

VOTE SHEET

December 19, 2006

Docket No. 060598-TL – Petition to recover 2005 tropical system related costs and expenses, by BellSouth Telecommunications, Inc.

**Issue 1:** What amount of any storm damage reserve fund should be considered when determining the amount of tropical-system-related intrastate costs and expenses to be recovered?

**Stipulated Language:** By agreement of the parties, this issue does not need to be voted on by the Commission. The issue of any storm damage reserve fund can be raised in a future docket and addressed by the Commission at that time. In so doing, the parties expressly reserve the right to make any and all arguments regarding the existence or nonexistence of the storm reserve in a future storm recovery proceeding.

*Stipulated*

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

*Katrina J. Iw*  
*John G. ...*  
*J. Terry ...*

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*[Signature]*

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

11579 DEC 19 06

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**Issue 2:** What is the appropriate amount of intrastate costs and expenses related to damage caused during the 2005 tropical storm season, if any, that should be recovered by BellSouth, pursuant to Section 364.051(4), Florida Statutes?

**Stipulated Language:** For the sole purpose of this case, the maximum amount of intrastate costs and expenses related to the damage caused during the 2005 tropical storm season that BellSouth incurred and is entitled to recover is \$75.271 million.

*Stipulated*

**Issue 5 (in part):** If a line item charge is approved for retail customers in Issue 4, on what date should the charge become effective, and on what date should the charge end?

**Stipulated Language:** If a charge is approved in Issue 4 for BellSouth retail customers, the charge may be assessed at BellSouth's earliest convenience, but no earlier than 30 days from the date of the Commission vote. The charge should be effective for 12 consecutive months. BellSouth should provide staff the wording to be used on its bills regarding the storm charge prior to issuance.

*Stipulated*

**Issue 6:** Should this docket be closed?

**Stipulated Language:** If a charge is not approved, this docket should be closed. If a charge is approved, then the docket should remain open. At the end of the collection period, BellSouth shall file a report on the amount collected. If the collections exceed the amount authorized by the Commission in Issue 2, BellSouth shall refund the excess.

*Stipulated*

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**Issue 3A:** What is the appropriate type and number of retail access lines, basic and nonbasic, to which any storm damage recovery may be assessed?

**Recommendation:** Staff recommends that for purposes of assessing a line-item storm recovery charge, customer or access line should be defined as the number of activated channels. As of June 2006, BellSouth had approximately 4.9 million retail access lines. The line-item recovery charge should be assessed per access line for retail basic and nonbasic local exchange service lines, including residential and business lines, payphone lines, PBX trunk lines, Network Access Registers (NARs) (including NARs used in conjunction with BellSouth ESSX<sup>®</sup> Service and MultiServ Plus Service), and B Channels of both Basic ISDN and ISDN PRI. Residential lines should exclude Lifeline customers; business lines should exclude Official lines. For retail customers obtaining high-capacity or channelized services, BellSouth should assess the charge only on the actual activated channels. Additionally, staff recommends that BellSouth's general billing database should be used in determining the access lines to be assessed.

**APPROVED**

**Issue 3b:** Is a line item charge on BellSouth's wholesale UNE loops appropriate pursuant to section 364.051(4)(b)6, Florida Statutes and Federal Law? If yes, on which types of lines should the charge be assessed and how should the lines be counted? What is the total number of UNE loops to be assessed, if any?

**Primary Recommendation:** No. Primary staff believes that applying a line-item charge to wholesale loop unbundled network element customers violates the TELRIC pricing rules, and therefore, is preempted by Federal Law.

**DENIED**

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**Alternative Recommendation:** Alternative staff recommends that the Commission authorize BellSouth to impose a line-item charge on the wholesale UNE loop customer.

If the Commission determines that a line item charge on BellSouth's wholesale UNE loops is appropriate pursuant to Section 364.051(4)(b)6, Florida Statutes, then staff recommends that BellSouth use the 47% utilization factor in calculating the number of storm recovery line item surcharges applied to each high capacity loop. Staff also recommends that BellSouth recalculate the factor monthly, using its most recently available retail billing data, and use the recalculated factor when applying storm recovery line item surcharges to high capacity loops.

Staff recommends a single storm recovery line item surcharge be applied to each of the following loops:

- 4-wire 19.2, 56 or 64 Kbps Digital Grade Loop
- 2-wire Analog Voice Grade Loop – Service Level 2
- 4-wire Analog Voice Grade Loop
- 2-wire ISDN Digital Grade Loop
- 2-wire High Bit Rate Digital Subscriber Line (HDSL) Compatible Loop
- 2-wire Asymmetrical Digital Subscriber Line (ADSL) Compatible Loop
- 2-wire Analog Voice Grade Loop – Service Level 1
- 2-wire and 4-wire Unbundled Copper Loop
- 2-wire Unbundled Copper Loop – Non-designed

Staff recommends that the 47% factor, updated monthly, be applied to the following high capacity loops so that, using the 47% factor, 11 storm recovery line item surcharges will be assessed to each DS1 loop and 315 storm recovery line item surcharges will be assessed to each DS3 loop. The updated factor should be rounded in a consistent manner with the methodology used in computing the 11 and 315 surcharges, that is for a DS1, 47 percent x 24 channels = 11.28 surcharges, rounded down to 11. For a DS3, 47 percent x 672 channels = 315.84 surcharges, rounded down to 315. Following are the high capacity loops:

- 4-wire Unbundled DS1/ISDN Digital Grade Loop
- 4-wire Unbundled DS1/ISDN Digital Grade Loop in EEL Combination
- DS3 Unbundled Digital Loop
- DS3 Unbundled Digital Loop in EEL Combination

The total number of line item surcharges (or loop equivalents) to be assessed as of June 2006 is 477,648.

**APPROVED**

*with the understanding all  
the language associated with this alternative  
recommendation is included in approval.*

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**Issue 4:** What is the appropriate line item charge per access line, if any?

**Recommendation:** Staff recommends that the appropriate monthly line item charge per access line is the amount approved in Issue 2 divided by the appropriate number of access lines, approved in Issues 3A and 3B, divided by 12, as long as this amount does not exceed the statutory limitation of \$0.50 per month per customer line as defined in Section 364.051(4), Florida Statutes. Therefore, the appropriate line item charge per access line is \$0.50 per month for 12 months.

**APPROVED**

**Issue 5:** If a line item charge is approved in Issue 4 for UNE wholesale customers, on what date should the charge become effective and on what date should the charge end?

**Recommendation:** If a charge is approved in Issue 4 for BellSouth wholesale UNE Loops, the charge may be assessed at BellSouth's earliest convenience, but no earlier than 30 days from the date of the Commission vote. The charge should be effective for 12 consecutive months. BellSouth should provide staff the wording to be used on its bill regarding the storm charge prior to issuance.

**APPROVED**