

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **SUPPLEMENTAL DIRECT TESTIMONY**

3 **OF**

4 **Kent W. Dickerson**

ORIGINAL

5
6 **Q. Please state your name and business address.**

7
8 A. My name is Kent W. Dickerson. My business address is
9 6360 Sprint Parkway, Overland Park, KS 66251. I am
10 employed as Director - Cost Support for Sprint/United
11 Management Company.

12
13 **Q. Are you the same Kent W. Dickerson that presented**
14 **prior direct testimony in this case?**

15
16 A. Yes, I am.

17
18 **Q. What is the purpose of your supplemental testimony?**

19
20 A. The purpose of my supplemental testimony is to
21 introduce and support Exhibit KWD-4.

22
23 Exhibit KWD-4 is a new cost study that reflects the
24 incremental costs associated with providing a fully
25 functional 56/64Kbps DS-0 loop. The proprietary copy

1 contains Sprint Restricted material costs. The cost
2 study accounts for the equipment necessary for Sprint
3 to provision a 56/64Kpbs DS-0 circuit. The resulting
4 cost from the study has been added to the 4-wire loop
5 rate found in Sprint's Price List that is included
6 with the Additional Supplemental Direct Testimony of
7 J. Sichter as Exhibit JWS-11.

8

9 **Q. What is the result of this cost study?**

10

11 A. The new study increases the DS-0 recurring rates by
12 \$75.37 per month.

13

14 **Q. Briefly summarize the cost study methodology.**

15

16 A. To determine the TELRIC of DS-0 loops, the investment
17 was identified for providing DS-0 on copper and on
18 loops served through DLCs. Cards designed to provide
19 56/64 Kbps of bandwidth are required in the CO, while
20 equipment at the customer site is required to decode
21 the digital signal and pass it to the customer. The
22 cost of the CO and customer premise location equipment
23 is added to the cost of installation and engineering
24 to derive investment. When a DLC is used to serve the
25 customer, an offset equal to a voice grade card is

1 applied as BCPM assumes that a voice grade card is
2 used in the DLC. Various factors are then applied to
3 the investment to account for utilization,
4 maintenance, and power. For copper loops and loops
5 served through DLCs, annual cost is calculated by
6 multiplying the Utilized Investment with Power per DS-
7 0 by the appropriate Annual Charge Factor (as
8 described in the Other Direct and Common Cost Study).
9 Monthly cost is the annual cost divided by twelve.
10 From BCPM, the percentages of loops served on copper
11 and those served through DLCs are obtained. The
12 monthly cost for each type of loop served is then
13 weighted by percent of lines served by copper, large
14 DLC, or small DLC. A weighted average cost additive
15 is then derived from summing the three costs. When
16 the additive is applied to the 4-wire loop rate, the
17 result is the monthly cost for a DS-0 56/64Kpbs loop.

18

19 **Q. Does this conclude your supplemental testimony?**

20

21 **A. Yes.**

22

23

24

**DS0 LOOP INCREMENTAL COSTS
 FLORIDA**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J) (Note 1)	(K) (Note 2)	(L)	(M) (K / L)	(N)	(O) (M / N)	(P) (M * (1 + X))	(Q) (= Y)	(R) (P * Q / 12)
Incremental Investment	Material	Installation		Engineering		Cable		Sales Tax	EF&I Investment	Capacity	Investment Per DS0	Utilization Factor	Utilized Investment Per DS0	Utilized Investment With Power Per DS0	Annual Charge Factor	Monthly Cost	
		Hours	Rate	Hours	Rate	Hours	Rate										
COPPER SERVED																	
Central Office Equipment																	
DSX Crossconnect		2.00	\$ 43.19	2.00	\$ 43.09	4.00	\$ 43.19	\$ 101.95	\$ 1,994.35	84	\$ 23.74	0.80	\$ 29.68	\$ 31.50	0.27240	\$ 0.72	
23" CO Shelf		6.00	43.19	2.00	43.09	4.00	\$ 43.19	\$ 41.96	1,196.75	14	85.48	0.80	106.85	113.41	0.27240	2.57	
DS0 Card (data port)		2.00	43.19	-	43.09	-	43.19	\$ 3.69	146.02	1	146.02	1.00	146.02	154.98	0.27240	3.52	
Terminal Block & HF Cabling		1.00	43.19	2.00	43.09	10.00	43.19	\$ 21.94	916.11	28	32.72	0.80	40.90	43.41	0.27240	0.99	
Customer Premises Location Equipment																	
Remote Enclosure Indoor		-	43.19	-	43.09	-	43.19	\$ 6.40	103.47	1	103.47	1.00	103.47	109.82	0.27240	2.49	
CSU/DSU + RTU		2.00	43.19	-	43.09	-	43.19	\$ 30.20	574.82	1	574.82	1.00	574.82	610.11	0.27240	13.85	
Total Copper Served														1,063.24		24.14	
SMALL-DLC SERVED																	
Central Office Equipment																	
DSX Crossconnect		2.00	43.19	2.00	43.09	-	43.19	\$ 101.95	1,821.59	84	21.69	0.80	27.11	28.77	0.27240	0.65	
HF Cabling			43.19	2.00	43.09	8.00	43.19	\$ 4.09	497.90	28	17.78	0.80	22.23	23.59	0.27240	0.54	
DS1 Card																	
Less DS1 Credit																	
Plus DS0 Card																	
Net		2.00	43.19	1.00	43.09	2.00	43.19	\$ 92.98	1,719.80	1	1,719.80	1.00	1,719.80	1,825.39	0.27240	41.44	
Remote Location Equipment																	
DS0 Card (data port)																	
Voice Grade																	
Net		2.00	43.19	1.00	43.09	2.00	43.19	\$ 38.35	836.08	1	836.08	1.00	836.08	887.41	0.27240	20.14	
Customer Premises Location Equipment																	
Remote Enclosure Indoor		-	43.19	-	43.09	-	43.19	\$ 6.60	106.75	1	106.75	1.00	106.75	113.30	0.27240	2.57	
CSU/DSU + RTU		2.00	43.19	-	43.09	-	43.19	\$ 30.20	574.82	1	574.82	1.00	574.82	610.11	0.27240	13.85	
Total Small-DLC Served														3,488.59		79.19	
LARGE-DLC SERVED																	
Central Office Equipment																	
DSX Crossconnect		2.00	43.19	2.00	43.09	-	43.19	\$ 101.95	1,821.59	84	21.69	0.80	27.11	28.77	0.27240	0.65	
HF Cabling			43.19	2.00	43.09	8.00	43.19	\$ 4.09	497.90	28	17.78	0.80	22.23	23.59	0.27240	0.54	
DS1 Card																	
Less DS1 Credit																	
Plus DS0 Card																	
Net		2.00	43.19	1.00	43.09	2.00	43.19	\$ 92.98	1,719.80	1	1,719.80	1.00	1,719.80	1,825.39	0.27240	41.44	
Remote Location Equipment																	
DDM Plus Shelf		6.00	43.19	1.00	43.09	2.00	43.19	\$ 127.21	2,446.09	28	87.36	0.80	109.20	115.91	0.27240	2.63	
DS0 Card (data port)																	
Voice Grade																	
Net		2.00	43.19	1.00	43.09	2.00	43.19	\$ 38.35	836.08	1	836.08	1.00	836.08	887.41	0.27240	20.14	
Customer Premises Location Equipment																	
Remote Enclosure Indoor		-	43.19	-	43.09	-	43.19	\$ 6.60	106.75	1	106.75	1.00	106.75	113.30	0.27240	2.57	
CSU/DSU + RTU		2.00	43.19	-	43.09	-	43.19	\$ 30.20	574.82	1	574.82	1.00	574.82	610.11	0.27240	13.85	
Total Large-DLC Served														3,604.49		81.82	

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**DS0 LOOP INCREMENTAL COSTS
 FLORIDA**

MISCELLANEOUS INPUTS

Loaded Labor Rates		
Engineering CO	\$ 43.09	(T)
Plant CO	\$ 43.19	(U)
Sales Tax Rate	6.59%	(V)
Applies to Material = 1, Material & Labor = 2	1	(W)
Miscellaneous Equipment & Power Factor	0.0614	(X)
ACF		
DSX Crossconnect	27.24%	

	Monthly Cost	% of Loops	Weighted		Total Cost
			Monthly Cost	Common Cost	
Copper Served	\$ 24.14	28.0%	\$ 6.76		
Small-DLC Served	79.19	5.0%	3.96		
Large-DLC Served	81.82	67.0%	54.82		
Weighted Average		100%	\$ 65.54	15.00%	\$ 75.37

Note 1:
 If W = 1, J = V * C
 If W = 2, J = V * (C + (D * E) + (F * G) + (H * I))

Note 2:
 K = C + (D * E) + (F * G) + (H * I) + J

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