

BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

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REGULATORY AUTH.
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BELLSOUTH TELECOMMUNICATIONS,)
INC. TARIFF FILING TO INTRODUCE)
LATE PAYMENT CHARGES)
)
)
)

EXECUTIVE SECRETARY

Docket No. 99-00574

DISCOVERY REQUEST TO BELLSOUTH TELECOMMUNICATIONS

To: BellSouth Telecommunications
c/o Patrick Turner, Esq.
333 Commerce St., Suite 2101
Nashville, TN 37201-3300

Please reply to the discovery requests provided herein by: 1) answering under oath these discovery requests and serving your answers upon Consumer Advocate L. Vincent Williams or his designee at 2nd Floor, Cordell Hull Building, 425 5th Avenue North, Nashville, TN 37243; and 2) providing clear copies of the documents and things specified herein. The answer to each item should begin with the restatement of the question and should conclude with the signature and title of the person(s) responsible for answering that particular question.

Please be aware that this discovery is continuing in nature and requires the party from whom discovery is sought to provide supplemental responses if additional or different information is obtained or as may be necessary from time to time to provide the Consumer Advocate with a full, complete and current answer or response until the hearing in this docket.

INSTRUCTIONS AND DEFINITIONS

The terms "you", "your" and "yours" as used herein refer to the addressee party of these Interrogatories as well as any and all agents, employees, representatives, experts, and other persons acting or purporting to act on your behalf.

If, for any reason, you are unable to answer a discovery request fully, submit as much information as is available and explain why your answer is incomplete. If precise information cannot be supplied, submit 1) your best estimate, so identified, and your basis for the estimate and 2) such information available to you as comes closest to providing the information requested.

FILE

If you have reason to believe that other sources of more complete and accurate information exist, identify those sources.

If a document exists in different versions, including any dissimilar copies (such as a duplicate with handwritten notes on one copy, or electronic or computer versions), each version shall be treated as a different document and each must be identified and produced.

If you contend that you are entitled to refuse to fully answer any of this discovery, state the exact legal basis for each such refusal.

These discovery requests are to be interpreted broadly to fulfill the benefit of full discovery. To assist you in providing full and complete discovery, Petitioner provides the following definitional guidelines:

1. The term "person" or "persons" as used herein refers to any natural person, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever. Where a company or organization is the party being served all responses must include the company's response. Moreover, the company's designated person for responding must assure that the company provides complete answers. *A complete answer must provide a response which includes all matters known or reasonably available to the company.* The response is not to be limited to the knowledge of the individual responding.

2. The term "document" as used herein has the full extent of its possible meaning in accordance with law, including any written, printed, typed, drawn, filmed, taped, or recorded in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, photograph, tape recording, computer disk or record, or other data compilation in any form. This definition shall also mean all copies of documents by whatever means made including any nonidentical versions or drafts (whether different from the original because of handwritten notes, underlining, highlighting, or otherwise). If any document has been destroyed, lost, misplaced or deleted, it must be identified and a summary of the documents contents provided along with the identification of its author and the person(s) to whom it was transmitted, if any.

3. The terms "and" and "or" shall be construed conjunctively or disjunctively as necessary to include any information that might otherwise be construed outside the scope of these requests.

4. References to the masculine shall include the feminine, the singular shall include the plural, and vice versa.

5. The term "communication" means any transmission of information by oral, graphic, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, or otherwise.

6. Each discovery answer should begin by restating the item requested.

7. Where a number of sheets are required to fully answer an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 1 of 6.

8. If any information requested is not furnished as requested, please state where and how the information may be obtained or extracted, the person or persons having knowledge of the procedure and the person instructing that the information be excluded.

9. Please respond fully to the request even if it has been partially requested or supplied in prior filings or dockets. The information and Rule 33 and 34 information shall be submitted to this office at 2nd Floor, Cordell Hull Building, 425 5th Avenue North, Nashville, TN 37243-0500. If there is a need for clarification of any attached request, please contact me at (615) 741-8700 before furnishing the response.

Rule 36. Requests for Admission.

36.01 Request for Admission. A party may serve upon any other party a written request for the admission, for purposes of the pending action only, of the truth of any matters within the scope of Rule 26.02 set forth in the request that relate to statements or opinions of fact or of the application of law to fact, including the genuineness of any documents described in the request. Copies of documents shall be served with the request unless they have been or are otherwise furnished or made available for inspection and copying. The request may, without leave of court, be served upon the plaintiff after commencement of the action and upon any other party with or after service of the summons and complaint upon that party.

The matter is admitted unless, within 30 days after service of the request, or within such shorter or longer time as the court may allow. If objection is made, the reasons therefor shall be stated. The answer shall specifically deny the matter or set forth in detail the reasons why the answering party cannot truthfully admit or deny the matter. A denial shall fairly meet the substance of the requested admission, and when good faith requires that a party qualify an answer or deny only a part of the matter of which an admission is requested, ***the party shall specify so much of it as is true and qualify or deny the remainder. An answering party may not give lack of information or knowledge as a reason for failure to admit or deny unless the party states that he or she has made reasonable inquiry and that the information known or readily obtainable by the party is insufficient to enable the party to admit or deny.*** A party who considers that a matter of which an admission has been requested presents a genuine issue for trial may not, on that ground alone, object to the request; the party may, subject to the provisions of Rule 37.03, deny the matter or set forth reasons why the party cannot admit or deny it.

Requests to Admit or Deny, Interrogatories and Requests for Production

1. Please state the average number of Residential and Business customers who, during an average month, pay their telephone bills late.
2. Please state the average number of customers, who during an average month, make partial payments to BellSouth which equal or exceed the amount owed BellSouth for its provision of local basic exchange service to the customer?
3. Please state the average number of customers who during an average month make partial payments to BellSouth which equal or exceed the amount owed BellSouth for its provision of intrastate service to the customer?

REQUEST FOR PRODUCTION

4. Please produce all information used to support BellSouth's statement's of the average number of Residential and Business customers who pay their telephone bill late conclusions.
5. Please state the average Tennessee monthly (or total annual) revenue, minus any late payment charges, collected after BellSouth's stated due date from:

Residential Customers
State Government agencies
County Government agencies
City Government agencies
Public Educational Schools and Institutions
Federal Government agencies
Other Business Customers
All Tennessee Customers

6. Please produce all workpapers and source documents which pertain to the average monthly (or total annual) revenues collected late from Tennessee Residential Customers, State Government agencies, County Government agencies, City Government agencies, public educational institutions, Federal Government agencies, and all other Tennessee customers with business rates, other than governmental customers.

REQUEST FOR PRODUCTION

7. Please produce for inspection and copying all calculations of the estimated annual Tennessee late payment charge revenue that would be collected as the result of the implementation of the proposed late payment charge from:

- a.) Residential customers
- b.) Governmental agencies
 1. Federal
 2. County
 3. City
- c.) Other Business Customers
- d.) The total of all classes of Tennessee Customers.

8. Please produce any and all calculations of the estimated annual Tennessee late payment charge revenue that would be collected as the result of applying the proposed late payment charge to:

- a.) Revenues billed by BellSouth Telecommunications Tennessee on behalf of other nonaffiliated entities. (for example bills for interexchange carriers)
- b.) Revenue billed by BellSouth Telecommunications Tennessee on behalf of affiliated or related entities. (BellSouth Publishing, BellSouth Internet Service, etc.)
- c.) Revenue billed by BellSouth Telecommunications Tennessee for Local service and for vertical services.
- d.) Revenue billed by BellSouth Telecommunications Tennessee for BellSouth IntraLATA Toll.
- e.) Total revenue billed by BellSouth Telecommunications to total of all Tennessee consumers.

(Please produce detailed workpapers.)

9. Please state the annual discounts provided to BellSouth Telecommunications Tennessee's customers who pay for local service:
- a.) in advance of the provision of service, and
 - b.) in advance of the due date.
10. For each and every allegation made by the Consumer Advocate Division in its complaint or Petition to Intervene and denied by BellSouth, please state and explain each and every ground and reason for the denial.
11. Please identify each and every person who provides answers to each discovery request.

REQUEST FOR PRODUCTION

12. Please produce any and all studies and samples of customer payment patterns made by or on behalf of BellSouth from June 1995 to the present, including but not limited to, statistical studies and samples.
13. Please produce any and all criticism(s) and comments of any and all studies of customer payment patterns in BellSouth's possession or of which it has knowledge?

14. What is the current revenue lead lag amount required (working capital required due to the lag between the date service is provided and the date of collection)by customer class and in total?(Please produce detailed workpapers which reference the information sought.)
15. Please state the annual revenue, by class of service and in total, that BellSouth bills Tennessee customers in advance of providing service (For example: Local & Vertical Services Service Revenue).
16. Please state the amount of that portion of BellSouth's aggregate revenues arising solely from, or is allocated from its aggregate revenues for any and all things or items BellSouth regards as "charges" as of December 1, 1998 and September 30, 1999.
17. Please produce any and all references to late payments in any and all tariffs in all states served by BellSouth as of June 1, 1998.
18. Identify the average number of days between the average date local service is provided (middle of the billing cycle) and the date on which the customers' bills are paid. (Please produce detailed workpapers which reference the information sought.)
19. Identify the number of days between the average date local service is provided (middle of the billing cycle) and the date on which the late payment charge will apply. (Please provide detailed workpapers.)
20. Identify the number of days between the average date that bills are mailed to the customer and the date that the late payment charge will apply. (Please provide detailed workpapers.)
21. Please produce copies of any and all account receivable analysis that identify the amounts of BellSouth Telecommunications, Inc.'s Tennessee customer accounts receivable that are:
 - More than 30 but less than 60 days past due
 - More than 60 but less than 90 days past due
 - More than 90 days past due
22. Please produce any and all documents created, used, or considered by any BellSouth personnel or consultants which suggest or recommend increasing payments for services associated with local basic exchange services, benefits, or thing currently provided to BellSouth consumers.
23. Please produce for inspection and copying any and all workpapers, studies or suggestions

for offsetting any and all revenue reductions made by BellSouth.

24. Please produce for inspection and copying any and all calculations, workpapers (cite source documents) and provide explanations of the annual tracking, administering, collecting, and other costs incurred by BellSouth as the result of BellSouth's Tennessee Customers of paying their bills late.
25. Please state each and every fact which supports BellSouth's statement that its proposed charges for late payments are not payments associated with the provision of telecommunications service?
26. Please state the economic or financial value of each and every service, benefits, or thing provided by BellSouth to local basic exchange service customers on June 6, 1995 without an additional rate or charge.
 - a.) Please state the economic cost and financial value of each and every service, benefit, or thing provided to BellSouth basic service customers without additional charge to the customer on June 6, 1995.
 - b.) Please state the economic cost and financial value of each and every service, benefit, or thing provided to BellSouth basic service customers with a fixed additional charge to the customer on June 6, 1995.
 - c.) For "a" and "b" above please state the economic cost and financial value as of December 1, 1998.
27. What lead lag studies have been performed on behalf of BellSouth for regulated services in its region since 1990?
28. Please produce for inspection and copying each and every lead lag study performed on behalf of BellSouth since 1990. The study should include all workpapers.
29. Provide a copy of the lead lag study(ies) that were used to determine or otherwise compute the working capital component of the rate base in Tennessee Public Service Commission Docket 90-05953 and Tennessee Public Service Commission Docket 92-13527.
30. What was the revenue lead lag amount (working capital required due to the lag between the date service was provided and the date of collection) that was included in the ratebase of the most recent order establishing BellSouth's Tennessee intrastate rates prior to June 6, 1995. Provide detailed workpapers and supporting documents.
31. Please produce for inspection and copying any and all contracts made with other

telecommunications companies or organizations for whom BellSouth bills Tennessee consumers.

32. Please produce for inspection and copying any and all contracts BellSouth had with other entities or persons for whom BellSouth billed and which were in effect on the date BellSouth filed its proposed late charge tariff with the Tennessee Regulatory Authority.
33. Please produce for inspection and copying any and all documents, as defined in the preamble to these discovery requests, which BellSouth prepared or considered with respect to seeking any late payment charge tariff in Tennessee. This interrogatory is intended to have BellSouth produce any and all documents and communications, electronic or otherwise, which any BellSouth employee produced, saw, or read from the idea stage to the present which relates to seeking or proposing any late charge tariff for Tennessee. If a portion of the information has been provided in response to other requests for production, the provided information does not need to be produced again.
34. Please produce for inspection and copying any and all documents, as defined in the preamble to these discovery requests, which BellSouth prepared or considered with respect to seeking any late payment charge tariff in any other locale in its region since 1990. This interrogatory is intended to have BellSouth produce any and all documents and communications, electronic or otherwise, which any BellSouth employee produced, saw, or read from the idea stage to the present which relates to seeking or proposing any late charge tariff other than Tennessee. If a portion of the information has been provided in response to other requests for production, the provided information does not need to be produced again.
35. As a hypothetical question, assume that BellSouth's aggregate revenues and its initial rates in Tennessee on either December 1, 1998 or December 9, 1998 encompassed any and all costs and effects on the company due to customer late payments and were deemed just, reasonable and affordable. Assuming that the preceding hypothetical is true, please state each and every reason that BellSouth's aggregate revenues, as of the date it filed the proposal in this case, were less than just, reasonable and affordable?
36. Provide a detailed example and explanation of the method BellSouth uses to compute uncollectibles that are recorded as a operating expense (Aging of account receivable, percentage of credit sales method, direct write off method, etc.). Identify all factors used and explain the procedure used to determine such factors.
37. Please produce any and all information received or considered by BellSouth from companies in the southeastern United States with "comparable" credit granting policies and state the facts that mane them reasonable.
38. Please produce for inspection and copying any and all calculations and workpapers used

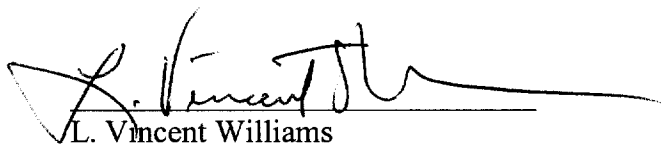
in computing the annual discounts provided to Tennessee consumers who pay their bills in advance of the due date.

39. Please state the amount of that portion of BellSouth's aggregate revenues arising solely from charges that BellSouth bills for other companies as of December 1, 1998 and September 30, 1999.
40. When BellSouth bills on behalf of another company, please state BellSouth's payment to the other company as a percentage of the total dollars billed on behalf of the other company.

REQUESTS TO ADMIT

41. BellSouth admits that its aggregate revenues on June 6, 1995 and December 1, 1998 included the revenues associated with "charges?"
42. BellSouth admits that it does not purchase, from other telecommunications service providers, all of the accounts for which it bills?
43. BellSouth admits that rates and charges for utility services do not exist in isolation?
44. BellSouth admits that rates have meaning only when one knows the services, benefits or things to which the rates are attached?
45. BellSouth admits that before it applied for price regulation, during its application for price regulation, and after its application for price regulation that the rates it charged had and have meaning only when one knows the services, benefits or things to which the rates are attached?

Respectfully Submitted,

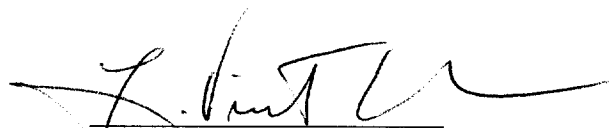

L. Vincent Williams

Deputy Attorney General-Consumer Advocate
Consumer Advocate Division
425 Fifth Ave., North, Second Fl.
Nashville, TN 37243
615-741-8723
B.P.R. No. 011189

Certificate of Service

I hereby certify that a true and correct copy of the foregoing Document has been mailed postage prepaid to the parties listed below this 3rd day of December, 1999.

Patrick Turner, Esq.
BellSouth Communications, Inc.
333 Commerce St., Suite 2101
Nashville, TN 37201-3300


E. Vincent Williams