

19, lines 13-22 may not apply to GTE. The criticism in lines 13-22, however is still relevant to general BCPM modeling, as stated on page 20, lines 1-4, for all companies that use the default switch price methodology within BCPM. BCPM apparently mapped the SCIS and SCM outputs to the various cost subcategories, used in the default BCPM switch prices, referenced in the BCPM 3.1 Switch Curve Methodology, Page 132. As we have no additional information about this mapping process, we cannot definitively determine whether the error observed in the ALSM mapping of SCIS outputs to cost categories is in the BCPM default pricing methodology. It is reasonable to assume that the BCPM sponsors used the same mapping process for the ALSM method and the BCPM default pricing method. I don't have the necessary detail to separate the number of calls involving remotes from total calls, so I cannot quantify the impacts of the potential error.

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- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OT _____
- _____
- _____
- _____

25. For purposes of the following request, please refer to AT&T witness Petzinger's rebuttal testimony, page 30, lines 10-22 – page 31, lines 1-17. Please identify or quantify the impact of this alleged error on total switch costs.

Response: This question's reference to line numbers appear incorrect. Lines 18-21 on page 30 refer to a separate issue in my testimony. The following answer assumes the question was asking about lines 6-17, instead of 10-22. Setting the Reserve CCS to 0 for BellSouth's run yields a total switch investment of [start proprietary] [end proprietary] (sum of columns BH-BM in the switch Main Logic spreadsheet) compared to BellSouth's as-filed switch investment

of [start proprietary] [end proprietary] for an overstatement of \$2,874,107.

This question refers to page 31, lines 1-17, however there is some confusion regarding the line numbers on this page because the question references two separate sections of the testimony (Section VIII and IX). I will attempt to answer what I perceived to be the questions regarding the small switch option, [1] impacts on BellSouth investments if the BCPM default small switch prices were applied; and [2] impacts on BellSouth and Sprint investments if the BCPM (i.e., Gable prices) were revised to be more reasonable for a large company.

[1] The impacts on *total* switch investment is not significant because of the relatively small number of small switches in BellSouth's area. However, if Universal Service were to be calculated at the wire center level, then those wire centers served with small switches would experience significant differences. Replacing the existing BellSouth investments with the small switch option reduces the cost per line for small switches from [start proprietary] [end proprietary] to [start proprietary] [end proprietary].

[2] When more reasonable fixed and variable costs are substituted for the small company/small switch default prices included in BCPM, the cost for BellSouth small switches drops to \$155 per line and Sprint's small switch cost drops from its as-filed [start proprietary] [end proprietary] per line to \$208 per line. The fixed and variable costs used to produce this result are:

	Standalone	Host	Remote
0-640 lines			
Fixed Cost	\$175,000	\$183,750	\$10,000
Variable per Line	\$75	\$75	\$85
641-5000 lines			
Fixed Cost	\$175,000	\$183,750	\$55,000
Variable per Line	\$75	\$75	\$83

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26. For purposes of the following request, please refer to AT&T and MCI witness Wood and Pitkin, page 10, lines 3-5.

- (a) Please identify the specific input assumptions adopted by the Louisiana commission.
- (b) For each of the input assumptions identified in response to (a), please identify the HAI model's default values.

Response: Please see attached.

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27. For purposes of the following request, please refer to AT&T and MCI witness Wood and Pitkin, page 11, lines 8-10.

- (a) Please identify the specific modifications to inputs and other changes adopted by the Minnesota commission.
- (b) For each of the input assumptions identified in response to (a), please identify the HAI model's default values.

Response: AT&T will provide a supplemental response to this request.

28. For purposes of the following request, please refer to the joint rebuttal testimony of AT&T and MCI witnesses Wood and Pitkin, page 14, lines 17-20.