

DOCKET NOS. 980946-TL, 980947-TL, 980948-TL, 981011-TL, 981012-TL, 981250-TL: Petitions for temporary waiver of physical collocation requirements set forth in the 1996 Telecommunications Act and the FCC's First Report and Order, for the Daytona Beach Port Orange Central Office, the Boca Raton Boca Teeca Central Office, the Miami Palmetto Central Office, the West Palm Beach Gardens Central Office, the North Dade Golden Glades Central Office, and the Lake Mary Main Central Office, by BellSouth Telecommunications, Inc.

WITNESS: Direct Testimony Of Kathy L. Welch, Appearing On Behalf Of Staff

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FPCG-RECORDS/REPORTING

DIRECT TESTIMONY OF KATHY L. WELCH

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2 | Q. Please state your name and business address.

3 | A. My name is Kathy L. Welch and my business address is 3625 NW 82nd Ave,
4 | Suite 400, Miami, Florida, 33166.

5 | Q. By whom are you presently employed and in what capacity?

6 | A. I am employed by the Florida Public Service Commission as a Regulatory
7 | Analyst Supervisor in the Division of Auditing and Financial Analysis.

8 | Q. How long have you been employed by the Commission?

9 | A. I have been employed by the Florida Public Service Commission since
10 | June, 1979.

11 | Q. Briefly review your educational and professional background.

12 | A. I have a Bachelor of Business Administration degree with a major in
13 | accounting from Florida Atlantic University and a Masters of Adult Education
14 | and Human Resource Development from Florida International University. I have
15 | a Certified Public Manager certificate from Florida State University. I am
16 | also a Certified Public Accountant licensed in the State of Florida. I was
17 | hired as a Public Utilities Analyst I by the Florida Public Service Commission
18 | in June of 1979. I was promoted to Regulatory Analyst Supervisor on January
19 | 2, 1990.

20 | Q. Please describe your current responsibilities.

21 | A. Currently, I am a Regulatory Analyst Supervisor with the
22 | responsibilities of administering the Miami District office, reviewing work
23 | load, and allocating resources to complete field work and issue audit reports
24 | when due. I also supervise, plan, and conduct utility audits of manual and
25 | automated accounting systems for historical and forecasted financial

1 | statements and exhibits.

2 | Q. Have you presented expert testimony before this Commission or any other
3 | regulatory agency?

4 | A. Yes. I testified in the following cases: Tamiami Village Utility, Inc.
5 | rate case, Docket No. 910560-WS; Tamiami Village Utility, Inc. transfer to
6 | North Fort Myers, Docket No. 940963-SU; General Development Utilities, Inc.
7 | rate case, Docket No. 911030-WS; Transcall America, Inc. complaint, Docket No.
8 | 951232-TI, Econ Utilities Corporation transfer case, Docket No. 960235-WS, and
9 | Gulf Utility Company rate case, Docket No. 960329-WS.

10 | Q. What is the purpose of your testimony today?

11 | A. The purpose of my testimony is to sponsor the staff audit reports of
12 | BellSouth Telecommunications, Inc., in Docket Nos. 980947-TL, 981012-TL, and
13 | 981250-TL. These audits examine the petitions for waiver and for temporary
14 | waiver of the physical collocation requirements set forth in the 1996
15 | Telecommunications Act and the Federal Communications Commission's (FCC) First
16 | Report and Order, for the Boca Raton Boca Teeca Central Office, the North Dade
17 | Golden Glades Central Office, and the Lake Mary Main Central Office. These
18 | audit reports are filed with my testimony and are identified as K LW-1 (Docket
19 | No. 980947-TL), K LW-2 (Docket No. 981012-TL), and K LW-3 (Docket No. 981250-
20 | TL). Also attached to my testimony is Exhibit K LW-4 which includes selections
21 | of the audit work papers.

22 | Q. Were these audit reports prepared by you?

23 | A. Yes, I was the audit manager in charge of these audits.

24 | Q. Do you have any general comments regarding whether there is space
25 | available for physical collocation at the central offices?

1 A. Yes. Whether there is space available is contingent on the resolution
2 of several issues. There are some empty spaces in the central offices. Some
3 of these spaces have been reserved for forecasted growth for the next few
4 years. Some, however, have not. To determine if these spaces can be used for
5 physical collocation, decisions need to be made on the following issues.

6 1. Some of the spaces are less than the 100 square feet required in
7 the BellSouth Collocation Handbook or the amounts included in the agreements
8 with the carriers. A decision on whether spaces smaller than these areas can
9 be used or would be permitted to be used needs to be made. (Disclosure 5 in
10 the audit reports discusses this issue in more detail.)

11 2. Many of the areas that are available within the equipment areas
12 have cable racks and cables above the area. Many also have extensive air
13 conditioning ductwork. Spaces that have been designated as administrative
14 space are also at issue. A decision needs to be made on whether BellSouth is
15 required to move equipment or administrative space and who would be
16 responsible for the costs involved. (Disclosure 1, Item 7 in the audit
17 reports discusses this issue in more detail.)

18 Because of the cable racks and air conditioning ductwork, the issue of
19 alternative forms of collocation also arises. Currently, all physical
20 collocation areas in BellSouth's central offices are contained in fire-rated
21 walled areas. If non-fire-rated caged areas that do not go to the ceiling
22 were permitted, space may be available. BellSouth has indicated that it has
23 not obtained permitting for a caged physical collocation area. BellSouth also
24 indicated that it was denied permitting for hybrid wall construction in the
25 Palmetto office for walls within the fire-rated collocation area. BellSouth

1 requested that the walls connecting the collocators to the common area be
2 partially a wall and partially a cage. Although BellCore is assisting
3 BellSouth in obtaining permitting for caged areas, no permits have currently
4 been obtained. (Disclosure 1, Item 6 in the audit reports discusses this issue
5 in more detail.)

6 In some of the offices, the empty space that is not part of a forecast
7 is in the middle of switch equipment. Mixing equipment that is on an
8 integrated ground plane with equipment on an isolated ground plane requires
9 either a 7 foot aisle, which would eliminate the possibility of using the
10 space, or a physical barrier. Physical barriers may create a problem, because
11 these areas usually have cabling overhead. Again, decisions need to be made
12 to determine if the company is obligated to move the cables or mix equipment
13 on different ground planes. (Disclosure 1, Item 1 in the audit reports
14 discusses this issue in more detail.)

15 3. Some of the areas that are empty are narrow and would only allow
16 for one line up of bays, even though the areas exceed 100 square feet.
17 Because of the configurations of the space, the space may not be able to
18 accommodate as many bays as the 10 by 10 areas. In addition, because of
19 limited space in one area, point of termination bays would sometimes have to
20 be placed in another area. Current collocation areas in these offices have
21 been designed to hold two line ups of bays. A determination would have to be
22 made on whether narrow areas are acceptable for physical collocation.

23 4. Some of the empty space has been designated by BellSouth for
24 growth for a certain family of equipment. BellSouth contends that having to
25 locate families of equipment in other parts of the office involves additional

1 | costs for cabling, repeaters and other types of equipment. (Disclosure 1.
2 | item 4 in the audit reports discusses this issue in more detail.) If
3 | alternative means of collocating are permitted, a determination needs to be
4 | made on whether BellSouth can reserve this space.

5 | Q. Please summarize the work you performed in these audits.

6 | A. The audit staff and I read orders, rules, and responses to production
7 | of documents and interrogatories related to collocation. We also interviewed
8 | switch, circuit, and common system planners for the offices involved, and
9 | geographical forecasters. We toured and measured portions of the central
10 | offices and obtained maps showing current and future use space and compared
11 | these to the applications for waiver. We read company procedures and
12 | supporting documents for the company assumptions. We compared the company's
13 | access line forecast to trends from population growth statistics and
14 | BellSouth's secondary line growth. We ran models and compared the outputs to
15 | the projected company growth. We reviewed the methodology used in the
16 | BellCore trunk forecasting program. We then reviewed reasons why large spaces
17 | would or would not be good candidates for collocation. We performed a limited
18 | review of the forecasts used to project the number of bays. We compared two
19 | to three years of historical growth (where provided by BellSouth) to current
20 | forecasts for potential spaces we considered in the collocation decision.

21 | Q. In assessing the availability of space in each of these offices, did you
22 | identify any assumptions used by BellSouth in its space planning?

23 | A. Yes, I did. I identified seven assumptions. These are addressed
24 | individually in disclosure 1 of each report. I also identified any source
25 | documentation that I was able to identify to support each of these

1 | assumptions.

2 | Q. Please discuss audit disclosures two through five in the reports.

3 | A. These audit disclosures are the same in each of the reports, as is audit
4 | disclosure 1. Audit disclosure No. 2 discusses the administrative space in
5 | each of the central offices. Although the layout of the administrative space
6 | does not always appear to be efficient, I have not made it an issue if there
7 | is an existing footprint in that area for future equipment. Audit disclosure
8 | 3 discusses the accuracy of the space assessment worksheets. Audit disclosure
9 | 4 discusses obsolete equipment. Audit disclosure 5 discusses the space
10 | enclosure options discussed in the BellSouth Collocation Handbook dated
11 | January 2, 1999.

12 | Q. Could you please discuss the individual audit disclosures in the three
13 | audits you are sponsoring.

14 | A. Yes, in the Boca Raton Boca Teeca audit, Docket No. 980947-TL, there are
15 | five audit disclosures that discuss potential space availability. These are
16 | audit disclosures 6 through 11, which include audit comments regarding the
17 | feasibility of the space for collocation. In the North Dade Golden Glades
18 | audit, Docket 981012-TL, audit disclosures 6 through 9 discuss the specific
19 | space availability in that office. In the Lake Mary audit, Docket No. 981250-
20 | TL, audit disclosures 6 through 8 discuss the specific space availability in
21 | that office.

22 | Q. Is there one more disclosure in each report?

23 | A. Yes. The last disclosure in each report (#12 for Boca Teeca, # 19 for
24 | Golden Glades, and #9 for Lake Mary) discusses the access line and trunk
25 | forecasts. The audit report does not intend to represent a validation of the

1 | BellSouth forecasts, nor am I testifying as to the validity of the forecasts.
2 | However, staff performed certain steps to try to determine whether the
3 | forecasts were reasonable. Based on historical growth trends, we did not find
4 | that any of the forecasts were unreasonable. In the Golden Glades audit
5 | (Docket No. 981012-TL), we found that based on certain historical growth
6 | trends the projected access line growth may be understated, which might be due
7 | to the company's projection of the effect of competition. However, the
8 | company's forecast of losses due to competition was not reviewed due to time
9 | constraints.

10 | Q. In presenting this testimony and the audit reports, are you advocating
11 | any particular type of physical collocation arrangement?

12 | A. No.

13 | Q. Does this conclude your testimony?

14 | A. Yes, it does.

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