

**Sprint Local Telephone Companies**

**Tariff F.C.C. No. 3**

**Transmittal No. 240**

***Description and Justification***

The Sprint local telephone companies (Sprint LTC) hereby submit the following information in support of the accompanying tariff filing, as required by Sections 61.38 and 61.41 through 61.49 of the Federal Communications Commission's Rules and Regulations.

This filing, which is being made on 15 days' notice under the Commission's streamlined filing procedures, adds special construction charges for the installation of fiber optic facilities and specialized equipment designed to meet the specific requirements of Sprint LDD in the state of Pennsylvania.

**Special Construction – Individual Case Basis Filing**

Sprint LTC proposes to add recurring monthly rates for the special construction of fiber optic facilities, specialized optical equipment and circuit protection equipment for the provision of two OC48 Sprint SONET Ring Service<sup>SM</sup> facilities in the state of Pennsylvania. Rate development worksheets detailing the calculation of the proposed rates and charges for the fiber optic facilities, specialized optical equipment and circuit protection equipment are included as Exhibits 1-1 through 1-3. The rates for the fiber optic cable and specialized optical equipment were developed separately from the maintenance and taxes for those elements, and then combined to produce a single monthly recurring charge. The rates for the circuit protection equipment were also developed separately from the associated maintenance and taxes, and then combined to produce a second monthly recurring charge that will be applied for each OC48 facility.

The Sprint local telephone companies are submitting the accompanying tariff revisions in accordance with the Commission's Rules governing the provision of interstate access services, and in response to customer requests for specially constructed facilities. The revisions proposed herein are demonstrated to be just and reasonable, and are supported, where required, by exhibits detailing cost and rate development.

## Interstate Access Rate Development

**Company:** *Sprint Local Telephone Companies - Pennsylvania*

**Rate Element:** *Specialized Optical Equipment*  
*Sprint*

**A. Investment (Equipment & Labor)**

1. Circuit Equipment Investment		
2. Outside Plant Investment	\$616,382	
3. Total Investment Cost (Line 1 + Line 2)		\$616,382
4. Net Salvage Value - Material		<u>\$0</u>
5. Net Installed Cost (Line 3 - Line 4)		\$616,382

**B. Annual Cost**

		% Total <u>Investment</u>
6. Depreciation	\$154,096	25.00%
7. Other Direct Expense	\$0	0.00%
8. Maintenance	\$0	0.00%
9. Return	\$37,972	6.16%
10. Federal and State Tax	\$30,346	4.92%
11. Total Annual Cost (Line 6 thru Line 10)	\$222,414	36.08%

**C. Customer Installation Cost**

	<u>Hours</u>	<u>Labor Rate</u>	
12. Engineering Labor	0.00	\$0.00	\$0
13. Installation Labor	0.00	\$0.00	\$0
14. Total Labor (Line 12 + Line 13)			\$0

**D. Pricing**

15.	Proposed Nonrecurring Charge	\$	-
16.	Monthly Direct Cost	PRICE FLOOR	\$ 18,534.52
17.	PROPOSED MONTHLY RATE:		\$ 20,945.00

## Interstate Access Rate Development

**Company:** *Sprint Local Telephone Companies - Pennsylvania*

**Rate Element:** *Specialized Optical Equipment Taxes and Maintenance  
Sprint*

**A. Investment (Equipment & Labor)**

1. Circuit Equipment Investment		
2. Outside Plant Investment	\$314,800	
3. Total Investment Cost (Line 1 + Line 2)		\$314,800
4. Net Salvage Value - Material		<u>\$0</u>
5. Net Installed Cost (Line 3 - Line 4)		\$314,800

**B. Annual Cost**

		<u>% Total Investment</u>
6. Depreciation	\$0	0.00%
7. Other Direct Expense	\$37,556	11.93%
8. Maintenance	\$2,581	0.82%
9. Return	\$0	0.00%
10. Federal and State Tax	\$0	0.00%
11. Total Annual Cost (Line 6 thru Line 10)	\$40,137	12.75%

**C. Customer Installation Cost**

	<u>Hours</u>	<u>Labor Rate</u>	
12. Engineering Labor	0.00	\$0.00	\$0
13. Installation Labor	0.00	\$0.00	\$0
14. Total Labor (Line 12 + Line 13)			\$0

**D. Pricing**

15.	Proposed Nonrecurring Charge	\$	-
16.	Monthly Direct Cost	PRICE FLOOR	\$ 3,344.75
17.	PROPOSED MONTHLY RATE:	\$	3,780.00

## Interstate Access Rate Development

**Company:** *Sprint Local Telephone Companies - Pennsylvania*

**Rate Element:** *Fiber Optic Cable*  
*Sprint*

**A. Investment (Equipment & Labor)**

1. Circuit Equipment Investment		
2. Outside Plant Investment	\$2,557,083	
3. Total Investment Cost (Line 1 + Line 2)		\$2,557,083
4. Net Salvage Value - Material		<u>\$0</u>
5. Net Installed Cost (Line 3 - Line 4)		\$2,557,083

**B. Annual Cost**

		% Total Investment
6. Depreciation	\$127,854	5.00%
7. Other Direct Expense	\$0	0.00%
8. Maintenance	\$0	0.00%
9. Return	\$194,110	7.59%
10. Federal and State Tax	\$155,127	6.07%
11. Total Annual Cost (Line 6 thru Line 10)	\$477,091	18.66%

**C. Customer Installation Cost**

	<u>Hours</u>	<u>Labor Rate</u>	
12. Engineering Labor	0.00	\$0.00	\$0
13. Installation Labor	0.00	\$0.00	\$0
14. Total Labor (Line 12 + Line 13)			\$0

**D. Pricing**

15.	Proposed Nonrecurring Charge	\$ -
16.	Monthly Direct Cost PRICE FLOOR	\$ 39,757.58
17.	PROPOSED MONTHLY RATE:	\$ 44,926.00

## Interstate Access Rate Development

**Company:** *Sprint Local Telephone Companies - Pennsylvania*

**Rate Element:** *Fiber Optic Cable Taxes and Maintenance*  
*Sprint*

**A. Investment (Equipment & Labor)**

1. Circuit Equipment Investment		
2. Outside Plant Investment	\$2,374,900	
3. Total Investment Cost (Line 1 + Line 2)		\$2,374,900
4. Net Salvage Value - Material		<u>\$0</u>
5. Net Installed Cost (Line 3 - Line 4)		\$2,374,900

**B. Annual Cost**

		<u>% Total</u> <u>Investment</u>
6. Depreciation	\$0	0.00%
7. Other Direct Expense	\$215,166	9.06%
8. Maintenance	\$7,837	0.33%
9. Return	\$0	0.00%
10. Federal and State Tax	\$0	0.00%
11. Total Annual Cost (Line 6 thru Line 10)	\$223,003	9.39%

**C. Customer Installation Cost**

	<u>Hours</u>	<u>Labor Rate</u>	
12. Engineering Labor	0.00	\$0.00	\$0
13. Installation Labor	0.00	\$0.00	\$0
14. Total Labor (Line 12 + Line 13)			\$0

**D. Pricing**

15.	Proposed Nonrecurring Charge	\$ -
16.	Monthly Direct Cost PRICE FLOOR	\$ 18,583.59
17.	PROPOSED MONTHLY RATE:	\$ 20,999.00

## Interstate Access Rate Development

Company: *Sprint Local Telephone Companies - Pennsylvania*Rate Element: *Circuit Protection Equipment*  
*Sprint***A. Investment (Equipment & Labor)**

1. Circuit Equipment Investment		
2. Outside Plant Investment	\$187,634	
3. Total Investment Cost (Line 1 + Line 2)		\$187,634
4. Net Salvage Value - Material		<u>\$0</u>
5. Net Installed Cost (Line 3 - Line 4)		\$187,634

**B. Annual Cost**

		% Total <u>Investment</u>
6. Depreciation	\$46,908	25.00%
7. Other Direct Expense	\$0	0.00%
8. Maintenance	\$0	0.00%
9. Return	\$11,559	6.16%
10. Federal and State Tax	\$9,238	4.92%
11. Total Annual Cost (Line 6 thru Line 10)	\$67,705	36.08%

**C. Customer Installation Cost**

	<u>Hours</u>	<u>Labor Rate</u>	
12. Engineering Labor	0.00	\$0.00	\$0
13. Installation Labor	0.00	\$0.00	\$0
14. Total Labor (Line 12 + Line 13)			\$0

**D. Pricing**

15.	Proposed Nonrecurring Charge	\$	-
16.	Monthly Direct Cost	PRICE FLOOR	\$ 5,642.11
17.	PROPOSED MONTHLY RATE:	\$	6,379.00

## Interstate Access Rate Development

**Company:** *Sprint Local Telephone Companies - Pennsylvania*

**Rate Element:** *Circuit Protection Equipment Taxes and Maintenance*  
*Sprint*

**A. Investment (Equipment & Labor)**

1. Circuit Equipment Investment		
2. Outside Plant Investment	\$95,800	
3. Total Investment Cost (Line 1 + Line 2)		\$95,800
4. Net Salvage Value - Material		<u>\$0</u>
5. Net Installed Cost (Line 3 - Line 4)		\$95,800

**B. Annual Cost**

		<u>% Total</u> <u>Investment</u>
6. Depreciation	\$0	0.00%
7. Other Direct Expense	\$11,429	11.93%
8. Maintenance	\$786	0.82%
9. Return	\$0	0.00%
10. Federal and State Tax	\$0	0.00%
11. Total Annual Cost (Line 6 thru Line 10)	\$12,215	12.75%

**C. Customer Installation Cost**

	<u>Hours</u>	<u>Labor Rate</u>	
12. Engineering Labor	0.00	\$0.00	\$0
13. Installation Labor	0.00	\$0.00	\$0
14. Total Labor (Line 12 + Line 13)			\$0

**D. Pricing**

15.	Proposed Nonrecurring Charge	\$	-
16.	Monthly Direct Cost	PRICE FLOOR	\$ 1,017.88
17.	PROPOSED MONTHLY RATE:	\$	1,151.00