Mimi B. MacDonald
Attorney

Southwestern Bell Telephone
One Bell Center, Room 3546
St. Louis, Missouri 63101
Phone 314 235-2518
Fax 314 247-0881

Southwestern Bell

January 20, 2000

FILED

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Missouri Public
Service Commission

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street, Floor 5A
Jefferson City, Missouri 65101

Re: Case No. TO-2000-322

Dear Judge Roberts:

Enclosed for filing with the Commission in the above-referenced case is an original and 14 copies of Southwestern Bell Telephone Company's Motion to Substitute Schedule 4 with Revised Schedule 4 in the Non-Proprietary Version of the Direct Testimony of James R. Smallwood.

Please stamp "Filed" on the extra copy and return the copy to me in the enclosed self-addressed, stamped envelope.

Thank you for bringing this matter to the attention of the Commission.

Very truly yours,

Mimi B. MacDonald / TM

Mimi B. MacDonald

Enclosure

cc: Attorneys of Record

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Petition of DIECA Communications, Inc. d/b/a Covad Communications Company for Arbitration of Interconnection Rates, Terms, Conditions and Related Arrangements with Southwestern Bell Telephone Company.	))))))	Case No. TO-2000-322

SOUTHWESTERN BELL TELEPHONE COMPANY'S RESPONSE MOTION TO SUBSTITUTE SCHEDULE 4 WITH REVISED SCHEDULE 4 IN THE NON-PROPRIETARY VERSION OF THE DIRECT TESTIMONY OF JAMES R. SMALLWOOD

COMES NOW Southwestern Bell Telephone Company ("SWBT") and, for its Motion to Substitute Schedule 4 with Revised Schedule 4 in the Non-Proprietary Version of the Direct Testimony of James R. Smallwood, states as follows:

1. On January 7, 2000, SWBT filed the Non-Proprietary Version of the Direct Testimony of James R. Smallwood ("Mr. Smallwood").

2. Attached to Mr. Smallwood's testimony are six Schedules. Schedule 4 contains Highly Confidential information as that term is defined in Section A of the Missouri Public Service Commission's ("Commission's") Protective Order that was issued on November 29, 1999.

3. Although SWBT attempted to thoroughly redact the Highly Confidential information that is contained in Schedule 4 which is attached to the Non-Proprietary version of the Direct Testimony of Mr. Smallwood, it inadvertently failed to redact certain information (inputs to the cost study) that is Highly Confidential and is contained on pages 4 through 15 of Schedule 4.

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4. The information that SWBT inadvertently failed to redact is Highly Confidential because disclosure of such information will assist competitors in developing competing pricing strategies.

5. At this time, SWBT requests the Commission to:

(a) substitute revised Schedule 4, which is attached hereto, for Schedule 4 in the Non-Proprietary version of the Direct Testimony of James R. Smallwood; and

(b) order all parties to the case to treat the information contained in Schedule 4 of the Non-Proprietary version of James R. Smallwood's Direct Testimony, filed on January 7, 2000, as Highly Confidential information under the terms of the Protective Order in this case.

WHEREFORE, Southwestern Bell Telephone Company prays the Commission grants its Motion to Substitute Schedule 4 with Revised Schedule 4 in the Non-Proprietary Version of the Direct Testimony of James R. Smallwood, together with any further and additional relief that the Commission deems just and proper.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

BY Mimi B. MacDonald /tm

PAUL G. LANE #27011
LEO J. BUB #34326
ANTHONY K. CONROY #35199
MIMI B. MACDONALD #37606
Attorneys for Southwestern Bell Telephone Company
One Bell Center, Room 3510
St. Louis, Missouri 63101
314-235-4094 (Telephone)
314-247-0014 (Fax)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing document were served to all parties on the Service List by overnight delivery on January 20, 2000.

Mimi B. MacDonald /TM

Mimi B. MacDonald

WILLIAM HAAS
MISSOURI PUBLIC SERVICE COMMISISON
301 WEST HIGH STREET, SUITE 530
JEFFERSON CITY, MO 65102

LISA C. CREIGHTON
MARK P. JOHNSON
SONNENSCHEIN, NATH & ROSENTHAL
4520 MAIN STREET, SUITE 1100
KANSAS CITY, MO 64111

MISSOURI

UNBUNDLED NETWORK ELEMENTS
Digital Subscriber Line Loop Conditioning
(Loop Lengths up to and over 17,500 feet)
Nonrecurring Cost Study

December, 1999
1999

OVERVIEW / METHODOLOGY

SERVICE DESCRIPTION

When inhibiting network components are present and the customer still desires a clean UNE loop, those items must be removed. To remove them will require an OSP Engineer to pull plant records and draw up work orders to allow construction to remove the components. Once completed, the OSP Engineer will hand off the work order to a Drafting Clerk who will formalize the detailed order into a working print and post the information to permanent plant records. Once the order has been sent to the field, a Cable Splicer must review the work required, travel to the locations shown on the print, set up the work location, and conduct the work required to remove the components. The general description of inhibiting network components is as follows:

Load Coils: Load coils are placed on loop facilities when there is a signaling loss. Load coils modify the loss so that the decibel signal is constant across the length of the facility. For DSL circuits, along with other types of digital circuits, these coils must be removed.

Bridge Tap: In many situations, a pair of wires is routed to several locations. In order to route the pair to several locations, the cable pair must be "branched off" in another cable to the other location. This is bridge tap. The increase in length caused by the bridge tap can cause interference with signals such as those required for DSL and the bridge tap must be removed in some circumstances.

Repeaters: A repeater is generally used to amplify a signal, which can decay over distance. The existence of a repeater will interfere with a DSL signal and must be removed.

PURPOSE

The purpose of this study is to determine the nonrecurring costs associated with conditioning an unbundled loop.

NONRECURRING COSTS

The term nonrecurring refers to the expensed labor efforts required to provide service to a customer. It includes both installation and disconnect activity, under the assumption that ultimately the customer will discontinue the service at some point in time. The cost factors / inputs are based upon the Commission Order in Docket TO-97-40.

Nonrecurring Study Procedures

The following steps were taken to identify the nonrecurring costs required to provide the above Loop conditioning.

1. Identify work groups involved in the installation/disconnect process. Meetings were conducted between cost studies personnel and network representatives to determine

what work groups w[redacted] involved.

2. Identify job activities required to perform the installation/disconnect functions by work group. Data was requested and provided by network representatives that indicated the specific activities that were required to install and disconnect each specific component.

3. Identify labor times associated with each job function by work group and work grade. Data was requested and provided by network representatives that indicated the amount of time required to conduct the identified activity. This data also indicated the salary level of the personnel who typically performs the activity, i.e., clerical, supervision, craft, etc.

4. Apply appropriate labor costs to arrive at the installation and disconnect cost. Current labor rates were obtained for each identified salary level. The labor times for each activity were multiplied by the labor cost to calculate the nonrecurring cost for each activity.

Nonrecurring Cost Calculation

Occurrence Factors

There are two types of occurrence factors used in this study – Task Occurrence Factor ("TOF") and Work Group Occurrence Factor ("WGOF").

Task Occurrence Factor

Not all service order or channel connect activities are required for every service. When activities are required, the TOF (sometimes called a task frequency or task probability) identifies the percent of time each task must be performed.

Work Group Occurrence Factor

The WGOF identifies what percent of the time the work group is required to perform a task. This factor also captures the impact of two different work groups having similar responsibilities for a type of order. In order to develop an average time per order, the task time of each group is multiplied by its respective WGOF. The results for each group are then added together.

The calculation used throughout this study is a series of multiplication steps, which are shown below:

Labor Rate Per hr	/ 60	X	Activity time per minute	X	Task Occurrence	X	WGOF	=	NRC

Summary - Nonrecurring Costs

Workgroups involved in the provisioning of a service are identified. The time to perform each function is identified and the labor rate associated with the employee performing the function is determined. The current labor rate is multiplied by the labor time to arrive at the cost for performing the function. Work functions are then grouped by cost element and totaled to arrive at the nonrecurring cost per element.

MISSOURI
UNBUNDLED NETWORK ELEMENTS

DIGITAL SUBSCRIBER LINE LOOP CONDITIONING
(Loop Lengths up to and over 17,500 feet)

1999
DECEMBER, 1999

RESULTS

	NONRECURRING COST		
	INITIAL	ADDITIONAL Same Location/ Same Cable	ADDITIONAL Same Location/ Different Cable
UNE Loops up to 17,500 feet			
Remove Load Coils	**$_____**	**$_____**	**$_____**
Remove Bridge Tap	**$_____**	**$_____**	**$_____**
Remove Repeaters	**$_____**	**$_____**	**$_____**
Remove Load Coils & Bridge Tap	**$_____**	**$_____**	**$_____**
Remove Bridge Tap and Repeaters	**$_____**	**$_____**	**$_____**
	$_____		
UNE Loops over 17,500 feet			
Remove Load Coils	**$_____**	**$_____**	**$_____**
Remove Bridge Tap	**$_____**	**$_____**	**$_____**
Remove Repeaters	**$_____**	**$_____**	**$_____**
Remove Load Coils & Bridge Tap	**$_____**	**$_____**	**$_____**
Remove Bridge Tap and Repeaters	**$_____**	**$_____**	**$_____**

Non Combined Conditioning <17.5 Kilofeet

Loop Conditioning - (Remove Bridge Tap, Coils, Repeaters)	**INITIAL**	**ADDITIONAL[1]**	**ADDITIONAL[2]**
Load Coils			
OSP Engineer: Pull plant "blue prints"; draw up work order showing cable pairs, size of cable, cable counts, manhole dimensions, street locations, other detail. Proof work, instruct draft clerk, prepare cover letter.			
_____, _, _	**$____**	**$____**	**$____**
Draft Clerk: Formalizes engineer detail into work print, posts to permanent plant records.			
_____, __, __	**____**	**____**	**____**
Cable Splicer: Travel to location, redirect traffic and set up safety equipment, inspect area, purge water from manhole with pump, test manhole for gas, set up blower and ventilate manhole, clean splice closure, open splice closure locate pair, remove coil, close and seal splice, test splice enclosure for pressure, remove equipment, close out work. Includes 3 load coils, one in each of 3 manholes.			
_____, _____, _____	**____**	**____**	**____**
	____	**____**	**____**

	INITIAL	ADDITIONAL[1]	ADDITIONAL[2]
Bridged Tap			
Removal			
OSP Engineer :			
Same activities as for Load Coils			
_____, _, _ **	**$____**	**$____**	**$____**
Draft Clerk:			
Same activities as for Load Coils			
_____, __, __	**____**	**____**	**____**
Cable Splicer:			
Same activities as for Load Coils but different times.			
This includes just one manhole.			
_____, _____, _____	**____**	**____**	**____**
Reinstall			
OSP Engineer:			
Same as removal but reinstalled c only **___** of time	**____**	**___**	**___**
Draft Clerk:			
Same as removal but reinstalled c only **___** of time	**____**	**____**	**____**
Cable Splicer:			
Same as removal but reinstalled c only **___** of time	**____**	**____**	**____**
	$____	**$____**	**$____**

NonCombined Conditioning

	INITIAL	ADDITIONAL[1]	ADDITIONAL[2]
Repeaters			
OSP Engineer: Same activities as for Load Coils but identification associated with repeaters is less involved. **_____, _, _**	**$___**	**$___**	**$___**
Draft Clerk: Same activities as for Load Coils but identification associated with repeaters is less involved. **_____, ___, ___**	**___**	**___**	**___**
Cable Splicer: Same activities as for Load Coils but, on average, one repeater in one manhole. **_____, _____, _____**	**___** **$___**	**___** **$___**	**___** **$___**

Footnotes

1 Assumes same cable opened for pairs conditioned.

2 Assumes different cable opened for subsequent pairs conditioned.

Combined Conditioning <17.5 Kilofeet

Loop Conditioning - (Remove Bridge Tap, Coils, Repeaters)	**INITIAL**	**ADDITIONAL[1]**	**ADDITIONAL[2]**
Load Coils and Bridged Taps			
OSP Engineer: Pull plant "blue prints"; draw up work order showing cable pairs, size of cable, cable counts, manhole dimensions, street locations, other detail. Proof work, instruct draft clerk, prepare cover letter. **_____, _, _**	**$____**	**$____**	**$____**
Draft Clerk: Formalizes engineer detail into work print, posts to permanent plant records. **_____, __, __**	**____**	**____**	**____**
Cable Splicer: Travel to location, redirect traffic and set up safety equipment, inspect area, purge water from manhole with pump, test manhole for gas, set up blower and ventilate manhole, clean splice closure, open splice closure locate pair, remove coil, close and seal splice, test splice enclosure for pressure, remove equipment, close out work. Includes 3 load coils, one in each of 3 manholes. **_____, _____, _____**	**____** **$____**	**____** **$____**	**____** **$____**

Bridged Tap Reinstallation

Reinstall

OSP Engineer:

** _____, _, _** **$____** **__** **__**

Draft Clerk:

** _____, _____, _____** **____** **____** **____**

Cable Splicer:

** _____, _____, _____** **____** **____** **____**

____ **____** **____**

Total Load Coils and Bridged Taps **$_____** **$____** **$____**

Repeaters and Bridged Taps

OSP Engineer:

Same activities as for Load Coils but identification associated with repeaters is less involved.

** _____, _, _** **____** **$____** **$____**

Draft Clerk:

Same activities as for Load Coils but identification associated with repeaters is less involved.

** _____, ____, ____** **____** **____** **____**

Cable Splicer:

Same activities as for Load Coils but, on average, one repeater in one manhole.

** _____, _____, _____** **____** **____** **____**

$____** **$____ **$____**

Bridged Tap Reinstallation

Reinstall

OSP Engineer:

** _____, _, _** **$____** **$____** **$____**

Draft Clerk:

** _____, _____, _____** **____** **____** **____**

Cable Splicer:

** _____, _____, _____** **____** **____** **____**

____ **____** **____**

Total Repeaters and Bridged Taps **$____** **____** **$____**

Footnote

1 Assumes same cable opened for pairs conditioned.

2 Assumes different cable opened for subsequent pairs conditioned.

Loops greater than 17.5 Kft.
NonCombined Conditioning

MISSOURI

Non Combined Conditioning >17.5 Kilofeet

Loop Conditioning - (Remove Bridge Tap, Coils, Repeaters)	**INITIAL**	**ADDITIONAL[1]**	**ADDITIONAL[2]**
Load Coils			
OSP Engineer:			
One-third of activities for <17.5 kft.			
**_____, _, _	**$___**	**$___**	**$___**
Draft Clerk:			
One-third of activities for <17.5 kft.			
_____, _, _	**___**	**___**	**___**
Cable Splicer:			
One-third of activities for <17.5 kft.			
_____, _____, _____	**___** **$___**	**___** **$___**	**___** **$___**

Highly Sensitive Confidential

	INITIAL	ADDITIONAL[1]	ADDITIONAL[2]
Bridged Tap			
Removal			
OSP Engineer :			
One-half of activities for <17.5 kft.			
_____, _, _	**$____**	**$____**	**$____**
Draft Clerk:			
One-half of activities for <17.5 kft.			
_____, ___, ___	**____**	**____**	**____**
Cable Splicer:			
One-half of activities for <17.5 kft.			
_____, _____, _____	**____**	**____**	**____**
Reinstall			
OSP Engineer:			
Same as removal but reinstalled c only **___** of time	**____**	**____**	**____**
Draft Clerk:			
Same as removal but reinstalled c only **___** of time	**____**	**____**	**____**
Cable Splicer:			
Same as removal but reinstalled c only **___** of time	**____**	**____**	**____**
	____	**____**	**____**

NonCombined Conditioning

	INITIAL	ADDITIONAL[1]	ADDITIONAL[2]
Repeaters			
OSP Engineer: Same as <17.5 kft.	**_____, _, _**	**$____**	**$____**	**$____**
Draft Clerk: Same as <17.5 kft.	**_____, ___, ___**	**____**	**____**	**____**
Cable Splicer: Same as <17.5 kft.	**_____, _____, _____**	**____** **$____**	**____** **$____**	**____** **$____**

Footnotes

1 Assumes same cable opened for pairs conditioned.

2 Assumes different cable opened for subsequent pairs conditioned.

Combined Conditioning >17.5 Kilofeet

Loop Conditioning - (Remove Bridge Tap, Coils, Repeaters)	**INITIAL**	**ADDITIONAL[1]**	**ADDITIONAL[2]**
Load Coils and Bridged Taps			
OSP Engineer:			
Combinations of activities.			
_____, _, _	**$____**	**$____**	**$____**
Draft Clerk:			
Combinations of activities.			
_____, ____, ____	**____**	**____**	**____**
Cable Splicer:			
Combinations of activities.	**____**		
_____, _____, _____	**____**	**____**	**____**
	$____	**$____**	**$____**

Bridged Tap Reinstallation

Reinstall

OSP Engineer:

** _____, _, _** **$____** **__** **__**

Draft Clerk:

** _____, _____, _____** **____** **____** **____**

Cable Splicer:

** _____, _____, _____** **____** **____** **____**

____ **____** **____**

Total Load Coils and Bridged Taps **$____** **$____** **$____**

Repeaters and Bridged Taps

OSP Engineer:

Combinations of activities.

** _____, _, _** **$____** **$____** **$____**

Draft Clerk:

Combinations of activities.

** _____, __, __** **____** **____** **____**

Cable Splicer:

Combinations of activities.

** _____, _____, _____** **____** **____** **____**

$____** **$____ **$____**

Loops greater than 17.5 Kft.
Combined Conditioning

MISSOURI

Bridged Tap Reinstallation

Reinstall

OSP Engineer:				
** _____, _, _**	**$____**	**$____**	**$____**	
Draft Clerk:				
** _____, _____, _____**	**____**	**____**	**____**	
Cable Splicer:				
** _____, _____, _____**	**____**	**____**	**____**	
	____	**____**	**____**	**____**
Total Repeaters and Bridged Taps	**$____**	**$____**	**$____**	

Footnote
1 Assumes same cable opened for pairs conditioned.
2 Assumes different cable opened for subsequent pairs conditioned.