

BELLSOUTH TELECOMMUNICATIONS, INC.

FCC TARIFF NO. 2

DESCRIPTION AND JUSTIFICATION

COST SUPPORT

AIRNET GROUP

CHATTANOOGA, TENNESSEE

Transmittal Number 1007

CASE NO. TN06-D882-02

**SECTION 1
INTRODUCTION
SPECIAL CONSTRUCTION CASE
TN06-D882-02**

With this filing, BellSouth Telecommunications, Inc. proposes to recover the cost associated with special construction necessary to provide BellSouth® Metro Ethernet service from the customer's location at 7324 Noah Reid Road, Chattanooga, Tennessee to the Chattanooga BR Central Office. Special Construction is required because facilities are not available to meet the Customer's request. The Telephone Company must construct new facilities consisting of 3,749 feet of aerial fiber cable between the customer's location and the Chattanooga BR Central Office. The Telephone Company has no other planned use for the facilities requested.

Because this special construction is provided in connection with a service available under an existing tariff, the customer will be charged the tariff rates for services as set forth in BellSouth's FCC Tariff in addition to the charges described herein. The charges set forth in this filing recover the costs caused by this customer's request. Workpaper I provides a summary of the charges for the service; Workpaper II provides cost details, Workpaper III provides monthly capital cost calculations, and Workpaper IV provides non-recoverables summary.

SECTION 2

RATE AND COST DEVELOPMENT

2.1 INTRODUCTION

This special construction case establishes charges necessary for facilities to provide service between the customer location at 7324 Noah Reid Road, Chattanooga, Tennessee and the Chattanooga BR Central Office. The facility portion requiring special construction consists of 3,749 feet of aerial fiber cable between the customer's location and the Chattanooga BR Central Office.

The customer has requested an Optional Payment Arrangement as provided for in Section 2.6.6 of BellSouth's FCC Number 2 Special Construction tariff. The following is a summary of the charges associated with this filing. A description of each element is contained in Section 2.2.

Special Construction Charges for BellSouth® Metro Ethernet Service

Special Construction	
Monthly Charge Applicable for 24 months	\$456.00
Case Preparation	
Monthly Charge Applicable for 24 months	\$64.00

2.2 DESCRIPTION OF CHARGES

2.2.1 Optional Payment Arrangement

The monthly charge is applied to recover the present worth of the monthly capital costs, calculated over the account average life of the applicable field reporting code, then spread over the

contract period. The capital costs are developed from the estimated non-recoverable investments associated with the special construction. The non-recoverable investments consist of estimated engineering and installation costs based on labor hours and labor rates, outside contractor billing and associated material. Details of this component are shown on Workpaper IV, page 1. The present worth of the capital costs is developed using the authorized cost of capital. These costs are amortized over the twenty-four month term using the authorized cost of capital to provide the monthly charge applicable for twenty-four months as the optional payment arrangement requested by the customer. Details of the costs supporting this component are shown on Workpaper II, page 1.

The Case Preparation Charge is applied to recover the applicable costs of the case preparation. Case preparation consists of the cost of administrative expenses associated with preparing a special construction case and the associated tariff filing. Details of the costs supporting this component are shown on Workpaper II, page 1.