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M E M O R A N D U M

August 21, 1996

TO: _____ DIVISION OF APPEALS
_____ DIVISION OF AUDITING AND FINANCIAL ANALYSIS
XX _____ DIVISION OF COMMUNICATIONS
_____ DIVISION OF ELECTRIC AND GAS
_____ DIVISION OF RESEARCH
_____ DIVISION OF WATER AND WASTEWATER
_____ DIVISION OF LEGAL SERVICES

FROM: DIVISION OF RECORDS AND REPORTING (SANDERS)

RE: CONFIDENTIALITY OF CERTAIN INFORMATION

DOCUMENT NO: _____

DESCRIPTION: Attachment to testimony of Wayne Ellison filed
7/31/96.

SOURCE: BellSouth Telecommunications, Inc.

DOCKET NO.: _____

The above material was received with a request for confidentiality (attached). Please prepare a recommendation for the attorney assigned to the case by completing the section below and forwarding a copy of this memorandum, together with a brief memorandum supporting your recommendation, to the attorney. Copies of your recommendation should also be provided to the Division of Records and Reporting and to the Division of Appeals.

Please read each of the following and check if applicable.

_____ The document(s) is (are), in fact, what the utility asserts it (them) to be.

_____ The utility has provided enough details to perform a

Attachment C

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2/11/99

**FPSC DOCKET 960833-TP
ELLISON ATTACHMENTS
TO JULY 31, 1996 TESTIMONY
PROPRIETARY COST INFORMATION**

PROPRIETARY INFORMATION

1 COPY

HIGHLIGHTED VERSION

no x-reference
DOCUMENT NUMBER-DATE

08872 AUG 21 1998

FPSC-RECORDS/REPORTING

FLORIDA - UNBUNDLED ELEMENTS (RECURRING)

	<u>BellSouth Cost Results</u>		<u>AT&T Cost Adjustment</u>		<u>BellSouth Cost After</u>	<u>AT&T</u>	<u>Recommended</u>
	<u>Amount</u>	<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Adjustment</u>	<u>19-Jun-98</u>	<u>Rate</u>
						<u>Proposal</u>	
NID - Twisted Pair	N/A		N/A		N/A	\$0.00	\$0.00
Loop Combination							
- 2W	\$15.74	Note 3B	\$3.77	Exhibit IV	\$11.97	\$11.10	\$12.00
- 4W	\$28.88	"	\$7.28	Note A2	\$21.60	\$18.90	\$21.85
- BRISDN	\$37.94	"	Note A3	Note A3	Note A3	\$11.10	\$22.00
- DS1	\$23.68	"	\$3.85	Note A	\$20.13	\$23.50	\$20.15
Loop Channelization							
- Per System	\$362.31	Note 3B	\$54.35	Note A	\$307.96	\$325.00	\$308.00
- Per Circuit	\$1.12	"	\$0.17	"	\$0.95	\$0.95	\$0.95
Local Switching <i>Parts</i>							
<i>(Includes all features, functions, capabilities)</i>							
Line Interface							
- Residence	\$1.88	Note 3B	(\$0.17)	Note A4	\$1.83	\$1.70	\$1.83
- Business	\$1.88	"	(\$0.17)	"	\$1.83	\$1.70	\$1.83
- Coin	\$1.88	Note 3A	(\$0.17)	"	\$1.83	\$1.70	\$1.83
- PBX Line	\$1.88	"	(\$0.17)	"	\$1.83	\$1.70	\$1.83
- 2W ISDN	\$10.82	Note 3B	\$3.49	Note 3G	\$7.33	\$7.00	\$7.33
Trunk Interface							
- Analog/DSO (Incl. PBX)	\$4.51	Note 3F	\$0.88	Note A	\$3.83	\$0.00	\$3.85
- DS1 (Incl. PBX)	\$188.21	Note 3F	\$16.23	"	\$91.98	\$0.00	\$92.00
- DS1 ISDN	\$203.01	Note 3B	\$30.45	"	\$172.56	\$130.00	\$173.00

"INFORMATION CLAIMED TO BE OR POTENTIALLY PROPRIETARY"

	<u>BellSouth Cost Remains</u>	<u>Source</u>	<u>AT&T Cost Adjustment</u>	<u>Source</u>	<u>BellSouth Cost After</u>	<u>AT&T</u>	<u>Recommended</u>
	<u>Amount</u>		<u>Amount</u>		<u>Adjustment</u>	<u>19-Jan-96</u>	<u>Rate</u>
						<u>Proposal</u>	
Switching							
- Orig. First Minute							
• Line to Line	\$0.001749	Exhibit V	\$0.000881	Note A	\$0.001479	\$0.0013	\$0.0015
• Line to Trunk	\$0.001689	"	\$0.000281	"	\$0.00137	\$0.0013	\$0.0014
- Orig. Add'l Minute							
• Line to Line	\$0.000871	Exhibit V	\$0.000146	Note A	\$0.000825	\$0.0006	\$0.0008
• Line to Trunk	\$0.000908	"	\$0.000048	"	\$0.000862	\$0.0006	\$0.0008
- Term. Per Minute							
• Trunk to Line	\$0.000988	Exhibit V	\$0.000046	Note A	\$0.000822	\$0.0000	\$0.0008
• Line to Line	\$0.000000	"	\$0.000000	"	\$0.000000	\$0.0000	\$0.0000
Univ. local call termination							
- Orig. First Minute	\$0.002346	Note 3D	\$0.000362	Note A	\$0.001983	\$0.0020	\$0.0020
- Orig. Add'l Minute	\$0.001144	"	\$0.000172	"	\$0.000972	\$0.0010	\$0.0010
Operator Systems							
0+ Calling Card							
0+ Calling Card	\$0.43	Note 4	\$0.04	Note B	\$0.39	\$0.37	\$0.39
Automated Calling Card	\$0.07	"	\$0.01	"	\$0.06	\$0.07	\$0.06
Station-to-Station							
0- Calling Card	\$0.52	Note 4	\$0.05	Note B	\$0.47	\$0.48	\$0.47
0- Bill-To-Third	\$0.65	"	\$0.07	"	\$0.59	\$0.53	\$0.59
0- Collect	\$0.46	"	\$0.05	"	\$0.41	\$0.39	\$0.41
0- No Attempt	\$0.25	"	\$0.03	"	\$0.23	\$0.22	\$0.23
0+ Bill-to-Third	\$0.39	"	\$0.04	"	\$0.35	\$0.34	\$0.35
Automated Bill-To-Third	\$0.08	"	\$0.01	"	\$0.07	\$0.07	\$0.07
0+ Collect	\$0.34	"	\$0.03	"	\$0.31	\$0.32	\$0.31
Automated Collect	\$0.06	"	\$0.01	"	\$0.07	\$0.07	\$0.07
Sent Paid	\$0.38	"	\$0.04	"	\$0.34	\$0.35	\$0.34

"INFORMATION CLAIMED TO BE OR POTENTIALLY PROPRIETARY"

	<u>BellSouth Cost Results</u>		<u>AT&T Cost Adjustment</u>		<u>BellSouth Cost After</u>	<u>AT&T</u>	<u>Recommended</u>
	<u>Amount</u>	<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Adjustment</u>	<u>19-Jun-96</u>	<u>Rate</u>
						<u>Proposal</u>	
Person-to-Person							
0- Calling Card	\$1.28	Note 4	\$0.14	Note B	\$1.22	\$1.05	\$1.22
0- Bill-To-Third	\$1.28	"	\$0.13	"	\$1.65	\$1.22	\$1.65
0- Collect	\$0.71	"	\$0.07	"	\$0.64	\$0.67	\$0.64
0+ Calling Card	\$0.87	"	\$0.89	"	\$0.78	\$0.88	\$0.78
0+ Bill-To-Third	\$1.31	"	\$0.13	"	\$1.18	\$0.98	\$1.18
0+ Collect	\$0.47	"	\$0.65	"	\$0.42	\$0.49	\$0.42
- Dialing Instructions	\$0.6845	"	\$0.0885	"	\$0.5980	\$.60/work minute	\$.60/work minute
- Time & Charges	\$0.6845	"	\$0.0885	"	\$0.5980	\$.60/work minute	\$.60/work minute
- Busy Line Verification	\$0.6845	"	\$0.0885	"	\$0.5980	\$.60/work minute	\$.60/work minute
- Emergency Interrupt	\$0.6845	"	\$0.0885	"	\$0.5980	\$.60/work minute	\$.60/work minute
- Call Trace	\$0.6845	"	\$0.0885	"	\$0.5980	\$.60/work minute	\$.60/work minute
Local Directory Assistance							
- Directory Assistance	\$0.2500	Note 5	\$0.0690	Note C	\$0.2000	\$0.2250	\$0.20
- DA Call Completion	\$0.0532	Note 5	\$0.0000		\$0.0532	n/a	\$0.053
Intercept							
	\$0.0268	Note 5	\$0.0000		\$0.0268	n/a	\$0.027
Common Transport							
- per ml., per local minute	\$0.000008	Note 15	\$0.000001	Note A	\$0.000008	\$0.000008	\$0.000008
- fac. term., per local minute	\$0.000381	"	\$0.000057	"	\$0.000324	\$0.000324	\$0.000324
Dedicated Transport, per local channel:							
2-Wire DSO or Analog	\$4.78	Note 6	(\$5.22)	Note A & D	\$10.00	\$4.10	\$10.00
4-Wire DSO or Analog	\$25.70	"	\$17.00	"	\$8.70	\$22.00	\$8.70
DS1 - Mold	\$88.02	"	\$12.90	"	\$73.12	\$73.00	Note 1
- Fixed	\$27.79	Note 9	\$4.17	Note A & D	\$23.62	N/A	\$23.65
DS3 - Mold	\$1,411.44	Note 6	\$211.71	Note A	\$1,199.70	\$1,200.00	Note 1
- Fixed	\$403.29	Note 9	\$80.49	Note A & D	\$342.80	N/A	\$343.00

Note D is Louisiana costs used for proposal

	<u>BellSouth Cost Results</u>		<u>AT&T Cost Adjustment</u>		<u>BellSouth Cost After</u>	<u>AT&T</u>	<u>Recommended</u>
	<u>Amount</u>	<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Adjustment</u>	<u>18-Jun-96</u>	<u>Rate</u>
						<u>Process</u>	
Dedicated Transport Interoffice Channel							
Voice Grade							
-facility term. mold	\$24.94	Note 6	\$3.85	Note A	\$20.69	\$21.00	Note 1
- per mile	\$0.05	"	\$0.05	Notes A & D	\$0.02	\$0.0425	\$0.02
- fixed	\$2.12	Note 9	\$0.32	"	\$1.80	N/A	\$1.80
- per analog conv.	\$5.67	"	\$0.00	"	\$5.07	N/A	\$5.10
DS0							
-facility term. mold	\$2.79	Note 6	\$0.42	Note A	\$2.36	\$2.25	Note 1
- fixed - IOC Ckt Equip.	\$2.12	Note 9	\$0.32	Notes A & D	\$1.80	N/A	\$1.80
-per mile	\$0.05	Note 6	\$0.00	"	\$0.02	\$0.0425	\$0.02
DS1							
-facility term. mold	\$52.18	Note 6	\$7.82	Note A	\$44.34	\$45.00	Note 1
- fixed - IOC Ckt Equip.	\$40.34	Note 9	\$5.08	Notes A & D	\$34.46	N/A	\$34.50
-per mile	\$1.17	Note 6	\$0.44	"	\$0.73	\$1.00	\$0.73
DS3							
-facility term.	\$457.64	Note 6	\$170.52	Notes A & D	\$287.12	\$400.00	\$300.00
-per mile	\$17.07	Note 6	\$2.56	Note A	\$14.51	\$14.50	\$14.51
Channelization							
- DS1 to DSO/Analog, Per System	\$154.04	Note 6	\$23.11	Note A	\$130.93	\$135.00	\$131.00
- DS3 to DS1, Per Arrangement (SONET OC-3 with STS-1 interface)	\$363.91	Note 9	\$54.58	Notes A & D	\$309.32	\$270.50	\$310.00
- Per DS1	\$0.00	Note 9	\$0.00	"	\$0.00	\$3.10	\$0.00
Tandem Switching							
	\$0.000218	Note 15	\$0.000033	Note A	\$0.0002	\$0.0002	\$0.0002
Signaling Link Transport							
56 Kbps Sig. Conn.	\$4.83	Note 7	\$0.48	Note F	\$4.35	\$4.35	\$4.35
56 Kbps Sig. Termination	\$115.75	"	\$11.58	"	\$104.18	\$105.00	\$105.00

"INFORMATION CLAIMED TO BE OR POTENTIALLY PROPRIETARY"

	<u>BellSouth Cost Results</u>		<u>AT&T Cost Adjustment</u>		<u>BellSouth Cost After</u>	<u>AT&T</u>	<u>Recommended</u>
	<u>Amount</u>	<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Adjustment</u>	<u>19-Jun-96</u>	<u>Rate</u>
						<u>Proposal</u>	
Signaling Transfer Point							
- IBUP Msg	\$0.000006	Note 8	\$0.00	Note F	\$0.000005	\$0.000006	\$0.000006
- TCAP MSG	\$0.000000	"	\$0.00	"	\$0.000018	\$0.000018	\$0.000018
Usage Surrogate, per mo.	\$78.92	"	\$7.89	"	\$71.03	\$71.00	\$71.00
Databases							
- Toll Free Number							
- Basic, per query	\$0.0014	Note 9	-	-	\$0.0014	N/A	\$0.0014
- Complex, per query	\$0.0016	Note 9	-	-	\$0.0016	N/A	\$0.0016
- LIDB							
- Screening, per query	\$0.0061	Note 16	-	-	\$0.0061	N/A	\$0.0061
- Msg. Invest., per query	\$0.0038	Note 16	-	-	\$0.0038	N/A	\$0.0038

"INFORMATION CLAIMED TO BE OR POTENTIALLY PROPRIETARY"

FLORIDA - UNBUNDLED ELEMENTS (NONRECURRING)

	<u>BellSouth Cost Profile</u>		<u>AT&T Cost Adjustment</u>		<u>BellSouth Cost After</u>	<u>19-Jan-96</u>	<u>Recommended</u>
	<u>Amount</u>	<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Adjustment</u>	<u>Proposal</u>	<u>Rate</u>
Network Interface							
- Twisted Pair	N/A		\$2.00	Note 2	\$2.00	\$2.00	\$2.00
Loop Channelization							
- First System	\$345.82	Note 8B	\$103.89	Note E	\$241.93	\$245.00	\$242.00
- Add'l System	\$88.99	"	\$28.10	"	\$60.89	\$65.00	\$61.00
- Per Circuit - First	\$5.35	"	\$1.61	"	\$3.75	\$3.75	\$3.75
- Per Circuit - Add'l	\$5.18	"	\$1.55	"	\$3.61	\$3.75	\$3.60
Dedicated Transport, per local channel:							
Voice Grade							
2-Wire - First	\$371.95	Note 6	\$111.59	Note E	\$260.37	\$260.00	\$260.00
- Add'l	\$106.30	"	\$31.89	"	\$74.41	\$75.00	\$75.00
4-Wire - First	\$377.08	"	\$113.12	"	\$263.96	\$264.00	\$264.00
- Add'l	\$107.21	"	\$32.16	"	\$75.05	\$75.00	\$75.00
DS1 - First	\$983.80	"	\$295.14	"	\$688.66	\$700.00	\$690.00
- Add'l	\$431.16	"	\$128.35	"	\$301.81	\$300.00	\$300.00
DS3 - First	\$388.06	"	\$116.42	"	\$271.64	\$272.00	\$272.00
- Add'l	\$0.00	"	\$0.00	"	\$0.00	\$0.00	\$0.00
Dedicated Transport Interoffice Channel							
Voice Grade							
-facility termination First	\$101.05	Note 6	\$30.32	Note E	\$70.74	\$75.00	\$71.00
-facility termination Add'l	\$43.26	"	\$12.88	"	\$30.28	\$30.00	\$30.00
DSO							
-facility termination First	\$69.80	Note 6	\$29.84	Note E	\$69.86	\$75.00	\$70.00
-facility termination Add'l	\$41.83	"	\$12.49	"	\$29.14	\$30.00	\$30.00

"INFORMATION CLAIMED TO BE OR POTENTIALLY PROPRIETARY"

	<u>BellSouth Cost Results</u>		<u>AT&T Cost Adjustment</u>		<u>BellSouth Cost After</u>	<u>19-Jun-96</u>	<u>Recommended</u>
	<u>Amount</u>	<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Adjustment</u>	<u>Proposal</u>	<u>Rate</u>
DS1							
-facility termination First	\$483.22	Note 6	\$120.97	Note E	\$362.25	\$285.00	\$285.00
-facility termination Add'l	\$0.00	"	\$0.00	"	\$0.00	\$0.00	\$0.00
DS3							
-facility termination First	\$136.31	Note 6	\$40.89	Note E	\$95.42	\$95.00	\$95.00
-facility termination Add'l	\$0.00	"	\$0.00	"	\$0.00	\$0.00	\$0.00
Channelization							
- DS1 to DSO, per system							
First	268.33	Note 6	\$80.50	Note E	\$187.83	\$200.00	Note 1
Add'l	192.54	"	\$67.76	"	\$134.78	\$165.00	"
DS3 to DS1							
- First Arrangement	\$247.77	Note 9	\$74.33	Note D & E	\$173.44	\$188.00	\$174.00
- Add'l Arrangement	\$247.77	"	\$74.33	"	\$173.44	\$135.00	\$174.00
- Per DS1							
First	\$0.00	Note 9	None	Note D & E	None	\$105.00	\$0.00
Add'l	\$0.00	"	"	"	"	\$85.00	\$0.00
Signaling Link Transport							
- 56 Kbps Svc Established	\$401.58	Note 6	\$120.47	Note E	\$281.11	\$325.00	\$282.00

Note 1: No rate needed for this bundled item. Function is provided by unbundled elements.

Note 2: No cost provided by BellSouth. AT&T estimates a one-time charge of \$2.00 to be compensatory for use of NID.

Note 3A: No study provided. Assumes cost same as other business port costs.

Note 3B: Provided in response to Florida Order No. PSC-96-0444-FOF-TP

Note 3D: BellSouth Unbundled Element Study provided in response to 1st AT&T Data Request - Local Usage

Note 3F: Costs derived from BellSouth Unbundled Element Study submitted to Louisiana PSC on June 25, 1996.

BellSouth also submitted DS1 cost to Florida PSC of \$108.89 and Analog/DSO of \$4.71. (PSC-96-0444-FOF-TP)

"INFORMATION CLAIMED TO BE OR POTENTIALLY PROPRIETARY"

Note 3G: Cost estimate includes \$7.45 switch costs and \$3.37 RTU. Until RTU calculation and SCIS procedures verified use 85% switch cost + \$1.00 RTU = \$7.33.

Note 4: Response of BellSouth to AT&T's Data Request No. 5 Item 7 dated April 4, 1996.

Note 5: Response of BellSouth to AT&T's Data Request No. 5 Item 8 dated April 4, 1996 (Louisiana) and unbundled studies submitted to Louisiana Public Service Commission June 25, 1996.

Note 6: BellSouth Local Transport Restructure Study - Florida

Note 7: Response of BellSouth to AT&T's Data Request No. 5 Items 14 & 17 dated April 4, 1996.

Note 8: Response of BellSouth to AT&T's Data Request No. 5 Item 13 dated April 4, 1996

Note 9: BellSouth Louisiana Unbundled Element Studies provided to the PSC on June 25, 1996

Note 15: Florida Switched Access Local Transport Restructure Study

Note 16: Response of BellSouth to AT&T's Data Request No. 5 Item 15 date April 4, 1996.

Note A: Reduced 15% to reflect more appropriate COM (Cost of Money) See Exhibit III.

Note A2: Adjusted cost = $1.8 \times 2W$ to reflect ratio from revised BellSouth loop study. Adjustment = difference between BellSouth estimate and adjusted cost.

Note A3: BellSouth should be required to submit revised study. In the interim price @ 2W rate.

Note A4: AT&T used wld. termination cost, which is 130% of BellSouth's number. Then adjusted for cost of money.

Note B: Equals 90% x cost to adjust overhead and miscellaneous loadings.

Note C: Adjusted to reflect expected cost for Florida vs other states.

Note D: Louisiana costs used for proposal

Note E: Adjusted 30% pending review of included labor charges and time estimates.

Note F: Adjusted 10% for COM (Cost of Money)

FPSC Exhibit Number _____
 FPSC Docket 960833-TF
 Ellison Exhibit WE-4
Adjusting BellSouth Initial Loop Study
 Page 1 of 1

I. Adjusting BellSouth Initial Loop Study

A.	BellSouth Result	\$ 17.05
B.	Excess for Non-Integrated Investment	130.00
C.	Excess for Integrated Investment	120.00
D.	Total Excess (B + C)	250.00
E.	Annual Charge Rate	26%
F.	Excess Annual Charge (D X E)	\$ 65.00
G.	Excess Monthly Charge (F + 12)	5.41
H.	Weight - DLC Loops	54.8%
I.	Weighted Monthly Excess	\$ 2.96
J.	Net After Adjustment (A-I)	14.09
K.	Monthly Loop Expense Adjusted for Return @ 85%	\$ 11.97

II. Adjusting BellSouth Revised Loop Study

A.	BellSouth Result	\$ 15.74
B.	Excess for Integrated Investment	\$ 120.00
C.	Annual Charge Rate	26%
D.	Excess Annual Charge	\$ 31.20
E.	Excess Monthly Charge	\$ 2.60
F.	Weighted - DLC loops	54.8%
G.	Weighted Monthly Excess	\$ 1.42
H.	Net after adjustment (A-G)	14.32
I.	Monthly Loop Expense Adjusted for Return @ 85%	\$ 12.17

Note: Revised Bell study reflects \$279.55 remote and \$118.59 CO investments, for total of \$398.14. Prior study included \$530 investment.

LOCAL SWITCHING

USAGE COSTS

ITEM	SOURCE	AMOUNT
1a. Line to Line switch - set-up	BST Study	\$0.000769
1b. Line to Line switch - duration	BST Study	.000971
1c. Line to Line switch - Originating 1st minute	1a + 1b	.001740
- Originating additional minute	1b	.000971
2a. Two Line to Trunk switches - set-up	BST Study	.001300
2b. Two Line to Trunk switches - duration	BST Study	.000986
3a. Line to Trunk - set-up	2a	.001300
3b. Line to Trunk - duration	2b + 2	.000308
3c. Line to Trunk - originating 1st minute	3a + 3b	.001608
- originating additional minute	3b	.000308
4a. Trunk to Line - set-up	Estimate	.000000
Trunk to Line - duration	3b	\$0.000308

Note: BST study refers to BellSouth unbundled element studies provided to AT&T on April 26, 1996 in response to AT&T's First Data Request, Item 5.

"INFORMATION CLAIMED TO BE OR POTENTIALLY PROPRIETARY"