

Illinois Independent Telephone Association  
Response to Data Requests from Commissioner Kretchmer

Response prepared by and witness: Robert C. Schoonmaker

DR-1.08 On page 33, lines 13-14, you state that: "We also did an analysis comparing the default model results with the actual investments incurred by companies for COE in Illinois."

1. Provide the analysis.
2. Describe what was done in performing the analysis.

Response:

1. The analysis is provided in an Excel spreadsheet, **KRDR1.08-COE Investment.xls**.
2. As explained in the direct testimony of Mr. Schoonmaker, the forward-looking COE switching technology is very similar to the technology currently installed by the small Illinois companies. Therefore, a comparison between modeled switching investment to actual investment was made to test the validity of the default assumptions. The spreadsheet **KRDR1.08-COEInvestment.XLS** contains the analysis done to compare actual 1998 COE investment to the HAI modeled default investment. In summary, the default assumptions produced an investment approximately 46% less than the actual.

OFFICIAL FILE  
ILL. C. C. DOCKET NO. 00-0233/0235  
A.T. Schoonmaker Cross  
Witness  
Date 6/19/01 Reporter G. Q.

Illinois Small Companies  
 Comparison of 1998 Central Office Investment  
 Actual to HAI Default and HAI IITA assumptions

	Actual	HAI - IITA	HAI - Default	% Diff HAI - IITA to Actual	% Diff HAI - Default to Actual
Adams	2,120,244	3,247,000	2,066,000	53.1%	-2.6%
Alhambra	903,394	766,000	440,000	-15.2%	-51.3%
Cambridge	1,564,526	1,111,000	625,000	-29.0%	-60.1%
Cass	1,843,923	1,925,000	1,095,000	4.4%	-40.6%
C-R	905,246	610,000	353,000	-32.6%	-61.0%
Clarksville	234,734	122,000	73,000	-48.0%	-68.9%
Crossville	417,859	419,000	240,000	0.3%	-42.6%
Egyptian	3,482,075	1,973,000	1,145,000	-43.3%	-67.1%
El Paso	1,242,847	1,079,000	601,000	-13.2%	-51.6%
Flat Rock	575,748	365,000	210,000	-36.6%	-63.5%
Frontier - Depue	348,660	506,000	288,000	45.1%	-17.4%
Frontier - Inland	2,582,023	2,916,000	1,661,000	12.9%	-35.7%
Frontier - Lakeside	515,898	557,000	322,000	8.0%	-37.6%
Frontier - Orion	954,664	1,132,000	639,000	18.6%	-33.1%
Frontier - Prairie	537,779	675,000	387,000	25.5%	-28.0%
Frontier - Mt. Pulaski	852,479	1,206,000	685,000	41.5%	-19.6%
Frontier - Midland	3,262,794	2,842,000	1,647,000	-12.9%	-49.5%
Frontier - Schyler	1,162,981	1,839,000	1,028,000	58.1%	-11.6%
Geneseo	5,536,020	4,503,000	2,501,000	-18.7%	-54.8%
Glasford	-	770,000	433,000	#DIV/0!	#DIV/0!
Grandview	-	68,000	42,000	#DIV/0!	#DIV/0!
Grafton	560,576	498,000	283,000	-11.2%	-49.5%
Gridley	1,638,691	851,000	477,000	-48.1%	-70.9%
Hamilton	2,305,548	1,494,000	874,000	-35.2%	-62.1%
Harrisonville	7,368,617	10,508,000	5,829,000	42.6%	-20.9%
Home	711,155	580,000	329,000	-18.4%	-53.7%
Kinsman	-	64,000	39,000	#DIV/0!	#DIV/0!
Henry County	1,298,027	957,000	546,000	-26.3%	-57.9%
LaHarpe	581,381	688,000	394,000	18.3%	-32.2%
Leaf River	839,013	393,000	225,000	-53.2%	-73.2%
Leonore	458,711	101,000	60,000	-78.0%	-86.9%
Madison	1,584,067	915,000	528,000	-42.2%	-66.7%
Metamora	1,543,326	2,267,000	1,260,000	46.9%	-18.4%
McDonough	3,211,890	2,879,000	1,666,000	-10.4%	-48.1%
McNabb	641,285	309,000	178,000	-51.8%	-72.2%
Marseilles	1,859,402	2,317,000	1,287,000	24.6%	-30.8%
Mid-Century	3,050,309	2,916,000	1,699,000	-4.4%	-44.3%
Montrose	1,333,882	999,000	580,000	-25.1%	-56.5%
Moultrie	857,578	483,000	275,000	-43.7%	-67.9%
New Windsor	727,053	392,000	225,000	-46.1%	-69.1%
Odin	545,740	742,000	425,000	36.0%	-22.1%
Oneida	634,467	369,000	215,000	-41.8%	-66.1%
Reynolds	567,084	346,000	200,000	-39.0%	-64.7%
Shawnee	3,576,506	3,013,000	1,732,000	-15.8%	-51.6%
Stelle	-	53,000	33,000	#DIV/0!	#DIV/0!
Tonica	946,213	327,000	188,000	-65.4%	-80.1%
Viola-Home	701,928	482,000	275,000	-31.3%	-60.8%
Wabash	3,546,978	3,529,000	2,201,000	-0.5%	-37.9%
Woodhull	934,066	467,000	266,000	-50.0%	-71.5%
Yates	504,209	334,000	193,000	-33.8%	-61.7%
Total	71,571,596	66,949,000	38,416,000	-6.5%	-46.3%

COE Switching Input Analysis - Impact of initial change

	Default	IITA-3-28	% of Default
Per Line Amt.	416.11	728.19	175%
COE Switch Inv.	38,416,000	75,217,000	196%
Inv Growth to Line Input			112%

COE Switching Input

Actual COE Inv.	71,571,596
Target %	95%
Target COE Inv.	67,993,016
Ratio to Default inv.	177%
Inv Growth to Line Input	112%
Ratio to Line Input	158%
Default Input	416.11
Estimate Revised Line Input	658.25