

**SBC – NEVADA BELL TELEPHONE COMPANY**  
**DESCRIPTION AND JUSTIFICATION**  
**TRANSMITTAL NO. 115**  
**November 25, 2005**

**1. Introduction**

With this filing, Nevada Bell Telephone Company (NBTC) plans to introduce a revision in the methodology used to determine how the Presubscribed Interexchange Carrier (PIC) is charged pursuant to the Presubscribed Interexchange Carrier Charges Order, CC Docket No. 02-53. Section 61.38 provides guidelines for supporting information to be submitted for a tariff change which affects rates, or for a tariff offering a new service excluded from price cap regulation.

**2. Description**

In the *Presubscribed Interexchange Carrier Charges Order*<sup>1</sup>, the Commission revises its (PIC) change charge methodology. The Commission requires Incumbent Local Exchange Carriers (ILECs) to establish separate PIC change charges based on the method used to process the request, either manually (manual) or electronically (mechanized). Manually processed PIC changes occur when the end user, or end user's agent, contacts the NBTC business office to request a PIC change. Mechanically processed PIC changes occur when the Interexchange Carrier (IXC), on behalf of the end user or end user's agent, submits a request electronically to NBTC to request a PIC change. Pursuant to the Order, the Commission establishes new safe harbors of \$5.50 for *manually* processed changes and \$1.25 for *electronically* processed changes. The Order allows ILECs to tariff PIC change charge rates that are equal to, or less than, the safe harbor without

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<sup>1</sup> *Presubscribed Interexchange Carrier Charges*, CC Docket No. 02-53, released March 17, 2005.

having to provide detailed cost studies in support of the rates. However, ILECs are permitted to submit cost studies if their costs exceed the safe harbor limit. Pursuant to the Order, NBTC proposes to submit cost studies in order to charge rates different than the safe harbor limit, which are detailed on **Exhibit 2**. NBTC will not include the 50% discount, as explained in the Line and Change Quantity Efficiency section of this D&J. NBTC has included the IT implementation cost to modify its billing systems to accommodate the bifurcated rate structure as ordered by the Commission. The cost was calculated by dividing SBC's total IT implementation costs by SBC's 13-state 2004 PIC Change volume, and rounding to the nearest cent, which is detailed on **Exhibit 2**. NBTC's proposed rates are listed in **Exhibit 1**.

### **3. Federal Universal Service Fund Adjustment**

This portion of the filing revises NBTC's basic USF obligation on the assessment of PIC charges. The 4<sup>th</sup> Quarter 2005 contribution factor is 10.2%, and is provided in the Commission's Public Notice, DA 05-2454, released September 15, 2005. Recovery of this contribution is allowable pursuant to C.F.R. 69.158. The methodology used to calculate end user charges assessed to recover this liability is detailed below.

#### 4. Calculation of the Federal Universal Service Fund Flat Rate End User Charge

To ensure compliance with the Commission's *Interim Contribution Methodology Order*, NBTC recovers its USF obligation associated with switched access services through various flat-rate end user charges<sup>2</sup>. The charges are assessed with respect to the interstate end user service that generates the USF obligation.

##### A. Other Non-recurring USF Surcharges.

Non-recurring USF surcharges are assessed to interstate end user non-recurring charges, which generate a USF obligation. NBTC calculates other non-recurring USF surcharges by multiplying the non-recurring charge by the contribution factor. These USF recovery charges will only be assessed per occurrence of the interstate end user non-recurring charge. For billing purposes, the USF recovery charge may be added to the existing interstate end user charge which generates the obligation.

NBTC also assesses Interexchange Carriers (ICs) the Presubscribed Interexchange Charge (PIC) USF Charge when the IC is assessed the PIC change charge, which is illustrated on **Exhibit 1**.

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<sup>2</sup>See *Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability*, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116., 98-170, Report and Order and Second Further Notice of Proposed Rule Making, 17FCC RCD 24952 (2202) (*Interim Contribution Methodology Order*).

## **Presubscribed Interexchange Carrier Cost Support Methodology**

### **Purpose**

The purpose of this cost study is to provide updated costs for PIC Change orders.

### **Service Description**

Presubscription is a procedure whereby an end user may select and designate to the Telephone Company an Interexchange Carrier (IC) to access, without dialing an access code, for interLATA calls. This IC is referred to as the end user's primary IC. The charge associated with interLATA is a PIC.

### **Rate Element Descriptions**

Manual Change – Nonrecurring Charge

Mechanized Change – Nonrecurring Charge

### **Activity-Based Costing**

Activity-Based Costing is a widely used method of identifying costs. The structure of an Activity Based Costing study is based on the fact that activities performed by the Company consume resources, and these resources have a specifically identifiable cost. Activities, then, are used to provide services. This gives a logical, easy-to-follow flow through the costing procedure.

Activity-Based Costing uses a number of specific terms, such as *resource*, *activity*, *cost object*, and *drivers*, which have simple, yet special meanings.

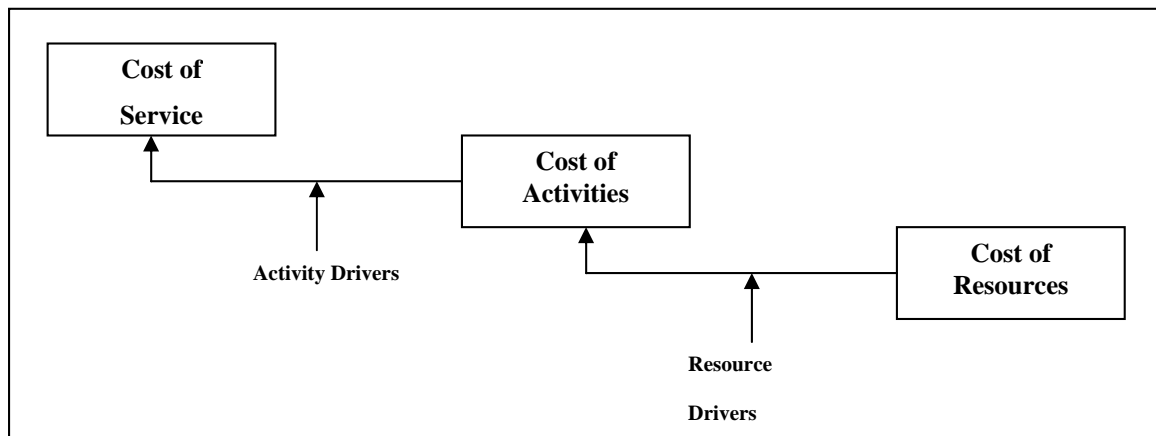
- A *resource* can be a piece of equipment, a labor rate, or a vendor contracted expense.
- An *activity* is an action that consumes resources. The cost of the activity is calculated based on the cost of the resources that the activity consumes, and the resource driver, or the quantity of resources the activity consumes.
- A *cost object* is a product (i.e., PIC Change).
- *Drivers* are specific units that represent quantities of activities and resources. For example, time in minutes, or orders per line may be drivers. Resource drivers are the quantity of resources consumed by an activity. Activity drivers are the number of activities necessary to provide the service.

**The Basics of Activity-Based Costing are:**

- Cost objects (i.e., services) are provided by activities.
- Activities consume resources.
- Consumption of resources drives costs.

Figure 1 illustrates the flow of Activity-Based Costing.

**Figure 1**



### **Line and Change Quantity Efficiency**

An end user may have more than one access line and ask to have their PIC changed on multiple lines on the same request (or order). In addition, on the same request, the same end user may also request LPIC changes on the same lines. There are efficiencies associated with performing PIC changes on multiple lines and performing a PIC change at the same time as a LPIC change. These efficiencies are included in the cost results.

The SMEs provided time estimates that represent the total activity time required to make all changes on all lines on an average sized request. In other words, the SMEs, based on their experience processing requests, estimated an average number of changes required on a request, and provided the total time to process all changes. The Bill of Costs tab adjusts the per request manual costs to per change by multiplying the resulting business channel costs by orders per change (or the inverse of changes per order), thereby accounting for any line and change quantity efficiencies resulting from multiple lines or changes per line on the same request.

### **Labor Rates**

The labor rate represents the cost to NBTC of a single hour of labor. The labor rate is inflated (based on the Consumer Price Index) to the study period to make the labor cost representative of the period under study. A more detailed discussion of labor rates and inflation factors is found later in this methodology.

## **Inflation Factors**

Inflation Factors are utilized to apply the appropriate labor cost for the study period. The inflation factors are developed by using the forecast of the Consumer Price Index (CPI). The CPI represents changes in prices of all goods and services purchased for consumption by urban households. User fees (such as water and sewer service) and sales and excise taxes paid by the consumer are also included. Income taxes and investment items (like stocks, bonds, and life insurance) are not included.

## **Labor Rate Development Methodology**

Labor rates identify the cost to the firm of consuming a particular resource—an hour of labor. Labor rates begin with a basic hourly wage or salary, and then include costs directly caused by labor that are not captured in the basic wage. These other direct labor costs include:

- break time and/or tour length costs,
- paid absence costs,
- special payments such as team awards and recognition,
- payroll taxes, pension costs, benefit costs,
- support assets, including capital costs associated with support assets, and
- other direct costs such as travel and training, and clerical support and supervision.

Labor rates are developed at the proper level of detail to provide accurate costs for specific activities. First, NBTC looks at specific groups of function codes (which designate a specific job function) or activity codes (which designate a specific job activity). These function/activity codes are part of NBTC's functional accounting system used to report expenses Company-wide. For example, 21XX is the group of all wages

and expenses charged to function codes or activity codes that begin with “21,” which in this example represents Operator Services functions and activities.

Within the specific group, NBTC develops labor rates by Market Zone (for management employees) or Wage Category (for non-management employees). The Market Zone and Wage Category are specific job classifications that determine how much the Company pays for a particular job.

The Labor rates in this study begin with an average wage per hour from payroll records. NBTC derives relationships of expenses to wages, or expenses to hours worked, to develop labor factors or loadings that it then applies to basic wages to produce total hourly labor cost. All base labor rates in this study represent calendar year 2003. If NBTC did not have current labor base rates for a particular state or job title, the most recent labor rate available was adjusted by bringing the basic wage portion of the labor rate current and updating the benefit factor using the most recent data available.

### **Cost Study Assumptions and Parameters**

- TSLRIC Methodology
- Slamming costs are included in the PIC change charge
- Study period is 2005 – 2008, midpoint 2006
- Labor Rates are base year 2003 adjusted to 2006



SBC - Nevada Bell Telephone Company  
 Presubscription Interexchange Carrier (PIC) Filing

	Current Rate	Proposed Rate	Current USF Rate	Proposed USF Rate
Nevada				
PIC Manual Change Charge	\$ 5.00	\$ 3.89	\$ 0.51	\$ 0.39
PIC Mechanized Change Charge	N/A	\$ 1.60	N/A	\$ 0.16

USF Factor as of 10/01/2005 0.102

**SBC - Nevada Bell Telephone Company**  
**Presubscribed Interexchange Carrier (PIC) Change Charge**  
**Nonrecurring Cost Study**

**2005 - 2008**

**November 2005**



# **SBC - Nevada Bell Telephone Company**

## **Presubscribed Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study**

2005 - 2008

November 2005

### **Results**

(A)	(B)	(C)	(D)	(E)
		Total	Overhead	Total
		Cost	Factor	Rate
Line	Cost Element	Source: Bill of Costs	Source: Input	$(E)=(C)*(1+D)$
1	Manual PIC Combination, Cost per Change	\$2.94	32.17%	<b>\$3.89</b>
2	Mechanized PIC Combination, Cost per Change	\$1.21	32.17%	<b>\$1.60</b>

# SBC - Nevada Bell Telephone Company

## Presubscribed Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005 - 2008

November 2005

### Bill of Costs

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Ln	Cost Element / Activities	Unit Activity Cost Source: BOAC	Activity Driver (Orders per Change) Source: Drivers	Other Activity Driver Source: Drivers	Activity Driver Description	Activity Cost (G=C*D*E)
<b>Manual PIC Combination, Cost per Change</b>						
1	Change PIC for "Consumer - Service Representative"	\$3.50	0.51	88.1%	% manual orders worked by Consumer Service Representative	\$1.574
2	Change PIC for "Global Markets" customer	\$38.98	0.02	0.7%	% manual orders worked by Global Markets center	\$0.005
3	Change PIC for "Signature Accounts" customer	\$7.13	0.21	1.7%	% manual orders worked by Signature Accounts center	\$0.026
4	Change PIC for "Value" customer	\$7.13	0.30	7.1%	% manual orders worked by Value center	\$0.151
5	Change PIC for "Large Business" customer	\$14.56	0.14	2.4%	% manual orders worked by Large Business center	\$0.048
6	Provide CARE support - All PIC and/or LPIC Changes	\$0.04		n/a	n/a	\$0.043
7	Provide Slamming Administration support - All PIC and/or LPIC Changes	\$0.20		n/a	n/a	\$0.202
8	Provide Service Order Computer Cost per PIC Change	\$0.98	0.392		Weighted Average PIC/LPICs Orders per Change	\$0.384
9	Provide PIC IT Cost per PIC Change	\$0.46		n/a	n/a	\$0.460
10	Provide IT Implementation Cost per PIC Change	\$0.05		n/a	n/a	\$0.047
11	<b>Total Cost &gt; SUM (LN 1.....10)</b>					<b>\$2.94</b>
<b>Mechanized PIC Combination, Cost per Change</b>						
12	Provide CARE support - All PIC and/or LPIC Changes	\$0.04		n/a	n/a	\$0.043
13	Provide CARE support - Mechanized PIC and/or LPIC Changes	\$0.07		n/a	n/a	\$0.072
14	Provide Slamming Administration support - All PIC and/or LPIC Changes	\$0.20		n/a	n/a	\$0.202
15	Provide Service Order Computer Cost per PIC Change	\$0.98	0.392		Weighted Average PIC/LPICs Orders per Change	\$0.384
16	Provide PIC IT Cost per PIC Change	\$0.46		n/a	n/a	\$0.460
17	Provide IT Implementation Cost per PIC Change	\$0.05		n/a	n/a	\$0.047
18	<b>Total Cost &gt; SUM (LN 12.....17)</b>					<b>\$1.21</b>

# SBC - Nevada Bell Telephone Company

## Presubscribed Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005 - 2008

November 2005

### Bill of Activity Costs

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Ln	Activities / Resources	Workgroup	Job Title	Unit Resource Cost (\$/hr)  Source: BORG	Resource Drivers		Resource Cost  (H=E/60*F*G)
					Minutes  Source: Input	Percent Occurrence  Source: Input	
Change PIC for "Consumer - Service Representative"							
1	Receive request from end user or IXC via the IVR and deliver to the next available service representative. Screen Pop provides customer information. Service Representative greets customer.	Consumer	Service Representative	\$60.65	0.75	100.00%	\$0.76
2	Obtain customer information and access account in BOSS/Dashboard. Verify account by requesting bill name, password, SSN or customer code. Clarify request, PIC, LPIC or both. Determine telephone numbers where changes are to be made.	Consumer	Service Representative	\$60.65	0.83	100.00%	\$0.84
3	Access EASE to make PIC/LPIC change, validate carrier availability.	Consumer	Service Representative	\$60.65	0.75	100.00%	\$0.76
4	Set KID PN if customer alleges SLAM	Consumer	Service Representative	\$60.65	1.50	5.00%	\$0.08
5	Transfer customer to Third Party Billing Center if disputed third party billed charges. Make a BOSS notation.	Consumer	Service Representative	\$60.65	0.50	4.00%	\$0.02
6	Recap all elements of the order, provide due dates, charges and usage plans. In EASE on products screen add TPV reference line.	Consumer	Service Representative	\$60.65	1.00	100.00%	\$1.01
7	Log onto OGSL screen in SORD pull up order by area code	Consumer	Service Representative	\$60.65	0.50	2.30%	\$0.01
8	Work CMS second attempt. Access order/customer account in various systems to determine where fallout occurred. If TPV completed release order and disposition in various systems, if not completed disposition in various systems, send Auto Letter and delete order.	Consumer	Service Representative	\$60.65	4.00	0.40%	\$0.02
9	Unit Activity Cost > SUM (LN 1.....8)						\$3.50

# SBC - Nevada Bell Telephone Company

## Presubscribed Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005 - 2008

November 2005

### Bill of Activity Costs

Change PIC for "Global Markets" customer							
10	Change PIC/LPIC request from customer via faxes or emails to center. Customer records are reviewed.	BCS	Service Representative	\$60.65	1.15	100.00%	\$1.16
11	Receive Fax email requests. Copies are pulled and fax cover sheet is prepared that will be returned to the customer with order info.	BCS	Provisioning Specialist	\$0.00	2.00	100.00%	\$0.00
12	Log in fax/email for tracking.	Global	Provisioning Specialist	\$67.34	1.00	100.00%	\$1.12
13	Distributes request to service rep.	Global	Provisioning Specialist	\$67.34	1.00	100.00%	\$1.12
14	Access SORD to place order using the appropriate screen for PIC and LPIC.	BCS	Service Representative	\$60.65	30.00	100.00%	\$30.33
15	End order and fills out the cover sheet to be sent to customer to verify completion of order. Confirmation of due date, order numbers.	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
16	Access SORD, bring up error and review	BCS	Service Representative	\$60.65	1.00	5.00%	\$0.05
17	Correct error and resubmit order	BCS	Service Representative	\$60.65	3.00	5.00%	\$0.15
18	Fax cover sheet back to customer and file and/or email confirmation sent to customer.	BCS	Service Representative	\$60.65	3.00	100.00%	\$3.03
19	Unit Activity Cost > SUM (LN 10.....18)						\$38.98
Change PIC for "Signature Accounts" customer							
20	Answer call and acknowledges customer request	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
21	Clarify request, PIC/LPIC or both, negotiate telephone numbers where changes are to be made. Validate availability of carrier(s). Review account for pending orders to determine impact.	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
22	Explain rights if customer alleges slam, issues correcting order to switch back, issues adjustments in BOSS & forwards to SCRT for follow-up.	BCS	Service Representative	\$60.65	4.50	90.00%	\$4.09
23	Recap all elements of the order & offer additional assistance; Note BOSS account: issued order to change PIC/LPIC from/to, due date & order number, release order.	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
24	Unit Activity Cost > SUM (LN 20.....23)						\$7.13

# SBC - Nevada Bell Telephone Company

## Presubscribed Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005 - 2008

November 2005

### Bill of Activity Costs

<i>Change PIC for "Value" customer</i>							
25	Answer call and acknowledges customer request	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
26	Clarify request, PIC/LPIC or both, negotiate telephone numbers where changes are to be made. Validate availability of carrier(s). Review account for pending orders to determine impact.	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
27	Explain rights if customer alleges slam, issues correcting order to switch back, issues adjustments in BOSS & forwards to SCRT for follow-up.	BCS	Service Representative	\$60.65	4.50	90.00%	\$4.09
28	Recap all elements of the order & offer additional assistance; Note BOSS account: issued order to change PIC/LPIC from/to, due date & order number, release order.	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
29	<b>Unit Activity Cost &gt; SUM (LN 25.....28)</b>						<b>\$7.13</b>

# SBC - Nevada Bell Telephone Company

## Presubscribed Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005 - 2008

November 2005

Bill of Activity Costs							
<b>Change PIC for "Large Business" customer</b>							
30	Receive request from business customer via phone call	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
31	Clarify request, PIC/LPIC or both, negotiate telephone numbers where changes are to be made. Validate availability of carrier(s). Review account for pending orders to determine impact.	BCS	Service Representative	\$60.65	2.00	100.00%	\$2.02
32	Explain rights, issues correcting order to switch back, issues adjustments in BOSS & forwards to SCRT for follow-up. (if customer alleges slam)	BCS	Service Representative	\$60.65	4.00	10.00%	\$0.40
33	Recap all elements of the order & offer additional assistance; Note BOSS account: issued order to change PIC/LPIC from/to, due date & order number, release order.	BCS	Service Representative	\$60.65	0.50	100.00%	\$0.51
34	Change request to non-SBC carrier. Take verbal request from customer. No LOA required	BCS	Service Representative	\$60.65	5.00	40.00%	\$2.02
35	Change Centrex GROUP: Issue M1031	BCS	Service Representative	\$60.65	10.00	60.00%	\$6.07
36	Issue SORD order to change the Centrex GROUP PIC/LPIC						
36	Locate all accounts (access BOSS as needed), access account via SORD MII, type order & send order	BCS	Service Representative	\$60.65	3.00	60.00%	\$1.82
37	Add or Change New Carrier - Issue SORD order Line by Line (without Freeze): Access Account via SORD MII, put in proper codes to pull up account with duplicate lines, determine what you can put on a single order to prepare for line limitations, type order, send order. Repeat PROCESS step for each 30 Centrex lines.	BCS	Service Representative	\$60.65	1.00	100.00%	\$1.01
38	Issue ONE order for every telephone set (EBS-ISDN)	BCS	Service Representative	\$60.65	1.00	20.00%	\$0.20
39	<b>Unit Activity Cost &gt; SUM (LN 30.....38)</b>						<b>\$14.56</b>



# SBC - Nevada Bell Telephone Company

## Presubscribed Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005 - 2008

November 2005

### Bill of Resource Costs

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
						Factor to restate labor rate to current and adjust for inflation (2)	Adjusted Labor Cost per Hour (F)*(G)
Line	State	JFC	Work Group	Job Title	Labor Cost per Hour (1)		
1	NV*	23XX	Consumer	Service Representative	\$56.60	1.0716	\$60.65
2	NV*	23XX	BCS	Service Representative	\$56.60	1.0716	\$60.65
3	NV*	23XX	Global	Provisioning Specialist	\$62.84	1.0716	\$67.34

#### NOTES:

- (1) Source: "Input" Tab  
(2) Restate to Current and Inflation Calculations:

	Year	Value
Labor Rate Base Year	2003	
2004 Wage Increase	2004	2.0%
2005 Wage Increase	2005	2.5%
2006 Wage Increase	2006	2.5%
Inflation to midpoint based on union contract increases		1.0716

\* Used California labor rate as a surrogate rate; the work is performed in Nevada.

# SBC - Nevada Bell Telephone Company

## Presubscribed Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

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### Drivers

#### ACTIVITY DRIVERS

(A)	(B)	(C)	(D)	(E)
		PIC/LPIC Changes per Order	Value	
Line	Driver Description	Source: Input	(1 / C)	
1	Consumer Service Representative PIC/LPIC Orders per Change	1.96	0.51	
2	Global Markets PIC/LPIC Orders per Change	50.00	0.02	
3	Signature PIC/LPIC Orders per Change	4.76	0.21	
4	Value PIC/LPIC Orders per Change	3.34	0.30	
5	Large Business PIC/LPIC Orders per Change	7.19	0.14	
6	Weighted Average PIC/LPICs Orders per Change	2.55	0.39	
(A)	(B)	(C)	(D)	(E)
		Percent Orders by Channel	Percent Manual Orders	Value
Line	Driver Description	Source: Input	Source: Input	(E)=(C)*(D)
7	% manual orders worked by <i>Consumer Service Representative</i>	88.14%	100.00%	88.14%
8	% manual orders worked by <i>Global Markets</i> center	0.66%	100.00%	0.66%
9	% manual orders worked by <i>Signature Accounts</i> center	1.74%	100.00%	1.74%
10	% manual orders worked by <i>Value</i> center	7.06%	100.00%	7.06%
11	% manual orders worked by <i>Large Business</i> center	2.39%	100.00%	2.39%
(A)	(B)	(C)	(D)	
		Quantity Total PIC/LPIC Changes	Value	
Line	Driver Description	Source: Input	(1 / C)	
12	1/Total PIC/LPIC Transactions	121,589	0.00000822	
13	1/Mechanized PIC/LPIC Transactions	37,187	0.00002689	

## SBC - Nevada Bell Telephone Company

### Presubscribed Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

2005 - 2008

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#### Glossary

ASC	Access Service Center	Location where service representatives are employed. The ASC was previously called the ICSC (Interexchange Carrier Service Center).
AOG	Automatic Order Generator	This is an application that takes responses from various other applications like RCRMS to issue SNP's, Non-Pay Product Removal and requests to add delete products and services fro the Web and generates an order in SORD.
BCS	Business Communication Services	
BEASE	Business Easy Access Sales Environment	A GUI application which interacts with SORD, Premise and other systems to format simple orders in SORD.
BORC	Bill of Resource Costs	The section of the cost study that shows the cost of each resource. Resources can be labor such as a service representative's time or equipment such as a multipurpose position. In the case of this study it is labor.
BOSS	Billing and Order Support System	Allows on-line access to all detailed and up-to-date account information needed to carry out service center operations associated with customer account inquiries, the processing of adjustments and the performance of treatment activities.
	Calibus	A web based third party verification application that service representatives can access to begin the TPV process.
CARE	Customer Account Record Exchange	Application that interfaces with the interexchange carriers to provide them with tariffed FCC mandated billing information and optional wholesale products.
	Consumer	Separate Business Channel for the Consumer Channel
	Dashboard	An SBC Enterprise merger revenue/savings initiative to support the strategy of a common desktop application solution across SBC consumer and BCS call centers. Reduces the amount of time customers spend on hold while the service representatives search for customer account information. Provide the capability to navigate into legacy systems for detailed service activation, service orders, billing functions, etc.
EASE	Easy Access Sales Environment	Application used to negotiate orders.
GEM	Government, Education, Municipal	Separate Business Channel for Government/Education/Municipal customers.
	Global Customer	This represents customers with alignment to "Fortune 500" and "Fortune 1000" companies. Minimum \$10 million in total telecom - budget. The customer has 2 or more states outside their headquartered state. Customer has locations in at least 5 continents with at least 2 countries in each continent.
GUI	Graphical User Interface	A WEB based tool that allows online interaction.
IPOC	Initial Point of Contact	An Access Service center located in Richardson, Texas that has a dedicated staff for serving Interexchange Carriers and Billing & Collection Customers. The ASC/IPOC was created to provide one point of contact within SBC for the Carriers regarding Subscription/CARE issues.
IVR	Interactive Voice Response	Provides inquiry and update directly to the customer without service representative intervention. Many applications available including Spanish, Business and Residence functions. Routes appropriately if service representative support is required.
KID PN	n/a	Used to set follow-up's in BOSS to review the account. The service representative will set the KID PN for various reasons. One of these being to refer slammed customers to the SCRT.
LPIC	Local Presubscription Interexchange Carrier	The IntraLATA carrier selected by the customer.
Mosaix		Delivery tool that distributes telephone numbers to back-end reps workstation.
OGSL	Order Generator Status Log	A screen in the SORD application where the service representatives / customer associates retrieve orders that have fallen out due to not completing TPV.
PIC	Presubscription Interexchange Carrier	The InterLATA carrier selected by the customer.

## SBC - Nevada Bell Telephone Company

### Presubscribed Interexchange Carrier (PIC) Change Charge Nonrecurring Cost Study

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#### Glossary

PIC/LPIC	(See above)	PIC or LPIC.
RCRMS	Revenue Collection Risk Management System	An automated account collection process for the West region. Business rules and tariff requirements have been established to assign accounts into specific risk classifications. A GUI interface then allows collection representatives to work their accounts accordingly.
RSC	Residence Service Center	These are the billing channel service representatives.
SCRT	Slamming Complaint Resolution Team	This group resolves all customer slamming complaints.
	Signature Customer	Separate Business Channel for large business customers.
SNP	Suspended for Non Pay	
SORD	Service Order Retrieval & Distribution	SORD is a mechanized, online service order processing system for SBC. It provides a means to create, store, edit, maintain and distribute requests to other involved work groups establishing, disconnecting or changing a customer's services and account.
SORD MII	Service Order Retrieval & Distribution Minimal Input Inquiry	See definition of SORD above. Minimal Input Inquiry is for simple service such as a residential or business line.
SSN	Social Security Number	One form of identification used verify authority
TPBC	Third Party Billing Center	
	Value Customer	Separate Business Channel for small business customers.

**SBC - Nevada Bell Telephone Company****Presubscribed Interexchange Carrier (PIC) Change Charge  
Nonrecurring Cost Study****2005 - 2008****November 2005****Input**

<b>Input</b>		<b>Value</b>	<b>Source</b>
Completion Date		November 2005	
State		SBC - Nevada Bell Telephone Company	
Cost Study Title		Presubscribed Interexchange Carrier (PIC) Change	
Cost Study Subtitle 1		Charge	
Cost Study Subtitle 2		Nonrecurring Cost Study	
Study Period		2005 - 2008	
Midpoint		2006	
Labor Rate Base Year		2003	Cost Group
1	2004 Wage Increase	2.0%	2004 Union Labor Contract
2	2005 Wage Increase	2.5%	2004 Union Labor Contract
3	2006 Wage Increase	2.5%	2004 Union Labor Contract
<u>Percent of Service Orders by Channel</u>			
4	Consumer Service Rep Inbound	88.14%	PIC LPIC NV
5	Global Markets	0.66%	PIC LPIC NV
6	Signature Accounts	1.74%	PIC LPIC NV
7	Value Accounts	7.06%	PIC LPIC NV
8	Large Business	2.39%	PIC LPIC NV
9	Total	100.0%	
<u>Changes per Request by Business Channel</u>			
10	Consumer Customer Care	1.96	Provided by Associate Director - AD HOC/Tracking
11	Global Markets	50.00	25 PIC and 25 LPIC changes per request (provided by Area Manager - Operations Support)
12	Signature Accounts	4.76	Provided by Associate Director - AD HOC/Tracking
13	Value Accounts	3.34	Provided by Associate Director - AD HOC/Tracking
14	Large Business	7.19	Provided by Associate Director - AD HOC/Tracking
15	Weighted Avg Changes per Request	2.55	=SUM(Channel Changes per Request * Channel Access Lines) / Total Access Lines

**SBC - Nevada Bell Telephone Company****Presubscribed Interexchange Carrier (PIC) Change Charge  
Nonrecurring Cost Study****2005 - 2008****November 2005****Input**

<b>Input</b>		<b>Value</b>	<b>Source</b>
16	Manual PIC/LPIC Transactions	84,402	Area Manager - Quality/M&P/Process
17	Mechanized PIC/LPIC Transactions	37,187	Area Manager - Quality/M&P/Process
18	Total PIC/LPIC Change Transactions	121,589	Total Manual and Mechanized Transactions
19	% Manual Transactions (PIC Changes)	100.00%	Product Management
20	Provide Service Order Computer Cost per PIC Change	\$0.98	IT SO Billed Cost Study (July 2004) 13 state average
21	Provide PIC IT Cost per PIC Change	\$0.46	PIC Processing IT Costs_2003_R2.xls (13 state average)
22	SBC Total PIC IT Implementation Cost	\$472,576	IT Project Management - Senior Technical Architect
23	SBC Total PIC Transactions (2004)	10,149,909	Area Manager - CARE Process Support
24	Provide IT Implementation Cost per PIC Change	\$0.05	Line 22 / Line 23
25	Provide CARE support - All PIC and/or LPIC Changes	\$0.04	PIC_CARE_ASC_IPOC Support_October 2005
26	Provide Slamming Administration support - All PIC and/or LPIC Changes	\$0.20	PIC_CARE_ASC_IPOC Support_October 2005
27	Provide CARE support - Mechanized PIC and/or LPIC Changes	\$0.07	PIC_CARE_ASC_IPOC Support_October 2005
28	Overhead Factor	32.17%	SBC ARMIS Overhead Factor PICS 7-25-04
29	NV - 23XX Service Representative	\$56.60	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04
30	NV - 23XX Provisioning Specialist	\$62.84	SBC Cost Analysis Factors & Labor Rates Group, Issued 7/04