

BELLSOUTH TELECOMMUNICATIONS, INC.

FCC TARIFF NO. 2

DESCRIPTION AND JUSTIFICATION

COST SUPPORT

Citizens Union Bancorp
Shelbyville, Kentucky

Transmittal Number 1020

CASE NO. KY06-F488-01

SECTION 1
INTRODUCTION
SPECIAL CONSTRUCTION CASE
KY06-F488-01

With this filing, BellSouth Telecommunications, Inc. proposes to recover the cost associated with special construction necessary to provide BellSouth® Metro Ethernet service at 11601 Bluegrass Parkway, Louisville, KY and 1854 Midland Trail, Shelbyville, KY. Special Construction is required because facilities are not available to meet the Customer's request. The Telephone Company must construct new facilities consisting of 6778 feet of buried 24 strand fiber cable at 1854 Midland Trail, 725 feet of aerial 24 strand fiber cable at 11601 Bluegrass Parkway, and 400 feet of buried 24 strand fiber cable at Bluegrass Parkway. 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 at 11601 Bluegrass Parkway, Louisville, KY and 1854 Midland Trail, Shelbyville, KY. The facility portion requiring special construction consists of 6778 feet of buried 24 strand fiber cable at 1854 Midland Trail, 725 feet of aerial 24 strand fiber cable at 11601 Bluegrass Parkway, and 400 feet of buried 24 strand fiber cable at Bluegrass Parkway.

The following is a summary of the monthly and nonrecurring charges associated with this filing. A description of each element is contained in Section 2.2.

Special Construction Charges

Monthly Special Construction-11601 Bluegrass Parkway	\$93.00
Monthly Special Construction-1854 Midland Trail	\$228.00
Case Preparation	\$1,428.00

2.2 DESCRIPTION OF CHARGES

2.2.1 The Nonrecurring 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. 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.