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ORIGINAL

November 19, 2003

DECLASSIFIED

BM
6/13/05

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
& Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED-FPSC
03 NOV 19 PM 4:37
COMMISSION
CLERK

Re: Sprint LP Request for Confidentiality, Docket Nos. 030867-TL, 030868-TL, 030869-TL, & 030961-TI

CONFIDENTIAL DOCUMENTS ENCLOSED

Dear Ms. Bayó:

Pursuant to staff's direction, enclosed with this letter are one copy of the confidential documents referred to in Sprint LP Request for Confidentiality, which was filed on this date with the Division of Records and Reporting. A listing of the documents follows:

1. Highlighted information on page 4, line 19 and page 9, line 9 of the Direct Testimony of Eric W. Kapka
2. Highlighted information in column E, lines 1-3, and column F, lines lines 1-4, of Exhibit EWK-1.

Please keep the documents confidential pending receipt and action the Company's Request for Confidential Classification relating to these documents.

Sincerely,

RECEIVED & FILED

Charles J. Rehwinkel/ssm

FPSC-BUREAU OF RECORDS

Charles J. Rehwinkel

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Enclosure

declass 6/12/05 appeal

This confidentiality request was filed by or for a "telco" for DN 11688-03 No ruling is required unless the material is subject to a request per 119.07, FS, or is admitted in the record per Rule 25-22.006(8)(b), FAC.

DOCUMENT NUMBER-DATE

11688 NOV 19 03

FPSC-COMMISSION CLERK

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1 **Q. In the context of this proceeding, has Sprint quantified the reductions in access**
2 **expense it would receive if the ILECs petitions are granted?**

3 **A.** Calculating an exact impact of access expense reductions that any interexchange
4 carrier would receive from the proposed access reductions is not possible at this time.
5 Such an analysis would require application of individual access rate elements for each
6 of the three ILECs to current units for each interexchange carrier. Furthermore, it is
7 my understanding that the ILECs' access rate reductions are subject to updates upon
8 Commission approval of their petitions to reflect the latest 12 months unit information.
9 However, Sprint has developed a preliminary estimate of the access expense savings it
10 would receive if the intrastate access rates of BellSouth, Verizon and Sprint-Florida
11 were reduced to parity with their interstate access rates.

12
13 **Q. Could you briefly review Sprint's calculation of the estimated access expense**
14 **savings it would receive if the ILEC's petitions are approved?**

15 **A.** I have attached Exhibit EWK-1 to my testimony which provides Sprint's estimated
16 access savings from the proposed access reductions of the ILECs. Sprint developed
17 this estimate utilizing its own access minute information in each of the three ILEC
18 territories and applying the per minute access rate reduction for each of the ILECs.
19 Sprint's preliminary estimate of its access expense savings is \$52 M. This represents
20 Sprint's best estimate of the potential impact at this time, knowing that the estimate
21 will be refined based on a more complete analysis of the final access rate changes by
22 the ILECs and based on most recent access usage information for Sprint. Sprint's
23 eventual access expense savings realized over the three-phase implementation period
24 will most certainly be different from this preliminary estimate.

25

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1 per minute, to at least 11 cents per minute. This general approach will ensure that the
2 residential subscriber base will experience a reduction in long distance prices at a level
3 at least as much as the reduction in access costs associated with the long distance
4 minutes that customer segment consumes.

5

6 **Q. Can you provide an estimate of the expected flow-through to Sprint's residential**
7 **customers?**

8 **A.** With consideration of the increasing difficulty in segmenting customers, Sprint
9 estimates that approximately 27 percent of its intrastate long distance services are
10 provided to subscribed residential customers. Of course residential customers utilize
11 other non-subscribed Sprint services, including Sprint business services such as toll-
12 free, wireless services of Sprint and other wireless providers and wholesale services
13 which Sprint sells to resellers and others. All of these other services would experience
14 a flow-through price reduction in rough proportion to the switched access reduction
15 associated with each service category. Sprint's intention in its flow-through plan
16 would be to target price changes and product introductions to provide an equitable
17 portion of its flow-through obligation to residential customers.

18

19 **Q. Issue 10. Will all residential and business customers experience a reduction in**
20 **their long distance bills? If not, which residential and business customers will**
21 **and will not experience a reduction in their long distance bills?**

22 **A.** The short answer is that there will be some residential and business customers in any
23 month who will not experience a price reduction, for the obvious reason that a
24 customer would have to make long distance calls to experience a price reduction. But
25 generally, customers making long distance calls will experience a price reduction.

**SPRINT COMMUNICATIONS COMPANY L.P.
ESTIMATED ACCESS SAVINGS**

	A	B	C	D	E	F
		Current Intrastate Cost per Minute	Estimated Intrastate Access Rate *	Rate Difference	Annual Intrastate Access Minutes	Estimated Intrastate Access Savings
1	BellSouth	\$0.022910	\$0.008419	\$ 0.014491	822,943,800	\$ 11,925,279
2	Verizon	\$0.048850	\$0.011704	\$ 0.037146	334,195,392	\$ 12,413,922
3	Sprint-Florida	\$0.048880	\$0.012852	\$ 0.036028	771,831,180	\$ 27,807,534
4						\$ 52,146,734

* Based on ILEC filings

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