



Carolina Telephone
Central-North Carolina
Central-Virginia
United Telephone-Southeast

James B. Wright
Senior Attorney

December 13, 1996

VIA FAX

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

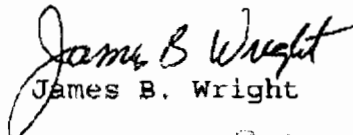
RE: Docket No. 96-01423; Prehearing Conference Order

Dear Mr. Waddell:

Enclosed is a proposed Order for the prehearing conference held December 10, 1996 before Chairman Greer who presided at the hearing officer.

Please call me if you have any questions.

Very truly yours,


James B. Wright

JBW:er

Enclosure

CC: Chairman Lynn Greer (via FAX)
Ms. Dianne F. Neal, Esquire (via FAX)

#9354

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE
DECEMBER ____, 1996

IN RE: UNITED TELEPHONE-SOUTHEAST, INC. TARIFF NO. 96-201
TO REFLECT ANNUAL PRICE CAP ADJUSTMENT

DOCKET NO. 96-01423

ORDER

A Prehearing Conference was held in the above-captioned matter on Tuesday, December 10, 1996, in Nashville, Tennessee before Chairman Lynn Greer acting as Hearing Officer pursuant to the Tennessee Regulatory Authority's Order and Notice dated December 5, 1996. The following appearances were entered:

APPEARANCES:

JAMES B. WRIGHT, Senior Attorney, United Telephone-Southeast, Inc. ("United"), 14111 Capital Boulevard, Wake Forest, North Carolina 27587-5900, appearing on behalf of United.

L. VINCENT WILLIAMS, Consumer Advocate, 426 Fifth Avenue N., 2nd Floor, Cordell Hull Building, Nashville, Tennessee 37243-0500, appearing on behalf of the Consumer Advocate Division, Office of the Attorney General.

GUY M. HICKS, General Counsel-Tennessee, BellSouth Telecommunications, Inc., ("BellSouth"), 333 Commerce Street, Suite 2101, Nashville, Tennessee 37201-3300, appearing on behalf of BellSouth.

RICHARD M. TETTELBAUM, Associate General Counsel, Citizens Telecommunications Company of Tennessee, L.L.C., ("Citizens"),

Suite 500, 1400 16th Street, N.W., Washington, DC 20036, participating by telephone, appearing on behalf of Citizens.

Also at the meeting from the Staff were Dianne Neal and Dr. Chris Klein.

The purpose of the hearing was to consider scheduling, simplification of issues and such other matters properly brought before the Hearing Officer in accordance with T.C.A. 4-5-306.

PROTECTIVE ORDER

The first matter was United's Motion for a Protective Order. The parties agreed that a Protective Order basically identical to the Order issued in the Avoided Cost Proceeding (Docket No. 96-01331) was appropriate for use in this proceeding. Counsel for United was to prepare and submit a proposed Protective Order to the parties for approval and then submit the same to the TRA for approval and entry.

BELL INTERVENTION

In discussing Bell's Petition to Intervene, United stated that it had no objection to the grant of such Petition based on the following agreement it had reached with Bell. United understood Bell's principal interest in this proceeding concerned the policy and legal issues which may be raised regarding the annual adjustment under T.C.A. 65-5-209(e), rather than the need to review any proprietary data United may provide in support of its tariffs. Consequently Bell agreed that United need only provide copies of all of United's nonproprietary responses to discovery requests, and that United need not provide its responses to discovery requests which contained proprietary

information. At United's request, Counsel for Citizens agreed for the same reasons, that the same procedure would apply to Citizens. All parties agreed to this procedure and Chairman Greer stated that Bell's Petition for Intervention was granted with that understanding.

ISSUES

Each of the parties stated what they believed were the key issues to be decided. This resulted in the identification of four issues:

- Issue 1. Methodology: How is the maximum annual adjustment that is permitted under TCA 65-5-209(e) calculated?
- Issue 2. What is the TRA's authority regarding amendment of the terms and conditions of basic local service?
- Issue 3. Is Directory Assistance a non-basic service whose rates may be increased by a company under price regulation, or is it a basic service which may not be increased for four years by reason of TCA 65-5-209(f)?
- Issue 4. Access Services Tariff

In discussion of Issue 1, Methodology, the parties expressed a willingness to meet informally to determine if agreement could be reached, with the time and place to be arranged between the parties following this conference. At the Consumer Advocate's request, it was agreed Dr. Klein of the Staff would act in a consultative role in an effort to facilitate possible resolution of this issue. The Chairman stated another prehearing conference would commence at 1:30 p.m. Tuesday, December 17, 1996, for the

purpose of receiving a report from the parties on the progress of resolving the methodology issue.

The Consumer Advocate raised concerns as to whether or not the statute requires the TRA to approve adjustments, how are new services to be treated, and toll and usage sensitive issues. The Consumer Advocate indicated these issues in part depended on the actual fact situation of United, and that continued analysis was needed prior to this determination. The Chairman therefore decided to defer ruling on the filing of briefs on legal issues until the December 17 conference.

SCHEDULE

The parties agreed to the following schedule:

January 3, 1997 - All discovery must be served by 4:30 p.m.

January 14, 1997 - All responses to discovery must be
completed

January 17, 1997 - Direct Testimony must be filed by noon

January 24, 1997 - Rebuttal Testimony must be filed by noon

January 29, 1997 - Surrebuttal Testimony must be filed by noon

February 11, 1997 - Hearing (date subject to change)

PROCEDURES

The parties agreed that service of all documents may be by FAX. Service was to occur by noon, central standard time, on the due date, except that service of discovery requests could occur at 4:30 p.m.

The prehearing conference was adjourned until 1:30 p.m.
December 17, 1996 unless otherwise noticed.

Hearing Officer

#9334

FAX TRANSMISSION

SPRINT MID-ATLANTIC TELECOM, INC.
14111 CAPITAL BOULEVARD (2350)
WAKE FOREST, NORTH CAROLINA 27587-5900

LEGAL DEPARTMENT

DATE:

12/13/96

TO:

David Waddell and Chairman Greer

LOCATION:

TRA

FAX NO.:

615 - 741 - 5015

FROM:

Jim Wright

CANON-FAX L775 - 919-554-7913

Ed Philips indicated
I file this via FAX.

OPERATOR -

Mavis House 919-554-7608

Susan Medlin 919-554-7236

Elaine Rolf 919-554-7692

Jim Wright

Number of pages including this one:

7

CONFIDENTIALITY NOTICE: The documents accompanying this telecopy transmission contain confidential information belonging to the sender which is legally privileged. The information is intended only for the use of the individual or entity recipient named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited. If you have received this telecopy in error, please immediately notify us by telephone to arrange for return of the original documents to us.