



WASHINGTON

**COLLOCATION:
SPACE INQUIRY**

**QWEST
January 2003**

Study ID: 7237

**QWEST CORPORATION
Policy and Law**

Table of Contents

	<u>Page</u>
I. Executive Summary	3
A. Purpose Scope, and Application	3
B. Description of Service	3
C. Study Methodology	3
D. Description of Long Run Incremental Cos	3
E. Study Assumptions	4
II. Rate Elements	5
III. Work Papers	6
Study Summary	6
Input Sheet	7
Labor and Materials	9
WCP Non-Recurring	10

Executive Summary

A. PURPOSE, SCOPE, AND APPLICATION

The purpose of this study is to determine the non-recurring costs that will be incurred by Qwest to provide Space Inquiry requests for customers.

This study develops Qwest average costs. Costs are based on a per unit basis depending upon which element is being requested.

B. DESCRIPTION OF SERVICE

Paragraph 58 of the FCC 706 ruling requires incumbent LECs to provide space availability report to Co-Providers requesting such a report. This report will be generated for one central office at a time.

The space inquiry report contains the following information for each central office requested:

1. Number of Collocators within the office;
2. Amount of Collocation space available (number of equipment bay spaces available);
3. Measures under way to make additional space available for collocation;
4. Modifications in the use of space since the last report;
5. Whether there is sufficient power;
6. Number of CLECs in queue; and
7. Whether the premise is equipped with DS3 capabilities.

C. Study Methodology

Costs were developed from material, engineering and installation labor costs provided by Subject Matter Experts (SME's) in Central Office Engineering and Outside Plant Engineering.

Monthly maintenance costs were developed by taking the element - specific expense and applying the account - code specific maintenance.

The investments/expenses from the above items were then entered into the WCP (Wholesale Cost Program) model, developed and used within QWEST Corporation.

D. DESCRIPTION OF LONG RUN INCREMENTAL COSTS

Long Run Incremental Cost (LRIC) is the method QWEST Corporation uses to estimate product and service costs. It provides a measurement of costs over a period of time long enough to fully adjust to changes of output (including changes in the size of facilities, levels of investment, etc.) in order to optimally accommodate this change. This methodology is forward looking in nature (i.e. LRIC uses the latest technology costs or replacement costs.) Since LRIC is forward looking, it does *not* measure historic investment decisions of the corporation.

The Qwest LRIC format disaggregates the cost results on a unitized basis into the components shown below:

Total Service Long Run Incremental Cost (TSLRIC) --Total Service Long Run Incremental Cost is the forward looking cost avoided (or added) by discontinuing (or offering) an entire service or group of services in the most efficient manner, holding constant the production of all other services produced by the firm. This cost is often referred to in economic terms as direct cost.

COLLOCATION: SPACE INQUIRY REPORT

Shared Cost (SC)-- The cost associated with the provision of multiple services (service family). This cost is not volume sensitive and is eliminated only if the entire service family is discontinued.

Total Service Long Run Incremental Costs plus Shared Costs (TSLRIC+SC)--The Total Service Long Run Incremental Costs for a service plus the Shared Costs of a family of services.

Total Element Long Run Incremental Cost (TELRIC) -- Total Element Long Run Incremental Cost, as defined by the Federal Communications Commission, is the sum of the forward looking direct cost incurred in the production of a network element (as opposed to an entire service), attributed costs considered as shared cost under TSLRIC terminology and selected administrative costs considered as common under TSLRIC terminology.

Common Cost (CC)

For **TSLRIC** purposes, common costs are the current cost incurred for the benefit of the enterprise as a whole. This cost does not vary with the provision of a service or a service family. These costs are sometimes referred to as *general overhead costs*. The Common Cost added to the TSLRIC + SC produces a **Fully Allocated Cost (FAC)** as required by Commission rules.

For **TELRIC** purposes, common costs are the current cost incurred for the benefit of the enterprise as a whole, after those cost that vary with the provisioning of individual network elements are removed. The costs removed from common for TELRIC purposes are included in the TELRIC itself. **Total Long Run Incremental Cost plus TELRIC common costs (TELRIC + CC)** form the basis for pricing Interconnection network elements. TELRIC + CC is the equivalent of fully allocated cost as the term is applied to network elements.

Typically, the cost identified by these cost categories include capital costs for depreciation, return, and income taxes. TSLRIC also includes ongoing operating costs for: administration expense, product management expense, pre sales expense, and business fees.

E. Study Assumptions

1. All costs are forward looking.
2. See "Inputs" worksheet.

COLLOCATION: SPACE INQUIRY REPORT

Qwest
Advice No. 3376T

RATE SUMMARY

	Unit	Investment	NRC	State
SPACE INQUIRY REPORT	Per office	\$ 162.35	\$ 224.79	WASHINGTON

COLLOCATION: SPACE INQUIRY REPORT

Study Name	<i>Space Inquiry</i>	
Study Requester	<i>Vicki Bishara</i>	
Type of Study	<i>TELRIC</i>	
Study ID	<i>7237</i>	
Cost Factor Group	<i>Interconnection</i>	
Study Applications		
Completion Date	<i>January 7, 2003</i>	
Cost Analyst	<i>Tom Wilkinson</i>	
Study Review	Reviewer	Date
	<i>Vicki Bishara</i>	<i>January 7, 2003</i>
Cost Models Used	Model	Version and/or Release Date
	<i>Wholesale Cost Program</i>	<i>01/08/01 (Version 2.06)</i>
	<i>Cost Factor Databases</i>	<i>01/02/01 (Vintage: 99WA02E,</i>
	<i>Cost Factors Model (TELRIC)</i>	
Cost Factors Used	Factor	Effective Date
	<i>Capital Recovery</i>	<i>01/01</i>
	<i>Maintenance</i>	<i>01/01</i>
	<i>Ad Valorem</i>	<i>01/01</i>
	<i>Power</i>	
	<i>Sales Tax</i>	
	<i>Interest During Construction</i>	
	<i>COE Land & Bldg</i>	<i>01/01</i>
	<i>Directly Assigned Facto</i>	<i>01/01</i>
	<i>Directly Attributable Fa</i>	<i>01/01</i>
	<i>Common</i>	<i>01/01</i>
	<i>Cost Of Money</i>	<i>9.63%</i>
Inflation		
Major Cost Drivers		

COLLOCATION: SPACE INQUIRY REPORT

Qwest
Advice No. 3376T
Inputs, 7237 Space Inquiry.xls

Study Information	Value
Filing Month	January
Filing Year	2003
State	WA
State Full Name	WASHINGTON
Run Date	1/7/2003
Factor Vintage	99WA02E
Study ID	7237

Engineering Rate Inputs	Value	Source
COMMON SYSTEMS PLANNING ENGINEERING CENTER	\$ 43.74	
INFRASTRUCTURE AVAILABILITY CENTER (IAC)	\$ 56.97	

Labor Calculation		
COMMON SYSTEMS PLANNING ENGINEERING CENTER (CSPEC)		
NUMBER OF COLLOCATORS WITHING THE OFFICE	0.4	per hour
AMOUNT OF COLLO SPACE AVAILABLE IN OFFICE	1.8	per hour
ADDITIONAL SPACE FOR COLLOCATION	0.4	per hour
MODIFICATIONS IN USE OF SPACE SINCE THE LAST REPOR	0.4	per hour

Factors	Value
WCP Version	2.06
Cost of Money	9.63%
Capital Recovery	01/01
Maintenance	01/01
Ad Valorem	01/01
Power	
Sales Tax	
Interest During Construction	
COE Land & Bldg	01/01
Directly Assigned Factors	01/01
Directly Attributable Factors	01/01
Common	01/01
Vintage	99WA02E
<u>Investment Loadings</u>	
Power	0.042200
Sales Tax	0.082900
Interest During Construction	0.006100
<u>COE Land And Building Investment</u>	
Building	0.067900
Land	0.002800
<u>Investment Based Monthly Direct Costs</u>	
Depreciation	0.090203
Cost Of Money	0.043242
Income Tax Expense	0.014796
Maintenance	0.017681
Ad Valorem Tax	0.003935
<u>COE Land And Building Cost</u>	

COLLOCATION: SPACE INQUIRY REPORT

Qwest
Advice No. 3376T
Inputs, 7237 Space Inquiry.xls

COE Building	0.150815
COE Land	0.153072
<u>Directly Assigned</u>	
Product Management Expense	0.053904
Sales Expense	0.013375
Product Advertising Expense	0.000000
Business Fees (Other Operating Taxes)	0.042327
<u>Directly Attributed</u>	
Network Operations	0.000000
Network Support Assets	0.000000
General Support Assets	0.000000
General Purpose Computers	0.000000
Uncollectible	0.000000
Accounting & Finance Expense	0.000000
Human Resources Expense	0.000000
Information Management Expense	0.000000
Intangibles	0.000000
State Prescribed Directly Attributed	0.196200
<u>Common</u>	
Executive Expense	0.000000
Planning Expense	0.000000
External Relations Expense	0.000000
Legal Expense	0.000000
Other Procurement Expense	0.000000
Research & Development Expense	0.000000
Other General and Admin Expense	0.000000
State Prescribed Common	0.040500

COLLOCATION: SPACE INQUIRY REPORT

LABOR CALCULATIONS

<i>Work Item</i>	<i>Hours Per Request</i>	<i>Time Minutes</i>	<i>Prob</i>	<i>Applied Time (Minutes)</i>	<i>Labor /Hour</i>	<i>Cost</i>	<i>Rate Calculation</i>
A	B	C	D	E	F	G	
				C * D			
<u>-COMMON SYSTEMS PLANNING ENGINEERING CENTER (CSPEC)</u>							
<i>NUMBER OF COLLOCATORS WITHING THE OFFICE</i>							
Verify and match documentation; determine number of Collocators in office	0.4	21	1.000	21.00	\$43.74	\$15.31	<i>Space Report</i>
<i>AMOUNT OF COLLO SPACE AVAILABLE IN OFFICE</i>							
Database verification (COEFM), communication with Real Estate, SICM's, CO Techniciaions and IOF if grooming or moving circuits is identified.	1.8	105	1.000	105.00	\$43.74	\$76.55	<i>Space Report</i>
<i>ADDITIONAL SPACE FOR COLLOCATION</i>							
Check to see if building addition is in any planning stage. Check with switch group to see about any upcoming conversions/removals.	0.4	21	1.000	21.00	\$43.74	\$15.31	<i>Space Report</i>
<i>MODIFICATIONS IN USE OF SPACE SINCE THE LAST REPORT</i>							
Pull report from COE-FM.	0.4	21	1.000	21.00	\$43.74	\$15.31	<i>Space Report</i>
<u>Subtotal - COMMON SYSTEMS PLANNING ENGINEERING CENTER (CSPEC)</u>				168.00		\$122.47	
<u>-INFRASTRUCTURE AVAILABILITY CENTER (IAC)</u>							
<i>QUOTE PREPARATION AND PROCESSING</i>							
Review for completeness resolve discrepancies, Quote Preparation and processing, data basing	0.7	42	1.000	42.00	\$56.97	\$39.88	<i>Space Report</i>
<u>Subtotal - INFRASTRUCTURE AVAILABILITY CENTER (IAC)</u>				42.00		\$39.88	
<u>Total</u>						\$162.35	

COLLOCATION: SPACE INQUIRY REPORT

Qwest
Advice No. 3376T
WCP Non-Recurring
7237 Space Inquiry.xls

WCP Non-Recurring

	Factor Value	Space Inquiry Report
Expense		\$162.35
<i>Directly Assigned</i>		
Product Management Expense	0.053904	\$ 8.75
Sales Expense	0.013375	\$ 2.17
Product Advertising Expense	0.000000	\$ -
Business Fees (Other Operating Ta)	0.042327	\$ 7.33
<i>Directly Assigned Costs</i>		\$ 18.26
<i>Total Direct Monthly Costs</i>		
		\$ 180.61
<i>Directly Attributed</i>		
Network Operations	0.000000	\$ -
Network Support Assets	0.000000	\$ -
General Support Assets	0.000000	\$ -
General Purpose Computers	0.000000	\$ -
Uncollectible	0.000000	\$ -
Accounting & Finance Expense	0.000000	\$ -
Human Resources Expense	0.000000	\$ -
Information Management Expense	0.000000	\$ -
Intangibles	0.000000	\$ -
State Prescribed Directly Attributed	0.196200	\$35.44
<i>Directly Attributed Costs</i>		\$ 35.44
<i>TELRIC</i>		
		\$ 216.04
<i>Common</i>		
Executive Expense	0.000000	\$ -
Planning Expense	0.000000	\$ -
External Relations Expense	0.000000	\$ -
Legal Expense	0.000000	\$ -
Other Procurement Expense	0.000000	\$ -
Research & Development Expense	0.000000	\$ -
Other General and Admin Expense	0.000000	\$ -
State Prescribed Common	0.040500	\$8.75
<i>Common Costs</i>		\$ 8.75
<i>TELRIC + Common Costs</i>		
		\$ 224.79