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September 9, 2003

Ms. Blanca S. Bayó, Director  
Division of the Commission Clerk  
& Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
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Re: Docket No. 981834-TP & 990321-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of Sprint are the original and 7 copies of Sprint-Florida, Incorporated's ("Sprint") Post-Hearing Statement and Brief.

Copies are being served on the parties in this docket via electronic and US mail.

Please acknowledge receipt of this filing by stamping and initialing a copy of this letter and returning same to the courier. If you have any questions, please do not hesitate to call me at 850/599-1560.

Sincerely,

*Susan S. Masterton by Cheryl White*

Susan S. Masterton

Enclosure

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**CERTIFICATE OF SERVICE**  
**DOCKET NO. 981834-TP & 990321-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic mail & U.S. mail this 9<sup>th</sup> Day of September, 2003 to the following:

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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

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In re: Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation. DOCKET NO. 990321-TP  
Filed: September 9, 2003

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**SPRINT'S POST-HEARING STATEMENT AND BRIEF**

Pursuant to the Order Establishing Procedure, Order No. PSC-02-1513-PCO-TP, Sprint-Florida, Incorporated and Sprint Communications Company Limited Partnership (collectively "Sprint") file this Post-hearing Statement and Brief.

**INTRODUCTION**

Sprint is both an ILEC and an ALEC in Florida. Sprint's positions on the issues in this proceeding reflect a balance of the needs of ALECs and the legitimate concerns of ILECs relating to collocation implementation and cost recovery. Sprint's positions on the individually numbered issues in this docket are consistent with the Telecommunications Act of 1996 (the

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“Act”) and the pertinent rulings of the Federal Communications Commission (“FCC”) and this Commission. Each of Sprint’s positions should be adopted by this Commission.<sup>1</sup>

Sprint asks the Commission to issue an order finding that for Issue 1A, a CLEC is required to pay the application fee and space report fees at the time of application and for other nonrecurring charges is required to pay 50% at the time the CLEC submits the firm order and 50% upon acceptance of the collocation space. For Issue 3, the Commission should require CLECs who wish to relinquish their collocation space in full offices to return the space to the ILEC so that the ILEC may offer the space to the first CLEC on the waiting list for that office. When the office is not full, the Commission should find that the CLEC may transfer its space to another CLEC upon filing an application and with the approval of the ILEC. For Issue 4, regarding copper entrance facilities, the Commission should recognize that ILECs are required to allow their use only under certain limited circumstances, but that ILECs may allow such facilities at the ILEC’s discretion.

For Issue 5, the Commission should accept Sprint’s practice of providing DC power cable connections in standardized increments. On Issue 6A-C, regarding the monthly recurring charges for DC power, the Commission should rule that the charges should begin at the same time as other monthly recurring charges, that is, upon acceptance of the collocation space.<sup>2</sup> The Commission should order that the charges are to be assessed per amp, based on the load amps ordered by the CLEC, to recover the costs incurred by the ILEC to provision the DC power plant infrastructure and the AC power costs.

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<sup>1</sup> 47 U.S.C. §§ 251 & 252 and related FCC and Commission decisions

<sup>2</sup> In the stipulation relating to Issue 1C, regarding other recurring charges, the parties also addressed the circumstance when the CLEC does not take the required steps to accept the space, by providing that the charges would apply upon acceptance or within 15 days after completion. The Commission should similarly account for such circumstances for recurring power charges.

The Commission should address Issue 7 by declining to require ILECs to make AC power available to CLECs for other than testing purposes. Finally, for Issue 8, the Commission should confirm that the requirements relating to collocation at remote sites when space is exhausted are the same as for central office collocations.

### ISSUES, POSITIONS AND DISCUSSION

**ISSUE 1A: When should an ALEC be required to remit payment for non-recurring charges for collocation space?**

**Position:** \*\*The ALEC should pay the non-recurring application fee and space report fee up front. The ALEC should be required to remit 50% of the nonrecurring charges for all remaining elements at the time the firm order is placed and 50% upon acceptance of the collocation arrangement.\*\*

**Discussion:** Nonrecurring charges include application fees, space report fees and one time charges designed to recover the costs of material and labor needed to provision collocation. (Davis Rebuttal, Tr. 344) The application fee is designed to recover the costs of assessing and responding to the request for space (as opposed to the provisioning of space) and is treated separately below. (Davis Rebuttal, Tr. 343) Provisioning costs include charges such as engineering, materials, installation labor, DC power plant configuration, HVAC system evaluation and cage construction that benefit only the requesting carrier. (Fox Direct, Tr. 276).

The application fee should be paid in full at the time of application. The application fee covers costs associated with processing the application, such as application processing, floor space review/assignment, DC power capacity analysis, infrastructure review and assignment, and price quote preparation. (Davis Rebuttal, Tr. 343) These costs to review space and infrastructure

availability are incurred regardless of whether the CLEC accepts the price quote and places a firm order or whether space is ultimately determined to be available. (Davis Rebuttal, Tr. 343) If the fee is not required to be paid up front, Sprint's likelihood of collecting it and recouping its expenditures is diminished should the CLEC decide not to pursue the application or space is determined not to be available. This requirement is consistent with the Commission's earlier order in this docket, PSC-99-1744-PAA-TP. In that order, the Commission specifically recognizes that the ILEC incurs certain expenditures in processing an application and, when space is denied, requires the ILEC to refund only that portion of the application fee that exceeds expenses incurred by the ILEC in processing the application. (PAA Order at 10)

To ensure that Sprint recovers its costs to prepare collocation space for a CLEC, the CLEC should be required to pay 50% of the nonrecurring provisioning costs at the time it places its firm order and 50% upon space acceptance. (Fox Direct, Tr. 277, Bailey Direct, 457) This payment schedule ensures that Sprint recovers its costs at the time they are incurred. The parties have already stipulated that, if a CLEC cancels its collocation space prior to space acceptance, it will pay all costs incurred by the ILEC to prepare the space prior to the cancellation. (Tr. 11) To the extent that a CLEC has not paid these costs up front, ILECs may have difficulty collecting any amount due for space that the CLEC has already determined it does not need. As Sprint's witness Mr. Davis testified, Sprint's experience has demonstrated that there is a significant risk that CLECs either will never use or will abandon their collocation space. (Tr. 359) Verizon expresses similar concerns. (Bailey Rebuttal, Tr. 472) A payment of some amount of the nonrecurring costs protects Sprint from incurring expenses on behalf of CLECs that might otherwise remain unrecovered, if the entire payment is deferred until the space is completed.

The practice of requiring a certain portion of construction costs up front, so that cash is available to cover expenditures is standard in the construction industry. (Fox Direct, Tr. 277; *In The Matter Of Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection through Physical Collocation for Special Access and Switched Transport* 12 FCC 18730 ¶ 41) While the 50% upfront figure may be somewhat arbitrary, it represents a fair apportionment of the payments ultimately due, since the remaining 50% is not due until after space preparation is completed and the necessary expenditures have already been incurred. Thus, it meets the ILECs' needs for cost recovery, without unduly burdening the CLEC with up front out of pocket costs.

At the hearing, Sprint was asked to address in its brief whether it objects to allowing CLECs to use Sprint-certified contractors to perform collocation installation work, rather than having this work done by Sprint. (Tr. 392) Although AT&T does not address this issue or its relevance in its testimony, Sprint assumes that the CLECs believe that they could do this work more cheaply than Sprint, thus reducing their costs.<sup>3</sup> Sprint does not object to CLECs performing their space arrangement work, in accordance with FCC regulations. FCC Rule 51.323 (j) states "An incumbent LEC shall permit a collocating telecommunications carrier to subcontract the construction of physical collocation arrangements with contractors approved by the incumbent LEC, provided, however, that the incumbent LEC shall not unreasonably withhold approval of contractors. Approval by an incumbent LEC shall be based on the same criteria it uses in approving contractors for its own purposes." Sprint does not permit CLECs to perform the infrastructure construction work in the common area because Sprint restricts CLEC work to just their collocation space. Sprint does all the common area work to ensure its technical



standards are achieved and that consistency in quality between collocators is accomplished. This policy is consistent with the Commission's earlier decision in this docket. (PSC-00-0941-FOF-TP at page 76)

**ISSUE 1B: When should billing of monthly recurring charges begin?**

**Position:** This issue has been stipulated by the parties.

**ISSUE 1C: What cancellation charges should apply if an ALEC cancels its request for collocation space?**

**Position:** This issue has been stipulated by the parties.

**ISSUE 2A: Should an ALEC be required to justify its space reservation needs to the ILEC when an ILEC is forced to consider a building addition to accommodate future space requirements?**

**Position:** This issue has been stipulated by the parties.

**ISSUE 2B: Under what conditions should an ILEC be allowed to reclaim unused collocation space?**

**Position:** This issue has been stipulated by the parties.

**ISSUE 2C: What obligations, if any, should be placed on the ALEC that contracted for the space?**

**Position:** This issue has been stipulated by the parties.

**ISSUE 2D: What obligations, if any, should be place on the ILEC?**

**Position:** This issue has been stipulated by the parties.

**ISSUE 3: Should an ALEC have the option to transfer accepted collocation space to another ALEC? If so, what are the responsibilities of the ILEC and ALECs?**

**Position:** \*\*If the ALEC has accepted space from the ILEC but is not going to use the space and a waiting list exists, the ALEC must relinquish that space. If there is no waiting list, the CLEC may not transfer space without the approval of the ILEC.\*\*

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<sup>3</sup> It is interesting to note that in his testimony, Mr. King complains about BellSouth's requirements that CLECs do their own construction, arguing that this practice delays the date by which collocation is ready for a CLEC's use.

**Discussion:** FCC regulations are clear that the ILEC is responsible for managing the space in its central offices. (*In re Matter of Deployment of Wireline Services Offering Advances Telecommunications Capabiity*, 16 FCC Rcd 15435, ¶ 90) To ensure that the ILEC maintains the control over its space that is necessary to manage its offices, a CLEC should not be able to transfer accepted collocation space to another CLEC without the ILEC's consent. (Tr. 315) Sprint distinguishes between a transfer in an office where space exhaustion is not an issue and an office where space is exhausted and there is a waiting list for space. In the latter, Sprint believes that allowing a CLEC to transfer its space to a CLEC, not first in line on a waiting list, violates the first come, first served obligations imposed upon ILECs by the FCC and this Commission. (Order No. PSC-00-0941-FOF-TP at page 107, FCC Rule 51.323(f) (1))

Even when space is not exhausted, Sprint still maintains responsibility and authority to manage its space. Therefore, a CLEC should not be able to transfer its space even in an office that is not at exhaust without Sprint's approval. While Sprint will not unreasonably withhold this approval (Tr. 317-318), Sprint must consider issues such as the status of payments due from the transferring CLEC, the assuming CLECs payment relationship with Sprint, and any modifications the assuming CLEC space might propose to make. (Tr. 315-316, 318-319) In a non-exhaust transfer scenario, the assuming CLEC would need to complete an application and pay an application fee, commensurate with the level of work that the ILEC must perform in assessing and approving the application. (Tr. 320)

**ISSUE 4:      Should the ILEC be required to provide copper entrance facilities within the context of a collocation inside the central office?**

**Position:**      \*\*Whether or not an ILEC provides copper entrance facilities within the context of a central office collocation should be at the discretion of the ILEC.\*\*

**Discussion:** Sprint recognizes that there are situations in which a CLEC would need to be able to use copper entrance facilities at an ILEC central office. (Tr. 322) Sprint will provide such facilities, subject to the same space availability considerations that it applies to floor space. (Tr. 321) FCC and Commission regulations do not require an ILEC to make copper entrance facilities available, except in certain limited circumstances. (Milner Direct, Tr. 126-127; Order No. PSC-00-0941-FOF-TP at pages 25-26 and Order No. PSC-00-2190-FOF-TP at page 6; FCC Rule 51.323(d) (3)) Sprint believes that this Commission should recognize that while an ILEC is not required to provide such facilities, an ILEC may, in its discretion, agree to do so.

**ISSUE 5: Should an ILEC be required to offer, at a minimum, power in standardized increments? If so, what should the standardized power increments be?**

**Position:** \*\*ILECs should offer power consumption on a load amp basis in single amp increments in an amount equal to what the ALEC orders. DC power connection charges can fairly and reasonably be offered in standardized increments.\*\*

**Discussion:** Based on the testimony in the record on this issue it appears that there is no clear understanding or consensus as to the scope or resolution of this issue. Because there were no cross-examination questions on this issue at the hearing the focus of this issue remains unclear.

Sprint approaches this issue by differentiating between power consumption and power delivery, i.e., the power cables that must be connected from Sprint's power supply to the CLEC's collocation space to deliver the requested power. (Davis Direct, Tr. 334) Power consumption should be offered on a load amp basis and billed in single amp increments based on what the CLEC orders. (Davis Direct, Tr. 334) The connection cables can be sized and billed in standardized increments. Sprint sizes the power connection cable based on the load amps ordered by the CLEC. (Davis Direct, Tr. 335) Sprint's price schedule offers the power connection cables

in increments based on fuse sizes of 30 amps, 35-60 amps, 70-100 amps and 125-200 amps. (Davis Direct, Tr. 335).

**ISSUE 6A: Should an ILEC's per ampere (amp) rate for the provisioning of DC power to an ALEC's collocation space apply to amps used or fused capacity?**

**Position:** \*\*The most feasible method is to bill based on the DC power ordered by ALECs to power their collocated equipment. This ensures ILECs recover their costs to provide the requested power and equates to billing for amps "used" without the costs of metering or otherwise estimating power usage.\*\*

**ISSUE 6B: If power is charged on a per-amp-used basis or on a fused capacity basis, how should the charge be calculated and applied?**

**Position:** \*\*A monthly recurring charge representing the ILEC's cost to produce one load amp of DC power should be applied to load amps ordered. The cost of a load amp is comprised of two components: the cost of the DC power plant itself, including the cost of a generator for providing backup power and the cost of the commercial AC power, which is converted to DC power within the power plant.\*\*

**ISSUE 6C: When should an ILEC be allowed to begin billing an ALEC for power?**

**Position:** \*\*An ILEC should be allowed to begin billing an ALEC for power after acceptance of the collocation space, the same as for any other collocation element. Beginning to bill at the time the space is accepted is consistent with how the costs have been incurred.\*\*

**Discussion:** Because the issues addressed in 6A, 6B, and 6C are inextricably related, Sprint will address its arguments related to all three issues in the following discussion.

**CLECs should be billed based on the power they order**

In preparing the collocation space requested by a CLEC, Sprint provisions DC power based on the amps the CLEC requests to support the equipment in its collocation space.

(Davis Direct, Tr. 336-337) This means that Sprint provides the infrastructure necessary to ensure that it can meet the CLEC's needs for the amount of DC power ordered. The infrastructure necessary to provision a CLEC's requested DC power needs includes rectifiers, batteries, power distribution boards, power cabling, and emergency backup generators. (Davis Rebuttal, Tr. 351; Milner Direct, Tr. 136; Bailey Direct, Tr. 466) Verizon uses a similar methodology to bill for DC power and the components of the power charge. (Bailey Direct, Tr. 466-467) In Mr. King's direct and rebuttal testimony, AT&T appears to agree with Sprint's and Verizon's use of the amount of power ordered by a CLEC (based on the load of its collocation equipment) as an acceptable alternative that would equate to billing for amps used. (King Direct, Tr. 587, King Rebuttal, 611-612)

**Fused amps result in over recovery**

Billing based on amps ordered, that is, "load amps," appropriately reflects a CLEC's anticipated use and provides for the ILEC's recovery of the costs it incurs to provide the requested DC power. BellSouth's method of billing based on "fused amps" rather than "load amps" may result in significant over recovery, even when a billing factor is applied based on load. (Davis Rebuttal, Tr. 348-349) BellSouth's methodology may have this result because of the limited number of available fuse sizes. This limitation often necessitates using a larger fuse size than strictly would be required. (Davis Rebuttal, Tr. 349) Hearing Exhibit No. 19 contains an analysis depicting the frequency with which BellSouth's methodology results in overfilling. As demonstrated in the exhibit, BellSouth's billing methodology based on fused amps results in over recovery in all instances except when the power is requested for amp sizes in multiples of ten.

BellSouth cites to this Commission's decision in BellSouth's arbitration with MCI to support its billing based on fused amps. (Milner, Tr. 136) While the Commission did uphold

BellSouth's billing methodology in that arbitration, it should be noted that the only alternatives offered for consideration by the parties were "used amps" based on metered usage and fused amps. (*In Re: Petition by MCI Metro Access Transmission Services LLC and MCI Worldcom Communications, Inc. for arbitration of certain terms and conditions of a proposed agreement with BellSouth Telecommunications, Inc. concerning interconnection and resale under the Telecommunications Act of 1996*, Docket No. 000649-TP, Order No. PSC-01-0824-FOF-TP, at page 124) Sprint and Verizon have presented a third, and preferable, alternative in the instant case: billing on load amps ordered, as a proxy for used amps. (Davis Direct, Tr. 336; Bailey Direct, Tr. 466)

**Amps used result in under recovery**

Billing based on the amps actually used by an ALEC (rather than the load amps ordered) does not allow the ILEC to appropriately recover its infrastructure investment. CLECs frequently order far more DC power than they actually use. (King Rebuttal, Tr. 608-609) In the example AT&T discusses relating to its usage compared to the billing at two BellSouth locations, AT&T appears to be using only approximately 5% of the amount of DC power ordered.<sup>4</sup> Sprint's experience also bears out that CLECs frequently order far more power than they actually use. Using actual examples of power ordered versus power used by three CLECs in two Sprint-Florida offices, Sprint estimates that these CLECs are using approximately 13% of the power they ordered. (Late-filed Hearing Exhibit 5, Sprint's Revised Response to Staff's POD No. 62) Mr. King does not deny that AT&T orders power based on its anticipated needs (Tr. 630, 632, 651) and that AT&T expects the ILECs to ensure sufficient capacity in their power plants to meet the ordered demand. (Tr. 630, 676) In fact, Mr. King acknowledges that, if AT&T had to

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<sup>4</sup> While BellSouth bills based on fused amps rather than load amps, its calculation of fused amps is based on the fuse size based on the capacity of the equipment. (Milner Direct, Tr. 134)

build its own power plant to serve its equipment (rather than relying on an ILEC to do it) it would incur the cost to build the necessary plant to meet its anticipated demand, regardless of whether AT&T initially used all of the capacity that the plant was designed to serve. (Tr. 658) CLECs actually gain a cost advantage from being able to use the ILEC's power plant rather than build their own. This alternative is economically more efficient because the ILECs may take advantage of economies of scale that are not availability to a CLEC. (Tr. 366) Even so, the CLECs apparently do not want to pay for the capacity that is put in place to serve their needs. (Tr. 670)

Because an ILEC must provision the power plant capacity based on what a CLEC has ordered, it is entitled to recoup its investment based on the number of amps ordered rather than the number of amps used. This mechanism of cost recovery allows the costs to be recovered by the cost causer as they are incurred. AT&T appears to advocate that the ILECs assume the burden of these costs, essentially carrying these costs, unless and until a CLEC achieves actual usage of the amount of power ordered. (Tr. 683) But, as Mr. Milner stated, the ILEC should not have to bear the burden of a CLEC's under use of power, whether the under use is due to miscalculation, changed market conditions or changed business plans. (Milner Direct, Tr. 139)

**A monthly recurring charge should be applied per load amp ordered**

Sprint's per amp rate for DC power has two primary components, a charge designed to recoup Sprint's cost to provide the power plant capacity to meet the CLEC's demands and a charge representing the AC power necessary to power the ALEC's equipment. (Davis Direct, Tr. 338) To get the charge per amp, Sprint adds the cost per amp cost of the power plant to the per amp cost of commercial AC power and then adds a common cost factor to these two components to get the final per amp charge. (Davis Direct, Tr. 339)

### **DC Power Plant Infrastructure is not Fungible**

AT&T's argument that the power capacity is not attributable to the power requested by a particular CLEC has no merit. Sprint plans for and builds its power plant based on its own anticipated needs and the anticipated needs of collocating CLECs. The needs of collocating CLECs are determined based on what they indicate they will need in their collocation applications.<sup>5</sup> As was made clear by Mr. Davis under cross-examination, Sprint sizes its power plant based on the capacity of the equipment at the central office. (Tr. 434, 435, 436, 437) If there were no collocating CLECs, or if a CLEC indicated the need for (i.e., ordered) less power, Sprint's power would not need to be as large. (Tr. 410, 424)

AT&T also argues that even if one CLEC doesn't use all of the power it requested the power will be used by another CLEC and therefore Sprint will recover its costs. (Tr. 668) Sprint's experiences do not bear this out. The data provided by Sprint in response to a staff discovery request shows that the numbers of collocators has been shrinking instead of growing. (Tr. 359, Hearing Exhibit No. 1, Sprint's Response to Staff's Interrogatory No. 69) Based on this data, it is unlikely that other CLECs will pick up the slack for CLECs who never use the amount of power they request or who withdraw from their collocation space. For this reason, Sprint cannot rely on recovering its power plant expenses from the fungible power draw of all collocating CLECs.

Contrary to what Mr. King asserts in his testimony (King Direct, Tr. 586), an ILEC's provision of DC power to a CLEC is not comparable to a customer's purchase of power from an electric company. (Tr. 369-370) Unlike an electric company a DC power plant is built on total



demand. An ILEC providing DC power to a CLEC does not have a grid that allows it to get power from somewhere else, should the power demands of a particular central office exceed that office's power plant capacity. (Tr. 369) In addition, an ILEC cannot engage in load management, in that power must be available to CLECs at all times, it cannot be offered on an "interruptible" basis. (Tr. 370)

Likewise, Sprint's use of utilization factors does not mean that it has "extra" power on tap to meet a CLEC's demand whenever the CLEC gets ready to use what it ordered, as AT&T implies. (Tr. 649) AT&T's argument that the ILEC's rates contemplate that a CLEC will use significantly less than it ordered, and, therefore, the ILEC will recover its costs despite this underutilization, has no merit. Sprint's rates contemplate an 80% utilization factor.<sup>6</sup> Actual usage, however, appears to be more in the neighborhood of 5% - 13% (King Rebuttal, Tr. 608-609, Late-filed Exhibit 5, Sprint's Revised Response to Staff POD 62) Using the parking lot analogy introduced at the hearing (Tr. 684-687), it would be like building a 500 lot parking lot, based on a commitment to provide readily available space for 500 cars, calculating the rate for the space on 375 spaces being occupied at any given time, and then having only 75 people come to park each day. If Sprint were to design its rates to reflect this actual utilization, the rates would need to be 6-16 times higher for Sprint to recover its costs. (Tr. 361, Tr. 690)

Mr. King implies that billing based on usage would allow ILECs to recover their costs, just over a longer period of time. (Tr. 683) However, by billing the power infrastructure costs through recurring, rather than nonrecurring charges, ILECs are already deferring recovery of the space preparation component of the power infrastructure charge. (Tr. 418) As Mr. Milner notes, BellSouth did formerly recover its power plant costs as part of nonrecurring space

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<sup>5</sup> In addition, as part of its planning process, Sprint takes into account forecasted CLEC growth.

preparation charges. (Tr. 151). BellSouth moved to a recurring charge rather than a nonrecurring charge in response to regulatory concerns about the potential barriers imposed upon CLECs to pay these significant expenses up front. (Tr. 179-180) Allowing CLECs to further delay payment of the costs incurred by ILECs on their behalf results in the ILECs bearing an unacceptable share of the burden of a CLEC's entry into the market. (Tr. 179) Carrying these costs places an inappropriate economic burden on the ILECs, distorting the competitive market.<sup>7</sup>

### **Metering is not a viable solution**

AT&T has suggested that CLECs should be billed only for the power they actually use and suggests the use of meters to determine exactly how much power a CLEC is using. (King Rebuttal, Tr. 609-610) Under AT&T's proposal, the ILEC would apply a per amp charge to the actual amps used as evidenced through metering. (King Rebuttal, Tr. 610) Sprint objects to this proposal because it does not adequately compensate Sprint for the costs it incurs to provision the DC power requested by a CLEC. (Tr. 355, 413, 440)

As discussed extensively above, billing for amps used rather than amps ordered denies the ILEC the ability to recover its costs to provision the DC power plant necessary to provide the capacity ordered by the CLEC. AT&T agrees that it expects the ILEC to ensure that it has the capacity to provide the amount of power requested by the CLEC whenever the CLEC needs it. (Tr. 630) AT&T just doesn't want to pay for that DC power plant capacity, but rather expects the ILEC to carry that cost until AT&T decides to use the capacity held in reserve. (Tr. 670)

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<sup>6</sup> As Mr. Davis testified, this utilization factor also bears on the planning process, in that when utilization reaches a certain point, Sprint must begin planning and constructing additional plant. (Tr. 425)

<sup>7</sup> The suggestion that the recurring DC power rate should be reduced or eliminated at some point, because the costs of the power plant will be recouped at some finite point in time, is contrary to basic rules of cost recovery. As Commissioner Deason noted, infrastructure is subject to depreciation. In addition, the rates are designed to recover maintenance and property taxes, which are ongoing expenses.

For the most part the cost of AC power is not incurred until the CLEC uses the power. (Tr. 373; Tr. 187) However, as Mr. Davis explained, some amount of the AC power charge is incurred to keep the batteries that support the DC power plant running. (Tr. 363, 373) Discussions at the hearing appeared to contemplate a bifurcation of the power plant component of the DC power charge and the AC power component, with metering applied to the AC power component so that billing would be based on amps actually used.

While this bifurcation technically could be accomplished, it is probably not justified by the economics. (Tr. 178, 375) Of Sprint's per amp DC power charge, approximately 80% represents the cost attributable to the DC power plant, while approximately 20% represents the cost attributable to the AC power charge. (Tr. 362) As discussed previously, some amount of AC power is needed to support the batteries, as part of the power plant, and therefore should legitimately be billed based on amps ordered. In addition, heat loss within the DC power plant results in more energy coming into the DC power plant than goes out to the CLEC's collocation site, meaning Sprint purchases a greater quantity of power to provide the CLEC with the amount of power it ultimately uses. This discrepancy due to heat loss would need to be accounted for in developing metered power rates. (Late-filed Hearing Exhibit 5, Sprint Response to Staff Interrogatory No. 79.)

The remaining portion of the AC power charge would be a very small number. As Mr. Milner states, metering is a feasible alternative for a CLEC when the amount that would otherwise be billed without measuring is greater than the cost of metering. (Tr. 259) Cost information provided by both Verizon and Sprint in response to staff discovery requests demonstrate that the cost of metering is significant. (Late-filed Hearing Exhibit 5, Verizon Response to Staff Interrogatory No. 229, Sprint Response to Staff Interrogatory No. 79 and Staff

POD No. 62). It will likely be uneconomic for a CLEC to incur the substantial costs associated with metering to avoid the relatively small amount of costs associated with the AC power component of the DC power charge. (Tr. 178, 374-375, 440)

**Sprint has proposed a compromise solution**

Sprint has developed a compromise proposal that could assist CLECs in controlling their DC power costs, while allowing them to quickly upgrade power when their needs grow. (Tr. 400-401) First, this compromise involves a CLEC realistically assessing its needs and ordering DC power based on this realistic assessment of what it will use. (Tr. 400) Then, a CLEC can order power cable connections that are “sized up” to accommodate its future needs. (Tr. 401) Sprint would size the fuse at the CLEC’s current usage, but when the CLEC’s power needs increase, the CLEC would simply need to go back to Sprint, apply for more power and Sprint would increase the size of the fuse. By purchasing larger power connection cables than current needs might dictate, the CLEC would save the expense of replacing the power connection cables in the future. (Tr. 402)

Emphatically, Sprint’s proposal would still require that the CLECs order power on the basis of realistic assessments of their needs. The Commission’s order on this issue should enforce to CLECs that they must pay for what they order, because the ILECs’ provision power plant capacity based on the amount requested by the CLECs. (Tr. 413)<sup>8</sup> Also, under Sprint’s proposal, a CLEC would still face the risk that an ILEC might not have sufficient capacity to meet the CLEC’s future needs, if the CLEC does not realistically assess its requirements at the time it initially requests space. Pursuant to the Commission’s previous order, an ILEC must provision augmentations to collocation arrangements, including power augmentations, within 45

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<sup>8</sup> Verizon concurs. (Late-filed Hearing Exhibit No. 5, Verizon Response to Staff Interrogatory No. 229.)

days. (PSC-00-0941-FOF-TP at page 36) Therefore, the CLEC must be diligent in its assessment of its future needs and order additional power capacity from the ILEC in a timely manner.

**DC power billing should begin upon space acceptance**

Like the other monthly recurring charges, stipulated by the parties to begin when the space is accepted by the CLEC, the monthly recurring charge for DC power should begin upon space acceptance.<sup>9</sup> (Davis Direct, Tr. 339; Milner Direct, Tr. 139; Bailey Direct, Tr. 467) The ILEC incurs costs for provisioning DC power plant capacity necessary to meet a CLEC's request for power during the space preparation phase. (Davis Direct, Tr. 339; Milner Rebuttal, Tr. 151; Bailey Rebuttal, Tr. 486) The power is available for the CLEC's use when the space is turned over to the CLEC. (Davis Direct, Tr. 339, Milner Rebuttal, 151, Bailey Rebuttal, 486) To ensure that ILECs are appropriately compensated for their provisioning costs, the DC power monthly recurring charge should begin when the space is turned over to the CLEC. (Davis Rebuttal, Tr. 351)

**ISSUE 7: Should an ALEC have the option of an AC power feed to its collocation space?**

**Position:** \*\*An ALEC should be allowed to use AC power only for equipment testing purposes.\*\*

**Discussion:** Sprint provides an AC power connection to a CLEC's collocation space for the CLEC to perform testing functions. (Fox Direct, Tr. 290) Use of an AC power by a CLEC in its collocation space for anything other than testing purposes poses unacceptable safety issues and should not be permitted. (Fox Direct, Tr. 290-291; Bailey Direct, Tr. 468; Bailey Rebuttal, Tr.

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<sup>9</sup> In the stipulation relating to Issue 1C, regarding other recurring charges, the parties also addressed the circumstance when the CLEC does not take the required steps to accept the space, by providing that the charges would apply upon acceptance or within 15 days after completion. The Commission should similarly account for such circumstances for recurring power charges.

488-489) In addition, due to the nature of the back up generators that would provide power should an ALEC's AC power connection fail, an ALEC's equipment would likely be out of service for a short period time, severing 911 access for its customers during this period. (Tr. 446)

The use of AC power by CLECs poses safety concerns in part because they would need to convert the AC power to DC power in order to use it to power their equipment. (Fox Direct, Tr. 291; Bailey Rebuttal, Tr. 488) To perform this AC to DC conversion, CLECs would need to place certain equipment in their collocation space that poses safety and fire risks to the ILECs' equipment within central offices. (Fox Direct, Tr. 291; Bailey Rebuttal, Tr. 489) Because of these safety hazards, the Commission should reject AT&T's suggestion that CLECs be able to use AC power to run their equipment and confirm that ILECs are required only to provide DC power connections, except for the limited exception of equipment testing.

**Issue 8:       What are the responsibilities of the ILEC, if any, when an ALEC requests collocation space at a remote terminal where space is not available or space is nearing exhaustion?**

**Position:**     \*\*If Sprint owns or controls the property upon which the remote terminal (RT) is collocated, the ALEC has the option of adjacent collocation. If space is not available on the property, then the ALEC may establish interconnection between the RT and an equipment location that the ALEC has separately procured.\*\*

**Discussion:** Again, the record reflects no consensus on the scope of this issue. The cross-examination questions relative to remote site collocation did not serve to further clarify the nature of the dispute that gave rise to placing the issue before the Commission in this docket. Sprint's position is simply that it has the same obligations regarding remote site collocation as it has for central office collocations. (Tr. 303-304) BellSouth and Verizon express similar positions. (Milner Direct, Tr. 142; Bailey Direct, Tr. 469)

## CONCLUSION

Sprint's positions as set forth in this Post-hearing Statement emanate from its position as both a CLEC and an ILEC in Florida. They reflect a balance between a CLEC's need to ensure that the costs and conditions of collocation are reasonable and do not impose unnecessary impediments on its ability to obtain collocation expeditiously and economically and an ILEC's interests in managing and protecting its central offices and in recovering the costs it incurs to provision collocation to requesting CLECs. The Commission, too, should embrace this balance of CLEC and ILEC interests and adopt Sprint's positions as set forth herein.

**RESPECTFULLY SUBMITTED** this 9th day of September 2003.

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