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BellSouth Telecommunications, Inc.
150 South Monroe Street
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Tallahassee, Florida 32301
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October 19, 2004

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

**Re: Docket No.:
Petition of BellSouth requesting a Waiver of Commission Order No.
PSC-96-0012-FOF-TL and establish modified Non-Basic Price
Regulation Categories**

Dear Ms. Bayó:

Enclosed is BellSouth's Telecommunications, Inc.'s Petition for Waiver of Commission Order No. PSC-96-0012-FOF-TL and establish modified Non-Basic Price Regulation Categories, which we ask that you file in the captioned *new* docket.

Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,


Nancy B. White

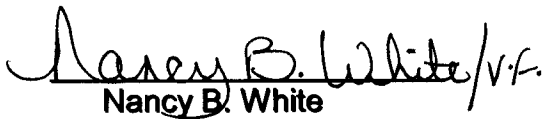
cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey

CERTIFICATE OF SERVICE
Petition of BellSouth requesting a Waiver of
Commission Order No. PSC-96-0012-FOF-TL
and establish modified Non-Basic Price Regulation Categories

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

First Class U.S. Mail this 19th day of October, 2004 to the following:

Beth Keating
General Counsel
Florida Public Service
Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
Tel. No. (850) 413-6212
bkeating@psc.state.fl.us


Nancy B. White

FLORIDA PUBLIC SERVICE COMMISSION

Petition of BellSouth requesting a Waiver of) Docket No.: _____
Commission Order No. PSC-96-0012-FOF-TL)
And establish modified Non-Basic Price Regulation)
Categories)
_____) Filed: October 19, 2004

**PETITION FOR WAIVER OF COMMISSION
ORDER NO. PSC-96-0012-FOF-TL AND ESTABLISH
MODIFIED PRICE REGULATION CATEGORIES**

BellSouth Telecommunications, Inc. (“BellSouth”), pursuant to Section 120.542, Florida Statutes, and Rule 28-104.002 Florida Administrative Code, petitions the Florida Public Service Commission to grant a waiver of the price regulation category in Commission Order No. PSC-96-0012-FOF-TL and modify the price regulation categories as set forth in this petition. In support of this petition, BellSouth states:

PARTIES

1. BellSouth is a corporation organized and formed under the laws of the State of Georgia and an incumbent local exchange company (“ILEC”) regulated by the Commission and authorized to provide local exchange telecommunications and intraLATA toll telecommunications in the State of Florida.

2. BellSouth’s principal place of business in Florida is 150 W. Flagler Street, Suite 1910, Miami, Florida 33130. Pleadings and process may be served upon:

Nancy White
c/o Nancy H. Sims
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301

BACKGROUND AND REQUEST FOR RELIEF

3. During 1995, the Florida Legislature passed Chapter 95-403, Laws of Florida, which revised Chapter 364, Florida Statutes. This revision created 364.051, which required the establishment of Non-Basic service categories.

4. The Commission established Docket No. 951159-TL to address the statutory requirement associated with creation of the Non-Basic service categories. The parties to the docket, the staff of the Commission, Office of Public Counsel, CLECs and ILECs met and stipulated to language that addressed all of the issues raised by the parties.

5. Pursuant to Commission Order PSC-96-0012-FOF-TL (the Order) issued January 4, 1996, the Commission adopted the proposed stipulation establishing the Non-Basic Service categories definitions as required by Chapter 364.051 Florida Statutes.

6. As a result of the Order, the Commission created the following ten (10) Non-Basic Service Categories.

1. Business Non-Basic Exchange Access
2. Residence Non-Basic Exchange Access
3. Business Optional Services
4. Residential Optional Services
5. Local Directory Assistance and Directory Services
6. Toll Services
7. Operator Services
8. Transport Services
9. Public and Semi Public Telephone
10. Miscellaneous Services

7. Since the creation of the initial Non-Basic Price Categories, BellSouth has made numerous tariff filings consistent with the requirements outlined in the Order. Prior to BellSouth making any filing changing on existing service, BellSouth must first complete a price out that identifies the revenue impact to the specific Non-Basic Category. Depending on the level of competition in a given exchange, the ability to increase a category will vary between 6% or 20%.¹

8. With the introduction of local competition in 1996 within BellSouth's service territory, BellSouth's ability to make changes within the given categories have increasingly been limited by the services and prices offered by BellSouth's competitors as indicated by the remaining headroom available at the end of a 12-month period. BellSouth believes the changes within the industry over the last eight (8) years and the efforts by BellSouth and this Commission to streamline their operations warrants the Commission modification of the current categories identified in the Order.

9. BellSouth proposes the Commission reduce the number of Non-Basic Service Categories from ten (10) to four (4). Listed below are the proposed 4 Categories.

1. Residential Non-Basic Service (Consists of Residence Non-Basic Exchange Access and Residential Optional Services)
2. Business Non-Basic Service (Consists of Business Non-Basic Exchange Access and Business Optional Services)

¹ BellSouth currently has 20% pricing flexibility within its Non-Basic Service Baskets due to the existence of competition in every BellSouth exchange.

3. Optional (Consists of Local Directory Assistance and Directory Services, Toll Services, Operator Services, Transport Service, Public and Semi-Public Telephone²)
4. Miscellaneous Services

10. BellSouth believes this category structure better reflects the migration to a competitive environment in Florida and would better represent the various categories based on their respective level of competitiveness. Also, BellSouth believes this structure would minimize any potential impact on customers while allowing BellSouth the flexibility to compete in today's environment. In addition, this structure would streamline not only the company's administrative costs but the Commission's administrative costs as well. Currently, Florida has the highest number of basket categories (11 including basic) of any BellSouth state. Four BellSouth states have 3 baskets and two states have 2 baskets³.

11. Since BellSouth's current 12-month pricing period varies between categories, BellSouth proposes to migrate the revenue in each current Category to the new designated Category at the end of the current 12-month pricing period for each current Category. This will allow BellSouth to transition to the Pricing Categories without exceeding the restrictions within the Florida Statutes.

12. BellSouth's waiver request meets the standards of Section 120.542, Florida Statutes. The purpose of the underlying order was to comply with the revision of Section

² BellSouth believes the Public and Semi-Public Telephone category should be excluded since the services have essentially been deregulated.

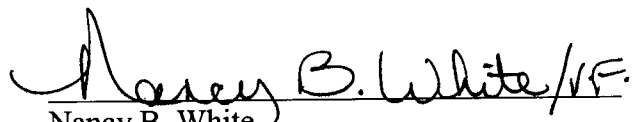
³ The following is a complete list of the number of baskets for the other BellSouth states – AL (3), GA (2), KY (3), LA (4), MS (3), NC (5), SC (2) and TN (3).

364.051, Florida Statutes in establishing the Non-Basic service categories. This waiver request does not change the purpose of the underlying order.

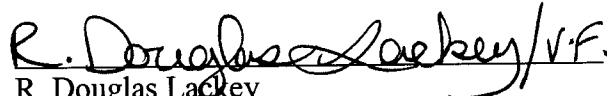
WHEREFORE, BellSouth requests that the Commission grant BellSouth's Petition for Waiver of Order No. PSC-96-0012-FOF-TL and modify BellSouth's Price Regulation Categories as identified within the body of this petition.

Respectfully submitted this 19th day of October, 2004.

BELLSOUTH TELECOMMUNICATIONS, INC.

Handwritten signature of Nancy B. White in cursive, followed by a horizontal line and the initials "v.F." to the right.

Nancy B. White
c/o Nancy H. Sims
150 South Monroe Street, Suite 400
Tallahassee, FL 32301
Tel. No. (305) 347-5558

Handwritten signature of R. Douglas Lackey in cursive, followed by a horizontal line and the initials "v.F." to the right.

R. Douglas Lackey
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