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Richard D. Lawson
Director
Federal Regulatory Relations
United Telephone Companies

EX PARTE

May 14, 1993

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Donna R. Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

RE: In the Matter of Local Exchange Carrier Line Information Database, CC Docket No. 92-24

Dear Ms. Searcy,

The attached information was provided to Chris Frentrup of the Common Carrier Bureau's Tariff Division. United asks that this material be added as part of the record in this matter.

Sincerely,

Richard D. Lawson
Director
Federal Regulatory Relations

Attachments

RDL/mlm

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. Christopher J. Frentrup
Tariff Division
Federal Communications Commission
1919 M. Street, N.W., Room 518
Washington, DC 20554

RE: In the Matter of Local Exchange Carrier
Line Information Database, CC Docket No. 92-24

Dear Mr. Frentrup,

This letter further responds to the Tariff Division's ongoing review of the United Telephone companies' (United) Tariff Transmittal No. 287 which created new LIDB Access and CCS/SS7 Interconnection rates and is the subject of the investigation referenced above.

As the result of discussions with the Tariff Division, the United companies have recalculated the return components of their annual carrying charge factors. The return components have been recalculated to recognize that the book lives of the classes of plant associated with LIDB access and CCS/SS7 interconnection investments are longer than the actual service lives of the service-specific assets. The revised return components recognize an 11.25% rate of return on LIDB/SS7 investments over their service lives. Examples of these calculations are attached as Exhibit A.

The company's revised return components result in annual carrying charge factors that are lower than the factors used to develop the LIDB access and CCS/SS7 interconnection rates in Transmittal No. 287. Attached as Exhibit B are the revised carrying charge factors. Attached as Exhibit C are revised LIDB access and CCS/SS7 interconnection rates developed with the lower carrying charge factors. The revised rates for CCS/SS7 interconnection services also reflect the correct circuit plant

Mr. Christopher J. Frentrop
May 14, 1993
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maintenance expense factor explained in United's April 9, 1993.

EXHIBIT A

Return Calculation:

	1.0000		1.0000
Book Depreciation Rate	<u>0.0945</u>	(/)	<u>0.0741</u>
Book Life (Years)	10.5820		13.4953
Service Life	<u>5.0000</u>	(-)	<u>5.0000</u>
	5.5820		8.4953
	<u>10.5820</u>	(/)	<u>13.4953</u>
Salvage Percentage	0.5275		0.6295
Gross Asset Value	\$1.0000		\$1.0000
Salvage Value	<u>\$0.5275</u>	(+)	<u>\$0.6295</u>
	\$1.5275		\$1.6295
	<u>2.0000</u>	(/)	<u>2.0000</u>
Average Value	\$0.7638		\$0.8148
Rate of Return	<u>0.1125</u>	(*)	<u>0.1125</u>
Return per Asset Dollar	\$0.0859		\$0.0917

Carry Factor Components

	<u>Circuit</u>	<u>Switching</u>
Depreciation	0.0945	0.0741
Maintenance	0.0307	0.0624
Return	0.0859	0.0917
Taxes	<u>0.0443</u>	<u>0.0472</u>
Total	0.2554	0.2754

**LIDB Access Service
Query Cost**

1.	\$3,811,200	LIDB & SCP Direct Capital Costs
2.	\$1,720,000	DBAS Direct Capital Costs
3.	\$5,531,200	Total Direct Capital Costs (L1 + L2)
4.	1.085	Direct Capital Loading Factor
5.	\$6,001,362	Loaded Direct Capital Costs (L3 * L4)
6.	0.2754	Annual Carrying Charge Factor
7.	\$1,652,640	Direct Annual Cost (L5 * L6)
8.	\$544,933	DBAC Administration Costs
9.	\$1,186,880	INO Operating Costs
10.	\$3,384,453	Total Annual Cost (L7 + L8 + L9)
11.	118,415,000	Annual Demand
12.	\$0.0286	Cost per Query (L10 / L11)
13.	1.2796	Overhead Loading Factor
14.	\$0.0366	Total Cost per Query (L12 * L13)
15.	\$0.0386	Final Rate

LIDB Access Service
Query Transport Cost

1.	\$485,000	Total Direct Capital Costs
2.	1.085	Direct Capital Loading Factor
3.	\$526,225	Loaded Direct Capital Costs (L1 * L2)
4.	0.2754	Annual Carrying Charge Factor

CCS/SS7 Interconnection Service
STP Port

1.	\$13,880	Total Direct Capital Costs
2.	1.085	Direct Capital Loading Factor
3.	\$15,060	Loaded Direct Capital Costs (L1 * L2)
4.	0.2754	Annual Carrying Charge Factor
5.	\$4,147	Total Annual Cost (L3 * L4)
6.	\$346	Monthly Cost (L5 / 12)
7.	1.2796	Overhead Loading Factor
8.	\$442	Total Monthly Cost (L6 * L7)
9.	\$442	Tariff Rate

CCS/SS7 Interconnection Service
56 Kbps Service Termination

1.	\$1,577	Total Direct Capital Costs
2.	1.085	Direct Capital Loading Factor
3.	\$1,711	Loaded Direct Capital Costs (L1 * L2)
4.	0.2554	Annual Carrying Charge Factor
5.	\$437	Total Annual Cost (L3 * L4)
6.	\$36	Monthly Cost (L5 / 12)
7.	1.2796	Overhead Loading Factor
8.	\$47	Total Monthly Cost (L6 * L7)
9.	\$47	Term Rate

CCS/SS7 Interconnection Service
56 Kbps Channel Mileage Termination

1.	\$1,765	Total Direct Capital Costs
2.	1.085	Direct Capital Loading Factor
3.	\$1,915	Loaded Direct Capital Costs (L1 * L2)
4.	0.2754	Annual Carrying Charge Factor
5.	\$527	Total Annual Cost (L3 * L4)
6.	\$44	Monthly Cost (L5 / 12)
7.	1.2796	Overhead Loading Factor
8.	\$56	Total Monthly Cost (L6 * L7)
9.	\$56	Tariff Rate

**CCS/SS7 Interconnection Service
56 Kbps Channel Mileage Facility**

1.	\$85.52	Total Direct Capital Costs
2.	1.085	Direct Capital Loading Factor
3.	\$92.79	Loaded Direct Capital Costs (L1 * L2)
4.	0.2554	Annual Carrying Charge Factor
5.	\$23.70	Total Annual Cost (L3 * L4)
6.	\$1.97	Monthly Cost (L5 / 12)
7.	1.2796	Overhead Loading Factor
8.	\$2.53	Total Monthly Cost (L6 * L7)
9.	\$2.50	Rate

**CCS/SS7 Interconnection Service
1.544 Mbps Service Termination**

1.	\$4,423.19	Total Direct Capital Costs
2.	1.085	Direct Capital Loading Factor
3.	\$4,799.16	Loaded Direct Capital Costs (L1 * L2)
4.	0.2554	Annual Carrying Charge Factor
5.	\$1,225.63	Total Annual Cost (L3 * L4)
6.	\$102.14	Monthly Cost (L5 / 12)
7.	1.2796	Overhead Loading Factor
8.	\$130.69	Total Monthly Cost (L6 * L7)
9.	\$130.69	Final Rate

CCS/SS7 Interconnection Service
1.544 Mbps Channel Mileage Termination

1.	\$1,850	Total Direct Capital Costs
2.	1.085	Direct Capital Loading Factor
3.	\$2,007	Loaded Direct Capital Costs (L1 * L2)
4.	0.2754	Annual Carrying Charge Factor
5.	\$553	Total Annual Cost (L3 * L4)
6.	\$46	Monthly Cost (L5 / 12)
7.	1.2796	Overhead Loading Factor
8.	\$59	Total Monthly Cost (L6 * L7)
9.	Rate	Per Rate

CCS/SS7 Interconnection Service
1.544 Mbps Channel Mileage Facility

1.	\$695	Total Direct Capital Costs
2.	1.085	Direct Capital Loading Factor
3.	\$754	Loaded Direct Capital Costs (L1 * L2)
4.	0.2554	Annual Carrying Charge Factor
5.	\$193	Total Annual Cost (L3 * L4)
6.	\$16	Monthly Cost (L5 / 12)
7.	1.2796	Overhead Loading Factor
8.	\$21	Total Monthly Cost (L6 * L7)
9.	\$21	Tariff Rate

CCS/SS7 Interconnection Service
DS1/DS0 Multiplexing Arrangement

1.	\$9,252	Total Direct Capital Costs
2.	1.085	Direct Capital Loading Factor
3.	\$10,038	Loaded Direct Capital Costs (L1 * L2)
4.	0.2754	Annual Carrying Charge Factor
5.	\$2,764	Total Annual Cost (L3 * L4)
6.	\$230	Monthly Cost (L5 / 12)
7.	1.2796	Overhead Loading Factor
8.	\$295	Total Monthly Cost (L6 * L7)
9.	\$295	Per Line Rate

\$295