

**REDACTED**

PROPRIETARY

AT&T Florida  
Florida Public Service Commission  
Docket No. 060822-TL  
Nocatee's 1st Set of Interrogatories  
July 11, 2007  
*Amended* Item No. 3 (2<sup>nd</sup>)  
Page 2 of 3

- c. AT&T defines Fiber to the Curb (FTTC) as follows: A backbone fiber cable is placed to a remote terminal cabinet. Fiber distribution cables are extended from the remote terminal and terminated on optical network units throughout the development. Copper cable is extended from the optical network units to drop enclosure terminals. Copper drop wire is extended from the drop enclosure terminals to each living unit served by the optical network unit.
- d. Yes.
- e. An analysis was performed on the distribution costs of several developments in the area of Nocatee which contained copper distribution and fiber distribution. It was determined that the average distribution costs for FTTN was approximately \$ [REDACTED] per living unit higher than the distribution costs associated with FTTC.
- f. The major difference in cost between the FTTN and FTTC architectures is the cost associated with the type of distribution facilities placed (copper versus fiber). An analysis of the costs associated with seven developments in the Nocatee area showed that copper distribution costs approximately \$ [REDACTED] more per living unit on average than fiber distribution. Further, the cost per linear copper foot in the developments served by copper is \$ [REDACTED] versus \$ [REDACTED] for the fiber distribution developments. Also, the total cost of copper distribution facilities per linear foot placed is \$ [REDACTED] versus \$ [REDACTED] per linear foot for fiber developments.
- g. Both the FTTN and FTTC architectures require a backbone feeder fiber to feed a remote terminal cabinet. The remote terminal cabinet placed for FTTN is very similar to the remote terminal cabinet required for FTTC. The major difference in the two cabinets is the type of channel banks installed in the cabinets (copper distribution channel banks versus fiber distribution channel banks). However, the total estimated cost of a FTTN remote terminal cabinet is estimated to be similar to the cost required for the FTTC remote terminal cabinet. As explained in F, the major difference in cost occurs on the distribution side of the network. It is estimated that copper distribution is approximately \$ [REDACTED] more per living unit than fiber distribution, before overhead charges are applied. Therefore, the additional cost required to deploy a FTTN architecture, versus a FTTC architecture, in Riverwood and Coastal Oaks is estimated to be \$ [REDACTED] and \$ [REDACTED] respectively. After the standard overhead percentage is applied, the total estimated additional cost to deploy FTTN instead of FTTC for Riverwood and Coastal Oaks is \$ [REDACTED] and \$ [REDACTED].

AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3 and 4, ROG #3  
Pages 1 thru 43

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ENTIRE DOCUMENT

AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3, ROG #1  
Pages 1 thru 144

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ENTIRE DOCUMENT

AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3, ROG #1  
Austin Park  
Pages 1 thru 20

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ENTIRE DOCUMENT

AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3, ROG #1  
Coastal Oaks  
Pages 1 thru 13

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ENTIRE DOCUMENT

AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3, ROG #1  
Riverwood  
Pages 1 thru 14

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ENTIRE DOCUMENT

AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3, ROG #1  
Willow Cove  
Pages 1 thru 17

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AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3, ROG #3  
Pages 1 thru 1

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ParcelKey	StreetNumber	StreetName	Telephone Service Provided (Yes/No)	Video Service Provided (Yes/No)	Data Service Provided (Yes/No)
1593065	13426	BARKINGSIDE PL	[REDACTED]	[REDACTED]	[REDACTED]
1593261	13505	BARKINGSIDE PL	[REDACTED]	[REDACTED]	[REDACTED]
1593733	13822	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593751	13876	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593779	13932	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593911	14041	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593902	14059	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593895	14079	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593877	14121	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593868	14139	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593840	14160	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593699	966	BELVOIR WAY	[REDACTED]	[REDACTED]	[REDACTED]
1593635	967	BELVOIR WAY	[REDACTED]	[REDACTED]	[REDACTED]
1593706	1224	BUCKHURST DR	[REDACTED]	[REDACTED]	[REDACTED]
1593582	1225	BUCKHURST DR	[REDACTED]	[REDACTED]	[REDACTED]
1593573	1245	BUCKHURST DR	[REDACTED]	[REDACTED]	[REDACTED]
1592761	13380	CHESAPEAKE PL	[REDACTED]	[REDACTED]	[REDACTED]
1592805	13458	CHESAPEAKE PL	[REDACTED]	[REDACTED]	[REDACTED]
1592896	13547	CHESAPEAKE PL	[REDACTED]	[REDACTED]	[REDACTED]
1592878	13566	CHESAPEAKE PL	[REDACTED]	[REDACTED]	[REDACTED]
1590585	15	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590790	16	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590781	26	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590594	27	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590772	34	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590601	35	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590763	44	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590610	45	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590754	52	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590629	55	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590745	64	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590638	65	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590736	74	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590656	81	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1592226	103	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1592217	109	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]

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1592173	137 FAIRMONT DR
1592164	143 FAIRMONT DR
1592155	147 FAIRMONT DR
1590727	148 FAIRMONT DR
1592146	157 FAIRMONT DR
1590718	166 FAIRMONT DR
1592137	167 FAIRMONT DR
1592128	177 FAIRMONT DR
1590709	178 FAIRMONT DR
1592119	185 FAIRMONT DR
1592100	193 FAIRMONT DR
1590674	200 FAIRMONT DR
1592093	201 FAIRMONT DR
1590665	208 FAIRMONT DR
1592084	211 FAIRMONT DR
1592075	221 FAIRMONT DR
1592066	231 FAIRMONT DR
1592057	241 FAIRMONT DR
1592048	249 FAIRMONT DR
1592020	269 FAIRMONT DR
1592743	13365 HUNTERS POINT ST
1592734	13381 HUNTERS POINT ST
1592413	13396 HUNTERS POINT ST
1592404	13410 HUNTERS POINT ST
1592379	13454 HUNTERS POINT ST
1592360	13470 HUNTERS POINT ST
1592351	13484 HUNTERS POINT ST
1592306	13560 HUNTERS POINT ST
1592299	13576 HUNTERS POINT ST
1592280	13588 HUNTERS POINT ST
1592271	13606 HUNTERS POINT ST
1592431	13619 HUNTERS POINT ST
1592262	13620 HUNTERS POINT ST
1592422	13635 HUNTERS POINT ST
1591012	468 ROCKROSE CT
1592459	582 SADBROOK LN
1592468	596 SADBROOK LN



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1592529	690 SADBROOK LN
1593172	13516 WEATHERSTONE DR
1593163	13530 WEATHERSTONE DR
1592547	13584 WEATHERSTONE DR
1592556	13600 WEATHERSTONE DR
1592565	13618 WEATHERSTONE DR
1592574	13636 WEATHERSTONE DR
1593396	13651 WEATHERSTONE DR
1592583	13652 WEATHERSTONE DR
1592592	13670 WEATHERSTONE DR
1593378	13685 WEATHERSTONE DR
1592609	13898 WEATHERSTONE DR
1593369	13699 WEATHERSTONE DR
1593350	13713 WEATHERSTONE DR
1593332	13741 WEATHERSTONE DR
1593323	13761 WEATHERSTONE DR
1590889	233 WINTHROP DR
1590870	247 WINTHROP DR
1590558	288 WINTHROP DR
1590834	305 WINTHROP DR
1590825	317 WINTHROP DR
1591067	537 WINTHROP DR
1591708	558 WINTHROP DR
1591049	577 WINTHROP DR
1591780	624 WINTHROP DR
1591799	632 WINTHROP DR
1591806	638 WINTHROP DR
1591833	654 WINTHROP DR
1591851	668 WINTHROP DR
1591325	763 WINTHROP DR

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Overhead Inputs - Corporate Operations								
Account	Account Description	EOY Amount						
	Enter Effective Date of Rates	April 1, 2007						
<b>Corporate Operations Expenses (less R&amp;D)</b>								
6720.1100	Executive						Source	
6720.1200	Planning						05EXP.XLS	
6720.1300	Accounting & Finance						05EXP.XLS	
6720.1400	External Relations						05EXP.XLS	
6720.1500	Information Management						05EXP.XLS	
6720.1600	Human Resources						05EXP.XLS	
6720.1700	Legal						05EXP.XLS	
6720.2100	Procurement						05EXP.XLS	
6720.6300	Other General & Administrative						05EXP.XLS	
<b>Total Corporate Operations Expenses (less R&amp;D)</b>								
<b>Recoverable Cost Basis</b>								
61XX	General Support Property Expense						05EXP.XLS	
62XX	Central Office Equipment Expense						05EXP.XLS	
63XX	Terminal Equipment Expense						05EXP.XLS	
64XX	Cable & Wire Expense						05EXP.XLS	
6512	Provisioning Expense						05EXP.XLS	
6531	Power Expense						05EXP.XLS	
6532	Network Administration Expense						05EXP.XLS	
6533	Testing Expense						05EXP.XLS	
6534	Plant Operations Admin Expense						05EXP.XLS	
6535	Engineering Expense						05EXP.XLS	
6540	Access Expense						05EXP.XLS	
6561	Depreciation						05EXP.XLS	
6563	Amortization						05EXP.XLS	
66XX	Customer Operations Expense						05EXP.XLS	
67XX	Corporate Operations Expense						05EXP.XLS	
PSAM	Cost of Removals (PSAM repl)						CI02R11	pg. 38
PSAM	Additions to Plant (PSAM repl)						CI02R11	pg. 38
<b>Total Recoverable Cost Basis</b>								
<b>Assets</b>								
2111	Land						Source	
2112	Motor Vehicles						CI02R11	pg. 5
2113	Aircraft						CI02R11	pg. 6
2114	Garage, Special and Other Work Equipment						CI02R11	pg. 7
2115	Garage Work Equipment							
2116	Other Work Equipment							
2121	Buildings						CI02R11	pg. 8
2122	Furniture						CI02R11	pg. 9
2123	Office Equipment						CI02R11	pg. 11
2124	General Purpose Computers						CI02R11	pg. 13
2681	Capital Leases						Cap Lease Recon - Grand Harrel	
2682	Leasehold Improvements						CI02R11	pg. 36

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Overhead Inputs - Corporate Operations		EOY Amount				
Account	Account Description					
2211	Analog Electronic Switching	[REDACTED]		C102R11	pg. 14	
2212	Digital Electronic Switching	[REDACTED]		C102R11	pg. 15	[REDACTED] pg. 37 560C
2215	Electromechanical Switching	[REDACTED]				
2220	Operator Systems	[REDACTED]		C102R11	pg. 16	[REDACTED] pg. 37 660C
2231	Radio Systems	[REDACTED]		C102R11	pg. 17	[REDACTED] pg. 37 760C
2232	Circuit Equipment	[REDACTED]		C102R11	pg. 19	[REDACTED] pg. 37 660C
2411	Poles	[REDACTED]		C102R11	pg. 26	
2421	Aerial Cable	[REDACTED]		C102R11	pg. 29	
2422	Underground Cable	[REDACTED]		C102R11	pg. 30	
2423	Buried Cable	[REDACTED]		C102R11	pg. 32	
2424	Submarine Cable	[REDACTED]		C102R11	pg. 33	
2426	Intrabuilding Cable	[REDACTED]		C102R11	pg. 34	
2441	Conduit Systems	[REDACTED]		C102R11	pg. 35	
<b>Total Net Balance - Supporting Assets</b>		[REDACTED]				
<b>Total Assets</b>		[REDACTED]		05ASSET.XLS		
<b>Accumulated Depreciation/Amortization</b>						
3100.11	Vehicles	[REDACTED]		C102R11	pg. 6	
3100.12	Work Equipment	[REDACTED]		C102R11	pg. 7	
3100.13	Buildings	[REDACTED]		C102R11	pg. 8	
3100.14	Furniture	[REDACTED]		C102R11	pg. 8	
3100.15	Office Equipment	[REDACTED]		C102R11	pg. 11	
3100.16	General Purpose Computers	[REDACTED]		C102R11	pg. 13	[REDACTED] pg. 37 360C
3410	Accum Amort - Capital Leases	[REDACTED]		Cap Lease Recon - Brandt Harrel		
3420	Accum Amort - Leasehold Improvements	[REDACTED]		C102R11	pg. 36	[REDACTED]
3100.21	Analog Electronic Switching	[REDACTED]		C102R11	pg. 14	
3100.22	Digital Electronic Switching	[REDACTED]		C102R11	pg. 15	[REDACTED] pg. 37 560C
3100.23	Electromechanical Switching	[REDACTED]				
3100.24	Operator Systems	[REDACTED]		C102R11	pg. 16	[REDACTED] pg. 37 660C
3100.25	Radio Systems	[REDACTED]		C102R11	pg. 17	[REDACTED] pg. 37 760C
3100.26	Circuit Equipment	[REDACTED]		C102R11	pg. 19	[REDACTED] pg. 37 660C
3100.41	Poles	[REDACTED]		C102R11	pg. 26	
3100.42	Aerial Cable	[REDACTED]		C102R11	pg. 29	
3100.43	Underground Cable	[REDACTED]		C102R11	pg. 30	
3100.44	Buried Cable	[REDACTED]		C102R11	pg. 32	
3100.45	Submarine Cable	[REDACTED]		C102R11	pg. 33	
3100.46	Intrabuilding Cable	[REDACTED]		C102R11	pg. 34	
3100.48	Conduit Systems	[REDACTED]		C102R11	pg. 35	

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Overhead Inputs - Corporate Operations							
Account	Account Description	EOY Amount					
<b>PSOE</b>							
6112	Non-Plant Motor Vehicle Expense	[REDACTED]		06PSOE.XLS			
6114.9	Other Work Equipment Expense	[REDACTED]		05PSOE.XLS			
6116.9	Other Work Equipment Expense	[REDACTED]		05PSOE.XLS			
6121.1	M10/M110 - Building Maintenance	[REDACTED]		05PSOE.XLS			
6122.2	Furniture Expense	[REDACTED]		05PSOE.XLS			
6123	Office Equipment Expense	[REDACTED]		05PSOE.XLS			
6124.1	General Purpose Computer (non-CDP)	[REDACTED]		05PSOE.XLS			
6211	Analog Electronic Switching	[REDACTED]		05EXP.XLS			
6212	Digital Electronic Switching	[REDACTED]		05EXP.XLS			
6215	Electromechanical Switching	[REDACTED]		05EXP.XLS			
6220	Operator Systems	[REDACTED]		05EXP.XLS			
6231	Radio Systems	[REDACTED]		05EXP.XLS			
6232	Circuit Equipment	[REDACTED]		05EXP.XLS			
6411	Poles	[REDACTED]		05EXP.XLS			
6421	Aerial Cable	[REDACTED]		05EXP.XLS			
6422	Underground Cable	[REDACTED]		05EXP.XLS			
6423	Buried Cable	[REDACTED]		05EXP.XLS			
6424	Submarine Cable	[REDACTED]		05EXP.XLS			
6426	Intrabuilding Cable	[REDACTED]		05EXP.XLS			
6441	Conduit Systems	[REDACTED]		05EXP.XLS			
<b>Depreciation Accruals</b>							
2112	Motor Vehicles	[REDACTED]		C02R11	pg. 6		
2114	Garage, Special and Other Work Equipment	[REDACTED]		C02R11	pg. 7		
2115	Garage-Work-Equipment	[REDACTED]					
2116	Other-Work-Equipment	[REDACTED]					
	Buildings (Owned Buildings & Leasehold Improve.)	[REDACTED]		C02R11	pg. 8	[REDACTED]	36
2122	Furniture	[REDACTED]		C02R11	pg. 9	[REDACTED]	
2123	Office Equipment	[REDACTED]		C02R11	pg. 11	[REDACTED]	
2124	General Purpose Computers	[REDACTED]		C02R11	pg. 13	[REDACTED]	pg. 37 360C
2211	Analog Electronic Switching	[REDACTED]		C02R11	pg. 14	[REDACTED]	
2212	Digital Electronic Switching	[REDACTED]		C02R11	pg. 15	[REDACTED]	pg. 37 580C
2215	Electromechanical Switching	[REDACTED]				[REDACTED]	
2220	Operator Systems	[REDACTED]		C02R11	pg. 16	[REDACTED]	pg. 37 660C
2231	Radio Systems	[REDACTED]		C02R11	pg. 17	[REDACTED]	pg. 37 760C
2232	Circuit Equipment	[REDACTED]		C02R11	pg. 19	[REDACTED]	pg. 37 860C
2411	Poles	[REDACTED]		C02R11	pg. 26	[REDACTED]	
2421	Aerial Cable	[REDACTED]		C02R11	pg. 29	[REDACTED]	
2422	Underground Cable	[REDACTED]		C02R11	pg. 30	[REDACTED]	
2423	Buried Cable	[REDACTED]		C02R11	pg. 32	[REDACTED]	
2424	Submarine Cable	[REDACTED]		C02R11	pg. 33	[REDACTED]	
2426	Intrabuilding Cable	[REDACTED]		C02R11	pg. 34	[REDACTED]	
2441	Conduit Systems	[REDACTED]		C02R11	pg. 35	[REDACTED]	

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Overhead Inputs - Corporate Operations		EOY Amount							
Account	Account Description								
<i>Miscellaneous Balances and Percentages</i>									
7240.1	Property Tax							05TAXXLS	
7240.3	Capital Stock Tax							05TAXXLS	
	Current Tax Rate			0.63143					email from Clayton Shipley
	Incremental Cost of Capital								email from
	Equity Component Cost of Capital								Charles Lee
<i>Composite Depreciation Rates</i>									
	Supporting Assets			0.07348					
	Buildings			0.02478					
	Furniture			0.02287					
	Office Equipment			0.02790					
	Computers			0.15337					
	Vehicles & Other Work Equipment			0.05885					
	Analog			0.00000					
	Digital			0.07704					
	Electromechanical			0.00000					
	Operator Systems			0.06367					
	Radio Systems			0.21849					
	Circuit			0.09004					
	Poles			0.05613					
	Aerial Cable			0.06936					
	Underground Cable			0.06947					
	Buried Cable			0.05708					
	Submarine Cable			0.02401					
	Intrabuilding Cable			0.03639					
	Conduit Systems			0.01918					
<i>Summary Calculations IRC OH</i>									
	ROI								
	Tax Gross Up								
	Property Tax								
	Capital Stock Tax								
	Depreciation/Amort Expense								
	Total P&OE for Supporting Assets								
	Reimbursable IRC								
	IRC OH			0.13205					
Prepared by:		Reviewed by:							

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Description	Account	Work ID	EOY Amount	6720.1100	6720.1200	6720.1300	6720.1400	6720.1500	6720.1600	6720.1700	6720.2100	6720.6300
<i>Exclusions</i>			Source: 06EXCLUDE.XLS									
Capital Recovery Matters	6720.1300	1170	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Acct - Corp - Separations/Settle	6720.1300	1310	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Legal - Property Matters	6720.1700	0170	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Community & Public Relations	6720.1400	0300	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
External Relations - Utilities	6720.1400	0440	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
External Relations - Regulator	6720.1400	0500	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Legal - Govt and Regulatory	6720.1700	0800	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Exclusions to Overhead Recovery</b>			[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Billable Corp Ops - total to be recovered</b>				[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Recoverable Cost Basis (less active acct):</b>				[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Corp Ops Off (line 18/21)</b>			0.115370	0.007157	0.000840	0.009988	0.007672	0.069439	0.007811	0.004058	0.001247	0.007181



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Rates Effective from April 1, 2007

Overhead Rates	%	
Corp Ops OH	11.5370	All Services
IRC OH	13.2050	All Services
Total OH Rate	24.7420	

\*\* NOTICE - Not for use or disclosure outside BellSouth or its subsidiaries without agreement. \*\*

Explanation of Costs Associated with Custom Work Involving  
BellSouth Telecommunications' Plant Facilities

BellSouth Telecommunications, as a regulated entity, is required by the Federal Communications Commission (FCC) in Docket No. 86-111 (Joint Cost Order), which modified Part 32 (Uniform System of Accounts) and Part 64.901 (Allocation of Costs) accounting rules, to generate billing using a fully distributed costing methodology when that billing is intended to reimburse or compensate the company for work or functions performed outside its normal operations, specifically for billing between affiliated companies. This costing methodology results in every such work activity bearing a proportionate share of the company's common costs including overhead. The company is required to maintain appropriate records of its accounts and apply generally accepted costing concepts to ensure that such work activities utilizing company resources do not cross subsidize unregulated or affiliate operations or activity.

When BellSouth Telecommunications performs custom work activity involving telecommunications plant and equipment at the request of others, such activity does not constitute a "telecommunications service" in the normal course of BellSouth Telecommunications business. The subsequent reimbursement for costs associated with this custom work helps to ensure that the company's customers and ratepayers do not pay the costs to perform such work.

The fully distributed costing methodology concepts prescribed by the FCC are applied to the development and use of direct assignments and allocations of cost rates and overheads to properly allocate costs to the cost causer, or the individual or entity requesting the custom work involving the company's facilities and equipment.

**DIRECT and ALLOCABLE COSTS**

**Direct Labor**

Direct labor represents the monies paid to the employee group responsible for performing the work. These are the employees who are actually splicing the cable and/or placing the lines on the poles. The employees in this work group are highly skilled technicians who have received extensive formal training.

**Labor Support**

This portion of the Billing Rate reimburses the Company for the expenses of employees who support the technicians who are performing work. It includes expenses for up to three levels of supervision and clerical support. It also includes the expenses of the employees who test the lines after the work is finished to make sure service is acceptable. Also included in support costs are the costs of maintaining the motor vehicles used by the employees involved in the work. Finally, custom work requires special power operated equipment, such as blowers and generators. Support costs also include the cost of providing and maintaining this equipment

**Labor Benefit Cost**

For each hour an employee works on the project, the Company must pay benefits and tax related items. These include, but are not limited to, the following:

- A. Company matching portion of the Savings Plan
- B. Dental and Medical Plans

- C. The Company portion of Social Security taxes
- D. Unemployment Payroll taxes

#### Other Direct Costs

Materials used in the job as well as any contractors costs associated with the job are also considered direct costs and are subject to overhead application.

### OVERHEADS

#### Corporate Operations

This is the overhead cost of administering the Corporation. Included in this category are the work group's pro rata share of Executive, Planning and Legal. Also included is a pro rata share of the cost of Human Resources, Accounting & Finance, External Relations, Procurement, and Information Management.

#### Investment Related Costs

These are the costs of maintenance and other ownership costs associated with the corporate assets such as Land, Buildings, Office Equipment and General Purpose Computers.

#### BellSouth Overhead Rate Development

BellSouth uses the total Corporate Cost as the basis for overhead rate development and application. The most direct relationship between the costs is that, for every dollar BST spends (except for depreciation and amortization), there is a proportionate increase in supporting expenses of Corporate Operations and investment related costs.

The rate development process uses total costs for the year for the company as a whole to generate company-wide rates. Other inputs include a composite depreciation/amortization rate and the total corporate cost of plant removal from the asset management system, and the cost of capital rate, various tax rates, and other information from BellSouth Corp. and various regulatory and financial analysis groups. The rates are developed using an EXCEL spreadsheet to capture and assign the appropriate costs.

Since the rates are developed using total corporate costs, it is appropriate to apply the rates to every dollar of those costs charged on outgoing billing for custom work.

AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 4  
Document 2  
Pages 1 thru 25

**PROPRIETARY**

ENTIRE DOCUMENT

**REDACTED**

ATTACHMENT B

AT&T FLORIDA  
FPSC DOCKET NO. 060822-TL  
REQUEST FOR CONFIDENTIAL CLASSIFICATION  
PAGE 1 OF 1  
7/23/2007

REQUEST FOR CONFIDENTIAL CLASSIFICATION OF AT&T FLORIDA'S  
RESPONSE TO NOCATEE'S FIRST SET OF INTERROGATORIES NO. 3 AND  
SECOND REQUEST FOR PRODUCTION OF DOCUMENTS, NOS. 3 AND 4  
FILED JULY 13, 2007 IN  
FLORIDA DOCKET NO. 060822-TL

TWO REDACTED COPIES FOR PUBLIC DISCLOSURE

DOCUMENT NUMBER-DATE

06272 JUL 23 5

FPSC-COMMISSION CLERK

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AT&T Florida  
Florida Public Service Commission  
Docket No. 060822-TL  
Nocatee's 1st Set of Interrogatories  
July 11, 2007  
*Amended* Item No. 3 (2<sup>nd</sup>)  
Page 2 of 3

- c. AT&T defines Fiber to the Curb (FTTC) as follows: A backbone fiber cable is placed to a remote terminal cabinet. Fiber distribution cables are extended from the remote terminal and terminated on optical network units throughout the development. Copper cable is extended from the optical network units to drop enclosure terminals. Copper drop wire is extended from the drop enclosure terminals to each living unit served by the optical network unit.
- d. Yes.
- e. An analysis was performed on the distribution costs of several developments in the area of Nocatee which contained copper distribution and fiber distribution. It was determined that the average distribution costs for FTTN was approximately \$ [REDACTED] per living unit higher than the distribution costs associated with FTTC.
- f. The major difference in cost between the FTTN and FTTC architectures is the cost associated with the type of distribution facilities placed (copper versus fiber). An analysis of the costs associated with seven developments in the Nocatee area showed that copper distribution costs approximately \$ [REDACTED] more per living unit on average than fiber distribution. Further, the cost per linear copper foot in the developments served by copper is \$ [REDACTED] versus \$ [REDACTED] for the fiber distribution developments. Also, the total cost of copper distribution facilities per linear foot placed is \$ [REDACTED] versus \$ [REDACTED] per linear foot for fiber developments.
- g. Both the FTTN and FTTC architectures require a backbone feeder fiber to feed a remote terminal cabinet. The remote terminal cabinet placed for FTTN is very similar to the remote terminal cabinet required for FTTC. The major difference in the two cabinets is the type of channel banks installed in the cabinets (copper distribution channel banks versus fiber distribution channel banks). However, the total estimated cost of a FTTN remote terminal cabinet is estimated to be similar to the cost required for the FTTC remote terminal cabinet. As explained in F, the major difference in cost occurs on the distribution side of the network. It is estimated that copper distribution is approximately \$ [REDACTED] more per living unit than fiber distribution, before overhead charges are applied. Therefore, the additional cost required to deploy a FTTN architecture, versus a FTTC architecture, in Riverwood and Coastal Oaks is estimated to be \$ [REDACTED] and \$ [REDACTED] respectively. After the standard overhead percentage is applied, the total estimated additional cost to deploy FTTN instead of FTTC for Riverwood and Coastal Oaks is \$ [REDACTED] and \$ [REDACTED].

AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3 and 4, ROG #3  
Pages 1 thru 43

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ENTIRE DOCUMENT

AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3, ROG #1  
Pages 1 thru 144

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AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3, ROG #1  
Austin Park  
Pages 1 thru 20

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AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3, ROG #1  
Coastal Oaks  
Pages 1 thru 13

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AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3, ROG #1  
Riverwood  
Pages 1 thru 14

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AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3, ROG #1  
Willow Cove  
Pages 1 thru 17

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AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 3, ROG #3  
Pages 1 thru 1

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ENTIRE DOCUMENT

ParcelKey	StreetNumber	StreetName	Telephone Service Provided (Yes/No)	Video Service Provided (Yes/No)	Data Service Provided (Yes/No)
1593065	13426	BARKINGSIDE PL	[REDACTED]	[REDACTED]	[REDACTED]
1593261	13505	BARKINGSIDE PL	[REDACTED]	[REDACTED]	[REDACTED]
1593733	13822	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593751	13876	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593779	13932	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593911	14041	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593902	14059	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593895	14079	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593877	14121	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593868	14139	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593840	14160	BASSINGTHORPE DR	[REDACTED]	[REDACTED]	[REDACTED]
1593699	966	BELVOIR WAY	[REDACTED]	[REDACTED]	[REDACTED]
1593635	967	BELVOIR WAY	[REDACTED]	[REDACTED]	[REDACTED]
1593706	1224	BUCKHURST DR	[REDACTED]	[REDACTED]	[REDACTED]
1593582	1225	BUCKHURST DR	[REDACTED]	[REDACTED]	[REDACTED]
1593573	1245	BUCKHURST DR	[REDACTED]	[REDACTED]	[REDACTED]
1592761	13380	CHESAPEAKE PL	[REDACTED]	[REDACTED]	[REDACTED]
1592805	13458	CHESAPEAKE PL	[REDACTED]	[REDACTED]	[REDACTED]
1592896	13547	CHESAPEAKE PL	[REDACTED]	[REDACTED]	[REDACTED]
1592878	13566	CHESAPEAKE PL	[REDACTED]	[REDACTED]	[REDACTED]
1590585	15	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590790	16	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590781	26	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590594	27	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590772	34	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590601	35	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590763	44	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590610	45	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590754	52	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590629	55	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590745	64	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590638	65	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590736	74	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1590656	81	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1592226	103	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]
1592217	109	FAIRMONT DR	[REDACTED]	[REDACTED]	[REDACTED]

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1592173	137 FAIRMONT DR
1592164	143 FAIRMONT DR
1592155	147 FAIRMONT DR
1590727	148 FAIRMONT DR
1592146	157 FAIRMONT DR
1590718	166 FAIRMONT DR
1592137	167 FAIRMONT DR
1592128	177 FAIRMONT DR
1590709	178 FAIRMONT DR
1592119	185 FAIRMONT DR
1592100	193 FAIRMONT DR
1590674	200 FAIRMONT DR
1592093	201 FAIRMONT DR
1590665	208 FAIRMONT DR
1592084	211 FAIRMONT DR
1592075	221 FAIRMONT DR
1592066	231 FAIRMONT DR
1592057	241 FAIRMONT DR
1592048	249 FAIRMONT DR
1592020	269 FAIRMONT DR
1592743	13365 HUNTERS POINT ST
1592734	13381 HUNTERS POINT ST
1592413	13396 HUNTERS POINT ST
1592404	13410 HUNTERS POINT ST
1592379	13454 HUNTERS POINT ST
1592360	13470 HUNTERS POINT ST
1592351	13484 HUNTERS POINT ST
1592306	13560 HUNTERS POINT ST
1592299	13576 HUNTERS POINT ST
1592280	13588 HUNTERS POINT ST
1592271	13606 HUNTERS POINT ST
1592431	13619 HUNTERS POINT ST
1592262	13620 HUNTERS POINT ST
1592422	13635 HUNTERS POINT ST
1591012	488 ROCKROSE CT
1592459	582 SUDBROOK LN
1592468	596 SUDBROOK LN

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4/16/2007

Docket No. 070126-TL Residences in the Villages of Avalon Phase I - Spreadsheet 2

1592529	690	SUDBROOK LN
1593172	13516	WEATHERSTONE DR
1593163	13530	WEATHERSTONE DR
1592547	13584	WEATHERSTONE DR
1592556	13600	WEATHERSTONE DR
1592565	13618	WEATHERSTONE DR
1592574	13636	WEATHERSTONE DR
1593396	13651	WEATHERSTONE DR
1592583	13652	WEATHERSTONE DR
1592592	13670	WEATHERSTONE DR
1593378	13685	WEATHERSTONE DR
1592609	13698	WEATHERSTONE DR
1593369	13699	WEATHERSTONE DR
1593350	13713	WEATHERSTONE DR
1593332	13741	WEATHERSTONE DR
1593323	13761	WEATHERSTONE DR
1590889	233	WINTHROP DR
1590870	247	WINTHROP DR
1590558	288	WINTHROP DR
1590834	305	WINTHROP DR
1590825	317	WINTHROP DR
1591067	537	WINTHROP DR
1591708	558	WINTHROP DR
1591049	577	WINTHROP DR
1591780	624	WINTHROP DR
1591798	632	WINTHROP DR
1591806	638	WINTHROP DR
1591833	654	WINTHROP DR
1591851	668	WINTHROP DR
1591325	763	WINTHROP DR

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Overhead Inputs - Corporate Operations									
Account	Account Description	EOY Amount							
	Enter Effective Date of Rates	April 1, 2007							
<b>Corporate Operations Expenses (less R&amp;D)</b>									
						Source			
6720.1100	Executive					05EXP.XLS			
6720.1200	Planning					05EXP.XLS			
6720.1300	Accounting & Finance					05EXP.XLS			
6720.1400	External Relations					05EXP.XLS			
6720.1500	Information Management					05EXP.XLS			
6720.1600	Human Resources					05EXP.XLS			
6720.1700	Legal					05EXP.XLS			
6720.2100	Procurement					05EXP.XLS			
6720.6300	Other General & Administrative					05EXP.XLS			
<b>Total Corporate Operations Expenses (less R&amp;D)</b>									
<b>Recoverable Cost Basis</b>									
61XX	General Support Property Expense					05EXP.XLS			
62XX	Central Office Equipment Expense					05EXP.XLS			
63XX	Terminal Equipment Expense					05EXP.XLS			
64XX	Cable & Wire Expense					05EXP.XLS			
6512	Provisioning Expense					05EXP.XLS			
6531	Power Expense					05EXP.XLS			
6532	Network Administration Expense					05EXP.XLS			
6533	Testing Expense					05EXP.XLS			
6534	Plant Operations Admin Expense					05EXP.XLS			
6535	Engineering Expense					05EXP.XLS			
6540	Access Expense					05EXP.XLS			
6561	Depreciation					05EXP.XLS			
6563	Amortization					05EXP.XLS			
66XX	Customer Operations Expense					05EXP.XLS			
67XX	Corporate Operations Expense					05EXP.XLS			
PSAM	Cost of Removals (PSAM rept)					CI02R11		pg. 38	
PSAM	Additions to Plant (PSAM rept)					CI02R11		pg. 38	
<b>Total Recoverable Cost Basis</b>									
<b>Assets</b>									
						Source			
2111	Land					CI02R11		pg. 5	
2112	Motor Vehicles					CI02R11		pg. 6	
2113	Aircraft								
2114	Garage, Special and Other Work Equipment					CI02R11		pg. 7	
2115	Garage Work Equipment								
2116	Other Work Equipment								
2121	Buildings					CI02R11		pg. 8	
2122	Furniture					CI02R11		pg. 9	
2123	Office Equipment					CI02R11		pg. 11	
2124	General Purpose Computers					CI02R11		pg. 13	
2681	Capital Leases					Cap Lease Recon - Brandi Harrell			pg. 37 380C
2682	Leasehold Improvements					CI02R11		pg. 36	

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Overhead Inputs - Corporate Operations		EOY Amount					
Account	Account Description						
2211	Analog Electronic Switching	[REDACTED]		CI02R11	pg. 14		
2212	Digital Electronic Switching	[REDACTED]		CI02R11	pg. 15	[REDACTED]	pg. 37 560C
2215	Electromechanical Switching	[REDACTED]					
2220	Operator Systems	[REDACTED]		CI02R11	pg. 16		pg. 37 860C
2231	Radio Systems	[REDACTED]		CI02R11	pg. 17		pg. 37 760C
2232	Circuit Equipment	[REDACTED]		CI02R11	pg. 19	[REDACTED]	pg. 37 860C
2411	Poles	[REDACTED]		CI02R11	pg. 26		
2421	Aerial Cable	[REDACTED]		CI02R11	pg. 29		
2422	Underground Cable	[REDACTED]		CI02R11	pg. 30		
2423	Buried Cable	[REDACTED]		CI02R11	pg. 32		
2424	Submarine Cable	[REDACTED]		CI02R11	pg. 33		
2428	Intrabuilding Cable	[REDACTED]		CI02R11	pg. 34		
2441	Conduit Systems	[REDACTED]		CI02R11	pg. 35		
<b>Total Net Balance - Supporting Assets</b>		[REDACTED]					
<b>Total Assets</b>		[REDACTED]		05ASSET.XLS			
<b>Accumulated Depreciation/Amortization</b>							
3100.11	Vehicles	[REDACTED]		CI02R11	pg. 6		
3100.12	Work Equipment	[REDACTED]		CI02R11	pg. 7		
3100.13	Buildings	[REDACTED]		CI02R11	pg. 8		
3100.14	Furniture	[REDACTED]		CI02R11	pg. 9		
3100.15	Office Equipment	[REDACTED]		CI02R11	pg. 11		
3100.16	General Purpose Computers	[REDACTED]		CI02R11	pg. 13	[REDACTED]	pg. 37 360C
3410	Accum Amort - Capital Leases	[REDACTED]		Cap Lease Recon - Brandi Harrel			
3420	Accum Amort - Leasehold Improvements	[REDACTED]		CI02R11	pg. 38		
3100.21	Analog Electronic Switching	[REDACTED]		CI02R11	pg. 14		
3100.22	Digital Electronic Switching	[REDACTED]		CI02R11	pg. 15	[REDACTED]	pg. 37 560C
3100.23	Electromechanical Switching	[REDACTED]					
3100.24	Operator Systems	[REDACTED]		CI02R11	pg. 16		pg. 37 860C
3100.25	Radio Systems	[REDACTED]		CI02R11	pg. 17		pg. 37 760C
3100.26	Circuit Equipment	[REDACTED]		CI02R11	pg. 19	[REDACTED]	pg. 37 860C
3100.41	Poles	[REDACTED]		CI02R11	pg. 26		
3100.42	Aerial Cable	[REDACTED]		CI02R11	pg. 29		
3100.43	Underground Cable	[REDACTED]		CI02R11	pg. 30		
3100.44	Buried Cable	[REDACTED]		CI02R11	pg. 32		
3100.45	Submarine Cable	[REDACTED]		CI02R11	pg. 33		
3100.46	Intrabuilding Cable	[REDACTED]		CI02R11	pg. 34		
3100.48	Conduit Systems	[REDACTED]		CI02R11	pg. 35		

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Overhead Inputs - Corporate Operations		EOY Amount					
Account	Account Description						
PSOE							
6112	Non-Plant Motor Vehicle Expense				05PSOE.XLS		
6114.9	Other Work Equipment Expense				05PSOE.XLS		
6118.9	Other Work Equipment Expense				05PSOE.XLS		
6121.1	M10/M110 - Building Maintenance				05PSOE.XLS		
6122.2	Furniture Expense				05PSOE.XLS		
6123	Office Equipment Expense				05PSOE.XLS		
6124.1	General Purpose Computer (non-CDP)				05PSOE.XLS		
6211	Analog Electronic Switching				05EXP.XLS		
6212	Digital Electronic Switching				05EXP.XLS		
6215	Electromechanical Switching				05EXP.XLS		
6220	Operator Systems				05EXP.XLS		
6231	Radio Systems				05EXP.XLS		
6232	Circuit Equipment				05EXP.XLS		
6411	Poles				05EXP.XLS		
6421	Aerial Cable				05EXP.XLS		
6422	Underground Cable				05EXP.XLS		
6423	Buried Cable				05EXP.XLS		
6424	Submarine Cable				05EXP.XLS		
6426	Intrabuilding Cable				05EXP.XLS		
6441	Conduit Systems				05EXP.XLS		
<b>Depreciation Accruals</b>							
2112	Motor Vehicles				C02R11	pg. 6	
2114	Garage, Special and Other Work Equipment				C02R11	pg. 7	
2115	Garage Work Equipment						
2116	Other Work Equipment						
	Buildings (Owned Buildings & Leasehold Improve.)				C02R11	pg. 8	36
2122	Furniture				C02R11	pg. 9	
2123	Office Equipment				C02R11	pg. 11	
2124	General Purpose Computers				C02R11	pg. 13	37 360C
2211	Analog Electronic Switching				C02R11	pg. 14	
2212	Digital Electronic Switching				C02R11	pg. 15	37 590C
2215	Electromechanical Switching						
2220	Operator Systems				C02R11	pg. 16	37 860C
2231	Radio Systems				C02R11	pg. 17	37 780C
2232	Circuit Equipment				C02R11	pg. 19	37 680C
2411	Poles				C02R11	pg. 26	
2421	Aerial Cable				C02R11	pg. 29	
2422	Underground Cable				C02R11	pg. 30	
2423	Buried Cable				C02R11	pg. 32	
2424	Submarine Cable				C02R11	pg. 33	
2426	Intrabuilding Cable				C02R11	pg. 34	
2441	Conduit Systems				C02R11	pg. 35	

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Overhead Inputs - Corporate Operations		EOY Amount						
Account	Account Description							
<b>Miscellaneous Balances and Percentages</b>								
7240.1	Property Tax					05TAXXLS		
7240.3	Capital Stock Tax					05TAXXLS		
	Current Tax Rate			0.63143			email from Clayton Shipley	
	Incremental Cost of Capital						email from	
	Equity Component Cost of Capital						Charles Lee	
<b>Composite Depreciation Rates</b>								
	Supporting Assets			0.07348				
	Buildings			0.02478				
	Furniture			0.02287				
	Office Equipment			0.02790				
	Computers			0.15337				
	Vehicles & Other Work Equipment			0.05885				
	Analog			0.00000				
	Digital			0.07704				
	Electromechanical			0.00000				
	Operator Systems			0.68367				
	Radio Systems			0.21849				
	Circuit			0.09004				
	Poles			0.05613				
	Aerial Cable			0.02636				
	Underground Cable			0.06947				
	Buried Cable			0.05708				
	Submarine Cable			0.02401				
	Intrabuilding Cable			0.03839				
	Conduit Systems			0.01918				
<b>Summary Calculations IRC OH</b>								
	ROI							
	Tax Gross Up							
	Property Tax							
	Capital Stock Tax							
	Depreciation/Amort Expense							
	Total PSOE for Supporting Assets							
	Reimbursable IRC							
	IRC OH			0.13205				
Prepared by:								
Reviewed by:								

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Description	Account	Work ID	EOY Amount	6720.1100	6720.1200	6720.1300	6720.1400	6720.1500	6720.1600	6720.1700	6720.2100	6720.8300
<i>Exclusions</i>			Source: 06EXCLUDE.XLS									
Capital Recovery Matters	6720.1300	1170	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Acct - Corp - Separations/Settle	6720.1300	1310	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Legal - Property Matters	6720.1700	0170	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Community & Public Relations	6720.1400	0300	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
External Relations - Utilities	6720.1400	0440	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
External Relations - Regulator	6720.1400	0500	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Legal - Govt and Regulatory	6720.1700	0800	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Total Exclusions to Overhead Recovery</b>			[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Billable Corp Ops - total to be recovered</b>												
<b>Total Recoverable Cost Basis (less active acct):</b>												
<b>Corp Ops OH (line 18/21)</b>			0.116370	0.007157	0.000840	0.009968	0.007672	0.009439	0.007811	0.004058	0.001247	0.007187

PROHIBITED  
CONFIDENTIAL

**Rates Effective from April 1, 2007**

<b>Overhead Rates</b>	<b>%</b>	
Corp Ops OH	11.5370	All Services
IRC OH	13.2050	All Services
Total OH Rate	24.7420	

**\*\* NOTICE - Not for use or disclosure outside BellSouth or its subsidiaries without agreement. \*\***

**Explanation of Costs Associated with Custom Work Involving  
BellSouth Telecommunications' Plant Facilities**

BellSouth Telecommunications, as a regulated entity, is required by the Federal Communications Commission (FCC) in Docket No. 86-111 (Joint Cost Order), which modified Part 32 (Uniform System of Accounts) and Part 64.901 (Allocation of Costs) accounting rules, to generate billing using a fully distributed costing methodology when that billing is intended to reimburse or compensate the company for work or functions performed outside its normal operations, specifically for billing between affiliated companies. This costing methodology results in every such work activity bearing a proportionate share of the company's common costs including overhead. The company is required to maintain appropriate records of its accounts and apply generally accepted costing concepts to ensure that such work activities utilizing company resources do not cross subsidize unregulated or affiliate operations or activity.

When BellSouth Telecommunications performs custom work activity involving telecommunications plant and equipment at the request of others, such activity does not constitute a "telecommunications service" in the normal course of BellSouth Telecommunications business. The subsequent reimbursement for costs associated with this custom work helps to ensure that the company's customers and ratepayers do not pay the costs to perform such work.

The fully distributed costing methodology concepts prescribed by the FCC are applied to the development and use of direct assignments and allocations of cost rates and overheads to properly allocate costs to the cost causer, or the individual or entity requesting the custom work involving the company's facilities and equipment.

**DIRECT and ALLOCABLE COSTS**

**Direct Labor**

Direct labor represents the monies paid to the employee group responsible for performing the work. These are the employees who are actually splicing the cable and/or placing the lines on the poles. The employees in this work group are highly skilled technicians who have received extensive formal training.

**Labor Support**

This portion of the Billing Rate reimburses the Company for the expenses of employees who support the technicians who are performing work. It includes expenses for up to three levels of supervision and clerical support. It also includes the expenses of the employees who test the lines after the work is finished to make sure service is acceptable. Also included in support costs are the costs of maintaining the motor vehicles used by the employees involved in the work. Finally, custom work requires special power operated equipment, such as blowers and generators. Support costs also include the cost of providing and maintaining this equipment.

**Labor Benefit Cost**

For each hour an employee works on the project, the Company must pay benefits and tax related items. These include, but are not limited to, the following:

- A. Company matching portion of the Savings Plan
- B. Dental and Medical Plans

- C. The Company portion of Social Security taxes
- D. Unemployment Payroll taxes

**Other Direct Costs**

Materials used in the job as well as any contractors costs associated with the job are also considered direct costs and are subject to overhead application.

**OVERHEADS**

**Corporate Operations**

This is the overhead cost of administering the Corporation. Included in this category are the work group's pro rata share of Executive, Planning and Legal. Also included is a pro rata share of the cost of Human Resources, Accounting & Finance, External Relations, Procurement, and Information Management.

**Investment Related Costs**

These are the costs of maintenance and other ownership costs associated with the corporate assets such as Land, Buildings, Office Equipment and General Purpose Computers.

**BellSouth Overhead Rate Development**

BellSouth uses the total Corporate Cost as the basis for overhead rate development and application. The most direct relationship between the costs is that, for every dollar BST spends (except for depreciation and amortization), there is a proportionate increase in supporting expenses of Corporate Operations and investment related costs.

The rate development process uses total costs for the year for the company as a whole to generate company-wide rates. Other inputs include a composite depreciation/amortization rate and the total corporate cost of plant removal from the asset management system, and the cost of capital rate, various tax rates, and other information from BellSouth Corp. and various regulatory and financial analysis groups. The rates are developed using an EXCEL spreadsheet to capture and assign the appropriate costs.

Since the rates are developed using total corporate costs, it is appropriate to apply the rates to every dollar of those costs charged on outgoing billing for custom work.



AT&T Florida  
Docket No. 060822-TL  
Nocatee 2<sup>nd</sup> Request for Documents  
Items No. 4  
Document 2  
Pages 1 thru 25

**PROPRIETARY**

ENTIRE DOCUMENT