



ORIGINAL
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August 30, 1996

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 960833-TP

Dear Ms. Bayo:

On August 23, 1996, AT&T filed the Supplemental Direct Testimony of Art Lerma in the above-referenced docket. Mr. Lerma's testimony had two exhibits, ALS-1 and ALS-2. Exhibit ALS-2, Workpapers, should have consisted of four pages. In our filing, pages 1-3 were inadvertently omitted.

Enclosed are an original and fifteen copies of pages 1-3 to be attached to Mr. Lerma's testimony. We apologize for the omission of these pages.

Yours very truly,

Doris M. Franklin

cc: Parties of Record

- ACK
- AFA
- APP
- CAF
- CMU *Reita*
- CTR
- EAG
- LES *1*
- LIN *5+orig*
- OPC
- RCH
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- WAS
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FPSC-BUREAU OF RECORDS

DOCUMENT NO.
09233-96

BellSouth Telecommunications
SBFL

	43-03 Line #	Regulated	Direct Costs by Account	Direct Avoid %	Direct Avoid Cost	Indirect Costs by Account	Indirect Avoid %	Indirect Avoid Cost	Total Avoid Costs
Ba Loc Svc	520	1,639,701							
LD nrtak svcs rev	526	292,042							
Revenues Subject to Resale		1,931,743							
Uncollect-Telecomm	5301	47,835				47,835	100.0%	47,835	47,835
Uncollect-Other	5302	71	71						
Uncollectible Rev	5300	47,906	71			47,835	100.0%	47,835	47,835
Network Support	6110	3,598	3,598						
Land & Bldg	6121	71,865				71,865	28.0%	20,094	20,094
Furn & Artwork	6122	5,471				5,471	28.0%	1,534	1,534
Office Equip	6123	6,433				6,433	28.0%	1,804	1,804
Gen Purp Comp	6124	83,973				83,973	28.0%	23,545	23,545
Gen Support	6120	167,542				167,542	28.0%	46,978	46,978
Cent Off Switch	6210	101,365	101,365						
Operator Syst	6220	3,297	3,297	100%	3,297				3,297
Cent Off Trans	6230	48,680	48,680						
Information OT	6310	45,261	45,261						
Cable & Wire	6410	271,005	271,005						
Other PP&E	6510	795	795						
Power	6531	11,922	11,922						
Network Admn	6532	19,973	19,973						
Testing	6533	58,499	58,499	20%	11,700				11,700
Plant Ops Admn	6534	77,373	77,373	20%	15,475				15,475
Engineering	6535	65,080	65,080						
Network Oper	6530	252,847	252,847		27,174				27,174
Access	6540	10,109	10,109						
Depr/Amort	6580	625,281	625,281						
Depr/Amort Op Sys & GSF (worksheet 1)	6580	84,826	8,109(a)	100%	6,109	78,817(b)	28.0%	22,100	28,209
Prod Mgmt	6611	29,517	29,517	100%	29,517				29,517
Sales	6612	72,454	72,454	100%	72,454				72,454
Prod Advert	6613	32,172	32,172	100%	32,172				32,172
Marketing	6610	134,143	134,143	100%	134,143				134,143
Call Comp	6621	17,871	17,871	100%	17,871				17,871
Number Svcs	6622	58,783	58,783	100%	58,783				58,783
Cost Svcs	6623	278,324	278,324	100%	278,324				278,324
Service Exp	6620	354,978	354,978	100%	354,978				354,978
Executive	6711	10,091				10,091	28.0%	2,829	2,829
Planning	6712	3,904				3,904	28.0%	1,095	1,095
Exec & Planning	6710	13,995				13,995	28.0%	3,924	3,924
Acct & Finance	6721	28,412				28,412	28.0%	7,967	7,967
Ext Relations	6722	25,108				25,108	28.0%	7,040	7,040
Human Resources	6723	39,435				39,435	28.0%	11,057	11,057
Info Mgmt	6724	148,221				148,221	28.0%	41,560	41,560
Legal	6725	13,571				13,571	28.0%	3,805	3,805
Procurement	6726	8,453				8,453	28.0%	2,370	2,370
Research & Develop	6727	7,997				7,997	28.0%	2,242	2,242
Other G & A	6728	141,858				141,858	28.0%	39,720	39,720
Gen & Admin	6720	412,855				412,855	28.0%	115,782	115,782
Prov Uncollect Note	6780	-							
Tot Expenses		2,578,781	1,857,737	28.3%	525,701	721,044	32.8%	236,598	762,300
Less Access & Misc Adjustment (worksheet 2)		51,576	6,677	100.0%	6,677	44,899	28.0%	12,599	19,286
Tot. Expenses Less Access & Misc Adjust		2,527,205	1,851,060	28.0%	519,024	676,146	33.1%	224,009	743,033

Return and Taxes (worksheet 3)	29,408
Total Avoided Exps and Return & Taxes	172,441
Total Wholesale Discount	39.99%

DOCUMENT NUMBER-DATE
 09233 AUG 30 88
 FPSC-RECORDS/REPORTING

Calculation of Depreciation for General Support Assets and Operator Systems Assets

Operator Systems depreciation can be taken directly from the ARMIS 43-04 report.

	Source 43-04	
	<u>Line #</u>	<u>Amount</u>
Op Sys	6040	6.109
Op Sys	6120	-
Op Sys	6190	-
		6,109(a)

Depreciation for General Support Assets must be calculated as Follows:

Depreciation for General Support Facilities can be taken from the ARMIS 43-04 report.

Depreciation		
	Source 43-04	
	<u>Line #</u>	<u>Amount</u>
GSF	6020	83,837
GSF	6100	4,755
GSF	6170	0
		88,592

*This depreciation is for both Network Support assets and General Support assets.
To separate them a ratio of the general Support assets to Network and General Support assets is developed.*

Network Support		
	Source 43-03	
	<u>Line #</u>	<u>Amount</u>
motor veh	2112	53,746
aircraft	2113	-
spec purp veh	2114	4
garage work equip	2115	1,612
other work equip	2116	82,377
Network Support	2110	137,739
General Support		
	Source 43-03	
	<u>Line #</u>	<u>Amount</u>
buildings	2121	701,685
furniture	2122	10,119
office equip	2123	32,146
gen purp comp	2124	366,717
General Support	2120	1,110,667
Total Network & Gen'l Support		1,248,406
General Support Asset ratio		88.97%

The depreciation multiplied by the ratio determines the depreciation expense for General Support assets.

General Support Depreciation **78,817(b)**

Methodology to Determine Access and Miscellaneous Expense Adjustment

Attachment B

**Data from Bell Atlantic - Pennsylvania
Analysis of Avoided Costs for Resold Services**

Total Operating Expense	2,452,769	SNFA	1,672
Part 64 Non-Reg	195,555	Access	5,977
Uncollectibles	51,148	Public Payphone	21,392
Total Expenses	<u>2,308,362</u> (a)	Other Adjust	<u>15,508</u>
			44,549 (b)

Access & Misc Adjustment Factor (b/a) or

Access as a percent of Total Expenses 5,977 / 2,308,362

Misc. as a percent of Total Expenses 38,572 / 2,308,362

Calculation of Specific State Access & Miscellaneous Expense Adjustment

Access Expense % (0.26%) X State Specific Total Expenses = Direct Access Costs

Miscellaneous Expense % (1.67%) X State Specific Total Expenses = Indirect Misc. Costs