Nancy B. White General Counsel - Florida

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

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: <u>Docket No. 030869-TP</u>: 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 Errata Sheet description for the *Revised* Direct Testimony of Steve Bigelow, Jerry Hendrix, John Ruscilli and Dr. Kenneth Gordon, 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,

Mary B. White

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

DOCUMENT NUMBER PAFE 09409 SEP 30 8

FPSC-COMMISSION CLITTIE

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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FL Legislation Rebalancing Refiling Errata Description Jerry Hendrix Testimony Revisions

Three basic changes were made to Jerry Hendrix's testimony:

- 1. The plan was modified to include three access rate decreases in increments of 40/35/25 percent.
- 2. The beginning of each year of the rebalancing period is changed from Jan. 1 to 1QXX.
- 3. Clarification to paragraph of Page 6 was made to describe how the access reductions are to be taken.

Testimony

Page 2, line 9

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From: "My testimony ..."
To: "My revised testimony..."
Page 3, line 16
From: "Exhibit JH-1 ..."
To: "Revised Exhibit JH-1..."
Page 5, line 8
From: "...for the second year ..."
To: "...upon implementation of the third reduction..."
Page 5, line 10
From: "...Exhibit JH-1 ..."
To: "...revised Exhibit JH-1..."
Page 5, line 16
From: "...for the second year of this plan..."
To: "...after implementation of the third reduction..."
Page 5, lines 23, 24
From: "... one half of the access revenue reduction in each of the two years of the
rebalancing period. The first reduction will be ..."
To: "... the access reduction during the twenty-four (24) month period. The first
reduction will be taken during the first..."
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Page 6, lines 1-11

From: "....taken at the beginning of year one, January 1, 2004 and the other half of the reduction at the beginning of year two, January 1, 2005. In year one of both methodologies, originating Carrier Common Line (CCL) will be eliminated and the remainder of the decrease will be taken from terminating CCL revenues. In the second

year of both methodologies, terminating CCL will be eliminated and the remainder of the reduction will be taken in local switching. Exhibit JH-3....

To: "...quarter, 2004 (1Q04), the second reduction during the first quarter, 2005 (1Q05),

and the third reduction during the first quarter, 2006 (1Q06). The proposed reductions will be taken in the following manner:

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1Q04 – 40 percent
1Q05 – 35 percent
1Q06 – 25 percent
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For both methodologies proposed by BellSouth, implementation of the 1Q04 reduction will eliminate originating Carrier Common Line (CCL) revenues and reduce terminating CCL revenues. For both methodologies again, the 1Q05 reduction will eliminate terminating CCL revenues and reduce local switching revenues. For both methodologies again, the 1Q06 reduction will be taken in local switching revenues. Revised Exhibit JH-3..."

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Page 6, line 24
From: "...year two."
To (Page 7, line 4): "...the last two reductions..."

Page 7, line 1
From: "...January 1, 2005."
To (Page 7, line 6): "... 1Q05 and 1Q06."

Page 7, line 2
From; "...year two."
To (Page 7, line7): "...the second and third reductions."
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Exhibit JH-1

Added: Year 3 Column

Revised: Formulas to implement three reductions versus two reductions.

Added: Line - COMPOSITE RATE (Orig + Term)

Footnotes:

From:

- 1. FCC rates as of 1-1-03
- 2. FL rates as of 8-20-03.
- 3. Local Switching minutes 12 months through 6-30-03

To:

- 1. Total Revenue Reduction based on FCC rates as of 1-1-03 and FL Rates of 9-26-03.
- 2. Annual Revenue Reductions are: Year 1 40 percent, Year 2 35 percent, Year 3 25 percent.
- 3. Local Switching minutes are 12 months through 6-30-03.

Exhibit JH-3

Title:

From: "Both Methodologies"

To: "Mirroring and Typical Network Methodologies"

Added: Year 3 Columns

Revised: Formulas to implement three reductions versus two reductions.

Footnotes:

From:

- 1. FCC rates as of 1-1-03
- 2. FL rates as of 8-20-03.
- 3. Local Switching minutes 12 months through 6-30-03

To:

- 1. Total Revenue Reduction based on FCC rates as of 1-1-03 and FL Rates of 9-26-03.
- 2. Annual Revenue Reductions are: Year 1 40 percent, Year 2 35 percent, Year 3 25 percent.
- 3. Local Switching minutes are 12 months through 6-30-03.

Exhibit JH-2

Page 3 – Widened first column to allow printing of the title in full.

Errata to the Revised Direct Testimony of John Ruscilli			
Page #(s)	Line #(s)	Addition/Deletion/Change/Substitution	
1	2-5	Add the word "revised" add docket # and change date to	
		September 30, 2003 in header	
2	8	Add the word "revised" before the word "testimony"	
2	10	Add the word "revised" before the word "testimony"	
2	12	Add comma following "Act"	
2	20	Add the word "revised" before the word "testimony"	
2	23	Delete the phrase "The testimony of" before the word Mr.	
5	4-5	Substitute "in not less than a twenty-four (24) month period in place of "over a two year period"	
5	6	Substitute the word "three" for the word "equal"	
5	7	Substitute "first quarter 2004 (1Q04), first quarter 2005 (1Q05), and first quarter 2006 (1Q06) for the phrase "on January 1, 2004 and January 1, 2005". Add footnote 1	
5	17	Substitute the word "each" for the word "both" and delete the words "two-year"; delete "s" from "increments"	
5	18	Substitute the word "by" in place of the phrase "in the testimony of"	
6	1	Substitute the word "three" for the word "two"	
6	4-5	Substitute the word "three" for the word "two" and add the following sentence "Under both methodologies, the first increment will equal 40% of the total switched access reduction, the second increment will equal 35 % of the total reduction and the third increment will equal the remaining 25% of the total reduction."	
6	16	Substitute "1Q04" for the words "January 1, 2004"	
6	17	Substitute "1Q05 and 1Q06" for the words "January 1, 2005"	
7	7-9	Change "\$1.93" to "\$1.39"; Substitute "1Q04" for the words "January 1, 2004"; remove the word "and"; Change "\$1.93" to "\$1.38"; and substitute "1Q05 and a third increase of \$1.09 across all rate groups, effective 1Q06" for the phrase "January 1, 2005"	
7	11-12	Add "equal" before the word "increments"; add the words "Rate Code" before "X1"	
7	12	Add the words "Rate Code" before "X2-X4"	
7	13	Add "equal" before "increments"; substitute "Codes" for "Groups"	
7	14-16	Substitute "The first increment will become effective 1Q04, and the second increment will become effective 1Q05" for the sentence "The first increment, effective January 1, 2004 will increase rates by no more than \$1.75 and the balance, if any, will be effective January 1, 2005".	

7	17	Add "over three increments" following "charges"
8	1-9	Add column entitled "1Q06" to chart; Change rates in
		accordance with attached Revised Exhibit JAR-1; Exhibit 2 to
		the Revised Testimony of Mr. Bigelow; and Revised Testimony
		of Mr. Hendrix
8	10	Add "revised" before "testimony"
8	12	Add "and see the revised testimony of Mr. Jerry Hendrix for
	ļ	specifics regarding switched access rate reductions" following
	i	"mirroring methodology"; Add "Revised" before "Exhibit";
		Add "attached" following "JAR-1"
9	3-5	Substitute "increase of \$1.25 across all rate groups effective
		1Q04, a second increase of \$1.25 across all rate groups,
		effective 1Q05 and a third increase of \$1.00 across all rate
		groups effective 1Q06". For "increase of \$1.75 across all rate
		groups effective January 1, 2004 and a second increase of \$1.75
		across all rate groups, effective January 1, 2005"; Add
		"Further," before "BellSouth"; and delete "also" after
		"BellSouth"
9	7	Add "in three increments" following "charges"
9	10-18	Add column entitled "1Q06" to chart; Change rates in
		accordance with attached Revised Exhibit JAR-1; Exhibit 2 to
		the Revised Testimony of Mr. Bigelow; and Revised Testimony
		of Mr. Hendrix
9	19	Add "revised" before "testimony"
9	21	Add "and see the revised testimony of Mr. Jerry Hendrix for the
		specifics regarding switched access rate reductions." Following
		"composite methodology"; Add "Revised" before "Exhibit"
10	2	Add "SERVICE" before "RATES"
15	7	Substitute "in three increments in not less than twenty-four (24)
		months" for "over two years"
19	18-19	Substitute "first increment of revenue neutral reductions and
		increases effective 1Q04, the second increment effective 1Q05
	1	and the third increment effective 1Q06" for "first increment of
		its proposed two-year plan effective January 1, 2004 and the
		second increment effective January 1, 2005."

John Ruscilli's Direct Testimony and Exhibit JAR-1 were revised to reflect the following significant changes:

- Residential rate increases and nonrecurring charge increases over three increments in not less than twenty-four (24) months effective 1Q04, 1Q05 and 1Q06 versus rate changes in two equal increments effective January 1, 2004 and January 1, 2005. Business (1FB) adjustments will be in two equal increments effective 1Q04 and 1Q05.
- Switched Access revenue reductions will be done in three increments of 40%, 35% and 25% effective 1Q04, 1Q05 and 1Q06, respectively.

Changes to the Testimony of E. Steven Bigelow

Two corrections were made to Exhibits SB-1 and SB-2. First, the historical demand for flat rate single line business lines was revised to correct for an error in the database. This correction resulted in a reduction of approximately \$940,000 in the proposed annual revenue change. Second, the annual historical demand for flat rate residence lines was reduced by 414 lines. This correction properly accounted for lifeline customers in the Century exchange and resulted in a reduction of approximately \$1,450 in the proposed annual revenue change.

To maintain a revenue neutral filing, these reductions were offset through additional increases in the proposed A4 service order charges.

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September 30, 2003

Changes to Dr. Gordon's Testimony

- 1. On Page 6 Line 10, two new Q&As have been added:
 - Q. YOU HAVE NOTED IN YOUR MAJOR CONCLUSIONS THAT VERIZON FLORIDA INC., BELLSOUTH TELECOMMUNICATIONS, INC., AND SPRINT-FLORIDA INC. HAVE REVISED THEIR RESPECTIVE RATE REBALANCING PLANS FILED ON AUGUST 27, 2003 TO EXTEND THE TIME OVER WHICH INTRASTATE NETWORK ACCESS AND BASIC LOCAL TELECOMMUNICATIONS RATES WILL BE REFORMED. HAVE YOU REVIEWED THESE COMPANIES' REVISED PLANS?
 - A. Yes, I have.
 - Q. DO THESE REVISIONS AFFECT YOUR ANALYSIS OF THE COMPANIES' PLANS OR YOUR TESTIMONY?
 - A. No. With the exception of the minor changes changing "plans" to "revised plans" as well as this and the previous question and answer, my testimony remains unchanged from the testimony that I filed on August 27, 2003.
- 2. On the following pages and line numbers, "plans" has been changed to "revised plans":

- Page 3 Lines 3, 7, 8, 13, 15, 16, 22
- Page 4 Lines 2, 10, 19
- Page 5 Lines 12, 15, 20, 22
- Page 7 Line 13
- Page 8 Lines 12, 14
- Page 9 Lines 22, 24
- Page 10 Lines 1, 6, 8, 9, 12
- Page 14 Lines 11, 14, 16
- Page 16 Line 22
- Page 17 Lines 10, 22
- Page 18 Lines 4, 9, 14
- Page 19 Lines 1, 2, 7, 9, 10
- Page 23 Lines 5, 23
- Page 24 Lines 3, 4, 9, 12
- Page 25 Line 21
- Page 26 Line 10
- Page 30 Lines 4, 20, 21, 22
- Page 31 Lines 2, 4
- Page 32 Lines 5, 10, 13, 14
- Page 33 Line 16
- Page 36 Line 1
- Page 37 Line 6
- Page 38 Line 13

