



United Telephone Company of Florida  
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Alan N. Berg  
Senior Attorney

September 5, 1995

Mrs. Blanca S. Bayo  
Director, Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32301-8153

RE: Docket Nos. 921074-TP, 930955-TL, 940014-TL, 940020-TL, 931196-TL and  
940190-TL-- In re: Expanded Interconnection and Local Transport Restructure--  
Required Tariff Filings

Dear Mrs. Bayo:

Enclosed for filing in the above-referenced docket are the original and 4 copies  
of United Telephone Company of Florida's Request for Confidential Classification  
concerning the cost data supporting the local transport restructure tariff filed in the  
above-captioned Dockets.

Thank you for your attention to this matter.

Sincerely,

Alan N. Berg

ANB:tbm  
Enclosure



DOCUMENT NUMBER-DATE  
08678 SEP-6 1995  
FPSC-RECORDS/REPORTING



specific justification proffered in support of the confidential classification of such material.

3. Copies of the documents identified in paragraph 1 above are enclosed with the confidential information highlighted as required by the Rule. The documents with the confidential material highlighted are attached to the original only of this Request as Exhibit "A". Copies of the documents containing the confidential material with the confidential material blocked out with an opaque marker or other masking device are attached to this Request as Exhibit "B". Copies of this Request served on the parties in this matter do not have a copy of Exhibit "A" attached, but do have a copy of Exhibit "B" attached.

4. A listing of the pages and lines at which the confidential materials can be found is attached to this Request as Exhibit "C". A listing correlating the pages and lines of the confidential material with the specific justification proffered in support of the confidential classification of the material is attached to this Request as Exhibit "D".

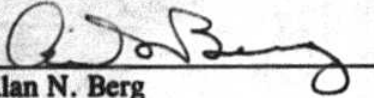
5. The material for which confidential classification is sought is intended to be and is treated by United as confidential and has not been disclosed without being subject to an agreement to maintain its confidential status.

6. The confidential material consists of cost data for switched access service for United, and will remain confidential through the entire course of this docket and thereafter.

7. Upon conclusion of this docket, United request that the confidential information described above be returned to United.

Wherefore, United Telephone Company of Florida requests that an order be entered declaring the information described herein as falling within the specified confidential classification.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Alan N. Berg", is written over a horizontal line.

Alan N. Berg  
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**EXHIBIT "A"**

**Docket Nos. 921074-TP, 930955-TL, 940014-TL, 940020-TL, 931196-TL and  
940190-TL— In re: Expanded Interconnection and Local Transport Restructure.**

**REQUEST FOR CONFIDENTIAL CLASSIFICATION  
BY UNITED TELEPHONE COMPANY OF FLORIDA**

**Copy of Documents with Confidential Information Highlighted**

**EXHIBIT "B"**

**Docket Nos. 921074-TP, 930955-TL, 940014-TL, 940020-TL, 931196-TL and  
940190-TL-- In re: Expanded Interconnection and Local Transport Restructure.**

**REQUEST FOR CONFIDENTIAL CLASSIFICATION  
BY UNITED TELEPHONE COMPANY OF FLORIDA**

**Copy of Documents with Confidential Information Marked Out**

## **LOCAL TRANSPORT RESTRUCTURE COST STUDY**

for

**UNITED TELEPHONE COMPANY OF FLORIDA  
and  
CENTRAL TELEPHONE COMPANY OF FLORIDA**

### **EXECUTIVE SUMMARY**

A Long Run Incremental Cost (LRIC) study was completed to determine the costs associated with the Local Transport Restructure (LTR) tariff. The elements for which cost support is provided are: Entrance Facility (DS1, DS3), Direct Trunked Fixed (DS1, DS3), Direct Trunked Per Mile (DS1, DS3), Tandem Switched Termination, Tandem Switched Facility, Tandem Switching (1st minute, additional minute), and Multiplexing.

The cost model used to determine the Tandem Switching cost was the Switching Cost Information System / Model Office (SCIS/MO). All cost information is proprietary. Bellcore prohibits the disclosure of any information regarding the SCIS model including the inputs and cost calculations within the model.

SCIS is a PC-based model developed by Bellcore which estimates switching system investment caused by switch usage. SCIS computes investment using the marginal cost and average cost method. S/UTF and S/CF use the marginal cost method.

The SCIS model run for this cost study used the combination model office (Version 6.3). This uses a composite of our existing in-service switches with actual inputs obtained yearly from engineering. All assumptions are based on actual forecasts.

Arthur Anderson audited the Bellcore SCIS model and released a report in July 1992 which states that the costing principles inherent in SCIS are appropriate for estimating long run incremental investment attributable to switching system usage, and the methods for implementing the principles are reasonable.

The costs of the Entrance Facility, Direct Trunked Fixed and per mile and the Tandem Switched Termination and Facility costs were determined via use of a methodology established by USTA for incremental cost studies. These costs were developed as Total Service Long Run Incremental Costs (TSLRIC).

This study used the forward looking technologies currently being planned at S/UTF and S/CF. Statistically valid samples were used to form the basis for the assumptions used in the study.

<u>Proposed Rate Elements</u>	<u>Incremental Cost</u>	<u>Proposed Rates</u>
1 Interconnection -Premium	[REDACTED]	\$0.013568
2 Interconnection-Transitional	[REDACTED]	\$0.013518
3 Entr. Facility - Voice	[REDACTED]	\$80.00
4 Entr. Facility - DS1	[REDACTED]	\$210.00
5 Entr. Facility - DS3 (0 Miles)	[REDACTED]	\$924
6 Entr. Facility - DS3 (1-3 Miles)	[REDACTED]	\$1,626
7 Entr. Facility - DS3 (3+ Miles)	[REDACTED]	\$2,863
8 Direct Trunked Fixed - Voice	[REDACTED]	\$72.00
9 Direct Trunked Per Mile - Voice	[REDACTED]	\$2.50
10 Direct Trunked Fixed - DS1	[REDACTED]	\$93.00
11 Direct Trunked Per Mile - DS1	[REDACTED]	\$20.00
12 Direct Trunked Fixed - DS3	[REDACTED]	\$472.00
13 Direct Trunked Per Mile - DS3	[REDACTED]	\$243.00
14 Tandem Switched Termination -Premium	[REDACTED]	\$0.000279
15 Tandem Switched Termination-Transitional	[REDACTED]	\$0.000278
16 Tandem Switched Facility -Premium	[REDACTED]	\$0.000064
17 Tandem Switched Facility-Transitional	[REDACTED]	\$0.000064
18 Tandem Switching -Premium (1st Minute)	[REDACTED]	\$0.000898
19 Tandem Switching- Transitional (1st Minute)	[REDACTED]	\$0.000895
20 Tandem Switching -Premium (Additional Minute)	[REDACTED]	\$0.000898
21 Tandem Switching- Transitional (Additional Minute)	[REDACTED]	\$0.000895
22 Multiplexing - DS1 to Voice	[REDACTED]	\$300.00
23 Multiplexing - DS3 to DS1	[REDACTED]	\$600.00



**EXHIBIT "C"**

**Docket Nos. 921074-TP, 930955-TL, 940014-TL, 940020-TL, 931196-TL and 940190-TL-- In re: Expanded Interconnection and Local Transport Restructure.**

**REQUEST FOR CONFIDENTIAL CLASSIFICATION  
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**Description of Confidential Information**

The following information has be identified as confidential.

**Local Transport Restructure Cost Study**

**Attachment 6, Page 1 of 2, Column B, Lines 1-23, Incremental Costs**

**EXHIBIT "D"**

**Docket Nos. 921074-TP, 930955-TL, 940014-TL, 940020-TL, 931196-TL and 940190-TL— In re: Expanded Interconnection and Local Transport Restructure.**

**REQUEST FOR CONFIDENTIAL CLASSIFICATION  
BY UNITED TELEPHONE COMPANY OF FLORIDA**

**Specific Justification to Support Confidential Classification**

The following justification is offered for the information listed below:

**Local Transport Restructure Cost Study**

**Attachment 6, Page 1 of 2, Column B, Lines 1-23, Incremental Costs**

The information claimed as confidential contained in the above-referenced page and lines consists of incremental costs for zone density pricing for local transport.

This service is currently or soon will be subject to competition at various locations in the United service territory. Competition for this service will increase as more competitors enter the local service market under the recently enacted legislation at the State level and the pending legislation at the Federal level. Competitors are present and waiting to provide this service.

Section 364.183(3)(e), Florida Statutes (1993), describes the term "proprietary confidential business information" to include "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information."

The incremental costing information provided on local transport is information relating to the competitive interests of United. Disclosure of the information would allow other providers of service to determine the minimum price at which United could sell the service and enable other providers of the service a competitive advantage in pricing their service. Such an advantage would impair United's ability to compete in the market for the service, and give its competitors an unfair competitive advantage. The revealing of the competitive information would lessen United's ability to compete in the marketplace and deprive consumers of services of a viable competitor for the service.