

REDACTED

030851-TP

Proprietary Attachment to POD 22

On CD

PROPRIETARY

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

22. For purposes of the following request, please refer to the rebuttal testimony of Sprint witness Staihr, page 11, lines 18-21. Please explain how it was determined that this switch “overwhelmingly” serves large business customers.

Answer:

According to the data provided to the Commission Staff by KMC over █ of this switch's utilized capacity is used to serve enterprise customers and over █ of the switch's utilized capacity is used to serve customers with more than █ lines at a location. Since KMC's website indicates that KMC only provides service to business customers, and the overwhelming majority of this switch is used for customers having over █ lines, this obviously represents larger (as opposed to smaller) business customers, which makes it clear that this switch is used, as I state in my testimony, overwhelmingly for larger business customers.

Provided by Brian Staihr

SPRINT
DOCKET NO. 030851-TP
STAFF'S THIRD SET
INTERROGATORY NO. 28
PAGE 2 OF 3

Response: There are 313 end user customers. Sprint does not a breakdown of number of customer locations (e.g. if a customer has multiple locations).

- (f) Of those customer locations identified in (e), please indicate the number of customer locations with 3 or less DS0 lines.

Response: ■■■

- (g) For each switch identified in (c) that provides DS0 service, please state the percent of total capacity used to provide DS0 service.

Response ■■■%

- (h) For each switch identified in (c) that provides DS0 service, please state the percent of spare capacity.

Response ■■■%

- (i) For each switch identified in (c), please identify the ILEC wire centers served.

Response: ■■■■■
■■■■■
■■■■■
■■■■■

- (j) Of those markets Sprint has identified as having entered, please state in which wire centers Sprint has collocation arrangements.

Response: ■■■■■
■■■■■
■■■■■
■■■■■



~~(k)~~ Of the those markets Sprint has indicated to have entered, please state in which markets Sprint does not have a collocation arrangement in any wire center within that market.

Response: None.

Provided by John Felz

**Power Requirements of DS1/DS3 Multiplex and DSL Equipment Correlated to Demand
for Services**

<u>Equipment Addition Necessary</u>	<u>Vendor DC Power Requirement to Serve Associated Line Quantities</u>		<u>Lines Served</u>
	<u>Per Shelf DC Power Requirement</u>	<u>Cumulative DC Power Requirement</u>	
DS1/DS3 Multiplex Equipment			
Average Amps Per 28 DS1 Circuits			-
DSL Equipment			
Average Amps Per 224 DSL Circuits			-

BACE Sales Costs Model Input

Sprint-Florida, Inc.
 Docket No. 030851-TP
 Staff's 4th Set DRs
 02-Feb-04
 Interrogatory No. 18

Row	Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Source/Calculation
9	BACE Sales Costs Model Input											
10	Residential Customers											'Sales Acquisition Cost File' - (See Page 2) - Row 13
11	SOHO Customers											'Sales Acquisition Cost File' - (See Page 2) - Row 18
12	SME/A Customers											'Sales Acquisition Cost File' - (See Page 2) - Row 23
13	SME/B Customers											'Sales Acquisition Cost File' - (See Page 2) - Row 26
14	SME/C Customers											'Sales Acquisition Cost File' - (See Page 2) - Row 29

Sales Acquisition Costs Calculations

Sprint-Florida, Inc.
 Docket No. 030851-TP
 Staff's 4th Set DRs
 02-Feb-04
 Interrogatory No. 18

Row	Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Source / Calculation
9	Sales Acquisition Costs											
10	Order Process, Media, OMSC, & Verification											Row 55
11	Sales - Residential											Row 58
12	Cost per Residential Line Acquisition											Row 10 + Row 11
13	BACE model input - cost per Res customer											Row 12 / C79
14												
15	Order Process, Media, OMSC, & Verification											Row 55
16	Sales - SOHO											Row 60
17	Cost per SOHO Line Acquisition											Row 15 + Row 16
18	BACE model input - cost per SOHO customer											Row 17 * C80
19												
20	Order Process, Media, OMSC, & Verification											Row 55
21	Sales - SME/A											Row 62
22	Cost per SME/A Line Acquisition											Row 20 + Row 21
23	BACE model input - cost per SME/A customer											Row 22 * C81
24												
25	Cost per SME/B Line Acq											Row 64
26	BACE model input - cost per SME/B customer											Row 25 * C82
27												
28	Cost per SME/C Line Acq.											Row 66
29	BACE model input - cost per SME/C customer											Row 28 * C83
30												
31												
32	Sales Acquisition Cost Inputs											
33	Annual Cost Trend											Input
34												
35	DS0 Service - Non-recurring											Input (Z-Tel Contract Rate - See Page 5)
36	Order Processing - (per line)											Input (Media Test Calculation - See Page 4)
37	Media Total											Input (Sprint Complete Sense UNEP Business Case)
38	Order Management Service Center - (per line)											Input (Sprint Complete Sense UNEP Business Case)
39	Third-Party Verification - (per line)											
40												
41	Sales & Marketing - Residential - (per line)											Input - Page 5 (Sprint Complete Sense UNEP Business Case)
42	Sales & Marketing - SOHO - (per line)											Input - (Edge Out Business Case) - (Edge Actuals - See Page 7)
43	Sales & Marketing - SME/A - (per line)											Input - (Edge Out Business Case) - (Edge Actuals - See Page 7)
44	Sales & Marketing - SME/B - (per line)											Input (Edge Out Business Case)
45	Sales & Marketing - SME/C - (per line)											Input (Edge Out Business Case)

Sales Acquisition Costs Calculations

Sprint-Florida, Inc.
 Docket No. 030851-TP
 Staff's 4th Set DRs
 02-Feb-04
 Interrogatory No. 18

Row	Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Source / Calculation
48	Total Sales Acquisition Cost											
49	Customer Acquisition (Gross Line Adds)											
50	Order Processing											(Row 71+Row 72+ Row 73) * Row 36
51	Media - Advertising											Row 37
52	Order Management Service Center											(Row 71+Row 72+ Row 73) * Row 38
53	Third-Party Verification											(Row 71+Row 72+ Row 73) * Row 39
54	Subtotal											Sum (Row 50 through Row 53)
55	Per line costs											Row 54 / (Row 71+ Row 72+ Row 73)
56												
57	Sales - Residential											Row 41 * Row 71
58	Per Line Cost											Row 57 / Row 71
59	Sales - SOHO											Row 42 * Row 72
60	Per Line Cost											Row 59 / Row 72
61	Sales - SME/A											Row 43 * Row 73
62	Per Line Cost											Row 61 / Row 73
63	Sales - SME/B											Row 44 * Row 74
64	Per Line Cost											Row 63 / Row 74
65	Sales - SME/C											Row 45 * Row 75
66	Per Line Cost											Row 65 / Row 75
69	Customer Lines - Gross New Adds											
70	Cumulative Total Gross Installs	124,371	255,586	391,935	532,133	675,218	820,469	967,345	1,115,438	1,264,445	1,414,137	Cumulative Gross Adds + Current Year Gross Adds
71	Residential	105,789	113,667	119,575	124,006	127,330	129,822	131,692	133,094	134,146	134,934	Row 87 * C79
72	SOHO	8,097	7,647	7,309	7,056	6,866	6,723	6,616	6,536	6,476	6,431	Row 88 * C80
73	SME/A	10,485	9,901	9,464	9,136	8,890	8,705	8,567	8,463	8,385	8,327	Row 89 * C81
74	SME/B	8,138	7,351	6,760	6,316	5,984	5,735	5,548	5,408	5,302	5,224	Row 90 * C82
75	SME/C	11,637	10,510	9,665	9,031	8,556	8,200	7,932	7,732	7,582	7,469	Row 91 * C83
78	Ratio - Gross Add Lines per Customer											
79	Res		1.06									BACE Model Report Output - LineQuantity-CustomerType
80	SOHO		1.11									BACE Model Report Output - LineQuantity-CustomerType
81	SM		5.31									BACE Model Report Output - LineQuantity-CustomerType
82	Med		12.85									BACE Model Report Output - LineQuantity-CustomerType
83	Lg		80.35									BACE Model Report Output - LineQuantity-CustomerType
86	Customer Gross New Adds											
87	Res	100,112	107,567	113,158	117,352	120,497	122,856	124,625	125,952	126,947	127,693	BACE Model Report Output - LineQuantity-CustomerType
88	SOHO	7,265	6,860	6,557	6,330	6,160	6,032	5,936	5,864	5,810	5,770	BACE Model Report Output - LineQuantity-CustomerType
89	SME/A	1,974	1,864	1,782	1,720	1,674	1,639	1,613	1,594	1,579	1,568	BACE Model Report Output - LineQuantity-CustomerType
90	SME/B	633	572	526	492	466	446	432	421	413	407	BACE Model Report Output - LineQuantity-CustomerType
91	SME/C	145	131	120	112	106	102	99	96	94	93	BACE Model Report Output - LineQuantity-CustomerType

Media Costs Calculations

Sprint-Florida, Inc.
 Docket No. 030851-TP
 Staff's 4th Set DRs
 02-Feb-04
 Interrogatory No. 18

A	B	C	D
Row	Description	Media	Calculation / Source
9	Consumer Advertising Media Spending		
10	Atlanta & Phil - One Month Media Spend		Media Test - May 2003
11	Annual Ad Spend for Atlanta & Phil		Line 10 * 12 months
12	National Ad Spend (Atlanta & Phil are 4.55% of US)		Line 11 / .0455
13	Annual per Household Ad Spend (107 million US HH)		Line 12 / 107,000,000
14	Total Florida Households	6,337,929	Input - 2000 Census
15	Total BellSouth Residential Lines		Input - ARMIS
16	BellSouth Res Lines to Cust. (BACE Model Calc)		BACE Model Report Output - LineQuantity-CustomerType
17	Total BellSouth Households		Line 15 / Line 16
18	Percent FL HH in BellSouth Area		Line 17 / Line 14
19	Total Annual Ad Spend to BellSouth Households		Line 13 * Line 17
20			
21	Total Mass Market Gross Add for 10 years		Cumulative Lines for 10 Years, (Page 2 Row 70)
22	Total Advertising Spend for 10 years		Line 19 * 10
23	Average Media Costs per Gross Add		Line 22 / Line 21

Order Processing Cost
Z-Tel Communications, Inc
Support Non-Recurring Fee Calculation

Sprint-Florida, Inc.
Docket No. 030851-TP
Staff's 4th Set DRs
02-Feb-04
Interrogatory No. 18



A	B	C
Row	Cumulative Number of Orders	Per Order Fee
9		
10		
11		
12		

**2003-2004 LD/SCS Expense Breakout
SCS UNEP Business Case**

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Sprint-Florida, Inc.
Docket No. 030851-TI
Staff's 4th Set DRs
02-Feb-04
Interrogatory No. 18

A	B	C	D	E			
Row	Team/Segment	2004 Total SCS Expenses	2004 SCS Sales	2004 Expense Per Sale			
8	Mass	<i>3rd Party Proprietary</i>					
9	Earthlink						
10	PCS						
11	USAA						
12	AOL						
13	Other Partners						
14	E-Business						
15	US Air						
16	UAL						
17	NWA						
18	Retail						
19	Subtotal Subscriber						
20	NBD						
21	MOPS						
22	Offer Management						
23	Research						
24	Other Support						
25	Challenge						
26	Subtotal Non-Teams						
27	TOTAL MARKETING						

Note: Sprint used \$  per access line for development of the Residential Sales & Marketing costs as shown in the sales cost development on page 2, row 39. Media advertising and order processing are added to the sales and marketing cost to arrive at  BACE model inputs.

**Local Telecommunications Division
Results Summary - Project Ed**

Sprint-Florida, Inc.
Docket No. 030851-TP
Staff's 4th Set DRs
02-Feb-04
Interrogatory No. 18

(Actual \$)

**Ed Market Level Financials - October 2003
YTD Project Ed Trend**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Row	Metrics	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	YTD Actual	YTD Budget
10	Acquisition Costs/Customer														
11															
12	Avg Acquired Customer Revenue														

Note: The customers acquired during 2003 are an indication of the actual acquisition costs experienced in capturing customers in the SME/A and SME/B customer size category. These results document that the inputs used by Sprint for the BACE Sales Acquisition costs are conservative using \$ [redacted] for SME/A and \$ [redacted] for SME/B customers.

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Attachment to Interrogatory 23 part 1 and part 2

PROPRIETARY

to Interrogatory No. 55.

Response: Sprint assumes this request should correctly reference Interrogatory 14. Based on this assumption, Sprint responds that there are no documents responsive to this request since Sprint does not have access to this central database file.

- 13. Referring to the rebuttal testimony of Sprint witness Dickerson, page 24, lines 12-14, please provide documents that support these recommended values.**

Response: The following table summarizes Sprint-CLEC's actual and forecasted bad debt expense. It also shows the actual CLEC bad debt expense of Allegiance Telecom and Talk America, as taken from recent SEC 10-K forms (see attached). It is from a review of this information that Sprint developed its bad debt expense inputs of 10% in Year-1, 6% in Year-2, and 5% in all subsequent years.

****PROPRIETARY****

- 14. Please provide all work papers and documents that support Sprint witness Dickerson's Exhibit KWD-8 attached to his rebuttal testimony.**

Response: Please find attached an Excel workbook titled "FL Staff POD 14.xls" which contains the detailed data underlying Exhibit KWD-8. The detailed data was generated directly from the BACE model version using BellSouth's proposed inputs. Specifically, the detail was produced via the BACE Reporting Tool using the "Revenue and Costs" Report Data Source and the "NetIncome-Total" Standard Report (production of the COGS-Cageless Collo amounts required the use of filtering on the "Cost Area" field).

The detailed data on the attached Excel workbook was summarized into the categories on Exhibit KWD-8 in the following manner:

<u>Category on KWD-8</u>	<u>Source from "FL Staff POD 14.xls"</u>
Net Revenue	Sum of Lines 9 & 10
Operating Expenses	Sum of Lines 11, 13, 14, 15 & 16
Income Taxes	Line 19
Capital Expenditures	Sum of Lines 12, 17 & 18

- 15. Please provide all documents that support your response to Interrogatory No. 62.**

Response: Sprint assumes this request should correctly reference Interrogatory 21. Based on this assumption, Sprint responds: See attached POD 15.

- 16. Referring to the rebuttal testimony of Sprint witness Staihr, page 28, lines**

