

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of	
1993 Annual Access Tariff Filings	CC Docket No. 93-193
1994 Annual Access Tariff Filings	CC Docket No. 94-65

BELLSOUTH REFUND PLAN

BellSouth Telecommunications Inc. (“BellSouth”), in accordance with the directive set forth in the Commission’s July 30, 2004 *Order* in the above referenced proceedings,¹ hereby submits its Refund Plan.

I. INTRODUCTION

In its *Order*, the FCC concluded its investigation of the issue of whether price cap local exchange carriers (“LECs”) that implemented a price cap sharing or lower formula adjustment in their tariff filings should have applied add-back in computing earnings and PCI adjustments. The Commission found the 1993 and 1994 annual access filings under investigation to be unjust and unreasonable to the extent that the filings did not apply add-back. The Commission directed LECs that implemented a sharing or lower formula adjustment and that did not apply add-back, to recalculate the sharing amounts and the PCIs to reflect add-back. To the extent that such recalculations would have resulted in an access rate decrease, the *Order* directs the LECs to

¹ 1993 Annual Access Tariff Filings; 1994 Annual Access Tariff Filings, CC Docket Nos. 93-193 & 94-65, *Order*, FCC 04-151 (rel. July 30, 2004) (“*Order*”).

submit a plan for refunding amounts owed to customers plus interest. Set forth below is BellSouth's refund plan.²

II. REFUND PLAN

A. Calculation of Add-Back Amounts and the Sharing Amounts Reflecting Add-Back

The first step was to calculate the add-back amounts for 1992 and 1993. The add-back amounts are then used to restate the revenues. Exhibits 1 and 2 show the add-back amounts for 1992 and 1993, respectively. The add-back amounts are \$11,643,000 for 1992 and \$13,056,000 for 1993. The add-back amounts are then used to restate the Form 492A and to recalculate the sharing amounts. Exhibits 3 and 4 restate the Form 492A for the years 1992 and 1993, respectively. The restated Form 492A develops the additional sharing with add-back prior to any headroom offsets for both the initial and final earnings report for each year.

B. Calculation of Additional Sharing, Adjusted PCIs and Rate Adjustment Amounts

The impact of add-back on BellSouth's sharing obligation is incremental in that it represents an addition to the amount BellSouth shared in its 1993 and 1994 access filings. The incremental impact on sharing due to add-back is shown on Exhibit 5. Exhibit 5 shows the sharing amounts included in the 1993 and 1994 filings without add-back; the sharing amounts if add-back had been included with the tariff filings; and the difference between the two. The 1993 and 1994 access filings would have had additional sharing of \$6,218,000 and \$7,102,000, respectively.

² The submission of this refund plan should not be construed as BellSouth's agreement with the *Order's* underlying conclusions. BellSouth reserves its right to seek judicial review of the *Order*.

The additional sharing would have resulted in rate decreases to the extent that the PCIs adjusted to reflect the additional sharing are lower than the APIs that were proposed in the 1993 and 1994 filings. Exhibit 6 summarizes the recalculation of the PCIs for each basket and the amount of rate adjustment (if any) by basket. For 1993, the additional sharing would have resulted in additional rate decreases in the amount of \$3,061,934 in the common line basket, \$1,958,124 in the traffic sensitive basket and \$679,434 in the special access basket. For 1994, the additional rate decreases would have been \$3,823,670 in the common line basket, \$1,203,351 in the traffic sensitive basket and \$1,864,548 in the trunking basket. Additional information supporting the recalculation of the PCIs and the additional rate decreases is provided in Exhibit 7.

C. Refund Calculation

The additional rate decreases that would have been required by the increase in sharing associated with add-back represents the base refund amounts. As required by the *Order*, these amounts are adjusted for the application of interest. Using the IRS interest rate for large corporate overpayments, the refund amounts by basket are shown in Exhibit 8.³

D. Refund Disbursement

BellSouth will use billing records from 1993 and 1994 to derive refund amounts by customer. The records contain interstate access billing by ACNA for common line, traffic sensitive and the special access/trunking baskets, respectively. For most ACNAs, BellSouth can associate the ACNA with a specific customer. There are, however, some ACNAs for which

³ The interest calculation includes interest amounts through December 31, 2004. Interest will be recalculated as necessary to reflect the date in which refunds are made in accordance with the plan outlined *infra*.

BellSouth cannot identify the customer. In such instances, BellSouth will post the ACNA on its Interconnection Services Website⁴ with a notice that refunds are due customers who had the posted ACNAs in 1993 and 1994. The notice will direct customers to contact BellSouth to claim their refund. The unidentified ACNAs will be posted for a period of sixty days following the approval of BellSouth's refund plan.

A refund amount for each ACNA will be determined by price cap basket by year. The amount will be calculated by determining the percent that each ACNA's billing in a price cap basket represents of the basket's total billing. Each basket's percentage will be multiplied by the total refund amount for that basket to derive the ACNA's refund amount by basket. This calculation will be done for 1993 and 1994, respectively. For each ACNA, the refund amounts for each basket for both years will be summed to determine the total refund amount.⁵

For each ACNA in which the total refund amount (including interest) exceeds one hundred dollars, BellSouth will post a credit equal to the total refund amount to the customer's current access bill. If a customer has multiple ACNAs, the refund amount for each of the customer's ACNAs will be applied to the applicable BellSouth billing accounts associated with that ACNA.⁶

Absent further Commission Order, the refund process described above would be completed within six months following Commission approval of the refund plan.

⁴ The web address is: <http://interconnection.bellsouth.com/>.

⁵ BellSouth will notify all carriers of their refunds via a Carrier Notification letter on the BellSouth Interconnection Services website.

⁶ A refund credit will not be posted on a customer's bill where that customer and BellSouth have settlement agreements whereby the customer has released BellSouth of any obligation relating to any claims the customer had regarding 1993 and 1994 access rates.

Respectfully submitted,

BELLSOUTH TELECOMMUNICATIONS, INC.

By: /s/ Richard M. Sbaratta
Richard M. Sbaratta

Its Attorney

Suite 4300
675 West Peachtree Street, N. E.
Atlanta, Georgia 30375-0001
(404) 335-0738

Date: August 30, 2004

BellSouth
Sharing Add-Back Calculation Workpaper
1992
(000)

<u>Line</u>	<u>Component</u>	<u>Amount</u>
1	1991 Sharing Included in 1992 filing	(23,286)
2	Sharing applicable to 7/92-12/92 (Line 1 x .5)	(11,643)
3	Total Sharing Applicable to 1992 Rates	(11,643)
4	Sharing Add-Back	11,643

BellSouth
Sharing Add-Back Calculation Workpaper
1993
(000)

<u>Line</u>	<u>Component</u>	<u>Amount</u>
1	1991 Sharing included in 1/03-6/03 Rates	(23,286)
2	Revised 1991 Sharing included in 7/03-12/03 Rates	8,780
3	1992 Sharing included in 7/03-12/03 Rates	(11,606)
4	Total Sharing Applicable to 1993 Rates (Line 1 + Line 2 + Line 3)	(26,112)
5	Total Sharing Applicable to 1993 (Line 4 x .5)	(13,056)
6	Total Sharing Add-Back	13,056

BellSouth
492A Report Adjusted to Include Add-Back
1992
(000)

Line	First Report Col. A	Add-Back Col. B	First Report w/Add-Back Col. C	Final Report Col. D	Add-Back Col. E	Final Report w/Add-Back Col. F
1 Total Revenues	2,922,417	11,643	2,934,060	2,906,345	11,643	2,917,988
2 Total Expenses & Taxes	2,317,852	4,418	2,322,270	2,312,488	4,422	2,316,910
3 Operating Income (Line 1 - Line 2)	604,565	7,225	611,790	593,857	7,221	601,078
4 Rate Base	4,640,488	4,640,488	4,640,488	4,640,349	4,640,349	4,640,349
5 Rate of Return (Line 3 / Line 4)	13.03%	0.16%	13.18%	12.80%	0.16%	12.95%
6 Sharing Adjustment from filed 492A	11,606			2,074		
7 Threshold Rate of Return	12.75%		12.75%	12.75%		12.75%
8 Overearnings % (Line 5 - Line 7)	0.28%		0.43%	0.05%		0.20%
9 50% Sharing Earnings ((Line 8 x Line 4) x.5)	6,497	3,480	9,977	1,160	3,480	4,640
10 FIT Gross-up factor	0.5152		0.5152	0.5152		0.5152
11 FIT Gross-up Amount (Line 9 x Line 10)	3,347	1,793	5,140	598	1,793	2,391
12 SIT Gross-up factor	0.0598		0.0598	0.0603		0.0603
13 Composite SIT Gross-up Amount (Line 9 + Line 11) x Line 12	589	315	904	106	318	424
14 Interest @ 11.25% (Line 9 + Line 11 + Line 13) x .1125	1,174	629	1,802	210	629	839
15 Additional Sharing (Line 9 + Line 11 + Line 13 + Line 14)	11,606	6,218	17,824	2,073	6,220	8,294
16 Revision to 1993 Original Sharing (Line 15, Col D - Col A; Col F-Col C)				-9,533		-9,530
17 Additional Year Interest @ 11.25 (Line 16 * .1125)				-1072		-1072
18 Total Revision to 1993 Original Sharing (Line 16 + Line 17)				-10,605	3	-10,602

BellSouth
492A Report Adjusted to Include Add-Back
1993
(000)

Line	First Report Col. A	Add-Back Col. B	First Report w/Add-Back Col. C	Final Report Col. D	Add-Back Col. E	Final Report w/Add-Back Col. F
1 Total Revenues	3,007,176	13,056	3,020,232	3,007,180	13,056	3,020,236
2 Total Expenses & Taxes	2,372,397	5,086	2,377,483	2,373,787	5,085	2,378,872
3 Operating Income (Line 1 - Line 2)	634,779	7,970	642,749	633,393	7,971	641,364
4 Rate Base	4,625,662	4,625,662	4,625,662	4,630,611	4,630,611	4,630,611
5 Rate of Return (Line 3 / Line 4)	13.72%	0.17%	13.90%	13.68%	0.17%	13.85%
6 Sharing Adjustment from filed 492A	40,737			39,091		
7 Threshold Rate of Return	12.75%		12.75%	12.75%		12.75%
8 Overearnings % (Line 5 - Line 7)	0.97%		1.15%	0.93%		1.10%
9 50% Sharing Earnings ((Line 8 x Line 4) x.5)	22,434	4,163	26,598	21,532	3,936	25,468
10 FIT Gross-up factor	0.5385		0.5385	0.5385		0.5385
11 FIT Gross-up Amount (Line 9 x Line 10)	12,081	2,242	14,323	11,595	2,120	13,715
12 SIT Gross-up factor	0.0609		0.0609	0.0607		0.0607
13 Composite SIT Gross-up Amount (Line 9 + Line 11) x Line 12	2,102	390	2,492	2,011	368	2,378
14 Interest @ 11.25% (Line 9 + Line 11 + Line 13) x .1125	4,119	764	4,884	3,953	723	4,676
15 Additional Sharing (Line 9 + Line 11 + Line 13 + Line 14)	40,737	7,559	48,296	39,091	7,146	46,237
16 Revision to 1993 Original Sharing (Line 15, Col D - Col A; Col F-Col C)				-1,645		-2,059
17 Additional Year Interest @ 11.25 (Line 16 * .1125)				-185		-232
18 Total Revision to 1993 Original Sharing (Line 16 + Line 17)				-1,831	-460	-2,291

**BellSouth
Summary of Sharing Adjustments
(000)**

Line	No Add-Back Col. A	Add-Back Col. B	Sharing Change Col. C (Col. B - Col. A)	Refund before interest
July 1993 Rates:				
1 1992 Sharing (Exhibit 3, Line 15)	(11,606)	(17,824)	(6,218)	
July 1994 Rates:				
2 1992 Revised Sharing (Exhibit 3, Line 18)	10,605	10,602	(3)	
3 1993 Sharing (Exhibit 4, Line 15)	(40,737)	(48,296)	(7,559)	
4 1993 Revised Sharing (Exhibit 4, Line 18)	1,831	2,291	460	
5 Total July 1994 Rates (Line 2+Line 3+Line 4)	(28,301)	(35,403)	(7,102)	
6 Totals (Line 1 + Line 5)	(39,907)	(53,227)	(13,320)	
Final PCI Rate Impacts:				
7 July 1993 Rates (Exhibit 6, 1993 Line 190 / 1000)				(5,699)
8 July 1994 Rates (Exhibit 6, 1994 Line 190 / 1000)				(6,892)
9 Total Refund before interest (Line 7 + Line 8)				(12,591)

BellSouth
Rate Adjustment Summary

1993

	<u>Common</u> <u>Line</u>	<u>Traffic</u> <u>Sensitive</u>	<u>Special</u> <u>Access</u>	<u>Trunking</u>	<u>Interexchange</u>
100 1993 Filing Proposed Revenue	\$ 1,616,824,871	\$ 913,746,395	\$ 350,879,347		\$ 36,667,034
110 1993 Filing Proposed PCI	103.4731	84.8844	89.4646		98.2831
120 1993 Filing Adj w/ Addback Proposed PCI	103.2537	84.7006	89.2723		98.0745
130 1993 Filing Proposed API	N/A	84.8825	89.4455		96.4286
140 1993 Sharing Adjustments	\$ (3,106,625)	\$ (2,185,470)	\$ (845,707)		\$ (79,741)
150 1993 Adj w/ Addback Max Allowable Revenue	N/A	\$ 911,788,271	\$ 350,199,913		\$ 37,292,896
160 1993 Filed CCL Revenue (Dmd * Proposed Rate)	\$ 604,811,184	N/A	N/A		N/A
170 1993 Adj w/ Addback CCL Revenue	\$ 601,749,250	N/A	N/A		N/A
180 Refund	\$ 3,061,934	\$ 1,958,124	\$ 679,434		\$ (625,862)
190 Total 1993 Refund Amount	\$ 5,699,492				

(Common Line Refund + TS Refund + Special Refund)

1994

	<u>Common</u> <u>Line</u>	<u>Traffic</u> <u>Sensitive</u>	<u>Special</u> <u>Access</u>	<u>Trunking</u>	<u>Interexchange</u>
100 1994 Annual Filing Proposed Revenue	\$ 1,681,964,819	\$ 517,724,304		\$ 802,674,140	\$ 36,657,300
110 1994 Annual Filing Proposed PCI	101.8289	83.8963		88.7678	97.0886
120 1994 Annual Filing Adj w/ Addback Proposed PCI	101.5896	83.7009		88.5614	96.8616
130 1994 Annual Filing Proposed API	N/A	83.8959		88.7676	96.4286
140 1994 Sharing Adjustments	\$ (3,932,052)	\$ (1,215,262)		\$ (1,867,886)	\$ (87,059)
150 1994 Adj w/ Addback Max Allowable Revenue	N/A	\$ 516,520,953		\$ 800,809,592	\$ 36,821,892
160 1994 CCL Revenue (Dmd * Proposed Rate)	\$ 770,722,506	N/A		N/A	N/A
170 1994 Adj w/ Addback CCL Revenue	\$ 766,898,835	N/A		N/A	N/A
180 Refund	\$ 3,823,670	\$ 1,203,351		\$ 1,864,548	\$ (164,592)
190 Total 1994 Refund Amount	\$ 6,891,569				

(Common Line Refund + TS Refund + Trunking) Refund)

**Common Line Refund = CCL Revenue - Adj w/ Addback CCL Revenue

**Traffic Sensitive, Trunking, Special Access, and Interexchange Refund = Proposed Filing Revenue - Adj w/ Addback Max Allowable Revenue

**BellSouth
PCI Summary**

Exhibit 7
Page 1 of 3

BellSouth PCI -1 Calculations - 1993 Annual Filing

	Common Line Basket	Traffic Sensitive Basket	Special Access Basket	Interexchange Basket
100 GNP-PI	3.0176	3.0176	3.0176	3.0176
110 Productivity Factor (X)	3.3000	3.3000	3.3000	3.0000
120 GNP-PI - X	-0.2824	-0.2824	-0.2824	0.0176
130 Y(t-1)	N/A	N/A	N/A	\$ 7,245,535
140 Delta Y	N/A	N/A	N/A	\$ 258,230
150 Delta Z	\$ 63,062,976	\$ 5,224,380	\$ 4,542,626	\$ 282,729
155 Sharing/Low End Adjustment	0	0	0	0
160 R(t-1)	\$ 1,428,506,645	\$ 1,004,935,556	\$ 388,878,130	\$ 36,667,034
170 Delta Y/R	N/A	N/A	N/A	0.7043
180 Delta Z/R ((Line 150+Line155)/Line 160 x 100)	4.4146	0.5199	1.1681	0.7711
190 W (Line 180 + 100)	104.4146	100.5199	101.1681	81.0107
200 W*(GNP-PI - X) (Line 190 x Line 120 / 100)	N/A	-0.2839	-0.2857	0.0143
210 Growth in Min./Line (G)	2.9874	N/A	N/A	N/A
220 W*[GNP-PI - X - (G/2)]/[1+(G/2)]	-1.8272	N/A	N/A	N/A
230 Existing PCI	92.2204	93.4171	98.8839	97.0744
240 Proposed PCI (Line 230 x (1+Line180/100+Line220/100))	94.6065	93.6376	99.7565	98.5205

BellSouth PCI -1 Calculations - 1993 GSF Filing

	Common Line Basket	Traffic Sensitive Basket	Special Access Basket	Interexchange Basket
100 GNP-PI	0.00000	0.00000	0.00000	0.00000
110 Productivity Factor (X)	0.00000	0.00000	0.00000	0.00000
120 GNP-PI - X	0.00000	0.00000	0.00000	0.00000
130 Y(t-1)	N/A	N/A	N/A	\$ 7,502,968
140 Delta Y	N/A	N/A	N/A	\$ 127,907
150 Delta Z	\$ 138,545,288	\$ (94,194,131)	\$ (39,290,700)	\$ (215,472)
155 Sharing/Low End Adjustment	0	0	0	0
160 R(t-1)	\$ 1,478,279,895	\$ 1,007,642,373	\$ 380,833,707	\$ 36,667,034
170 Delta Y/R	N/A	N/A	N/A	0.3488
180 Delta Z/R ((Line 150+Line155)/Line 160 x 100)	9.3721	(9.3480)	(10.3170)	(0.5876)
190 W (Line 180 + 100)	109.3721	90.652	89.683	78.9500
200 W*(GNP-PI - X) (Line 190 x Line 120 / 100)	N/A	0	0	0
210 Growth in Min./Line (G)	0	N/A	N/A	N/A
220 W*[GNP-PI - X - (G/2)]/[1+(G/2)]	0	N/A	N/A	N/A
230 Existing PCI	94.6065	93.6376	99.7565	98.5184
240 Proposed PCI (Line 230 x (1+Line180/100+Line220/100))	103.4731	84.8844	89.4646	98.2831

**BellSouth
PCI Summary**

PCI -1 Calculations - 1993 - Annual Filing Revised with Add-Back

	Common Line Basket	Traffic Sensitive Basket	Special Access Basket	Interexchange Basket
100 GNP-PI	3.0176	3.0176	3.0176	3.0176
110 Productivity Factor (X)	3.3000	3.3000	3.3000	3.0000
120 GNP-PI - X	-0.2824	-0.2824	-0.2824	0.0176
130 Y(t-1)	N/A	N/A	N/A	\$ 7,245,535
140 Delta Y	N/A	N/A	N/A	\$ 258,230
150 Delta Z	\$ 59,956,351	\$ 3,038,910	\$ 3,696,919	\$ 202,988
155 Sharing/Low End Adjustment	(3,106,625)	(2,185,470)	(845,707)	(79,741) \$ (6,217,543)
160 R(t-1)	\$ 1,428,506,645	\$ 1,004,935,556	\$ 388,878,130	\$ 36,667,034
170 Delta Y/R	N/A	N/A	N/A	0.7043
180 Delta Z/R ((Line 150+Line155)/Line 160 x 100)	4.1971	0.3024	0.9507	0.5536
190 W (Line 180 + 100)	104.1971	100.3024	100.9507	80.7932
200 W*(GNP-PI - X) (Line 190 x Line 120 / 100)	N/A	-0.2833	-0.2851	0.0142
210 Growth in Min./Line (G)	2.9874	N/A	N/A	N/A
220 W*[GNP-PI - X - (G/2)]/[1+(G/2)]	-1.8272	N/A	N/A	N/A
230 Existing PCI	92.2204	93.4171	98.8839	97.0744
240 Proposed PCI (Line 230 x (1+Line180/100+Line220/100))	94.4059	93.4349	99.5421	98.3093 NEW PCIs w/ Sharing

PCI -1 Calculations - 1993 GSF Filing Revised with Add-Back

	Common Line Basket	Traffic Sensitive Basket	Special Access Basket	Interexchange Basket
100 GNP-PI	0.00000	0.00000	0.00000	0.00000
110 Productivity Factor (X)	0.00000	0.00000	0.00000	0.00000
120 GNP-PI - X	0.00000	0.00000	0.00000	0.00000
130 Y(t-1)	N/A	N/A	N/A	\$ 7,502,968
140 Delta Y	N/A	N/A	N/A	\$ 127,907
150 Delta Z	\$ 138,545,288	\$ (94,194,131)	\$ (39,290,700)	\$ (215,472)
155 Sharing/Low End Adjustment	0	0	0	0
160 R(t-1)	\$ 1,478,279,895	\$ 1,007,642,373	\$ 380,833,707	\$ 36,667,034
170 Delta Y/R	N/A	N/A	N/A	0.3488
180 Delta Z/R ((Line 150+Line155)/Line 160 x 100)	9.3721	(9.3480)	(10.3170)	(0.5876)
190 W (Line 180 + 100)	109.3721	90.652	89.683	78.9500
200 W*(GNP-PI - X) (Line 190 x Line 120 / 100)	N/A	0	0	0
210 Growth in Min./Line (G)	0	N/A	N/A	N/A
220 W*[GNP-PI - X - (G/2)]/[1+(G/2)]	0	N/A	N/A	N/A
230 Existing PCI	94.4059	93.4349	99.5421	98.3093
240 Proposed PCI (Line 230 x (1+Line180/100+Line220/100))	103.2537	84.7006	89.2723	98.0745 NEW PCIs w/ Sharing

	Common Line	Traffic Sensitive	Special Access	Interexchange
Revised with Add-Back				
7/2/1993 PCI	103.4731	84.8844	89.4646	98.2831 GSF Filing
7/2/1993 PCI w/ AddBack	103.2537	84.7006	89.2723	98.0745
7/2/1993 Proposed Revenue	\$ 1,616,824,871	\$ 913,746,395	\$ 350,879,347	\$ 36,667,034
7/2/1993 Proposed API	N/A	84.8825	89.4455	96.4286
Refund	\$ 3,061,934	\$ 1,958,124	\$ 679,434	(625,862)
Total 1993 Refund	\$ 5,699,492			

**BellSouth
PCI Summary**

PCI -1 Calculations - 1994

	<u>Common Line Basket</u>	<u>Traffic Sensitive Basket</u>	<u>Trunking Basket</u>	<u>Interexchange Basket</u>
100 GNP-PI	2.8363	2.8363	2.8363	2.8363
110 Productivity Factor (X)	3.3000	3.3000	3.3000	3.0000
120 GNP-PI - X	-0.4637	-0.4637	-0.4637	-0.1637
130 Y(t-1)	N/A	N/A	N/A	\$ 7,813,037
140 Delta Y	N/A	N/A	N/A	\$ (109,483)
150 Delta Z	\$ (3,376,879)	\$ (3,855,397)	\$ (4,722,887)	\$ (323,616)
155 Sharing/Low End Adjustment	0	0	0	0
160 R(t-1)	\$ 1,700,800,199	\$ 525,658,882	\$ 807,950,039	\$ 37,657,300
170 Delta Y/R	N/A	N/A	N/A	-0.2907
180 Delta Z/R ((Line 150+Line155)/Line 160 x 100)	(0.1986)	(0.7334)	(0.5846)	(0.8594)
190 W (Line 180 + 100)	99.8015	99.2666	99.41545	78.3929
200 W*(GNP-PI - X) (Line 190 x Line 120 / 100)	N/A	-0.4603	-0.4610	-0.1283
210 Growth in Min./Line (G)	1.941	N/A	N/A	N/A
220 W*[GNP-PI - X - (G/2)]/[1+(G/2)]	-1.4176	N/A	N/A	N/A
230 Existing PCI	103.5016	84.9099	89.7057	98.3459
240 Proposed PCI (Line 230 x (1+Line180/100+Line220/100))	101.8289	83.8963	88.7678	97.0886

PCI -1 Calculations - 1994 - Annual Filing Revised with Add-Back

	<u>Common Line Basket</u>	<u>Traffic Sensitive Basket</u>	<u>Trunking Basket</u>	<u>Interexchange Basket</u>
100 GNP-PI	2.8363	2.8363	2.8363	2.8363
110 Productivity Factor (X)	3.3	3.3	3.3	3
120 GNP-PI - X	-0.4637	-0.4637	-0.4637	-0.1637
130 Y(t-1)	N/A	N/A	N/A	\$ 7,813,037
140 Delta Y	N/A	N/A	N/A	\$ (109,483)
150 Delta Z	\$ (7,308,931)	\$ (5,070,659)	\$ (6,590,773)	\$ (410,675)
155 Sharing/Low End Adjustment	(3,932,052)	(1,215,262)	(1,867,886)	(87,059) \$ (7,102,259)
160 R(t-1)	\$ 1,700,800,199	\$ 525,658,882	\$ 807,950,039	\$ 37,657,300
170 Delta Y/R	N/A	N/A	N/A	(0.2907)
180 Delta Z/R ((Line 150+Line155)/Line 160 x 100)	(0.4297)	(0.9646)	(0.8157)	(1.0906)
190 W (Line 180 + 100)	99.57027	99.03537	99.18426	78.1617
200 W*(GNP-PI - X) (Line 190 x Line 120 / 100)	N/A	-0.4592	-0.4599	-0.128
210 Growth in Min./Line (G)	1.941	N/A	N/A	N/A
220 W*[GNP-PI - X - (G/2)]/[1+(G/2)]	-1.4176	N/A	N/A	N/A
230 Existing PCI	103.5016	84.9099	89.7057	98.3459
240 Proposed PCI (Line 230 x (1+Line180/100+Line220/100))	101.5896	83.7009	88.5614	96.8616 NEW PCIs w/ Sharing

	<u>Common Line</u>	<u>Traffic Sensitive</u>	<u>Trunking</u>	<u>Interexchange</u>
Revised with Add-Back				
7/2/1993 PCI	101.8289	83.8963	88.7678	97.0886
7/2/1993 PCI w/ AddBack	101.5896	83.7009	88.5614	96.8616
7/2/1993 Proposed Revenue	\$ 1,681,964,819	\$ 517,724,304	\$ 802,674,140	\$ 36,657,300
7/2/1993 Proposed API	N/A	83.8959	88.7676	96.4286
Refund	\$ 3,823,670	\$ 1,203,351	\$ 1,864,548	\$ (164,592)
Total 1994 Refund	\$ 6,891,569			

**BellSouth
Add-Back Refund Summary**

	<u>Total</u>	<u>Common Line</u>	<u>Traffic Sensitive</u>	<u>Special Access</u>	<u>Trunking</u>
1. 1993 Add-Back Refund Without Interest	\$5,699,492	\$3,061,934	\$1,958,124	\$679,434	\$0
2. Interest (7/1/93 - 12/31/04)	\$4,153,718	\$2,231,499	\$1,427,056	\$495,163	\$0
3. 1993 Add-Back Refund Including Interest	\$9,853,210	\$5,293,433	\$3,385,180	\$1,174,597	\$0
4. 1994 Add-Back Refund Without Interest	\$6,891,569	\$3,823,670	\$1,203,351	\$0	\$1,864,548
5. Interest (7/1/94 - 12/31/04)	\$4,283,235	\$2,376,480	\$747,905	\$0	\$1,158,850
6. 1994 Add-Back Refund Including Interest	\$11,174,804	\$6,200,151	\$1,951,256	\$0	\$3,023,398
7. Total 1993 and 1994 Refund w/o Interest	\$12,591,061	\$6,885,604	\$3,161,475	\$679,434	\$1,864,548
8. Total 1993 and 1994 Interest	\$8,436,953	\$4,607,979	\$2,174,961	\$495,163	\$1,158,850
9. Total 1993 and 1994 Refund Incl. Interest	\$21,028,014	\$11,493,583	\$5,336,436	\$1,174,597	\$3,023,398

CERTIFICATE OF SERVICE

I do hereby certify that I have this 30th day of August 2004 served the following parties to this action with a copy of the foregoing **BELLSOUTH REFUND PLAN** by electronic filing addressed to the parties listed below.

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
The Portals, 445 12th Street, S. W.
Room TW-A325
Washington, D. C. 20554

Best Copy and Printing, Inc.
The Portals, 445 12th Street, S. W.
Room CY-B402
Washington, D. C. 20554

/s/ Juanita H. Lee
Juanita H. Lee