

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTH CENTRAL	)	
BELL TELEPHONE COMPANY FOR	)	CASE NO. 93-421
CHANGES IN ITS UTILITY PLANT	)	
DEPRECIATION ACCOUNTS	)	

O R D E R

On February 12, 1993, BellSouth Telecommunications Corporation d/b/a South Central Bell Telephone Company ("SCB") filed its 1993 Depreciation Study ("Study") for its Kentucky operations with the Commission. In its Study, SCB requested changes in the service life, salvage, and life curve shapes for its various plant accounts. This Study was filed in accordance with the requirements of Commission Regulation 807 KAR 5:064. SCB also filed its Study with the Federal Communications Commission ("FCC"), which has jurisdiction over the interstate portion of SCB's utility plant.

SCB's currently prescribed depreciation parameters result in a composite depreciation rate of 6.5 percent. In its Study, SCB proposed parameters which would result in a composite depreciation rate of 8.2 percent, with an annual increase in depreciation expense accruals of \$33,594,000 on a combined (Intrastate and Interstate) basis. These figures are based upon plant account balances as of December 31, 1992, the end of the Study period.

Following review and analysis of the Study, a Commission staff proposal was issued by letter on March 25, 1993. The staff proposal contained parameters which the staff recommended as

appropriate for SCB. A "Three-Way" settlement meeting was subsequently held on April 5 and 6, 1993, at which time representatives of SCB, the FCC, and Commission staff reached agreement on changes in the depreciation parameters.

On August 7, 1993, SCB filed a letter with the Commission in which SCB requested approval of the parameters agreed upon at the "Three-Way" settlement meeting. SCB has requested an effective parameter booking date of January 1, 1994. If approved by the Commission, the new depreciation parameters would result in an annual increase in depreciation expense accrual of \$5,531,000 on a Kentucky Intrastate basis. These figures are based upon plant account balances as of December 31, 1992, the end of the Study period.

Prior to considering this matter, the Commission sent notice of the agreed proposal on August 9, 1993 to all intervenors of record in SCB's most recent rate proceeding,¹ requesting comment, if any, within 30 days of the date of the notice. No comments were received.

The Commission, having considered the record and being otherwise sufficiently advised, HEREBY ORDERS that:

1. The depreciation parameters agreed upon at the "Three-Way" settlement meeting and attached as Appendix A and incorporated herein to this Order, having been found reasonable for SCB's plant accounts are hereby approved.

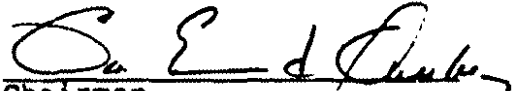
¹ Case No. 90-256, A Review of the Rates and Charges and Incentive Regulation Plan of South Central Bell Telephone Company.

2. SCB shall enter the approved plant account parameters effective on and after January 1, 1994.

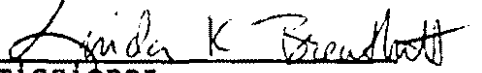
3. SCB shall file with the Commission a copy of the FCC Order which approves the effective interstate booking date within 10 days of the date SCB receives such Order.

Done at Frankfort, Kentucky, this 15th day of November, 1993.

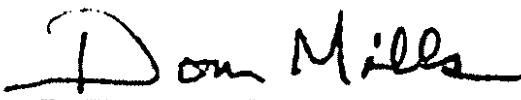
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

**APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-421 DATED NOVEMBER 15, 1993**

Run Date : 04/19/93 - 07.46.13

Report : RATPARAM,PSC_3WAY

Company : BellSouth Telecommunications

State : Kentucky

Parameter Report

Acct	Title	Edate	Year	Plife	Avg.	Avg.	Avg.	Put.	Curve Shape Parameters			
				KLO or AYPR	Rem. Life	Serv. Life	Net Salv.	Net Salv.	C	Q	S	
2112.0	Motor Vehicles	199301	1984		3.3	7.5	15	15				
	Motor Vehicle-Light	199301	1984		6.9	2.9	7.0	15	15	1.57000000E+00	-1.81761350E-02	1.60630840E-02
	Motor Vehicle-Other	199301	1984		6.5	4.1	8.4	15	15	1.11000000E+00	-8.68405740E-01	1.27015610E-01
2115.0	Garage Work Equipment	199301	1984		21.0	10.9	12.5	-37	1	1.03000000E+00	-1.49172960E+00	2.70275910E-02
2116.0	Other Work Equipment	199301	1984		21.0	12.2	15.2	1	1	1.03000000E+00	-1.49172960E+00	2.70275910E-02
2121.0	Buildings	199301	1984		43.0	29.0	38.0	-1	3	1.13339740E+00	-2.17455120E-01	2.39688400E-02
2122.0	Furniture	199301	1984		14.0	7.5	10.8	6	5	5.30000000E-01	-1.42293950E-01	-3.16756320E-02
2123.0	Office Equipment	199301	1984			4.7	5.7	37	27			
2123.1	Office Support Equipment	199301	1984		12.0	6.4	9.6	37	27	5.30000000E-01	-1.42293950E-01	-3.16756320E-02
2123.2	Official Comm. Equipment	199301			6.5	4.2	4.4	37	27	1.10249400E+00	-3.34100410E-01	2.40118790E-02
2124.0	Genl Purpose Computers	199301	1984		6.5	3.6	5.9	7	1	3.40000000E-01	-3.44526580E-01	-7.05408150E-02
2211.0	Analog ESS	199301		1996.6	4.0	10.4	8	2	2	1.00000000E+00		-8.30000000E-03
2212.0	Digital ESS	199301	1983		17.5	10.5	14.4	3	3	1.13339740E+00	-2.17455120E-01	2.39688400E-02
2220.0	Operator Systems	199301	1983		13.0	8.0	9.8	4	3	1.29113310E+00	-2.05572540E-02	-2.45558700E-03
2231.0	Radio Systems	199301	1983		12.5	6.6	11.6	-3	-5	7.00000000E-01	-1.04649440E-01	-2.61126420E-02
2232.0	Circuit-Other	199301	1983		11.0	5.6	10.0	4	0	9.80000000E-01	-1.72085690E+01	-3.44028390E-01
2232.1	Circuit-DSS	199301	1983		8.0	4.0	7.6	12	2	6.60000000E-01	-2.25565540E-01	-6.20732610E-02
2311.0	Station Apparatus	199301			6.0	4.0	6.4	4	4	1.18428730E+00	-1.01449700E-01	1.55765450E-02
2341.0	Large PBX	199301	1990		6.0	2.9	6.0	-3	-4	1.18428730E+00	-1.01449700E-01	1.55765450E-02
2351.0	Public Telephone	199301			6.0	2.5	7.8	41	20	1.13339740E+00	-2.17455120E-01	2.39688400E-02
2362.0	Other Terminal Equip.	199301			6.0	3.3	6.6	3	-4	1.18428730E+00	-1.01449700E-01	1.55765450E-02
2411.0	Poles	199301	1982		33.0	19.6	26.0	-45	-49	1.04000000E+00	-1.30382350E-01	2.22447670E-03
2421.1	Aerial Cable Metal	199301	1982		20.0	11.2	19.4	-9	-10	9.80000000E-01	-1.30920450E+00	-2.77772120E-02
2421.2	Aerial Cable Fiber	199301	1984		30.0	19.3	23.0	-13	-13	1.04000000E+00	-2.51890920E-01	9.50568300E-03
2422.1	Undergrd Cable Metal	199301	1982		25.0	14.5	26.0	-23	-24	1.02000000E+00	-1.68684000E-01	1.26882300E-03
2422.2	Undergrd Cable Fiber	199301	1984		30.0	18.8	22.0	-7	-7	1.04000000E+00	-6.89477020E-02	1.43544910E-03
2423.1	Buried Cable Metal	199301	1982		22.0	12.1	21.0	-10	-10	1.05000000E+00	-1.50807850E-01	6.36074870E-03
2423.2	Buried Cable Fiber	199301	1984		30.0	14.4	17.0	-2	-3	8.00000000E-01	-8.92942620E-02	-9.92690140E-03
2424.0	Submarine Cable	199301	1982		25.0	15.1	27.0	-1	0	1.25000000E+00	-4.07081800E-06	-5.85847010E-03
2426.0	Intra-Bldg Netwk Cable	199301	1982		20.0	10.3	20.0	-1	-6	1.21000000E+00	-3.69601270E-04	-4.50443500E-03
2431.0	Aerial Wire	199301	1984		19.5	11.4	15.6	-31	-32	1.01000000E+00	-9.98091980E+00	9.07693300E-02
2441.0	Conduit System	199301	1982		65.0	47.0	59.0	-5	-5	1.09000000E+00	-1.23523080E-02	-9.32441700E-04

Run Date : 04/19/93 - 07.46.13
 Report : RTN-A-RL, PRC_3WAY
 Proposed

Company : BellSouth Telecommunications
 State : Kentucky
 Statement A - Remaining Life

Summary of Changes in Depreciation Rates

Account Number	Class or Subclass of Plant	Rates in Effect				Rates Effective 1993			
		RL		Future		RL		Future	
		Life	Reserve	Net	Rate	Life	Reserve	Net	Rate
		Years	Percent	Salv	%	Years	Percent	Salv	%
		A	B	C	D	E	F	G	H
2112.00	Motor Vehicles	3.9	38.7	15	11.9	3.3	52.9	15	9.7
2115.00	Garage Work Equipment	13.0	23.6	1	5.8	10.9	3.7	1	8.7
2116.00	Other Work Equipment	13.0	23.6	1	5.8	12.2	27.5	1	5.9
2121.00	Buildings	30.0	25.0	3	2.4	29.0	26.4	3	2.4
2122.00	Furniture	8.8	33.3	5	7.0	7.5	33.0	5	8.3
2123.00	Office Equipment	4.6	13.4	27	13.0	4.7	6.4	27	14.2
2124.00	Genl Purpose Computers	3.3	17.3	1	24.8	3.6	15.4	1	23.2
2211.00	Analog ESS	6.4	41.8	2	8.8	4.0	50.6	2	11.9
2212.00	Digital ESS	13.2	13.1	3	6.9	10.5	22.8	3	7.1
2220.00	Operator Systems	6.3	84.7	3	2.0	8.0	59.2	3	4.7
2231.00	Radio Systems	6.4	30.0	-5	11.7	6.6	47.2	-5	8.8
2232.00	Circuit-Other	6.6	32.6	2	9.9	5.6	38.0	0	11.1
2232.11	Circuit-DDS	4.2	21.8	10	16.2	4.0	50.1	2	12.0
2311.00	Station Apparatus	3.3	.0	4	29.1	4.0	61.1	4	8.7
2341.00	Large PBX	3.9	20.0	-4	21.5	2.9	54.1	-4	17.2
2351.00	Public Telephone	3.0	59.4	20	6.9	2.5	72.4	20	3.0
2362.00	Other Terminal Equip.	3.3	50.6	-4	18.2	3.3	61.1	-4	13.0
2411.00	Poles	20.0	41.5	-49	5.4	19.6	46.5	-49	5.2
2421.10	Aerial Cable Metal	12.8	40.9	-13	5.6	11.2	48.9	-10	5.5
2421.20	Aerial Cable Fiber	19.7	14.4	-13	5.0	19.3	20.7	-13	4.8
2422.10	Undergrd Cable Metal	17.3	43.8	-19	4.3	14.5	52.6	-24	4.9
2422.20	Undergrd Cable Fiber	19.1	13.6	-7	4.9	18.8	18.7	-7	4.7
2423.10	Buried Cable Metal	14.5	40.0	-10	4.8	12.1	46.1	-10	5.3
2423.20	Buried Cable Fiber	13.9	9.8	-3	6.7	14.4	15.1	-3	6.1
2424.00	Submarine Cable	16.7	37.7	0	3.7	15.1	46.6	0	3.5
2426.00	Intra-Bldg Netwk Cable	11.9	29.6	-6	6.4	10.3	43.9	-6	6.0
2431.00	Aerial Wire	12.0	56.1	-32	6.3	11.4	61.5	-32	6.2
2441.00	Conduit System	50.0	19.5	-5	1.7	47.0	22.3	-5	1.8
Composite Rate					6.6	6.9			

Run Date : 04/19/93 - 07.46.13
 Report : BTW-B-RL, PSC_MAY
 Proposed

Company : BellSouth Telecommunications
 State : Kentucky
 Statement B - Remaining Life

44

Change in Annual Depreciation Expense
 Resulting from Changes in Depreciation Rates and Amortization
 (000)

Account Number	Class or Subclass of Plant	Investment 1-1-93	Rates in Effect			Rates Effective 1993			Total Change in Expense
			Depr.	Annual	Total	Depr.	Annual	Total	
			Accruals	Amort Amount		Accruals	Amort Amount		
		I	J=D*I	K	L=J+K	M=H*I	N	O=M+N	P=O-L
2112.00	Motor Vehicles	29,050	3,457	---	3,457	2,819	---	2,819	-639
2115.00	Garage Work Equipment	2,072	120	---	120	180	---	180	60
2116.00	Other Work Equipment	17,704	1,027	---	1,027	1,045	---	1,045	18
2121.00	Buildings	145,141	3,483	---	3,483	3,483	---	3,483	0
2122.00	Furniture	1,310	92	---	92	109	---	109	17
2123.00	Office Equipment	3,641	473	---	473	517	---	517	44
2124.00	Genl Purpose Computers	27,024	6,900	---	6,900	6,455	---	6,455	-445
2211.00	Analog ESS	134,154	11,806	---	11,806	15,964	---	15,964	4,159
2212.00	Digital ESS	256,047	17,667	---	17,667	18,179	---	18,179	512
2220.00	Operator Systems	4,229	85	---	85	199	---	199	114
2231.00	Radio Systems	28,152	3,294	---	3,294	2,477	---	2,477	-816
2232.00	Circuit-Other	308,185	30,510	---	30,510	34,209	---	34,209	3,698
2232.11	Circuit-DDS	3,876	628	---	628	465	---	465	-163
2311.00	Station Apparatus	10	3	---	3	1	---	1	-2
2341.00	Large PBX	1,869	402	---	402	321	---	321	-80
2351.00	Public Telephone	14,778	1,020	---	1,020	443	---	443	-576
2362.00	Other Terminal Equip.	11,967	1,939	---	1,939	1,556	---	1,556	-383
2411.00	Poles	92,745	5,008	---	5,008	4,823	---	4,823	-185
2421.10	Aerial Cable Metal	323,793	18,132	---	18,132	17,809	---	17,809	-324
2421.20	Aerial Cable Fiber	28,244	1,412	---	1,412	1,356	---	1,356	-56
2422.10	Undergrd Cable Metal	116,332	5,002	---	5,002	5,700	---	5,700	698
2422.20	Undergrd Cable Fiber	16,775	822	---	822	788	---	788	-34
2423.10	Buried Cable Metal	299,077	14,356	---	14,356	15,851	---	15,851	1,495
2423.20	Buried Cable Fiber	11,706	784	---	784	714	---	714	-70
2424.00	Submarine Cable	127	5	---	5	4	---	4	0
2426.00	Intra-Bldg Netwk Cable	6,658	426	---	426	399	---	399	-27
2431.00	Aerial Wire	11,407	719	---	719	707	---	707	-11
2441.00	Conduit System	98,038	1,667	---	1,667	1,765	---	1,765	98
TOTAL		1,994,911	131,238	0	131,238	138,339	0	138,339	7,100
Composite Rate (%)			6.6		6.6	6.9		6.9	

Run Date : 04/19/93 - 07.46.13
 Report : STM-S-SP, PSC_MAY
 Proposed

Company : BellSouth Telecommunications
 State : Kentucky
 Statement B - RL Separated

Change in Annual Depreciation Expense
 Resulting from Changes in Depreciation Rates and Amortization
 (Separated on an INTRASTATE basis)
 (000)

Account Number	Class or Subclass of Plant	INTRASTATE Separations Factor	Investment 1-1-93		Rates in Effect		Rates Effective 1993		INTRASTATE Change in Expense
			Combined	Separated	Combined	Separated	Combined	Separated	
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
		Q	R=I	S=Q*R	T=L	U=Q*T	V=O	W=Q*V	X=W-U
2112.00	Motor Vehicles	.776	29,050	22,543	3,457	2,683	2,818	2,187	-496
2115.00	Garage Work Equipment	.776	2,072	1,608	120	93	180	140	47
2116.00	Other Work Equipment	.776	17,704	13,738	1,027	797	1,045	811	14
2121.00	Buildings	.776	145,141	112,630	3,483	2,703	3,483	2,703	0
2122.00	Furniture	.776	1,310	1,017	92	71	109	84	13
2123.00	Office Equipment	.776	3,641	2,825	473	367	517	401	34
2124.00	Genl Purpose Computers	.776	27,824	21,592	6,900	5,355	6,455	5,009	-345
2211.00	Analog ESS	.854	134,154	114,567	11,806	10,082	15,964	13,634	3,552
2212.00	Digital ESS	.854	256,047	218,664	17,667	15,088	18,179	15,525	437
2220.00	Operator Systems	.800	4,229	3,383	85	68	199	159	91
2231.00	Radio Systems	.659	28,152	18,552	3,294	2,171	2,477	1,633	-538
2232.00	Circuit-Other	.659	308,185	203,094	30,510	20,106	34,209	22,543	2,437
2232.11	Circuit-DDG	.659	3,876	2,554	628	414	465	307	-107
2311.00	Station Apparatus	.751	10	7	3	2	1	1	-2
2341.00	Large PBX	.751	1,869	1,403	402	302	321	241	-60
2351.00	Public Telephone	.751	14,778	11,098	1,020	766	443	333	-433
2362.00	Other Terminal Equip.	.751	11,967	8,987	1,939	1,456	1,556	1,168	-288
2411.00	Poles	.742	92,745	68,817	5,008	3,716	4,823	3,578	-138
2421.10	Aerial Cable Metal	.742	323,793	240,254	18,132	13,454	17,809	13,214	-240
2421.20	Aerial Cable Fiber	.742	28,244	20,957	1,412	1,048	1,356	1,006	-42
2422.10	Undergrd Cable Metal	.742	116,332	86,319	5,002	3,712	5,700	4,230	518
2422.20	Undergrd Cable Fiber	.742	16,775	12,447	822	610	788	585	-25
2423.10	Buried Cable Metal	.742	299,077	221,915	14,356	10,652	15,851	11,762	1,110
2423.20	Buried Cable Fiber	.742	11,706	8,686	784	582	714	530	-52
2424.00	Submarine Cable	.742	127	94	5	3	4	3	0
2426.00	Intra-Bldg Netwk Cable	.742	6,658	4,940	426	316	399	296	-20
2431.00	Aerial Wire	.742	11,407	8,464	719	533	707	525	-8
2441.00	Conduit System	.742	98,038	72,744	1,667	1,237	1,765	1,309	73
TOTAL			1,994,911	1,503,901	131,238	98,386	138,339	103,917	5,531
Composite Rate (%)					6.6	6.5	6.9	6.9	

Run Date : 04/19/93 - 07.46.13
 Report : STH-A-NL, PSC_3WAY
 Proposed

Company : BellSouth Telecommunications
 State : Kentucky
 Statement A - Whole Life

Summary of Changes in Depreciation Rates

Account Number	Class or Subclass of Plant	Rates in Effect			Rates Effective 1993		
		Average	Average		Average	Average	
		Service	Net	Depr.	Service	Net	Depr.
		Life	Salvage	Rate	Life	Salvage	Rate
		Years	%	%	Years	%	%
		A	B	C=(100-B)/A	D	E	F=(100-E)/D
2112.00	Motor Vehicles	7.2	15	11.8	7.5	15	11.3
2115.00	Garage Work Equipment	14.9	4	6.4	12.5	-37	11.0
2116.00	Other Work Equipment	14.9	4	6.4	15.2	1	6.5
2121.00	Buildings	39.0	0	2.6	38.0	-1	2.7
2122.00	Furniture	13.0	5	7.3	10.8	6	8.7
2123.00	Office Equipment	6.6	35	9.8	5.7	37	11.1
2124.00	Genl Purpose Computers	6.1	0	16.4	5.9	7	15.8
2211.00	Analog ESS	13.2	5	7.2	10.4	8	8.8
2212.00	Digital ESS	14.5	3	6.7	14.4	3	6.7
2220.00	Operator Systems	10.2	24	7.5	9.8	4	9.8
2231.00	Radio Systems	9.5	-3	10.8	11.6	-3	8.9
2232.00	Circuit-Other	10.1	6	9.3	10.0	4	9.6
2232.11	Circuit-DDS	6.5	18	12.6	7.6	12	11.6
2311.00	Station Apparatus	6.7	4	14.3	6.4	4	15.0
2341.00	Large PBX	5.7	-3	18.1	6.0	-3	17.2
2351.00	Public Telephone	7.3	45	7.5	7.8	41	7.6
2362.00	Other Terminal Equip.	6.5	-2	15.7	6.6	3	14.7
2411.00	Poles	26.0	-44	5.5	26.0	-45	5.6
2421.10	Aerial Cable Metal	21.0	-11	5.3	19.4	-9	5.6
2421.20	Aerial Cable Fiber	22.0	-13	5.1	23.0	-13	4.9
2422.10	Undergrd Cable Metal	27.0	-19	4.4	26.0	-23	4.7
2422.20	Undergrd Cable Fiber	22.0	-7	4.9	22.0	-7	4.9
2423.10	Buried Cable Metal	22.0	-10	5.0	21.0	-10	5.2
2423.20	Buried Cable Fiber	16.4	-3	6.3	17.0	-2	6.0
2424.00	Submarine Cable	26.0	-1	3.9	27.0	-1	3.7
2426.00	Intra-Bldg Netwk Cable	20.0	-5	5.3	20.0	-1	5.1
2431.00	Aerial Wire	14.8	-30	8.8	15.6	-31	8.4
2441.00	Conduit System	61.0	-5	1.7	59.0	-5	1.8

Run Date : 04/19/93 - 07.46.13

Company : BellSouth Telecommunications

Report : BTH-B-WL, PRC_3WAY

State : Kentucky

Proposed

Statement B - Whole Life

14

Change in Annual Depreciation Accruals

Based on Whole Life Rates 1-1-93

(\$000)

Account Number	Class or Subclass of Plant	Investment 1-1-93	Rates in Effect		Rates Effective 1993		Net Change in Whole Life Accruals
			WL Rate	Depreciation Accruals	WL Rate	Depreciation Accruals	
-----	-----	-----	-----	-----	-----	-----	-----
		G	H = C	I = G * H	J = F	K = G * J	L = K - I
2112.00	Motor Vehicles	39,050	11.8	3,428	11.3	3,283	-145
2118.00	Garage Work Equipment	2,073	6.4	133	11.0	228	93
2116.00	Other Work Equipment	17,704	6.4	1,133	6.5	1,151	18
2121.00	Buildings	145,141	2.6	3,774	2.7	3,919	145
2122.00	Furniture	1,310	7.3	96	8.7	114	18
2123.00	Office Equipment	3,641	9.8	357	11.1	404	47
2124.00	Genl Purpose Computers	27,824	16.4	4,563	15.8	4,396	-167
2211.00	Analog ESS	134,154	7.2	9,659	8.8	11,806	2,146
2212.00	Digital ESS	256,047	6.7	17,155	6.7	17,155	0
2220.00	Operator Systems	4,229	7.5	317	9.8	414	97
2231.00	Radio Systems	28,152	10.8	3,040	8.9	2,506	-533
2232.00	Circuit-Other	308,185	9.3	28,661	9.6	29,586	925
2232.11	Circuit-DDS	3,676	12.6	468	11.6	450	-39
2311.00	Station Apparatus	10	14.3	1	15.0	1	0
2341.00	Large PBX	1,869	18.1	338	17.2	321	-17
2351.00	Public Telephone	14,778	7.5	1,108	7.6	1,123	15
2362.00	Other Terminal Equip.	11,967	15.7	1,879	14.7	1,759	-120
2411.00	Poles	92,745	5.5	5,101	5.6	5,194	93
2421.10	Aerial Cable Metal	323,793	5.3	17,161	5.6	18,122	971
2421.20	Aerial Cable Fiber	28,244	5.1	1,440	4.9	1,384	-56
2422.10	Undergrd Cable Metal	116,332	4.4	5,119	4.7	5,468	349
2422.20	Undergrd Cable Fiber	16,775	4.9	822	4.9	822	0
2423.10	Buried Cable Metal	299,077	5.0	14,954	5.2	15,552	598
2423.20	Buried Cable Fiber	11,706	6.3	737	6.0	702	-35
2424.00	Submarine Cable	127	3.9	5	3.7	5	0
2426.00	Intra-Bldg Netwk Cable	6,658	5.3	353	5.1	340	-13
2431.00	Aerial Wire	11,407	8.8	1,004	8.4	958	-46
2441.00	Conduit System	94,034	1.7	1,667	1.8	1,765	98
	TOTAL	1,994,911		124,494		128,937	4,443

Run Date : 04/19/93 - 07.46.13
 Report : BTW-C-R
 HIST1993,HPAC1993,PGC_3WAY

Company : BellSouth Telecommunications
 State : Kentucky
 Statement C - Reserves

Proposed

Summary of Reserves 1-1-93

Acct	Class or Subclass of Plant	1-1-93 Investment	Book Reserve		Adjusted Book Reserve With Amortization		Unamortized Balance	Theoretical Reserve	
			Amount	Percent	Amount	Percent		Amount	Percent
		A	B	C=B/A	D	E=D/A	F=D-B	G	H=G/A
		(\$)	(\$)		(\$)		(\$)	(\$)	
2112.00	Motor Vehicles	39049624	18374271	52.9	33374271	32.9	0	13827421	47.4
2115.00	Garage Work Equipment	2071428	75869	3.7	75869	3.7	0	-424484	-20.9
2116.00	Other Work Equipment	17703997	4873889	27.5	4873889	27.5	0	3452279	19.9
2121.00	Buildings	145141390	38335065	26.4	38335065	26.4	0	28883129	19.9
2122.00	Furniture	1310339	432240	33.0	432240	33.0	0	389171	29.7
2123.00	Office Equipment	3640852	233560	6.4	233560	6.4	0	768220	21.1
2124.00	Genl Purpose Computers	27824367	4285218	15.4	4285218	15.4	0	11768707	42.3
2211.00	Analog E&B	124153805	67887402	50.6	67887402	50.6	0	83980282	62.6
2212.00	Digital E&B	256046949	58310909	22.8	58310909	22.8	0	67340348	26.3
2220.00	Operator Systems	4228864	2504105	59.2	2504105	59.2	0	786589	18.6
2231.00	Radio Systems	28151842	13278273	47.2	13278273	47.2	0	13082455	46.4
2232.00	Circuit-Other	308185035	116999459	38.0	116999459	38.0	0	142381486	46.2
2232.11	Circuit-DDS	3874048	1941033	50.1	1941033	50.1	0	2003917	51.7
2311.00	Station Apparatus	9969	6088	61.1	6088	61.1	0	3589	36.0
2341.00	Large PBX	1868808	1011052	54.1	1011052	54.1	0	1012894	54.2
2351.00	Public Telephone	14777880	10700996	72.4	10700996	72.4	0	9029285	61.1
2362.00	Other Terminal Equip.	11966821	7310807	61.1	7310807	61.1	0	6641586	55.5
2411.00	Poles	92745360	43116932	46.5	43116932	46.5	0	36819908	39.7
2421.10	Aerial Cable Metal	323793053	158493085	48.9	158493085	48.9	0	152506327	47.1
2421.20	Aerial Cable Fiber	28243501	5832638	20.7	5832638	20.7	0	5140317	18.2
2422.10	Undergrd Cable Metal	116332218	61209679	52.6	61209679	52.6	0	64448049	55.4
2422.20	Undergrd Cable Fiber	16775256	3129702	18.7	3129702	18.7	0	2616940	15.6
2423.10	Buried Cable Metal	299077357	138004543	46.1	138004543	46.1	0	139370048	46.6
2423.20	Buried Cable Fiber	11705882	1765851	15.1	1765851	15.1	0	1943176	16.6
2424.00	Submarine Cable	127260	59350	46.6	59350	46.6	0	55358	43.5
2426.00	Intra-Bldg Netwk Cable	6658321	2919733	43.9	2919733	43.9	0	3595493	54.0
2431.00	Aerial Wire	11406554	7010917	61.5	7010917	61.5	0	4140579	36.3
2441.00	Conduit System	98037592	21837344	22.3	21837344	22.3	0	20980045	21.4
State Totals for KY		1994910530	786942010	39.4	786942010	39.4	0	816524294	40.9

Run Date : 04/19/93 - 07.06.13
 Report : STN-C-TN
 HIST1992,HFMC1993,PMC_3WAY

Company : BellSouth Telecommunications
 State : Kentucky
 Statement C - Theoretical Reserve

Proposed

Calculation of Reserve Requirement

1-1-93

Acct	Category	1-1-93	Average	Average	Average	Future	Reserve	Requirement
		Investment	Service	Remaining	Net	Net	Percent	Amount
			Life	Life	Salvage	Salvage		
		A	B	C	D	E	F	G=F*A
		(\$)						(\$)
2112.00	Motor Vehicles	29048624	7.5	3.3	18	15	47.6	13827621
2113.00	Garage Work Equipment	2071628	12.5	10.9	-37	1	-30.9	-424684
2116.00	Other Work Equipment	17703897	15.2	12.2	1	1	19.5	3452278
2121.00	Buildings	145141350	38.0	29.0	-1	3	19.9	28883129
2122.00	Furniture	1330339	10.8	7.5	6	5	29.7	389171
2123.00	Office Equipment	3640852	5.7	6.7	37	27	21.1	768230
2124.00	Genl Purpose Computers	27824367	5.9	3.4	7	1	42.3	11769707
2211.00	Analog KSB	134152803	10.4	4.0	4	2	42.4	83980282
2212.00	Digital KSB	256046969	14.4	10.5	3	3	26.3	67340348
2220.00	Operator Systems	4228864	9.8	8.0	4	3	18.4	788569
2231.00	Radio Systems	28331842	11.6	6.4	-3	-5	46.4	13062495
2232.00	Circuit-Other	309185035	10.0	5.4	4	0	46.2	142381486
2232.11	Circuit-DDS	3874048	7.6	4.0	12	2	51.7	2002917
2311.00	Station Apparatus	9969	6.4	4.0	4	4	18.0	3589
2341.00	Large PBX	1868808	6.0	2.9	-3	-4	54.2	1012894
2351.00	Public Telephone	14777880	7.8	2.5	41	20	61.1	9029285
2362.00	Other Terminal Equip.	11966821	6.6	3.3	2	-4	55.5	6645586
2411.00	Poles	92745360	26.0	19.6	-45	-49	39.7	36819908
2421.10	Aerial Cable Metal	322793051	19.4	11.2	-9	-10	47.1	152906527
2421.20	Aerial Cable Fiber	28243501	23.0	19.3	-12	-13	18.2	5140317
2422.10	Undergrd Cable Metal	116332218	26.0	14.5	-23	-24	55.4	64448049
2422.20	Undergrd Cable Fiber	16775256	22.0	18.8	-7	-7	15.6	2616940
2423.10	Buried Cable Metal	299077357	21.0	12.1	-10	-10	46.6	139270040
2423.20	Buried Cable Fiber	11705882	17.0	14.4	-2	-3	16.6	1942176
2424.00	Submarine Cable	127240	27.0	15.1	-1	0	43.5	55358
2426.00	Intra-Bldg Netwk Cable	6658321	20.0	10.3	-1	-6	54.0	3595493
2431.00	Aerial Wire	11406554	15.6	11.4	-11	-32	16.3	4140579
2441.00	Conduit System	98037592	59.0	47.0	-5	-5	21.4	20980045
State Totals for KY		1994910530					40.9	816524294

$$F = (100-E) - ((100-D)*(C/B))$$