



RECEIVED

2005 APR 21 PM 4:01

BellSouth Telecommunications, Inc.

333 Commerce Street
Suite 2101
Nashville, TN 37201-3300

guy.hicks@bellsouth.com

T.R.A. DOCKET ROOM
April 21, 2005

Guy M. Hicks
General Counsel

615 214 6301
Fax 615 214 7406

VIA HAND DELIVERY

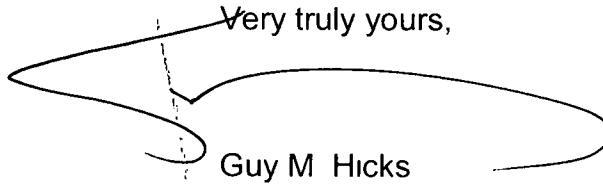
Hon. Pat Miller, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re *Complaint of XO Tennessee, Inc. Against BellSouth*
Docket No. 04-00306

Dear Chairman Miller

Pursuant to the request of the panel at the February 28, 2005 Agenda Conference, enclosed are the original and fourteen copies of BellSouth's Cost Study in this matter. Copies of the enclosed are being provided to counsel of record.

Very truly yours,



Guy M. Hicks

GMH:ch

TENNESSEE

DOCKET 04-00306

BELLSOUTH TELECOMMUNICATIONS, INC

UNBUNDLED NETWORK ELEMENT COST STUDY

APRIL 21, 2005

TENNESSEE DOCKET NO 04-00306
UNBUNDLED NETWORK ELEMENT COST STUDY

EXECUTIVE SUMMARY

BellSouth Telecommunications, Inc (BellSouth) is herewith filing unbundled network element (UNE) cost studies as ordered by the Tennessee Regulatory Authority. These studies comply with the orders and regulations established by the TRA in Docket No. 97-01262.

The remainder of this document contains a summary of results, element descriptions, study worksheets and study work papers.

<u>Cost Element</u>	<u>Description</u>	<u>First</u>	<u>Additional</u>
R 1	Single Network Element Special Access (SPA) Circuits To UNE Conversion - Switch -As-Is (SNESAI)		
R 1 1	Single Network Element Special Access (SPA) Circuits To UNE Conversion - Switch -As-Is (SNESAI) - Per Circuit	\$34 53	\$15 11
R 1 2	SNESAI - Incremental Cost For Handling Orders with 15 or More Circuits, Per Circuit	\$1 40	\$1 40

TENNESSEE DOCKET NO 04-00306
UNBUNDLED NETWORK ELEMENT COST STUDY

- R.0 **SINGLE NETWORK ELEMENT SPECIAL ACCESS (SPA) CIRCUITS TO UNE CONVERSION – SWITCH-AS-IS (SNESAI)**
- R.1.1 **SINGLE NETWORK ELEMENT SPECIAL ACCESS (SPA) CIRCUITS TO UNE CONVERSION – SWITCH-AS-IS (SNESAI) – PER CIRCUIT**
- R.1.2 **SNESAI – INCREMENTAL COST FOR HANDLING ORDERS WITH 15 OR MORE CIRCUITS, PER CIRCUIT**

Element Description

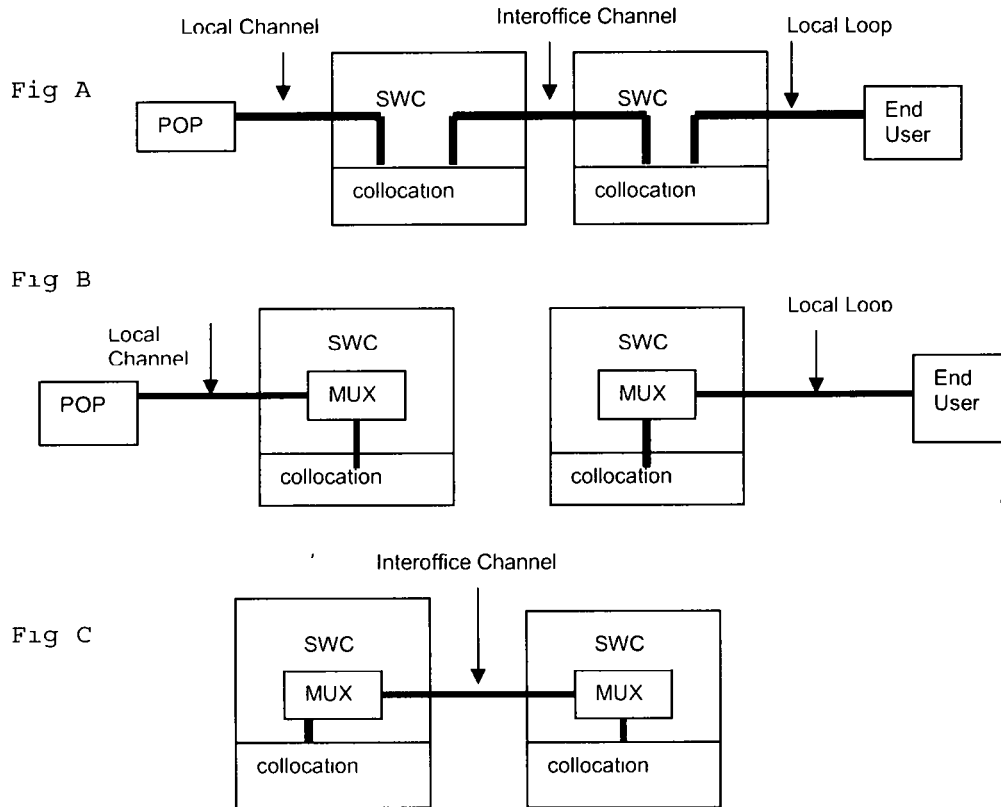
Single network element special access circuits considered for conversion are:

- SPA Local Channel is the dedicated point-to-point transmission path and the associated electronics between the CLEC's Point of Presence (POP) or end user Serving Wire Center and the POP Serving Wire Center. Transport between the POP and the POP SWC may be converted to a UNE Local Channel. Transport between the end user and the end user SWC may be converted to a UNE Local Loop.
- SPA Interoffice Channel is the dedicated point-to-point transmission path and its associated electronics between BellSouth's wire centers. This network element may be converted to a UNE Interoffice Channel.
- SPA Local Loop is the dedicated point-to-point transmission path and the associated electronics between the end user's premises and the end user's serving wire center.
- SPA Multiplexing is a function associated with transport which may be converted when all the transport connected to it is converted.

Within BellSouth central offices, SPA single network elements qualifying for conversion to UNEs must terminate in the requesting CLEC's collocation arrangement. In other words, it must look like a stand-alone UNE. Furthermore, conversions of SPA single network elements to UNE network elements are "switch-as-is", i.e., no changes will be made on the element during the conversion. Finally, the CLEC's request must adhere to the limitations outlined by the FCC's *TRO Remand Order* released February 4, 2005 (effective March 11, 2005).

TENNESSEE DOCKET NO. 04-00306
UNBUNDLED NETWORK ELEMENT COST STUDY

The figures below represent allowable configurations



For conversions involving 15 or more circuits, the request will be project managed

Study Technique

The nonrecurring costs associated with the conversions reflect the activities required to convert the existing special access circuit to an unbundled arrangement and to project manage requests with 15 or more circuits. Subject matter experts familiar with the activities identified the amount of time necessary to perform the applicable task. The times for each work function were multiplied by the labor rate for the work group performing the task.

Microsoft Excel spreadsheets are used to develop the nonrecurring cost input files. The BellSouth Cost Calculator applied the appropriate labor rates and the applicable factors (e.g., gross receipts tax factor and common cost factor).

Specific Study Assumptions

- The conversion is "switch-as-is."
- Element R 1 2 is incremental to R 1 1 and is applied on a per circuit basis
- The costs reflect a 2005-2007 study period

4/14/2005

Nonrecurring Cost Summary

Tennessee

R.1.1 Single Network Element Special Access (SPA) Circuits To UNE Conversion - Switch -As-Is (SNESAI) - Per Circuit

<u>Description</u>	<u>Nonrecurring Cost</u>			
	<u>Installation - First</u>		<u>Installation - Additional</u>	
	<u>Direct Cost</u>	<u>Shared Cost</u> <u>TELRIC</u>	<u>Direct Cost</u>	<u>Shared Cost</u> <u>TELRIC</u>
Nonrecurring Cost Development Reports	\$33 98	\$0 00 \$33 98	\$14 87	\$0 00 \$14 87
OTHER EXPENSES				
Cost Subtotal (Including Shared Cost)	<u>\$33 98</u>	<u>\$0 00</u> <u>\$33 98</u>	<u>\$14 87</u>	<u>\$0 00</u> <u>\$14 87</u>
Common Cost Factor		X		X
Common Costs		<u>\$0 00</u>		<u>\$0 00</u>
Cost Subtotal (Including Common Costs)		<u>\$33 98</u>		<u>\$14 87</u>
Uncollectible Factor		X		X
Uncollectible Costs		<u>\$0 47</u>		<u>\$0 21</u>
Cost Subtotal (Including Uncollectible Costs)		<u>\$34 45</u>		<u>\$15 08</u>
Gross Receipts Tax Factor		X		X
Gross Receipts Taxes		<u>\$0 08</u>		<u>\$0 04</u>
Cost Total (Including Gross Receipts Tax)		<u>\$34 53</u>		<u>\$15 11</u>

4/14/2005

Nonrecurring Cost Summary

Tennessee

R 1 1 Single Network Element Special Access (SPA) Circuits To UNE Conversion - Switch -As-Is (SNESAI) - Per Circuit

<u>Description</u>	<u>Nonrecurring Cost</u>			
	<u>Disconnect - First</u>		<u>Disconnect - Additional</u>	
	<u>Direct Cost</u>	<u>Shared Cost</u>	<u>Direct Cost</u>	<u>Shared Cost</u>
Nonrecurring Cost Development Reports	\$0 00	\$0 00	\$0 00	\$0 00
	<u>\$0 00</u>	<u>\$0 00</u>	<u>\$0 00</u>	<u>\$0 00</u>
OTHER EXPENSES				
Cost Subtotal (Including Shared Cost)			<u>\$0 00</u>	<u>\$0 00</u>
Common Cost Factor		X	0 0000	X 0 0000
Common Costs			<u>\$0 00</u>	<u>\$0 00</u>
Cost Subtotal (Including Common Costs)			\$0 00	
Uncollectible Factor		X	0 0139	
Uncollectible Costs			<u>\$0 00</u>	
Cost Subtotal (Including Uncollectible Costs)			\$0 00	
Gross Receipts Tax Factor		X	0 0024	
Gross Receipts Taxes			<u>\$0 00</u>	
Cost Total (Including Gross Receipts Tax)			<u>\$0 00</u>	<u>\$0 00</u>

4/14/2005

Nonrecurring Cost Summary

Tennessee										
R 1 1 Single Network Element Special Access (SPA) Circuits To UNE Conversion - Switch -As-Is (SNESAI) - Per Circuit										
Function	JFC/ Payband	JFC/Payband Description	NRC Type	Installation Worktimes	Disconnect Worktimes	Direct Labor Rate	Installation Cost	Disconnect Cost	Disconnect Factor	Discounted Disconnect Cost
				A	B	C	D=AxC	E=BxC	F	G=ExF
Connect & Test	431X	CO Install & Mtce Field - Ckt & Fac	First Add'l	0 25 0 25	0 00 0 00	\$50 26	\$12 56 \$12 56	\$0 00 \$0 00	1 1134	\$0 00 \$0 00
Connect & Test	4AXX	Acc Cust Advocate Cntr (ACAC)	First Add'l	0 42 0 05	0 00 0 00	\$44 37	\$18 76 \$2 22	\$0 00 \$0 00	1 1134	\$0 00 \$0 00
Connect & Test	4WXX	Work Management Center (WMC)	First Add'l	0 01 0 00	0 00 0 00	\$38 86	\$0 32 \$0 00	\$0 00 \$0 00	1 1134	\$0 00 \$0 00
Records Management	JG58	Job Grade 58	First Add'l	0 04 0 00	0 00 0 00	\$54 95	\$2 33 \$0 09	\$0 00 \$0 00	1 1134	\$0 00 \$0 00
Total First							\$33 98		Total First	\$0 00
Total Add'l							\$14 87		Total Add'l	\$0 00

4/14/2005

Nonrecurring Cost Summary

Tennessee

R 1 1 Single Network Element Special Access (SPA) Circuits To UNE Conversion - Switch -As-Is (SNESAI) - Per Circuit

Function	JFC/ Payband	JFC/Payband Description	NRC Type	Installation Worktimes	Disconnect Worktimes	TELRIC Labor Rate	Installation Cost	Disconnect Cost	Discount Factor	Discounted Disconnect Cost
				A	B	C	D=AxC	E=BxC	F	G=ExF
Connect & Test	431X	CO Install & Mtce Field - Ckt & Fac	First Add'l	0 25 0 25	0 00 0 00	\$50 26	\$12 56 \$12 56	\$0 00 \$0 00	1 1134	\$0 00 \$0 00
Connect & Test	4AXX	Acc Cust Advocate Cntr (ACAC)	First Add'l	0 42 0 05	0 00 0 00	\$44 37	\$18 76 \$2 22	\$0 00 \$0 00	1 1134	\$0 00 \$0 00
Connect & Test	4WXX	Work Management Center (WMC)	First Add'l	0 01 0 00	0 00 0 00	\$38 86	\$0 32 \$0 00	\$0 00 \$0 00	1 1134	\$0 00 \$0 00
Records Management	JG58	Job Grade 58	First Add'l	0 04 0 00	0 00 0 00	\$54 95	\$2 33 \$0 09	\$0 00 \$0 00	1 1134	\$0 00 \$0 00
Total First							\$33 98		Total First	\$0 00
Total Add'l							\$14 87		Total Add'l	\$0 00

4/14/2005

Nonrecurring Cost Summary

Tennessee

R.1.2 SNESAI - Incremental Cost For Handling Orders with 15 or More Circuits, Per Circuit

<u>Description</u>	<u>Nonrecurring Cost</u>		
	<u>Installation - First</u>		<u>Installation - Additional</u>
	<u>Direct Cost</u>	<u>Shared Cost</u> <u>TELRIC</u>	<u>Direct Cost</u> <u>Shared Cost</u> <u>TELRIC</u>
Nonrecurring Cost Development Reports	\$1 37	\$0 00 \$1 37	\$1 37 \$0 00 \$1 37
OTHER EXPENSES			
Cost Subtotal (Including Shared Cost)	<u>\$1 37</u>	<u>\$0 00</u> <u>\$1 37</u>	<u>\$1 37</u> <u>\$0 00</u> <u>\$1 37</u>
Common Cost Factor		X 0 0000	X 0 0000
Common Costs		<u>\$0 00</u>	<u>\$0 00</u>
Cost Subtotal (Including Common Costs)		<u>\$1 37</u>	<u>\$1 37</u>
Uncollectible Factor		X 0 0139	X 0 0139
Uncollectible Costs		<u>\$0 02</u>	<u>\$0 02</u>
Cost Subtotal (Including Uncollectible Costs)		<u>\$1 39</u>	<u>\$1 39</u>
Gross Receipts Tax Factor		X 0 0024	X 0 0024
Gross Receipts Taxes		<u>\$0 00</u>	<u>\$0 00</u>
Cost Total (Including Gross Receipts Tax)		<u>\$1 40</u>	<u>\$1 40</u>

4/14/2005

Nonrecurring Cost Summary

Tennessee R.1.2 SNESAI - Incremental Cost For Handling Orders with 15 or More Circuits, Per Circuit

<u>Description</u>	<u>Nonrecurring Cost</u>			
	<u>Disconnect - First</u>		<u>Disconnect - Additional</u>	
	<u>Direct Cost</u>	<u>Shared Cost</u>	<u>Direct Cost</u>	<u>Shared Cost</u>
			<u>TELRIC</u>	<u>TELRIC</u>
Nonrecurring Cost Development Reports	\$0 00	\$0 00	\$0 00	\$0 00
OTHER EXPENSES				
Cost Subtotal (Including Shared Cost)	<u>\$0 00</u>	<u>\$0 00</u>	<u>\$0 00</u>	<u>\$0 00</u>
Common Cost Factor		X	0 0000	X 0 0000
Common Costs			<u>\$0 00</u>	<u>\$0 00</u>
Cost Subtotal (Including Common Costs)			<u>\$0 00</u>	<u>\$0 00</u>
Uncollectible Factor		X	0 0139	
Uncollectible Costs			<u>\$0 00</u>	
Cost Subtotal (Including Uncollectible Costs)			<u>\$0 00</u>	
Gross Receipts Tax Factor		X	0 0024	
Gross Receipts Taxes			<u>\$0 00</u>	
Cost Total (Including Gross Receipts Tax)			<u>\$0 00</u>	<u>\$0 00</u>

4/14/2005

Nonrecurring Cost Development - Direct Cost

Tennessee										
R.1 2 SNESAI - Incremental Cost For Handling Orders with 15 or More Circuits, Per Circuit										
A B C D=AxC E=BxC F G=ExF										
<u>Function</u>	<u>JFC/ Payband</u>	<u>JFC/Payband Description</u>	<u>NRC Type</u>	<u>Installation Worktimes</u>	<u>Disconnect Worktimes</u>	<u>Direct Labor Rate</u>	<u>Installation Cost</u>	<u>Disconnect Cost</u>	<u>Disconnect Factor</u>	<u>Discounted Disconnect Cost</u>
Records Management	JG58	Job Grade 58	First Add'l	0 03	0 00	\$54 95	\$1 37	\$0 00	1 1134	\$0 00
				0 03	0 00		\$1 37	\$0 00		\$0 00
						<u>Total First</u>	\$1 37		<u>Total First</u>	\$0 00
						<u>Total Add'l</u>	\$1 37		<u>Total Add'l</u>	\$0 00

Nonrecurring Cost Development - TELRIC

Tennessee

$$G = E \times F$$

	A	B	C	D	E	F	G	H	I	J	K
1	Tennessee										
2	Index Sheet										
3	Study Period	Study Period	01/2005-12/2007								
4											
5	Element R 1 1 and R 1 2										
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											

Sheet Name:

Index

INPUT_NRC

Input_Connect& Test

Input_Records Management

Nonrecurring Labor

Description:

Nonrecurring Cost for Loop or - Channel or IOF Switched-AS-IS

Non-recurring Worktimes

Detailed Labor Worktimes

Detailed Labor Worktimes

CALCULATOR INPUT FORM - NONRECURRING LABOR TIMES

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O		
1	CALCULATOR INPUT FORM - NONRECURRING LABOR TIMES															
2																
3	Instructions															
4	1. Use this worksheet to record nonrecurring labor times to be input into the Calculator calculations															
5	2. All amounts shown are per unit (e.g., per call, per loop, per MOU)															
6	3. Input data, by Cost Element, leaving no blank lines. On next row															
7	after last line of data, type END in Cost Element Column															
8	4. All data on this form should be cell-referenced to study worksheets															
9	5. Do NOT change columns, headings, sheet name															
10	6. Use columns F & G when cost element has a single nonrecurring cost, use columns H, I, J, & K for elements with a first and additional nonrecurring cost, use columns L, M, N & O for elements with an initial and subsequent nonrecurring cost															
11	7. Input Cost Element Life (in months) on first row of data for each cost element. It is not necessary to repeat on each line															
12																
13																
14																
15	Study Mid-Point Date (Mos)															
16																
17																
18																
19	State	Element #	Cost	Element Life (Mo)	Labor Expense Description (Limited to 25 characters)	JFC/ Payband	(For use w/ one NR)		First Installation Time (Hours)	First Disconnect Time (Hours)	Additional Installation Time (Hours)	Additional Disconnect Time (Hours)	Initial Installation Time (Hours)	Initial Disconnect Time (Hours)	Subsequent Installation Time (Hours)	Subsequent Disconnect Time (Hours)
20	TN	R 1 1		39	Connect & Test	431X			0.2500	0.0000	0.2500	0.0000				
21	TN	R 1 1		39	Connect & Test	44XX			0.4228	0.0000	0.0500	0.0000				
22	TN	R 1 1		39	Connect & Test	4WXX			0.0983	0.0000	0.0000	0.0000				
23	TN	R 1 2		39	Records Management	JG58			0.0250	0.0000	0.0250	0.0000				
24	TN	R 1 1		39	Records Management	JG58			0.0424	0.0000	0.0016	0.0000				
25	TN	END														
26	TN															

A	B	C	D	E	F	G	H	I	J
1	Tennessee								
2	Detailed Labor Worktimes								
3	Study Period Study Period 01/2005-12/2007								
4									
5	Element # R 11 and R 12								
6									
7	Item/Description								
8									
9	CUSTOMER CARE PROJECT MANAGER - CCPM								
10	Project Manager Assignments	Source	Description	JG / WS	First Install	Disconnect	Addtl Install	Addtl Disconnect	Probability of Occurrence
11	Activities	NET/CRK	RECORDS MANAGEMENT	JG58	0 0250	0 0000	0 0250	0 0000	100%
12	Assign Project ID at request of CLEC								
13	Receives spreadsheet for processing								
14	Negotiates due dates with involved departments								
15	Prepares spreadsheet for order issuance by PTOPS or LCSC								
16	Request UNE billing account establishment when required								
17	Forward a copy of processed spreadsheet to LCSC or PTOPS when required for service order issuance								
18	Coordinate with LCSC to handle fallout orders that will require manual processing if PTOPS issued								
19	Coordinate with CWINS and CO to ensure that work is completed on due date								
20	Act as single point of contact for trouble resolution								
21	Track order progress by interfacing with CWINS								
22	Ensure all orders have posted complete and CLEC is notified of project completion								
23									
24									
25									
26									
27	CLEC Care Local Support Manager (CCLSM)								
28	CLEC Care Network Sales Engineer performs the following duties								
29									
30	Activities								
31	Verify that CLEC has new USOCs in their contract	NET/CRK	RECORDS MANAGEMENT	JG58	0 0110	0 0000	0 0000	0 0000	
32	Pull BRIO data	NET/CRK	RECORDS MANAGEMENT	JG58	0 0008	0 0000	0 0008	0 0000	
33	Build verification queries to validate accuracy of data provided	NET/CRK	RECORDS MANAGEMENT	JG58	0 0276	0 0000	0 0000	0 0000	
34	Verify circuits terminate into collocation	NET/CRK	RECORDS MANAGEMENT	JG58	0 0008	0 0000	0 0008	0 0000	
35	Forward to Project manager	NET/CRK	RECORDS MANAGEMENT	JG58	0 0022	0 0000	0 0000	0 0000	
36	Total				0 0424	0 0000	0 0016	0 0000	
37									
38									
39									
40									
41									

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Tennessee												
2	Detailed Labor Worktimes												
3	Study Period: Study Period 01/2005-12/2007												
4	Element # R 11												
5													
6	Item/Description												
7	CENTRAL OFFICE FORCES (CO)												
8		Source	Description	JG / WS	First Install	First Disconnect	Addtl Install	Addtl Disconnect	Probability of Occurrence				
9	Tag Facility	Network	CONNECT & TEST	431X	0.2500	0.0000	0.2500	0.0000	100%				
10													
11													
12	Customer Wholesale Interconnection Network Services (CWINS)	Source	Description	JG / WS	First Install	First Disconnect	Addtl Install	Addtl Disconnect	Probability	First Install (Col E, I or J)	First Disconnect (Col F, I or J)	Addtl Install (Col I or J)	Addtl Disconnect (Col H, I or J)
13	Pulls order information and assigns to work groups	Interconn Svcs	CONNECT & TEST	4-XX	0.1928	0.0000	0.0000	0.0000	100%	0.1928	0.0000	0.0000	0.0000
14	Verifies and ensures accuracy of order design	Interconn Svcs	CONNECT & TEST	4-XX	0.0500	0.0000	0.0500	0.0000	100%	0.0500	0.0000	0.0500	0.0000
15	Contacts customer and completes service order	Interconn Svcs	CONNECT & TEST	4-XX	0.1800	0.0000	0.0000	0.0000	100%	0.1800	0.0000	0.0000	0.0000
16													
17									TOTAL	0.4228	0.0000	0.0500	0.0000
18	WORK MANAGEMENT CENTER (WMC)	Source	Description	JG / WS	First Install	First Disconnect	Addtl Install	Addtl Disconnect					
19	WMC coordinates dispatched technicians	Network	CONNECT & TEST	4-XX	0.0083	0.0000	0.0000	0.0000					
20													
21													
22													
23													
24													

	A	B	C	D	E	F	G	H
1	Tennessee							
2	Non-recurring Worktimes							
3	Study Period Study Period 01/2005-12/2007							
4								
5	Element # R 1 1 and R 1 2							
6	Item/Description							
7	Item/Description	Description	JFC / JG / WS	Source	First Install Time Hrs	First Disconnect Time Hrs	Additional Install Time Hrs	Additional Disconnect Time Hrs
8	Work Group	Connect & Test	431X	Inputs_Connect&Test Ln 9	0 2500	0 0000	0 2500	0 0000
9	CO INSTALL & MTCE CKT & FAC (NTEL)							
10								
11	CUSTOMER WHOLESale INTERCONNECTION	Connect & Test	4AXX	INPUTS_CONNECT&TEST Ln 17	0 4228	0 0000	0 0500	0 0000
12	NETWORK SERVICES (C-WINS)							
13	CUSTOMER CARE PROJECT MANAGER - CCPM	Records Management	JG58	INPUTS_Records Management Ln 9	0 0250	0 0000	0 0250	0 0000
14								
15	CLEC Care Local Support Manager (CCLSM)	Records Management	JG58	INPUTS_Records Management Ln 36	0 0424	0 0000	0 0016	0 0000
16								
17								
18	WORK MANAGEMENT CENTER (WMC)	Connect & Test	4WXX	INPUTS_CONNECT&TEST Ln 19	0 0083	0 0000	0 0000	0 0000
19								
20								
21								
22	Location Life (Mo)	39		LocLife XLS				
23								
24								

CERTIFICATE OF SERVICE

I hereby certify that on April 21, 2005, a copy of the foregoing document was served on the following, via the method indicated.

☐ Hand
☐ Mail
☐ Facsimile
☐ Overnight
☒ Electronic

Henry Walker, Esquire
Boult, Cummings, et al
414 Union Street, #1600
Nashville, TN 37219-8062
hwalker@boultcummings.com

☐ Hand
☐ Mail
☐ Facsimile
☐ Overnight
☒ Electronic

Dana Shaffer, Esquire
XO Communications, Inc
105 Malloy Street, #100
Nashville, TN 37201
dshaffer@xo.com

