

ATTACHMENT B

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FPSC DOCKET 960833-TP

COST STUDIES REQUIRED BY FPSC ORDER PSC-96-PSC-1579-FOF-TP

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PUBLIC VERSIONS

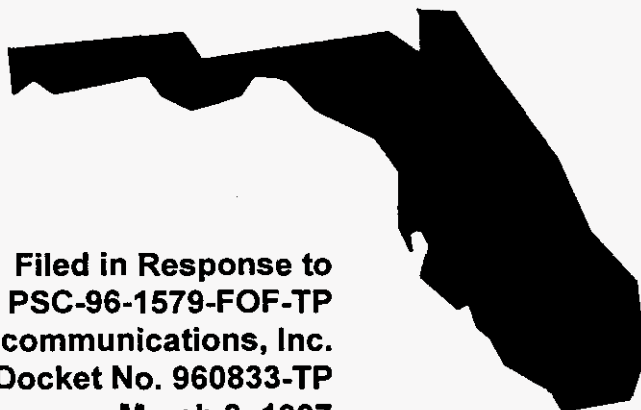
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FPSC-RECORDS/REPORTING

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FLORIDA



Filed in Response to
Order No. PSC-96-1579-FOF-TP
BellSouth Telecommunications, Inc.
Docket No. 960833-TP
March 3, 1997

4 WIRE ANALOG PORT

TSLRIC COST STUDY DOCUMENTATION

PROPRIETARY

SECTIONS A THRU 7

**FLORIDA
4 WIRE ANALOG PORT
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Feb. 1997

SECTION A

SECTION A

COST STUDY DOCUMENTATION PROPRIETARY RATIONALE

4-WIRE ANALOG PORT

This 4-Wire Analog Port Cost Study contains actual unit cost information for discrete cost elements. These costs represent BellSouth's long run incremental cost of providing these elements on a going forward basis. Public disclosure of this information would provide BellSouth's competitors with an advantage. The data is valuable to competitors and potential competitors in formulating strategic plans for entry, pricing, marketing and overall business strategies. This information relates to the competitive interests of BellSouth and disclosure would impair the competitive business of BellSouth.

Additionally, the study contains information which reflects vendor-specific prices negotiated by BellSouth. Public disclosure of this information would impair BellSouth's ability to contract for goods and/or services on favorable terms.

The Switching Cost Information System (SCIS) Version 2.1, is the foundation for the calculation of switch investments contained in the study. The model's mathematical formulas include information which is covered by proprietary agreements between Bellcore and the switch vendors. The model uses sophisticated programming and data management techniques which are the intellectual property of Bellcore.

For these reasons, the 4-Wire Analog Port Cost Study is considered proprietary.

SECTION 1

SECTION 1

INTRODUCTION AND OVERVIEW

4-WIRE ANALOG PORT

COST STUDY DOCUMENTATION

This Total Service Long Run Incremental Cost (TSLRIC) study is for 4-Wire Analog Ports in the state of Florida, and should be used for connection to older vintage PBX systems that require 4-wire analog terminations. This study is being provided in response to the Commission Order No. PSC-96-1579-FOF-TP issued December 31, 1996.

TSLRIC is expressed as a unit incremental cost. The TSLRIC results represented in this cost study are volume sensitive. There are no volume insensitive costs in this study.

PBX ports provide Alternative Local Exchange Carriers (ALECs) with the ability to terminate a 4-wire PBX line in the switch.

The investments presented in this study are levelized for the 1996-1998 study period. These investments are converted to recurring costs using incremental loadings and annual cost factors. Nonrecurring costs are also levelized for the 1996-1998 study period.

SECTION 2

SECTION 2

COST STUDY DOCUMENTATION DESCRIPTION OF STUDY PROCEDURES

4-WIRE ANALOG PORT

This section describes the general principles for the development of TSLRIC 4-Wire Analog Ports.

All costs are developed utilizing TSLRIC methodology. In determining costs, BellSouth uses direct incremental costing techniques in accordance with accepted economic theory. Direct incremental costs are based on cost causation and include all of the costs directly caused by expanding production, or alternatively, costs that would be saved if the production levels were reduced. The production unit may be an entire service or a unit of the service depending on the cost object involved. Costs for a service may include volume sensitive and/or volume insensitive costs. Costs are forward-looking in nature because only future costs can be saved. Incremental costs are long run to assure that the time period studied is sufficient to capture all forward-looking costs affected by the business decision. Shared and common costs are not incremental and, therefore, are not included. Incremental costs include both recurring (capital and operating expenses) and nonrecurring (service provisioning) costs. Incremental costs account for the expected change in cost to the firm resulting from a new service offering or a change in demand for an existing service.

DEVELOPMENT OF RECURRING COSTS

The monthly costs to BellSouth Telecommunications, Inc. resulting from the capital investments necessary to provide a service are called recurring costs. Recurring costs include capital and operating costs. While capital costs include depreciation, cost of money and income tax, operating costs are the expenses of maintenance, ad valorem and other taxes. These expenses contribute to the ongoing cost to the Company associated with the initial capital investment. Recurring costs are developed using incremental economic study applications representing a forward-looking view of technology and deployment.

The first step in developing an incremental study of recurring costs for 4-Wire Analog Ports is to determine the forward-looking vendor EF&I (engineered, furnished and installed) investments. This is accomplished through the use of Bellcore's proprietary modeling tool, SCIS. In-plant factors are applied to vendor investments to develop installed investments which include Telco engineering and installation labor.

Investment Inflation Factors for specific plant accounts are applied to the installed investments to trend the base year, or study year, investments to levelized amounts that are valid for a three to five year planning period. Appropriate loadings for land, building and miscellaneous common equipment and power are then applied.

Next, Incremental Annual Cost Factors are used to calculate the direct cost of capital, maintenance and operating expenses and taxes. Factors for each Uniform System of Accounts- Field Reporting Code (USOC-FRC) are applied to levelized investments by account code yielding annual costs by account code. These annual costs are then summed and divided by twelve to arrive at a monthly cost per cost element.

DEVELOPMENT OF NONRECURRING COSTS

Nonrecurring costs are "one-time" costs incurred as a result of provisioning, installing, and disconnecting unbundled ports. The first step in developing nonrecurring costs is to determine the cost elements related to the study. These cost elements are then described by all of the individual work functions required to provision the cost element. The work functions can be grouped into four categories. These are service order, engineering, connect and test, and technician travel time. The work function times, as identified by individuals knowledgeable about and/or responsible for performing these functions, are used to describe the flow of work within the various work centers involved. Installation and provisioning costs are developed by multiplying the work time for each work function by the directly assigned labor rate for the work group performing the function.

Utilizing work functions, work times and labor rates, disconnect costs are calculated in the same manner as the installation costs. Since these labor costs will occur in the future, the current labor rates are inflated to that future period in time and then discounted to the present. The discounted disconnect cost is added to the installation cost and the gross receipts tax is applied to develop the total nonrecurring cost.

In addition to the labor related nonrecurring costs, Right-to-Use Fees (RTU) are calculated. These costs are developed by review of the switch contracts for the appropriate expense, application of the negotiated discount rate, and incorporation of the gross receipts tax. The RTU fee is expressed as a nonrecurring cost, but it can be amortized over the economic life of the switch, as has been done in workpaper 10, Section 3, to determine a unit recurring equivalent cost.

SECTION 3

SECTION 3

SUMMARY OF RESULTS

4-WIRE ANALOG PORT

This section contains a cost summary for the 1996-1998 TSLRIC studies for both recurring and nonrecurring cost elements studied for the 4-Wire Analog Port.

**Summary of Costs
Florida 4-Wire Analog Port**

State: Florida
Workpaper: 10
Page: 1 of 1
Date: 02/27/97

	A		B	C	D
Rate Element	Unit Recurring TSLRIC	Nonrecurring		Unit Recurring ² Equivalent	Unit Recurring TSLRIC
1 2 3 4-Wire Analog Port, First		Volume Sensitive Labor RTU Fees			N/A
4 5 6 7 4-Wire Analog Port, Additional		Volume Sensitive Labor RTU Fees			N/A

Notes:

- ¹ These costs do not contain wage usage or feature costs.
- ² The nonrecurring RTU Fee is amortized over the economic life of the digital switch (120 months), and expressed as a unit recurring cost.

SECTION 4

SECTION 4

COST STUDY DOCUMENTATION COST DEVELOPMENT - RECURRING

4-WIRE ANALOG PORT

This section defines the recurring cost development for 4-Wire Analog Ports.

Generally, cost development is outlined in Section 2. Network architecture is determined, the necessary equipment is identified, material prices are obtained, factors, utilization and loadings are applied and the result is levelized for the study period. Annual cost factors are applied to convert the investment to cost.

ACE, an internally developed model, is used to perform the mathematical calculations necessary to convert investments to costs. Since the results are linear with respect to the investment, a conversion factor by plant account code can be developed. The conversion factor is developed by using the ACE model to calculate the annual cost of a \$10,000 investment and dividing by 12.

As mentioned in Section 2, the SCIS model lays the foundation for developing vendor EF&I investments. The model's outputs reflect vendor design criteria, BellSouth engineering rules, and customer usage characteristics.

In Section 7, Reports 10 and 20 from the ACE model develop the investment and convert the investment to a monthly cost.

Florida 4-Wire Analog Port
Monthly Costs

State: Florida
Workpaper: 20
Page: 1 of 1
Date: 02/27/97

A

LN	Description	Source	Amount
1	5ESS Calculations		
2	Investment - 377C	SCIS/MO - 5ESS Line Termination Report	
3	MDF & Protector		
4	NTS Switching Investment		
5	MTDX200 signaling plug-in	Network	
6	MT42110 transmission plug-in	Network	
7			
8	Investment per Port	LN3+LN4+LN5+LN6	
9			
10	Conversion Factor - Investment to Cost	ACE Report 20, Total Monthly Cost/10,000	0.027046
11			
12	5ESS Monthly Cost	LN8*LN10	
13			
14			
15	DMS Calculations		
16	Investment - 377C	SCIS/MO - DMS Line Termination Report	
17	MDF & Protector		
18	NTS Switching Investment		
19	MTDX200 signaling plug-in	Network	
20	MT42110 transmission plug-in	Network	
21			
22	Investment per Port	LN17+LN18+LN19+LN20	
23			
24	Conversion Factor - Investment to Cost	ACE Report 20, Total Monthly Cost/10,000	0.027046
25			
26	DMS Monthly Cost	LN22*LN24	
27			
28			
29	Meld Calculations		
30	Technology Distribution	D&F Database - NALs	
31	5ESS		68.5%
32	DMS		31.5%
33			
34	Melded Monthly Cost	LN12*LN31+LN26*LN32	
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

12

SECTION 5

SECTION 5

COST STUDY DOCUMENTATION
COST DEVELOPMENT - NONRECURRING

4 WIRE ANALOG PORT

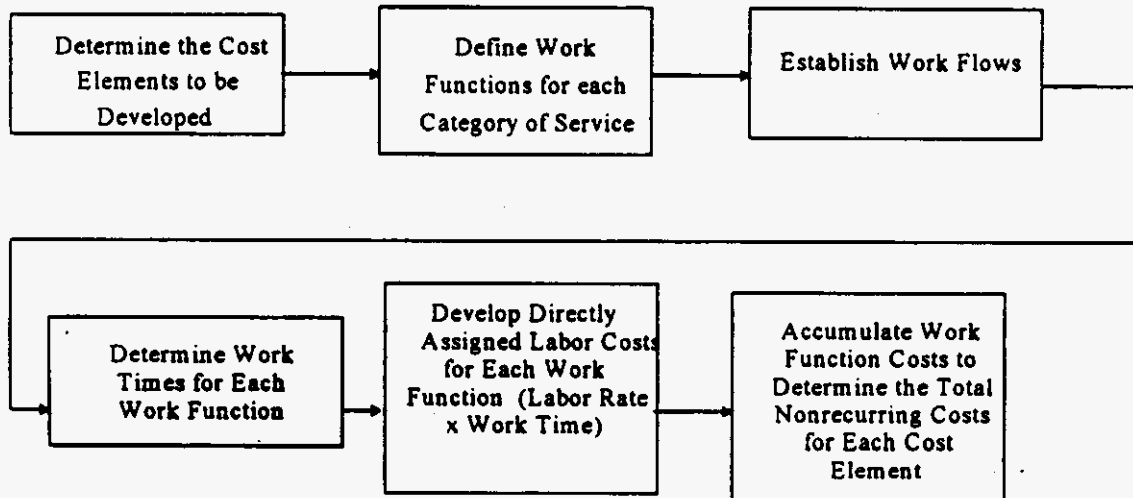
This section defines the nonrecurring cost development for 4 Wire Analog Ports.

Nonrecurring costs are one-time costs incurred as a result of provisioning, installing, disconnecting and completing of orders for 4 Wire Analog Ports. Calculations for the nonrecurring costs are included in this section.

Figure 5-1 shows a generalized flow of the steps necessary for developing nonrecurring costs. Each part of this flow will be explained in more detail in this section.

Figure 5-1

Generalized Flow Diagram for Developing Nonrecurring Costs



The first step in developing nonrecurring costs is to determine the cost elements to be studied. Each cost element is then described by all of the individual work functions required to provision the cost element. The work functions required to provide the 4-Wire Analog Port can be grouped into four categories. These groups are:

- 1) Service Order
- 2) Engineering
- 3) Connect and Test
- 4) Technician Travel Time

Work functions included in these categories range from clerical activities to installation activities.

The work functions and work times involved in the provisioning of the 4-Wire Analog Port are identified by individuals knowledgeable about and/or responsible for performing the functions. These work functions and work times are then used to describe the flow of work within the various work centers involved in provisioning the cost element.

A spreadsheet model is used to incorporate the specific work functions and labor rates. In order to arrive at the nonrecurring cost for the element studied, the work times for each work function required are multiplied by the appropriate leveled labor rate. The Labor Inflation Factors (LIF) are used to bring the labor rates to the appropriate study period. The labor rates and labor inflation factors are shown in Section 7. Next, the individual work function costs are accumulated into the installation cost for the cost element studied.

Utilizing work functions, work times and directly assigned labor rates, disconnect costs are calculated in the same manner as the installation costs. Since the labor costs will occur in the future, the directly assigned labor rates are inflated to that future period in time and then discounted to the present. The discounted disconnect cost is added to the installation cost and the gross receipts tax is applied to develop the total nonrecurring cost.

Nonrecurring costs are calculated separately on a first and additional basis. "First" refers to the first item on a service order. "Additional" costs are the incremental costs of providing one or more duplicates of the first item on the same service order at the same time as the first item.

In addition to the labor related nonrecurring costs, Right-to-Use Fees (RTU) are calculated in this section. These costs are developed by review of the switch contracts for the appropriate expense, application of the negotiated discount rate, and incorporation of the gross receipts tax. The RTU fee can be amortized over the economic life of the switch to determine a unit recurring equivalent cost. These calculations are presented on Workpaper 34.

Workpapers 30 and 33 detail the development of the nonrecurring costs.

Florida 4-Wire Analog Port
 Nonrecurring Costs - Summary

State: Florida
 Workpaper: 30
 Page: 1 of 1
 Date: 02/27/97

A

LN	Description	Source	Amount
1	Nonrecurring Cost - First		
2			
3	4-Wire Analog Port	WP35, LN14	
4			
5			
6	Nonrecurring Cost - Additional		
7			
8	4-Wire Analog Port	WP35, LN29	
9			
10			
11	RTU Fee 1	WP33, LN14	
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27	Notes:		
28	1 The RTU fee is amortized over the economic life of the switch.		
29	Unit recurring equivalent (WP34, LN20):		
30			
31			
32			
33			
34			
35			

Florida 4-Wire Analog Port
Nonrecurring Costs

State: Florida
Workpaper: 33
Page: 1 of 1
Date: 02/27/97

LN	Description	A Hours	Labor Rate	Inflation Factor (WP34, LN19)	GRT Factor	Disconnect Factor	B Nonrecurring Cost
1	First						
2	Customer Point of Contact (ICSC)						
3	Installation		\$38.30	1.0618	1.0152		
4	Disconnect		\$38.30	1.0618	1.0152	0.8193	
5							
6	Network Service Clerical						
7	Installation		\$30.21	1.0618	1.0152		
8	Disconnect		\$30.21	1.0618	1.0152	0.8193	
9							
10	CO Install, Maintenance & Administration - Software						
11	Installation		\$37.38	1.0618	1.0152		
12	Disconnect		\$37.38	1.0618	1.0152	0.8193	
13							
14	Total Nonrecurring Cost - First	Sum (LN3...LN12)					
15							
16	Additional						
17	Customer Point of Contact (ICSC)						
18	Installation		\$38.30	1.0618	1.0152		
19	Disconnect		\$38.30	1.0618	1.0152	0.8193	
20							
21	Network Service Clerical						
22	Installation		\$30.21	1.0618	1.0152		
23	Disconnect		\$30.21	1.0618	1.0152	0.8193	
24							
25	CO Install, Maintenance & Administration - Software						
26	Installation		\$37.38	1.0618	1.0152		
27	Disconnect		\$37.38	1.0618	1.0152	0.8193	
28							
29	Total Nonrecurring Cost - Additional	Sum (LN18...LN27)					
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							

18

Florida 4-Wire Analog Port
Development of RTU Fees

State: Florida
Workpaper: 34
Page: 1 of 1
Date: 02/27/97

A

LN	Description	Source	Amount
1	5ESS RTU per Line	Contract PR-6700-B	
2			
3	DMS	None Required	\$0.00
4			
5	Meld Calculations		
6	Technology Distribution	D&F Database - NALs	
7	5ESS		68.5%
8	DMS		31.5%
9			
10	Melded RTU fee	LN1*LN7+LN3*LN8	
11			
12	GRT Tax Factor	Fundamental Cost Group	1.0152
13			
14	Melded RTU w/GRT	LN10*LN12	
15			
16	RTU Expressed as Recurring		
17	PW of Expense	LN10	
18	Monthly Nominal Interest Rate	Based on 13.20% Annual Interest Rate	1.04%
19	Term (Months)	Digital Equipment Economic Life	120
20	Monthly Cost w/GRT	(@pmt(LN17, LN18, LN19))*LN12	
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			

Florida 4-Wire Analog Port
Development of Inflation Factor

State: Florida
Workpaper: 35
Page: 1 of 1
Date: 02/27/97

LN	Description	Amount Year 1	Amount Year 2	Amount Year 3
1	Labor Levelizing Factor Calculation			
2				
3	Inward Movement	1	1	1
4				
5	Present Worth Factors	0.8834	0.7804	0.6894
6				
7				
8				
9	Inflation per Year (Labor)	1.029	1.034	1.035
10	Cummulative Inflation (Year 1, Year 1 * Year 2, etc..)	1.029	1.064	1.101
11				
12				
13	Present Worth of Inward Movement (LN3*LN5)	0.8834	0.7804	0.6894
14	Present Worth of Cummulative Inflation (LN5*LN10)	0.9090	0.8303	0.7592
15				
16	Sum of Present Worth of Inward Movement (Sum LN13)	2.353		
17	Sum of Present Worth of Cummulative Inflation (Sum LN14)	2.498		
18				
19	Inflation/Levelizing Factor (LN17/LN16)	1.0618		
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30	Present Worth Factor = $1/(1+.1320)^n$			
31	n = Year; 13.20% = Cost of Money			
32				
33				
34				
35				

SECTION 6

SECTION 6

COST STUDY DOCUMENTATION SPECIFIC STUDY ASSUMPTIONS

4-WIRE ANALOG PORT

This cost study is based on TSLRIC methodology. Network deployment strategies, first choice provisioning guidelines, and equipment purchasing information are used to develop the TSLRIC.

Cost study assumptions are as follows:

1. The physical connection to the switch is comprised of the Main Distributing Frame (MDF), the protector on the MDF, and the non-traffic sensitive switch equipment. Plug-in investments for signaling and transmission are added to the switch investments. These plug-ins provide the metallic facility terminations necessary for the old vintage PBX systems to work in the ports.
2. Network usage is required to gain access to the switched network.
3. RTU fees have been included where applicable to account for the expense which must be paid to switch vendors upon termination.
4. This cost study is based on a study period of 1996-1998 and uses a base year of 1995.
5. The Cost of Money is 13.20%.
6. The discounted disconnect factor is based on the location life of the rate element. For a PBX termination, the average location life is 54 months.
7. The nonrecurring costs include establishment of telephone numbers.

SECTION 7

SECTION 7

**COST STUDY DOCUMENTATION
FACTORS AND LOADINGS**

4-WIRE ANALOG PORT

Following are the TSLRIC annual cost factors, miscellaneous loadings and labor rates used in the 4-Wire Analog Port cost study. Also included is the development of the conversion factor used to convert investments to annual costs in Section 4, Workpaper 20.

SECTION 7

LABOR RATES, LABOR INFLATION, ETC.
FLORIDA

Directly Assigned Labor Rates - 1995

<u>Work Center</u>	<u>Job Function Code</u>	<u>1995</u>
CO Install, Maintenance & Administration - Software	432X	\$37.38
Customer Point of Contact (ICSC)	2300	\$38.30
Network Services Clerical (SOP 89)	2700	\$30.21

Discounted Disconnect Factor

	<u>Location Life</u>	<u>Factor</u>
4 Wire Analog Port	54 Months	.8193

Labor Inflation Rate

1996	1.029
1997	1.034
1998	1.035

Inflation Levelizing Factors

Labor	1.0652
Digital Switch Equipment (377C)	1.0120

Loading Factors

InPlant (Telco)	1.1236
Common Equipment & Power (377C)	1.0962
Building Loading	.0404
Land Loading	.0030

CALCULATION OF CONVERSION FACTOR

USOC INVESTMENT DETAILS

State Tariff Ref.
Florida \$10,000.00

PRIMARY INVESTMENT DATA		INVESTMENT LOADING FACTORS				SUPPORT STRUCTURE LOADINGS			BOOKED INVESTMENTS			
Field Code	Description	Capital Investment	Operating Investment	FC Factor	InPlant Factor	InPlant Type	CE&P Factor	Loading Factor	Loading Type	Field Code	Capital Investment	Operating Investment
377C	Sample of \$10,000	\$10,000.00	\$10,000.00	1.0120	1.1236	T	1.0962				\$12,464.71	\$12,464.71
377C	Support Loading							0.0404	switch-bldg	10C	\$503.57	\$503.57
377C	Support Loading							0.0030	switch-land	20C	\$37.39	\$37.39
ADJUSTED TOTAL INVESTMENT											\$13,005.67	\$13,005.67

CALCULATION OF CONVERSION FACTOR

USOC INVESTMENT DETAILS

State Tariff Ref.
Florida \$10,000.00

Field Code	INVESTMENT DATA		INVESTMENT LOADING FACTORS					SUPPORT STRUCTURE LOADINGS		BOOKED INVESTMENTS						
	Capital Investment	Operating Investment	Depr. Factor	C.O.M. Factor	Inc. Tax Factor	Misc. Factor	Admin. Factor	AdVal. Factor	GRT Factor	Depr. Expense	C.O.M. Expense	Inc. Tax Expense	Misc. Expense	Admin. Expense	AdVal. Expense	GRT Expense
10C	\$503.57	\$503.57	0.0302	0.0984	0.0452	0.0069	0.0000	0.0113	0.0152	\$15.21	\$49.55	\$22.76	\$3.47	\$0.00	\$5.69	\$1.47
20C	\$37.39	\$37.39	0.0000	0.1118	0.0514	0.0000	0.0000	0.0113	0.0152	\$0.00	\$4.18	\$1.92	\$0.00	\$0.00	\$0.42	\$0.10
377C	\$12,464.71	\$12,464.71	0.1134	0.0651	0.0302	0.0282	0.0000	0.0113	0.0152	\$1,413.50	\$811.45	\$376.43	\$351.50	\$0.00	\$140.85	\$47.02
SUMMARY:	ADJUSTED TOTAL INVESTMENT						\$13,005.67									
	ANNUAL CAPITAL COSTS:		Depreciation Expense				\$1,428.71									
			Cost of Money				\$665.18									
			Income Tax Expense				\$401.12									
	ANNUAL OPERATING EXPENSES:		Maintenance Expense				\$354.98									
			Administration Expense				\$0.00									
			Ad Valorem and Other Taxes				\$146.96									
	Gross Receipts Tax						\$48.59									
	TOTAL ANNUAL COST:						\$3,245.55	TOTAL MONTHLY COST:		\$270.46						

1995 FLORIDA
ACCOUNT AVERAGE ANNUAL COST FACTORS
INCREMENTAL

FOR USE IN SERVICE COST STUDIES ONLY

30 - June - 96

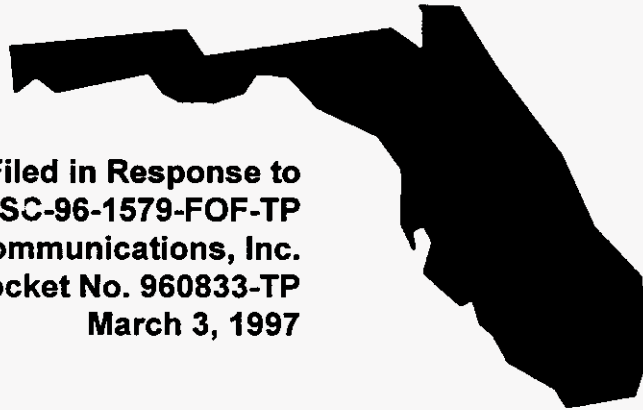
hold_code	depreciation a	acfc_com b	acfc_inc tax c	cap_exp d	acfc_misc e	acfc_advd tax f	admin_dr g	acfc_oper_exp h	acfc_grt_comb i	tot_combined j	acfc_grt_local k	tot_local l	acfc_grt_toll m	tot_toll n
		13.2%		(a + b + c)				(e + f + g)	x (d + h)	(d + h + j)	0.0152 x (d + h)	(d + h + k)	0.0152 x (d + h)	(d + h + m)
LAND	20C	0.0000	0.1118	0.0614	0.1632	0.0000	0.0113	0.0000	0.0113	0.0027	0.1772			
BUILDINGS	10C, 110C, 810C	0.8382	0.0988	0.0452	0.1740	0.0080	0.0113	0.0000	0.0182	0.0029	0.1951			
ANALOG ELEC SWITCH	77C, 877C, 877C	0.2829	0.0980	0.0308	0.3616	0.8217	0.0113	0.0461	0.0791	0.0067	0.4473			
DIGITAL ELEC SWITCH	377C, 867C	0.1134	0.0651	0.0302	0.2087	0.5282	0.0113	0.0461	0.0456	0.0045	0.2988			
OPERATOR SYSTEMS	117C, 417C	0.1063	0.0761	0.0404	0.2238	0.0040	0.0113	0.0461	0.0614	0.0043	0.2895			
RADIO	167C, 67C, 867C, 867C	0.1634	0.0760	0.0348	0.2532	0.0763	0.0113	0.0461	0.1337	0.0058	0.3829			
DIGTL CIRC - DDS	157C	0.1810	0.0675	0.0305	0.2790	0.0073	0.0113	0.0461	0.0647	0.0052	0.3489			
DIGTL CIRC - PAIR GAIN	267C, D267C, F267C	0.1134	0.0838	0.0288	0.2058	0.0089	0.0113	0.0461	0.0683	0.0041	0.2762			
DIGTL CIRC - OTHER	367C, T367C, F367C, 867C, 867C	0.1134	0.0838	0.0287	0.2089	0.0088	0.0113	0.0461	0.0680	0.0041	0.2770			
ANALOG CIRC - PAIR GAIN	457C	0.1688	0.0838	0.0248	0.2573	0.0000	0.0113	0.0461	0.0674	0.0046	0.3198			
ANALOG CIRC - OTHER	67C	0.1688	0.0838	0.0262	0.2810	0.0208	0.0113	0.0461	0.0780	0.0052	0.3442			
PBX	158C, 244C	0.2290	0.0771	0.0348	0.3413	0.0145	0.0113	0.0461	0.0710	0.0083	0.4196			
PUBLIC - COIN	198C, 198C	0.1463	0.0763	0.0348	0.2594	0.2084	0.0113	0.0461	0.2658	0.0080	0.5332			
PUBLIC - COINLESS	298C, 298C	0.1463	0.0763	0.0348	0.2594	0.1248	0.0113	0.0461	0.1822	0.0067	0.4483			
PUBLIC - OTHER	398C, 988C	0.1463	0.0763	0.0348	0.2584	0.1082	0.0113	0.0461	0.1638	0.0084	0.4284			
OTHER TERMINAL EOPT	358C, D758C, 858C, 858C, 828C, 828C, F988C	0.1738	0.0812	0.0368	0.2984	0.0548	0.0113	0.0461	0.1122	0.0061	0.4687			
SUBSCRIBER PAIR GAIN	758C, D758C, F758C	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000			
POLES	1C, 811C	0.0871	0.0725	0.0326	0.1721	0.8278	0.0113	0.0461	0.0853	0.0039	0.2813			
AERIAL CA - METAL	22C, 12C, 882C	0.0817	0.0787	0.0338	0.2052	0.8571	0.0113	0.0461	0.1148	0.0048	0.3248			
AERIAL CA - FIBER	822C, 812C, 882C, 882C, D22C, F22C, T22C, D12C, F12C, T12C	0.0887	0.0784	0.0347	0.1788	0.9138	0.0113	0.0461	0.0713	0.0038	0.2548			
UNGROUND CA - METAL	8C, 888C	0.1038	0.0813	0.0342	0.2181	0.0281	0.0113	0.0461	0.0845	0.0046	0.3182			
UNGROUND CA - FIBER	88C, 888C, 888C, D8C, F8C, T8C	0.0820	0.0800	0.0368	0.1784	0.0138	0.0113	0.0461	0.0708	0.0038	0.2631			
BURIED CA - METAL	48C, 848C	0.0878	0.0888	0.0354	0.2038	0.8643	0.0113	0.0461	0.1117	0.0048	0.3204			
BURIED CA - FIBER	848C, 888C, 888C, D48C, F48C, T48C	0.0888	0.0818	0.0387	0.1788	0.0144	0.0113	0.0461	0.0718	0.0038	0.2524			
SUBMARINE CA - METAL	8C, 888C	0.0880	0.0814	0.0388	0.2040	0.0160	0.0113	0.0461	0.0724	0.0042	0.2808			
SUBMARINE CA - FIBER	88C, 888C, D8C, F8C, T8C	0.0880	0.0814	0.0388	0.2029	0.0160	0.0113	0.0461	0.0724	0.0042	0.2788			
INTRBLD NTWK - METAL	82C	0.0881	0.0788	0.0340	0.1788	0.9320	0.0113	0.0461	0.0884	0.0041	0.2721			
INTRBLD NTWK - FIBER	882C, D82C, F82C, T82C	0.0881	0.0788	0.0340	0.1788	0.8320	0.0113	0.0461	0.0884	0.0041	0.2721			
CONDUNT SYSTEMS	4C, 84C, 84C	0.0242	0.0677	0.0401	0.1620	0.0028	0.0113	0.0461	0.0602	0.0032	0.2154			

* See Note Below

NOTE: Certain states in the Southeast region (GA & NC) assess gross receipts tax only on "local" revenues. For these states, it is necessary to publish "local", "private line and toll", and "combined" factors. Beware that the definitions of "local" and "private line and toll" are defined by the taxing authority for gross receipts tax purposes and may vary from state to state according to tax law.

For these states which assess gross receipts tax on local, private line, and toll revenues, the gross receipts tax factor is based on the overall effective tax rate.

FLORIDA



Filed in Response to
Order No. PSC-96-1579-FOF-TP
BellSouth Telecommunications, Inc.
Docket No. 960833-TP
March 3, 1997

DIRECTORY TRANSPORT

SWITCHED LOCAL CHANNEL AND SWITCHED DEDICATED DS1

TSLRIC COST STUDY DOCUMENTATION

PROPRIETARY

SECTIONS A THRU 7

FLORIDA
DIRECTORY TRANSPORT -
SWITCHED LOCAL CHANNEL AND SWITCHED DEDICATED DS1
COST STUDY DOCUMENTATION

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SECTION 1	INTRODUCTION AND OVERVIEW
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Feb., 1997

SECTION A

SECTION A

**FLORIDA
DIRECTORY TRANSPORT -
SWITCHED LOCAL CHANNEL AND SWITCHED DEDICATED DS1**

PROPRIETARY RATIONALE

The Directory Transport - Switched Local Channel and Switched Dedicated DS1 Cost Study contains actual unit cost information for discrete cost elements. These costs represent BellSouth's long run incremental cost of providing this element on a going forward basis. Public disclosure of this information would provide BellSouth's competitors with an advantage. The data is valuable to competitors and potential competitors in formulating strategic plans for entry, pricing, marketing and overall business strategies. This information relates to the competitive interests of BellSouth and disclosure would impair the competitive business of BellSouth. For these reasons, the Directory Transport - Switched Local Channel and Switched Dedicated DS1 Cost Study is considered proprietary.

SECTION 1

SECTION 1

FLORIDA DIRECTORY TRANSPORT - SWITCHED LOCAL CHANNEL AND SWITCHED DEDICATED DS1

INTRODUCTION AND OVERVIEW

This Total Service Long Run Incremental Cost (TSLRIC) study for Directory Transport - Switched Local Channel and Switched Dedicated DS1 is being provided in response to the Commission Order No. PSC-96-1579-FOF-TP issued December 31, 1996. The Switched Local Channel is at the DS1 level.

The TSLRIC results presented in this cost study are volume sensitive. The Directory Transport - Switched Local Channel and Switched Dedicated DS1 cost study has no volume insensitive costs.

The investments presented in this study are levelized for the 1996-1998 study period. These investments are converted to recurring costs using incremental loadings and annual cost factors. Nonrecurring costs are also levelized for the 1996-1998 study period.

SECTION 2

SECTION 2

FLORIDA DIRECTORY TRANSPORT - SWITCHED LOCAL CHANNEL AND SWITCHED DEDICATED DS1

DESCRIPTION OF STUDY PROCEDURES

This section describes the general principles for the development of TSLRIC for Directory Transport - Switched Local Channel and Switched Dedicated DS1.

All costs are developed utilizing TSLRIC methodology. In determining these costs, direct incremental costing techniques are used that are in accordance with accepted economic theory. Direct incremental costs are based on cost causation and include all of the costs directly caused by expanding production, or, alternatively, costs that would be saved if the production levels were reduced. Costs may be volume sensitive and/or volume insensitive. Costs are forward-looking in nature because only future costs can be saved. Incremental costs are long run to assure that the time period studied is sufficient to capture all forward-looking costs affected by the business decision. Shared and common costs are not incremental and therefore, are not included. Incremental costs include both recurring (capital and operating expenses) and nonrecurring (provisioning) costs. Incremental costs account for the expected change in cost to the firm resulting from a new service offering or from a change in demand for an existing service.

DEVELOPMENT OF RECURRING COSTS

The monthly costs to BellSouth Telecommunications, Inc., resulting from the capital investments necessary to provide a cost element are called recurring costs. Recurring costs represent a forward-looking view of technology and deployment and include capital and operating costs. While capital costs include depreciation, cost of money, and income tax, operating costs are the expenses for maintenance and ad valorem and other taxes. These expenses contribute to the ongoing cost to the Company associated with the initial capital investment.

**Directory Transport -
Switched Local Channel and Switched Dedicated DS1**

The first step in developing an incremental recurring cost study for Directory Transport - Switched Local Channel and Switched Dedicated DS1 is to determine the forward-looking network architecture. Material prices for the cables and associated equipment are defined. Next, Telephone Plant Indices are applied, when necessary, to trend investments to the base study period. In-plant factors are applied to material prices to develop installed investments, which include engineering and installation labor. The deployment probabilities and utilization factors are also considered.

Levelized Inflation Factors are applied to the installed investments to trend the base year, or study year, investments to levelized amounts that are valid for a three year planning period. Miscellaneous loadings are then applied.

Next, Incremental Annual Cost Factors are used to calculate the direct cost of capital, maintenance and other operating expenses and taxes. Factors for each Uniform System of Accounts - Field Reporting Code (USOA-FRC) are applied to levelized investments by account code. Annual costs by account code are then summed and divided by twelve to arrive at a monthly cost per cost element.

DEVELOPMENT OF NONRECURRING COSTS

Nonrecurring costs are "one-time" costs incurred as a result of provisioning, installing, and disconnecting Directory Transport - Switched Local Channel and Switched Dedicated DS1. The first step in developing nonrecurring costs is to determine the cost elements related to the study. These cost elements are then described by all of the individual work functions required to provision the cost element. The work functions can be grouped into four categories. These are service order, engineering, connect and test, and technician travel time. The work function times, as identified by individuals knowledgeable about and/or responsible for performing these functions, are used to describe the flow of work within the various work centers involved. Installation and provisioning costs are developed by multiplying the work time for each work function by the directly assigned labor rate for the work group performing the function.

Utilizing work functions, work times, and directly assigned labor rates, disconnect costs are calculated in the same manner as the installation costs. Since the labor costs will occur in the future, the current labor rates are inflated to that future period in time and then discounted to the present. The discounted disconnect cost is added to the installation cost and gross receipts tax is applied to develop the total nonrecurring cost.

SECTION 3

SECTION 3

**FLORIDA DIRECTORY TRANSPORT -
SWITCHED LOCAL CHANNEL AND SWITCHED DEDICATED DS1**

SUMMARY OF RESULTS

This section contains a cost summary for the 1996-1998 TSLRIC for both recurring and nonrecurring cost elements studied for Directory Transport - Switched Local Channel and Switched Dedicated DS1.

Feb., 1997

**FLORIDA DIRECTORY TRANSPORT -
SWITCHED LOCAL CHANNEL AND SWITCHED DEDICATED DS1**

**SUMMARY OF RESULTS
TSLRIC**

	<u>Monthly Costs</u>	<u>Nonrecurring Cost First</u>	<u>Additional</u>
Directory Transport - Switched Local Channel and Switched Dedicated DS1			
Switched Local Channel			
Switched Dedicated DS1			
Per Mile		N/A	N/A
Per Facilities Termination			

Private/Proprietary: No disclosure outside BellSouth except by written agreement.

SECTION 4

SECTION 4

FLORIDA DIRECTORY TRANSPORT - SWITCHED LOCAL CHANNEL AND SWITCHED DEDICATED DS1

COST DEVELOPMENT - RECURRING

This section describes the development of the recurring Total Service Long Run Incremental costs for Directory Transport - Switched Local Channel and Switched Dedicated DS1.

Generally, cost development is outlined in Section 2. Network architecture is determined, the necessary equipment is identified, material prices are obtained, factors, utilization and loadings are applied and the result is levelized for the study period. Annual cost factors are applied to convert the investment to cost.

Directory Transport - Switched Local Channel and Switched Dedicated DS1

Recurring costs are developed for the fixed and per mile component of the interoffice transmission facility provided on SONET ring architecture which is the forward-looking technology. Designs for these SONET rings were obtained from the BellSouth Network Department.

The fixed component at the DS1 level includes the SONET multiplexer, a fiber splicing terminal, a DS1 working card, and a DSX-1 panel termination at each end of the facility. Also included in the fixed component is the intermediate central office circuit equipment that the signal traverses. The intermediate central office equipment includes the SONET multiplexer and a fiber splicing terminal. The per airmile cost consists of three strands of aerial, buried and underground fiber cable as well as the associated pole and conduit supporting investments.

The levelized investments for the equipment and fiber facilities were obtained from the SONET Fundamental Investment Model.

The SONET Fundamental Investment Model develops investments for SONET lightwave multiplexing equipment, associated circuit equipment, such as DSX panels, and the fiber facilities connecting the SONET equipment.

The Switched Local Channel long run incremental cost study considers the network architectures and technologies that will be used to provide the service being studied in the future. BellSouth Network provided designs representative of the

**Directory Transport -
Switched Local Channel and Switched Dedicated DS1**

forward-looking network architectures which are used now and will be used in the future to deploy DS1 service from the central office to a point of termination for the ALEC.

For DS1 the following design is studied:

Central Office to Point of Termination (POT)
on an OC-3 SONET Ring

The DS1 recurring costs are developed for the electronics, which include all hardwired and common plug-ins at the central office and at the ALEC's premises. Also included are the working DS1 cards at the central office and customer premises. Recurring costs for the transport are developed on a flat rate basis which include the fiber and all support structures.

The levelized investments for the equipment and fiber facilities were obtained from the SONET Fundamental Investment Model.

A cost is developed for each design based on the average length of the local channel. Each design is weighted by its probability of occurrence to determine the cost of the DS1 offering.

TAB A

SUMMARY OF MONTHLY COSTS

STATE: FLORIDA
WORKPAPER: 100
PAGE 1 OF 1
DATE: FEBRUARY 1997

LINE NO.	MONTHLY COST	SOURCE
DS1 SWITCHED LOCAL CHANNEL		
1	ELECTRONICS AND TRANSPORT	ACE MODEL REPORT 20 LINE 18

USOC INVESTMENT DETAILS

CSNUMBER :

CSNAME : SW-LOC-CH

TARIFF ELEMENT : DS1 SWITCHED LOCAL CHANNEL

Rate	Tariff Ref	USOC	Modifier	Technology	Vol. Sen.	Economic Type	Investment Basis
L		DS1			VS	DIR	

PRIMARY INVESTMENT DATA

INVESTMENT LOADING FACTORS

SUPPORT STRUCTURE LOADINGS

INVESTMENT

Field Code	Description	Capital Investment	Operating Investment	Date	FC Factor	InPlant Factor	InPlant Type	CP&E Factor	Loading Factor	Loading Type	Field Code	Capital Investment	Operating Investment
57C	DESIGN 1 OC-3			2/24/97	1.0000			1.1202					
57C	~ Support Loading---->								0.0404	circuit_bldg	10C		
57C	~ Support Loading---->								0.0030	circuit_land	20C		
57CN	DESIGN 1 OC-3			2/24/97	1.0000								
12C	DESIGN 1 OC-3			2/24/97	1.0000								
22C	DESIGN 1 OC-3			2/24/97	1.0000								
22C	~ Support Loading---->								0.2522	pole_fib	1C		
45C	DESIGN 1 OC-3			2/24/97	1.0000								
5C	DESIGN 1 OC-3			2/24/97	1.0000								
5C	~ Support Loading---->								0.3895	cond_fib	4C		

Initial Total Investment

Adjusted Total Investment

- NOTES: 1. The investment for Primary Investments is calculated by multiplying the primary investment by the applicable investment loading factors.
 2. The investment for Support Structure Loadings is calculated by multiplying the applicable loading factor by the sum of investments for each primary Field Code.
 3. InPlant Factor types: T = Telco, C = Material Composite, H = Material Hardwire, P = Material Plugin
 4. The FC factor is the levelized inflation factor for investments.
 5. Capital investment and Operating Investment source is Workpaper 200 series.

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1 USOC ANNU. OST DETAILS
 2 CSNUMBER:
 3 CSNAME: SW-LOC-CH
 4 TARIFF ELEMENT: DS1 SWITCHED LOCAL CHANNEL

ACE . JRT 20
 1 of 1
 2/24/97

6 State Tariff Ref USOC Modifier Technology Volume Sensitivity Economic Type Investment Basis
 FL DS1 VS DIR

9 INVESTMENT DATA ANNUAL COST FACTORS ANNUAL EXPENSES
 10 NOTE 1. NOTE 2. NOTE 3. NOTE 4.

11 Field Code	12 State	13 Capital Investment	14 Operating Investment	Dep. Factor	Levelized C.O.M.	Inc Tax Factor	Mtce Factor	Other Factor	AdVal Factor	GRT	Depr. Expense	C.O.M. Expense	Inc Tax Expense	Mtce Expense	Other Expense	Adval Expense	GRT Expense
A	B	C	D	E	F	G	H	I	J	K	(C*E)	(C*F)	(C*G)	(D*H)	(D*I)	(D*J)	R
10C	FL			.0302	.0986	.0452	.0069	0.0000	.0113	.0152							
1C	FL			.0671	.0725	.0325	.0279	0.0000	.0113	.0152							
20C	FL			0.0000	.1118	.0514	0.0000	0.0000	.0113	.0152							
357C	FL			.1134	.0638	.0297	.0086	.0052	.0113	.0152							
357CN	FL			.1134	.0638	.0297	.0086	.0052	.0113	.0152							
4C	FL			.0242	.0877	.0401	.0028	0.0000	.0113	.0152							
812C	FL			.0667	.0784	.0347	.0139	0.0000	.0113	.0152							
822C	FL			.0667	.0784	.0347	.0139	0.0000	.0113	.0152							
845C	FL			.0585	.0816	.0367	.0144	0.0000	.0113	.0152							
85C	FL			.0626	.0800	.0358	.0135	0.0000	.0113	.0152							

15 TOTALS
 16
 17
 18 TOTAL ANNUAL COST..... TOTAL MONTHLY COST.....
 19
 20

- NOTES:
1. Capital and Operating Investments are the INVESTMENTS from ACE Report 10
 2. Depreciation, Cost of Money and Income Tax Expense = Capital Investment multiplied by the corresponding Annual Cost Factor
 3. Maintenance, Other and Ad Valorem Expenses = Operating Investment multiplied by the corresponding Annual Cost Factor
 4. Gross Receipts Tax = Gross Receipts Tax Factor multiplied by the sum of the Capital Costs and Operating Expenses

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DS1 SWITCHED LOCAL CHANNEL

STATE: FLORIDA
 WORKPAPER: 331
 PAGE: 1 of 1
 DATE: FEBRUARY 1997

DESIGN 1 ELECTRONICS - OC 3

LINE NO.	TYPE EQUIPMENT	TYPE SYSTE	FRC	UTILIZED/ LEVELIZED INVESTMENT	SOURCE
CENTRAL OFFICE					
1	DS1 WORKING	OC - 3	357C		SONET FUNDAMENTAL MODEL
2					
3	DS1 PROTECT	OC - 3	357C		SONET FUNDAMENTAL MODEL
4					
5	CO NODE	OC - 3	357C		SONET FUNDAMENTAL MODEL
6					
7	DATA COMM LINK	OC - 3	357C		SONET FUNDAMENTAL MODEL
8					
9			TOTAL		SUM LINES 1 THRU 7
10					
11					
POINT OF TERMINATION (CP)					
12					
13					
14	CP NODE	OC - 3	357C		SONET FUNDAMENTAL MODEL
15					
16	DS1 WORKING	OC - 3	357C		SONET FUNDAMENTAL MODEL
17					
18	DS1 PROTECT	OC - 3	357C		SONET FUNDAMENTAL MODEL
19					
20	BATTERY BACK-UP	OC - 3	357C		SONET FUNDAMENTAL MODEL
21					
22	BLDG ENTRANCE CABLE	OC - 3	812C		SONET FUNDAMENTAL MODEL
23					
24			TOTAL		SUM LINES 14 THRU 22
25					
26					
27					
28					
29					
SUMMARY BY FRC - NON-WEIGHTED					
FLAT RATE INVESTMENT - FIXED					
30					
31					
32					
33	CENTRAL OFFICE		357C		LINE 9
34					
35	POINT OF TERMINATION (CP)		357C		SUM LINES 14 thru 20
36					
37	BLDG ENTRANCE CABLE		812C		LINE 22
38					
39			TOTAL		SUM LINES 33 THRU 37
40					
41	PROBABILITY OF OCCURRENCE			100.00%	NETWORK
42					
43					
SUMMARY BY FRC - WEIGHTED					
FLAT RATE INVESTMENT - FIXED					
44					
45					
46					
47	CENTRAL OFFICE		357C		LINE 33 * LINE 41
48					
49	POINT OF TERMINATION (CP)		357C		LINE 35 * LINE 41
50					
51	BLDG ENTRANCE CABLE		812C		LINE 37* LINE 41
52					
53			TOTAL		SUM LINES 47 THRU 51

DS1 SWITCHED LOCAL CHANNEL

STATE: FLORIDA
 WORKPAPER: 332
 PAGE: 1 of 1
 DATE: FEBRUARY 1997

DESIGN 1 TRANSPORT - OC 3

LINE NO.	TYPE EQUIPMENT	TYPE SYSTEM	FRC	UTILIZED/ LEVELIZED INVESTMENT	SOURCE
INVESTMENT PER MILE PER STRAND (route)					
1	AERIAL FIBER	OC - 3	822C		SONET FUNDAMENTAL MODEL
2	UNDERGROUND FIBER	OC - 3	85C		SONET FUNDAMENTAL MODEL
3	BURIED FIBER	OC - 3	845C		SONET FUNDAMENTAL MODEL
4					
5			TOTAL		SUM LINES 1 THRU 3
6					
INVESTMENT PER FOOT PER STRAND (route)					
7					
8					
9	AERIAL FIBER	OC - 3	822C		LINE 1 / 5280
10	UNDERGROUND FIBER	OC - 3	85C		LINE 2 / 5280
11	BURIED FIBER	OC - 3	845C		LINE 3 / 5280
12					
13			TOTAL		SUM LINES 9 THRU 11
14					
15					
16	NUMBER OF STRANDS PER RING			3	NETWORK
17					
18					
19	STATE AVERAGE LOOP LENGTH (ring)				
20	ROUTE FEET			20,862	WP333, LINE 8
21					
22					
INVESTMENT PER LOCAL CHANNEL (route feet)					
23					
24					
25	AERIAL FIBER	OC - 3	822C		LINE 9 * LINE 16 * LINE 20
26	UNDERGROUND FIBER	OC - 3	85C		LINE 10 * LINE 16 * LINE 20
27	BURIED FIBER	OC - 3	845C		LINE 11 * LINE 16 * LINE 20
28					
29			TOTAL		SUM LINES 25 THRU 27
30					
31					
32					
33					
34					
35					
SUMMARY BY FRC - NON-WEIGHTED FLAT RATE INVESTMENT					
36					
37					
38					
39	AERIAL FIBER	OC - 3	822C		LINE 25
40	UNDERGROUND FIBER	OC - 3	85C		LINE 26
41	BURIED FIBER	OC - 3	845C		LINE 27
42					
43			TOTAL		SUM LINES 39 THRU 41
44					
45	PROBABILITY OF OCCURRENCE			100.00%	NETWORK
46					
SUMMARY BY FRC - WEIGHTED FLAT RATE INVESTMENT					
47					
48					
49					
50	AERIAL FIBER	OC - 3	822C		LINE 39 * LINE 45
51	UNDERGROUND FIBER	OC - 3	85C		LINE 40 * LINE 45
52	BURIED FIBER	OC - 3	845C		LINE 41 * LINE 45
53					
54			TOTAL		SUM LINES 50 THRU 52

DS1 SWITCHED LOCAL CHANNEL

STATE: FLORIDA
WORKPAPER: 333
PAGE: 1 of 1
DATE: FEBRUARY 1997

LOOP LENGTH SUMMARY

LINE NO	ROUTE FEET	SOURCE	NOTES
<u>DESIGN 1</u>			
1	6,644	ECONOMIC ANALYSIS	
2			
3			
4			
5	3.14	PI	
6			
7			
8	20,862	LINE 1 * LINE 5	APPLIED FOR OC-3 RING
9			

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TAB B

Switched Dedicated Transport Interoffice
DS1

State: Florida
Workpaper: 101
Page: 1 of 1
Date: 2/24/97

1
2 Fixed Monthly Cost

Monthly Recurring Source
Cost

3
4
5 Interoffice Channel Circuit Eqpt.

\$ Ace Report 20 Pg 3 of 8

6
7
8
9
10
11 Per Mile Monthly Cost

\$ Ace Report 20 Pg 4 of 8

12
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USOC INVESTMENT DETAILS

CSNUMBER :

CSNAME : DS1 DEDICATED TRANSP

TARIFF ELEMENT : IO Channel - Fixed

State	Tariff Ref	USOC	Modifier	Technology	Vol. Sen.	Economic Type	Investment Basis
FL		3	DS1	SONET	VS	DIR	Per DS1

PRIMARY INVESTMENT DATA

INVESTMENT LOADING FACTORS

SUPPORT STRUCTURE LOADINGS

INVESTMENT

Field Code	Description	Capital Investment	Operating Investment	Date	FC Factor	InPlant Factor	InPlant Type	CP&E Factor	Loading Factor	Loading Type	Field Code	Capital Investment	Operating Investment
357C	Circuit Equipment			2/24/97	1.0000			1.1202					
357C	~ Support Loading----->								0.0404	circuit_bldg	10C		
357C	~ Support Loading----->								0.0030	circuit_land	20C		

Initial Total Investment

Adjusted Total Investment

- NOTES: 1. The Investment for Primary Investments is calculated by multiplying the primary investment by the applicable investment loading factors.
 2. The Investment for Support Structure Loadings is calculated by multiplying the applicable loading factor by the sum of investments for each primary Field Code
 3. InPlant Factor types: T = Telco, C = Material Composite, H = Material Hardwire, P = Material Plugin
 4. The FC factor is the levelized inflation factor for investments.
 5. Capital Investment and Operating Investment source is Workpaper 200 series.
 PRIVATE/PROPRIETARY: NO DISCLOSURE OUTSIDE BELLSOUTH EXCEPT BY WRITTEN AGREEMENT.

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USOC INVESTMENT DETAILS

ACE REPORT 10

CSNUMBER :

2 of 2
2/24/97

CSNAME : DS1 DEDICATED TRANSP

TARIFF ELEMENT IO Channel - Per Mile

Date Tariff Ref USOC Modifier Technology Vol. Sen. Economic Type Investment Basis
L 4 DS1 SONET VS DIR Per DS1

PRIMARY INVESTMENT DATA

INVESTMENT LOADING FACTORS

SUPPORT STRUCTURE LOADINGS

INVESTMENT

Field Code	Description	Capital Investment	Operating Investment	Date	FC Factor	InPlant Factor	InPlant Type	CP&E Factor	Loading Factor	Loading Type	Field Code	Capital Investment	Operating Investment
122C	Aerial Cable - Fiber			2/24/97	1.0000								
122C	~ Support Loading----->								0.2522	pole_fib	1C		
145C	Buried Cable - Fiber			2/24/97	1.0000								
15C	Underground Cable - Fiber			2/24/97	1.0000								
15C	~ Support Loading----->								0.3895	cond_fib	4C		

Initial Total Investment

Adjusted Total Investment

- NOTES: 1. The investment for Primary Investments is calculated by multiplying the primary investment by the applicable investment loading factors.
 2. The investment for Support Structure Loadings is calculated by multiplying the applicable loading factor by the sum of investments for each primary Field Code
 3. InPlant Factor types: T = Telco, C = Material Composite, H = Material Hardwire, P = Material Plugin
 4. The FC factor is the levelized inflation factor for investments.
 5. Capital Investment and Operating Investment source is Workpaper 200 series.

PRIVATE/PROPRIETARY: NO DISCLOSURE OUTSIDE BELLSOUTH EXCEPT BY WRITTEN AGREEMENT.

210

1 USOC ANNUAL COST DETAILS
 2 CSNUMBER:
 3 CSNAME: DS1 DEDICATED TRANSP
 4 TARIFF ELEMENT: TO Channel - Fixed

ACE JRT 20
 1 of 2
 2/24/97

6 State Tariff Ref USOC Modifier Technology Volume Sensitivity Economic Type Investment Basis
 FL 3 DS1 SONET VS DIR Per DS1

9 INVESTMENT DATA ANNUAL COST FACTORS ANNUAL EXPENSES

10 NOTE 1. NOTE 2. NOTE 3. NOTE 4.

11 Field	12 Code	13 State	14 Capital Investment	Operating Investment	Dep. Factor	Levelized C.O.M.	Inc Tax Factor	Mtce Factor	Other Factor	AdVal Factor	GRT	Depr. Expense	C.O.M. Expense	Inc Tax Expense	Mtce Expense	Other Expense	Adval Expense	GRT Expense
A	B	C	D	E	F	G	H	I	J	K	L (C*E)	M (C*F)	N (C*G)	O (D*H)	P (D*I)	Q (D*J)	R	
10C	FL				.0302	.0986	.0452	.0069	0.0000	.0113	.0152							
20C	FL				0.0000	.1118	.0514	0.0000	0.0000	.0113	.0152							
357C	FL				.1134	.0638	.0297	.0086	.0052	.0113	.0152							

15 TOTALS
 16
 17
 18 TOTAL ANNUAL COST..... TOTAL MONTHLY COST.....
 19
 20

- NOTES:
1. Capital and Operating Investments are the INVESTMENTS from ACE Report 10
 2. Depreciation, Cost of Money and Income Tax Expense = Capital Investment multiplied by the corresponding Annual Cost Factor
 3. Maintenance, Other and Ad Valorem Expenses = Operating Investment multiplied by the corresponding Annual Cost Factor
 4. Gross Receipts Tax = Gross Receipts Tax Factor multiplied by the sum of the Capital Costs and Operating Expenses

PRIVATE/PROPRIETARY: NO DISCLOSURE OUTSIDE BELLSOUTH EXCEPT BY WRITTEN AGREEMENT

27

1 USOC ANNU. COST DETAILS
 2 CSNUMBER:
 3 CSNAME: DS1 DEDICATED TRANSP
 4 TARIFF ELEMENT: 10 Channel - Per Mile

ACE JRT 20
 2 of 2
 2/24/97

6 State Tariff Ref USOC Modifier Technology Volume Sensitivity Economic Type Investment Basis

FL 4 DS1 SONET VS DIR Per DS1

9 INVESTMENT DATA ANNUAL COST FACTORS ANNUAL EXPENSES

10 NOTE 1. NOTE 2. NOTE 3. NOTE 4.

11 Field	12 Code	13 State	Capital Investment	Operating Investment	Dep. Factor	Levelized C.O.M.	Inc Tax Factor	Mtce Factor	Other Factor	AdVal Factor	GRT	Depr. Expense	C.O.M. Expense	Inc Tax Expense	Mtce Expense	Other Expense	Adval Expense	GRT Expense
14	A	B	C	D	E	F	G	H	I	J	K	L (C*E)	M (C*F)	N (C*G)	O (D*H)	P (D*I)	Q (D*J)	R
1C	FL				.0671	.0725	.0325	.0279	0.0000	.0113	.0152							
4C	FL				.0242	.0877	.0401	.0028	0.0000	.0113	.0152							
822C	FL				.0667	.0784	.0347	.0139	0.0000	.0113	.0152							
845C	FL				.0585	.0816	.0367	.0144	0.0000	.0113	.0152							
85C	FL				.0626	.0800	.0358	.0135	0.0000	.0113	.0152							

15 TOTALS
 16
 17
 18
 19
 20

TOTAL ANNUAL COST.....

TOTAL MONTHLY COST.....

NOTES:

1. Capital and Operating Investments are the INVESTMENTS from ACE Report 10
2. Depreciation, Cost of Money and Income Tax Expense = Capital Investment multiplied by the corresponding Annual Cost Factor
3. Maintenance, Other and Ad Valorem Expenses = Operating Investment multiplied by the corresponding Annual Cost Factor
4. Gross Receipts Tax = Gross Receipts Tax Factor multiplied by the sum of the Capital Costs and Operating Expenses

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Switched Dedicated Transport Interoffice
DS1

State: Florida
Workpaper: 201
Page: 1 of 1
Date: 2/24/97

1	<u>Fixed</u>	<u>Weighted Investment</u>			
2					
3		<u>357C</u>			
4	Design 1			Wp302 Ln44	
5	Design 2			Wp303 Ln52	
6					
7					
8					
9					
10	Total			Ln4+Ln5	
11					
12	<u>Per Mile</u>	<u>Weighted Investment (Route Distance)</u>			
13					
14		<u>822C</u>	<u>845C</u>	<u>85C</u>	
15	Design 1				Wp302 Ln45,46,47
16	Design 2				Wp303 Ln53,54,55
17					
18					
19					
20					
21	Total				Ln15+Ln16
22					
23	Average Distance (Air Miles)				
24		16.58	16.58	16.58	1995 Annual Filing
25					
26	Investment Per Air Mile				
27					Ln21 / Ln24
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					

Switched Dedicated Transport Interoffice
DS1

State: Florida
Workpaper: 302
Page: 1 of 1
Date: 2/24/97

Design 1

Line	A Description	B FRC	C Equipment Investment	Source
1				
2	C.O. Node - OC-48 (BLSR)	357C		SONET Fundamental Investment Model
3	Number Required		2	Network
4	Total Investment			Line 2 * Line 3
5				
6	C.O. Node - OC-48 BLSR Intermed.	357C		SONET Fundamental Investment Model
7	Number Required		1	Network
8	Total Investment			Line 6 * Line 7
9				
10	C.O. Interface DS3 on OC-48 - Mux & Prot.	357C		SONET Fundamental Investment Model
11	Number Required		2	Network
12	Total Investment			Line 10 * Line 11
13				
14	C.O. Interface DS3 on OC-48 - Working	357C		SONET Fundamental Investment Model
15	Number Required		2	Network
16	Total Investment			Line 14 * Line 15
17				
18	Data Communications - OC-48	357C		SONET Fundamental Investment Model
19	Number Required		1	Network
20	Total Investment			Line 18 * Line 19
21				
22	Fiber - OC-48 BLSR Per Mile Per Strand	822C		SONET Fundamental Investment Model
23	Number Strands		3	Network
24	Number Miles		16	Network
25	Total Investment			Line 22 * (Line 23 * Line 24)
26				
27	Fiber - OC-48 BLSR Per Mile Per Strand	845C		SONET Fundamental Investment Model
28	Number Strands		3	Network
29	Number Miles		16	Network
30	Total Investment			Line 27 * (Line 28 * Line 29)
31				
32	Fiber - OC-48 BLSR Per Mile Per Strand	85C		SONET Fundamental Investment Model
33	Number Strands		3	Network
34	Number Miles		16	Network
35	Total Investment			Line 32 * (Line 33 * Line 34)
36				
37	Total Investment - Design 1	357C		Ln4 + Ln8 + Ln12 + Ln16 + Ln20
38		822C		Line 25
39		845C		Line 30
40		85C		Line 35
41				
42	Probability of Occurrence - Design 1		0.18	Network Area Staff
43				
44	Weighted Investment - Design 1	357C		Line 37 * Line 42
45		822C		Line 38 * Line 42
46		845C		Line 39 * Line 42
47		85C		Line 40 * Line 42
48				
49				
50				

30

Switched Dedicated Transport Interoffice
DS1

State: Florida
Workpaper: 303
Page: 1 of 1
Date: 2/24/97.

Design 2 - OC-48 Ring

Line	A Description	B FRC	C Equipment Investment	Source
1				
2	C.O. Node - OC-48 (BLSR)	357C		SONET Fundamental Investment Model
3	Number Required		4	Network
4	Total Investment			Line 2 * Line 3
5				
6	C.O. Node - OC-48 BLSR Intermed.	357C		SONET Fundamental Investment Model
7	Number Required		2	Network
8	Total Investment			Line 6 * Line 7
9				
10	C.O. Interface DS3 on OC-48 - Mux & Prot.	357C		SONET Fundamental Investment Model
11	Number Required		2	Network
12	Total Investment			Line 10 * Line 11
13				
14	C.O. Interface DS3 on OC-48 - Working	357C		SONET Fundamental Investment Model
15	Number Required		2	Network
16	Total Investment			Line 14 * Line 15
17				
18	Data Communications - OC-48	357C		SONET Fundamental Investment Model
19	Number Required		2	Network
20	Total Investment			Line 18 * Line 19
21				
22	C.O. Connection STS-1 on OC-48 - Mux & Prot.	357C		SONET Fundamental Investment Model
23	Number Required		2	Network
24	Total Investment			Line 22 * Line 23
25				
26	C.O. Connection STS-1 on OC-48 - Working	357C		SONET Fundamental Investment Model
27	Number Required		2	Network
28	Total Investment			Line 26 * Line 27
29				
30	Fiber - OC-48 BLSR Per Mile Per Strand	822C		SONET Fundamental Investment Model
31	Number Strands		3	Network
32	Number Miles		32	Network
33	Total Investment			Line 30 * (Line 31 * Line 32)
34				
35	Fiber - OC-48 BLSR Per Mile Per Strand	845C		SONET Fundamental Investment Model
36	Number Strands		3	Network
37	Number Miles		32	Network
38	Total Investment			Line 35 * (Line 36 * Line 37)
39				
40	Fiber - OC-48 BLSR Per Mile Per Strand	85C		SONET Fundamental Investment Model
41	Number Strands		3	Network
42	Number Miles		32	Network
43	Total Investment			Line 40 * (Line 41 * Line 42)
44				
45	Design 2 - OC-48 Ring Total Investment	357C		Ln4+Ln8+Ln12+Ln16+Ln20+Ln24+Ln28
46		822C		Line 33
47		845C		Line 38
48		85C		Line 43
49				
50	Probability of Occurrence - Design 2		0.82	Network Area Staff
51				
52	Weighted Investment - Design 2	357C		Line 45 * Line 50
53		822C		Line 46 * Line 50
54		845C		Line 47 * Line 50
55		85C		Line 48 * Line 50

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TAB C

SONET FUNDAMENTAL INVESTMENT MODEL

The SONET Fundamental Investment Model develops investments for SONET lightwave multiplexing equipment, associated circuit equipment, such as DSX panels, and the fiber facilities connecting the SONET equipment.

Illustrative Example Investment Calculations:

	\$ 50,000.00	Material Price
x	<u>0.98</u>	TPI
=	\$ 49,000.00	Current Material Price
x	<u>1.7842</u>	In-Plant Factor
=	\$ 87,425.80	Installed Investment
x	<u>1.00</u>	Quantity of Items
=	\$ 87,425.80	Total Installed Investment
+	<u>2,000</u>	Unit Capacity
=	\$ 43.71	Unit Investment
x	<u>0.955</u>	Levelized Inflation Factor
=	\$ 41.75	Levelized Investment
+	<u>0.70</u>	Utilization
=	\$ 59.64	Study Period Investment
x	<u>0.50</u>	Probability of Occurrence
=	\$ 29.82	Total Investment
x	<u>0.0117</u>	MCE&P Factor
=	\$ 0.35	MCE&P Investment
	\$ 29.82	Total Investment
+	\$ <u>0.35</u>	MCE&P Investment
=	\$ 30.17	
x	<u>0.0042</u>	Land Factor
=	\$ 0.13	Land Investment
	\$ 29.82	Total Investment
+	\$ <u>0.35</u>	MCE&P Investment
=	\$ 30.17	
x	<u>0.0706</u>	Building Factor
=	\$ 2.13	Building Investment

SECTION 5

SECTION 5

FLORIDA DIRECTORY TRANSPORT -
SWITCHED LOCAL CHANNEL AND SWITCHED DEDICATED DS1

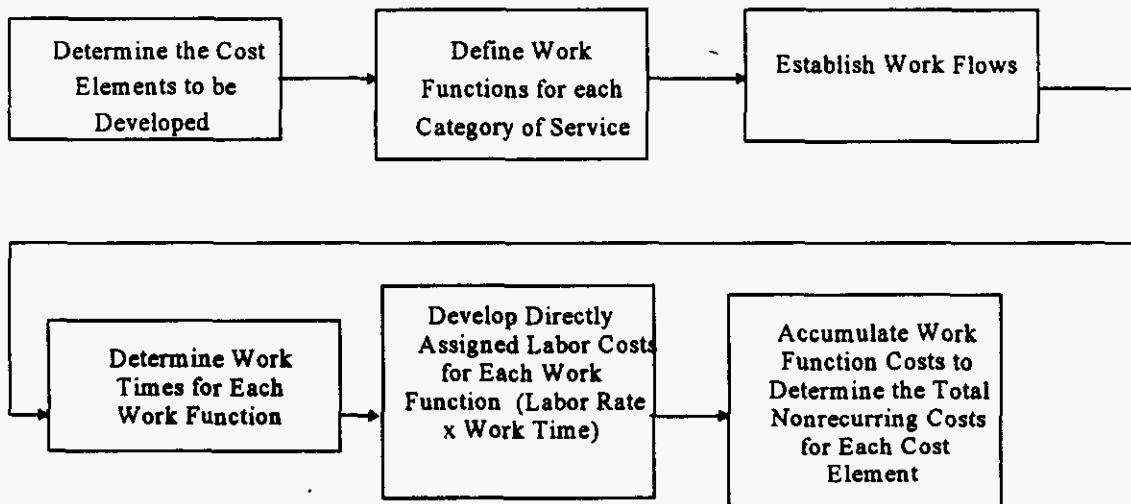
COST DEVELOPMENT - NONRECURRING

Nonrecurring TSLRIC results are one-time costs incurred as a result of provisioning, installing, disconnecting and completing of orders initiated by a customer request for Directory Transport - Switched Local Channel and Switched Dedicated DS1. Calculations for the nonrecurring costs are included in this section.

Figure 5-1 shows a generalized flow of the steps necessary for developing nonrecurring costs. Each part of this flow will be explained in more detail in this section.

Figure 5-1

Generalized Flow Diagram for Developing Nonrecurring Costs



The first step in developing nonrecurring costs is to determine the cost elements to be studied. Each cost element is then described by all of the individual work functions required to provision the element.

The work functions required to provide Directory Transport - Switched Local Channel and Switched Dedicated DS1 can be grouped into four categories. These are:

- 1) Service Order
- 2) Engineering
- 3) Connect and Test
- 4) Technician Travel Time

Work functions included in these categories range from clerical activities to installation activities.

The work functions and work times involved in the provisioning of Directory Transport - Switched Local Channel and Switched Dedicated DS1 are identified by individuals knowledgeable about and/or responsible for performing the functions. These work functions and work times are then used to describe the flow of work within the various work centers involved in provisioning the element.

A spreadsheet model is used to incorporate the specific work functions and labor rates. In order to arrive at the nonrecurring cost for the element studied, the work time for each work function required is multiplied by the appropriate levelized labor rate. The labor inflation factors (LIF) are used to bring the labor rates to the appropriate study period. The labor rates and the labor inflation factors are shown in Section 7. Next, the individual work function costs are accumulated into the installation cost for the cost element studied.

Utilizing work functions, work times, and labor rates, disconnect costs are calculated in the same manner as the installation costs. Since the labor costs will occur in the future, the directly assigned labor rates are inflated to that future period in time and then discounted to the present. The discounted disconnect cost is added to the installation cost and gross receipts tax is applied to develop the nonrecurring cost.

Nonrecurring costs are calculated separately on a first and additional basis. "First" refers to the first item on a service order. "Additional" costs are the incremental costs of providing one or more duplicates of the first item on the same service order at the same time as the first.

The following workpapers reflect the nonrecurring cost development.

TAB A

SUMMARY OF NONRECURRING COSTS

STATE:
WORKPAPER:
PAGE:
DATE:

FLORIDA
70
1 OF 1
Feb-97

DEDICATED TRANSPORT INTEROFFICE DS1 - FIXED

(1996-1998 Level Incremental Costs)

1	DESCRIPTION	SOURCE	FIRST	ADDTL
2				
3	Service Order	WP75 Col G LN7 THRU LN17		
4				
5	Engineering	WP75 Col G LN20		
6				
7	Connect & Test	WP75 Col G LN23 Thru LN27		
8				
9	Travel Technician Time	NA	NA	NA
10				
11				
12	Total Nonrecurring Cost	Sum of L3, L5, L7, L9		
13				
14				
15				
16				
17				
18				
19				
20				

DEVELOPMENT OF NONRECURRING COST
 DEDICATED TRANSPORT INTEROFFICE DS1 - FIXED

STATE: FLORIDA
 WORKPAPER: 75
 PAGE: 1 OF 1
 DATE: Feb-97

LEVEL 1996 - 1998

DIRECTLY ASSIGNED

1 2 3 4 5	DESCRIPTION	(A)		(B)		(C)	(D)		(E)		(F)		(G)	
		FIRST	ADDTL	FIRST	ADDTL	LABOR RATE/HR	FIRST	ADDTL	FIRST	ADDTL	FIRST	ADDTL	FIRST	ADDTL
6	SERVICE ORDER													
7	CUSTOMER POINT OF CONTACT (ICSC)					\$40.665								
8														
9	CO INSTALL & MTCE CKT & FAC (NTEL)					\$41.504								
10														
11	CIRCUIT PROVISIONING CENTER (CPC)					\$36.535								
12														
13	SPECIAL SERVICE COORD & TEST (SSC)					\$38.659								
14														
15	INSTALLATION & MTCE CENTER (IMC)					\$35.803								
16														
17	NETWORK PLUG-IN ADMINISTRATION (PICS)					\$44.225								
18														
19	ENGINEERING													
20	NETWORK & ENGINEERING PLANNING					\$57.986								
21														
22	CONNECT AND TEST													
23	CIRCUIT PROVISIONING CENTER (CPC)					\$36.535								
24														
25	SPECIAL SERVICE COORD & TEST (SSC)					\$38.659								
26														
27	CO INSTALL & MTCE CKT & FAC (NTEL)					\$41.504								
28														
29														
30	TOTAL NONRECURRING COST													

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TAB B

SUMMARY OF NONRECURRING COSTS

STATE: FLORIDA
WORKPAPER: 30
PAGE: 1 OF 1
DATE: Feb-97

SWITCHED LOCAL CHANNEL PER DS1

(1996-1998 Level Incremental Costs)

<u>1 DESCRIPTION</u>	<u>SOURCE</u>	<u>FIRST</u>	<u>ADDTL</u>
2			
3 Service Order	WP35 Col G LN7 THRU LN19		
4			
5 Engineering	WP35 Col G LN22 THRU LN26		
6			
7 Connect & Test	WP35 Col G LN30 THRU LN34		
8			
9 Travel Technician Time	WP35 Col G LN38		
10			
11			
12 Total Nonrecurring Cost Sum of L3, L5, L7, L9			
13			
14			
15			
16			
17			
18			
19			
20			

DEVELOPMENT OF NONRECURRING COST
SWITCHED LOCAL CHANNEL PER DS1

STATE: FLORIDA
WORKPAPER: 35
PAGE: 1 OF 1
DATE: Feb-97

LEVEL 1996 - 1998		DIRECTLY ASSIGNED												
LINE	DESCRIPTION	(A)		(B)		(C)	(D)		(E)		(F)		(G)	
		INSTALL WORKTIMES (HRS)		DISCONNECT WORKTIMES (HRS)		LEVELIZED LABOR RATE/HR	INSTALL COST (A*C)		DISCONNECT COST (B*C)		DISCOUNTED DISCONNECT COST (E*.8562)		(D+F)*(1+GRT)	
		FIRST	ADDTL	FIRST	ADDTL		FIRST	ADDTL	FIRST	ADDTL	FIRST	ADDTL	FIRST	ADDTL
6	SERVICE ORDER													
7	CUSTOMER POINT OF CONTACT (ICSC)					\$40.665								
8														
9	CO INSTALL & MTCE CKT & FAC (NTEL)					\$41.504								
10														
11	NETWORK PLANNING & ENG (PICS)					\$44.225								
12														
13	SPECIAL SERVICE COORD & TEST (SSC)					\$38.659								
14														
15	CIRCUIT PROVISIONING CENTER (CPC)					\$36.535								
16														
17	INSTALLATION & MTCE CENTER (IMC)					\$35.803								
18														
19	INSTALL & MTCE - SPEC SVCS (SSIM)					\$44.010								
20														
21	ENGINEERING													
22	OUTSIDE PLANT ENGINEERING (OSPE)					\$48.058								
23														
24	CIRCUIT PROVISIONING CENTER (CPC)					\$36.535								
25														
26	FACILITIES ASSIGNMENT (FACS)					\$33.212								
27														
28														
29	CONNECT & TEST													
30	CO INSTALL & MTCE CKT & FAC (NTEL)					\$41.504								
31														
32	INSTALL & MTCE-SPEC (SSIM)					\$44.010								
33														
34	SPECIAL SERVICE COORD & TEST (SSC)					\$38.659								
35														
36														
37	TRAVEL													
38	INSTALL & MTCE-SPEC SVCS TRAVEL(SSIM)					\$44.010								
39														
40														
41	TOTAL NONRECURRING COST													

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SECTION 6

SECTION 6

FLORIDA DIRECTORY TRANSPORT - SWITCHED LOCAL CHANNEL AND SWITCHED DEDICATED DS1

SPECIFIC STUDY ASSUMPTIONS

The cost study for Directory Transport - Switched Local Channel and Switched Dedicated DS1 is based on TSLRIC methodology. Network deployment strategies, first choice provisioning guidelines, and equipment purchasing information are used to develop the Total Service Long Run Incremental cost.

Cost study assumptions are as follows:

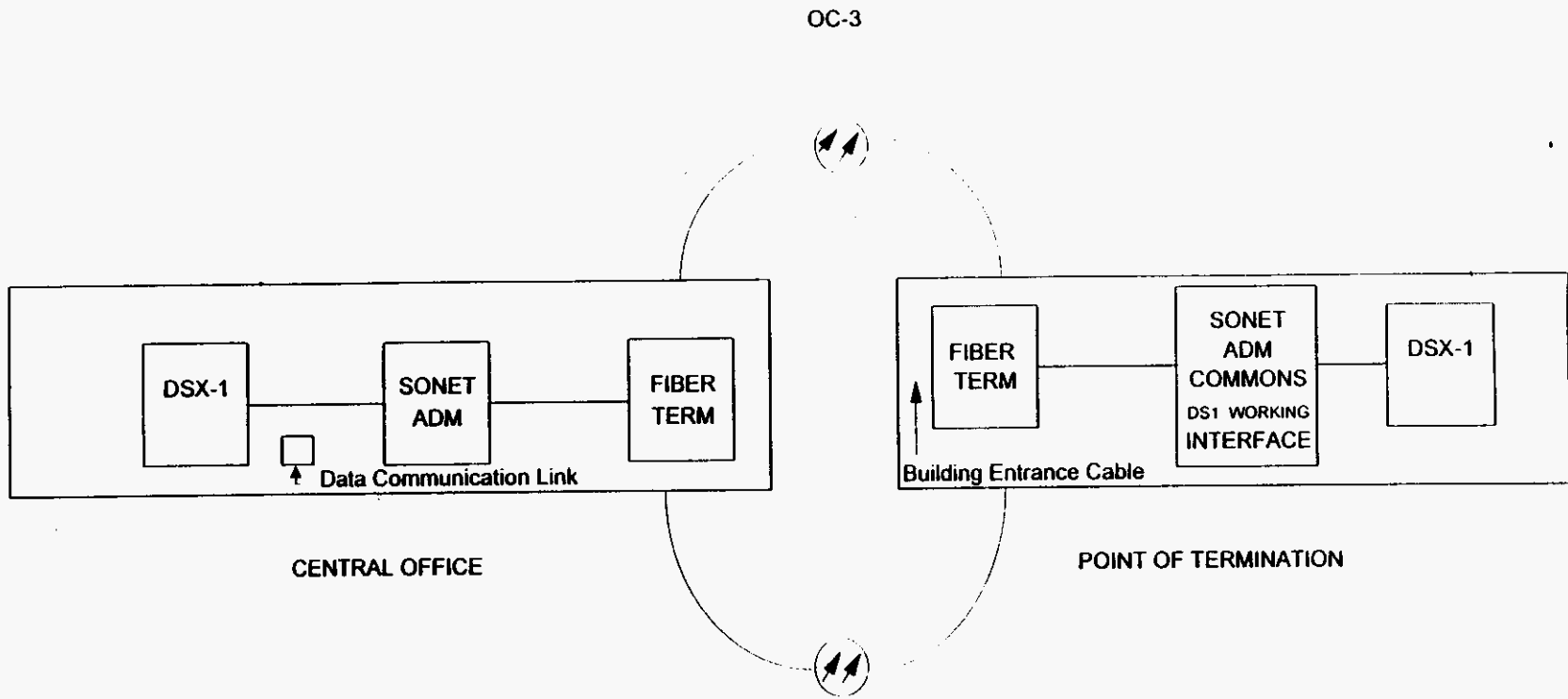
1. These cost studies are based on a study period of 1996-1998 and incorporate 1995 investments and factors.
2. Investments for the Directory Transport - Switched Local Channel and Switched Dedicated DS1 Interoffice cost elements were obtained from the SONET Fundamental Model.
3. The SONET equipment is ring switched.
4. Two designs were studied to develop the Switched Dedicated Interoffice costs. They were then weighted to develop the final costs. The first design consists of a single OC-48 Bi-directional Line Switched Ring with 5 nodes and a circumference of 40 miles. The probability of occurrence of this design is 18%. The second design consists of two interconnecting SONET rings. One ring is an OC-48 Bi-directional Line Switched Ring with 5 nodes and a circumference of 40 miles; the second ring is an OC-48 Bi-directional Line Switched Ring with 5 nodes and a circumference of 40 miles. The probability of occurrence of this design is 82%. Diagrams of these two architectures are found on the following pages.
5. The Switched Dedicated Interoffice DS1 circuit terminates at both ends on a DSX-1 panel.
6. The Switched Local Channel is normally used to transmit switched traffic between a serving wire center and the Interexchange Carrier Point of Termination (POT). The Directory Transport Switched Local Channel will transmit traffic similarly.

Assumptions (Cont'd)

7. The forward looking network architecture for the Switched Local Channel is included in this section. Because the traffic to the POT, both special and switched, is extensive, the design is a point-to-point OC-3 SONET Ring.
8. The local channel loop length was calculated as if it is to the POT. Specific loop lengths were obtained from TIRKS (Trunk Integrated Record Keeping System) data.
9. The Cost of Money is 13.2%.

DS1 Switched Local Channel

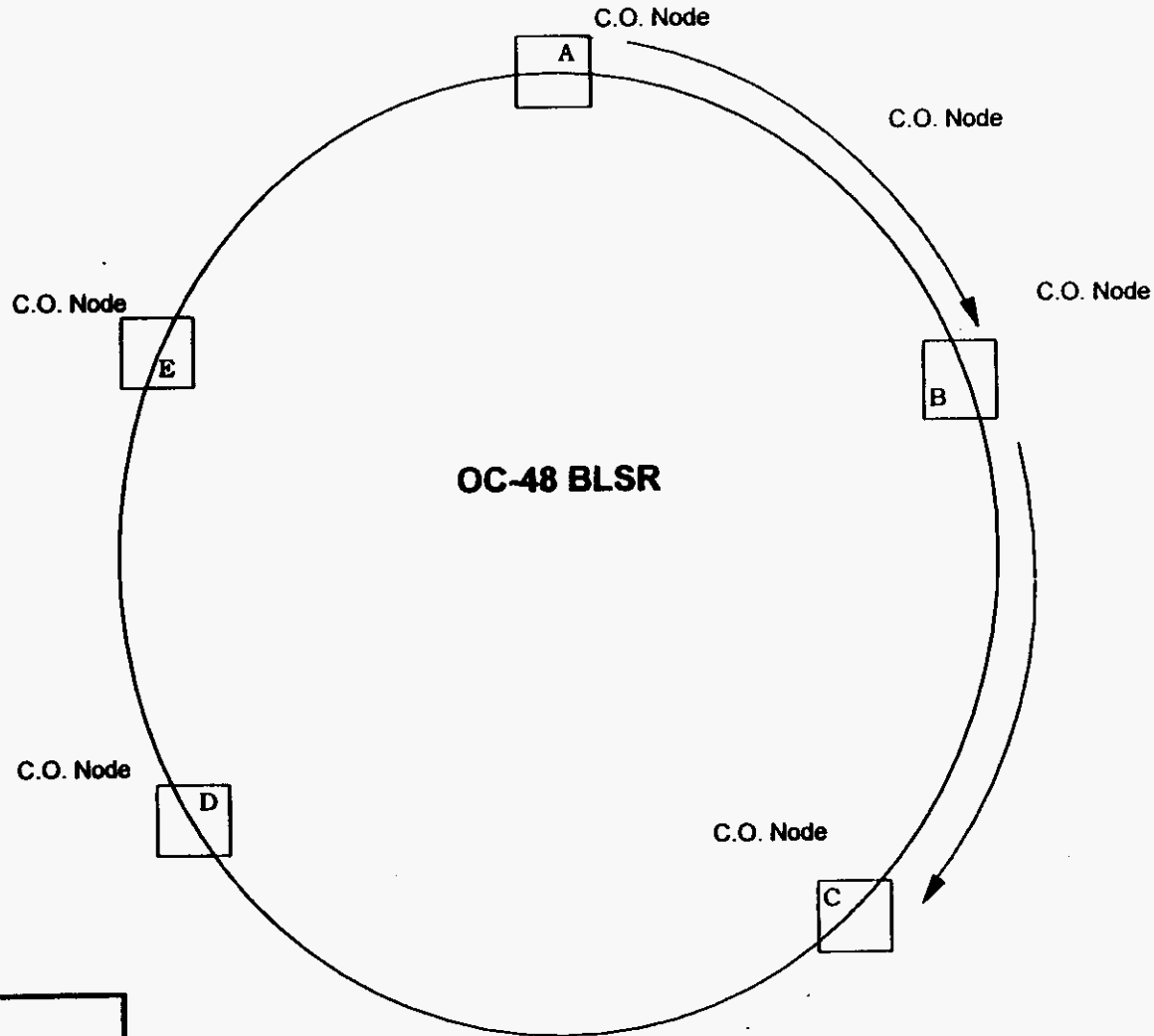
Design #1



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**DESIGN #1
SWITCHED DEDICATED TRANSPORT
DS1 INTEROFFICE**

FLORIDA



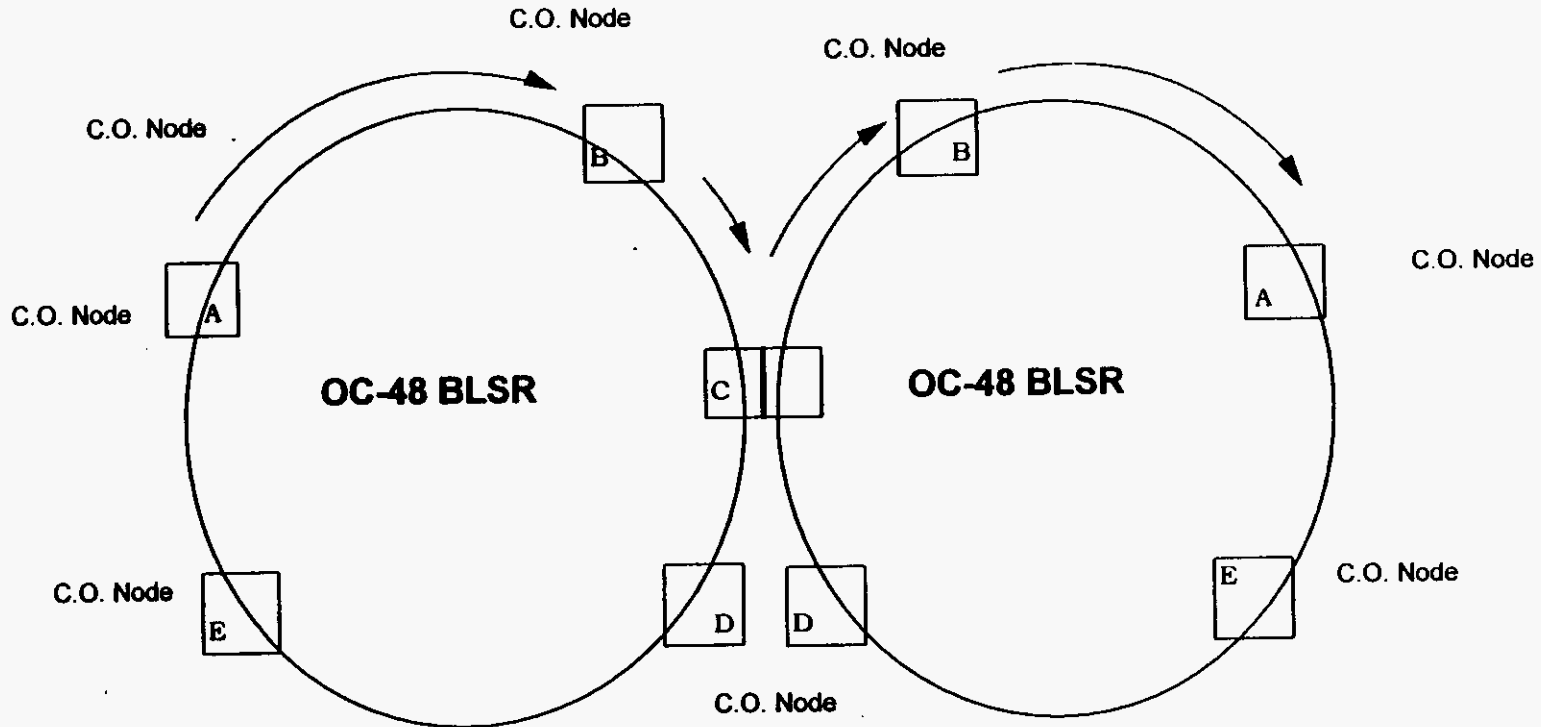
Lh

Equipment	
OC-48 (BLSR) C.O. Node	
OC-48 (BLSR) C.O. Node Intermediate	
C.O. Interface	
Data Communications Equipment	
Fiber	

Nodes	=	5
Circumference	=	40 mi
No. Traffic Segments	=	2
Avg. Segment Distanc	=	8 mi

DESIGN #2 SWITCHED DEDICATED TRANSPORT DS1 INTEROFFICE

FLORIDA



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Equipment	
OC-48(BLSR) C.O. Node	
OC-48(BLSR) C.O. Node Intermediate	
C.O. Interface	
Data Communications Equipment	
Fiber	
Ring Connection	

Nodes	=	5
Circumference	=	40 mi
No. Traffic Segments	=	2
Avg. Segment Distanc	=	8 mi

Nodes	=	5
Circumference	=	40 mi
No. Traffic Segments	=	2
Avg. Segment Distanc	=	8 mi

SECTION 7

SECTION 7

**FLORIDA DIRECTORY TRANSPORT -
SWITCHED LOCAL CHANNEL AND SWITCHED DEDICATED DS1**

FACTORS AND LOADINGS

Following are TSLRIC annual cost factors, miscellaneous loadings, and labor rates used in the Directory Transport - Switched Local Channel and Switched Dedicated DS1 study.

**FLORIDA DIRECTORY TRANSPORT -
SWITCHED LOCAL CHANNEL AND SWITCHED DEDICATED DS1**

Factors and Loadings

Miscellaneous Common Equipment and Power Loadings:	357C	0.1202
Land and Building COE Loadings:		
	10C	0.0404
	20C	0.0030
Gross Receipts Tax Factor		0.0152
Support Structure Loadings:		
Pole		0.2522
Conduit		0.3895
TIRKS Regional Annual Expense Factor		.0052

**Florida DS1 Directory Transport -
Switched Local Channel and Switched Dedicated DS1**

Factors and Loadings

Directly Assigned Hourly Labor Rates

	<u>1995</u>	<u>Levelized</u>
Customer Point of Contact - ICSC	\$38.30	\$40.67
CO Install & Mtce - Circuit & Fac	\$39.09	\$41.50
Circuit Provisioning Center - CPC	\$34.41	\$36.54
Network Plug-in Administration - PICS	\$41.65	\$44.23
Installation & Mtce Center (IMC)	\$33.72	\$35.80
Special Service Coord & Test (SSC)	\$36.41	\$38.66
Network & Engineering Planning (FG20)	\$54.61	\$57.99
Install & MTCE - SPEC SVCS (SSIM)	\$41.45	\$44.01
Outside Plant Engineering (FG20)	\$45.26	\$48.06
Facilities Assignment (FACS)	\$31.28	\$33.21
Special Svcs Coord & Test (SSC)	\$36.41	\$38.66
Install & MTCE - SPEC SVCS Travel (SSIM)	\$41.45	\$44.01

To create a Levelized labor rate from a 1995 Labor Rate:

$$1995 \text{ Labor Rate} * [((1+\text{InflYr1})/(1+\text{com})^1) + ((1+\text{InflYr2})/(1+\text{com})^2) + ((1+\text{InflYr3})/(1+\text{com})^3)] / (1/(1+\text{com})^1) + (1/(1+\text{com})^2) + (1/(1+\text{com})^3)$$

Note: Infl = Labor Inflation
COM = Cost of Money

Example:

$$\$38.30 * [(1.029/1.132^1) + ((1.029*1.034)/1.132^2) + (1.029*1.034*1.035)/(1.132^3)] / ((1/1.132^1) + (1/1.132^2) + (1/1.132^3)) = \$40.67$$

Labor Inflation

Telco Eng	
Year 1	3.0%
Year 2	3.3%
Year 3	3.4%
Telco COE	
Year 1	2.9%
Year 2	3.4%
Year 3	3.5%

Discounted Disconnect Factor 0.8562

1995 FLORIDA
ACCOUNT AVERAGE ANNUAL COST FACTORS
INCREMENTAL

* FOR USE IN SERVICE COST STUDIES ONLY *

field_code	depreciation a	acfc_com b	acfc_inc tax c	cap_exp d	acfc_mtoe e	acfc_adval tax f	admin_dir g	acfc_oper_exp h	acfc_grt_comb i	tot_combined j	acfc_grt_local k	tot_local l	acfc_grt_toll m	tot_toll n
		13.2%		(a+b+c)				(e+f+g)	0.0152 x (d+h)	(d+h+i)	0.0152 x (d+h)	(d+h+k)	0.0152 x (d+h)	(d+h+m)
LAND	20C	0.0000	0.1118	0.0514	0.1632	0.0000	0.0113	0.0000	0.0113	0.0027		0.1772		
BUILDINGS	10C, 110C, 810C	0.0302	0.0986	0.0452	0.1740	0.0069	0.0113	0.0000	0.0182	0.0029		0.1951		
ANALOG ELEC SWITCH	77C, 877C, 977C	0.2629	0.0680	0.0306	0.3615	0.0217	0.0113	0.0000	0.0330	0.0060		0.4005		
DIGITAL ELEC SWITCH	377C, 887C	0.1134	0.0651	0.0302	0.2087	0.0282	0.0113	0.0000	0.0395	0.0038		0.2520		
OPERATOR SYSTEMS	117C, 417C	0.1063	0.0751	0.0404	0.2238	0.0040	0.0113	0.0000	0.0153	0.0036		0.2427		
RADIO	167C, 67C, 867C, 967C	0.1434	0.0750	0.0348	0.2532	0.0763	0.0113	0.0000	0.0878	0.0052		0.3460		
DIGTL CIRC-DDS	157C	0.1810	0.0675	0.0305	0.2790	0.0073	0.0113	0.0000	0.0186	0.0045		0.3021		
DIGTL CIRC-PAIR GAIN	257C, D257C, F257C	0.1134	0.0636	0.0288	0.2058	0.0089	0.0113	0.0000	0.0202	0.0034		0.2294		
DIGTL CIRC-OTHER	357C, T357C, F357C, 857C, 957C	0.1134	0.0636	0.0297	0.2069	0.0086	0.0113	0.0000	0.0199	0.0034		0.2302		
ANALOG CIRC-PAIR GAIN	457C	0.1689	0.0636	0.0246	0.2573	0.0000	0.0113	0.0000	0.0113	0.0041		0.2727		
ANALOG CIRC-OTHER	57C	0.1689	0.0639	0.0282	0.2610	0.0206	0.0113	0.0000	0.0319	0.0045		0.2974		
PBX	158C, 258C	0.2296	0.0771	0.0346	0.3413	0.0145	0.0113	0.0000	0.0258	0.0056		0.3727		
PUBLIC-COIN	198C, 188C	0.1483	0.0763	0.0348	0.2594	0.2084	0.0113	0.0000	0.2197	0.0073		0.4864		
PUBLIC-COINLESS	298C, 288C	0.1483	0.0763	0.0348	0.2594	0.1248	0.0113	0.0000	0.1361	0.0060		0.4015		
PUBLIC-OTHER	998C, 988C	0.1483	0.0763	0.0348	0.2594	0.1062	0.0113	0.0000	0.1175	0.0057		0.3826		
OTHER TERMINAL EQPT	358C, D958C, 858C, 558C, 828C, 928C, F958C	0.1733	0.0612	0.0359	0.2804	0.0548	0.0113	0.0000	0.0661	0.0054		0.3619		
SUBSCRIBER PAIR GAIN	758C, D758C, F758C	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000		
POLES	1C, 811C	0.0671	0.0725	0.0325	0.1721	0.0279	0.0113	0.0000	0.0392	0.0032		0.2145		
AERIAL CA - METAL	22C, 12C, 802C	0.0917	0.0797	0.0338	0.2052	0.0571	0.0113	0.0000	0.0684	0.0042		0.2778		
AERIAL CA - FIBER	822C, 812C, 882C, 982C, D22C, F22C, T22C, D12C, F12C, T12C	0.0667	0.0784	0.0347	0.1798	0.0139	0.0113	0.0000	0.0252	0.0031		0.2081		
UNGROUND CA - METAL	5C, 805C	0.1036	0.0813	0.0342	0.2191	0.0291	0.0113	0.0000	0.0404	0.0039		0.2634		
UNGROUND CA - FIBER	85C, 885C, 985C, D5C, F5C, T5C	0.0626	0.0800	0.0358	0.1784	0.0135	0.0113	0.0000	0.0248	0.0031		0.2063		
BURIED CA - METAL	45C, 846C	0.0876	0.0809	0.0354	0.2039	0.0543	0.0113	0.0000	0.0656	0.0041		0.2736		
BURIED CA - FIBER	845C, 858C, 958C, D45C, F45C, T45C	0.0585	0.0816	0.0367	0.1768	0.0144	0.0113	0.0000	0.0257	0.0031		0.2056		
SUBMARINE CA-METAL	6C, 806C	0.0860	0.0814	0.0366	0.2040	0.0150	0.0113	0.0000	0.0263	0.0035		0.2338		
SUBMARINE CA-FIBER	86C, 886C, D6C, F6C, T6C	0.0660	0.0814	0.0355	0.2029	0.0150	0.0113	0.0000	0.0263	0.0035		0.2327		
INTRBLD NTWK-METAL	52C	0.0661	0.0785	0.0340	0.1786	0.0320	0.0113	0.0000	0.0433	0.0034		0.2253		
INTRBLD NTWK-FIBER	852C, D52C, F52C, T52C	0.0661	0.0785	0.0340	0.1786	0.0320	0.0113	0.0000	0.0433	0.0034		0.2253		
CONDUIT SYSTEMS	4C, 84C, 94C	0.0242	0.0877	0.0401	0.1520	0.0028	0.0113	0.0000	0.0141	0.0025		0.1686		

* See Note Below

NOTE: Certain states in the BellSouth region (GA & NC) assess gross receipts tax only on "local" revenues. For those states, it is necessary to publish "local", "private line and toll", and "combined" factors. Beware that the definitions of "local" and "private line and toll" are defined by the taxing authority for gross receipts tax purposes and may vary from state to state according to tax law.

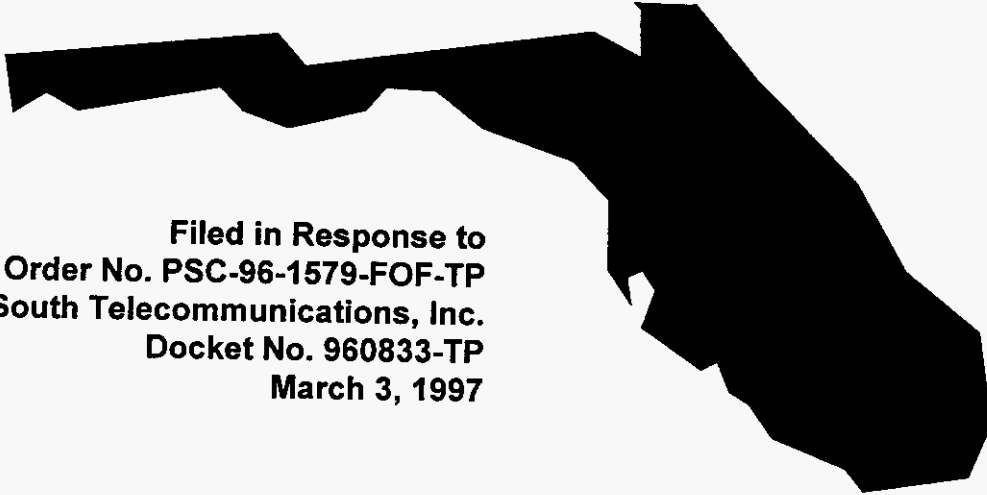
For those states which assess gross receipts tax on local, private line, and toll revenues, the gross receipts tax factor is based on the overall effective tax rate.

53

Redacted

FLORIDA

Filed in Response to
Order No. PSC-96-1579-FOF-TP
BellSouth Telecommunications, Inc.
Docket No. 960833-TP
March 3, 1997



DEDICATED TRANSPORT

DS1 LEVEL

***TSLRIC
COST STUDY
DOCUMENTATION***

PROPRIETARY

SECTIONS A THRU 7

**FLORIDA
DEDICATED TRANSPORT
COST STUDY DOCUMENTATION**

CONTENTS

SECTION A	PROPRIETARY RATIONALE
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SECTION A

SECTION A
FLORIDA
DEDICATED TRANSPORT
DS1 LEVEL

PROPRIETARY RATIONALE

The DS1 Dedicated Transport Cost study contains actual unit cost information for discrete cost elements. These costs represent BellSouth's long run incremental cost of providing this element on a going forward basis. Public disclosure of this information would provide BellSouth's competitors with an advantage. The data is valuable to competitors and potential competitors in formulating strategic plans for entry, pricing, marketing and overall business strategies. This information relates to the competitive interests of BellSouth and disclosure would impair the competitive business of BellSouth. For these reasons, the DS1 Dedicated Transport Cost Study is considered proprietary.

SECTION 1

SECTION 1

FLORIDA DEDICATED TRANSPORT DS1 LEVEL

INTRODUCTION AND OVERVIEW

This Total Service Long Run Incremental Cost (TSLRIC) study for DS1 Dedicated Transport is being provided in response to the Commission Order No. PSC-96-1579-FOF-TP issued December 31, 1996.

The TSLRIC results presented in this cost study are volume sensitive. The DS1 Dedicated Transport cost study has no volume insensitive costs.

The investments presented in this study are levelized for the 1996-1998 study period. These investments are converted to recurring costs using incremental loadings and annual cost factors. Nonrecurring costs are also levelized for the 1996-1998 study period.

SECTION 2

SECTION 2

FLORIDA DEDICATED TRANSPORT DS1 LEVEL

DESCRIPTION OF STUDY PROCEDURES

This section describes the general principles for the development of TSLRIC supporting the DS1 Dedicated Transport.

All costs are developed utilizing TSLRIC methodology. In determining these costs, direct incremental costing techniques are used that are in accordance with accepted economic theory. Direct incremental costs are based on cost causation and include all of the costs directly caused by expanding production, or, alternatively, costs that would be saved if the production levels were reduced. Costs may be volume sensitive and/or volume insensitive. Costs are forward-looking in nature because only future costs can be saved. Incremental costs are long run to assure that the time period studied is sufficient to capture all forward-looking costs affected by the business decision. Shared and common costs are not incremental and therefore, are not included. Incremental costs include both recurring (capital and operating expenses) and nonrecurring (provisioning) costs. Incremental costs account for the expected change in cost to the firm resulting from a new service offering or from a change in demand for an existing service.

DEVELOPMENT OF RECURRING COSTS

The development of recurring costs is not included in this study.

DEVELOPMENT OF NONRECURRING COSTS

Nonrecurring costs are "one-time" costs incurred as a result of provisioning, installing, and disconnecting a DS1 Dedicated Transport. The first step in developing nonrecurring costs is to determine the cost elements related to the study. These cost elements are then described by all of the individual work functions required to provision the cost element. The work functions can be grouped into four categories. These are service order, engineering, connect and test, and technician travel time. The work function times, as identified by individuals knowledgeable about and/or responsible for performing these

functions, are used to describe the flow of work within the various work centers involved. Installation and provisioning costs are developed by multiplying the work time for each work function by the directly assigned labor rate for the work group performing the function.

Utilizing work functions, work times, and directly assigned labor rates, disconnect costs are calculated in the same manner as the installation costs. Since the labor costs will occur in the future, the current labor rates are inflated to that future period in time and then discounted to the present. The discounted disconnect cost is added to the installation cost and gross receipts tax is applied to develop the total nonrecurring cost.

SECTION 3

SECTION 3

**FLORIDA DEDICATED TRANSPORT
DS1 LEVEL**

SUMMARY OF RESULTS

This section contains a nonrecurring cost summary for the 1996-1998 TSLRIC associated with DS1 Dedicated Transport.

FLORIDA DEDICATED TRANSPORT
DS1 LEVEL

SUMMARY OF RESULTS
(TSLRIC)

A B

Monthly
Costs

Nonrecurring Cost
First Additional

Dedicated Transport
Interoffice

DS1
Fixed

Per Mile

Rate Established by Commission Order No. PSC- 96-1579-FOF-TP

SECTION 4

SECTION 4

**FLORIDA DEDICATED TRANSPORT
DS1 LEVEL**

COST DEVELOPMENT - RECURRING

Recurring costs are not developed in this cost study. A recurring charge for DS1 Dedicated Transport was specified by Commission Order No. PSC-96-1579-FOF-TP issued December 31, 1996.

SECTION 5

SECTION 5

FLORIDA DEDICATED TRANSPORT
DS1 LEVEL

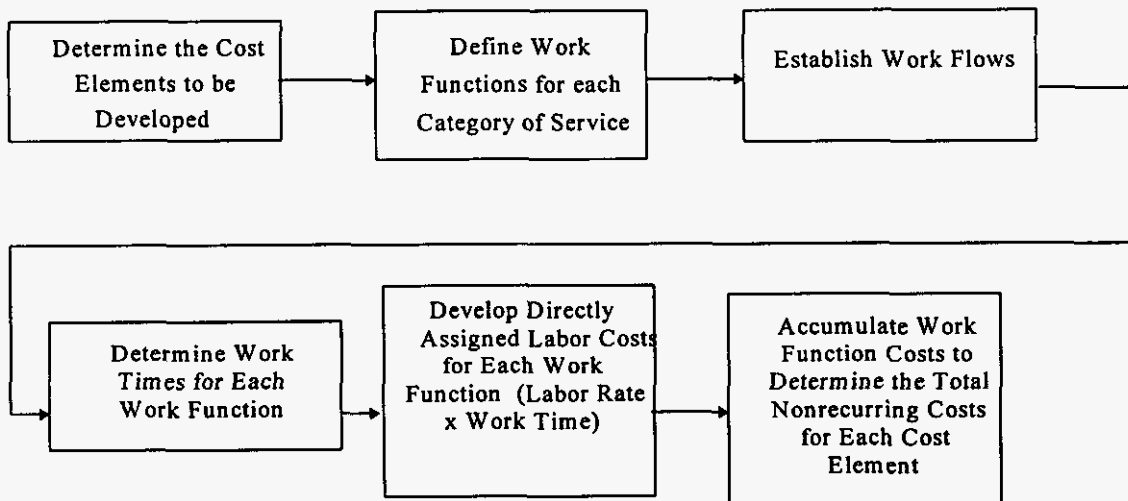
COST DEVELOPMENT - NONRECURRING

Nonrecurring TSLRIC results are one-time costs incurred as a result of provisioning, installing, disconnecting and completing of orders initiated by a customer request for DS1 Dedicated Transport. Calculations for the nonrecurring costs are included in this section.

Figure 5-1 shows a generalized flow of the steps necessary for developing nonrecurring costs. Each part of this flow will be explained in more detail in this section.

Figure 5-1

Generalized Flow Diagram for Developing Nonrecurring Costs



The first step in developing nonrecurring costs is to determine the cost elements to be studied. Each cost element is then described by all of the individual work functions required to provision the element.

The work functions required to provide the DS1 Dedicated Transport can be grouped into four categories. These are:

- 1) Service Order
- 2) Engineering
- 3) Connect and Test
- 4) Technician Travel Time

Work functions included in these categories range from clerical activities to installation activities.

The work functions and work times involved in the provisioning of the DS1 Dedicated Transport are identified by individuals knowledgeable about and/or responsible for performing the functions. These work functions and work times are then used to describe the flow of work within the various work centers involved in provisioning the element.

A spreadsheet model is used to incorporate the specific work functions and labor rates. In order to arrive at the nonrecurring cost for the element studied, the work time for each work function required is multiplied by the appropriate levelized labor rate. The labor inflation factors (LIF) are used to bring the labor rates to the appropriate study period. The labor rates and the labor inflation factors are shown in Section 7. Next, the individual work function costs are accumulated into the installation cost for the cost element studied.

Utilizing work functions, work times, and labor rates, disconnect costs are calculated in the same manner as the installation costs. Since the labor costs will occur in the future, the current labor rates are inflated to that future period in time and then discounted to the present. The discounted disconnect cost is added to the installation cost and gross receipts tax is applied to develop the nonrecurring cost.

Nonrecurring costs are calculated separately on a first and additional basis. "First" refers to the first item on a service order. "Additional" costs are the incremental costs of providing one or more duplicates of the first item on the same service order at the same time as the first.

The following workpapers reflect the cost development.

SUMMARY OF NONRECURRING COSTS

STATE: FLORIDA
 WORKPAPER: 70
 PAGE: 1 OF 1
 DATE: Feb-97

DEDICATED TRANSPORT INTEROFFICE DS1 - FIXED

(1996-1998 Level Incremental Costs)

		A	B
		<u>FIRST</u>	<u>ADDTL</u>
1	<u>DESCRIPTION</u>		
2			
3	Service Order		
4			
5	Engineering		
6			
7	Connect & Test		
8			
9	Travel Technician Time	NA	NA
10			
11			
12	Total Nonrecurring Cost	Sum of L3, L5, L7, L9	
13			
14			
15			
16			
17			
18			
19			
20			

DEVELOPMENT OF NONRECURRING COST

DEDICATED TRANSPORT INTEROFFICE DS1 - FIXED

STATE: FLA. JA
 WORKPAPER: 75
 PAGE: 1 OF 1
 DATE: Feb-97

LEVEL 1996 - 1998

DIRECTLY ASSIGNED

	(A)		(B)		(C)	(D)		(E)		(F)		(G)	
	INSTALL		DISCONNECT		LEVELIZED	INSTALL		DISCONNECT		DISCOUNTED		(D+F)*(1+GRT)	
	WORKTIMES (HRS)		WORKTIMES (HRS)		LABOR	COST (A*C)		COST (B*C)		COST (E*.8562)		TOTAL	TOTAL
DESCRIPTION	FIRST	ADDTL	FIRST	ADDTL	RATE/HR	FIRST	ADDTL	FIRST	ADDTL	FIRST	ADDTL	FIRST	ADDTL
6 SERVICE ORDER					\$40.665								
7 CUSTOMER POINT OF CONTACT (ICSC)													
9 CO INSTALL & MTCE CKT & FAC (NTEL)					\$41.504								
11 CIRCUIT PROVISIONING CENTER (CPC)					\$36.535								
13 SPECIAL SERVICE COORD & TEST (SSC)					\$38.659								
15 INSTALLATION & MTCE CENTER (IMC)					\$35.803								
17 NETWORK PLUG-IN ADMINISTRATION (PICS)					\$44.225								
19 ENGINEERING					\$57.986								
20 NETWORK & ENGINEERING PLANNING													
22 CONNECT AND TEST					\$36.535								
23 CIRCUIT PROVISIONING CENTER (CPC)					\$38.659								
25 SPECIAL SERVICE COORD & TEST (SSC)					\$41.504								
27 CO INSTALL & MTCE CKT & FAC (NTEL)													
30 TOTAL NONRECURRING COST													

SECTION 6

SECTION 6

FLORIDA DEDICATED TRANSPORT DS1 LEVEL

SPECIFIC STUDY ASSUMPTIONS

The cost study for the DS1 Dedicated Transport is based on TSLRIC methodology.

Cost study assumptions are as follows:

1. The cost of money is 13.2%.
2. These cost studies are based on a study period of 1996-1998 and incorporate 1995 investments and factors.

SECTION 7

SECTION 7

**FLORIDA DEDICATED TRANSPORT
DS1 LEVEL**

FACTORS AND LOADINGS

Following are TSLRIC factors, miscellaneous loadings, and labor rates used in the DS1 Dedicated Transport study.

Florida DS1 Dedicated Transport

Factors and Loadings

Directly Assigned Hourly Labor Rates

	<u>1995</u>	<u>Levelized</u>
Customer Point of Contact - ICSC	\$38.30	\$40.67
CO Install & Mtce - Circuit & Fac	\$39.09	\$41.50
Circuit Provisioning Center - CPC	\$34.41	\$36.54
Network Plug-in Administration - PICS	\$41.65	\$44.23
Installation & Mtce Center (IMC)	\$33.72	\$35.80
Special Svcs Coord & Test (SSC)	\$36.41	\$38.66
Network & Engineering Planning (EG20)	\$54.61	\$57.99

To create a Levelized labor rate from a 1995 Labor Rate:

$$\begin{aligned}
 & 1995 \text{ Labor Rate} \cdot \left[\frac{(1+\text{InflYr1})}{(1+\text{com})^1} + \frac{(1+\text{InflYr2})}{(1+\text{com})^2} + \frac{(1+\text{InflYr3})}{(1+\text{com})^3} \right] / \left[\frac{1}{(1+\text{com})^1} + \frac{1}{(1+\text{com})^2} + \frac{1}{(1+\text{com})^3} \right]
 \end{aligned}$$

Note: Infl = Labor Inflation
 COM = Cost of Money

Example:

$$\begin{aligned}
 & \$38.30 \cdot \left[\frac{(1.029/1.132^1)}{1} + \frac{(1.029 \cdot 1.034)/1.132^2}{1} + \frac{(1.029 \cdot 1.034 \cdot 1.035)/(1.132^3)}{1} \right] / \left[\frac{1}{1.132^1} + \frac{1}{1.132^2} + \frac{1}{1.132^3} \right] = \$40.67
 \end{aligned}$$

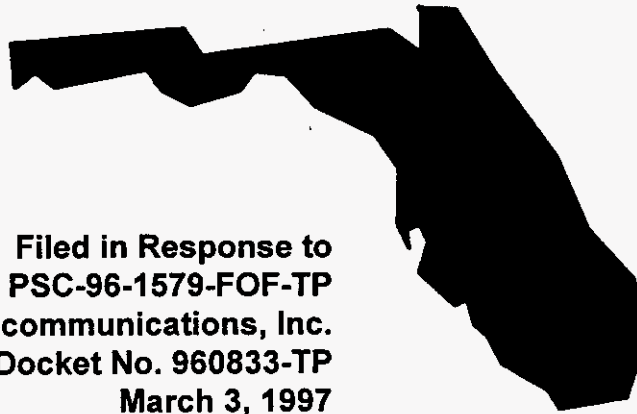
Labor Inflation

Telco Eng	
Year 1	3.0%
Year 2	3.3%
Year 3	3.4%
Telco COE	
Year 1	2.9%
Year 2	3.4%
Year 3	3.5%

Discounted Disconnect Factor 0.8562

Revised

FLORIDA



Filed in Response to
Order No. PSC-96-1579-FOF-TP
BellSouth Telecommunications, Inc.
Docket No. 960833-TP
March 3, 1997

VIRTUAL COLLOCATION

*TSLRIC
COST STUDY
DOCUMENTATION
PROPRIETARY*

SECTIONS A THRU 7

FLORIDA
VIRTUAL COLLOCATION
COST STUDY DOCUMENTATION

CONTENTS

SECTION A	PROPRIETARY RATIONALE
SECTION 1	INTRODUCTION AND OVERVIEW
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SECTION 7	FACTORS AND LOADINGS

SECTION A

SECTION A

FLORIDA VIRTUAL COLLOCATION

PROPRIETARY RATIONALE

The Virtual Collocation Cost Study contains actual unit cost information for discrete cost elements. These costs reflect BellSouth's long run incremental cost of providing these elements on a going forward basis. Public disclosure of this information would provide BellSouth's competitors with an advantage. The data is valuable to competitors and potential competitors in formulating strategic plans for entry, pricing, marketing and overall business strategies. This information relates to the competitive interests of BellSouth and disclosure would impair the competitive business of BellSouth.

Additionally, the study contains information which reflects vendor-specific prices negotiated by BellSouth. Public disclosure of this information would impair BellSouth's ability to contract for goods and/or services on favorable terms. For these reasons, the Virtual Collocation Cost Study is considered proprietary.

SECTION 1

SECTION 1

FLORIDA VIRTUAL COLLOCATION

INTRODUCTION AND OVERVIEW

This Total Service Long Run Incremental Cost (TSLRIC) study for Virtual Collocation is being provided in response to Commission Order No. PSC-96-1579-FOF-TP issued December 31, 1996.

The Virtual Collocation Cost Study identifies the cost of providing for placement of collocator-owned equipment and facilities in BellSouth Central Offices for interconnection or for access to Unbundled Elements.

The Total Service Long Run Incremental Costs presented in this cost study consist of volume sensitive costs. The Virtual Collocation cost study has no volume insensitive costs.

The following Virtual Collocation elements are studied.

1. Application Cost - Service Order nonrecurring cost incurred to process an application inquiry per location.
2. Cable Installation Cost - Nonrecurring cost for each entrance cable installed to the collocator's equipment.
3. Floor Space - Monthly cost per square foot for floor space; includes building lighting, heat, air conditioning, etc. and a monthly cost per ampere to power the collocator's equipment.
4. Cable Support Structure, per Entrance Cable - Monthly cost for use and maintenance of the duct from the point of interconnection to the central office cable vault and for riser and overhead racking structure. Applies per private fiber entrance cable installed.
5. Cross Connects - 2 Wire, 4 Wire, DS1, and DS3 - Monthly and nonrecurring cost for interconnection with BellSouth.
6. Security Escort - Nonrecurring cost for an escort on BST property, when required.

The investments presented in this study are levelized for the 1996-1998 study period. These investments are converted to recurring costs using incremental loadings and annual cost factors. Nonrecurring costs are also levelized for the 1996 - 1998 study period.

SECTION 2

SECTION 2

FLORIDA VIRTUAL COLLOCATION

DESCRIPTION OF STUDY PROCEDURES

This section describes the general principles for the development of Total Service Long Run Incremental Costs (TSLRIC) for Virtual Collocation.

All costs are developed utilizing Total Service Long Run Incremental Cost methodology. In determining these costs, direct incremental costing techniques are used that are in accordance with accepted economic theory. Direct incremental costs are based on cost causation and include all of the costs directly caused by expanding production, or, alternatively, costs that would be saved if the production levels were reduced. Costs may be volume sensitive and/or volume insensitive. Costs are forward-looking in nature because only future costs can be saved. Incremental costs are long run to assure that the time period studied is sufficient to capture all forward-looking costs affected by the business decision. Shared and common costs are not incremental and, therefore, are not included. Incremental costs include both recurring (capital and operating expenses) and nonrecurring (provisioning) costs. Incremental costs account for the expected change in cost to the firm resulting from a new service offering or from a change in demand for an existing service.

DEVELOPMENT OF RECURRING COSTS

The monthly costs to BellSouth Telecommunications, Inc., resulting from the capital investments necessary to provide a cost element are called recurring costs. Recurring costs represent a forward-looking view of technology and deployment and include capital and operating costs. While capital costs include depreciation, cost of money and income tax, operating costs are the expenses for maintenance and ad valorem and other taxes. These expenses contribute to the ongoing cost to the Company associated with the initial capital investment.

The first step in developing an incremental recurring cost study for Virtual Collocation is to determine the forward-looking network architecture. Material prices for the associated equipment are defined. Next, Telephone Plant Indices for each specific account are applied, when necessary, to trend investments to the base study period. In-plant factors are applied to material prices to develop installed investments which include engineering and installation (both telephone company and contractor) labor. Utilization factors are also considered.

SECTION 2

FLORIDA VIRTUAL COLLOCATION

DESCRIPTION OF STUDY PROCEDURES

Levelized Inflation Factors for each specific plant account are applied to the installed investments to trend the base year, or study year, investments to levelized amounts that are valid for a three year planning period. Miscellaneous loadings are then applied where applicable.

Next, Incremental Annual Cost Factors are used to calculate the direct cost of capital, maintenance and other operating expenses and taxes. Factors for each Uniform System of Accounts - Field Reporting Code (USOA - FRC) are applied to levelized investments by account code, yielding an annual cost per account code. Annual costs by account code are then summed and divided by twelve to arrive at a monthly cost per cost element.

DEVELOPMENT OF NONRECURRING COSTS

Nonrecurring costs are "one-time" costs incurred as a result of provisioning, installing, and disconnecting Virtual Collocation elements. The first step in developing nonrecurring costs is to determine the cost elements related to the study. These cost elements are then described by all of the individual work functions required to provision the cost element. The work functions can be grouped into three categories; service order, engineering, and connect and test. The work function times, as identified by individuals knowledgeable about and/or responsible for performing these functions, are used to describe the flow of work within the various work centers involved. Installation and provisioning costs are developed by multiplying the work time for each work function by the directly assigned labor rate for the work group performing the function.

Utilizing work functions, work times and directly assigned labor rates, disconnect costs are calculated in the same manner as the installation costs. Since the labor costs will occur in the future, the current labor rates are inflated to that future period in time and then discounted to the present. The discounted disconnect cost is added to the installation cost and gross receipts tax is applied to develop the total nonrecurring cost.

SECTION 3

SECTION 3

FLORIDA VIRTUAL COLLOCATION

SUMMARY OF RESULTS

This section contains a cost summary for the 1996 - 1998 Total Service Long Run Incremental Cost (TSLRIC) for both recurring and nonrecurring cost elements studied for Virtual Collocation.

SECTION 3

FLORIDA VIRTUAL COLLOCATION

SUMMARY OF RESULTS

	<u>A</u> Monthly <u>Cost</u>	<u>B</u> Nonrecurring Cost <u>First</u>	<u>C</u> Cost <u>Additional</u>
6 Application Cost per Request	NA		NA
7 Cable Installation Cost			
8 Per Entrance Cable	NA		NA
9 Floor Space			
10 Per Square Foot		NA	NA
11 Power, Per Ampere		NA	NA
12 Cable Support Structure,			
13 Per Entrance Cable		NA	NA
14 Cross Connect - per 2-Wire			
15 Cross Connect - per 4-Wire			
16 Cross Connect - per DS1			
17 Cross Connect - per DS3			

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SECTION 3

FLORIDA VIRTUAL COLLOCATION

SUMMARY OF RESULTS

	A	B	C
	<u>Monthly</u>	<u>Nonrecurring Cost</u>	<u>Additional</u>
	<u>Cost</u>	<u>First</u>	
Security Escort			
7 Basic, per half hour	NA		
8 Overtime, per half hour	NA		
9 Premium, per half hour	NA		

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SECTION 4

SECTION 4

FLORIDA VIRTUAL COLLOCATION

COST DEVELOPMENT - RECURRING

This section describes the development of the recurring Total Service Long Run Incremental Costs for Virtual Collocation.

Generally, cost development is outlined in Section 2. Network architecture is determined, the necessary equipment is identified, material prices are obtained, factors, utilization and loadings are applied and the result is leveled for the study period. Annual cost factors are applied to convert the investment to cost.

The following workpapers provide the development of the Virtual Collocation cost elements.

Summary of Recurring Costs
Study Period 1996-1998

A

<u>Ln</u>	<u>Description</u>	<u>Monthly Cost</u>	<u>Source</u>
1	Floor Space		
2	Per Square Foot		Wp210 Ln33
3	Power, per Ampere		Wp230 Ln35
4			
5			
6	Cable Support Structure per Entrance Cable		Wp220 Ln33
7			
8			
9	Cross Connect		
10			
11	per 2-Wire		Wp240 Ln33
12			
13	per 4-Wire		Wp260 Ln33
14			
15	per DS1		Wp280 Ln33
16			
17	per DS3		Wp300 Ln33
18			
19			
20			
21			
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23			
24			
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26			
27			
28			
29			
30			
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Development of Floor Space per Square Foot Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Building	C Total
1	Annual Cost Factor Components	Fundamental Cost			
2	Depreciation		0.0000	0.0302	
3	Cost of Money		0.1118	0.0986	
4	Income Tax		0.0514	0.0452	
5					
6	Maintenance		0.0000	0.0069	
7	Ad Valorem Tax		0.0113	0.0113	
8					
9					
10	Total Annual Cost Factor		0.1745	0.1922	
11					
12	Investment	Wp211 Pg5 Ln30			
13					
14	Annual Costs				
15	Depreciation	Ln12 * Ln2			
16	Cost of Money	Ln12 * Ln3			
17	Income Tax	Ln12 * Ln4			
18					
19	Maintenance	Ln12 * Ln6			
20	Ad Valorem Tax	Ln12 * Ln7			
21					
22					
23	Total Annual Cost	Sum (Ln15..Ln20)			
24	Annual Lease Expense	Wp211 Pg3 Ln41			
25	Total Annual Cost, Including Lease Expense	Ln23 + Ln24			
26					
27	Total Monthly Cost	Ln25 / 12			
28	Total Assignable Square Feet	Wp211 Pg5 Ln25			
29					
30	Monthly Cost per Square Foot	Ln27 / Ln28			
31	Gross Receipts Tax Factor				1.0152
32					
33	Monthly Cost per Square Foot w/GRT	Ln30 * Ln31			
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					

Central Office Building, Land and Building Investment by Location

PG LN	CO LN	ST	CLLI	(a) Total Sq. Ft.	(b) Building Inv. 10C	(c) Land Inv. 20C
1	1	FL	ARCHFLMA			
2	2	FL	BCRTFLBT			
3	3	FL	BCRTFLMA			
4	4	FL	BCRTFLSA			
5	5	FL	BGFIFLMAE87			
6	6	FL	BKVLFLJF			
7	7	FL	BLDWFLMA			
8	8	FL	BLGLFLMA			
9	9	FL	BNNLFLMA			
10	10	FL	BRSNFLMA			
11	11	FL	BYBHFLMA			
12	12	FL	CCBHFLMA			
13	13	FL	CDKYFLMA			
14	14	FL	CFLDFLMA			
15	15	FL	CHPLFLJA			
16	16	FL	CNTMFLLE			
17	17	FL	COCOFLMA			
18	18	FL	COCOFLME			
19	19	FL	CSCYFLBA			
20	20	FL	DBRYFLDL			
21	21	FL	DBRYFLMA			
22	22	FL	DELDFLMA			
23	23	FL	DLBHFLKP			
24	24	FL	DLBHFLMA			
25	25	FL	DLSPFLMA			
26	26	FL	DNLNFLWM			
27	27	FL	DRBHFLMA			
28	28	FL	DYBHFLMA			
29	29	FL	DYBHFLOB			
30	30	FL	DYBHFLOS44E			
31	31	FL	DYBHFLPO			
32	32	FL	EGLLFLBG			
33	33	FL	EGLLFLIH			
34	34	FL	EORNFLMA			
35	35	FL	FLBHFLMA			
36	36	FL	FRBHFLFP			
37	37	FL	FTGRFLMA			
38	38	FL	FTLDFLCR			
39	39	FL	FTLDFLCY			
40	40	FL	FTLDFLJA			

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Central Office Building, Land and Building Investment by Location

PG LN	CO LN	ST	CLLJ	(a) Total Sq. Ft.	(b) Building Inv. 10C	(c) Land Inv. 20C
1	41	FL	FTLDFLMA			
2	42	FL	FTLDFLMR			
3	43	FL	FTLDFLOA			
4	44	FL	FTLDFLPCGO			
5	45	FL	FTLDFLSG			
6	46	FL	FTLDFLSU			
7	47	FL	FTLDFLWN			
8	48	FL	FTPRFLMA			
9	49	FL	GCSPFLCN			
10	50	FL	GCVLFLMA			
11	51	FL	GENVFLMA			
12	52	FL	GSVLFLMA			
13	53	FL	GSVLFLNW			
14	54	FL	HBSDFLMA			
15	55	FL	HLNVFLMA			
16	56	FL	HLWDFLHA45E			
17	57	FL	HLWDFLMA92E			
18	58	FL	HLWDFLPE43E			
19	59	FL	HMSTFLHME24			
20	60	FL	HMSTFLNA25E			
21	61	FL	HTISFLMA			
22	62	FL	HWTHFLMA			
23	63	FL	ISLMFLMAE66			
24	64	FL	JAY-FLMA			
25	65	FL	JCBHFLMA			
26	66	FL	JCBHFLSP			
27	67	FL	JCVLFLAR			
28	68	FL	JCVLFLBW			
29	69	FL	JCVLFLCL			
30	70	FL	JCVLFLFC			
31	71	FL	JCVLFLLF			
32	72	FL	JCVLFLNO			
33	73	FL	JCVLFLRV			
34	74	FL	JCVLFLSB			
35	75	FL	JCVLFLSJ			
36	76	FL	JCVLFLSMD50			
37	77	FL	JCVLFLWC			
38	78	FL	JPTRFLMA74E			
39	79	FL	KYHGFLMA			
40	80	FL	KYLRFLLE45			

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Central Office Building, Land and Building Investment by Location

PG LN	CO LN	ST	CLLI	(a) Total Sq. Ft.	(b) Building inv. 10C	(c) Land inv. 20C
1	81	FL	KYLRFLMAE85			
2	82	FL	KYWSFLMAE29			
3	83	FL	LKCYFLMA			
4	84	FL	LKMRFLMADSO			
5	85	FL	LYHNFLOH			
6	86	FL	MCNPFLMA			
7	87	FL	MOBGFLPM			
8	88	FL	MIAMFLAEE44			
9	89	FL	MIAMFLALE63			
10	90	FL	MIAMFLAPE52			
11	91	FL	MIAMFLBAE85			
12	92	FL	MIAMFLBC			
13	93	FL	MIAMFLBRE67			
14	94	FL	MIAMFLCAE22			
15	95	FL	MIAMFLDBRSO			
16	96	FL	MIAMFLFLE54			
17	97	FL	MIAMFLGR			
18	98	FL	MIAMFLHLE55			
19	99	FL	MIAMFLICE86			
20	100	FL	MIAMFLKE36E			
21	101	FL	MIAMFLMEE32			
22	102	FL	MIAMFLNME89			
23	103	FL	MIAMFLNSE01			
24	104	FL	MIAMFLOLE68			
25	105	FL	MIAMFLPB88E			
26	106	FL	MIAMFLRRE66			
27	107	FL	MIAMFLSHE75			
28	108	FL	MIAMFLSOE59			
29	109	FL	MIAMFLWD38E			
30	110	FL	MIAMFLWME26			
31	111	FL	MICCFLLB			
32	112	FL	MLBRFLMA			
33	113	FL	MLTNFLRA			
34	114	FL	MNDRFLO			
35	115	FL	MNDRFLLW			
36	116	FL	MNSNFLMA			
37	117	FL	MRISFLKT			
38	118	FL	MRTFLVEF11			
39	119	FL	MXVFLMA			
40	120	FL	NDADFLACE94			

41 Note 1: annual lease of

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Zone B Central Office Building, Land and Building Investment by Location

PG LN	CO LN	ST	CLLJ	(a) Total Sq. Ft.	(b) Building Inv. 10C	(c) Land Inv. 20C
1	121	FL	NDADFLBRT24			
2	122	FL	NDADFLGGE65			
3	123	FL	NDADFLOLE93			
4	124	FL	NKLRFLMAE36			
5	125	FL	NSBHFLMA			
6	126	FL	NWBYFLMA			
7	127	FL	OKHLFLMA			
8	128	FL	OLTWFLLN			
9	129	FL	ORLDFLAP			
10	130	FL	ORLDFLCL			
11	131	FL	ORLDFLMA			
12	132	FL	ORLDFLPC			
13	133	FL	ORLDFLPHA02			
14	134	FL	ORLDFLSA			
15	135	FL	ORPKFLRW			
16	136	FL	OVIDFLCA36E			
17	137	FL	PACEFLPV			
18	138	FL	PAHKFLMA			
19	139	FL	PCBHFLNT			
20	140	FL	PLCSFLMA44E			
21	141	FL	PLTKFLMA			
22	142	FL	PMBHFLCS			
23	143	FL	PMBHFLFE			
24	144	FL	PMBHFLMA			
25	145	FL	PMBHFLTA			
26	146	FL	PMPKFLMA			
27	147	FL	PNCYFLCA			
28	148	FL	PNCYFLMA			
29	149	FL	PNSCFLBL			
30	150	FL	PNSCFLFP			
31	151	FL	PNSCFLPB			
32	152	FL	PNSCFLWA			
33	153	FL	PNVDFLMA			
34	154	FL	PRRNFLMAW01			
35	155	FL	PRSNFLFD74E			
36	156	FL	PTSLFLMA			
37	157	FL	PTSLFLS0CG0			
38	158	FL	SBSTFLMA58E			
39	159	FL	SGKYFLMAE74			
40	160	FL	SNFRFLMA			

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Zone A Central Office Building, Land and Building Investment by Location

PG LN	CO LN	ST	CLLI	(a) Total Sq. Ft.	(b) Building Inv. 10C	(c) Land Inv. 20C
1	161	FL	STAGFLBS			
2	162	FL	STAGFLMA			
3	163	FL	STAGFLSH			
4	164	FL	STRTFLMAE28			
5	165	FL	TRENFLMA			
6	166	FL	TTVLFLMA			
7	167	FL	VERNFLMA			
8	168	FL	VRBHFLBE			
9	169	FL	VRBHFLMA			
10	170	FL	WELKFLMA			
11	171	FL	WPBHFLAN			
12	172	FL	WPBHFLGA			
13	173	FL	WPBHFLGR			
14	174	FL	WPBHFLHH			
15	175	FL	WPBHFLLE			
16	176	FL	WPBHFLRB			
17	177	FL	WPBHFLRP			
18	178	FL	WWSPFLHI			
19	179	FL	WWSPFLSH			
20	180	FL	YNFNFLMA			
21	181	FL	YNTWFLMA			
22	182	FL	YULEFLMA			
23						
24						
25			Total			
26						
27			Levelized Inflation Factor - 10C		1.059	
28			Levelized Inflation Factor - 20C			
29						
30			Levelized Investment			
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

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Development of Cable Support Structure per Entrance Cable Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Bldg	C 357C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0986	0.0638	
5	Income Tax		0.0514	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0069	0.0086	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9						
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2268	
12						
13						
14	Investments	Wp221				
15		Lns 32, 36, 28				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25						
26						
27	Total Annual Cost	Sum (Ln19..Ln24)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
36						
37						
38						
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Development of Cable Support Structure Investment
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	Cable Rack Installed Investment/LF*	Network		
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Installed Investment	Ln1 * Ln3		
6				
7	Levelized Inflation Factor	Fundamental Cost	357C	0.970
8				
9	Levelized Investment	Ln5 * Ln7		
10				
11	Projected Actual Utilization	Fundamental Cost		50.0%
12				
13	Levelized Utilized Investment per Cable			
14	per Linear Foot	Ln9 / Ln11		
15				
16	Average Cable Rack Length (LF)	Network		350
17				
18	Investment for Cable Rack	Ln14 * Ln16		
19				
20	Cable Capacity per Rack	Network		30
21				
22	Investment per Cable	Ln18 / Ln20		
23				
24	Power Equipment Loading	Fundamental Cost	357C	0.0670
25				
26	Power Equipment Investment	Ln22 * Ln24		
27				
28	Investment per Cable w/Power Loadings	Ln22 + Ln26		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48	* LF = linear foot			
49				
50				

Development of Floor Space Power per Ampere Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Bldg	C 377C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0986	0.0651	
5	Income Tax		0.0514	0.0452	0.0302	
6						
7	Maintenance		0.0000	0.0069	0.0257 *	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9						
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2457	
12						
13						
14	Investments	Wp231				
15		Ln 19, 25, 13				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25						
26						
27	Total Annual Cost	Sum (Ln19..Ln24)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Monthly Cost Power Usage per Ampere	Network				\$2.964
32						
33	Gross Receipts Tax Factor					1.0152
34						
35	Monthly Cost w/GRT	(Ln29 + Ln31) * Ln33				
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48	* The Maintenance factor of the 377C annual cost factor has been reduced by the power component of the factor					
49	(0.0282 - 0.0025 = 0.0257)					
50						

Development of Floor Space Power per Ampere Investment
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	Power Plant investment per Ampere	BST Power Strategy Team	377C	
2				
3				
4	Telephone Plant Index	Fundamental Cost	377C	1.000
5				
6				
7	Base Year installed investment	$Ln1 * Ln4$		
8				
9				
10	Levelized Inflation Factor	Fundamental Cost	377C	1.012
11				
12				
13	Levelized installed investment	$Ln7 * Ln10$		
14				
15				
16	Land Loading	Fundamental Cost	20C	0.0030
17				
18				
19	Land investment	$Ln13 * Ln16$		
20				
21				
22	Building Loading	Fundamental Cost	10C	0.0404
23				
24				
25	Building investment	$Ln13 * Ln22$		
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
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Development of Cross Connect per 2-Wire Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Building	C 357C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0986	0.0638	
5	Income Tax		0.0514	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0069	0.0086	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9	TIRKS Expense		0.0000	0.0000	0.0052	
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2320	
12						
13						
14	Investments	Wp241 Pg1				
15		Ln 20, 32, 8				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25	TIRKS Expense	Ln14 * Ln9				
26						
27	Total Annual Cost	Sum (Ln19..Ln25)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
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Summary of Investments, 2-Wire Cross Connect
Study Period 1996-1998

A

<u>Ln</u>	<u>Description</u>	<u>Source</u>	<u>Value</u>
1	357C Equipment Investment		
2	Trunk Distributing Frame	Wp241 Pg2 Ln28	
3			
4	Connecting Block	Wp241 Pg3 Ln28	
5			
6	Cable Rack	Wp241 Pg4 Ln28	
7			
8	Total 357C Equipment Investment	Sum (Ln2..Ln6)	
9			
10			
11			
12			
13	Land Investment		
14	Trunk Distributing Frame	Wp241 Pg2 Ln32	
15			
16	Connecting Block	Wp241 Pg3 Ln32	
17			
18	Cable Rack	Wp241 Pg4 Ln32	
19			
20	Total Land Investment	Sum (Ln14..Ln18)	
21			
22			
23			
24			
25	Building Investment		
26	Trunk Distributing Frame	Wp241 Pg2 Ln36	
27			
28	Connecting Block	Wp241 Pg3 Ln36	
29			
30	Cable Rack	Wp241 Pg5 Ln46	
31			
32	Total Building Investment	Sum (Ln26..Ln30)	
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
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Development of 2-Wire Cross Connect Unit Investment
Trunk Distributing Frame
Study Period 1996-1998

Ln	Description	Source	ERC	Value
1	TDF Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year installed investment	$Ln5 * Ln7$		
10				
11	Levelized inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	$Ln9 * Ln11$		
14				
15	Number Circuits	Network		12,000
16				
17	Levelized investment per Circuit	$Ln13 / Ln15 * 2$		
18				
19	Projected Actual Utilization	Network		72.5%
20				
21	Levelized Utilized investment per Circuit	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment investment	$Ln21 * Ln23$		
26				
27	Total investment with Power Loadings			
28	per Circuit	$Ln21 + Ln25$		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building investment	$Ln28 * Ln34$		
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

Development of 2-Wire Cross Connect Unit Investment
Connecting Block
Study Period 1996-1998

Ln	Description	Source	ERC	A Value
1	Connecting Block Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	$Ln9 * Ln11$		
14				
15	Number Circuits	Network		100
16				
17	Levelized Investment per Circuit	$Ln13 / Ln15 * 2$		
18				
19	Projected Actual Utilization	Network		72.5%
20				
21	Levelized Utilized Investment per Circuit	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings			
28	per Circuit	$Ln21 + Ln25$		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
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Development of 2-Wire Cross Connect Unit Investment
Cable Rack
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	Cable Rack Material price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.9700
12				
13	Levelized Investment	$Ln9 * Ln11$		
14				
15	Number Circuits per Cable Rack	Network		48,000
16				
17	Levelized Investment per Cable	$Ln13 / Ln15$		
18				
19	Projected Actual Utilization	Network		57.0%
20				
21	Levelized Utilized Investment per Circuit	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings			
28	per Circuit	$Ln21 + Ln25$		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
38				
39				
40				
41				
42				
43				
44				
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46				
47				
48				
49				
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Development of Cross Connect per 4-Wire Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Building	C 357C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0986	0.0638	
5	Income Tax		0.0514	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0069	0.0086	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9	TIRKS Expense		0.0000	0.0000	0.0052	
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2320	
12						
13						
14	Investments	Wp261 Pg1				
15		Ln 20, 32, 8				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25	TIRKS Expense	Ln14 * Ln9				
26						
27	Total Annual Cost	Sum (Ln19..Ln25)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
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Summary of Investments, 4-Wire Cross Connect
Study Period 1996-1998

A
Value

Ln	Description	Source
1	357C Equipment Investment	
2	Trunk Distributing Frame	Wp261 Pg2 Ln28
3		
4	Connecting Block	Wp261 Pg3 Ln28
5		
6	Cable Rack	Wp261 Pg4 Ln28
7		
8	Total 357C Equipment Investment	Sum (Ln2..Ln6)
9		
10		
11		
12		
13	Land Investment	
14	Trunk Distributing Frame	Wp261 Pg2 Ln32
15		
16	Connecting Block	Wp261 Pg3 Ln32
17		
18	Cable Rack	Wp261 Pg4 Ln32
19		
20	Total Land Investment	Sum (Ln14..Ln18)
21		
22		
23		
24		
25	Building Investment	
26	Trunk Distributing Frame	Wp261 Pg2 Ln36
27		
28	Connecting Block	Wp261 Pg3 Ln36
29		
30	Cable Rack	Wp261 Pg4 Ln36
31		
32	Total Building Investment	Sum (Ln26..Ln30)
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		
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Development of 4-Wire Cross Connect Unit Investment
Trunk Distributing Frame
Study Period 1996-1998

Ln	Description	Source	FRC	A Value
1	TDF Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.9700
12				
13	Levelized investment	$Ln9 * Ln11$		
14				
15	Number Circuits	Network		6,000
16				
17	Levelized Investment per Circuit	$Ln13 / Ln15 * 2$		
18				
19	Projected Actual Utilization	Network		72.5%
20				
21	Levelized Utilized Investment per Circuit	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings			
28	per Circuit	$Ln21 + Ln25$		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

Development of 4-Wire Cross Connect Unit Investment
Connecting Block
Study Period 1996-1998

Ln	Description	Source	ERC	Value
1	Connecting Block Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	$Ln5 * ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	$Ln9 * Ln11$		
14				
15	Number Circuits	Network		50
16				
17	Levelized Investment per Circuit	$Ln13 / Ln15 * 2$		
18				
19	Projected Actual Utilization	Network		72.5%
20				
21	Levelized Utilized Investment per Circuit	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings			
28	per Circuit	$Ln21 + Ln25$		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
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Development of 4-Wire Cross Connect Unit Investment
Cable Rack
Study Period 1996-1998

Ln	Description	Source	ERC	A Value
1	Cable Rack Material price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.870
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	$Ln9 * Ln11$		
14				
15	Number Circuits per Cable Rack	Network		24,000
16				
17	Levelized Investment per Circuit	$Ln13 / Ln15$		
18				
19	Projected Actual Utilization	Network		57.0%
20				
21	Levelized Utilized Investment per Circuit	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings per Circuit	$Ln21 + Ln25$		
28				
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

Development of Cross Connect per DS1 Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Building	C 357C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0986	0.0638	
5	Income Tax		0.0514	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0089	0.0066	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9	TIRKS Expense		0.0000	0.0000	0.0052	
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2320	
12						
13						
14	Investments	Wp281 Pg1				
15		Ln 15, 24, 6				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25	TIRKS Expense	Ln14 * Ln9				
26						
27	Total Annual Cost	Sum (Ln19..Ln25)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
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Summary of Investments, DS1 Cross Connect
Study Period 1996-1998A
Value

Ln	Description	Source	
1	357C Equipment Investment		
2	DSX-1 Panel	Wp281 Pg2 Ln28	
3			
4	Cable Rack	Wp281 Pg3 Ln28	
5			
6	Total 357C Equipment Investment	Sum (Ln2..Ln4)	
7			
8			
9			
10	Land Investment		
11	DSX-1 Panel	Wp281 Pg2 Ln32	
12			
13	Cable Rack	Wp281 Pg3 Ln32	
14			
15	Total Land Investment	Sum (Ln11..Ln13)	
16			
17			
18			
19	Building Investment		
20	DSX-1 Panel	Wp281 Pg2 Ln36	
21			
22	Cable Rack	Wp281 Pg3 Ln36	
23			
24	Total Building Investment	Sum (Ln20..Ln22)	
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
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Development of DS1 Cross Connect Unit Investment
DSX-1 Bay
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	DSx-1 Panel Material Price	Fundamental Cost	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.870
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	$Ln9 * Ln11$		
14				
15	Number DS1's	Network		56
16				
17	Levelized Utilized Investment per DS1	$Ln13 / Ln15$		
18				
19	Projected Actual Utilization	Network		70%
20				
21	Levelized Utilized Investment per DS1	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings			
28	per DS1	$Ln21 + Ln25$		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
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Development of DS1 Cross Connect Unit Investment
Cable Rack
Study Period 1996-1998

Ln	Description	Source	ERC	A Value
1	Cable Rack Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.9700
12				
13	Levelized Installed Investment	$Ln9 * Ln11$		
14				
15	Number Circuits	Network		6720
16				
17	Levelized Utilized Investment per Circuit	$Ln13 / Ln15$		
18				
19	Projected Actual Utilization	Network		60.3%
20				
21	Levelized Utilized Investment per Circuit	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings			
28	per DS1	$Ln21 + Ln25$		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
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Development of Cross Connect per DS3 Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Building	C 357C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0086	0.0638	
5	Income Tax		0.0514	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0069	0.0066	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9	TIRKS Expense		0.0000	0.0000	0.0052	
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2320	
12						
13						
14	Investments	Wp301 Pg1				
15		Ln 15, 24, 6				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25	TIRKS Expense	Ln14 * Ln9				
26						
27	Total Annual Cost	Sum (Ln19..Ln25)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
36						
37						
38						
39						
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42						
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Summary of Investments, DS3 Cross Connect
Study Period 1996-1998

A

<u>Ln</u>	<u>Description</u>	<u>Source</u>	<u>Value</u>
1	357C Equipment Investment		
2	DSX-3 Panel	Wp301 Pg2 Ln28	
3			
4	Cable Rack	Wp301 Pg3 Ln28	
5			
6	Total 357C Equipment Investment	Sum (Ln2..Ln4)	
7			
8			
9			
10	Land Investment		
11	DSX-3 Panel	Wp301 Pg2 Ln32	
12			
13	Cable Rack	Wp301 Pg3 Ln32	
14			
15	Total Land Investment	Sum (Ln11..Ln13)	
16			
17			
18			
19	Building Investment		
20	DSX-3 Panel	Wp301 Pg2 Ln36	
21			
22	Cable Rack	Wp301 Pg3 Ln36	
23			
24	Total Building Investment	Sum (Ln20..Ln22)	
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
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Development of DS3 Cross Connect Unit Investment
DSX-3 Bay
Study Period 1996-1998

Ln	Description	Source	ERC	A Value
1	DSX-3 Panel Material Price	Fundamental Cost	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.9700
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number DS3's	Network		24
16				
17	Levelized Utilized Investment per DS3	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		67%
20				
21	Levelized Utilized Investment per DS3	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings			
28	per DS3	Ln21 + Ln25		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

Development of DS3 Cross Connect Unit Investment
Cable Rack
Study Period 1996-1998

Ln	Description	Source	ERC	Value
1	Cable Rack Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.870
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number DS3's	Network		480
16				
17	Levelized Utilized Investment per DS3	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		67%
20				
21	Levelized Utilized Investment per DS3	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings per DS3	Ln21 + Ln25		
28				
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
39				
40				
41				
42				
43				
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47				
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SECTION 5

SECTION 5

FLORIDA VIRTUAL COLLOCATION

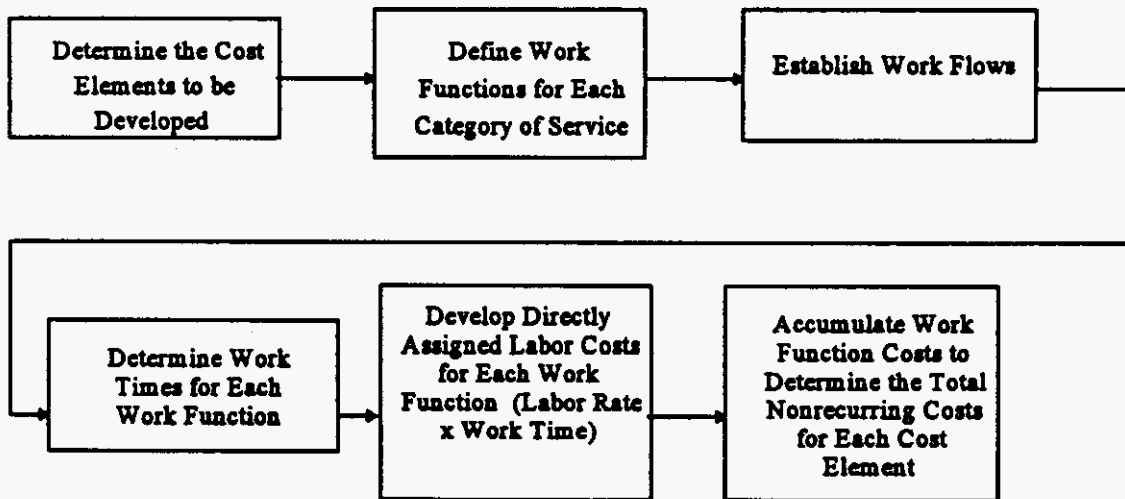
COST DEVELOPMENT - NONRECURRING

Nonrecurring Total Service Long Run Incremental Costs (TSLRIC) are one-time costs incurred as a result of provisioning, installing, disconnecting and completing orders initiated by a customer request for Virtual Collocation. Calculations for the nonrecurring costs are included in this section.

Figure 5-1 shows a generalized flow of the steps necessary for developing nonrecurring costs. Each part of this flow will be explained in more detail in this section.

Figure 5-1

Generalized Flow Diagram for Developing Nonrecurring Costs



The first step in developing nonrecurring costs is to determine the cost elements to be studied. Each cost element is then described by all of the individual work functions required to provision the element.

SECTION 5

FLORIDA VIRTUAL COLLOCATION

COST DEVELOPMENT - NONRECURRING

The work functions required to provide Virtual Collocation can be grouped into three categories. These are:

- 1) Service Order
- 2) Engineering
- 3) Connect and Test

Work functions included in these categories range from clerical activities to installation activities.

The work functions and work times involved in the provisioning of Virtual Collocation are identified by individuals knowledgeable about and/or responsible for performing the functions. These work functions and work times are then used to describe the flow of work within the various work centers involved in provisioning the element.

A spreadsheet model is used to incorporate the specific work functions and directly assigned labor rates. In order to arrive at the nonrecurring cost for the element studied, the work time for each work function required is multiplied by the appropriate levelized labor rate. The labor inflation factors (LIF) are used to bring the labor rates to the appropriate study period. The labor rates and the labor inflation factors are shown in Section 7. Next, the individual work function costs are accumulated into the installation cost for the element studied.

Utilizing work functions, work times and directly assigned labor rates, disconnect costs are calculated in the same manner as the installation costs. Since the labor costs will occur in the future, the directly assigned labor rates are inflated to that future period in time and then discounted to the present. The discounted disconnect cost is added to the installation cost and gross receipts tax is applied to develop the nonrecurring cost.

Nonrecurring costs are calculated separately on a first and additional basis. "First" refers to the first item on a service order. "Additional" costs are the incremental costs of providing one or more duplicates of the first item on the same service order at the same time as the first.

The following workpapers reflect the cost development.

Summary of Nonrecurring Costs

Ln	Description	A First	B Additional	Source
1				
2	Application Cost per Request		N/A	Wp410 Ln20
3				
4				
5	Cable Installation Cost per Cable		N/A	Wp430 Ln18
6				
7				
8	Cross-connect Cost			
9				
10	per 2-Wire			Wp440 Ln27
11				
12	per 4-Wire			Wp450 Ln27
13				
14	per DS1			Wp460 Ln31
15				
16	per DS3			Wp470 Ln27
17				
18				
19				
20				
21	Security Escort Cost			
22				
23	Basic, per half hour			Wp480 Ln10
24				
25				
26	Overtime, per half hour			Wp480 Ln19
27				
28				
29	Premium, per half hour			Wp480 Ln28
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

Development of Application Cost per Request Nonrecurring Cost

Ln	Description	A Installation Worktime (hrs)	B Disconnect Worktime (hrs)	C Levelized Labor Rate	D Installation Cost A*C	E Disconnect Cost B*C	F Discounted Disconnect Cost E*DDF **	G Total Cost D+F
1								
2								
3	Business Marketing			\$56.815				
4								
5	Administrative Reports Clerk			\$30.791				
6								
7	Customer Point of Contact (ICSC)			\$40.665				
8								
9	Network & Engineering Planning (FG20)			\$57.986				
10								
11	Outside Plant Engineering (OSPE)			\$48.058				
12								
13								
14								
15								
16	Nonrecurring Cost Application per Request							
17								
18	Gross Receipts Tax Factor							1.0152
19								
20	Total Nonrecurring Cost Application per Request		Ln16 * Ln18					
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48	** DDF = Discounted Disconnect Factor							
49								
50								

Development of Cable Installation per Cable Nonrecurring Cost

Ln	Description	A Installation Worktime (hrs)	B Disconnect Worktime (hrs)	C Levelized Labor Rate	D Installation Cost A * C	E Disconnect Cost B * C	F Discounted Disconnect Cost E * DDF **	G Total Cost D + F
1								
2								
3								
4	Network & Engineering Planning (FG20)			\$57.986				
5								
6	Outside Plant Engineering (OSPE)			\$48.058				
7								
8	Outside Plant Construction (OSPC)			\$42.587				
9								
10								
11								
12								
13								
14	Nonrecurring Cost Cable Installation							
15								
16	Gross Receipts Tax Factor							1.0152
17								
18	Total Nonrecurring Cost Cable Installation, per Cable			Ln14 * Ln16				
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48	** DDF = Discounted Disconnect Factor							
49								
50								

Development of Cross Connect per 2-Wire Nonrecurring Cost

Ln	Description	A Installation Worktimes (Minutes)		C Disconnect Worktimes (Minutes)		E Levelized Labor Rate	F Installation Cost		H Disconnect Cost		J Discounted Disconnect Cost		L Total Cost First F+J	M Total Cost Additional G+K
		First	Additional	First	Additional		First	Additional	First	Additional	First	Additional		
1							A * E / 60	B * E / 60	C * E / 60	D * E / 60	H * DDF **	I * DDF **		
2	Service Order													
3	Customer Point of Contact (ICSC)					\$40.000								
4														
5	Circuit Provisioning Center (CPC)					\$36.535								
6														
7	Network Administration					\$34.921								
8														
9	Special Services Coord & Testing (SSC)					\$36.659								
10														
11	Engineering													
12	Circuit Provisioning Center (CPC)					\$36.535								
13														
14	Connect & Test													
15	CO Install & Move (NTEL)					\$41.504								
16														
17	Special Services Coord & Testing (SSC)					\$36.659								
18														
19														
20														
21														
22														
23	Nonrecurring Cost Cross Connect per 2-Wire													
24														
25	Gross Receipts Tax Factor											1.0152		
26														
27	Total Nonrecurring Cost Cross Connect per 2-Wire													
28														
29														
30														
31														
32														
33														
34														
35														
36														
37														
38														
39														
40														
41														
42														
43														
44														
45														
46														
47														
48	** DDF = Discounted Disconnect Factor													
49														
50														

Development of Cross Connect per 4-Wire Nonrecurring Cost

Ln	Description	A		B		C		D		E	F		G		H		I		J		K		L	M	
		Installation Worktimes (Minutes)		Disconnect Worktimes (Minutes)		Levelized		Installation Cost		Disconnect Cost		Discounted Disconnect Cost		Total Cost		Total Cost									
		First	Additional	First	Additional	Labor Rate	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First
1																									
2	Service Order																								
3	Customer Point of Contact (ICSC)								\$40.685																
4																									
5	Circuit Provisioning Center (CPC)								\$36.535																
6																									
7	Network Administration								\$34.921																
8																									
9	Special Services Coord & Testing (SSC)								\$36.650																
10																									
11	Engineering																								
12	Circuit Provisioning Center (CPC)								\$36.535																
13																									
14	Connect & Test																								
15	CO Install & Misc (NTEL)								\$41.504																
16																									
17	Special Services Coord & Testing (SSC)								\$36.650																
18																									
19																									
20																									
21																									
22																									
23	Nonrecurring Cost Cross Connect per 4-Wire																								
24																									
25	Gross Receipts Tax Factor																								1.0152
26																									
27	Total Nonrecurring Cost Cross Connect per 4-Wire																								
28																									
29																									
30																									
31																									
32																									
33																									
34																									
35																									
36																									
37																									
38																									
39																									
40																									
41																									
42																									
43																									
44																									
45																									
46																									
47																									
48	** DDF = Discounted Disconnect Factor																								
49																									
50																									

52

Development of Cross Connect per DS1 Nonrecurring Cost

Ln	Description	A		B		C		D		E	F		G		H		I		J		K		L	M
		Installation Worktimes (Minutes)		Disconnect Worktimes (Minutes)		Levelized		Installation Cost		Disconnect Cost		Discounted Disconnect Cost		Total Cost		Total Cost								
		First	Additional	First	Additional	Labor Rate	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional
1																								
2	Service Order																							
3	Customer Point of Contact (ICSC)								\$40.895															
4																								
5	Network & Engineering Planning (FG20)								\$57.966															
6																								
7	Circuit Provisioning Center (CPC)								\$36.535															
8																								
9	Network Plug-In Administration (PICS)								\$44.225															
10																								
11	Network Administration								\$34.921															
12																								
13	Special Services Coord & Testing (SSC)								\$38.859															
14																								
15	Engineering																							
16	Circuit Provisioning Center (CPC)								\$36.535															
17																								
18	Connect & Test																							
19	CO Install & Misc (NTEL)								\$41.504															
20																								
21	Special Services Coord & Testing (SSC)								\$38.859															
22																								
23																								
24																								
25																								
26																								
27	Nonrecurring Cost Cross Connect per DS1																							
28																								
29	Gross Receipts Tax Factor																						1.0152	
30																								
31	Total Nonrecurring Cost Cross Connect per DS1																							Ln27 * Ln29
32																								
33																								
34																								
35																								
36																								
37																								
38																								
39																								
40																								
41																								
42																								
43																								
44																								
45																								
46																								
47																								
48	** DDF = Discounted Disconnect Factor																							
49																								
50																								

Development of Cross Connect per DS3 Nonrecurring Cost

Ln	Description	A Installation Worktimes (Minutes)		C Disconnect Worktimes (Minutes)		E Levelized Labor Rate	F Installation Cost		H Disconnect Cost		J Discounted Disconnect Cost		L Total Cost First F+J	M Total Cost Additional G+K
		First	Additional	First	Additional		First	Additional	First	Additional	First	Additional		
		A * E / 60	B * E / 60	C * E / 60	D * E / 60		A * E / 60	B * E / 60	C * E / 60	D * E / 60	H * DDF **	I * DDF **		
1														
2	Service Order													
3	Customer Point of Contact (ICSC)					\$40.865								
4														
5	Network & Engineering Planning (FG20)					\$57.986								
6														
7	Circuit Provisioning Center (CPC)					\$38.635								
8														
9	Network Administration					\$34.921								
10														
11	Special Services Coord & Testing (SSC)					\$38.859								
12														
13	Engineering													
14	Circuit Provisioning Center (CPC)					\$38.635								
15														
16	Connect & Test													
17	CO Install & Misc (NTEL)					\$41.504								
18														
19	Special Services Coord & Testing (SSC)					\$38.859								
20														
21														
22														
23	Nonrecurring Cost Cross Connect per DS3													
24														
25	Gross Receipts Tax Factor											1.0152		
26														
27	Total Nonrecurring Cost Cross Connect per DS3		Ln23 * Ln25											
28														
29														
30														
31														
32														
33														
34														
35														
36														
37														
38														
39														
40														
41														
42														
43														
44														
45														
46														
47														
48	** DDF = Discounted Disconnect Factor													
49														
50														

Development of Security Escort Nonrecurring Cost

Ln	Description	A Installation Worktimes (hrs)		B Additional	C Levelized Labor Rate	D Total Cost		E Additional B * C
		First				First A * C		
1								
2								
3	Basic, per half hour							
4	Customer Point of Contact (ICSC)				\$39.232			
5	CO Install & Mtce Field - (NTEL)				\$40.188			
6	Special Services Coord & Testing (SSC)				\$37.374			
7								
8	Gross Receipts Factor				1.0152			
9								
10	Total Basic Time, per half hour							(Sum Ln4..Ln8) * Ln8
11								
12								
13								
14	Overtime, per half hour							
15	Customer Point of Contact (ICSC)				\$49.022			
16	CO Install & Mtce Field - (NTEL)				\$50.078			
17	Special Services Coord & Testing (SSC)				\$47.153			
18								
19	Total Overtime, per half hour							(Sum Ln15..Ln17) * Ln8
20								
21								
22								
23	Premium , per half hour							
24	Customer Point of Contact (ICSC)				\$58.811			
25	CO Install & Mtce Field - (NTEL)				\$50.968			
26	Special Services Coord & Testing (SSC)				\$56.932			
27								
28	Total Premium , per half hour							(Sum Ln24..Ln26) * Ln8
29								
30								
31								
32								
33								
34								
35								
36								
37								
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SECTION 6

SECTION 6

FLORIDA VIRTUAL COLLOCATION

SPECIFIC STUDY ASSUMPTIONS

The cost study for Virtual Collocation is based on Total Service Long Run Incremental Cost methodology (TSLRIC). Network deployment strategies, first choice provisioning guidelines and equipment purchasing information are used to develop the Total Service Long Run Incremental cost.

Cost study assumptions are as follows.

1. The nonrecurring cost for the collocation application is a one time cost per request per location. The application cost does not include any costs associated with processing a firm order.
2. The monthly cost for power per ampere excludes the power portion of the maintenance component of the 377C annual cost factor. A monthly cost for power usage is added to the result.
3. The cable support structure assumes an average distance of 350 feet from the vault to the collocater's space.
4. Cable installation cost includes the cost to place cable from the BST central office manhole entrance to the collocater's equipment.
5. A cross connect (X-conn) will always be installed with either an unbundled element or interconnection order.
6. The demarcation point between a collocater's network and BST's network will be at BST's Trunk Distributing Frame (TDF) for a 2-Wire and 4-Wire termination and a DSX panel for a DS1 and DS3 termination.
7. The cost of money applied is 13.2%.
8. These cost studies are based on a study period of 1996 - 1998 and incorporate 1995 investments and factors.

SECTION 6

FLORIDA VIRTUAL COLLOCATION

SPECIFIC STUDY ASSUMPTIONS

9. Utilization Percentages:

Cable Rack - Cable Support Structure	50%
Trunk Distributing Frame (TDF)	72.5%
Connecting Block (2W/4W) on TDF	72.5%
Cable Rack - 2W/4W	57%
DSX-1 Bay	70%
Cable Rack - DS1	60.3%
DSX-3 Bay	67%
Cable Rack - DS3	67%

10. Power usage per ampere shown on Workpaper 230 Line 35 is developed as follows:

Monthly Cost (\$) = $\$0.07/1000\text{hr} \times 50\text{watts} \times 24\text{hrs/day} \times 30\text{days/mo} \times 1/0.85 \text{ rectifier efficiency}$

SECTION 7

SECTION 7

FLORIDA VIRTUAL COLLOCATION

FACTORS AND LOADINGS

Following are Total Service Long Run Incremental Cost (TSLRIC) annual cost factors, miscellaneous loadings, and labor rates used in the Virtual Collocation cost study.

SECTION 7

FLORIDA VIRTUAL COLLOCATION

FACTORS AND LOADINGS

Miscellaneous Loadings		
Land COE	20C	.0030
Building COE	10C	.0404
Power Equipment	357C	.0670
Levelized Inflation Factor		
	357C	.970
	377C	1.012
	10C	1.059
	20C	1.059
TIRKS Regional Annual Expense Factor		.0052
Telephone Plant Index		
	357C	1.0000
	377C	1.0000
Inplant Factor		
Hardwired	357C	1.8700
Gross Receipts Tax Factor		1.0152
Discounted Disconnect Factor (DDF)		
2-Wire Cross Connect		.9080
4-Wire Cross Connect		.8981
DS1 Cross Connect		.8562
DS3 Cross Connect		.8562
Application Cost		.9890
Cable Installation		.8193
1995 Directly Assigned Hourly Labor Rates		
	<u>1995</u>	<u>Levelized</u>
Customer Point of Contact (ICSC)	\$38.30	\$40.67
CO Install & Maintenance (NTEL)	\$39.09	\$41.50
Circuit Provisioning Center (CPC)	\$34.41	\$36.54
Network Administration	\$32.89	\$34.92
Outside Plant Engineering (OSPE)	\$45.26	\$48.06
Network Planning & Eng (PICS)	\$41.65	\$44.23
Special Svc Coord & Testing (SSC)	\$36.41	\$38.66
Network & Engineering Planning (FG20)	\$54.61	\$57.99
Outside Plant Construction (OSPC)	\$40.11	\$42.59
Business Marketing	\$53.51	\$56.82
Administrative Reports Clerk	\$29.00	\$30.79

SECTION 7

FLORIDA VIRTUAL COLLOCATION

FACTORS AND LOADINGS

1995 Directly Assigned Hourly Labor Rates

	<u>1995</u>	<u>Levelized</u>
Customer Point of Contact (ICSC)		
Basic	\$36.95	\$39.23
Overtime	\$46.17	\$49.02
Premium	\$55.39	\$58.81
Co Install & Maintenance (NTEL)		
Basic	\$37.85	\$40.19
Overtime	\$47.17	\$50.08
Premium	\$56.48	\$59.97
Special Svc Coord & Testing (SSC)		
Basic	\$35.20	\$37.37
Overtime	\$44.41	\$47.15
Premium	\$53.62	\$56.93

Note: The Basic labor rate is for regular hours worked on a scheduled workday.

The Overtime labor rate is for overtime hours worked on a scheduled workday.

The Premium labor rate is for overtime hours worked on an unscheduled workday.

To create a Levelized labor rate from a 1995 Labor Rate:

$$1995 \text{ Labor Rate} \cdot \left[\frac{((1+\text{InflYr1})/(1+\text{com})^1) + ((1+\text{InflYr2})/(1+\text{com})^2) + ((1+\text{InflYr3})/(1+\text{com})^3)}{(1/(1+\text{com})^1) + (1/(1+\text{com})^2) + (1/(1+\text{com})^3)} \right]$$

NOTE: Infl = Labor Inflation
COM = Cost of Money

Example:

$$\$38.30 \cdot \left[\frac{(1.029/1.132^1) + ((1.029*1.034)/1.132^2) + (1.029*1.034*1.035)/(1.132^3)}{(1/1.132^1) + (1/1.132^2) + (1/1.132^3)} \right] = \$40.67$$

SECTION 7

FLORIDA VIRTUAL COLLOCATION

FACTORS AND LOADINGS

Telco Eng

Year 1	3.0%
Year 2	3.3%
Year 3	3.4%

Telco COE

Year 1	2.9%
Year 2	3.4%
Year 3	3.5%

FLORIDA
ACCOUNT AVERAGE ANNUAL COST FACTORS
INCREMENTAL

* FOR USE IN SERVICE COST STUDIES ONLY *

field code	depreciation a	actf_com b 13.2%	actf_etc c	cap_exp d (a+b+c)	actf_misc e	actf_advaltax f	admin_du g	actf_oper_exp h (a+f+g)	actf_grl_comb i 0.0152 (d+h)	tot_combined j (d+h+i)	actf_grl_local k 0.0152 (d+h)	tot_local l (d+h+k)	actf_grl_toll m 0.0152 (d+h)	tot_toll n (d+h+m)
LAN)	20C	0.0000	0.1118	0.0514	0.1832	0.0000	0.0113	0.0000	0.0113	0.0027	0.1772			
RUNNING	10C, 110C, 810C	0.0302	0.0988	0.0452	0.1740	0.0089	0.0113	0.0000	0.0102	0.0029	0.1951			
ANALOG ELEC SWITCH	77C, 877C, 977C	0.2829	0.0680	0.0308	0.3815	0.0217	0.0113	0.0000	0.0330	0.0000	0.4005			
DIGITAL ELEC SWITCH	377C, 887C	0.1134	0.0851	0.0302	0.2087	0.0282	0.0113	0.0000	0.0395	0.0038	0.2520			
OPERATOR SYSTEMS	117C, 417C	0.1083	0.0751	0.0404	0.2238	0.0040	0.0113	0.0000	0.0153	0.0038	0.2427			
RAIN)	167C, 67C, 867C, 967C	0.1434	0.0750	0.0348	0.2532	0.0383	0.0113	0.0000	0.0878	0.0052	0.3480			
INSTR CIRC DDS	157C	0.1810	0.0875	0.0305	0.2788	0.0073	0.0113	0.0000	0.0188	0.0045	0.3021			
INSTR CIRC PAIR GAIN	257C, D257C, F257C	0.1134	0.0838	0.0288	0.2058	0.0089	0.0113	0.0000	0.0202	0.0034	0.2294			
DIGIT CIRC OTHER	357C, T357C, F357C, 857C, 957C	0.1134	0.0838	0.0287	0.2088	0.0088	0.0113	0.0000	0.0199	0.0034	0.2362			
ANALOG CIRC PAIR GAIN	457C	0.1889	0.0838	0.0248	0.2573	0.0000	0.0113	0.0000	0.0113	0.0041	0.2727			
ANALOG CIRC OTHER	57C	0.1889	0.0838	0.0282	0.2818	0.0208	0.0113	0.0000	0.0318	0.0045	0.2974			
PRR	158C, 258C	0.2288	0.0771	0.0348	0.3413	0.0145	0.0113	0.0000	0.0258	0.0058	0.3727			
PUBLIC COM	188C, 188C	0.1483	0.0783	0.0348	0.2584	0.2084	0.0113	0.0000	0.2197	0.0073	0.4884			
PUBLIC COM LESS	288C, 288C	0.1483	0.0783	0.0348	0.2584	0.1248	0.0113	0.0000	0.1381	0.0000	0.4015			
PUBLIC OTHER	888C, 888C	0.1483	0.0783	0.0348	0.2584	0.1082	0.0113	0.0000	0.1175	0.0057	0.3878			
OTHER TERMINAL EOPT	358C, D358C, 858C, 958C, 828C, 828C, F958C	0.1733	0.0812	0.0358	0.2884	0.0548	0.0113	0.0000	0.0881	0.0054	0.3818			
SUBSCRIBER PAIR GAIN	758C, D758C, F758C	0.0889	0.0889	0.0088	0.0088	0.0088	0.0000	0.0000	0.0000	0.0000	0.0000			
PLXES	1C, 811C	0.0871	0.0725	0.0325	0.1721	0.0279	0.0113	0.0000	0.0382	0.0032	0.2145			
AERIAL CA METAL	22C, 12C, 802C	0.0817	0.0787	0.0338	0.2052	0.0571	0.0113	0.0000	0.0884	0.0042	0.2778			
AERIAL CA FIBER	822C, 812C, 882C, 882C, D22C, F22C, T22C, D12C, F12C, T12C	0.0887	0.0784	0.0347	0.1788	0.0138	0.0113	0.0000	0.0252	0.0031	0.2081			
UNGROUND CA METAL	5C, 805C	0.1838	0.0813	0.0342	0.2191	0.0281	0.0113	0.0000	0.0404	0.0038	0.2834			
UNGROUND CA FIBER	85C, 885C, 885C, D5C, F5C, T5C	0.0828	0.0800	0.0358	0.1784	0.0135	0.0113	0.0000	0.0248	0.0031	0.2083			
BURIED CA METAL	45C, 848C	0.0878	0.0888	0.0354	0.2038	0.0643	0.0113	0.0000	0.0858	0.0041	0.2738			
BURIED CA FIBER	845C, 858C, 858C, D45C, F45C, T45C	0.0585	0.0818	0.0387	0.1788	0.0144	0.0113	0.0000	0.0257	0.0031	0.2058			
SUBMARINE CA METAL	8C, 808C	0.0889	0.0814	0.0388	0.2048	0.0158	0.0113	0.0000	0.0283	0.0035	0.2338			
SUBMARINE CA FIBER	88C, 888C, D8C, F8C, T8C	0.0889	0.0814	0.0358	0.2028	0.0158	0.0113	0.0000	0.0283	0.0035	0.2327			
INTRR D NTWK METAL	52C	0.0881	0.0785	0.0348	0.1788	0.0328	0.0113	0.0000	0.0433	0.0034	0.2253			
INTRR D NTWK FIBER	852C, D52C, F52C, T52C	0.0881	0.0785	0.0348	0.1788	0.0328	0.0113	0.0000	0.0433	0.0034	0.2253			
CONDUIT SYSTEMS	4C, 84C, 94C	0.0242	0.0877	0.0401	0.1520	0.0028	0.0113	0.0000	0.0141	0.0025	0.1888			

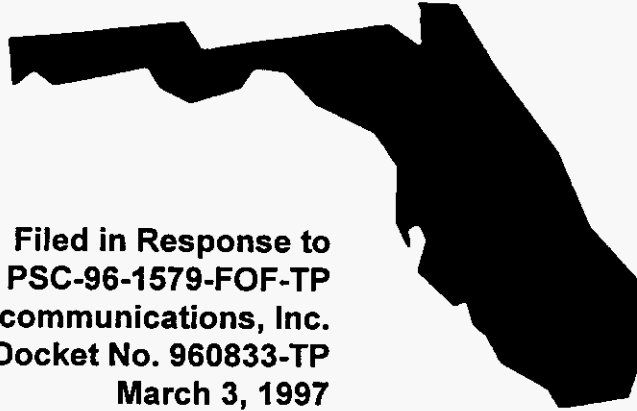
* See Note Below

NOTE: Certain states in the BeltSouth region (GA & NC) assess gross receipts tax only on "local" revenues. For those states, it is necessary to publish "local", "private line and toll", and "combined" factors. Beware that the definitions of "local" and "private line and toll" are defined by the taxing authority for gross receipts tax purposes and may vary from state to state according to law.

For those states which assess gross receipts tax on local, private line, and toll revenues, the gross receipts tax factor is based on the overall effective tax rate.

Redacted

FLORIDA



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BellSouth Telecommunications, Inc.
Docket No. 960833-TP
March 3, 1997

PHYSICAL COLLOCATION

TSLRIC COST STUDY DOCUMENTATION

PROPRIETARY

SECTIONS A THRU 7

FLORIDA
PHYSICAL COLLOCATION
COST STUDY DOCUMENTATION

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SECTION A

SECTION A

FLORIDA PHYSICAL COLLOCATION

PROPRIETARY RATIONALE

The Physical Collocation Cost Study contains actual unit cost information for discrete cost elements. These costs reflect BellSouth's long run incremental cost of providing these elements on a going forward basis. Public disclosure of this information would provide BellSouth's competitors with an advantage. The data is valuable to competitors and potential competitors in formulating strategic plans for entry, pricing, marketing and overall business strategies. This information relates to the competitive interests of BellSouth and disclosure would impair the competitive business of BellSouth.

Additionally, the study contains information which reflects vendor-specific prices negotiated by BellSouth. Public disclosure of this information would impair BellSouth's ability to contract for goods and/or services on favorable terms. For these reasons, the Physical Collocation Cost Study is considered proprietary.

SECTION 1

SECTION 1

FLORIDA PHYSICAL COLLOCATION

INTRODUCTION AND OVERVIEW

This Total Service Long Run Incremental Cost (TSLRIC) study for Physical Collocation is being provided in response to Commission Order No. PSC-96-1579-FOF-TP issued December 31, 1996. This study includes updated network inputs and labor inflation rates; the results are different from and supersede those filed on February 14, 1997 in response to Commission Order Re: MFS Petition for Arbitration, Docket 960757-TP issued December 16, 1996.

The Physical Collocation Cost Study identifies the cost to physically collocate equipment and facilities necessary for interconnection or for access to Unbundled Elements at one of BellSouth's (BST) premises to the extent such collocation is technically feasible and space is available. With the Physical Collocation offering, the collocating party installs and maintains its own equipment on BellSouth's premises.

The Total Service Long Run Incremental Costs presented in this cost study consist of volume sensitive costs. The Physical Collocation cost study has no volume insensitive costs.

The following Physical Collocation elements are studied.

1. Application Cost - Service Order nonrecurring cost incurred to process an application inquiry per location.
2. Space Construction Cost - Nonrecurring cost associated with material and installation of a "cage" for the collocator in BST's premises.
3. Cable Installation Cost - Nonrecurring cost to install collocator provided entrance facility.
4. Floor Space - Zone A, Zone B - Monthly cost per square foot for space; includes building lighting, heat, air conditioning, etc.
5. Cable Support Structure, per Entrance Cable - Monthly cost for CO duct, riser and overhead racking structure. Applicable when the collocator elects to provide a private entrance to their equipment in BST's premises.
6. Power per Ampere - Monthly cost per ampere to power the collocator's equipment.

SECTION 1

FLORIDA PHYSICAL COLLOCATION

INTRODUCTION AND OVERVIEW

7. Cross Connects - 2 Wire, 4 Wire, DS1, DS3 - Monthly and nonrecurring cost for interconnection with BellSouth.
8. POT (Point of Termination) Bays - 2 Wire, 4 Wire, DS1, DS3 - Monthly cost for equipment located at demarcation point.
9. Security Escort - Nonrecurring cost for an escort on BST property, when required.

The investments presented in this study are levelized for the 1996-1998 study period. These investments are converted to recurring costs using incremental loadings and annual cost factors. Nonrecurring costs are also levelized for the 1996 - 1998 study period.

SECTION 2

SECTION 2

FLORIDA PHYSICAL COLLOCATION

DESCRIPTION OF STUDY PROCEDURES

This section describes the general principles for the development of Total Service Long Run Incremental Costs (TSLRIC) for Physical Collocation.

All costs are developed utilizing Total Service Long Run Incremental Cost methodology. In determining these costs, direct incremental costing techniques are used that are in accordance with accepted economic theory. Direct incremental costs are based on cost causation and include all of the costs directly caused by expanding production, or, alternatively, costs that would be saved if the production levels were reduced. Costs may be volume sensitive and/or volume insensitive. Costs are forward-looking in nature because only future costs can be saved. Incremental costs are long run to assure that the time period studied is sufficient to capture all forward-looking costs affected by the business decision. Shared and common costs are not incremental and, therefore, are not included. Incremental costs include both recurring (capital and operating expenses) and nonrecurring (provisioning) costs. Incremental costs account for the expected change in cost to the firm resulting from a new service offering or from a change in demand for an existing service.

DEVELOPMENT OF RECURRING COSTS

The monthly costs to BellSouth Telecommunications, Inc., resulting from the capital investments necessary to provide a cost element are called recurring costs. Recurring costs represent a forward-looking view of technology and deployment and include capital and operating costs. While capital costs include depreciation, cost of money and income tax, operating costs are the expenses for maintenance and ad valorem and other taxes. These expenses contribute to the ongoing cost to the Company associated with the initial capital investment.

The first step in developing an incremental recurring cost study for Physical Collocation is to determine the forward-looking network architecture. Material prices for the associated equipment are defined. Next, Telephone Plant Indices for each specific account are applied, when necessary, to trend investments to the base study period. In-plant factors are applied to material prices to develop installed investments which include engineering and installation (both telephone company and contractor) labor. Utilization factors are also considered.

SECTION 2

FLORIDA PHYSICAL COLLOCATION

DESCRIPTION OF STUDY PROCEDURES

Levelized Inflation Factors for each specific plant account are applied to the installed investments to trend the base year, or study year, investments to levelized amounts that are valid for a three year planning period. Miscellaneous loadings are then applied where applicable.

Next, Incremental Annual Cost Factors are used to calculate the direct cost of capital, maintenance and other operating expenses and taxes. Factors for each Uniform System of Accounts - Field Reporting Code (USOA - FRC) are applied to levelized investments by account code, yielding an annual cost per account code. Annual costs by account code are then summed and divided by twelve to arrive at a monthly cost per cost element.

DEVELOPMENT OF NONRECURRING COSTS

Nonrecurring costs are "one-time" costs incurred as a result of provisioning, installing, and disconnecting Physical Collocation elements. The first step in developing nonrecurring costs is to determine the cost elements related to the study. These cost elements are then described by all of the individual work functions required to provision the cost element. The work functions can be grouped into three categories; service order, engineering, and connect and test. The work function times, as identified by individuals knowledgeable about and/or responsible for performing these functions, are used to describe the flow of work within the various work centers involved. Installation and provisioning costs are developed by multiplying the work time for each work function by the directly assigned labor rate for the work group performing the function.

Utilizing work functions, work times and directly assigned labor rates, disconnect costs are calculated in the same manner as the installation costs. Since the labor costs will occur in the future, the current labor rates are inflated to that future period in time and then discounted to the present. The discounted disconnect cost is added to the installation cost and gross receipts tax is applied to develop the total nonrecurring cost.

SECTION 3

SECTION 3

FLORIDA PHYSICAL COLLOCATION

SUMMARY OF RESULTS

This section contains a cost summary for the 1996 - 1998 Total Service Long Run Incremental Cost (TSLRIC) for both recurring and nonrecurring cost elements studied for Physical Collocation.

SECTION 3

FLORIDA PHYSICAL COLLOCATION

SUMMARY OF RESULTS

These results are in association with Order No. PS-96-1579-FOF-TP issued 12/31/96. This study includes updated network inputs and labor inflation rates; the results are different from and supersede those filed on February 14, 1997 in response to Commission Order Re: MFS Petition for Arbitration, Docket 960757-TP issued December 16, 1996.

	A Monthly Cost	B Nonrecurring Cost First	C Additional
12 Application Cost per Request	NA		NA
13 Space Construction Cost	NA		
14 per 100 square foot "cage"			
15 each add'l 50 sq. ft.			
16 Cable Installation Cost			
17 per Cable	NA		NA
18 Floor Space, Per Square Foot			
19 Zone A		NA	NA
20 Zone B		NA	NA
21 Cable Support Structure,			
22 Per Entrance Cable		NA	NA
23 Power, Per Ampere		NA	NA

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SECTION 3

FLORIDA PHYSICAL COLLOCATION

SUMMARY OF RESULTS

These results are in association with Order No. PS-96-1579-FOF-TP issued 12/31/96. This study includes updated network inputs and labor inflation rates; the results are different from and supersede those filed on February 14, 1997 in response to Commission Order Re: MFS Petition for Arbitration, Docket 960757-TP issued December 16, 1996.

	A Monthly Cost	B Nonrecurring Cost First	C Additional
12 Cross Connect - per 2-Wire			
13 Cross Connect - per 4-Wire			
14 Cross Connect - per DS1			
15 Cross Connect - per DS3			
16 POT Bay - per 2-Wire X-Conn		NA	NA
17 POT Bay - per 4-Wire X-Conn		NA	NA
18 POT Bay - per DS1 X-Conn		NA	NA
19 POT Bay - per DS3 X-Conn		NA	NA
Security Escort			
21 Basic, per half hour	NA		
22 Overtime, per half hour	NA		
23 Premium, per half hour	NA		

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SECTION 4

SECTION 4

FLORIDA PHYSICAL COLLOCATION

COST DEVELOPMENT - RECURRING

This section describes the development of the recurring Total Service Long Run Incremental Costs for Physical Collocation.

Generally, cost development is outlined in Section 2. Network architecture is determined, the necessary equipment is identified, material prices are obtained, factors, utilization and loadings are applied and the result is levelized for the study period. Annual cost factors are applied to convert the investment to cost.

The following workpapers provide the development of the Physical Collocation cost elements.

Summary of Recurring Costs
Study Period 1996-1998

Ln	Description	Monthly Cost ^A	Source
1	Floor Space, per Square Foot		
2			
3	Zone A		Wp210 Pg1 Ln31
4	Zone B		Wp210 Pg2 Ln33
5			
6			
7	Cable Support Structure per Entrance Cable		Wp220 Ln33
8			
9			
10	Power, per Ampere		Wp230 Ln35
11			
12			
13	Cross Connect		
14			
15	per 2-Wire		Wp240 Ln33
16			
17	per 4-Wire		Wp260 Ln33
18			
19	per DS1		Wp280 Ln33
20			
21	per DS3		Wp300 Ln33
22			
23			
24	POT Bay		
25			
26	per 2-Wire Cross Connect		Wp250 Ln33
27			
28	per 4-Wire Cross Connect		Wp270 Ln33
29			
30	per DS1 Cross Connect		Wp290 Ln33
31			
32	per DS3 Cross Connect		Wp310 Ln33
33			
34			
35			
36			
37			
38			
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44			
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46			
47			
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Development of Floor Space per Square Foot (Zone A) Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Building	C Total
1	Annual Cost Factor Components	Fundamental Cost			
2	Depreciation		0.0000	0.0302	
3	Cost of Money		0.1118	0.0986	
4	Income Tax		0.0514	0.0452	
5					
6	Maintenance		0.0000	0.0069	
7	Ad Valorem Tax		0.0113	0.0113	
8					
9					
10	Total Annual Cost Factor		0.1745	0.1922	
11					
12	Investment Zone A	Wp211 Pg5 Ln33			
13					
14	Annual Costs				
15	Depreciation	Ln12 * Ln2			
16	Cost of Money	Ln12 * Ln3			
17	Income Tax	Ln12 * Ln4			
18					
19	Maintenance	Ln12 * Ln6			
20	Ad Valorem Tax	Ln12 * Ln7			
21					
22					
23	Total Annual Cost	Sum (Ln15..Ln20)			
24					
25	Total Monthly Cost	Ln23 / 12			
26	Total Assignable Square Feet Zone A	Wp211 Pg5 Ln24			
27					
28	Monthly Cost per Square Foot Zone A	Ln25 / Ln26			
29	Gross Receipts Tax Factor				1.0152
30					
31	Zone A Monthly Cost per Square Foot w/GRT	Ln28 * Ln29			
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					

Development of Floor Space per Square Foot (Zone B) Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Building	C Total
1	Annual Cost Factor Components	Fundamental Cost			
2	Depreciation		0.0000	0.0302	
3	Cost of Money		0.1118	0.0986	
4	Income Tax		0.0514	0.0452	
5					
6	Maintenance		0.0000	0.0069	
7	Ad Valorem Tax		0.0113	0.0113	
8					
9					
10	Total Annual Cost Factor		0.1745	0.1922	
11					
12	Investment Zone B	Wp211 Pg4 Ln40			
13					
14	Annual Costs				
15	Depreciation	Ln12 * Ln2			
16	Cost of Money	Ln12 * Ln3			
17	Income Tax	Ln12 * Ln4			
18					
19	Maintenance	Ln12 * Ln6			
20	Ad Valorem Tax	Ln12 * Ln7			
21					
22	Total Annual Cost	Sum (Ln15..Ln20)			
23	Annual Lease Expense	Wp211 Pg3 Ln42			
24					
25	Total Annual Cost, including Lease Expense	Ln22 + Ln23			
26					
27	Total Monthly Cost	Ln25 / 12			
28	Total Square Feet Zone B	Wp211 Pg4 Ln35			
29					
30	Monthly Cost per Square Foot Zone B	Ln27 / Ln28			
31	Gross Receipts Tax Factor				1.0152
32					
33	Zone B Monthly Cost per Square Foot w/GRT	Ln30 * Ln31			
34					
35					
36					
37					
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Physical Collocation

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Zone B Central Office Building, Land and Building Investment by Location

PG LN	CO LN	ST	CLLI	(a) Total Sq. Ft.	(b) Building Inv. 16C	(c) Land Inv. 26C
1	1	FL	ARCHFLMA			
2	2	FL	BCRTFLMA			
3	3	FL	BCRTFLSA			
4	4	FL	BGPIFLMAE57			
5	5	FL	BKYLFLIF			
6	6	FL	BLOWFLMA			
7	7	FL	BLGLFLMA			
8	8	FL	BNNLFLMA			
9	9	FL	BRSNFLMA			
10	10	FL	BYBHFLMA			
11	11	FL	CCBHFLMA			
12	12	FL	CDKYFLMA			
13	13	FL	CFLDFLMA			
14	14	FL	CNTMFLLE			
15	15	FL	COCOFLMA			
16	16	FL	COCOFLME			
17	17	FL	CSCYFLBA			
18	18	FL	DBRYFLDL			
19	19	FL	DBRYFLMA			
20	20	FL	DELDFLMA			
21	21	FL	DLBHFLQP			
22	22	FL	DLBHFLMA			
23	23	FL	DLSPFLMA			
24	24	FL	DNLNFLWM			
25	25	FL	DRBHFLMA			
26	26	FL	DYBHFLMA			
27	27	FL	DYBHFL08			
28	28	FL	DYBHFL0844E			
29	29	FL	DYBHFLPO			
30	30	FL	EGLLFLBG			
31	31	FL	EGLLFLIH			
32	32	FL	EORNFLMA			
33	33	FL	FLBHFLMA			
34	34	FL	FRBHFLFP			
35	35	FL	FTGRFLMA			
36	36	FL	FTLDFLCR			
37	37	FL	FTLDFLJA			
38	38	FL	FTLDFLMA			
39	39	FL	FTLDFL0A			
40	40	FL	FTLDFLSG			

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Zone B Central Office Building, Land and Building Investment by Location

PG LN	CO LN	ST	CLLJ	(a) Total Sq. Ft.	(b) Building Inv. 18C	(c) Land Inv. 28C
1	41	FL	FTLDFLSU			
2	42	FL	FTLDFLWN			
3	43	FL	FTPRFLMA			
4	44	FL	GCSPFLCN			
5	45	FL	GCVLFLMA			
6	46	FL	GENVFLMA			
7	47	FL	GSVLFLMA			
8	48	FL	GSVLFLNW			
9	49	FL	H88DFLMA			
10	50	FL	HLNVFLMA			
11	51	FL	HLWDFLHA45E			
12	52	FL	HLWDFLMA92E			
13	53	FL	HLWDFLPE43E			
14	54	FL	HMSTFLHME24			
15	55	FL	HMSTFLMA25E			
16	56	FL	HTISFLMA			
17	57	FL	HWTHFLMA			
18	58	FL	ISUMFLMAE98			
19	59	FL	JAY-FLMA			
20	60	FL	JCSHFLSP			
21	61	FL	JCVLFLFC			
22	62	FL	JCVLFLF			
23	63	FL	JCVLFLRV			
24	64	FL	JCVLFLSS			
25	65	FL	KYHGFLMA			
26	66	FL	KYLRFLLE46			
27	67	FL	KYLRFLMAE86			
28	68	FL	KYWSFLMAE28			
29	69	FL	LKCYFLMA			
30	70	FL	MCNPFLMA			
31	71	FL	MDSGFLPM			
32	72	FL	MIAMFLALE8			
33	73	FL	MIAMFLAPE82			
34	74	FL	MIAMFLBC			
35	75	FL	MIAMFLBRE67			
36	76	FL	MIAMFLCAE22			
37	77	FL	MIAMFLD8R80			
38	78	FL	MIAMFLFLE84			
39	79	FL	MIAMFLHLE88			
40	80	FL	MIAMFLICE88			

Zone B Central Office Building, Land and Building Investment by Location

PG LN	CO LN	ST	CLLI	(a) Total Sq. Ft.	(b) Building Inv. 10C	(c) Land Inv. 20C
1	81	FL	MIAMFLKE36E			
2	82	FL	MIAMFLNME80			
3	83	FL	MIAMFLNSE01			
4	84	FL	MIAMFLOLE88			
5	85	FL	MIAMFLPS88E			
6	86	FL	MIAMFLRRE88			
7	87	FL	MIAMFLSHE75			
8	88	FL	MIAMFLSOE59			
9	89	FL	MIAMFLWD39E			
10	90	FL	MIAMFLWME28			
11	91	FL	MCCFLB8			
12	92	FL	MLTNFLRA			
13	93	FL	MNDRFLW			
14	94	FL	MNSNFLMA			
15	95	FL	MRI8FLKT			
16	96	FL	MRT8FLVEF11			
17	97	FL	NDVFLMA			
18	98	FL	NOADFLACE94			
19	99	FL	NOADFLBRT24			
20	100	FL	NOADFLOLES3			
21	101	FL	NGLRFLMAE38			
22	102	FL	NBBHFLMA			
23	103	FL	NWBYFLMA			
24	104	FL	OKHFLMA			
25	105	FL	OLTWFLN			
26	106	FL	ORLDFLCL			
27	107	FL	ORLDFLSA			
28	108	FL	ORPKFLRW			
29	109	FL	OVIDFLCAS8E			
30	110	FL	PAC8FLPV			
31	111	FL	PAH8FLMA			
32	112	FL	PC8HFLNT			
33	113	FL	PLC8FLMA44E			
34	114	FL	PLT8FLMA			
35	115	FL	PMBHFLCS			
36	116	FL	PMBHFLFE			
37	117	FL	PMBHFLMA			
38	118	FL	PMBHFLTA			
39	119	FL	PMPKFLMA			
40	120	FL	PNCYFLCA			
41						
42						

Note 1: annual lease of \$3400.00

Zone B Central Office Building, Land and Building Investment by Location

PG LN	CO LN	ST	CLL	(a) Total Sq. Ft.	(b) Building Inv. 10C	(c) Land Inv. 20C
1	121	FL	PNCYFLMA			
2	122	FL	PNSCFLBL			
3	123	FL	PNSCFLFP			
4	124	FL	PNSCFLPB			
5	125	FL	PNSCFLWA			
6	126	FL	PNVDFLMA			
7	127	FL	PRRNFLMAW01			
8	128	FL	PRSNFLFD74E			
9	129	FL	PTSLFLMA			
10	130	FL	PTSLFL30C00			
11	131	FL	SBSTFLMA52E			
12	132	FL	SGKYFLMAE74			
13	133	FL	SNFRFLMA			
14	134	FL	STAGFLBS			
15	135	FL	STAGFLMA			
16	136	FL	STAGFLSH			
17	137	FL	STRTFLMAE28			
18	138	FL	TRENFLMA			
19	139	FL	TTVLFLMA			
20	140	FL	VERNFLMA			
21	141	FL	VRSHFLBE			
22	142	FL	VRSHFLMA			
23	143	FL	WELKFLMA			
24	144	FL	WPSHFLGA			
25	145	FL	WPSHFLHH			
26	146	FL	WPSHFLLE			
27	147	FL	WPSHFLRB			
28	148	FL	WPSHFLRP			
29	149	FL	WWSPLJH			
30	150	FL	WWSPLSH			
31	151	FL	YNFNFLMA			
32	152	FL	YNTWFLMA			
33	153	FL	YULEFLMA			
34						
35			Total			
36						
37			Levelized Inflation Factor - 10C		1.000	
38			Levelized Inflation Factor - 20C			1.000
39						
40			Levelized Investment - Zone B			

Zone A Central Office Building, Land and Building Investment by Location

PG LN	CO LN	ST	CLLI	(a) Total Sq. Ft.	(b) Building Inv. 10C	(c) Land Inv. 20C
1	1	FL	BCRTFLBT			
2	2	FL	FTLDPLCY			
3	3	FL	FTLDFLMR			
4	4	FL	FTLDFPLCGO			
5	5	FL	JCBHFLMA			
6	6	FL	JCVLFLAR			
7	7	FL	JCVLFLBW			
8	8	FL	JCVLFLCL			
9	9	FL	JCVLFLNO			
10	10	FL	JCVLFLSMD90			
11	11	FL	JCVLFLWC			
12	12	FL	MIAMFLAEE44			
13	13	FL	MIAMFLBAE85			
14	14	FL	MIAMFLGR			
15	15	FL	MIAMFLMEE32			
16	16	FL	MLBRFLMA			
17	17	FL	MNDRFLLO			
18	18	FL	ORLDFLAP			
19	19	FL	ORLDFLMA			
20	20	FL	ORLDFLPC			
21	21	FL	ORLDFLPHA02			
22	22	FL	WPSHFLAN			
23						
24			Total			
25						
26						
27						
28			Levelized Inflation Factor - 10C		1.059	
29						
30			Levelized Inflation Factor - 20C			1.059
31						
32						
33			Levelized Investment - Zone A			
34						
35						
36						
37						
38						
39						
40						

Development of Cable Support Structure per Entrance Cable Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Bldg	C 357C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0986	0.0638	
5	Income Tax		0.0514	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0069	0.0086	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9						
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2268	
12						
13						
14	Investments	Wp221				
15		Lns 32, 36, 28				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25						
26						
27	Total Annual Cost	Sum (Ln19..Ln24)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50						

Development of Cable Support Structure Investment
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	Cable Rack Installed Investment/LF*	Network		
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Installed Investment	Ln1 * Ln3		
6				
7	Levelized Inflation Factor	Fundamental Cost	357C	0.970
8				
9	Levelized Investment	Ln5 * Ln7		
10				
11	Projected Actual Utilization	Fundamental Cost		50.0%
12				
13	Levelized Utilized Investment per Cable per Linear Foot	Ln9 / Ln11		
14				
15	Average Cable Rack Length (LF)	Network		400
16				
17	Investment for Cable Rack	Ln14 * Ln16		
18				
19	Cable Capacity per Rack	Network		30
20				
21	Investment per Cable	Ln18 / Ln20		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln22 * Ln24		
26				
27	Investment per Cable w/Power Loadings	Ln22 + Ln26		
28				
29	Land Loading	Fundamental Cost	20C	0.0030
30				
31	Land Investment	Ln28 * Ln30		
32				
33	Building Loading	Fundamental Cost	10C	0.0404
34				
35	Building Investment	Ln28 * Ln34		
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48	* LF = linear foot			
49				
50				

Development of Power per Ampere Monthly Cost
 Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Bldg	C 377C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0986	0.0651	
5	Income Tax		0.0514	0.0452	0.0302	
6						
7	Maintenance		0.0000	0.0069	0.0257 *	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9						
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2457	
12						
13						
14	Investments	Wp231				
15		Lns 19, 25, 13				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25						
26						
27	Total Annual Cost	Sum (Ln19..Ln24)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Monthly Cost Power Usage per Ampere	Network				
32						
33	Gross Receipts Tax Factor					1.0152
34						
35	Monthly Cost w/GRT	(Ln29 + Ln31) * Ln33				
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48	* The Maintenance factor of the 377C annual cost factor has been reduced by the power component of the factor					
49	(0.0282 - 0.0025 = 0.0257)					
50						

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Development of Power per Ampere Investment
Study Period 1996-1998

A

Ln	Description	Source	FRC	Value
1	Power Plant Investment per Ampere	BST Power Strategy Team	377C	
2				
3				
4	Telephone Plant Index	Fundamental Cost	377C	1.000
5				
6				
7	Base Year Installed Investment	Ln1 * Ln4		
8				
9				
10	Levelized Inflation Factor	Fundamental Cost	377C	1.012
11				
12				
13	Levelized Installed Investment	Ln7 * Ln10		
14				
15				
16	Land Loading	Fundamental Cost	20C	0.0030
17				
18				
19	Land Investment	Ln13 * Ln16		
20				
21				
22	Building Loading	Fundamental Cost	10C	0.0404
23				
24				
25	Building Investment	Ln13 * Ln22		
26				
27				
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Development of Cross Connect per 2-Wire Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Building	C 357C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0666	0.0638	
5	Income Tax		0.0514	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0069	0.0066	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9	TIRKS Expense		0.0000	0.0000	0.0052	
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2320	
12						
13						
14	Investments	Wp241 Pg1				
15		LnS 22, 34, 10				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25	TIRKS Expense	Ln14 * Ln9				
26						
27	Total Annual Cost	Sum (Ln19..Ln25)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
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Summary of Investments, 2-Wire Cross Connect
Study Period 1996-1998

A

<u>Ln</u>	<u>Description</u>	<u>Source</u>	<u>Value</u>
1	357C Equipment Investment		
2	Trunk Distributing Frame	Wp241 Pg2 Ln28	
3			
4	Connecting Block	Wp241 Pg3 Ln28	
5			
6	Cable	Wp241 Pg4 Ln28	
7			
8	Cable Rack	Wp241 Pg5 Ln34	
9			
10	Total 357C Equipment Investment	Sum (Ln2..Ln8)	
11			
12			
13	Land Investment		
14	Trunk Distributing Frame	Wp241 Pg2 Ln32	
15			
16	Connecting Block	Wp241 Pg3 Ln32	
17			
18	Cable	Wp241 Pg4 Ln32	
19			
20	Cable Rack	Wp241 Pg5 Ln38	
21			
22	Total Land Investment	Sum (Ln14..Ln20)	
23			
24			
25	Building Investment		
26	Trunk Distributing Frame	Wp241 Pg2 Ln36	
27			
28	Connecting Block	Wp241 Pg3 Ln36	
29			
30	Cable	Wp241 Pg4 Ln36	
31			
32	Cable Rack	Wp241 Pg5 Ln42	
33			
34	Total Building Investment	Sum (Ln26..Ln32)	
35			
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Feb-97Development of 2-Wire Cross Connect Unit Investment
Trunk Distributing Frame
Study Period 1996-1998

Ln	Description	Source	ERC	Value
1	TDF Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	$Ln9 * Ln11$		
14				
15	Number Circuits	Network		12,000
16				
17	Levelized investment per Circuit	$Ln13 / Ln15 * 2$		
18				
19	Projected Actual Utilization	Network		72.5%
20				
21	Levelized Utilized Investment per Circuit	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings			
28	per Circuit	$Ln21 + Ln25$		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
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Connecting Block
Study Period 1996-1998

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Ln	Description	Source	ERC	Value
1	Connecting Block Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	Ln9 * Ln11		
14				
15	Number Circuits	Network		100
16				
17	Levelized Investment per Circuit	Ln13 / Ln15 * 2		
18				
19	Projected Actual Utilization	Network		72.5%
20				
21	Levelized Utilized Investment per Circuit	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings			
28	per Circuit	Ln21 + Ln25		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
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Development of 2-Wire Cross Connect Unit Investment
100 Pair Cable (TDF to POT Bay)
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	100 Pair Cable Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	$Ln9 * Ln11$		
14				
15	Number Circuits	Network		100
16				
17	Levelized Investment per Circuit	$Ln13 / Ln15$		
18				
19	Projected Actual Utilization	Network		85%
20				
21	Levelized Utilized Investment per Circuit	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings			
28	per Circuit	$Ln21 + Ln25$		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
38				
39				
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Feb-97Development of 2-Wire Cross Connect Unit Investment
Cable Rack
Study Period 1996-1998

A

Ln	Description	Source	FRC	Value
1	Cable Rack Material price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	Ln9 * Ln11		
14				
15	Number Cables per Cable Rack	Network		480
16				
17	Levelized Investment per Cable	Ln13 / Ln15		
18				
19	Projected Actual Utilization - Cable Rack	Network		67.0%
20				
21	Levelized Utilized Investment per Cable	Ln17 / Ln19		
22				
23	Number Pairs per Cable	Network		100
24				
25	Projected Actual Utilization - Circuit	Network		85%
26				
27	Levelized Utilized Investment per Circuit	Ln21 / Ln23 / Ln25		
28				
29	Power Equipment Loading	Fundamental Cost	357C	0.0670
30				
31	Power Equipment Investment	Ln27 * Ln29		
32				
33	Total Investment with Power Loadings			
34	per Circuit	Ln27 + Ln31		
35				
36	Land Loading	Fundamental Cost	20C	0.0030
37				
38	Land Investment	Ln34 * Ln36		
39				
40	Building Loading	Fundamental Cost	10C	0.0404
41				
42	Building Investment	Ln34 * Ln40		
43				
44				
45				
46				
47				
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Development of POT Bay per 2-Wire Cross Connect Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Building	C 357C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0986	0.0638	
5	Income Tax		0.0514	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0069	0.0086	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9	TIRKS Expense		0.0000	0.0000	0.0052	
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2320	
12						
13						
14	Investments	Wp251 Pg1				
15		Ln 18, 30,6				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25	TIRKS Expense	Ln14 * Ln9				
26						
27	Total Annual Cost	Sum (Ln19..Ln25)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
36						
37						
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Summary of Investments, POT Bay per 2-Wire Cross Connect
Study Period 1996-1998

A
Value

Ln	Description	Source
1	357C Equipment Investment	
2	POT Bay	Wp251 Pg2 Ln28
3		
4	Termination Block	Wp251 Pg3 Ln28
5		
6	Total 357C Equipment Investment	Sum (Ln2..Ln4)
7		
8		
9		
10		
11		
12		
13	Land Investment	
14	POT Bay	Wp251 Pg2 Ln32
15		
16	Termination Block	Wp251 Pg3 Ln32
17		
18	Total Land Investment	Sum (Ln14..Ln16)
19		
20		
21		
22		
23		
24		
25	Building Investment	
26	POT Bay	Wp251 Pg2 Ln36
27		
28	Termination Block	Wp251 Pg3 Ln36
29		
30	Total Building Investment	Sum (Ln26..Ln28)
31		
32		
33		
34		
35		
36		
37		
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Development of POT Bay per 2-Wire Cross Connect Unit Investment
POT Bay
Study Period 1996-1998

Ln	Description	Source	ERC	Value ^A
1	POT Bay Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	Ln9 * Ln11		
14				
15	Number Circuits	Network		1,296
16				
17	Levelized Utilized Investment per Circuit	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		40%
20				
21	Levelized Utilized Investment per Circuit	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total investment with Power Loadings			
28	per Circuit	Ln21 + Ln25		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
39				
40				
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Development of POT Bay per 2-Wire Cross Connect Unit Investment
Termination Blocks
Study Period 1996-1998

Ln	Description	Source	ERC	A Value
1	Termination Block Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	Ln9 * Ln11		
14				
15	Number Circuits	Network		24
16				
17	Levelized Utilized Investment per Circuit	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		85%
20				
21	Levelized Utilized Investment per Circuit	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings			
28	per Circuit	Ln21 + Ln25		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
39				
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41				
42				
43				
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Development of Cross Connect per 4-Wire Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Building	C 357C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0986	0.0638	
5	Income Tax		0.0514	0.0462	0.0297	
6						
7	Maintenance		0.0000	0.0069	0.0086	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9	TIRKS Expense		0.0000	0.0000	0.0062	
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2320	
12						
13						
14	Investments	Wp281 Pg1				
15		Ln8 22, 34, 10				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25	TIRKS Expense	Ln14 * Ln9				
26						
27	Total Annual Cost	Sum (Ln19..Ln25)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
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Summary of Investments, 4-Wire Cross Connect
 Study Period 1996-1998

A

Ln	Description	Source	Value
1	357C Equipment Investment		
2	Trunk Distributing Frame	Wp261 Pg2 Ln28	
3			
4	Connecting Block	Wp261 Pg3 Ln28	
5			
6	Cable	Wp261 Pg4 Ln28	
7			
8	Cable Rack	Wp261 Pg5 Ln34	
9			
10	Total 357C Equipment Investment	Sum (Ln2..Ln8)	
11			
12			
13	Land Investment		
14	Trunk Distributing Frame	Wp261 Pg2 Ln32	
15			
16	Connecting Block	Wp261 Pg3 Ln32	
17			
18	Cable	Wp261 Pg4 Ln32	
19			
20	Cable Rack	Wp261 Pg5 Ln38	
21			
22	Total Land Investment	Sum (Ln14..Ln20)	
23			
24			
25	Building Investment		
26	Trunk Distributing Frame	Wp261 Pg2 Ln36	
27			
28	Connecting Block	Wp261 Pg3 Ln36	
29			
30	Cable	Wp261 Pg4 Ln36	
31			
32	Cable Rack	Wp261 Pg5 Ln42	
33			
34	Total Building Investment	Sum (Ln26..Ln32)	
35			
36			
37			
38			
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Development of 4-Wire Cross Connect Unit Investment
Trunk Distributing Frame
Study Period 1996-1998

Ln	Description	Source	ERC	A Value
1	TDF Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.9700
12				
13	Levelized Investment	$Ln9 * Ln11$		
14				
15	Number Circuits	Network		6,000
16				
17	Levelized Investment per Circuit	$Ln13 / Ln15 * 2$		
18				
19	Projected Actual Utilization	Network		72.5%
20				
21	Levelized Utilized Investment per Circuit	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings			
28	per Circuit	$Ln21 + Ln25$		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
38				
39				
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41				
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Development of 4-Wire Cross Connect Unit Investment
Connecting Block
Study Period 1996-1998

Ln	Description	Source	ERC	Value
1	Connecting Block Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	Ln9 * Ln11		
14				
15	Number Circuits	Network		50
16				
17	Levelized Investment per Circuit	Ln13 / Ln15 * 2		
18				
19	Projected Actual Utilization	Network		72.5%
20				
21	Levelized Utilized Investment per Circuit	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings			
28	per Circuit	Ln21 + Ln25		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
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Development of 4-Wire Cross Connect Unit Investment
100 Pair Cable (TDF to POT Bay)
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	100 Pair Cable, Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	Ln9 * Ln11		
14				
15	Number Circuits	Network		50
16				
17	Levelized Investment per Circuit	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		85%
20				
21	Levelized Utilized Investment per Circuit	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings per Circuit	Ln21 + Ln25		
28				
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
39				
40				
41				
42				
43				
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Development of 4-Wire Cross Connect Unit Investment
Cable Rack
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	Cable Rack Material price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	Ln9 * Ln11		
14				
15	Number Cables per Cable Rack	Network		480
16				
17	Levelized Investment per Cable	Ln13 / Ln15		
18				
19	Projected Actual Utilization - Cable Rack	Network		67.0%
20				
21	Levelized Utilized Investment per Cable	Ln17 / Ln19		
22				
23	Number Pairs per Cable	Network		50
24				
25	Projected Actual Utilization - Circuit	Network		85%
26				
27	Levelized Utilized investment per Circuit	Ln21 / Ln23 / Ln25		
28				
29	Power Equipment Loading	Fundamental Cost	357C	0.0670
30				
31	Power Equipment Investment	Ln27 * Ln29		
32				
33	Total Investment with Power Loadings			
34	per Circuit	Ln27 + Ln31		
35				
36	Land Loading	Fundamental Cost	20C	0.0030
37				
38	Land Investment	Ln34 * Ln36		
39				
40	Building Loading	Fundamental Cost	10C	0.0404
41				
42	Building Investment	Ln34 * Ln40		
43				
44				
45				
46				
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48				
49				
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Development of POT Bay per 4-Wire Cross Connect Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C.Land	B 10C.Building	C 357C.Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0988	0.0638	
5	Income Tax		0.0614	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0069	0.0066	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9	TIRKS Expense		0.0000	0.0000	0.0062	
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2320	
12						
13						
14	Investments	Wp271 Pg1				
15		Ln 18, 30, 6				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25	TIRKS Expense	Ln14 * Ln9				
26						
27	Total Annual Cost	Sum (Ln19..Ln25)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
36						
37						
38						
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Summary of Investments, POT Bay per 4-Wire Cross Connect
Study Period 1996-1998

A
Value

Ln	Description	Source	
1	357C Equipment Investment		
2	POT Bay	Wp271 Pg2 Ln28	
3			
4	Termination Block	Wp271 Pg3 Ln28	
5			
6	Total 357C Equipment Investment	Sum (Ln2..Ln4)	
7			
8			
9			
10			
11			
12			
13	Land Investment		
14	POT Bay	Wp271 Pg2 Ln32	
15			
16	Termination Block	Wp271 Pg3 Ln32	
17			
18	Total Land Investment	Sum (Ln14..Ln16)	
19			
20			
21			
22			
23			
24			
25	Building Investment		
26	POT Bay	Wp271 Pg2 Ln36	
27			
28	Termination Block	Wp271 Pg3 Ln36	
29			
30	Total Building Investment	Sum (Ln26..Ln28)	
31			
32			
33			
34			
35			
36			
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Development of POT Bay per 4-Wire Cross Connect Unit Investment
POT Bay
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	POT Bay Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	$Ln9 * Ln11$		
14				
15	Number Circuits	Network		648
16				
17	Levelized Utilized Investment per Circuit	$Ln13 / Ln15$		
18				
19	Projected Actual Utilization	Network		40%
20				
21	Levelized Utilized Investment per Circuit	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings			
28	per Circuit	$Ln21 + Ln25$		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
38				
39				
40				
41				
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Development of POT Bay per 4-Wire Cross Connect Unit Investment
Termination Blocks
Study Period 1996-1998

Ln	Description	Source	ERC	Value
1	Termination Block Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Investment	Ln9 * Ln11		
14				
15	Number Circuits	Network		12
16				
17	Levelized Utilized Investment per Circuit	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		85%
20				
21	Levelized Utilized Investment per Circuit	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings			
28	per Circuit	Ln21 + Ln25		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
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Development of Cross Connect per DS1 Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C_Land	B 10C_Building	C 357C_Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0088	0.0838	
5	Income Tax		0.0514	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0089	0.0088	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9	TIRKS Expense		0.0000	0.0000	0.0052	
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2320	
12						
13						
14	Investments	Wp281 Pg1				
15		Ln 30, 46, 14				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25	TIRKS Expense	Ln14 * Ln9				
26						
27	Total Annual Cost	Sum (Ln19..Ln25)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
36						
37						
38						
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Summary of Investments, DS1 Cross Connect
Study Period 1996-1998

A

<u>Ln</u>	<u>Description</u>	<u>Source</u>	<u>Value</u>
1	357C Equipment Investment		
2	DSX-1 Panel	Wp281 Pg2 Ln28	
3			
4	Cable	Wp281 Pg3 Ln28	
5			
6	Cable Rack	Wp281 Pg4 Ln36	
7			
8	Repeater Bay	Wp281 Pg5 Ln31	
9			
10	Repeater Shelf	Wp281 Pg6 Ln31	
11			
12	Repeater	Wp281 Pg7 Ln31	
13			
14	Total 357C Equipment Investment	Sum (Ln2..Ln12)	
15			
16			
17	Land Investment		
18	DSX-1 Panel	Wp281 Pg2 Ln32	
19			
20	Cable	Wp281 Pg3 Ln32	
21			
22	Cable Rack	Wp281 Pg4 Ln40	
23			
24	Repeater Bay	Wp281 Pg5 Ln35	
25			
26	Repeater Shelf	Wp281 Pg6 Ln35	
27			
28	Repeater	Wp281 Pg7 Ln35	
29			
30	Total Land Investment	Sum (Ln18..Ln28)	
31			
32			
33	Building Investment		
34	DSX-1 Panel	Wp281 Pg2 Ln36	
35			
36	Cable	Wp281 Pg3 Ln36	
37			
38	Cable Rack	Wp281 Pg4 Ln44	
39			
40	Repeater Bay	Wp281 Pg5 Ln39	
41			
42	Repeater Shelf	Wp281 Pg6 Ln39	
43			
44	Repeater	Wp281 Pg7 Ln39	
45			
46	Total Building Investment	Sum (Ln34..Ln44)	
47			
48			
49			
50			

Development of DS1 Cross Connect Unit Investment
DSX-1 Bay
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	DSx-1 Panel Material Price	Fundamental Cost	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.870
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	$Ln9 * Ln11$		
14				
15	Number DS1's	Network		56
16				
17	Levelized Utilized Investment per DS1	$Ln13 / Ln15$		
18				
19	Projected Actual Utilization	Network		70%
20				
21	Levelized Utilized investment per DS1	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings			
28	per DS1	$Ln21 + Ln25$		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
38				
39				
40				
41				
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Development of DS1 Cross Connect Unit Investment
Cable

Study Period 1996-1998

Ln	Description	Source	ERC	A Value
1	Cable Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number DS1's	Network		14
16				
17	Levelized Utilized investment per DS1	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		90%
20				
21	Levelized Utilized Investment per DS1	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings per DS1	Ln21 + Ln25		
28				
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
39				
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Development of DS1 Cross Connect Unit Investment
Cable Rack
Study Period 1996-1998

Ln	Description	Source	ERC	A Value
1	Cable Rack Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number Cables	Network		480
16				
17	Levelized Utilized Investment per Cable	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		67%
20				
21	Levelized Utilized Investment per Cable	Ln17 / Ln19		
22				
23	Number Circuits per Cable	Network		14
24				
25	Levelized Utilized Investment per Circuit	Ln21 / Ln23		
26				
27	Projected Actual Utilization	Network		90%
28				
29	Levelized Utilized Investment per Circuit	Ln25 / Ln27		
30				
31	Power Equipment Loading	Fundamental Cost	357C	0.0670
32				
33	Power Equipment Investment	Ln29 * Ln31		
34				
35	Total Investment with Power Loadings			
36	per DS1	Ln31 + Ln33		
37				
38	Land Loading	Fundamental Cost	20C	0.0030
39				
40	Land Investment	Ln36 * Ln38		
41				
42	Building Loading	Fundamental Cost	10C	0.0404
43				
44	Building Investment	Ln36 * Ln42		
45				
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Development of DS1 Cross Connect Unit Investment
Repeater Bay
Study Period 1996-1998

Ln	Description	Source	ERC	^A Value
1	Repeater Bay Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number DS1's	Network		224
16				
17	Levelized Utilized Investment per DS1	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		30%
20				
21	Levelized Utilized Investment per DS1	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings	Ln21 + Ln25		
28				
29	Percent DS1's requiring Repeaters	Network		5%
30				
31	Investment w/Power Loadings per DS1	Ln27 * Ln29		
32				
33	Land Loading	Fundamental Cost	20C	0.0030
34				
35	Land Investment	Ln31 * Ln33		
36				
37	Building Loading	Fundamental Cost	10C	0.0404
38				
39	Building Investment	Ln31 * Ln37		
40				
41				
42				
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Development of DS1 Cross Connect Unit Investment
Repeater Shelf
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	Repeater Shelf Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number DS1's	Network		28
16				
17	Levelized Utilized Investment per DS1	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		80%
20				
21	Levelized Utilized Investment per DS1	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings	Ln21 + Ln25		
28				
29	Percent DS1's requiring Repeaters	Network		5%
30				
31	Investment w/Power Loadings per DS1	Ln27 * Ln29		
32				
33	Land Loading	Fundamental Cost	20C	0.0030
34				
35	Land Investment	Ln31 * Ln33		
36				
37	Building Loading	Fundamental Cost	10C	0.0404
38				
39	Building Investment	Ln31 * Ln37		
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

Development of DS1 Cross Connect Unit Investment
Repeater
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	Repeater Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Plug-In Inplant Factor	Fundamental Cost	357C	1.0600
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	$Ln9 * Ln11$		
14				
15	Number DS1's	Network		1
16				
17	Levelized Utilized Investment per DS1	$Ln13 / Ln15$		
18				
19	Projected Actual Utilization	Network		100%
20				
21	Levelized Utilized Investment per DS1	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings	$Ln21 + Ln25$		
28				
29	Percent DS1's requiring Repeaters	Network		5%
30				
31	Investment w/Power Loadings per DS1	$Ln27 * Ln29$		
32				
33	Land Loading	Fundamental Cost	20C	0.0030
34				
35	Land Investment	$Ln31 * Ln33$		
36				
37	Building Loading	Fundamental Cost	10C	0.0404
38				
39	Building Investment	$Ln31 * Ln37$		
40				
41				
42				
43				
44				
45				
46				
47				
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Development of POT Bay per DS1 Cross Connect Monthly Cost
Study Period 1998-1998

Ln	Description	Source	A 20C.Land	B 10C.Building	C 357C.Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0086	0.0638	
5	Income Tax		0.0514	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0069	0.0086	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9	TIRKS Expense		0.0000	0.0000	0.0052	
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2320	
12						
13						
14	Investments	Wp291 Pg1				
15		Ln 20, 32, 8				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25	TIRKS Expense	Ln14 * Ln9				
26						
27	Total Annual Cost	Sum (Ln19..Ln25)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
36						
37						
38						
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Summary of Investments, POT Bay per DS1 Cross Connect
Study Period 1996-1998

A
Value

Ln	Description	Source	Value
1	357C Equipment Investment		
2	POT Bay	Wp291 Pg2 Ln34	
3			
4	POT Bay Shelf	Wp291 Pg3 Ln28	
5			
6	POT Bay Module	Wp291 Pg4 Ln28	
7			
8	Total 357C Equipment Investment	Sum (Ln2..Ln6)	
9			
10			
11			
12			
13	Land Investment		
14	POT Bay	Wp291 Pg2 Ln38	
15			
16	POT Bay Shelf	Wp291 Pg3 Ln32	
17			
18	POT Bay Module	Wp291 Pg4 Ln32	
19			
20	Total Land Investment	Sum (Ln14..Ln18)	
21			
22			
23			
24			
25	Building Investment		
26	POT Bay	Wp291 Pg2 Ln42	
27			
28	POT Bay Shelf	Wp291 Pg3 Ln38	
29			
30	POT Bay Module	Wp291 Pg4 Ln38	
31			
32	Total Building Investment	Sum (Ln26..Ln30)	
33			
34			
35			
36			
37			
38			
39			
40			
41			
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Development of POT Bay per DS1 Cross Connect Unit Investment
POT Bay
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	POT Bay Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number Shelves	Network		12
16				
17	Projected Actual POT Bay Utilization	Network		33%
18				
19	Levelized Investment per Shelf	Ln13 / Ln15 / Ln17		
20				
21	Number DS1's per Shelf	Network		84
22				
23	Levelized Utilized Investment per DS1	Ln19 / Ln21		
24				
25	Projected Actual Shelf Utilization	Network		80%
26				
27	Levelized Utilized Investment per DS1	Ln23 / Ln25		
28				
29	Power Equipment Loading	Fundamental Cost	357C	0.0670
30				
31	Power Equipment Investment	Ln27 * Ln29		
32				
33	Total Investment with Power Loadings			
34	per DS1	Ln27 + Ln31		
35				
36	Land Loading	Fundamental Cost	20C	0.0030
37				
38	Land Investment	Ln34 * Ln36		
39				
40	Building Loading	Fundamental Cost	10C	0.0404
41				
42	Building Investment	Ln34 * Ln40		
43				
44				
45				
46				
47				
48				
49				
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Development of POT Bay per DS1 Cross Connect Unit Investment
POT Bay Shelf
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	POT Bay Shelf Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Projected Actual Utilization	Network		80%
16				
17	Installed, Levelized, Utilized Investment	Ln13 / Ln15		
18				
19	Number DS1's	Network		84
20				
21	Investment per DS1	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings per DS1	Ln21 + Ln25		
28				
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
39				
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41				
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Development of POT Bay per DS1 Cross Connect Unit Investment
 POT Bay Connecting Block
 Study Period 1996-1998

A

Ln	Description	Source	Material Price	Inplant Factor	Investment
1	POT Bay Conn Block Material Price	Network		357C	
2					
3	Telephone Plant Index	Fundamental Cost		357C	1.000
4					
5	Base Year Material Price	Ln1 * Ln3			
6					
7	Hardwired Inplant Factor	Fundamental Cost		357C	1.8700
8					
9	Base Year Installed investment	Ln5 * Ln7			
10					
11	Levelized Inflation Factor	Fundamental Cost		357C	0.970
12					
13	Levelized Installed Investment	Ln9 * Ln11			
14					
15	Projected Actual Utilization	Network			98.7%
16					
17	Installed, Levelized, Utilized Investment	Ln13 / Ln15			
18					
19	Number DS1's	Network			4
20					
21	Investment per DS1	Ln17 / Ln19			
22					
23	Power Equipment Loading	Fundamental Cost		357C	0.0670
24					
25	Power Equipment investment	Ln21 * Ln23			
26					
27	Total Investment with Power Loadings				
28	per DS1	Ln21 + Ln25			
29					
30	Land Loading	Fundamental Cost		20C	0.0030
31					
32	Land Investment	Ln28 * Ln30			
33					
34	Building Loading	Fundamental Cost		10C	0.0404
35					
36	Building Investment	Ln28 * Ln34			
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
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48					
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Development of Cross Connect per DS3 Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Building	C 357C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0666	0.0638	
5	Income Tax		0.0514	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0069	0.0066	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9	TIRKS Expense		0.0000	0.0000	0.0052	
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2320	
12						
13						
14	Investments	Wp301 Pg1				
15		Ln 30, 46, 14				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25	TIRKS Expense	Ln14 * Ln9				
26						
27	Total Annual Cost	Sum (Ln19..Ln25)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
36						
37						
38						
39						
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Summary of Investments, DS3 Cross Connect
Study Period 1996-1998

A

<u>Ln</u>	<u>Description</u>	<u>Source</u>	<u>Value</u>
1	357C Equipment Investment		
2	DSX-3 Panel	Wp301 Pg2 Ln28	
3			
4	Cable	Wp301 Pg3 Ln28	
5			
6	Cable Rack	Wp301 Pg4 Ln28	
7			
8	Repeater Bay	Wp301 Pg5 Ln31	
9			
10	Repeater Shelf	Wp301 Pg6 Ln31	
11			
12	Repeater	Wp301 Pg7 Ln31	
13			
14	Total 357C Equipment Investment	Sum (Ln2..Ln12)	
15			
16			
17	Land Investment		
18	DSX-3 Panel	Wp301 Pg2 Ln32	
19			
20	Cable	Wp301 Pg3 Ln32	
21			
22	Cable Rack	Wp301 Pg4 Ln32	
23			
24	Repeater Bay	Wp301 Pg5 Ln35	
25			
26	Repeater Shelf	Wp301 Pg6 Ln35	
27			
28	Repeater	Wp301 Pg7 Ln35	
29			
30	Total Land Investment	Sum (Ln18..Ln28)	
31			
32			
33	Building Investment		
34	DSX-3 Panel	Wp301 Pg2 Ln36	
35			
36	Cable	Wp301 Pg3 Ln36	
37			
38	Cable Rack	Wp301 Pg4 Ln36	
39			
40	Repeater Bay	Wp301 Pg5 Ln39	
41			
42	Repeater Shelf	Wp301 Pg6 Ln39	
43			
44	Repeater	Wp301 Pg7 Ln39	
45			
46	Total Building Investment	Sum (Ln34..Ln44)	
47			
48			
49			
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Development of DS3 Cross Connect Unit Investment
DSX-3 Bay
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	DSX-3 Panel Material Price	Fundamental Cost	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number DS3's	Network		24
16				
17	Levelized Utilized Investment per DS3	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		67%
20				
21	Levelized Utilized Investment per DS3	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings			
28	per DS3	Ln21 + Ln25		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
39				
40				
41				
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Development of DS3 Cross Connect Unit Investment
Cable & Cable Connector
Study Period 1996-1998

Ln	Description	Source	ERC	<u>A</u> Value
1	Cable Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number DS3's	Network		1
16				
17	Levelized Utilized investment per DS3	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		100%
20				
21	Levelized Utilized investment per DS3	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total investment with Power Loadings			
28	per DS3	Ln21 + Ln25		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
39				
40				
41				
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Development of DS3 Cross Connect Unit Investment
Cable Rack
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	Cable Rack Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number DS3's	Network		480
16				
17	Levelized Utilized Investment per DS3	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		67%
20				
21	Levelized Utilized investment per DS3	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings			
28	per DS3	Ln21 + Ln25		
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	Ln28 * Ln30		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	Ln28 * Ln34		
37				
38				
39				
40				
41				
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43				
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Development of DS3 Cross Connect Unit Investment
Repeater Bay
Study Period 1996-1998

A

Ln	Description	Source	FRC	Value
1	Repeater Bay Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	$Ln9 * Ln11$		
14				
15	Number DS3's	Network		80
16				
17	Levelized Utilized Investment per DS3	$Ln13 / Ln15$		
18				
19	Projected Actual Utilization	Network		35%
20				
21	Levelized Utilized Investment per DS3	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings	$Ln21 + Ln25$		
28				
29	Percent DS3's requiring Repeaters	Network		10%
30				
31	Investment w/Power Loadings per DS3	$Ln27 * Ln29$		
32				
33	Land Loading	Fundamental Cost	20C	0.0030
34				
35	Land Investment	$Ln31 * Ln33$		
36				
37	Building Loading	Fundamental Cost	10C	0.0404
38				
39	Building Investment	$Ln31 * Ln37$		
40				
41				
42				
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Development of DS3 Cross Connect Unit Investment
Repeater Shelf
Study Period 1996-1998

A

Ln	Description	Source	FRC	Value
1	Repeater Shelf Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number DS3's	Network		8
16				
17	Levelized Utilized Investment per DS3	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		85%
20				
21	Levelized Utilized Investment per DS3	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings	Ln21 + Ln25		
28				
29	Percent DS3's requiring Repeaters	Network		10%
30				
31	Investment w/Power Loading per DS3	Ln27 * Ln29		
32				
33	Land Loading	Fundamental Cost	20C	0.0030
34				
35	Land Investment	Ln31 * Ln33		
36				
37	Building Loading	Fundamental Cost	10C	0.0404
38				
39	Building Investment	Ln31 * Ln37		
40				
41				
42				
43				
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Development of DS3 Cross Connect Unit Investment
Repeater
Study Period 1996-1998

Ln	Description	Source	ERC	^A Value
1	Repeater Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Plug-in Inplant Factor	Fundamental Cost	357C	1.0600
8				
9	Base Year Installed investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number DS3's	Network		1
16				
17	Levelized Utilized Investment per DS3	Ln13 / Ln15		
18				
19	Projected Actual Utilization	Network		100%
20				
21	Levelized Utilized investment per DS3	Ln17 / Ln19		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	Ln21 * Ln23		
26				
27	Total Investment with Power Loadings	Ln21 + Ln25		
28				
29	Percent DS3's requiring Repeaters	Network		10%
30				
31	Investment w/Power Loading per DS3	Ln27 * Ln29		
32				
33	Land Loading	Fundamental Cost	20C	0.0030
34				
35	Land Investment	Ln31 * Ln33		
36				
37	Building Loading	Fundamental Cost	10C	0.0404
38				
39	Building Investment	Ln31 * Ln37		
40				
41				
42				
43				
44				
45				
46				
47				
48				
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Development of POT Bay per DS3 Cross Connect Monthly Cost
Study Period 1996-1998

Ln	Description	Source	A 20C Land	B 10C Building	C 357C Equip	D Total
1	Annual Cost Factor Components	Fundamental Cost				
2						
3	Depreciation		0.0000	0.0302	0.1134	
4	Cost of Money		0.1118	0.0986	0.0638	
5	Income Tax		0.0514	0.0452	0.0297	
6						
7	Maintenance		0.0000	0.0089	0.0086	
8	Ad Valorem Tax		0.0113	0.0113	0.0113	
9	TIRKS Expense		0.0000	0.0000	0.0062	
10						
11	Total Annual Cost Factor		0.1745	0.1922	0.2320	
12						
13						
14	Investments	Wp311 Pg1				
15		Ln 20, 32, 8				
16						
17	Annual Costs					
18						
19	Depreciation	Ln14 * Ln3				
20	Cost of Money	Ln14 * Ln4				
21	Income Tax	Ln14 * Ln5				
22						
23	Maintenance	Ln14 * Ln7				
24	Ad Valorem Tax	Ln14 * Ln8				
25	TIRKS Expense	Ln14 * Ln9				
26						
27	Total Annual Cost	Sum (Ln19..Ln25)				
28						
29	Total Monthly Cost	Ln27 / 12				
30						
31	Gross Receipts Tax Factor					1.0152
32						
33	Monthly Cost w/GRT	Ln29 * Ln31				
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
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Summary of Investments, POT Bay per DS3 Cross Connect
Study Period 1996-1998

A

<u>Ln</u>	<u>Description</u>	<u>Source</u>	<u>Value</u>
1	357C Equipment Investment		
2	POT Bay	Wp311 Pg2 Ln34	
3			
4	POT Bay Shelf	Wp311 Pg3 Ln28	
5			
6	POT Bay Module	Wp311 Pg4 Ln28	
7			
8	Total 357C Equipment Investment	Sum (Ln2..Ln6)	
9			
10			
11			
12			
13	Land Investment		
14	POT Bay	Wp311 Pg2 Ln38	
15			
16	POT Bay Shelf	Wp311 Pg3 Ln32	
17			
18	POT Bay Module	Wp311 Pg4 Ln32	
19			
20	Total Land Investment	Sum (Ln14..Ln18)	
21			
22			
23			
24			
25	Building Investment		
26	POT Bay	Wp311 Pg2 Ln42	
27			
28	POT Bay Shelf	Wp311 Pg3 Ln36	
29			
30	POT Bay Module	Wp311 Pg4 Ln36	
31			
32	Total Building Investment	Sum (Ln26..Ln30)	
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
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Development of POT Bay DS3 Cross Connect Unit Investment
POT Bay
Study Period 1996-1998

A

Ln	Description	Source	ERC	Value
1	POT Bay Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	Ln1 * Ln3		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	Ln5 * Ln7		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	Ln9 * Ln11		
14				
15	Number Shelves	Network		12
16				
17	Projected Actual POT Bay Utilization	Network		33%
18				
19	Levelized Investment per Shelf	Ln13 / Ln15 / Ln17		
20				
21	Number DS3's per Shelf	Network		32
22				
23	Levelized Utilized Investment per DS3	Ln19 / Ln21		
24				
25	Projected Actual Shelf Utilization	Network		18%
26				
27	Levelized Utilized Investment per DS3	Ln23 / Ln25		
28				
29	Power Equipment Loading	Fundamental Cost	357C	0.0670
30				
31	Power Equipment Investment	Ln27 * Ln29		
32				
33	Total Investment with Power Loadings			
34	per DS3	Ln27 + Ln31		
35				
36	Land Loading	Fundamental Cost	20C	0.0030
37				
38	Land Investment	Ln34 * Ln36		
39				
40	Building Loading	Fundamental Cost	10C	0.0404
41				
42	Building Investment	Ln34 * Ln40		
43				
44				
45				
46				
47				
48				
49				
50				

Development of POT Bay per DS3 Cross Connect Unit Investment
POT Bay Shelf
Study Period 1996-1998

A

<u>Ln</u>	<u>Description</u>	<u>Source</u>	<u>ERC</u>	<u>Value</u>
1	POT Bay Shelf Material Price	Network	357C	
2				
3	Telephone Plant Index	Fundamental Cost	357C	1.000
4				
5	Base Year Material Price	$Ln1 * Ln3$		
6				
7	Hardwired Inplant Factor	Fundamental Cost	357C	1.8700
8				
9	Base Year Installed Investment	$Ln5 * Ln7$		
10				
11	Levelized Inflation Factor	Fundamental Cost	357C	0.970
12				
13	Levelized Installed Investment	$Ln9 * Ln11$		
14				
15	Projected Actual Utilization	Network		18%
16				
17	Installed, Levelized, Utilized Investment	$Ln13 / Ln15$		
18				
19	Number DS3's	Network		32
20				
21	Investment per DS3	$Ln17 / Ln19$		
22				
23	Power Equipment Loading	Fundamental Cost	357C	0.0670
24				
25	Power Equipment Investment	$Ln21 * Ln23$		
26				
27	Total Investment with Power Loadings per DS3	$Ln21 + Ln25$		
28				
29				
30	Land Loading	Fundamental Cost	20C	0.0030
31				
32	Land Investment	$Ln28 * Ln30$		
33				
34	Building Loading	Fundamental Cost	10C	0.0404
35				
36	Building Investment	$Ln28 * Ln34$		
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
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Development of POT Bay per DS3 Cross Connect Unit Investment
POT Bay Module
Study Period 1996-1998

Ln	Description	Source	Material Price	Inplant Factor	Investment
1	POT Bay Module Material Price	Network		357C	
2					
3	Telephone Plant Index	Fundamental Cost		357C	1.000
4					
5	Base Year Material Price	$Ln1 * Ln3$			
6					
7	Plug-In Inplant Factor	Fundamental Cost		357C	1.0600
8					
9	Base Year Installed Investment	$Ln5 * Ln7$			
10					
11	Levelized Inflation Factor	Fundamental Cost		357C	0.970
12					
13	Levelized Installed Investment	$Ln9 * Ln11$			
14					
15	Projected Actual Utilization	Network			100%
16					
17	Installed, Levelized, Utilized Investment	$Ln13 / Ln15$			
18					
19	Number DS3's	Network			1
20					
21	Investment per DS3	$Ln17 / Ln19$			
22					
23	Power Equipment Loading	Fundamental Cost		357C	0.0670
24					
25	Power Equipment Investment	$Ln21 * Ln23$			
26					
27	Total Investment with Power Loadings				
28	per DS3	$Ln21 + Ln25$			
29					
30	Land Loading	Fundamental Cost		20C	0.0030
31					
32	Land Investment	$Ln28 * Ln30$			
33					
34	Building Loading	Fundamental Cost		10C	0.0404
35					
36	Building Investment	$Ln28 * Ln34$			
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					

SECTION 5

SECTION 5

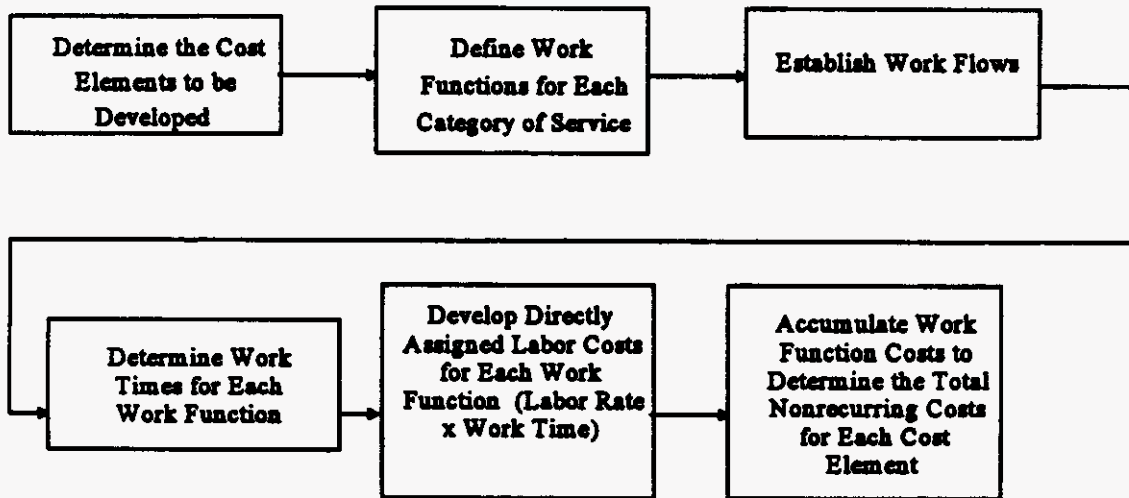
FLORIDA PHYSICAL COLLOCATION COST DEVELOPMENT - NONRECURRING

Nonrecurring Total Service Long Run Incremental Costs (TSLRIC) are one-time costs incurred as a result of provisioning, installing, disconnecting and completing orders initiated by a customer request for Physical Collocation. Calculations for the nonrecurring costs are included in this section.

Figure 5-1 shows a generalized flow of the steps necessary for developing nonrecurring costs. Each part of this flow will be explained in more detail in this section.

Figure 5-1

Generalized Flow Diagram for Developing Nonrecurring Costs



The first step in developing nonrecurring costs is to determine the cost elements to be studied. Each cost element is then described by all of the individual work functions required to provision the element.

SECTION 5

FLORIDA PHYSICAL COLLOCATION

COST DEVELOPMENT - NONRECURRING

The work functions required to provide Physical Collocation can be grouped into three categories. These are:

- 1) Service Order
- 2) Engineering
- 3) Connect and Test

Work functions included in these categories range from clerical activities to installation activities.

The work functions and work times involved in the provisioning of Physical Collocation are identified by individuals knowledgeable about and/or responsible for performing the functions. These work functions and work times are then used to describe the flow of work within the various work centers involved in provisioning the element.

A spreadsheet model is used to incorporate the specific work functions and directly assigned labor rates. In order to arrive at the nonrecurring cost for the element studied, the work time for each work function required is multiplied by the appropriate leveled labor rate. The labor inflation factors (LIF) are used to bring the labor rates to the appropriate study period. The labor rates and the labor inflation factors are shown in Section 7. Next, the individual work function costs are accumulated into the installation cost for the element studied.

Utilizing work functions, work times and directly assigned labor rates, disconnect costs are calculated in the same manner as the installation costs. Since the labor costs will occur in the future, the directly assigned labor rates are inflated to that future period in time and then discounted to the present. The discounted disconnect cost is added to the installation cost and gross receipts tax is applied to develop the nonrecurring cost.

Nonrecurring costs are calculated separately on a first and additional basis. "First" refers to the first item on a service order. "Additional" costs are the incremental costs of providing one or more duplicates of the first item on the same service order at the same time as the first.

The following workpapers reflect the cost development.

Summary of Nonrecurring Costs

Ln	Description	A First	B Additional	Source
1				
2	Application Cost per Request		N/A	Wp410 Ln20
3				
4				
5	Space Construction Cost			
6	100 Sq Ft "Cage"		N/A	wp420 Ln16
7	Additional 50 Sq Ft		N/A	wp420 Ln29
8				
9				
10	Cable Installation Cost per Cable		N/A	Wp430 Ln18
11				
12				
13	Cross-connect Cost			
14				
15	per 2-Wire			Wp440 Ln27
16				
17	per 4-Wire			Wp450 Ln27
18				
19	per DS1			Wp460 Ln31
20				
21	per DS3			Wp470 Ln27
22				
23				
24				
25				
26	Security Escort Cost			
27				
28	Basic, per half hour			Wp480 Ln10
29				
30				
31	Overtime, per half hour			Wp480 Ln19
32				
33				
34	Premium, per half hour			Wp480 Ln28
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

Development of Application Cost per Request Nonrecurring Cost

Ln	Description	A Installation Worktime (hrs)	B Disconnect Worktime (hrs)	C Levelized Labor Rate	D Installation Cost A*C	E Disconnect Cost B*C	F Discounted Disconnect Cost E*DDF **	G Total Cost D+F
1								
2								
3	Business Marketing			\$56.815				
4								
5	Administrative Reports Clerk			\$30.791				
6								
7	Customer Point of Contact (ICSC)			\$40.665				
8								
9	Network & Engineering Planning (FG20)			\$57.966				
10								
11	Outside Plant Engineering (OSPE)			\$48.058				
12								
13	Land & Building (FG10)			\$63.073				
14								
15								
16	Nonrecurring Cost Application per Request							
17								
18	Gross Receipts Tax Factor							1.0152
19								
20	Total Nonrecurring Cost Application per Request		Ln16 * Ln18					
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48	** DDF = Discounted Disconnect Factor							
49								
50								

Development of Space Construction Nonrecurring Cost

Ln	Description	A Installation Worktime (hrs)	B Disconnect Worktime (hrs)	C Levelized Labor Rate	D Installation Cost A * C	E Disconnect Cost B * C	F Discounted Disconnect Cost E * DDF **	G Total Cost D + F
1	First 100 Sq Ft							
2								
3	Land & Building (FG10)			\$63.073				
4								
5	Regional Material and Installation Cost		Source					
6	of wall, dust barrier, door (s),							
7	mechanical and electrical equipment,							
8	first 100 Sq Ft		PPSM					
9								
10	Nonrecurring Cost Space Construction,							
11	per 100 Sq Ft Module		Ln3 + Ln8					
12								
13	Gross Receipts Tax Factor							1.0152
14								
15	Total Nonrecurring Cost Space Construction,							
16	per 100 Sq Ft Module		Ln11 * Ln13					
17								
18								
19	Additional 50 Sq Ft							
20								
21	Regional Material and Installation Cost							
22	of wall, dust barrier, door (s),							
23	mechanical and electrical equipment,							
24	additional 50 Sq Ft		PPSM					
25								
26	Gross Receipts Tax Factor							1.0152
27								
28	Total Nonrecurring Cost Space Construction,							
29	per Additional 50 Sq Ft Module		Ln24 * Ln26					
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48	** DDF = Discounted Disconnect Factor							
49								
50								

Development of Cable Installation per Cable Nonrecurring Cost

Ln	Description	A Installation Worktime (hrs)	B Disconnect Worktime (hrs)	C Levelized Labor Rate	D Installation Cost A * C	E Disconnect Cost B * C	F Discounted Disconnect Cost E * DDF **	G Total Cost D + F
1								
2								
3								
4	Network & Engineering Planning (FG20)			\$57,986				
5								
6	Outside Plant Engineering (OSPE)			\$48,058				
7								
8	Outside Plant Construction (OSPC)			\$42,587				
9								
10								
11								
12								
13								
14	Nonrecurring Cost Cable Installation							
15								
16	Gross Receipts Tax Factor							1.0152
17								
18	Total Nonrecurring Cost Cable Installation, per Cable			Ln14 * Ln16				
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								
47								
48	** DDF = Discounted Disconnect Factor							
49								
50								

Development of Cross Connect per 2-Wire Nonrecurring Cost

Ln	Description	A		B		C		D		E	F		G		H		I		J		K		L	M	
		Installation Worktimes (Minutes)		Disconnect Worktimes (Minutes)		Levelized		Installation Cost		Disconnect Cost		Discounted Disconnect Cost		Total Cost		Total Cost						Total Cost	Total Cost		
		First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional
1																									
2	Service Order																								
3	Customer Point of Contact (ICBC)									\$40.885															
4																									
5	Circuit Provisioning Center (CPC)									\$38.536															
6																									
7	Network Administration									\$34.921															
8																									
9	Special Services Coord & Testing (SSC)									\$38.609															
10																									
11	Engineering																								
12	Circuit Provisioning Center (CPC)									\$38.536															
13																									
14	Connect & Test																								
15	CO Install & Mice (NTEL)									\$41.604															
16																									
17	Special Services Coord & Testing (SSC)									\$38.609															
18																									
19																									
20																									
21																									
22																									
23	Nonrecurring Cost Cross Connect per 2-Wire																								
24																									
25	Gross Receipts Tax Factor																								1.0152
26																									
27	Total Nonrecurring Cost Cross Connect per 2-Wire																								Ln23 * Ln25
28																									
29																									
30																									
31																									
32																									
33																									
34																									
35																									
36																									
37																									
38																									
39																									
40																									
41																									
42																									
43																									
44																									
45																									
46																									
47																									
48	DDF = Discounted Disconnect Factor																								
49																									
50																									

Development of Cross Connect per 4-Wire Nonrecurring Cost

Ln	Description	A Installation Worktimes (Minutes)		B Disconnect Worktimes (Minutes)		E Levelized Labor Rate	F Installation Cost		G Disconnect Cost		J Discounted Disconnect Cost		L Total Cost F+J	M Total Cost G+K
		First	Additional	First	Additional		First	Additional	First	Additional	First	Additional		
							A * E / 60	B * E / 60	C * E / 60	D * E / 60	H * DDF **	I * DDF **		
1														
2	Service Order													
3	Customer Point of Contact (ICSC)					\$40.886								
4														
5	Circuit Provisioning Center (CPC)					\$38.536								
6														
7	Network Administration					\$34.921								
8														
9	Special Services Coord & Testing (SSC)					\$38.800								
10														
11	Engineering													
12	Circuit Provisioning Center (CPC)					\$38.536								
13														
14	Connect & Test													
15	CO Install & Mice (NTEL)					\$41.804								
16														
17	Special Services Coord & Testing (SSC)					\$38.800								
18														
19														
20														
21														
22														
23	Nonrecurring Cost Cross Connect per 4-Wire													
24														
25	Gross Receipts Tax Factor											1.0152		
26														
27	Total Nonrecurring Cost Cross Connect per 4-Wire													
28														
29														
30														
31														
32														
33														
34														
35														
36														
37														
38														
39														
40														
41														
42														
43														
44														
45														
46														
47														
48	** DDF = Discounted Disconnect Factor													
49														
50														

Development of Cross Connect per DS1 Nonrecurring Cost

Ln	Description	A Installation Worktimes (Minutes)		C Disconnect Worktimes (Minutes)		E Levelized Labor Rate	F Installation Cost		H Disconnect Cost		J Discounted Disconnect Cost		L Total Cost First F+J	M Total Cost Additional G+K
		First	Additional	First	Additional		First	Additional	First	Additional	First	Additional		
1							A * E / 60	B * E / 60	C * E / 60	D * E / 60	H * DDF **	I * DDF **		
2	Service Order													
3	Customer Point of Contact (ICSC)					\$40.895								
4														
5	Network & Engineering Planning (FG20)					\$57.898								
6														
7	Circuit Provisioning Center (CPC)					\$36.535								
8														
9	Network Plug-In Administration (PICB)					\$44.225								
10														
11	Network Administration					\$34.921								
12														
13	Special Services Coord & Testing (SSC)					\$38.898								
14														
15	Engineering													
16	Circuit Provisioning Center (CPC)					\$36.535								
17														
18	Connect & Test													
19	CO Install & Misc (NTEL)					\$41.904								
20														
21	Special Services Coord & Testing (SSC)					\$38.898								
22														
23														
24														
25														
26														
27	Nonrecurring Cost Cross Connect per DS1													
28														
29	Gross Receipts Tax Factor											1.0152		
30														
31	Total Nonrecurring Cost Cross Connect per DS1		Ln27 * Ln29											
32														
33														
34														
35														
36														
37														
38														
39														
40														
41														
42														
43														
44														
45														
46														
47														
48	** DDF = Discounted Disconnect Factor													
49														
50														

Physical Collocation

Development of Cross Connect per DS3 Nonrecurring Cost

Ln	Description	A		B		C		D		E	F		G		H		I		J		K		L	M	
		Installation Worktimes (Minutes)		Disconnect Worktimes (Minutes)		Levelized		Installation Cost		Disconnect Cost		Discounted Disconnect Cost		Total Cost		Total Cost									
		First	Additional	First	Additional	Labor Rate	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First	Additional	First
1																									
2	Service Order																								
3	Customer Point of Contact (ICBC)									\$40.885															
4																									
5	Network & Engineering Planning (FG20)									\$57.888															
6																									
7	Circuit Provisioning Center (CPC)									\$36.835															
8																									
9	Network Administration									\$34.921															
10																									
11	Special Services Coord & Testing (SSC)									\$38.888															
12																									
13	Engineering																								
14	Circuit Provisioning Center (CPC)									\$36.835															
15																									
16	Connect & Test																								
17	CO Install & Move (NTEL)									\$41.804															
18																									
19	Special Services Coord & Testing (SSC)									\$38.888															
20																									
21																									
22																									
23	Nonrecurring Cost Cross Connect per DS3																								
24																									
25	Gross Receipts Tax Factor																								1.0182
26																									
27	Total Nonrecurring Cost Cross Connect per DS3																								$Ln23 * Ln25$
28																									
29																									
30																									
31																									
32																									
33																									
34																									
35																									
36																									
37																									
38																									
39																									
40																									
41																									
42																									
43																									
44																									
45																									
46																									
47																									
48	** DDF = Discounted Disconnect Factor																								
49																									
50																									

Development of Security Escort Nonrecurring Cost

Ln	Description	A Installation Worktimes (hrs)		C Levelized Labor Rate	D Total Cost First A * C	E Additional B * C
		First	Additional			
1						
2						
3	Basic, per half hour					
4	Customer Point of Contact (ICSC)			\$39.232		
5	CO Install & Mtce Field - (NTEL)			\$40.188		
6	Special Services Coord & Testing (SSC)			\$37.374		
7						
8	Gross Receipts Factor			1.0152		
9						
10	Total Basic Time, per half hour					(Sum Ln4..Ln6) * Ln8
11						
12						
13						
14	Overtime, per half hour					
15	Customer Point of Contact (ICSC)			\$49.022		
16	CO Install & Mtce Field - (NTEL)			\$50.078		
17	Special Services Coord & Testing (SSC)			\$47.153		
18						
19	Total Overtime, per half hour					(Sum Ln15..Ln17) * Ln8
20						
21						
22						
23	Premium , per half hour					
24	Customer Point of Contact (ICSC)			\$58.811		
25	CO Install & Mtce Field - (NTEL)			\$59.968		
26	Special Services Coord & Testing (SSC)			\$56.932		
27						
28	Total Premium , per half hour					(Sum Ln24..Ln26) * Ln8
29						
30						
31						
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SECTION 6

SECTION 6

FLORIDA PHYSICAL COLLOCATION

SPECIFIC STUDY ASSUMPTIONS

The cost study for Physical Collocation is based on Total Service Long Run Incremental Cost methodology (TSLRIC). Network deployment strategies, first choice provisioning guidelines and equipment purchasing information are used to develop the Total Service Long Run Incremental cost.

Cost study assumptions are as follows.

1. The nonrecurring cost for the collocation application is a one time cost per request per location. The application cost does not include any costs associated with processing a firm order.
2. All monthly and nonrecurring costs associated with space preparation, including the service order cost for the firm order, will be developed on an individual case basis.
3. Space construction costs consist of an average of three gypsum walls, temporary dust barrier, additional mechanical fixtures and electrical outlets inside a minimum 100 sq. ft. "cage" area.
4. The monthly cost for power per ampere excludes the power portion of the maintenance component of the 377C annual cost factor. A monthly cost for power usage is added to the result.
5. The cable support structure assumes an average distance of 400 feet from the vault to the collocator's space.
6. Cable installation cost includes the cost to place cable from the BST central office manhole entrance to the collocator's arrangement location.
7. A cross connect (X-conn) will always be installed with either an unbundled element or interconnection order.
8. For a DS1 and DS3 X-conn, regeneration costs are incurred 5% and 10% of the time, respectively. This cost is included in the DS1 and DS3 monthly X-conn cost.

SECTION 6

FLORIDA PHYSICAL COLLOCATION

SPECIFIC STUDY ASSUMPTIONS

9. The demarcation point between a collocator's network and BST's network will be the POT (point of termination) bay.
10. The cost of money applied is 13.2%.
11. These cost studies are based on a study period of 1996 - 1998 and incorporate 1995 investments and factors.
12. Utilization Percentages:

Cable Rack - Cross Connects	67%
Cable Rack - Cable Support Structure	50%
Trunk Distributing Frame (TDF)	72.5%
Connecting Block (2W/4W) on TDF	72.5%
100 pr cable (2W/4W)	85%
POT Bay (2W/4W)	40%
Terminating Block	85%
DSX-1 Bay	70%
Cable (DS1)	90%
Repeater Bay (DS1)	30%
Repeater Shelf (DS1)	80%
Repeater (DS1)	100%
POT Bay (DS1/DS3)	33%
POT Bay DS1 Shelf	80%
POT Bay Connecting Block	98.7%
DSX-3 Bay	67%
DSX-3 Cable	100%
Repeater Bay (DS3)	35%
Repeater Shelf (DS3)	85%
Repeater (DS3)	100%
POT Bay Shelf (DS3)	18%
POT Bay Module (DS3)	100%

13. Power usage per ampere shown on Workpaper 230 Line 35 is developed as follows:

$$\text{Monthly Cost (\$)} = \$0.07/1000\text{hr} \times 50\text{watts} \times 24\text{hrs/day} \times 30\text{days/mo} \times 1/0.85 \text{ rectifier efficiency}$$

SECTION 7

SECTION 7

FLORIDA PHYSICAL COLLOCATION

FACTORS AND LOADINGS

Following are Total Service Long Run Incremental Cost (TSLRIC) annual cost factors, miscellaneous loadings, and labor rates used in the Physical Collocation cost study.

SECTION 7

FLORIDA PHYSICAL COLLOCATION

FACTORS AND LOADINGS

Miscellaneous Loadings		
Land COE	20C	.0030
Building COE	10C	.0404
Power Equipment	357C	.0670

Levelized Inflation Factor		
	357C	.970
	377C	1.012
	10C	1.059
	20C	1.059

TIRKS Regional Annual Expense Factor .0052

Telephone Plant Index		
	357C	1.0000
	377C	1.0000

Inplant Factor		
Hardwired	357C	1.8700
Plug In	357C	1.06

Gross Receipts Tax Factor 1.0152

Discounted Disconnect Factor (DDF)		
2-Wire Cross Connect		.9080
4-Wire Cross Connect		.8981
DS1 Cross Connect		.8562
DS3 Cross Connect		.8562
Application Cost		.9890
Cable Installation		.8193

1995 Directly Assigned Hourly Labor Rates

	<u>1995</u>	<u>Levelized</u>
Customer Point of Contact (ICSC)	\$38.30	\$40.67
CO Install & Maintenance (NTEL)	\$39.09	\$41.50
Circuit Provisioning Center (CPC)	\$34.41	\$36.54
Network Administration	\$32.89	\$34.92
Outside Plant Engineering (OSPE)	\$45.26	\$48.06
Network Planning & Eng (PICS)	\$41.65	\$44.23
Special Svc Coord & Testing (SSC)	\$36.41	\$38.66
Network & Engineering Planning (FG20)	\$54.61	\$57.99
Outside Plant Construction (OSPC)	\$40.11	\$42.59
Land & Building (FG10)	\$59.40	\$63.07
Business Marketing	\$53.51	\$56.82
Administrative Reports Clerk	\$29.00	\$30.79

SECTION 7

FLORIDA PHYSICAL COLLOCATION

FACTORS AND LOADINGS

1995 Directly Assigned Hourly Labor Rates

	<u>1995</u>	<u>Levelized</u>
Customer Point of Contact (ICSC)		
Basic	\$36.95	\$39.23
Overtime	\$46.17	\$49.02
Premium	\$55.39	\$58.81
Co Install & Maintenance (NTEL)		
Basic	\$37.85	\$40.19
Overtime	\$47.17	\$50.08
Premium	\$56.48	\$59.97
Special Svc Coord & Testing (SSC)		
Basic	\$35.20	\$37.37
Overtime	\$44.41	\$47.15
Premium	\$53.62	\$56.93

Note: The Basic labor rate is for regular hours worked on a scheduled workday.

The Overtime labor rate is for overtime hours worked on a scheduled workday.

The Premium labor rate is for overtime hours worked on an unscheduled workday.

To create a Levelized labor rate from a 1995 Labor Rate:

$$1995 \text{ Labor Rate} * [((1+\text{InflYr1})/(1+\text{com})^1) + ((1+\text{InflYr2})/(1+\text{com})^2) + ((1+\text{InflYr3})/(1+\text{com})^3)] / (1/(1+\text{com})^1) + (1/(1+\text{com})^2) + (1/(1+\text{com})^3)$$

NOTE: Infl = Labor Inflation
COM = Cost of Money

Example:

$$\begin{aligned} & \$38.30 * [(1.029/1.132^1) + ((1.029*1.034)/1.132^2) + \\ & (1.029*1.034*1.035)/(1.132^3)] / ((1/1.132^1) + \\ & (1/1.132^2) + (1/1.132^3)) = \$40.67 \end{aligned}$$

SECTION 7

FLORIDA PHYSICAL COLLOCATION

FACTORS AND LOADINGS

Telco Eng

Year 1	3.0%
Year 2	3.3%
Year 3	3.4%

Telco COE

Year 1	2.9%
Year 2	3.4%
Year 3	3.5%

FLORIDA
 AVERAGE ANNUAL COST FACTORS
 INCREMENTAL

FOR USE IN SERVICE COST STUDIES ONLY

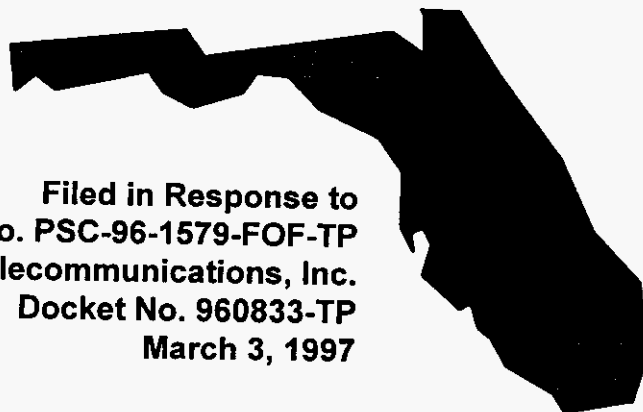
field code	depreciation a	ack. com	ack. inc. tax	cap. exp.	ack. mltip	ack. adval tax	admin. ex.	ack. oper. exp.	ack. gtr. comb.	tot. combined	ack. gtr. local	tot. local	ack. gtr. tot.	tot. tot.
		b	c	d	e	f	g	h	i	j	k	l	m	n
		13.2%		(d+b+c)				(e+f+g)	(i+d+h)	(d+h+i)	(j+d+h)	(d+h+k)	(j+d+h)	(d+h+m)
LAN)	20C	0.0000	0.1118	0.0514	0.1832	0.0000	0.0113	0.0000	0.0113	0.0027	0.1172			
BUS. DMGS	10C, 110C, 810C	0.0302	0.0988	0.0452	0.1740	0.0088	0.0113	0.0000	0.0182	0.0029	0.1951			
ANALOG ELEC SWITCH	77C, 877C, 977C	0.2829	0.0880	0.0308	0.3815	0.0217	0.0113	0.0000	0.0330	0.0060	0.4005			
DIGITAL ELEC SWITCH	377C, 887C	0.1134	0.0851	0.0302	0.2087	0.0282	0.0113	0.0000	0.0395	0.0038	0.2520			
OPERATOR SYSTEMS	117C, 417C	0.1683	0.0751	0.0404	0.2238	0.0040	0.0113	0.0000	0.0153	0.0038	0.2427			
RADIO	167C, 67C, 867C, 967C	0.1434	0.0750	0.0348	0.2532	0.0783	0.0113	0.0000	0.0878	0.0052	0.3480			
DIGIT. CIRC. DDS	157C	0.1810	0.0875	0.0305	0.2780	0.0073	0.0113	0.0000	0.0188	0.0045	0.3021			
DIGIT. CIRC. PAIR GAIN	257C, D257C, F257C	0.1134	0.0838	0.0288	0.2058	0.0088	0.0113	0.0000	0.0202	0.0034	0.2284			
DIGIT. CIRC. OTHER	357C, T357C, F357C, 857C, 957C	0.1134	0.0838	0.0287	0.2088	0.0088	0.0113	0.0000	0.0198	0.0034	0.2302			
ANALOG CIRC. PAIR GAIN	457C	0.1888	0.0838	0.0248	0.2573	0.0888	0.0113	0.0000	0.0113	0.0041	0.2727			
ANALOG CIRC. OTHER	57C	0.1888	0.0838	0.0282	0.2818	0.0288	0.0113	0.0000	0.0318	0.0045	0.2874			
PBX	158C, 258C	0.2288	0.0771	0.0348	0.3413	0.0145	0.0113	0.0000	0.0258	0.0058	0.3727			
PUBLIC COMM.	188C, 188C	0.1483	0.0783	0.0348	0.2584	0.2084	0.0113	0.0000	0.2187	0.0073	0.4884			
PUBLIC COMM. LESS	298C, 298C	0.1483	0.0783	0.0348	0.2584	0.1248	0.0113	0.0000	0.1381	0.0080	0.4015			
PUBLIC OTHER	888C, 888C	0.1483	0.0783	0.0348	0.2584	0.1082	0.0113	0.0000	0.1175	0.0057	0.3828			
OTHER TERMINAL EQPT	358C, D858C, 858C, 558C, 828C, 828C, F858C	0.1733	0.0812	0.0358	0.2884	0.0548	0.0113	0.0000	0.0881	0.0054	0.3818			
SUBSCRIBER PAIR GAIN	758C, D758C, F758C	0.0888	0.0888	0.0888	0.0888	0.0888	0.0888	0.0000	0.0000	0.0000	0.0000			
POLES	1C, 811C	0.0871	0.0725	0.0325	0.1721	0.0278	0.0113	0.0000	0.0382	0.0032	0.2145			
AERIAL CA - METAL	22C, 12C, 802C	0.0817	0.0787	0.0338	0.2052	0.0571	0.0113	0.0000	0.0884	0.0042	0.2778			
AERIAL CA - FIBER	822C, 812C, 882C, 982C, D22C, F22C, T22C, D12C, F12C, T12C	0.0887	0.0784	0.0347	0.1788	0.0138	0.0113	0.0000	0.0252	0.0031	0.2081			
UNGROUND CA - METAL	5C, 805C	0.1038	0.0813	0.0342	0.2181	0.0281	0.0113	0.0000	0.0404	0.0038	0.2834			
UNGROUND CA - FIBER	85C, 885C, 985C, D85C, F85C, T85C	0.0828	0.0888	0.0358	0.1784	0.0135	0.0113	0.0000	0.0248	0.0031	0.2083			
BURIED CA - METAL	45C, 848C	0.0878	0.0888	0.0354	0.2838	0.0543	0.0113	0.0000	0.0858	0.0041	0.2738			
BURIED CA - FIBER	845C, 858C, 858C, D45C, F45C, T45C	0.0588	0.0818	0.0387	0.1788	0.0144	0.0113	0.0000	0.0257	0.0031	0.2058			
SUBMARINE CA - METAL	8C, 888C	0.0888	0.0814	0.0388	0.2048	0.0158	0.0113	0.0000	0.0283	0.0035	0.2338			
SUBMARINE CA - FIBER	88C, 888C, D8C, F8C, T8C	0.0888	0.0814	0.0355	0.2028	0.0158	0.0113	0.0000	0.0283	0.0035	0.2327			
MTRBLD NTWK - METAL	52C	0.0881	0.0785	0.0348	0.1788	0.0328	0.0113	0.0000	0.0433	0.0034	0.2253			
MTRBLD NTWK - FIBER	852C, D82C, F82C, T82C	0.0881	0.0785	0.0348	0.1788	0.0328	0.0113	0.0000	0.0433	0.0034	0.2253			
CONDUIT SYSTEMS	4C, 84C, 84C	0.0242	0.0877	0.0401	0.1528	0.0828	0.0113	0.0000	0.0141	0.0025	0.1888			

See Note Below

NOTE: Certain states in the BeltSouth region (GA & NC) assess gross receipts tax only on "local" revenue. For these states, it is necessary to publish "local", "private line and toll", and "combined" factors. Be aware that the definitions of "local" and "private line and toll" are defined by the taxing authority for gross receipts tax purposes and may vary from state to state according to tax law.

For those states which assess gross receipts tax on local, private line, and toll revenue, the gross receipts tax factor is based on the overall effective tax rate.

FLORIDA



Filed in Response to
Order No. PSC-96-1579-FOF-TP
BellSouth Telecommunications, Inc.
Docket No. 960833-TP
March 3, 1997

UNBUNDLED SUB-LOOPS

2-WIRE SUB-LOOP (DISTRIBUTION)

4-WIRE SUB-LOOP (DISTRIBUTION)

***TSLRIC
COST STUDY
DOCUMENTATION
PROPRIETARY***

SECTIONS A THRU 7

FLORIDA
UNBUNDLED SUB-LOOPS
COST STUDY DOCUMENTATION

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SECTION A

SECTION A

FLORIDA

UNBUNDLED SUB-LOOPS

PROPRIETARY RATIONALE

The Florida Unbundled Cost Studies for 2-Wire and 4-Wire Sub-Loops (Distribution) contain actual unit cost information for discrete cost elements. These costs reflect BellSouth's long run incremental cost of providing these elements on a going forward basis. Public disclosure of this information would provide BellSouth's competitors with an advantage. The data is valuable to competitors and potential competitors in formulating strategic plans for entry, pricing, marketing and overall business strategies. This information relates to the competitive interests of BellSouth and disclosure would impair the competitive business of BellSouth. For these reasons, the Unbundled Sub-Loop (Distribution) Cost Studies are considered proprietary. :

SECTION 1

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SECTION 1

FLORIDA

UNBUNDLED SUB-LOOPS

INTRODUCTION AND OVERVIEW

The Total Service Long Run Incremental Cost (TSLRIC) studies for Unbundled 2-Wire and 4-Wire Sub-Loops (Distribution) are being provided in response to the Commission Order FPSC 96-1579-FPF-TP, issued December 31, 1996.

The TSLRIC presented in this study are volume sensitive. The Sub-Loops have no volume insensitive costs. Therefore, the Long Run Incremental Unit Costs (LRIC) and the TSLRIC are the same.

The unbundled cost elements referred to as 2-wire and 4-wire Sub-Loops (Distribution) represent the cost of the physical transmission facilities which extends from a remote terminal or other cross-connect device to a demarcation point at the customer's premises, (i.e., the Network Interface Device or NID): The cost of each facility is determined by loop characteristics as follows:

- type of cable(copper)
- plant type (aerial, buried, underground)
- size/gauge
- length

Loop costs represent outside plant distribution in a residence/business serving environment. The Loop Cost Model is a database tool that houses all the facility characteristics described above and produces an average investment. Spreadsheets are used to convert the loop investments into a recurring cost.

The recurring costs presented in this study are levelized for the 1996-1998 study period. Nonrecurring costs follow the same convention and represent 1996-1998 levelized costs also. These long-run incremental costs are developed by using incremental loadings, annual cost factors based on 13.2% cost of money, and directly assigned labor rates.

SECTION 2

SECTION 2

FLORIDA

UNBUNDLED SUB-LOOPS

DESCRIPTION OF STUDY PROCEDURES

This section describes the general principles for the development of TSLRIC supporting the Unbundled 2-Wire and 4-Wire Sub-Loops (Distribution).

All costs are developed utilizing TSLRIC methodology. In determining these costs, direct incremental costing techniques are used that are in accordance with accepted economic theory. Direct incremental costs are based on cost causation and include all of the costs directly caused by expanding production, or, alternatively, costs that would be saved if the production levels were reduced. Costs may be volume sensitive and/or volume insensitive. LRIC includes volume sensitive costs only, while TSLRIC includes both volume sensitive and volume insensitive costs. For services with no volume insensitive costs, LRIC and TSLRIC are the same. Costs are forward-looking in nature because only future costs can be saved. Incremental costs are long run to assure that the time period studied is sufficient to capture all forward-looking costs affected by the business decision. Shared and common costs are not incremental and, therefore, are not included. Incremental costs include both recurring (capital and operating expenses) and nonrecurring (provisioning) costs. Incremental costs account for the expected change in cost to the firm resulting from a new service offering or from a change in demand for an existing service.

DEVELOPMENT OF RECURRING COSTS

The monthly costs to BellSouth Telecommunications, Inc., resulting from the capital investments necessary to provide a service are called recurring costs. Recurring costs represent a forward looking view of technology and deployment and include capital and operating costs. While capital costs include depreciation, cost of money, and income tax, operating costs are the expenses for maintenance and ad valorem, gross receipts, and other taxes. These expenses contribute to the ongoing cost to the Company associated with the initial capital investment.

The first step in developing incremental recurring cost studies for the sub-loops is to determine the forward-looking network architecture. Material prices for the cables and associated equipment are defined. Next, account specific Telephone Plant Indices (TPIs) are applied, when necessary, to trend investments to the base study period. In-plant factors are applied to material prices to develop installed investments which include engineering and installation (both telephone company and contractor) labor. The deployment probabilities and utilization factors are also considered.

Levelized Inflation Factors (LIFs) for each specific plant account are applied to the installed investments to trend the base year, or study year, investments to levelized amounts that are valid for a three year planning period. Miscellaneous loadings are then applied.

Next, Incremental Annual Cost Factors are used to calculate the direct cost of capital, maintenance and other operating expenses and taxes. Account specific factors for each Uniform System of Accounts - Field Reporting Code (USOA - FRC) are applied to levelized investments by account code, yielding an annual cost per account code. These costs are then summed and divided by twelve to arrive at a monthly cost per cost element.

DEVELOPMENT OF NONRECURRING COSTS

Nonrecurring costs are "one-time" costs incurred as a result of provisioning, installing, and disconnecting the 2-wire and 4-wire sub-loops. The first step in developing nonrecurring costs is to determine the cost elements related to the study. These cost elements are then described by all of the individual work functions required to provision the cost element. The work functions can be grouped into five categories. These are service inquiry, service order, engineering, connect and test, and technician travel time. The work function times, as identified by individuals knowledgeable about and/or responsible for performing these functions, are used to describe the flow of work within the various work centers involved. Installation and provisioning costs are developed by multiplying the work time for each work function by the directly assigned labor rate for the work group performing the function.

Utilizing work functions, work times and labor rates, disconnect costs are calculated in the same manner as the installation costs. Since the labor costs will occur in the future, the current labor rates are inflated to that future period in time and then discounted to the present. The discounted disconnect cost is added to the installation cost and gross receipts tax is applied to develop the total nonrecurring cost.

SECTION 3

4

SECTION 3

FLORIDA

UNBUNDLED SUB-LOOPS

SUMMARY OF RESULTS

This section contains a cost summary for the 1996 - 1998 TSLRIC of both recurring and nonrecurring cost elements studied for the Unbundled 2-wire and 4-Wire Sub-Loops (Distribution).

SUMMARY OF RESULTS

FLORIDA

UNBUNDLED SUB-LOOPS

	A	B	C
	Monthly Cost	Nonrecurring Cost First	Nonrecurring Cost Additional
6 2-Wire Sub-Loop (Distribution) (Weighted Residence/Business)	[REDACTED]	[REDACTED]	[REDACTED]
8 4-Wire Sub-Loop (Distribution) (Business Only)	[REDACTED]	[REDACTED]	[REDACTED]

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agreement.

SECTION 4

SECTION 4

FLORIDA

UNBUNDLED SUB-LOOPS

COST DEVELOPMENT - TSLRIC - RECURRING

This section describes the development of the recurring TSLRIC for the Unbundled 2-Wire and 4-Wire Sub-Loops (Distribution).

Generally, cost development is outlined in Section 2. Network architecture is determined, the necessary equipment is identified, material prices are obtained, factors, utilization and loadings are applied and the result is levelized for the study period. Annual cost factors are applied to convert the investment to cost.

The following sections explain how the investment for a typical Unbundled Sub-Loop (Distribution) is developed. After all loop investments are computed, annual and monthly costs are developed.

Tab A	Loop example (including distribution)	†
Tab B	Loop data from model	
Tab C	Conversion of cable sheath material investment to DSO equivalent material investment	
Tab D	Development of installation, engineering, and exempt material investments associated with cable placement	
Tab E	Loop investment results (single loop example)	
Tab F	Computation of average loop investments by class of service	
Tab G	Recurring cost spreadsheet and methodology	

TAB A

District: Broward - Fort Lauderdale

MPLE #: 0002
 rcuit : 3033609149
 C Cat.: RESIDENCE

U.C.: DRDHFLMA
 USOC: IFR

F1 Information		F2 Information	F3 Information
ble	P028	5751WPB	
ir	3930	1056	
dr	5751 WINSTON PARKBLVD	NR 5460 NW 55TH BLVD	

FRC	Facility	Sec.	Size	Ca.	Length	Plot	
							CMYK
27C	CABLE	F	60		971		
26	CABLE	F	60		845		
52	CABLE	F	60		931		
F52	CABLE	F	60		3256		
F52	CABLE	F	60		3586		
F52	CABLE	F	36		3148		
F52	CABLE	F	36		2359		
F52	CABLE	F	36		4623		
F52	CABLE	F	36		3707		
F52	CABLE	F	36		62		
52	CABLE	F	30		2860		
72	CABLE	F	30		1600		
F52	CABLE	F	30		240		
52	CABLE	F	18		1818		
F52	CABLE	F	18		1652		
F52	CABLE	F	18		700		
72	CABLE	F	18		2252		
72	CABLE	F	18		309		
72	CABLE	F	18		482		

"9543609149",2,1,"45C","Buried Copper Cable",1,600,24,20,"",
"9543609149",2,2,"45C","Buried Copper Cable",1,900,26,950,"",
"9543609149",2,3,"45C","Buried Copper Cable",1,400,26,325,"",
"9543609149",2,4,"45C","Buried Copper Cable",1,200,26,1700,"",
"9543609149",2,5,"12C","Building Entrance Copper Cable",1,50,26,190,"",
"9543609149",2,6,"12C","Building Entrance X-Box",1,50,0,0,"MR 5460 NW 55TH BLVD",
"9543609149",3,1,"5C","Underground End Section or Bridged Tap",4,600,26,1990,"",TW
"9543609149",3,2,"45C","Buried End Section or Bridged Tap",4,600,26,645,"",=D
"9543609149",3,3,"45C","Buried End Section or Bridged Tap",4,600,24,20,"",
"9543609149",3,4,"5C","Underground End Section or Bridged Tap",4,1200,26,20,"",

TAB B

FLORIDA LOOP SAMPLE #: 2

LOOP #: 2.00 STATE: FL SVC DESC: Florida Loop Survey Circuit CIRCUIT ID: 3053609149 CLLI: DRBFLMA
 CIRCUIT TYPE: V CIRCUIT LEVEL: DS0 DESIGN: 3 CLASS OF SVC: RESIDENCE DLC & MUX LOADINGS: B
 ROUTE LENGTH: 52,908 ROUTE MILE: 10.02 AIR MILES: 6.16

Seg	Item	Category	Field Code	Pid	Description	Feeder/Dist	Size	Gauge/Mode	Plcement/DB	Units	Unit Inv
1	1	Fiber	F5C	FOCALL40DB60	CABLE FB-OPT ALL 40DB 60	F	60	Sgl	.40db	971.00	\$1.69
2	1	Fiber	F5C	FOCALL40DB60	CABLE FB-OPT ALL 40DB 60	F	60	Sgl	.40db	845.00	\$1.69
3	1	Fiber	F5C	FOCALL40DB60	CABLE FB-OPT ALL 40DB 60	F	60	Sgl	.40db	951.00	\$1.69
4	1	Fiber	F5C	FOCALL40DB60	CABLE FB-OPT ALL 40DB 60	F	60	Sgl	.40db	3,256.00	\$1.69
5	1	Fiber	F5C	FOCALL40DB60	CABLE FB-OPT ALL 40DB 60	F	60	Sgl	.40db	3,886.00	\$1.69
6	1	Fiber	F5C	FOCALL40DB36	CABLE FB-OPT ALL 40DB 36	F	36	Sgl	.40db	3,148.00	\$0.45
7	1	Fiber	F5C	FOCALL40DB36	CABLE FB-OPT ALL 40DB 36	F	36	Sgl	.40db	2,359.00	\$0.45
8	1	Fiber	F5C	FOCALL40DB36	CABLE FB-OPT ALL 40DB 36	F	36	Sgl	.40db	4,653.00	\$0.45
9	1	Fiber	F5C	FOCALL40DB36	CABLE FB-OPT ALL 40DB 36	F	36	Sgl	.40db	3,757.00	\$0.45
10	1	Fiber	F5C	FOCALL40DB36	CABLE FB-OPT ALL 40DB 36	F	36	Sgl	.40db	62.00	\$0.45
11	1	Fiber	F5C	FOCALL40DB30	CABLE FB-OPT ALL 40DB 30	F	30	Sgl	.40db	2,860.00	\$0.50
12	1	Fiber	F22C	FOCALL40DB30	CABLE FB-OPT ALL 40DB 30	F	30	Sgl	.40db	1,600.00	\$0.50
13	1	Fiber	F5C	FOCALL40DB30	CABLE FB-OPT ALL 40DB 30	F	30	Sgl	.40db	240.00	\$0.50
14	1	Fiber	F5C	FOCALL40DB18	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40db	1,818.00	\$0.48
15	1	Fiber	F5C	FOCALL40DB18	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40db	1,652.00	\$0.48
16	1	Fiber	F45C	FOCALL40DB18	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40db	700.00	\$0.48
17	1	Fiber	F22C	FOCALL40DB18	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40db	2,232.00	\$0.48
18	1	Fiber	F22C	FOCALL40DB18	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40db	509.00	\$0.48
19	1	Fiber	F22C	FOCALL40DB18	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40db	482.00	\$0.48
20	1	Fiber	F45C	FOCALL40DB18	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40db	572.00	\$0.48
21	1	Fiber	F5C	FOCALL40DB12	CABLE FB-OPT ALL 40DB 12	F	12	Sgl	.40db	692.00	\$0.48
22	1	Fiber	F45C	FOCALL40DB12	CABLE FB-OPT ALL 40DB 12	F	12	Sgl	.40db	2,604.00	\$0.48
23	1	Fiber	F22C	FOCALL40DB12	CABLE FB-OPT ALL 40DB 12	F	12	Sgl	.40db	2,834.00	\$0.48
24	1	Fiber	F45C	FOCALL40DB12	CABLE FB-OPT ALL 40DB 12	F	12	Sgl	.40db	909.00	\$0.48
25	1	Fiber	F45C	FOCALL40DB12	CABLE FB-OPT ALL 40DB 12	F	12	Sgl	.40db	790.00	\$0.48
26	1	Fiber	F5C	FOCALL40DB18	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40db	5,276.00	\$0.48
28	1	Fiber	F5C	85CAVG	Underground Fiber Cable - Aver	F	60	Sgl	.40db	40.00	\$1.69
29	1	Fiber	F45C	845CAVG	Buried Fiber Cable - Average Siz	F	30	Sgl	.40db	25.00	\$0.50
31	1	Copper	45C	600B	26 Gauge Cable	D	600	26	B	20.00	\$2.92
32	1	Copper	45C	900B	26 Gauge Cable	D	900	26	B	950.00	\$4.29
33	1	Copper	45C	400B	26 Gauge Cable	D	400	26	B	325.00	\$2.07
34	1	Copper	45C	200B	26 Gauge Cable	D	200	26	B	1,700.00	\$1.04
35	1	Copper	12C	50A	26 Gauge Cable	D	50	26	R	190.00	\$0.38

22

TABC

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SECTION 4, TAB C

FLORIDA

UNBUNDLED SUB-LOOPS

CONVERSION OF CABLE SHEATH MATERIAL INVESTMENTS
TO DSO-EQUIVALENT MATERIAL INVESTMENTS

The Loop Investment Model stores cable investments at the actual price which BellSouth Telecommunications, Inc. currently pays for each cable type. The material investments are maintained at a "sheath foot" level and must be converted to a circuit-level (DSO-equivalent) material investment before loop costs can be developed.

The first step in developing a circuit-level cable investment is to determine the number of copper pairs which are typically utilized for a given cable. This is accomplished by applying the following state-specific projected actual utilization percentages to the cable size (# of pairs):

<u>Cable Type</u>	<u>Placement</u>	<u>Utilization Percentages</u>
Copper	Distribution	38.8%

For example:

349.2 pairs will typically be utilized in a 900 pair copper cable when it is placed as distribution.

The second step in developing a circuit-level cable material investment is to determine the number of DSO-level circuits supported by the utilized copper pairs as determined above. This is accomplished by applying the following typical DSO circuit counts to the number of utilized copper pairs:

<u>Cable Type</u>	<u>Placement</u>	<u>DSO Equivalent Circuits</u> <u>2-Wire</u>
Copper	Distribution	1.0

TAB D

:

The third step in developing a circuit-level cable material investment is to divide the sheath foot investment by the DS0-equivalent count for the cable and multiply the circuit-foot investment by the number of cable feet.

For example:

8 900 pair buried copper distribution cable investment: ^A \$ ^B per sheath foot

of DS0-equivalent circuits: $900 * 38.8\% = 349.2$

11 Conversion from sheath to circuit investment: $\$ / 349.2 = \$$

of cable feet: 950

14 Total circuit-level cable material investment: $950 * \$ = \$$

{Loop segment #32, Item #1 in the sample circuit data and results, Tab E}

SECTION 4, TAB D

FLORIDA

UNBUNDLED SUB-LOOPS

DEVELOPMENT OF INSTALLATION, ENGINEERING, ELECTRONIC EQUIPMENT
AND EXEMPT MATERIAL
INVESTMENTS ASSOCIATED WITH CABLE PLACEMENT

After developing circuit-level cable material investments, the model computes installation, engineering, and exempt material investments associated with cable placements. This is accomplished through the use of in-plant factors which are state and field reporting code specific.

For example:

	<u>Field Code</u>	<u>Investment Description</u>	<u>In-plant Factor</u>
14	45C	Telco Installation Labor - buried copper cable	[REDACTED]
16	45C	Telco Engineering Labor - buried copper cable	[REDACTED]
18	45C	Contractor Installation Labor - buried copper cable	[REDACTED]
20	45C	Exempt Material - buried copper cable	[REDACTED]
22	45C	Right-of-Way	[REDACTED]
23	Circuit-level cable investment: \$ [REDACTED] {950 ft. of 900 pair buried copper distribution cable; Loop Segment #32, Item #1 in the example circuit data and results, Tab E}		

Calculations:

28
29
32
35

Compute the Total Material Investment:
\$ [REDACTED] / (1-exempt material factor) = [REDACTED]

Exempt Material Investment:
Total material investment - Cable investment = [REDACTED]

Telco Installation Labor Investment:
Total material investment * Telco installation factor = [REDACTED]

5
Telco Engineering Labor Investment:

Total material investment * Telco engineering factor =
[REDACTED]

8
Contractor Installation Labor Investment:

Total material investment * Contr. install. factor =
[REDACTED]

11
Right-of-Way Investment:

Total material investment * ROW factor =
[REDACTED]

13
TOTAL INVESTMENTS FOR THIS CABLE SEGMENT:

45C [REDACTED]

TAB E

LOOP #: 2.00 STATE: FL SVC DESC: Florida Loop Survey Circuit CIRCUIT ID: 3053609149 CLLI: DRBHLMA
 CIRCUIT TYPE: V CIRCUIT LEVEL: DSO DESIGN: 3 CLASS OF SVC: RESIDENCE DLC & MUX LOADINGS: B
 ROUTE LENGTH: 52,908 ROUTE MILE: 10.02 AIR MILES: 6.16

Seq	Item	M/I	IRC	Pid	Type	Description	E/D	Size	Gz/Md	P/Db	Units	Unit Inv	Total Inv
1	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 60	F	60	Sgl	.40d	971		
1	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
1	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
1	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
1	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
1	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1		
2	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 60	F	60	Sgl	.40d	845		
2	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
2	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
2	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
2	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
2	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1		
3	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 60	F	60	Sgl	.40d	951		
3	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
3	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
3	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
3	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
3	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1		
3	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 60	F	60	Sgl	.40d	3,256		
4	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
4	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
4	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
4	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
4	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1		
5	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 60	F	60	Sgl	.40d	3,886		
5	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
5	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
5	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
5	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
5	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1		
6	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 36	F	36	Sgl	.40d	3,148		
6	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
6	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
6	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
6	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
6	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1		
7	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 36	F	36	Sgl	.40d	2,359		
7	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
7	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
7	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
7	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		

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LOOP #: 2.00 STATE: FL SVC DESC: Florida Loop Survey Circuit

CIRCUIT ID : 3053609149

CLLI : DRBHFLMA

CIRCUIT TYPE : V

CIRCUIT LEVEL : DS0

DESIGN : 3

CLASS OF SVC: RESIDENCE

DLC & MUX LOADINGS : B

ROUTE LENGTH: 52,908

ROUTE MILE: 10.02

AIR MILES: 6.16

Seq	Item	M/I	FRC	Pid	Type	Description	I/D	Size	Gg/Md	P/db	Units	Unit Inv	Total Inv
7	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1		
8	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 36	F	36	Sgl	.40d	4,653		
8	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
8	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
8	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
8	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
8	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1		
9	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 36	F	36	Sgl	.40d	3,757		
9	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
9	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
9	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
9	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
9	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1		
10	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 36	F	36	Sgl	.40d	62		
10	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
10	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
10	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
10	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
10	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1		
11	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 30	F	30	Sgl	.40d	2,860		
11	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
11	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
11	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
11	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
11	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1		
12	1	M	F22C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 30	F	30	Sgl	.40d	1,600		
12	2	M	F22C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
12	3	L	F22C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
12	4	L	F22C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
12	5	L	F22C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
12	6	B	1C	SUPPORT_L	DV	Pole ldg for aerial	F	n/a	n/a	n/a	1		
13	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 30	F	30	Sgl	.40d	240		
13	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
13	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
13	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
13	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
13	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1		
14	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40d	1,818		
14	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1		
14	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
14	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		

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LOOP #: 2.00 STATE: FL SVC DESC: Florida Loop Survey Circuit CIRCUI T ID : 3053609149 CLLI : DRBFLMA
 CIRCUI T TYPE : V CIRCUI T LEVEL : D50 DESIGN : 3 CLASS OF SVC: RESIDENCE DLC & MUX LOADINGS : B

ROUTE LENGTH: 52,908 ROUTE MILE: 10.02 AIR MILES: 6.16

dem	M/I	FRC	Pid	Type	Description	F/D	Size	Gg/Md	P/dth	Units	Unit Inv	Total Inv
14	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1	
14	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1	
15	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40d	1,652	
15	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1	
15	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1	
15	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1	
15	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1	
15	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1	
16	1	M	F45C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40d	700	
16	2	M	F45C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1	
16	3	L	F45C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1	
16	4	L	F45C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1	
16	5	L	F45C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1	
16	6	B	F45C	SUPPORT_L	DV	ROW ldg for buried	F	n/a	n/a	n/a	1	
17	1	M	F22C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40d	2,232	
17	2	M	F22C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1	
17	3	L	F22C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1	
	4	L	F22C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1	
	5	L	F22C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1	
17	6	B	1C	SUPPORT_L	DV	Pole ldg for aerial	F	n/a	n/a	n/a	1	
18	1	M	F22C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40d	509	
18	2	M	F22C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1	
18	3	L	F22C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1	
18	4	L	F22C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1	
18	5	L	F22C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1	
18	6	B	1C	SUPPORT_L	DV	Pole ldg for aerial	F	n/a	n/a	n/a	1	
19	1	M	F22C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40d	482	
19	2	M	F22C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1	
19	3	L	F22C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1	
19	4	L	F22C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1	
19	5	L	F22C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1	
19	6	B	1C	SUPPORT_L	DV	Pole ldg for aerial	F	n/a	n/a	n/a	1	
20	1	M	F45C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40d	572	
20	2	M	F45C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1	
20	3	L	F45C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1	
20	4	L	F45C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1	
20	5	L	F45C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1	
	6	B	F45C	SUPPORT_L	DV	ROW ldg for buried	F	n/a	n/a	n/a	1	
	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 12	F	12	Sgl	.40d	692	
21	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1	
21	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1	

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LOOP #: 2.00 STATE: FL SVC DESC: Florida Loop Survey Circuit CIRCUIT ID: 3053609149 CLLI: DRBHFMLA
 CIRCUIT TYPE: V CIRCUIT LEVEL: DS0 DESIGN: 3 CLASS OF SVC: RESIDENCE DLC & MUX LOADINGS: B

ROUTE LENGTH: 52.908 ROUTE MILE: 10.02 AIR MILES: 6.16

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
	Item	M/I	FRC	Pid	Type	Description	F/D	Size	Gg/Mid	P/Db	Units	Unit Inv	Total Inv	
21	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1			
21	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1			
21	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1			
22	1	M	F45C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 12	F	12	Sgl	.40d	2,604			
22	2	M	F45C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1			
22	3	L	F45C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1			
22	4	L	F45C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1			
22	5	L	F45C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1			
22	6	B	F45C	SUPPORT_L	DV	ROW ldg for buried	F	n/a	n/a	n/a	1			
23	1	M	F22C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 12	F	12	Sgl	.40d	2,834			
23	2	M	F22C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1			
23	3	L	F22C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1			
23	4	L	F22C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1			
23	5	L	F22C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1			
23	6	B	1C	SUPPORT_L	DV	Pole ldg for aerial	F	n/a	n/a	n/a	1			
24	1	M	F45C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 12	F	12	Sgl	.40d	909			
24	2	M	F45C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1			
24	3	L	F45C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1			
24	4	L	F45C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1			
24	5	L	F45C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1			
24	6	B	F45C	SUPPORT_L	DV	ROW ldg for buried	F	n/a	n/a	n/a	1			
25	1	M	F45C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 12	F	12	Sgl	.40d	790			
25	2	M	F45C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1			
25	3	L	F45C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1			
25	4	L	F45C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1			
25	5	L	F45C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1			
25	6	B	F45C	SUPPORT_L	DV	ROW ldg for buried	F	n/a	n/a	n/a	1			
26	1	M	F5C	FOCALL40D	DV	CABLE FB-OPT ALL 40DB 18	F	18	Sgl	.40d	5,276			
26	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1			
26	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1			
26	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1			
26	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1			
26	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1			
28	1	M	F5C	85CAVG	DV	Underground Fiber Cable - Average Size	F	60	Sgl	.40d	40			
28	2	M	F5C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1			
28	3	L	F5C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1			
28	4	L	F5C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1			
28	5	L	F5C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1			
28	6	B	4C	SUPPORT_L	DV	Conduit ldg for undg	F	n/a	n/a	n/a	1			
29	1	M	F45C	845CAVG	DV	Buried Fiber Cable - Average Size	F	30	Sgl	.40d	25			
29	2	M	F45C	EXEMPT_MA	DV	Exempt materials loadings	F	n/a	n/a	n/a	1			

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LOOP #: 2.00 STATE: FL SVC DESC: Florida Loop Survey Circuit CIRCUIT ID: 3053609149 CLLI: DRBHFLMA
 CIRCUIT TYPE: V CIRCUIT LEVEL: DSO DESIGN: 3 CLASS OF SVC: RESIDENCE DLC & MUX LOADINGS: B
 ROUTE LENGTH: 52,908 ROUTE MILE: 10.02 AIR MILES: 6.16

Seq	Item	M/I	FRC	Pid	Type	Description	I/D	Size	Gg/Md	P/db	Units	Unit Inv	Total Inv
29	3	L	F45C	INPLANT_E	DV	Telco engineering labor	F	n/a	n/a	n/a	1		
29	4	L	F45C	INPLANT_IN	DV	Telco installation labor	F	n/a	n/a	n/a	1		
29	5	L	F45C	INPLANT_C	DV	Contractor engineering & installation labor	F	n/a	n/a	n/a	1		
29	6	B	F45C	SUPPORT_L	DV	ROW ldg for buried	F	n/a	n/a	n/a	1		
36	1	B	257C	DLC Equipm	DV	COT Hardwire, common plugs, channel unit	F	n/a	n/a	CO	1		
36	2	B	257C	DLC Equipm	DV	MCE&P	F	n/a	n/a	CO	1		
36	3	B	20C	DLC Equipm	DV	Land	F	n/a	n/a	CO	1		
36	4	B	10C	DLC Equipm	DV	Building	F	n/a	n/a	CO	1		
36	5	B	257C	DLC Equipm	DV	RT hardwire, common plugs, channel unit	F	n/a	n/a	RT	1		
36	6	B	257C	DLC Equipm	DV	MCE&P	F	n/a	n/a	RT	1		
36	7	B	4C	DLC Equipm	DV	CEV	F	n/a	n/a	RT	1		
36	8	B	10C	DLC Equipm	DV	Hut	F	n/a	n/a	RT	1		
37	1	B	257C	MUX Equipm	DV	Multiplexer, DSX-1 Panel, fiber terminal	F	n/a	n/a	CO	1		
37	2	B	257C	MUX Equipm	DV	MCE&P	F	n/a	n/a	CO	1		
37	3	B	20C	MUX Equipm	DV	Land	F	n/a	n/a	CO	1		
37	4	B	10C	MUX Equipm	DV	Building	F	n/a	n/a	CO	1		
37	5	B	257C	MUX Equipm	DV	Multiplexer, DSX-1 Panel, fiber terminal	F	n/a	n/a	RT	1		
37	6	B	257C	MUX Equipm	DV	MCE&P	F	n/a	n/a	RT	1		
37	7	B	10C	MUX Equipm	DV	Building	F	n/a	n/a	RT	1		
37	8	B	4C	MUX Equipm	DV	CEV	F	n/a	n/a	RT	1		

INVESTMENT SUBTOTAL FOR INV TYPE: DV

INVESTMENT SUBTOTAL FOR FEEDER

Seq	Item	M/I	FRC	Pid	Type	Description	I/D	Size	Gg/Md	P/db	Units	Unit Inv	Total Inv
31	1	M	45C	600B	DV	26 Gauge Cable	D	600	26	B	20		
31	2	M	45C	EXEMPT_MA	DV	Exempt materials loadings	D	n/a	n/a	n/a	1		
31	3	L	45C	INPLANT_E	DV	Telco engineering labor	D	n/a	n/a	n/a	1		
31	4	L	45C	INPLANT_IN	DV	Telco installation labor	D	n/a	n/a	n/a	1		
31	5	L	45C	INPLANT_C	DV	Contractor engineering & installation labor	D	n/a	n/a	n/a	1		
31	6	B	45C	SUPPORT_L	DV	ROW ldg for buried	D	n/a	n/a	n/a	1		
32	1	M	45C	900B	DV	26 Gauge Cable	D	900	26	B	950		
32	2	M	45C	EXEMPT_MA	DV	Exempt materials loadings	D	n/a	n/a	n/a	1		
32	3	L	45C	INPLANT_E	DV	Telco engineering labor	D	n/a	n/a	n/a	1		
32	4	L	45C	INPLANT_IN	DV	Telco installation labor	D	n/a	n/a	n/a	1		
32	5	L	45C	INPLANT_C	DV	Contractor engineering & installation labor	D	n/a	n/a	n/a	1		
32	6	B	45C	SUPPORT_L	DV	ROW ldg for buried	D	n/a	n/a	n/a	1		
32	1	M	45C	400B	DV	26 Gauge Cable	D	400	26	B	325		
32	2	M	45C	EXEMPT_MA	DV	Exempt materials loadings	D	n/a	n/a	n/a	1		
33	3	L	45C	INPLANT_E	DV	Telco engineering labor	D	n/a	n/a	n/a	1		
33	4	L	45C	INPLANT_IN	DV	Telco installation labor	D	n/a	n/a	n/a	1		

NOTICE: Not for use or disclosure outside BellSouth except under written agreement.

LOOP #: 2.00 STATE: FL SVC DESC: Florida Loop Survey Circuit CIRCUIT ID: 3053609149 CLLI: DRBHFLMA
 CIRCUIT TYPE: V CIRCUIT LEVEL: DS0 DESIGN: 3 CLASS OF SVC: RESIDENCE DLC & MUX LOADINGS: B

ROUTE LENGTH: 52,908 ROUTE MILE: 10.02 AIR MILES: 6.16

ABC D	E	F	G	H	I	J	K	L	M	N		
cm	M/I	IRC	Pid	Type	Description	V/D	Size	Gg/Md	PV/db	Units	Unit Inv	Total Inv
33	5	L	45C	INPLANT_C	DV	Contractor engineering & installation labor	D	n/a	n/a	n/a	1	
33	6	B	45C	SUPPORT_L	DV	ROW ldg for buried	D	n/a	n/a	n/a	1	
34	1	M	45C	200B	DV	26 Gauge Cable	D	200	26	B	1,700	
34	2	M	45C	EXEMPT_MA	DV	Exempt materials loadings	D	n/a	n/a	n/a	1	
34	3	L	45C	INPLANT_E	DV	Telco engineering labor	D	n/a	n/a	n/a	1	
34	4	L	45C	INPLANT_IN	DV	Telco installation labor	D	n/a	n/a	n/a	1	
34	5	L	45C	INPLANT_C	DV	Contractor engineering & installation labor	D	n/a	n/a	n/a	1	
34	6	B	45C	SUPPORT_L	DV	ROW ldg for buried	D	n/a	n/a	n/a	1	
35	1	M	12C	50A	DV	26 Gauge Cable	D	50	26	R	190	
35	2	M	12C	EXEMPT_MA	DV	Exempt materials loadings	D	n/a	n/a	n/a	1	
35	3	L	12C	INPLANT_E	DV	Telco engineering labor	D	n/a	n/a	n/a	1	
35	4	L	12C	INPLANT_IN	DV	Telco installation labor	D	n/a	n/a	n/a	1	
35	5	L	12C	INPLANT_C	DV	Contractor engineering & installation labor	D	n/a	n/a	n/a	1	

INVESTMENT SUBTOTAL FOR INV TYPE: DV

INVESTMENT SUBTOTAL FOR DISTRIBUTION

LOOP MAKEUP INVESTMENT TOTAL:

TAB F

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SECTION 4, TAB F

FLORIDA

UNBUNDLED SUB-LOOPS

COMPUTATION OF AVERAGE LOOP INVESTMENTS BY CLASS OF SERVICE

After developing investments for each circuit with distribution facilities in the loop survey, investment dollars are totaled by field reporting code for Residence and Business circuits separately. The totals are then divided by the number of survey circuits for residence and business. The results represent the average or typical investment for each field reporting code for the average distribution portion of a Residence and Business circuit.

18 The weighted loop investment is developed by multiplying the average investment for Residence and Business by the percent of residence and business lines in service at the time the survey circuits were randomly selected for the loop survey. For example, the resulting average investment for aerial metallic cable (12C, 22C - distribution only) is [REDACTED] for the 2-Wire Sub-Loop (Distribution) study. (See Tab G, Spreadsheet, Line 116, Column D).

TAB G

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SECTION 4, TAB G

FLORIDA

UNBUNDLED SUB-LOOPS

OVERVIEW OF RECURRING COST SPREADSHEET METHODOLOGY

The following spreadsheets reflect the Unbundled 2-Wire and 4-Wire Sub-Loop (Distribution) loop costs. The cost methodology is as follows:

Cost Methodology:

- 1) The average investment (Column D) by Field Reporting Code (FRC) is provided by the loop investment model for Residence and Business. The average investment represents an average distribution investment per circuit. The average investment per circuit includes the appropriate state sales tax. The investments are then summed.

The spreadsheet provides a Weighted Average Residential and Business Loop Cost. The average investment (Column D) is developed by weighting the distribution average investment for Residence and the distribution average investment for Business by the respective residence or business percentage of access lines in service at the time the circuits were randomly selected for the loop survey.

- 2) Each average investment is multiplied by a levelized investment inflation factor to determine the forward-looking levelized investment over a three year period.
- 3) The annual TSLRIC associated with each investment is determined by multiplying the levelized investment by the TSLRIC annual cost factors. The annual cost for all FRCs is summed and then divided by 12 to determine the monthly cost.
- 4) The total levelized monthly cost includes a cost additive for computer-related costs.

	A	B	D	E	F	G	H
97							
98	TSLRIC - 100% Nonintegrated - 2-Wire Analog Voice Grade						
99	Weighted Residential & Business Loop Cost - DISTRIBUTION ONLY						
100							
101	State:	Florida					
102				Levelized		8/96	
103				Investment			
104			Average	Inflation	Levelized	Direct	Direct
105			Investment	Factor	Investment	ACF	Cost
106					(D*E)	0.1320	(F*G)
107							
108	Land	20C	\$ -	1.059	\$ -	0.1772	\$ -
109							
110	Buildings	10C	\$ -	1.059	\$ -	0.1951	\$ -
111							
112	Digital Circuit-Pair Gain	257C,D257C,F257C	\$ -	0.962	\$ -	0.2294	\$ -
113							
114	Poles	1C	\$ [REDACTED]	1.072	\$ [REDACTED]	0.2145	\$ [REDACTED]
115							
116	Aerial Cable-Metallic	22C, 12C	\$ [REDACTED]	1.061	\$ [REDACTED]	0.2778	\$ [REDACTED]
117							
118	Aerial Cable-Fiber	822C, D22C, F22C, T22C, F22C 812C, D12C,F12C,T12C	\$ -	1.003	\$ -	0.2081	\$ -
119							
120							
121	Underground Cable-Metallic	5C	\$ [REDACTED]	1.069	\$ [REDACTED]	0.2834	\$ [REDACTED]
122							
123	Underground Cable-Fiber	85C, D5C,F5C,T5C	\$ -	1.000	\$ -	0.2063	\$ -
124							
125	Buried Cable-Metallic	45C	\$ [REDACTED]	1.058	\$ [REDACTED]	0.2736	\$ [REDACTED]
126							
127	Buried Cable-Fiber	845C, D45C, F45C, T45C	\$ -	1.041	\$ -	0.2056	\$ -
128							
129	Submarine Cable-Metallic	6C	\$ -	1.054	\$ -	0.2338	\$ -
130							
131	Submarine Cable-Fiber	86C, D6C,F6C,T6C	\$ -	1.000	\$ -	0.2327	\$ -
132							
133	Intrabidg Ntwk-Metallic	52C	\$ [REDACTED]	1.069	\$ [REDACTED]	0.2253	\$ [REDACTED]
134							
135	Intrabidg Ntwk-Fiber	852C,D52C,F52C,T52C	\$ -	1.000	\$ -	0.2253	\$ -
136							
137	Conduit Systems	4C	\$ [REDACTED]	1.044	\$ [REDACTED]	0.1696	\$ [REDACTED]
138							
139	Aerial Drop	22C	\$ [REDACTED]	1.061	\$ [REDACTED]	0.2778	\$ [REDACTED]
140							
141	Buried Drop	45C	\$ [REDACTED]	1.058	\$ [REDACTED]	0.2736	\$ [REDACTED]
142							
143	Annual Total	Sum(D108.D141)	\$ [REDACTED]		\$ [REDACTED]		\$ [REDACTED]
144	Monthly Total						\$ [REDACTED]
145							
146	Monthly Computer Cost						\$ [REDACTED]
147							
148							
149							
150	Total Levelized Monthly Cost	Sum(H144.H148)					\$ [REDACTED]

	A	B	D	E	F	G	H	
1	Distribution							
2	TSLRIC - 100% Nonintegrated - 4-Wire Analog Voice Grade							
3	BUSINESS LOOP - DISTRIBUTION ONLY							
4								
5	State:	Florida						
6				Levelized				
7				Investment				
8			Average	Inflation	Levelized	8/96		
9			Investment	Factor	Investment	Direct	Direct	
10					(D*E)	ACF	Cost	
11						0.1320	(F*G)	
12	Land	20C	\$ -	1.050	\$ -	0.1772	\$ -	
13								
14	Buildings	10C	\$ -	1.050	\$ -	0.1951	\$ -	
15								
16	Digital Circuit-Pair Gain	257C,D257C,F257C	\$ -	0.992	\$ -	0.2294	\$ -	
17								
18	Poles	1C	\$ [REDACTED]	1.072	\$ [REDACTED]	0.2145	\$ [REDACTED]	
19								
20	Aerial Cable-Metallic	22C, 12C	\$ [REDACTED]	1.061	\$ [REDACTED]	0.2778	\$ [REDACTED]	
21								
22	Aerial Cable-Fiber	822C, D22C, F22C, T22C, F22C 812C, D12C, F12C, T12C	\$ -	1.003	\$ -	0.2081	\$ -	
23								
24								
25	Underground Cable-Metallic	5C	\$ [REDACTED]	1.069	\$ [REDACTED]	0.2634	\$ [REDACTED]	
26								
27	Underground Cable-Fiber	85C, D5C, F5C, T5C	\$ -	1.000	\$ -	0.2083	\$ -	
28								
29	Buried Cable-Metallic	45C	\$ [REDACTED]	1.058	\$ [REDACTED]	0.2736	\$ [REDACTED]	
30								
31	Buried Cable-Fiber	845C, D45C, F45C, T45C	\$ -	1.041	\$ -	0.2056	\$ -	
32								
33	Submarine Cable-Metallic	6C	\$ -	1.054	\$ -	0.2338	\$ -	
34								
35	Submarine Cable-Fiber	86C, D6C, F6C, T6C	\$ -	1.000	\$ -	0.2327	\$ -	
36								
37	Intrabldg Ntwk-Metallic	52C	\$ [REDACTED]	1.069	\$ [REDACTED]	0.2253	\$ [REDACTED]	
38								
39	Intrabldg Ntwk-Fiber	852C, D52C, F52C, T52C	\$ -	1.000	\$ -	0.2253	\$ -	
40								
41	Conduit Systems	4C	\$ [REDACTED]	1.044	\$ [REDACTED]	0.1686	\$ [REDACTED]	
42								
43	Aerial Drop	22C	\$ [REDACTED]	1.061	\$ [REDACTED]	0.2778	\$ [REDACTED]	
44								
45	Buried Drop	45C	\$ [REDACTED]	1.058	\$ [REDACTED]	0.2736	\$ [REDACTED]	
46								
47	Annual Total	Sum(D12..D45)	\$ [REDACTED]		\$ [REDACTED]		\$ [REDACTED]	
48	Monthly Total						\$ [REDACTED]	
49								
50	Monthly Computer Cost						\$ [REDACTED]	
51								
52								
53								
54	Total Levelized Monthly Cost	Sum(H48.H52)					\$ [REDACTED]	

SECTION 5

SECTION 5

FLORIDA

UNBUNDLED SUB-LOOPS

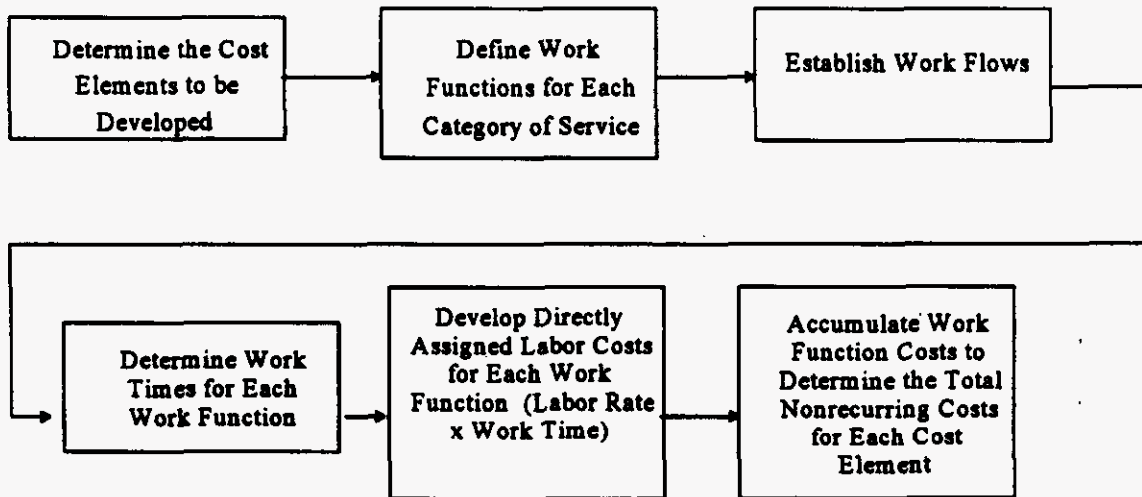
COST DEVELOPMENT - NONRECURRING

Nonrecurring TSLRIC are one-time costs incurred as a result of provisioning, installing, disconnecting and completion of orders initiated by a customer request for the Unbundled 2-Wire and 4-Wire Sub-Loops (Distribution). The Nonrecurring Cost Study is performed to determine the service inquiry, service order, provisioning and disconnect costs associated with the cost element. Calculations for the nonrecurring costs are included in this section.

Figure 5-1 shows a generalized flow of the steps necessary for developing nonrecurring costs. Each part of this flow will be explained in more detail in this section.

Figure 5-1

Generalized Flow Diagram for Developing Nonrecurring Costs



The first step in developing nonrecurring costs is to determine the cost elements to be studied. Each cost element is then described by all of the individual work functions required to provision the element. An example of a work function is the designing of a circuit in the Circuit Provisioning Group.

The work functions required to provide the Unbundled 2-Wire and 4-Wire Sub-Loops (Distribution) can be grouped into five categories. These are:

- 1) Service Inquiry
- 2) Service Order
- 3) Engineering
- 4) Connect and Test
- 5) Technician Travel Time

Work functions included in these categories range from clerical activities to installation activities. The work functions and work times involved in the provisioning of the Unbundled distribution sub-loops are identified by individuals knowledgeable about and/or responsible for performing the functions. These work functions and work times are then used to describe the flow of work within the various work centers involved in provisioning the element. †

A spreadsheet model is used to incorporate the specific work functions and labor rates. In order to arrive at the nonrecurring cost for the element studied, the work times for each work function required is multiplied by the appropriate leveled labor rate. The labor inflation factors (LIF) are used to bring the labor rates to the appropriate study period. The labor rates and the labor inflation factors are shown in Section 7. Next, the individual work function costs are accumulated into the installation cost for the cost element studied.

Utilizing work functions, work times, and labor rates, disconnect costs are calculated in the same manner as the installation costs. Since the labor costs will occur in the future, the current labor rates are inflated to that future period in time and then discounted to the present. The discounted disconnect cost is added to the installation cost and gross receipts tax is applied to develop the total nonrecurring cost.

Nonrecurring costs are calculated separately on a first and additional basis. "First" refers to the first item on a service order. "Additional" costs are the incremental costs of providing one or more duplicates of the first item on the same service order at the same time as the first.

The following workpapers reflect the cost development.

1 SUMMARY OF NONRECURRING TSLRIC

2
3
4
5

STATE: FLORIDA
WORKPAPER: 1100
PAGE: 1 OF 1
DATE: 27-Feb-97

6 2 WIRE DISTRIBUTION SUB-LOOP

7

8 (1996-1998 Level Incremental Costs)

9

A

B

C

D

10	11 DESCRIPTION	12 SOURCE	13 FIRST	14 ADDTL
13	Service Inquiry	WP1150 Col G LN16 thru LN17	[REDACTED]	[REDACTED]
14	Service Order	WP1150 Col G LN20 thru LN23	[REDACTED]	[REDACTED]
15	Engineering	WP1150 Col G LN26 thru LN27	[REDACTED]	[REDACTED]
16	Connect & Test	WP1150 Col G LN30 thru LN32	[REDACTED]	[REDACTED]
17	Technician Travel Time	WP1150 Col G LN35	[REDACTED]	[REDACTED]
18				
19				
20				
21				
22				
23				
24	Total Nonrecurring TSLRIC	Sum of LN13, LN15, LN17, LN19, LN21	[REDACTED]	[REDACTED]

1	DEVELOPMENT OF NONRECURRING TSLRIC											STATE:	FLORIDA
2	2 WIRE DISTRIBUTION SUB-LOOP											WORKPAPER:	1150
3												PAGE:	1 OF 1
4	LEVEL 1996 - 1998											DATE:	27-Feb-97
5												DISCOUNTED DISCONNECT FACTOR:	0.9080
6												GROSS RECEIPTS TAX FACTOR:	1.0152
7													
8													
9												(A)	(B)
10												(C)	(D)
11												(E)	(F)
12												(G)	
13												LEVELIZED	
14												INSTALL	DISCONNECT
15												DISCONNECT	DISCOUNTED
16												DISCOUNTED	TOTAL
17												TOTAL	TOTAL
18												WORKTIMES (HRS)	WORKTIMES (HRS)
19												DISCONNECT	DISCOUNTED
20												DISCOUNTED	TOTAL
21												DISCOUNTED	TOTAL
22												DISCOUNTED	TOTAL
23												DISCOUNTED	TOTAL
24												DISCOUNTED	TOTAL
25												DISCOUNTED	TOTAL
26												DISCOUNTED	TOTAL
27												DISCOUNTED	TOTAL
28												DISCOUNTED	TOTAL
29												DISCOUNTED	TOTAL
30												DISCOUNTED	TOTAL
31												DISCOUNTED	TOTAL
32												DISCOUNTED	TOTAL
33												DISCOUNTED	TOTAL
34												DISCOUNTED	TOTAL
35												DISCOUNTED	TOTAL
36												DISCOUNTED	TOTAL
37												DISCOUNTED	TOTAL
38												DISCOUNTED	TOTAL
39												DISCOUNTED	TOTAL

7/7

1 SUMMARY OF NONRECURRING TSLRIC

2
3
4
5

STATE: FLORIDA
 WORKPAPER: 1200
 PAGE: 1 OF 1
 DATE: 27-Feb-97

6 4 WIRE DISTRIBUTION SUB-LOOP

7

8 (1996-1998 Level Incremental Costs)

9
10

A

B

C

D

11 DESCRIPTION	12 SOURCE	13 FIRST	14 ADDTL
13 Service Inquiry	WP1250 Col G LN16 thru LN17	[REDACTED]	[REDACTED]
14 Service Order	WP1250 Col G LN20 thru LN23	[REDACTED]	[REDACTED]
15 Engineering	WP1250 Col G LN26 thru LN27	[REDACTED]	[REDACTED]
16 Connect & Test	WP1250 Col G LN30 thru LN32	[REDACTED]	[REDACTED]
17 Technician Travel Time	WP1250 Col G LN35	[REDACTED]	[REDACTED]
18 Total Nonrecurring TSLRIC	Sum of LN13, LN15, LN17, LN19, LN21	[REDACTED]	[REDACTED]

1	DEVELOPMENT OF NONRECURRING TSLRIC												STATE:	FLORIDA
2	4 WIRE DISTRIBUTION SUB-LOOP												WORKPAPER:	1250
3													PAGE:	1 OF 1
4	LEVEL 1996 - 1998												DATE:	27-Feb-97
5													DISCOUNTED DISCONNECT FACTOR: 0.8981	
6													GROSS RECEIPTS TAX FACTOR: 1.0152	
7													(A)	(B)
8													(C)	(D)
9													(E)	(F)
10													(G)	
11	INSTALL		DISCONNECT		LEVELIZED	INSTALL		DISCONNECT		DISCOUNTED		TOTAL	TOTAL	
12	WORKTIMES (HRS)		WORKTIMES (HRS)		DIRECTLY	COST (A*C)		COST (B*C)		DISCONNECT		(D + F)*GRT		
13	FIRST		ADDTL		ASSIGNED	FIRST		ADDTL		COST (E*DDF)		FIRST	ADDTL	
14	FIRST		ADDTL		LABOR RATE	FIRST		ADDTL		FIRST		ADDTL		
15	SERVICE INQUIRY													
16	CUSTOMER POINT OF CONTACT (ICSC)													
17	OUTSIDE PLANT ENGINEERING (OSPE)													
18														
19	SERVICE ORDER													
20	CUSTOMER POINT OF CONTACT (ICSC)													
21	NETWORK ADMINISTRATION **													
22	SPECIAL SVCS COORD & TESTING (SSC)													
23	INSTALL & MTCE (POTS)													
24														
25	ENGINEERING													
26	FACILITIES ASSIGNMENT (FACS)													
27	CIRCUIT PROVISIONING CENTER (CPC)													
28														
29	CONNECT & TEST													
30	CO INSTALL & MTCE (INTEL)													
31	SPECIAL SVCS COORD & TESTING (SSC)													
32	INSTALL & MTCE (POTS)													
33														
34	TRAVEL													
35	INSTALL & MTCE (POTS)													
36														
37	TOTAL NONRECURRING TSLRIC													
38														
39	** WORK TIME ASSOCIATED WITH IMC & NTKW SVCS CLERICAL REFLECTED IN NETWORK ADMINISTRATION													

46

SECTION 6

SECTION 6

FLORIDA

UNBUNDLED SUB-LOOPS

SPECIFIC STUDY ASSUMPTIONS

The cost studies for the Unbundled 2-Wire and 4-Wire Sub-Loops (Distribution) are based on TSLRIC methodology. Specific Network deployment strategies, first choice provisioning guidelines, and equipment purchasing information are used to develop the TSLRIC.

Cost study assumptions are as follows.

1. Forward-looking technology assumes that all copper placements will be 26 gauge cable.
2. Utilization of cable segments is applied as follows:

	<u>Cable Pair Utilization</u>
copper (distribution)	38.8% utilization

3. Study period of 1996 to 1998 based on 1995 investments and factors.
4. The cost of money is 13.2%.
5. The service order activities in this study assume manual interface with ALECs.
6. The Unbundled Sub-Loops (USLs) represented in this study are ordered separately from other Unbundled Network Elements (UNEs). No recombination of elements is assumed.

SECTION 7

SECTION 7

FLORIDA

UNBUNDLED SUB-LOOPS

FACTORS AND LOADINGS

Following are the TSLRIC annual cost factors, miscellaneous loadings and labor rates used in the Unbundled 2-Wire and 4-Wire Sub-Loop (Distribution) studies.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD
99	1995 FLORIDA														* FOR USE IN SERVICE COST STUDIES ONLY *										Rev 10-May 95				
100	ACCOUNT AVERAGE ANNUAL COST FACTORS																												
101	INCREMENTAL																												
102																													
103																													
104	field_code	depreciation	acfc_com	acfc_inc	tax	cap_exp	acfc_misce	acfc_adval	tax	admin_dir	acfc_oper_exp	acfc_grt_comb	tot_combined	acfc_grt_local	tot_local	acfc_grt_tot	tot_tot												
105		a	b	c		d	e	f		g	h	i	j	k	l	m	n												
106																													
107			13.2%			(a+b+c)					(e+f+g)	0.0152		0.0152		0.0152													
108												x (d+h)	(d+h+i)	x (d+h)	(d+h+k)	x (d+h)	(d+h+m)												
109	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
110	LAND	20C	0.0000	0.1118	0.0514	0.1832	0.0000	0.0113	0.0000	0.0000	0.0113	0.0027	0.1772	0.0000	0.0000	0.0000	0.0000	0.0182	0.0029	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1951
111	BUILDINGS	10C, 110C, 810C	0.0302	0.0086	0.0452	0.1740	0.0089	0.0113	0.0000	0.0000	0.0182	0.0029	0.2294	0.0000	0.0000	0.0000	0.0000	0.0202	0.0034	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2294
112	DIGTL CIRC-PAIR GAIN	257C,0257C,F257C	0.1134	0.0636	0.0288	0.2058	0.0089	0.0113	0.0000	0.0000	0.0202	0.0034	0.2145	0.0000	0.0000	0.0000	0.0000	0.0392	0.0032	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2145
113	POLES	1C, 811C	0.0671	0.0725	0.0326	0.1721	0.0279	0.0113	0.0000	0.0000	0.0392	0.0032	0.2778	0.0000	0.0000	0.0000	0.0000	0.0042	0.0042	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2778
114	AERIAL CA - METAL	22C, 12C, 802C	0.0917	0.0797	0.0338	0.2062	0.0671	0.0113	0.0000	0.0000	0.0884	0.0042	0.2081	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2081
115	AERIAL CA - FIBER	822C, 812C, 862C, 982C, D22C, F22C, T22C, D12C, F12C, T12C	0.0887	0.0784	0.0347	0.1798	0.0139	0.0113	0.0000	0.0000	0.0252	0.0031	0.2634	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2634
116	UNGROUND CA - METAL	5C, 805C	0.1036	0.0813	0.0342	0.2191	0.0291	0.0113	0.0000	0.0000	0.0404	0.0039	0.2063	0.0000	0.0000	0.0000	0.0000	0.0248	0.0031	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2063
117	UNGROUND CA - FIBER	85C, 885C, 985C, D5C, F5C, T5C	0.0828	0.0800	0.0358	0.1784	0.0135	0.0113	0.0000	0.0000	0.0856	0.0041	0.2736	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2736
118	BURIED CA - METAL	45C, 848C	0.0878	0.0809	0.0364	0.2039	0.0543	0.0113	0.0000	0.0000	0.0257	0.0031	0.2056	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2056
119	BURIED CA - FIBER	845C, 858C, 958C, D45C, F45C, T45C	0.0886	0.0816	0.0387	0.1788	0.0144	0.0113	0.0000	0.0000	0.0263	0.0035	0.2338	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2338
120	SUBMARINE CA-METAL	8C, 808C	0.0880	0.0814	0.0366	0.2029	0.0150	0.0113	0.0000	0.0000	0.0433	0.0034	0.2253	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2253
121	SUBMARINE CA-FIBER	88C, 888C, D8C, F8C, T8C	0.0881	0.0785	0.0340	0.1788	0.0320	0.0113	0.0000	0.0000	0.0433	0.0034	0.2253	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2253
122	INTRBLD NTWK-METAL	52C	0.0881	0.0785	0.0340	0.1788	0.0320	0.0113	0.0000	0.0000	0.0433	0.0034	0.2253	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2253
123	INTRBLD NTWK-FIBER	852C, D52C, F52C, T52C	0.0881	0.0785	0.0340	0.1788	0.0320	0.0113	0.0000	0.0000	0.0433	0.0034	0.2253	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2253
124	CONDUIT SYSTEMS	4C, 84C, 84C	0.0242	0.0877	0.0401	0.1620	0.0028	0.0113	0.0000	0.0000	0.0141	0.0025	0.1686	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1686

NOTE: Certain states in the BeltSouth region (GA & NC) assess gross receipts tax only on "local" revenues. For those states, it is necessary to publish "local", "private line and toll", and "combined" factors. Beware that the definitions of "local" and "private line and toll" are defined by the taxing authority for gross receipts tax purposes and may vary from state to state according to tax law.

For those states which assess gross receipts tax on local, private line, and toll revenues, the gross receipts tax factor is based on the overall effective tax rate.

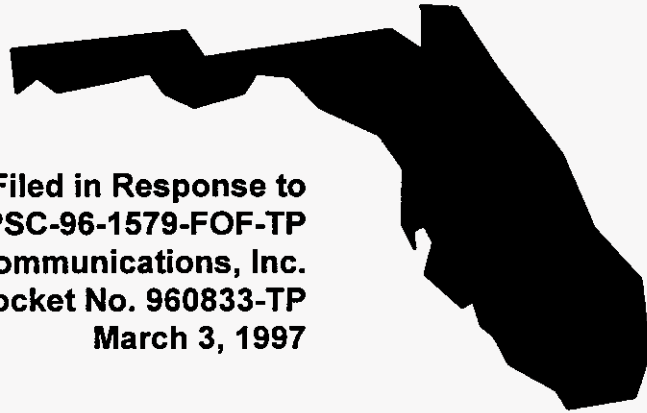
52

Investment Inplant Factors

A B C D E F G H I

	A	B	C	D	E	F	G	H	I
1	12C	FL	Aerial Cable - Metallic (Entrance Cable)						
2	22C	FL	Aerial Cable - Metallic						
3	248C	FL	Aerial Cable - Metallic (Service Drop)						
4	45C	FL	Buried Cable - Metallic						
5	52C	FL	Intrabldg Ntwk Cable - Metallic						
6	548C	FL	Buried Cable - Metallic (Service Drop)						
7	5C	FL	Underground - Metallic						
8	6C	FL	Submarine Cable - Metallic						
9	F12	FL	Aerial Cable - Non-Metallic (Entrance Cable)						
10	F22	FL	Aerial Cable - Non-Metallic (Distr)						
11	F45	FL	Buried Cable - Non-Metallic (Distr)						
12	F52	FL	Intrabldg Ntwk Cable - Non-Metallic (Distr)						
13	F5C	FL	Underground Cable - Non-Metallic (Distr)						
14	F6C	FL	Submarine Cable - Non-Metallic (Distr)						

FLORIDA



Filed in Response to
Order No. PSC-96-1579-FOF-TP
BellSouth Telecommunications, Inc.
Docket No. 960833-TP
March 3, 1997

NETWORK INTERFACE DEVICE ACCESS

***TSLRIC
COST STUDY
DOCUMENTATION
PROPRIETARY
SECTIONS A THRU 6***

FLORIDA
NETWORK INTERFACE DEVICE ACCESS
COST STUDY DOCUMENTATION

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SECTION 1	INTRODUCTION AND OVERVIEW
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SECTION 5	SPECIFIC STUDY ASSUMPTIONS
SECTION 6	FACTORS AND LOADINGS

SECTION A

SECTION A

FLORIDA

NETWORK INTERFACE DEVICE ACCESS

PROPRIETARY RATIONALE

The cost study for the Network Interface Device Access contains actual unit cost information for a discrete cost element. This cost reflects BellSouth's long run incremental cost of providing the element on a going forward basis. Public disclosure of this information would provide BellSouth's competitors with an advantage. The data is valuable to competitors and potential competitors in formulating strategic plans for entry, pricing, marketing and overall business strategies. This information relates to the competitive interests of BellSouth and disclosure would impair the competitive business of BellSouth. For these reasons, the Network Interface Device Access Cost Study is considered proprietary.

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SECTION 1

SECTION 1

FLORIDA

NETWORK INTERFACE DEVICE ACCESS

INTRODUCTION AND OVERVIEW

The Total Service Long Run Incremental Cost (TSLRIC) study for NID Access is being provided in response to Commission Order PSC 96-1579-FOF-TP issued December 31, 1996.

NID Access is designed to allow an Alternate Local Exchange Company (ALEC) the opportunity to connect its loop to the inside wire portion of BellSouth Telecommunications' (BST's) NID. It is expected that the ALEC will provision a loop and a NID to the customer's location. In these circumstances, the ALEC may perform a physical cross-connect of the inside wire to its loop. This will provide a communication pathway from the ALEC, through BST's NID, to the end user's inside wire.

In those cases where BST does not have a NID, but instead terminates its loop directly to the inside wire of the end user, BST will install a NID and (at the ALEC's request) will install a second NID for the ALEC. Also, the cross-connect from the BST NID to the ALEC NID will be provided.

These TSLRIC results are for the 1996-1998 study period.

SECTION 2

SECTION 2

FLORIDA

NETWORK INTERFACE DEVICE ACCESS

DESCRIPTION OF STUDY PROCEDURES

This section describes the general principles for the development of costs NID Access.

In determining costs, BellSouth uses direct incremental costing techniques that are in accordance with accepted economic theory. Direct incremental costs are based on cost causation and include all of the costs directly caused by expanding production, or, alternately, costs that would be saved if the production levels were reduced. The production unit may be an entire service or a unit of the service depending on the cost object involved. Costs for a service may include volume sensitive and/or volume insensitive costs. Costs are forward looking in nature because only future costs can be saved. Incremental costs are long run to assure that the time period studied is sufficient to capture all forward looking costs affected by the business decision. Shared and common costs are not incremental and, therefore, are not included. Incremental costs include both recurring (capital and operating expenses) and nonrecurring (service provisioning) costs. Incremental costs account for the expected change in cost to the firm resulting from a new service offering or a change in demand for an existing service. There are no recurring costs associated with NID Access.

DEVELOPMENT OF NONRECURRING COSTS

Nonrecurring costs are "one-time" costs incurred as a result of provisioning, installing, and disconnecting the offering. The first step in developing nonrecurring costs is to determine the cost elements related to the study. These cost elements are then described by all of the individual work functions required to provision the cost element. The work functions can be grouped into four categories. These are service request, review and close-out of service order, travel and installation. The work function times, identified by subject matter experts, are used to describe the flow of work within the various work centers. Installation and provisioning costs are developed by multiplying the work time for each work function by the directly assigned labor rate for the work group performing the function.

SECTION 3

SECTION 3

FLORIDA

NETWORK INTERFACE DEVICE ACCESS

SUMMARY OF RESULTS

This section contains a unit cost summary for the 1996 - 1998 TSLRIC for NID Access. Only nonrecurring costs are applicable.

	Nonrecurring Cost
Installation of 2 wire/4 wire NID	\$ 96.03
Cross Connect, 2 wire or 4 wire	\$ 8.73
Installation of Additional 2 wire/4 wire NID	\$ 41.70

SECTION 4

SECTION 4

FLORIDA

NETWORK INTERFACE DEVICE ACCESS

COST DEVELOPMENT - NONRECURRING

Nonrecurring costs are one-time costs incurred as a result of the service order and provisioning activities initiated by a customer request for the offering.

The first step in developing nonrecurring costs is to determine the cost elements to be studied. Each cost element is then described by all of the individual work functions required to provision the element. An example of a work function is the installation of a NID.

The work functions required to provide NID Access can be grouped into four categories. These are:

- 1) Service order processing of the customer's Service Request
- 2) Review and close-out service order
- 3) Travel
- 4) Installation

The basic process by which nonrecurring costs are calculated consists of combining unit work times with hourly costs of each specific service category. These labor times and service order related work times are multiplied by the directly assigned labor rates for the work groups performing the activities. The price of any associated material is added to the labor cost.

The following workpaper details the cost development.

SECTION 5

SECTION 5

FLORIDA

NETWORK INTERFACE DEVICE ACCESS

SPECIFIC STUDY ASSUMPTIONS

The cost study for NID Access is based on TSLRIC methodology.

Cost study assumptions are as follows:

1. The Alternate Local Exchange Company (ALEC) is allowed access to BellSouth's Network Interface Device where space capacity exists. BellSouth's loop will remain connected to the NID to be properly grounded and protected.
2. The cost of money applied is 13.2%
3. This cost study is based on a study period of 1996 to 1998 and incorporates 1995 investments and factors.

1.	2W/4W NETWORK INTERFACE DEVICE			STATE: FLORIDA	
2.	DEVELOPMENT AND SUMMARY OF NONRECURRING COST			WORKPAPER 1	
3.				PAGE 1 OF 1	
4.					
5.					
6.	INSTALLATION OF 2W/4W NID	HOURS	LABOR	COST	
7.					
8.	SERVICE REQUEST	JFC 2300	0.5	\$40.74	\$20.37
9.	REVIEW/CLOSE-OUT ORDER	JFC 410X	0.3	\$41.42	\$12.43
10.	TRAVEL	JFC 410X	0.5	\$41.42	\$20.71
11.	INSTALL NID	JFC 410X	0.6	\$41.42	\$24.85
12.					
13.	MATERIAL				
14.	GROSS RECEIPTS TAX FACTOR			1.0152	
15.					
16.	TOTAL COST	$(LN8+LN9+LN10+LN11+LN13) \times LN14$		\$96.03	
17.					
18.					
19.					
20.	PROVISION OF 2W/4W CROSS CONNECT	HOURS	LABOR	COST	
21.					
22.	PROVISION CROSS CONNECT	JFC 410X	0.2	\$41.42	\$8.28
23.					
24.	MATERIAL				
25.	GROSS RECEIPTS TAX FACTOR			1.0152	
26.					
27.	TOTAL COST	$(LN22+LN24) \times LN25$		\$8.73	
28.					
29.					
30.	INSTALLATION OF ADDITIONAL 2W/4W NID	HOURS	LABOR	COST	
31.					
32.	INSTALL NID	JFC 410X	0.6	\$41.42	\$24.85
33.					
34.	MATERIAL				
35.	GROSS RECEIPTS TAX FACTOR			1.0152	
36.					
37.	TOTAL COST	$(LN32+LN34) \times LN35$		\$41.70	
PRIVATE/PROPRIETARY					
Contains Private and/or Proprietary Information					
May not be used or Disclosed Outside The BellSouth Companies					
Except Pursuant to a Written Agreement.					

SECTION 6

SECTION 6

FLORIDA

NETWORK INTERFACE DEVICE ACCESS

FACTORS AND LOADINGS

Following are the labor rates and other factors used in the NID Access cost study.

Levelized 1996 - 1998 Directly Assigned Hourly Labor Rates:

	<u>JFC</u>	<u>1995</u>	<u>1996 - 1998</u>
Customer Point of Contact (ICSC)	2300	\$ 38.30	\$ 40.74
Network Technician	410X	\$ 38.94	\$ 41.42
Levelized Labor Factor			1.0638
Florida Sales Tax Rate (included in material)			0.06

Labor Levelization Factor
Base Year 1995

Labor Inflation Factors

1. 1996	1.031
2. 1997	1.034
3. 1998	1.035

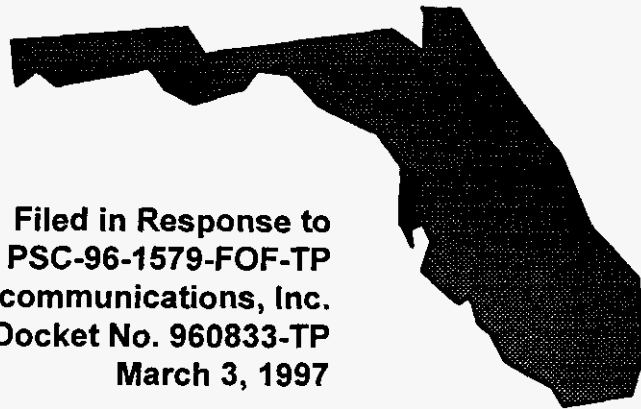
Present Worth Factors @ 13.20%

4. 1996	0.8834
5. 1997	0.7804
6. 1998	0.6894

Labor Levelization Factor

$$\frac{((LN1 \times LN4) + (LN1 \times LN2 \times LN5) + (LN1 \times LN2 \times LN3 \times LN6))}{(LN4 + LN5 + LN6)} \quad 1.0638$$

FLORIDA



Filed in Response to
Order No. PSC-96-1579-FOF-TP
BellSouth Telecommunications, Inc.
Docket No. 960833-TP
March 3, 1997

UNBUNDLED NETWORK INTERFACE DEVICE

***TSLRIC
COST STUDY
DOCUMENTATION***

PROPRIETARY

SECTIONS A THRU 7

**FLORIDA
UNBUNDLED NETWORK INTERFACE DEVICE
COST STUDY DOCUMENTATION**

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SECTION 1	INTRODUCTION AND OVERVIEW
SECTION 2	DESCRIPTION OF STUDY PROCEDURES
SECTION 3	SUMMARY OF RESULTS
SECTION 4	COST DEVELOPMENT - RECURRING
SECTION 5	COST DEVELOPMENT - NONRECURRING
SECTION 6	SPECIFIC STUDY ASSUMPTIONS
SECTION 7	FACTORS AND LOADINGS

SECTION A

SECTION A

FLORIDA

UNBUNDLED NETWORK INTERFACE DEVICE

PROPRIETARY RATIONALE

The Cost Study for the Unbundled Network Interface Device (NID) contains actual unit cost information for a discrete cost element. This cost reflects BellSouth's long run incremental cost of providing the element on a going forward basis. Public disclosure of this information would provide BellSouth's competitors with an advantage. The data is valuable to competitors and potential competitors in formulating strategic plans for entry, pricing, marketing and overall business strategies. This information relates to the competitive interests of BellSouth and disclosure would impair the competitive business of BellSouth. For these reasons, the Unbundled NID Cost Study is considered proprietary.

SECTION 1

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SECTION 1

FLORIDA

UNBUNDLED NETWORK INTERFACE DEVICE

INTRODUCTION AND OVERVIEW

The Total Service Long Run Incremental Cost (TSLRIC) study for the Unbundled NID is being provided in response to Commission Order PSC 96-1579-FOF-TP issued December 31, 1996.

The TSLRIC presented in this study are volume sensitive. The NID has no volume insensitive costs. Therefore, the Long Run Incremental Unit Costs (LRIC) and the TSLRIC are the same.

The Unbundled NID cost element represents the average cost of a terminating device at the end of a loop with drop wire which is located at the customer's premises. This cost does not represent a building entrance or intrabuilding termination. As ordered, the Alternate Local Exchange Company (ALEC) is allowed direct connection to the NID where spare capacity is available. BellSouth's loop will remain connected to the Unbundled NID.

The average NID investment includes material, installation, and travel for a typical buried or typical aerial termination. This investment is weighted by the occurrence of placement (aerial/buried) and service type (residence or business). In addition, the investment represents the termination of a single loop (one pair).

The recurring cost presented in this study is levelized for the 1996-1998 study period. Nonrecurring costs do not apply. Long run incremental costs are developed by using incremental loadings, annual cost factors based on 13.2% cost of money, and directly assigned labor rates.

SECTION 2

SECTION 2

FLORIDA

UNBUNDLED NETWORK INTERFACE DEVICE

DESCRIPTION OF STUDY PROCEDURES

This section describes the general principles for the development of TSLRIC supporting the Unbundled NID.

All costs are developed utilizing TSLRIC methodology. In determining this cost, direct incremental costing techniques are used that are in accordance with accepted economic theory. Direct incremental costs are based on cost causation and include all of the costs directly caused by expanding production, or, alternatively, costs that would be saved if the production levels were reduced. Costs may be volume sensitive and/or volume insensitive. LRIC include volume sensitive costs only, while TSLRIC include both volume sensitive and volume insensitive costs. For services with no volume insensitive costs, LRIC and TSLRIC are the same. Costs are forward-looking in nature because only future costs can be saved. Incremental costs are long run to assure that the time period studied is sufficient to capture all forward-looking costs affected by the business decision. Shared and common costs are not incremental and, therefore, are not included. Incremental costs include both recurring (capital and operating expenses) and nonrecurring (provisioning) costs. Incremental costs account for the expected change in cost to the firm resulting from a new service offering or from a change in demand for an existing service.

DEVELOPMENT OF RECURRING COSTS

The monthly costs to BellSouth Telecommunications, Inc., resulting from the capital investments necessary to provide a service are called recurring costs. Recurring costs represent a forward looking view of technology and deployment and include capital and operating costs. While capital costs include depreciation, cost of money, and income tax, operating costs are the expenses for maintenance and ad valorem, gross receipts, and other taxes. These expenses contribute to the ongoing cost to the Company associated with the initial capital investment.

The investment for the Unbundled NID includes material and labor for installation and travel. The investment is considered installed or inplant.

Levelized Inflation Factors for each specific plant account are applied to the installed investments to trend the base year, or study year, investments to levelized amounts that are valid for a three year planning period.

Next, Incremental Annual Cost Factors are used to calculate the direct cost of capital, maintenance and other operating expenses and taxes. Account specific factors for each Uniform System of Accounts - Field Reporting Code (USOA - FRC) are applied to levelized investments by account code, yielding an annual cost per account code. These costs are then summed and divided by twelve to arrive at a monthly cost per cost element.

SECTION 3

SECTION 3

FLORIDA

UNBUNDLED NETWORK INTERFACE DEVICE

SUMMARY OF RESULTS

This section contains a cost summary for the 1996 - 1998 TSLRIC of an Unbundled NID. Only recurring cost is applicable.

SUMMARY OF RESULTS

FLORIDA

UNBUNDLED NETWORK INTERFACE DEVICE

	A	B	C
	Monthly Cost	Nonrecurring Cost First	Nonrecurring Cost Additional
6 Unbundled Network Interface Device*	██████████	N/A	N/A

* Direct access to BellSouth's NID where spare capacity exists.

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No use or disclosure outside BELLSOUTH except by written
agreement.

SECTION 4

SECTION 4

FLORIDA

UNBUNDLED NETWORK INTERFACE DEVICE

COST DEVELOPMENT - TSLRIC - RECURRING

This section describes the development of the recurring TSLRIC for the Unbundled NID.

Generally, cost development is outlined in Section 2. Network architecture is determined, the necessary equipment is identified, material prices are obtained, factors, utilization and loadings are applied and the result is levelized for the study period. Annual cost factors are applied to convert the investment to cost.

The attached worksheet identifies the development of the Unbundled NID investment and cost.

	A	B	D	E	F	G	H	
1	UNBUNDLED NETWORK INTERFACE DEVICE							
2	TSLRIC							
3								
4	State:	Florida						
5								
6	COST DEVELOPMENT							
7								
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34	INVESTMENT DEVELOPMENT							
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SECTION 5

SECTION 5

FLORIDA

UNBUNDLED NETWORK INTERFACE DEVICE

COST DEVELOPMENT - NONRECURRING

Nonrecurring costs are not applicable to the Unbundled NID.

SECTION 6

SECTION 6

FLORIDA

UNBUNDLED NETWORK INTERFACE DEVICE

SPECIFIC STUDY ASSUMPTIONS

The cost study for the Unbundled NID is based on TSLRIC methodology.

Cost study assumptions are as follows.

1. The material investment represents the termination of a single loop in an average NID sized for residence or business customers.
2. The Alternate Local Exchange Company (ALEC) is allowed access to BellSouth's NID where space capacity exists. BellSouth's loop will remain connected to the NID to be properly grounded and protected.
3. The cost of money is 13.2%
4. This cost study is based on a study period of 1996 to 1998 and incorporates 1995 investments and factors.

SECTION 7

SECTION 7

FLORIDA

UNBUNDLED NETWORK INTERFACE DEVICE

FACTORS AND LOADINGS

Following are the TSLRIC annual cost factors, miscellaneous loadings and labor rates used in the Unbundled NID cost study.

FLORIDA
UNBUNDLED NETWORK INTERFACE DEVICE
FACTORS AND LOADINGS

Sales Tax Rate

0.06

1995 Directly Assigned Hourly Labor Rates

Installation and Maintenance

1995
\$38.94

1995

30-JUN-95

FLORIDA

ACCOUNT AVERAGE LEVELIZED INFLATION FACTORS
FOR FORWARD-LOOKING STUDIES

Land	20C	1.059
Building	10C, 110C, 810C	1.059
Gen Purpose Computer	530C, 630C, 730C, 830C	0.857
Analog Switch	77C, 877C, 977C	1.019
Digital Switch	377C, 887C	1.012
Operator Systems	117C, 417C	1.010
Radio	67C, 167C, 867C, 967C	1.059
Circuit-DDS	157C	0.978
Circuit-Digital Pair Gain	257C, D257C, F257C	0.962
Circuit-Other Digital	F357C, 857C, 957C 357C, T357C	0.970
Circuit- Analog Pair Gain	457C	1.000
Circuit-Other Analog	57C	1.050
Large PBX	158C, 258C	0.977
Public	298C, 988C, 998C 198C, 188C, 288C,	1.032
Other Terminal	358C, 368C, 378C, 558C 828C, 858C, 928C, 958C D958C, F958C	0.994
oles	1C, 811C	1.072
Aerial Cable-Copper	22C, 12C, 802C	1.061
Aerial Cable-Fiber	D22C, F22C, T22C, D12C, F12C, T12C, 812C 822C, 882C, 982C	1.003
Underground Cable-Copper	5C, 805C	1.069
Underground Cable-Fiber	985C, D5C, F5C, T5C 85C, 885C	1.000
Buried Cable-Copper	45C, 845C	1.058
Buried Cable-Fiber	D45C, F45C, T45C, 845C, 858C, 958C	1.041
Submarine Cable-Copper	6C, 806C	1.054
Submarine Cable-Fiber	86C, 886C, D6C, F6C T6C	1.000
Intrbidg Ntwk Cable-Copper	52C	1.069
Intrbidg Ntwk Cable-Fiber	852C, D52C, F52C, T52C	1.000
Aerial Wire	3C	1.000
Conduit	4C, 84C, 94C	1.044

1995 FLORIDA
ACCOUNT AVERAGE ANNUAL COST FACTORS
INCREMENTAL

* FOR USE IN SERVICE COST STUDIES ONLY *

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD			
	field_code	depreciation	excise_tax	excise_tax	cap_exp	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax	excise_tax			
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	
			13.2%		(a+b+c)				(e+f+g)	x (d+h)		(d+h+g)		0.0152																		
10	LAND	28C	0.0000	0.1110	0.0514	0.1632	0.0000	0.0113	0.0000	0.0113	0.0027	0.1772																				
11	BUILDINGS	18C, 118C, 810C	0.0000	0.0000	0.0452	0.1748	0.0000	0.0113	0.0000	0.0162	0.0020	0.1861																				
12	DIGTL CIRC-PAIR GAIN	287C, D057C, F257C	0.1134	0.0000	0.0000	0.2808	0.0000	0.0113	0.0000	0.0000	0.0034	0.2204																				
13	POLES	1C, 011C	0.0071	0.0725	0.0025	0.1721	0.0270	0.0113	0.0000	0.0302	0.0032	0.2146																				
14	AERIAL CA - METAL	22C, 12C, 802C	0.0017	0.0707	0.0000	0.2052	0.0571	0.0113	0.0000	0.0004	0.0042	0.2778																				
15	AERIAL CA - FIBER	022C, 012C, 802C, 802C, D22C, F22C, T22C, D12C, F12C, T12C	0.0007	0.0704	0.0047	0.1700	0.0430	0.0113	0.0000	0.0252	0.0031	0.2001																				
16	UNGROUND CA - METAL	9C, 808C	0.1000	0.0013	0.0042	0.2101	0.0201	0.0113	0.0000	0.0404	0.0030	0.2834																				
17	UNGROUND CA - FIBER	06C, 006C, 006C, D06C, F06C, T06C	0.0020	0.0000	0.0000	0.1704	0.0130	0.0113	0.0000	0.0240	0.0031	0.2083																				
18	BURIED CA - METAL	40C, 808C	0.0070	0.0000	0.0004	0.2000	0.0540	0.0113	0.0000	0.0060	0.0041	0.2738																				
19	BURIED CA - FIBER	040C, 004C, 004C, D40C, F40C, T40C	0.0000	0.0010	0.0000	0.1700	0.0144	0.0113	0.0000	0.0257	0.0031	0.2060																				
20	SUBMARINE CA - METAL	0C, 808C	0.0000	0.0014	0.0000	0.2040	0.0100	0.0113	0.0000	0.0203	0.0030	0.2330																				
21	SUBMARINE CA - FIBER	00C, 000C, D0C, F0C, T0C	0.0000	0.0014	0.0000	0.2020	0.0100	0.0113	0.0000	0.0203	0.0030	0.2327																				
22	INTRBLD NTWK - METAL	02C	0.0001	0.0700	0.0040	0.1700	0.0320	0.0113	0.0000	0.0433	0.0034	0.2253																				
23	INTRBLD NTWK - FIBER	002C, D02C, F02C, T02C	0.0001	0.0700	0.0040	0.1700	0.0320	0.0113	0.0000	0.0433	0.0034	0.2253																				
24	CONDUIT SYSTEMS	4C, 04C, 04C	0.0042	0.0077	0.0001	0.1630	0.0000	0.0113	0.0000	0.0141	0.0020	0.1800																				

NOTE: Certain states in the Southeast region (GA & NC) assess gross receipts tax only on "local" revenues. For these states, it is necessary to publish "local", "private line and toll", and "combined" factors. Be aware that the definitions of "local" and "private line and toll" are defined by the taxing authority for gross receipts tax purposes and may vary from state to state according to tax law. For those states which assess gross receipts tax on local, private line, and toll revenues, the gross receipts tax factor is based on the overall effective tax rate.

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