

**Sprint Local Telephone Companies**

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

**Transmittal No. 268**

*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 61.49(f)(3) of the Federal Communications Commission's Rules and Regulations.

This filing is being made on 15 days' notice under the Federal Communications Commission's streamlined filing procedures, and proposes to add special construction charges for the installation of copper doubler equipment, battery power equipment, fiber optic cable and copper cable in order to meet the specific requirements of customers in the states of Florida, Kansas, Minnesota, North Carolina, Ohio, Texas and Washington.

Sprint LTC proposes to add nonrecurring charges and recurring monthly rates for the special construction of DS1 copper facilities and DS3 fiber optic facilities, and copper doubler equipment and battery power equipment designed to satisfy the specific requirements of customers in the states of Florida, Kansas, Minnesota, North Carolina, Ohio, Texas and Washington. The proposed rates and charges recover the cost of materials, engineering and installation incurred by the Telephone Company, which is in addition to the investment costs included in the monthly recurring rates associated with the special access services requested. Rate development worksheets detailing the calculation of the proposed rates and charges for each special construction case are included as Exhibits 1-1 through 1-8.

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. The rates and charges proposed in this filing are demonstrated to be fully cost-based and reasonable, and are supported, where required, by exhibits detailing cost and rate development.

Interstate Access Rate Development

Company: *Sprint Local Telephone Companies' - Florida*

Rate Element: *Special Construction - Copper Doubler Equipment and Taxes & Maintenance US LEC*

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

1. Circuit Equipment Investment		
2. Outside Plant Investment	\$	3,657
3. Total Investment Cost (Line 1 + Line 2)		3,657
4. Net Salvage Value - Material		-
5. Net Installed Cost (Line 3 - Line 4)	\$	<u>3,657</u>

**B. Annual & Monthly Cost**

		% Total Investment
6. Depreciation	\$ 457	12.50%
7. Ad Valorem Taxes	29	0.78%
8. Maintenance & Other Expenses	262	7.16%
9. Return	257	7.02%
10. Federal and State Tax	<u>102</u>	<u>2.80%</u>
11. Total Annual Cost (Line 6 thru Line 10)	\$ 1,107	30.26%
12. Total Monthly Cost (Line 11 / 12)	\$ 92.22	

**C. Non-Recurring Cost**

**D. Pricing**

13.	Proposed Nonrecurring Charge	\$ -
14.	Monthly Direct Cost PRICE FLOOR	\$ 92.22
15.	PROPOSED MONTHLY RATE:	\$ 100.00

<u>Direct Cost/ Unit Invest</u>	<u>Direct Cost/ Rate</u>
0.3026	0.9222

Interstate Access Rate Development

Company: *Sprint Local Telephone Companies' - Kansas*

Rate Element: *Special Construction - Battery Power Equipment and Taxes & Maintenance  
Empire Today, LLC*

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

1. Circuit Equipment Investment		
2. Outside Plant Investment	\$	1,538
3. Total Investment Cost (Line 1 + Line 2)		1,538
4. Net Salvage Value - Material		-
5. Net Installed Cost (Line 3 - Line 4)	\$	<u>1,538</u>

**B. Annual & Monthly Cost**

		% Total Investment
6. Depreciation	\$ 513	33.33%
7. Ad Valorem Taxes	15	0.95%
8. Maintenance & Other Expenses	70	4.54%
9. Return	131	8.55%
10. Federal and State Tax	<u>110</u>	<u>7.17%</u>
11. Total Annual Cost (Line 6 thru Line 10)	\$ 839	54.53%
12. Total Monthly Cost (Line 11 / 12)	\$ 69.90	

**C. Non-Recurring Cost**

**D. Pricing**

<b>13.</b>	<b>Proposed Nonrecurring Charge</b>	<b>\$ -</b>
<b>14.</b>	<b>Monthly Direct Cost PRICE FLOOR</b>	<b>\$ 69.90</b>
<b>15.</b>	<b>PROPOSED MONTHLY RATE:</b>	<b>\$ 80.00</b>

<u>Direct Cost/ Unit Invest</u>	<u>Direct Cost/ Rate</u>
0.5453	0.8737

Interstate Access Rate Development

Company: *Sprint Local Telephone Companies' - Minnesota*

Rate Element: *Special Construction - Fiber Optic Cable and Taxes & Maintenance Broadwing*

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

1. Circuit Equipment Investment	\$	-
2. Outside Plant Investment	\$	1,813
3. Total Investment Cost (Line 1 + Line 2)		1,813
4. Net Salvage Value - Material	\$	-
5. Net Installed Cost (Line 3 - Line 4)		<u>1,813</u>

**B. Annual & Monthly Cost**

		% Total Investment
6. Depreciation	\$ 363	20.00%
7. Ad Valorem Taxes	3	0.15%
8. Maintenance & Other Expenses	42	2.32%
9. Return	116	6.38%
10. Federal and State Tax	<u>133</u>	<u>7.36%</u>
11. Total Annual Cost (Line 6 thru Line 10)	\$ 656	36.21%
12. Total Monthly Cost (Line 11 / 12)	\$ 54.70	

**C. Non-Recurring Cost**

13. Non-Recurring Cost (PV of Line 12 for 5 Years)	\$ 2,488.31
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**D. Pricing**

<b>14. Proposed Nonrecurring Charge</b>	<b>\$ 2,812.00</b>
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Interstate Access Rate Development

Company: *Sprint Local Telephone Companies' - North Carolina*

Rate Element: *Special Construction - Fiber Optic Cable and Taxes & Maintenance*  
*Sprint LDD*

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

1. Circuit Equipment Investment	\$	-
2. Outside Plant Investment	\$	18,707
3. Total Investment Cost (Line 1 + Line 2)		18,707
4. Net Salvage Value - Material	\$	-
5. Net Installed Cost (Line 3 - Line 4)		<u>18,707</u>

**B. Annual & Monthly Cost**

		% Total Investment
6. Depreciation	\$ 3,741	20.00%
7. Ad Valorem Taxes	77	0.41%
8. Maintenance & Other Expenses	622	3.33%
9. Return	1,422	7.60%
10. Federal and State Tax	<u>1,737</u>	<u>9.29%</u>
11. Total Annual Cost (Line 6 thru Line 10)	\$ 7,600	40.63%
12. Total Monthly Cost (Line 11 / 12)	\$ 633.34	

**C. Non-Recurring Cost**

13. Non-Recurring Cost (PV of Line 12 for 5 Years)	\$ 27,532.78
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**D. Pricing**

<b>14. Proposed Nonrecurring Charge</b>	<b>\$ 31,112.00</b>
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Interstate Access Rate Development

Company: *Sprint Local Telephone Companies' - Ohio*

Rate Element: *Special Construction - Fiber Optic Cable and Taxes & Maintenance AT&T*

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

1. Circuit Equipment Investment		
2. Outside Plant Investment		\$ 7,754
3. Total Investment Cost (Line 1 + Line 2)		7,754
4. Net Salvage Value - Material		
5. Net Installed Cost (Line 3 - Line 4)		<u>\$ 7,754</u>

**B. Annual & Monthly Cost**

		% Total Investment
6. Depreciation	\$ 1,551	20.00%
7. Ad Valorem Taxes	89	1.15%
8. Maintenance & Other Expenses	185	2.39%
9. Return	503	6.49%
10. Federal and State Tax	<u>259</u>	<u>3.34%</u>
11. Total Annual Cost (Line 6 thru Line 10)	\$ 2,587	33.36%
12. Total Monthly Cost (Line 11 / 12)	\$ 215.57	

**C. Non-Recurring Cost**

13. Non-Recurring Cost (PV of Line 12 for 5 Years)	\$ 9,500.88
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**D. Pricing**

<b>14.</b>	<b>Proposed Nonrecurring Charge</b>	<b>\$ 10,736.00</b>
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Interstate Access Rate Development

Company: *Sprint Local Telephone Companies' - Texas*

Rate Element: *Special Construction - Fiber Optic Cable and Taxes & Maintenance Broadwing*

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

1. Circuit Equipment Investment	\$	-
2. Outside Plant Investment	\$	29,508
3. Total Investment Cost (Line 1 + Line 2)		29,508
4. Net Salvage Value - Material		804
5. Net Installed Cost (Line 3 - Line 4)	\$	30,312

**B. Annual & Monthly Cost**

		% Total Investment
6. Depreciation	\$ 4,602	15.59%
7. Ad Valorem Taxes	325	1.10%
8. Maintenance & Other Expenses	1,018	3.45%
9. Return	1,889	6.40%
10. Federal and State Tax	1,542	5.23%
11. Total Annual Cost (Line 6 thru Line 10)	\$ 9,376	31.78%
12. Total Monthly Cost (Line 11 / 12)	\$ 781.35	

**C. Non-Recurring Cost**

13. Non-Recurring Cost (PV of Line 12 for 5 Years)	\$ 35,543.00
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**D. Pricing**

<b>14. Proposed Nonrecurring Charge</b>	<b>\$ 40,164.00</b>
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Interstate Access Rate Development

Company: *Sprint Local Telephone Companies' - Texas*

Rate Element: *Special Construction - Fiber Optic Cable and Taxes & Maintenance AT&T*

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

1. Circuit Equipment Investment		
2. Outside Plant Investment	\$	14,660
3. Total Investment Cost (Line 1 + Line 2)		14,660
4. Net Salvage Value - Material		-
5. Net Installed Cost (Line 3 - Line 4)	\$	14,660

**B. Annual & Monthly Cost**

		% Total Investment
6. Depreciation	\$ 4,887	33.33%
7. Ad Valorem Taxes	197	1.35%
8. Maintenance & Other Expenses	681	4.64%
9. Return	1,251	8.53%
10. Federal and State Tax	1,970	13.44%
11. Total Annual Cost (Line 6 thru Line 10)	\$ 8,986	61.30%
12. Total Monthly Cost (Line 11 / 12)	\$ 748.86	

**C. Non-Recurring Cost**

**D. Pricing**

13.	Proposed Nonrecurring Charge	\$ -
14.	Monthly Direct Cost PRICE FLOOR	\$ 748.86
15.	PROPOSED MONTHLY RATE:	\$ 846.00

Direct Cost/ Unit Invest	Direct Cost/ Rate
<u>0.6130</u>	<u>0.8852</u>

Interstate Access Rate Development

Company: Sprint Local Telephone Companies' - Washington

Rate Element: Special Construction - Copper Cable and Taxes & Maintenance  
US Cellular

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

1. Circuit Equipment Investment		
2. Outside Plant Investment	\$	16,603
3. Total Investment Cost (Line 1 + Line 2)		16,603
4. Net Salvage Value - Material		
5. Net Installed Cost (Line 3 - Line 4)	\$	16,603

**B. Annual & Monthly Cost**

		% Total Investment
6. Depreciation	\$ 3,320.55	20.00%
7. Ad Valorem Taxes	116.22	0.70%
8. Maintenance & Other Expenses	728.86	4.39%
9. Return	1,042.78	6.28%
10. Federal and State Tax	557.92	3.36%
11. Total Annual Cost (Line 6 thru Line 10)	\$ 5,766	34.73%
12. Total Monthly Cost (Line 11 / 12)	\$ 480.53	

**C. Non-Recurring Cost**

**D. Pricing**

13.	Proposed Nonrecurring Charge	\$ -
14.	Monthly Direct Cost PRICE FLOOR	\$ 480.53
15.	PROPOSED MONTHLY RATE:	\$ 543.00

Direct Cost/ Unit Invest	Direct Cost/ Rate
<u>0.3473</u>	<u>0.8850</u>