

ORIGINAL

REDACTED

ATTACHMENT B

**AT&T FLORIDA
FPSC DOCKET NO: 060822-TL
REQUEST FOR CONFIDENTIAL CLASSIFICATION
PAGE 1 OF 1
7/17/2007**

**REQUEST FOR CONFIDENTIAL CLASSIFICATION OF AT&T FLORIDA'S
RESPONSE TO STAFF'S FIRST SET OF INTERROGATORIES NO. 18 AND
FIRST REQUEST FOR PRODUCTION OF DOCUMENTS, NOS. 3, 4, 5, 6, 7, 13,
14, 16 AND 17, FILED FEBRUARY 9, 2007 IN
FLORIDA DOCKET NO. 060822-TL**

TWO REDACTED COPIES FOR PUBLIC DISCLOSURE

CMP 1
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
RCA _____
SCR _____
SGA _____
SEC _____
OTH _____

DOCUMENT NUMBER-DATE

06005 JUL 17 07

FPSC-COMMISSION CLERK

AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Set of Interrogatories
June 19, 2007
Item No. 18
ATTACHMENT

REDACTED
PROPRIETARY

DOCUMENT NUMBER-DATE

06005 JUL 17 8

FPSC-COMMISSION CLERK

<u>TAKE RATE</u>	<u>DISC PAYBACK (YRS)</u>	<u>NPV (\$) 20 YRS</u>	<u>NPV (\$) 10 YRS</u>
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Capital Cost per line
Expense cost per line
APRU
Take Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase 2
Phase 3
Phase 4

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Units per Year																						
1/2 Year																						
Cumulative																						
Revenue per year																						
Cumulative Rev																						
Capital cost per year																						
Cumulative capital costs																						
Expense per year																						
cash flow																						
cumulative cash flow																						
present value																						
cumulative present value																						
Discounted pay back																						
NPV for 20 years																						
NPV for 10 years																						

NPV = The difference between the present value of the cash inflows and the present value of the cash outflows associated with an investment project.
discounted Payback: An estimate of how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project discounted at an appropriate rate.

Capital Cost per line
Expense cost per line
ARPU
Tax Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase 2
Phase 3
Phase 4

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Units per Year																						
112 Year																						
Cumulative																						
Revenue per year																						
Cumulative Rev																						
Capital cost per year																						
Cumulative capital costs																						
Expense per year																						
Cash flow:																						
cumulative Cash flow																						
present value																						
cumulative present value																						
Discounted pay back																						
NPV for 20 years																						
NPV for 10 years																						

NPV = The difference between the present value of the cash inflows and the present value of the cash outflows associated with an investment project.
Discounted Payback: An estimate of how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project discounted at an appropriate rate.

Capital Cost per line
Expense cost per line
ARPU
Taxe Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase 2
Phase 3
Phase 4

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Units per Year																						
12 Year Cumulative																						
Revenue per year																						
Cumulative Rev																						
Capital cost per year																						
Cumulative capital costs																						
Expense per year																						
Cash flow																						
Cumulative cash flow																						
present value																						
Cumulative present value																						
Discounted pay back																						
NPV for 20 years																						
NPV for 10 years																						

NPV is the difference between the present value of the cash inflows and the present value of the cash outflows associated with an investment project.
Discount Payback: An estimate of how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project, discounted at an appropriate rate.

Capital Cost per line
Expense cost per line
ARRP
Take Rate %
Discount rate

[REDACTED]

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase 2
Phase 3
Phase 4

[REDACTED]

Units per Year
1/2 Year
Cumulative
Revenue per year
Cumulative Rev
Capital cost per year
Cumulative capital costs
Expense per year
cash flow
Cumulative cash flow
present value
cumulative present value
Discounted pay back
NPV for 20 years
NPV for 10 years

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Units per Year	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1/2 Year	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cumulative	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Revenue per year	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cumulative Rev	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Capital cost per year	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cumulative capital costs	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expense per year	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
cash flow	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cumulative cash flow	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
present value	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
cumulative present value	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Discounted pay back	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NPV for 20 years	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NPV for 10 years	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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discounted payback: An estimate of how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project discounted at an appropriate rate.

Capital cost per line
Expense cost per line
ARRPU
Take Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase 2
Phase 3
Phase 4

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Lines per Year																						
12 Year Cumulative																						
Revenue per year																						
Cumulative Rev.																						
Capital cost per year																						
Cumulative capital costs																						
Expense per year																						
cash flow																						
cumulative cash flow																						
present value																						
cumulative present value																						
Discounted pay back																						
NPV for 10 years																						
NPV for 12 years																						

NPV is the difference between the present value of the cash inflows and the present value of the cash outflows associated with an investment project.
discounted - but still in estimate of how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project discounted at an appropriate rate

Capital Cost per line
Expense cost per line
ARPL
Take Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase 2
Phase 3
Phase 4

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Units per year																						
100 Year																						
Cumulative																						
Revenue per year																						
Cumulative Rev																						
Capital cost per year																						
Cumulative capital costs																						
Expense per year																						
cash flow																						
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present value																						
cumulative present value																						
Discounted pay back																						
NPV for 20 years																						
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Discounted Payback: An estimate of how long it will take before the cost of a capital investment project is covered by the future net cash flows arising from that project discounted at an appropriate rate.

Capital Cost per line
Expense cost per line
2670
Take Rate %
Discount rate

Assumes Construction four phases over four years for infrastructure
Phase 1
Phase 2
Phase 3
Phase 4

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Units per Year																						
1-2 Year Cumulative																						
Revenue per year																						
Cumulative Rev																						
Capital cost per year																						
Cumulative capital costs																						
Expense per year																						
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NPV for 20 years																						
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Capital Cost per line	504.00	Assumes Construction four phases over four years for infrastructure
Expense cost per line	3.85	
ARRP	37.60	Phase 1 833
Take Rate %	70%	Phase 2 1095
Discount rate	11%	Phase 3 929
		Phase 4 3072

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Units per Year																						
12 Year Cumulative																						
Revenue per year																						
Cumulative Rev																						
Capital cost per year																						
Cumulative capital costs																						
Expense per year																						
Cash flow																						
Cumulative cash flow																						
Present value																						
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Discounted pay back																						
NPV for 20 years																						
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NPV is the difference between the present value of the cash inflows and the present value of the cash outflows associated with an investment project.
 Discounted Payback: A technique of how long it takes before the cost of a capital investment project is covered by the future cash flows arising from that project discounted at an appropriate rate.

AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Request for Documents
June 19, 2007
Item No. 3
ATTACHMENT

PROPRIETARY

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AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Request for Documents
June 19, 2007
Item No. 4
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Florida Public Service Commission
Docket No. 060822-TL
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Florida Public Service Commission
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Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Request for Documents
June 19, 2007
Item No. 14
ATTACHMENT

PROPRIETARY

File "POD 14 PTIPTON FL ARPU 11282006 PROPRIETARY.xls"

ENTIRE DOCUMENT

AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Request for Documents
June 19, 2007
Item No. 14
ATTACHMENT

PROPRIETARY

September 2006 (Data from SIW)

TOTALS

	FL	% of Total	ARPU	Weighted RPU
TOTAL RES LINES				
Total CC				
Total APwCC includes LOS				
Total BPP with AP				
Total BPP				
Total AP includes LOS				
Total 1FR				
Average weighted revenue per line				
BSLD Penetration and Revenue				

\$37.60

Units provided by Eddie Bowman
 ARPU provided by Larry W. Smith

AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Request for Documents
June 19, 2007
Item No. 16
ATTACHMENT

PROPRIETARY

Overhead Inputs - Corporate Operations									
Account	Account Description	EOY Amount							
	Enter Effective Date of Rates	April 1, 2007							
Corporate Operations Expenses (less R&D)									
6720.1100	Executive						Source		
6720.1200	Planning						05EXP.XLS		
6720.1300	Accounting & Finance						05EXP.XLS		
6720.1400	External Relations						05EXP.XLS		
6720.1500	Information Management						05EXP.XLS		
6720.1600	Human Resources						05EXP.XLS		
6720.1700	Legal						05EXP.XLS		
6720.2100	Procurement						05EXP.XLS		
6720.6300	Other General & Administrative						05EXP.XLS		
Total Corporate Operations Expenses (less R&D)									
Recoverable Cost Basis									
61XX	General Support Property Expense						05EXP.XLS		
62XX	Central Office Equipment Expense						05EXP.XLS		
63XX	Terminal Equipment Expense						05EXP.XLS		
64XX	Cable & Wire Expense						05EXP.XLS		
6512	Provisioning Expense						05EXP.XLS		
6531	Power Expense						05EXP.XLS		
6532	Network Administration Expense						05EXP.XLS		
6533	Testing Expense						05EXP.XLS		
6534	Plant Operations Admin Expense						05EXP.XLS		
6535	Engineering Expense						05EXP.XLS		
6540	Access Expense						05EXP.XLS		
6561	Depreciation						05EXP.XLS		
6563	Amortization						05EXP.XLS		
66XX	Customer Operations Expense						05EXP.XLS		
67XX	Corporate Operations Expense						05EXP.XLS		
PSAM	Cost of Removals (PSAM rept)						C002R11	pg. 38	
PSAM	Additions to Plant (PSAM rept)						C002R11	pg. 38	
Total Recoverable Cost Basis									
Assets									
2111	Land						C002R11	pg. 5	
2112	Motor Vehicles						C002R11	pg. 6	
2113	Aircraft								
2114	Garage, Special and Other Work Equipment						C002R11	pg. 7	
2115	Garage-Work-Equipment								
2116	Other-Work-Equipment								
2121	Buildings						C002R11	pg. 8	
2122	Furniture						C002R11	pg. 9	
2123	Office Equipment						C002R11	pg. 11	
2124	General Purpose Computers						C002R11	pg. 13	
2681	Capital Leases						Cap Lease Recon - Brandi Harrell		
2682	Leasehold Improvements						C002R11	pg. 36	

Overhead Inputs - Corporate Operations							
Account	Account Description	EOY Amount					
2211	Analog Electronic Switching			CI02R11	pg. 14		
2212	Digital Electronic Switching			CI02R11	pg. 15		pg. 37 560C
2215	Electromechanical Switching						
2220	Operator Systems			CI02R11	pg. 16		pg. 37 660C
2231	Radio Systems			CI02R11	pg. 17		pg. 37 760C
2232	Circuit Equipment			CI02R11	pg. 19		pg. 37 660C
2411	Poles			CI02R11	pg. 26		
2421	Aerial Cable			CI02R11	pg. 29		
2422	Underground Cable			CI02R11	pg. 30		
2423	Buried Cable			CI02R11	pg. 32		
2424	Submarine Cable			CI02R11	pg. 33		
2426	Intrabuilding Cable			CI02R11	pg. 34		
2441	Conduit Systems			CI02R11	pg. 35		
Total Net Balance - Supporting Assets							
Total Assets							
				05ASSET.XLS			
Accumulated Depreciation/Amortization							
3100.11	Vehicles			CI02R11	pg. 6		
3100.12	Work Equipment			CI02R11	pg. 7		
3100.13	Buildings			CI02R11	pg. 8		
3100.14	Furniture			CI02R11	pg. 9		
3100.15	Office Equipment			CI02R11	pg. 11		
3100.16	General Purpose Computers			CI02R11	pg. 13		pg. 37 360C
3410	Accum Amort - Capital Leases			Cap Lease Recon - Brandi Herrell			
3420	Accum Amort - Leasehold Improvements			CI02R11	pg. 36		
3100.21	Analog Electronic Switching			CI02R11	pg. 14		
3100.22	Digital Electronic Switching			CI02R11	pg. 15		pg. 37 560C
3100.23	Electromechanical Switching						
3100.24	Operator Systems			CI02R11	pg. 16		pg. 37 660C
3100.25	Radio Systems			CI02R11	pg. 17		pg. 37 760C
3100.26	Circuit Equipment			CI02R11	pg. 19		pg. 37 660C
3100.41	Poles			CI02R11	pg. 26		
3100.42	Aerial Cable			CI02R11	pg. 29		
3100.43	Underground Cable			CI02R11	pg. 30		
3100.44	Buried Cable			CI02R11	pg. 32		
3100.45	Submarine Cable			CI02R11	pg. 33		
3100.46	Intrabuilding Cable			CI02R11	pg. 34		
3100.48	Conduit Systems			CI02R11	pg. 35		

Overhead Inputs - Corporate Operations

Account	Account Description	EOY Amount						
PSOE								
6112	Non-Plant Motor Vehicle Expense				05PSOE.XLS			
6114.9	Other Work Equipment Expense				05PSOE.XLS			
6116.9	Other Work Equipment Expense				05PSOE.XLS			
6121.1	M10M110 - Building Maintenance				05PSOE.XLS			
6122.2	Furniture Expense				05PSOE.XLS			
6123	Office Equipment Expense				05PSOE.XLS			
6124.1	General Purpose Computer (non-CDP)				05PSOE.XLS			
6211	Analog Electronic Switching				05EXP.XLS			
6212	Digital Electronic Switching				05EXP.XLS			
6215	Electromechanical Switching				05EXP.XLS			
6220	Operator Systems				05EXP.XLS			
6231	Radio Systems				05EXP.XLS			
6232	Circuit Equipment				05EXP.XLS			
6411	Poles				05EXP.XLS			
6421	Aerial Cable				05EXP.XLS			
6422	Underground Cable				05EXP.XLS			
6423	Buried Cable				05EXP.XLS			
6424	Submarine Cable				05EXP.XLS			
6426	Intrabuilding Cable				05EXP.XLS			
6441	Conduit Systems				05EXP.XLS			
Depreciation Accruals								
2112	Motor Vehicles				C102R11	pg. 6		
2114	Garage, Special and Other Work Equipment				C102R11	pg. 7		
2115	Garage-Work-Equipment							
2116	Other-Work-Equipment							
	Buildings (Owned Buildings & Leasehold Improve.)				C102R11	pg. 8		pg. 36
2122	Furniture				C102R11	pg. 9		
2123	Office Equipment				C102R11	pg. 11		
2124	General Purpose Computers				C102R11	pg. 13		37 360C
2211	Analog Electronic Switching				C102R11	pg. 14		
2212	Digital Electronic Switching				C102R11	pg. 15		37 560C
2215	Electromechanical Switching							
2220	Operator Systems				C102R11	pg. 16		37 660C
2231	Radio Systems				C102R11	pg. 17		37 760C
2232	Circuit Equipment				C102R11	pg. 19		37 660C
2411	Poles				C102R11	pg. 26		
2421	Aerial Cable				C102R11	pg. 28		
2422	Underground Cable				C102R11	pg. 30		
2423	Buried Cable				C102R11	pg. 32		
2424	Submarine Cable				C102R11	pg. 33		
2426	Intrabuilding Cable				C102R11	pg. 34		
2441	Conduit Systems				C102R11	pg. 35		

Overhead Inputs - Corporate Operations

Account	Account Description	EOY Amount							
Miscellaneous Balances and Percentages									
7240.1	Property Tax								05TAX.XLS
7240.3	Capital Stock Tax								05TAX.XLS
	Current Tax Rate			0.63143					email from Clayton Shipley
	Incremental Cost of Capital								email from
	Equity Component Cost of Capital								Charles Lee
Composite Depreciation Rates									
	Supporting Assets			0.07348					
	Buildings			0.02478					
	Furniture			0.02267					
	Office Equipment			0.02790					
	Computers			0.15337					
	Vehicles & Other Work Equipment			0.05865					
	Analog			0.00000					
	Digital			0.07704					
	Electromechanical			0.00000					
	Operator Systems			0.06367					
	Radio Systems			0.21849					
	Circuit			0.00004					
	Poles			0.05613					
	Aerial Cables			0.06666					
	Underground Cable			0.00647					
	Buried Cable			0.06709					
	Submarine Cable			0.06401					
	Fiber-optic Cable			0.06639					
	Cable Systems			0.01018					
Summary Calculations IRC OH									
	ROI								
	Tax Credit Use								
	Property Tax								
	Capital Stock Tax								
	Depreciation/Amort Expense								
	Total P&OE for Supporting Assets								
	Reimbursable IRC								
	IRC OH			0.13205					
Prepared by: _____ Reviewed by: _____									

Description Account Work ID EOY Amount

Exclusions

Source: 06EXCLUDE.XLS

Capital Recovery Matters	6720.1300	1170	
Acct - Corp - Separations/Settle	6720.1300	1310	
Legal - Property Matters	6720.1700	0170	
Community & Public Relations	6720.1400	0300	
External Relations - Utilities	6720.1400	0440	
External Relations - Regulator	6720.1400	0500	
Legal - Govt and Regulatory	6720.1700	0800	

	6720.1100	6720.1200	6720.1300	6720.1400	6720.1500	6720.1600	6720.1700	6720.2100	6720.8300			
Total Exclusions to Overhead Recovery												
Balance Corp Ops - total to be recovered												
Total Recoverable Cost Basis (less active acct)												
Corp Ops Off (line 18/21)			0.115370	0.007187	0.000840	0.009968	0.007672	0.009430	0.007811	0.004858	0.001247	0.007181

Rates Effective from April 1, 2007

Overhead Rates	%	
Corp Ops OH	11.5370	All Services
IRC OH	13.2050	All Services
Total OH Rate	24.7420	

**** NOTICE - Not for use or disclosure outside BellSouth or its subsidiaries without agreement. ****

Explanation of Costs Associated with Custom Work Involving BellSouth Telecommunications' Plant Facilities

BellSouth Telecommunications, as a regulated entity, is required by the Federal Communications Commission (FCC) in Docket No. 86-111 (Joint Cost Order), which modified Part 32 (Uniform System of Accounts) and Part 64.901 (Allocation of Costs) accounting rules, to generate billing using a fully distributed costing methodology when that billing is intended to reimburse or compensate the company for work or functions performed outside its normal operations, specifically for billing between affiliated companies. This costing methodology results in every such work activity bearing a proportionate share of the company's common costs including overhead. The company is required to maintain appropriate records of its accounts and apply generally accepted costing concepts to ensure that such work activities utilizing company resources do not cross subsidize unregulated or affiliate operations or activity.

When BellSouth Telecommunications performs custom work activity involving telecommunications plant and equipment at the request of others, such activity does not constitute a "telecommunications service" in the normal course of BellSouth Telecommunications business. The subsequent reimbursement for costs associated with this custom work helps to ensure that the company's customers and ratepayers do not pay the costs to perform such work.

The fully distributed costing methodology concepts prescribed by the FCC are applied to the development and use of direct assignments and allocations of cost rates and overheads to properly allocate costs to the cost causer, or the individual or entity requesting the custom work involving the company's facilities and equipment.

DIRECT and ALLOCABLE COSTS

Direct Labor

Direct labor represents the monies paid to the employee group responsible for performing the work. These are the employees who are actually splicing the cable and/or placing the lines on the poles. The employees in this work group are highly skilled technicians who have received extensive formal training.

Labor Support

This portion of the Billing Rate reimburses the Company for the expenses of employees who support the technicians who are performing work. It includes expenses for up to three levels of supervision and clerical support. It also includes the expenses of the employees who test the lines after the work is finished to make sure service is acceptable. Also included in support costs are the costs of maintaining the motor vehicles used by the employees involved in the work. Finally, custom work requires special power operated equipment, such as blowers and generators. Support costs also include the cost of providing and maintaining this equipment

Labor Benefit Cost

For each hour an employee works on the project, the Company must pay benefits and tax related items. These include, but are not limited to, the following:

- A. Company matching portion of the Savings Plan
- B. Dental and Medical Plans

- C. The Company portion of Social Security taxes
- D. Unemployment Payroll taxes

Other Direct Costs

Materials used in the job as well as any contractors costs associated with the job are also considered direct costs and are subject to overhead application.

OVERHEADS

Corporate Operations

This is the overhead cost of administering the Corporation. Included in this category are the work group's pro rata share of Executive, Planning and Legal. Also included is a pro rata share of the cost of Human Resources, Accounting & Finance, External Relations, Procurement, and Information Management.

Investment Related Costs

These are the costs of maintenance and other ownership costs associated with the corporate assets such as Land, Buildings, Office Equipment and General Purpose Computers.

BellSouth Overhead Rate Development

BellSouth uses the total Corporate Cost as the basis for overhead rate development and application. The most direct relationship between the costs is that, for every dollar BST spends (except for depreciation and amortization), there is a proportionate increase in supporting expenses of Corporate Operations and investment related costs.

The rate development process uses total costs for the year for the company as a whole to generate company-wide rates. Other inputs include a composite depreciation/amortization rate and the total corporate cost of plant removal from the asset management system, and the cost of capital rate, various tax rates, and other information from BellSouth Corp. and various regulatory and financial analysis groups. The rates are developed using an EXCEL spreadsheet to capture and assign the appropriate costs.

Since the rates are developed using total corporate costs, it is appropriate to apply the rates to every dollar of those costs charged on outgoing billing for custom work.

AT&T Florida
Florida Public Service Commission
Docket No. 060822-TL
Staff's 1st Request for Documents
June 19, 2007
Item No. 17
ATTACHMENT

PROPRIETARY

ENTIRE DOCUMENT