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OFFICE OF THE EXECUTIVE SECRETARY

November 14, 2001

Mr. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: Docket No. 97-00409: All Telephone Companies Tariff Filings Regarding Reclassification of Pay Telephone Service
UTSE Response to TPOA Discovery

Dear Mr. Waddell:

Enclosed for filing are an original and thirteen copies of United Telephone-Southeast, Inc.'s Response to the Second Set of Data Requests from the Tennessee Payphone Owners Association.

A copy of the Response is being served on counsel of record. Please note that certain of the information has been designated proprietary and as such is subject to the Protective Order entered in this Case.

Please contact me if you have any questions.

Sincerely,

James B Wright

James B. Wright

cc: Counsel of Record (with enclosure)
Laura Sykora
Kaye Odum

CERTIFICATE OF SERVICE; DOCKET 97-00409
(Pay Telephone Service Reclassification)

The undersigned hereby certifies that on November 14, 2001 a copy of the United Telephone-Southeast responses to the TPOA's second set of Data Requests was served upon the following parties of record by fax or by depositing a copy thereof in the U.S mail addressed as follows:

Henry Walker
Boult, Cummings
414 Union Street, Suite 1600
Nashville, TN 37219

Consumer Advocate and
Protection Division
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TENNESSEE REGULATORY AUTHORITY, DOCKET NO 97-00409 SECOND SET OF DATA REQUESTS FROM TENNESSEE PAYPHONE OWNERS' ASSOCIATION TO SPRINT/UNITED TELEPHONE-SOUTHEAST, INC., DATED OCTOBER 31, 2001

Question 1. Refer to the worksheet entitled UTSE, Inc. "Loop Length Comparison."

a. Describe in detail the method that was used to develop the loop length by wire center for the columns "Avg. Payphone Loop Length" and "Avg. Loop Length."

b. Provide all workpapers or other supporting documentation used to develop the loop length by wire center.

c. Provide a complete list of services that were included when developing the "Avg. Payphone Loop Length."

d. Provide a complete list of services that were included when developing the "Avg. Loop Length."

Answer:

a. To determine "Avg. Loop Length", a simple average is calculated using all voice grade loops within the wire center. "Avg. Payphone Loop Length" is also a simple average calculation, but instead of using all loops only payphone loops are used in the calculation.

While developing the response to this data request, Sprint found a calculation error in the "Average Payphone Loop Length". The loop length summary sheet provided on October 10, 2001 overstated the loop length of the payphone loops by 1.8%. The correctly stated average length is provided in response to 1(b). This does not have an impact on investment or cost.

b. See proprietary attachment.

c. Payphone service.

d. Residential, business, and DS-0 special access lines were used in calculating the Average Loop Length. Business lines include payphone lines.

Question 2. Refer to the worksheet entitled "UTSE, Inc. Payphone Cost Comparison."

a. Describe in detail all changes in methodology, assumptions, inputs, or data that cause the entries in the column "USF ROR 5/1/2001 Filing" to differ from the entries in the "USF ROR Geocoded" column.

b. Explain in detail why Sprint chose to make each of the changes listed in response to part (a).

c. Provide all workpapers or other supporting documentation that include any of the changes listed in response to part (a).

Answer:

a. The October 10, 2001 Sprint ROR and USF ROR Geocoded studies both use geocoded payphone service locations for payphone loop cost. Both studies also incorporate updated inputs to reflect current labor rates and material prices. In addition, the Sprint ROR and USF ROR Geocoded studies use payphone specific DLC line cards, while the prior studies used voice grade line cards.

b. Sprint made the listed changes to be responsive to the TPOA providers request for payphone specific loop information and to provide the Tennessee Regulatory Authority the best information possible for its decision in this docket.

c. The supporting documentation requested was provided in the Sprint ROR and USF ROR Geocoded filings. Additional supporting documentation is provided in answer to Questions 3, 4, and 5.

**TENNESSEE REGULATORY AUTHORITY, DOCKET NO 97-00409
SECOND SET OF DATA REQUESTS FROM TENNESSEE PAYPHONE OWNERS' ASSOCIATION TO SPRINT/UNITED TELEPHONE-SOUTHEAST, INC., DATED OCTOBER 31, 2001**

Question 3. Refer to Section G, Cost Model Methodology, page 6.

a. Provide the "geocoded payphone locations that determine loop costs specific to payphones."

b. Describe in detail how each of these "geocoded locations" was determined.

c. Describe in detail the capabilities of the "Sprint Loop Cost Model (SLCM), a modified version of the Benchmark Cost Proxy Model, Version 3.1 (BCPM) that made it possible for Sprint to "geocode" the payphone locations used in the study.

d. For each "geocoded" location, indicate the method used to "geocode" that payphone and the degree of accuracy that can be assured (e.g. street address, road segment, census block, etc.).

e. <Intentionally left blank>

f. For any "geocoded" locations that were established through a proxy method (e.g. allocated to a given geographic area), identify the location and describe in detail the method used to assume the location used.

g. Provide the geocode success rate for each wire center studied.

h. Indicate whether Sprint used all payphone locations or a subset of payphone locations to develop its loop costs specific to payphones." If a subset was used, provide a listing of both the locations used and the locations not used, and explain in detail how the contents of each category were chosen.

Answer:

a. See the attached proprietary map labeled "Payphone Locations" and proprietary list of addresses.

b. A list of current payphone addresses was acquired from our billing database. These addresses were fed into a software program called MapMarker. MapMarker takes the addresses and finds matching locations in its address database. The matches are then "geocoded" with a latitude and longitude and placed on a map. An exact match required the full address to be located with

MapMarker's S5 level of accuracy. S5 requires a match at the street address location. This criterion was used opposed to less stringent matches at the zip code level or closest match. As a result, there was a 94% success rate as some addresses could not be geocoded.

c. The Sprint Loop Cost Model breaks wire centers down by grid. Each grid has an identifying code called the Feeder Distribution Interface (FDI) Code. When a map of these grids is overlaid with a map of the geocoded locations, a FDI Code association is created. With this information, SLCM has the ability to determine the costs allocated to those payphones locations.

d. See answer to Question 3c.

e. <Question intentionally left blank>

f. No payphone locations were established by proxy. See answer to Question 3c.

g. The geocoding process was done at the state level and not at the wirecenter level. Therefore, it is impossible to determine the success rate for each wirecenter. The geocoding success rate for the October 10, 2001 cost study was 94% at the state level.

h. Sprint used all payphone locations to the extent they could be geocoded.

TENNESSEE REGULATORY AUTHORITY, DOCKET NO 97-00409 SECOND SET OF DATA REQUESTS FROM TENNESSEE PAYPHONE OWNERS' ASSOCIATION TO SPRINT/UNITED TELEPHONE-SOUTHEAST, INC., DATED OCTOBER 31, 2001

Question 4. Refer to Section G, Cost Model Methodology, page 6.

a. Provide a listing of all inputs to the SLCM that "were updated to reflect current material prices.

b. For each changed input, provide the value used in: (1) the 3/16/2001 study, (2) the 5/1/2001 study, and (3) the 10/10/2001 study.

c. Provide all supporting documentation for these changes.

Answer:

a. Cable, Digital Loop Carrier, Strand, drop, NID, Serving Area Interface, Poles, Manholes.

b. Inputs for the March 16, 2001 and May 1, 2001 studies were the same. See attached proprietary inputs labeled 4b.

c. See attached proprietary work papers labeled 4c.

Question 5. Refer to Section G, Cost Model Methodology, page 7.

a. Explain in detail how each of the payphone locations within UTSE territory were "geocoded to wire center maps."

b. Provide a copy of the resulting map for each wire center. On each map, separately identify the locations that were successfully "geocoded" and those that were placed by a proxy method.

c. Describe in detail the method used to overlay the locations of the payphones on wire center maps, and the method used to enter this location data into the SLCM.

d. Describe in detail both the information obtained and the method used to obtain it "through reporting capabilities in the Review mode" of the SLCM.

e. Provide a copy of the maps requested in part (b) with only PTAS locations shown. In the alternative, provide a copy of the maps showing all payphone locations but with PTAS and other payphone lines separately identified. Whichever map is provided, TPOA is requesting that Sprint continue to separately identify the locations that were successfully "geocoded" and those that were placed by a proxy method.

Answer:

a. See answer to Question 3c.

b. See answers to Question 3a, b and f.

c. See answer to Question 3c.

d. SLCM is a series of Microsoft Excel spreadsheets where inputs are populated and investments are calculated. These spreadsheets are tied together using Visual Basic. Visual Basic is used to copy inputs from the Input file into the Loop.xls file, the file used for calculating investment. For each wire center in a study area, inputs such as material and structure costs are populated along with geographic data specific to that wire center. When SLCM is processed, the geographic data is combined with the material inputs to develop investment. After processing, a review can be made of the individual wire centers or a query of all wire centers can be made of specified variables. The query is made through Visual Basic programming that queries user specified variables in the Loop.xls files. The quoted statement referenced a query that pulled investment by outside plant account and circuit investment for each wire center. Specifically, the following investment accounts were queried:

Aerial Metallic Cable
Aerial Fiber Cable
Aerial Metallic Drop
Buried Metallic Cable
Buried Fiber Cable
Buried Metallic Drop
Underground Metallic Cable
Underground Fiber Cable
Poles
Conduit
Circuit Equipment

The values for each account were provided electronically in the October 10, 2001 filing and may be found on the Loop tab of the INTNPAY.xls or INTNUSF.xls files.

e. See answers to Question 3a, b and f.

Question 6. Refer to Section G, Cost Model Methodology, page 7. The "average cost calculation" section contains the following statements: "the forward looking loop cost for pay telephones is based on the loop cost developed using the above methodology. To determine the cost of pay telephone loops, the number of payphones by exchange is used to determine the statewide weighted average cost of a pay telephone loop.

a. Describe in detail the wire center specific investment that is being weighted to calculate the statewide average. Indicate whether this investment, prior to the weighting process, is (1) specific to payphones, (2) specific to PTAS. If Sprint asserts that the wire center level investment, prior to weighting, is specific to either payphones or PTAS, explain in detail why this is the case.

Answer:

a. The wire center specific investment used in the referenced statement is for payphone loops only. The term payphone and PTAS are used interchangeably in the UTSE studies. In the cost study, payphone specific investment for current payphone locations is converted to monthly cost. The payphone specific monthly wire center costs for those locations were weighted using the payphone wirecenter line quantities to calculate the statewide average cost of payphone loops. No weighting is applied prior to or during the calculations of investment.

Question 7. Refer to Section H, page 4 of 4 of the 10/10/2001 study and Section H, page 39 of the 5/1/2001 study.

a. Indicate whether these worksheets are intended to present a comparable set of information. If not, provide a reference to appropriate worksheets in each study that will permit TPOA to compare the wire center specific investments and the method used to develop the statewide weighted average cost.

b. The referenced page of the 5/1/2001 study states "source of payphone demand: CM – December 31, 2000." Describe this data source in detail and explain why it was used.

c. Provide a comparable data source, vintage, and description for the payphone demand assumed in the 10/10/2001 study.

d. The referenced page of the 5/1/2001 study contains a column entitled "payphone weighting." Explain in detail how the values in the this column were developed, including a listing of the services used in both the numerator and denominator.

e. The referenced page of the 10/10/2001 study contains a column entitled "percent of total lines." Explain in detail how the values in the this column were developed, including a listing of the services used in both the numerator and denominator.

f. The referenced page of the 5/1/2001 study contains a column entitled "total cost." The referenced page of the 10/10/2001 study contains a column entitled "monthly cost (TELRIC)." Describe in detail what the entries in these columns are intended to represent.

g. Provide the appropriate entries for the "percent of total lines" column if only PTAS lines are included in the numerator.

h. Provide the appropriate entries for the "monthly cost (TELRIC)" column if only PTAS lines are used to develop the wire center specific investments.

Answer:

a. The loop cost studies for October 10, 2001 and May 1, 2001 are intended to provide comparable data. It is more appropriate to compare page 36 of the May 1, 2001 study to page 4 of 4 of the October 10, 2001 study as these pages provide loop cost by wire center.

b. "CM-December 31, 2000" refers to Carrier Markets, the marketing group of Sprint that interfaces with independent payphone provider.

The date refers to the end of year 2000 data on payphone locations provided by that organization within Sprint. It was the source of data for this study as it was the most current set of payphone counts by wire center at the time of the studies.

c. End of year 2000 payphone data were used in the cost studies. The only difference is that, as discussed in response to Questions 3 and 5, the October 10, 2001 study utilized only existing payphone service locations to determine payphone loop costs.

d. Payphone weighting refers to the percentage of payphones within each wire center. For example, if there were 100 payphones within UTSE territory and 5 were in wire center A and 20 payphones were in wire center B, then there would be 5% of payphones in A and 20% in B. To calculate a weighted average, the average accounts for the weight that each variable should have upon the total. So, wire center A has an impact of 5% on the total and B has an impact of 20% on the total. Only payphones are included in the payphone weighting.

e. The number of lines in a given wire center are divided by the total number of lines served in the UTSE serving area. For example, if there are 10 lines in a given wire center and there are 100 total lines in the serving area, 10/100=0.10. Only geocoded payphone locations are included in the referenced page.

f. The referenced columns represent the cost of the loop within the wire center. The referenced sections are found in the section of the cost study describing the loop costs and results. As defined by the title "LOOP TELRIC" at the top of the page of the May 1, 2001 filing, this section refers to the loop costs for the May 1, 2001 filing. The "Total Cost" column refers to the cost for all loops within the wire center and can be determined by following the calculations on the prior four pages of the loop cost study.

"Weighted Payphone Cost" refers to the loop element of the total payphone cost of service for the study. It is determined by multiplying the cost for each wire center times the weighting and summing all of the wire centers to obtain a total.

The "Monthly Cost (TELRIC)" in the October 10, 2001 study refers to the cost of the payphone loop for each wire center. Instead of using all loops to calculate a loop cost, only geocoded payphone service locations were used. Cost for those locations only are calculated.

g. This has been provided in the May 1, 2001 study in Column F on page 39. The calculation has been provided in the October 10, 2001 filing in the Percent of Total Lines column on the page entitled Loop Banding (Section H, page 4 of 4).

h. See answer to Question 7g.