

Sprint Local Telephone Companies

Tariff F.C.C. No. 3

Transmittal No. 270

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 reduce certain Sprint Custom Access SolutionsSM rates in Oregon and Washington.

Sprint LTC currently offers Sprint Custom Access SolutionsSM for 6-20 voice channels with speeds of 256 kbps, 384 kbps, 512 kbps and 768 kbps. In this filing, Sprint LTC proposes to reduce rates in the states of Oregon and Washington for 16-20 voice channels at 256 kbps and for 18 voice channels at 256 kbps and 384 kbps. The rate development worksheets originally filed under Transmittal Nos. 172 and 193, dated October 17, 2001 and April 19, 2002 respectively, are included as Exhibit 1-1 and show the cost calculation for Sprint Custom Access SolutionsSM services in Oregon and Washington.

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.

Company: **Sprint Local Telephone Companies - Northwest Group (Oregon, Washington)**

Rate Element: **Sprint Custom Access Solutions**
6-20 Voice Channels/256 Kbps Frame Relay

A. Investment	<u>Outside Plant</u>	<u>Frame Equipment</u>	<u>Circuit Equipment</u>
1. Circuit / Switching Equipment Investment	\$ -	\$ 1,450.31	\$ 1,944.05
2. Outside Plant Investment	\$ 1,838.54	\$ -	\$ -
3. Total Investment Cost (Line 1 + Line 2)	\$ 1,838.54	\$ 1,450.31	\$ 1,944.05
4. Net Salvage Value - Material	\$ -	\$ -	\$ -
5. Net Installed Cost (Line 3 - Line 4)	\$ 1,838.54	\$ 1,450.31	\$ 1,944.05

B. Annual Cost		<u>% Total Investment</u>		<u>% Total Investment</u>		<u>% Total Investment</u>
6. Depreciation	\$ 102.14	5.56%	\$ 131.85	9.09%	\$ 176.73	9.09%
7. Other Direct Expense	\$ 89.35	4.86%	\$ 195.36	13.47%	\$ 150.28	7.73%
8. Maintenance	\$ 63.14	3.43%	\$ 49.05	3.38%	\$ 34.94	1.80%
9. Return	\$ 136.49	7.42%	\$ 98.54	6.79%	\$ 132.08	6.79%
10. Federal and State Tax	\$ 80.47	4.38%	\$ 58.10	4.01%	\$ 77.88	4.01%
11. Total Annual Cost (Line 6 thru Line 10)	\$ 471.60	25.65%	\$ 532.88	36.74%	\$ 571.90	29.42%

C. Customer Installation Cost

	<u>Hours</u>	<u>Labor Rate</u>	
12. Engineering Labor	0.00	\$ -	\$ -
13. Installation Labor	2.25	\$ 49.81	\$ 112.07
14. Total Labor (Line 12 + Line 13)			\$ 112.07

D. Pricing

15. Proposed Nonrecurring Charge:	
1 Year	\$ 450.00
2 Year	\$ 350.00
3 Year	\$ 250.00

16. Monthly Direct Cost	PRICE FLOOR	\$ 131.37
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17. PROPOSED MONTHLY RATES:		<u>Direct Cost/ Unit Invest</u>	<u>Direct Cost/ Rate</u>
6 Voice Channels/256 Kbps Frame Relay - 1 Year Term	\$323.00	0.3012	0.4067
6 Voice Channels/256 Kbps Frame Relay - 2 Year Term	\$303.00	0.3012	0.4335
6 Voice Channels/256 Kbps Frame Relay - 3 Year Term	\$283.00	0.3012	0.4642
8 Voice Channels/256 Kbps Frame Relay - 1 Year Term	\$345.00	0.3012	0.3808
8 Voice Channels/256 Kbps Frame Relay - 2 Year Term	\$325.00	0.3012	0.4042
8 Voice Channels/256 Kbps Frame Relay - 3 Year Term	\$305.00	0.3012	0.4307
10 Voice Channels/256 Kbps Frame Relay - 1 Year Term	\$367.00	0.3012	0.3579
10 Voice Channels/256 Kbps Frame Relay - 2 Year Term	\$347.00	0.3012	0.3786
10 Voice Channels/256 Kbps Frame Relay - 3 Year Term	\$327.00	0.3012	0.4017
12 Voice Channels/256 Kbps Frame Relay - 1 Year Term	\$389.00	0.3012	0.3377
12 Voice Channels/256 Kbps Frame Relay - 2 Year Term	\$369.00	0.3012	0.3560
12 Voice Channels/256 Kbps Frame Relay - 3 Year Term	\$349.00	0.3012	0.3764
14 Voice Channels/256 Kbps Frame Relay - 1 Year Term	\$411.00	0.3012	0.3196
14 Voice Channels/256 Kbps Frame Relay - 2 Year Term	\$391.00	0.3012	0.3360
14 Voice Channels/256 Kbps Frame Relay - 3 Year Term	\$371.00	0.3012	0.3541
16 Voice Channels/256 Kbps Frame Relay - 1 Year Term	\$393.00	0.3012	0.3343
16 Voice Channels/256 Kbps Frame Relay - 2 Year Term	\$373.00	0.3012	0.3522
16 Voice Channels/256 Kbps Frame Relay - 3 Year Term	\$353.00	0.3012	0.3721
18 Voice Channels/256 Kbps Frame Relay - 1 Year Term	\$370.00	0.3012	0.3550
18 Voice Channels/256 Kbps Frame Relay - 2 Year Term	\$350.00	0.3012	0.3753
18 Voice Channels/256 Kbps Frame Relay - 3 Year Term	\$330.00	0.3012	0.3981
20 Voice Channels/256 Kbps Frame Relay - 1 Year Term	\$332.00	0.3012	0.3957
20 Voice Channels/256 Kbps Frame Relay - 2 Year Term	\$312.00	0.3012	0.4210
20 Voice Channels/256 Kbps Frame Relay - 3 Year Term	\$292.00	0.3012	0.4499

Company: **Sprint Local Telephone Companies - Northwest Group (Oregon, Washington)**

Rate Element: **Sprint Custom Access Solutions**
6-18 Voice Channels/384 Kbps Frame Relay

A. Investment	<u>Outside Plant</u>	<u>Frame Equipment</u>	<u>Circuit Equipment</u>
1. Circuit / Switching Equipment Investment	\$ -	\$ 2,175.47	\$ 1,944.05
2. Outside Plant Investment	\$ 1,838.54	\$ -	\$ -
3. Total Investment Cost (Line 1 + Line 2)	\$ 1,838.54	\$ 2,175.47	\$ 1,944.05
4. Net Salvage Value - Material	\$ -	\$ -	\$ -
5. Net Installed Cost (Line 3 - Line 4)	\$ 1,838.54	\$ 2,175.47	\$ 1,944.05

B. Annual Cost		<u>% Total Investment</u>		<u>% Total Investment</u>		<u>% Total Investment</u>
6. Depreciation	\$ 102.14	5.56%	\$ 197.77	9.09%	\$ 176.73	9.09%
7. Other Direct Expense	\$ 89.35	4.86%	\$ 293.04	13.47%	\$ 150.28	7.73%
8. Maintenance	\$ 63.14	3.43%	\$ 73.57	3.38%	\$ 34.94	1.80%
9. Return	\$ 136.49	7.42%	\$ 147.80	6.79%	\$ 132.08	6.79%
10. Federal and State Tax	\$ 80.47	4.38%	\$ 87.15	4.01%	\$ 77.88	4.01%
11. Total Annual Cost (Line 6 thru Line 10)	\$ 471.60	25.65%	\$ 799.32	36.74%	\$ 571.90	29.42%

C. Customer Installation Cost

	<u>Hours</u>	<u>Labor Rate</u>	
12. Engineering Labor	0.00	\$ -	\$ -
13. Installation Labor	2.25	\$ 49.81	\$ 112.07
14. Total Labor (Line 12 + Line 13)			\$ 112.07

D. Pricing

15. Proposed Nonrecurring Charge:	
1 Year	\$ 450.00
2 Year	\$ 350.00
3 Year	\$ 250.00

16. Monthly Direct Cost	PRICE FLOOR	\$ 153.57
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17. PROPOSED MONTHLY RATES:		<u>Direct Cost/ Unit Invest</u>	<u>Direct Cost/ Rate</u>
6 Voice Channels/384 Kbps Frame Relay - 1 Year Term	\$302.00	0.3093	0.5085
6 Voice Channels/384 Kbps Frame Relay - 2 Year Term	\$282.00	0.3093	0.5446
6 Voice Channels/384 Kbps Frame Relay - 3 Year Term	\$262.00	0.3093	0.5861
8 Voice Channels/384 Kbps Frame Relay - 1 Year Term	\$324.00	0.3093	0.4740
8 Voice Channels/384 Kbps Frame Relay - 2 Year Term	\$304.00	0.3093	0.5052
8 Voice Channels/384 Kbps Frame Relay - 3 Year Term	\$284.00	0.3093	0.5407
10 Voice Channels/384 Kbps Frame Relay - 1 Year Term	\$346.00	0.3093	0.4438
10 Voice Channels/384 Kbps Frame Relay - 2 Year Term	\$326.00	0.3093	0.4711
10 Voice Channels/384 Kbps Frame Relay - 3 Year Term	\$306.00	0.3093	0.5019
12 Voice Channels/384 Kbps Frame Relay - 1 Year Term	\$368.00	0.3093	0.4173
12 Voice Channels/384 Kbps Frame Relay - 2 Year Term	\$348.00	0.3093	0.4413
12 Voice Channels/384 Kbps Frame Relay - 3 Year Term	\$328.00	0.3093	0.4682
14 Voice Channels/384 Kbps Frame Relay - 1 Year Term	\$390.00	0.3093	0.3938
14 Voice Channels/384 Kbps Frame Relay - 2 Year Term	\$370.00	0.3093	0.4151
14 Voice Channels/384 Kbps Frame Relay - 3 Year Term	\$350.00	0.3093	0.4388
16 Voice Channels/384 Kbps Frame Relay - 1 Year Term	\$412.00	0.3093	0.3727
16 Voice Channels/384 Kbps Frame Relay - 2 Year Term	\$392.00	0.3093	0.3918
16 Voice Channels/384 Kbps Frame Relay - 3 Year Term	\$372.00	0.3093	0.4128
18 Voice Channels/384 Kbps Frame Relay - 1 Year Term	\$394.00	0.3093	0.3898
18 Voice Channels/384 Kbps Frame Relay - 2 Year Term	\$374.00	0.3093	0.4106
18 Voice Channels/384 Kbps Frame Relay - 3 Year Term	\$354.00	0.3093	0.4338

Company: **Sprint Local Telephone Companies - Northwest Group (Oregon, Washington)**

Rate Element: **Sprint Custom Access Solutions**
6-16 Voice Channels/512 Kbps Frame Relay

A. Investment	<u>Outside Plant</u>	<u>Frame Equipment</u>	<u>Circuit Equipment</u>
1. Circuit / Switching Equipment Investment	\$ -	\$ 2,900.62	\$ 1,944.05
2. Outside Plant Investment	\$ 1,838.54	\$ -	\$ -
3. Total Investment Cost (Line 1 + Line 2)	\$ 1,838.54	\$ 2,900.62	\$ 1,944.05
4. Net Salvage Value - Material	\$ -	\$ -	\$ -
5. Net Installed Cost (Line 3 - Line 4)	\$ 1,838.54	\$ 2,900.62	\$ 1,944.05

B. Annual Cost		<u>% Total Investment</u>		<u>% Total Investment</u>		<u>% Total Investment</u>
6. Depreciation	\$ 102.14	5.56%	\$ 263.69	9.09%	\$ 176.73	9.09%
7. Other Direct Expense	\$ 89.35	4.86%	\$ 390.71	13.47%	\$ 150.28	7.73%
8. Maintenance	\$ 63.14	3.43%	\$ 98.09	3.38%	\$ 34.94	1.80%
9. Return	\$ 136.49	7.42%	\$ 197.07	6.79%	\$ 132.08	6.79%
10. Federal and State Tax	\$ 80.47	4.38%	\$ 116.19	4.01%	\$ 77.88	4.01%
11. Total Annual Cost (Line 6 thru Line 10)	\$ 471.60	25.65%	\$ 1,065.76	36.74%	\$ 571.90	29.42%

C. Customer Installation Cost

	<u>Hours</u>	<u>Labor Rate</u>	
12. Engineering Labor	0.00	\$ -	\$ -
13. Installation Labor	2.25	\$ 49.81	\$ 112.07
14. Total Labor (Line 12 + Line 13)			\$ 112.07

D. Pricing

15. Proposed Nonrecurring Charge:	
1 Year	\$ 450.00
2 Year	\$ 350.00
3 Year	\$ 250.00

16. Monthly Direct Cost	PRICE FLOOR	\$ 175.77
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17. PROPOSED MONTHLY RATES:		<u>Direct Cost/ Unit Invest</u>	<u>Direct Cost/ Rate</u>
6 Voice Channels/512 Kbps Frame Relay - 1 Year Term	\$312.00	0.3156	0.5634
6 Voice Channels/512 Kbps Frame Relay - 2 Year Term	\$292.00	0.3156	0.6020
6 Voice Channels/512 Kbps Frame Relay - 3 Year Term	\$272.00	0.3156	0.6462
8 Voice Channels/512 Kbps Frame Relay - 1 Year Term	\$334.00	0.3156	0.5263
8 Voice Channels/512 Kbps Frame Relay - 2 Year Term	\$314.00	0.3156	0.5598
8 Voice Channels/512 Kbps Frame Relay - 3 Year Term	\$294.00	0.3156	0.5979
10 Voice Channels/512 Kbps Frame Relay - 1 Year Term	\$356.00	0.3156	0.4937
10 Voice Channels/512 Kbps Frame Relay - 2 Year Term	\$336.00	0.3156	0.5231
10 Voice Channels/512 Kbps Frame Relay - 3 Year Term	\$316.00	0.3156	0.5562
12 Voice Channels/512 Kbps Frame Relay - 1 Year Term	\$378.00	0.3156	0.4650
12 Voice Channels/512 Kbps Frame Relay - 2 Year Term	\$358.00	0.3156	0.4910
12 Voice Channels/512 Kbps Frame Relay - 3 Year Term	\$338.00	0.3156	0.5200
14 Voice Channels/512 Kbps Frame Relay - 1 Year Term	\$400.00	0.3156	0.4394
14 Voice Channels/512 Kbps Frame Relay - 2 Year Term	\$380.00	0.3156	0.4626
14 Voice Channels/512 Kbps Frame Relay - 3 Year Term	\$360.00	0.3156	0.4883
16 Voice Channels/512 Kbps Frame Relay - 1 Year Term	\$422.00	0.3156	0.4165
16 Voice Channels/512 Kbps Frame Relay - 2 Year Term	\$402.00	0.3156	0.4372
16 Voice Channels/512 Kbps Frame Relay - 3 Year Term	\$382.00	0.3156	0.6462

Company: **Sprint Local Telephone Companies - Northwest Group (Oregon, Washington)**

Rate Element: **Sprint Custom Access Solutions**
6-12 Voice Channels/768 Kbps Frame Relay

A. Investment	<u>Outside Plant</u>	<u>Frame Equipment</u>	<u>Circuit Equipment</u>
1. Circuit / Switching Equipment Investment	\$ -	\$ 4,350.93	\$ 1,944.05
2. Outside Plant Investment	\$ 1,838.54	\$ -	\$ -
3. Total Investment Cost (Line 1 + Line 2)	\$ 1,838.54	\$ 4,350.93	\$ 1,944.05
4. Net Salvage Value - Material	\$ -	\$ -	\$ -
5. Net Installed Cost (Line 3 - Line 4)	\$ 1,838.54	\$ 4,350.93	\$ 1,944.05

B. Annual Cost		<u>% Total Investment</u>		<u>% Total Investment</u>		<u>% Total Investment</u>
6. Depreciation	\$ 102.14	5.56%	\$ 395.54	9.09%	\$ 176.73	9.09%
7. Other Direct Expense	\$ 89.35	4.86%	\$ 586.07	13.47%	\$ 150.28	7.73%
8. Maintenance	\$ 63.14	3.43%	\$ 147.14	3.38%	\$ 34.94	1.80%
9. Return	\$ 136.49	7.42%	\$ 295.61	6.79%	\$ 132.08	6.79%
10. Federal and State Tax	\$ 80.47	4.38%	\$ 174.29	4.01%	\$ 77.88	4.01%
11. Total Annual Cost (Line 6 thru Line 10)	\$ 471.60	25.65%	\$ 1,598.65	36.74%	\$ 571.90	29.42%

C. Customer Installation Cost

	<u>Hours</u>	<u>Labor Rate</u>	
12. Engineering Labor	0.00	\$ -	\$ -
13. Installation Labor	2.25	\$ 49.81	\$ 112.07
14. Total Labor (Line 12 + Line 13)			\$ 112.07

D. Pricing

15. Proposed Nonrecurring Charge:	
1 Year	\$ 450.00
2 Year	\$ 350.00
3 Year	\$ 250.00

16. Monthly Direct Cost	PRICE FLOOR	\$ 220.18
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17. PROPOSED MONTHLY RATES:		<u>Direct Cost/ Unit Invest</u>	<u>Direct Cost/ Rate</u>
6 Voice Channels/768 Kbps Frame Relay - 1 Year Term	\$409.00	0.3248	0.5383
6 Voice Channels/768 Kbps Frame Relay - 2 Year Term	\$389.00	0.3248	0.5660
6 Voice Channels/768 Kbps Frame Relay - 3 Year Term	\$359.00	0.3248	0.6133
8 Voice Channels/768 Kbps Frame Relay - 1 Year Term	\$431.00	0.3248	0.5109
8 Voice Channels/512 Kbps Frame Relay - 2 Year Term	\$411.00	0.3248	0.5357
8 Voice Channels/768 Kbps Frame Relay - 3 Year Term	\$381.00	0.3248	0.5779
10 Voice Channels/768 Kbps Frame Relay - 1 Year Term	\$483.00	0.3248	0.4559
10 Voice Channels/768 Kbps Frame Relay - 2 Year Term	\$463.00	0.3248	0.4755
10 Voice Channels/768 Kbps Frame Relay - 3 Year Term	\$433.00	0.3248	0.5085
12 Voice Channels/768 Kbps Frame Relay - 1 Year Term	\$515.00	0.3248	0.4275
12 Voice Channels/768 Kbps Frame Relay - 2 Year Term	\$495.00	0.3248	0.4448
12 Voice Channels/768 Kbps Frame Relay - 3 Year Term	\$465.00	0.3248	0.4735