

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

<b>In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale</b>	) ) ) )	<b>DOCKET NO. UT-960369</b>
<b>In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for U S WEST COMMUNICATIONS, INC.</b>	) ) ) ) ) )	<b>DOCKET NO. UT-960370</b>
<b>In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale for GTE NORTHWEST INCORPORATED</b>	) ) ) ) ) ) <hr/>	<b>DOCKET NO. UT-960371</b>

**DIRECT TESTIMONY OF**

**DAVID G. TUCEK**

**ON BEHALF OF**

**GTE NORTHWEST INCORPORATED**

**SUBJECT: DEAVERAGED LOOP COSTS**

**DECEMBER 15, 1999**

1 **Q. PLEASE STATE YOUR FULL NAME AND BUSINESS ADDRESS.**

2 A. My name is David G. Tucek. My business address is 1000 GTE Drive, Wentzville,  
3 MO 63385.

4

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by GTE Service Corporation as Staff Manager - Economic Issues.  
7 In this capacity, I am responsible for supporting GTE's incremental cost studies for  
8 all GTE telephone operating companies, including GTE Northwest Incorporated.

9

10 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS**  
11 **EXPERIENCE.**

12 A. I have a Bachelor of Science Degree in Mathematics and Economics from  
13 Southeast Missouri State University and a Master of Arts Degree in Economics from  
14 the University of Missouri. I also have a Master of Business Administration from St.  
15 Louis University. I began my career in the telecommunications industry as a Senior  
16 Cost Analyst with Contel Service Corporation in 1979. I became an employee of  
17 GTE in 1991, at the time of the merger between the two companies. During the  
18 course of my career, I have held various positions dealing with cost analysis and  
19 modeling, rate design, tariff development, carrier billing, and demand analysis. I  
20 assumed my present position in August of 1996.

1

2 **Q. HAVE YOU TESTIFIED BEFORE THIS OR ANY OTHER REGULATORY**  
3 **COMMISSION?**

4 A. Yes. I have presented testimony on behalf of GTE in Phase I and Phase II of this  
5 proceeding. I have also testified as an expert witness before state public utility  
6 commissions in Alabama, Arkansas, Florida, Hawaii, Illinois, Indiana, Iowa,  
7 Kentucky, Michigan, Missouri, Nebraska, New Mexico, North Carolina, and  
8 Pennsylvania.

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

11 A. On behalf of GTE Northwest Incorporated ("GTE"), my testimony provides the  
12 Commission with the deaveraged costs of unbundling 2-wire and 4-wire loops. In  
13 keeping with the Commission's directive in its 19<sup>th</sup> Supplemental Order that parties  
14 base their presentations on the previously made cost determinations, the  
15 deaveraged costs are based on the record already established in this proceeding.  
16 The development of the deaveraged loop costs is presented in Exhibit DGT-1.  
17 GTE's position on which unbundled network elements should be deaveraged is  
18 explained in the testimony of GTE witness Terry R. Dye.

19

20 **Q. PLEASE SUMMARIZE YOUR TESTIMONY**

1 A. The deaveraged 2-wire loop costs are based on the filed results from the  
2 Company's own cost model, CostMod, and appear in Exhibit DGT-1. The weighted  
3 average of the TELRICs for the three zones equals the Commission ordered  
4 TELRIC of \$20.30 per month. The deaveraged costs for the 4-wire loops are 50  
5 percent greater than their 2-wire counterparts, in keeping with Paragraph 21 of the  
6 9<sup>th</sup> Supplemental Order.

7

8 **Q. HOW HAVE YOU CALCULATED THE DEAVERAGED COSTS FOR THE 2-WIRE**  
9 **LOOP?**

10 A. In the WUTC's 17<sup>th</sup> Supplemental Order, at paragraph 205, the Commission found  
11 GTE's average TELRIC for a 2-wire unbundled loop to be \$20.30 per month,  
12 excluding any markup for common costs. This amount is less than the result  
13 produced by the Company's own model, CostMod, which was filed with the  
14 Commission on June 23, 1998. To calculate deaveraged costs for CostMod's three  
15 density zones, I multiplied the CostMod TELRIC for each zone times the ratio of the  
16 Commission's ordered cost of \$20.30 to the CostMod statewide average TELRIC.  
17 These calculations and the resulting deaveraged TELRICs appear in lines 1 through  
18 5 of Exhibit DGT-1. Verification that the weighted average of the TELRICs by  
19 density zone equals the Commission ordered TELRIC of \$20.30 appears at line 7  
20 of Exhibit DGT-1.

1 **Q. HOW HAVE YOU CALCULATED THE DEAVERAGED COSTS FOR THE 4-WIRE**  
2 **LOOP?**

3 A. In paragraph 21 of the 9<sup>th</sup> Supplemental Order, the Commission found that the  
4 TELRIC of a 4-wire loop equaled 150 percent of the TELRIC of a 2-wire loop.  
5 Consistent with this finding, I have calculated the deaveraged 4-wire TELRICs by  
6 multiplying 1.5 times the corresponding deaveraged 2-wire TELRICs. The results  
7 of this multiplication appear at line 9 of Exhibit DGT-1.

8

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 A. Yes, it does.