

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Competitive Carriers for )  
Commission action to support local competition ) Docket No. 981834-TP  
in BellSouth Telecommunications, Inc.'s service )  
territory. )  
\_\_\_\_\_ )

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

**AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC'S**  
**RESPONSES ORDER NO. PSC-03-0857-PCO-TP GRANTING IN PART AND**  
**DENYING IN PART VERIZON FLORIDA, INC.'S**  
**MOTION TO COMPEL RESPONSE TO VERIZON'S SECOND SET OF**  
**INTEROGATORIES (NOS. 5-21)**

AT&T Communications of the Southern States, LLC (hereinafter "AT&T") pursuant to Order No. PSC-03-0857-PC)-TP, Granting In Part and Denying in Part, Verizon's Motion to Compel AT&T to respond to certain Interrogatories, provides it responses to Verizon's Interrogatories Nos. 5, 7,8,9, 12, 14, 15, 16, 17, 19. These responses are also provided in accordance with Rules 25-22.034 and 25-22.035, Florida Administrative Code and Rules 1.350 and 1.280(b), Florida Rules of Civil Procedure, as well as per the Commission's Order PSC-03-0857-PCO-TP issued on July 22, 2003.

**Interrogatory No. 5:** Please provide the following information with respect to each collocation arrangement AT&T currently has in a Florida central office.

- a. Address
- b. CLLIcode
- c. ILEC
- d. Applicable tariff (Le., federal, state, interconnection agreement)
- e. Type of arrangement (i.e., caged, cageless, virtual, etc.)
- f. In-service date
- g. NRCs paid
- h. MRCs paid in 2002, in monthly detail
- i. Power ordered in amps, specifying fused or load
- j. Square footage occupied
- k. Cage size, if applicable (including cage height)
- l. Cage material, if applicable
- m. Number of relay racks occupied
- n. Number of DSOs
- o. Number of DSIs
- p. Number of DS3s
- q. Number and sizes of fiber cables
- r. Types and numbers of equipment pieces in arrangement

**Response:** AT&T's response to this interrogatory is displayed in the attached excel file labeled "Florida Interrogatory No. 5". The information displayed in this spreadsheet was assembled from a variety of sources, including billing records, internal inventory systems, and systems supporting business planning processes. Per commission instructions, information is provided only for the five most recent cages established in the Florida offices served by Bell South and Verizon-Florida. AT&T has only four cages in territory served by Sprint.

AT&T is unable to provide at this time information concerning the number of relay racks occupied within to collocation cages in question. For one, further clarification is required to establish the actual information being sought through this question. Second, detailed information concerning relay rack utilization, or the placement of equipment within

collocation cages is not maintained in a centralized location. Such information may be obtainable through site surveys or on-site records maintained by AT&T's field personnel. The work effort necessary to assemble the information cannot be completed within the timeframes provided by the Order to compel. Further, extensive manual work to compile this information would be burdensome and oppressive, far outweighing any value the requested information would have in this proceeding.

**Interrogatory No. 6:** Please provide the following information with respect to each arrangement AT&T has in Florida to use non-ILEC telecommunications space (Le., in collocation hotels or other such properties):

- a. Property Owner
- b. Address
- c. Contract length
- d. Annual lease costs, in detail
- e. Type of arrangement (i.e., caged, cageless, virtual, etc.)
- f. In-service date
- g. Square footage occupied
- h. Up-front costs (i.e., the equivalent of NRCs) and their associated services and/or facilities
- i. Monthly costs and their associated services and/or facilities
- j. Annual costs and their associated services and/or facilities
- k. Any costs not identified in response to Interrogatory 6(h)-(j) and their associated services and/or facilities

**Response:** Not required to respond as it is beyond scope of proceeding.

**Interrogatory No. 7:** Does AT&T own or control any buildings in Florida used to house telecommunications equipment?

**Response:** Per the attached Excel spreadsheet labeled FL-LNS Type 1-3 Inter, AT&T's local network equipment is sited at 21 locations, 7 of which are owned and 14 of which are leased.

**Interrogatory No. 8:** If the answer to Interrogatory 7 is yes, please provide the following information with respect to such each property:

- a. Address
- b. In-service date
- c. Square footage
- d. Construction or purchase costs
- e. Percentage of space occupied by telecommunications equipment
- f. AC power source
- g. Rate(s) paid for AC power
- h. DC power capacity
- i. Maintenance costs incurred in 2002
- j. Percentage of space occupied by non-AT&T telecommunications equipment
- k. Building structure information, including the number of floors, whether the building has a basement, and where any non-equipment (Le., restrooms, break-rooms, office space, etc.) is located
- l. Security measures utilized

**Response:** AT&T has drawn upon a variety of sources to prepare its response to this Interrogatory. These sources include: actual space drawings and floor plans, DC power records, lease documents, asset records to determine in-service dates, and information obtained from city operations records, where available. In particular:

- a. Address:

The address of each of these locations is displayed in Columns B through D of the attached Excel spreadsheet.

- b. In-service date:

The in-service date for each location is displayed in Column L.

- c. Square footage:

The total square footage of each site is displayed in Column G, and that occupied by AT&T's telecommunications equipment is displayed in Column H. Any remaining square footage is assigned in the columns that follow to collocation space leased to

other companies, space devoted to infrastructure support, and space not occupied by equipment.

d. Construction or purchase costs:

Detailed, site-specific records documenting the actual construction or purchase costs of each of AT&T's Florida locations are not readily available, and cannot be reconstructed without an extensive manual effort on the part of AT&T's Global Real Estate Team.

e. Percentage of space occupied by telecommunications equipment:

Per AT&T's response to item c above, the space within AT&T's location occupied by telecommunications equipment is displayed in Column H.

f. AC power source:

As displayed in Column M of the attached spreadsheet, AT&T obtains AC power for its Florida locations through commercial agreements with local utilities. Under these agreements, the actual rates paid for AC power will vary by season, time of day, and the specifics of the particular arrangements AT&T has negotiated with the utility providing AC power.

g. Rate(s) paid for AC power

The average actual rates paid for AC power at AT&T's Florida locations cannot be established without extensive effort on the part of AT&T and the vendor it employs to analyze its utility bills.

h. DC power capacity:

The DC power capability of each of AT&T's locations in Florida is displayed in Column Q of the attached spreadsheet.

i. Maintenance costs incurred in 2002:

Identification of the maintenance costs associated with each of AT&T's local network facilities within its Florida locations will require a site-by-site survey of each location, and may require two to three additional weeks to generate.

j. Percentage of space occupied by non-AT&T telecommunications equipment.

The percentage of space in each of AT&T's Florida locations occupied by non-AT&T telecommunications equipment can be established from information displayed in the attached Excel spreadsheet.

k. Building structure information, including the number of floors, whether the building has a basement, and where any non-equipment (Le., restrooms, break-rooms, office space, etc.) is located.

The specific floor on which AT&T's local network equipment is located is displayed in Column E of the attached spreadsheet. Other general information concerning structure is displayed in subsequent columns.

l. Security measures utilized

AT&T utilizes three forms of security measure at its Florida locations: key access, card access, and employment of security guards. The specific measure employed at each location is displayed in Column P of the attached spreadsheet.



**Interrogatory No. 9:** If the answer to interrogatory 7 is yes, does AT&T lease any of the space in the buildings identified in response to Interrogatory 8 to other firms?

**Response:** As indicated in Column I of the attached spreadsheet, AT&T leases collocation space within its nodes to other firms.

**Interrogatory No. 10:** If the answer to Interrogatory 9 is yes, please provide the following information with respect to each arrangement AT&T has to allow another firm to occupy space in a building identified in response to Interrogatory 8:

- a. Address
- b. CLLI code
- c. Type of arrangement (i.e., caged, cageless, virtual, etc.)
- d. Contract term
- e. In-service date
- f. Up-front charges (Le., the equivalent of NRCs) and their associated services and/or facilities
- g. Monthly charges and their associated services and/or facilities
- h. Annual charges and their associated services and/or facilities
- i. Any charges not identified in response to Interrogatory 1 O(f)-(h) and their associated services and/or facilities
- j. Power provided in amps, specifying fused or load
- k. Square footage leased
- l. Cage size, if applicable (including cage height)
- m. Cage material, if applicable
- n. Number of relay racks occupied
- o. Types and numbers of equipment pieces in arrangement

**Response:** Not required to respond.

**Interrogatory No. 11:** For each of the last three complete power plants that AT&T, its parents, or its affiliates have installed, please provide:

- a. Location of the power plant
- b. In-service date
- c. Types and numbers of facilities (e.g., batteries, rectifiers, backup generator) included in the power plant
- d. Total investment in the facilities identified in response to Interrogatory 11 (c)
- e. Total costs, including labor and building conditioning, associated with installing the power plant
- f. Installation costs associated with each piece of equipment identified in response to Interrogatory 11 (c), broken out by individual pieces of equipment
- g. Total amperage generated by the power plant

**Response:** Not required to respond.

**Interrogatory No. 12:** For each of the last three complete power plants that AT&T has installed in Florida, please provide:

- a. Location of the power plant
- b. In-service date
- c. Types and numbers of facilities (e.g., batteries, rectifiers, backup generator) included in the power plant
- d. Total investment in the facilities identified in response to Interrogatory 12(c)
- e. Total costs, including labor and building conditioning, associated with installing the power plant
- f. Installation costs associated with each piece of equipment identified in response to Interrogatory 12(c), broken out by individual pieces of equipment
- g. Total amperage generated by the power plant

**Response:** AT&T is able to respond to this question only with respect to the most recent power plant installed in Florida. Incompatibilities between AT&T's current mechanized planning and record keeping systems and legacy TCG systems, as well as planned system upgrades have resulted in a loss of readily accessible, disaggregated information concerning individual power plants in Florida that were installed in past periods. Several weeks of sustained effort by a dedicated team of engineers would be required to reconstruct this information.

With respect to the most recent power plant installed in Florida, for which information is available, our response to Interrogatory No. 12 is:

a. **(Redacted)**

b. **(Redacted)**

c. Facilities included in this power plant are: **(Redacted)**

- d. Investment in this facility totaled **(Redacted)** , including bulk order purchase of the power plant.
- e. Total costs of installing the power plant are not available in this format.
- f. The installation costs of each item of equipment are not separately maintained.
- g. Total amperage of this facility is **(Redacted)** .

**Interrogatory No. 13:** For each of the last three power plant additions that AT&T, its parents, or its affiliates have installed, please provide:

- a. Location of the power plant
- b. In-service date
- c. Types and numbers of facilities (e.g., batteries, rectifiers, backup generator) included in the power plant
- d. Total investment in the facilities identified in response to Interrogatory 13(c)
- e. Total costs, including labor and building conditioning, associated with installing the power plant
- f. Installation costs associated with each piece of equipment identified in response to interrogatory 13(c), broken out by individual pieces of equipment
- g. Total amperage generated by the additions to the power plant
- h. Total amperage generated by the power plant before and after the power plant additions

**Response:** Not required to respond.

**Interrogatory No. 14:** For each of the last three power plant additions that AT&T has installed in Florida, please provide:

- a. Location of the power plant
- b. In-service date
- c. Types and numbers of facilities (e.g., batteries, rectifiers, backup generator) included in the power plant
- d. Total investment in the facilities identified in response to Interrogatory 14(c)
- e. Total costs, including labor and building conditioning, associated with installing the power plant
- f. Installation costs associated with each piece of equipment identified in response to Interrogatory 14(c), broken out by individual pieces of equipment
- g. Total amperage generated by the additions *to* the power plant
- h. Total amperage generated by the power plant before and after the power plant additions

**Response:** For reasons cited in AT&T's response to Interrogatory No. 12 above, AT&T is able to respond to this question only with respect to its most recent power plant addition in Florida. In particular:

- a. The power plant addition is located at **(Redacted)**
- b. The in-service date of this facility is **(Redacted)**
- c. The addition included: **(Redacted)**
- d. Total investment in the addition was **(Redacted)**
- e. Total costs of installing the addition are not available in this format.
- f. Installation costs are not available at the requested level of detail.

g. Total amperage generated by additions to the power plant: **(Redacted)**

h. Total amperage generated by this power plant was **(Redacted)**



**Interrogatory No. 15:** For purposes of its internal record keeping:

a. **What costs does AT&T associate with the installation of cable racking?**

**Material-Components**

• Overhead Newton (Typical) Cable Racking/Iron Work Kit
• Overhead Fiber Raceway Kit
• Shipping Materials to Distribution Centers

**Installation - Components**

• Engineering and Program Management
• Receiving
• Warehousing
• Transportation to LSO
• On Site Installation
• On Site Engineering Modification (AS-Builts)
• Walk Through (Sign off)

**LEC Application**

• The NRC Quote
• Application Fee Amount
• First, Second, Third, and.... other payment amounts

**Assumptions**

- See section B for related issue.

b. **What did the costs identified in response to Interrogatory 15(a) total in 2002, and what linear footage of racking were they associated with?**

<b>Total cost for 15 LSO's Materials</b>	<b>Total -(Redacted) Total -(Redacted)</b>
<input type="checkbox"/> The Total Cost for the Purchase of the Iron Work	<b>(Redacted)</b>
<input type="checkbox"/> The Total Cost for the Fiber Raceways	<b>(Redacted)</b>
<input type="checkbox"/> Shipping Costs Estimated at (Redacted)	<b>(Redacted)</b>
<b>Installation</b>	<b>Total - (Redacted)</b>

### **LEC Application**

- ❑ Application Fees/NRC's totaled more then **(Redacted)** and are not included in our total above. We do not have a clear-cut methodology to apportion application fees to "Overhead Racking".

---

### **Liner Footage**

- ❑ Liner Footage (approximately) of racking equals **(Redacted)**.

---

### **Assumptions**

- ❑ Costs figures include all (Redacted) Florida LSO's.
- ❑ "2" and "7" rack site are approximated as 100sq. ft. cages.
- ❑ Liner footage estimates based upon 40-liner ft. per 100sq. ft. cage, 70-liner ft. per 300sq. ft cage, and 80-liner per 400sq. ft. cage.
- ❑ Each cage used a standard Overhead Newton Cable Racking/Iron Work Kit, at a cost of **(Redacted)**. All unused material was discarded.
- ❑ Most Iron Work Kit was obtained on (Redacted)
- ❑ Fiber Raceway costs has been estimated using current ADC pricing.
  - **(Redacted)**
- ❑ Iron Work (Network Bays) was assembled to be apart of the overhead system as it typically "Holds-Up" the racking.
- ❑ Installation costs include vendor third party averages per site as follows.
  - Program Management costing (Redacted)
  - Engineering costing (Redacted)
  - Receiving Warehousing, Packing and Shipping costing an average of (Redacted)
- ❑ Power is run into the cage by LEC for termination at our BDFB.
- ❑ AT&T internal Engineering and Network Planning costs are not included.
- ❑ The LNS COLD group, using a NEWTON inventory kit, ordered these materials. This standard kit included (Redacted) bays and material for (Redacted).
- ❑ Cages were built to eliminate /reduce the need for overhead support; therefore network bays were used as "Stanchions" to hold up overhead racking.
- ❑ No internal AT&T "burdening costs" are included above.
- ❑ No internal AT&T planning and engineering costs are included above.
- ❑ No LEC recurring cost is included.

**c. What are the dimensions of the cable racking that AT&T typically installs, and what percentage of the cable racking associated with the costs identified in response to Interrogatory 15(b) were of those dimensions?**

- ❑ Cable racking that AT&T typically installs is as follows.
  - AT&T typically installs 8" and 12" cable racking, 2"x2" fiber ducting at bay level and 4"x4" fiber ducting to transverse the overhead in an LSO. However the LSO size and forecasted volumes may affect a typical installation.
- ❑ It is estimated that greater then (Redacted) of the cable racking installed were of the above referenced dimensions.

**d. What costs does AT&T associate with the acquisition and installation of power cables?**

### **Material-Components**

• BDFB Power System
• Power Cable Kit (If LEC does not bring feed into AT&T cage)
• Shipping Materials to Distribution Centers

**Installation - Components**

• Engineering and Program Management
• Receiving
• Warehousing
• Transportation to LSO
• On Site Installation
• On Site Engineering Modification (AS-Builts)
• Walk Through (Sign off)

**LEC Application**

• The NRC Quote
• Application Fee Amount
• First, Second, Third, and.... other payment amounts

**Assumptions**

- See section E for related issue.

e. What did the costs identified in response to Interrogatory 15(d) total in 2002 (or 2001, if 2002 data is not yet available), and what linear footage of cabling were they associated with?

<b>Total Cost Materials</b>	<b>Total (Redacted)</b>
<input type="checkbox"/> BDBF	<b>(Redacted)</b>
<input type="checkbox"/> Shipping Costs Estimated at (Redacted)	<b>(Redacted)</b>
<b>Installation</b>	
<input type="checkbox"/> AT&T installation estimate for BDFB	<b>Total - (Redacted)</b>
<b>LEC Application</b>	
<input type="checkbox"/> Application Fees/NRC's totaled more than <b>(Redacted)</b> and are not included in our total above. We do not have a clear-cut methodology to apportion application fees to "Overhead Racking".	
<b>Assumptions</b>	

- BDFB cost based on **(Redacted)** costing **(Redacted)** for BDFB and (Redacted) Bus Kit.
- All **(Redacted)** LSO's require a BDFB.
- Where AT&T needed to provide and install a Power Cable Kit from the AT&T BDFB and the LEC Power DEMERC this would add approximately **(Redacted)** in materials and **(Redacted)** in incremental installation cost. (Based on two 75ft. runs of # 4/0 cable). None of these charges were included above.
- No LEC recurring cost is included.
- BDFB installation estimate based on **(Redacted)** for BDFB install plus **(Redacted)** third party of overall Program Management, Engineering, Receiving, Warehouse, Packing, and Shipping.
- No AT&T Planning, Engineering included in cost above.
- No internal AT&T "burdening costs" are included above.
- Power is run into the cage by LEC for termination at our BDFB.

**f. What was AT&T's breakdown by linear foot and gauge of the cable identified in response to Interrogatory 15(e)?**

- This would require a site-by-site survey to determine footage and gauge. This is not available at this current time.

**Interrogatory No. 16:** Please provide the depreciation lives AT&T uses for the following assets:

- a. Buildings
- b. Digital switching equipment
- c. Circuit equipment
- d. Underground copper cable
- e. Underground fiber cable
- f. Conduit

**Response:** AT&T uses the following asset lives for financial reporting of depreciation costs associated with its local network:

Buildings	16 years
Digital Switching Equipment	3 – 5 years (packet switching equipments)
Circuit Equipment	4 – 9 years (analog switching equipments)
Underground copper cable	15 years
Underground fiber cable	20 years
Conduit	25 years

In using such asset lives for financial reporting purposes, AT&T follows generally accepted accounting principals, which favor conservatism in the estimation and reporting of expense items affecting net income. Such an approach supports the interests of investors by requiring that, when alternative methods of estimating expense are available, the one having the least favorable impact on net income is chosen. This conservatism in calculating expenses helps to ensure that a company does not mislead investors concerning its financial position and prospects.

The use of conservatively short asset lives, however, may not adequately protect the interests of ratepayers because their use may upwardly bias depreciation expense estimates. Asset lives used for financial reporting, then, should not be used for rate-setting purposes by firms, such as Verizon-FL, that operates in a non-competitive environment. AT&T continues to support the use of FCC-prescribed asset lives as forward-looking and reasonable for use in TELRIC studies.

**Interrogatory No. 17:** Does AT&T use straight line or accelerated methods to calculate depreciation rates? If the answer is both, please identify which categories of assets use which method.

**Response:** AT&T's local network (LNS/TCG) assets are all depreciated using straight line methods.

**Interrogatory No. 18:** Please provide the formula used for calculation of the depreciation rates AT&T uses. If different categories of plant use different formulas, please provide all formulas and identify which category of assets use which formula.

**Response:** Not required to respond.



**Interrogatory No. 19:** Does AT&T use remaining life depreciation methodology to develop its depreciation rates? If yes, please explain in detail how the remaining life is developed and how it is used in the depreciation rate calculation.

**Response:** For financial reporting purposes, AT&T uses remaining life depreciation methodologies to develop the depreciation rates it applies to local network assets because, it must set a value on embedded assets purchased and installed at different times in the past. The remaining life of an asset category is developed based on benchmarking against standard industry practice, as determined through consultation with external consultants, and an internal operational / technical review of the remaining useful life of the equipment within that asset category. After development of the remaining life, the depreciation rate is developed by dividing the total net book value of the equipment within the category by the remaining life of the equipment.

Remaining life methodologies have no relevance for forward-looking cost studies because such studies assume that all plant assets are installed at the same time.

Depreciation costs are therefore determined based on the projected economic life of the newly placed assets.

**Interrogatory No. 20:** Referring to Exhibit AES-1 to the direct testimony of Verizon witness Allen Sovereign filed on February 4, 2003, please provide the depreciation lives AT&T uses for the same or similar accounts or categories of equipment on the exhibit.

**Response:** Not required to respond.

**Interrogatory No. 21:** What cost of capital does AT&T use to evaluate local exchange projects? Please specify whether this cost of capital is after-tax or before tax. Please also specify the methodology, inputs, and assumptions AT&T uses to calculate this cost of capital, including the capital structure, cost of debt, risk premium, flotation costs, and technology premium.

**Response:** Not required to respond.

SUBMITTED this 1st day of August 2003.

Tracy Hatch / las

TRACY W. HATCH, ESQ.  
101 N. Monroe Street  
Suite 700  
Tallahassee, FL 32302-1876  
(850) 425-6360

Attorney for AT&T Communications of the  
Southern States, LLC