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Nancy H. Sims  
Director - Regulatory Relations

RECORDS AND REPORTING

November 14, 2000

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

Re: Docket No. 990649-TP (Unbundled Network Elements)

Dear Ms. Bayo:

The purpose of this letter is to inform you that, since the time the hearing was concluded in the referenced matter, BellSouth has made certain changes to its cost study concerning two elements. We recognize that the evidentiary record in this matter is closed and we are not seeking to re-open it. Nevertheless, BellSouth believes it appropriate to inform you that, in its filings in other states, BellSouth has made the modifications outlined below. These changes provide for lower rates than were proposed by BellSouth in the hearing. These prices will be made available to ALECs during contract negotiations.

**A.17.2 - Unbundled Loop Modification Load Coil - Long**

This element's structure changed from a "first/additional" offering to a "per loop" modified offering. Previously, all fixed costs were loaded onto the first loop modified with the variable costs per loop found in the additional cost. This created a large first cost and very low additional cost.

The new structure reflects an average approach assuming that two long loops will be modified per job with an average of 3.15 load coils/equipment assumed per loop. The resulting cost is the same for all modifications ordered on long loops whether they be the first loop ordered or an additional loop ordered.

Making the above change to the study reduces the nonrecurring rate for this element from \$710.71 (first) and \$23.77 (additional) to a single nonrecurring rate of \$341.63.

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Mrs. Blanca S. Bayo  
November 14, 2000  
Page 2

**A.17.4 - Unbundled Loop Modification - Additive**

Several items have been corrected in the development of this element's nonrecurring cost. These include a correction to the cell formulas F28 through F34 of worksheet WP200 where Year 2000 incoming demand was used rather than the cumulative demand for 2000 through 2002. Additionally, the cost development on WP200 assumed that only 1 of the ALEC's demand for loops requiring conditioning is handled on each job. That has been changed to reflect BellSouth's assumption that each job removes load coils on 4 loops that will be used by the ALECs. Also, the percentage of loops that will require conditioning ordered by the ALECs (shown on workpaper Input\_Demand as "Percent to require loop conditioning") has been dropped from 40% to 20%. On that same worksheet, demand for loops greater than 18kft has been removed from the calculations since this additive applies only to loops less than 18kft.

Making the above change to the study reduces the nonrecurring rate for this element from \$57.99 (first) and \$57.99 (additional) to \$13.09 (first) and \$13.09 (additional).

Please feel free to contact me if you have any questions or wish to discuss this matter further.

Yours very truly,,

  
Director - Regulatory Relations  
(22)

cc: All parties of record  
Walter D'Haeseleer

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