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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

February 20, 1996

**Ex Parte**

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

**Re: Price Cap Performance Review for Local Exchange Carriers,  
CC Docket 94-1 (X-Factor NPRM)**

The attached material was provided to AT&T today in response to an oral request. Specifically, AT&T requested that Bell Atlantic provide data regarding the declaration of Melvyn Fuss which was submitted in the above referenced proceeding.

Please include this material in the record as appropriate. Please do not hesitate to contact me if there are any questions regarding this material.

Sincerely,

*Joseph J. Mulieri*

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**Bell Atlantic Response to AT&T Oral Request for Data re  
Declaration of Melvyn Fuss -- Moody's Yield on Public Utility Bonds**

The data for the period 1949-1992 were taken from Appendix F. Specifically, the data appear on the page titled "Regression: Input Price Differential (Christensen Affidavit)".

The 1993 datum was calculated as follows:

1992 datum from Appendix F = 8.14%.

1992 datum from Christensen Affidavit titled "An Input Price Adjustment Would Be an Inappropriate Addition to the LEC Price Cap formula", CC Docket No. 94-1, February 1, 1994, Exhibit E = 8.57%.

1993 datum from Christensen Affidavit titled "An Input Price Adjustment Would Be an Inappropriate Addition to the LEC Price Cap Formula", CC Docket No. 94-1, February 1, 1995, Exhibit E = 7.56%.

1993 datum used in regressions =  $8.14\% \times (7.56\% / 8.57\%) = 7.18\%$

Also, a typo was discovered in table A.4. The last number in the table (under the heading "P-Value") should be .8409 rather than .5789.