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September 30, 2003

Mrs. Blanca S. Bayó
Director, Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850


**Re: Docket No. 030869-TP: Petition by BellSouth Telecommunications,
Inc. to Reduce its Network Access Charges Applicable to Intrastate
Long Distance in a Revenue-Neutral manner**

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s *Revised* Petition for Implementation of Section 364.164, Florida Statutes, which we ask that you file in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,


Nancy B. White (KA)

cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

CERTIFICATE OF SERVICE
Docket No. 030869-TL

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Electronic Mail, Hand Delivery* and Federal Express this 30th day of September, 2003 to the following:

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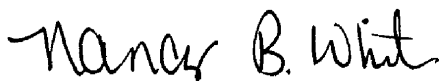
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Nancy B. White (KA)

(+) Protective Agreement
(*) Hand Delivery

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by BellSouth Telecommunications,) Docket No.: 030869-TL
Inc., for Implementation of Section 364.164,)
Florida Statutes) Filed: September 30, 2003
_____)

**REVISED PETITION BY BELL SOUTH TELECOMMUNICATIONS, INC.
FOR IMPLEMENTATION OF SECTION 364.164, FLORIDA STATUTES**

BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to Section 364.164, Florida Statutes, and Rule 28-106.104, Florida Administrative Code, hereby files its *revised* Petition with Florida Public Service Commission ("Commission") to implement Section 364.164, Florida Statutes. Specifically, BellSouth states the following:

1. BellSouth is a certificated incumbent local exchange company providing local exchange and local toll service in Florida. BellSouth's name, address and telephone number are:

BellSouth Telecommunications, Inc.
c/o Nancy H. Sims
150 South Monroe Street, Suite 400
Tallahassee, FL 32301
(850) 222-1201

2. All pleadings, filings and order should be directed to BellSouth at the following location:

BellSouth Telecommunications, Inc.
Nancy B. White
Meredith E. Mays
R. Douglas Lackey
c/o Nancy H. Sims
150 South Monroe Street, Suite 400
Tallahassee, FL 32301
(305) 347-5558

3. Section 364.164, Florida Statutes permits a local exchange telecommunications company, after July 1, 2003, to petition the Commission to reduce its intrastate switched network access rates in a revenue neutral manner.

4. In evaluating the petition, the Commission shall consider whether granting the petition will:

(a) remove current support for basic local telecommunications services that prevent the creation of a more attractive competitive local exchange market for the benefit of residential customers;

(b) induce enhanced market entry;

(c) require intrastate switched network access rate reductions to parity over a period of not less than two years or more than four years; and

(d) be revenue neutral as defined in 364.164, Florida Statutes.

5. BellSouth, through this *revised* petition, is proposing to implement 364.164, Florida Statutes by rebalancing rates in a revenue neutral manner through decreases in intrastate switched access charges with offsetting rate adjustments for basic services. BellSouth's proposal is more specifically detailed in the *revised* direct testimony filed contemporaneously by BellSouth with this *revised* petition and made a part hereof as if set forth in whole.

6. Specifically, BellSouth's *revised* proposal entails lowering BellSouth's intrastate switched network access rates to the interstate switched network access rates, in effect as of January 1, 2003, in three increments in not less than a twenty-four (24) month period. There are two methodologies from which to choose that are appropriate for use in determining the amount of revenue required to move intrastate

switched access charges to parity with interstate. One methodology consists of mirroring all intrastate switched access rate elements with interstate rate elements (the "mirroring" methodology). This methodology would result in approximately \$136.4 million of revenue reductions. The other methodology applies a composite rate calculated in the same manner as the typical network composite reported to the Commission on an annual basis in the Florida Access and Toll Report (the "composite" methodology). This methodology would result in approximately \$125.2 million of revenue reductions.

7. BellSouth proposes that if the mirroring methodology is adopted by the Commission, the revenue be offset in not less than a twenty-four (24) month period (1) by a residential basic local exchange access line monthly rate increase of \$1.39 effective in the first quarter 2004 (1Q04), \$1.38 effective in the first quarter 2005 (1Q05) and \$1.09 effective in the first quarter 2006 (1Q06) across all rate groups; (2) by increasing the rate for single-line business customers in Rate Groups 1, 2, and 3 to \$25 in two equal increments, increasing the rate for single-line business customers in Rate Groups 4, 5, and 6 to \$28 in two equal increments, and increasing the rate for single-line business customers in Rate Groups 7 through 11 to \$30.20 in two equal increments; and (3) by increases in associated non-recurring charges in three increments. If the typical network composite methodology is adopted by the Commission, then BellSouth proposes that the revenue be offset in not less than twenty-four (24) months (1) by a residential basic local exchange access line monthly rate increase of \$1.25 effective 1Q04 , \$1.25 effective 1Q05 and \$1.00 effective 1Q06 across all rate groups; (2) by increasing the rate for single-line business customers in

Rate Groups 1, 2, and 3 to \$25 in two equal increments, by increasing the rate for single-line business customers in Rate Groups 4, 5, and 6 to \$28 in two equal increments, and by increasing the rate for single-line business customers in Rate Groups 7 through 11 to \$30.20 in two equal increments; and (3) by increases in associated non-recurring charges in three increments.

8. BellSouth's *revised* proposal also includes a provision that Lifeline customers' recurring monthly rates are protected from these permanent rate increases beyond BellSouth's proposed implementation period. Specifically, under BellSouth's proposal, these rates would be protected for the full four year period potentially available under Section 364.164, Florida Statutes, unless the customer no longer qualifies for Lifeline assistance or as otherwise determined by the Commission.

9. BellSouth presents the *revised* testimony of three witnesses to support its *Revised* Petition. The *revised* testimony of Mr. John Ruscilli sets forth in detail BellSouth's proposal for implementing Section 364.164, Florida Statutes. The *revised* testimony of Mr. Jerry Hendrix provides the timing and process by which BellSouth will achieve parity between its intrastate and interstate switched network access rates. The testimony of Mr. Steven Bigelow demonstrates that BellSouth's *revised* proposal is revenue neutral as defined in Section 364.164(7), Florida Statutes and that the pricing units used in BellSouth's proposal comply with Section 364.164(3), Florida Statutes. BellSouth is not filing revised testimony of Ms. Daonne Caldwell and Dr. William Taylor. Their testimony remains unchanged. Please see the original testimony filed on August 27, 2003. In addition to these witnesses, BellSouth, along with Verizon and Sprint, are sponsoring the *Revised* testimony of Dr. Kenneth Gordon. Dr. Gordon provides an

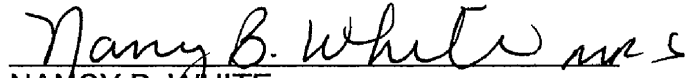
economic and policy analysis of the proposed rate plans as they relate to the criteria set forth in Section 364.164, Florida Statutes.

10. The *revised* testimony clearly shows that BellSouth meets the criteria set forth in Section 364.164, Florida Statutes that is to be considered by the Commission in granting this Petition.

WHEREFORE, BellSouth requests that the Commission grant BellSouth's *Revised* Petition for Implementation of Section 364.164, Florida Statutes and find that BellSouth's proposal meets the criteria set forth in the statute.

Respectfully submitted this 30th day of September, 2003.

BELLSOUTH TELECOMMUNICATIONS, INC.



NANCY B. WHITE

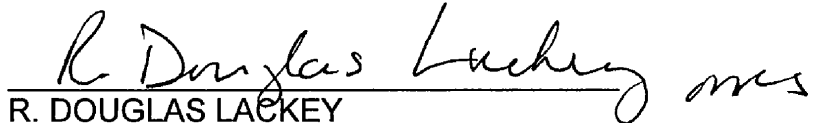
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