SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY

REBUTTAL TESTIMONY OF WALTER S. REID

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 920260-TL

JANUARY 4, 1994

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC.

A. MY NAME IS WALTER S. REID, AND MY BUSINESS ADDRESS IS 675 WEST PEACHTREE STREET, ATLANTA, GEORGIA. MY POSITION IS DIRECTOR-REGULATORY MATTERS FOR THE COMPTROLLERS DEPARTMENT OF BELLSOUTH TELECOMMUNICATIONS, INC. D/B/A SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY (SOUTHERN BELL OR THE COMPANY).

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS DOCKET?

A. YES. I FILED DIRECT TESTIMONY REGARDING THE COMPANY'S HISTORICAL AND GOING LEVEL EARNINGS ON JULY 2, 1993 AND OCTOBER 1, 1993. I ALSO FILED

REBUTTAL TESTIMONY ON DECEMBER 10, 1993 IN RESPONSE TO CERTAIN RECOMMENDATIONS MADE BY WITNESSES FOR THE OFFICE OF PUBLIC COUNSEL (OPC).

Q. WHAT IS THE PURPOSE OF THIS REBUTTAL TESTIMONY?

A. THE PURPOSE OF THIS REBUTTAL TESTIMONY IS TO INDICATE WHICH OF THE COMPANY'S COMMENTS I WILL SPONSOR IN RESPONSE TO THE AFFILIATE TRANSACTIONS AND COST ALLOCATIONS AUDIT (AFFILIATE AUDIT) FILED ON DECEMBER 17, 1993. I WILL ALSO PROVIDE ADDITIONAL EXPLANATIONS FOR SOME OF THE MORE COMPLEX FINANCIAL ISSUES RAISED IN THE AFFILIATE AUDIT AND WILL CROSS REFERENCE TO MY PREVIOUS REBUTTAL TESTIMONY ON SOME ISSUES WHICH ARE SIMILAR TO ISSUES RAISED BY OPC.

ALL OF THE COMPANY'S REPLY COMMENTS IN THE AFFILIATE AUDIT ARE INCLUDED IN EXHIBIT JLW-1 TO COMPANY WITNESS JERRY L. WILSON'S TESTIMONY. I AM RESPONSIBLE FOR THE COMPANY'S REPLY COMMENTS TO AUDIT DISCLOSURES 7-9, 11, 14, 27-30, 32, 35, 48, 52, 55, 57, 59, AND 72.

IN ADDITION I WILL SPONSOR THE COMPANY'S RESPONSES

TO THE AUDIT DISCLOSURES IN THE WORK ACTIVITY STATISTICAL SAMPLING PROCESS (WASSP) AUDIT, THE RATE CASE AUDIT AND THE CONTINUING PROPERTY RECORDS (CPR) AUDIT. I HAVE ATTACHED THE COMPANY'S RESPONSES TO THESE AUDITS AS EXHIBITS WSR-13, WSR-14 AND WSR-15, RESPECTIVELY.

Q. ARE AUDIT DISCLOSURES 7-9, 11, AND 14 IN THE AFFILIATE AUDIT ALL ASSOCIATED WITH THE COMPANY'S VIDEO TRIALS AT THE HEATHROW AND HUNTERS CREEK SUBDIVISIONS?

A. YES.

Q. PLEASE SUMMARIZE THE NATURE OF THESE AUDIT DISCLOSURES AND THE COMPANY'S RESPONSES.

A. IN SUMMARY, THESE AUDIT DISCLOSURES RAISE ISSUES CONCERNING: 1) THE ACCURACY OF SOME OF THE ACCOUNTING TRANSACTIONS ASSOCIATED WITH THE VIDEO TRIALS; 2) THE RELATIONSHIP BETWEEN THE REVENUES GENERATED BY THE TRIAL SERVICES AND THE COSTS; AND 3) THE APPROPRIATENESS OF RETIRING SOME OF THE REMAINING INVESTMENTS AT THE TRIAL SITES. THE COMPANY HAS SPENT A GREAT DEAL OF TIME OVER THE

LAST YEAR RESEARCHING THE ACCOUNTING TRANSACTIONS ASSOCIATED WITH THESE VIDEO TRIALS FOR THE AUDITORS. THE COMPANY ACKNOWLEDGES THAT OVER THE PERIOD, 1986 THROUGH 1993, THERE WERE ERRORS MADE, SOME OF WHICH INCREASED REPORTED COST OF SERVICE AND OTHERS WHICH DECREASED REPORTED COST OF SERVICE. THESE ERRORS ARE BEING CORRECTED AS INDICATED IN THE COMPANY'S COMMENTS TO THE AUDIT DISCLOSURES.

Q. PART OF THE AUDIT TEAM'S ANALYSIS AND CONCLUSIONS REVOLVED AROUND THE LACK OF PROFITS GENERATED BY THE VIDEO TRIALS. CAN YOU COMMENT?

A. YES. REGARDING THE RELATIONSHIP BETWEEN THE REVENUES GENERATED BY THE TRIALS AND THEIR COSTS, THE COMPANY WOULD NOTE THAT THE TRIALS ARE NOT CONDUCTED WITH THE INTENT TO GENERATE PROFITS, BUT TO GAIN KNOWLEDGE AND EXPERIENCE. THE COMPANY ALSO NOTES THAT THE INVESTMENT THE AUDITOR IS USING TO COMPARE WITH REVENUES FROM CERTAIN TRIAL SERVICES IS INAPPROPRIATE SINCE IT INCLUDES THE ENTIRE INVESTMENT FOR THE LAKE MARY CENTRAL OFFICE.
IN UNITED TELEPHONE COMPANY DOCKET 910980-TL, ORDER NO. PSC-92-0708-FOF-TL, THE COMMISSION STATED ON

PAGE 12: "...WE BELIEVE THAT EXPERIMENTS AND TRIALS, ALTHOUGH THEY MAY BE UNECONOMIC IN THE INITIAL STAGES, ARE PART OF THE COST OF DOING BUSINESS..." THE COMMISSION OBVIOUSLY UNDERSTANDS THE ECONOMIC NATURE OF TRIALS SUCH AS THESE.

Q. ARE AUDIT DISCLOSURES 27, 28, 32, 52, 55 AND 57 IN THE AFFILIATE AUDIT ALL RELATED TO COST ALLOCATION ISSUES ASSOCIATED WITH THE COMPANY'S COST ALLOCATION MANUAL (CAM)?

A. YES.

Q. PLEASE SUMMARIZE THESE ISSUES AND THE COMPANY'S RESPONSES.

A. THESE AUDIT DISCLOSURES ADDRESS ISSUES SUCH AS WHETHER THE COMPANY HAS SECURED ADEQUATE APPROVAL FOR THE COST ALLOCATION METHODOLOGIES WHICH IT IS USING, WHETHER IT IS APPLYING ITS APPROVED METHODOLOGIES APPROPRIATELY AND WHETHER A STUDY IS NEEDED IN FLORIDA TO DETERMINE IF THERE IS A BASIC ALLOCATION METHOD THAT CAN BE USED BY ALL COMPANIES. THE COMPANY'S RESPONSES TO THESE ISSUES EXPLAIN THAT IT IS FOLLOWING APPROPRIATE COST

ALLOCATION PROCEDURES IN ACCORDANCE WITH ITS APPROVED CAM.

REGARDING THE AUDITORS' RECOMMENDATION THAT A STUDY BE CONDUCTED IN FLORIDA TO DETERMINE IF COST ALLOCATION UNIFORMITY IS NEEDED AMONG THE COMPANIES, IT SHOULD BE NOTED THAT THE FCC IS ALREADY PURSUING CAM UNIFORMITY FOR THOSE CAMS WHICH ARE FILED WITH IT AND AN EFFORT OF THIS NATURE IN FLORIDA COULD BE DUPLICATIVE AND/OR EVEN COUNTERPRODUCTIVE.

Q. HOW WOULD YOU CATEGORIZE THE REMAINING AUDIT DISCLOSURES IN THE AFFILIATE AUDIT FOR WHICH YOU HAVE RESPONSIBILITY?

A. I WOULD CATEGORIZE AUDIT DISCLOSURES 29, 30, 35, AND 72 AS GENERAL DISCLOSURES INTENDED TO INFORM READERS ABOUT THE NATURE OF CERTAIN EXPENSES WHICH THE AUDITORS REVIEWED IN THEIR AUDIT OF THE COMPANY'S 1992 RESULTS. AUDIT DISCLOSURES 48 AND 59 RELATE TO MORE COMPLEX SITUATIONS INVOLVING THE PROPER RATEMAKING TREATMENT TO BE APPLIED TO THE COMPANY'S DIRECTORY OPERATIONS AND TO THE COMPANY'S LEVERAGED EMPLOYEE STOCK OWNERSHIP PLAN (LESOP),

RESPECTIVELY.

Q. PLEASE SUMMARIZE THE COMPANY'S RESPONSES TO GENERAL DISCLOSURES 29, 30, 35 AND 72 IN THE AFFILILATE AUDIT.

A. THE COMPANY HAS NOT CONTESTED THE REMOVAL OF CERTAIN COSTS FROM THE REGULATED COST OF SERVICE IN FLORIDA TO CONFORM WITH PRIOR DECISIONS OF THE FLORIDA PUBLIC SERVICE COMMISSION. THESE EXPENSES INCLUDE CONTRIBUTIONS, SOCIAL AND SERVICE CLUB DUES, BELLSOUTH CLASSIC COSTS, AND LOBBYING. IN FACT, AT LEAST TWO OF THE DISCLOSURES ACKNOWLEDGE THAT THE COMPANY HAS EXCLUDED AMOUNTS FOR THESE ITEMS. IN SOME INSTANCES THE AUDITORS HAVE FOUND SMALL AMOUNTS OF 1992 EXPENSES WHICH WOULD FALL INTO THE SAME CATEGORY AS THE EXCLUDED COSTS BUT WERE NOT REMOVED FROM REGULATED RESULTS BY THE COMPANY. IN THESE INSTANCES, THE COMPANY AGREES THAT THE AMOUNTS SHOULD BE REMOVED FROM THE 1992 SURVEILLANCE REPORT.

THE COMPANY'S COMMENTS PROVIDE SUPPORT FOR ITS TREATMENT OF CERTAIN EXPENSES WHICH THE AUDIT DISCLOSURES QUESTION. EXPENSES SUCH AS EMPLOYEE

SERVICE AWARDS AND TUITION AID ARE PRUDENT COSTS WHICH THE COMPANY INCURS IN THE PROPER MANAGEMENT OF ITS WORKFORCE.

Q. PLEASE SUMMARIZE THE RATEMAKING ISSUES RAISED BY AUDIT DISCLOSURE 48 IN THE AFFILIATE AUDIT.

A. IN AUDIT DISCLOSURE 48, THE AUDITORS ARE CLAIMING THAT SOUTHERN BELL IS NOT APPLYING SECTION 364.037, F. S., APPROPRIATELY. THIS FLORIDA STATUTE PROVIDES FOR A SPECIFIC REGULATORY TREATMENT TO BE APPLIED TO DIRECTORY ADVERTISING REVENUES AND EXPENSES. THE AUDITORS ARE GIVING THIS OPINION EVEN THOUGH THE COMPANY IS FOLLOWING BOTH THE STATUTE AND COMMISSION RULE 25-4.0405 AND HAS CONSISTENTLY FOLLOWED BOTH SINCE THEY WERE ESTABLISHED. THE OBVIOUS INTENT OF THIS DISCLOSURE IS TO GET THE COMMISSION TO ALTER THE METHODOLOGY USED TO APPLY 364.037, F.S., SO THAT MORE OF THE DIRECTORY ADVERTISING INCOME IS COUNTED AS REGULATED INCOME, THUS REDUCING THE INTENDED INCENTIVES GIVEN BY THE STATUTE TO THE COMPANY FOR GROWING THE DIRECTORY BUSINESS.

THE COMPANY IS CORRECTLY APPLYING THE STATUTE TO

ITS DIRECTORY OPERATIONS. THE COMPANY'S DIRECTORY AFFILIATE AND THE RELATED PUBLISHING FEE AGREEMENT HAVE ACTUALLY BENEFITED THE RATEPAYERS IN THE APPLICATION OF THE STATUTE. THE AUDITORS' ATTEMPT TO ALTER THE MANNER IN WHICH THE STATUTE IS APPLIED IS DISTORTIVE AND SHOULD NOT BE ACCEPTED.

Q. WHAT IS THE BASIS FOR THE AUDITORS OPINION THAT SOUTHERN BELL IS NOT APPLYING 364.037, F.S., APPROPRIATELY?

A. IN THE AUDIT OPINION, THE AUDITORS STATE THAT SOUTHERN BELL IS NOT APPLYING 364.037, F.S., <u>TO RECOGNIZE THE ENTIRE DIRECTORY OPERATIONS</u> RELATED TO THEIR FRANCHISE AREA DUE TO THE ESTABLISHMENT OF BAPCO, A SEPARATE DIRECTORY AFFILIATE OF SOUTHERN BELL. UNDER STATEMENT OF FACTS NO. 15, THE AUDITORS STATE THAT: "INCLUDING THE INVESTMENT AND INCOME BEFORE INCOME TAXES OF BAPCO-FLORIDA IN THE RATE BASE AND OPERATING INCOME OF SOUTHERN BELL WOULD RESULT IN RECOGNIZING THE ENTIRE DIRECTORY OPERATIONS RELATED TO SOUTHERN BELL-FLORIDA'S FRANCHISE AREA SIMILAR TO THE WAY DIRECTORY OPERATIONS WERE INCLUDED PRIOR TO THE ESTABLISHMENT OF A SEPARATE DIRECTORY AFFILIATE."

BASED ON THESE STATEMENTS, THE AUDITORS ARE ARGUING THAT SOUTHERN BELL SHOULD ADD BAPCO-FLORIDA OPERATING AMOUNTS TO THE DIRECTORY AMOUNTS ON SOUTHERN BELL'S BOOKS BEFORE APPLYING 364.037, F.S.

Q. HOW HAS SOUTHERN BELL BEEN APPLYING 364.037, F.S.?

A. THE COMPANY HAS BEEN CALCULATING THE ACTUAL DIRECTORY GROSS PROFITS FOR APPLICATION OF 364.037, F.S., BY USING THE DIRECTORY REVENUES AND EXPENSES WHICH ARE RECORDED ON SOUTHERN BELL'S BOOKS.

Q. DO YOU HAVE EVIDENCE THAT THE COMPANY IS CORRECTLY FOLLOWING COMMISSION RULE 25-4.0405 AND SECTION 364.037 F.S.?

A. YES. IN MY REBUTTAL TESTIMONY FILED ON DECEMBER 10, 1993, I ADDRESSED A SIMILAR ISSUE RAISED BY OPC WITNESS DE WARD. THE TESTIMONY REGARDING THIS ISSUE BEGINS ON PAGE 28 OF THAT TESTIMONY AND ENDS ON PAGE 35. ATTACHED TO THE DECEMBER 10 TESTIMONY AS REID EXHIBITS WSR-6 AND WSR-7 ARE THE STAFF RECOMMENDATIONS TO THE COMMISSION FOR ADOPTION OF RULE 25-4.0405 AND OPC'S

COMMENTS TO THE COMMISSION REGARDING THE RULE. I BELIEVE THESE DOCUMENTS CLEARLY SHOW THAT THE COMPANY IS FOLLOWING THE COMMISSION'S RULE AND THAT THE AUDITORS ARE NOT ONLY INCORRECT IN THEIR OPINION, BUT INCONSISTENT WITH THE STAFF'S VIEW AT THE TIME THE RULE WAS ADOPTED.

AS FURTHER PROOF THAT SOUTHERN BELL HAS CONSISTENTLY FOLLOWED THE COMMISSION'S RULE, I HAVE ATTACHED TO THIS TESTIMONY AS WSR-11, COPIES OF THE SCHEDULES IN THE COMPANY'S ANNUAL REPORTS TO THE COMMISSION WHICH DETAIL THE APPLICATION OF THE DIRECTORY STATUTE GROSS PROFIT CALCULATIONS FROM 1984 THROUGH 1992. THE ONLY VARIATION IN THE GROSS PROFIT DETERMINATION ON THESE REPORTS OCCURRED IN 1992 WHEN THE COMMISSION STAFF ALTERED THE FORMAT OF THE REPORT TO REQUIRE THAT THE COMPANIES REPORT INFORMATION ON A CONSOLIDATED BASIS AS WELL AS ON THE "PER BOOKS" BASIS PREVIOUSLY USED.

Q. WHAT WOULD BE THE RESULT OF APPLYING 364.037, F.S., TO THE COMBINED SOUTHERN BELL AND BAPCO-FLORIDA DIRECTORY OPERATIONS?

A. I HAVE PREPARED REID EXHIBIT WSR-12 TO DEMONSTRATE

THIS CALCULATION. AS SHOWN ON THIS EXHIBIT, THE RATEPAYERS ARE RECEIVING THE BENEFIT OF MORE REGULATED DIRECTORY PROFITS UNDER THE CURRENT METHODOLOGY THAN THEY WOULD UNDER STAFF'S PROPOSAL (WHEN CALCULATED IN ACCORDANCE WITH 364.037, F.S.). UNDER THE STAFF'S PROPOSAL REGULATED PROFITS WOULD DECREASE BY $ AND RATE BASE WOULD INCREASE BY $. AN INCREASE IN RATE BASE OF THIS AMOUNT WOULD CORRESPONDINGLY INCREASE REVENUE REQUIREMENTS BY APPROXIMATELY $. THE OVERALL REVENUE REQUIREMENT IMPACT WOULD THEREFORE BE AN INCREASE OF APPROXIMATELY $.

THE AUDITORS DID NOT PROVIDE A CALCULATION OF THE APPLICATION OF 364.037, F.S., USING CONSOLIDATED DIRECTORY OPERATIONS. THEY MERELY STATED THAT AN IMPUTATION OF $17 MILLION SHOULD BE MADE TO THE EXTENT ALLOWED BY 364.037, F.S. MY CALCULATIONS SHOW THAT NOT ONLY IS THE $17 MILLION NOT ALLOWED BY 364.037, F.S., BUT REGULATED PROFITS WOULD ACTUALLY BE REDUCED.

Q. HAVE YOU PREVIOUSLY ADDRESSED THE ISSUE RELATED TO AUDIT DISCLOSURE 59 IN YOUR DIRECT OR REBUTTAL

TESTIMONIES?

A. YES. ON PAGES 100 THROUGH 102 OF MY REBUTTAL TESTIMONY TO OPC WITNESS DE WARD, FILED ON DECEMBER 10, 1993, I ADDRESS A SIMILAR RECOMMENDATION FOR A TAX SAVINGS IMPUTATION RELATED TO DIVIDEND PAYMENTS TO THE COMPANY'S LESOP TRUST. AS STATED IN THAT TESTIMONY AND IN THE COMPANY'S COMMENTS IN RESPONSE TO THIS AUDIT DISCLOSURE, THE COMPANY DOES NOT AGREE WITH THE PROPOSED IMPUTATION.

Q. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY?

A. YES, IT DOES.

Annual Report of Southern Bell - Florida Year Ended December 31, 19 84
40A Analysis of Directory Advertising Operations

Line	Item (1)	Amount (2)
1	REVENUES (Acct. 523)/(526-10)	
2	Local	$120,941,296
3	National	8,510,461
4	Sales	529,063
5	Commissions	0
6	Other	32,158
7	Total (L2 thru L6)	$130,012,978
8	Expenses (Acct 649)	
9	Printing	0
10	Commissions	0
11	Delivery	0
12	Salvage	0
13	Other	$1,082,655
14	Total (L9 thru L13)	$1,082,655
15	Gross Profit (L7 - L14)	$128,930,323
16	Gross Profit 1982 (1)	$102,215,043
17	Customer Growth Factor (2)	1.0857
18	CPI-U Factor (3)	1.0761
19	Adjusted 1982 (L16 x L17 x L18)	$119,420,060
20	Non-Regulated (4)	$9,510,263

(1) Gross profit base as stated in FPSC Rule 25-4.405.

(2) Equals $\frac{3,329,380}{3,066,516} = 1.0857$ $\frac{\text{average current year access lines}}{\text{average 1982 access lines as stated in FPSC Rule 25-4.405}}$

(3) Equals $\frac{311.1}{289.1} = 1.0761$ $\frac{\text{annual average CPI-U for current year}}{\text{annual average CPI-U for 1982}}$

(4) (Line 15 less Line 19) or (1/3 of Line 15) whichever is smaller but not less than zero.

Annual Report of Southern Bell- Florida Year Ended December 31, 19 85

40A Analysis of Directory Advertising Operations

Line	Item (1)	Amount (2)	
1	REVENUES (Acct. 523)/(526-10)		
2	Local	$134,418,557	
3	National	10,448,999	
4	Sales	887,226	
5	Commissions	0	
6	Other	152,858	
7	Total (L2 thru L6)	$145,907,640	(5)
8	Expenses (Acct 649)		
9	Printing	0	
10	Commissions	0	
11	Delivery	0	
12	Salvage	0	
13	Other	$ 2,307,953	
14	Total (L9 thru L13)	$ 2,307,953	(6)
15	Gross Profit (L7 - L14)	$143,599,687	
16	Gross Profit 1982 (1)	$102,215,043	
17	Customer Growth Factor (2)	1.1328	
18	CPI-U Factor (3)	1.1145	
19	Adjusted 1982 (L16 x L17 x L18)	$129,047,064	
20	Non-Regulated (4)	$ 14,552,623	

(1) Gross profit base as stated in FPSC Rule 25-4.405.

(2) Equals $\frac{3,390,501}{2,993,084} = 1.1328$ $\frac{\text{average current year access lines}}{\text{average 1982 access lines as stated in FPSC Rule 25-4.405}}$

(3) Equals $\frac{322.2}{289.1} = 1.1145$ $\frac{\text{annual average CPI-U for current year}}{\text{annual average CPI-U for 1982}}$

(4) (Line 15 less Line 19) or (1/3 of Line 15) whichever is smaller but not less than zero.

(5) This amount represents the total revenues retained by Southern Bell under the contractual agreement with BAPCO. The commissions paid to BAPCO for Directory Advertising operations under this agreement was $122,142,140 for 1985.

(6) This Directory Expense amount excludes commissions paid to BAPCO per note (5) above.

Annual Report of Southern Bell - Florida Year Ended December 31, 19 86

40A Analysis of Directory Advertising Operations

Line	Item (1)	Amount (2)	
1	REVENUES (Acct. 523)		
2	Local	$142,936,642	
3	- National	12,046,125	
4	Sales	1,434,822	
5	Commissions	(6,759)	
6	Other	254,570	
7	Total (L2 thru L6)	$156,665,400	(5)
8	Expenses (Acct 649)		
9	Printing	0	
10	Commissions	0	
11	Delivery	0	
12	Salvage	0	
13	Other	$1,306,314	
14	Total (L9 thru L13)	$1,306,314	(6)
15	Gross Profit (L7 - L14)	$155,359,086	
16	Gross Profit 1982 (1)	$102,215,043	
17	Customer Growth Factor (2)	1.1892	
18	CPI-U Factor (3)	1.1359	
19	Adjusted 1982 (L16 x L17 x L18)	$138,073,335	
20	Non-Regulated (4)	$17,285,751	

(1) Gross profit base as stated in FPSC Rule 25-4.405.

(2) Equals $\frac{3,559,277}{2,993,084} = 1.1892$ $\frac{\text{average current year access lines}}{\text{average 1982 access lines as stated in FPSC Rule 25-4.405}}$

(3) Equals $\frac{328.4}{289.1} = 1.1359$ $\frac{\text{annual average CPI-U for current year}}{\text{annual average CPI-U for 1982}}$

(4) (Line 15 less Line 19) or (1/3 of Line 15) whichever is smaller but not less than zero.

(5) This amount represents the total revenues retained by Southern Bell under the contractual agreement with BAPCO. The commissions paid to BAPCO for Directory Advertising operations under this agreement was $132,658,737 for 1986.

(6) This Directory Expense amount excludes commissions paid to BAPCO per note (5) above.

Annual Report of Southern Bell - Florida Year Ended December 31. 1987

40A - ANALYSIS OF DIRECTORY ADVERTISING EXPENSE

Line	Item (1)	Amount (2)	
1	REVENUES (ACCT 523)		
2	Local	$153.553.716	
3	National	13.639.929	
4	Sales	1.356.690	
5	Commissions	0	
6	Other	644.522	
7	Total (L2 thru L6)	$169.194.857	(5)
8	EXPENSES ACCT 649		
9	Printing	0	
10	Commissions	0	
11	Delivery	0	
12	Salvage	0	
13	Other	$1.375.635	(6)
14	Totsl (L9 thru L13)		
15	Gross Profit (L7 - L14)	$167.819.222	
16	Gross Profit 1982 (1)	$102.215.043	
17	Customer Growth Factor (2)	1.2615	
18	CPI-U Factor (3)	1.1774	
19	Adjusted 1982 (L16 X L17 X L18)	$151.818.991	
20	Nonregulated (4)	$16.000.231	

(1) Gross profit base as stated in proposed FPSC Rule 25-4.405.

(2) Equals = 3.775.905 average current year access lines
2.993.084 --
1.2615 average 1982 access lines as stated in proposed FPSC Rule 25-4.405

(3) Equals = 340.4 annual average CPI-U for current year
289.1 ------------------------------
1.1774 annual average CPI-U for 1982

(4) (Line 15 less Line 19) or (1/3 of Line 15) whichever is smaller but not less than zero.

(5) This amount represents the total revenues retained by Southern Bell under the contractual agreement with BAPCO. The commissions paid to BAPCO for Directory Advertising operations under this agreement was $141.370.198 for 1987.

(6) This Directory Expense amount excludes commissions paid to BAPCO per note (5) above.

40A - ANALYSIS OF DIRECTORY ADVERTISING EXPENSE

Line	Item	Amount	
1	REVENUES (ACCT 5230.5000)(5)		
2	Local	$164,477,699	
3	National	14,888,239	
4	Sales	1,246,118	
5	Commissions	0	
6	Other	819,665	
7	Total (L2 thru L6)	$181,431,721	(5)
8	EXPENSES ACCT 6622.1000		
9	Printing	0	
10	Commissions	0	
11	Delivery	0	
12	Salvage	0	
13	Other	$2,403,487	
14	Total (L9 thru L13)		
15	Gross Profit (L7 - L14)	$179,028,234	
16	Gross Profit 1982 (1)	$102,215,043	
17	Customer Growth Factor (2)	1.3356	
18	CPI-U Factor (3)	1.2255	
19	Adjusted 1982 (L16 X L17 X L18)	$167,303,313	
20	Nonregulated (4)	$11,724,921	

(1) Gross profit base as stated in proposed FPSC Rule 25-4.405.

(2) $\dfrac{\text{average current year access lines}}{\text{avg. 1982 access lines per Rule 25-4.0405}} = \dfrac{3,997,580}{2,993,084}$

(3) $\dfrac{\text{annual average CPI-U got current year}}{\text{annual average CPI-U for 1982}} = \dfrac{354.3}{289.1}$

(4) (Line 15 less Line 19) or (1/3 of Line 15) whichever is smaller but not less than zero.

(5) Only those revenues and expenses included in accounts 5230.5000 and 6622.1000 should be included on this schedule. The publishing fees paid by BAPCO in 1988 under contractual agreement with Southern Bell were $ 179,365,936.

Analysis of Directory Advertising Operations

Schedule Z-9

Company: Southern Bell Telephone and Telegraph Company – Florida

For the Year Ended December 31, 1989

Items	Amount
1. Revenues (Account 5230.5000) (e)	
2. Local	$176,945,995
3. National	16,893,794
4. Sales	1,291,904
5. Commissions	0
6. Other	320,214
7. Total (line 2 thru 6)	195,451,907
8. Expenses (Account 6622.1000) (e)	
9. Printing	
10. Commssions	
11. Deliver	
12. Salvage	
13. Other	2,258,462
14. Total (line 9 thru 13)	2,258,462
15. Gross Profit (Line 7 minus 14)	193,193,445
16. Gross Profit 1982 (a)	102,215,043
17. Customer Growth Factor (b)	1.4135
18. CPI-U Factor (c)	1.2850
19. Adjusted 1982 (L16 x L17 x L18)	185,658,038
20. Nonregulated (d)	7,535,407

Footnotes:

(a) Gross Profit Base as Stated in FPSC Rule 25-4.0405.

(b) $\dfrac{\text{Average Current Year Access Lines}}{\text{Average 1982 Access Lines Per Rule 25-4.0405}} = \dfrac{4{,}230{,}741}{2{,}993{,}084} = 1.4135$

(c) $\dfrac{\text{Annual Average CPI-U for Current Year}}{\text{Annual Average CPI-U for 1982}} = \dfrac{124.0}{96.5} = 1.2850$

(d) (Line 15 less Line 19) or (1/3 of Line 15) whichever is smaller but not less than zero.

(e) Only those revenues and expenses included in accounts 5230.5 and 6622.1 should be included in this schedule. The commissions paid to BAPCO for Directory Advertising operations under the contractual agreement with Southern Bell were $164,425,585 for the Year 1989.

Analysis of Directory Advertising Operations

Schedule Z-9

Company: Southern Bell Telephone and Telegraph Company – Florida
For the Year Ended December 31, 1990

Items	Amount
1. Revenues (Account 5230.5000) (e)	
2. Local	$188,927,862
3. National	18,671,008
4. Sales	1,316,335
5. Commissions	0
6. Other	139,555
7. Total (line 2 thru 6)	209,054,760
8. Expenses (Account 6622.1000) (e)	
9. Printing	
10. Commssions	
11. Deliver	
12. Salvage	
13. Other	3,087,177
14. Total (line 9 thru 13)	3,087,177
15. Gross Profit (Line 7 minus 14)	205,967,583
16. Gross Profit 1982 (a)	102,215,043
17. Customer Growth Factor (b)	1.4855
18. CPI-U Factor (c)	1.3544
19. Adjusted 1982 (L16 x L17 x L18)	205,652,701
20. Nonregulated (d)	314,882

Footnotes:

(a) Gross Profit Base as Stated in FPSC Rule 25-4.0405.

(b) $\dfrac{\text{Average Current Year Access Lines}}{\text{Average 1982 Access Lines Per Rule 25-4.0405}} = \dfrac{4{,}446{,}331}{2{,}993{,}084} = 1.4855$

(c) $\dfrac{\text{Annual Average CPI-U for Current Year}}{\text{Annual Average CPI-U for 1982}} = \dfrac{130.7}{96.5} = 1.3544$

(d) (Line 15 less Line 19) or (1/3 of Line 15) whichever is smaller but not less than zero.

(e) Only those revenues and expenses included in accounts 5230.5 and 6622.1 should be included in this schedule. The commissions paid to BAPCO for Directory Advertising operations under the contractual agreement with Southern Bell were $ 176,444,020 for the Year 1990.

Analysis of Directory Advertising Operations

Schedule Z-9

Company: Southern Bell Telephone and Telegraph Company – Florida

For the Year Ended December 31, 1991

Items	Amount
1. Revenues (Account 5230) (e)	
2. Local	$198,853,320
3. National	19,207,306
4. Sales	1,117,024
5. Commissions	0
6. Other	403,451
7. Total (line 2 thru 6)	219,581,101
8. Expenses (Account 6622) (e)	
9. Printing	
10. Commssions	
11. Deliver	
12. Salvage	
13. Other	2,289,629
14. Total (line 9 thru 13)	2,289,629
15. Gross Profit (Line 7 minus 14)	217,291,472
16. Gross Profit 1982 (a)	102,215,043
17. Customer Growth Factor (b)	1.5387
18. CPI-U Factor (c)	1.4114
19. Adjusted 1982 (L16 x L17 x L18)	221,982,574
20. Nonregulated (d)	0

Footnotes:

(a) Gross Profit Base as Stated in FPSC Rule 25-4.0405.

(b) $\dfrac{\text{Average Current Year Access Lines}}{\text{Average 1982 Access Lines Per Rule 25-4.0405}} = \dfrac{4{,}605{,}532}{2{,}993{,}084} = 1.5387$

(c) $\dfrac{\text{Annual Average CPI-U for Current Year}}{\text{Annual Average CPI-U for 1982}} = \dfrac{136.2}{96.5} = 1.4114$

(d) (Line 15 less Line 19) or (1/3 of Line 15) whichever is smaller but not less than zero.

(e) Only those revenues and expenses formerly included in accounts 5230.5 and 6622.1 should be included in this schedule. The commissions paid to BAPCO for Directory Advertising operations under the contractual agreement with Southern Bell were $ 185,977,594 for the Year 1991.

Analysis of Directory Advertising Operations

Schedule Z-9

Company: Southern Bell Telephone and Telegraph Company – Florida
For the Year Ended December 31, 1992

Items	Consolidated (f) Amount	Per Books Amount
1. Revenues (Account 5230) (e)		
2. Local	378,484,000	205,212,446
3. National	37,356,000	19,723,600
4. Sales	1,120,891	1,120,891
5. Commissions	0	0
6. Other	1,072,778	45,778
7. Total (line 2 thru 6)	$418,033,669	$226,102,715
8. Expenses (Account 6622) (e)		
9. Printing	73,225,000	0
10. Commssions	32,681,000	0
11. Deliver	0	0
12. Salvage	0	0
13. Other	14,858,835	2,144,835
14. Total (line 9 thru 13)	$120,764,835	$2,144,835 ←
15. Gross Profit (Line 7 minus 14) (g)	297,268,834	223,957,880
16. Gross Profit 1982 (a)	102,215,043	102,215,043
17. Customer Growth Factor (b)	1.5950	1.5950
18. CPI-U Factor (c)	1.4539	1.4539
19. Adjusted 1982 (L16 x L17 x L18)	237,033,669	237,033,669
20. Nonregulated (d)	$60,235,165	$0

Footnotes:

(a) Gross Profit Base as Stated in FPSC Rule 25-4.0405.

(b) $\dfrac{\text{Average Current Year Access Lines}}{\text{Average 1982 Access Lines Per Rule 25-4.0405}} = \dfrac{4{,}773{,}911}{2{,}993{,}084}$ 1.5950

(c) $\dfrac{\text{Annual Average CPI-U for Current Year}}{\text{Annual Average CPI-U for 1982}} = \dfrac{140.3}{96.5}$ 1.4539

(d) (Line 15 less Line 19) or (1/3 of Line 15) whichever is smaller but not less than zero.

(e) Only those revenues and expenses formerly included in accounts 5230.5 and 6622.1 should be included in this schedule. The commissions paid to BAPCO for Directory Advertising operations under the contractual agreement with Southern Bell were $ 191,761,964 for the Year 1992.

(f) The consolidated amount should contain the entire or gross amount from the Directory Advertising operation in the local franchise area to be considered in setting rates for telecommunications service. This will include the gross amounts billed from all sources, including all amounts from the publishing or directory companies as well as the Local Exchange Companies.

(g) Consolidated Gross Profit (line 15) is not comparable to Adjusted 1982 (line 19) because line 15 excludes uncollectibles, general and administrative expenses, income taxes and interest.

Comparison of Directory Advertising
Calculations Under 364.037, F.S.

	"Per Books" Basis as Used by the Company	Consolidated Basis as Proposed by the Staff
Account 5230 Directory Revenues	226,102,715	418,033,669
Account 6622 Directory Expenses	2,144,835	120,764,835
(Actual Gross Profit)	223,957,880	297,268,834
(364.037, F.S. Gross Profit)	237,033,669	237,033,669
Non-Reg Gross Profit	0	60,235,165
Regulated Gross Profit	223,957,880	237,033,669
Other Expense#	0	
(Regulated Profit Before Income Tax)	223,957,880	
Regulated Rate Base	0	

Directory overhead expenses including uncollectible revenues of $

Company Response to Audit Disclosure 2

The cost savings from implementation of the Work Activity Statistical Sampling Process (WASSP), while represented by incremental labor cost savings, are primarily expected to be in terms of efficiency gains through the avoidance of the continuous paper work previously required to be generated by outside plant personnel. Any time saved as a result of WASSP will be available for the outside plant personnel to perform their designated job duties, such as service installation, maintenance, and other customer service functions. The WASSP process will continue to provide the proper documentation for regulatory purposes while increasing efficiency within the Network Department in BST. Also, to the extent these efficiency gains make it possible to reduce force levels, such effects would be reflected in adjusted head counts as applicable.

Southern Bell Telephone & Telegraph Company
Response to Rate Case Audit
November 11, 1993

Florida Update Audit
Audit Disclosure No. 1

Subject: Management Study

COMPANY POSITION: The $43.9M represents the greatest possible savings over time *if* the Company were to adopt *all* of the consultant's recommendations. However, the Company recognized that it could not adopt all of the recommendations and this fact would necessarily reduce the possible savings. In addition, there are significant up-front costs of reorganization including relocation of employees and records and costs of separations program such as VEER and CTAP to create employee force reductions. These costs will be incurred in the early years before any cost savings are realized. We anticipate that any potential cost savings would materialize beginning in the 1995 timeframe.

The 8,000 employee reduction is a total Company number and the product of numerous re-engineering project initiatives. Many of these various initiatives are not yet underway, but are being considered for implementation in the future. Thus, the timing of such impacts contains a high degree of uncertainty.

Southern Bell Telephone & Telegraph Company
Response to Rate Case Audit
November 17, 1993

Florida Update Audit
Audit Disclosure No. 2

Subject: Obsolete Inventory

Computer Spare Parts

Write-downs of computer spare parts were identified in the Staff audit of 1991. In the Company's response, we stated that, given the continuing improvements in computer technology, we expect similar adjustments to be recurring in the future. Therefore, it is not appropriate for this item to be proformed.

Warehouse Inventory

Periodic physical inventories on warehouse inventory are performed as part of the Company's internal control procedures. As a result, these inventories identify materials which should be junked due to obsolescence and materials which should be junked due to surplus caused by lower usage which results from obsolescence or discontinued use by departments. These write-offs result from this process.

History of Inventory Adjustments

Below are shown the average inventory for account 1220 and the net amount of inventory adjustments for account 6512.6000 for the years 1988 through year-to-date 1993. It shows that the inventory adjustments are recurring in nature.

Year	Average 1220 Balance (000)	Inventory Adj 6512.6000 (Net) (000)	Percentage
1988	$ 37,323	$ (1,099)	(2.9) %
1989	40,563	492	1.2
1990	44,795	546	1.2
1991	46,313	5,606	12.1
1992	56,700	2,687	4.7
1993	55,455	1,244 Oct YTD	2.2

Prior to 1992, the central stock warehouse inventories were carried on the books of BellSouth Services; therefore, both the inventory balances and amount of inventory adjustments increased beginning in 1992. In 1991, the computer spare parts inventory write off added $2,972 to the net inventory adjustments.

Southern Bell Telephone & Telegraph Company
Response to Rate Case Audit
November 11, 1993

Florida Update Audit
Audit Disclosure No. 5

Subject: Lobbying Expense

COMPANY POSITION: The Company has been computing this type-of lobbying adjustment since 1988, as a result of discussion with the Florida Audit staff and has never included an adjustment for Marshall Criser's expenses. Mr. Criser is not a registered lobbyist. Mr. Criser works in the Tallahassee Regulatory/Industry Relations office. He is responsible for strategic planning and evaluation of alternatives to accomplish regulatory objectives. In this capacity he reviews briefs, petitions, orders, rulings, tariffs and other documents to provide regulatory input and direction to other departments, and assists with testimony preparation for hearings before the PSC. He oversees strategy and implementation procedures related to settlement processes, network coordination, provisioning of end-to-end interLATA services and maintains interactive relationships with other Local Exchange Companies and IXC's in the state. Mr. Criser provides the primary interface between the Company and the Florida PSC staff, the Public Counsel and the Attorney General staff on industry issues, regulatory policy and framework, financial data, tariffs and related docket activity. His expenses have been and should be allowed for ratemaking purposes. In addition, Mr. Criser directly charges certain costs not allowable for ratemaking to a below-the-line account. In 1992, SB charged approximately $12,300 for these activities below-the-line.

Beginning in 1992, Mr. Meiners charges a percent of his time and expenses directly below the line as Other Lobbying costs. Mr. Meiners is a registered lobbyist and a primary contact for the Company with members of the Legislature on both state and federal levels. However, Mr. Meiners also has significant responsiblities in the area of ongoing review and analysis of legislation for its impact on corporate operations. Therefore, the percent is determined by an analysis of the amount of time spent performing lobbying activities. In 1992, Mr. Meiners charged approximately $26,000 as Other Lobbying costs out of ratemaking. In addition, he directly charged certain costs not allowable for ratemaking to a below-the-line account totaling approximately $19,000. A total of $104,000 was charged to Other Lobbying, and ultimatley charged to Account 7370 for Florida for 1992; this amount included lobbying costs for Meiners as well as other personnel. Since these costs are already charged below the line, SB will no longer analyze his above-the-line costs to determine an exclusion amount.

CONCLUSION: No additional expense should be removed for Criser and Meiners.

SUMMARY OF LOBBYING COMPUTATION

1992	Above Line Percent Deemed Lobbying	Weighted Composite Percent	Intrastate Adjustment to Exp.
Florida Public Affairs Office			
Raynor	100.0000%		
Meiners	0.0000%		
		61.0402%	
Florida State Regulatory Office			
Lombardo	100.0000%		
Criser	0.0000%		
		33.6484%	
			(446,200)
Other Lobbying - below the line			(104,256)
Grassroots Lobbying - FL			(529,970)
Total Lobbying Adjustment			(1,080,426)
DC Federal Relations		61.0402%	(497,000)
DC Federal Regulatory		33.6484%	(175,000)
BS Grassroots			0
Included in Other Regulatory Adjustments			(672,000)

NOTE: Effective in 1992, Meiners charges directly to Account 7370 a percent of his costs deemed to be lobbying related. These are included in the Other Lobbying - Below the line amount.

Southern Bell Telephone & Telegraph Company
Response to Rate Case Audit
November 11, 1993

FLorida Update Audit
Audit Disclosure No. 6

Subject: Uncollectible Revenue

The revenue base used in the econometric model prior to April, 1993 did not match the revenue base to which the uncollectible factor was applied. The main difference was that the model used billed revenue (without adjustments or accruals) instead of earned revenue.

The model was rerun using the correct revenues and produced a factor of 1.52% (vs. the 1.53% previously calculated). The correction would have resulted in very small deviations in the accruals (0.65%) and ROE (less than .01%).

The model produces a factor which approximates what the accrual should be. However, the results may be adjusted if management feels that such an adjustment is warranted. In fact, in December, 1992 a manual adjustment was made to reduce the uncollectible reserve by $2,761,079. Thus, any revision to the factor would have had no effect on the eventual accrual for uncollectibles.

The 1992 revenues totaled	$2,284,665,000
Accrual using 1.53%	$34,955,375
Accrual using 1.52%	$34,726,908
Accrual difference	$228,467
Percentage difference	-0.654%

Revenue increase	$228,467
Value of 100 basis points	$32,778,000
ROE impact	0.007%

Company Response to Audit Disclosure 1

The auditor's opinion is unfounded. Section 32.2000(f)(5), CFR, provides that "There shall be shown in the continuing property record or in record supplements thereof, a complete description of the property records units in such detail as to identify such units." Southern Bell is in compliance with Part 32.2000(f)(5). Southern Bell maintains extensive property record details and record supplements which, when considered together, allow for specific asset verification within the accounting area as required by FCC rules.

Part 32.2000(f)(1)(i) defines accounting area as "...the smallest territory of the company for which accounting records of investment are maintained for all plant accounts within the area." In Southern Bell this equates to a regulatory jurisdiction or state. More specific location data is maintained by Geographic Location Code (or accounting location in PICS/DCPR terminology) which equates to a COE building or carrier site.

For still more detailed information, floor and frame identification information is directly available in the PICS/DCPR investment data base for hardwired assets. In the case of plug-in assets, no frame identification is carried in the PICS/DCPR system. This type of detailed plug-in location information would appear to be virtually impossible to produce and maintain in a PICS/DCPR environment due to the highly mobile nature of plug-in assets (shipped as needed to meet a service requirement and returned to stock when the need passes) and because of the wide substitutability of plug-in equipment. For plug-in assets, a HECI type identification is maintained in a separate PICS/DCPR data base from those requested by and provided to the auditor. Further, office drawings, TIRKS and/or CPC type records will provide additional information regarding the specific bay and slot in which specific types of plug-ins are physically located.

Southern Bell does not agree with the recommendations that are part of this disclosure. such recommendations would necessitate duplicating information that is already stored in other records into the PICS/DCPR investment records. This would result in the maintenance of redundant data in the investment records. Moreover, the transition to this arrangement would be prohibitively expensive in that data base structures and mechanized flows would require extensive modification. Overall, this would appear to be a very inefficient use of resources resulting in higher costs for Southern Bell and its ratepayers.

Company Response to Audit Disclosure 2

Disclosure 2 appears to indicate that Unallocated Other Cost (UOC -- hardwired CPR 040004) and Plug-in Other Cost (PIOC -- plug-in CPR 040001) records are discrepancies simply because of their presence in an investment record. These records do not represent retirement units of equipment, but do have specific meanings and are generally appropriate. Generic explanations of UOC and PIOC follow below:

UOC: Dollar amounts will flow into hardwired CPR 040004 as UOC during each year's PICS/DCPR annual processing. UOC occurs at any location/Field Reporting Code (FRC) combination which receives charges for capital labor, engineering, or material of less than retirement unit size (commonly referred to as minor items) during a calendar year in which no hardwired retirement units are placed in service. These types of charges are normally included in the installed cost of hardwired retirement units if such are placed in service, but they are captured as UOC if no retirement units are being placed in service during the calendar year under study.

PIOC: Dollar amounts are captured under plug-in CPR 040001 to reflect the capitalized cost of labor to place, line up and test growth deferrable plug-in units. A ratio of these costs to deferrable plug-in costs is developed and stored by the PICS/DCPR annual processes so that a proportional amount of PIOC may be retired for each dollar of deferrable plug-in investment recovered without replacement from a field location.

From these descriptions, it is Southern Bell's position that UOC and PIOC cannot be verified as one would a physical piece of equipment and should be excluded from the disclosure. Following this path, the discrepancies shown in Disclosure 2 would be reduced to the following:

A. Line entries of CPR records (note references in parentheses)

	TOTAL # ENTRIES	# ENTRIES W/DSCRPNCS	% ENTRIES W/O DSCRPNCS	% ENTRIES W/DSCRPNCS
HARDWIRED	180	52 (1)	71.11%	28.89%
PLUG-IN	693	46 (2,5)	78.93%	21.07%

B. Dollar amount of discrepancies (note references in parentheses)

	TOTAL $ BOOKED	$ AMT OF DSCRPNCS	PERCENT OF DSCRPNCS
HARDWIRED	782,813.50	172,199.08 (3)	22.00%
PLUG-IN	510,000.00	77,720.01 (4)	15.24%

All of the plug-in discrepancies and some of the hardwired discrepancies have been adjusted. The remaining hardwired discrepancies will be adjusted in early 1994.

NOTE 1: This figure was reduced by 16 line entries as a result of the UOC explanation above.

NOTE 2: This figure was reduced by 26 line entries as a result of the PIOC explanation above. Three additional lines were eliminated because the units were not "actual discrepancies." (E0126 - CPR 172864, E0027 - CPR 372580, and E0027 - CPR 470828)

NOTE 3: This reflects the dollar adjustments addressed in Note 1.

NOTE 4: This reflects the total dollar adjustment for plug-ins at the nine remote sites.

NOTE 5: The company does not necessarily agree with the number of plug-in discrepancies counted. It is virtually impossible to determine which line contains the "actual" discrepancy, since the majority of the plug-ins have more than one line. Further, because of the mobile nature of plug-ins, there is an inherent accuracy risk involved in comparing plus-in investment as of one date with a physical inventory conducted on a later date.

Company Response to Audit Disclosure 3

Southern Bell agrees with the need to periodically examine its Continuing Property Records (CPRs) and subsequently retire any obsolete equipment. Currently, as Field Reporting Codes (FRCs) and/or Equipment Category Numbers (ECNs) are identified as being obsolete, Southern Bell's records are analyzed for potential equipment, and associated investment, that can be retired.

In recent years, Southern Bell has escalated its efforts by forming an asset management group which provides procedures and guidelines necessary to coordinate the identification and retirement of obsolete equipment. Implementation of the process is performed by the state asset management team. Additionally, a requirement to inventory circuit equipment in every central office by the end of 1994 has been completed. The reconciliation effort is currently underway.

The attached spreadsheet provides the action taken, or action that will be taken, regarding the disposition of the ten hardwired and four plug-in retirement units mentioned in the disclosure.

PSC DOCKET 920260-TL-REQ 6			
RESPONSE TO DISCLOSURE # 3			
HARDWIRED ITEMS NOT USED PER PSC REVIEW			
CPR#	LOCATION	IN USE	COMMENTS
000436	E9406	NO	NOT THERE;ENGINEER TO RETIRE FROM RECORDS
002012	E8508	NO	NOT THERE;ENGINEER TO RETIRE FROM RECORDS
006127	E8801	YES	ENG TO CORRECT STENCILING;1 BAY RET IN PLACE
020666	E4101	NO	NOT THERE;ENGINEER TO RETIRE FROM RECORDS
060321	E8508	NO	NOT THERE;ENGINEER TO RETIRE FROM RECORDS
065304	E8805	NO	NOT THERE;ENGINEER TO RETIRE FROM RECORDS
129072	E4348	NO	NOT THERE;ENGINEER TO RETIRE FROM RECORDS
HARDWIRED ITEMS COULD NOT BE IDENTIFIED PER PSC REVIEW			
CPR#	LOCATION	IN USE	COMMENTS
008774	E4512	NO	NOT THERE; ENGINEER TO RETIRE FROM RECORDS
020785	E4512	NO	NOT THERE; ENGINEER TO RETIRE FROM RECORDS
069105	E8423	NO	NOT THERE; ENGINEER TO RETIRE FROM RECORDS
PLUG-IN ITEMS NOT USED PER PSC REVIEW			
CPR#	LOCATION	IN USE	COMMENTS
070472	E8632	NO	NOT THERE; RECORDS CORRECTED
070474	E4449	NO	NOT THERE; RECORDS CORRECTED
071185	E4205	NO	NOT THERE; RECORDS CORRECTED
072125	E8508	NO	NOT THERE; RECORDS CORRECTED