

ORIGINAL



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February 23, 2004

Ms. Blanca Bayo'  
Director  
Division of Administrative Services and Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RECEIVED FPC  
FEB 23 PM 4:12  
COMMISSION  
CLERK

RE: Docket No. 030851-TP

Dear Ms. Bayo':

Enclosed for filing are redacted versions of pre-filed Exhibits KWD-8 and KWD-13. These exhibits were previously filed with the Commission Clerk pursuant to claims of confidentiality for the exhibits in their entirety. The attached redacted versions of the exhibits appropriately indicate those portions of the exhibits which are not proprietary and need not be kept confidential pursuant to the previously filed claims.

Please acknowledge receipt of this filing by stamping and initialing a copy of this letter and returning the same to the courier. If you have any questions, please do not hesitate to call me at 850/599-1560.

Sincerely,

Susan S. Masterton

Attachments

Cc: Jeremy Susac, Esq.  
Parties of Record

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM 5+ org
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- SEC 1
- OTH \_\_\_\_\_

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DOCUMENT NUMBER-DATE  
**02635 FEB 23 04**  
FPSC-COMMISSION CLERK

**BACE Model - BellSouth Inputs  
NPV Analysis**

Sprint-Florida, Inc.  
Docket No. 030851-TP  
Exhibit KWD - 8  
Filed: January 7, 2004  
Page 1 of 1

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	
Net Revenue													
Operating Expenses													
Income Taxes													
Capital Expenditures													
Net Cashflow													
NPV of Cashflow													
Exponent for NPV Calc													
Internal Rate of Return													37.37%

Note: Internal Rate of Return (IRR) calculated via iterative process to determine the rate at which the 10-year Net Present Value equals zero. Cashflow in Year 0 assumed at beginning of Year 1. Cashflow in Years 1-10 is assumed to be in middle of year.

Comparison of Sprint Florida Commission Approved Capital to Bell South BACE Model Results  
for End Office Switches and Loop DLC Equipment

Row	A	B	C	D	E	F	G	H	I	J	K	L	M
		Description	Source/Calculation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
5		<b>BACE Access Lines</b>											
6		BACE Access Lines	Note A										
7													
8		<b>Switching</b>											
9		Bell South BACE Model											
10		Capex-Switching	Note B.										
11		Capex per line-cumulative	E11=SUM(D10:E10)/E6										
12													
13		Sprint Investment per line (1)	WS:Investment Support										
14		BACE % Capital Understated	E14=(E13-E11)/E11	40%	111%	134%	149%	152%	134%	126%	118%	101%	93%
15													
16		(1) Hosts Only Investment and Excludes Line Termination Investment											
17													
18													
19		<b>Digital Loop Carrier (DLC)</b>											
20		Bell South BACE Model											
21		Capex-DLC	Note C.										
22		Capex-DLC per line-cumulative	E22=SUM(D21:E21)/E6										
23													
24		Sprint Investment per line	WS:Investment Support										
25		BACE % Capital Understated	E25=(E24-E22)/E22	183%	237%	245%	218%	196%	178%	163%	148%	135%	123%
26													
27													
28		Note A	Access lines are from BellSouth filed BACE Model results. The Report Data Source is Quantity and Customer Count, fields to view include: State Product and QUOM Criteria: 1 Product Area = Internet										
29			and QUOM = Data Lines or Lines 2 Product Area = Local and QUOM = Lines										
30													
31		Note B	Capex-Switching is from BellSouth filed BACE Model results The Report Data Source is Revenue and Cost, fields to view include: Cost Center and Cost Element. Criteria: 1. Cost Center = Local Switching										
32			and Cost Element <> BuildingLoading. Total Capex-Switching excludes Cost Elements BuildingLoading and FeatureFunctionality										
33													
34		Note C	Capex-DLC is from BellSouth filed BACE Model results The Report Data Source is Revenue and Cost, fields to view include: Cost Center. Criteria: 1. Cost Center = DLCEquipment.										

Comparison of Sprint Florida Commission Approved Capital to Bell South BACE Model Results  
for End Office Switches and Loop DLC Equipment

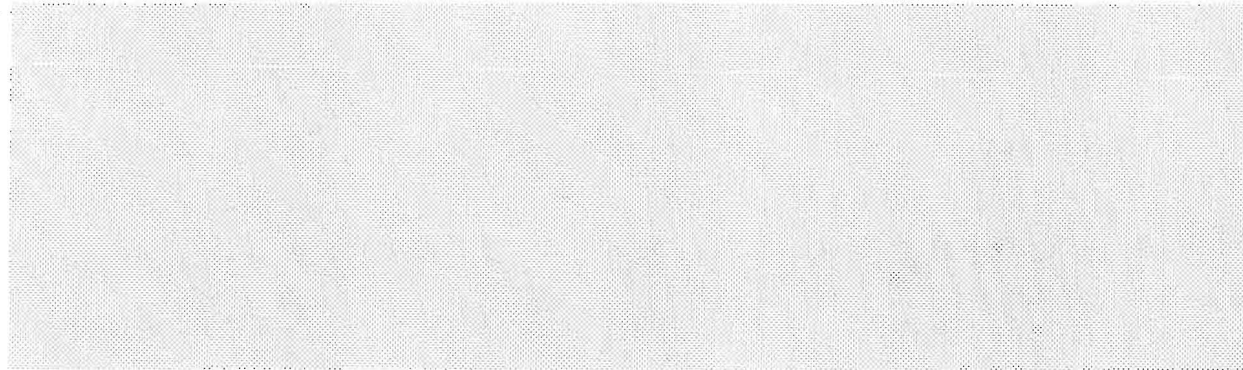
Sprint - Florida Docket # 990649-TP  
Approved UNE Switch Investments, DLC Investments and Lines

A	B	C	D	E
Row	Description			
7	Switching	Commission Approved		Commission Approved
8		Host & Remote Switches		Host Switches Only Excludes Line Termination Investment
9	Access Lines			
10	Total Switch Investment			
11	Switching Investment per Line			

Source: FL Docket #990649-TP  
Staff approved switching investments

File: Sprint TELRIC Model  
Inpflt01.xls

Data:



Comparison of Sprint Florida Commission Approved Capital to Bell South BACE Model Results  
for End Office Switches and Loop DLC Equipment

Sprint  
Exhibit KWD - 13

40 DLC  
41 DLC Lines  
42 Total DLC Investment  
43 DLC Investment per Line

Commission Approved



44  
45 *Source:* FL Docket #990649-TP  
46 Staff approved UNE-P DLC investments

47  
48 *File:* Sprint TELRIC Model  
49 Inpfit01.xls

50  
51 *Data:*

