Exhibit 1

1   **Q. PLEASE COMMENT ON THE CLAIMED INVESTMENT ERRORS.**

2

3   A. Ms. Pitts notes on page 13, lines 2 – 4 that BellSouth's Class Modem

4   Resource Card investment should have discounted instead of being included

5   at list price. Ms. Pitts is correct that a discount should have been applied.[9]

6   On page 13, lines 11 – 14 Ms. Pitts claims that "it appears that at least one

7   technology's investments included 'loadings' and costs for 'associated

8   resources'. It is probable that some of these associated resources are double

9   counted here and again in the telco installation factor, and/or other factors."

10   The conjecture that these "associated resources" are double counted is

11   without basis and is not true. Based on information provided by Lucent,

12   these "associated resources" are switch cabinets, which are not included in

13   any other BellSouth factors.

14

15

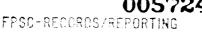16   **Q. PLEASE COMMENT ON THE CLAIMED CAPACITY ERRORS.**

17

18   A. Ms. Pitts claims on page 14, lines 7 – 11 that BellSouth's use of two Call

19   Waiting tone circuits is incorrect, but an examination of the SCIS/IN

20   formulas shows that the two circuits is correct.

21

22   Ms. Pitts claims on page 14, lines 12 - 16 that BellSouth's estimate for the

23   number of lines sharing a CLASS modem card is too low. Upon further

24   evaluation, the number of lines sharing a CLASS modem card from should be

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[9] The correct blended discount should be applied to all hardware investments taken from SCIS, not Ms. Pitts' hypothetical replacement only discount.

1   changed from 76.8 to 435.75. The revised number of lines reflects

2   utilization, so the utilization input for the CLASS modem should be 100%

3

4   The capacities for the SAS announcement circuit should be modified based on

5   new information from the switch vendor as reflected in my exhibit JHP-03.

6

7   The following summarizes the proposed CCS capacity modifications:

8   ***** Begin Proprietary *****

9   ***** End Proprietary *****

10

11 **Q. PLEASE COMMENT ON THE CLAIMED UTILIZATION ERRORS.**

12

13 A. Ms. Pitts notes, on p. 15 lines 5 - 6, that the values for CCS capacity taken

14   from the SCIS hardware tables already reflect utilization, and that it would

15   not be appropriate to apply a utilization factor in cases where these values are

16   used. Upon further examination of the hardware study inputs, BellSouth

17   agrees that the utilization inputs should be changed from 85% to 100% on the

18   following items of equipment:

19

6-port Conference Circuit	Nortel	100%
3-port Conference Circuit	Nortel	100%
Call Waiting Tone	Nortel	100%
6-port Conference Circuit	Lucent	100%
3-port Conference Circuit	Lucent	100%
Class Modem Card	Nortel	100%

BellSouth Telecommunications, Inc.

SST - Usage Study

BellSouth Telecommunications, Inc.
FPSC Docket No. 990649-TP
Exhibit JHP-03
Page 1 of 1

	A	B	C	D	E	F	G	H	I	J
1				DMS						
2	Equipment	Material $	Discount Rate	E&I	Total	Capacity (CCS)	$/Unit	Utilization	Utilized Investment (per CCS)	Source
3	Variable Announcement							85%		Nortel
4	6-port Conference Circuit							100%		Nortel
5	3-port Conference Circuit							100%		Nortel
6	Call Waiting Tone							100%		SCIS/IN
7	Average									
8										
9				5ESS						
10	Equipment	Material $	Discount Rate	E&I	Total	Capacity (CCS)	$/Unit	Utilization	Utilized Investment (per CCS)	
11	30-Second Announcement							85%		Lucent
12	60-Second Announcement							85%		Lucent
13	DSU2/SAS/BRCS							85%		Lucent
14	6-port Conference Circuit							100%		Lucent
15	3-port Conference Circuit							100%		Lucent
16	Average									
17										
18										
19	Equipment	Material $	Discount Rate	E&I	Total	Capacity (Lines)	$/Unit	Utilization	Utilized Investment (per Lines)	
20	DMS									
21	Class Modem Card							100%		SCIS/IN

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