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BELLSOUTH

W. W. (Whit) Jordan
Director-Federal Regulatory

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1133-21st Street, N.W.
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202 463-4114

EX PARTE

March 24, 1994

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W. Room 222
Washington, D.C. 20554

RECEIVED

MAR 24 1994

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY**

RE: CC Docket No. 93-162

Dear Mr. Caton:

Today, I provided the attached written material to Mr. Greg Vogt of the Common Carrier Bureau's Tariff Division at his request in connection with the above reference proceeding.

Please call me if you have any questions.

Sincerely,

W. W. Jordan awk

W. W. (Whit) Jordan
Director-Federal Regulatory

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W. W. (Whit) Jordan
Director-Federal Regulatory

Suite 900
1133-21st Street, N W
Washington, D.C 20036
202 463-4114

March 24, 1994

Mr. Greg Vogt
Chief, Tariff Division
Common Carrier Bureau
Federal Communications Commission
Room 518, 1919 M Street, N. W.
Washington, D. C. 20554

Dear Mr. Vogt:

The attached information is provided to you in response to your Data Request in Expanded Interconnection Tariff Filings, 1600C1, dated March 11, 1994. In addition, Expanded Interconnection Service's direct cost components are also included for your use and comparison.

Attachment I details the contents of this submission. Please contact me on 202-463-4114 should there be any question regarding this matter.

Yours very truly,



W. W. (Whit) Jordan
Director - Federal Regulatory

Attachments

ATTACHMENT I

DATA REQUEST 1600C1

Overhead Factors

Exhibit 1 contains the overhead factors (ratio of a services's tariffed rate to its direct cost) on a service-by-service basis for all DS1 and DS3 services offered by BellSouth. These services are DS1, Alternate Serving Wire Center (ASWC), LightGate^R and SMARTRingSM. The following configurations were used.

- DS1: 1 Local Channel, i.e. channel termination
 1 Fixed Interoffice, includes both ends of the interoffice channel
 Interoffice Mileage - average number of miles based on the annual filing
- ASWC: 1 DS1/1.544 Mbps - per alternate wire center local channel
- LightGate 1: 1 Local Channel - System and Add'l Half Mile - average length based on the annual filing
 1 C.O. Channel Interface for Local Channel
 1 Customer Channel Interface per Local Channel
 1 Fixed Interoffice, includes both ends of the interoffice channel
 Interoffice Mileage - average number of miles based on the annual filing
 2 IO Channel C.O. Channel Interfaces - one per interoffice channel end
- LightGate 2: 1 Local Channel - System and Add'l Half Mile - average length based on the annual filing
 3 C.O. Channel Interface for Local Channel
 3 Customer Channel Interface per Local Channel
 3 Fixed Interoffice, includes both ends of the interoffice channel
 3 Interoffice Mileage - average number of miles based on the annual filing
 6 IO Channel C.O. Channel Interfaces - one per interoffice channel end

^RRegistered Service Mark of BellSouth Corporation

SMService Mark of BellSouth Corporation

LightGate 3:1 Local Channel - System and Add'l Half Mile - average length based on the annual filing
12 C.O. Channel Interface for Local Channel
12 Customer Channel Interface per Local Channel
12 Fixed Interoffice, includes both ends of the interoffice channel
12 Interoffice Mileage - average number of miles based on the annual filing
24 IO Channel C.O. Channel Interfaces - one per interoffice channel end

LightGate 4:1 Local Channel - System and Add'l Half Mile - average length based on the annual filing
24 C.O. Channel Interface for Local Channel
24 Customer Channel Interface per Local Channel
24 Fixed Interoffice, includes both ends of the interoffice channel
24 Interoffice Mileage - average number of miles based on the annual filing
48 IO Channel C.O. Channel Interfaces - one per interoffice channel end

SMARTRing:

12 Ring 2 Local Channel - average length based on the annual filing
2 Alternate Local Channel - average length based on the annual filing
1 Fixed Interoffice, includes both ends of the interoffice channel
Interoffice Mileage - average number of miles based on the annual filing
2 Customer Node
24 Customer Channel Interfaces
1 C.O. Nodes
12 C.O. Channel Interfaces

24 Ring 2 Local Channel - average length based on the annual filing
2 Alternate Local Channel - average length based on the annual filing
1 Fixed Interoffice, includes both ends of the interoffice channel
Interoffice Mileage - average number of miles based on the annual filing
2 Customer Node
48 Customer Channel Interfaces
1 C.O. Nodes
24 C.O. Channel Interfaces

The aforementioned represent the requested configuration for BellSouth's services. The same configurations are used for all contract plans for a service.

The average interoffice channel mileages and the average local channel (channel termination) mileages for mileage-sensitive rate elements are based on the number of miles reported in the 1993 Annual Access Filing divided by the number of interoffice circuits. Exhibit 2 includes these mileages.

BellSouth offers Expanded Interconnection Service in all states. The Expanded Interconnection Service and DS1 and DS3 services rates and costs are the same in all states. Therefore, the overhead factors in Exhibit 1 are representative for all states in the BellSouth region. No averaging was required.

DS1-DS3 Cost

Attachment II contains portions of tariff filings made by BellSouth in which the direct cost (including unit investment, depreciation, cost of money, income taxes, maintenance expense, administration expense, and ad valorem and other taxes) for the DS1 and DS3 rate elements were

submitted to the Commission. Below are the references for each rate element and their corresponding filing. Additionally, the cost methodology used to develop the direct costs for DS1, ASWC, LightGate and SMARTRing is detailed in the transmittals contained in Attachment II.

Service	Rate Element	Transmittal #	Reference
DS1	Local Channel	140	Apx.B WP2 Pg1
	IO Fixed		Apx.B WP2 Pg2
	IO Mileage		Apx.B WP2 Pg3
ASWC	DS1/1.544 mbps per alternate local channel	95	Apx.C WP2 Pg1
LightGate 1	System	53	Apx.C WP2 Pg1-4
	C.O.C.I.		Apx.C WP2 Pg5-8
	Cust. C.I.		Apx.C WP2 Pg13-16
	Local Channel		Apx.C WP2 Pg21
	Add'l Half Mile		
	IO Fixed 9-25		Apx.C WP2A Pg3
	IO per mile 9-25		Apx.C WP2A Pg4
IO C.O.C.I.	Apx.C WP2A Pg7		
LightGate 2	System	53	Apx.C WP2B Pg1-4
	C.O.C.I.		Apx.C WP2B Pg5-8
	Cust. C.I.		Apx.C WP2B Pg13-16
	Local Channel		Apx.C WP2B Pg21
	Add'l Half Mile		
	*IO Fixed 9-25		Apx.C WP2A Pg3
	*IO per mile 9-25		Apx.C WP2A Pg4
*IO C.O.C.I.	Apx.C WP2A Pg7		
LightGate 3	System	53	Apx.C WP2C Pg1-4
	C.O.C.I.		Apx.C WP2C Pg5-8
	Cust. C.I.		Apx.C WP2C Pg14-17
	Local Channel		Apx.C WP2C Pg18
	Add'l Half Mile		
	*IO Fixed 9-25		Apx.C WP2A Pg3
	*IO per mile 9-25		Apx.C WP2A Pg4
*IO C.O.C.I.	Apx.C WP2A Pg7		

*Interoffice facilities are only tariffed under LightGate 1, but interoffice facilities are included in all LightGate 1-4 configurations used to compute the overhead ratios in Exhibit 1.

LightGate 4	System	53	Apx.C WP2D Pg1-4
	C.O.C.I.		Apx.C WP2D Pg5-8
	Cust. C.I.		Apx.C WP2D Pg14-17
	Local Channel		Apx.C WP2D Pg18
	Add'l Half Mile		
	*IO Fixed 9-25		Apx.C WP2A Pg3
	*IO per mile 9-25		Apx.C WP2A Pg4
	*IO C.O.C.I.		Apx.C WP2A Pg7

*Interoffice facilities are only tariffed under LightGate 1, but interoffice facilities are included in all LightGate 1-4 configurations used to compute the overhead ratios in Exhibit 1.

The SMARTRing cost study included in Transmittal No. 402 was filed prior to our providing the cost breakdown (depreciation, cost of money, etc.) in our filing transmittal. Attachment III includes the detailed cost information which was requested.

Exhibit 3 identifies the month and year each cost study was performed for the DS1 and DS3 services used in the overhead calculations. The rates used to compute the overhead factors were in effect in November, 1993.

EIS Cost

The cost methodology used to calculate the direct costs for Expanded Interconnection Service is the same as the methodology used to calculate the direct costs for all other DS1 and DS3 services. The investment for each rate element is determined and then the incremental/directly assigned annual cost factors are applied to that investment to calculate the annual costs. The Expanded Interconnection Service direct costs are included in Exhibit 4.

**OVERHEAD FACTORS
BASED ON DS1 AND DS3 SERVICE SCENARIOS
AS IDENTIFIED IN FCC DATA REQUEST DATED MARCH 11, 1994**

<u>DS1</u>	<u>COSTS</u>	<u>RATES</u>	<u>RATIO</u>
MTM	\$141.80	\$579.56	4.09
24/48 MONTHS	\$141.80	\$554.00	3.91
49/72 MONTHS	\$141.80	\$534.44	3.77
 <u>ASWC</u>			
MTM	\$194.42	\$320.00	1.65
24/48 MONTHS	\$194.42	\$275.00	1.41
49/72 MONTHS	\$194.42	\$250.00	1.29
 <u>LIGHTGATE1</u>			
MTM	\$2,759.86	\$6,734.25	2.44
24/48 MONTHS	\$2,530.69	\$6,091.40	2.41
49/72 MONTHS	\$2,480.40	\$5,639.70	2.27
73/96 MONTHS	\$2,457.97	\$5,199.65	2.12
 <u>LIGHTGATE2</u>			
MTM	\$5,295.05	\$17,151.25	3.24
24/48 MONTHS	\$4,950.45	\$15,445.20	3.12
49/72 MONTHS	\$4,874.79	\$14,158.60	2.90
73/96 MONTHS	\$4,841.05	\$13,101.95	2.71
 <u>LIGHTGATE3</u>			
MTM	\$17,420.40	\$56,415.25	3.24
24/48 MONTHS	\$16,387.90	\$50,724.80	3.10
49/72 MONTHS	\$16,161.26	\$46,568.65	2.88
73/96 MONTHS	\$16,059.94	\$43,307.30	2.70
 <u>LIGHTGATE4</u>			
MTM	\$34,129.30	\$111,042.25	3.25
24/48 MONTHS	\$32,147.46	\$99,472.60	3.09
49/72 MONTHS	\$31,702.91	\$91,332.05	2.88
73/96 MONTHS	\$31,517.67	\$85,081.10	2.70
 <u>SMARTRING (12 RING)</u>			
MTM	\$20,737.52	\$34,007.40	1.64
24/48 MONTHS	\$14,332.45	\$22,542.20	1.57
49/72 MONTHS	\$13,605.51	\$20,622.80	1.52
73/96 MONTHS	\$13,242.18	\$19,063.00	1.44
 <u>SMARTRING (24 RING)</u>			
MTM	\$26,221.61	\$45,827.40	1.75
24/48 MONTHS	\$19,816.54	\$32,712.20	1.65
49/72 MONTHS	\$19,089.60	\$29,942.80	1.57
73/96 MONTHS	\$18,726.27	\$27,583.00	1.47

**AVERAGE LENGTHS OF INTEROFFICE AND LOCAL CHANNELS
FOR DS1 AND DS3 SERVICES**

INTEROFFICE LENGTH DS1

AVERAGE LENGTH (MI./CKT.) – 13.56

INTEROFFICE LENGTH DS3 – LIGHTGATE

AVERAGE LENGTH (MI./CKT.) – 10.33

SYSTEM LENGTH DS3 – LIGHTGATE

AVERAGE LENGTH (.5 MI./CKT.) – 1.45

INTEROFFICE LENGTH DS3 – SMARTRING

AVERAGE LENGTH (.25 MI./CKT.) – 9.16

LOCAL CHANNEL LENGTH DS3 – SMARTRING

AVERAGE LENGTH (.25 MI./CKT.) – 7.34

ALTERNATE C.O. CHANNEL LENGTH DS3 – SMARTRING

AVERAGE LENGTH (.25 MI./CKT.) – 15.24

NOTES:

These Interoffice and Local Channel Mileages are based on the annual filing. These average lengths are a composite based upon all contract periods on a service specific basis.

Exhibit 3

COST STUDY DATES

<u>SERVICE</u>	<u>COST STUDY DATE</u>	<u>APPROPRIATE FOR YEARS</u>
DS1- (CSPP & ACP)*	2/28/92	1992 - 1994
Alternate Serving Wire Center (ASWC)	2/24/93	1993 - 1995
LightGate ^R	7/15/92	1992 - 1994
SMARTRing ^{S M}	5/06/91	1991 - 1993

*CSPP- Channel Services Payment Plan

ACP - Area Commitment Plan

^RRegistered Service Mark of BellSouth Corporation

^{S M}Service Mark of BellSouth Corporation

BELLSOUTH TELECOMMUNICATIONS, INC.

1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: Expanded Interconnection Service
Rate Element: Interconnection Floor Space
- Per 100 Square Foot Module

11 INVESTMENT		
12 Design and Construction of Enclosure		\$25,775.08
13 All other investments		\$17,462.77
14 Total (LN12+LN13).....		\$43,237.85
15		
16		
17 INVESTMENT RELATED UNIT CAPITAL COSTS (applies to LN13 only)		
18 Depreciation Expense		\$1,160.38
19 Cost of Money		\$1,636.99
20 Income Tax Expense		\$727.48
21 Total (LN18+LN19+LN20)		\$3,524.84
22		
23 INVESTMENT RELATED UNIT OPERATING COSTS (applies to LN14)		
24 Maintenance Expense		\$320.73
25 Administrative Expense		\$1,595.48
26 Ad Valorem and Other Taxes		\$518.85
27 Total (LN24+LN25+LN26)		\$2,435.06
28		
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27) ..		\$5,959.90
30		
31 NON - INVESTMENT RELATED UNIT COSTS		\$0.00
32		
33 TOTAL UNIT ANNUAL COSTS (LN29+LN31)		\$5,959.90
34		
35 TOTAL UNIT MONTHLY COSTS (LN33/12).....		\$496.66
36		
37 RATIO OF UNIT MONTHLY COST TO INVESTMENT (LN35/LN14).....*		Not Applicable

44 *Not Applicable - The investment on Line 12 is included here for operating expense calculation only. The capital cost for the
45 Line 12 investment are included in the Space Connection Charge - per 100 Square Foot Module (a one time equivalent cost).
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BELLSOUTH TELECOMMUNICATIONS, INC.

1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: Expanded Interconnection Service
Rate Element: Cross Connect - Per DS1

14 TOTAL UNIT INVESTMENT	\$292.32
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$32.18
19 Cost of Money	\$22.71
20 Income Tax Expense	\$10.07
21 Total (LN18 + LN19 + LN20)	\$64.96
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$2.34
25 Administrative Expense	\$10.79
26 Ad Valorem and Other Taxes	\$3.51
27 Total (LN24 + LN25 + LN26)	\$16.63
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) ..	\$81.59
31 NON - INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$81.59
35 TOTAL UNIT MONTHLY COSTS (LN33/12).....	\$6.80
37 RATIO OF UNIT MONTHLY COST TO INVESTMENT (LN35/LN14).....*	0.0233

1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: Expanded Interconnection Service
Rate Element: Cross Connect - Per DS3

14 TOTAL UNIT INVESTMENT	\$2,524.51
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$277.89
19 Cost of Money	\$196.11
20 Income Tax Expense	\$86.98
21 Total (LN18+LN19+LN20)	\$560.98
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$20.18
25 Administrative Expense	\$93.15
26 Ad Valorem and Other Taxes	\$30.29
27 Total (LN24 + LN25 + LN26)	\$143.63
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) ..	\$704.61
31 NON - INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$704.61
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$58.72
37 RATIO OF UNIT MONTHLY COST TO INVESTMENT (LN35/LN14)	0.0233

BELLSOUTH TELECOMMUNICATIONS, INC.

Exhibit 4
Page 4 of 11

1 RECURRING UNIT COST DEVELOPMENT –
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: Expanded Interconnection Service
Rate Element: Optional Back – Up AC Power
– Per Module

14 TOTAL UNIT INVESTMENT	\$6,339.56
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$513.83
19 Cost of Money	\$530.99
20 Income Tax Expense	\$235.44
21 Total (LN18 + LN19 + LN20)	\$1,280.27
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$160.46
25 Administrative Expense	\$233.93
26 Ad Valorem and Other Taxes	\$76.07
27 Total (LN24 + LN25 + LN26)	\$470.46
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) ..	\$1,750.73
31 NON – INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$1,750.73
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$145.89
37 RATIO OF UNIT MONTHLY COST TO INVESTMENT ₆ (LN35/LN14)	0.0230

BELLSOUTH TELECOMMUNICATIONS, INC.

1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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14 TOTAL UNIT INVESTMENT
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17 INVESTMENT RELATED UNIT CAPITAL COSTS
18 Depreciation Expense
19 Cost of Money
20 Income Tax Expense
21 Total (LN18 + LN19 + LN20)
22
23 INVESTMENT RELATED UNIT OPERATING COSTS
24 Maintenance Expense
25 Administrative Expense
26 Ad Valorem and Other Taxes
27 Total (LN24 + LN25 + LN26)
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29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) ..
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31 NON - INVESTMENT RELATED UNIT COSTS
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33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31).....
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35 TOTAL UNIT MONTHLY COSTS (LN33/12).....
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37 RATIO OF UNIT MONTHLY COST TO INVESTMENT (LN35/LN14).....
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Service Name: Expanded Interconnection Service
Rate Element: Optional DC Power
- Per Module

\$6,342.61

\$578.62

\$495.51

\$219.45

\$1,293.58

\$186.41

\$234.04

\$76.11

\$496.58

\$1,790.15

\$0.00

\$1,790.15

\$149.18

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BELLSOUTH TELECOMMUNICATIONS, INC.

1 ONE TIME EQUIVALENT INVESTMENT RELATED UNIT COSTS -
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: Expanded Interconnection Service
Rate Element: Space Construction Charge
- Per 100 Square Foot Module

14 TOTAL UNIT INVESTMENT	\$25,775.08
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$667.57
19 Cost of Money	\$2,946.09
20 Income Tax Expense	\$1,311.95
21 Total (LN18 + LN19 + LN20)	\$4,925.62
23 PRESENT VALUE OF INVESTMENT RELATED UNIT CAPITAL COSTS	
24 Discount Rate	0.1334
25 Term	44.7
26 Present Value (LN21, LN24, LN25)	\$36,786.21

1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: Virtual Expanded Interconnection Service
Rate Element: Cable Support Structure

14 TOTAL UNIT INVESTMENT	\$490.57
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$54.00
19 Cost of Money	\$38.11
20 Income Tax Expense	\$16.90
21 Total (LN18 + LN19 + LN20)	\$109.01
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$3.92
25 Administrative Expense	\$18.10
26 Ad Valorem and Other Taxes	\$5.89
27 Total (LN24 + LN25 + LN26)	\$27.91
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) ..	\$136.92
31 NON - INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$136.92
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$11.41
37 RATIO OF UNIT MONTHLY COST TO INVESTMENT (LN35/LN14)	0.0233

1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: Virtual Expanded Interconnection Service
Rate Element: Cross Connect - Per DS1

14 TOTAL UNIT INVESTMENT	\$292.32
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$32.18
19 Cost of Money	\$22.71
20 Income Tax Expense	\$10.07
21 Total (LN18+LN19+LN20)	\$64.96
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$2.34
25 Administrative Expense	\$10.79
26 Ad Valorem and Other Taxes	\$3.51
27 Total (LN24+LN25+LN26)	\$16.63
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21+LN27) ..	\$81.59
31 NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29+LN31)	\$81.59
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$6.80
37 RATIO OF UNIT MONTHLY COST TO INVESTMENT (LN35/LN14)	0.0233

1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: Virtual Expanded Interconnection Service
Rate Element: Cross Connect - Per DS3

14 TOTAL UNIT INVESTMENT	\$2,524.51
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$277.89
19 Cost of Money	\$196.11
20 Income Tax Expense	\$86.98
21 Total (LN18 + LN19 + LN20)	\$560.98
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$20.18
25 Administrative Expense	\$93.15
26 Ad Valorem and Other Taxes	\$30.29
27 Total (LN24 + LN25 + LN26)	\$143.63
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27)	\$704.61
31 NON-INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$704.61
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$58.72
37 RATIO OF UNIT MONTHLY COST TO INVESTMENT (LN35/LN14)	0.0233

1 RECURRING UNIT COST DEVELOPMENT –
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: Virtual Expanded Interconnection Service
Rate Element: Floor Space – Per Square Foot

14 TOTAL UNIT INVESTMENT	\$136.66
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$3.47
19 Cost of Money	\$15.63
20 Income Tax Expense	\$6.96
21 Total (LN18 + LN19 + LN20)	\$26.07
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$0.20
25 Administrative Expense	\$5.04
26 Ad Valorem and Other Taxes	\$1.64
27 Total (LN24 + LN25 + LN26)	\$6.88
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) ..	\$32.94
31 NON – INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31).....	\$32.94
35 TOTAL UNIT MONTHLY COSTS (LN33/12).....	\$2.75
37 RATIO OF UNIT MONTHLY COST TO INVESTMENT (LN35/LN14).....	0.0201

1 RECURRING UNIT COST DEVELOPMENT -
2 RATE ELEMENT SPECIFIC COSTS

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Service Name: Virtual Expanded Interconnection Service
Rate Element: Floor Space - Per Ampere

14 TOTAL UNIT INVESTMENT	\$126.86
17 INVESTMENT RELATED UNIT CAPITAL COSTS	
18 Depreciation Expense	\$11.57
19 Cost of Money	\$9.91
20 Income Tax Expense	\$4.39
21 Total (LN18 + LN19 + LN20)	\$25.87
23 INVESTMENT RELATED UNIT OPERATING COSTS	
24 Maintenance Expense	\$3.73
25 Administrative Expense	\$4.68
26 Ad Valorem and Other Taxes	\$1.52
27 Total (LN24 + LN25 + LN26)	\$9.93
29 TOTAL INVESTMENT RELATED UNIT COSTS (LN21 + LN27) ..	\$35.81
31 NON - INVESTMENT RELATED UNIT COSTS	\$0.00
33 TOTAL UNIT ANNUAL COSTS (LN29 + LN31)	\$35.81
35 TOTAL UNIT MONTHLY COSTS (LN33/12)	\$2.98
37 RATIO OF UNIT MONTHLY COST TO INVESTMENT (LN35/LN14)	0.0235

ATTACHMENT I I

**BELLSOUTH
TELECOMMUNICATIONS**

R. W. Fleming
Director, Regulatory Services
BellSouth Corporation

19987 Southern Bell Center
675 West Peachtree Street, N.E.
Atlanta, GA 30375
404 523-5634

August 31, 1993

Transmittal No. 140

Secretary
Federal Communications Commission
Washington, D. C. 20554

Attention: Common Carrier Bureau

The accompanying tariff material, issued on behalf of BellSouth Telecommunications, Inc., and bearing Tariff F.C.C. No. 1, Access Service, is sent to you for publication in compliance with the Communications Act of 1934, as amended.

Scheduled to become effective October 15, 1993, this publication consists of tariff pages as indicated on the following check sheets:

<u>Tariff FCC No.</u>	<u>Check Sheet No.</u>
1	89th Revised Page 1
	34th Revised Page 2
	22nd Revised Page 5
	34th Revised Page 6

This publication is being issued to introduce Area Commitment Plan (ACP) in BellSouth's F.C.C. Tariff No. 1. Also, as a part of this filing, BellSouth introduces enhancements to its Channel Services Payment Plan (CSPP) by revising regulations regarding moves and termination liabilities. CSPP rate levels for DS1 High Capacity Service are adjusted to reflect the fact that changes were recently made to DS1 service month-to-month rates.

The original transmittal letter and check in the amount of \$490.00 were provided to R & S Couriers, Inc., for delivery to Mellon Bank, Pittsburgh, Pennsylvania on August 31, 1993. Acknowledgment of receipt of this publication is requested. A duplicate transmittal letter is enclosed for this purpose.

All correspondence and inquiries in connection with this filing should be addressed to me at BellSouth Telecommunications, Inc., 29G57 Southern Bell Center, 675 West Peachtree Street, N.E., Atlanta, Georgia 30375.

Very truly yours,


for R. W. Fleming
Operations Manager

Attachments
Documentation
Tariff Pages

Copy of Letter and Attachments, concurrently delivered to:
Chief, Tariff Review Branch
International Transcription Service
Public Utilities Specialist