

DOCKET NO.: 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth's Telecommunications, Inc. service territory

DOCKET NO.: 990321-TP - Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Incorporated, Sprint-Florida, Incorporated, and GTE Florida, Incorporated, comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation.

WITNESS: **Rebuttal Testimony of Rowland L. Curry**
Appearing on Behalf of Staff

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[Confidential information in this version has been redacted.]

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1 REBUTTAL TESTIMONY OF ROWLAND L. CURRY

2 Q. Please state your name and business address.

3 A. My name is Rowland L. Curry. My business address is
4 1509 Mearns Meadow Blvd., Austin, Texas 78758.

5 Q. By whom are you employed and in what capacity?

6 A. I am self-employed as the Principal of Curry &
7 Associates, an independent telecommunications consulting firm.
8 For the purposes of this proceeding, I am working in partnership
9 with Gabel Communications, having been retained by the staff of
10 the Florida Public Service Commission. Dr. Gabel and I are
11 providing expert analysis of the costs of collocation elements
12 filed by BellSouth, Verizon, and Sprint in this proceeding.

13 Q. Please provide us with information regarding your
14 relevant experience.

15 A. Prior to beginning my consulting career in 2001, I
16 worked on the staff of the Public Utility Commission of Texas for
17 almost 25 years. In total, I have over 30 years experience in the
18 telecommunications industry, with work activities ranging from
19 technical circuit design to national telecommunications policy.
20 My vita is attached to this testimony as Exhibit RLC-1.

21 Q. Have you ever participated in proceedings before the
22 Florida Public Service Commission or other regulatory bodies?

23 A. I have not previously testified before the Florida
24 Public Service Commission. While employed on the staff of the

1 Texas PUC, I testified in, or was otherwise involved in hundreds
2 of proceedings. In addition, I have been involved as a consultant
3 in proceedings in Nevada, Texas, and Pennsylvania, as shown in my
4 vita.

5 Q. Which specific issues do you intend to address in this
6 testimony?

7 A. I have analyzed the cost studies filed by BellSouth
8 Telecommunications, Inc. ("BellSouth"), Verizon Florida Inc.
9 ("Verizon"), and Sprint-Florida, Inc. ("Sprint") in these
10 proceedings, specifically with regard to the provision of DC power
11 elements and related issues.

12 I will address the calculation and application of recurring and
13 non-recurring power charges by the three applicants in the
14 following sections.

15 Q. How does BellSouth propose to charge for DC power
16 elements?

17 A. BellSouth proposes to charge a monthly recurring rate
18 for power; they have computed a cost of \$7.28 rate per fused amp.¹
19 The cost, designated as H.1.8 in the BellSouth study, is designed
20 to recover the investment associated with BellSouth's DC power
21 plant (e.g., batteries and rectifiers) and monthly commercial AC
22 charges.² The costs and rates are identical for physical

¹ It should be noted that BellSouth has also developed a cost for DC power per used ampere, designated H.1.71.

² Direct Testimony of W. Bernard Shell, Exhibit WBS-3, Feb. 4, 2003.

1 collocation and virtual collocation; there are no discrete DC
2 power costs for adjacent or remote applications. BellSouth does
3 not propose to apply non-recurring charges for recovery of DC
4 power costs.

5 Q. How has BellSouth calculated the cost per fused amp?

6 A. BellSouth begins by entering a number of inputs or
7 assumptions into its BellSouth Cost Calculation (BSCC) Model,
8 including the average investment per amp requested, the average
9 monthly cost per kilowatt hour, the rectifier efficiency, and so
10 forth. The BSCC model then establishes a cost for this rate
11 element per ampere per month.

12 Q. What are your observations regarding the reasonableness
13 of the inputs and calculations?

14 A. I have concerns regarding the reasonableness of
15 BellSouth's input for "Average Investment per Fused Amp" used in
16 the cost study for H.1.8; which is the most critical of the inputs
17 in the cost calculations. I did not perform an in-depth review of
18 the BSCC model. I have not discovered significant irregularities
19 in other inputs and assumptions that go into the model.

20 Q. Can you be more specific about your concerns regarding
21 the average investment per fused amp?

22 A. Yes, I can. BellSouth's work papers contain a Florida-
23 specific "Sample of Power Construction for Collocation"³

³ File name: "H.1.8, H.1.71 & H.2.4.xls"

1 spreadsheet that shows power plant construction additions, ALEC-
2 dedicated cable costs, and DC amps requested for central offices
3 in which ALECs ordered collocation. On a separate work sheet in
4 the same data file, BellSouth shows "Regional Plant Construction
5 \$\$\$ / Amp", showing a total of \$***** per amp. BellSouth's
6 primary inputs are derived from this regional computation, by
7 multiplying the regional construction amount per amp by the
8 "Protection Device Adjustment" of **% for the H.1.8 study,
9 resulting in a construction cost per fused amp of \$****. The
10 latter adjustment accounts for the fact that protective devices
11 (fuses and circuit breakers) are normally sized at 150% of the
12 maximum amperage requested.

13 BellSouth has provided no sound basis for the regional
14 construction cost per ampere for this study. The adjacent,
15 Florida-specific work sheet in the same data file displays the
16 costs for power plant additions resulting from collocations in
17 Florida central offices, along with the additional ampere capacity
18 enabled by the construction. The construction costs vary widely,
19 and must be assumed to reflect the cost of construction additions
20 or augmentation of existing power facilities.

21 Q. Is there a clear pattern that emerges with regard to the
22 power facility costs?

23 A. No, there is no clear pattern or trend. Using the
24 BellSouth data, I calculated the construction cost per ampere for

1 each of the central office entities shown on the worksheet. The
2 results, shown on Exhibit RLC-2, range from zero (no construction
3 cost of power facilities for additional collocation amps) to
4 infinity (construction costs shown, but no collocation amps
5 requested). Discarding those obvious outliers, the costs per
6 ampere for 93 Florida central offices range from \$** to \$*****
7 per ampere.

8 Q. What is the reason for the extreme variation?

9 A. It is impossible to know for certain without examining
10 each of the projects and determining the specific reasons in each
11 case. However, it is intuitive that these construction costs
12 represent augmentation (rather than new placement) of power
13 facilities, and that some of the projects clearly go beyond the
14 isolated requirements for collocation. In one Miami central
15 office, for example, BellSouth reports that they spent more than
16 \$***** for power equipment on a request for collocation
17 involving less than ** amperes. For comparative purposes (using
18 Verizon and Sprint data provided in this proceeding⁴), that type of
19 power plant expenditure should produce approximately 1,000 amperes
20 of additional power capacity. In another instance, BellSouth was
21 able to provide a collocation request for *** amperes with no
22 construction expenditures shown. Power plant investments are
23 often characterized as "lumpy" investments, as are buildings and

⁴ See Verizon Exhibit BKE-1, sheet "DC Power Fac3-CS", Sprint Exhibit JRD-2, sheet "DC Power Plant Investment WP".

1 central offices in general. Additions generally exceed the
2 immediate, incremental need and as a result provide for future
3 utilization.

4 Q. Do you have other concerns regarding this input in the
5 BellSouth studies?

6 A. Yes, I do. Since BellSouth apparently developed this
7 input based on a sample of regional office power augmentations,
8 there is no singular relationship between specific power needs and
9 the cost of meeting those needs. Costs for collocation elements
10 should be established on TELRIC principles, not a sample of
11 embedded costs. The FCC's interconnection pricing order requires
12 that TELRIC cost estimates be obtained "by dividing the total cost
13 associated with the element by a reasonable projection of the
14 actual total usage of the element."⁵ By basing their primary cost
15 input for both of these studies on their augmentation sampling
16 methodology, BellSouth has not established an appropriate TELRIC
17 cost for actual usage.

18 The additional, obvious concern is that BellSouth used a
19 regional, rather than Florida-specific, average investment per
20 fused amp. Even if one were to accept the methodology of
21 averaging recent power projects, the company provided no back-up
22 data for the derivation of the regional investment.

⁵ *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, Report and Order, CC Docket No. 96-98, 11 FCC Rcd 15499 (1996), ¶682.

1 Q. What is your recommendation with respect to the
2 BellSouth calculation?

3 A. The Commission should require BellSouth to recalculate
4 their cost per fused ampere using a more accurate average
5 investment per fused amp. I recommend that BellSouth be
6 instructed to recalculate their average investment using an
7 incremental, building-block-of-capacity approach, using BellSouth-
8 specific investment data and Florida-specific weightings.⁶ The
9 result should be provided to the Commission for analysis and
10 approval. That critical input can then be loaded into the BSCC to
11 develop the resultant cost per fused amp.

12 Q. In your earlier response regarding Issue 6A, you
13 indicated that BellSouth and Sprint should be required to allow
14 their collocating customers the option to purchase power based on
15 the collocator's calculation of equipment power drain. What
16 impact will that have on BellSouth's calculations?

17 A. BellSouth already performed the calculation of DC power
18 cost per used ampere, as shown in cost element H.1.71. The
19 computations are identical to those used for cost element H.1.8,
20 with the exception that the **** multiplier is not used for
21 H.1.71. To the extent that BellSouth provides more suitable
22 support for the investment per ampere as an input to the BSCC
23 model, the revised cost should be easily derived.

⁶ It should be noted that Sprint uses an incremental methodology in the development of its power facility cost per amp in this proceeding.

1 Q. How does Verizon structure its tariff charges for DC
2 power for collocation?

3 A. Verizon uses a combination of non-recurring charges and
4 monthly recurring charges for the recovery of costs associated
5 with DC power facilities. The non-recurring charges are designed
6 to recover costs of engineering as well as the wire and cable to
7 the battery distribution fuse bay (BDFB). The monthly recurring
8 charge recovers the cost of the installed power plant
9 infrastructure, cabling from the main power board to the BDFB,
10 fuses and panels, and an allocated cost of commercial utility
11 service. As previously discussed, Verizon prices its power for
12 collocation on a per-amp-used basis, for each load amp ordered by
13 the ALEC.

14 Q. How are Verizon's monthly recurring costs calculated?

15 A. The recurring cost element, DC Power Facility, includes
16 the cost of materials and installation to provide DC power to the
17 collocator's area. Costs include power cables that deliver power
18 from the power plant to the BDFB, fuse panels, relay racks,
19 distribution bays, and a portion of the existing power plant
20 (batteries, rectifiers, backup generator, main fuse panel, etc.).

21 In its studies, Verizon used current estimates for power
22 plant equipment investments for central offices of varying sizes.
23 Verizon weights the cost of power plant equipment according to the
24 distribution of exchanges, by line size, within Florida. The

1 company also develops a cost of providing power cable from the
2 main power distribution board to a battery distribution fuse bay
3 (BDFB) in the collocator's area. Verizon's study is contained in
4 standard spreadsheets, and the process is reasonably easy to
5 follow. Many of the inputs and estimated costs of equipment and
6 labor are provided by Verizon's GTEAMS, a company-wide accounting
7 system.

8 Q. Have you reviewed Verizon's methodology and calculations
9 for their recurring costs and rates, and have you formed general
10 opinions regarding their study?

11 A. The company's methodology uses largely embedded
12 investments and data to compute costs. Although the model is
13 "open", in that it can be easily followed on standard
14 spreadsheets, much of the supporting information, inputs, and
15 assumptions are obtained from Verizon's GTEAMS system. As I
16 discuss in this testimony, there are outputs from the GTEAMS
17 system that do not appear reasonable, but a comprehensive
18 examination of GTEAMS has not been possible within the scope of
19 this project.

20 Q. Have you identified specific issues in Verizon's
21 recurring cost studies that should be addressed?

22 A. Yes, I would highlight the following specific power cost
23 development elements within Verizon's recurring cost studies that
24 I have identified as being in error or overstated:

- 1 • The EF&I cost of power per ampere.
- 2 • The installation charge ratios for power cables.
- 3 • The annual cost factor for power equipment.

4 Q. Please discuss your concerns with respect to the EF&I
5 cost of power per ampere.

6 A. The EF&I (Engineered, Furnished, & Installed) cost of
7 power per ampere appears to be overstated, and Verizon's
8 computations contain a number of unsubstantiated assumptions and
9 inputs. Because of the confidential nature of these studies, I
10 will describe my concerns in general terms, but with enough
11 specificity that the reader may follow the description within the
12 confidential worksheets.

- 13 • Referring to Verizon's cost calculations on Sheet DC Power
14 Fac 4-CS, the company uses an installation ratio to
15 calculate the cost of installing power facilities up to an
16 office line size of approximately 20,000 lines. Rather
17 than continue the use of the same installation ratio for
18 larger offices, the calculation inexplicably shifts to a
19 larger multiplier, doubling, and then tripling the
20 installation cost of power facilities for larger offices
21 (see cells D38 and D39). The company provides no support
22 for the larger multiplier, but the effect is to
23 significantly increase the installed cost of power
24 facilities for larger offices, which should benefit from

1 the economy of scale in providing a larger number of
2 amperes for service to a larger number of customer lines.
3 In addition, since the company's weighted (per line)
4 average cost per ampere is heavily weighted toward the
5 larger central offices, overstated costs in those larger
6 offices will skew the overall company cost upward. Unless
7 the company can provide persuasive arguments for the
8 expanding installation costs, the computations should be
9 recalculated using the same installation ratio as used for
10 medium-sized offices.

11 • Referring to Verizon's cost calculations on Sheet DC Power
12 Fac 3-CS, the company inserts amperage assumptions into
13 cells B11 through B14 that purport to represent the amount
14 of amperage capacity produced by the power plant investment
15 shown. In order for the calculations to be correct, the
16 amperage capacity must be the *highest* amount that can be
17 produced from the power plant that costs the amount shown.
18 Verizon has provided no information on the source of that
19 data. The data are critical, as they are used to derive
20 the installed cost per ampere of the power plant. By way
21 of comparison, the amperage capacities used by Verizon are
22 not consistent with those used by Sprint in their
23 worksheets, and Verizon's installed cost per ampere of its
24 larger power facilities is approximately 1.7 times the cost

1 per ampere calculated by Sprint in its studies. The
2 Commission should require Verizon to provide additional
3 support for the maximum amperage capacity of the power
4 facilities for which it has developed plant investment in
5 this study.

6 Q. Can you describe what is involved in pulling power
7 cable, and how Verizon has calculated the cost of that activity?

8 A. This activity basically consists of pulling a large
9 power cable (up to approximately 1 inch in diameter) from its
10 shipping reel up into the appropriate cable rack location, and
11 securing it to the cable rack. Power cables are pulled in pairs
12 or quads, as there must be two conductors for the power circuit,
13 and there should be two power feeds for redundancy.

14 Verizon splits the cost of providing power cable into two
15 components. The cost of cabling from the main power board to the
16 BDFB is included in the recurring monthly rate for DC Power
17 Facilities. The cost of cabling from the BDFB to the collocator's
18 area is included in the non-recurring charge for DC Power - Cable
19 Pull & Termination.

20 Verizon uses two different methods to calculate the
21 installation labor charges for installing the power cables. For
22 the recurring cost study, Verizon has used an installation charge
23 ratio that is applied to the cable material cost to calculate the
24 cost of installation. For the non-recurring cost study, Verizon

1 proposes a labor-hour-per-foot method to calculate the cost of
2 installing the same type of cable. As I will discuss below, I
3 believe both methods provide erroneous results.

4 Q Please discuss your concerns with respect to the
5 installation charge ratios for power cables in this study.

6 A. The cost of power cables from the main power board to
7 the BDFB is included in Verizon's monthly recurring charges for DC
8 Power Facilities, and their underlying cost studies. While the
9 cost of the cables themselves appears reasonable, the ratios used
10 to calculate the cost of installation are overstated. Using the
11 company's installation ratio of *****, the cost for pulling 20
12 power cables for a distance of **** feet would be \$*****,
13 which - using a \$50 loaded labor rate - equates to over ****
14 hours.

15 Q. How are the company's installation ratios calculated,
16 and are they based on objective or quantitative information?

17 A. Verizon relies on estimates provided by subject matter
18 experts (SMEs) who are typically requested to provide an average
19 time estimate associated with a task. As discussed in more depth
20 in Dr. Gabel's testimony, cost estimates by SMEs have been found
21 to be subjective or biased by state regulators and the FCC. In my
22 opinion, the Commission should review SME estimates closely,
23 comparing those estimates to known, objective data sources if
24 available, and to the basic test of reasonableness.

1 Q. Is there a more reasonable estimate available for the
2 installation charge ratio?

3 A. By way of comparison, the RS Means database indicates
4 that a three-person crew should be able to install 100 feet of 750
5 MCM power cable in 5 labor-hours, or 1.66 hours per cable.⁷ Thus,
6 to install 20 cables at *** feet in length would require
7 approximately *** labor-hours, according to the Means data, at a
8 cost of approximately half of the installation cost (using
9 Verizon's loaded labor rate) estimated by Verizon.

10 Q. Please discuss your concerns with respect to the annual
11 cost factor for power equipment in Verizon's cost study

12 A. The annual cost factor for power equipment appears high,
13 in part as a result of the revised depreciation rates proposed by
14 Verizon witness Mr. Sovereign. The annual cost factors should be
15 adjusted to reflect the current plant life and salvage decisions
16 of the Florida PSC. The annual cost factor should also be revised
17 to reflect other adjustments, such as the cost of capital, which
18 will be addressed in other portions of staff testimony.

19 Q. What non-recurring rate elements for power facilities
20 are proposed by Verizon, and how are their costs calculated?

21 A. Verizon proposes three elements for non-recurring costs
22 and rates with respect to DC power: Engineering, Cable Pulls &
23 Terminations, and Ground Wire. According to Verizon witness Ms.

⁷ *Building Construction Cost Data, 61st Annual Edition* (2003), R.S. Means Company, ("Means 2003 Data"), p. 459, 16120-900-0900.

1 Ellis, the engineering time associated with the provisioning of
2 power is based on Verizon's experience, and includes checking
3 power requirements for available power, drafting a work order,
4 ordering equipment and materials, updating records, and closing
5 the work order once the work activity has been completed.

6 The second non-recurring cost element, Cable Pulls &
7 Terminations, includes the material and labor involved in pulling
8 the power cable from the Battery Distribution Fuse Bay (BDFB) to
9 the collocator's specific location. It should be noted that the
10 collocator may purchase the power cable from Verizon or provide
11 the cable for Verizon to install. (Separate power cable rates are
12 available if the cable is purchased from Verizon.) The Verizon
13 cost study relies on GTEAMS data and estimates of work activity
14 times by subject matter experts.

15 In order to terminate the power cable, a connector tap must
16 be placed on each end of the cable. The termination cost includes
17 the cost of the connector tap and the time to place the tap. The
18 placement of the tap is based on the Central Office Equipment
19 Installer's estimated hours per unit (HPUs).

20 The third non-recurring rate and cost calculation is for the
21 ground wire - #6 American Wire Gauge (AWG) - that is used in
22 grounding the relay rack or cabinet to the floor ground bar. The
23 source of the cost per linear foot, according to Verizon witness
24 Ms. Ellis, is the GTEAMS database.

1 Q. Have you reviewed the cost studies for the non-recurring
2 power elements, and if so, what opinions have you formed with
3 respect to those studies?

4 A. I have briefly reviewed the rates and costs for the
5 engineering and ground wire elements. These charges are
6 relatively low when compared to other Verizon non-recurring
7 charges, and as a result, my review of these elements has been
8 cursory. I found no significant errors in my examination of the
9 cost calculation for these two elements.

10 Q. Have you reviewed the calculations involved in the third
11 element, Cable Pulls & Terminations, and if so, what are your
12 findings?

13 A. Yes, I have. In a number of instances, the costs or
14 time estimates appear high, and should be modified. Specifically,
15 I am concerned about the estimated time for pulling the power
16 cables from the BDFB to the collocation area, and the cost of the
17 fittings used to terminate or connect the cables at their ends.

18 Q. You have previously described cable installations, and
19 the differences in the methodologies proposed by Verizon for
20 calculating their installation cost. What specific concerns do
21 you have regarding the calculation of non-recurring costs?

22 A. As I mentioned previously, for the purpose of
23 calculating non-recurring costs, Verizon uses an estimate of the
24 time required per foot to install power cable. Verizon's

1 estimated time for an installer to pull power cable is ****
2 minutes per foot, per cable. The company has determined that the
3 appropriate length of a "typical" cable pull from the BDFB to the
4 collocation area is **** feet for the purpose of calculating non-
5 recurring costs and rates for the activity. For the two cables
6 needed for the typical installation (**** feet) Verizon's
7 estimates would allow the installer ***** hours, which is simply
8 not credible. It is neither plausible nor defensible that even
9 the slowest of workers would be allowed almost a week to pull two
10 cables that distance.

11 Q. What is a more reasonable estimate of the cost or time
12 required to install this power cable?

13 A. The estimate should be adjusted downward such that the
14 installation time is 3 minutes per foot per cable. RS Means data
15 indicate, as discussed earlier, that a crew of three installers
16 should be able to install a 750 MCM power cable over a distance of
17 100 feet in 5 labor-hours. The resulting time requirement per
18 foot is 3 minutes. The use of this lower input value will result
19 in a more reasonable expectation that the placement of two ****
20 foot cables would take ***** labor-hours. For a crew of three
21 persons, then, this task should take a little over ***** hours.

22 Q. What are your concerns about Verizon's estimate of the
23 cost of connector taps for the power cables?

1 A. The cost of a 750 MCM connector tap - used as an element
2 to develop cable costs on worksheet DC Power Fac 5-CS - is
3 *****, based on Verizon's GTEAMS data base. The cost of that
4 simple piece part is clearly exaggerated, and should be reduced to
5 a more reasonable amount. For comparative purposes, R. S. Means
6 estimates the cost of a 500 MCM connector tap at \$17.40.⁸ Verizon
7 should be instructed to obtain price quotes from at least two
8 unaffiliated vendors for this component, and adjust their studies
9 accordingly.

10 Q. Are there other non-recurring rate and cost elements
11 that are related to the provision of DC power that you have
12 reviewed?

13 A. Yes, my review of Verizon's other non-recurring cost
14 studies reveals a number of estimates that I do not believe are
15 reasonable. The Commission should instruct Verizon to adjust
16 these elements and recompute the results.

17 • Verizon's calculation of costs for a cage grounding bar
18 (including the mounting and cabling costs) are extremely
19 high.

20 o As discussed in a previous section, Verizon's time
21 estimates for placing power cable are very high, at
22 **** minutes per foot, which results in an estimate of
23 ***** hours to run the **** foot cable for this

⁸ Means 2003 Data, p.457, 16120-230-3800.

1 activity. A more reasonable estimate would be 3
2 minutes per foot, as calculated previously from the RS
3 Means data, resulting in an estimate of ***** hours
4 to place this cable. It should be noted that Verizon
5 elsewhere states that the R.S. Means cost of pulling
6 ***** feet of ground cable for the floor ground bar is
7 only \$***,⁹ while the amount proposed by Verizon for
8 this component is \$***.

9 o In another estimate within the same cage grounding bar
10 element, Verizon estimates the time required to mount
11 the ground bar to the cage to be ***** hours. That
12 estimate appears excessive. The company should be
13 required to provide additional documentation in the
14 form of time-and-motion study on this activity;
15 otherwise the time allocated to this operation, for
16 the purpose of cost calculations, should be set to one
17 hour.

18 Q. Do you have additional issues to address regarding
19 Verizon's power cost calculations?

20 A. Yes. Because of Verizon's flat-rated non-recurring
21 charge for DC Power-Cable Pull & Termination, the company has made
22 certain assumptions as to the lengths of cable to be used to
23 connect the collocator's equipment to the Verizon power plant.

⁹ See worksheet "Floor Ground Bar-CS", Exhibit BKE-1, P 156 of 235.

1 Verizon has not addressed any separate calculations or rates to be
2 applied in a remote office application. To the extent that
3 Verizon uses the same assumed power cable length, and other
4 factors, for remote office applications, the costs may not be
5 accurate. The Commission should require Verizon to provide
6 substantiation of costs for any rates that may be applicable in a
7 remote office scenario.

8 Q. How does Sprint structure its tariff charges for DC
9 power for collocation?

10 A. According to Sprint witness Mr. Davis, the DC Power
11 category includes monthly recurring charges for use of the DC
12 power plant along with the commercial AC power that is converted
13 to DC power. In addition, a monthly recurring charge is assessed
14 for "recurring expenses related to the power cable connection."
15 Further, The DC power category also includes non-recurring charges
16 for DC power cable connections from the main power board or BDFB
17 to the ALEC's collocation space. The rate structure for DC power
18 cable connections of 100 and 200-amps includes a base charge for
19 connections up to a 110 linear feet and a per foot additive cable
20 runs in excess of 110 feet. Power costs and charges apply to both
21 physical and virtual collocation.

22 Q. How are Sprint's costs developed for the power rate
23 elements?

1 A. According to Sprint Witness Mr. Davis, the cost of the
2 DC power plant is determined on a TELRIC basis. That is, it is a
3 forward-looking cost, determined using current technology,
4 equipment prices, installation costs and assumes that the power
5 plant is built all at one time. This allows for economies of
6 scale as it relates to labor charges.

7 Sprint used vendor quotes to establish investment data for
8 six sizes of power facilities. The investment per ampere was then
9 weighted according to Sprint's Florida deployment.

10 For the purpose of determining the cost for non-recurring
11 cable elements, the study indicates that the components of power
12 cable connection cost were determined based on recent actual work
13 activities and contractor quote data. A miscellaneous materials
14 additive was also determined from a study of recent work
15 activities for power installations. Standard power cable
16 distances from the power source to the collocation arrangement
17 were determined from a study of actual distances from a sample of
18 central offices.

19 Q. Have you reviewed Sprint's cost methodology and
20 calculations, and have you formed opinions on their study?

21 A. For the most part, Sprint's costing methodologies and
22 explanations appear reasonable. As with the other carriers'
23 studies, I am concerned primarily with specific assumptions and

1 inputs that go into the studies. The following elements should be
2 modified within Sprint's studies:

3 • The cost of company engineering is estimated at a
4 minimum of **** hours, or almost two weeks. This
5 estimate appears high, especially when the actual power
6 plant engineering has already been included as a
7 contract expense. The company should be instructed to
8 provide additional justification for the power
9 engineering estimate.

10 • Sprint has developed cost estimates for DC power
11 connections of varying capacities. The principal
12 concern I have with respect to all of these studies is
13 the company's material price of power cables. In the
14 table below, I show a comparison of power cable material
15 costs:

16

Type	Sprint	R.S. Means	Verizon	Southwire
1/0 AWG	****	\$0.75	-	\$0.78
4/0 AWG	****	\$1.43	-	\$0.96
250 MCM	****	\$1.72	-	\$1.84
750 MCM	****	-	\$4.35	\$5.66

17

18

As can be seen from this table, Sprint's material costs
19 appear to range from 60% to over 200% above comparable cable

¹⁰ Sources of comparative data: Sprint, JRD-2, pp84-87; RS Means - Means 2003 Data, 16120-900; Verizon, BKE-1, Page 156 of 235, Floor Ground Bar-CS; Southwire Building Wire Products-Price Sheet, www.southwire.com, March 3, 2003.

1 prices. The Commission should instruct Sprint to obtain fresh
2 material quotes from at least two unaffiliated vendors and
3 recalculate all costs that involve power cabling.

4 Q. Are there other rate and cost elements that are related
5 to the provision of electrical power that you have reviewed?

6 A. Yes, Sprint has included the cost of a ground bar in the
7 worksheets for the calculation of floor space. The cost appears
8 excessive at *****, and is not backed up with underlying
9 support, but is presented as an input. The Commission should
10 instruct Sprint to obtain fresh quotes from at least two
11 unaffiliated vendors and recalculate the costs that rely on the
12 ground bar estimate.

13 Q. Does this conclude your direct testimony in this
14 proceeding?

15 A. Yes, it does.

**Attachment RLC-1
Vita - Rowland L. Curry**

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Education, Registration

Bachelor of Science in Electrical Engineering
Texas Tech University, 1969

Assorted short courses, post-graduate, management courses 1969 - 2001

Registered Professional Engineer in Texas (#37301)

Professional Experience

Rowland L. Curry Consulting (dba Curry & Associates) August 2001 – Present

Client Listing

Regulatory Commission of Alaska
Pennsylvania Office of Consumer Advocate
Rhoads & Sinon Group, Universal Service Administrative Company
Patricia Pinto (federal litigation)
City of Plano
Las Vegas Metropolitan Police Department, Clark County, Nevada

Public Utility Commission of Texas; November 1976 – July 2001

Chief Engineer, Office of Policy Development; October 1995 – July 2001

Monitored FCC proceedings; prepared filings on behalf of PUC

Served as senior advisor to PUC Commissioners on telecommunications issues

Acted as Co-Arbitrator in significant DSL interconnection proceeding, Docket No. 20226

Appointed as representative on Federal-State Joint Board on Universal Service

Elected as Chairman of NARUC Staff Subcommittee on Telecommunications

Division Director, Telephone Division; October 1988 – October 1995

Managed staff of up to 40 professional and clerical staff; accountants, engineers, economists in analysis of telecommunications issues and rate cases

Primary role on senior management team of advising Commissioners, Legislative staff

Involved in Implementation of Relay Texas program for deaf and hearing-impaired

Part of senior team in negotiation of large rate cases, including SWBell's last rate case

Division Director, Operations Review Division; October 1986 - October 1988

Managed staff of 15 professional and clerical staff
Responsibility for management audits, financial analysis, telephone service quality
Developed earnings monitoring program for regulated utilities
Appointed to Federal-State Joint Boards on Separations, Alaska Rate Integration

Assistant Director, Telephone Division; February 1983 – October 1986

Supervised staff in evaluation of telephone cases
Testified as expert witness in formal proceedings
Case coordinator on Southwestern Bell rate case in 1985

Engineer, Engineering & Enforcement Division; November 1976 – February 1983

Developed and implemented program for telephone service quality evaluation
Testified as expert witness in cases involving service quality, depreciation, costs, tariffs
Served as Chairman, NARUC Staff Subcommittee on Telephone Service Quality

General Telephone Company (now Verizon); January 1971 – October 1976

Transmission and Protection Engineer; San Angelo, Brownwood, TX

Designed EAS and toll trunk transmission systems
Designed, tested new systems and special circuits in Texas and Oklahoma
Instructor, system-wide training program on Protection Engineering
Served on two performance improvement task forces

Southwestern Bell Telephone Company; January 1970 – January 1971

PBX Engineer, Area Plug-In Equipment Coordinator; Dallas, TX

Designed PBX equipment additions and modifications
Area-wide coordination of plug-in channel equipment distribution network

Committees and Professional Membership

- Staff Subcommittee on Telecommunications; National Association of Regulatory Utility Commissioners (NARUC); Member, 1980 – 2001; Committee Chair 1997 – 2000.
 - Staff Subcommittee on Telephone Service Quality; NARUC; Member, 1978 – 2001; Committee Chair 1980 – 1988.
 - Federal-State Joint Board on Separations; CC Docket No. 80-286; Staff 1984 – 1995.
 - Federal-State Joint Board on Universal Service; CC Docket No. 96-45; Staff 1996 – 2001; State Staff Chair 1998 – 2001.
 - National Society of Professional Engineers; Texas Society of Professional Engineers.
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Attachment RLC-2 (Redacted)
BellSouth Power Construction for Collocation; Cost per Ampere
Source: BellSouth Worksheet "H.1.8, H.1.71 & H.2.4.xls"

CLLI Code	Amps	\$ / Amp
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CLLI Code	Amps	\$ / Amp
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CLLI Code	Amps	\$ / Amp
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CLLI Code	Amps	\$ / Amp
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