

BELLSOUTH TELECOMMUNICATIONS, INC.

FCC TARIFF NO. 2

DESCRIPTION AND JUSTIFICATION

COST SUPPORT

Verizon Business

Saraland, AL

CASE NO. AL07-D387-00

Transmittal No. 1123

This Transmittal is scheduled to become effective November 22, 2008

**SECTION 1
INTRODUCTION
SPECIAL CONSTRUCTION CASE
AL07-D387-00**

With this filing, BellSouth Telecommunications, Inc. proposes to recover the cost associated with special construction necessary to provide LightGate DS3 service (a.k.a. BellSouth SPA Point to Point) at 400 Industrial Parkway, Saraland, Alabama. Special Construction is required because facilities are not available to meet the Customer's request. The Telephone Company must construct new facilities consisting of 5,300 Feet of Aerial Fiber at 400 Industrial Parkway, Saraland, Alabama. The Telephone Company has no other planned use for the facilities requested.

Because this special construction is provided in connection with a service available under an existing tariff, the customer will be charged the tariff rates for services as set forth in BellSouth's FCC Tariff in addition to the charges described herein. The charges set forth in this filing recover the costs caused by this customer's request. Workpaper I provides a summary of the charges for the service; Workpaper II provides cost details, Workpaper III provides monthly capital cost calculations, and Workpaper IV provides non-recoverables summary.

SECTION 2

RATE AND COST DEVELOPMENT

2.1 INTRODUCTION

This special construction case establishes charges necessary for facilities to provide service at 400 Industrial Parkway, Saraland, Alabama. The facility portion requiring special construction consists of 5,300 Feet of Aerial Fiber at 400 Industrial Parkway, Saraland, Alabama.

The following is a summary of the monthly and nonrecurring charges associated with this filing. A description of each element is contained in Section 2.2.

Special Construction Charges

Special Construction-400 Industrial Parkway.	\$17,165.00
Case Preparation	\$1,545.00

2.2 DESCRIPTION OF CHARGES

2.2.1 The Nonrecurring charge is applied to recover the present worth of the monthly capital costs, calculated over the account average life of the applicable field reporting code, then spread over the contract period. The capital costs are developed from the estimated non-recoverable investments associated with the special construction. The non-recoverable investments consist of estimated engineering and installation costs based on labor hours and labor rates, outside contractor billing and associated material. Details of this component are shown on Workpaper IV, page 1. The present worth of the capital costs is developed using

the authorized cost of capital. Details of the costs supporting this component are shown on Workpaper II, page 1.

The Case Preparation Charge is applied to recover the applicable costs of the case preparation. Case preparation consists of the cost of administrative expenses associated with preparing a special construction case and the associated tariff filing. Details of the costs supporting this component are shown on Workpaper II, page 1.

CHARGE SUMMARY

SPECIAL ARRANGEMENT

CUSTOMER: Verizon Business

CASE NUMBER: AL07-D387-00

	<u>Nonrecurring</u>	<u>Monthly</u>
I. Case Preparation Charges (Workpaper II, Line I.)	\$1,545.00	
II. Special Construction for placing new facilities at 400 Industrial Parkway, Saraland, AL (Workpaper II, Line II.B.)	\$17,165.00	

COST DETAILS

CUSTOMER: Verizon Business

CASE NUMBER: AL07-D387-00

		<u>Nonrecurring</u>	<u>Monthly</u>
I.	Case Preparation	\$1,545.00	
II.	Special Construction for placing new facilities at 400 Industrial Parkway, Saraland, AL		
A.	Total Monthly Capital Costs		\$172.24
B.	Present Worth of Capital Costs	\$17,165.00	

MONTHLY COST CALCULATIONS

CUSTOMER: Verizon Business

CASE NUMBER: AL07-D387-00

Special Construction for placing new facilities at 400 Industrial Parkway, Saraland, AL

FIELD					INCOME	TOTAL
CODE	DESCRIPTION	INVESTMENT	DEPRECIATION	RETURN	TAXES	MONTHLY
						COST
822	Non Fiber Capital	\$3,324.07	\$16.18	\$18.63	\$9.31	\$44.12
822	Aerial Fiber Cable	\$9,653.19	\$46.98	\$54.11	\$27.03	\$128.12
		\$12,977.26	\$63.16	\$72.74	\$36.34	\$172.24

NONRECOVERABLES

NONRECURRING SUMMARY

CUSTOMER: Verizon Business

CASE NUMBER: AL07-D387-00

<u>FIELD CODE</u>	<u>DESCRIPTION</u>	<u>QUANTITY</u>	<u>MATERIAL</u>	<u>LABOR</u>	<u>ENGINEERING</u>	<u>TOTAL NONRECOVERABLE INVESTMENT</u>
822	Non Fiber Capital	1	\$1,741.19	\$771.34	\$811.54	\$3,324.07
822	Aerial Fiber Cable	1	\$3,394.79	\$4,032.60	\$2,225.80	\$9,653.19
			\$5,135.98	\$4,803.94	\$3,037.34	\$12,977.26