AT&T
Suite 700
511 Union Street
Nashville, Tennessee 37219

February 24, 1999

David Waddell
Executive Director
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: *Petition to Convene a Contested Case Proceeding to Establish Permanent Prices for Interconnection and Unbundled Network Elements*

Docket 97-01262

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of AT&T's Cost Studies, along with seven attachments. Two CD's and two diskettes have been provided to the TRA and, one CD and diskette have been provided to BellSouth Telecommunications, Inc. If additional CD's diskette are needed by the TRA or interested parties, you may contact Carroll Wallace at 615-242-2813.

The attachments provide additional information to the TRA and the parties on changes AT&T and MCI have made to the models, consistent with the TRA's Interim Order issued January 25, 1999, as well as the output cost study results. Each Attachment is described in more detail below.

Attachment A is a CD that contains the Wire Center and Density Zone runs using HAI 4.0 that was filed by AT&T and MCI in this case. Adjustments to the defaults contained in the HAI model were made consistent with the TRA's decision on inputs.

Attachment B is a floppy disc that contains the AT&T/MCI NRC Model, and an output run using Version 1.2 that was filed by AT&T and MCI in this case. Adjustments to the defaults contained in the NRC model were made consistent with the TRA's decision on inputs.

Attachment C is the output sheet from the Density Zone run that reflects the adjusted costs for unbundled network elements that HAI 4.0 produces.

Attachment D is a summary sheet of the statewide and wire center specific 2 wire local loop prices that result from running HAI 4.0 with the TRA's decision on inputs from the Interim Order. Included on this attachment is a placeholder for the additional cost that should be added to the loop costs, to reflect the TRA's decision on how the costs for the electronic interfaces BellSouth has built to allow CLECs to access BellSouth's Operating Support Systems. AT&T and MCI are still reviewing information to determine the appropriate method of calculating the additive to local loops to reflect the cost recovery. Since the development costs proposed to be recovered by BellSouth are for an electronic interface that will be used in all nine states, we are gathering information on loops in the region to determine total demand in order to determine an appropriate pro rata Tennessee specific additive. AT&T and MCI will be filing revised information on this issue shortly.

Attachment E is the output run from the NRC Model, after making the input adjustments ordered by the TRA.

Attachment F is a comparison of the default inputs, the inputs AT&T and MCI originally proposed and the inputs the TRA ordered, that were used to produce cost studies using HAI 4.0.

Attachment G is a description, by issue number, of the adjustments ordered by the TRA, as they impacted either HAI 4.0 or the TELRIC Calculator.

Attachment H is the summary sheet of the cost studies from the TELRIC Calculator, reflecting AT&T's attempt to adjust the proposed BellSouth cost studies for the TRA ordered input changes.

Attachment I is a detailed summary of the changes AT&T made in BellSouth's TELRIC Calculator, to produce Attachment H.

As this summary states, AT&T was unable to make all the necessary adjustments ordered by the TRA because AT&T was unable in some instance to determine the appropriate method to revise the TELRIC Calculator in accordance with the TRA's Interim Order.

If the TRA or any party has any questions concerning these attachments, including the resulting cost studies, please contact me at 404-810-4196.

Sincerely,

Jim Lamoureux

cc: all parties

COST OF NETWORK ELEMENTS

TENNESSEE
BELLSOUTH

Loop elements	0-5 lines/sq mi	5-100 lines/sq mi	100-200 lines/sq mi	200-650 lines/sq mi	650-850 lines/sq mi	850-2550 lines/sq mi	2550-5000 lines/sq mi	5000-10000 lines/sq mi	>10000 lines/sq mi	Totals
NID										
Annual Cost	$ 44,552	$ 2,981,410	$ 821,485	$ 2,354,586	$ 842,537	$ 4,577,218	$ 2,389,428	$ 692,908	$ 507,953	$ 15,212,077
Unit Cost/month	0.52	0.51	0.50	0.49	0.48	0.49	0.47	0.44	0.38	0.48
Loop Distribution (DLC)										
Annual Cost	$ 2,404,471	$ 99,562,056	$ 22,296,139	$ 37,882,531	$ 9,828,316	$ 33,383,075	$ 12,283,394	$ 2,114,997	$ 467,828	$ 220,222,807
Unit Cost/month	28.32	17.07	14.19	9.65	7.04	5.76	4.33	3.68	2.60	9.92
Loop Distribution (non-DLC)										
Annual Cost	$ -	$ 344,857	$ 964,086	$ 7,839,694	$ 2,288,108	$ 19,288,697	$ 9,522,584	$ 3,407,555	$ 2,567,297	$ 46,222,878
Unit Cost/month	-	17.13	14.55	8.74	6.66	5.41	4.16	3.42	2.20	4.95
Loop Distribution (all)										
Annual Cost	$ 2,404,471	$ 99,906,913	$ 23,260,225	$ 45,722,224	$ 12,116,425	$ 52,671,772	$ 21,805,978	$ 5,522,552	$ 3,035,125	$ 266,445,685
Unit Cost/month	28.32	17.07	14.20	9.48	6.96	5.63	4.25	3.51	2.25	8.45
Loop Concentration (DLC)										
Annual Cost	$ 1,351,844	$ 64,874,927	$ 9,185,469	$ 16,206,415	$ 5,660,337	$ 25,235,030	$ 12,460,333	$ 2,432,001	$ 777,003	$ 138,183,360
Unit Cost/month	15.92	11.12	5.84	4.13	4.05	4.36	4.39	4.23	4.31	6.22
Loop Concentration (non-DLC)										
Annual Cost	$ -	$ 2,292	$ 8,695	$ 105,654	$ 41,549	$ 422,259	$ 255,121	$ 102,325	$ 92,041	$ 1,029,937
Unit Cost/month	-	0.11	0.13	0.12	0.12	0.12	0.11	0.10	0.08	0.11
Loop Concentration (all)										
Annual Cost	$ 1,351,844	$ 64,877,219	$ 9,194,165	$ 16,312,069	$ 5,701,886	$ 25,657,290	$ 12,715,455	$ 2,534,326	$ 869,044	$ 139,213,297
Unit Cost/month	15.92	11.08	5.61	3.38	3.28	2.74	2.48	1.61	0.64	4.41
Loop Feeder (DLC)										
Annual Cost	$ 2,682,867	$ 51,170,777	$ 3,271,192	$ 5,138,938	$ 1,812,783	$ 7,732,732	$ 3,945,335	$ 748,796	$ 236,675	$ 76,740,094
Unit Cost/month	31.60	8.77	2.08	1.31	1.30	1.33	1.39	1.30	1.31	3.46
Loop Feeder (non-DLC)										
Annual Cost	$ -	$ 38,396	$ 152,911	$ 2,275,231	$ 795,966	$ 6,876,529	$ 4,010,270	$ 1,623,178	$ 1,471,354	$ 17,243,835
Unit Cost/month	-	1.91	2.31	2.54	2.32	1.93	1.75	1.63	1.26	1.85
Loop Feeder (all)										
Annual Cost	$ 2,682,867	$ 51,209,174	$ 3,424,102	$ 7,414,169	$ 2,608,749	$ 14,609,261	$ 7,955,605	$ 2,371,974	$ 1,708,029	$ 93,983,929
Unit Cost/month	31.60	8.75	2.09	1.54	1.50	1.56	1.55	1.51	1.27	2.98
Total Loop (DLC)										
Annual Cost	$ 6,483,734	$ 218,578,919	$ 35,541,054	$ 61,144,319	$ 17,977,608	$ 69,184,172	$ 30,012,522	$ 5,549,376	$ 1,549,357	$ 446,021,060
Unit Cost/month	76.36	37.47	22.61	15.58	12.87	11.94	10.57	9.65	8.60	20.09
Total Loop (non-DLC)										
Annual Cost	$ -	$ 395,796	$ 1,158,923	$ 10,658,730	$ 3,291,990	$ 28,331,368	$ 14,853,943	$ 5,572,384	$ 4,570,795	$ 68,833,928
Unit Cost/month	-	19.67	17.49	11.88	9.58	7.94	6.50	5.59	3.91	7.37
Total Loop (all)										
Annual Cost	$ 6,483,734	$ 218,974,715	$ 36,699,977	$ 71,803,049	$ 21,269,597	$ 97,515,540	$ 44,866,465	$ 11,121,760	$ 6,120,152	$ 514,854,988
Unit Cost/month	76.36	37.41	22.41	14.89	12.22	10.42	8.75	7.07	4.54	16.32
Total lines	7,076	487,769	136,495	401,897	145,004	780,027	427,199	131,010	112,342	2,628,819

Total lines served by DLC	7,076	486,092	130,973	327,110	116,372	482,843	236,618	47,945	15,006	1,850,036

	Annual Cost	Units		Unit Cost	
End office switching	$ 89,065,694				
Line Port	53,439,416	2,383,814	switched lines	$ 1.87	per line/month
Non-Line Port	35,626,277	47,289,116,059	actual minutes	$ 0.00075	per actual minute (for rate per DEM, see "Cost detail" sheet)
Signaling network elements	$ 6,474,283				
Links	148,835	782	links	$ 15.87	per link per month
STP	4,708,551	45,105,607,933	TCAP+ISUP msgs	$ 0.00010	per signaling message
SCP	1,616,897	2,376,998,000	TCAP queries	$ 0.00068	per query
Transport network elements					
Dedicated					
Sw+Sp Transport	$ 7,263,773	313,060	trunks	$ 1.93	per DS-0 equivalent per month
Switched	1,579,046	68,055	trunks	$ 0.00019	per minute
Special	5,684,727	245,005	trunks		
Transmission Terminal	8,572,545	313,060	trunks	$ 2.28	per DS-0 equivalent per month
				$ 0.00023	per minute
				$ 0.00042	total per minute
Common					
Transport	$ 867,193	2,634,731,338	minutes	$ 0.00033	per minute per leg (orig or term)
Transmission Terminal	609,255	2,634,731,338	minutes	$ 0.00024	per minute
				$ 0.00057	total per minute
Direct					
Transport	$ 4,619,002	13,365,200,557	minutes	$ 0.00035	per minute
Transmission Terminal	3,338,150	13,365,200,557	minutes	$ 0.00025	per minute
				$ 0.00060	total per minute
Tandem switch	$ 2,823,704	2,184,872,097	minutes	$ 0.00129	per minute
Operator systems	$ 12,618,418				
Public Telephones	$ 3,099,552				
Total (w/ Public)	$ 654,206,557				
Total cost of switched network elements (w/o Public)	$ 20.65	per line/month			

Wire Centers (clli)	2 wire Loop Costs from Revised HAI Cost Studies	Add Per Loop Recovery of OSS Electronic Interface Costs *	Total AT&T Proposed Cost per 2 Wire Loop
Statewide Cost	$16.32		$16.32
ACHLTNMT	$45.76		$45.76
ARTNTNMT	$31.63		$31.63
ASCYTNMA	$26.54		$26.54
ATHNTNMA	$22.08		$22.08
BGSNTNMA	$35.86		$35.86
BLGPTNMA	$39.21		$39.21
BLLSTNMA	$32.63		$32.63
BLNCTNMT	$46.32		$46.32
BLVRTNMA	$30.78		$30.78
BNTNTNMT	$39.61		$39.61
BTSPTNMA	$45.26		$45.26
BWVLTNMA	$28.91		$28.91
CHRLTNMT	$35.69		$35.69
CHTGTNBR	$11.81		$11.81
CHTGTNDT	$10.50		$10.50
CHTGTNHT	$25.12		$25.12
CHTGTNMV	$16.01		$16.01
CHTGTNNS	$7.22		$7.22
CHTGTNRB	$11.88		$11.88
CHTGTNRO	$11.38		$11.38
CHTGTNSE	$15.95		$15.95
CHTGTNSM	$16.74		$16.74
CHTNTNMT	$31.04		$31.04
CLDGTNMA	$35.01		$35.01
CLEVTNMA	$18.17		$18.17
CLMATNMA	$17.87		$17.87
CLTNTNMA	$16.37		$16.37
CLVLTNMA	$16.32		$16.32
CMCYTNMT	$38.06		$38.06
CMDNTNMA	$33.71		$33.71
CNHMTNMA	$40.04		$40.04
CNVLTNMA	$41.35		$41.35
CRHLTNCB	$42.96		$42.96
CRPLTNMA	$35.50		$35.50
CRTHTNMA	$21.64		$21.64
CRVLTNMA	$17.21		$17.21
CULKTNMA	$38.06		$38.06

Wire Centers	2 wire Loop Costs from Revised HAI Cost Studies	Add Per Loop Recovery of OSS Electronic Interface Costs *	Total AT&T Proposed Cost per 2 Wire Loop
CVTNTNMT	$26.42		$26.42
DCTRTNMT	$44.93		$44.93
DKSNTNMT	$22.90		$22.90
DNRGTNMA	$30.05		$30.05
DOVRTNMT	$42.08		$42.08
DYBGTNMA	$19.08		$19.08
DYERTNMT	$29.10		$29.10
DYTNTNMA	$27.57		$27.57
EAVLTNMA	$39.62		$39.62
ETWHTNMT	$26.05		$26.05
FIVLTNMA	$30.47		$30.47
FKLNTNCC	$16.25		$16.25
FKLNTNMA	$21.54		$21.54
FLVLTNMA	$39.24		$39.24
FRDNTNMA	$38.22		$38.22
FRVWTNMT	$30.52		$30.52
FYVLTNMA	$24.44		$24.44
GALLTNMA	$18.19		$18.19
GBSNTNMT	$35.89		$35.89
GDJTTNMA	$53.73		$53.73
GDVLTNMA	$16.28		$16.28
GLSNTNMA	$31.85		$31.85
GNBRTNMA	$23.26		$23.26
GNFDTNMT	$28.68		$28.68
GRNBTNMA	$39.67		$39.67
GTBGTNMT	$20.73		$20.73
GTWSTNSW	$11.08		$11.08
HDVLTNMA	$14.67		$14.67
HHNWTNMA	$28.69		$28.69
HIMNTNMA	$20.63		$20.63
HLLSTNMT	$31.15		$31.15
HMBLTNMA	$19.49		$19.49
HMPSTNMA	$46.95		$46.95
HNLDTNMA	$34.31		$34.31
HNNGTNMA	$52.86		$52.86
HNSNTNMT	$31.61		$31.61
HNTGTNMA	$35.82		$35.82
HRFRTNMA	$54.52		$54.52
HRNBTNMT	$46.64		$46.64
HTVLTNMA	$28.79		$28.79
JCSNTNMA	$18.44		$18.44

Wire Centers	2 wire Loop Costs from Revised HAI Cost Studies	Add Per Loop Recovery of OSS Electronic Interface Costs *	Total AT&T Proposed Cost per 2 Wire Loop
JCSNTNNS	$12.56		$12.56
JFCYTNMA	$20.54		$20.54
JLLCTNMA	$35.78		$35.78
JSPRTNMT	$35.18		$35.18
KGTNTNMT	$26.09		$26.09
KNTNTNMA	$24.92		$24.92
KNVLTNBE	$10.09		$10.09
KNVLTNFC	$15.08		$15.08
KNVLTNMA	$11.40		$11.40
KNVLTNWH	$13.04		$13.04
KNVLTNYH	$16.60		$16.60
LBNNTNMA	$23.63		$23.63
LFLTTNMA	$23.45		$23.45
LKCYTNMA	$27.20		$27.20
LNCYTNMA	$20.04		$20.04
LODNTNMA	$25.68		$25.68
LRBGTNMA	$26.24		$26.24
LWBGTNMA	$18.22		$18.22
LXTNTNMA	$30.68		$30.68
LYBGTNMT	$46.40		$46.40
LYLSTNMA	$40.55		$40.55
LYVLTNMA	$44.13		$44.13
MAVLTNMA	$16.37		$16.37
MCKNTNMA	$22.56		$22.56
MCWNTNMT	$36.81		$36.81
MDTNTNMA	$44.06		$44.06
MDVITNMT	$28.20		$28.20
MEDNTNMA	$26.05		$26.05
MILNTNMA	$20.39		$20.39
MMPHTNBA	$11.59		$11.59
MMPHTNCK	$9.76		$9.76
MMPHTNCT	$9.95		$9.95
MMPHTNEL	$9.58		$9.58
MMPHTNFR	$13.13		$13.13
MMPHTNGT	$12.13		$12.13
MMPHTNHP	$9.36		$9.36
MMPHTNMA	$6.14		$6.14
MMPHTNMT	$8.60		$8.60
MMPHTNOA	$9.69		$9.69
MMPHTNSL	$9.52		$9.52
MMPHTNST	$9.90		$9.90

Wire Centers	2 wire Loop Costs from Revised HAI Cost Studies	Add Per Loop Recovery of OSS Electronic Interface Costs *	Total AT&T Proposed Cost per 2 Wire Loop
MMPHTNWW	$13.84		$13.84
MNCHTNMA	$24.23		$24.23
MNPLTNMA	$21.23		$21.23
MRBOTNMA	$18.25		$18.25
MRTWTNMA	$16.16		$16.16
MSCTTNMT	$29.42		$29.42
MSCWTNMA	$49.01		$49.01
MYVLTNMA	$30.51		$30.51
NRRSTNMA	$32.16		$32.16
NSVLTNAA	$8.76		$8.76
NSVLTNAP	$10.06		$10.06
NSVLTNBH	$14.25		$14.25
NSVLTNBV	$13.62		$13.62
NSVLTNBW	$13.70		$13.70
NSVLTNCD	$9.14		$9.14
NSVLTNCH	$10.00		$10.00
NSVLTNDO	$11.46		$11.46
NSVLTNHH	$12.11		$12.11
NSVLTNIN	$11.16		$11.16
NSVLTNMC	$10.61		$10.61
NSVLTNMT	$7.39		$7.39
NSVLTNST	$9.71		$9.71
NSVLTNUN	$6.35		$6.35
NSVLTNWC	$21.21		$21.21
NSVLTNWM	$12.58		$12.58
NWBRTNMA	$28.05		$28.05
NWPTTNMT	$26.32		$26.32
OKRGTNMT	$12.89		$12.89
OLHCTNMA	$12.26		$12.26
OLSPTNMA	$26.68		$26.68
PARSTNMA	$24.05		$24.05
PLMYTNMA	$51.27		$51.27
PLSKTNMA	$31.19		$31.19
PSVWTNMT	$35.87		$35.87
PTBGTNMA	$40.32		$40.32
PTLDTNMA	$26.12		$26.12
RDGLTNMA	$26.88		$26.88
RKWDTNMA	$24.85		$24.85
RPLYTNMA	$27.23		$27.23
RRVLTNMA	$27.62		$27.62
SANGTNMT	$29.70		$29.70

Wire Centers	2 wire Loop Costs from Revised HAI Cost Studies	Add Per Loop Recovery of OSS Electronic Interface Costs *	Total AT&T Proposed Cost per 2 Wire Loop
SDDSTNMA	$26.70		$26.70
SEWNTNMW	$41.54		$41.54
SHVLTNMA	$18.03		$18.03
SLMRTNMT	$33.00		$33.00
SMTWTNMA	$42.16		$42.16
SMYRTNMA	$17.61		$17.61
SNTFTNMA	$47.51		$47.51
SNVLTNMA	$52.19		$52.19
SOVLTNMT	$41.92		$41.92
SPBGTNMA	$28.93		$28.93
SPCYTNMT	$36.68		$36.68
SPFDTNMA	$19.14		$19.14
SPHLTNMT	$28.76		$28.76
SRVLTNMA	$37.92		$37.92
SVNHTNMT	$31.58		$31.58
SVVLTNMT	$23.50		$23.50
SWTWTNMT	$25.04		$25.04
TLLHTNMA	$19.25		$19.25
TPVLTNMA	$23.13		$23.13
TRINTNMA	$35.94		$35.94
TROYTNMT	$38.11		$38.11
TRTNTNMA	$23.61		$23.61
TWNSTNMA	$36.61		$36.61
UNCYTNMA	$21.12		$21.12
VNLRTNMA	$50.44		$50.44
WHBLTNMT	$31.61		$31.61
WHHSTNMA	$22.28		$22.28
WHPITNMA	$26.21		$26.21
WHVLTNMT	$37.29		$37.29
WHWLTNMA	$33.90		$33.90
WLPTTNMA	$44.40		$44.40
WNCHTNMA	$25.29		$25.29
WRTRTNMT	$45.80		$45.80
WTTWTNMA	$35.90		$35.90
WVRLTNMT	$37.53		$37.53

* AT&T & MCI are still reviewing data necessary to determine the additive to each loop to recover the costs for the electronic inteface developed by BellSouth to allow CLECs to access its OSS

	Tennessee - NRC Type	Total Cost
2	POTS / ISDN - Migration - UNE- Platform	0.68
3	POTS / ISDN BRI - Migration - UNE - Loop	1.87
5	POTS / ISDN BRI - Install - UNE - Platform	0.68
6	POTS / ISDN BRI - Install - UNE - Loop	1.79
7	4 Wire - Migration - UNE - Loop	12.33
8	4 Wire - Install - UNE - Loop	16.52
9	Changes	0.68
10	2 Wire Cross Connect at the FDI - Migration	10.06
11	2 Wire Cross Connect at the FDI - Install	9.93
12	4 Wire Cross Connect at the FDI - Migration	12.28
13	4 Wire Cross Connect at the FDI - Install	12.28
14	Simple Cross Connect at NID - Install	17.01
15	DS1 Cross Connect at SMART NID - Install	11.95
16	DS1 - Channelized for Loop - Migration - UNE - Loop	13.02
17	DS1 - Channelized for Loop - Install - UNE - Loop	13.02
18	DS1 Interoffice Transport	10.05
19	DS3 Interoffice Transport	9.70
20	DS1 Grooming within DS3 Interoffice Transport	-
21	Fiber Splicing per strand - Virtual Collocation	8.50
22	POTS / ISDN BRI - Disconnect - TSR / UNE - Platform	0.68
23	POTS / ISDN BRI- Disconnect - UNE Loop	1.70
24	4 -Wire Disconnect - UNE Loop	7.78
25	2 Wire Cross Connect Disconnect at the FDI	10.64
26	4 Wire Cross Connect Disconnect at the FDI	9.92
27	Simple Cross Connect Disconnect at NID	13.24
28	DS1 Cross Connect Disconnect at SMART NID	8.58
29	DS1 - Channelized for Loop - Disconnect - UNE - Loop	8.83

Modified output based on the TRA's Interim Order issued 1/25/99.

COMPARISON OF AT&T/MCI INPUTS AND TRA ORDERED INPUTS

Attachment F
AT&T/MCI Revised cost Studies
docket No. 97-01262
February 24, 1999

Module/Table	Scenario Input	Value per Order	Default Value	AT&T/MCI Proposed Value in Filed Studies
Expense	Cost of Debt	0.073	0.077	0.0706
Expense	Debt Fraction	0.4	0.45	0.4
Expense	Cost of Equity	0.1246	0.119	0.1102
Expense	Other Taxes Factor	0.0145	0.05	0.05
Expense	EO Traffic Sensitive Fraction	0.4	0.7	0.4
Expense	Distribution Buried Shring Fraction - 0	0.5	0.33	0.33
Expense	Distribution Buried Shring Fraction - 5	0.5	0.33	0.33
Expense	Distribution Buried Shring Fraction - 100	0.5	0.33	0.33
Expense	Distribution Buried Shring Fraction - 200	0.5	0.33	0.33
Expense	Distribution Buried Shring Fraction - 650	0.5	0.33	0.33
Expense	Distribution Buried Shring Fraction - 850	0.5	0.33	0.33
Expense	Distribution Buried Shring Fraction - 2550	0.5	0.33	0.33
Expense	Distribution Buried Shring Fraction - 5000	0.5	0.33	0.33
Expense	Distribution Buried Shring Fraction - 10000	0.5	0.33	0.33
Expense	Motor Vehicles - Economic Life	8	8.24	9.1
Expense	Garage Work Equipment - Economic Life	23	12.22	23
Expense	Other Work Equipment - Economic Life	23	13.04	23
Expense	Buildings - Economic Life	43	46.93	43
Expense	Furniture - Economic Life	18	15.92	18
Expense	Office Support Equipment - Economic Life	12	10.78	12
Expense	Company Comm. Equipment - Economic Life	6	7.4	6
Expense	General Purpose Computer - Economic Life	7	6.12	7
Expense	Digital Electronic Switching - Economic Life	17	16.17	17
Expense	Operator Systems - Economic Life	14	9.41	14
Expense	Digital Circuit Equipment - Economic Life	11	10.24	11
Expense	Public Telephone Terminal Equipment - Economic Life	6	7.6	6
Expense	Poles - Economic Life	37	30.25	37
Expense	Aerial Cable - metallic - Economic Life	20	20.61	20
Expense	Aerial Cable - non metallic - Economic Life	30	26.14	30

Module/Table	Scenario Input	Value per Order	Default Value	AT&T/MCI Proposed Value in Filed Studies
Expense	Underground Cable - metallic - Economic Life	25	26.45	30
Expense	Underground Cable - non metallic - Economic Life	30	26.45	30
Expense	Buried - metallic - Economic Life	21	21.57	21
Expense	Buried - non metallic - Economic Life	30	25.91	30
Expense	Intrabuilding Cable - metallic - Economic Life	22	18.18	22
Expense	Intrabuilding Cable - non metallic - Economic Life	22	26.11	22
Expense	Conduit Systems - Economic Life	65	56.19	65
Expense	Motor Vehicles - Net Salvage %	0.16	0.1121	0.16
Expense	Garage Work Equipment - Net Salvage %	-0.01	-0.1071	-0.01
Expense	Other Work Equipment - Net Salvage %	-0.01	0.0321	-0.01
Expense	Buildings - Net Salvage %	0.01	0.0187	0.01
Expense	Furniture - Net Salvage %	0.09	0.0688	0.09
Expense	Office Support Equipment - Net Salvage %	0.28	0.0691	0.28
Expense	Company Comm. Equipment - Net Salvage %	0.28	0.0376	0.28
Expense	General Purpose Computer - Net Salvage %	0.02	0.0373	0.02
Expense	Digital Electronic Switching - Net Salvage %	0.04	0.0297	0.04
Expense	Operator Systems - Net Salvage %	0.05	-0.0082	0.05
Expense	Digital Circuit Equipment - Net Salvage %	0	-0.0169	0
Expense	Public Telephone Terminal Equipment - Net Salvage %	0.2	0.0797	0.2
Expense	Poles - Net Salvage %	-0.48	-0.8998	-0.48
Expense	Aerial Cable - metallic - Net Salvage %	-0.15	-0.2303	-0.15
Expense	Aerial Cable - non metallic - Net Salvage %	-0.2	-0.1753	-0.2
Expense	Underground Cable - metallic - Net Salvage %	-0.08	-0.1826	-0.08
Expense	Underground Cable - non metallic - Net Salvage %	-0.2	-0.1458	-0.2
Expense	Buried - metallic - Net Salvage %	-0.05	-0.0839	-0.05
Expense	Buried - non metallic - Net Salvage %	-0.09	-0.0858	-0.09
Expense	Intrabuilding Cable - metallic - Net Salvage %	-0.1	-0.1574	-0.1
Expense	Intrabuilding Cable - non metallic - Net Salvage %	-0.1	-0.1052	-0.1
Expense	Conduit Systems - Net Salvage %	-0.05	-0.1034	-0.05

Module/Table	Scenario Input	Value per Order	Default Value	AT&T/MCI Proposed Value in Filed Studies
Expense	Account 6112 Motor Vehicles	$578,000	$699,000	$699,000
Expense	Account 6113 Aircraft	$414,000	$389,000	$389,000
Expense	Account 6114 Special Purpose Vehicles	$9,000	$0	$0
Expense	Account 6115 Garage Work Equipment	$0	$118,000	$118,000
Expense	Account 6116 Other Work Equipment	$110,000	$149,000	$149,000
Expense	Account 6121 Buildings	$28,247,000	$37,506,000	$37,506,000
Expense	Account 6122 Furniture	$248,000	$676,000	$676,000
Expense	Account 6123 Office Equipment	$1,829,000	$2,877,000	$2,877,000
Expense	Account 6124 General Purpose Computers	$23,873,000	$36,588,000	$36,588,000
Expense	Account 6211 Analog Electronic Switching	$2,518,000	$7,452,000	$7,452,000
Expense	Account 6212 Digital Electronic Switching	$34,487,000	$54,172,000	$54,172,000
Expense	Account 6220 Operator Systems	$2,680,000	$4,932,000	$4,932,000
Expense	Account 6232 Circuit Equipment	$16,085,000	$23,814,000	$23,814,000
Expense	Account 6311 Station Apparatus	$148,000	$298,000	$298,000
Expense	Account 6341 Large PBX	$2,730,000	$217,000	$217,000
Expense	Account 6351 Public Telephone Terminal Equipment	$1,497,000	$5,423,000	$5,423,000
Expense	Account 6362 Other Terminal Equipment	$8,205,000	$11,156,000	$11,156,000
Expense	Account 6411 Poles	$9,614,000	$9,085,000	$9,085,000
Expense	Account 6421 Aerial Cable	$33,310,000	$47,619,000	$47,619,000
Expense	Account 6422 Underground Cable	$4,858,000	$6,547,000	$6,547,000
Expense	Account 6423 Buried Cable	$34,881,000	$41,489,000	$41,489,000
Expense	Account 6441 Conduit Systems	$443,000	$396,000	$396,000

TRA INPUTS BY COST STUDY BY ISSUE

Issue[1]	Subject	Opinion or Action Ordered	HAI Implementation	TELRIC Calculator Implementation[2]
1	Appropriate cost methodology	FCC's TELRIC, including shared and common costs	Adjust methodologies as required by instructions under other issues	Adjust methodologies as required by instructions under other issues
2	Appropriate cost model	Neither BellSouth's TELRIC & AT&T/MCI's Hatfield accepted or rejected "at this time"	Adjust models as required by instructions under other issues	Adjust models as required by instructions under other issues
3	Shared & common costs	Replace shared and common cost factors in TELRIC with single additive of 15%	No action required.	Zero-out shared factors and substitute value of .15 for common cost factor (exclude from nonrecurring costs – see Issue 17(a) below)
4	Fill & utilization factors	Substitute the following in TELRIC: distribution = 54.69% feeder = 76.94%	No action required.	Make ordered substitutions in Utilization Input Parameters tab of BellSouth Loop Model or in 2nd column of UTIL table of *loop.mdb*
5	Depreciation rates	Both models must use TN-specific values established by TPSC in 1993	Substitute lives and salvage values.	Substitute lives and salvage values in Cap Cost Calculator.
6	Cost of capital	10.40% COM, 7.30% COD, 40% debt ratio, 12.46% COE	Substitute values.	Substitute values in Cap Cost Calculator and certain investment files.
7	Plant-specific expenses	Use BellSouth's normalized 1996 plant expense less 22.5%	Substitute 1996 normalized, less 22.5%, and substitute in model	Substitute 1996 normalized expenses, less 22.5% and rerun Bell's Tnfactor.xls file to produce adjusted plant specific factors. Insert revised factors in TELRIC.
8	Tax inputs	1998 ad valorem tax rates	Substitute tax rate of .0145 in model.	Replace BellSouth's default value of .0143 for most accounts with 0.0145. Where 0.0133 is shown, leave in place.

[1] Section V of Interim Order on Phase I of Order in Docket No. 97-01262
[2] proposed methods to adjust TELRIC by AT&T in order to predict final UNE rates

TRA INPUTS BY COST STUDY BY ISSUE

9	Conversion of annual costs to monthly rates	Replace current simple annual-cost-divided-by-12 calculation to reflect time value of money, using approved COM (10.40%)	No action required.	Apply EXCEL PMT function in final step instead of merely dividing by 12. Treat annual cost as future value [=PMT(i,12,0,annual cost)].
10	Drop length	100 ft. (as proposed by AT&T)	No action taken.	Substitute material costs proposed by AT&T witness Jim Wells in *drop.xls* file in TELRIC (make no change to labor costs in same file). Rerun Loop Model & TELRIC.
11	Deaveraged loops	Consider in Phase II	No action required	No action required
12	Loop sampling	Change weightings to 69.22% residential and 30.78% business	No action required.	Substitute ordered numbers in res/bus table in TELRIC Loop Model
13	Integrated DLC	BST must offer an unbundled loop which will allow end users to obtain the same level of performance as that offered by IDLC technology	No action required.	IMPLEMENTATION NOT ATTEMPTED Attempt to calculate combined cost of a loop connected to a switching port with access to all software features using IDLC – loop cost would be the difference between this combined cost and the cost of an unbundled switching port with access to all software features.
14	Switch costs	Remove GSI component as proposed by AT&T witness Petzinger – use output of SCIS/MO – recalculate usage charges with total switched investments less non-traffic-sensitive line termination and getting started investments divided by minutes equivalent of busy hours – change vendor discounts in accordance with AT&T witness Petzinger's recommendations – assume 70.38% IDLC and 29.62% analog line terminations	HAI has an input for Traffic Sensitive fraction. We filed 40% in TN.	Substitute inputs used to reflect witness Petzinger's testimony, as shown in witness Ellison's Inputs exhibit. Reload files and rerun TELRIC.

TRA INPUTS BY COST STUDY BY ISSUE

15	Structure sharing	Reflect Hatfield's sharing assumption in TELRIC model – adjust TELRIC to reflect three other entities equally sharing aerial support structures with BST (for a total of four)	Adjust Hatfield (*buried*) to reflect one other sharing entity for a total of two. All other sharing fractions to remain as originally filed.	AT&T was unable to determine this effect in TELRIC. In response to a similar directive in the state of North Carolina, BellSouth changed six factors: pole and conduit loading factors, 1C & 4C plant specific factors and 45C, 45C4 and 345C in-plant material factors. These are calculated in BellSouth's *__factor.xls* worksheet. However, an examination of that worksheet did not reveal how structure-sharing assumptions enter into these calculations.
16	OSS	Recover OSS from all carriers via a recurring rate per loop – expenses should be capitalized and recovered over the life of OSS using appropriate depreciation lives – fallout rate for TELRIC calculator is 7%	Add monthly recurring cost to final output from HAI4.0 run with other TRT adjustments	Add monthly recurring cost to final output from HAI4.0 run with other TRT adjustments
17(a)	Shared and common costs in nonrecurring rates	Exclude from non-recurring rates	No action required.	Make separate run of TELRIC with zeroed-out shared labor factors and zeroed-out common cost factor
17(b)	OSS cost recovery via nonrecurring rates	Exclude from nonrecurring rates – capitalize and recover over the life of OSS using approved depreciation	Add monthly recurring cost to final output from HAI4.0 run with other TRT adjustments	Add monthly recurring cost to final output from HAI4.0 run with other TRT adjustments
17(c)	Work activities in nonrecurring rates	Substitute 7% for fallout rate – reflect three minutes of work activity per order	Adjusted AT&T/MCI NRC model inputs to reflect 7% fallout	Use methodology filed by Bell in NC to adjust 37 investment files with TRA-ordered fallout rate.
17(d)	Cross-connect costs in nonrecurring rates	No adjustment to TELRIC required	No action required.	No action required
17(e)	Testing costs in nonrecurring rates	Remove loop testing costs from nonrecurring rates – adjust TELRIC to recover these costs through recurring rates	No action required.	Assume 2.5 min. for C.O. installation & 5 min. for outside installation. Remove remainder from NRC and amortize over 4 years to develop recurring additive. Use

TRA INPUTS BY COST STUDY BY ISSUE

				NC weightings.
18	Recovery of disconnect costs **NRC MODEL**	Create separate charge for disconnect costs payable at time of disconnection	No action required.	Zero-out TELRIC disconnect discount factors to prevent these costs from flowing through to nonrecurring charges. Then subtract results from run which includes disconnect costs to deduce disconnect rates.
19	Physical Collocation **COLLOCATION MODEL**	Adopt AT&T/MCI approach but adjust model to increase width of common area space in accordance with Standard State Building Code	Rerun model using appropriate TRA adjustments to inputs.	No action required.

BellSouth TELRIC Calculator
Unbundled Network Cost Elements Summary Report
AT&T's Estimate of Results Reflecting TRA Order

	Cost Element	Recurring	Non Recurring	Nonrecurring First	Nonrecurring Additional	Nonrecurring Initial	Nonrecurring Subsequent
A.0	UNBUNDLED LOCAL LOOP						
A.1	2-WIRE ANALOG VOICE GRADE LOOP						
A.1.1	2-Wire Analog Voice Grade Loop - Service Level 1	$13.95		$42.63	$31.40		
A.1.2	2-Wire Analog Voice Grade Loop - Service Level 2	$16.97		$104.37	$78.25		
A.1.3	2-Wire Analog Voice Grade Loop - Service Level 1 - Manual Order Coordination			$36.52	$36.52		
A.1.4	2-Wire Analog Voice Grade Loop - Service Level 1 - Order Coordination for Specified Conversion Time			$34.29			
A.1.5	2-Wire Analog Voice Grade Loop - Service Level 2 - Order Coordination for Specified Conversion Time			$34.29			
A.2	SUB-LOOP 2-WIRE ANALOG						
A.2.1	Loop Feeder Per 2-Wire Analog Voice Grade Loop	$8.16		$206.83	$170.38		
A.2.2	Loop Distribution Per 2-Wire Analog Voice Grade Loop	$7.53		$207.41	$171.65		
A.2.3	Loop Concentration - Channelization System - (Outside C.O.)	$321.37		$652.47	$285.53		
A.2.4	Loop Concentration - Remote Terminal Cabinet (Outside C.O.)						
A.2.5	Loop Concentration - Remote Channel Interface - 2-Wire Voice Grade (Outside C.O.)	$0.86		$9.43	$9.40		
A.2.6	NID Per 2-Wire Analog Voice Grade Loop	$1.11		$2.11	$2.11		
A.2.7	Loop Concentration - Channelization System - Incremental Cost - Manual Svc Order vs. Electronic			$18.98	$8.43		
A.2.8	Sub-Loop Feeder - Order Coordination for Specified Conversion Time			$34.29			
A.2.9	Sub-Loop Distribution - Order Coordination for Specified Conversion Time			$34.29			
A.3	LOOP CHANNELIZATION AND CO INTERFACE (INSIDE CO)						
A.3.1	Loop Channelization System - Digital Loop Carrier	$300.65		$308.71	$76.47		
A.3.2	CO Channel Interface--2-Wire Voice Grade	$0.86		$20.91	$20.78		
A.3.3	Loop Concentration - Channelization System - Incremental Cost - Manual Svc Order vs. Electronic			$18.98	$8.43		
A.4	4-WIRE ANALOG VOICE GRADE LOOP						
A.4.1	4-Wire Analog Voice Grade Loop	$23.53		$207.35	$170.89		
A.4.2	NID Per 4-Wire Analog Voice Grade Loop	$1.22		$2.11	$2.11		
A.4.3	4-Wire Analog Voice Grade Loop - Order Coordination for Specified Conversion Time			$34.29			
A.5	2-WIRE ISDN DIGITAL GRADE LOOP						
A.5.1	2-Wire ISDN Digital Grade Loop	$21.00		$233.83	$180.69		
A.5.2	NID Per 2-Wire ISDN Digital Grade Loop	$1.11		$2.11	$2.11		
A.5.3	2-Wire ISDN Digital Grade Loop - Order Coordination for Specified Conversion Time			$34.29			
A.6	2-WIRE ASYMMETRICAL DIGITAL SUBSCRIBER LINE (ADSL) COMPATIBLE LOOP						
A.6.1	2-Wire Asymmetrical Digital Subscriber Line (ADSL) Compatible Loop	$11.04		$360.41	$325.77		
A.6.2	NID Per 2-Wire Asymmetrical Digital Subscriber Line (ADSL) Loop	$1.11		$2.11	$2.11		
A.6.3	2-Wire ADSL Loop - Order Coordination for Specified Conversion Time			$34.29			
A.7	2-WIRE HIGH BIT RATE DIGITAL SUBSCRIBER LINE (HDSL) COMPATIBLE LOOP						
A.7.1	2-Wire High Bit Rate Digital Subscriber Line (HDSL) Compatible Loop	$8.10		$360.41	$325.77		
A.7.2	NID Per 2-Wire High Bit Rate Digital Subscriber Line (HDSL) Loop	$1.11		$2.11	$2.11		
A.7.3	2-Wire HDSL Loop - Order Coordination for Specified Conversion Time			$34.29			
A.8	4-WIRE HIGH BIT RATE DIGITAL SUBSCRIBER LINE (HDSL) COMPATIBLE LOOP						
A.8.1	4-Wire High Bit Rate Digital Subscriber Line (HDSL) Compatible Loop	$11.04		$379.58	$344.94		
A.8.2	NID Per 4-Wire High Bit Rate Digital Subscriber Line (HDSL) Loop	$1.22		$2.11	$2.11		
A.8.3	4-Wire HDSL Loop - Order Coordination for Specified Conversion Time			$34.29			
A.9	4-WIRE DS1 DIGITAL LOOP						

BellSouth TELRIC Calculator
Unbundled Network Cost Elements Summary Report
AT&T's Estimate of Results Reflecting TRA Order

	Cost Element	Recurring	Non Recurring	Nonrecurring First	Nonrecurring Additional	Nonrecurring Initial	Nonrecurring Subsequent
A.9.1	4-Wire DS1 Digital Loop	$60.60		$430.80	$268.69		
A.9.2	4-Wire DS1 Loop - Incremental Cost - Manual Svc Order vs. Electronic			$18.98	$8.43		
A.9.3	4-Wire DS1 Loop - Order Coordination for Specified Conversion Time			$34.59			
A.10	4-WIRE 56 OR 64 KBPS DIGITAL GRADE LOOP						
A.10.1	4-Wire 56 or 64 Kbps Digital Grade Loop	$28.79		$349.21	$241.66		
A.10.2	NID Per 4-Wire 56 or 64 Kbps Digital Grade Loop	$1.22		$2.11	$2.11		
A.10.3	4-Wire 56 or 64 Kbps Digital Grade Loop - Order Coordination for Specified Conversion Time			$34.29			
A.11	Unbundled Loops - Incremental Cost - Manual Svc Order vs. Electronic						
A.11.1	Unbundled 2-Wire Loops - Incremental Cost - Manual Svc Order vs. Electronic			$18.98	$8.43		
A.11.2	Unbundled 4-Wire Loops (Excluding DS1) - Incremental Cost - Manual Svc Order vs. Electronic			$18.98	$8.43		
A.11.3	NID Per 2-Wire Loops - Manual Svc Order vs. Electronic			$18.98	$8.43		
A.11.4	NID Per 4-Wire Loops - Manual Svc Order vs. Electronic			$18.98	$8.43		
B.0	UNBUNDLED LOCAL EXCHANGE PORTS AND FEATURES						
B.1	EXCHANGE PORTS						
B.1.1	Exchange Ports - 2-Wire Analog Line Port (Res., Bus.)	$0.91		$15.23	$15.23		
B.1.2	Exchange Ports - 4-Wire Analog Voice Grade Port	$7.25		$15.23	$15.23		
B.1.3	Exchange Ports - 2-Wire DID Port	$8.01		$62.03	$62.03		
B.1.4	Exchange Ports - 4-Wire DID Port	$32.33		$87.65	$50.61		
B.1.5	Exchange Ports - 2-Wire ISDN Port	$13.08		$45.50	$45.50		
B.1.6	Exchange Ports - 4-Wire ISDN DS1 Port	$54.81		$183.23	$183.23		
B.1.7	Exchange Ports - 2-Wire Analog Line Port (PBX)	$0.91		$15.23	$15.23		
B.1.8	Exchange Ports - Coin Port	$0.96		$15.23	$15.23		
B.1.9	Exchange Ports - 2-Wire Analog Line Port (Res., Bus.) - Incremental Cost - Manual Svc Order vs. Electronic			$20.94	$10.39		
B.1.10	Exchange Ports - 4-Wire Analog Voice Grade Port - Incremental Cost - Manual Svc Order vs. Electronic			$20.94	$10.39		
B.1.11	Exchange Ports - 2-Wire DID Port - Incremental Cost - Manual Svc Order vs. Electronic			$18.98	$8.43		
B.1.12	Exchange Ports - 4-Wire DID Port - Incremental Cost - Manual Svc Order vs. Electronic			$20.94	$10.39		
B.1.13	Exchange Ports - 2-Wire ISDN Port - Incremental Cost - Manual Svc Order vs. Electronic			$42.02	$42.02		
B.1.14	Exchange Ports - 4-Wire ISDN DS1 Port - Incremental Cost - Manual Svc Order vs. Electronic			$41.87	$41.87		
B.1.15	Exchange Ports - 2-Wire Analog Line Port (PBX) - Incremental Cost - Manual Svc Order vs. Electronic			$20.94	$10.39		
B.1.16	Exchange Ports - Coin Port - Incremental Cost - Manual Svc Order vs. Electronic			$20.94	$10.39		
B.2	FEATURES						
B.2.1	Three-Way Calling	$0.00	$0.00				
B.2.2	Cust. Changeable Speed Calling	$0.00	$0.00				
B.2.3	Call Waiting	$0.00	$0.00				
B.2.4	Remote Activation of Call Forwarding	$0.00	$0.00				
B.2.5	Cancel Call Waiting	$0.00	$0.00				
B.2.6	Automatic Callback	$0.00	$0.00				
B.2.7	Automatic Recall	$0.00	$0.00				
B.2.8	Calling Number Delivery	$0.00	$0.00				
B.2.9	Calling Number Delivery Blocking	$0.00	$0.00				
B.2.10	Customer Originated Trace	$0.00	$0.00				
B.2.11	Selective Call Rejection	$0.00	$0.00				
B.2.12	Selective Call Forwarding	$0.00	$0.00				
B.2.13	Selective Call Acceptance	$0.00	$0.00				
B.2.14	(Reserved for Future Use)	$0.00	$0.00				
B.2.15	Multiline Hunt Service	$0.00	$0.00				
B.2.16	Call Forwarding Variable	$0.00	$0.00				
B.2.17	Call Forwarding Busy Line	$0.00	$0.00				

BellSouth TELRIC Calculator
Unbundled Network Cost Elements Summary Report
AT&T's Estimate of Results Reflecting TRA Order

	Cost Element	Recurring	Non Recurring	Nonrecurring First	Nonrecurring Additional	Nonrecurring Initial	Nonrecurring Subsequent
B.2.18	Call Forwarding Don't Answer All Calls	$0.00	$0.00				
B.2.19	Remote Call Forwarding	$0.00	$0.00				
B.2.20	Call Transfer	$0.00	$0.00				
B.2.21	Call Hold	$0.00	$0.00				
B.2.22	Toll Restricted Service	$0.00	$0.00				
B.2.23	Msg. Waiting Indic. - Stutter Dial Tone	$0.00	$0.00				
B.2.24	Anonymous Call Rejection	$0.00	$0.00				
B.2.25	Shared Call Appearances of a DN	$0.00	$0.00				
B.2.26	Multiple Call Appearances	$0.00	$0.00				
B.2.27	ISDN Bridged Call Exclusion	$0.00	$0.00				
B.2.28	Call by Call Access	$0.00	$0.00				
B.2.29	Privacy Release	$0.00	$0.00				
B.2.30	Multi Appearance Directory Number Calls	$0.00	$0.00				
B.2.31	Make Set Busy	$0.00	$0.00				
B.2.32	Teen Service (Res. Dist. Alerting Svc.)	$0.00	$0.00				
B.2.33	Code Restriction and Diversion	$0.00	$0.00				
B.2.34	Call Park	$0.00	$0.00				
B.2.35	Automatic Line	$0.00	$0.00				
B.2.36	ISDN Message Waiting Indication-Lamp		$0.00				
B.2.37	ISDN Feature Function Buttons						
B.2.38	(Reserved for Future Use)						
B.2.39	Subsequent Ordering Charge - Electronic			$0.00	$0.00		
B.2.40	Subsequent Ordering Charge -Incremental Cost - Manual Svc Order vs. Electronic			$0.00			
C.0	UNBUNDLED SWITCHING AND LOCAL INTERCONNECTION						
C.1	LOCAL SWITCHING						
C.1.1	End Office Switching Function, Per MOU	$0.00033					
C.1.2	End Office Interoffice Trunk Port - Shared, Per MOU						
C.2	TANDEM SWITCHING						
C.2.1	Tandem Switching Function Per MOU						
C.2.2	Tandem Interoffice Trunk Port - Shared, Per MOU	$0.0001					
D.0	UNBUNDLED TRANSPORT AND LOCAL INTERCONNECTION						
D.1	COMMON TRANSPORT						
D.1.1	Common Transport - Per Mile, Per MOU	$0.00001					
D.1.2	Common Transport - Facilities Termination Per MOU	$0.0004					
D.2	INTEROFFICE TRANSPORT - DEDICATED - VOICE GRADE						
D.2.1	Interoffice Transport - Dedicated - 2-Wire Voice Grade - Per Mile	$0.0182					
D.2.2	Interoffice Transport - Dedicated - 2- Wire Voice Grade - Facility Termination	$17.56		$79.76	$36.15		
D.2.3	Interoffice Transport - Voice Grade - Incremental Cost - Manual Svc Order vs. Electronic			$18.98	$18.98		
D.3	INTEROFFICE TRANSPORT - DEDICATED - DS0 - 56/64 KBPS						
D.3.1	Interoffice Transport - Dedicated - DS0 - Per Mile	$0.0182					
D.3.2	Interoffice Transport - Dedicated - DS0 - Facility Termination	$16.97		$79.76	$36.15		
D.3.3	Interoffice Transport - DSO - Incremental Cost - Manual Svc Order vs. Electronic			$18.98	$18.98		
D.4	INTEROFFICE TRANSPORT - DEDICATED - DS1						
D.4.1	Interoffice Transport - Dedicated - DS1 - Per Mile	$0.37					
D.4.2	Interoffice Transport - Dedicated - DS1 - Facility Termination	$75.30		$147.35	$111.96		

BellSouth TELRIC Calculator
Unbundled Network Cost Elements Summary Report
AT&T's Estimate of Results Reflecting TRA Order

	Cost Element	Recurring	Non Recurring	Nonrecurring First	Nonrecurring Additional	Nonrecurring Initial	Nonrecurring Subsequent
D.4.3	Interoffice Transport - DS1 - Incremental Cost - Manual Svc Order vs. Electronic			$18.98	$18.98		
D.5	LOCAL CHANNEL - DEDICATED						
D.5.1	Local Channel - Dedicated - 2-Wire Voice Grade	$14.31		$363.64	$62.52		
D.5.2	Local Channel - Dedicated - 4-Wire Voice Grade	$15.32		$369.14	$64.17		
D.5.3	Local Channel - Dedicated - DS1	$38.01		$356.83	$313.48		
D.5.4	Local Channel - Dedicated - 2Wire Voice Grade - Incremental Cost - Manual Svc Order vs. Electronic			$18.98	$8.43		
D.5.5	Local Channel - Dedicated - 4Wire Voice Grade - Incremental Cost - Manual Svc Order vs. Electronic			$18.98	$8.43		
D.5.6	Local Channel - Dedicated - DS1 -Incremental Cost - Manual Svc Order vs. Electronic			$44.31			
E.0	SIGNALING NETWORK, DATA BASES, & SERVICE MANAGEMENT SYS.						
E.1	800 ACCESS TEN DIGIT SCREENING						
E.1.1	800 Access Ten Digit Screening, Per Call	$0.00050					
E.1.2	800 Access Ten Digit Screening, Reservation Charge Per 800 Number Reserved			$6.58	$0.76		
E.1.3	800 Access Ten Digit Screening, Per 800 # Established W/O POTS Translations			$12.84	$1.46		
E.1.4	800 Access Ten Digit Screening, Per 800 # Established With POTS Translations			$12.84	$1.46		
E.1.5	800 Access Ten Digit Screening, Customized Area of Service Per 800 Number			$4.47	$2.24		
E.1.6	800 Access Ten Digit Screening, Multiple InterLATA CXR Routing Per CXR Requested Per 800 #			$5.23	$3.00		
E.1.7	800 Access Ten Digit Screening, Change Charge Per Request			$7.34	$0.76		
E.1.8	800 Access Ten Digit Screening, Call Handling and Destination Features		$4.47				
E.1.9	800 Access Ten Digit Scrng, Reserv Chrg Per 800 # Reserved-Incrm Cost-Manual Svc Order vs. Electr			$18.98			
E.1.10	800 Access Ten Digit Scrng, Per 800 # Est'd w/o POTS Transl.-Incrm Cost-Manual Svc Order vs. Electr			$18.98			
E.1.11	800 Access Ten Digit Scrng, Per 800 # Est'd w/ POTS Transl.-Incrm Cost-Manual Svc Order vs. Electr			$18.98			
E.1.12	800 Access Ten Digit Scrng, Chng Chrg/Request-Incrm Cost-Manual Svc Order vs. Electr			$18.98			
E.2	LINE INFORMATION DATA BASE ACCESS (LIDB)						
E.2.1	LIDB Common Transport Per Query	$0.00003					
E.2.2	LIDB Validation Per Query	$0.01389					
E.2.3	LIDB Originating Point Code Establishment or Change		$50.40				
E.2.4	LIDB - Incremental Cost - Manual Svc Order vs. Electronic		$18.98				
E.3	CCS7 SIGNALING TRANSPORT						
E.3.1	CCS7 Signaling Connection, Per 56Kbps Facility	$17.49	$132.21				
E.3.2	CCS7 Signaling Termination, Per STP Port	$132.04					
E.3.3	CCS7 Signaling Usage, Per Call Setup Message	$0.00004					
E.3.4	CCS7 Signaling Usage, Per TCAP Message	$0.00009					
E.3.5	CCS7 Signaling Usage Surrogate, Per 56Kbps Facility, Per LATA Per Month	$336.96					
E.3.6	CCS7 - Incremental Cost - Manual Svc Order vs. Electronic		$18.98				
F.0	OPERATIONAL SUPPORT SYSTEMS						
F.1	OPERATIONAL SUPPORT SYSTEMS						
F.1.1	OSS Electronic Interface, Per Loop						
F.1.2	OSS OLEC Daily Usage File: Recording, per Message	$0.00012					
F.1.3	OSS OLEC Daily Usage File: Message Distribution, Per Message	$0.0033					
F.1.4	OSS OLEC Daily Usage File: Message Distribution, Per Magnetic Tape Provisioned	$56.76					
F.1.5	OSS OLEC Daily Usage File: Data Transmission (CONNECT:DIRECT), Per Message	$0.00004					
G.0	OPERATOR SERVICES AND DIRECTORY ASSISTANCE						
G.1	OPERATOR CALL PROCESSING						
G.1.1	Oper. Call Processing - Oper. Provided Cost Per Min. - Using BST LIDB	$1.23					

BellSouth TELRIC Calculator
Unbundled Network Cost Elements Summary Report
AT&T's Estimate of Results Reflecting TRA Order

	Cost Element	Recurring	Non Recurring	Nonrecurring First	Nonrecurring Additional	Nonrecurring Initial	Nonrecurring Subsequent
G.1.2	Oper. Call Processing - Oper. Provided Cost Per Min. - Using Foreign LIDB	$1.28					
G.1.3	Oper. Call Processing - Fully Automated Cost per Call - Using BST LIDB	$0.099					
G.1.4	Oper. Call Processing - Fully Automated Cost per Call - Using Foreign LIDB	$0.11857					
G.1.5	Loading Expense Per Announcement For Branded Announcement					$240.71	$240.71
G.1.6	Recording Expense Per Announcement For Branded Announcement					$1,555	$1,553
G.2	INWARD OPERATOR SERVICES						
G.2.1	Inward Operator Services - Verification, Per Minute	$1.18					
G.2.2	Inward Operator Services - Verification and Emergency Interrupt, Per Minute	$1.18					
G.3	DIRECTORY ASSISTANCE CALL COMPLETION ACCESS SERVICE (DACC)						
G.3.1	Directory Assistance Call Completion Access Service (DACC), Per Call Attempt	$0.03521					
G.4	NUMBER SERVICES INTERCEPT ACCESS SERVICE						
G.4.1	Number Services Intercept Per Query	$0.01985					
G.5	DIRECTORY ASSISTANCE ACCESS SERVICE						
G.5.1	Directory Assistance Access Service Calls, Cost Per Call	$0.26					
G.5.2	Loading Expense Per Announcement For Branded Announcement					$240.71	$240.71
G.5.3	Recording Expense Per Announcement For Branded Announcement					$1,555	$1,553
G.6	DIRECTORY TRANSPORT						
G.6.1	Directory Transport - Local Channel DS1	$38.01		$356.83	$313.48		
G.6.2	Directory Transport - DS1 Level Interoffice Per Mile	$0.37					
G.6.3	Directory Transport - DS1 Level Interoffice Per Facility Termination	$75.30		$147.35	$111.96		
G.6.4	Switched Common Transport Per DA Access Service Per Call	$0.00027					
G.6.5	Switched Common Transport Per DA Access Service Per Call Per Mile	$0.00002					
G.6.6	Access Tandem Switching Per DA Access Service Per Call	$0.00163					
G.6.7	Directory Transport - DA Interconnection Per DA Service Call						
G.6.8	Directory Transport - Installation NRC, Per Trunk or Signaling Connection			$204.62	$4.43		
G.6.9	Directory Transport Local Channel DS1 - Incremental Cost - Manual Service Order vs. Electronic			$44.31			
G.6.10	Directory Transport Interoffice DS1 - Incremental Cost - Manual Service Order vs. Electronic			$18.98	$18.98		
G.7	DIRECTORY ASSISTANCE DATA BASE SERVICE (DADS)						
G.7.1	Directory Assistance Data Base Service Cost Per Listing	$0.0463					
G.7.2	Directory Assistance Data Base Service, Monthly Recurring Cost	$131.44					
G.8	DIRECT ACCESS TO DIRECTORY ASSISTANCE						
G.8.1	Direct Access to Directory Assistance Service, Per Month	$7,214					
G.8.2	Direct Access to Directory Assistance Service, Per Query	$0.05					
G.8.3	Direct Access to Directory Assistance Service, Service Establishment Charge		$790				
G.9	SELECTIVE ROUTING (INTERIM SOLUTION LINE CLASS CODES)						
G.9.1	Selective Routing Per Unique Line Class Code Per Request Per Switch		$180.97				
G.9.2	Selective Routing - Incremental Cost - Manual Svc Order vs. Electronic		$18.98				
H.0	COLLOCATION						
H.1	PHYSICAL COLLOCATION						
H.1.1	Physical Collocation - Application Cost		$5,117				
H.1.2	Physical Collocation - Space Preparation						
H.1.3	Physical Collocation - Space Construction Cost Per First 100 Sq. Ft.	$140.21					
H.1.4	Physical Collocation - Space Construction Cost Per Add'l 50 Sq. Ft.	$16.26					

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	Cost Element	Recurring	Non Recurring	Nonrecurring First	Nonrecurring Additional	Nonrecurring Initial	Nonrecurring Subsequent
H.1.5	Physical Collocation - Cable Installation Cost Per Cable		$1,749				
H.1.6	Physical Collocation - Floor Space, Per Sq. Ft.	$3.95					
H.1.7	Physical Collocation - Cable Support Structure, Per Entrance Cable	$20.00					
H.1.8	Physical Collocation - Power, Per Ampere	$6.49					
H.1.9	Physical Collocation - 2-wire Cross Connects	$0.30		$24.11	$23.13		
H.1.10	Physical Collocation - 4-wire Cross Connects	$0.60		$24.31	$23.27		
H.1.11	Physical Collocation - DS1 Cross Connects	$2.24		$45.80	$32.07		
H.1.12	Physical Collocation - DS3 Cross Connects	$40.75		$43.54	$30.61		
H.1.13	Physical Collocation - 2-Wire POT Bay	$0.09					
H.1.14	Physical Collocation - 4-Wire POT Bay	$0.18					
H.1.15	Physical Collocation - DS1 POT Bay	$0.74					
H.1.16	Physical Collocation - DS3 POT Bay	$4.67					
H.1.17	Physical Collocation - Security Escort - Basic, Per Half Hour			$33.15	$20.43		
H.1.18	Physical Collocation - Security Escort - Overtime, Per Half Hour			$41.50	$25.61		
H.1.19	Physical Collocation - Security Escort - Premium, Per Half Hour			$49.86	$30.79		
H.1.20	Physical Collocation - 2-Wire Cross Connects - Incremental Cost - Manual Svc Order vs. Electronic			$1.97	$1.97		
H.1.21	Physical Collocation - 4-Wire Cross Connects - Incremental Cost - Manual Svc Order vs. Electronic			$1.97	$1.97		
H.1.22	Physical Collocation -DS1/DS3 Cross Connects - Incremental Cost - Manual Svc Order vs. Electronic			$1.97	$1.97		
H.2	VIRTUAL COLLOCATION						
H.2.1	Virtual Collocation - Application Cost		$2,633				
H.2.2	Virtual Collocation - Cable Installation Cost Per Cable		$1,749				
H.2.3	Virtual Collocation - Floor Space Per Sq. Ft.	$3.95					
H.2.4	Virtual Collocation - Floor Space Power, Per Ampere	$6.49					
H.2.5	Virtual Collocation - Cable Support Structure, Per Entrance Cable	$17.50					
H.2.6	Virtual Collocation - 2-wire Cross Connects	$0.08		$24.11	$23.13		
H.2.7	Virtual Collocation - 4-wire Cross Connects	$0.17		$24.31	$23.27		
H.2.8	Virtual Collocation - DS1 Cross Connects	$0.92		$45.80	$32.07		
H.2.9	Virtual Collocation - DS3 Cross Connects	$11.69		$43.54	$30.61		
H.2.10	Virtual Collocation - Security Escort - Basic, Per Half Hour			$33.15	$20.43		
H.2.11	Virtual Collocation - Security Escort - Overtime, Per Half Hour			$41.50	$25.61		
H.2.12	Virtual Collocation - Security Escort - Premium, Per Half Hour			$49.86	$30.79		
H.2.13	Virtual Collocation - 2-Wire Cross Connects - Incremental Cost - Manual Svc Order vs. Electronic			$1.97	$1.97		
H.2.14	Virtual Collocation - 4-Wire Cross Connects - Incremental Cost - Manual Svc Order vs. Electronic			$1.97	$1.97		
H.2.15	Virtual Collocation -DS1/DS3 Cross Connects - Incremental Cost - Manual Svc Order vs. Electronic			$1.97	$1.97		
I.0	SERVICE PROVIDER NUMBER PORTABILITY						
I.1	SERVICE PROVIDER NUMBER PORTABILITY - RCF						
I.1.1	Service Provider Number Portability - RCF, Per Number Ported	$1.79	$0.51				
I.1.2	Service Provider Number Portability - RCF, Per Additional Path	$0.25					
I.1.3	Service Provider Number Portability - RCF, Per Service Order, Per Location			$0.15	$0.15		
I.2	SERVICE PROVIDER NUMBER PORTABILITY - DID						
I.2.1	Service Provider Number Portability - DID, Per Number Ported, Residence		$0.94				
I.2.2	Service Provider Number Portability - DID, Per Number Ported, Business		$0.94				
I.2.3	Service Provider Number Portability - DID, Per Service Order, Per Location			$2.11	$2.11		
I.2.4	Service Provider Number Portability - DID, Per Trunk Termination, Initial	$10.90	$135.73				
I.2.5	Service Provider Number Portability - DID, Per Trunk Termination, Subsequent	$10.90	$39.60				
I.3	Service Provider Number Portability - Manual Svc Order vs. Electronic						
I.3.1	Service Provider Number Portability - Incremental Cost - Manual Svc Order vs. Electronic			$18.98	$18.98		

BellSouth TELRIC Calculator
Unbundled Network Cost Elements Summary Report
AT&T's Estimate of Results Reflecting TRA Order

	Cost Element	Recurring	Non Recurring	Nonrecurring First	Nonrecurring Additional	Nonrecurring Initial	Nonrecurring Subsequent
I.4	SERVICE PROVIDER NUMBER PORTABILITY RIPH						
I.4.1	Service Provider Number Portability - RIPH, Functionality, Per Central office		$180.61				
I.4.2	Service Provider Number Portability - RIPH, Functionality, Per Rearrangement		$68.83				
I.5	SERVICE PROVIDER NUMBER PORTABILITY RI-PH						
I.5.1	Service Provider Number Portability - RI-PH, Per Number Ported	$0.89	$0.37				
I.5.2	SPNP - RIPH, Per Service Order, Per Location			$2.11	$2.11		
J.0	OTHER						
J.1	DARK FIBER						
J.1.1	Dark Fiber, Per Four Fiber Strands, Per Route Mile or Fraction Thereof	$49.79		$1,358	$274.21		
J.2	ACCESS TO POLES, DUCTS, CONDUITS AND RIGHTS OF WAY						
J.2.1	Access to Poles Per Pole, Per Foot, Per Year	$20.56					
J.2.2	Access to Conduits, Per Foot, Per Year	$0.546					
J.2.3	Access to Innerduct, Per Foot, Per Year	$0.455					
K.0	ADVANCED INTELLIGENT NETWORK (AIN) SERVICES						
K.1	BellSouth AIN SMS Access Service						
K.1.1	AIN SMS Access Service - Service Establishment, Per State, Initial Setup		$155.60				
K.1.2	AIN SMS Access Service - Port Connection - Dial/Shared Access		$51.10				
K.1.3	AIN SMS Access Service - Port Connection - ISDN Access		$51.10				
K.1.4	AIN SMS Access Service - User Identification Codes - Per User ID Code		$105.98				
K.1.5	AIN SMS Access Service - Security Card, Per User ID Code, Initial or Replacement		$123.02				
K.1.6	AIN SMS Access Service - Storage, Per Unit (100 Kilobytes)	$0.0023					
K.1.7	AIN SMS Access Service - Session, Per Minute	$0.08					
K.1.8	AIN SMS Access Service - Company Performed Session, Per Minute	$2.17					
K.2	BellSouth AIN Toolkit Service						
K.2.1	AIN Toolkit Service - Service Establishment Charge, Per State, Initial Setup		$152.08				
K.2.2	AIN Toolkit Service - Training Session, Per Customer		$7,915				
K.2.3	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, Term. Attempt		$40.56				
K.2.4	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, Off-Hook Delay		$40.56				
K.2.5	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, Off-Hook Immediate		$40.56				
K.2.6	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, 10-Digit PODP		$94.59				
K.2.7	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, CDP		$94.59				
K.2.8	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, Feature Code		$94.59				
K.2.9	AIN Toolkit Service - Query Charge, Per Query	$0.02					
K.2.10	AIN Toolkit Service - Type 1 Node Charge, Per AIN Toolkit Subscription, Per Node, Per Query	$0.00522					
K.2.11	AIN Toolkit Service - SCP Storage Charge, Per SMS Access Account, Per 100 Kilobytes	$1.43					
K.2.12	AIN Toolkit Service - Monthly report - Per AIN Toolkit Service Subscription	$16.61	$34.72				
K.2.13	AIN Toolkit Service - Special Study - Per AIN Toolkit Service Subscription	$0.08194	$37.73				
K.2.14	AIN Toolkit Service - Call Event Report - Per AIN Toolkit Service Subscription	$16.54	$34.72				
K.2.15	AIN Toolkit Service - Call Event Special Study - Per AIN Toolkit Service Subscription	$0.0027	$37.73				
X.0	UNBUNDLED LOCAL LOOP - Non-Recurring Disconnect Only						
X.1	2-WIRE ANALOG VOICE GRADE LOOP						
X.1.1	2-Wire Analog Voice Grade Loop - Service Level 1			$10.90	$3.19		
X.1.2	2-Wire Analog Voice Grade Loop - Service Level 2			$27.28	$17.92		
X.1.3	2-Wire Analog Voice Grade Loop - Service Level 1 - Manual Order Coordination			$8.33	$8.33		

BellSouth TELRIC Calculator
Unbundled Network Cost Elements Summary Report
AT&T's Estimate of Results Reflecting TRA Order

	Cost Element	Recurring	Non Recurring	Nonrecurring First	Nonrecurring Additional	Nonrecurring Initial	Nonrecurring Subsequent
X.2	SUB-LOOP 2-WIRE ANALOG						
X.2.1	Loop Feeder Per 2-Wire Analog Voice Grade Loop			$70.52	$37.44		
X.2.2	Loop Distribution Per 2-Wire Analog Voice Grade Loop			$67.60	$35.16		
X.2.3	Loop Concentration - Channelization System - (Outside C.O.)			$182.42	$44.40		
X.2.4	Loop Concentration - Remote Terminal Cabinet (Outside C.O.)						
X.2.5	Loop Concentration - Remote Channel Interface - 2-Wire Voice Grade (Outside C.O.)			$4.10	$4.09		
X.2.6	NID Per 2-Wire Analog Voice Grade Loop			$1.91	$1.91		
X.3	LOOP CHANNELIZATION AND CO INTERFACE (INSIDE CO)						
X.3.1	Loop Channelization System - Digital Loop Carrier			$4.84	$0.00		
X.3.2	CO Channel Interface--2-Wire Voice Grade			$7.55	$7.50		
X.3.3	Loop Concentration - Channelization System - Incremental Cost - Manual Svc Order vs. Electronic			$10.41	$0.00		
X.4	4-WIRE ANALOG VOICE GRADE LOOP						
X.4.1	4-Wire Analog Voice Grade Loop			$69.00	$36.64		
X.4.2	NID Per 4-Wire Analog Voice Grade Loop			$1.87	$1.87		
X.5	2-WIRE ISDN DIGITAL GRADE LOOP						
X.5.1	2-Wire ISDN Digital Grade Loop			$70.51	$37.44		
X.5.2	NID Per 2-Wire ISDN Digital Grade Loop			$1.91	$1.91		
X.6	2-WIRE ASYMMETRICAL DIGITAL SUBSCRIBER LINE (ADSL) COMPATIBLE LOOP						
X.6.1	2-Wire Asymmetrical Digital Subscriber Line (ADSL) Compatible Loop			$68.87	$37.42		
X.6.2	NID Per 2-Wire Asymmetrical Digital Subscriber Line (ADSL) Loop			$1.91	$1.91		
X.7	2-WIRE HIGH BIT RATE DIGITAL SUBSCRIBER LINE (HDSL) COMPATIBLE LOOP						
X.7.1	2-Wire High Bit Rate Digital Subscriber Line (HDSL) Compatible Loop			$68.87	$37.42		
X.7.2	NID Per 2-Wire High Bit Rate Digital Subscriber Line (HDSL) Loop			$1.91	$1.91		
X.8	4-WIRE HIGH BIT RATE DIGITAL SUBSCRIBER LINE (HDSL) COMPATIBLE LOOP						
X.8.1	4-Wire High Bit Rate Digital Subscriber Line (HDSL) Compatible Loop			$67.39	$36.62		
X.8.2	NID Per 4-Wire High Bit Rate Digital Subscriber Line (HDSL) Loop			$1.87	$1.87		
X.9.1	4-Wire DS1 Digital Loop			$84.42	$35.26		
X.9.2	4-Wire DS1 Loop - Incremental Cost - Manual Svc Order vs. Electronic			$10.41	$0.00		
X.9.3	4-Wire DS1 Loop - Order Coordination for Specified Conversion Time						
X.10	4-WIRE 56 OR 64 KBPS DIGITAL GRADE LOOP						
X.10.1	4-Wire 56 or 64 Kbps Digital Grade Loop			$81.74	$41.10		
X.10.2	NID Per 4-Wire 56 or 64 Kbps Digital Grade Loop			$1.87	$1.87		
X.11	Unbundled Loops - Incremental Cost - Manual Svc Order vs. Electronic						
X.11.1	Unbundled 2-Wire Loops - Incremental Cost - Manual Svc Order vs. Electronic			$10.84	$0.00		
X.11.2	Unbundled 4-Wire Loops (Excluding DS1) - Incremental Cost - Manual Svc Order vs. Electronic			$10.60	$0.00		
X.11.3	NID Per 2-Wire Loops - Manual Svc Order vs. Electronic			$10.84	$0.00		
X.11.4	NID Per 4-Wire Loops - Manual Svc Order vs. Electronic			$10.60	$0.00		
Y.0	UNBUNDLED LOCAL EXCHANGE PORTS - Non-Recurring Disconnect Only						
Y.1	EXCHANGE PORTS						
Y.1.1	Exchange Ports - 2-Wire Analog Line Port (Res., Bus.)			$2.80	$2.80		
Y.1.2	Exchange Ports - 4-Wire Analog Voice Grade Port			$2.58	$2.58		

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	Cost Element	Recurring	Non Recurring	Nonrecurring First	Nonrecurring Additional	Nonrecurring Initial	Nonrecurring Subsequent
Y.1.3	Exchange Ports - 2-Wire DID Port			$9.63	$9.63		
Y.1.4	Exchange Ports - 4-Wire DID Port			$7.45	$7.45		
Y.1.5	Exchange Ports - 2-Wire ISDN Port			$3.12	$3.12		
Y.1.6	Exchange Ports - 4-Wire ISDN DS1 Port			$28.61	$28.61		
Y.1.7	Exchange Ports - 2-Wire Analog Line Port (PBX)			$2.58	$2.58		
Y.1.8	Exchange Ports - 4-Wire Analog (Coin) Port			$2.70	$2.70		
Y.1.9	Exchange Ports - 2-Wire Analog Line Port (Res., Bus.) - Incremental Cost - Manual Svc Order vs. Electronic			$12.66	$1.15		
Y.1.10	Exchange Ports - 4-Wire Analog Voice Grade Port - Incremental Cost - Manual Svc Order vs. Electronic			$11.68	$1.06		
Y.1.11	Exchange Ports - 2-Wire DID Port - Incremental Cost - Manual Svc Order vs. Electronic			$10.87	$0.00		
Y.1.12	Exchange Ports - 4-Wire DID Port - Incremental Cost - Manual Svc Order vs. Electronic			$12.66	$1.15		
Y.1.13	Exchange Ports - 2-Wire ISDN Port - Incremental Cost - Manual Svc Order vs. Electronic			$8.35	$8.35		
Y.1.14	Exchange Ports - 4-Wire ISDN DS1 Port - Incremental Cost - Manual Svc Order vs. Electronic			$7.87	$7.87		
Y.1.15	Exchange Ports - 2-Wire Analog Line Port (PBX) - Incremental Cost - Manual Svc Order vs. Electronic			$11.68	$1.06		
Y.1.16	Exchange Ports - Coin Port - Incremental Cost - Manual Svc Order vs. Electronic			$12.23	$1.11		

Notes:

1 Conversion of annual cost to monthly rate (TRA Issue 9) is performed as follows:

Monthly Rate equals the payments required over twelve months to accumulate the annual cost, while receiving credit for interest accumulating monthly at the monthly cost of capital.

Annual Cost of Capital:	10.40%
Monthly Cost of Capital = (1-10.40%)^(1/12)-1	0.8279%
Monthly Rate = PMT(0.8279%,12,0,(-1)*annual cost)	

2 Recurring Costs do not reflect integrated DLC (TRA Issue 13).

3 Recurring Costs do not reflect the TRA's change in assumptions regarding structure-sharing (TRA Issue 15).

4 OSS Electronic Interface per loop charges could not be calculated without an accurate count of lines in Tennessee and the Region (TRA Issues16 & 17b).

5 Nonrecurring Costs do not completely reflect the reduction of worktimes associated with "fallout" orders (TRA Issue 17c).

6 Nonrecurring Costs do not reflect the removal of loop testing expense (TRA Issue 17e).

TELRIC IMPLEMENTATION BY AT&T TO REFLECT TRA's FINDINGS OF FACT AND CONCLUSIONS OF LAW

Issue[1]	Subject	Opinion or Action Ordered	TELRIC Calculator Implementation[2]
1	Appropriate cost methodology	FCC's TELRIC, including shared and common costs	
2	Appropriate cost model	Neither BellSouth's TELRIC & AT&T/MCI's Hatfield accepted or rejected "at this time"	
3	Shared & common costs	Replace shared and common cost factors in TELRIC with single additive of 15%	AT&T zeroed-out shared factors and substituted a value of 1.15 for the common cost factor in the determination of recurring rates. (This factor was excluded from nonrecurring costs calculations – see Issue 17(a) below).
4	Fill & utilization factors	Substitute the following in TELRIC: distribution = 54.69% feeder = 76.94%	The ordered substitutions were made in the 2nd column of UTIL table of *loop.mdb* file.
5	Depreciation rates	Both models must use TN-specific values established by TPSC in 1993	AT&T substituted, in the Capital Cost Calculator, the lives and salvage values from Column (d), pages 1 & 2 on Attachment 6 to Item 9, response to TCTA's First Data Requests.
6	Cost of capital	10.40% COM, 7.30% COD, 40% debt ratio, 12.46% COE	AT&T substituted the ordered values in the Capital Cost Calculator and in investment files which contain the COM.
7	Plant-specific expenses	Use BellSouth's normalized 1996 plant expense less 22.5%	AT&T used 1996 normalized expenses and reduced them over three years in the amounts needed to achieve the ordered 22.5% reduction by the third year. The *Tnfactor.xls* file was used to produce adjusted plant specific factors, which were inserted into the TELRIC calculator.
8	Tax inputs	1998 ad valorem tax rates	BellSouth's default value of 0.0143 was replaced for most accounts by 0.0145. Where 0.0133 is shown, it was left in place.
9	Conversion of annual costs to monthly rates	Replace current simple annual-cost- divided-by-12 calculation to reflect time value of money, using approved COM (10.40%)	AT&T employed the EXCEL PMT function in final step instead of dividing by 12. Annual cost is treated as a future value. EXCEL formula: =PMT(0.8279%,12,0,(-1) * annual cost).
10	Drop length	100 ft. (as proposed by AT&T)	AT&T substituted the material costs proposed by AT&T witness Wells (which were based on a 100-ft. average loop length) in the *drop.xls* file in TELRIC. (No change was made to labor costs in same file).
11	Deaveraged loops	Consider in Phase II	No action required

[1] Section V of Interim Order on Phase I of Order in Docket No. 97-01262
[2] proposed methods to adjust TELRIC by AT&T in order to predict final UNE rates

12	Loop sampling	Change weightings to 69.22% residential and 30.78% business	AT&T substituted the ordered values in the res/bus table in the Loop Model
13	Integrated DLC	BST must offer an unbundled loop which will allow end users to obtain the same level of performance as that offered by IDLC technology	AT&T did not implement this in the TELRIC model.
14	Switch costs	Remove GSI component as proposed by AT&T witness Petzinger – use output of SCIS/MO – recalculate usage charges with total switched investments less non-traffic-sensitive line termination and getting started investments divided by minutes equivalent of busy hours – change vendor discounts in accordance with AT&T witness Petzinger's recommendations – assume 70.38% IDLC and 29.62% analog line terminations	AT&T substituted inputs used to reflect AT&T witness Petzinger's testimony, as shown in AT&T witness Ellison's Inputs exhibit. Investments: 2-wire trunk ports $49.810 MDF & NTS $25,210 4-wire trunk ports $,1195,520 MDF & NTS (coin) $27,580 2-wire ISDN $66,520 4-wire ISDN $789,610 End-Office function $ 0.000919000 End-Office Interoffice trunk port $0.000150000 Tandem function $0.00152900 Tandem interoffice trunk port $0.00031600
15	Structure sharing	Reflect Hatfield's sharing assumption in TELRIC model – adjust TELRIC to reflect three other entities equally sharing aerial support structures with BST (for a total of four)	AT&T was unable to determine this effect in TELRIC. In response to a similar directive in the state of North Carolina, BellSouth changed six factors: pole and conduit loading factors, 1C & 4C plant specific factors and 45C, 45C4 and 345C in-plant material factors. These are calculated in BellSouth's *__factor.xls* worksheet. However, an examination of that worksheet did not reveal how structure-sharing assumptions enter into these calculations.
16	OSS	Recover OSS from all carriers via a recurring rate per loop – expenses should be capitalized and recovered over the life of OSS using appropriate depreciation lives – fallout rate for TELRIC calculator is 7%	See items 17(b) and 17(c) below.
17(a)	Shared and common costs in nonrecurring rates	Exclude from non-recurring rates	AT&T made a separate run of TELRIC with zeroed-out shared labor, shared cost and common cost factors to determine nonrecurring costs. (Disconnect costs were also removed—see Issue 18, below.)
17(b)	OSS cost recovery via nonrecurring rates	Exclude from nonrecurring rates – capitalize and recover over the life of OSS using approved depreciation	AT&T did not complete its estimate of TELRIC OSS costs. BellSouth's OSS cost calculations in Worksheet *OSSeitn.xls* are for regional costs. An accurate breakdown of lines in Tennessee versus BellSouth' s entire territory is needed.

17(c)	Work activities in nonrecurring rates	Substitute 7% for fallout rate – reflect three minutes of work activity per order	AT&T partially implemented this change by substituting 7% for the fallout rate where this percentage is clearly identified in BellSouth's workpapers.
17(d)	Cross-connect costs in nonrecurring rates	No adjustment to TELRIC required	No action required
17(e)	Testing costs in nonrecurring rates	Remove loop testing costs from nonrecurring rates – adjust TELRIC to recover these costs through recurring rates	AT&T did not complete its calculations to remove these costs from nonrecurring rates. Testing expenses and worktimes are not individually identified in the TELRIC workpapers, but are combined with connecting and other activities.
18	Recovery of disconnect costs	Create separate charge for disconnect costs payable at time of disconnection	In its run to determine nonrecurring rates, AT&T adjusted the TELRIC calculator to prevent the calculation of disconnect costs. To identify these disconnect costs, AT&T made a second run of the TELRIC calculator with disconnect costs restored (and all other parameters unchanged). By comparing the results of these two runs, AT&T deduced the disconnect charges, as shown in elements X and Y.
19	physical collocation	Adopt AT&T/MCI approach but adjust model to increase width of common area space in accordance with Standard State Building Code	No action required.
20	Filing	File cost studies within 30 days of the order. (Feb 24)	No action required.
21	Reconsideration	Any party may file a petition for reconsideration.	No action required.

NASHVILLE, TENNESSEE

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

Docket No: 97-01262

CERTIFICATE OF SERVICE

I, James P. Lamoureux, hereby certify that I have served a copy of the foregoing to the following counsel of record via U. S. First Class Mail, postage paid, this 24th day of February, 1999.

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