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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 1ST SET OF INTERROGATORIES, ITEM NO. 3, FILED DECEMBER 1, 2006

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FPSC-COMMISSION CLERK

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BellSouth Telecommunications, Inc. Florida Public Service Commission Docket No. 060598-TL Staff's 1st 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, NM JNJ TVO BellSouth accrued **\$** 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 \$ million for 1994 (TS Gordon) and \$ million for 1995 (H. Erin and H. Opal). The balance at the time that BellSouth discontinued entries to the reserve \$ 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.

RESPONSE PROVIDED BY:

Ronald L. Hilyer 675 W. Peachtree Street Atlanta, GA

> DOCUMENT NUMBER-DATE 11080 DEC-18

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FPSC-COMMISSION CLERK

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

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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 **Solution** 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 **Solution** million for 1994 (TS Gordon) and **Solution** million for 1995 (H. Erin and H. Opal). The balance at the time that BellSouth discontinued entries to the reserve was **Solution**. However, since 1997, BellSouth has incurred more than **Solution** 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.

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 1st Interrogatories September 21, 2006 REVISED Item No. 3 ATTACHMENT

PROPRIETARY

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

(Dr) Cr to the Reserve

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

Note: In addition to the **Second** in incremental intrastate storm expense used in the calculation above, BellSouth also incurred **Second** in intrastate capital as a result of the named storms.

Amounts

Worksheet 1

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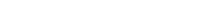
BellSouth Telecommunications, Inc. - Florida Summary of Intrastate Incremental Storm Expense for 1994 - 2005 \$ in 000s

| Storm Year | Named Storms | Intrastate <u>Expense</u> |
|---------------|---|------------------------------|
| 1994-1997 | TS Gordon, H. Erin, H. Opal | |
| 1998 | H. Earl, H. Georges | |
| 1999 | H. Irene | |
| 2000 | H. Gordon | |
| 2001 | TS Allison, TS Barry, H. Gabrielle | |
| 2002 | TS Edouard | |
| 2003 | TS Henri | |
| 2004 | H. Charley, H. Frances, H. Jeanne, H. Ivan | |
| 2005 | TS Arlene, H. Cindy, H. Dennis, H. Katrina, H. Rita, H. Wilma | |
| | | |

Total Incremental Intrastate Storm Expense for 1994 through 2005

Note:

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



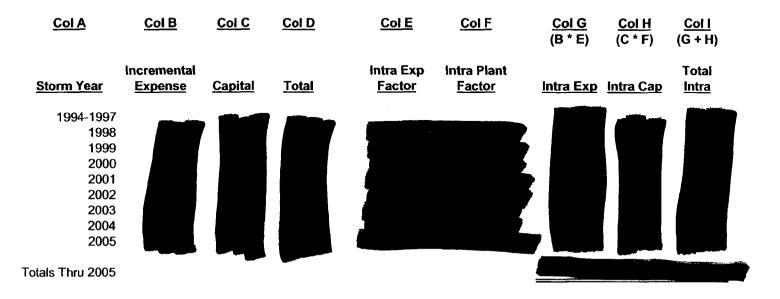
Incremental

Source of Storm Damage Incremental Expense Estimates

Amounts were booked and used in sharing calculations pre Price Regulation Network Field Operations **Network Field Operations** Network Field Operations Florida Storm Recovery Filing - September 1, 2006

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



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.

Worksheet 3

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