

# **TXU COMMUNICATIONS TELEPHONE COMPANY**

## **TARIFF F.C.C. No. 1**

### **DESCRIPTION AND JUSTIFICATION**

#### **Transmittal Number 11**

**February 11, 2003**

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# **SECTION 1**

## **DESCRIPTION AND JUSTIFICATION**

### **Description**

This filing is being made to add Service Provider Number Portability (SPNP) service to the TXU Communications Telephone Co. Tariff F.C.C. # 1 .

### **Justification**

This filing is being made pursuant to 61.38 (b)(2) of the annotated F.C.C. Rules as revised February 1, 1998.

## **SECTION 2**

### **COST DEVELOPMENT**

#### **Cost Development**

#### **SPNP Investment and Expenses**

The Investment and Expenses associated with SPNP were identified by the engineering, software and system employees at TXU Communications Telephone Company. Direct investments are a combination of actual amounts already expended plus quotes from vendors for the remaining work to be done. Both investments and expenses are estimated for the period beginning in mid-2002 through 2007. It is anticipated that these rates will go into effect, with the FCC's approval in late 2002 or early 2003.

This filing includes only costs that are directly associated with SPNP. There are other joint costs that might be associated to some extent with SPNP but the company has elected to use only the direct costs in this rate calculation and to continue to recover such joint costs through other settlement mechanisms. The direct investment and direct expenses are shown on Chart 1.

Next, the total investment and expenses associated with SPNP are allocated to two rate categories: End User and Database Query. A description of each investment and expense and the method of apportionment between the two rate categories is shown on the Exhibit labeled Apportionment Methods and Percents to SPNP. The apportionment to rate elements is accomplished on Chart 2.

The detailed calculation of rates required for cost recovery for the two SPNP rate categories is shown on Charts 3 and 4.

The exhibit named Overhead Cost Factor shows the calculation of overhead percentages that are used to calculate the overhead costs that are used in the SPNP cost calculations..

Forecasted demand units were also calculated along with the development of costs. Forecasted demand units are projected to coincide with the cost recovery period. The Exhibit named Demand Units shows the projected SPNP chargeable units for the 60-month recovery period.

A summary of costs, demand and rates, along with proof of SPNP cost recovery is shown on the Exhibit named SPNP Net Income Worksheet.

### **Rate Applicability**

All appropriately equipped TXU Communications Telephone Company exchanges will receive SPNP service and will be charged the end user charge.