

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**IN THE MATTER OF THE CONTINUED)
COSTING AND PRICING OF UNBUNDLED) DOCKET NO. UT-003013
NETWORKING ELEMENTS, TRANSPORT,) PART B
TERMINATION AND RESALE)**

**PART B ERRATA TO
RESPONSE TESTIMONY OF
JOHN C. KLINK
AND
BRIAN F. PITKIN
ON BEHALF OF
JOINT INTERVENORS**

APRIL 12, 2001

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAMES AND BUSINESS ADDRESS.**

3 A. We are John C. Klick and Brian F. Pitkin. We are, respectively, Senior Managing
4 Director and Director in the Financial Services Division of FTI Consulting, Inc.
5 (“FTI”). Our offices are located at 66 Canal Center Plaza, Suite 670, Alexandria,
6 VA 22314.

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8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

9 A. The purpose of our testimony is to revise the recurring charge associated with
10 Qwest’s and Verizon’s recurring costs study for their DS-1 loop charge.

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12 **Q. WHY ARE THESE REVISIONS NECESSARY?**

13 A. Concurrently with our filing, Mr. Weiss is filing an errata in this case in which he
14 revised the investments associated with Qwest’s DS-1 loop cost. Additionally, he
15 has changed input assumptions with respect to Verizon’s DS-1 loop study.
16 Specifically, he altered the percent of DS-1 to be provided over metallic facility
17 and OC3’s with 84 DS1s. Since these changes flow through to the recurring costs
18 for DS-1 Loops, it is necessary for us to revise the recurring costs associated with
19 this element. Table 1 summarizes the recurring costs associated with Qwest’s and
20 Verizon’s DS-1 Loops under Mr. Weiss’ revised input assumptions.

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Table 1¹
Summary of Verizon's and Qwest's Recurring Costs
For DS-1 Loops
Based on Mr. Weiss' Modifications

	As Submitted By ILEC	As Modified By Mr. Weiss
Qwest DS-1 Capable Loop	\$75.59	\$53.90
Qwest DS-1 Feeder Sub-Loop	\$66.98 ²	\$47.55
Verizon's DS-1 Loop	127.41	64.35

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Q. ARE THERE ANY OTHER REVISIONS TO YOUR TESTIMONY?

A. Yes. In our Response Testimony filed on October 23, 2000 (Exhibit JCK/BFP – ITC at pages 36 and 37), we presented recurring costs associated with the DS-1 and DS-3 loops calculated in a manner consistent with the decision in the GCD. We discovered an error in the implementation process of the loop costs and the calculation of the percentage amount the loop costs were above the 2-wire and 4-wire costs. Consequently, we have made these corrections which begin on page 36, line 20 and end on page 37, Table 3. Attachment 1 contains the paragraph and associated table that incorporate these revisions.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

¹ Our re-calculation of DS-1 loop costs is part of Exhibit JCK/BFP – 12C.
² Ms. Million's Exhibit TKM-10 reports \$66.98 for the DS-1 feeder capable loop, while Mr. Hooks' Exhibit PWH-2 reports \$66.89 for the DS-1 feeder capable sub-loop.

1 **Attachment 1**
2 **(Errata Response Testimony of Klick/Pitkin filed October 23, 2000)**
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5 Delete page 36, line 20 through p. 37, Table 3 and replace with the following:
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21 This approach would result in a DS-1 cost that is 50.6% higher than the
22 cost of a 2-wire loop and a DS-3 cost that is 462.8% higher than the cost of a 2-
23 wire loop. As described above, the Commission's decision in the GCD assumed
24 two loops for DS-1 services and one loop for DS-3 services. Thus, we have
25 increased the 2-wire portion of the Commission's 4-wire loop rate by 50.6% to
26 reflect the cost of DS-1 services and increased the Commission's 2-wire loop rate

1 by 462.8% to reflect the cost of DS-3 services. The resulting costs for DS-1 and
2 DS-3 lines using this approach are summarized in the following table:

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Table 2
Summary of Recurring Costs for
DS-1 and DS-3 Loops
Consistent with GCD

Loop Type	Qwest	Verizon
2-Wire	\$ 18.16	\$ 23.94
4-Wire	\$ 33.60	\$ 35.91
DS-1	\$ 42.79	\$ 48.02
DS-3	\$ 102.20	\$ 134.73

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