

LAW OFFICES

GULLETT, SANFORD, ROBINSON & MARTIN, PLLC

230 FOURTH AVENUE, NORTH 3RD FLOOR
POST OFFICE BOX 198888
NASHVILLE, TENNESSEE 37219-8888

TELEPHONE (615) 244-4994
FACSIMILE (615) 256-6339

GARETH S. ADEN
G. RHEA BUCY
GEORGE V. CRAWFORD, JR.
A. SCOTT DERRICK
BETH EDMONDSON
THOMAS H. FORRESTER
M. TAYLOR HARRIS, JR.
LINDA W. KNIGHT
JOEL M. LEEMAN
ALLEN D. LENTZ
JOSEPH MARTIN, JR.
JUSTIN T. MILAM
JEFFREY MOBLEY
JULIE C. MURPHY

KATHRYN H. PENNINGTON
WM. ROBERT POPE, JR.
WAYNE L. ROBBINS, JR.
JACK W. ROBINSON, JR.
JACK W. ROBINSON, SR.
VALERIUS SANFORD
WESLEY D. TURNER
JOHN KNOX WALKUP
ANNE D. WATERS

JOHN D. LENTZ
OF COUNSEL
B. B. GULLETT
1905-1992

January 3, 1997

David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37201

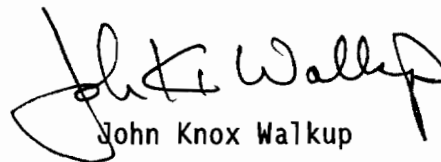
Re: Tariff Filing by UTSE to Reflect Annual Price
Cap Adjustment, Tariff No. 96-201

Dear Mr. Waddell:

Enclosed for filing in the above-styled matter are an original and thirteen (13) copies of the Discovery Requests of AT&T Communications of the South Central States, Inc. to United Telephone-Southeast, Inc., which were served on United Telephone-Southeast and other parties of record as indicated by the certificate of service.

Thank you for your attention to this matter.

Yours very truly,


John Knox Walkup

JKW:ka
Enclosures

cc: Dianne F. Neal, Esq.
Counsel for Parties of Record

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

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EXECUTIVE SECRETARY

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

DOCKET NO.: 96-01423

**DISCOVERY REQUESTS OF AT&T COMMUNICATIONS
OF THE SOUTH CENTRAL STATES, INC. TO UNITED
TELEPHONE-SOUTHEAST, INC.**

Comes now AT&T Communications of the South Central States, Inc., pursuant to T.C.A. § 4-5-311 and Rules 33 and 34 of the Tennessee Rules of Civil Procedure, and makes these discovery requests to United Telephone-Southeast, Inc., to be answered on or before January 14, 1997, pursuant to agreement of the parties.

All discovery requests are continuing in nature, and should any circumstances relating to the subject covered thereby change during the pendency of this proceeding, please notify AT&T Communications of the South Central States, Inc. immediately of such changed circumstances.

1. Please provide any and all cost studies and supporting work papers conducted and compiled since January 1, 1990 that contain information relative to the costs to provide intrastate switched access charge elements in United Telephone-Southeast's territory.

RESPONSE:

2. For any cost studies identified in item 1 above, please indicate the specific methodology for each individual cost study, e.g., embedded costs, long-run incremental costs (LRIC), total services long-run incremental costs (TSLRIC) or total element long-run incremental costs (TELRIC).

RESPONSE:

3. If no cost studies have been produced in item 1 above, or if any of the produced cost studies are not of the TSLRIC or TELRIC type, please indicate the extent to which United has performed a TSLRIC or TELRIC study for any element or service and whether United anticipates the completion of these studies for switched access charge elements.

RESPONSE:

4. Please provide any and all cost studies and supporting work papers conducted and compiled since January 1, 1990 that contain information relative to the costs to provide intraLATA toll services in United Telephone-Southeast's territory in Tennessee.

RESPONSE:

5. With reference to United's reduction in the intraLATA message toll rate from \$0.05 per minute to \$0.03 per minute in Tennessee, please provide the revenue impact of this reduction on an average monthly basis.

RESPONSE:

6. For an average intraLATA message toll call in United's territory, what is the average billed rate per call and the average access charges assessed by United for the same average call? Please indicate the reasons for any difference in the toll rate and the access rate for the same call.

RESPONSE:

7. Please list the Sprint Corporation affiliated companies that operate in Tennessee and that require exchange access-like services from United-Southeast.

RESPONSE:

8. For the Sprint Corporation affiliates listed in item 7, please provide the tariff reference that contains the terms, conditions and pricing applicable to the affiliate's purchase of the exchange access-like services from United-Southeast. If not purchased via tariff, please

provide the financial and operational arrangements under which those companies obtain exchange access-like services from United-Southeast.

RESPONSE:

9. Please list any services offered by United in Tennessee that are priced below the costs to provide the service. Please indicate the cost standard, e.g., embedded, LRIC, TELRIC, etc., that was used as a basis for the response.

RESPONSE:

10. Please list any services offered by United in Tennessee that United considers to be currently experiencing competition from other providers.

RESPONSE:

11. In connection with item 10 above, please list the names of any competing providers of the individual services listed, e.g., intraLATA toll services.

RESPONSE:

12. Given that United is currently operating under price regulation in Tennessee, is it United's opinion that it is still subject to the provisions of the 1988 capping plan instituted as a result of AT&T's Megacom filing?

RESPONSE:

13. If the response to item 12 is no, is there any reason why United could not price intrastate switched access rates below its interstate switched access rates which could permit competition with United's \$0.03 per minute intraLATA toll rate?

RESPONSE:

14. Please provide the annual price adjustment calculations using as the initial index prices, the prices in effect June 1996. Provide the spreadsheets, workpapers and documentation that support the requested calculations.

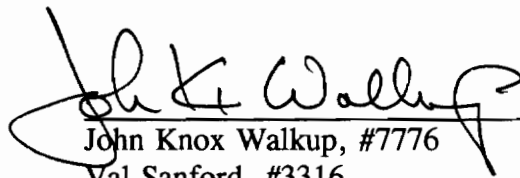
RESPONSE:

15. Please provide the annual price adjustment calculations using as the initial index prices, the prices in effect June 1995. Provide the spreadsheets, workpapers and documentation that support the requested calculations.

RESPONSE:

16. Please quantify the price changes resulting under each of the two previous questions and determine the differences by service. Provide the spreadsheets, workpapers and documentation that support the requested quantification.

RESPONSE:



John Knox Walkup, #7776
Val Sanford, #3316

GULLETT, SANFORD, ROBINSON & MARTIN, PLLC
230 4th Avenue North, 3rd Floor
P.O. Box 198888
Nashville, TN 37219-8888
(615) 244-4994

James P. Lamoureux, Esq.
AT&T
Room 4068
1200 Peachtree Street N.E.
Atlanta, GA 30309
(404) 810-8718

Attorneys for AT&T Communications
of the South Central States, Inc.

CERTIFICATE OF SERVICE

I, John Knox Walkup, hereby certify that a true and exact copy of the foregoing Discovery Requests has been served on the following counsel of record, this 3rd day of January, 1997, either by fax, hand-delivery or by placing a copy of the same in the U.S. Mail, postage prepaid, and addressed as follows:

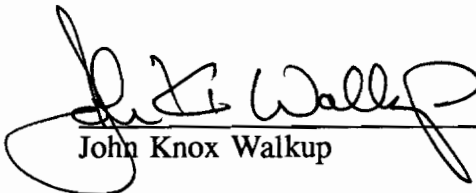
Dianne F. Neal
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505
FAX: (615) 741-2336

L. Vincent Williams
Office of Attorney General
Consumer Advocate Division
426 Fifth Avenue North, Second Floor
Nashville, TN 37243-0500
FAX: (615) 741-8724

Richard M. Tettelbaum
Citizens Telecommunications Company of
Tennessee, L.L.C.
Suite 500, 1400 16th Street N.W.
Washington, DC 20036
FAX: (202) 483-9277

Guy M. Hicks
Bennett L. Ross
BellSouth Telecommunications, Inc.
333 Commerce Street, Suite 2101
Nashville, TN 37201-3300
FAX: (615) 214-7406

James B. Wright
United Telephone-Southeast, Inc.
14111 Capital Boulevard
Wake Forest, NC 27587-5900
FAX: (919) 554-7913


John Knox Walkup