

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

SPRINT-FLORIDA, INCORPORATED

REBUTTAL TESTIMONY OF

JIMMY R DAVIS

Q. Please state your name, place of employment, position and business address.

A. My name is Jimmy R. Davis. I am employed by Sprint/United Management Company as a Senior Manager – Network Costing at 6450 Sprint Parkway, Overland Park, Kansas 66251. I am testifying in this proceeding on behalf of Sprint-Florida, Incorporated (hereafter referred to as “Sprint” or the “Company”).

Q. Are you the same Jimmy R. Davis who filed a direct testimony in this proceeding on June 11, 2004?

A. Yes.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to respond to the direct testimonies of KMC witnesses Robert E. Collins, Jr. on issues 12 and 21a and Timothy J. Gates on issue 13.

Issue 12. What are the appropriate monthly recurring charges, if any, for line splitting?

1 Q. On page 4 of his testimony, Mr. Collins listed issue 12 as one of the issues
2 that the parties have reached agreement on. Does Sprint agree?

3 A. Yes. Sprint and KMC have reached agreement on issue 12 in a manner consistent
4 with my direct testimony. Sprint will not charge KMC anything for the high
5 frequency portion of an unbundled voice loop already paid for by another CLEC.
6 Sprint will however charge for any cross connect cabling requested by a CLEC
7 wishing to engage in line splitting based on rates approved by the Florida Public
8 Service Commission in the Generic Collocation Docket, Docket Nos. 981834-TI?
9 and 990321-TP.

10

11 **Issue 13: What are the appropriate rates, terms and conditions for the**
12 **performance of routine network modifications by Sprint:**

13 (a) for loops?

14 (b) for dedicated transport?

15

16 Q. What is Sprint's position on Issue 13?

17 A. As covered on page 8, lines 18-23 of my direct testimony Sprint makes certain
18 routine network modifications in the normal course of business without levying
19 additional charges. However, Sprint has proposed language in the new
20 interconnection agreement stating that KMC will compensate Sprint for the costs
21 of network modifications made on behalf of KMC to the extent that costs are not
22 already recovered in the unbundled loop and transport rates.

23

24 Q. What is KMC's position on Issue 13?

1 A. According to KMC witness Mr. Timothy J. Gates's Direct Testimony (page 15,
2 lines 2-3), KMC believes that the "costs of routine network modifications are
3 already included in, and recovered by, the recurring rates Sprint charges to
4 KMC". Given this comment, coupled with KMC's refusal to agree to Sprint's
5 language, KMC evidently is contending that any and all possible routine network
6 modifications are included in Sprint's monthly recurring rates.

7
8 Q. Has Sprint given KMC the opportunity to clarify its position on this issue?

9 A. Yes. Sprint issued discovery on June 17, 2004 giving KMC an opportunity to
10 both clarify and provide support for its position. Sprint referenced KMC witness
11 Gates' direct testimony concerning routine network modifications in asking KMC
12 if its position was that there would never be a situation where the cost of network
13 modifications exceeds the cost recovered by Sprint's monthly recurring charges
14 (MRCs) to KMC. KMC objected to this interrogatory and has refused to provide
15 a response. While still referencing KMC witness Gates' Direct Testimony
16 concerning routine modifications, Sprint asked KMC to identify all UNE MRCs
17 that it contends fully compensate Sprint for all possible network modifications.
18 Again, KMC objected to this interrogatory and has refused to provide a response.
19 Again while referencing KMC witness Gates' Direct Testimony concerning
20 routine modifications, Sprint requested any and all analysis performed by KMC
21 including cost analysis, references to Commission orders, references to contested
22 proceedings including generic dockets, or other information that enables KMC to
23 conclude that all possible network modifications to existing plant are already
24 included in, and recovered by, the recurring rates Sprint charges to KMC in

1 Florida. KMC has objected to and has refused to provide a response to any of
2 Sprint's discovery requests. Based on **KMC's lack of a** response, it appears Mr.
3 Gates has not performed any **analysis to support his** claim.

4

5 **Q. What are doublers and repeaters and why are they sometimes necessary?**

6 **A.** Doublers and repeaters are devices that enable the provisioning of DS 1 service on
7 copper loops exceeding 12,000 in length and are necessary to fulfill orders from
8 CLECs. Although the TRO mentions both doublers and repeaters, Sprint installs
9 mostly doublers because they are compatible with digital subscriber line (DSL)
10 services. By adding a doubler, the **DS1** service can **be** extended **on** a copper **loop**
11 to a distance of around 24,000 **feet**.

12

13 **Q. Were doublers included in Sprint's forward looking CSA design model used**
14 **in Docket 990649B-TP?**

15 **A.** No. As indicated above, doublers are not needed until the copper portion **of** the
16 loop exceeds 12,000 feet in length; therefore, the cost of doublers were not
17 contemplated or included in either of Sprint's monthly recurring or non-recurring
18 charges approved by the Florida Public Services Commission under Docket
19 990649B-TP. Under Sprint's forward looking carrier serving area (**CSA**) design
20 model, the copper portion of the loop is designed to **be shorter** than **12,000 feet** to
21 eliminate the need for doublers. Sprint is required by FCC rules to base its loop
22 cost studies on TELRIC standards which involve a forward-looking, least-cost
23 network. CSA design is accepted by commissions including the Florida Public

1 Service Commission in Docket 990649B-TP, as the least-cost most efficient
2 network.

3

4 **Q. What important assumptions relative to this issue are made for TELRIC**
5 **studies?**

6 **A.** TELRIC modeling assumes that all of the necessary fiber cable, telephone poles,
7 conduit, manholes, DLCs (including the exact amount of required cards), copper
8 loop facilities, customer terminating equipment (including smart jacks), and
9 multiplexing is constructed during a single construction job on a scale that meets
10 the total demand for all services by all customers at any given point in time. The
11 theoretical placing of all **assets** needed to provide service to all units of demand
12 results in a theoretical optimal economy of scale which minimizes the **cost** per
13 unit. **Cost** recovery depends on both the demand for service and time measured
14 by the depreciable life for the assets involved. If the demand for service **does** not
15 materialize over the life of the **asset** as assumed in the MRC calculation, Sprint
16 will not recover its cost.

17

18 **Q. How does the reality of adding doublers and repeaters impact Sprint's ability**
19 **to recover its costs?**

20 **A.** In reality, Sprint has to go back into an existing network to convert bare copper
21 into a DS1 service. If the copper loop involved is longer than 12,000 feet, a
22 doubler is added. In sharp contrast to Sprint's forward-looking model, these costs
23 are incurred for very small quantities of demand and at times for a single unit of
24 demand as ordered by KMC in this case. Consistent with its well established

1 special construction policies, Sprint is not opposed to having to add doublers
2 where there is sufficient demand for DS1 service over time to ensure cost
3 recovery and will not charge CLECs anything extra for the installation of doublers
4 in these situations. However, as with Sprint's Special Access Services, there are
5 certain circumstances where doublers are installed that are not expected to
6 generate sufficient demand over the life of the asset to achieve cost recovery.
7 Those situations are known as "special construction". In paragraph 640 of the
8 TRO the FCC states that the pricing rules allow an ILEC to recover its costs. To
9 achieve cost recovery in limited situations where an exiting network has to be
10 modified to provide services under special construction (explained in my direct
11 testimony on page 11, line 4 through page 12, line 8) it is necessary for Sprint to
12 charge CLECs for the installation of doublers (and repeaters) through NRCs. The
13 special construction policies Sprint has presented in this case are identical to the
14 special construction policies contained in section E14.2.7 of Sprint's Intrastate
15 "Access Service Tariff" for the state of Florida effective January 1, 1997 as
16 approved by the Florida Public Service Commission.

17

18 **Q.** On page 15, lines 8-10, Mr. Gates states that "KMC has recently received
19 some cost and rate information from Sprint" but adds that he is unable to
20 reach a conclusion that the rates are just and reasonable. What rates are
21 Mr. Gates referring to?

22 **A.** Mr. Gates is referring to the proposed standard rates for the installation of
23 doublers and repeaters which are shown on Exhibit JRD-2 of my direct testimony.

24

1 Q. What additional costing support does Sprint offer for its standard rates for
2 the installation of doublers as shown on Exhibit JRD-2 attached to your
3 direct testimony?

4 A. To further demonstrate the reasonableness of Sprint's proposed rate, I have
5 recently examined 12 work authorizations associated with the installation of
6 doublers in Sprint's network in Florida. The engineering and installation labor is
7 summarized on the attached Exhibit JRD-3.

8
9 As can be seen under the "Total Engineering Hours" column on the attached JRD-
10 3, it took on average 19.0 hours of engineering time per work order for the 12
11 work order examined. The 8 hours of engineering labor used to calculate Sprint's
12 proposed NRC of \$2,075.24 for installing a doubler under special construction is
13 very conservative compared to the engineering time captured in these work
14 orders. Likewise, the 6.988 hours shown as "total composite installation hours"
15 on the bottom of Exhibit JRD-3 is also very conservative when compared to the
16 17.3 hours of average installation hours per job seen under the "Total Installation
17 Hours" column on the attached JRD-3.

18
19 These work authorizations represent real world examples of where Sprint added
20 doublers in sufficient quantities in an efficient manner to meet an anticipated
21 steady demand and would not charge CLECs extra for the installation of doublers
22 in these situations. However, these work authorizations are instructive of the
23 conservative nature of the rates Sprint is proposing to levy only in the narrow
24 circumstances defined in our special construction policy.

1 **Q.** If the FCC's clarification in the TRO that ILECs must make routine network
2 modifications had been in effect when Sprint filed its cost study in Docket
3 No. 990649B-TP would Sprint have proposed **a** rate structure to recover the
4 costs of doublers in the same manner **as** Sprint is proposing here?

5 **A.** ~~Yes. If the TRO~~ had been in effect during the ~~UNE cost~~ docket, Sprint would
6 **have proposed to** recover its **costs** in the same manner **as** it is proposing here.

7
8 Unless Sprint's proposed language for the Interconnection Agreement is adopted,
9 Sprint will be expected to install doublers in all circumstances without the
10 associated and necessary charges to achieve the cost recovery it is **lawfully**
11 entitled to.

12
13 Issue 21a. Should **KMC** be allowed to provision cross-connects within its
14 collocation space without application or additional charges by Sprint?

15
16
17 **Q.** On page 12 of his direct testimony, Mr. Collins states that **KMC** believes that
18 issue 21a) is resolved adding that "KMC will be allowed provision it own
19 cross-connects within its own collocation space without being required to
20 submit **a** collocation application or being subject to additional Sprint
21 charges." Is Mr. Collins' statement correct?

22
23 **A.** Yes. At no time during negotiations has Sprint proposed **any** charges for work
24 **KMC** performs in their collocation space.

1 **Q. Does this conclude your rebuttal testimony?**

2 **A. Yes.**

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

Work Order Analysis

Docket No. 031047-TP
 Exhibit JRD3
 July 9, 2004

SPRINT - FLORIDA

Activity No.	Date	District	Buried/Aerial/UG	Activity Description	Total Engineering Hours	Total Installation Hours
39159184	Mar./Apr. '03	Winter Park	Buried	Installation of OSP Housing (20 slot) and Doubler Cards (4)	16.00	2.00
39159954	Apr. '03	Winter Park	UG	Installation of OSP Housing (10 Slot) and Doubler Card	24.00	41.00
39164007	Jul. '03	Winter Park	Buried	Installation of HRE 458 OSP Housing (10 Slot) and Doubler Card	16.00	7.50
39146038	June '02	Winter Park	Buried	Installation of HRE 458 OSP Housing (10 Slot) and Doubler Card	8.00	48.00
39164509	Aug. '03	Naples Moorings	Buried	Adtran Dual Cable Housing and HDSL Range Extender (Doubler)	30.00	31.00
39166630	Sept. '03	Fort Walton Beach	Aerial	16 Slot Horizontal Enclosure and ADC HDU-409 Doubler	17.00	10.00
39168504	Oct. '03	Shady Road	Buried	Charles Ind. 12 Slot Repeater w/ADC HDU-409 Doubler	28.50	32.00
39177191	June '04	Casselberry	Buried/UG	ADC Outdoor Enclosure (16 slot)	4.00	4.00
39171375	Jan./Mar. '04	Altamonte Springs	Buried	ADC Outdoor Enclosure (8 slot) w/HDSL Range Extender (Doubler)	8.00	9.00
39163459	Jul. '03	St. Cloud	Buried	Charles Industries Repeater Housing (12 slot) w/ADC HDU-409 Doubler	9.00	5.00
39147906	Jun./Jul. '02	Winter Park	UG	ADC HRE 458 OSP Housing (10 Slot) w/HDU-409 Doubler Card	25.50	8.00

Actual average engineering hours per work order

19.00

Actual average installation hours per job

17.13

- Compared to -

Engineering hours used in Sprint's Proposed NRC

8.00

**Installation labor hours used in Sprint's Proposed NRC
 (Obtained from Exhibit JRD-2 pages 5 and 6)**

7.00