

Redacted Attachment B

Hendrix
Late Filed Exhibit
Exhibit No. 30
Analysis of Gillan's Costs
Page 1 of 5

Request: Provide an analysis of the problems with the cost data submitted by Gillan as Late Filed Exhibit 18 (Deposition Exhibit No. 1). Include in your analysis the relevant cost components that should be included but which were omitted should be part of the analysis.

Response: The DS1 costs included in Mr. Gillan's Exhibit JPG-4 are the costs filed by BellSouth in FCC Transmittal No. 140. Transmittal No. 140 introduced enhancements to the Channel Services Payment Plan and adjusted DS1 High Capacity Service rates as a part of that plan.

The DS3 costs included in this same exhibit are based on the costs filed by BellSouth in FCC Transmittal No. 53. Transmittal No. 53 restructured LightGate[®] 1, 2 and 3 services and introduced LightGate[®] 4 service. Mr. Gillan has used the costs from these filings incorrectly. The calculated Fixed Cost of a DS3 that was included on Exhibit JPG-4 is \$1,061.88. This \$1,061.88 figure inappropriately includes one Central Office Channel Interface (COCI) at \$51.18. The COCI per 28 DS1 Channel System cost already includes the COCI-DS3 and does not need to be included again. Additionally, the \$1,061.88 figure excludes one end of the COCI DS1. The Fixed Cost of a DS3 should include the "average" fixed, 2 COCI per 28 DS1 Channel Systems and 56 COCI per DS1 which appropriately multiplexes the DS1s at both ends of the circuit. The diagrams on pages 3 of 4 and 4 of 4 of this exhibit contain the different elements for DS1 and DS3 services.

Finally, Mr. Gillan has inappropriately used studies that were developed on service specific architectures, LightGate Service (DS3) and DS1 Service, respectively. The studies were also conducted at different times and should not be used in the determination of costs-based interoffice transport rates.

DOCUMENT NUMBER-DATE

10542 OCT 14 8

FPSC-RECORDS/REPORTING

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Request: Provide an analysis of the problems with the cost data submitted by Gillan as Late Filed Exhibit 18 (Deposition Exhibit No. 1). Include in your analysis the relevant cost components that should be included but which were omitted should be part of the analysis.

Response: The appropriate fixed costs include the electronics and all equipment on both ends of the circuit. The appropriate per mile costs include the fiber, intermediate central office equipment, any optical regeneration equipment that might be required and relevant fill factors.

If the "cost based" analysis of Mr. Gillan were the appropriate basis for determining the rates for dedicated interoffice transport services, the appropriate Florida interoffice transport costs are shown below:

Florida Interoffice Costs

	DS1
24	Fixed
	Per Mile
26	0-8 Miles
27	8-25 Miles
28	>25 Miles
	DS3
30	Fixed
	Per Mile
32	0-4 Miles
33	4-8 Miles
34	8-25 Miles
35	25-50 Miles
36	>50 Miles

The above cost were developed by a generic, non-service specific, DS1 and DS3 analysis.

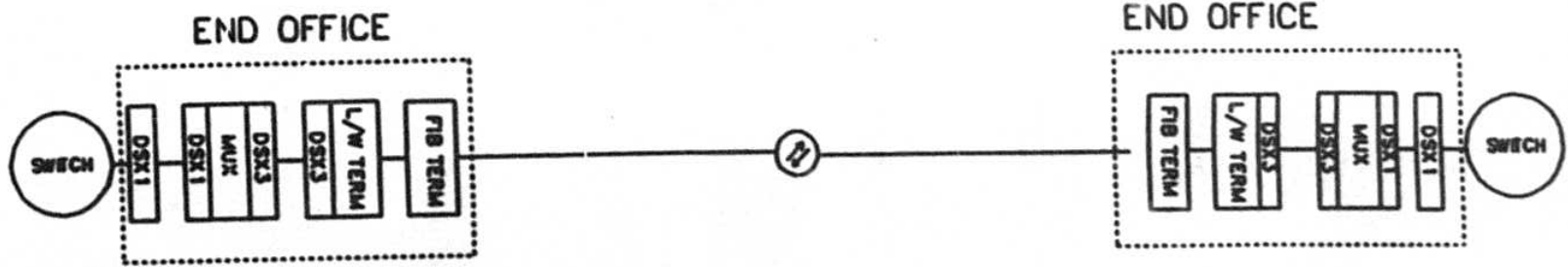
Southern Bell does not support the analysis of Mr. Gillan as the appropriate vehicle for the determination of the rates for switched access local transport services. Southern Bell's proposed tariff which mirrors the interstate rates for switched access local transport services and advances the goals

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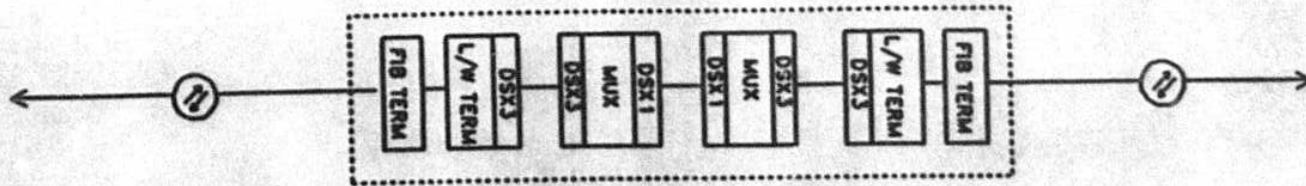
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**delineated by the FCC reflects the appropriate rate
and pricing structure.**

INTEROFFICE FACILITY FIXED INVESTMENT END OFFICES DS1 LEVEL

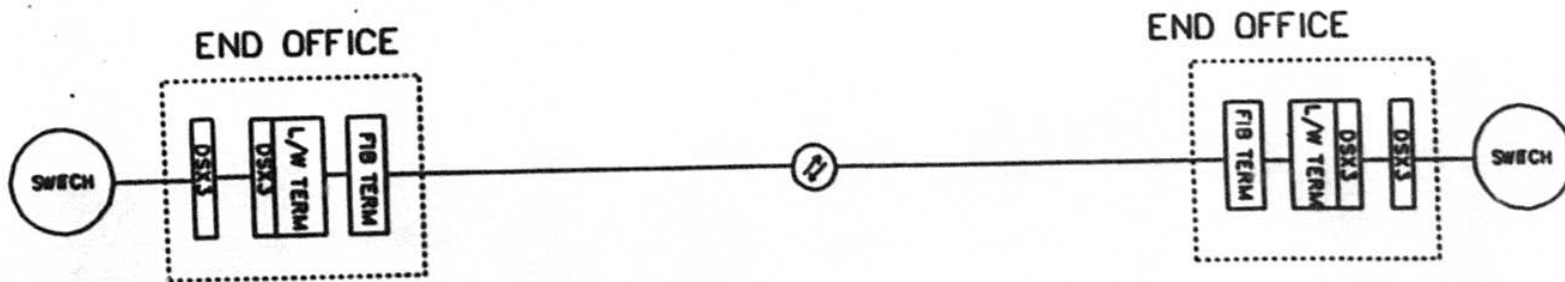


INTERMEDIATE CENTRAL OFFICE

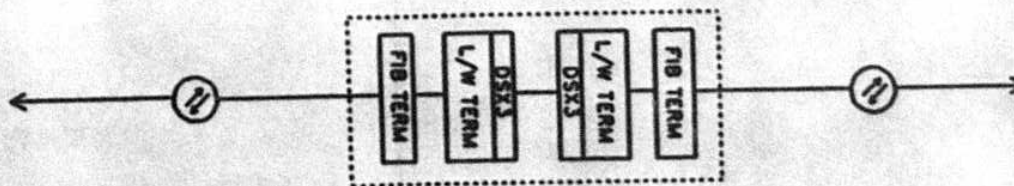


INTEROFFICE FACILITY FIXED INVESTMENT END OFFICES

DS3 LEVEL



INTERMEDIATE CENTRAL OFFICE



M E M O R A N D U M

October 17, 1994

TO: DIVISION OF APPEALS
 DIVISION OF AUDITING AND FINANCIAL ANALYSIS
 DIVISION OF COMMUNICATIONS
 DIVISION OF ELECTRIC AND GAS
 DIVISION OF RESEARCH
 DIVISION OF WATER AND WASTEWATER
 DIVISION OF LEGAL SERVICES

FROM: DIVISION OF RECORDS AND REPORTING (FLYNN)

RE: CONFIDENTIALITY OF CERTAIN INFORMATION

DOCUMENT NO. 10543-94

DESCRIPTION: Late-Filed Exhibit 30

SOURCE: Southern Bell

DOCKET NO.: 921074-TP

The above material was received with a request for confidentiality (attached). Please prepare a recommendation for the attorney assigned to the case by completing the section below and forwarding a copy of this memorandum, together with a brief memorandum supporting your recommendation, to the attorney. Copies of your recommendation should also be provided to the Division of Records and Reporting and to the Division of Appeals.

Please read each of the following and check if applicable.

The document(s) is (are), in fact, what the utility asserts it (them) to be.

The utility has provided enough details to perform a