

Exhibit No.:  
Issues: Cost of Switched Access  
Witness: Ben Johnson, PhD.  
Sponsoring Party: MoPSC Staff  
Type of Exhibit: Direct Testimony  
Case No.: TR-2001-65  
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**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY OPERATIONS DIVISION**

**DIRECT TESTIMONY**

**OF**

**BEN JOHNSON, PHD.**

**CASE NO. TR-2001-65**

**Jefferson City, Missouri  
July, 2002**

**\*\* Denotes Highly Confidential Information \*\***

**NP**

Schedule AG-6

Direct Testimony of  
Ben Johnson, PhD.

1 Q. You stated previously that you compared the Missouri intrastate rates to the intrastate  
2 rates of various other companies in other states. Would you please summarize those comparisons?

3 A. Yes. I obtained rates from 44 of the 50 states. The rates charged in other states are  
4 generally comprised of the same elements as the Missouri companies' rates. The Missouri rates are  
5 generally higher. Rates for the other states are set forth on Schedule 6. The total rates range from  
6 a low of \$0.0029 to a high of \$0.0998 with an overall average of \$0.0240. The average rate of the  
7 Missouri large ILECs is close to the high end of the national range and considerably higher than the  
8 average of the other states. The average rate of the small Missouri ILECs is also much higher than  
9 the average rate charged by the ILECs in other states. However, the latter comparison must be  
10 viewed with caution, since the rate data from other states was obtained from large ILECs.

11 Q. What were the results of the CCL rate comparison?

12 A. The results of this comparison were generally consistent with the results of the  
13 comparisons with the intrastate cost data, as well as the interstate rate data. As shown on Schedule  
14 6, Pages 4 through 6, the average rate in other states is \$0.0093 (taking into consideration those states  
15 where the rate is zero). The average intrastate rate of the 5 large Missouri ILECs is \$0.0445, which  
16 is substantially higher than the average rate charged in the other intrastate jurisdictions. Particularly  
17 for the small ILECs, these comparisons must be viewed with caution, since the bulk of the rates we  
18 obtained from other states are for large ILECs. However, it is worth noting that the average intrastate  
19 rate for the small ILECs in Missouri is greater than the highest CCL rate listed for other states—the  
20 \$0.0539 rate charged by Sugar Land Telephone, an Alltel affiliate in Texas.

**Total Switched Access Rates - Other States**  
*Per switched access minute Local Transport @ 25 Miles*

| State | Company          | Rate   |
|-------|------------------|--------|
| GA    | BellSouth        | 0.0029 |
| KY    | BellSouth        | 0.0029 |
| CA    | Pacific Bell     | 0.0032 |
| WV    | Verizon          | 0.0033 |
| KS    | SWBT             | 0.0035 |
| MS    | BellSouth        | 0.0035 |
| TN    | BellSouth        | 0.0037 |
| IN    | Indiana Bell     | 0.0038 |
| MI    | Michigan Bell    | 0.0038 |
| OH    | Ohio Bell        | 0.0038 |
| WI    | Wisconsin Bell   | 0.0038 |
| NV    | Nevada Bell      | 0.0040 |
| IL    | Illinois Bell    | 0.0044 |
| OR    | US West          | 0.0051 |
| AL    | BellSouth        | 0.0065 |
| WY    | Qwest            | 0.0065 |
| OK    | SWBT             | 0.0071 |
| LA    | BellSouth        | 0.0077 |
| IN    | Verizon          | 0.0082 |
| SC    | BellSouth        | 0.0083 |
| PA    | Contel           | 0.0087 |
| PA    | GTE              | 0.0087 |
| AR    | SWBT             | 0.0087 |
| NE    | Alltel           | 0.0106 |
| VA    | Verizon          | 0.0109 |
| SC    | Contel           | 0.0113 |
| NC    | BellSouth        | 0.0114 |
| NE    | Qwest            | 0.0128 |
| IA    | Qwest            | 0.0130 |
| MI    | Verizon          | 0.0132 |
| MD    | Verizon          | 0.0140 |
| SC    | GTE              | 0.0145 |
| PA    | Alltel           | 0.0145 |
| KY    | Verizon South    | 0.0149 |
| IN    | Sprint           | 0.0149 |
| KY    | Verizon Kentucky | 0.0150 |
| MN    | Qwest            | 0.0163 |
| CA    | Verizon          | 0.0164 |
| TN    | Sprint           | 0.0166 |
| TX    | GTE SoWest       | 0.0166 |
| WA    | Qwest            | 0.0167 |
| MT    | Qwest            | 0.0170 |



## Total Switched Access Rates - Other States

*Per switched access minute Local Transport @ 25 Miles*

| State | Company            | Rate   |
|-------|--------------------|--------|
| RI    | Verizon            | 0.0172 |
| MA    | Verizon            | 0.0184 |
| UT    | Qwest              | 0.0185 |
| TX    | Contel             | 0.0187 |
| OR    | Verizon            | 0.0188 |
| VT    | Verizon            | 0.0190 |
| DE    | Verizon            | 0.0213 |
| FL    | BellSouth          | 0.0219 |
| GA    | Alltel             | 0.0231 |
| OR    | Malheur Bell       | 0.0233 |
| AL    | Verizon Mid-States | 0.0276 |
| SC    | Alltel             | 0.0286 |
| AL    | Verizon South      | 0.0291 |
| TX    | SWBT               | 0.0292 |
| NH    | Verizon            | 0.0292 |
| FL    | Verizon            | 0.0297 |
| WA    | Verizon            | 0.0301 |
| NY    | Alltel             | 0.0310 |
| CO    | Qwest              | 0.0312 |
| ND    | Qwest              | 0.0320 |
| AL    | Alltel             | 0.0338 |
| NJ    | Verizon            | 0.0340 |
| AZ    | Qwest              | 0.0345 |
| GA    | Georgia Alltel     | 0.0355 |
| ID    | Qwest S. Idaho     | 0.0358 |
| NC    | Alltel             | 0.0361 |
| NV    | Verizon            | 0.0395 |
| ID    | Qwest N. Idaho     | 0.0408 |
| KS    | Sprint             | 0.0417 |
| ID    | Verizon            | 0.0429 |
| NE    | Sprint             | 0.0429 |
| NM    | Qwest              | 0.0430 |
| OH    | Alltel             | 0.0438 |
| OH    | Western Reserve    | 0.0443 |
| KY    | Alltel             | 0.0458 |
| SD    | Qwest              | 0.0482 |
| GA    | Georgia Tel Corp.  | 0.0507 |
| OK    | Alltel             | 0.0508 |
| NC    | GTE South          | 0.0516 |
| FL    | Alltel             | 0.0534 |
| GA    | Standard Telephone | 0.0538 |
| AR    | Alltel             | 0.0575 |

## Total Switched Access Rates - Other States

*Per switched access minute Local Transport @ 25 Miles*

| State | Company    | Rate   |
|-------|------------|--------|
| NC    | Contel     | 0.0646 |
| TX    | Sugar Land | 0.0752 |
| MS    | Alltel     | 0.0998 |
|       | Average    | 0.0240 |

# Carrier Common Line Rates - Other States

Per switched access minute

| State | Company          | Rate |
|-------|------------------|------|
| AL    | Alltel           | -    |
| AL    | BellSouth        | -    |
| AR    | SWBT             | -    |
| CA    | Pacific Bell     | -    |
| CA    | Verizon          | -    |
| DE    | Verizon          | -    |
| GA    | BellSouth        | -    |
| IL    | Illinois Bell    | -    |
| IN    | Indiana Bell     | -    |
| IN    | Verizon          | -    |
| KY    | Alltel           | -    |
| KY    | BellSouth        | -    |
| KY    | Verizon Kentucky | -    |
| KY    | Verizon South    | -    |
| LA    | BellSouth        | -    |
| MD    | Verizon          | -    |
| MI    | Michigan Bell    | -    |
| MS    | BellSouth        | -    |
| MT    | Qwest            | -    |
| NE    | Alltel           | -    |
| NE    | Qwest            | -    |
| NV    | Nevada Bell      | -    |
| NV    | Verizon          | -    |
| NY    | Alltel           | -    |
| OH    | Ohio Bell        | -    |
| OR    | US West          | -    |
| OR    | Verizon          | -    |
| PA    | Alltel           | -    |
| PA    | Contel           | -    |
| PA    | GTE              | -    |
| RI    | Verizon          | -    |
| SC    | BellSouth        | -    |
| SC    | Contel           | -    |
| SC    | GTE              | -    |
| TX    | Contel           | -    |
| TX    | GTE SoWest       | -    |
| VA    | Verizon          | -    |
| VT    | Verizon          | -    |
| WA    | Qwest            | -    |
| WI    | Wisconsin Bell   | -    |
| WV    | Verizon          | -    |
| WY    | Qwest            | -    |

## Carrier Common Line Rates - Other States

*Per switched access minute*

| State | Company            | Rate   |
|-------|--------------------|--------|
| NC    | BellSouth          | 0.0001 |
| KS    | SWBT               | 0.0003 |
| TN    | BellSouth          | 0.0008 |
| OK    | SWBT               | 0.0008 |
| IA    | Qwest              | 0.0022 |
| MN    | Qwest              | 0.0071 |
| TN    | Sprint             | 0.0073 |
| UT    | Qwest              | 0.0074 |
| MI    | Verizon            | 0.0074 |
| IN    | Sprint             | 0.0075 |
| GA    | Georgia Tel Corp.  | 0.0076 |
| GA    | Alltel             | 0.0097 |
| GA    | Standard Telephone | 0.0097 |
| AL    | Verizon South      | 0.0114 |
| FL    | BellSouth          | 0.0119 |
| OK    | Alltel             | 0.0122 |
| AL    | Verizon Mid-States | 0.0127 |
| AR    | Alltel             | 0.0134 |
| WA    | Verizon            | 0.0141 |
| MA    | Verizon            | 0.0141 |
| AZ    | Qwest              | 0.0163 |
| SC    | Alltel             | 0.0166 |
| CO    | Qwest              | 0.0176 |
| ID    | Qwest S. Idaho     | 0.0179 |
| OR    | Malheur Bell       | 0.0179 |
| ND    | Qwest              | 0.0193 |
| NC    | Alltel             | 0.0194 |
| NE    | Sprint             | 0.0200 |
| FL    | Verizon            | 0.0203 |
| TX    | SWBT               | 0.0214 |
| NC    | GTE South          | 0.0217 |
| GA    | Georgia Alltel     | 0.0221 |
| KS    | Sprint             | 0.0223 |
| NJ    | Verizon            | 0.0242 |
| ID    | Qwest N. Idaho     | 0.0254 |
| NM    | Qwest              | 0.0257 |
| NH    | Verizon            | 0.0265 |
| OH    | Alltel             | 0.0289 |
| OH    | Western Reserve    | 0.0297 |
| ID    | Verizon            | 0.0307 |
| FL    | Alltel             | 0.0343 |
| NC    | Contel             | 0.0374 |

## Carrier Common Line Rates - Other States

Per switched access minute

| State | Company    | Rate   |
|-------|------------|--------|
| SD    | Qwest      | 0.0389 |
| MS    | Alltel     | 0.0473 |
| TX    | Sugar Land | 0.0539 |
|       | Average    | 0.0093 |



## End Office Switching Rates - Other States

*Per switched access minute*

| State | Company        | Rate   |
|-------|----------------|--------|
| MA    | Verizon        | 0.0016 |
| CA    | Pacific Bell   | 0.0019 |
| NH    | Verizon        | 0.0019 |
| TN    | BellSouth      | 0.0021 |
| GA    | BellSouth      | 0.0021 |
| KY    | BellSouth      | 0.0022 |
| WV    | Verizon        | 0.0025 |
| MS    | BellSouth      | 0.0027 |
| KS    | SWBT           | 0.0029 |
| IN    | Indiana Bell   | 0.0031 |
| MI    | Michigan Bell  | 0.0031 |
| OH    | Ohio Bell      | 0.0031 |
| WI    | Wisconsin Bell | 0.0031 |
| NV    | Nevada Bell    | 0.0032 |
| NE    | Alltel         | 0.0039 |
| IL    | Illinois Bell  | 0.0040 |
| MI    | Verizon        | 0.0042 |
| OR    | US West        | 0.0044 |
| OR    | Malheur Bell   | 0.0048 |
| AL    | BellSouth      | 0.0051 |
| OK    | SWBT           | 0.0052 |
| IN    | Sprint         | 0.0053 |
| WY    | Qwest          | 0.0057 |
| PA    | Contel         | 0.0060 |
| PA    | GTE            | 0.0060 |
| LA    | BellSouth      | 0.0064 |
| IN    | Verizon        | 0.0065 |
| TX    | SWBT           | 0.0069 |
| SC    | BellSouth      | 0.0070 |
| OH    | Alltel         | 0.0070 |
| TN    | Sprint         | 0.0074 |
| AR    | SWBT           | 0.0077 |
| MN    | Qwest          | 0.0081 |
| PA    | Alltel         | 0.0081 |
| RI    | Verizon        | 0.0084 |
| SD    | Qwest          | 0.0086 |
| FL    | BellSouth      | 0.0087 |
| GA    | Alltel         | 0.0087 |
| GA    | Georgia Alltel | 0.0087 |
| OR    | Verizon        | 0.0089 |
| FL    | Verizon        | 0.0089 |
| NJ    | Verizon        | 0.0089 |

## End Office Switching Rates - Other States

Per switched access minute

| State | Company            | Rate   |
|-------|--------------------|--------|
| NC    | BellSouth          | 0.0099 |
| IA    | Qwest              | 0.0100 |
| OH    | Western Reserve    | 0.0100 |
| VA    | Verizon            | 0.0100 |
| SC    | Contel             | 0.0104 |
| UT    | Qwest              | 0.0104 |
| ND    | Qwest              | 0.0106 |
| SC    | Alltel             | 0.0110 |
| TX    | Sugar Land         | 0.0113 |
| NE    | Qwest              | 0.0118 |
| OK    | Alltel             | 0.0121 |
| ID    | Verizon            | 0.0122 |
| CO    | Qwest              | 0.0124 |
| MD    | Verizon            | 0.0126 |
| SC    | GTE                | 0.0137 |
| AL    | Verizon Mid-States | 0.0138 |
| KY    | Verizon Kentucky   | 0.0138 |
| KY    | Verizon South      | 0.0142 |
| ID    | Qwest N. Idaho     | 0.0143 |
| VT    | Verizon            | 0.0151 |
| WA    | Verizon            | 0.0151 |
| NC    | Alltel             | 0.0154 |
| MT    | Qwest              | 0.0154 |
| CA    | Verizon            | 0.0156 |
| NM    | Qwest              | 0.0158 |
| WA    | Qwest              | 0.0159 |
| TX    | Contel             | 0.0163 |
| TX    | GTE SoWest         | 0.0163 |
| KS    | Sprint             | 0.0163 |
| AL    | Verizon South      | 0.0168 |
| ID    | Qwest S. Idaho     | 0.0169 |
| AZ    | Qwest              | 0.0173 |
| FL    | Alltel             | 0.0177 |
| NV    | Verizon            | 0.0181 |
| NE    | Sprint             | 0.0190 |
| NY    | Alltel             | 0.0193 |
| DE    | Verizon            | 0.0200 |
| NC    | Contel             | 0.0261 |
| NC    | GTE South          | 0.0293 |
| AL    | Alltel             | 0.0304 |
| GA    | Georgia Tel Corp.  | 0.0404 |
| AR    | Alltel             | 0.0407 |