



Sprint

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Centel-Florida

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Alan N. Berg
Senior Attorney

September 5, 1995

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301-8153

RE: Docket Nos. ~~921074-TP~~, 930955-TL, 940014-TL, 940020-TL, 931196-TL and
940190-TL-- In re: Expanded Interconnection and Local Transport Restructure--
Required Tariff Filings

Dear Mrs. Bayo:

Enclosed for filing in the above-referenced docket are the original and 4 copies
of Central Telephone Company of Florida's Request for Confidential Classification
concerning the cost data supporting the zone density tariff filed in the above-captioned
Dockets.

Thank you for your attention to this matter.

Sincerely,

Alan N. Berg

ANB:tbn
Enclosure



DOCUMENT NUMBER-DATE

08680 SEP-6 95

FPSC-RECORDS/REPORTING

specific justification proffered in support of the confidential classification of such material.

3. Copies of the documents identified in paragraph 1 above are enclosed with the confidential information highlighted as required by the Rule. The documents with the confidential material highlighted are attached to the original only of this Request as Exhibit "A". Copies of the documents containing the confidential material with the confidential material blocked out with an opaque marker or other masking device are attached to this Request as Exhibit "B". Copies of this Request served on the parties in this matter do not have a copy of Exhibit "A" attached, but do have a copy of Exhibit "B" attached.

4. A listing of the pages and lines at which the confidential materials can be found is attached to this Request as Exhibit "C". A listing correlating the pages and lines of the confidential material with the specific justification proffered in support of the confidential classification of the material is attached to this Request as Exhibit "D".

5. The material for which confidential classification is sought is intended to be and is treated by Centel as confidential and has not been disclosed without being subject to an agreement to maintain its confidential status.

6. The confidential material consists of cost data for zone density pricing for Centel, and will remain confidential through the entire course of this docket and thereafter.

7. Upon conclusion of this docket, Centel request that the confidential information described above be returned to Centel.

Wherefore, Central Telephone Company of Florida requests that an order be entered declaring the information described herein as falling within the specified confidential classification.

Respectfully submitted,



Alan N. Berg
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EXHIBIT "B"

**Docket Nos. 921074-TP, 930955-TL, 940014-TL, 940020-TL, 931196-TL and
940190-TL-- In re: Expanded Interconnection and Local Transport Restructure.**

**REQUEST FOR CONFIDENTIAL CLASSIFICATION
BY CENTRAL TELEPHONE COMPANY OF FLORIDA**

Copy of Documents with Confidential Information Marked Out

ZONE DENSITY COST STUDY

for

**UNITED TELEPHONE COMPANY OF FLORIDA
and
CENTRAL TELEPHONE COMPANY OF FLORIDA**

EXECUTIVE SUMMARY

A Long Run Incremental Cost (LRIC) study was completed to determine the costs associated with the Zone Density tariff filing. This tariff includes zone density rates for Local Transport, Private Line, Special Access and Mobile Interconnection. The elements for which cost support is provided are listed in Column A of Attachment 2, Pages 1 through 4.

The cost model used to determine the Tandem Switching cost was the Switching Cost Information System / Model Office (SCIS/MO). All cost information is proprietary. Bellcore prohibits the disclosure of any information regarding the SCIS model including the inputs and cost calculations within the model.

SCIS is a PC-based model developed by Bellcore which estimates switching system investment caused by switch usage. SCIS computes investment using the marginal cost and average cost method. S/UTF and S/CF use the marginal cost method.

The SCIS model run for this cost study used the combination model office (Version 6.3). This uses a composite of our existing in-service switches with actual inputs obtained yearly from engineering. All assumptions are based on actual forecasts.

Arthur Anderson audited the Bellcore SCIS model and released a report in July 1992 which states that the costing principles inherent in SCIS are appropriate for estimating long run incremental investment attributable to switching system usage, and the methods for implementing the principles are reasonable.

The costs of the Entrance Facility, Direct Trunked Fixed and per mile and the Tandem Switched Termination and Facility costs were determined via use of a methodology established by USTA for incremental cost studies. These costs were developed as Total Service Long Run Incremental Costs (TSLRIC).

The loop costs associated with the High Capacity and Cellular Interconnection rate elements were determined via the LOOPCOST model. This model is a PC based model originally developed by BellSouth which determines the TSLRIC associated with loop investments.

This study used the forward looking technologies currently being planned at S/UTF and S/CF. Statistically valid samples were used to form the basis for the assumptions used in the study.

Local Transport Restructure Zone Density

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
	<u>Proposed Rate Elements</u>	<u>Incremental Cost</u>	<u>Zone 1 Rate</u>	<u>Zone 2 Rate</u>	<u>Zone 3 Rate</u>
1	Entr. Facility - DS1	[REDACTED]	\$189.00	\$210.00	\$220.50
2	Entr. Facility - DS3 (0 Miles)	[REDACTED]	\$832.00	\$924.00	\$970.00
3	Entr. Facility - DS3 (1-3 Miles)	[REDACTED]	\$1,463.00	\$1,626.00	\$1,707.00
4	Entr. Facility - DS3 (3+ Miles)	[REDACTED]	\$2,577.00	\$2,863.00	\$3,006.00
5	Direct Trunked Fixed - DS1	[REDACTED]	\$83.70	\$93.00	\$97.65
6	Direct Trunked Per Mile - DS1	[REDACTED]	\$18.00	\$20.00	\$21.00
7	Direct Trunked Fixed - DS3	[REDACTED]	\$460.00	\$472.00	\$496.00
8	Direct Trunked Per Mile - DS3	[REDACTED]	\$219.00	\$243.00	\$255.00
9	Tandem Switched Termination	[REDACTED]	\$0.000251	\$0.000279	\$0.000293
10	Tandem Switched Facility	[REDACTED]	\$0.000058	\$0.000064	\$0.000067
11	Tandem Switching (1st Minute)	[REDACTED]	\$0.000808	\$0.000898	\$0.000943
12	Tandem Switching (Additional Minute)	[REDACTED]	\$0.000808	\$0.000898	\$0.000943
13	Multiplexing - DS1 to Voice	[REDACTED]	\$270.00	\$300.00	\$315.00
14	Multiplexing - DS3 to DS1	[REDACTED]	\$540.00	\$600.00	\$630.00

Private Line Zone Density

	A	B	C	D	E
		<u>Incremental Cost</u>	<u>Zone 1 Rate</u>	<u>Zone 2 Rate</u>	<u>Zone 3 Rate</u>
1	<i>Local Channel</i>		\$101.50	\$112.75	\$118.40
2	24-48 Months		\$99.50	\$110.50	\$116.05
3	49-72 Months		\$98.05	\$108.90	\$114.40
4	73-96 Months		\$96.60	\$107.30	\$112.70
	<i>Interoffice</i>				
5	Fixed		\$46.35	\$51.50	\$54.10
6	24-48 Months		\$43.10	\$47.85	\$50.25
7	49-72 Months		\$43.10	\$47.85	\$50.25
8	73-96 Months		\$43.10	\$47.85	\$50.25
	<i>Per Mile</i>				
9	Per Mile (1-8)		\$21.50	\$23.85	\$25.05
10	Per Mile (9-25)		\$20.20	\$22.40	\$23.55
11	Per Mile (25+)		\$18.85	\$20.90	\$21.95
	24-48 Months				
12	Per Mile (1-8)		\$17.55	\$19.45	\$20.45
13	Per Mile (9-25)		\$16.20	\$17.95	\$18.90
14	Per Mile (25+)		\$14.85	\$16.45	\$17.30
	49-72 Months				
15	Per Mile (1-8)		\$16.15	\$17.90	\$18.85
16	Per Mile (9-25)		\$14.85	\$16.45	\$17.30
17	Per Mile (25+)		\$13.50	\$14.95	\$15.75
	73-96 Months				
18	Per Mile (1-8)		\$14.85	\$16.45	\$17.30
19	Per Mile (9-25)		\$13.50	\$14.95	\$15.75
20	Per Mile (25+)		\$12.15	\$13.45	\$14.15

Special Access Zone Density

DS1	A	B <u>Incremental Cost</u>	C <u>Zone 1 Rate</u>	D <u>Zone 2 Rate</u>	E <u>Zone 3 Rate</u>
1	<i>Local Channel</i>	[REDACTED]	\$101.50	\$112.75	\$118.40
2	24-48 Months	[REDACTED]	\$99.50	\$110.50	\$116.05
3	49-72 Months	[REDACTED]	\$98.05	\$108.90	\$114.40
4	73-96 Months	[REDACTED]	\$96.60	\$107.30	\$112.70
	<i>Interoffice</i>				
5	Fixed	[REDACTED]	\$46.35	\$51.50	\$54.10
6	24-48 Months	[REDACTED]	\$43.10	\$47.85	\$50.25
7	49-72 Months	[REDACTED]	\$43.10	\$47.85	\$50.25
8	73-96 Months	[REDACTED]	\$43.10	\$47.85	\$50.25
	<i>Per Mile</i>				
9	Per Mile (1-8)	[REDACTED]	\$21.50	\$23.85	\$25.05
10	Per Mile (9-25)	[REDACTED]	\$20.20	\$22.40	\$23.55
11	Per Mile (25+)	[REDACTED]	\$18.85	\$20.90	\$21.95
	<i>24-48 Months</i>				
12	Per Mile (1-8)	[REDACTED]	\$17.55	\$19.45	\$20.45
13	Per Mile (9-25)	[REDACTED]	\$16.20	\$17.95	\$18.90
14	Per Mile (25+)	[REDACTED]	\$14.85	\$16.45	\$17.30
	<i>49-72 Months</i>				
15	Per Mile (1-8)	[REDACTED]	\$16.15	\$17.90	\$18.85
16	Per Mile (9-25)	[REDACTED]	\$14.85	\$16.45	\$17.30
17	Per Mile (25+)	[REDACTED]	\$13.50	\$14.95	\$15.75
	<i>73-96 Months</i>				
18	Per Mile (1-8)	[REDACTED]	\$14.85	\$16.45	\$17.30
19	Per Mile (9-25)	[REDACTED]	\$13.50	\$14.95	\$15.75
20	Per Mile (25+)	[REDACTED]	\$12.15	\$13.45	\$14.15

Mobile Interconnection Zone Density

	A	B	C	D	E
DS1					
		<u>Incremental Cost</u>	<u>Zone 1 Rate</u>	<u>Zone 2 Rate</u>	<u>Zone 3 Rate</u>
1	Local Channel	[REDACTED]	\$101.50	\$112.75	\$118.40
2	Interoffice Channel (Fixed)	[REDACTED]	\$46.35	\$51.50	\$54.10
	Interoffice Channel (Per Mile)				
3	1-8 Miles	[REDACTED]	\$21.50	\$23.85	\$25.05
4	9-25 Miles	[REDACTED]	\$20.20	\$22.40	\$23.55
5	Over 25 Miles	[REDACTED]	\$18.85	\$20.90	\$21.95

EXHIBIT "C"

Docket Nos. 921074-TP, 930955-TL, 940014-TL, 940020-TL, 931196-TL and 940190-TL-- In re: Expanded Interconnection and Local Transport Restructure.

**REQUEST FOR CONFIDENTIAL CLASSIFICATION
BY CENTRAL TELEPHONE COMPANY OF FLORIDA**

Description of Confidential Information

The following information has be identified as confidential.

Zone Density Cost Study

Attachment 2, Page 1 of 4, Column B, Lines 1-14, Incremental Costs

Attachment 2, Page 2 of 4, Column B, Lines 1-20, Incremental Costs

Attachment 2, Page 3 of 4, Column B, Lines 1-20, Incremental Costs

Attachment 2, Page 4 of 4, Column B, Lines 1, 4 and 5, Incremental Costs

EXHIBIT "D"

Docket Nos. 921074-TP, 930955-TL, 940014-TL, 940020-TL, 931196-TL and 940190-TL-- In re: Expanded Interconnection and Local Transport Restructure.

REQUEST FOR CONFIDENTIAL CLASSIFICATION BY CENTRAL TELEPHONE COMPANY OF FLORIDA

Specific Justification to Support Confidential Classification

The following justification is offered for the information listed below:

Zone Density Cost Study

Attachment 2, Page 1 of 4, Column B, Lines 1-14, Incremental Costs

Attachment 2, Page 2 of 4, Column B, Lines 1-20, Incremental Costs

Attachment 2, Page 3 of 4, Column B, Lines 1-20, Incremental Costs

Attachment 2, Page 4 of 4, Column B, Lines 1, 4 and 5, Incremental Costs

The information claimed as confidential contained in the above-referenced page and lines consists of incremental costs for zone density pricing for local transport, private line, special access and mobile interconnection. All of these services except mobile interconnection are currently or soon will be subject to competition at various locations in the Centel service territory. Centel's sister company, United Telephone Company of Florida, has recently been the subject of arbitrage of its cellular interconnection rates in the Orlando area and no longer terminates much of the cellular traffic in its Orlando area service territory. It is apparent from this loss of service that cellular interconnection is the subject of competition in some areas. Competition for all of these services will increase as more competitors enter the local service market

under the recently enacted legislation at the State level and the pending legislation at the Federal level. Competitors are present and waiting to provide all of these services.

Section 364.183(3)(e), Florida Statutes (1993), describes the term "proprietary confidential business information" to include "information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information."

The incremental costing information provided on local transport pricing for local transport, private line, special access and mobile interconnection, is information relating to the competitive interests of Centel. Disclosure of the information would allow other providers of services to determine the minimum price at which Centel could sell the services and enable other providers of the services a competitive advantage in pricing their service. Such an advantage would impair Centel's ability to compete in the market for the services listed, and give its competitors an unfair competitive advantage. The revealing of the competitive information would lessen Centel's ability to compete in the marketplace and deprive consumers of services of a viable competitor for the service.

M E M O R A N D U M

September 6, 1995

TO: _____ DIVISION OF APPEALS
_____ DIVISION OF AUDITING AND FINANCIAL ANALYSIS
XX _____ DIVISION OF COMMUNICATIONS
_____ DIVISION OF ELECTRIC AND GAS
_____ DIVISION OF RESEARCH
_____ DIVISION OF WATER AND WASTEWATER
_____ DIVISION OF LEGAL SERVICES

FROM: DIVISION OF RECORDS AND REPORTING (WILLIAMS)

RE: CONFIDENTIALITY OF CERTAIN INFORMATION

DOCUMENT NO. 08681-95

DESCRIPTION: Cost Data Supporting Zone Density Tariff

SOURCE: CENTRAL TELEPHONE COMPANY OF FLORIDA

DOCKET NO.: 931074-TP, 930955-TL, 940014-TL, 940020-TL,
931196-TL and 940190-TL

The above material was received with a request for confidentiality (attached). Please prepare a recommendation for the attorney assigned to the case by completing the section below and forwarding a copy of this memorandum, together with a brief memorandum supporting your recommendation, to the attorney. Copies of your recommendation should also be provided to the Division of Records and Reporting and to the Division of Appeals.

Please read each of the following and check if applicable.

_____ The document(s) is (are), in fact, what the utility asserts it (them) to be.