

ORIGINAL

UNDOCKETED

C COMPANY:

BIZTEL INTEREXCHANGE
WORLDCom LOCAL EXCHANGE
CONFIDENTIAL LOG
YEAR END 12/31/99
MARCH 1, 2001
RKY

TITLE:
PERIOD:
DATE:
AUDITOR:

WP/NO	DESCRIPTION	NUMBER	CONF
			YES/NO
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APP _____
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PAI _____
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SER _____
OTH _____

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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AUDIT EXCEPTION 1

SUBJECT: BIZTEL INTEREXCHANGE COMPANY INTRASTATE REVENUE

STATEMENT OF FACTS: The total gross operating revenue reported on the regulatory assessment fee form was agreed to the revenue portion of the company income statement. Intrastate revenue reported on the regulatory assessment form is [REDACTED] % of the total gross. The company could not provide dollars billed back up or call traffic records for the [REDACTED] % intrastate amount because Biztel is no longer in business. The company said that the [REDACTED] % is based on prior years estimates.

The audit service request noted that even through the [REDACTED] % is consistent with prior years intrastate revenue submitted to the Commission the regulatory assessment fee forms, the industry norm is 35 to 40%.

OPINION: Without documentation for the intrastate revenue, it cannot be determined if the [REDACTED] % is correct or if it should be more within the industry norm.

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AUDIT EXCEPTION 2

**SUBJECT: WORLD COM ALTERNATIVE LOCAL EXCHANGE COMPANY
REVENUE**

STATEMENT OF FACTS: The amount of Florida intrastate local exchange company revenue reported on the company regulatory assessment fee form for the year end December 31, 1999 was traced to an excerpt from the general ledger and a print out from the local exchange company billing system. The revenue on the regulatory assessment fee form agreed with the billing system, but not the excerpt from the general ledger. The difference follows:

RAF Form
G/L





The local exchange revenues could not be traced to the company wide income statement because the income statement is not detailed by types of revenue or by state. In order to determine the reasonableness of the fees paid by WorldCom, another procedure was performed.

The regulatory assessment fees for the other companies that are included on the income statement were obtained along with information from the company wide billing systems. Three different billing systems are used. Included in the billing systems are other companies besides WorldCom. The revenue from these other companies is subtracted before determining ratios for Florida specific to total company wide billing and Florida intrastate to total intrastate billing. The revenue subtracted is an estimate. The ratios determined are applied to the WorldCom Income Statement revenues to fill out the regulatory assessment fee form for the World Com Interexchange and Shared Tenant companies.

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A compilation of all three companies' filings was prepared and compared to the amounts calculated from the billing systems. The results showed:

	(1) Reported On RAF	(2) Calculated per billing system	(3) Compiled from excerpt from Inc. Statement	(4) Difference (1) and (3)
Local Revenues	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shared Tenant	[REDACTED]	[REDACTED]		[REDACTED]
Interexchange Carrier	[REDACTED]	[REDACTED]		[REDACTED]
Total FI Intrastate Revenue	[REDACTED]	[REDACTED]		[REDACTED]

The company explained that the difference in the Interexchange Carrier revenue is that the regulatory assessment for the Interexchange Carrier on the form included the first six months of 1999 twice.

OPINIONS:

1. A link between the revenues according to the company wide general ledger to the amount filed on the regulatory assessment fee form for the local exchange company cannot be established. Also, the non WorldCom companies' revenue subtracted from the billing system could not be verified.

2. It appears that the revenues reported on the local exchange company RAF form of \$ [REDACTED] is less than the amount reported in excerpts from the general ledger.

RAF Form
G/L

3. The company reported the first six months of 1999 twice on its interexchange company form filed with the Commission which means that it paid twice for the first six months of 1999. The net of the double revenues reported for the Interexchange Carrier and under reporting for the local exchange company is an over reporting of \$ [REDACTED] in revenue.

RECOMMENDATIONS:

1. The opinions indicate that WorldCom owes fees for the local exchange company and has overpaid for the interexchange company. An amended return has not been filed for either of these returns. Because of the scope limits, we cannot be sure of the amounts submitted; and because the

amount overpaid by the interexchange company far exceeds the amount underpaid by the local exchange company, it is recommended that no adjustments be made by the Commission.

2. If the company refiles the interexchange company return, then consideration needs to be given to the error found on the local exchange return.
3. To have a clearer audit trail, we believe that the companies should be instructed to keep reports on each state so that we can compile all states to agree with the total amount in the income statement. Also, the billing system reports should be set up so that each company can be summarized easily.

Consolidated

Biz-Tel Corporation

Consolidated

Account Nbr Description

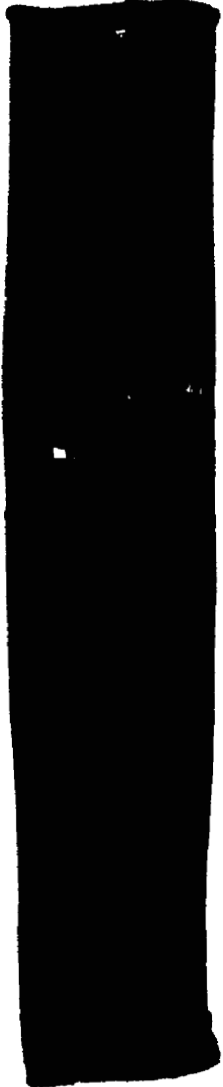
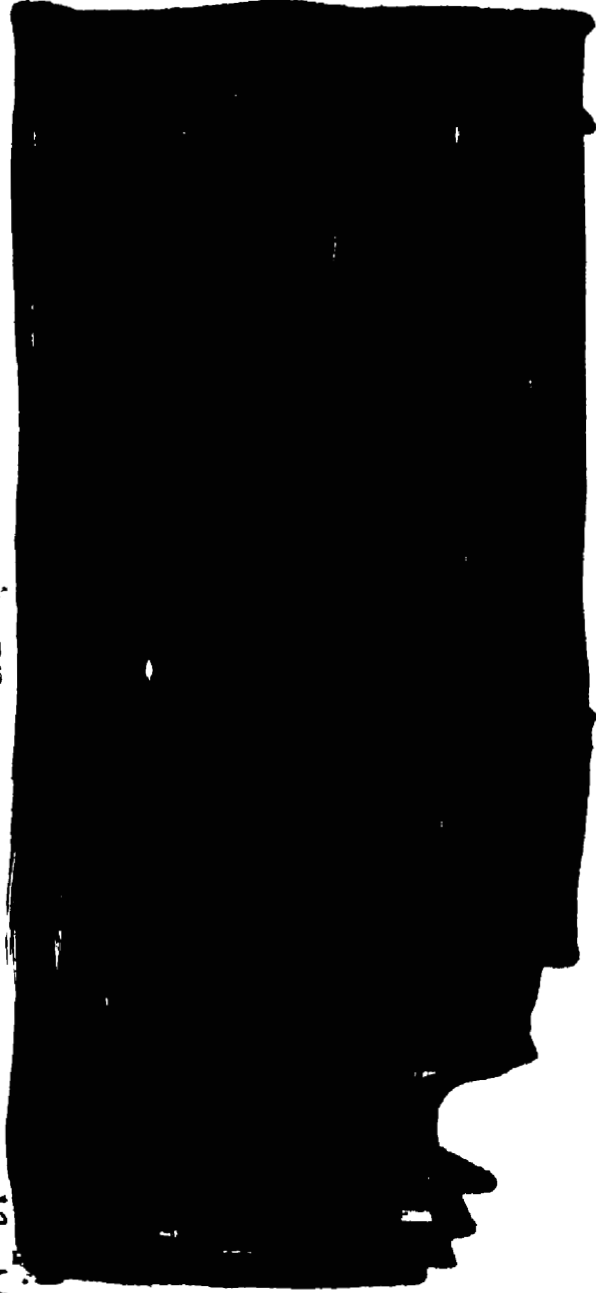
Current Period

Year To Date

Last Year Period

Last Year To Date

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Biz-Tel Corporation

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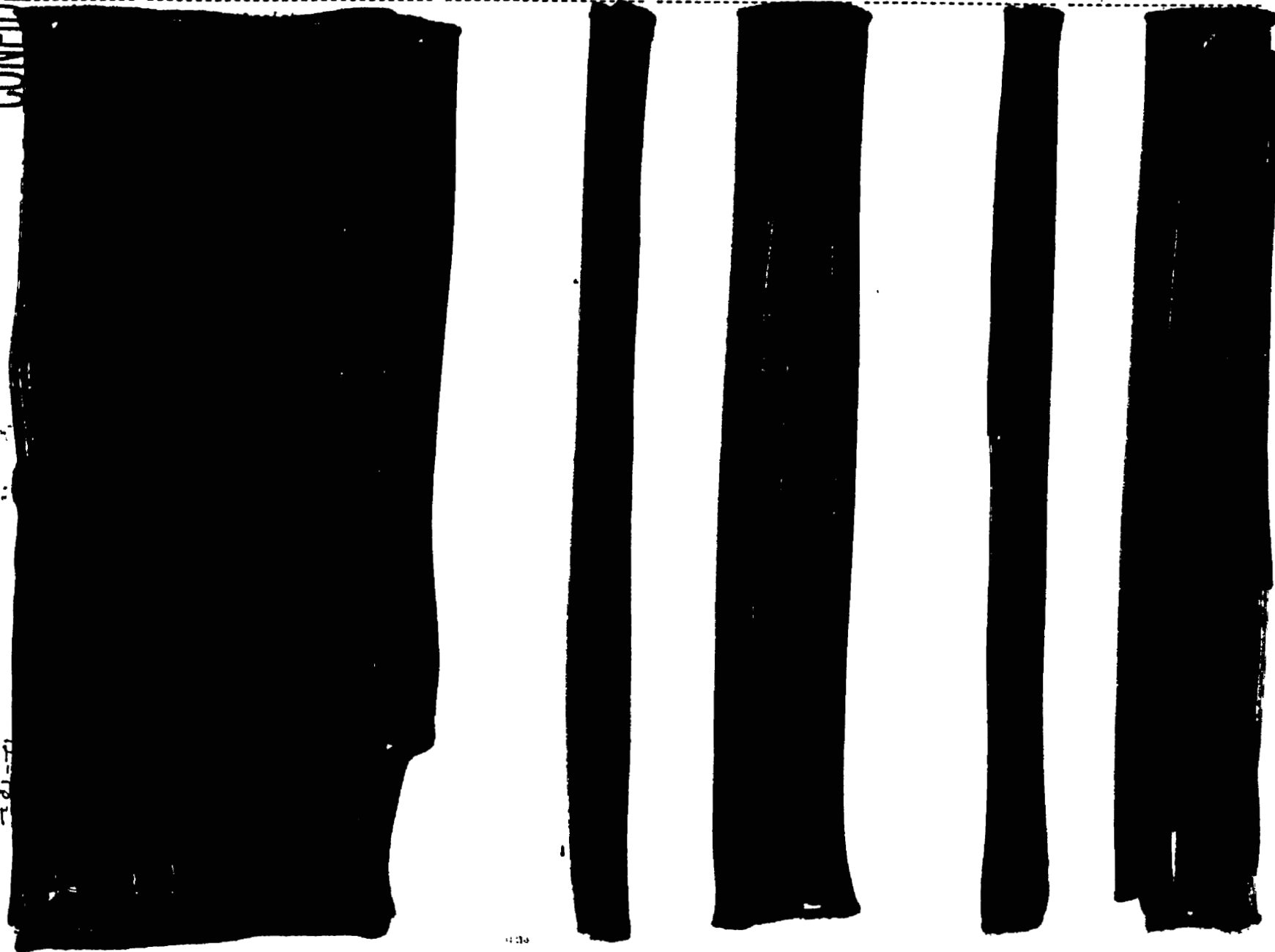
Account Nbr Description

Current Period

Year To Date

Last Year Period

Last Year To Date



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93 Date 02/11/00
Time 16:30

Company 1010 - Biz-Tel Corporation
Income Statement
For Period 13 Ending December 31, 1999

USD

Page 3

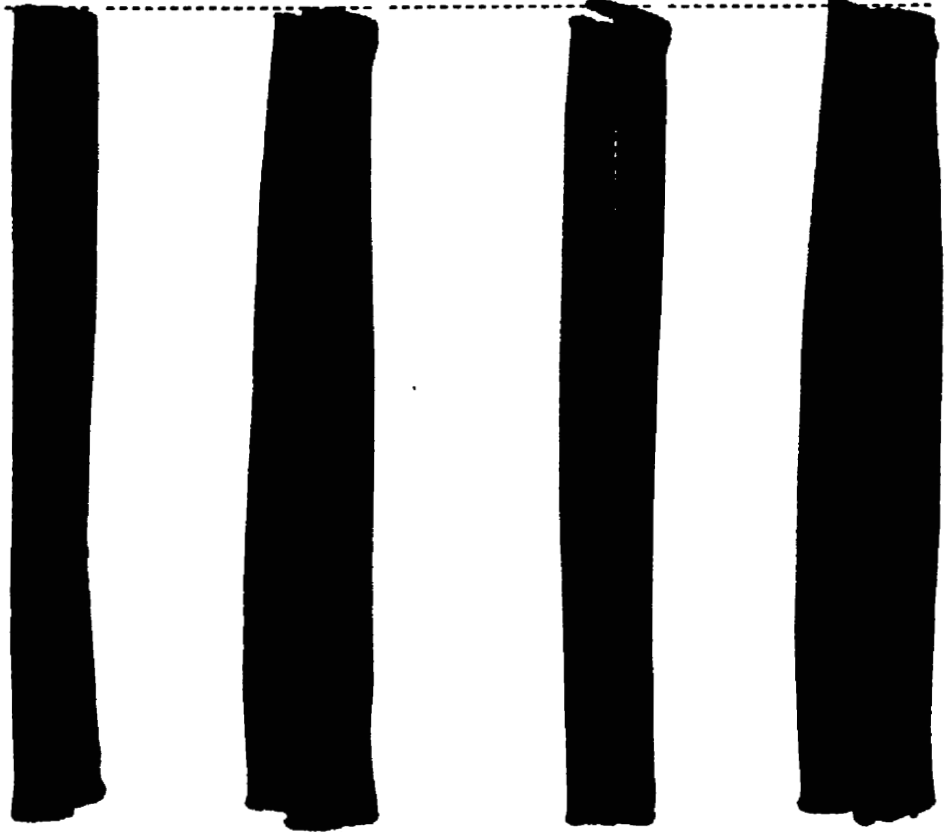
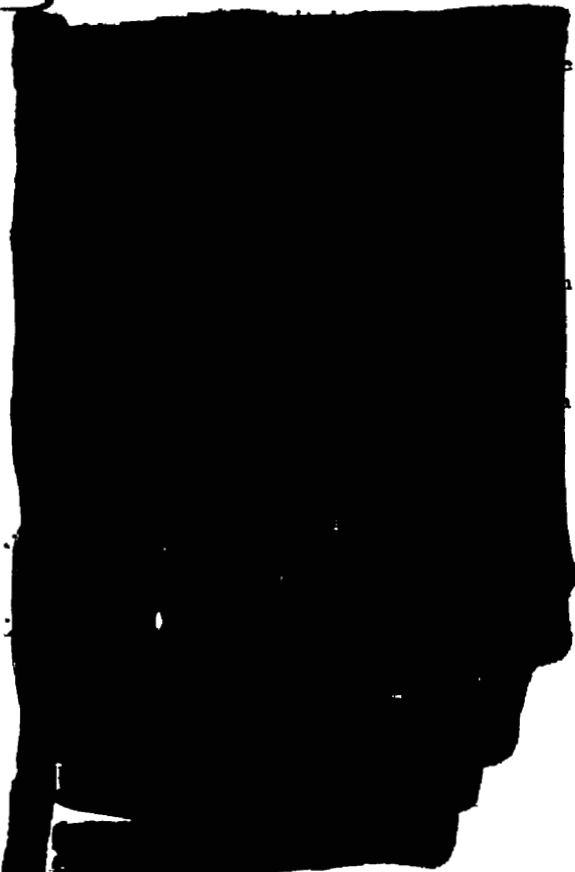
Fiscal Year 1999

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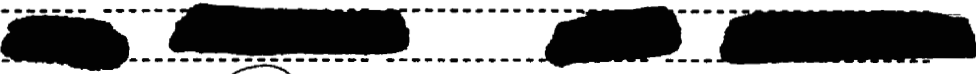
Biz-Tel Corporation

Consolidated 1

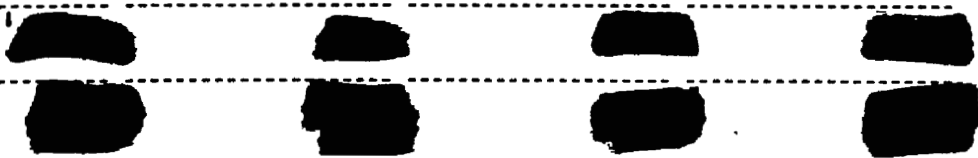
Account Nbr	Description	Current Period	Year To Date	Last Year Period	Last Year To Date
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Total Net Revenue



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01293 D. : 03. 00
Time: 12:28

JOB SUBMISSION PARAMETERS

User Name: gwhite
Job Name : WCTI
Step Nbr : 1

WTI

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Company: 1190 Worldcom Technologies  
Accounting Units:  
.  
.  
Company: X          Level One:          Level Two:  
Level Three:       Level Four:         Level Five:  
.  
.  
Fiscal Year: L     Last Year  
Period: 13         Period 13  
Chart Depth:      All  
Account Detail: S  Subaccount  
Suppress Zero Accts: Y Yes  
Report Sequence: L Level  
Budget:  
.....
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Attch A

Pbc 110000

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GL293 03, M
Time 12:29

Company 1190 - Worldcom Technologies
Income Statement
For Period 13 Ending December 31, 1999

USD

Page 1

Fiscal Year 1999

Consolidated

Worldcom Technologies

Consolidated

Account Nbr Description

Current Period

Year To Date

Last Year Period

Last Year To Date

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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82

CONFIDENTIAL 000002

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Consolidated

Worldcom Technologies

Consolidated

Account Nbr Description

Current Period

Year To Date

Last Year Period

Last Year To Date

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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83

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Time 12:25

Company 1190 - Worldcom Technologies
Income Statement
For Period 13 Ending December 31, 1999

USD

Page 4

Fiscal Year 1999

CONFIDENTIAL

Consolidated

Worldcom Technologies

Consolidated

Account Nbr	Description	Current Period	Year To Date	Last Year Period	Last Year To
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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

2-2

Total Gross Revenue

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RBC

Attachment B

The amount of IL Intrastate LEC revenue on the RAF form is a derived amount.

Three different billing systems are used. Included in the billing systems are other companies besides WorldCom. The revenue from these other companies is subtracted before determining ratios for FL specific to total company wide billing & IL intrastate to total intrastate billing. The revenues subtracted is an estimate. The ratios determined are applied to the WorldCom known FL revenue to fill out the RAF form - Pages 2 & 3 are the derived amounts.

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Florida Revenue Calculations for WorldCom Technologies, Inc. 1999

Per the Lawson General Ledger

Total WTI revenue countrywide: [redacted] 12-2p 4

Per the WorldCom Billing Entity Billing System

*Please note that these billing system revenues are used for state allocation purposes ONLY. The billing systems may include some information for entities other than WTI.

	Florida specific	Total countrywide
Cherokee Billing System:	[redacted]	[redacted]
IXPlus Billing System:	[redacted]	[redacted]
E&E Billing System:	[redacted]	[redacted]
Less est. portion applicable to WNS*	[redacted]	[redacted]
Net F&E	[redacted]	[redacted]
Totals:	[redacted]	[redacted]

[redacted]

From the billing system information we determine that [redacted] of total revenues are related to Florida.

Therefore, the Florida allocation is [redacted] of the total WTI revenue from the general ledger

sh [redacted] x [redacted] 12-2p

	Florida Intrastate
Cherokee Billing System:	[redacted]
IXPlus Billing System:	[redacted]
E&E Billing System:	[redacted]
Less est. portion applicable to WNS*	[redacted]
Less interstate revenue**	[redacted]
Net F&E	[redacted]
Totals:	[redacted]

Total fl intrastate from billing system

From the billing systems, we determine [redacted] % of the total revenues are intrastate. [redacted] % OK

Therefore, the Florida intrastate allocation is [redacted] % of the Florida total allocation.

*F&E reports both entities under WorldCom; the split is estimated at [redacted] between WorldCom Network Services (WNS) and WorldCom Technologies (WTI) based on historical data.

**F&E is reported as [redacted] % intrastate from the billing system; Florida is estimated at [redacted] interstate based on historical data.

* The company states the information for the portion applicable to WNS (not Worldcom) from the F&E billing system is not available. This is pre-merger data (documentation)

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Additional Calculations:

Florida specific total gross revenue for WTI

[REDACTED]

Florida intrastate revenues for WTI

[REDACTED]

WTI Company Breakout.

Local Revenue from the local billing system (all intrastate)
-is [REDACTED] % of total intrastate revenue

[REDACTED]

Shared Tenant Provider Revenue (all intrastate)
-shared tenant is calculated as [REDACTED] % of the total intrastate revenue
-this percentage is based on prior year billing

[REDACTED]

Interexchange revenue.

[REDACTED]

*WTI Local, shared tenant
+ IXC*

W
2/26/01
R 11/01

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12-2
1

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1/26/01
2/23/01

MCI WORLD COM

Law & Public Policy
Six Concourse Parkway
Suite 3200
Atlanta, GA 30328

PBC

#4

January 30, 2001

Ms. Ruth Young
Florida Public Service Commission
3625 NW 82nd Avenue
Suite 400
Miami, FL 33166

Dear Ms. Young:

WorldCom has received your Audit Document/Record Request (No. 4) for WorldCom Technologies, Inc. - RAF Forms dated 1/11/01 requesting copies of the summary from the billing system for each line item for Total Country Wide, Florida Specific and Florida Intrastate revenue with an explanation of the types of calls billed on each billing system. As requested, WorldCom is providing in Attachment A the information you requested regarding the summary and the types of calls billed.

You have also requested an explanation and reconciliation of the difference between the billing system revenue number and the "Lawson" ledger revenue number. The billing system revenues are associated with more than one legal entity, and therefore are not unique to a particular entity, whereas the general ledger revenues are specific to one entity. Accordingly, the billing system revenues are used to develop a percentage for revenues in Florida that is then applied to the general ledger.

If you have any questions or concerns, please feel free to contact me at 888-605-0469.

Sincerely,

Melissa A. Burris

Melissa A. Burris
Staff Specialist

cc: Donna McNulty, Esq.

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12-2
2-1

12-2
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KLW
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B2/23/01

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REQUEST NO 4.

RE: WORLD COM TECHNOLOGIES, INC.
RAF FORMS

A. For the attached, please provide a copy of the summary from the billing system for each line item for Total Country Wide, Florida Specific and Florida Intrastate. Explain the types of calls that are billed on each billing system (e.g., local, directory assistance, long distance, etc.).

B. Please explain and reconcile the difference between the billing system of [REDACTED] and the "Lawson" ledger of \$ [REDACTED]

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12-2
3

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WJ 2/21/01
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#5

REQUEST NO 5.

RE: WORLDCOM TECHNOLOGIES, INC.
RAF FORMS

According to the information provided to date, the total intrastate revenue allocated for Florida Intrastate for WTI is \$ [REDACTED]. This is comprised of:

CLEC
Shared Tenant
IXC

[REDACTED]

According the billing system information provided, the total intrastate revenue is \$ [REDACTED]

According to the RAF forms filed with the Commission for the year-end 1999, the intrastate revenue is \$ [REDACTED]. This is comprised of:

CLEC
Shared Tenant
IXC

[REDACTED]

A. Provide an explanation and reconcile all of the above differences including but not limited to the following:

1. Why is the allocation amount of \$ [REDACTED] different than the billing system amount of \$ [REDACTED]
2. Why not report the actual FI. Intra billing system amount?
3. Why is the IXC revenue reported on the RAF form different than the IXC revenue that is allocated ([REDACTED] vs. \$ [REDACTED])
4. Why is the Florida intrastate revenue in total from the billing system in the amount of [REDACTED] lower than the intra revenue reported on the RAF's of \$ [REDACTED]?
5. Why is the Florida intrastate revenue allocated amount of \$ [REDACTED] lower than the intra revenue reported on the RAF's of \$ [REDACTED]?

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12-2
4

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R 2/21/01

AUDIT EXCEPTION 1

SUBJECT: BIZTEL INTRASTATE REVENUE

STATEMENT OF FACTS: The total gross operating revenue reported on the regulatory assessment fee from was agreed to the revenue portion of the company income statement. Intrastate revenue reported on the regulatory assessment from is [redacted] % of the total gross. The company could not provide dollars billed back up or call traffic records for the [redacted] % intrastate amount because Biztel is no longer in business. The company said that the [redacted] % is based on prior years estimates.

12-1
41-1

10-182
40-6P3

The audit service request noted that even through the [redacted] % is consistent with prior years intrastate revenue submitted tot he Commission the regulatory assessment fee forms, the industry norm is 35 to 40%.

) 4

CONCLUSION: Without documentation for the intrastate revenue, it cannot be determined if the [redacted] % is correct or if it should be more within the industry norm.

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41p1

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COMPANY: WORLDCOM
TITLE: RAF FEE
PERIOD: YEAR END 12/31/99
DATE: FEBRUARY 20, 2001
AUDITOR: RKY

WPNO.

Worldcom

The amount of revenue reported on the company RAF forms is a derived amount which comes from a percent of the companywide billing system applied to the companywide revenue reported in the general ledger.

41-2
12-2
1

There is not a clear audit trail from the general ledger company wide revenue to the revenue in the companywide billing system, nor the revenue reported on the RAF form for Florida Intrastate IXC revenue, ALEC revenue and shared tenant revenue.

12-2
12-2
41-2
41-4
41-2
41-5

The total company wide revenue reported on the RAF form for Florida local revenue was \$ [redacted]. This is a calculated amount derived from the company billing system. The reason why the Florida amounts cannot be directly determined from the billing system is that the billing system also includes other companies that are not WorldCom.

41-2
12-2
1

Staff tried three different ways to verify the revenue reported on WorldCom Local Exchange Company regulatory assessment form.

1. The methodology used ^{by the Co.} is to add up the amounts from all of the company wide billing systems for (1) companywide, (2) Florida specific and (3) Florida intrastate. Subtract the amounts that were for companies other than WorldCom from each of the billing system totals. From these three amounts determine the percent of Florida specific from companywide and determine the percent of Florida Intrastate from the companywide billing system.

12-2
1

These percents are then applied to the total companywide revenue included in the income statement to determine the Florida specific and Florida Intrastate.

12-2
1

Audit Procedures of Billing System

Recalculated each item. For each line item used from the billing system we asked the company to provide a summary from the billing systems showing the totals. The company provided a sheet reiterating what was on the initial information sent to us. If we accept this as documentation, then we are still missing the piece that that indicates the amount that is not WorldCom from the billing system. The company states that this is an estimate from historical data and no documentation is available. We are also missing the link from the allocated FI Intrastate Revenues to the amount determined to be the FI local exchange revenues. However, this amount was verified in a different manner explained in two below.

12-2
1

12-2
1
12-2
1
12-2
1
12-2
1

2. We were also provided with a printout from the company general ledger for the Florida Revenue only. The total amount for Florida local revenue is \$ [redacted] difference of \$ [redacted] from the amount of \$ [redacted] reported on the RAF form. This would increase the assessment paid for the local exchange company by \$ [redacted].

41-2
41-2/2

Audit Procedures: Recalculated the revenues and recompiled.

3. Since the local exchange percent determined from the billing system for Florida Intrastate is part of all three Florida companies that WorldCom files a RAF form for, we decided to add together the three companies to see if the total revenue reported for Florida is the same as determined calculated from the billing system described above. The three types of IXC, ALEC and shared tenant.

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The results of this comparison showed:

(1)

(2) $\frac{12-2}{1p3}$
Calculated
per billing
system

(3) $\frac{41-2}{2}$
Compiled from
excerpt from
Income Statement and (3)

Reported on RAF Difference (1) and (3)

	(1)	(2)	(3)	Difference (1) and (3)
41-2 Local Revenues	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
41-5 Shared Tenant	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
41-4 IXC	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Florida Intrastate Revenues	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The company explained that the information provided on the regulatory assessment fee for the IXC included the first six months of 1999 twice.

The total Florida Intrastate Revenues were recalculated using the billing system were recalculated and no discrepancies were noted in the calculation.

CONCLUSIONS:

1. We cannot link the revenues according to the company wide general ledger to the amount filed on the RAF form except through an allocation. We were not able to verify one of the components of the allocation.

2. It appears that the revenue reported on the local exchange company RAF form of \$ [REDACTED] is less than the amount reported in excerpts from the general ledger.

RAF Form [REDACTED]
G/L [REDACTED]

3. It appears that the company reported the first six months of 1999 twice on its form filed with the Commission which means that it paid twice for the first six months of 1999. The net of the double revenues reported for the IXC and underreporting for the local exchange company is an over reporting of [REDACTED] revenue.

4. To have a more clear audit trail, I believe the companies should be instructed to keep reports on each state so that we can compile all states to agree with the total amount in the income statement. Or report its income by state on the income statement so that we can trace to the excerpt from the general ledger.

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Write up before Request 4, 5 + 6

COMPANY: WORLDCOM TECHNOLOGIES, INC.
TITLE: SUMMARY OF PROCEDURES AND FINDINGS
PERIOD: YEAR END 12/31/99
DATE: JANUARY 9, 2001
AUDITOR: RKY

WP NO.

Worldcom Technologies, Inc. files three RAF from under this name. They are for an ALEC (TA047), an Interexchange Company (TJ032), and a Shared Tenant Service Provider (TS185).

41-2
12-2 This audit is of the RAF form submitted for the ALEC. The company reported \$ [REDACTED] for both Florida gross operating revenue and Florida intrastate revenue. The income statement provided to us includes all revenues for Worldcom Tehcnologies worldwide. We cannot tie the Florida revenues reported on the RAF form to the total worldwide Worldcom Technologies revenue on the income statement provided.

41-3 For the state of Florida, the company said the amount on the RAF form was derived from the billing systems. In order to link the billing system amounts to an income statement amount, staff requested that the company provide a schedule detailing revenue totals by all states, separating local revenues for each state. It was our intention to agree the total to the income statement for all companies and the local to the amount reported. The company stated that "Due to the overly burdensome amount of time and effort involved in proving this item, Worldcom would like to propose..." an alternative approach.

12-2
1 Worldcom provided a detail of how the Florida total and intrastate revenue allocations were calculated based on the billing systems. The ratios determined for Florida specific and then Florida Intrastate from the billing system were applied to the total WTI income statement revenue worldwide to determine the revenues for the total state of Florida for all types of revenue, and to determine the revenues for Florida Intrastate which included the ALEC, the IXC and the Shared Tenant Services revenue.

12-2
1 The company then determined the amounts for the ALEC, the IXC and the Shared Tenant Services revenue and submitted three forms. The documentation for the amounts filed on the RAF forms for the ALEC, the IXC and the Shared Tenant Services was not available to us.

Staff then proceeded in two ways:

- 41-4
41-5
1. Obtained all three RAF forms to determine if the company reported the same revenue on the forms as calculated above, and
 2. Obtained further documentation showing the Florida ALEC revenue only.

Write up Before Requests 4, 5 + 6

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41 p 4

company file too much, or should the allocations be changed to reflect the higher intrastate revenues.

2. For the "Florida ALEC revenue only" comparison, the Metropolitan Fiber Systems revenues removed from the WTI billing systems revenues could not be verified. Therefore, we could not verify the final amount filed on the form.

3. The total Florida intrastate revenue reported on the three RAF forms does not agree with the total Florida intrastate revenue calculated by the company in its allocations process.

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fbc

September 1, 2000

Stephanie Cater
Regulatory Analyst
Division of Auditing and Financial Analysis
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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Dear Ms. Cater:

We are in receipt of your letter dated August 4, 2000 regarding additional information for WorldCom Technologies' (TA047) 1999 Regulatory Assessment Fee. Further investigation into our systems has produced the following information:

- The original RAF filed for WorldCom Technologies, Inc. (TA047) indicated that the intrastate revenue was approximately [redacted] % of Florida gross operating revenue. This information was based on national-wide averages, not Florida specific, which was the only information that was available at that time.
- After researching this number with our tax department, we found that the intrastate number was slightly high and should have been \$ [redacted] less than we reported on [redacted] % of Florida gross operating revenue. At that time, we did not research the total gross operating revenue, only the intrastate number.
- Upon receipt of your letter of August 4, 2000, we researched the total gross operating revenue and were able to determine that there was no interstate revenue in the state of Florida for WorldCom Technologies, Inc. (TA047) for 1999. Therefore, the total gross operating revenue and the intrastate revenue should be the same. Please find attached a revised RAF for this company.

We apologize for the delay in getting you this information. Please feel free to contact me with any questions or concerns. I can be reached at 800-758-3813.

Sincerely,

Missie A. Burris for
Julie L. Davis
Regulatory Manager

cc: Missie Burris
Donna McNulty, Esq.

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July 31, 2000

Stephanie Cater
Regulatory Analyst
Division of Auditing and Financial Analysis
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

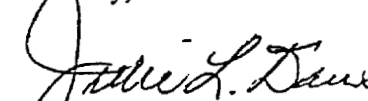
Dear Ms. Cater:

This letter is an update to our June 30, 2000 response regarding WorldCom Technologies' (TA-047) 1999 Regulatory Assessment Fee.

Upon further investigation we have found that the WorldCom Technologies' ALEC revenue reported on the 1999 Regulatory Assessment Fee Returns should have been \$ [REDACTED]. This is \$ [REDACTED] less than what we originally reported. WorldCom does not intend to file an amended 1999 Regulatory Assessment Fee Return for WorldCom Technologies (TA-047).

Again, we apologize for the delay in getting you the requested information. Please feel free to contact me with any questions or concerns. I can be reached at 800-758-3813.

Sincerely,



Julie L. Davis
Regulatory Manager

Enclosures

cc: Missie Burris
Donna McNulty, Esq.

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WTI-CLEC Resale Revenue (FL-1999)

Jan 99

Feb 99

Mar 99

Apr 99

May 99

Jun 99

Jul 99

Aug 99

Sep 99

Oct 99

Nov 99

Dec 99

8

YTD

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WTI-CLEC Resale Revenue (FL-1999)
(page 2)

		Jan 99	Feb 99	Mar 99	Apr 99	May 99	Jun 99	Jul 99	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	YTD

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WTI-CLEC Facilities Revenue (FL-1999)

(page 2)

	Jan 99	Feb 99	Mar 99	Apr 99	May 99	Jun 99	Jul 99	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	YTD
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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Handwritten notes: 1/11/01, 8/11/01



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Law & Public Policy
Six Concourse Parkway
Suite 3200
Atlanta, GA 30328

BBC

January 8, 2001

Ms. Ruth Young
Florida Public Service Commission
3625 NW 82nd Avenue
Suite 400
Miami, FL 33166

Dear Ms. Young:

This letter is in response to your Audit Document/Record additional request for WorldCom Technologies, Inc., dated 12/20/00.

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Attached please find confidential documentation showing the link between the reported revenue for WTI-CLEC and the general ledger (income statement). You will find a diminutive variance between the income statement and what was reported to the FL PSC. This variance is due to mapping issues in our program that convert charge codes in our billing system to natural accounts in the general ledger. Some of this [redacted] may be related to data or to long distance.

Your request also asks for documentation showing the link between the Florida intrastate amounts from the Cherokee, IXPlus and F&E billing systems and the general ledger. All the information we have found to date in our internal research has been provided to you in our response dated December 15, 2000.

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Also attached are the 1999 RAF filings for WorldCom Technologies, Inc. - Interchange Company (TJ032) and WorldCom Technologies, Inc. - Shared Tenant Provider (TS185), as you requested.

If you have any questions or concerns or would like to request additional information, please feel free to contact me at 888-605-0469.

Sincerely,

Melissa A. Burris
Melissa A. Burris
Staff Specialist

cc: Donna McNulty, Esq.

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Florida Local Revenue 1999

Revenue	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	total
	[REDACTED]												

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R 1/11/01

12/15/00 FRI 12:58 FAX 770 284 5533

MCI WORLDCOM REG AFFAIRS

002



Law & Public Policy
Six Concourse Parkway
Suite 3200
Atlanta, GA 30328

PBC

December 15, 2000

Ms Ruth Young
Florida Public Service Commission
3625 NW 82nd Avenue
Suite 400
Miami, FL 33166

Dear Ms Young,

This letter is in response to your Audit Document/Record additional request for WorldCom Technologies, Inc. - CLEC (WTI), dated 12/5/00

The first item requested, "the detailed general ledger revenue accounts" for WTI, is attached. Please note that the information is country-wide and not specific to the state of Florida (Attachment A)

The second item requested is "a schedule detailing revenue totals by all states, separating local revenues for each state." Due to the overly burdensome amount of time and effort involved in proving this item, WorldCom would like to propose the following alternative. Attachment B is a spreadsheet explaining how:

- a) the FL total and intrastate revenue allocations were calculated
- b) once the allocations were made, how it was broken out between intcrexchange, shared tenant provider and local revenues

The third item you requested is how we determined the local revenue amount. In our letter of November 30, 2000, the third bullet item enclosed a confidential print out from our billing system showing local revenue for the state of Florida for 1999, for WTI. That print out (Attachment C) is how we determine the local revenue amount.

If you have any questions or concerns, please feel free to contact me at 888-605-0469

Sincerely,

Melissa A. Burris

Melissa A. Burris
Staff Specialist

cc: Donna McNulty, Esq.

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WorldCom Tech
Analysis of Revenue Report
for 1999 for the IXC

1/31/01
5/1/00
2/2/00

Filed on
RAF Returns
Gross Operating
Intrastate

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1/1/99 - 6/30/99 } IXC
7/1/99 - 12/31/99 } IXC

[REDACTED]

Analysis of IXC Revenue documented by Company
in response to our requests

1/1/99 - 12/31/99 (41-4)

[REDACTED]

IXC Rev
overstated by

[REDACTED]

The Company explained that the information provided
in the RAF Form for the second six months
also included the first 6 months.

Therefore the revenue on the IXC is overstated by
[REDACTED]

The difference is comprised of [REDACTED]
Also - note the [REDACTED] reported on the IXC returns
from 1/9/99 - 6/30/99 included shared tenant
& local revenue. (*) Shared tenant & local revenue
are reported separately on other RAF returns.
It should have been a lower for the 1st 6 months

Note that the [REDACTED] reported in the 2nd 6
months is actually the whole year IXC revenue
excluding shared tenant & local revenue.

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INTEC PART BUSINESS FORMS INC (847) 698-2626 FAX (847) 698-4908

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1999 WorldCom Technologies, Inc. Revenue Reporting - Attachment A

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Revenue Information for January through June of 1999

Total Revenue
Intrastate Revenue

(A) [redacted] 41-4
[redacted] 41-4

Revenue Information for January through December of 1999

*note: this information was incorrectly reported as July through December 1999 revenue

Total Revenue
Intrastate Revenue

(B) [redacted] 41-2
[redacted] 1

Per tax information:

local revenues were [redacted] % (nation-wide average)* of total company revenues

*note: this was the only information available at that time for % allocation

Total Revenue
Intrastate Revenue

(C) [redacted]

shared tenant revenues were [redacted] % of total company revenues

Total Revenue
Intrastate Revenue [redacted] x [redacted] =

[redacted]

Remaining revenue would be reported as IXC for 7/99 - 12/99

Total Revenue
Intrastate Revenue

[redacted] 41-4

These are the revenues that were originally filed on the RAF forms for 1999 (C) Amended to be [redacted] ← 41-2

Upon request from the PSC, further investigation into our revenue numbers found:

- 1) the actual local revenue should have been [redacted] per information pulled from the local billing system
- 2) actual local revenue was [redacted] less than originally reported
- 3) forms were not revised and refiled

Additional investigation found:

- 1) there was no INTERstate local revenue in Florida
- 2) therefore total and INTRAstate numbers should be the same
- 3) revised forms filed for the local company but no refund requested
- 4) no revised forms for IXC

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Per: (A) This amount [redacted] does not deduct shared tenant & local it should actually be lower if those 2 items were deducted for the IXC. (B) This amount [redacted] does not deduct the shared tenant in total.

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