

Verizon Florida Inc.'s Objections and Responses to
 Staff's First Set of Interrogatories (Nos. 1-41)
 Docket No. 030867-TL
 Page 8

Response:

Sprint's proposal for intrastate access is to mirror both the interstate rate structure as well as the interstate rate levels. Sprint's interstate switched transport rate category has sub-element rates for common and dedicated trunk ports, which are not disaggregated from the switched common transport rate elements in their intrastate access tariff. Verizon's proposal does not disaggregate these interstate sub-element rates for common and dedicated trunk ports in the intrastate access tariff, but did utilize the revenues associated with these elements in deriving the interstate average revenue per minute (ARPM). The intrastate access revenue change if Verizon utilized Sprint's methodology would be \$124k additional intrastate access revenue to achieve parity with the interstate access rate. This is calculated by comparing the proposed intrastate access revenue of ** REDACTED ** to the recalculated intrastate access revenue of ** REDACTED ** utilizing Sprint's mirroring of the sub-elements mentioned above.

This is an estimated impact only. The quantities for trunk ports are estimates since these rate elements are not in the intrastate access tariff, and were developed utilizing a ratio of interstate trunk ports to interstate end office switching minutes and makes other assumptions in regards to interstate Percent Interstate Usage (PIUs).

Please see Attachment POD 24 (Bates Nos. 235-236).

- 13. Were the annualized units used in ODF-3 to calculate the annual revenue changes for residence and business, access lines? If not, please describe the units used in the calculations.

Response:

Yes.

- 14. What would the revenue adjustments by year be if the PICC were not included in Verizon's calculations?

Response:

Verizon's interstate access revenue would be reduced by \$12,898,458 if the PICC was not included. The intrastate access revenue would also be reduced by this amount. Attachment to POD 25 reflects the original ODF-1 adjusted for the audit findings and eliminates the PICC. This leaves the ARPM for traffic sensitive only. This exhibit also shows the recalculated rate design by year, which reflects a 53% reduction for year 1 and year 2 is residually priced. The

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revenue impact by not including the PICC in year 1 is a decrease in access revenue of ** REDACTED ** and ** REDACTED ** for year 2.

15. What are the units by month that are included in the column labeled "intrastate demand" in all the schedules of ODF-1?

Response:

Please see confidential Attachment 15 (Bates No. 225).

16. What are the units by month that are included in the column labeled "annualized units" in all the schedules of ODF-2?

Response:

Please see confidential Attachment 16 (Bates No. 226). The units by month in the column labeled "annualized units" is the sum of months June 2002 through May 2003.

17. What are the units by month that are included in the column labeled "annualized units" in all the schedules of ODF-3?

Response:

Please see response to Interrogatory No. 16.

18. What are the source reports that the annualized units are derived from?

Response:

Please see Attachments INT 18a and 18b (Bates Nos. 227-228).

The source for the annualized units for switched access is the customer Access Billing Database (CABS). The data is extracted from CABS and formatted into reports in SAP.

19. On page 24 of his direct testimony, lines 1-2, witness Fulp states that "[b]asic local residential rates are subsidized and receive substantial support." Please provide a list of all Verizon services that subsidize basic local service rates.

Specific Objection to Interrogatory No. 19:

In addition to its General Objections, which are incorporated herein by reference, Verizon objects to this interrogatory on the grounds that it is not reasonably

41. What are Verizon Florida's originating and terminating intrastate access minutes for 2000, 2001, 2002, and January-June, 2003?

Response:

Confidential/Proprietary

2000

2001

Redacted

2002

January – June 2003

VERIZON Communications Florida Monthly Units - June 2002 through May 2003			Intrastate Switched Access Demand												TOTAL
Element	Rate Application	Current Intrastate Rates	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	TOTAL
Switching															
End Office Switching - Bundled Premium	Per MOU	\$0 0089000													
Information Surcharge	Per MOU	\$0 0072000													
Transport															
Tandem Switching															
Tandem Switched Facility	Per MOU/Mile	\$0 0000135													
Tandem Switched Termination	Per MOU/Term	\$0 0001344													
Tandem Switching Rate	Per MOU	\$0 0007500													
Interconnection Charge	Per MOU	\$0 0102494													
Direct Trunk Transport:															
Voicegrade	Per Mile/Month	\$5 08													
DS1 Facility	Per Mile/Month	\$5 00													
DS1 Termination	Per Month	\$30 00													
DS3 Facility	Per Mile/Month	\$70 00													
DS3 Termination	Per Month	\$500 00													
Entrance Facility:															
Two Wire	Per Month	\$33 08													
Four Wire	Per Month	\$52 93													
DS1 - First system	Each DS1, Per Month	\$260 00													
DS1 - Additional systems	Each DS1, Per Month	\$130 00													
DS3 Electrical	Each DS3, Per Month	\$1,400 00													
DS1 to Voice Multiplexing	Each, Per Month	\$250 00													
DS3 to DS1 Multiplexing	Each, Per Month	\$581 63													
Carrier Common Line															
Originating Carrier Common Line Access	Per MOU	\$0 0159409													
Terminating Carrier Common Line Access	Per MOU	\$0 0246950													

REDACTED

225

**FLORIDA RATE REBALANCING
RESIDENCE BASIC EXCHANGE ACCESS**

Row	Service Description	Billing Type	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	Avg	ANNUALIZED UNITS
			2002	2002	2002	2002	2002	2002	2002	2002	2002	2002	2003	2003	2003	2003	
			Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	
1	Basic Local Exchange Service																
2	Flat Rate - 1 Party Service/Residence																
3	Rate Group 1	MRC															
4	Rate Group 1 - 50% Emp Concession	MRC															
5	Rate Group 1 - RESALE	MRC															
6																	
7	Rate Group 2	MRC															
8	Rate Group 2 - 50% Emp Concession	MRC															
9	Rate Group 2 - RESALE	MRC															
10																	
11	Rate Group 3	MRC															
12	Rate Group 3 - 50% Emp Concession	MRC															
13	Rate Group 3 - RESALE	MRC															
14																	
15	Rate Group 4	MRC															
16	Rate Group 4 - 50% Emp Concession	MRC															
17	Rate Group 4 - RESALE	MRC															
18																	
19	Rate Group 5	MRC															
20	Rate Group 5 - 50% Emp Concession	MRC															
21	Rate Group 5 - RESALE	MRC															
22																	
23																	
24	Total Residential Rategroups																
25																	
26	Vacation Service - Residence																
27	Vacation Service/Residence	MRC															
28																	
29	Total Basic Residential Vacation Service																
30																	
31																	
32																	
33																	
34																	
35																	
36																	
37																	
38																	
39																	
40	ECS Usage for Routes Established Before 7/1/95																
41	Residence 1-Party Extended Calling Service																
42	- Call Connection	Usage															
43																	
44	Total ECS Usage																
45																	
46																	
47	Service Charges for Basic Residence																
48	Network Access Establishment Charge	NRC															
49	Network Access Establishment Charge - RESALE	NRC															
50	Central Office Line Connection	NRC															
51	Central Office Line Connection - RESALE	NRC															
52	Total Service Charges																

REDACTED

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Calculation of Intrastate Revenues at 1/1/03 Interstate Rates and Structure

Element	Rate Application	Jun '02 - May '03 Interstate Demand	Current Intrastate Rates	1/1/2003 Interstate Rates	Current Intrastate Revenues	1/1/2003 Intrastate Revenues
Switching						
End Office Switching - Bundled						
Premium	Per MOU		\$ 0.0089000	\$ 0.0032869		
Information Surcharge	Per MOU		\$ 0.0072000	\$0		
End Office Trunk Port						
Dedicated Voiceband (Note 1)	Per Month		No Rate Element	\$ 25.00		
Dedicated DS1 (Note 1)	Per Month		No Rate Element	\$ 9.65		
Shared (Note 1)	Per MOU		No Rate Element	\$ 0.0002324		
Transport						
REDACTED						
Tandem Switching						
Tandem Switched Facility	Per MOU/Mile		\$ 0.0000135	\$ 0.0000627		
Tandem Switched Termination	Per MOU/Term		\$ 0.0001344	\$ 0.0001731		
Tandem Switching Rate	Per MOU		\$ 0.0007500	\$ 0.0017800		
Shared Multiplexng (Note 2)	Per MOU		No Rate Element	\$ 0.0000459		
Dedicated Tandem Trunk Port						
Voiceband (Note 1)	Per Month		No Rate Element	\$ 15.28		
DS1 (Note 1)	Per Month		No Rate Element	\$ 5.97		
Interconnection Charge	Per MOU		\$ 0.0102494	\$0		
Direct Trunk Transport:						
Voicegrade	Per Mile/Month		\$ 5.08	\$4.30		
DS1 Facility	Per Mile/Month		\$ 5.00	\$7.10		
DS1 Termination	Per Month		\$ 30.00	\$21.30		
DS3 Facility	Per Mile/Month		\$ 70.00	\$34.52		
DS3 Termination	Per Month		\$ 500.00	\$346.88		
Entrance Facility:						
Two Wire	Per Month		\$ 33.08	\$31.40		
Four Wire	Per Month		\$ 52.93	\$48.99		
DS1 - First System	Each DS1, Per Month		\$ 260.00	\$165.00		
DS1 - Additional System	Each DS1, Per Month		\$ 130.00	\$165.00		

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Calculation of Intrastate Revenues at 1/1/03 Interstate Rates and Structure

Element	Rate Application	Jun '02 - May '03 Interstate Demand	Current Intrastate Rates	1/1/2003 Interstate Rates	Current Intrastate Revenues	1/1/2003 Intrastate Revenues
DS3 Electrical	Each DS3, Per Month		\$ 1,400.00	\$1,000.00		
DS1 to Voice Multiplexing	Each, Per Month		\$ 250.00	\$250.00		
DS3 to DS1 Multiplexing	Each, Per Month		\$ 581.63	\$346.88		
Carrier Common Line						
Originating Carrier Common Line Access	Per MOU		\$ 0.0159409	\$0		
Terminating Carrier Common Line Access	Per MOU		\$ 0.0246950	\$0		
Presubscribed Interexchange Carrier Charge						
MultiLine Business (Note 3)	Per Line, Per Month		No Rate Element	\$3.20		
ISDN - PRI (Note 3)	Per Line, Per Month		No Rate Element	\$16.00		
Centrex (Note 3)	Per Line, Per Month		No Rate Element	\$0.36		
		Total Revenue				
		ARPM				
* Transport in FL has 3 pricing zones. In the instances where the rates for zones within a rate element were different, the lowest price was applied.						
Note 1: Based on the ratio of interstate trunk ports to interstate EOS MOU This calculation assumes that the Percent of Interstate Use for traffic sensitive and fixed charges are the same.						
Note 2: Equal Tandem Switching Minutes						
Note 3: Interstate Actual						

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Calculation of the Interstate ATS ARPM

Element	Rate Application	Jun '02 - May '03 Intrastate Demand	1/1/2003	1/1/2003
			Interstate Rates	Interstate Revenues
Switching				
End Office Switching - Bundled				
Premium	Per MOU		\$ 0.0032869	
Information Surcharge	Per MOU		\$0	
End Office Trunk Port				
Dedicated Voiceband	Per Month		\$ 25.00	
Dedicated DS1	Per Month		\$ 9.65	
Shared	Per MOU		\$ 0.0002324	
			REDACTED	
Transport				
Tandem Switching				
Tandem Switched Facility	Per MOU/Mile			
Zone 1			\$ 0.0000627	
Zone 2			\$ 0.0000752	
Zone 3			\$ 0.0000875	
Tandem Switched Termination	Per MOU/Term			
Zone 1			\$ 0.0001731	
Zone 2			\$ 0.0002077	
Zone 3			\$ 0.0002250	
Tandem Switching Rate	Per MOU			
Zone 1			\$ 0.0017800	
Zone 2			\$ 0.0022253	
Zone 3			\$ 0.0024106	
Shared Multiplexng	Per MOU			
Zone 1			\$ 0.0000459	
Zone 2			\$ 0.0000459	
Zone 3			\$ 0.0000459	
Dedicated Tandem Trunk Port				
Voiceband	Per Month		\$ 15.28	
DS1	Per Month		\$ 5.97	
Interconnection Charge	Per MOU		\$0	
Direct Trunk Transport:				
Voicegrade	Per Mile/Month			
Zone 1			\$4.30	
Zone 2			\$4.30	
Zone 3			\$4.30	
DS1 Facility	Per Mile/Month			
Zone 1			\$7.10	
Zone 2			\$8.03	
Zone 3			\$8.70	
DS1 Termination	Per Month			
Zone 1			\$21.30	
Zone 2			\$24.09	
Zone 3			\$26.10	
DS3 Facility	Per Mile/Month			
Zone 1			\$34.52	
Zone 2			\$36.50	

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Calculation of the Interstate ATS ARPM				
Element	Rate Application	Jun '02 - May '03 Intrastate Demand	1/1/2003 Interstate Rates	1/1/2003 Interstate Revenues
Zone 3			\$44.00	
DS3 Termination	Per Month			
Zone 1			\$346.88	
Zone 2			\$370.00	
Zone 3			\$444.25	
Entrance Facility:				
Two Wire	Per Month			
Zone 1			\$31.40	
Zone 2			\$31.40	
Zone 3			\$31.40	
Four Wire	Per Month			
Zone 1			\$48.99	
Zone 2			\$48.99	
Zone 3			\$48.99	
DS1	Each DS1, Per Month			
Zone 1 - per system			\$165.00	
Zone 2 - per system			\$250.00	
Zone 3 - per system			\$250.00	
DS3 Electrical	Each DS3, Per Month			
Zone 1			\$1,000.00	
Zone 2			\$1,055.12	
Zone 3			\$1,055.12	
DS1 to Voice Multiplexing	Each, Per Month			
Zone 1			\$250.00	
Zone 2			\$250.00	
Zone 3			\$250.00	
DS3 to DS1 Multiplexing	Each, Per Month			
Zone 1			\$346.88	
Zone 2			\$370.00	
Zone 3			\$444.25	
			Total ATS Revenue	
ATS ARPM				

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Intrastate Rate Reductions to Reach Interstate Composite								
Element	Rate Application	Jun '02 - May '03 Intrastate Demand	Current	Proposed	Current	Proposed	Difference	
			Intrastate Rates	Intrastate Rates	Intrastate Revenue	Intrastate Revenue		
Switching								
End Office Switching - Bundled								
Premium	Per MOU		\$0.0089000	\$0.0046219				
Information Surcharge	Per MOU		\$0.0072000	\$0				
Transport *								
Tandem Switching								
Tandem Switched Facility	Per MOU/Mile		\$0.0000135	\$0.0000135				
Tandem Switched Termination	Per MOU/Term		\$0.0001344	\$0.0001344				
Tandem Switching Rate	Per MOU		\$0.0007500	\$0.0007500				
Interconnection Charge	Per MOU		\$0.0102494	\$0			REDACTED	
Direct Trunk Transport:								
Voicegrade	Per Mile/Month		\$5.08	\$5.08				
DS1 Facility	Per Mile/Month		\$5.00	\$5.00				
DS1 Termination	Per Month		\$30.00	\$30.00				
DS3 Facility	Per Mile/Month		\$70.00	\$70.00				
DS3 Termination	Per Month		\$500.00	\$500.00				
Entrance Facility:								
Two Wire	Per Month		\$33.08	\$33.08				
Four Wire	Per Month		\$52.93	\$52.93				
DS1 - First system	Each DS1, Per Month		\$260.00	\$260.00				
DS1 - Additional systems	Each DS1, Per Month		\$130.00	\$130.00				
DS3 Electrical	Each DS3, Per Month		\$1,400.00	\$1,400.00				
DS1 to Voice Multiplexing	Each, Per Month		\$250.00	\$250.00				
DS3 to DS1 Multiplexing	Each, Per Month		\$581.63	\$581.63				
Carrier Common Line								
Originating Carrier Common Line Access	Per MOU		\$0.0159409	\$0				
Terminating Carrier Common Line Access	Per MOU		\$0.0246950	\$0				
Total Revenue								
Total ARPM								
* Intrastate Transport in FL has 3 pricing zones. In the instances where the rates for zones within a rate element were different, the lowest price was applied.								

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Switched Access Reductions - Year 1								
			Current	Year 1	Current	Year 1		
Element	Rate Application	Jun '02 - May '03 Intrastate Demand	Intrastate Rates	Intrastate Rates	Intrastate Revenue	Intrastate Revenue	Difference	
Switching								
End Office Switching - Bundled								
Premium	Per MOU		\$ 0.0089000	\$ 0.0089000				
Information Surcharge	Per MOU		\$ 0.0072000	\$ 0				
Transport *								
Tandem Switching								
Tandem Switched Facility	Per MOU/Mile		\$ 0.0000135	\$ 0.0000135				
Tandem Switched Termination	Per MOU/Term		\$ 0.0001344	\$ 0.0001344				
Tandem Switching Rate	Per MOU		\$ 0.0007500	\$ 0.0007500				
Interconnection Charge	Per MOU		\$ 0.0102494	\$ 0				REDACTED
Direct Trunk Transport:								
Voicegrade	Per Mile/Month		\$5.08	\$5.08				
DS1 Facility	Per Mile/Month		\$5.00	\$5.00				
DS1 Termination	Per Month		\$30.00	\$30.00				
DS3 Facility	Per Mile/Month		\$70.00	\$70.00				
DS3 Termination	Per Month		\$500.00	\$500.00				
Entrance Facility:								
Two Wire	Per Month		\$33.08	\$33.08				
Four Wire	Per Month		\$52.93	\$52.93				
DS1 - First system	Each DS1, Per Month		\$260.00	\$260.00				
DS1 - Additional systems	Each DS1, Per Month		\$130.00	\$130.00				
DS3 Electrical	Each DS3, Per Month		\$1,400.00	\$1,400.00				
DS1 to Voice Multiplexing	Each, Per Month		\$250.00	\$250.00				
DS3 to DS1 Multiplexing	Each, Per Month		\$581.63	\$581.63				
Carrier Common Line								
Originating Carrier Common Line Access	Per MOU		\$ 0.0159409	\$ 0.0022172				
Terminating Carrier Common Line Access	Per MOU		\$ 0.0246950	\$ 0.0246950				
Total Revenue								
Total ARPM								
* Intrastate Transport in FL has 3 pricing zones. In the instances where the rates for zones within a rate element were different, the lowest price was applied.								

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Switched Access Reductions - Year 2

Element	Rate Application	Jun '02 - May '03 Intrastate Demand	Year 1	Year 2	Year 1	Year 2	Difference
			Intrastate Rates	Intrastate Rates	Intrastate Revenue	Intrastate Revenue	
Switching							
End Office Switching - Bundled							
Premium	Per MOU		\$0.0089000	\$0.0046219			
Information Surcharge	Per MOU		\$0	\$0			
Transport *							
Tandem Switching							
Tandem Switched Facility	Per MOU/Mile		\$0.0000135	\$0.0000135			
Tandem Switched Termination	Per MOU/Term		\$0.0001344	\$0.0001344			
Tandem Switching Rate	Per MOU		\$0.0007500	\$0.0007500			
REDACTED							
Interconnection Charge	Per MOU		\$0	\$0			
Direct Trunk Transport:							
Voicegrade	Per Mile/Month		\$5.08	\$5.08			
DS1 Facility	Per Mile/Month		\$5.00	\$5.00			
DS1 Termination	Per Month		\$30.00	\$30.00			
DS3 Facility	Per Mile/Month		\$70.00	\$70.00			
DS3 Termination	Per Month		\$500.00	\$500.00			
Entrance Facility:							
Two Wire	Per Month		\$33.08	\$33.08			
Four Wire	Per Month		\$52.93	\$52.93			
DS1 - First system	Each DS1, Per Month		\$260.00	\$260.00			
DS1 - Additional systems	Each DS1, Per Month		\$130.00	\$130.00			
DS3 Electrical	Each DS3, Per Month		\$1,400.00	\$1,400.00			
DS1 to Voice Multiplexing	Each, Per Month		\$250.00	\$250.00			
DS3 to DS1 Multiplexing	Each, Per Month		\$581.63	\$581.63			
Carrier Common Line							
Originating Carrier Common Line Access	Per MOU		\$0.0022172	\$0			
Terminating Carrier Common Line Access	Per MOU		\$0.0246950	\$0			
Total Revenue							
Total ARPM							
* Intrastate Transport in FL has 3 pricing zones. In the instances where the rates for zones within a rate element were different, the lowest price was applied.							