

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
December 14, 2001  
Item No. 1  
Page 1 of 1

REQUEST: Refer to your response to Interrogatory No. 7. For each item, please provide all work papers, spreadsheets, contracts, or other documents that support the assumptions used in developing the respective costs. Label each document provided with the sub-part letter of the interrogatory subpart it is responsive to.

RESPONSE: Attachment No. 1 is a BellSouth Accounting Policy Letter addressing FASB (Financial Accounting Standards Board) Statement of Position 98-1. Attachment No. 2 provides inputs that were use to develop the contractor labor rate and the Non-bill Simplex Printer rate.

These documents are proprietary and are subject to nondisclosure provisions.

RESPONSE PROVIDED BY: Charles V. Lee  
Director  
3535 Colonnade Parkway  
Birmingham, Alabama 35243

*DAH 3/6/07 (entire document)*  
**DECLASSIFIED**  
**CONFIDENTIAL**  
*(appeal)*

This notice of intent was filed in a docketed matter by or on behalf of a "telco" for Confidential DN 00216-02. The confidential material is in locked storage pending staff advice on handling.

DOCUMENT NUMBER-DATE

00216 JAN-78

FPSC-COMMISSION CLERK

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
December 14, 2001  
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Attachment One  
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ATTACHMENT ONE

PROPRIETARY

**DECLASSIFIED**

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
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December 14, 2001  
Item No. 1  
Attachment No. 1  
12 Pages

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## ACCOUNTING FOR INTERNAL-USE SOFTWARE

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- APPENDIX I - EXAMPLES  
APPENDIX II - DECISION TREE

#### 1. GENERAL

1.1 Statement of Position 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use* ("SOP 98-1"), was issued March 4, 1998 by the Accounting Standards Executive Committee as approved by the Financial Accounting Standards Board ("FASB"). In general, statements of position devote attention to and provide interpretation of emerging issues. BellSouth Telecommunications, Inc. ("BellSouth" or the "Company") will adopt SOP 98-1's accounting requirements prospectively beginning January 1, 1999, in accordance with Generally Accepted Accounting Principles ("GAAP").

1.2 SOP 98-1 and this policy letter require the capitalization and amortization of the costs of all new software purchased or developed for internal use and certain enhancements and upgrades to existing internal-use software if the software provides additional functionality. Prior to January 1, 1999, BellSouth capitalized initial operating system software and expensed all other software costs. BellSouth has adopted new amortization methods and useful lives for the capitalized software costs in accordance with SOP 98-1.

1.3 Guidance contained in this Policy Letter is intended for internal-use software only. Software is considered internal-use if the software is acquired, internally developed, or modified solely to meet internal needs. In SOP 98-1, Appendix Examples, software that is necessary to run telecommunication switches for various telephone services was given as one specific example of internal-use software.

10-32-1

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BELLSOUTH TELECOMMUNICATIONS, INC.  
POLICY LETTER  
ACCOUNTING POLICY AND COMPLIANCE

SECTION : 10  
LETTER : 32

ACCOUNTING FOR INTERNAL-USE  
SOFTWARE

Issued: November 25, 1998  
Effective: January 1, 1999

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1.4 Accounting Policy and Compliance will continue to review all software and associated agreements prior to enactment. In most cases, formal accounting rulings will be issued. Accounting support in early stages of agreement development will continue to be available. However, no definitive rulings will be issued until a final (or near final) draft of the agreement is available.

1.5 Situations related to the implementation and application of this policy letter may be referred to Accounting Policy and Compliance for resolution.

## 2. PURCHASED SOFTWARE FOR INTERNAL-USE

2.1 SOP 98-1 and this policy letter requires the capitalization of external direct costs of materials and services consumed in obtaining from a third-party vendor internal-use software that provides additional functionality. This will apply to most purchased new internal-use software.

2.2 Most purchased internal-use software will include software license costs or right to use fees (together, "Software Licenses") which are incurred when BellSouth has the right to use the contracted software. Right to use means the legal right to deploy a software product, generally recognized when the software is readily available from the vendor and substantially all testing is complete. The conceptual basis for this measurement point is the basic nature of the benefit acquired. Software Licenses permit utilization of an intellectual software property developed or owned by a vendor. If, where, and when the Software License is actually used is irrelevant since the basic economic benefit is tied to the right to use and not actual utilization.

2.3 Certain types of Software Licenses common to BellSouth's switching network (the "Network") are given as examples at APPENDIX I - EXAMPLES.

2.4 For treatment of software related purchase credits, discounts, rebates, trade-in allowances, and/or "free" merchandise/service in accordance with Company Policy, see Policy Letter 10:02, Accounting Guidelines for the Treatment of Purchase Credits.

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### 3. SOFTWARE DEVELOPED FOR INTERNAL-USE

3.1 The costs of software developed for internal-use may be expensed or capitalized depending on the nature of the cost. The cost of new software developed for internal-use that provides additional functionality is to be capitalized. For additional discussion of providers of software developed for internal-use, see Section 5.5. The stages of software development for internal-use are:

- 1) Preliminary Project Stage - **expense**, *RTL*
- 2) Application Development Stage - **capitalize**, and *400C*
- 3) Post Implementation/Operation Stage - **expense**.

3.2 Preliminary Project Stage - When a software project is in the Preliminary Project Stage, BellSouth will make strategic decisions to allocate resources between alternative projects, determine performance requirements, explore alternative means of achieving specified performance requirements, and/or select a consultant to assist in development or installation of the software. Preliminary Project Stage costs are to be expensed as incurred. Examples of activities in the Preliminary Project Stage include:

- Conceptual formulation of alternatives/performance requirements
- Evaluation of alternatives
- Determination of existence of needed technology
- Final selection of alternatives

3.3 Application Development Stage costs should be capitalized in accordance with the provisions of Section 5. The Application Development Stage includes:

- Design of chosen path, including software configuration and interfaces
- Coding
- Installation of software
- Testing, including parallel processing phase

3.4 Post Implementation/Operation Stage costs should be expensed. Post Implementation/Operation Stage includes training and application maintenance. Please note that SOP 98-1 and this policy letter should be applied based on the nature of the costs incurred, not the timing. In other words, training may occur concurrent with Application Development Stage activities. The training would still be considered a Post Implementation/Operation Stage activity and expensed as incurred.

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#### 4. UPGRADES AND ENHANCEMENTS

4.1 SOP 98-1 clearly requires that the Application Development Stage of software developed for internal-use and most new purchased software will be capitalized. However, upgrades and enhancements require additional scrutiny. Costs related to upgrades and enhancements should be capitalized **only** if these modifications to existing internal-use software result in **additional functionality**.

4.2 Additional functionality is defined as enabling software to perform tasks that it was previously incapable of performing. Additional functionality normally requires new software specifications, and/or changes to all or part of the existing software specifications. In order to capitalize upgrades and enhancements that provided additional functionality, the additional functionality must be probable. Costs related to software maintenance and to upgrades and enhancements that do not provide additional functionality should be expensed as incurred. Examples are included in APPENDIX I - EXAMPLES.

4.3 External costs incurred for upgrades and enhancements under contracts that combine multiple elements require further scrutiny. If maintenance is combined with **specified** upgrades and enhancements in a single contract, the cost should be allocated based on objective evidence of fair value of the elements, not necessarily separate prices stated within the contract for each element. Components of multiple-element contracts to be allocated based on relative fair value include are included in APPENDIX I - EXAMPLES.

4.4 However, external costs related to maintenance, **unspecified** upgrades and enhancements, and costs under agreements that combine the costs of maintenance and **unspecified** upgrades and enhancements should be recognized in expense over the contract period on a straight-line basis.

4.5 If BellSouth cannot separate costs of software developed upgrades and enhancements on reasonable cost-effective basis between maintenance and relatively **minor** upgrades, such costs are to be expensed as incurred.

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**BELLSOUTH TELECOMMUNICATIONS, INC.  
POLICY LETTER  
ACCOUNTING POLICY AND COMPLIANCE**

**SECTION : 10  
LETTER : 32**

**ACCOUNTING FOR INTERNAL-USE  
SOFTWARE**

**Issued: November 25, 1998  
Effective: January 1, 1999**

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## 5. CAPITALIZATION

5.1 Capitalization (and amortization) should begin for the cost of **purchased** software for internal-use when BellSouth has obtained the right to use the software, generally recognized when the software is readily available from the vendor and substantially all testing is complete.

5.2 The capturing of costs to be capitalized under SOP 98-1 and this policy letter should begin for **software developed for internal-use** when the preliminary project stage is complete, and management, with relevant authority, implicitly or explicitly authorizes and commits to funding a software project and it is **probable** that the project will be completed and the software will be used to perform the function intended. Probable does not require absolute certainty.

5.3 Only direct costs associated with **software developed for internal-use** projects are capitalized. While allocated overheads may be part of the overall cost of software developed, such costs are excluded from capitalization because the costs of accumulating and assigning overheads to software projects generally exceed the benefits.

5.4 The capturing of costs to be capitalized under SOP 98-1 and this policy letter should cease for **software developed for internal-use** when it is no longer probable that the software project will be completed, placed into service, or no later than the point at which a software project is substantially complete and ready for its intended use

5.5 Costs of **software developed for internal-use** that are to be capitalized should be treated no differently than capitalized costs of purchased software whether developed by employees or per diem independent contractors or whether obtained retail or developed by outside consultants for a flat fee or price.

5.6 **Software developed for internal-use** requires a period of time to get ready for the software's intended use. Therefore, the costs capitalized for software developed for internal-use must include capitalized interest, in accordance with Statement of Financial Accounting Standards No. 34, *Capitalization of Interest Cost*.

5.7 All capitalized internal-use software will be recorded in **Intangible Asset - Software** account(s). Software assets recorded in this account will be maintained on "Vintage Month/Year" subsidiary records.

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## 6. AMORTIZATION

6.1 Costs of software developed or obtained for internal-use should be **amortized** on a straight-line basis unless another systematic and rational basis is more representative of the software's use. Given the history of rapid changes in technology, software often has had a **relatively short** useful life. The useful life of network switch, circuit, and other related software is three years for GAAP. The useful life of general purpose and all other internal-use administrative function software is five years for GAAP. For examples related to application of software useful lives, see APPENDIX I - EXAMPLES.

6.2 Amortization should begin when the software is ready for its intended use, regardless of whether the software will be placed in service in planned stages that may extend beyond a reporting period. Internal-use software is "ready for its intended use" after all substantial testing is complete.

6.3 Capitalization and amortization of Software License commitments (including generic upgrades and related Network switch software) will begin upon **first office acceptance**, regardless of the deployment schedule.

6.4 Determining and periodically reassessing the estimated useful life should consider obsolescence, technology, competition, rapidly changing environment, development of software, and/or development of hardware.

## 7. IMPAIRED INTERNAL-USE SOFTWARE

7.1 SOP 98-1 and this policy letter requires that impairment of internal-use Software should be recognized in accordance with FASB Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

7.2 Internal-use software is impaired if the asset is not expected to provide any service potential to the entity, when completion or placement in service is no longer "probable," and/or the rebuttable presumption is that the fair value of the internal-use software is zero.

7.3 FASB 121 guidance may be applicable if internal-use software is not expected to provide substantive service potential, a significant change occurs in the extent or manner the software is to be used, a significant change is made or will be made to the software program, and/or costs of developing or modifying significantly exceed the amount originally expected.

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7.4 Indications the software may no longer be completed or placed into service include lack of budgeted or incurred expenditures, programming difficulties not resolved on a timely basis, significant cost overruns, reanalysis of potential sources of software, and/or presence of significant new, available technology.

7.5 Given the relatively short useful life and amortization periods of internal-use software, significant impairment issues are not likely. Situations related to the potential internal-use software impairments must be referred to Accounting Policy and Compliance for analysis and resolution.

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**ATTACHMENT I - EXAMPLES**

1) **Types of Software Licenses common to BellSouth's switching network (the "Network") include:**

- a) **Software for new switches** - refers to the initial operating system and application software (together the "Initial Load") purchased for either a new or existing central office. Initial Loads are to be capitalized.
- b) **Upgrades or enhancements to existing central offices** - refers to upgrades or routine ongoing enhancements to the generic software installed in an electronic switching system. May be capitalized or expensed based upon the nature of the upgrade or enhancement. See Section 4 for further discussion.
- c) **A blanket corporate license covering a new or existing feature** - occurs when BellSouth purchases a right to use a specific feature (or group of features) in the entire embedded base in the network. Commonly referred to as "buy-outs" and are to be capitalized.

2) **Examples of what may or may not provide additional functionality include:**

- a) A payroll system change in printing format to adjust from portrait to landscape, to a new type of paper, and adding a new tax field/category would be considered minor enhancements without providing additional functionality. The payroll system already provides these services, so the enhancements will not add anything new, just more of the same. The costs related to these software changes would be expensed.
- b) A payroll system change to allow for direct deposit processing would be considered additional functionality. The system is now providing a new service. The costs related to providing this software enhancement would be capitalized.
- c) A system change, such as table capacity and table access methods, that allows hardware to respond/process quicker, more reliably, and/or with more capacity is not considered to be providing additional software functionality. The costs related to these types of software modifications would be expensed.

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- d) Generic upgrades to switching software allows switches to provide new or different features. The ability to provide those new or different features is additional functionality. The right to use this software item would be capitalized.
- e) A vendor provides the software licenses to allow a specific number of BellSouth users to access a server and utilize the software functionality. Subsequently, additional users are required based on **previously unknown** conditions or requirements. BellSouth purchases additional licenses. The additional licenses purchased may or may not provide the system with additional functionality or hardware, only more users. The costs related to this type of software upgrade may be expensed or capitalized, depending on the individual contract facts and circumstances, pending Accounting Policy and Compliance review.
- f) Adding a new customer/vendor to the accounts receivable/accounts payable routines or a system change that allows for more customers/vendors would be considered a minor enhancement without providing additional functionality. The costs related to these types of software upgrades would be expensed.
- 3) **Components of multiple-element contracts** to be allocated based on relative fair value include:
- a) Rights to future upgrades and enhancements
  - b) Routine maintenance fees performed by a third party
  - c) Data conversion costs or Reengineering costs
  - d) Training for the software
- 4) **Costs to develop or obtain software that allows for access or conversion of old data by new systems** should also be capitalized. However, the process of data conversion from old to new systems, including purging or cleansing of existing data, reconciliation of balancing of the old data and the data in the new system, and the creation of new/additional data, should be expensed as incurred.

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- 5) **The useful life of network switch, circuit, and other related software is three years with a mid-month convention for GAAP. The useful life of general purpose and all other internal-use administrative function software is five years with a mid-month convention for GAAP.** Examples internal-use software include network switch initial load, full generic upgrades, and all switch features. Please note that minor upgrades within generic versions may not provide additional functionality and may not be subject to capitalization.
- 6) During development or modification, no substantive plan may exist or is being developed to market the software externally. To be a "substantive plan", implementation of the plan should be reasonably possible. If a decision to market occurs subsequent to the development of internal-use Software, the proceeds should be applied against carrying amount of the software net of direct incremental costs of marketing. No profit should be recognized until aggregate net proceeds reduces carrying amount to zero. If a decision to market occurs during development of internal-use software, the costs should be accounted for in accordance with FASB Statement No. 86.
- 7) Other examples of **internal-use software costs subject to capitalization** include:
- a) Software engineering costs relate to vendor services required to install certain switch specific software, such as Initial Loads or the upgrade from one generic software format to the subsequent generic software format. Software engineering must be performed by the vendor and subject to vendor technician availability. Therefore, software engineering must be capitalized to the proper **Intangible Asset -Software** account in the month the service is performed on each specific switch.
  - b) BellSouth purchases or develops software to process payroll, accounts payable, and accounts receivable.
- 8) Examples of **internal-use software costs not subject to capitalization** include:
- a) **Office Data Assembly and the One Night Process (together the "ODA/ONP")** are the procedures performed by the vendor related to the conversion of certain data base, switch specific information from one generic software format to the subsequent generic software format. ODA/ONP must be performed by the vendor and must be performed during the course of each generic upgrade. Based on SOP 98-1, ODA/ONP is considered to be a type of data conversion cost and therefore expensed as incurred in each specific switch.

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- b) **Software costs for research and development** will still be expensed in accordance with the provisions of Financial Accounting Standards Board ("FASB") Statement No. 2 and Company Policy.
- c) **Year 2000 software costs** will still be expensed (EITF No. 96-14).
- d) **Firmware** is permanent control coding at the hardware level of a processor that implements a fixed application program, instruction set, operating routine or user-oriented function. The control coding is "permanently" etched onto a microprocessor chip, but is not to be confused with application software provided by vendors on microprocessor chips. Examples of firmware driven hardware include non-programmable word processors, calculators, test sets, and fuel dispensing devices. Firmware driven hardware is not a computer and therefore, when not configured in a computer system, should be classified to the plant account appropriate for the equipment of which it is part.

10-32-12

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**ATTACHMENT TWO**

**PROPRIETARY**



**Cataldo, Jeannie**

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**From:** Dickinson, Bernadette  
**Sent:** Tuesday, August 28, 2001 10:33 AM  
**To:** Cataldo, Jeannie  
**Cc:** Gagliano, Sam  
**Subject:** Computer Usage Inputs for the DUF Studies

**Importance:** High



dufinputs1cmptr.xls

The above file, dufinputs1cmptr.xls, contains the DUF jobs computer resource usage and the computer resource rates.

Bernadette

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Contains Private and/or Proprietary Information.  
May not be used or Disclosed Outside The BellSouth Companies  
Except Pursuant to a Written Agreement.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
69	ADUF IT Non-recurring Developmental Labor Hour	4600	00			Joe Jones												
70	Standard CPU Hours Per IT Developmental Hour					Bernadette Dickinson			0.01667	0.01667	0.01667	0.01667	0.01667	0.01667	0.01667	0.01667	0.01667	0.01667
71	Monthly DASD Gigabytes Per Developmental Hour					Bernadette Dickinson			0.0068	0.0068	0.0068	0.0068	0.0068	0.0068	0.0068	0.0068	0.0068	0.0068
72	Tape Gigabytes Per Developmental Hour					Bernadette Dickinson			0.0068	0.0068	0.0068	0.0068	0.0068	0.0068	0.0068	0.0068	0.0068	0.0068
73	Non-bill Print Feet Per Developmental Hour					Bernadette Dickinson			21	21	21	21	21	21	21	21	21	21
74																		
75																		
76	EDS Charge Per Standard CPU Hour					Bernadette Dickinson			\$163.00	\$156.00	\$110.00	\$86.00	\$72.00	\$65.00	\$59.00	\$55.00	\$50.00	\$46.00
77	EDS Monthly Charge Per DASD Gigabyte					Bernadette Dickinson			\$31.00	\$27.00	\$21.00	\$19.00	\$17.00	\$15.00	\$14.00	\$14.00	\$13.00	\$13.00
78	EDS Monthly Charge Per Tape Gigabyte					Bernadette Dickinson			\$2.00	\$2.00	\$2.00	\$2.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
79	Incremental Cost Print Foot - Non-bill Simplex Printer					Bernadette Dickinson			\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000	\$0.1000
80	Contractor Hourly Labor Rate					Bernadette Dickinson			\$132.39	\$142.72	\$153.66	\$163.00	\$172.74	\$183.25	\$194.20	\$206.01	\$218.54	\$231.82
81																		
82	Months Per Year					Jeannie Cataldo												
83																		
84	December, 1999 CLECs OCN Purchasing ADUF				(supply as many actuals beginning with Decem)	Andy Plummer												
85	Jan CLECs OCN Purchasing ADUF					Andy Plummer												
86	Feb CLECs OCN Purchasing ADUF					Andy Plummer												
87	Mar CLECs OCN Purchasing ADUF					Andy Plummer												
88	Apr CLECs OCN Purchasing ADUF					Andy Plummer												
89	May CLECs OCN Purchasing ADUF					Andy Plummer												
90	Jun CLECs OCN Purchasing ADUF					Andy Plummer												
91	Jul CLECs OCN Purchasing ADUF					Andy Plummer												
92	Aug CLECs OCN Purchasing ADUF					Andy Plummer												
93	Sep CLECs OCN Purchasing ADUF					Andy Plummer												
94	Oct CLECs OCN Purchasing ADUF					Andy Plummer												
95	Nov CLECs OCN Purchasing ADUF					Andy Plummer												
96	Dec CLECs OCN Purchasing ADUF					Andy Plummer												
97	Incremental Monthly CLECs OCN Purchasing ADUF					Andy Plummer												
98																		
99	December, 1999 ADUF Messages				(supply as many actuals beginning with Decem)	Andy Plummer												
100	Jan ADUF Messages					Andy Plummer												
101	Feb ADUF Messages					Andy Plummer												
102	Mar ADUF Messages					Andy Plummer												
103	Apr ADUF Messages					Andy Plummer												
104	May ADUF Messages					Andy Plummer												
105	Jun ADUF Messages					Andy Plummer												
106	Jul ADUF Messages					Andy Plummer												
107	Aug ADUF Messages					Andy Plummer												
108	Sep ADUF Messages					Andy Plummer												
109	Oct ADUF Messages					Andy Plummer												
110	Nov ADUF Messages					Andy Plummer												
111	Dec ADUF Messages					Andy Plummer												
112	Incremental Monthly ADUF Messages					Andy Plummer												
113																		
114																		
115	Total EODUF Annual Messages					Andy Plummer												
116	December, 2002 EODUF Messages					Andy Plummer												
117	Incremental Monthly EODUF Messages					Andy Plummer												
118																		
119	Total ODUF and EODUF Annual Messages					Andy Plummer												
120	December, 2002 ODUF and EODUF Messages					Andy Plummer												
121	Incremental Monthly ODUF and EODUF Messages					Andy Plummer												
122	12/99 ODUF Messages Processed by QD10					Andy Plummer												
123	12/99 ODUF Messages Processed					Andy Plummer												
124	12/99 EODUF Messages Processed					Andy Plummer												
125																		
126																		
127																		
128																		
129																		
130	EODUF INPUTS																	
131																		
132	Element Number																	
133																		

BellSouth Telecommunications, Inc.  
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**REQUEST:** To the extent it has not been provided in your response to Request for Production of Documents No. 1, please provide a copy of any contracts for Contractor Software Development which pertains to development of software for ADUF, ODUF, or EODUF services. Include contracts entered into or in effect from 1998 to the present.

**RESPONSE:** BellSouth has no documents responsive to this request. BellSouth has no separate contract with its software development contractor for software development associated with any of the DUF services.

**RESPONSE PROVIDED BY:** Clyde Greene

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
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REQUEST: Please provide all documents and workpapers, including but not limited to worksheets, studies or reports, that support your response to Interrogatory No. 11.

RESPONSE: See response to Interrogatory Item No. 11. The supporting information is contained in the ADUF.xls, EODUF.xls, and ODUF.xls files provided in the November 8, 2001 cost study filing (see directory PROPRIETARY\Data\Florida Docket No. 990649-TP - Compliance Filing - Revision 2\State Average\Invstmts).

RESPONSE PROVIDED BY: Charles V. Lee  
Director  
3535 Colonnade Parkway  
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.  
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REQUEST: Please provide all documents and work papers that support your response to Interrogatory No. 18(c).

RESPONSE: See response to Interrogatory Item No. 18c.

RESPONSE PROVIDED BY: Robert McKnight  
Director  
3535 Colonnade Parkway  
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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REQUEST: Please provide all documents and work papers that support your response to Interrogatory No. 19(b).

RESPONSE: See response to Interrogatory Item No. 19b.

RESPONSE PROVIDED BY: Robert McKnight  
Director  
3535 Colonnade Parkway  
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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REQUEST: Please provide any reports and documents that support your response to Interrogatory No. 22.

RESPONSE: BellSouth has no documents responsive to this request beyond those filed by Ms. Caldwell in the BellSouth Compliance filing.

RESPONSE PROVIDED BY: Jerry Kephart.

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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REQUEST: If available, please provide the BSTLM-SC run identified in response to Interrogatory No. 29(b).

RESPONSE: See response to Interrogatory Item No. 29.

RESPONSE PROVIDED BY: Robert McKnight  
Director  
3535 Colonnade Parkway  
Birmingham, Alabama 35243



BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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REQUEST: If available, please provide the BSTLM run identified in response to Interrogatory No. 29(d).

RESPONSE: See response to Interrogatory Item No. 29.

RESPONSE PROVIDED BY: Robert McKnight  
Director  
3535 Colonnade Parkway  
Birmingham, Alabama 35243

REQUEST: Referring to BellSouth witness Stegeman's direct testimony, page 4, lines 18-22, please provide all work papers, model runs and documents that substantiate this assertion.

RESPONSE: This claim was substantiated by exhibits filed in these proceedings. Using an A.1.1 loop as an example, a comparison was made between the BST2000 scenario A.1.1.CSV report that was contained on the original CDs of the BSTLM filing (an image is provided in Attachment No. 1) and the FL\_BST2000 scenario A.1.1.CSV report contained on the CDs of the BSLTM-SC© filing (an image is provided in Attachment No. 1). Summing the TELRICMtrl column for each report and removing the Pole material from the BSLTM-SC results (poles were loaded outside of the model in the BSTLM run) we see that both model runs produce the same total material of \$238.56. Since both models produce the same Material investment, the claim can be made that the error corrections did not have an impact "on the material investment produced by BSTLM and approved by this Commission."

RESPONSE PROVIDED BY: Jim Stegeman  
CostQuest Associates, Inc.  
6261 Ashbourne Place  
Cincinnati, Ohio 45233





BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
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REQUEST: Please provide any documents that support your response to Interrogatory No. 31(d).

RESPONSE: See response to Interrogatory Item No. 31.

RESPONSE PROVIDED BY: Jim Stegeman  
CostQuest Associates, Inc.  
6261 Ashbourne Place  
Cincinnati, Ohio 45233

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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REQUEST: Please provide any documents that support your response to Interrogatory No. 55.

RESPONSE: See response to Interrogatory Item No. 55. All relevant documents are referenced in the response to that Interrogatory.

RESPONSE PROVIDED BY: Charles V. Lee  
Robert McKnight  
Directors  
3535 Colonnade Parkway  
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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REQUEST: Please provide any documents that support your response to Interrogatory No. 56.

RESPONSE: See response to Interrogatory Item No. 56. All relevant documents were provided in the cost study filing dated August 16, 2000 (see directory PROPRIETARY\Documentation\Xappendix\Appendix F).

RESPONSE PROVIDED BY: Charles V. Lee  
Director  
3535 Colonnade Parkway  
Birmingham, Alabama 35243

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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REQUEST: Provide the source documents supporting the material cost of the  
16-Port DSLAM.

RESPONSE: See Attachment No. 1.

RESPONSE PROVIDED BY: Reginald Starks  
Directors  
675 West Peachtree Street  
Atlanta, Georgia 30375



BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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Attachment One  
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# ATTACHMENT ONE

T1 Transport from miniram to serving wire center (assumes 1.5 mile cost)

1,198

Total Miniram  
 Notes:

1. Fill at 100% capacity
2. Assumes all minirams terminate in a central office based DSLAM
3. Assumes hub shelf of the CO DSLAM can support up to 12 miniram terminations
4. DS1 transport for 6.7 miles from Adjunct Cabinet, based on 2398 investment per DS1 per Myra Creed (9-6-00) and 50% incremental deployment
5. E & I incl average loaded labor rate of \$40 per hour.  
 See Angela Cribb's force sizing model for details.

\$7,402

**ECI Telecom Microram-1400 (Qty=3)**

Maximum Capacity:  lines

Common Equipment  
 Shelf Assembly including fan  
 Deferrable plug-ins miniram - AI 4 minirams; 1/4 of \$1,198  
 Deferrable plug-ins CO - DS1-LT, DS1-LT I/O, D1NT-A to D1LN Cable - supports  
 Maintenance Spares-Commons and LT cards  
 Engineering & installation (BST)  
 Engineering & Installation (Vendor)

1000  
 5,600  
 0  
 599  
 450  
 1,920  
 550  


---

**\$6,950**

Total base unit

10,019

T1 Transport from microram to serving wire center (assumes 6.7 miles cost)-Qty=2

2,396

Number of MicroRams per Site

3

Total Miniram

\$35,245

Notes:

1. Fill at 100% capacity
2. Assumes all minirams terminate in a central office based DSLAM
3. Assumes hub shelf of the CO DSLAM can support up to 12 miniram terminations
4. DS1 transport for 6.7 miles from Adjunct Cabinet, based on 2398 investment per DS1 per Myra Creed (9-6-00) and 50% incremental deployment
5. E & I incl average loaded labor rate of \$40 per hour.  
 See Angela Cribb's force sizing model for details.

**Central Office DSLAM-High Density 1 Bay**

Maximum Capacity:  lines

DS3 FED  
Base/Initial  
 Equipment - Rack @ \$6,426 Common Equipment @ \$7,292 With Redundancy  
 Maintenance Spares-Commons and LT cards  
 Engineering & Installation  
 Engineering (CCM) & Installation (BST)  
 DS3 Transport to ATM switch - (IOF Xport for 7.91 mi. facility & electronics)  
 ATM DS3 Port (incl. DS-3 port card, install, etc)

13,718  
 2,027  
 13,304  
 1,328  
 17,818  
 4,500

Total base unit

52,686

Fill Rate Assumption:

at cost of  per port  
 per port (BST)

53,604  
 1,696

Demand Driven

Additional ports to achieve fill rate:

Plug-In Engineering & Installation:

Total CO DSLAM w/DS3

\$107,995

Notes:

1. Assumes protected DS-3 interface including cabling.
2. ADSL port cost of \$122.25 includes splitter cost but does not account for spares
3. Cost excludes sales tax & transportation costs which vary by location
4. ATM DS3 Port Investment = \$4500
5. DS3 Xport IOF to ATM Sw assumes  
 Investment = \$26,089 plus \$277 per air mile = \$28,281 per Myra Creed (Verified 9-28-00)  
 Cost is based on 70% requiring incremental investment.  
 10% of the IOF DS3's will be served via PSAX 1250 and 90% will terminate directly on ATM Sw

**Central Office DSLAM-High Density 2 Bay**

Maximum Capacity:  lines

DS3 FED

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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REQUEST: Provide the source documents supporting the material cost of the Standard Density Hub Bay associated with cost element A.20.3.

RESPONSE: See Attachment No. 1.

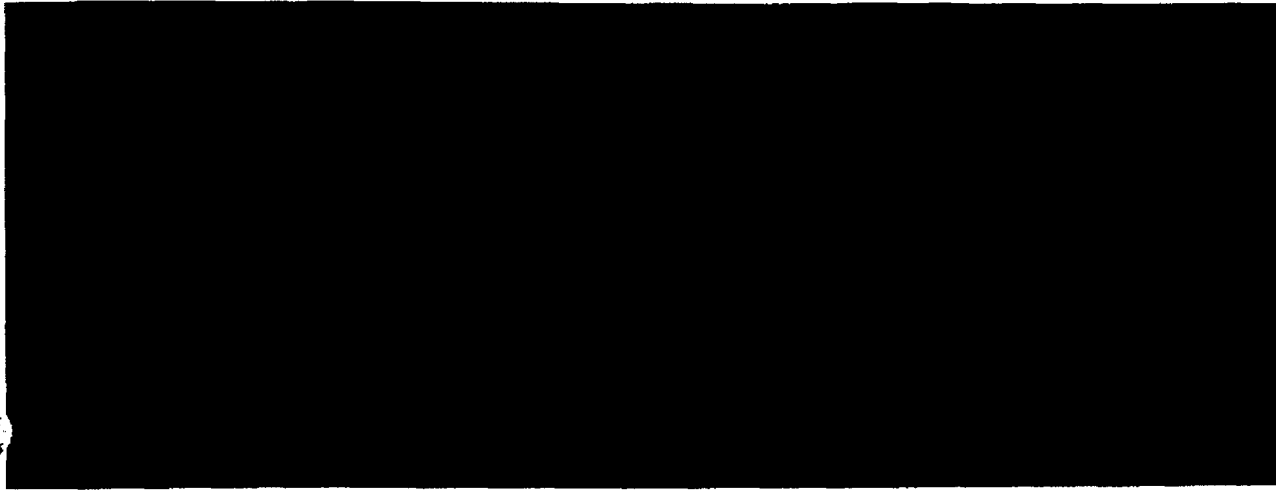
RESPONSE PROVIDED BY: Reginald Starks  
Directors  
675 West Peachtree Street  
Atlanta, Georgia 30375

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
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# ATTACHMENT ONE

BellSouth Telecommunications, Inc.  
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DC Power Supply		3,375
Fan Module		1,250
SP40 Switch Processor		23,500
SPA Switch Processor Adapter		
Ethernet PCMCIA Module		4,000
170 MB Hard Drive PCMCIA		1,200
Rack Mount Kit		1,500
Basic Service Support		100
Trunking - QTY 2: OC12 ATM Flow control (1-port)		4,815
Trunking - QTY 2: OC12 ATM IOA connector SMF Ling Reach Laser (1-port)		40,000
Misc Material - cabinet, LGX, DSX		10,200
Engineering	(BST)	27,900
Installation	(BST)	8,000
Total ATM Switch		<u>25,000</u>
		<u>\$199,640</u>



Note: The ADSL High Density Platform was priced assuming the same JPC discount rate as Standard Density would apply which is 60% off of List price

Central Office DSLAM-Standard Density	Maximum Capacity: <input type="text" value="128"/> DS1's	
DS3 fed Hub Bay		
<u>Base/Initial</u>		<u>POD 14</u>
Equipment - Rack @ \$703, Common Equipment @ \$2,987 Redundant Cabling&Cards\$514		514 + 3,670 = 4184
Engineering & Installation incl configuring all 3 shelves for DS1 hubbing (Turf Vendor)		7,791
Engineering (CCM) & Installation (BST)		1,328
DS3 Transport to ATM switch - (IOF Xport for 7.91 mi. facility & electronics)		17,818
ATM DS3 Port (incl. DS-3 port card, install, etc)		<u>4,500</u>
Total base unit		
		<u>\$35,107</u>
Total Hub Bay		

Notes:

1. Assumes protected DS-3 interface including cabling.
2. Cost excludes sales tax & transportation costs which vary by location
3. ATM DS3 Port Investment = \$4500  
Cost is based on 90% of the ATM Port Cost - see note 5
6. DS3 Xport IOF to ATM Sw assumes  
Investment = \$26,089 plus \$277 per air mile = \$28,281 per Myra Creed (Verified 9-28-00)  
Cost is based on 70% requiring incremental investment.  
10% of the IOF DS3's will be served via PSAX 1250 and 90% will terminate directly on ATM Sw
5. Lucent PSAX1250 = 10% of 1/2 DS3 card. This is because 10% will go thru PSAX1250.

Central Office DSLAM-Standard Density	Maximum Capacity: <input type="text" value="576"/> lines	
W/DS3		
<u>Base/Initial</u>		
Equipment - Rack @ \$2,812, Common Equipment @ \$7,340 Redundant Cabling&Cards\$2,982		10,152

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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REQUEST: Provide the source documents showing the development of the  
Projected Actual Utilization associated with cost element A.20.3.

RESPONSE: See response to Interrogatory Item No. 61.

RESPONSE PROVIDED BY: Reginald Starks  
Directors  
675 West Peachtree Street  
Atlanta, Georgia 30375

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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REQUEST: Provide the source documents supporting the material cost of the Remote Terminal Housing-Cabinet associated with cost element A.20.3.

RESPONSE: See Attachment No. 1.

RESPONSE PROVIDED BY: Reginald Starks  
Directors  
675 West Peachtree Street  
Atlanta, Georgia 30375

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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Attachment One  
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# ATTACHMENT ONE



Lakrista ✓ 9) Is a DSI card needed for Std Demo Hub bay?

Yes \$1198 per card  
4 DSI's per card

Tom Jones - CCM has no involvement since DSLAM is routed to Collo space to CLEC -

Joe/Mike/Craig ✓ 10) Any SI time involved w/ OSPE? - 90 mins per SI (may include 1-4 DSI's @ 15mins)  
NO - (Daonne) CRSG only

Daonne/HB ✓ 11) See #10 above. ULM only shows SI times for CRSG. OSPE time is listed @ Eng.

POD 16

Joe L. ✓ 12) 37% cabinet  
\$18,200/cabinet

- a) How many units? **3** (3 units/cabinet)
- b) How much of cabinet is left for other use?

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
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Page 1 of 1

REQUEST: Provide the source documents showing the development of the "Percent of time new cabinet required" associated with cost element A.20.3.

RESPONSE: See response to Interrogatory Item No. 62.

RESPONSE PROVIDED BY: Reginald Starks  
Directors  
675 West Peachtree Street  
Atlanta, Georgia 30375

BellSouth Telecommunications, Inc.  
FPSC Dkt No. 990649A-TP  
Staff's 1<sup>st</sup> Request for Production  
December 14, 2001  
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REQUEST: Provide the results of any time and motion studies performed by BellSouth in developing the nonrecurring work and labor times associated with cost elements A.20.2, A.20.3, and A.20.4.

RESPONSE: See response to Interrogatory Item No. 67.

RESPONSE PROVIDED BY: Reginald Starks  
Directors  
675 West Peachtree Street  
Atlanta, Georgia 30375