ved by OMB
060-0440
Expires 2/28/93

FEDERAL COMMUNICATIONS COMMISSION

FEE PROCESSING FORM

FOR FCC USE ONLY	FCC/MELLON SEP 10 1991
	09-11-91 B120069 001

ase read instructions on back of this form before completing it. Section I MUST be completed. If you are applying for ncurrent actions which require you to list more than one Fee Type Code, you must also complete Section II. This form must accompany all payments. Only one Fee Processing Form may be submitted per application or filing. Please type or print legibly. All required blocks must be completed or application/filing will be returned without action.

SECTION I

APPLICANT NAME (Last, first, middle initial)
UACC MIDWEST, INC., b/b/a UNITED ARTISTS CABLE MISSISSIPPI GULF COAST

MAILING ADDRESS (Line 1) (Maximum 35 characters - refer to Instruction (2) on reverse of form)
c/o Cole, Raywid & Braverman

MAILING ADDRESS (Line 2) (if required) (Maximum 35 characters)
1919 Pennsylvania Ave., N.W., Suite 200 DOCKET FILE COPY ORIGINAL

RECEIVED JUN 21 '95

CITY
Washington

STATE OR COUNTRY (if foreign address)	ZIP CODE	CALL SIGN OR OTHER FCC IDENTIFIER (if applicable)
DC	20006	

Enter in Column (A) the correct Fee Type Code for the service you are applying for. Fee Type Codes may be found in FCC Fee Filing Guides. Enter in Column (B) the Fee Multiple, if applicable. Enter in Column (C) the result obtained from multiplying the value of the Fee Type Code in Column (A) by the number entered in Column (B), if any.

	(A) FEE TYPE CODE	(B) FEE MULTIPLE (if required)	(C) FEE DUE FOR FEE TYPE CODE IN COLUMN (A)	FOR FCC USE ONLY
(1)	C I Z		$ 120.00	

SECTION II — To be used only when you are requesting concurrent actions which result in a requirement to list more than one Fee Type Code.

	(A) FEE TYPE CODE	(B) FEE MULTIPLE (if required)	(C) FEE DUE FOR FEE TYPE CODE IN COLUMN (A)	FOR FCC USE ONLY
(2)			$	
(3)			$	
(4)			$	
(5)			$	

ADD ALL AMOUNTS SHOWN IN COLUMN C, LINES (1) THROUGH (5), AND ENTER THE TOTAL HERE. THIS AMOUNT SHOULD EQUAL YOUR ENCLOSED REMITTANCE. →

TOTAL AMOUNT REMITTED WITH THIS APPLICATION OR FILING	FOR FCC USE ONLY
$ 120.00	120.00

This form has been authorized for reproduction.

[redacted]

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FCC/MELLON SEP 10 1991

DOCKET FILE COPY ORIGINAL

In the Matter of	)	
	)	
UACC MIDWEST, INC., d/b/a UNITED ARTISTS CABLE MISSISSIPPI GULF COAST,	)	
	)	
Complainant,	)	
	)	
v.	)	File No. PA-91-0000
	)	
SOUTH CENTRAL BELL TELEPHONE COMPANY,	)	
	)	
Respondent.	)	

RECEIVED
JUN 21 '95
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

TO: The Common Carrier Bureau

COMPLAINT

1. Complainant UACC Midwest, Inc., d/b/a United Artists Cable Mississippi Gulf Coast owns and operates the cable television system presently serving Biloxi, Ocean Springs and Vancleave, Mississippi and environs. The address of Complainant is Box 10, Washington Loop, Biloxi, MS 39530.

2. Respondent South Central Bell Telephone Company is engaged in the provision of telephone service in portions of the State of Mississippi. Respondent's general office address is 600 North 19th St., Birmingham, AL 35203 (Attn: Jan Curtis).

Jurisdiction

3. This Commission has jurisdiction over this Complaint and over Respondent under the provisions of the Communications Act of 1934, as amended, including, but not limited to, Section 224, thereof.

4. Respondent owns or controls utility poles in Mississippi. Such poles are used for purposes of wire communications. Complainant alleges, upon information and belief, that Respondent is not owned by any railroad, any person who is cooperatively organized, or any person owned by the federal government or any state.

5. Complainant alleges, upon information and belief, and in reliance upon lists published by the Commission, that neither the State of Mississippi, nor any of its political subdivisions, agencies, or instrumentalities, regulates the rates, terms, or conditions of pole attachments in the manner required by Section 224.

6. Attached hereto is a certificate of service on the Respondent and each federal, state and local agency which regulates any aspect of service provided by Respondent.

Agreement

7. Complainant has entered into respective agreements with Respondent whereby it has agreed that space would be made available on Respondent's poles in the communities served by Complainant for pole attachments as defined in 47 C.F.R. § 1.1402(b). See Exhibit B. According to the most recent pole invoice, there are 4,485 poles billed under the Agreement(s).

Areas of Dispute

8. There are three matters of substance at issue.

9. South Central Bell's calculations are, in summary:

Net Investment Per Bare Pole		$163.04
Carrying Charges		
Maintenance	16.85%	
Depreciation	10.56%	
Administration	7.11%	
Taxes	7.68%	
Cost of Capital	11.99%	
	54.19%	x 54.19%
Use Ratio		x 1/13.5
		$ 6.55

10. Our first area of difference is in the calculation of the maintenance component of the carrying charge. In the FCC's Accounting and Audits Division letter of June 22, 1990 converting from Part 31 to Part 32 for pole attachment purposes, Mr. Moran explained that only columns (ac) and (af) of the Account 6411 matrix under Part 32 may be included when computing pole rents. (The reason is that in the Part 31 to Part 32 conversion, pole rents paid by SCB to a power company may not be charged to cable as a cost of pole maintenance. Cable pays rent directly to power companies for a separate rental space on power poles.) In a November 23, 1990 letter to Southwestern Bell, Accounting & Audits reiterate that (ad) and (ae) must be excluded.

11. South Central Bell's Annual Report to the Mississippi PSC shows the following breakdown:

Matrix	Amount
(ac) salaries	291,929
(ad) benefits	67,902
(ae) rents	6,532,065
(af) other	709,591
(ab) total	7,601,487

Thus, the chargeable amount of maintenance expenses are only 291,929 + 709,591. The computation becomes

$$\frac{1,001,520}{72,194,010.47 - 23,599,952 - 3,510,862} = 2.17\%$$

12. Our second area of difference is in the administrative component. The same A&A letters indicate that only a portion of the 13,515,371 account 6535 may be charged. Absent an appropriate Part 31 to Part 32 conversion, the proper computation would be

$$\frac{70,893,140}{2,321,480,485.51 - 903,001,393 - 230,485,063} = 5.96\%$$

13. Our third area of difference is in the cost of capital component. The FCC has ruled that when a range of return is specified by a PSC, the pole rents are set against the midpoint. Teleprompter Corp. v. Tampa Electric Co., PA 81-0041, Mimeo 6683 at ¶8 (Sep. 26, 1983). The PSC's 1990 order

establishes a range of 10.74-11.74% return on average investment base (p.6). Thus, the cost of capital should be 11.24%.

14. Complainant's calculations are, in summary:

Net Investment Per Bare Pole		$163.04
Carrying Charges		
Maintenance	2.17%	
Depreciation	10.56%	
Administration	5.96%	
Taxes	7.68%	
Cost of Capital	11.24%	
	37.61%	x 37.61%
Use Ratio		x 1/13.5
		$ 4.54

15. Complainants have submitted all of this evidence and argument to Respondent. Respondent is unwilling to compromise anything but the matter raised in ¶13.

Unjust and Unreasonable Rate

16. Respondent is charging Complainant an annual rental of $4.98 per pole. By recent notice, Respondent has increased rental to $6.55.

17. As set forth in ¶14, the maximum lawful annual rate which Respondent may charge is the product of its investment per pole, times its annual carrying charge, times the use ratio of 1/13.5. Accordingly, the maximum just and reasonable rate permissible under 47 C.F.R. § 224(b)(1) is $4.54. Any rate charged by Respondent in excess thereof is unjust and unreasonable, and therefore unlawful.

Settlement Efforts

18. Complainant, through its attorney, has attempted to negotiate a reduction in the current rate. The differences between Complainant and Respondent do not appear susceptible to informal settlement.

Relief Requested

21. Complainant respectfully requests that:

a. The Commission determine that the maximum rate Respondent may lawfully charge is $4.54.

b. The present rate, being in excess thereof, be terminated pursuant to 47 C.F.R. § 1.1410(a);

c. The Commission, pursuant to 47 C.F.R. § 1.1410(b), substitute an annual rate of $4.54 per pole in the Agreement; and

d. Respondent be ordered, pursuant to 47 C.F.R. § 1.1410(c), to refund to Complainant the amounts Complainant has paid or, prior to a final resolution of this Complaint will pay, to Respondent in excess of the maximum lawful rate.

Respectfully submitted,

UACC MIDWEST, INC., d/b/a UNITED
ARTISTS CABLE MISSISSIPPI GULF COAST

By: _____
Paul Glist

COLE, RAYWID & BRAVERMAN
1919 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
(202) 659-9750

Its Attorney

Dated: September 9, 1991

A F F I D A V I T

STATE OF MISSISSIPPI)
) ss:
COUNTY OF Harrison)

I, John Humphries, of UACC MIDWEST d/b/a UNITED ARTISTS CABLE MS G.C., on oath do state that I have read the foregoing Complaint attached hereto; that I am familiar with the matters contained therein and know the purpose thereof; and that the facts set forth therein are true and correct to the best of my knowledge, information and belief.

JOHN HUMPHRIES

Subscribed and sworn to before me
this 6th day of September, 1991.

Notary Public

My Commission Expires:

MY COMMISSION EXPIRES JULY 8, 1992

APR -1 1991

MS. PUBLIC SERVICE COMMISSION

ANNUAL REPORT

OF

South Central Bell Telephone Company

(Legal Name of Utility)

600 North 19th Street, Birmingham, Alabama 35203

(Address of Utility)

TC-123-0001-00

(Utility Identification Number)

TO THE

MISSISSIPPI PUBLIC SERVICE COMMISSION

P.O. Box 1174
Jackson, Mississippi 39215-1174

FOR THE

YEAR ENDED DECEMBER 31, 19 90

One copy of the published annual report to stockholders |was / will be| forwarded to the Commission about_____19__

Annual reports to stockholders are not published: Yes X No__

Copy of 1990 BellSouth Annual Report Attached

Officer or other person to whom correspondence should be addressed concerning this report:

Name L. E. Barnes Title General Manager - Comptrollers

Address Post Office Box 1055 City Jackson State Mississippi

Telephone No. (601) 961-8001

(This information is to be kept current by prompt notification to the Commission of any changes until the report for the succeeding year has been submitted.)

Revised 11-1-89

South Central Bell Year Ended December 31, 1990

Telecommunications Plant in Service Class A - Total

Plant Account (a)	Acct (b)	Balance FOY (c)	Additions (d)	Retirements (e)	Transfers & Adjustments (f)	Balance EOY (g)
Cable Wire Facilities Assets						
Poles	2411.0	68,035,201.82	5,365,564.50	1,107,549.60	(4,461.48)	72,288,755.24
Aerial Cable - Metallic	2421.1	317,256,374.88	18,246,820.16	4,009,479.87	(28,295.50)	331,465,419.67
Aerial Cable - Fiber	2421.2	8,673,894.62	5,566,786.33	34,067.13	0.00	14,206,613.82
Underground Cable - Metallic	2422.1	75,594,161.51	1,826,500.73	1,182,798.52	(809.60)	76,237,054.12
Underground Cable - Fiber	2422.2	7,170,442.87	2,424,572.81	7,039.37	0.00	9,587,976.31
Buried Cable - Metallic	2423.1	442,547,326.31	38,991,058.96	7,022,807.43	(42,350.44)	474,473,227.40
Buried Cable - Fiber	2423.2	21,373,962.38	8,916,685.70	65,861.45	0.00	30,224,786.63
Submarine Cable	2424.0	1,496,021.56	28,466.31	9,138.22	0.00	1,515,349.65
Deep Sea Cable	2425.0	0.00	0.00	0.00	0.00	0.00
Intrabuilding Network Cable - Metallic	2426.1	7,912,903.57	565,751.33	126,692.90	0.00	8,351,962.00
Intrabuilding Network Cable - Fiber	2426.2	1,741.02	0.00	0.00	0.00	1,741.02
Aerial Wire	2431.0	13,641,880.40	441,084.42	348,324.61	0.00	13,734,640.21
Conduit Systems	2441.0	54,053,889.32	2,803,727.74	15,349.60	(38.38)	56,842,229.08
Total Cable Wire Facilities Assets:		1,017,757,800.26	85,177,018.99	13,929,108.70	(75,955.40)	1,088,929,755.15
Amortizable Assets						
Capital Leases - Buildings	2681.1	0.00	0.00	0.00	0.00	0.00
Capital Leases - Motor Vehicles	2681.2	0.00	0.00	0.00	0.00	0.00
Capital Leases - General Purpose Computers	2681.3	2,449,523.00	1.00	6,821.00	0.00	2,442,703.00
Capital Leases - Other	2681.9	530,173.00	0.00	334,288.00	0.00	195,885.00
Leasehold Improvements - Buildings	2682.1	2,286,259.93	70,715.83	97,276.42	0.00	2,259,699.34
Leasehold Improvements - Other	2682.9	0.00	0.00	0.00	0.00	0.00
Intangibles	2690.0	26,060.58	(26,060.58)	0.00	0.00	0.00
Total Amortizable Assets		5,292,016.51	44,656.25	438,385.42	0.00	4,898,287.34
Total Telecommunications Plant in Service	2001.0	2,198,742,901.14	243,644,416.24	116,201,048.02	(583,308.91)	2,325,602,960.45

South Central Bell Year Ended December 31, 1990

Telecommunications Plant in Service Class A - Total

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Additions (d)	Retirements (e)	Transfers & Adjustments (f)	Balance EOY (g)
General Support Assets						
Land	2111.0	5,620,597.88	104,636.66	15,120.00	0.00	5,710,114.54
Motor Vehicles	2112.0	25,884,807.90	2,422,727.82	1,694,344.06	0.00	26,613,191.66
Aircraft	2113.0	0.00	0.00	0.00	0.00	0.00
Special Purpose Vehicles	2114.0	0.00	0.00	0.00	0.00	0.00
Garage Work Equipment	2115.0	1,291,465.30	39,540.54	53,214.84	0.00	1,277,791.00
Other Work Equipment	2116.0	14,051,402.61	1,139,510.09	457,722.32	0.00	14,733,190.38
Buildings	2121.0	113,658,393.93	7,557,662.03	831,473.57	(3,223.52)	120,381,358.87
Furniture	2122.0	5,812,591.10	116,593.31	607,198.75	(56.96)	5,321,928.70
Office Equipment	2123.0	34,954,537.31	4,852,296.90	5,059,185.18	(12.97)	34,747,636.06
General Purpose Computers	2124.0	52,036,454.27	7,998,295.07	4,427,501.46	(6,006.63)	55,601,241.25
Total General Support Assets:		253,310,250.30	24,231,262.42	13,145,760.18	(9,300.08)	264,386,452.46
Central Office Assets						
Analog Electronic Switching	2211.0	129,303,664.12	4,423,049.81	8,611,716.35	(203,827.31)	124,911,170.27
Digital Electronic Switching	2212.0	202,535,356.44	77,322,230.01	5,265,898.36	0.00	274,591,688.09
EM Switching - Step-By-Step	2215.1	29,453,910.41	(4,789,972.47)	24,154,186.14	(59,567.59)	450,184.21
EM Switching - Crossbar	2215.2	12,421,347.94	(1,407,194.68)	10,865,011.59	0.00	149,141.67
Other EM Switching	2215.3	0.00	0.00	0.00	0.00	0.00
Operator Systems	2220.0	3,559,869.55	588,491.64	2,641.48	0.00	4,145,719.71
Radio Systems	2231.0	34,789,113.66	80,870.54	669,018.47	(5,805.69)	34,195,160.04
Circuit Equipment - DDS	2232.1	270,452,908.52	26,695,434.32	3,765,528.33	(2,027.12)	293,380,787.39
Circuit Equipment - Other	2232.2	119,882,331.35	27,137,643.86	33,875,401.92	(190,801.68)	112,953,771.61
Total Central Office Assets:		802,398,501.99	130,050,553.03	87,209,402.64	(462,029.39)	844,777,622.99
Information Origination/Termination Assets						
Station Apparatus	2311.0	7,193.09	1,596.83	9,540.67	0.00	(750.75)
Customer Premises Wiring	2321.0	95,491,495.50	309,304.79	0.00	0.00	95,800,800.29
Large Private Branch Exchanges	2341.0	3,118,591.54	475,023.59	63,660.65	0.00	3,529,954.48
Public Telephone Terminal Eqjipment	2351.0	14,111,664.63	2,081,315.63	911,864.07	0.00	15,281,116.19
Other Terminal Equipment	2362.0	7,255,387.32	1,273,684.71	493,325.69	(36,024.04)	7,999,722.30
Total Information Orig./Term. Assets		119,984,332.08	4,140,925.55	1,478,391.08	(36,024.04)	122,610,842.51

South Central Bell Year Ended December 31, 1990

Accumulated Depreciation Class A - Total

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Retired (f)	Cost of Removal (g)	Salvage (h)	Other (i)	Balance EOY (j)
General Support Assets									
Motor Vehicles	2112.0	11,225,303.86	12.7	3,297,827.74	1,694,344.06	12,799.80	239,250.50	67,444.00	13,122,682.24
Aircraft	2113.0	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00
Special Purpose Vehicles	2114.0	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00
Garage Work Equipment	2115.0	133,156.26	6.8	86,260.25	53,214.84	48,592.48	4,860.00	(569.00)	121,900.19
Other Work Equipment	2116.0	3,959,302.24	6.8	980,916.14	457,722.32	(24.27)	9,456.80	49,684.39	4,541,661.52
Buildings	2121.0	25,123,619.28	2.3	2,846,414.75	831,473.57	74,915.52	528,770.91	743,240.24	28,335,656.09
Furniture	2122.0	2,271,264.62	6.5	431,981.71	607,198.75	134.56	512.57	1,850.79	2,098,276.38
Office Equipment	2123.0	7,201,153.14	12.9	3,904,001.81	5,059,185.18	68,818.17	1,331,418.06	29,282.44	7,337,852.10
General Purpose Computers	2124.0	30,882,775.99	12.0	7,641,148.45	4,427,501.46	(1,044,996.88)	51,965.19	(17,296.56)	35,176,088.49
Total General Support Assets:		80,796,575.39		19,188,550.85	13,130,640.18	(839,760.62)	2,166,234.03	873,636.30	90,734,117.0[illegible]
Central Office Assets									
Analog Electronic Switching	2211.0	46,621,702.67	9.1	9,930,492.97	8,611,716.35	180,568.21	681,589.49	587,674.05	49,029,174.62
Digital Electronic Switching	2212.0	35,270,878.48	6.6	15,674,316.14	5,265,898.36	165,607.50	971,894.01	6,375,469.63	52,861,052.[illegible]
EM Switching - Step-By-Step	2215.1	32,692,830.21	0.0	(44,517.73)	24,154,186.14	517,872.47	163,679.41	(5,521,324.04)	2,618,609.24
EM Switching - Crossbar	2215.2	12,456,566.20	0.0	803,912.59	10,865,011.59	176,262.17	191,304.46	(1,017,665.42)	1,392,844.07
Other EM Switching	2215.3	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00
Operator Systems	2220.0	3,487,879.96	0.0	734,939.25	2,641.48	2,267.64	0.00	(1,096.26)	4,216,813.83
Radio Systems	2231.0	17,905,109.07	8.5	3,004,157.85	669,018.47	18,547.96	131,722.06	(19,876.36)	20,333,546.19
Circuit Equipment - DDS	2232.1	82,382,496.18	13.8	29,356,041.16	12,207,062.45	262,504.93	1,145,319.11	(80,800.52)	100,333,488.55
Circuit Equipment - Other	2232.2	46,450,760.90	11.0	11,696,333.88	25,433,867.80	220,915.39	612,213.87	25,252.76	33,129,778.27
Total Central Office Assets:		277,268,223.67		71,155,676.11	87,209,402.64	1,544,546.27	3,897,722.41	347,633.84	263,915,307.1[illegible]
Information Orig./Term. Assets									
Station Apparatus	2311.0	5,307.50	10.1	495.15	9,540.67	0.00	0.00	0.00	(3,738.02
Customer Premises Wiring	2321.0	88,235,305.32	0.0	7,067,737.22	0.00	0.00	0.00	262,908.90	95,565,951.44
Large Private Branch Exchanges	2341.0	815,167.68	22.3	624,516.92	63,660.65	1,275.22	15,954.36	(27.00)	1,390,676.09
Public Telephone Terminal Eqjipment	2351.0	6,563,979.10	8.8	1,506,761.95	911,864.07	12,563.47	282,943.33	1,177.43	7,430,434.27
Other Terminal Equipment	2362.0	3,452,342.97	15.1	1,110,283.94	493,325.69	42,034.78	121,388.86	(3,781.00)	4,144,874.30
Total Information Orig./Term. Assets		99,072,102.57		10,309,795.18	1,478,391.08	55,873.47	420,286.55	260,278.33	108,528,198.08

South Central Bell Year Ended December 31, 1990

Accumulated Depreciation Class A - Total

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Retired (g)	Cost of Removal (h)	Salvage (i)	Other (j)	Balance EOY (k)
Cable Wire Facilities Assets									
Poles	2411.0	20,853,090.77	6.6	4,493,134.40	1,107,549.60	786,468.09	76,751.96	70,732.52	23,599,691.96
Aerial Cable - Metallic	2421.1	145,411,187.40	6.7	20,922,277.72	4,009,479.87	1,123,552.12	908,187.15	238,022.25	162,546,642.53
Aerial Cable - Fiber	2421.2	1,309,500.48	5.7	693,348.71	34,067.13	3,918.86	0.00	(4.00)	1,964,859.20
Underground Cable - Metallic	2422.1	32,407,621.16	4.9	3,470,044.02	1,182,798.52	116,203.86	15,829.21	70,732.24	34,665,224.25
Underground Cable - Fiber	2422.2	1,735,252.61	6.3	608,122.92	7,039.37	1,312.96	0.00	0.00	2,335,023.20
Buried Cable - Metallic	2423.1	179,909,876.89	5.8	26,285,320.14	7,022,807.43	838,957.08	85,301.59	3,982,754.52	202,401,488.63
Buried Cable - Fiber	2423.2	4,275,313.01	7.3	1,973,746.16	65,861.45	2,905.59	701.01	(36.00)	6,180,957.14
Submarine Cable	2424.0	493,531.27	6.9	106,014.51	9,138.22	0.00	0.00	0.00	590,407.56
Deep Sea Cable	2425.0	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00
Intrabuilding Network Cable - Metallic	2426.1	2,984,162.90	6.4	514,804.16	126,692.90	16,349.79	1,185.85	(36.00)	3,357,074.22
Intrabuilding Network Cable - Fiber	2426.2	103.05	6.4	122.76	0.00	0.00	0.00	0.00	225.81
Aerial Wire	2431.0	8,676,348.36	7.2	1,276,994.25	348,324.61	131,400.36	1,618.24	1,281.72	9,476,517.60
Conduit Systems	2441.0	10,292,561.36	1.8	967,556.79	15,349.60	37,624.74	0.00	0.00	11,207,143.81
Total Cable Wire Facilities Assets:		408,348,549.26		61,311,486.54	13,929,108.70	3,058,693.45	1,089,575.01	4,363,447.25	458,125,255.91
Depreciation Imbalance	3100.9	(47,063,249.36)		17,212,980.00	0.00	0.00	0.00	0.00	(29,850,269.36)
Total Accumulated Depreciation	3100.0	818,422,201.53		179,178,488.68	115,747,542.60	3,819,352.57	7,573,818.00	5,844,995.72	891,452,608.76

Mississippi

Reconciliation of Reported Net Income with Federal Taxable Income
Calendar year ending 12/31/90

1. Net Income	105.331.828
2. Additions:	
a. Operating Fed. & State Income Taxes (Line 14 below)	45.835.705
b. Depr. re IDC	1.706.188
c. Depr. re R & P Cap.	4.722.864
d. Depr. re Payroll Taxes Cap.	1.430.926
e. Depr. re Section 266	0
f. Depr. re ITC basis adjustment	2.149.519
g. Equal Access Amortization/Deferral	299.582
h. Bad Debt Reserve/Write-off	1.199.117
i. Amort. of expense re called bonds	242.091
j. Restoral of deferral gain re sales	1.642.798
k. Amortization of Section 189 Interest	0
l. Board of directors and officers - Comp. & Int.	29.504
m. Awards (NQDCP.NQDIP.LT.ST.IIA.BMPA. SERP. INT. EXP.. O/H LOADINGS. VEER)	1.391.557
Total Additions	60.649.851
3. Deductions:	
a. Liberalized Depr.	(20.281.499)
b. Vacation Adjustment	4.137.426
c. Miscellaneous	2.544.878
d. State Taxes	(7.986.898)
Total Deductions	(21.586.093)
4. Federal Taxable Income (1 + 2 - 3)	144.395.586

5.	Federal Income Tax (34% of line 4)	49.094.499
5a.	Superfund Tax	186.768
6.	Investment Tax Credit	43.255
6a.	Section 1341 Benefit	(45.246)
7.	Prior yr. FIT Accrual Adjustment	2.584.718
8.	Federal Income Taxes (Line 5 + 5a - 6 - 6a + 7)	51.863.994
9.	Net Investment Credit	(9.180.138)
10.	Deferred Taxes: State	(850.986)
11.	Federal	(3.984.063)
12.	Total SIT (Line 3d + 10)	7.135.912
13.	Total FIT (Line 8 + 9 +11)	38.699.793
14.	Total Income Taxes (12 + 13)	45.835.705

Mississippi

Calendar Year Ending 12/31/90
State Income Tax

1. Estimated Mississippi Taxable Income	144,395,393
2. Ratio*	5.7654%
3. Mississippi current tax applicable to test period (line 1 x line 2)	8,324,972
4. Mississippi state income taxes applicable to prior years booked in 1990	(338,074)
5. Current income taxes (line 3 + line 4) & (page 1, line 3d)	7,986,898
6. Tax on deferred items (line 10, page 1)	(850,986)
7. Total State Income Taxes (line 5 + line 6) & (line 12, page 1)	7,135,912

Ratio of Miss. State Income Taxes to Miss. Federal Taxable Income

SOUTH CENTRAL BELL
MISSISSIPPI FORM M
YEAR ENDED DECEMBER 31, 1990

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
- PAGE 37

ITEM 2. EXPLANATION OF BASIS OF ALLOCATION OF TAX LIABILITY AMONG GROUP MEMBERS

BELLSOUTH ELECTED TO ALLOCATE CONSOLIDATED FEDERAL INCOME TAX LIABILITY AMONG ITS MEMBERS IN ACCORDANCE WITH INTERNAL REVENUE CODE SECTION 1552(a)(2) AND REGULATIONS SECTIONS 1.1552-1(a)(2) AND 1.1502-33(d)(2)(ii). THIS ELECTION ALLOWS BELLSOUTH TO ALLOCATE FEDERAL INCOME TAX BASED ON SEPARATE COMPANY TAX LIABILITY.

PREPAID TAXES AND TAX ACCRUALS (ACCOUNTS 1300, 4070 AND 4080)

South Central Bell Telephone Co.
MISSISSIPPI
FR BASIS
Year Ended December 31, 1990

FORM M SCHEDULE 1-5b
PAGE 1 of 3

SCTC (Code) 12-90 (mm yy)

Line No.	Particulars (a)		Balance at Beginning of the Year: Prepaid Taxes (Account 1300) (b)	Balance at Beginning of the Year: Income Taxes-Acc (Account 4070) (c)	Balance at Beginning of the Year: Other taxes-Accrued (Account 4080) (d)	Taxes Accrued During Year: Account Charged (e)	Taxes Accrued During Year: Amount (f)	Taxes Paid During the Year (g)	Adjustments Debit or (Credits) (h)	Balance at End of the Year: Prepaid Taxes (Account 1300) (i)	Balance at End of the Year: Income Taxes Accrued (Account 4070) (j)	Balance at End of the Year: Other Taxes Accrued (Account 4080) (k)
1	PROPERTY TAXES:	1990	$	$	$	7240.10	$	$	$	$	$	$
2	NON-OPERATING	1990				7240.15						
3		1989				7240.10						
4	NON-OPERATING	1989				7240.15						
5	CHG TO CONST	1989				PLANT						
6		1988				7240.10						
7		1987				7240.10						
8												
9	TOTALS					7240.11						
10												
11	GROSS	1990	4,688			7240	1,078,876	1,027,069		3,792		50,911
12	RECEIPTS TAXES:	1989				7240	71,927	71,927				
13	TOTALS		4,688				1,150,803	1,098,996		3,792		50,911
14												
15												
16	OTHER TAXES:	1990	37,323			7240	42,390	49,969	a (3,190)	38,522		(3,190)
17		1989			4,621	7240	(17,997)	(13,376)				
18	TOTALS		37,323		4,621		24,393	36,593	(3,190)	38,522		(3,190)
19												
20	CAPITAL	1990				7240	2,607,016	2,607,016	b (2,606,952)			2,606,952
21	STOCK TAXES:	1989										
22	TOTALS						2,607,016	2,607,016	(2,606,952)			2,606,952
23												
24												
25	SOCIAL	1990				8701	12,510,896	11,829,559	c (1,315,556)			1,996,893
26	SECURITY TAX	1989			453,163	8701	(131,874)	321,289				
27	TOTALS				453,163		12,379,022	12,150,848	(1,315,556)			1,996,893
28												
29	SALES AND	1990					780,708	823,975	d (45,000)			1,733
30	USE TAXES:	1989			45,500		28	45,528				
31	TOTALS				45,500		780,736	869,503	(45,000)			1,733
32												
33			$ 42,011	$	$ 503,284		$ 16,941,970	$ 16,762,956	$ (3,970,698)	$ 42,314	$	$ 4,653,299

NOTES TO SCHEDULE 1-5b

Footnote (a), Column (h) Page 1. $3,190 represents an overclearance from the prepaid tax account in the previous year.
Footnote (b), Column (h) Page 1. $2,606,952 represents tax payment that was journalized to the State of Louisiana in error.
Footnote (c), Column (h) Page 1. $1,315,556 represents payments made by the headquarters voucher office that had not been charged to Mississippi at year end.
Footnote (d), Column (h) Page 1. $45,000 represents a true-up adjustment of 1989 tax expense.

PREPAID TAXES AND TAX ACCRUALS (ACCOUNTS 1300, 4070 AND 4080)

South Central Bell Telephone Co.
Mississippi Only
FR Basis
Year Ended December 31, 1990

SCTC (Code) 12-90 (mo yr)

FORM M SCHEDULE I-5b
PAGE 2 of 3

Line No.	Particulars (a)	Balance at Beginning of the Year: Prepaid Taxes (Account 1300) (b)	Balance at Beginning of the Year: Income Taxes-Accrued (Account 4070) (c)	Balance at Beginning of the Year: Other Taxes-Accrued (Account 4080) (d)	Taxes Accrued During Year: Account Charged (e)	Taxes Accrued During Year: Amount (f)	Taxes Paid During the Year (g)	Adjustments Debit or (Credits) (h)	Balance at End of the Year: Prepaid Taxes (Account 1300) (i)	Balance at End of the Year: Income Taxes Accrued (Account 4070) (j)	Balance at End of the Year: Other Taxes Accrued (Account 4080) (k)
1		$0	$0	$0		$0	$0	$0	$0	$0	$0
2											
3											
4											
5											
6	FEDERAL INCOME TAXES:										
7	1990				7220	49,653,866	(F) 49,462,371			191,495	
8	1990				7420	(759,945)				(759,945)	
9	1990				4010	(29,481)				(29,481)	
10											
	1989		(942,229)							(942,229)	
12	1989				7220	1,127,457	871,181			256,276	
13	1989				7420	11,795				11,795	
14	1989				1401	(115,043)				(115,043)	
15											
16	1988		(282,037)							(282,037)	
17	1988				7220		349,079	158,357	(A)	(507,436)	
18	1987		432,591							432,591	
19	1987				7220			201,779	(D)	(201,779)	
20	1986		(15,061)							(15,061)	
21	1986				7220			625,762	(C)	(625,762)	
22	1985		(27,762)							(27,762)	
23	1985				7220			(1,490,872)	(B)	1,490,872	
24	1984		734,982							734,982	
25	1984				7220			(940,492)	(E)	940,492	
26	1983		(207,510)							(207,510)	
27	1980		(282)							(282)	
28	1979		(1,755)							(1,755)	
29											
30	TOTALS		(309,063)			49,888,649	50,682,631	(1,445,466)		342,421	
31											
32											
33		$0	$0	$0		$0	$0	$0	$0	$0	$0

PREPAID TAXES AND TAX ACCRUALS (ACCOUNTS 1300, 4070 AND 4080)

South Central Bell Telephone Co.
Mississippi Only
FR Basis
Year Ended December 31, 1990

FORM M SCHEDULE 1-5b
PAGE 3 of 3

SCTC (Code) 12-90 (mo yr)

Line No.	Particulars (a)		Balance at Beginning of the Year: Prepaid Taxes (Account 1300) (b)	Balance at Beginning of the Year: Income Taxes-Accrued (Account 4070) (c)	Balance at Beginning of the Year: Other Taxes-Accrued (Account 4080) (d)	Taxes Accrued During Year: Account Charged (e)	Taxes Accrued During Year: Amount (f)	Taxes Paid During the Year (g)	Adjustments Debit or (Credits) (h)	Balance at End of the Year: Prepaid Taxes (Account 1300) (i)	Balance at End of the Year: Income Taxes Accrued (Account 4070) (j)	Balance at End of the Year: Other Taxes Accrued (Account 4080) (k)
1	STATE AND LOCAL		$0	$0	$0		$0	$0	$0	$0	$0	$0
2	INCOME TAXES:											
3												
4		1990				7230	8,403,267	8,299,567			103,700	
5		1990				7430	(23,349)				(23,349)	
6		1990				4010	(25,161)				(25,161)	
7												
8		1989		118,429							118,429	
9		1989				7230	(590,574)	(484,567)	2,599,370	(L)	(2,705,377)	
10		1989				7430	3,701				3,701	
11		1989				1401	(23,222)				(23,222)	
12												
13		1988		(20,959)							(20,959)	
14		1988				7230		0	(16,510)	(B)	16,510	
15		1988									0	
16		1987		0							0	
17		1987				7230		0	(14,510)	(N)	14,510	
18		1986		0							0	
19		1986				7230		0	77,365	(I)	(77,365)	
20		1985		3,197							3,197	
21		1985				7230		0	(120,405)	(J)	120,405	
22		1984		0							0	
23		1984				7230		0	(111,793)	(D)	111,793	
24												
25												
26												
27												
28												
29												
30												
31	TOTALS			100,667			7,744,662	7,815,000	2,405,317		(2,375,188)	
32												
33	Total		$0	$0	$0		$0	$0	$0	$0	$0	$0

NOTES TO SCHEDULE I-5b

Footnote (A), Column (h)	Page 2:	156,357 relates to a true-up of 1988 tax expense.
Footnote (B), Column (h)	Page 2:	201,779 relates to a true-up of 1987 tax expense.
Footnote (C), Column (h)	Page 2:	625,762 relates to a true-up of 1986 tax expense.
Footnote (D), Column (h)	Page 2:	(1,490,872) relates to a true-up of 1985 tax expense.
Footnote (E), Column (h)	Page 2:	(940,492) relates to a true-up of 1984 tax expense.
Footnote (F), Column (f)	Page 2:	Amounts accrued and charged to Account 7220.1000 were adjusted during the year to provide that operating taxes would be properly stated in the Company's books, even though the taxes were paid by the predecessor company following the reorganization on July 1, 1968. These procedures have been previously discussed with, and details furnished to, the FCC Commission Staff. The net adjustment to account 7220.1000 for this item is $3,590 After the above adjustment, the balance of Federal income tax effect remaining to be amortized in future years as of December 31, 1990 amounted to:

Account 1439.2000

Net future effect on Account 7220.1000	$ 28,962
	$ 28,962

Footnote (G), Column (h)	Page 3:	(16,510) relates to a true-up of 1988 tax expense.
Footnote (H), Column (h)	Page 3:	(14,510) relates to a true-up of 1987 tax expense.
Footnote (I), Column (h)	Page 3:	77,365 relates to a true-up of 1986 tax expense.
Footnote (J), Column (h)	Page 3:	(128,405) relates to a true-up of 1985 tax expense.
Footnote (K), Column (h)	Page 3:	(111,793) relates to a true-up of 1984 tax expense.
Footnote (L), Column (h)	Page 3:	$2,599,370 relates to a Mississippi franchise tax payment incorrectly booked to 4070.2000. Payment was reclassified in January, 1991 business.

FORM M SCHEDULE , - STATE OF MISSISSIPPI FOR YEAR ENDED DECEMBER 31, 1990.

		BALANCE AT BEGINNING OF YEAR		TAXES ACCRUED DURING YEAR				BALANCE AT END OF YEAR	
	PARTICULARS	PREPAID TAXES ACCOUNT 1300	OTHER TAXES ACCRUALS ACCOUNT 4080	ACCOUNT CHARGED	AMOUNT	TAXES PAID DURING THE YEAR	ADJUSTMENTS DEBIT OR (CREDIT)	PREPAID TAXES ACCOUNT 1300	OTHER TAXES ACCRUALS ACCOUNT 4080
	A	B	C	D	E	F	G	H	I
1	PROPERTY TAXES 1990			7240.1000	44,213,250	387,478		0	43,825,772
2	CHARGED TO NON-OP PLANT 1990			7440.1000	26,527				26,527
3	1989		41,455,830	7240.1000		42,566,412	(1,110,582)	(A)	0
2	CHARGED TO CONSTRUCTION 1989		3,756	PLANT		3,756			0
3	CHARGED TO NON-OP PLANT 1989		35,000	7440.1000		35,000			0
4	1988			7240.1000		699	(699)		0
5				7240.1000					0
6				7240.1000					0
7	TOTAL	0	41,494,586	7240.1100	44,239,777	42,993,345	(1,111,281)	0	43,852,299
8									
9									
10									

NOTE (A) - $530,000 OF THIS AMOUNT WILL BE TRANSFERRED TO TENNESSEE OPERATIONS TO PROPERLY ALLOCATE PROPERTY TAX FOR TENNESSEE INVESTMENT LOCATED IN MISSISSIPPI. THE REMAINDER REPRESENTS PROPERTY TAX RATE INCREASES NOT REFLECTED IN 1989 PROPERTY TAX EXPENSE.

John Stubbs
3-5-91

South Central Bell
Expense Matrix
Mississippi - 1990

Expense Description	Total Last Year	Total This Year	Salaries & Wages	Benefits	Rents	Other
Motor Vehicle Expense - 6112	4,983,983	4,862,464	1,031,098	249,780	34,526	3,547,059
Clearances	(4,333,127)	(4,523,589)	(973,103)	(239,090)	(28,843)	(3,282,553)
Net Motor Vehicle Expense	650,856	338,875	57,995	10,691	5,683	264,506
Aircraft Expense - 6113	424,196	354,820	0	0	0	354,820
Clearances	0	0	0	0	0	0
Net Aircraft Expense	424,196	354,820	0	0	0	354,820
Special Purpose Vehicle Exp - 6114	0	0	0	0	0	0
Garage Work Equip Expense - 6115	57,289	74,668	14,297	3,798	0	56,573
Other Work Equip Expense - 6116	1,939,352	2,221,741	153,642	39,748	5,962	2,022,389
Clearances	(1,923,197)	(2,219,714)	(153,642)	(39,748)	(5,962)	(2,020,362)
Net other Work Equip Expense	16,155	2,027	0	0	0	2,027
Total Network Expense	1,148,496	770,390	72,292	14,488	5,683	677,926
Less: Non-Regulated	64,000	41,000				
Net Regulated - 6110	1,084,496	729,390	72,292	14,488	5,683	677,926
Land & Building Expense - 6121	13,042,447	14,168,706	862,180	174,047	4,671,291	8,461,188
Furniture & Art Works Exp - 6122	391,091	562,822	18	4	0	562,800
Office Equipment Expense - 6123	3,515,571	3,264,993	833,172	206,306	569,319	1,656,196
General Purpose Computer Exp - 6124	16,689,344	17,520,484	1,203,045	358,370	1,084,215	14,874,854
Total General Support Exp - 6120	33,638,453	35,517,005	2,898,415	738,727	6,324,825	25,555,038
Less: Non-Regulated	1,266,000	1,369,000				
Net Regulated	32,372,453	34,148,005	2,898,415	738,727	6,324,825	25,555,038
Analog Electronic Expense - 6211	5,592,713	5,916,372	2,956,446	757,223	634	2,202,069
Digital Electronic Expense - 6212	10,037,107	15,196,066	5,274,221	1,290,877	2,408	8,628,560
Eletro-mechanical Expense - 6215	4,178,859	2,144,438	1,445,258	358,760	373	340,048
Total Central Office Switching Exp	19,808,679	23,256,876	9,675,925	2,406,859	3,415	11,170,677
Less: Non-Regulated	0	0				
Net Regulated	19,808,679	23,256,876	9,675,925	2,406,859	3,415	11,170,677
Operator Systems Expense - 6220	273,888	130,774	25,881	6,332	6	98,554
Less: Non-Regulated	0	0				
Net Regulated	273,888	130,774	25,881	6,332	6	98,554

South Central Bell
Expense Matrix
Mississippi - 1990

Expense Description	Total Last Year	Total This Year	Salaries & Wages	Benefits	Rents	Other
Radio Systems Expense - 6231	475,816	617,811	389,115	94,757	92	133,847
Circuit Equipment Expense - 6232	10,247,647	10,374,702	5,190,807	1,247,221	3,748	3,932,927
Total CO Trans Expense - 6230	10,723,463	10,992,513	5,579,922	1,341,978	3,840	4,066,774
Less: Non-Regulated	0	0				
Net Regulated	10,723,463	10,992,513	5,579,922	1,341,978	3,840	4,066,774
Station appartus Expense - 6311	2,006,186	2,139,109	426,367	102,995	216	1,609,531
Large PBX Expense - 6341	3,866,318	3,454,093	580,220	139,576	386	2,733,910
Pub Tel Terminal Equip - 6351	3,210,921	3,640,057	1,387,735	336,841	566	1,914,916
Other Terminal Equip Exp - 6362	7,213,838	7,530,762	4,207,095	1,007,677	2,460	2,313,530
Total Info Orig/Term Eq Exp - 6300	16,297,263	16,764,020	6,601,416	1,587,089	3,628	8,571,887
Less: Non-Regulated	12,645,000	12,660,000				
Net Regulated	3,652,263	4,104,020	6,601,416	1,587,089	3,628	8,571,887
Poles Expense - 6411	7,146,001	7,601,487	291,929	67,902	6,532,065	709,591
Aerial Cable Expense - 6421	22,178,964	23,097,711	14,467,712	3,496,881	7,576	5,125,542
Underground Cable Expense - 6422	1,794,229	2,085,941	1,254,557	307,773	9,061	514,550
Buried Cable Expense - 6423	27,318,527	30,079,070	16,733,907	4,057,601	10,225	9,277,337
Submarine Cable Expense - 6424	11,930	(128,859)	118	19	0	(128,995)
Intrabuilding Net Cable Exp - 6426	1,043,875	999,963	657,716	157,416	367	184,464
Aerial Wire Expense - 6431	245,463	222,191	158,772	37,514	92	25,814
Conduit Systems Expense - 6441	159,034	172,508	18,527	4,001	8	149,973
Total Cable & Wire Fac Exp - 6410	59,898,023	64,130,013	33,583,236	8,129,107	6,559,394	15,858,275
Less: Non-Regulated	0	0				
Net Regulated	59,898,023	64,130,013	33,583,236	8,129,107	6,559,394	15,858,275
Total Plant Specific Oper Exp	141,788,265	151,561,591	58,437,088	14,224,581	12,900,791	65,999,131
Less: Non-Regulated	13,975,000	14,070,000	0	0	0	0
Net Regulated	127,813,265	137,491,591	58,437,088	14,224,581	12,900,791	65,999,131
Provisioning Expense - 6512	3,926,121	3,980,568	742	186	0	3,979,640
Clearances	(3,673,423)	(3,951,492)	(791)	(198)	0	(3,950,504)
Net Provisioning Expense	252,698	29,076	(48)	(12)	0	29,136
Power Expense - 6531	2,178,172	2,300,843	0	0	0	2,300,843
Network Admin Expense - 6532	6,872,470	6,312,363	4,418,204	999,480	0	894,678
Testing Expense - 6533	14,076,885	13,708,860	9,567,635	2,476,740	0	1,664,485
Plant Opns Admin Expense - 6534	14,304,635	17,812,883	10,079,644	3,667,534	0	4,065,704
Engineering Expense - 6535	13,376,229	13,515,371	6,695,310	1,600,973	0	5,219,088
Total Network Opns Expense - 6530	50,808,392	53,650,320	30,760,793	8,744,728	0	14,144,799