIFE	WEIGHTS	WEIGHTS	
N	A	B	C	D	E	F	G=B/F	H=E*G	
*1999	0.5	13,688,663	0.9999	0.50	49.37	49.87	274,498	13,551,414	
*1998	1.5	14,283,180	0.9998	1.50	48.68	50.18	284,653	13,856,201	
1997	2.5	12,546,464	0.9995	2.50	52.52	54.99	228,162	11,982,635	
1996	3.5	16,713,660	0.9979	3.50	51.53	54.91	304,358	15,682,917	
1995	4.5	23,700,260	0.9971	4.49	50.54	54.88	431,853	21,825,547	
1994	5.5	21,155,532	0.9949	5.48	49.55	54.78	386,195	19,136,963	
1993	6.5	18,523,508	0.9966	6.49	48.57	54.89	337,450	16,389,151	
1992	7.5	19,630,611	0.9965	7.49	47.58	54.91	357,531	17,013,048	
1991	8.5	21,771,129	0.9898	8.44	46.60	54.57	398,937	18,592,063	
1990	9.5	18,285,465	0.9961	9.48	45.63	54.93	332,871	15,187,460	
1989	10.5	23,061,634	0.9916	10.47	44.65	54.75	421,250	18,808,641	
1988	11.5	21,406,589	0.9830	11.34	43.68	54.27	394,410	17,226,380	
1987	12.5	12,299,546	0.9913	12.46	42.71	54.79	224,478	9,586,496	
1986	13.5	13,104,655	0.9907	13.40	41.74	54.75	239,357	9,990,368	
1985	14.5	11,516,599	0.9957	14.45	40.77	55.04	209,226	8,530,970	
1984	15.5	13,535,356	0.9855	15.35	39.81	54.59	247,965	9,872,264	
1983	16.5	8,934,221	0.9916	16.42	38.86	54.95	162,588	6,317,504	
1982	17.5	53,165,629	0.9957	17.47	37.90	55.21	963,044	36,501,978	
1981	18.5	43,980,457	0.9919	18.40	36.95	55.05	798,871	29,521,137	
1980	19.5	70,015,626	0.9880	19.36	36.01	54.94	1,274,470	45,892,269	
1979	20.5	52,864,916	0.9863	20.33	35.07	54.92	962,599	33,757,299	
1978	21.5	36,524,574	0.9846	21.31	34.13	54.91	665,124	22,703,301	
1977	22.5	15,315,795	0.9827	22.28	33.20	54.91	278,943	9,262,118	
1976	23.5	10,381,858	0.9810	23.25	32.28	54.91	189,059	6,102,904	
1975	24.5	11,976,283	0.9792	24.22	31.36	54.93	218,034	6,838,068	
1974/PRIOR		171,718,887	0.9476	28.96	26.21	55.12	3,115,216	81,647,280	
TOTAL		750,101,097					13,701,140	515,776,375	
NON-ELG V		722,129,254					13,141,989	488,368,760	
ELG V		27,971,843					559,151	27,407,615	

AVG SERVICE LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT B/TOT G 54.74735 54.94825 50.02558
 AVG REMAINING LIFE: ALL VINTS NELG VINTS ELG VINTS
 TOT H/TOT G 37.64478 37.16095 49.01650
 COMPUTED GROSS ADDS-ALL VINTS: AVG PROPORTION SURVIVING:
 SUM OF (B/C) 764,852,753 B/ SUM OF (B/C) 0.98071

ORIGINAL: c 1.716295600000 G -1.146227700000E-003 S +3.817338900000E-004
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 * ELG VINTAGES, PROJECTION LIFE 55.0

03/20/00
 07:44 AM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CONDUIT SYSTEMS
 CATEGORY: CONDUIT SYSTEMS
 TABLE 2-VG/ELG

PROJECTION LIFE TABLE
 AVERAGE SERVICE LIFE AND REMAINING LIFE BY AGE

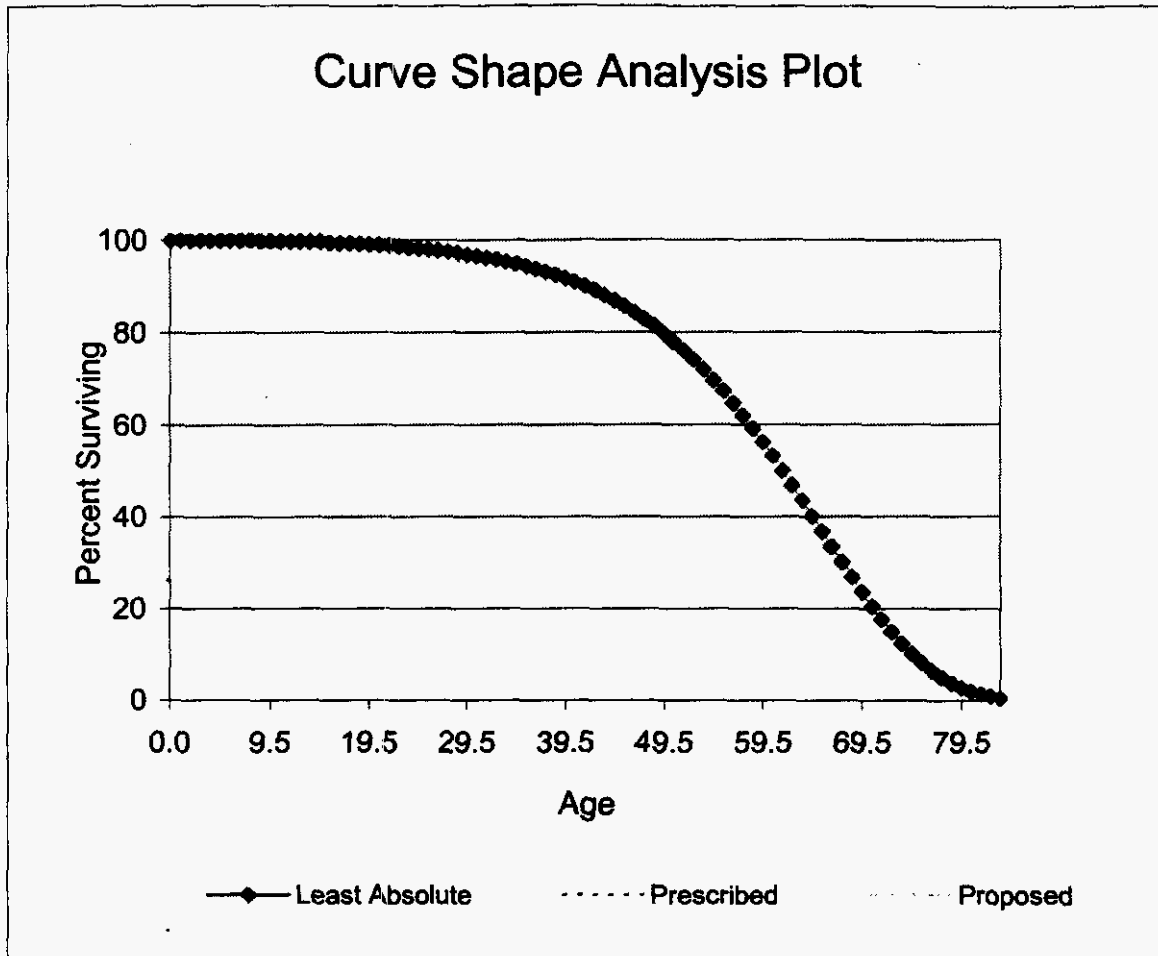
PROJECTION LIFE TABLE PARAMETERS AVG LIFE 55.00

ORIGINAL: c 1.716295600000 RESCALED: c 1.103197080558
 G -1.146227700000E-003 G -1.146227700000E-003
 S +3.817338900000E-004 S +6.940615655547E-005

BEGINNING OF YEAR AGE	AMOUNT IN SERVICE	AMOUNT RETIRE DURING YEAR (LIFE GROUP)	AGE OF AMOUNT RETIRE D	ANNUAL ACCRUALS FOR BOY AGE A		ELG	ELG	VG
				EACH LIFE GROUP	FOR ALL REMAINING GROUPS	AVG SVC LIFE	AVG RL LIFE	VINT RL LIFE
A	B	C=B-next B	D	E=C/D	F*	G=B/F	H=G-A	I#
0.0	100,000	5	0.5	11	2,016	49.61	49.61	55.00
0.5	99,995	13	1.0	13	2,005	49.87	49.37	54.50
1.5	99,982	16	2.0	8	1,993	50.18	48.68	53.51
2.5	99,967	19	3.0	6	1,985	50.37	47.87	52.52
3.5	99,948	22	4.0	6	1,979	50.52	47.02	51.53
4.5	99,925	26	5.0	5	1,973	50.65	46.15	50.54
5.5	99,899	31	6.0	5	1,968	50.77	45.27	49.55
6.5	99,868	36	7.0	5	1,963	50.89	44.39	48.57
7.5	99,833	41	8.0	5	1,957	51.00	43.50	47.58
8.5	99,792	47	9.0	5	1,952	51.11	42.61	46.60
9.5	99,745	53	10.0	5	1,947	51.23	41.73	45.63
10.5	99,692	60	11.0	5	1,942	51.34	40.84	44.65
11.5	99,632	68	12.0	6	1,936	51.45	39.95	43.68
12.5	99,564	77	13.0	6	1,931	51.57	39.07	42.71
13.5	99,487	86	14.0	6	1,925	51.69	38.19	41.74
14.5	99,401	97	15.0	6	1,919	51.81	37.31	40.77
15.5	99,305	108	16.0	7	1,912	51.93	36.43	39.81
16.5	99,197	121	17.0	7	1,905	52.06	35.56	38.86
17.5	99,076	135	18.0	7	1,898	52.19	34.69	37.90
18.5	98,941	150	19.0	8	1,891	52.33	33.83	36.95
19.5	98,791	167	20.0	8	1,883	52.47	32.97	36.01
20.5	98,625	185	21.0	9	1,875	52.61	32.11	35.07
21.5	98,439	206	22.0	9	1,866	52.76	31.26	34.13
22.5	98,234	228	23.0	10	1,856	52.91	30.41	33.20
23.5	98,006	252	24.0	11	1,847	53.07	29.57	32.28
24.5	97,754	279	25.0	11	1,836	53.24	28.74	31.36
TOTAL		2,526						

* F(AGE A) = SUM OF COL E AGE A TO END
 # I = 0.5 + ((SUM OF COL B FROM AGE A+1 THROUGH END)/(COL B AT AGE A))

COMPANY : BellSouth Telecommunications
STATE : Florida
ACCOUNT : 2441
CATEGORY : Conduit



c = 1.7163 G = -0.001146228 S = 0.000381734

Curves scaled to observed life of 59.45

03/20/00
 01:24 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CONDUIT SYSTEMS
 CATEGORY: CONDUIT SYSTEMS
 PAGE 1 OF 1

AVERAGE NET SALVAGE
 AS OF JANUARY 2000
 (\$000)

	PLANT RETIRED	GROSS SALVAGE		COST OF REMOVAL		NET SALVAGE PERCENT
		PERCENT	WEIGHT	PERCENT	WEIGHT	
	A	B	C= (AxB) /100	D	E= (AxD) /100	F= (B-D)
PAST	14,752#	3.4*	505	53.1*	7,838	-49.7
FUTURE	750,101&	0.0**	0	10.0**	75,010	-10.0
TOTAL	764,853		505		82,848	
AVERAGE		0.1		10.8		-10.8

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES
 * FROM TABLE A
 & TOTAL AMOUNT OF SURVIVORS ON GENERATION ARRANGEMENT
 ** PROPOSED GROSS SALVAGE AND COST OF REMOVAL

03/20/00
 01:24 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CONDUIT SYSTEMS
 CATEGORY: CONDUIT SYSTEMS
 PAGE 1 OF 1

TABLE A
 ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

YEAR	PLANT IN SERVICE DEC. 31	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET
			AMOUNT	PERCENT	AMOUNT	PERCENT	SALVAGE PERCENT
	A	B	C	D=(C/B) *100	E	F=(E/B) *100	G=(D-F)
1975**		2,180,950	168,201	7.7	1,863,500	85.4	-77.7
1976	183,769,020	161,625	52,634	32.6	127,099	78.6	-46.0
1977	197,644,216	258,411	7,325	2.8	137,658	53.3	-50.5
1978	230,919,654	297,127	1,165	0.4	287,605	96.8	-96.4
1979	279,529,012	260,588	1,765	0.7	151,848	58.3	-57.6
1980	343,309,808	574,542	25,447	4.4	286,749	49.9	-45.5
1981	382,854,841	507,751	25,285	5.0	413,887	81.5	-76.5
1982	428,433,668	919,218	7,562	0.8	302,821	32.9	-32.1
1983	450,079,516	500,790	2,145	0.4	225,167	45.0	-44.6
1984	471,140,224	384,791	80,750	21.0	184,773	48.0	-27.0
1985	493,773,218	354,448	8,269	2.3	145,135	40.9	-38.6
1986	515,613,947	232,314	10,221	4.4	112,850	48.6	-44.2
1987	534,109,868	176,361	2,084	1.2	122,821	69.6	-68.4
1988	554,741,392	1,021,319	10,376	1.0	220,698	21.6	-20.6
1989	577,463,322	808,581	8,410	1.0	222,746	27.5	-26.5
1990	594,889,787	129,728	34,701	26.7	188,863	145.6	-118.9
1991	615,557,955	1,637,540	-9,470	-0.6	159,212	9.7	-10.3
1992	635,390,265	-399,952	17,517	-4.4	254,541	-63.6	59.2
1993	653,997,523	354,888	26,208	7.4	333,035	93.8	-86.4
1994	673,846,411	761,627	3,160	0.4	1,060,068	139.2	-138.8
1995	697,060,949	1,237,467	40,137	3.2	-62,592	-5.1	8.3
1996	712,606,590	240,274	4,460	1.9	429,216	178.6	-176.7
1997	724,818,203	190,370	0	0.0	218,478	114.8	-114.8
1998	737,951,097	1,983,541	0	0.0	481,126	24.3	-24.3
1999	750,101,097	248,000	0	0.0	24,800	10.0	-10.0
GRAND TOTAL		15,022,299	528,352	3.5	7,892,104	52.5	-49.0
1955-1999#		14,768,000	505,430	3.4	7,846,813	53.1	-49.7
1990-1999##		6,383,483	116,713	1.8	3,086,747	48.4	-46.6

REPRESENTS RETIREMENTS FROM SURVIVING VINTAGES.
 ## BAND OF LAST 10 ACTIVITY YEARS.

03/20/00
 01:24 PM
 XREF: 99
 PRES: 1998,SA,01
 PROP: 1999,SA,01

COMPANY: BellSouth Telecommunications
 STATE: Florida
 ACCOUNT: CONDUIT SYSTEMS
 CATEGORY: CONDUIT SYSTEMS
 PAGE 1 OF 1

TABLE B
 5-YEAR OVERLAPPING BANDS OF ANNUAL RETIREMENTS
 GROSS SALVAGE AND COST OF REMOVAL

CENTER YEAR	PLANT RETIRED*	GROSS SALVAGE*		COST OF REMOVAL*		NET SALVAGE
		AMOUNT	PERCENT	AMOUNT	PERCENT	PERCENT
	A	B	C=(B/A) *100	D	E=(D/A) *100	F=(B-E)
1977	1,173,368	86,225	7.3	882,463	75.2	-67.9
1978	1,552,293	88,336	5.7	990,959	63.8	-58.1
1979	1,898,419	60,987	3.2	1,277,747	67.3	-64.1
1980	2,559,226	61,224	2.4	1,442,910	56.4	-54.0
1981	2,762,889	62,204	2.3	1,380,472	50.0	-47.7
1982	2,887,092	141,189	4.9	1,413,397	49.0	-44.1
1983	2,666,998	124,011	4.6	1,271,783	47.7	-43.1
1984	2,391,561	108,947	4.6	970,746	40.6	-36.0
1985	1,648,704	103,469	6.3	790,746	48.0	-41.7
1986	2,169,233	111,700	5.1	786,277	36.2	-31.1
1987	2,593,023	39,360	1.5	824,250	31.8	-30.3
1988	2,368,303	65,792	2.8	867,978	36.6	-33.8
1989	3,773,529	46,101	1.2	914,340	24.2	-23.0
1990	3,197,216	61,534	1.9	1,046,060	32.7	-30.8
1991	2,530,785	77,366	3.1	1,158,397	45.8	-42.7
1992	2,483,831	72,116	2.9	1,995,719	80.3	-77.4
1993	3,591,570	77,552	2.2	1,744,264	48.6	-46.4
1994	2,194,304	91,482	4.2	2,014,268	91.8	-87.6
1995	2,784,626	73,965	2.7	1,978,205	71.0	-68.3
1996	4,413,279	47,757	1.1	2,126,296	48.2	-47.1
1997	3,899,652	44,597	1.1	1,091,028	28.0	-26.9

* EXCLUDING SALES & TRANSACTIONS THAT WERE EXCLUDED FROM LIFE DETERMINATION.

Run Date: 3/21/00 11:10
 Report: RETRATIO
 ResCode: HISTACTL

Company: BellSouth Telecommunications
 State: Florida
 Account: 2441.00
 Category: Conduit Systems

Development of Retirement Ratios -- Total Retirements

End Of Year	Plant Balance A	Average Plant Balance B=(A + prev A)/2	Retire- ments C	Retire- ment Ratio D=C/B	Band E	Average Plant Balance F	Retire- ments G	Retire- ment Ratio H=G/F
1985	493,773,218							
1986	515,613,947	504,693,583	232,314	0.00046				
1987	534,109,868	524,861,908	176,361	0.00034	86-88	1,573,981,120	1,429,994	0.00091
1988	554,741,392	544,425,630	1,021,319	0.00188	87-89	1,635,389,895	2,006,261	0.00123
1989	577,463,322	566,102,357	808,581	0.00143	88-90	1,696,704,542	1,959,628	0.00115
1990	594,889,787	586,176,555	129,728	0.00022	89-91	1,757,502,783	2,575,849	0.00147
1991	615,557,955	605,223,871	1,637,540	0.00271	90-92	1,816,874,536	1,367,316	0.00075
1992	635,390,265	625,474,110	-399,952	-0.00064	91-93	1,875,391,875	1,592,476	0.00085
1993	653,997,523	644,693,894	354,888	0.00055	92-94	1,934,089,971	716,563	0.00037
1994	673,846,411	663,921,967	761,627	0.00115	93-95	1,994,069,541	2,353,982	0.00118
1995	697,060,949	685,453,680	1,237,467	0.00181	94-96	2,054,209,417	2,239,368	0.00109
1996	712,606,590	704,833,770	240,274	0.00034	95-97	2,108,999,846	1,668,111	0.00079
1997	724,818,203	718,712,397	190,370	0.00026	96-98	2,154,930,816	2,414,185	0.00112
1998	737,951,097	731,384,650	1,983,541	0.00271	97-99	2,194,123,144	2,421,911	0.00110
1999 #	750,101,097	744,026,097	248,000	0.00033				

Forecasted Activity

PROJECTION LIVES

<u>Category</u>	<u>Recommended for Use in Cost Studies</u>	<u>FL PSC Last Prescribed</u>
Computers	4.5	5 yr Amortization Schedule
Digital Electronic Switching	10	13.7
* Circuit-Digital	9	11.9
* Circuit-Optical	9	8.1
Aerial Cable-Metallic	15	15.5
Underground Cable-Metallic	14	11.6
Buried Cable-Metallic	15	15
Fiber Cable	20	19.4 - 20

* BellSouth treated Circuit-Digital and Circuit Optical as one account in the Depreciation Study.

Comparison of Projection Lives

	<u>1994 AT&T Prescribed</u>	<u>BellSouth Cost Studies</u>
Digital Electronic Switching	9.7	10
Circuit Digital Equipment	7.2	9
Circuit Analog Equipment	2.5	7.5
Metallic Cable	3.4 - 15	14 - 15
Non-Metallic Cable	20	20

Source of AT&T Prescribed Lives: 1994 FCC Represcription "Three-Way Meeting"
Results for AT&T Communications, August 2, 1994.