

**REDACTED**

**ATTACHMENT B**

**BellSouth Telecommunications, Inc.  
FPSC Dkt No. 060598-TL  
Request for Confidential Classification  
Page 1 of 1  
12/1/06**

**REQUEST FOR CONFIDENTIAL CLASSIFICATION OF BELLSOUTH'S REVISED  
RESPONSE TO THE STAFF'S 1<sup>ST</sup> SET OF INTERROGATORIES, ITEM NO. 3, FILED  
DECEMBER 1, 2006**

**TWO REDACTED COPIES FOR PUBLIC DISCLOSURE**

CMP \_\_\_\_\_  
COM \_\_\_\_\_  
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ECR \_\_\_\_\_  
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DOCUMENT NUMBER - DATE

11080 DEC-1 06

FPSC-COMMISSION CLERK

REDACTED

BellSouth Telecommunications, Inc.  
Florida Public Service Commission  
Docket No. 060598-TL  
Staff's 1<sup>st</sup> Interrogatories  
September 21, 2006  
REVISED Item No. 3  
Page 1 of 1  
**PUBLIC VERSION**

REQUEST: What was the balance in the reserve for catastrophic losses if and when the company ceased making the \$10 million a year accrual?

REVISED

RESPONSE: For the 4 year term (1994-1997) of the Stipulation and Agreement, BellSouth accrued \$ [REDACTED] million for purposes of calculating regulated intrastate return on equity and consequent sharing pursuant to the terms of the Stipulation and Agreement. For this same period, BellSouth reversed against this accrual storm damage costs incurred of \$ [REDACTED] million for 1994 (TS Gordon) and \$ [REDACTED] million for 1995 (H. Erin and H. Opal). The balance at the time that BellSouth discontinued entries to the reserve was \$ [REDACTED]. However, since 1997, BellSouth has incurred more than \$ [REDACTED] million in intrastate incremental storm expense. Please see the "Florida Storm Reserve Analysis" which is considered proprietary, confidential business information, and is being provided via the Request for Confidential Classification filed with this response.

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RESPONSE PROVIDED BY: Ronald L. Hilyer  
675 W. Peachtree Street  
Atlanta, GA

DOCUMENT NUMBER-DATE

11080 DEC-18

FPSC-COMMISSION CLERK

REQUEST: What was the balance in the reserve for catastrophic losses if and when the company ceased making the \$10 million a year accrual?

REVISED

RESPONSE: For the 4 year term (1994-1997) of the Stipulation and Agreement, BellSouth accrued \$ [REDACTED] million for purposes of calculating regulated intrastate return on equity and consequent sharing pursuant to the terms of the Stipulation and Agreement. For this same period, BellSouth reversed against this accrual storm damage costs incurred of \$ [REDACTED] million for 1994 (TS Gordon) and \$ [REDACTED] million for 1995 (H. Erin and H. Opal). The balance at the time that BellSouth discontinued entries to the reserve was \$ [REDACTED]. However, since 1997, BellSouth has incurred more than \$ [REDACTED] million in intrastate incremental storm expense. Please see the "Florida Storm Reserve Analysis" which is considered proprietary, confidential business information, and is being provided via the Request for Confidential Classification filed with this response.

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RESPONSE PROVIDED BY: Ronald L. Hilyer  
675 W. Peachtree Street  
Atlanta, GA

BellSouth Telecommunications, Inc.  
Florida Public Service Commission  
Docket No. 060598-TL  
Staff's 1<sup>st</sup> Interrogatories  
September 21, 2006  
REVISED Item No. 3  
ATTACHMENT

**PROPRIETARY**

**PAGE**  
**REDACTED**

**BellSouth Telecommunications, Inc. - Florida**  
**Calculation of Hypothetical Storm Reserve Balance**  
**\$ in 000s**

**Worksheet 1**

**(Dr) Cr to the Reserve**

**Amounts**


- |   |            |
|---|------------|
| 1. Storm Reserve Accruals 1994 - 2005 (\$10M per year times 12 years)                             | [REDACTED] |
| 2. Incremental Intrastate Storm Expense/Reversals (See Worksheets 2 and 3)                        | [REDACTED] |
| 3. Hypothetical Storm Reserve Deficit before any recovery from Storm Petition (Ln 1 + Ln 2)       | [REDACTED] |
| 4. Estimated Maximum Recovery Requested in Storm Petition (per Kathy Blake Surrebuttal Testimony) | [REDACTED] |
| 5. Hypothetical Storm Reserve Deficit after Recovery (Ln 3 + Ln 4)                                | [REDACTED] |

**Note:** In addition to the \$ [REDACTED] M in incremental intrastate storm expense used in the calculation above, BellSouth also incurred \$ [REDACTED] M in intrastate capital as a result of the named storms.

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**BellSouth Telecommunications, Inc. - Florida**  
**Summary of Intrastate Incremental Storm Expense for 1994 - 2005**  
**\$ in 000s**

**Worksheet 2**

<u>Storm Year</u>	<u>Named Storms</u>	<u>Incremental Intrastate Expense</u>	<u>Source of Storm Damage Incremental Expense Estimates</u>
1994-1997	TS Gordon, H. Erin, H. Opal		Amounts were booked and used in sharing calculations pre Price Regulation
1998	H. Earl, H. Georges		Network Field Operations
1999	H. Irene		Network Field Operations
2000	H. Gordon		Network Field Operations
2001	TS Allison, TS Barry, H. Gabrielle		Network Field Operations
2002	TS Edouard		Network Field Operations
2003	TS Henri		Network Field Operations
2004	H. Charley, H. Frances, H. Jeanne, H. Ivan		Network Field Operations
2005	TS Arlene, H. Cindy, H. Dennis, H. Katrina, H. Rita, H. Wilma		Florida Storm Recovery Filing - September 1, 2006
Total Incremental Intrastate Storm Expense for 1994 through 2005			

**Note:**  
 See Worksheet 3 for calculations of the incremental intrastate expense amounts shown above.

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**BellSouth Telecommunications, Inc. - Florida**  
**Calculation of Intrastate Storm Costs**  
**\$ in 000s**

**Worksheet 3**

<u>Col A</u>	<u>Col B</u>	<u>Col C</u>	<u>Col D</u>	<u>Col E</u>	<u>Col F</u>	<u>Col G</u> (B * E)	<u>Col H</u> (C * F)	<u>Col I</u> (G + H)
<u>Storm Year</u>	<u>Incremental Expense</u>	<u>Capital</u>	<u>Total</u>	<u>Intra Exp Factor</u>	<u>Intra Plant Factor</u>	<u>Intra Exp</u>	<u>Intra Cap</u>	<u>Total Intra</u>
1994-1997								
1998								
1999								
2000								
2001								
2002								
2003								
2004								
2005								
Totals Thru 2005								

**Notes:**

1. Column E jurisdictional factors were computed from Florida ARMIS 43-01, Plant Specific and Non-Specific Operating Expenses.
2. Column F jurisdictional factors were computed from Florida ARMIS 43-01, Total Plant in Service.

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