

ORIGINAL



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February 11, 2004

VIA E-MAIL AND HAND DELIVERY

Jeremy Susac, Esq.
Staff Attorney, Florida Public Service Commission
2450 Shumard Oak Blvd.
Tallahassee, FL 32308

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RE: Docket No. 030851-TP

Dear Mr. Susac:

Pursuant to staff's request, attached are Sprint's redacted Responses to Staff's Interrogatory No. 42 and Sprint's Response to Staff's POD No. 22, contained in Staff Third Set of Interrogatories to Sprint and Staff's Fourth Request for Production of Documents to Sprint dated February 2, 2004. The confidential responses are being filed under separate cover with the Clerk's office. The remainder of the responses to Staff's Third and Fourth Sets of discovery requests will be provided on February 17, 2004.

Copies of this letter and the redacted attachments have been provided to the parties to this docket on this same day via e-mail. In addition, a copy of this letter is being filed with the Commission clerk.

If have any questions, please let me know.

Sincerely,

Susan S. Masterton

Cc: Blanca Bayo
Parties of Record

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42. For the purpose of the following request, please refer to Kent Dickerson's surrebuttal testimony page 8 lines 15 – 24 and Exhibit KWD-12. Were the sensitivity analyses performed with the BACE model performed on the newer version of the model, version 2.2?

Response: No. Mr. Dickerson did not receive the corrected BACE Model in his office until January 28, 2004, the same day his surrebuttal was due. Subsequent to his filing, all the scenarios have been reprocessed with the corrected BACE Model Version 2.2 using the corrected inputs from January 28, 2004 as a starting point. Please refer to POD 22.

22. For the purpose of the following request, please refer to Exhibits KWD-6 and KWD-12. Please provide in Excel or Access format the inputs used for each of the different sensitivity tests referenced in Kent Dickerson's rebuttal and surrebuttal testimony, including, but not limited to, the Sprint Base Case, Sprint Scenarios 2 – 11 on Exhibit KWD-6, and Sprint Scenarios D – G on Exhibit KWD-12. If such a request is overly burdensome, then provide exact changes made to the BellSouth filing, in order that staff may be able to duplicate Mr. Dickerson's scenarios and verify his results

Response: Please see attached files POD 22. In an effort to assist staff, Sprint has reprocessed each scenario supporting Exhibits KWD-6 and KWD-12 using the January 21, 2004 corrected BACE Model Version 2.2 with the corrected BellSouth inputs from January 28, 2004. Upon reprocessing these 13 scenarios, Sprint determined that column G titled "Sprint Base Case: Price Adjustments" of KWD-6 filed on January 7, 2004 was incorrect. Sprint inadvertently used a report representative of a cumulative scenario, not the distinct changes attributed to Sprint's price decline inputs as discussed by Sprint witness Dr. Brian Staihr.

There are 4 sets of Access input files attached. The first set supports Exhibit KWD-6 filed on January 7, 2004 with the correction for column G as discussed above. The second set support Exhibit KWD-12 filed on January 28, 2004. The third set is the reprocessing of each scenario included in KWD-6 using the January 21, 2004 corrected BACE Model starting with the January 28, 2004 corrected inputs. The fourth set is the reprocessing of each scenario included in KWD-12 using the January 21, 2004 corrected BACE Model starting with the January 28, 2004 corrected inputs.

Also attached are updated Exhibits KWD-6 and KWD-12, titled KWD-6 (Revised February 10 2004) and KWD-12 (Revised February 10 2004), respectively, which reflect the reprocessed scenario using the January 21, 2004 corrected BACE Model starting with the January 28, 2004 corrected inputs. Lastly, Sprint has attached an Excel file titled Attachment to POD 22 which details the input changes.

Please contact Christy Londerholm at (913) 315-9638 with any issues pertaining to these files.

030851-TP

Proprietary Attachment to POD 22

On CD

PROPRIETARY

BACE Model Version 2.2 Scenario Summary

Sprint-Florida, Inc.
 Docket No. 030851-TP
 Staff's 4th PODs
 02-Feb-04
 Exhibit KWD-6 (Revised 2/10/04)

Scenario Summary by MSA
 Mass Market NPV Values

Row	MSA	Scenario: 1	2	3	4	5	6	7	8	9	10	11
		Bel: South as filed	Sprint Base Case: Negative NPV filters = No to all; no lowest residential quintile customers	Sprint Base Case: 10% market share in year 10	Sprint Base Case: Slow market speed penetration (p-value = .25)	Sprint Base Case: Price adjustments	Sprint Base Case: Equity/Debt Change	Sprint Base Case: Adjust Purchasing Power	Sprint Base Case: Adjust Sales Cost	Sprint Base Case: Include Terminal Value = No	Sprint Base Case: Adjust Bad Debt	Cumulative Changes Scenarios 2 thru 11
12	Daytona Beach	7,118,791	8,636,438	4,039,556	5,826,237	3,409,787	5,561,720	7,130,232.0	3,927,984	7,729,504	6,926,158	(6,804,556)
13	Gainesville	4,115,540	4,652,502	2,184,926	3,233,548	2,130,870	3,047,912	3,903,606.2	2,494,485	4,193,595	3,837,428	(3,068,778)
14	Jacksonville	27,511,957	29,398,725	14,774,232	20,942,796	12,646,521	19,570,753	25,438,406.7	15,491,106	26,757,205	24,022,065	(16,326,165)
15	Miami-Ft Lauderdale	71,575,150	72,631,501	40,036,704	53,329,891	40,113,049	49,977,111	65,320,872.3	46,733,858	67,094,459	62,409,226	(10,304,701)
16	Orlando	28,952,532	103,154,188	15,977,745	21,675,307	14,343,896	19,958,543	26,011,655.8	17,099,787	27,057,674	24,759,374	(10,603,029)
17	Panama City	609,118	29,487,395	107,904	352,720	(478,775)	503,766	534,558.9	(277,027)	849,497	602,545	(4,634,689)
18	Pensacola	6,545,230	1,116,394	3,198,271	4,989,730	2,147,355	4,698,321	5,918,645.8	2,791,147	6,611,072	5,764,902	(8,289,251)
19	West Palm Beach	57,948,999	7,516,759	33,280,329	44,585,788	28,955,803	41,259,341	53,693,621.1	34,373,569	55,872,997	50,874,798	(22,120,726)
20	None	103,588,821	61,078,905	49,754,802	72,157,624	46,072,522	68,075,758	88,031,382.7	56,675,213	94,265,447	85,042,164	(54,304,004)
21												
22	Total	307,966,138	317,672,806	163,354,470	227,093,641	149,341,028	212,653,224	275,982,982	179,310,123	290,431,450	264,238,660	(136,455,897)
23												