

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Continued Costing and  
Pricing of Unbundled Network Elements,  
Transport, Termination, and Resale**

**Docket No. UT – 003013**

*Part D*

**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**TERESA K. MILLION**

**ON BEHALF OF**

**QWEST CORPORATION**

**NOVEMBER 30, 2001**

**TABLE OF CONTENTS**

**IDENTIFICATION OF WITNESS** ..... 1

**PURPOSE OF TESTIMONY** ..... 1

**TELRIC COST DATA** ..... 2

**CONCLUSION**..... 3

1

**IDENTIFICATION OF WITNESS**

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

3 **A.** My name is Teresa K. (Terri) Million. My business address is 1801 California Street, Room  
4 4700, Denver, Colorado 80202.

5 **Q. PLEASE IDENTIFY YOUR EMPLOYER AND EXPLAIN YOUR POSITION AND**  
6 **RESPONSIBILITIES.**

7 **A.** I am employed by Qwest Services Corporation as a Director, Service Costs/Cost Witness in the  
8 Policy and Law department. In this position, I am responsible for preparing testimony and  
9 presenting Qwest Corporation's cost studies in a variety of regulatory proceedings.

10 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS PART D**  
11 **PROCEEDING?**

12 **A.** Yes. I submitted direct testimony in Part D of this docket on November 7, 2001.

13

**PURPOSE OF TESTIMONY**

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

15 **A.** The purpose of my testimony is to present Total Element Long Run Incremental Cost (TELRIC)  
16 data in support of nonrecurring elements that Qwest intended to address in this phase of the cost

1 docket, but that were not included in the filing on November 7, 2001. Those elements include  
2 various charges associated with access to poles, ducts, conduits and rights of way, as well as  
3 nonrecurring costs associated with unbundled packet switching. This data forms the basis for the  
4 pricing proposals outlined in the testimony of Ms. Kathy Malone and Mr. Robert Kennedy.  
5 Exhibit TKM-51 summarizes the results of the TELRIC studies that Qwest is filing. The  
6 nonrecurring model, the cost study and workpapers are provided electronically in Exhibit TKM-  
7 52. In addition, the nonrecurring cost study (Study #6041) is filed as Exhibit TKM-53.

8 **TELRIC COST DATA**

9 **Q. WHY IS QWEST SUBMITTING THE ELEMENTS FOR POLES, DUCTS,**  
10 **CONDUITS, AND RIGHTS OF WAY AT THIS TIME?**

11 **A.** As discussed in my direct testimony (Exhibit TKM-T26) at page 16, in reviewing these elements  
12 the cost analyst determined that updates to these elements were necessary. It was decided that the  
13 update should be extended to all nine of the nonrecurring charges in this category including those  
14 that were previously submitted in Part B of this cost docket. Product management and network  
15 convened a group of SMEs to discuss the activities necessary for each function, the times required  
16 to perform the activities and the probability that the activities would occur. The process of  
17 gathering and analyzing data for each of these elements and determining the proper forward-  
18 looking activities to include in the study was not concluded in time for the filing on November 7,

1 2001. Since that time, Qwest has been able to complete its analysis and develop final costs for  
2 these elements. The results are presented in Exhibit TKM-51.

3 **Q. WHY IS QWEST SUBMITTING NONRECURRING COSTS ASSOCIATED WITH**  
4 **UNBUNDLED PACKET SWITCHING?**

5 **A.** On page 30 of my direct testimony (Exhibit TKM-T26), I discussed the nonrecurring costs for the  
6 work activities involved in provisioning the DS1/DS3 ATM switch interface port(s) necessary to  
7 connect the unbundled packet switch Customer Channel. I also discussed the activities necessary  
8 to connect the unbundled packet switch Customer Channel and the distribution subloop at an  
9 established FCP arrangement. The costs for this element are based on three possible alternatives  
10 the CLECs have to purchase distribution plant, either from Qwest or from another CLEC. These  
11 elements were inadvertently excluded from the nonrecurring study (Study #5923) filed on  
12 November 7, 2001. They have been included in this supplemental filing in the nonrecurring cost  
13 study labeled Exhibit TKM-53 (Study #6041).

14 **CONCLUSION**

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

16 **A.** Yes, it does.

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**SUPPLEMENTAL EXHIBITS OF**

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## INDEX OF EXHIBITS

<u>EXHIBIT</u>	<u>DESCRIPTION</u>	<u>STUDY #</u>
TKM-51	Summary of Study Results	
TKM-52	Diskette with Cost Studies, Models and Workpapers	
TKM-53	Nonrecurring Study	6041