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April 30, 2001

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

Re: Docket No. 000121-TP

Dear Ms. Bayó:

Enclosed for filing in the above-referenced docket are an original and fifteen copies of Late Filed Exhibit 2 to the deposition of Cheryl Bursh.

Copies of the foregoing are being served on all parties of record in accordance with the attached Certificate of Service.

Thank you for your assistance with this matter.

Sincerely,

Marsha Rule

Enclosures

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LEG _I_
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PAI _____
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CERTIFICATE OF SERVICE
DOCKET NO. 000121-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished

via U.S. Mail to the following parties of record on this 30th day of April 2001:

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Martha Rule
ATTORNEY

Bursh Late Filed Deposition Exhibit 2

The Florida Public Service Commission Staff requested that remedy calculations be provided for 3 designated examples. The tables specified in this document contain the Tier 1 remedy payments that would be incurred for each of four submeasures in Examples 1 to 3 if this Commission adopted the ALEC Performance Incentive Plan. As discussed during the deposition of Ms. Bursh, the table titles and cell labels have been modified to reflect submeasures for which separate remedies would be incurred in the ALEC plan. The four labels and their order were chosen arbitrarily, not to reflect any expectations about sample sizes or results.

A number of calculations were used to determine the remedy amounts. These calculations involve computation of three intermediate variables: BCV, modified z, and the ratio of modified z to the BCV. The full calculation results, including the intermediate variables are shown in the spreadsheet, Attachment 1. The calculation steps are summarized below:

n_1, n_2 = sample sizes for BST and ALEC, respectively

m_1, m_2 = sample means for BST and ALEC, respectively

s_1 = sample standard deviation for BST

The four steps in the calculation are as follows:

1. $BCV = -(delta/2)*sqrt[n_1*n_2/(n_1+n_2)]$

2. $z = (m_1-m_2) / [s_1*sqrt(1/n_1+1/n_2)] = (m_1-m_2)*sqrt[n_1*n_2/(n_1+n_2)] / s_1$

3. ratio = z / BCV

4. if ratio <= 1 then remedy = 0

   if 1 < ratio <= 3 then remedy = 5625*ratio*ratio - 11250*ratio + 8125

   if ratio > 3 then remedy = 25000

Results

Example 1: Average Completion Interval[1] - UNE Loop							Remedy
	BellSouth			ALEC X			
Cell #	N	Mean	St. Dev	N	Mean	St. Dev	
Analog Loop	1000	10	10	150	10	10	$ 0.00
4-Wire Digital Loop	800	10	10	120	15	15	$ 8,125.00
DS1 Transport	500	10	10	75	20	20	$ 25,000.00
DS3 Transport	200	10	10	30	25	25	$ 25,000.00

Example 2: Average Completion Interval - UNE Loop							Remedy
	BellSouth			ALEC X			
Cell #	N	Mean	St. Dev	N	Mean	St. Dev	
Analog Loop	1000	10	10	30	10	10	$ 0.00
4-Wire Digital Loop	800	10	10	75	15	15	$ 8,125.00
DS1 Transport	500	10	10	120	20	20	$ 25,000.00
DS3 Transport	200	10	10	150	25	25	$ 25,000.00

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[1] This example utilizes a mean measure. This is of particular importance given that the calculation of the Affected Volume in SEEM varies for proportion measures. The Affected Volume is less for proportion measures. Therefore, use of this mean measure illustration would not be representative of remedy calculations for all measures in SEEM. However, the calculation specified above is representative of what would occurs for all measures in the ALEC Performance Incentive Plan.

Example 3: Average Completion Interval - UNE Loop								
Cell #	**BellSouth**			**ALEC X**				
	N	**Mean**	**St. Dev**	**N**	**Mean**	**St. Dev**		
Analog Loop	1000	10	10	150	10	10	$	0.00
4-Wire Digital Loop	800	10	10	120	15	22	$	8,125.00
DS1 Transport	500	10	10	75	20	40	$	25,000.00
DS3 Transport	200	10	10	30	25	75	$	25,000.00

For each of the following 3 examples, please calculate the Tier 1 Penalty
Payment amounts (if any) which would result from the application of JALEC's
proposed Enforcement plan. Please provide the calculations used in
deriving these amounts. In each example, please assume the following:

1) Each example describes monthly performance for the measure
   Average Completion Interval - UNE Loop and Port Combos.
2) The BellSouth data in each example shows the level of service BellSouth
   provides to itself as measured by the appropriate Retail Analog.
3) The ALEC data in each example shows the level of service BellSouth
   provides to an individual ALEC.
4) Assume that there are only 4 cell-level data points for this measure
   at which compliance would be determined as listed in the examples below.
5) Assume a value for the parameter delta of 0.50.

Delta =   0.5

Example 1: Average Completion Interval - UNE Loop

Cell #	BellSouth			ALEC X			BCV	Mod Z	Ratio	Remedy
	N	Mean	St. Dev	N	Mean	St. Dev				
Analog Loop	1000	10	10	150	10	10	-2.855	0.000	0.000	$ -
4-Wire Digital Loop	800	10	10	120	15	15	-2.554	-5.108	2.000	$ 8,125.00
DS1 Transport	500	10	10	75	20	20	-2.019	-8.076	4.000	$ 25,000.00
DS3 Transport	200	10	10	30	25	25	-1.277	-7.661	6.000	$ 25,000.00

Example 2: Average Completion Interval - UNE Loop

Cell #	BellSouth			ALEC X						
	N	Mean	St. Dev	N	Mean	St. Dev				
Analog Loop	1000	10	10	30	10	10	-1.349	0.000	0.000	$ -
4-Wire Digital Loop	800	10	10	75	15	15	-2.070	-4.140	2.000	$ 8,125.00
DS1 Transport	500	10	10	120	20	20	-2.459	-9.837	4.000	$ 25,000.00
DS3 Transport	200	10	10	150	25	25	-2.315	-13.887	6.000	$ 25,000.00

Example 3: Average Completion Interval - UNE Loop						Delta =	0.5		
	BellSouth			ALEC X					
Cell #	N	Mean	St. Dev	N	Mean	St. Dev			
							BCV	Mod Z	Ratio	Remedy
Analog Loop	1000	10	10	150	10	10	-2.855	0.000	0.000 $ -
4-Wire Digital Loop	800	10	10	120	15	22	-2.554	-5.108	2.000 $ 8,125.00
DS1 Transport	500	10	10	75	20	40	-2.019	-8.076	4.000 $ 25,000.00
DS3 Transport	200	10	10	30	25	75	-1.277	-7.661	6.000 $ 25,000.00