LAW OFFICES
Messer, Caparello & Self
A Professional Association

Post Office Box 1876
Tallahassee, Florida 32302-1876
Internet: www.lawfla.com

Reply to: P.O. Box 1876
Tallahassee, FL 32302-1876

ORIGINAL

RECEIVED-FPSC
03 JAN 21 PM 4:35
COMMISSION
CLERK

January 21, 2003

BY HAND DELIVERY
Ms. Blanca Bayó, Director
The Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket Nos. 981834-TP and 990321-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of AT&T Communications of the Southern States, LLC, and TCG South Florida, Inc. are an original and fifteen copies of the Rebuttal Testimony of Jeffrey A. King in the above referenced dockets.

Please acknowledge receipt of this letter by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely yours,

Tracy W. Hatch

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

AUS
CAF
CMP
COM
CTR
ECR
GCL 1
OPC
MMS
SEC 1
OTH

TWH/amb
Enclosure orig+5
cc: Virginia Tate, Esq.
Parties of Record

DOCUMENT NUMBER-DATE
00633 JAN 21 03
FPSC-COMMISSION CLERK

BEFORE THE

ORIGINAL

FLORIDA PUBLIC SERVICE COMMISSION

REBUTTAL TESTIMONY OF

JEFFREY A. KING

ON BEHALF OF

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC
AND TCG SOUTH FLORIDA, INC.

DOCKETS NOS. 981834-TP and 990321-TP

JANUARY 21, 2003

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF JEFFREY A. KING

ON BEHALF OF
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC
AND TCG SOUTH FLORIDA, INC.

DOCKETS NOS. 981834-TP and 990321-TP

JANUARY 21, 2003

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is Jeffrey A. King. I am a District Manager in the Local Services & Access Management organization of AT&T Corp. ("AT&T"). My business address is 1200 Peachtree Street, N.E., Atlanta, Georgia 30309.

Q. FOR WHOM ARE YOU FILING TESTIMONY IN THIS PROCEEDING?

A. I am testifying on behalf of AT&T Communications of the Southern States, LLC, and TCG South Florida, Inc. (collectively referred to as "AT&T").

Q. HAVE YOU PREVIOUSLY TESTIFIED IN OTHER REGULATORY PROCEEDINGS?

A. Yes. I previously filed testimony on behalf of AT&T regarding various cost and pricing issues with public service or utility commissions in Georgia, Florida, Tennessee, North Carolina, Louisiana, Alabama, Puerto Rico and before the Federal Communications Commission ("FCC").

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR EDUCATION AND EXPERIENCE.

A. I received a Bachelor of Arts degree in Business Administration with a concentration in Industrial Administration from the University of Kentucky in 1983. I joined AT&T's Access Information Management organization in April 1986 and worked developing and testing the ordering and inventory Access Capacity Management System for electronically interfacing "High Capacity" access orders with incumbent local exchange carriers ("ILECs"). In December 1992, I joined the Access Management organization and managed customer/supplier relations on interstate access price issues, including access charge impacts and tariff terms and conditions analysis, with BellSouth Telecommunications, Inc. ("BellSouth") and Sprint LTD. In addition, my responsibilities included ILEC cost study analysis. I began supporting AT&T's efforts to enter the local services market with the implementation of the Telecommunications Act of 1996. Since July 1998, my responsibilities have included analyzing ILEC costs and recommending all cost-based prices charged by ILECs. My responsibilities also include managing the rates, terms and conditions of local interconnection agreement charges and access tariff charges that AT&T pays to ILECs in the nine-state BellSouth region.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to address the issues raised in and to rebut the direct testimony filed in this proceeding by the BellSouth, Verizon and Sprint witnesses.

Q. HOW IS YOUR TESTIMONY ORGANIZED?

A. My testimony is organized in two parts. The first part will address the issues concerning the commencement of billing for recurring charges for billing for collocation space and arrangements (Issue 1B) and payment of non-recurring charges

for cancellation of collocation space (Issue 1C). I will also address the appropriate methodology for the billing of recurring power charges (Issue 6A). The second part of my testimony will address the issues related to collocation space exhaustion, reservation, reclamation and transfer among the ALECs (Issues 2A, 2B, 2C, 2D, 3, and 4).

PART ONE

Q. WHAT SHOULD BE THE COMMISSION'S GUIDING PRINCIPLE WHEN DECIDING THE ISSUES RELATED TO THE COMMENCEMENT OF BILLING OF RECURRING CHARGES FOR COLLOCATION SPACE AND ARRANGEMENTS AND POWER AND FOR NON-RECURRING CHARGES FOR CANCELLATION OF COLLOCATION SPACE?

A. The Commission's guiding principle when deciding the issues related to the billing and payment of recurring and non-recurring charges for collocation space and arrangements and power should be that **the ALEC should only pay for what they use when they use it, no more and no less.**

ISSUE 1B: WHEN SHOULD BILLING OF MONTHLY RECURRING CHARGES BEGIN?

Q. DOES AT&T CONCUR WITH THE ILEC'S POSITION THAT MONTHLY RECURRING CHARGES ARE APPROPRIATELY ASSESSED WHEN THE ILEC HAS COMPLETED ITS CONDITIONING AND PROVISIONING

WORK ON THE COLLOCATION SPACE AND TURNED THE COLLOCATION SPACE OVER TO THE ALEC FOR ACCEPTANCE?

A. No. At pages 8 and 9 of the Direct Testimony of BellSouth's A. Wayne Gray, Mr. Gray provides BellSouth's position that "monthly recurring charges begin on the date that the ALEC accepts the space (Space Acceptance Date)". In the testimony of Sprint-Florida witness Edward Fox and Verizon Florida witness John Ries, it appears that Sprint-Florida and Verizon Florida concur in this position.

Mr. Gray's reasoning is that "monthly recurring charges are appropriately assessed when [BellSouth] has completed its space conditioning and provisioning work and turned the 'functional space' over to the ALEC". Mr. Gray further defines functional space as "space that is completely conditioned according to the ALEC's specifications and can be immediately utilized to interconnect with BellSouth's network and/or access to BellSouth's unbundled network elements ("UNEs") in the provision of telecommunications services". AT&T, however, does not agree that the collocation space available to AT&T for acceptance on the Space Acceptance Date is "functional space" or space that can be immediately utilized to provide telecommunications services to its customers. As a result, AT&T does not believe that it is appropriate for the ILECs to commence the billing of monthly recurring charges to AT&T until the collocation space is made functional and ready for commercial use.

Q. WHY DOES AT&T NOT AGREE THAT THE COLLOCATION SPACE MADE AVAIALABLE ON THE COLLOCATION SPACE ACCEPTANCE DATE IS FUNCTIONAL AND READY FOR COMMERCIAL USE OR THAT IT IS APPROPRIATE FOR THE ILEC'S TO COMMENCE BILLING OF MONTHLY RECURRING CHARGES?

A. AT&T would define collocation space as "functional" only after its collocation equipment has been installed and that equipment has been interconnected to BellSouth's network components, tested and turned up and available to AT&T to provide commercial service to its consumer or business customer. Only after the collocation space has been made functional is it appropriate to begin the billing of monthly recurring charges for cross connection facilities and power.

Q. WHAT IS THE STATUS OF AN ALEC'S COLLOCATION SPACE ON THE DATE OF SPACE ACCEPTANCE AND WHAT ARE SOME OF THE WORK ACTIVITIES THAT ARE NECESSARY FOR THE ALEC TO PERFORM IN ORDER TO MAKE THE COLLOCATION SPACE FUNCTIONAL AND READY FOR COMMERCIAL USE?

A. At the point of the Space Acceptance Date, the ILEC will only have provided floor space, heating and air conditioning (HVAC), welded wire cage, and electrical Alternating Current (AC) outlets. After the Space Acceptance Date, the ALEC's vendor must provide the critical equipment and components and perform the provisioning activities necessary for interconnection of the ALEC's equipment to the ILEC network. After the Space Acceptance Date, prior to even beginning to deploy

equipment for interconnection to the ILEC network, the ALEC must submit a Methods of Procedure (MOP) document to the ILEC requesting to install its equipment according to the ILEC installation process and procedures. This process requires the approval from the ILEC before installation of the equipment and the necessary provisioning activities can begin.

The provisioning activities typically include the installation of the ALEC's equipment (e.g. OC48, DS1 and DS0 bays), the establishment of cross connection facilities to connect to the ILEC's designated interconnection point(s) and the establishment of power feeder cables to obtain a power source to power the installed equipment. Recently, BellSouth has instituted changes in these processes that make the equipment installation and provisioning of cross connects and power more difficult and time consuming.

Only after this installation and provisioning work is completed can an ALEC collocation space can be deemed "functional" and ready for commercial use. Prior to the date the ALEC collocation space is made "functional," it would not be appropriate for the ILEC to commence the billing of monthly recurring charges for the cross connection facilities, power and other collocation services.

Q. WHAT WOULD BE THE APPROPRIATE CHARGES FOR THE ILEC TO APPLY TO THE ALEC COMMENCING ON THE SPACE ACCEPTANCE DATE?

A. It would be appropriate for the ILEC to commence billing the ALEC the monthly recurring charge for the floor space per square foot on the Space Acceptance Date.

Q. PLEASE DESCRIBE SOME OF THE PROCESS CHANGES THAT HAVE BEEN INSTITUTED BY BELLSOUTH THAT MAKE THE PROVISIONING OF ALEC COLLOCATION EQUIPMENT MORE DIFFICULT AND TIME CONSUMING?

A. Most of the current Interconnection Agreements, particularly with BellSouth, include major provisioning process changes that have lengthened the time required to make an ALEC's collocation space "functional" and ready for commercial use.

In the past, BellSouth performed the provisioning of the cross-connect facilities and power cabling. BellSouth would engineer, install, and deliver these facilities from the BellSouth source to a meet point or Point of Interconnection. The ALEC, utilizing its designated BellSouth Certified Vendor, would only need to perform the work necessary to install its equipment and provision the cross-connect facilities and power cabling from the ALEC's collocation space to that meet point.

The new provisioning processes now require that the work previously performed by BellSouth on its side of the meet point be performed by the ALEC, utilizing its designated Certified Vendor. Under these new provisioning processes, the ALEC is responsible for the engineering, label/stenciling and installation of the 2-Wire, 4-Wire, DS1, DS3, 2-Fiber, and 4-Fiber cross connects and Power Feeder cables from

the BellSouth source or demarcation point to the ALEC's collocation space. Under the new processes put in place by BellSouth, the ALEC's designated BellSouth Certified Vendor must now perform a site visit to determine the cable lengths and type(s) of cable from the BellSouth's designated demarcation points in order to engineer the cross connection facilities cables and interconnection devices.

In addition, prior to the implementation of these provisioning process changes, the meet point or Point of Interconnection was typically located near the ALEC's collocation site or in a designated Common Access Area. This Common Access Area was normally located on the same floor as the ALEC's collocation space. Today, the point(s) of interconnection for cross connection designated by BellSouth are often times not located on the same floor as the ALEC's collocation equipment, which adds substantially to the installation intervals and time required for the ALEC to make its collocation space "functional" and ready for commercial use.

As with the new activities associated with the provisioning of cross connection facilities, BellSouth's new process changes also requires that the ALEC's designated BellSouth Certified Vendor engineer and install the Power Feeder cables that supply Direct Current (DC) power to the ALEC's collocation equipment. In order to perform this new activity, the ALEC's designated BellSouth Certified Vendor must perform a site visit to determine the "cable runs" in the designated overhead cable racking to be used to deliver power to the ALEC's from the BellSouth's power source. The ALEC's designated BellSouth Certified Vendor is also required to obtain

fuse assignments from BellSouth's ERMA database, engineer the cable size and length and install the power cables from the BellSouth main power board to the ALEC's collocation equipment. Even before the changes mandated by BellSouth, the amount of time required for the engineering and installation of the Power Feeder Cables to the ALEC's collocation space and equipment constitutes one of the longest periods in the installation interval. The process changes have only added to the provisioning time required to make the ALEC's collocation space "functional" and ready for commercial use.

Q. AFTER AN ALEC'S COLLOCATION SPACE HAS BEEN MADE "FUNCTIONAL," AS YOU HAVE DEFINED IT, WHAT ARE SOME OF THE COMMON ELEMENTS AND SERVICES THAT THE ALEC WOULD REQUIRE FROM THE ILEC ON A MONTHLY RECURRING BASIS TO MAKE COMMERCIAL USE OF THE EQUIPMENT IN THE COLLOCATION SPACE?

A. After an ALEC's collocation space is made functional and ready for commercial use, the ALEC would typically require and it would be appropriate for the ILEC to submit monthly recurring billing for (1) the actual physical collocation floor space per square foot utilized by the ALEC and for the welded wire cage; (2) the cross connect facilities (i.e. 2-Wire, 4-Wire, DS1, DS3, 2-Fiber, and 4-Fiber Cross Connects) utilized for interconnection to the ILEC's network; and (3) the power utilized by the ALEC in the commercial operation of its equipment in the physical collocation space.

Q. WHAT ARE AT&T'S OBJECTIONS TO THE ILEC'S BILLING OF MONTHLY RECURRING CHARGES COMMENCING AT THE SPACE ACCEPTANCE DATE?

A. AT&T's principal objection is that it is inappropriate for the ILEC to bill the ALEC for services and functions until being utilized by the ALEC.

Q. WHEN DOES AT&T PROPOSE THAT THE ILEC SHOULD COMMENCE THE BILLING OF MONTHLY RECURRING CHARGES TO THE ALEC'S?

A. AT&T would propose that it would be fair and equitable for the ILECs to bill the ALECs **"for the facilities and services that they use, when they use it, no more, no less".** The ILECs should commence billing to the ALEC the monthly recurring charges the floor space per square foot that the ALEC's collocation space occupies beginning at the Space Acceptance Date. The monthly recurring charges for cross connection and power facilities and other services should commence on the date that that the ALEC begins to utilize these facilities and services after its equipment becomes interconnected, tested and operational and the collocation space becomes "functional" and ready for commercial use.

Q. HOW DOES AT&T ADRESS THE ISSUE OF AN ALEC'S INORDINATE DELAY AFTER THE SPACE ACCEPTANCE DATE IN PREPARING ITS COLLOCATION SPACE TO BECOME "FUNCTIONAL?"

A. In order to address the issue of an ALEC's inordinate delay in making its collocation space "functional," AT&T would propose that the ILEC's billing for monthly

recurring charges involving cross connection and power facilities and services should begin at the date that the collocation space becomes functional and ready for commercial use or ninety (90) days after the Space Acceptance Date, whichever occurs first. The standard interval for BellSouth to prepare a collocation space for acceptance by the ALEC after submission of a Bona Fide Firm Order to proceed is ninety (90) days. If it takes BellSouth ninety (90) days to prepare the space with heating and air conditioning (HVAC), an AC power outlet and a welded wire cage, it would be appropriate and fair to give the ALEC a similar time interval to perform the much more complex and difficult activities to prepare the collocation space to become "functional" and available for commercial use.

ISSUE 1C: WHAT CANCELLATION CHARGES SHOULD APPLY IF AN ALEC CANCELS ITS REQUEST FOR COLLOCATION SPACE?

Q. DOES BELLSOUTH PROVIDE SUFFICIENT JUSTIFICATION OR SUBSTANTIATION FOR ITS POSITION THAT "NON-RECOVERABLE" EXPENSES SHOULD BE BILLED TO THE ALEC IN THE EVENT THAT THE ALEC CANCELS ITS REQUEST FOR COLLOCATION SPACE?

A. No. In the Direct testimony of BellSouth's A. Wayne Gray, Mr. Gray states that "If an ALEC cancels its order [request for collocation] anytime from the Bona Fide Firm Order to ... either the Space Acceptance Date or the Space Ready Date, the ALEC should be required to reimburse the ILEC for any non-recoverable costs (expenses) incurred by the ILEC for the work performed up to the date of cancellation is

received and acknowledged by the ILEC". While AT&T agrees that BellSouth should be reimbursed for the non-recurring expenses incurred by BellSouth for the work performed up to the point that an ALEC cancels its request for collocation, Mr. Gray does not make clear what these non-recoverable expenses are that BellSouth would seek to recover, nor how they are "not recovered" in the non-recurring charges that BellSouth bills in the process of fulfilling an ALEC's Bona Fide Firm Order.

Q. WHAT ARE THE NON-RECURRING CHARGES BILLED BY BELLSOUTH IN THE PROCESS OF FULFILLING AN ALEC'S REQUEST FOR COLLOCATION SPACE?

A. BellSouth commences the billing of non-recurring charges to the ALECs to recoup BellSouth's non-recurring expenses incurred at the time BellSouth provides its Response to the ALEC's Application for collocation. As Mr. Gray describes in his Direct testimony, after the assessment of non-recurring fees for work concerning the ALEC's Application and BellSouth's Response to the Application, a non-recurring charge is billed by BellSouth at the time the ALEC submits a Bona Fide Firm Order to proceed with the construction of the collocation site. "[T]he non-recurring fees associated with a Bona Fide Firm Order, cable installation, cable records, and security access administration are billed at the time the ALEC submits its Bona Fide Firm Order. The activities associated with installing cable, building cable records in BellSouth's central office databases, and setting up the appropriate security access records in BellSouth's security access database for the ALEC's employees and vendors would be performed on a one-time basis." Given the non-recurring charge

for these activities, it is unclear what BellSouth may later deem "non-recoverable costs."

Mr. Gray's testimony, while providing a general definition of expenses BellSouth might deem to be "non-recoverable" (i.e. "the non-recoverable cost of equipment and material ordered, provided or used; the non-recoverable cost of equipment ordered, provided or used; the non-recoverable cost of installation and removal, including costs of equipment and material ordered, provided or used; labor; transportation and other associated costs."), he fails to differentiate the non-recurring cost of those work activities and materials that are already recovered through the billing of non-recurring charges. Furthermore, Mr. Gray does not acknowledge that the cost of the work performed in preparing the collocation space by BellSouth may well be recoverable by re-leasing the pre-constructed collocation sites to the next applying ALEC.

Q. WHAT DOES AT&T PROPOSE WITH REGARD TO THE CANCELLATION CHARGES APPLICABLE TO THE ALEC WHEN AN ALEC CANCELS ITS ORDER FOR COLLOCATION SPACE AFTER THE SUBMISSION OF A BONA FIDE FIRM ORDER?

A. AT&T would propose that it would be fair and equitable for the ALEC's to pay BellSouth **"for the facilities and services that they use, when they use it, no more, no less."** BellSouth should bill to the ALEC the non-recurring charges associated with activities associated with making the collocation space available to the ALEC to occupy. If the ALEC cancels a request after the issuance of a Bona Fide Firm Order,

BellSouth should be reimbursed for the non-recurring expenses incurred by BellSouth for the work performed up to the point that an ALEC cancels its Bona Fide Firm Order. To the extent that the BellSouth work effort covered by the non-recurring charges assessed at the point of the cancellation, a pro-rata credit should be made to the ALEC's account representing work paid for but not performed.

To the extent that BellSouth seeks to bill an ALEC for alleged "non-recoverable expenses," BellSouth should be required to justify that those expenses were not recovered by the non-recurring charges previously billed or paid and that BellSouth is unable to re-lease the pre-constructed collocation space to the next applying ALEC within a reasonable amount of time.

ISSUE 6A: COLLOCATION POWER CHARGES – FUSED VERSUS USAGE BASED

Q. SHOULD ALECS BE CHARGED FOR POWER BASED ON THE SIZE OF THE FUSE OR BASED ON ACTUAL USAGE?

A. ALEC's should have the option of having their power charges billed based on the power usage consumed by the ALEC's equipment. ALEC's should not be required to have their power charges based on the "fused-capacity" as is currently required by BellSouth. This "fused capacity" based billing is a poor proxy for the power usage actually consumed by the ALEC's equipment and results in substantial overcharges to AT&T and the ALEC community. Rather than being forced to utilize BellSouth's

"fused capacity" proxy for the amount of power utilized, AT&T and the ALEC community should be permitted the option to have their power usage measured and be billed on that basis. Again, the guiding principle for the Commission in addressing this issue should be that **"the ALEC should pay for what they use when they use it, no more and no less."**

Q. PLEASE EXPLAIN WHY BELLSOUTH'S FUSED-CAPACITY BASED BILLING IS A POOR PROXY FOR THE POWER ACTUALLY BEING USED BY THE ALEC?

A. As discussed at page 12 of the Direct testimony of BellSouth's W. Keith Milner, BellSouth requires that AT&T and the ALEC community be charged for DC power based on the size of the fuse, which Mr. Milner alleges is sized at 1.5 times the anticipated load or "drain" of the ALEC equipment (referred to by the manufacturer as List 1, which is explained below). The anticipated load or "drain" utilized by BellSouth is the List 1 drain of the equipment, however the fuse is based on the sum of the List 2 drains, not the list 1 drains. The List 2 "drain" is specified by the manufacturer as the *peak drain*, which is the maximum amount of power that the equipment will consume when the power plant is in distress and nearing failure, as specified by the equipment manufacturer. This is in contrast to the List 1 drain, which is the maximum amount of power that the equipment will draw when the equipment is fully utilized under normal operating conditions. There is, however, no predictable correlation between the amount of either actual or average power that a piece of equipment uses and the size of the fuse at either 1.5 times the List 2 or List 1

drain. In other words, the size of the fuse is irrelevant to the actual amount of power used.

Q. ON PAGE 12 OF HIS TESTIMONY, MR. MILNER ATTEMPTS TO EXPLAIN A RELATIONSHIP BETWEEN FUSED AMPS AND BILLING BY STATING THAT "FOR PURPOSES OF BILLING, THE RECURRING POWER RATE [BASED ON THE FUSED CAPACITY] ASSESSED BY BELLSOUTH INCLUDES A 0.6667 MULTIPLIER TO TAKE INTO ACCOUNT THE FACT THAT AN ALEC WOULD NOT NORMALLY USE THE FULL CAPACITY OF THE PROTECTION DEVICE". MR. MILNER GOES ON TO STATE, "SO THE ALEC IS NOT PAYING FOR ANY MORE POWER CAPACITY THAN WHAT THE EQUIPMENT REQUIRES". WHY ARE MR. MILNER'S STATEMENTS MISLEADING?

A. There are several reasons why these statements are misleading.

As an initial matter, basing the fused capacity on List 2 drain, while appropriate for sizing the fuse, overstates the amount of power that the ALEC equipment will utilize under normal working conditions (i.e. List 1 drain). As I explained previously, List 2 drain is specified by the manufacturer as peak drain, which is the maximum amount of current the equipment will draw when the power plant is in distress and nearing failure.

Compounding this problem is the fact that the ALEC equipment bays are not normally fully equipped when the power is connected, yet the size of the fuse feeding the equipment bay is based on an assumption that the equipment bay is fully equipped.

The third issue that contributes to BellSouth's "fused capacity" based overcharges for power is the fact that fuse sizes are not available in single ampere increments. For example, assume a piece of ALEC equipment has a specified List 2 drain of 16 amps, requiring a fuse size of 24 amps (16 * 1.5). Since there is no 24-amp fuse available, the ALEC would be required to utilize a 30-amp fuse in its place. Therefore, BellSouth is applying billing with the assumption that the ALEC is drawing 20 amperes of power (0.6667*30). This equates to a 25% overstatement of fuse capacity actually required as well as to the billed charges. Thus, contrary to Mr. Milner's assertion, the ALEC would be paying for more power capacity than the requirements of the ALEC's equipment.

Furthermore, the option to utilize fuses in 10-amp increments with capacities between 10 amps and 100 amps is only available if the ALEC connects to the BellSouth Battery Distribution Fuse Board (BDFB). Where the ALEC opts to install its own BDFB in the collocation space (as is the case with AT&T) and connect its BDFB to the BellSouth Power Distribution Board (PDB), BellSouth requires the ALEC to purchase fuses in 225 amp increments. While AT&T does not believe that this 225-amp requirement is supported by either engineering standards or AT&T's

interconnection agreements with BellSouth, it is nonetheless a requirement that BellSouth currently imposes on AT&T and the ALEC community. In any event, this "one size fits all" 225-amp fuse requirement for connection at the BellSouth PDB only exacerbates the problems of the significant mismatch between (1) the fused capacity billed and the fused capacity needed and (2) totally skews the amount of BellSouth billed overcharges for power versus the amount of power actually used by AT&T and the ALEC community.

Q. CAN AT&T DEMONSTRATE THAT BELLSOUTH'S FUSED-CAPACITY BASED BILLING FOR POWER HAS RESULTED IN SUBSTANTIAL OVERCHARGES TO AT&T?

A. Yes. In fact, AT&T completed surveys of its Florida physical collocation sites during 2001. The surveys included an inventory of the size and number of DC power fuses as well as a reading of the actual current drain at the meter built into the BDFBs installed at the AT&T collocation sites. The results were astonishing. AT&T's primary fuses connected at the BellSouth PDB totaled 18,025 amperes. The total usage measured at the AT&T BDFBs totaled 666.97 amps. By applying the BellSouth 0.6667 multiplier for purposes of billing, AT&T could expect to be billed by BellSouth for an equivalent of 12,017 amps rather than the approximately 667 amps actually used by the AT&T equipment in the collocation space. This equates to an overcharge of approximately 1703% for what AT&T's equipment actually used.

From that same data, AT&T sampled its collocation site in the BellSouth end office at Azalea Park in Orlando that the Staff toured on January 22, 2003 as part of this Docket. The AT&T collocation site is equipped with eight power panels fused at 225 amps each at the BellSouth PDB. This consists of four panels of Load A fused at 225 amps and four panels of Load B fused at 225 amps. When a power panel of 225 amps is purchased, AT&T is provided with one A panel and one B panel under normal circumstances, as is the case at this site. The total fused power is 900 amps. At the BDFB located at the AT&T collocation space, AT&T has a total of seven 30-amp fuses to feed the equipment installed in that space for a total fused capacity of 210 amps. The total actual usage, as measured by the meters built into the AT&T BDFB, of all seven panels combined was only 9 amps. Using the BellSouth methodology for billing based the application of the of the .6667 multiplier times the fused capacity at the PDB, AT&T could expect to be billed for 600 amps (900 amps * .6667) or approximately a 6567 % power charge in excess of the actual measured usage.

Q. WHAT DOES AT&T PROPOSE TO PREVENT THE OVERBILLING OF POWER USAGE TO THE ALEC COMMUNITY?

A. The guiding principle that the Commission should use to address this issue should be that the ALEC **"should be required to pay for what they use when they use it, no more and no less."** In furtherance of this principle, ALEC's should have the option of having their power charges billed based on the power usage consumed by the ALEC's equipment. AT&T would propose two methodologies that could be used to

better approximate the actual ALEC power usage for billing of monthly recurring power charges.

Q. WHAT IS THE FIRST METHODOLOGY THAT AT&T WOULD PROPOSE THAT COULD BE USED TO BETTER APPROXIMATE THE ACTUAL ALEC POWER USAGE FOR BILLING OF MONTHLY RECURRING POWER CHARGES?

A. Actual metering of the power used by the ALEC's equipment can be performed at the ALEC's collocation space utilizing the existing measurement facilities in the ALEC's BDFB. As described by Mr. Milner at page 8, it is an option available to the ALEC to install its own BDFB inside its collocation site and order power from BellSouth's main power board (or PDB). While Mr. Milner states that this option is utilized less commonly, this is the principal configuration that AT&T uses at its physical collocation sites and those BDFB's are equipped with meters to read the actual current drain. Where AT&T or any other ALEC has chosen this configuration and has the capability to meter the actual power usage, the monthly recurring billing for power should be based on that metered usage.

While Mr. Milner states at page 12 of his Direct testimony that, "in BellSouth's view, the metering of central office power to each ALEC's collocation arrangement is not economically feasible for an ALEC ... ", that is a decision that is more appropriately left up to each individual ALEC. As is evident from AT&T's actions based on its survey's of actual usage versus billing for power based on BellSouth's fused capacity

methodology, it is economically feasible for AT&T to establish a meter at AT&T's physical collocation sites in order to measure the actual usage.

Q. WHAT IS THE SECOND METHODOLOGY THAT AT&T WOULD PROPOSE THAT COULD BE USED TO BETTER APPROXIMATE THE ACTUAL ALEC POWER USAGE FOR BILLING OF MONTHLY RECURRING POWER CHARGES?

A. When metering is not available or feasible, AT&T would propose that the monthly recurring power charges should be based on the List 1 drain requirements of the installed equipment. Using List 1 Drain entails using the power requirements that the collocation equipment vendor has specified as the maximum steady state drain for the equipment under normal working conditions. Since the List 1 Drain specifications adequately capture the power requirements of the installed equipment under normal operating conditions, these specifications should be utilized as a suitable proxy for actual usage when determining collocation power. This will sufficiently minimize, although not completely eliminate, the overcharging that has occurred for collocation power. I would note that this is the methodology used by Sprint – Florida as well as Verizon Florida.

Q. HAVE ANY OTHER STATES ORDERED THE USE OF ACTUAL USAGE FOR DETERMINING COLLOCATION DC POWER CHARGES?

A. Yes. In its Order in ICC Docket Nos. 96-0486 and 96-0569 (Consol.), the Illinois Commerce Commission ordered the use of power meters for determining the number

of amps for calculating collocation power charges. The installation of the power meters was completed in the first quarter of 2001 and the actual amperage readings from those meters are now being used as the basis for determining DC power charges. However, as explained earlier, AT&T does not necessarily believe that the Commission need go as far as requiring additional metering. As a practical solution, AT&T here requests that the Commission order the use of the List 1 Drain specifications as the basis for determining the number of amps for calculating power charges in Florida if metering options are not already in place either at the CLEC's BDFB or the BellSouth PDB and the ALEC chooses not to incur the additional costs associated with purchasing a meter.

Q. HAS ANY OTHER STATE ORDERED USAGE BASED CHARGES FOR COLLOCATION POWER?

A. Yes. The Tennessee Commerce Commission ordered BellSouth to work out a method of usage-based charges in a complaint filed by MCI/WorldCom. As a result of this order, the AT&T/BellSouth ICA was revised to incorporate usage based charges and will be using the AT&T owned BDFB meters as the basis for usage charges where the collocation site is equipped with a BDFB. The ICA was modified to incorporate the manufacturer's specified drain (List 1) as an option.

Q. HAS AT&T ATTEMPTED TO NEGOTIATE THIS ISSUE WITH BELLSOUTH IN FLORIDA?

A. Yes. AT&T initially met with BellSouth in August 2001in an effort to negotiate usage based charges and will continue to seek the use of measured amps in lieu of the application of a minimum fuse amp requirement in determining DC power charges. However, AT&T believes that the instant proceeding is the appropriate forum for the Commission to consider a fair and efficient methodology to be used for determining collocation DC power charges.

PART TWO

ISSUE 2A: SHOULD AN ALEC BE REQUIRED TO JUSTIFY ITS SPACE RESERVATION NEEDS TO THE ILEC WHEN AN ILEC IS FORCED TO CONSIDER A BUILDING ADDITION TO ACCOMMODATE FUTURE SPACE REQUIREMENTS?

Q. DO YOU AGREE WITH THE TESTIMONY OF MESSERS GRAY, FOX AND RIES REGARDING THE NECESSITY FOR AN ALEC TO JUSTIFY ITS SPACE RESEVATION NEEDS WHEN AND ILEC IS FORCED TO CONSIDER A BUILDING ADDITION TO ACCOMMODATE FUTURE SPACE REQUIRMENTS?

A. Yes, in general. However, I do not agree entirely with each of these witnesses. I disagree with Mr. Gray's statement in his testimony that a failure of an ALEC to fully occupy its collocation space is "presumptively unreasonable." As the Commission has previously ruled and as was noted by Mr. Ries in his testimony, ILECs and ALECs may reserve space for future use under the same terms and conditions. The

Commission further allowed space reservation for a period of up to eighteen months. (See Order No. PSC-00-941-FOF-TP, p. 54, 56.) There is no presumption that an ALEC's reservation of unused space neither is unreasonable nor should there be. The responsibility for the efficient use of space within a central office belongs to all parties and all parties must work cooperatively together to insure maximum efficient use of each central office.

I disagree with the suggestions by Mr. Fox and Mr. Ries that the failure of an ALEC to install or interconnect operational equipment in a collocation space after six months from space acceptance creates an apparent presumption that the space is unused and subject to reclamation, notwithstanding the eighteen month reservation period required by the Commission and acknowledged by Mr. Fox. There are no presumptions established by the Commission against an ALEC's reservation of space and there should be none. To the extent that any presumptions are created by the Commission, such presumptions must apply equally to the ILECs and their respective use of central office space.

AT&T also disagrees with the testimony of Mr. Gray that an ALEC's retention of reserved space can result in space exhaust within a central office and necessitate a new building addition by BellSouth. As Mr. Gray noted in his testimony, an "ILEC is not required to construct additional space to provide for physical collocation when existing space has been exhausted." An ALEC's retention of space cannot cause BellSouth to make a building addition. If BellSouth deems it necessary to add to an

existing central office, it is because BellSouth's own growth cannot be accommodated by its existing facilities or by its reserved space. BellSouth's decision to make a building addition is not caused by an ALEC's retention for future growth of some portion of its collocation space.

Q. WHY IS IT IMPORTANT FOR THE ALECS TO RETAIN THEIR RESERVED SPACE WITHIN A BELLSOUTH CENTRAL OFFICE?

A. ALECs, including AT&T, order incremental space from the ILECs for collocation. AT&T orders collocation arrangements in a manner to ensure that there is sufficient room for equipment to serve current customers and to reasonably account for anticipated near term growth. In order to provide service as efficiently as possible, it is imperative for AT&T and other ALECs to have contiguous space for their current and future collocated equipment. An ALEC must have the ability to interconnect its current facilities to newly deployed growth bays in close proximity to its existing bays of equipment. The imposition of unnecessary limitations on an ALEC's ability to reserve space in the hope of forestalling exhaust will only result in a hodge-podge checker board of noncontiguous collocation spaces that make the ALEC's provision of service more difficult and less efficient. In addition, such a situation could cause the ALEC to incur unnecessary costs to cross connect its own noncontiguous collocation spaces.

Q. UNDER WHAT CONDITIONS SHOULD AN ALEC BE REQUIRED TO JUSTIFY ITS SPACE RESERVATIONS WITH A CENTRAL OFFICE?

A. An ALEC should only be required to justify its space reservations within a central office environment if the central office is totally exhausted for floor space assignments and all administrative space within the central office has been fully utilized to deploy network equipment. If an ALEC cannot justify its needs for future growth space, the ALEC should relinquish its unused floor space to the ILEC. More importantly, the ILEC must also justify its own use of space and any reservations of space in the process of assessing exhaust. If a central office has been declared exhausted, it is imperative for the affected ILEC to have an immediate plan of action to relieve this situation, especially if this office is a critical serving office.

ISSUE 2B: UNDER WHAT CONDITIONS SHOULD AN ILEC BE ALLOWED TO RECLAIM UNUSED COLLOCATION SPACE?

Q. DOES AT&T AGREE WITH BELLSOUTH'S, VERIZON'S AND SPRINT'S POSITION OF RECLAIMING UNUSED SPACE?

A. Yes, generally. As noted above in my response to Issue 2A, ILECs and ALECs may be required to justify any unused or reserved central office space. If an ALEC can reasonably justify its reserved or unused space and it is within the Commission required eighteen-month reservation window, then an ALEC's space should not be reclaimed. If an ALEC can provide no justification for its reserved space, then it should be surrendered to the ILEC. To the extent that an ILEC is not persuaded by the ALEC's justification, the dispute should be submitted to the Commission for

resolution. The ILECs should not be allowed to engage in any unilateral action to coerce the ALEC to surrender its collocation space.

ISSUE 2C: WHAT OBLIGATIONS, IF ANY, SHOULD BE PLACED ON THE ALEC THAT CONTRACTED FOR THE SPACE?

Q. DOES AT&T AGREE WITH THE TESTIMONY OF BELLSOUTH, VERIZON AND SPRINT REGARDING THE OBLIGATIONS OF THE ALECS?

A. Yes, generally. AT&T agrees that ALECs and ILECs alike must each justify their respective use and reservation of space within a central office prior to any attempts to reclaim central office space. Moreover, any disputes should be submitted to the Commission before any action by an ALEC to reclaim ALEC space.

As noted in Mr. Gray's testimony, Page 20 lines 2-3, BellSouth intends to notify ALECs collocated in a central office of the necessity to justify space retention. AT&T agrees that all ILECs should provide such notice to affected ALECs. However, when an ILEC determines that it desires to seek a review of the utilization of a particular central office that may require justification from an ALEC, the ILEC should give the affected ALECs a reasonable period of time to compile their respective justifications for retention of collocation space. The ILEC advance notice to the ALEC requesting justification for retention of collocation space supply should be no less than 60 days. At the time the ALECs' justifications are due, the ILEC

should be required to provide its justification of its own space utilization to the ALECs.

ISSUE 2D: WHAT OBLIGATIONS, IF ANY, SHOULD BE PLACED ON THE ILEC?

Q. DOES AT&T AGREE WITH THE TESTIMONY OF BELLSOUTH, VERIZON AND SPRINT REGARDING THE OBLIGATIONS OF THE ILECS?

A. Yes, generally. For a full discussion please see the response to the question under Issue 2C.

ISSUE 3: SHOULD AN ALEC HAVE THE OPTION TO TRANSFER ACCEPTED COLLOCATION SPACE TO ANOTHER ALEC? IF SO, WHAT ARE THE RESPONSIBILITIES OF THE ILEC AND ALEC'S?

Q. DOES AT&T AGREE WITH MR. GRAY'S TESTIMONY REGARING THE TRANSFER OF A COLLOCATION SPACE FROM ONE ALEC TO ANOTHER?

A. Yes, generally in regard to the transfer in a central office that is not subject to exhaust. AT&T disagrees with Mr.Gray's position that a transfer from one ALEC to another when an office is subject to exhaust is contrary to the first-come, first-served requirement. A transfer of an ALEC's collocation space to another ALEC does not

violate the first-come first-served waiting list and should not affect an ALEC's ability to transfer blocks of collocation space. The FCC's first-come, first-served rule applies to the ILEC's allocation of space within a central office and to those instances in which space becomes available to the ILEC for reassignment, such as a reclamation of space or the expansion of central office. The first-come, first-served rule should not be used to prevent mutually agreed upon transfers between ALECs.

Q. DOES AT&T AGREE WITH MR. FOX'S TESTIMONY REGARING THE TRANSFER OF A COLLOCATION SPACE FROM ONE ALEC TO ANOTHER?

A. No. As with Mr. Gray's testimony, AT&T disagrees with Mr. Fox's position that the first-come first-serve rule mandates that an ALEC not be allowed to transfer its own collocation space to another ALEC, regardless of whether the collocation space in question is in a central office subject to exhaust. Nothing in the first-come first-served rule can be reasonably construed to include a prohibition against an ALEC transferring a collocation space to another ALEC. If a central office is not subject to exhaust, then the first-come first-serve rule would apply to the ILECs assignment of space (which is available in the central office) to the first ALEC that requests collocation. There is no rational justification for precluding an ALEC from transferring its collocation space to another ALEC. In this instance, AT&T agrees with BellSouth that the first-come first-served rule does not apply when a central office is not at exhaust. With respect to those instances where the central office is subject to exhaust, AT&T reiterates it position that first-come first-serve rule was

never intended to apply to ALEC-to-ALEC transfers. This rule is limited to the ILECs' assignment of central office space and to when additional space becomes available to the ILEC for assignment.

Q. DOES AT&T AGREE WITH THE TESTIMONY OF MR. RIES REGARDING TRANSFER OF COLLOCATION SPACE FROM ONE ALEC TO ANOTHER?

A. No. Verizon takes a similar position to that of Sprint. Verizon's position would flatly prohibit any transfers of collocation space from an ALEC to another ALEC. However, Verizon's policy that prohibits transfers, but allows the ALEC to sublease its collocation space, make even less sense. Verizon argues that a transfer would subvert the first-come first-serve rule. However, if a transfer violates the first come first-served rule, then a sublease does so to at least the same degree. There is no substantive difference between acquisition of collocation space by transfer or by sublease. Moreover, Verizon's argument that a transfer would undermine Verizon's ability to control and maintain its premises is a red herring. BellSouth has a clearly established process with well-ordered steps that enable the transfer process to take place without any of the problems suggested by Verizon. There is no violation of the first-come first-served rule in either a transfer in a central office with space available or in a central office where space is at exhaust. The Commission should allow the transfer of collocation space from ALEC to ALEC in both instances.

ISSUE 4. SHOULD THE ILEC BE REQUIRED TO PROVIDE COPPER ENTRANCE FACILITIES WITHIN THE CONTEXT OF A COLLOCATION INSIDE THE CENTRAL OFFICE?

Q. DOES AT&T AGREE WITH MR. MILNER'S AND MR. RIES' TESTIMONY REGARDING COPPER ENTRANCE FACILITIES INSIDE A CENTRAL OFFICE?

A. No. AT&T does agree that the trend is towards fiber optic facilities and the efficiencies that such facilities offer. However, there are still instances where copper entrance facilities remain an integral part of the telecommunications network and a segment of ALECs who deploy this type of transmission, such as radio technology. Although many technologies are using fiber as a preferred alternative, copper is still a viable technology in the telecommunications industry. As long as there are services being provided that necessitate the use of copper facilities, the ALECs should be allowed to utilize copper facilities on an as needed basis. To do otherwise would create a discriminatory situation in which an ALEC may by precluded from providing services that require copper facilities that an ILEC could provide utilizing the copper facilities in its network. More importantly, the application for copper entrance facilities by an ALEC is very rare; therefore, this should not create space constraints. Therefore the Commission should require the ILECs to allow ALECs to use copper entrance facilities. This is consistent with the Commission's previous decision on this issue.

Q. DOES AT&T AGREE WITH MR. FOX'S TESTIMONY REGARDING COPPER ENTRANCE FACILITIES INSIDE A CENTRAL OFFICE?

A. Generally yes. Mr. Fox notes the Commission's prior decision allowing ALECs to utilize copper entrance facilities, as well as the FCC's rulings. However, AT&T disagrees with Mr. Fox's argument that the availability of copper entrance facilities should be left to the discretion of the ILECs. The Commission should continue to follow its previous decisions would require ILECs to allow copper entrance facilities.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Hand Delivery (*) and/or U. S. Mail this 21st day of January, 2003.

Beth Keating, Esq.*
Division of Legal Services, Room 370
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Ms. Bettye Willis
ALLTEL
One Allied Drive
Little Rock, AR 72203-2177

Virginia Tate, Esq.
AT&T
1200 Peachtree St., Suite 8068
Atlanta, GA 30309

Ms. Lisa Riley
AT&T
1200 Peachtree St., Suite 8068
Atlanta, GA 30309

Nancy B. White
c/o Nancy H. Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, FL 32301

Jeffrey Whalen, Esq.
John Fons, Esq.
Ausley Law Firm
P.O. Box 391
Tallahassee, FL 32302

Mr. Terry Monroe
Ms. Genevieve Morelli
CompTel
1900 M Street, NW, Suite 800
Washington, DC 20036

William H. Weber
Senior Counsel
Covad Communications Company
1230 Peachtree Street, NE, 19th Floor
Atlanta, GA 30309

Mr. Norton Cutler
c/o Mr. Steve Victor
Development Specialists, Inc.
70 West Madison Street, Suite 2300
Chicago, IL 60602-4250

Michael A. Gross
Vice President, Regulatory Affairs
& Regulatory Counsel
Florida Cable Telecommunications Assoc., Inc.
246 E. 6th Avenue
Tallahassee, FL 32301

Vicki Kaufman, Esq.
Joe McGlothlin, Esq.
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas, P.A.
117 S. Gadsden Street
Tallahassee, FL. 32301

Matthew Feil, Esq.
Florida Digital Network, Inc.
390 North Orange Avenue, Suite 2000
Orlando, Florida 32801

Mr. David Tobin
Tobin & Reyes
7251 West Palmetto Park Road, #205
Boca Raton, FL 33433-3487

Richard D. Melson
Hopping Green Sams & Smith, P.A.
P.O. Box 6526
Tallahassee, FL 32314

Ms. Nanette S. Edwards
ITC^DeltaCom
4092 South Memorial Parkway
Huntsville, AL 35802-4343

Donna McNulty, Esq.
WorldCom
1203 Governors Square Blvd, Suite 201
Tallahassee, FL 32301-2960

Mr. John D. McLaughlin, Jr.
KMC Telecom, Inc.
1755 North Brown Road
Lawrenceville, GA 30043-8119

Patrick Wiggins, Esq.
Katz, Kutter Law Firm
12th Floor
106 E. College Avenue
Tallahassee, FL 32301

Ms. Deborah Eversole, General Counsel
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Ms. Anita L. Fourcard
Lockheed Martin IMS
Communications Industry Services
1200 K Street, NW
Washington, DC 20005

Marilyn H. Ash
MGC Communications, Inc.
3301 North Buffalo Drive
Las Vegas, NV 89129

Mr. David Woodsmall
Mpower Communications Corp.
175 Sully's Trail, Suite 300
Pittsford, NY 14534-4558

Mr. Don Sussman
Network Access Solutions Corporation
Three Dulles Tech Center
13650 Dulles Technology Drive
Herndon, VA 20171-4602

Mr. Brent E. McMahan
Network Access Solutions Corporation
Three Dulles Tech Center
13650 Dulles Technology Drive
Herndon, VA 20171-4602

Peter Dunbar, Esq.
Marc W. Dunbar, Esq.
Pennington, Moore, Wilkinson, Bell &
Dunbar, P.A.
P.O. Box 10095
Tallahassee, FL 32302-2095

Kenneth A. Hoffman, Esq.
Rutledge Law Firm
P.O. Box 551
Tallahassee, FL 32302-0551

Rodney L. Joyce
Shook, Hardy & Bacon LLP
600 14th Street, NW, Suite 800
Washington, DC 20005-2004

Charles J. Rehwinkel
Sprint-Florida, Incorporated
MC FLTHO0107
P.O. Box 2214
Tallahassee, FL 32399-2214

Mark Buechele
Supra Telecom
1311 Executive Center Drive, Suite 200
Tallahassee, FL 32301

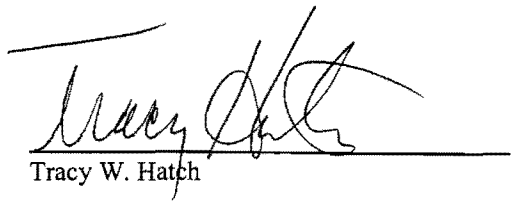
Andrew O. Isar
Miller Isar, Inc.
7901 Skansie Avenue, Suite 240
Gig Harbor, WA 98335

Carolyn Marek
Vice President of Regulatory Affairs
Southeast Region
Time Warner Communications
233 Bramerton Court
Franklin, TN 37069

Mr. Anu Seam
US Department of Justice
Telecom Task Force
1401 H Street NW, Suite 80000
Washington, DC 20530

Mr. David Christian
Verizon Florida, Inc.
106 East College Avenue, Suite 810
Tallahassee, FL 32301-7704

Kimberly Caswell
Verizon Select Services
P.O. Box 110 (FLTC0007)
Tampa, FL 33601-0110



Tracy W. Hatch