

NANCY B. WHITE
General Counsel - Florida

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BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(305) 347-5558

June 5, 2001

David B. Erwin, Esq.
127 Riversink Road
Crawfordville, FL 32327

Re: Docket No. 970808-TL

Dear Mr. Erwin:

As you are aware, the Florida Public Service Commission, in Order No. PSC-98-1169-FOF-TL, issued on August 28, 1998, allowed BellSouth to terminate BellSouth's interLATA access subsidy payments to GTC. On reconsideration (Order No. PSC-98-1639-FOF-TL, issued on December 7, 1998), the Commission granted a stay of the original order and ordered GTC to hold the subsidy payments in an escrow account with interest applied in accordance with Rule 25-4.114(4), Florida Administrative Code, from the date of the November 17, 1998 decision on this matter.

An appeal to the Florida Supreme Court followed and on November 16, 2000, the Court rendered an order affirming the Commission's decision to terminate the subsidy payments to GTC and reversing the order requiring BellSouth to reduce its rates. On rehearing, a revised opinion was issued, essentially confirming the Court's original decision in February of 2001. GTC's Motion for Rehearing of Revised Opinion was denied on May 15, 2001.

Inasmuch as the process is now final, BellSouth hereby demands that the monies and interest held in escrow be returned to BellSouth by June 30, 2001. BellSouth made subsidy payments under the original Commission order from November, 1998 through February, 2001. BellSouth has calculated the amount owed as \$2,795,923.00 plus interest of \$245,172.00 for a total of \$3,041,095.00. The interest was calculated

- APP _____
- CAF _____
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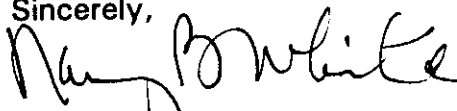
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TYPE OF REPORT

according to the Commission rule. Attached for your convenience is a spreadsheet showing BellSouth's calculations.

Please call me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Nancy B. White". The signature is written in a cursive style with a large, looped initial "N".

Nancy B. White

Enclosure

cc: All parties of record
Beth Keating, Esq.
Ms. Blanca Bayó
Mr. Tom Lohman

GTC Refund to BST Including Interest
Based on Annual Refund w/o Interest of \$1.223M
GTC paid thru 2/28/01

<u>Month/Year</u>	<u>Avg. Int. Rate</u>	<u>Beginning Balance</u>	<u>Monthly Payment</u>	<u>Ending Balance</u>	<u>Average Balance</u>	<u>Monthly Interest</u>	<u>Payment Plus Interest</u>
Nov-98	5.300%	0	44,164	44,164	22,082	98	44,262
Dec-98	5.200%	44,262	101,917	146,179	95,221	413	146,592
Jan-99	4.855%	146,592	101,917	248,509	197,551	799	249,308
Feb-99	4.830%	249,308	101,917	351,225	300,267	1,209	352,434
Mar-99	4.865%	352,434	101,917	454,351	403,393	1,635	455,986
Apr-99	4.840%	455,986	101,917	557,903	506,945	2,045	559,948
May-99	4.825%	559,948	101,917	661,865	610,907	2,456	664,321
Jun-99	4.950%	664,321	101,917	766,238	715,280	2,951	769,189
Jul-99	5.075%	769,189	101,917	871,106	820,148	3,469	874,575
Aug-99	5.210%	874,575	101,917	976,492	925,534	4,018	980,510
Sep-99	5.310%	980,510	101,917	1,082,427	1,031,469	4,564	1,086,991
Oct-99	5.300%	1,086,991	101,917	1,188,908	1,137,950	5,026	1,193,934
Nov-99	5.425%	1,193,934	101,917	1,295,851	1,244,893	5,628	1,301,479
Dec-99	5.575%	1,301,479	101,917	1,403,396	1,352,438	6,283	1,409,679
Jan-00	5.700%	1,409,679	101,917	1,511,596	1,460,638	6,938	1,518,534
Feb-00	5.800%	1,518,534	101,917	1,620,451	1,569,493	7,586	1,628,037
Mar-00	5.935%	1,628,037	101,917	1,729,954	1,678,996	8,304	1,738,258
Apr-00	6.125%	1,738,258	101,917	1,840,175	1,789,217	9,132	1,849,307
May-00	6.375%	1,849,307	101,917	1,951,224	1,900,266	10,095	1,961,319
Jun-00	6.575%	1,961,319	101,917	2,063,236	2,012,278	11,026	2,074,262
Jul-00	6.540%	2,074,262	101,917	2,176,179	2,125,221	11,582	2,187,761
Aug-00	6.490%	2,187,761	101,917	2,289,678	2,238,720	12,108	2,301,786
Sep-00	6.490%	2,301,786	101,917	2,403,703	2,352,745	12,724	2,416,427
Oct-00	6.495%	2,416,427	101,917	2,518,344	2,467,386	13,355	2,531,699
Nov-00	6.570%	2,531,699	101,917	2,633,616	2,582,658	14,140	2,647,756
Dec-00	6.575%	2,647,756	101,917	2,749,673	2,698,715	15,066	2,764,739
Jan-01	6.025%	2,764,739	101,917	2,866,656	2,815,698	14,393	2,881,049
Feb-01	5.350%	2,881,049	101,917	2,982,966	2,932,008	13,299	2,996,265
Mar-01	5.075%	2,996,265	0	2,996,265	2,996,265	12,672	3,008,937
Apr-01	4.685%	3,008,937	0	3,008,937	3,008,937	11,747	3,020,684
May-01	4.155%	3,020,684	0	3,020,684	3,020,684	10,459	3,031,143
Jun-01 (6/1 rate)	3.940%	3,031,143	0	3,031,143	3,031,143	9,952	3,041,095
Totals			2,795,923			245,172	3,041,095

The average Interest Rates above are the rates for 30 day commercial paper for high grade, unsecured notes sold through dealers by major corporations in multiples of \$1,000 as regularly published in the Wall Street Journal per FPSC Rule 25.-4.114. The monthly interest rates above were provided by the FPSC Staff.