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August 30, 2001

**BY FIRST CLASS MAIL**

The Honorable Lawrence Berg  
Administrative Law Judge  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive SW  
Post Office Box 47250  
Olympia, Washington 98504-7250

**Docket No. UT-003013 - Phase D**

Dear Judge Berg:

Pursuant to your request at the August 21, 2001 prehearing conference (“PHC”), Verizon submits this letter to: 1) identify record citations relevant to Verizon’s statements made at the PHC that the statements made by Rex Knowles cited in the 23<sup>rd</sup> Supplemental Order are incorrect; and 2) identify the costs for which Verizon would like to file a cost study in Part D of this proceeding.

As indicated in paragraph 53 of the 23<sup>rd</sup> Supplemental Order, Verizon did not propose a rate comparable to the Qwest proposed rate for a separate POI. Verizon’s collocation cost study (Exhibit C-291) assumes that there is a manhole (manhole-1) outside the central office used in all instances. The costs related to the manhole and subduct and their installation are captured in the cable space costs.

Exhibit C-291, pages 1-WA-30 and 1-WA-31 explain how the cable space costs were developed. That explanation addresses manhole-related costs. Exhibit C-291, pages 8-WA 36 through 8-WA 37 actually show the cable space cost calculation, including how the manhole-related costs are captured. The monthly costs contained on page 8-WA 36 were then brought forward to the “Summary of Costs” (2-WA 4). The cable space costs were used to develop the Cable Subduct Space – Manhole rate of \$3.78 that was adopted by the Commission in the 23<sup>rd</sup> Supplemental Order and became effective May 14, 2001 per the 18<sup>th</sup> Supplemental Order.

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When there is no manhole-1, the parties have to agree on an interconnection arrangement. The collocator could construct its own manhole on its own right-of-way and interconnection could occur at that manhole. Alternatively, the parties may agree on other arrangements that would result in costs determined on an individual case basis. These potential circumstances have not been addressed on the record.

During the August 21, 2001 PHC, Verizon indicated that in addition to the line sharing related OSS transition costs, Verizon intends to file cost studies for (1) Generic UNE-related OSS transition costs incurred for January 2000 through December 2001 and (2) NRCs for multiplexing. In addition, Verizon proposes to file cost studies for (3) Fiber optic patchcord (OCN termination) and (4) virtual collocation.

Sincerely yours,

Jennifer L. McClellan

cc: Service List  
Patty Nelson