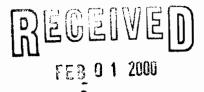
TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman Lynn Greer, Director Sara Kyle, Director



460 James Robertson Parkway Nashville, Tennessee 37243-0505

February 1, 2000



Mr. Charles L. Howorth, Jr.
Regulatory Vice President
BellSouth Telecommunications, Inc.
333 Commerce Street, Suite 2104
Nashville, TN 37201-3300

TN REGULATORY AUTHORITY GENERAL COUNSEL'S OFFICE

In Re: Tariff Filing of BellSouth Telecommunications to Reduce Grouping Rates in Rate Group 5 and to Implement a 3% Late Payment Charge Tariff No. 00-00041

Dear Mr. Howorth:

In order to further the Authority's review of BellSouth Telecommunications, Inc.'s ("BST") tariff filing captioned above, please provide responses to the following questions by February 8, 2000.

- 1. Does BST propose to apply the 3% late payment charge to basic services as defined by T.C.A. § 65-5-208?
- 2. If the answer to 1 above is yes, please explain why BST believes the late payment charge does not violate the prohibition against increasing basic local exchange telephone rates pursuant to T.C.A. § 65-5-209?
- 3. Provide the calculations of late payment revenues to be generated by the 3% late payment charges. If possible, show calculations of late payment charges generated from basic and non-basic revenues.
- 4. Identify any cost differences for the provisioning of grouping services in Rate Group 5 as compared to Rate Groups 1, 2, 3, or 4?
- 5. Rate groups currently permit the assessment of higher rates for larger local calling scopes. Please discuss BST's justification for reducing grouping charges for Rate Group 5 customers only?

6. If there are no significant cost differences in providing grouping service to Rate Group 5 customers as opposed to Rate Groups 1-4, how does BST's proposal comply with 47 U.S.C. § 254(b) (3)?

If you have any questions, please contact Mr. Roger Knight at 741-2904 ext. 154.

Sincerely,

K. David Waddell Executive Secretary

Xc: Official File