BellSouth Telecommunications, Inc.
333 Commerce Street
Suite 2101
Nashville, TN 37201-3300

guy.hicks@bellsouth.com

Guy M. Hicks
General Counsel

615 214-6301
Fax 615 214-7406

October 2, 2000

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Petition to Convene a Contested Case Proceeding to Establish "Permanent Prices" for Interconnection and Unbundled Network Elements*
Docket No. 97-01262

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of the Response of BellSouth Telecommunications, Inc. to the instructions of the Authority at its August 29, 2000 Directors' Conference. Exhibits 1, 2, 3 and 4 to the Response contain proprietary information and are being provided under separate cover. Copies of the enclosed are being provided to counsel of record for all parties.

Very truly yours,

Guy M. Hicks

GMH:ch
Enclosure

Non-Proprietary

230673

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In Re: ***Contested Cost Proceeding to Establish Final Cost Based Rates for Interconnection and Unbundled Network Elements***

Docket No. 97-01262

RESPONSE OF BELLSOUTH TELECOMMUNICATIONS, INC.

I. INTRODUCTION

BellSouth Telecommunications, Inc. ("BellSouth") respectfully submits its response to comply with the instructions of the Tennessee Regulatory Authority ("Authority") at its August 29, 2000 Directors' Conference. Specifically, BellSouth will address the following issues: (1) vertical features; (2) "new technology"; (3) collocation; and (4) expenses.

II. DISCUSSION

A. Vertical Features

As its August 29, 2000 Directors' Conference, the Authority directed BellSouth to "submit detailed studies showing all the adjustments that it made to comply with our April 25th ruling as it relates to vertical features." Aug. 29, 2000 Tr. at 8. In its April 25th ruling, the Authority confirmed that BellSouth is entitled to recover the costs of vertical features (*e.g.*, specialized hardware, right-to-use fees, and the cost of administrative provisioning time associated with vertical features), but required that such costs be included in the cost of the switch port rather than through "separate charges for vertical features." April 25, 2000 Tr. at 13; *see also* Clarification of Interim Order on Phase I, Docket 97-01262, at 31 (Nov. 3, 1999).

Consistent with the Authority's instructions, BellSouth is submitting detailed studies which demonstrate that BellSouth has implemented the specific adjustments ordered by the Authority in developing the cost of vertical features.

First, the Authority directed that BellSouth use the marginal mode of the Switching Cost Information System model ("SCIS"). Attached as Exhibit 1, which is proprietary, are extracts from the SCIS model as filed by BellSouth on November 3, 1999 which reflect use of the marginal option.

Second, the Authority directed that BellSouth recalculate switch usage so that non-traffic sensitive investments are allocated to the switch ports. Attached as Exhibit 2, which is proprietary, is a copy of the file containing the calculation of the usage investments and the allocation of the getting started costs to the non-traffic sensitive ports.

Third, the Authority directed that BellSouth adjust its switch vendor discounts. Attached as Exhibit 3, which is proprietary, is an extract of the discount table from the SCIS model as filed by BellSouth on November 3, 1999 incorporating the discounts ordered by the Authority.

Fourth, the Authority directed that BellSouth assume the deployment of 70.38% Integrated Digital Loop Carrier and 29.62% analog terminations. Attached as Exhibit 4, which is proprietary, is an extract from the SCIS model as filed by BellSouth on November 3, 1999 reflecting this adjustment.

These four adjustments result in the development of the cost of switch ports by allocating an amount of processor investment. However, as the Authority recognized and as the evidence in the record conclusively confirmed, there are more costs associated with vertical features than simply processor usage. Indeed, vertical features require the purchase of specialized hardware and the payment of right-to-use fees, the cost of which the Authority held should be included in the cost "for a switch port that includes all features." November 3 Order at 44.

To comply with the Authority's ruling that the costs of vertical features should be included in the cost of the switch port rather than recovered through "separate charges for vertical features," BellSouth ran the SCIS model in the marginal mode (i.e., with no getting

started or processor investment) to identify the specialized hardware and additional switch resources required for each vertical features. A copy of those runs are included as part of Exhibit 1. Right-to-use fees were developed outside of SCIS and added to each applicable vertical feature in order to calculate feature costs on an individual basis. A copy of the spreadsheet reflecting this cost development process is included as part of Exhibit 1. Finally, the feature costs as developed by the SCIS runs with the Authority's adjustments and the right-to-use fee spreadsheet were mapped to each applicable switch port to determine the cost of that port with all applicable vertical features. A copy of the spreadsheet that details this mapping process is attached as Exhibit 5.[1]

AT&T continues to argue that "it is inappropriate to include additional costs for vertical features in the price of switching," since, according to AT&T, "nearly all costs associated with features are included in the initial cost of purchasing a switch and are thus already reflected in the cost of the port." AT&T Comments on Revised BellSouth Cost Studies at 2. This argument is wholly without merit. First, port costs were originally developed using the model office portion of SCIS ("SCIS/MO"), which only includes the cost of a Plain Old Telephone Service ("POTS") office, *i.e.*, non-feature call processing. Costs for specialized hardware and right-to-use fees associated with vertical features are not included in the SCIS/MO module of SCIS, and thus these costs are not "already reflected in the cost of the port," as AT&T claims.

[1] As part of this mapping process, BellSouth discovered that it had made several errors in its original calculations. In particular, Remote Call Forwarding was incorrectly included as a vertical feature in calculating the cost of switch ports. Remote Call Forwarding should not have been included since Remote Call Forwarding would port the termination to another switch. Likewise, several vertical features applicable to a 2-wire ISDN port were inadvertently omitted. Finally, Call Park and Automatic Line were included in the cost of a 2-wire analog port and 4-wire analog port, even though Call Park and Automatic Line do not function on those types of port. BellSouth has corrected these errors in its revised mapping process, which is reflected in Exhibit 5.

Second, while the Authority has been clear that the costs of vertical features should be included in the cost of the port, the Authority has been equally clear that there are costs associated with vertical features beyond the cost of the port. As the Authority noted in its November 3, 1999 Order clarifying its Interim Order on Phase I, "BellSouth should include feature-specific costs (e.g., the costs of specialized hardware, right-to-use fees, and the cost of administrative provisioning time associated with vertical features) in its TELRIC estimates for a switch port that includes all features." *Id.* at 31. AT&T's claim that the Authority held that "the price of the switch port should include all features with no additional charges" is misleading at best. AT&T Comments on Revised BellSouth Cost Studies at 3. AT&T conveniently omits the last four words of the Authority's ruling, which is that "the price of the switch port should include all features with no additional charges, *specifically no 'glue' charges.*" The Authority subsequently made clear that this language was not intended to deny BellSouth the opportunity to recover the costs of vertical features:

> The purpose of the last statement was not, as BellSouth contends, to prohibit the appropriate inclusion of feature-specific costs such as the costs of specialized hardware, right-to-use fees and administrative provisioning time. Instead, this statement prohibits BellSouth from including any costs not directly related to the provision of switch features, such as glue charges, in its revised estimates of a switch port that includes all features.

November 3, 1999 Order at 30. BellSouth's cost studies do not include any "glue charge" and its calculation of the cost of vertical features is consistent with the Authority's directives.

B. <u>"New Technology"</u>

As its August 29, 2000 Directors' Conference, the Authority directed BellSouth to explain why BellSouth's revised cost studies "did not include any new technology which is available to it and in use in other states with its filing in June." Aug. 29, 2000 Tr. at 8.

BellSouth's revised cost studies reflect the forward-looking technology that was available when BellSouth's cost studies were developed three years ago, and incorporating "new technology" into these studies cannot reasonably be implemented without starting the cost modeling process completely anew.

The issue of incorporating "new technology" was raised by AT&T, which insisted that BellSouth's revised cost studies should have assumed that "*all* (100%) DLC loops are served by IDLC" and that all BellSouth's IDLC loops are served by GR303. AT&T Comments at 3 (emphasis in original). The Authority rejected this argument, but held that, "[t]o the extent that BellSouth presents new technology in other venues, it has, as articulated in the Authority's interim order, a responsibility to include that technology [in] studies filed in Tennessee." April 25, 2000 Tr. at 13-14.

The only "new technology" that BellSouth has presented in cost studies in other venues is through its new BellSouth Telecommunications Loop Model© (or "BSTLM"), which has been filed in Florida and Louisiana and will soon be filed in Alabama and Kentucky. This model was developed incorporating the best methods and techniques of the existing cost models while incorporating next-generation modeling techniques. The BSTLM is truly the "next generation" loop model, designed to ensure that: (1) the results accurately reflect BellSouth's engineering practices; (2) it incorporates all of BellSouth's geocoded customer and network data; (3) it provides results for most required services and unbundled network elements; (4) it does not rely on sampling techniques; and (5) the results can support geographic de-averaging of costs. The BSTLM includes the latest technology, including the deployment of GR303 IDLC systems.[2]

[2] The BSTLM was developed by a team consisting of INDETEC International and BellSouth, with assistance from CostQuest Associates and Stopwatch Maps. Preliminary work on the model began in the last quarter of 1998, and the initial version of the BSTLM was

BellSouth did not understand that the Authority expected, let alone directed, that BellSouth file a new loop model in this proceeding, particularly since the only thing standing in the way of concluding this docket is the adoption of "just and reasonable rates" as required by the Telecommunications Act of 1996. The filing of a new cost model would require that the Authority start the rate-making process all over again.

AT&T continues to insist that "[i]n its Georgia cost studies, BellSouth made changes to reflect the advance of forward-looking technology" by revising "its assumptions concerning the cost and capacity of digital loop carrier equipment." AT&T Comments on Revised BellSouth Cost Studies at 5. AT&T never identifies the "advance of forward-looking technology" BellSouth allegedly incorporated into its Georgia cost studies. While BellSouth did revise its assumptions concerning the cost of DLC systems, such revisions were simply a timing function. BellSouth filed its Georgia cost studies earlier this year, whereas BellSouth's cost studies in this proceeding were originally filed three years earlier. It would have made little sense for BellSouth to incorporate in a 2000 cost study in Georgia DLC costs from 1997 or even earlier. While BellSouth could have filed updated DLC costs in its revised cost studies in this proceeding, the Authority did not direct that BellSouth do so. Furthermore, if BellSouth were to file updated DLC costs, there is no logical reason why all material prices should not be updated as well, including those material prices that have increased since BellSouth originally filed its cost studies in Tennessee. Again, this would have been the equivalent of starting the rate-making process over again, which BellSouth did not believe was the Authority's intent at this late stage of the proceeding.

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completed in the last quarter of 1999. The current version of the BSTLM that has been or soon will be filed in other states was completed in August 2000.

C. Collocation

At its August 29, 2000 Directors' Conference, the Authority confirmed its "earlier decision to use the AT&T-MCI model for collocation," notwithstanding its decision to adopt BellSouth's cost studies for establishing unbundled network element rates. August 29, 2000 Tr. at 9. However, the Authority should recognize that the AT&T/MCI Collocation Model does not generate costs for all the work necessary to provide collocation and, in any event, cannot be reconciled with the recent decision of the United States Court of Appeals for the Eighth Circuit.

A good example is the cost associated with space preparation. When a competing local exchange carrier ("CLEC") requests physical collocation in a particular BellSouth central office, BellSouth often times must perform extensive work in order to make the collocation space available. This work includes conditioning the collocation space, adding or upgrading the heating, ventilation, and air conditioning system for the area, adding to or upgrading the power plant capacity and power distribution mechanism, and building out network infrastructure components, such as cross connect facilities.

The AT&T/MCI Collocation Model does not generate any costs associated with space preparation work (and thus denies BellSouth to ability to recover such costs). This is because the AT&T/MCI Collocation Model, as both AT&T and MCI readily admit, estimates the forward-looking costs that a hypothetical carrier would incur in providing collocation in Tennessee if it operated fictitious central offices specifically designed to accommodate CLEC needs for collocation. Natelli, Dir. at 8-9. The AT&T/MCI Collocation Model develops collocation costs by assuming that all existing BellSouth central offices have been replaced by new, hypothetical "model" offices designed solely for collocation. As a result, under AT&T and MCI's fictitious approach to collocation, there is never a need for BellSouth to condition space, add or upgrade

the heating, ventilation, and air conditioning system, or perform other space preparation work, even though BellSouth must routinely do so in order to provision physical collocation. The fact of the matter is that collocation will be provided in real central offices in Tennessee – not in hypothetical central offices that exist only in AT&T's and MCI's model.

The hypothetical approach to developing collocation costs inherent in the AT&T/MCI Collocation Model is plainly inconsistent with the Eighth Circuit's recent decision vacating the FCC's pricing rules that imposed a "hypothetical" network assumption in developing rates for unbundled network elements and interconnection. As the Eighth Circuit observed:

> It is clear from the language of the statute that Congress intended the rates to be "based on the cost...of providing the interconnection or network element," not on the cost some imaginary carrier would incur by providing the newest, most efficient, and least cost substitute for the actual item or element which will be furnished by the existing ILEC pursuant to Congress's mandate for sharing. Congress was dealing with reality, not fantasizing about what might be. The reality is that Congress knew it was requiring the existing ILECs to share their existing facilities and equipment with new competitors as one of its chosen methods to bring competition to local telephone service, and it expressly said that the ILECs' costs of providing those facilities and that equipment were to be recoverable by just and reasonable rates. Congress did not expect a new competitor to pay rates for a "reconstructed local network," but for the existing local network it would be using in an attempt to compete.

Iowa Utils. Bd. v. FCC, 219 F.3d 744, 750 (8th Cir. 2000). The Eighth Circuit's reasoning in rejecting the "imaginary" "reconstructed local network" approach to the FCC's pricing rule, 47 C.F.R. § 51.505(b)(1), is fatal to the same hypothetical network assumption underlying the AT&T/MCI Collocation Model. *See Id.*[3]

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[3] On September 22, 2000, the Eighth Circuit stayed its mandate on this issue pending the disposition of any petitions for certiorari. *See Iowa Utils. Bd. v. FCC,* Docket No. 96-3321 (8th Cir. Sept. 22, 2000). The Supreme Court has previously granted certiorari in a related case involving the FCC's pricing methodology. *See GTE Service Corp. v. FCC,* 120 S. Ct. 2214 (2000). Petitions for certiorari from the Eighth Circuit decision are due on October 17. If the Court grants review, absent extraordinary circumstances, any decision on the merits would be issued in the October 2000 Term.

D. Expenses

Finally, at its August 29, 2000 Directors' Conference, Director Greer encouraged BellSouth to provide "more information" concerning the concern that the Authority's adjustments to BellSouth's cost studies have "improperly reduce[d] BellSouth's expenses" in a manner "not consistent with the Authority's intentions." August 29, 2000 Tr. at 10-11. BellSouth addressed this issue in a letter to the Authority dated June 9, 2000.

As a preliminary matter, it is important for the Authority to understand that, contrary to many of the other proxy models such as the Hatfield Model and the FCC's Synthesis Model, BellSouth's expenses are not entered as a "per line" input to the cost studies. Instead, on-going network expenses are determined by factors that are developed based upon a relationship between projected expenses and investments. Thus, an underlying premise to BellSouth's cost study in the development of expenses is that the starting point, i.e., the investment, accurately reflects the costs that BellSouth will incur on a going-forward basis. BellSouth's original cost studies included a lower expense per loop than the expense "per line" proposed by AT&T and MCI in the Hatfield Model or as adopted by the FCC as part of its Synthesis Model.

However, the Authority ordered adjustments to BellSouth's cost studies that reduced BellSouth's total investment, such as the modifying the applicable fill factors, drop length, residence/business split, and pole loadings. These reductions in investment had the consequence (unintended, in BellSouth's view) of also reducing BellSouth's expenses. These expenses were reduced yet again as a result of the Authority's decision to reduce BellSouth's shared and common costs. Thus, rather than recognizing that BellSouth's expenses on a per loop (or "per line") basis in its cost studies as originally filed were lower than any of the "forward-looking"

proxy models, the Authority's adjustments have resulted in "double reductions" in expenses that would inadvertently force BellSouth to under-recover its expenses.[4]

There are two categories of expenses specifically reflected in BellSouth's cost study: (1) Plant Specific expense and (2) Shared and Common expenses. Plant Specific expense captures the projected on-going expenses associated with maintaining BellSouth's plant. The development of this factor is detailed in file TNFACTOR.xls in BellSouth's cost studies. In general, the methodology begins with base-period expenses and investments and three-years' worth of projected maintenance expense and three-years' worth of projected investment. Calculations are made to determine the relationship between the expense and investment for each year in the study. Then, the three ratios (one for each year in the study) are averaged. The example below shows the calculation for Buried Metallic Cable:

From BellSouth's Plant Specific Development				
(000)	**Year 1**	**Year 2**	**Year 3**	**Average**
Expense (cumulative)	$ 26,249	$ 52,657	$ 80,175	
Investment	$ 1,104,153	$ 2,230,912	$ 3,377,676	
Ratio Expense/Investment	0.0238	0.0236	0.0237	0.0237

The Authority's decision to adjust BellSouth's cost studies to reduce BellSouth's loop investment does not negate the fact that BellSouth must maintain its plant. To illustrate the impact of the Authority adjustments to investment on expenses, the table below reflects a 25%

[4] As pointed out in BellSouth's June 9, 2000 letter, with the Authority's adjustments to BellSouth's cost studies, BellSouth's monthly expenses have been reduced to $4.88. This compares to the expense factor of $7.47 proposed by AT&T and MCI in the Hatfield Model and the $12.53 expense factor derived from the FCC's Synthesis Model.

reduction in investment (the amount ordered by the Authority through its adjustments to the Buried Metallic Cable account) and the corresponding impact on expenses:

Investment Reduced by 25% (Ordered)				
(000)	**Year 1**	**Year 2**	**Year 3**	**Average**
Expense (cumulative)	$ 19,709	$ 39,487	$ 60,038	
Investment	$ 828,115	$ 1,673,184	$ 2,533,257	
Ratio Expense/Investment	0.0238	0.0236	0.0237	0.0237

In short, as a result of the Authority's reduction in BellSouth's investment, Plant Specific expenses associated with the Buried Metallic Cable account have been reduced by more than $20 million. However, the expenses associated with maintaining BellSouth's cable metallic facilities are real and do not go away simply because the Authority has reduced the amount of BellSouth's investment. However, this is exactly what happens in BellSouth's compliance cost studies -- both the investment and expenses are lowered. This is only one account, but it illustrates how BellSouth is under-recovering its maintenance expenses due to the Authority's adjustments to the underlying investment.[5]

A "real-world" example may be helpful. For buried cable, the percentage of time BellSouth is able to share with other utilities the cost of trenching (i.e., "structure sharing") is considered in the study. The Authority's decision to increase the percentage of sharing beyond the level currently experienced by BellSouth reduces buried cable investment in the cost study. Then, as a result of the application of plant-specific factors, the plant-specific expenses for buried cable are automatically reduced. Although having additional parties in the same trench

[5] To accurately reflect BellSouth's expected maintenance expenses and to ensure that BellSouth does not under-recover its expenses with the Authority's adjustments to investment, the Plant Specific factor would have to be increased to 0.0316 ($80,175,000/2,533,257,000).

actually increases maintenance costs, the Authority's adjustments to BellSouth's cost studies have precisely the opposite effect.

The same concern exists with respect to the treatment of Shared and Common expense. While many proxy models calculate shared and common expenses on a "per line" basis, BellSouth's shared costs are developed in the cost study as percentages of investment based on forecasted expense to investment levels. Common costs are developed in the cost study as percentages of expense to cost ratios. If the Authority reduces the level of shared and common expenses, and additionally makes other adjustments to the cost study that reduce investment and downstream reductions in monthly costs, the result is that shared and common expenses are reduced below the level actually approved by the Authority. For example, the Authority ruled that shared and common cost should represent 15% of costs. In BellSouth's proposed cost study, the A.1.1 element (Service level 1 Loop) had a direct cost (before shared and common costs) of $15.34. Therefore, based on the Authority's ruling, shared and common costs should be $2.30 per month for an SL1 loop ($15.34 x .15). However, the Authority also ordered other adjustments that reduced investment (such as the Residence/Business ratio, drop length, structure sharing, and buried drop contractor cost) which resulted in reduced monthly costs, and further reduced monthly costs by virtue of changes to depreciation and cost of capital. As a result, shared and common cost factor of 15% adopted by the Authority actually now produces only $1.85 in shared and common costs for an SL1 loop.[6]

In conclusion, the factors that were used to generate the expenses that BellSouth will incur on a going-forward basis were based upon a mathematical relationship between expenses

[6] To further compound the understatement of Shared and Common costs, the Authority directed the removal of shared costs from the labor costs. If these shared labor costs were reallocated to the common cost calculation, the common cost factor would increase.

and investment. Thus, each of the factors described above is dependent upon an accurate starting point, i.e., the material price or investment. The Authority's modifications to BellSouth's investments have distorted this expense to investment relationship such that the expenses generated by BellSouth's cost model cannot accurately reflect the expense BellSouth will incur on a going-forward basis. This distortion of expenses explains, at least in part, the divergent results produced by BellSouth's cost studies and the Hatfield Model. As BellSouth noted in its June 9, 2000 letter, if the Authority were to apply to BellSouth's cost studies AT&T's and MCI's proposed expense factor of $7.47 (which was used in the Hatfield Model and implicitly approved by the Authority), BellSouth's cost studies would generate a monthly cost for an SL1 loop of $17.15, as compared to the Hatfield result of $17.

Respectfully submitted,

BellSouth Telecommunications, Inc.

Guy M. Hicks
333 Commerce Street, Suite 2101
Nashville, TN 37201-3300
615/214-6301

R. Douglas Lackey
Bennett L. Ross
675 W. Peachtree St., NE., Suite 4300
Atlanta, GA 30375

230374

EXHIBIT 1

CONTAINS PROPRIETARY INFORMATION

FILED UNDER SEPARATE COVER

EXHIBIT 2

CONTAINS PROPRIETARY INFORMATION

FILED UNDER SEPARATE COVER

EXHIBIT 3

CONTAINS PROPRIETARY INFORMATION

FILED UNDER SEPARATE COVER

BELLSOUTH TELECOMMUNICATINS, INC.
EXHIBIT 5

MAPPING OF FEATURES TO PORTS

	Unbundled Netw ork Element	Ports, Only	Applicable Features	Ports to Include A ll Applicable Features	
		(A)	(B)	(C)=(A)+(B)	
B.1	**EXCHANGE PORTS (Includes A ll Applicable Features)**				
B.1.1	Exchange Ports - 2-W ire Analog Line Port (Res., Bus.)	$1.887	$1.938	$3.82	
B.1.2	Exchange Ports - 4-W ire Analog Voice Grade Port	$8.266	$1.938	$10.20	
B.1.3	Exchange Ports - 2-W ire DID Port	$8.968	None	$8.97	
B.1.4	Exchange Ports - 4-W ire DID Port	$35.744	None	$35.74	
B.1.5	Exchange Ports - 2-W ire ISDN Port	$16.256	$1.442	$17.70	
B.1.6	Exchange Ports - 4-W ire ISDN DS1 Port	$75.042	$3.551	$78.59	
B.1.7	Exchange Ports - 2-W ire Analog Line Port (PBX)	$1.786	$1.938	$3.72	
B.1.8	Exchange Ports - Coin Port	$2.107	$0.049	$2.16	
B.2	**FEATURES**	**Individual Features**	**Applicable Ports**		
B.2.1	Three-W ay Calling	$0.226	2W & 4W Analog, ISDN, PBX		
B.2.2	Cust. Changeable Speed Calling	$0.057	2W & 4W Analog, ISDN, PBX		
B.2.3	Call W aiting	$0.048	2W & 4W Analog, PBX		
B.2.4	Remote Activation of Call Forwarding	$0.196	2W & 4W Analog, PBX		
B.2.5	Cancel Call W aiting	$0.006	2W & 4W Analog, PBX		
B.2.6	Automatic Callback	$0.088	2W & 4W Analog, ISDN, PBX		
B.2.7	Automatic Recall	$0.083	2W & 4W Analog, ISDN, PBX		
B.2.8	Calling Num ber Delivery	$0.054	2W & 4W Analog, PBX		
B.2.9	Calling Num ber Delivery Blocking	$0.055	2W & 4W Analog, ISDN, PBX		
B.2.10	Custom er Originated Trace	$0.036	2W & 4W Analog, ISDN, PBX		
B.2.11	Selective Call Rejection	$0.017	2W & 4W Analog, ISDN, PBX		
B.2.12	Selective Call Forwarding	$0.052	2W & 4W Analog, ISDN, PBX		
B.2.13	Selective Call Acceptance	$0.047	2W & 4W Analog, ISDN, PBX		
B.2.15	Multiline Hunt Service	$0.067	2W & 4W Analog, ISDN, PBX		
B.2.16	Call Forwarding Variable	$0.051	2W & 4W Analog, ISDN, PBX		
B.2.17	Call Forwarding Busy Line	$0.046	2W & 4W Analog, ISDN, PBX		
B.2.18	Call Forwarding Don't Answer All Calls	$0.046	2W & 4W Analog, ISDN, PBX		
B.2.19	Remote Call Forwarding	$0.743	None		Included in 2W , 4W & BRI previously.
B.2.20	Call Transfer	$0.065	2W & 4W Analog, ISDN, PBX		
B.2.21	Call Hold	$0.115	2W & 4W Analog, ISDN, PBX		
B.2.22	Toll Restricted Service	$0.051	2W & 4W Analog, ISDN, PBX		
B.2.23	Msg. Waiting Indic. - Stutter Dial Tone	$0.014	2W & 4W Analog, ISDN, PBX		
B.2.24	Anonymous Call Rejection	$0.314	2W & 4W Analog, PBX		
B.2.25	Shared Call Appearances of a DN	$0.091	ISDN		Missed in previous filing.
B.2.26	Multiple Call Appearances	$0.023	ISDN		Missed in previous filing.
B.2.27	ISDN Bridged Call Ex clusion	$0.002	ISDN		Missed in previous filing.
B.2.28	Call by Call Access	$3.551	PRI		
B.2.29	Privacy Release	$0.005	ISDN		
B.2.30	Multi Appearance Directory Number Calls	$0.031	ISDN		
B.2.31	Make Set Busy	$0.005	ISDN		
B.2.32	Teen Service (Res. Dist. Alerting Svc.)	$0.153	2W & 4W Analog, PBX		
B.2.33	Code Restriction and Diversion	$0.049	2W & 4W Analog, PBX, Coin, ISDN		
B.2.34	Call Park	$0.050	ISDN		Included in 2W & 4W previously.
B.2.35	Automatic Line	$0.113	ISDN		Included in 2W & 4W previously.
B.2.36	ISDN Message W aiting Indication-Lam p	$0.004	ISDN		
B.2.37	ISDN Feature Function Buttons	$0.000	ISDN		
	2-Wire Analog Port - Sum of Features		$1.94		
	4-Wire Anlog Port - Sum of Features		$1.94		
	2-Wire ISDN Port - Sum of Features		$1.44		
	4-Wire ISDN Port Sum of Features		$3.55		
	2-Wire PBX Port - Sum of Features		$1.94		
	Coin Port - Sum of Features		$0.05		

CERTIFICATE OF SERVICE

I hereby certify that on October 2, 2000, a copy of the foregoing document was served on the parties of record as indicated:

[ ] Hand
[✓] Mail
[ ] Facsimile
[ ] Overnight

Henry Walker, Esquire
Boult, Cummings, et al.
414 Union Ave., #1600
P. O. Box 198062
Nashville, TN 39219-8062

[ ] Hand
[✓] Mail
[ ] Facsimile
[ ] Overnight

Dana Shaffer, Esquire
NEXTLINK
105 Malloy Street, #300
Nashville, TN 37201

[ ] Hand
[✓] Mail
[ ] Facsimile
[ ] Overnight

Erick Soriano
Kelley, Drye & Warren
1200 19th St., NW, #500
Washington, DC 20036

[ ] Hand
[✓] Mail
[ ] Facsimile
[ ] Overnight

James Wright, Esq.
United Telephone - Southeast
14111 Capitol Blvd.
Wake Forest, NC 27587

[ ] Hand
[✓] Mail
[ ] Facsimile
[ ] Overnight

Jon Hastings, Esquire
Boult, Cummings, et al.
414 Union St., #1600
Nashville, TN 37219

[ ] Hand
[✓] Mail
[ ] Facsimile
[ ] Overnight

Val Sanford, Esquire
Gullett, Sanford, Robinson & Martin
230 Fourth Ave., N., 3d Fl.
Nashville, TN 37219-8888

[ ] Hand
[✓] Mail
[ ] Facsimile
[ ] Overnight

Vincent Williams, Esquire
Office of the Attorney General
Consumer Advocate Division
426 Fifth Ave., N., 2nd Fl.
Nashville, TN 37243-0500

[ ] Hand
[✓] Mail
[ ] Facsimile
[ ] Overnight

Don Baltimore, Esquire
Farrar & Bates
211 Seventh Ave., N., #320
Nashville, TN 37219-1823

[ ] Hand
[✓] Mail
[ ] Facsimile
[ ] Overnight

Charles B. Welch, Esquire
Farris, Mathews, et al.
205 Capitol Blvd, #303
Nashville, TN 37219

[ ] Hand
[✓] Mail
[ ] Facsimile
[ ] Overnight

Kenneth Bryant, Esquire
Trabue, Sturdivant & DeWitt
150 4th Ave, N., #1200
Nashville, TN 37219-12433

[ ] Hand
[✓] Mail
[ ] Facsimile
[ ] Overnight

William C. Carriger, Esquire
Strang, Fletcher, et al.
One Union Square, #400
Chattanooga, TN 37402

[ ] Hand
[✓] Mail
[ ] Facsimile
[ ] Overnight

James P. Lamoureux
AT&T
1200 Peachtree St., NE, #4068
Atlanta, GA 30367