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ORIGINAL

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November 2, 1998

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Special Project No. 980000A-SP, UNDOCKETED SPECIAL
PROJECT: Fair and Reasonable Rate

Dear Ms. Bayo:

Enclosed for filing is the original and fifteen (15) copies of Sprint-Florida, Inc.'s revised TSLRIC loop costs. These revisions have been made pursuant to the attached documentation.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

ACK Thank you for your assistance in this matter.

AFA 2

APP Sincerely,

CAF
CMU 

CTR Charles J. Rehwinkel

EAG CJR/th

LEN 2
LW Enclosures

QFC

RWH 2

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APP. AND REP. REPORTING

ORIGINAL



F. B. (Ben) Poag
Director - Regulatory Affairs

Southern Operations
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Tallahassee, FL 32316
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November 2, 1998

Mr. Walter D'Haeseleer
Director - Division of Communications
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 980000A-SP UNDOCKETED SPECIAL PROJECT: Fair and Reasonable Rate

Dear Mr. D'Haeseleer:

Sprint - Florida, Inc has recently revised the TSLRIC loop costs which reflects an adjustment in the Port costs and Fill Factors originally used in the calculation of the Contribution Analysis filed on July 31, 1998 in this undocketed proceeding. As a result Sprint has revised the Contribution Analysis and is providing this updated analysis for use in the fair and reasonable Florida residential basic local telecommunications service rate.

If you have any questions please contact me at 850-599-1027.

Sincerely,

A handwritten signature in cursive script that reads "F. Ben Poag".

F. Ben Poag
Director - Regulatory Affairs

Enclosure

CC: Division of Communications
Division of Auditing and Financial Analysis

SPRINT – FLORIDA, INCORPORATED

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**SPRINT - FLORIDA
SUMMARY OF CONTRIBUTION ANALYSIS**

Basic Service

| | Residential | | Business | |
|--------------|-------------|---------|----------|---------|
| | Amount | Percent | Amount | Percent |
| Unit Rate * | \$ 14.23 | | \$ 31.71 | |
| Unit Cost | \$ 25.21 | | \$ 17.63 | |
| Contribution | \$ (10.98) | -43.5% | \$ 14.08 | 79.8% |

Intrastate Access

| | Intrastate Access | |
|--------------|-------------------|---------|
| | Amount | Percent |
| Unit Rate | \$ 0.0496560 | |
| Unit Cost | \$ 0.0036530 | |
| Contribution | \$ 0.0460030 | 1259.2% |

Other Services

| | Centrex | | PBX | |
|--------------|----------|---------|----------|---------|
| | Amount | Percent | Amount | Percent |
| Unit Rate * | \$ 29.72 | | \$ 54.14 | |
| Unit Cost | \$ 18.16 | | \$ 18.68 | |
| Contribution | \$ 11.56 | 63.6% | \$ 35.46 | 189.8% |

| | Key | | Rotary Key | |
|--------------|----------|---------|------------|---------|
| | Amount | Percent | Amount | Percent |
| Unit Rate * | \$ 32.21 | | \$ 43.56 | |
| Unit Cost | \$ 17.37 | | \$ 17.37 | |
| Contribution | \$ 14.84 | 85.4% | \$ 26.19 | 150.8% |

| | intraLATA Toll | |
|--------------|----------------|---------|
| | Amount | Percent |
| Unit Rate | \$ 0.1774820 | |
| Unit Cost | \$ 0.0049557 | |
| Contribution | \$ 0.1725264 | 3481.4% |

* Unit rate includes local service rate, extended local calling revenue, touch-tone revenue and the subscriber line charge.

SPRINT - FLORIDA, INC.
Voice Grade, Flat Rate Residential Local Exchange Service
Contribution Analysis

Total Sprint

| Line | R1 - Total Statewide Contribution Analysis | Source | Amount | % |
|------|--|-----------------|-----------------|--------|
| 1 | Statewide Revenue | Page 4 of 8 | \$ 18,163,769 | |
| 2 | Statewide Cost | Cost x Units | \$ 31,954,922 | |
| 3 | Contribution | Line 1 - Line 2 | \$ (13,791,153) | -43.2% |
| Line | R1 - Statewide Unit Contribution Analysis | Source | Amount | % |
| 4 | Statewide Unit Revenue | Page 4 of 8 | \$ 14.23 | |
| 5 | Statewide Unit Cost | Page 8 of 8 | 25.21 | |
| 6 | Contribution | Line 4 - Line 5 | \$ (10.98) | -43.5% |

SPRINT - FLORIDA, INC.
Voice Grade, Flat Rate Residential Local Exchange Service
Contribution Analysis

United Exchanges

| Line | R1 - Rate Group 1 Unit Contribution Analysis | Source | Amount | % |
|---|--|-------------------|------------|--------|
| 1 | Rate Group 1 Unit Revenue | Page 4 of 8 | \$ 12.05 | |
| 2 | Rate Group 1 Unit Cost | Page 8 of 8 | \$ 41.10 | |
| 3 | Contribution | Line 1 - Line 2 | \$ (29.05) | -70.7% |
| R1 - Rate Group 2 Unit Contribution Analysis | | | | |
| 4 | Rate Group 2 Unit Revenue | Page 4 of 8 | \$ 12.80 | |
| 5 | Rate Group 2 Unit Cost | Page 8 of 8 | \$ 30.40 | |
| 6 | Contribution | Line 4 - Line 5 | \$ (17.60) | -57.9% |
| R1 - Rate Group 3 Unit Contribution Analysis | | | | |
| 7 | Rate Group 3 Unit Revenue | Page 4 of 8 | \$ 13.27 | |
| 8 | Rate Group 3 Unit Cost | Page 8 of 8 | \$ 25.66 | |
| 9 | Contribution | Line 7 - Line 8 | \$ (12.39) | -48.3% |
| R1 - Rate Group 4 Unit Contribution Analysis | | | | |
| 10 | Rate Group 4 Unit Revenue | Page 4 of 8 | \$ 14.08 | |
| 11 | Rate Group 4 Unit Cost | Page 8 of 8 | \$ 23.74 | |
| 12 | Contribution | Line 10 - Line 11 | \$ (9.66) | -40.7% |
| R1 - Rate Group 5 Unit Contribution Analysis | | | | |
| 13 | Rate Group 5 Unit Revenue | Page 4 of 8 | \$ 14.81 | |
| 14 | Rate Group 5 Unit Cost | Page 8 of 8 | \$ 18.98 | |
| 15 | Contribution | Line 13 - Line 14 | \$ (4.17) | -22.0% |
| R1 - Rate Group 6 Unit Contribution Analysis | | | | |
| 16 | Rate Group 6 Unit Revenue | Page 4 of 8 | \$ 15.60 | |
| 17 | Rate Group 6 Unit Cost | Page 8 of 8 | \$ 17.85 | |
| 18 | Contribution | Line 16 - Line 17 | \$ (2.25) | -12.6% |
| R1 - Statewide Unit Contribution Analysis | | | | |
| 19 | Statewide Unit Revenue | Page 4 of 8 | \$ 14.15 | |
| 20 | Statewide Unit Cost | Page 8 of 8 | \$ 23.84 | |
| 21 | Contribution | Line 19 - Line 20 | \$ (9.69) | -40.6% |

FLORIDA TSLRIC STUDY

Service: R1

STATEWIDE

| | | | | |
|---------------------------|--------------|--------------|--------------|--------------|
| Local Loop (Incl. NID) | \$/mo | 21.44 | 27.57 | 20.09 |
| Local Switching Usage | \$/mo | 2.43 | 2.43 | 2.43 |
| Port | \$/mo | 0.56 | 0.62 | 0.54 |
| EAS Switching Usage | \$/mo | 0.63 | 0.63 | 0.63 |
| EAS Transport | \$/mo | 0.15 | 0.15 | 0.15 |
| Total Service Cost | \$/mo | 25.21 | 31.40 | 23.84 |

CENTRAL

| | | | | | | | |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Local Loop (Incl. NID) | \$/mo | 44.71 | 54.30 | 38.69 | 35.94 | 13.31 | 22.57 |
| Local Switching Usage | \$/mo | 2.43 | 2.43 | 2.43 | 2.43 | 2.43 | 2.43 |
| Port | \$/mo | 0.34 | 0.33 | 0.67 | - | 0.89 | 0.62 |
| EAS Switching Usage | \$/mo | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 |
| EAS Transport | \$/mo | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 |
| Total Service Cost | \$/mo | 48.26 | 57.84 | 42.57 | 39.15 | 17.41 | 26.40 |

UNITED

| | | | | | | | |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Local Loop (Incl. NID) | \$/mo | 37.43 | 26.77 | 21.96 | 20.03 | 15.17 | 14.02 |
| Local Switching Usage | \$/mo | 2.43 | 2.43 | 2.43 | 2.43 | 2.43 | 2.43 |
| Port | \$/mo | 0.46 | 0.42 | 0.49 | 0.50 | 0.60 | 0.62 |
| EAS Switching Usage | \$/mo | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 | 0.63 |
| EAS Transport | \$/mo | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 |
| Total Service Cost | \$/mo | 41.10 | 30.40 | 25.66 | 23.74 | 18.98 | 17.85 |

SPRINT - FLORIDA, INC.
Voice Grade, Flat Rate Business Local Exchange Service
Contribution Analysis

United Exchanges

| Line | | Source | Amount | % |
|---|---------------------------|-------------------|-----------|--------|
| C1 - Rate Group 1 Unit Contribution Analysis | | | | |
| 1 | Rate Group 1 Unit Revenue | Page 4 of 8 | \$ 26.31 | |
| 2 | Rate Group 1 Unit Cost | Page 8 of 8 | \$ 28.54 | |
| 3 | Contribution | Line 1 - Line 2 | \$ (2.23) | -7.8% |
| B1 - Rate Group 2 Unit Contribution Analysis | | | | |
| 4 | Rate Group 2 Unit Revenue | Page 4 of 8 | \$ 28.07 | |
| 5 | Rate Group 2 Unit Cost | Page 8 of 8 | \$ 24.14 | |
| 6 | Contribution | Line 4 - Line 5 | \$ 3.93 | 16.3% |
| B1 - Rate Group 3 Unit Contribution Analysis | | | | |
| 7 | Rate Group 3 Unit Revenue | Page 4 of 8 | \$ 29.31 | |
| 8 | Rate Group 3 Unit Cost | Page 8 of 8 | \$ 21.46 | |
| 9 | Contribution | Line 7 - Line 8 | \$ 7.85 | 26.6% |
| B1 - Rate Group 4 Unit Contribution Analysis | | | | |
| 10 | Rate Group 4 Unit Revenue | Page 4 of 8 | \$ 31.26 | |
| 11 | Rate Group 4 Unit Cost | Page 8 of 8 | \$ 19.02 | |
| 12 | Contribution | Line 10 - Line 11 | \$ 12.24 | 64.4% |
| B1 - Rate Group 5 Unit Contribution Analysis | | | | |
| 13 | Rate Group 5 Unit Revenue | Page 4 of 8 | \$ 33.03 | |
| 14 | Rate Group 5 Unit Cost | Page 8 of 8 | \$ 16.55 | |
| 15 | Contribution | Line 13 - Line 14 | \$ 16.48 | 99.6% |
| B1 - Rate Group 6 Unit Contribution Analysis | | | | |
| 16 | Rate Group 6 Unit Revenue | Page 4 of 8 | \$ 34.88 | |
| 17 | Rate Group 6 Unit Cost | Page 8 of 8 | \$ 14.78 | |
| 18 | Contribution | Line 16 - Line 17 | \$ 20.10 | 136.0% |
| B1 - Statewide Unit Contribution Analysis | | | | |
| 19 | Statewide Unit Revenue | Page 4 of 8 | \$ 31.74 | |
| 20 | Statewide Unit Cost | Page 8 of 8 | \$ 18.42 | |
| 21 | Contribution | Line 19 - Line 20 | \$ 13.32 | 72.3% |

SPRINT - FLORIDA, INC.
Voice Grade, Flat Rate Business Local Exchange Service
Contribution Analysis

Centel Exchanges

| Line | B1 - Rate Group 1 Unit Contribution Analysis | Source | Amount | % |
|------|---|-------------------|---------------|----------|
| 1 | Rate Group 1 Unit Revenue | Page 4 of 8 | \$ 27.63 | |
| 2 | Rate Group 1 Unit Cost | Page 8 of 8 | \$ 23.87 | |
| 3 | Contribution | Line 1 - Line 2 | \$ 3.76 | 15.8% |
| | B1 - Rate Group 2 Unit Contribution Analysis | Source | Amount | % |
| 4 | Rate Group 2 Unit Revenue | Page 4 of 8 | \$ 28.73 | |
| 5 | Rate Group 2 Unit Cost | Page 8 of 8 | \$ 32.43 | |
| 6 | Contribution | Line 4 - Line 5 | \$ (3.70) | -11.4% |
| | B1 - Rate Group 3 Unit Contribution Analysis | Source | Amount | % |
| 7 | Rate Group 3 Unit Revenue | Page 4 of 8 | \$ 29.66 | |
| 8 | Rate Group 3 Unit Cost | Page 8 of 8 | \$ 27.24 | |
| 9 | Contribution | Line 7 - Line 8 | \$ 2.42 | 8.5% |
| | B1 - Rate Group 4 Unit Contribution Analysis | Source | Amount | % |
| 10 | Rate Group 4 Unit Revenue | Page 4 of 8 | \$ 30.71 | |
| 11 | Rate Group 4 Unit Cost | Page 8 of 8 | \$ 32.86 | |
| 12 | Contribution | Line 10 - Line 11 | \$ (2.15) | -6.6% |
| | B1 - Rate Group 5 Unit Contribution Analysis | Source | Amount | % |
| 13 | Rate Group 5 Unit Revenue | Page 4 of 8 | \$ 31.71 | |
| 14 | Rate Group 5 Unit Cost | Page 8 of 8 | \$ 15.41 | |
| 15 | Contribution | Line 13 - Line 14 | \$ 16.30 | 105.8% |
| | B1 - Rate Group 6 Unit Contribution Analysis | Source | Amount | % |
| 16 | Rate Group 6 Unit Revenue | Page 4 of 8 | \$ 32.74 | |
| 17 | Rate Group 6 Unit Cost | Page 8 of 8 | \$ 12.75 | |
| 18 | Contribution | Line 16 - Line 17 | \$ 19.99 | 156.8% |
| | B1 - Statewide Unit Contribution Analysis | Source | Amount | % |
| 19 | Statewide Unit Revenue | Page 4 of 8 | \$ 31.58 | |
| 20 | Statewide Unit Cost | Page 8 of 8 | \$ 15.53 | |
| 21 | Contribution | Line 19 - Line 20 | \$ 16.05 | 103.4% |

SPRINT - FLORIDA, INC.
Centrex Service
Contribution Analysis

Total Sprint

| Line | Centrex - Total Statewide Contribution Analysis | Source | Amount | % |
|------|---|------------------|--------------|-------|
| 1 | Statewide Revenue | End User Billing | 2,928,413 | |
| 2 | Statewide Cost | Line 5 * Line 7 | \$ 1,789,632 | |
| 3 | Contribution | | \$ 1,138,781 | 63.6% |
| Line | Centrex - Statewide Unit Contribution Analysis | Source | Amount | % |
| 4 | Statewide Unit Revenue | Line 1/Line 7 | \$ 29.72 | |
| 5 | Statewide Unit Cost | Page 2 | \$ 18.16 | |
| 6 | Contribution | | \$ 11.56 | 53.6% |
| 7 | Centrex Units - December 1997 | End User Billing | 98,548 | |

FLORIDA TSLRIC STUDY

Service: **Centrex**

STATEWIDE

| | | |
|---------------------------|--------------|--------------|
| Local Loop (incl. NID) | \$/mo | 13.67 |
| Local Switching Usage | \$/mo | 2.51 |
| Port | \$/mo | 0.56 |
| EAS Switching Usage | \$/mo | 1.15 |
| EAS Transport | \$/mo | 0.27 |
| Total Service Cost | \$/mo | 18.16 |

SPRINT - FLORIDA, INC.
PBX Exchange Service
Contribution Analysis

United Exchanges

| Line | PBX - Rate Group 1 Unit Contribution Analysis | Source | Amount | % |
|--|---|-------------------|----------|--------|
| 1 | Rate Group 1 Unit Revenue | Page 4 of 8 | \$ 41.41 | |
| 2 | Rate Group 1 Unit Cost | Page 8 of 8 | \$ 29.59 | |
| 3 | Contribution | Line 1 - Line 2 | \$ 11.82 | 39.9% |
| PBX - Rate Group 2 Unit Contribution Analysis | | | | |
| 4 | Rate Group 2 Unit Revenue | Page 4 of 8 | \$ 44.92 | |
| 5 | Rate Group 2 Unit Cost | Page 8 of 8 | \$ 25.19 | |
| 6 | Contribution | Line 4 - Line 5 | \$ 19.73 | 78.3% |
| PBX - Rate Group 3 Unit Contribution Analysis | | | | |
| 7 | Rate Group 3 Unit Revenue | Page 4 of 8 | \$ 48.06 | |
| 8 | Rate Group 3 Unit Cost | Page 8 of 8 | \$ 22.51 | |
| 9 | Contribution | Line 7 - Line 8 | \$ 25.55 | 113.5% |
| PBX - Rate Group 4 Unit Contribution Analysis | | | | |
| 10 | Rate Group 4 Unit Revenue | Page 4 of 8 | \$ 51.73 | |
| 11 | Rate Group 4 Unit Cost | Page 8 of 8 | \$ 20.07 | |
| 12 | Contribution | Line 10 - Line 11 | \$ 31.66 | 157.8% |
| PBX - Rate Group 5 Unit Contribution Analysis | | | | |
| 13 | Rate Group 5 Unit Revenue | Page 4 of 8 | \$ 55.33 | |
| 14 | Rate Group 5 Unit Cost | Page 8 of 8 | \$ 17.60 | |
| 15 | Contribution | Line 13 - Line 14 | \$ 37.73 | 214.4% |
| PBX - Rate Group 6 Unit Contribution Analysis | | | | |
| 16 | Rate Group 6 Unit Revenue | Page 4 of 8 | \$ 58.99 | |
| 17 | Rate Group 6 Unit Cost | Page 8 of 8 | \$ 15.84 | |
| 18 | Contribution | Line 16 - Line 17 | \$ 43.15 | 272.4% |
| PBX - Statewide Unit Contribution Analysis | | | | |
| 19 | Statewide Unit Revenue | Page 4 of 8 | \$ 54.45 | |
| 20 | Statewide Unit Cost | Page 8 of 8 | \$ 19.47 | |
| 21 | Contribution | Line 19 - Line 20 | \$ 34.98 | 179.7% |

SPRINT - FLORIDA, INC.
PBX Exchange Service
Contribution Analysis

Centel Exchanges

| Line | PBX - Rate Group 1 Unit Contribution Analysis | Source | Amount | % |
|--|---|-------------------|----------|--------|
| 1 | Rate Group 1 Unit Revenue | Page 4 of 8 | \$ 44.31 | |
| 2 | Rate Group 1 Unit Cost | Page 8 of 8 | \$ 24.92 | |
| 3 | Contribution | Line 1 - Line 2 | \$ 19.39 | 77.8% |
| PBX - Rate Group 2 Unit Contribution Analysis | | | | |
| 4 | Rate Group 2 Unit Revenue | Page 4 of 8 | \$ 46.21 | |
| 5 | Rate Group 2 Unit Cost | Page 8 of 8 | \$ 33.48 | |
| 6 | Contribution | Line 4 - Line 5 | \$ 12.73 | 38.0% |
| PBX - Rate Group 3 Unit Contribution Analysis | | | | |
| 7 | Rate Group 3 Unit Revenue | Page 4 of 8 | \$ 48.11 | |
| 8 | Rate Group 3 Unit Cost | Page 8 of 8 | \$ 28.29 | |
| 9 | Contribution | Line 7 - Line 8 | \$ 19.82 | 70.1% |
| PBX - Rate Group 4 Unit Contribution Analysis | | | | |
| 10 | Rate Group 4 Unit Revenue | Page 4 of 8 | \$ 50.21 | |
| 11 | Rate Group 4 Unit Cost | Page 8 of 8 | \$ 33.91 | |
| 12 | Contribution | Line 10 - Line 11 | \$ 16.30 | 48.1% |
| PBX - Rate Group 5 Unit Contribution Analysis | | | | |
| 13 | Rate Group 5 Unit Revenue | Page 4 of 8 | \$ 52.21 | |
| 14 | Rate Group 5 Unit Cost | Page 8 of 8 | \$ 16.46 | |
| 15 | Contribution | Line 13 - Line 14 | \$ 35.75 | 217.2% |
| PBX - Rate Group 6 Unit Contribution Analysis | | | | |
| 16 | Rate Group 6 Unit Revenue | Page 4 of 8 | \$ 54.48 | |
| 17 | Rate Group 6 Unit Cost | Page 8 of 8 | \$ 13.80 | |
| 18 | Contribution | Line 16 - Line 17 | \$ 40.68 | 294.8% |
| PBX - Statewide Unit Contribution Analysis | | | | |
| 19 | Statewide Unit Revenue | Page 4 of 8 | \$ 54.48 | |
| 20 | Statewide Unit Cost | Page 8 of 8 | \$ 16.58 | |
| 21 | Contribution | Line 19 - Line 20 | \$ 37.90 | 228.6% |

FLORIDA TSLRIC STUDY

Service: PBX

STATEWIDE

| | | | | |
|---------------------------|--------------|--------------|--------------|--------------|
| Local Loop (Incl. NiD) | \$/mo | 13.67 | 11.51 | 14.48 |
| Local Switching Usage | \$/mo | 4.28 | 4.28 | 4.28 |
| Port | \$/mo | 0.56 | 0.62 | 0.54 |
| EAS Switching Usage | \$/mo | 0.14 | 0.14 | 0.14 |
| EAS Transport | \$/mo | 0.03 | 0.03 | 0.03 |
| Total Service Cost | \$/mo | 18.68 | 16.58 | 19.47 |

CENTRAL

| | | | | | | | |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Local Loop (Incl. NiD) | \$/mo | 20.13 | 28.70 | 23.17 | 29.46 | 11.12 | 8.73 |
| Local Switching Usage | \$/mo | 4.28 | 4.28 | 4.28 | 4.28 | 4.28 | 4.28 |
| Port | \$/mc | 0.34 | 0.33 | 0.67 | - | 0.89 | 0.62 |
| EAS Switching Usage | \$/mo | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 |
| EAS Transport | \$/mo | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 |
| Total Service Cost | \$/mo | 24.92 | 33.48 | 28.29 | 33.91 | 16.46 | 13.80 |

UNITED

| | | | | | | | |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Local Loop (Incl. NiD) | \$/mo | 24.68 | 20.32 | 17.57 | 15.12 | 12.55 | 10.77 |
| Local Switching Usage | \$/mo | 4.28 | 4.28 | 4.28 | 4.28 | 4.28 | 4.28 |
| Port | \$/mo | 0.46 | 0.42 | 0.49 | 0.50 | 0.60 | 0.62 |
| EAS Switching Usage | \$/mo | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 |
| EAS Transport | \$/mo | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 |
| Total Service Cost | \$/mo | 29.59 | 25.19 | 22.51 | 20.07 | 17.60 | 15.84 |

SPRINT - FLORIDA, INC.
Business Flat Key Exchange Service
Contribution Analysis

Total Sprint

| Line | Key - Total Statewide Contribution Analysis | Source | Amount | % |
|------|---|-----------------|--------------|-------|
| 1 | Statewide Revenue | Page 4 of 15 | \$ 1,353,283 | |
| 2 | Statewide Cost | Cost x Units | \$ 751,405 | |
| 3 | Contribution | Line 1 - Line 2 | \$ 601,879 | 80.1% |
| Line | Key - Statewide Unit Contribution Analysis | Source | Amount | % |
| 4 | Statewide Unit Revenue | Page 4 of 15 | \$ 32.21 | |
| 5 | Statewide Unit Cost | Page 8 of 8 | \$ 17.37 | |
| 6 | Contribution | Line 4 - Line 5 | \$ 14.84 | 85.4% |

SPRINT - FLORIDA, INC.
Business Flat Key Exchange Service
Contribution Analysis

United Exchanges

| Line | Key - Rate Group 1 Unit Contribution Analysis | Source | Amount | % |
|------|--|-------------------|---------------|----------|
| 1 | Rate Group 1 Unit Revenue | Page 4 of 15 | \$ 26.29 | |
| 2 | Rate Group 1 Unit Cost | Page 15 of 15 | \$ 28.28 | |
| 3 | Contribution | Line 1 - Line 2 | \$ (1.99) | -7.0% |
| | Key - Rate Group 2 Unit Contribution Analysis | Source | Amount | % |
| 4 | Rate Group 2 Unit Revenue | Page 4 of 15 | \$ 28.05 | |
| 5 | Rate Group 2 Unit Cost | Page 15 of 15 | \$ 23.88 | |
| 6 | Contribution | Line 4 - Line 5 | \$ 4.17 | 17.4% |
| | Key - Rate Group 3 Unit Contribution Analysis | Source | Amount | % |
| 7 | Rate Group 3 Unit Revenue | Page 4 of 15 | \$ 29.34 | |
| 8 | Rate Group 3 Unit Cost | Page 15 of 15 | \$ 21.20 | |
| 9 | Contribution | Line 7 - Line 8 | \$ 8.14 | 38.4% |
| | Key - Rate Group 4 Unit Contribution Analysis | Source | Amount | % |
| 10 | Rate Group 4 Unit Revenue | Page 4 of 15 | \$ 31.32 | |
| 11 | Rate Group 4 Unit Cost | Page 15 of 15 | \$ 18.76 | |
| 12 | Contribution | Line 10 - Line 11 | \$ 12.56 | 67.0% |
| | Key - Rate Group 5 Unit Contribution Analysis | Source | Amount | % |
| 13 | Rate Group 5 Unit Revenue | Page 4 of 15 | \$ 33.11 | |
| 14 | Rate Group 5 Unit Cost | Page 15 of 15 | \$ 16.29 | |
| 15 | Contribution | Line 13 - Line 14 | \$ 16.82 | 103.3% |
| | Key - Rate Group 6 Unit Contribution Analysis | Source | Amount | % |
| 16 | Rate Group 6 Unit Revenue | Page 4 of 15 | \$ 34.96 | |
| 17 | Rate Group 6 Unit Cost | Page 15 of 15 | \$ 14.53 | |
| 18 | Contribution | Line 16 - Line 17 | \$ 20.43 | 140.6% |
| | Key - Statewide Unit Contribution Analysis | Source | Amount | % |
| 19 | Statewide Unit Revenue | Page 4 of 15 | \$ 32.21 | |
| 20 | Statewide Unit Cost | Page 15 of 15 | \$ 18.16 | |
| 21 | Contribution | Line 19 - Line 20 | \$ 14.05 | 77.4% |

SPRINT - FLORIDA, INC.
Business Flat Key Exchange Service
Contribution Analysis

Centel Exchanges

| Line | Key - Rate Group 1 Unit Contribution Analysis | Source | Amount | % |
|------|--|-------------------|---------------|----------|
| 1 | Rate Group 1 Unit Revenue | Page 4 of 15 | \$ 27.12 | |
| 2 | Rate Group 1 Unit Cost | Page 15 of 15 | \$ 23.61 | |
| 3 | Contribution | Line 1 - Line 2 | \$ 3.51 | 14.9% |
| | Key - Rate Group 2 Unit Contribution Analysis | Source | Amount | % |
| 4 | Rate Group 2 Unit Revenue | Page 4 of 15 | \$ 28.77 | |
| 5 | Rate Group 2 Unit Cost | Page 15 of 15 | \$ 32.17 | |
| 6 | Contribution | Line 4 - Line 5 | \$ (3.40) | -10.6% |
| | Key - Rate Group 3 Unit Contribution Analysis | Source | Amount | % |
| 7 | Rate Group 3 Unit Revenue | Page 4 of 15 | \$ 29.67 | |
| 8 | Rate Group 3 Unit Cost | Page 15 of 15 | \$ 26.98 | |
| 9 | Contribution | Line 7 - Line 8 | \$ 2.69 | 10.0% |
| | Key - Rate Group 4 Unit Contribution Analysis | Source | Amount | % |
| 10 | Rate Group 4 Unit Revenue | Page 4 of 15 | \$ 30.47 | |
| 11 | Rate Group 4 Unit Cost | Page 15 of 15 | \$ 32.60 | |
| 12 | Contribution | Line 10 - Line 11 | \$ (2.13) | -6.5% |
| | Key - Rate Group 5 Unit Contribution Analysis | Source | Amount | % |
| 13 | Rate Group 5 Unit Revenue | Page 4 of 15 | \$ 31.69 | |
| 14 | Rate Group 5 Unit Cost | Page 15 of 15 | \$ 15.15 | |
| 15 | Contribution | Line 13 - Line 14 | \$ 16.54 | 109.2% |
| | Key - Rate Group 6 Unit Contribution Analysis | Source | Amount | % |
| 16 | Rate Group 6 Unit Revenue | Page 4 of 15 | \$ 32.76 | |
| 17 | Rate Group 6 Unit Cost | Page 15 of 15 | \$ 12.49 | |
| 18 | Contribution | Line 16 - Line 17 | \$ 20.27 | 162.3% |
| | Key - Statewide Unit Contribution Analysis | Source | Amount | % |
| 19 | Statewide Unit Revenue | Page 4 of 15 | \$ 31.59 | |
| 20 | Statewide Unit Cost | Page 15 of 15 | \$ 15.27 | |
| 21 | Contribution | Line 19 - Line 20 | \$ 16.32 | 106.9% |

SPRINT - FLORIDA, INC.
Business Rotary Key Exchange Service
Contribution Analysis

United Exchanges

| Line | Key - R - Rate Group 1 Unit Contribution Analysis | Source | Amount | % |
|--|---|-------------------|----------|--------|
| 1 | Rate Group 1 Unit Revenue | Page 4 of 15 | \$ 34.36 | |
| 2 | Rate Group 1 Unit Cost | Page 15 of 15 | \$ 28.28 | |
| 3 | Contribution | Line 1 - Line 2 | \$ 6.08 | 21.5% |
| Key - R - Rate Group 2 Unit Contribution Analysis | | | | |
| 4 | Rate Group 2 Unit Revenue | Page 4 of 15 | \$ 37.06 | |
| 5 | Rate Group 2 Unit Cost | Page 15 of 15 | \$ 23.88 | |
| 6 | Contribution | Line 4 - Line 5 | \$ 13.18 | 55.2% |
| Key - R - Rate Group 3 Unit Contribution Analysis | | | | |
| 7 | Rate Group 3 Unit Revenue | Page 4 of 15 | \$ 39.31 | |
| 8 | Rate Group 3 Unit Cost | Page 15 of 15 | \$ 21.20 | |
| 9 | Contribution | Line 7 - Line 8 | \$ 18.11 | 85.4% |
| Key - R - Rate Group 4 Unit Contribution Analysis | | | | |
| 10 | Rate Group 4 Unit Revenue | Page 4 of 15 | \$ 42.25 | |
| 11 | Rate Group 4 Unit Cost | Page 15 of 15 | \$ 18.76 | |
| 12 | Contribution | Line 10 - Line 11 | \$ 23.49 | 72.2% |
| Key - R - Rate Group 5 Unit Contribution Analysis | | | | |
| 13 | Rate Group 5 Unit Revenue | Page 4 of 15 | \$ 44.93 | |
| 14 | Rate Group 5 Unit Cost | Page 15 of 15 | \$ 16.29 | |
| 15 | Contribution | Line 13 - Line 14 | \$ 28.64 | 175.8% |
| Key - R - Rate Group 6 Unit Contribution Analysis | | | | |
| 16 | Rate Group 6 Unit Revenue | Page 4 of 15 | \$ 47.74 | |
| 17 | Rate Group 6 Unit Cost | Page 15 of 15 | \$ 14.53 | |
| 18 | Contribution | Line 16 - Line 17 | \$ 33.21 | 228.5% |
| Key - R - Statewide Unit Contribution Analysis | | | | |
| 19 | Statewide Unit Revenue | Page 4 of 15 | \$ 43.56 | |
| 20 | Statewide Unit Cost | Page 15 of 15 | \$ 18.16 | |
| 21 | Contribution | Line 19 - Line 20 | \$ 25.40 | 139.9% |

SPRINT - FLORIDA, INC.
Business Rotary Key Exchange Service
Contribution Analysis

Centel Exchanges

| Line | Key - R - Rate Group 1 Unit Contribution Analysis | Source | Amount | % |
|------|--|-------------------|---------------|----------|
| 1 | Rate Group 1 Unit Revenue | Page 4 of 15 | \$ 35.74 | |
| 2 | Rate Group 1 Unit Cost | Page 15 of 15 | \$ 23.61 | |
| 3 | Contribution | Line 1 - Line 2 | \$ 12.13 | 51.4% |
| | Key - R - Rate Group 2 Unit Contribution Analysis | Source | Amount | % |
| 4 | Rate Group 2 Unit Revenue | Page 4 of 15 | \$ 37.59 | |
| 5 | Rate Group 2 Unit Cost | Page 15 of 15 | \$ 32.17 | |
| 6 | Contribution | Line 4 - Line 5 | \$ 5.42 | 16.8% |
| | Key - R - Rate Group 3 Unit Contribution Analysis | Source | Amount | % |
| 7 | Rate Group 3 Unit Revenue | Page 4 of 15 | \$ 39.00 | |
| 8 | Rate Group 3 Unit Cost | Page 15 of 15 | \$ 26.98 | |
| 9 | Contribution | Line 7 - Line 8 | \$ 12.02 | 44.6% |
| | Key - R - Rate Group 4 Unit Contribution Analysis | Source | Amount | % |
| 10 | Rate Group 4 Unit Revenue | Page 4 of 15 | \$ 40.27 | |
| 11 | Rate Group 4 Unit Cost | Page 15 of 15 | \$ 32.60 | |
| 12 | Contribution | Line 10 - Line 11 | \$ 7.67 | 23.5% |
| | Key - R - Rate Group 5 Unit Contribution Analysis | Source | Amount | % |
| 13 | Rate Group 5 Unit Revenue | Page 4 of 15 | \$ 41.98 | |
| 14 | Rate Group 5 Unit Cost | Page 15 of 15 | \$ 15.15 | |
| 15 | Contribution | Line 13 - Line 14 | \$ 26.83 | 177.1% |
| | Key - R - Rate Group 6 Unit Contribution Analysis | Source | Amount | % |
| 16 | Rate Group 6 Unit Revenue | Page 4 of 15 | \$ 43.66 | |
| 17 | Rate Group 6 Unit Cost | Page 15 of 15 | \$ 12.49 | |
| 18 | Contribution | Line 16 - Line 17 | \$ 31.17 | 249.5% |
| | Key - R - Statewide Unit Contribution Analysis | Source | Amount | % |
| 19 | Statewide Unit Revenue | Page 4 of 15 | \$ 41.97 | |
| 20 | Statewide Unit Cost | Page 15 of 15 | \$ 15.27 | |
| 21 | Contribution | Line 19 - Line 20 | \$ 26.70 | 174.9% |

Costs for local loop were estimated by applying annual charge factors by investment account to the local loop investment developed in the Benchmark Cost Proxy Model (BCPM) version 3.1. Inputs used for the BCPM are summarized behind the "BCPM Inputs" divider in this section. Assumptions used for the inputs are described behind the "Input Documentation" divider.

Results of the BCPM are shown on the "Key Elements" summary on the following page. Business and residential loop costs by rate group were developed by first developing grid-level loop costs. Rate group loop costs for business and residential loops were developed by weighting grid-level costs according to the assumed number of access lines in BCPM.

A summary of costs is as follows:

| Company | Rate Group | Loop Cost (\$/MO) | |
|------------------------------------|------------|-------------------|----------|
| | | Residential | Business |
| <i>Sprint</i> | Statewide | 21.44 | 13.67 |
| <i>Central Tel Co of Florida</i> | Statewide | 27.57 | 11.51 |
| | 1 | 44.71 | 20.13 |
| | 2 | 54.30 | 28.70 |
| | 3 | 38.69 | 23.17 |
| | 4 | 35.94 | 29.46 |
| | 5 | 13.31 | 11.12 |
| | 6 | 22.57 | 8.73 |
| <i>United Telephone of Florida</i> | Statewide | 20.09 | 14.48 |
| | 1 | 37.43 | 24.68 |
| | 2 | 26.77 | 20.32 |
| | 3 | 21.96 | 17.57 |
| | 4 | 20.03 | 15.12 |
| | 5 | 15.17 | 12.55 |
| | 6 | 14.02 | 10.77 |

Benchmark Cost Proxy Model Results

Key Elements

FLORIDA
WIRE CENTERS [139]

**TOTAL SUMMARY
SPRINT**

Investment: Capped¹

Lines Above \$10K Loop Investment = 7,581

| Analysis | Total | Per Line |
|-----------------------------|------------------|----------|
| GRID Lines Served | 1,938,005 | |
| Average Distribution Length | 2,093,554,840 | 1,080 |
| Average Feeder Length | 36,524,036,205 | 18,846 |
| Average Loop Length | 38,617,591,045 | 19,926 |
| Distribution Investment | \$ 876,137,822 | \$ 452 |
| Feeder Investment | \$ 1,181,472,462 | \$ 610 |
| Loop Investment (Capped) | \$ 1,918,742,140 | \$ 990 |

| Plant Type | Capped Annual Investment | Percentage | Annual Per Line Investment |
|---------------------------------|--------------------------|---------------|----------------------------|
| 2112 Motor Vehicle | \$ - | 0.00% | \$ - |
| 2114 Special Purpose Vehicle | \$ - | 0.00% | \$ - |
| 2115 Garage Work | \$ - | 0.00% | \$ - |
| 2116 Other Work | \$ - | 0.00% | \$ - |
| 2122 Furniture | \$ - | 0.00% | \$ - |
| 2123 Office | \$ - | 0.00% | \$ - |
| 2124 General Purpose Computers | \$ - | 0.00% | \$ - |
| Total Support Investment | \$ - | 0.00% | \$ - |
| 2111 Land | \$ - | 0.00% | \$ - |
| 2121 Building | \$ - | 0.00% | \$ - |
| 2210 Switching Equipment | \$ - | 0.00% | \$ - |
| 2230 Circuit Equipment | \$ 461,220,792 | 0.00% | \$ 237.99 |
| 2230 IOF Equipment | \$ - | 0.00% | \$ - |
| 2411 Pole Investment | \$ 22,859,853 | 1.19% | \$ 11.10 |
| 2421 Aerial Cable - Copper | \$ 75,251,655 | 3.92% | \$ 38.83 |
| 2421 Aerial Cable - Fiber | \$ 2,024,194 | 0.11% | \$ 1.04 |
| 2421 Aerial Cable | \$ 77,275,848 | 4.03% | \$ 39.87 |
| 2422 Underground Cable - Copper | \$ 34,928,542 | 1.82% | \$ 18.02 |
| 2422 Underground Cable - Fiber | \$ 39,910,730 | 2.08% | \$ 20.59 |
| 2422 Underground Cable | \$ 74,839,272 | 3.90% | \$ 38.62 |
| 2423 Buried Cable - Copper | \$ 1,092,908,721 | 56.96% | \$ 563.93 |
| 2423 Buried Cable - Fiber | \$ 118,775,347 | 6.19% | \$ 61.29 |
| 2423 Buried Cable | \$ 1,211,684,068 | 0.00% | \$ 625.22 |
| 2441 Conduit Investment | \$ 70,862,307 | 3.69% | \$ 36.56 |
| Total Plant Investment | \$ 1,918,742,140 | 12.81% | \$ 990.06 |
| Total Investment | \$ 1,918,742,140 | 12.81% | \$ 990.06 |

Assumptions:

(****) C:\BCPM3.1 - JULY 8, 1998\RESULTS\FLTSLRICFF_FLTSLRICFF_GRID_REPORT.CSV
ESSING - FLTSLRICFF : CAFCOST - FLTSLRICFF

Density Household Inputs

Percent Single Family The BCPM default values were used for these inputs.
HH per MUD The BCPM default values were used for these inputs.
Percent MFD The BCPM default values were used for these inputs.
Lots per HH The BCPM default values were used for these inputs.

Structure Allocation Inputs

Cable Structure % The BCPM default values were used for these inputs.
Fiber Structure % The BCPM default values were used for these inputs.

Voice Grade Ratio Inputs

% Switched to VG The BCPM default values were used for these inputs.
% Switched to DS1 The BCPM default values were used for these inputs.
% Special to VG The BCPM default values were used for these inputs.
% Special to DS1 The BCPM default values were used for these inputs.

Switching costs were developed for the following:

- Local switching
- EAS switching
- Port
- Switched Access
- Features

Local switching, EAS switching and port costs were included in basic local service costs. Switching costs were added to transport for total switched access costs. The following is a summary of the development of switching costs. Worksheets showing the development of local, EAS and switched access costs are at the end of this section. A summary of feature costs is also at the end of this section.

LOCAL AND EAS SWITCHING

The investment for the central office switching equipment was developed using the Switching Cost Information System/Model Office (SCIS/MO or SCIS). SCIS is a PC-based Bellcore model that determines the forward-looking cost of a switch. SCIS investment dollars were used as input to the Switching Model (SWIM). SWIM further separated investments into unit costs for line, trunk and tandem set-up, fixed line, line and trunk tandem, and umbilical usage.

These costs are applied to each switch line type based on usage and is summarized below.

Local and EAS Switching Cost Summary

| | Switching Cost (\$/MO) | |
|---|------------------------|----------|
| | Local | EAS |
| | 0.003220 | 0.003155 |
| Line Costs | | |
| Voice-grade, flat-rate residential local exchange service | 754.49 | 198.24 |
| Voice-grade, flat-rate business local exchange service | 832.39 | 183.49 |
| ESSX/Centrex service | 779.87 | 365.31 |
| PBX trunk service | 1,328.81 | 42.86 |
| Other multi-line circuit-switched business services | 528.83 | 371.41 |
| Trunk Costs | | |
| Voice-grade, flat-rate residential local exchange service | 2.43 | 0.63 |
| Voice-grade, flat-rate business local exchange service | 2.68 | 0.58 |
| ESSX/Centrex service | 2.51 | 1.15 |
| PBX trunk service | 4.28 | 0.14 |
| Other multi-line circuit-switched business services | 1.70 | 1.17 |

PORT

A port cost of \$1.79 was developed using results from the SWIM model. An annual charge factor of .2310 was applied to the equivalent port cost of \$92.99 per customer and dividing by twelve.

Costs were adjusted to reflect the fact that port costs for those lines served from DLC's are included in the loop costs generated in BCPM. The adjustment was made as follows:

| | | Grid | Percent | Port Cost | | |
|-----------------------------|---|---------|---------|-----------|---------|---------|
| CENTRAL TEL CO OF FLORIDA | 1 | 26,126 | 13,965 | 7,211 | 4,950 | \$ 0.34 |
| | 2 | 48,129 | 24,674 | 14,552 | 8,903 | 0.33 |
| | 3 | 10,703 | 4,986 | 1,721 | 3,996 | 0.67 |
| | 4 | 4,547 | 4,395 | 148 | 3 | 0.00 |
| | 5 | 88,860 | 42,776 | 2,060 | 44,024 | 0.89 |
| | 6 | 226,634 | 136,889 | 11,420 | 78,326 | 0.62 |
| UNITED TELEPHONE OF FLORIDA | 1 | 127,258 | 73,541 | 21,176 | 32,541 | 0.46 |
| | 2 | 62,326 | 43,012 | 4,859 | 14,456 | 0.47 |
| | 3 | 253,654 | 171,860 | 11,886 | 69,908 | 0.49 |
| | 4 | 447,522 | 306,166 | 16,512 | 124,843 | 0.50 |
| | 5 | 306,013 | 195,536 | 7,139 | 103,339 | 0.60 |
| | 6 | 336,232 | 211,855 | 7,260 | 117,118 | 0.62 |

| | | | | | |
|-----------------------------|-----------|-----------|---------|---------|---------|
| CENTRAL TEL CO OF FLORIDA | 405,000 | 227,685 | 37,113 | 140,201 | \$ 0.62 |
| UNITED TELEPHONE OF FLORIDA | 1,533,005 | 1,001,970 | 68,832 | 462,204 | \$ 0.54 |
| AVERAGE | 1,938,005 | 1,229,655 | 105,945 | 602,405 | \$ 0.56 |

Port Cost = \$1.79 * (Percent Grid Lines Served from Copper)

SWITCHED ACCESS

Costs for switched access were developed using the same methodology as local and EAS switching costs, resulting in switching costs associated with switched access of \$.003155 per minute of use. A switched access annual charge factor was used for development of the switched access cost.

Switching costs were added to transport costs to yield total switched access costs. Transport costs are developed in the transport section.

FEATURES

The investment for the Contrex, CLASS, and Custom Calling features was developed using the Switching Cost Information System Intelligent Network (SCIS/IN). SCIS/IN is a PC-based Bellcore model that determines the cost of a feature. SCIS/IN allows Sprint to develop costs that can be specific to each switch or a state-wide average. A summary of feature costs is at the end of this section.