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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Pricing Proceeding for)	PHASE III
Interconnection, Unbundled Elements, Transport)	
and Termination, and Resale)	
.....)	DOCKET NOS. UT-960369, UT-960370,
In the Matter of the Pricing Proceeding for)	UT-960371
Interconnection, Unbundled Elements, Transport)	
and Termination, and Resale for U S WEST)	
COMMUNICATIONS, INC.)	PETITION FOR RECONSIDERATION
.....)	AND CLARIFICATION OF THE 24th
In the Matter of the Pricing Proceeding for)	SUPPLEMENTAL ORDER
Interconnection, Unbundled Elements, Transport)	
and Termination, and Resale for GTE)	
NORTHWEST INCORPORATED)	
_____)	

Pursuant to the provisions of WAC 480-09-810 and RCW 34.05.470, U S WEST Communications, Inc. ("U S WEST") hereby requests reconsideration and clarification of the Commission's 24th Supplemental Order in this matter, entered on May 4, 2000.

I. INTRODUCTION

U S WEST requests reconsideration on the basis that there are errors or suspected errors in the calculation of the rates for each of the five zones. U S WEST requests reconsideration of the 24th Supplemental Order so that those errors may be corrected.

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U S WEST also requests clarification from the Commission as to the basis for the calculation of those rates in order for U S WEST to verify whether or not such errors exists. U S WEST believes, as a preliminary matter, that there are errors in those calculations because U S WEST has been unable to achieve the same results based on data described in the order as the basis for the calculations. Based on its calculations, U S WEST believes that the rate for Zone 1 is too low, and the rates for Zones 2-5 may also be incorrect.

II. ARGUMENT

In making its decision in this case, the Commission determined that it would accept the principal behind the AT&T/MCI proposal and deaverage rates on a “per cost” basis. (24th Supplemental Order at ¶ 67). The Commission did not adopt the rates proposed by AT&T/MCI for U S WEST because the evidence supporting those rates was not in the record. (24th Supplemental Order at ¶ 80). However, evidence supporting the Commission-ordered rates in the five zones for U S WEST is also apparently not contained anywhere in the record, and is not set forth in detail in the Commission order.

For example, U S WEST is in need of several pieces of information in order to verify and/or validate the rates produced for the five zones. Specifically, U S WEST needs to know the line counts used by the Commission to produce the five zones and also needs to understand the cost results that were produced for each wire center by the Commission’s calculations. U S WEST does not find either of these items in the order, nor does the order direct the party to any place in the record where that information can be obtained.

Although the Commission states in paragraph 82 of the 24th Supplemental Order that the Commission has used the input data from the Eighth Supplemental Order to generate wire

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center estimates and in turn established deaveraged rates, the order does not further detail what data was used or state what wire center line counts were used. U S WEST has been unable to replicate the rates with inputs from the Eight Supplemental Order and, therefore, believes that both additional information from the Commission is necessary for clarification and that reconsideration is also potentially necessary to correct any errors that may be disclosed upon evaluation of the information presented.

Other aspects of the Commission-ordered five zone proposal also raise questions as to the rate calculations. For example, there are a number of wire centers that fall within zones that appear to be anomalies based on other evidence in the record. For example, the Commission order places U S WEST's Sumner wire center in Zone 2, where the loops would be priced at \$13.89. Mr. Denney's Exhibit No. 2, which also used Hatfield Model 3.1 to calculate costs, produced a cost for the Sumner wire center of \$18.87. This is consistent with the replacement Exhibit 2C, which produced a cost for that wire center of \$18.71. However, placement of the Sumner wire center in Zone 2 is entirely inconsistent with other cost numbers produced by the Hatfield model runs shown in Exhibit 2 and Revised Exhibit 2C. Specifically, Bellevue Sherwood, Des Moines, and Federal Way, which are the first three wire centers in the Commission's Zone 3, are all shown as having a lower cost per wire center than the Sumner wire center, which is in the Commission's Zone 2.

Another anomaly appears to be with the Yakima West wire center being placed in Zone 3. Exhibit 2 shows Yakima West as having a cost of \$23.48 per month. That same exhibit shows the Auburn wire center as having a cost of \$17.21. However, the Commission's order places Auburn in the higher cost Zone 4. Because the Commission's

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order does not show the individual cost per wire center or the number of lines used to produce the costs, U S WEST is unable to resolve these apparent anomalies and, therefore, seeks clarification of the Commission's order to enable it to do so.

U S WEST also seeks reconsideration of the Commission's determination that it is appropriate to place only two wire centers in Zone 1. Such a determination is entirely inconsistent with the Commission's determination as to the appropriateness of GTE's Zone 1. Comparing the two, one can readily see that U S WEST's Zone 1 only contains 5% of the total U S WEST lines, while GTE's Zone 1 contains almost 20% of GTE's total lines. There is no explanation in the order as to why such a differentiation is necessary or appropriate. To the extent that the Commission did state that it is appropriate to order a two wire center Zone 1 because there is a significant cost differentiation between those two wire centers and other wire centers in U S WEST territory, U S WEST is unable to determine whether such rationale also pertains to the decision to group the wire centers chosen in Zones 2-5 as well. If a significant cost differential is not the basis for how wire centers were differentiated between Zones 2 and 3, for example, U S WEST is unable to discern the basis upon which the Commission chose the breakpoint between the zones.

III. CONCLUSION

In conclusion, U S WEST asks for reconsideration and clarification of the Commission's order as set forth herein. U S WEST believes that an order conference may be appropriate in order for all parties to gain a better understanding how the calculations were performed for the U S WEST cost and prices. Alternatively, U S WEST suggests that the Commission issue an appendix to the 24th Supplemental Order showing the total number of

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line counts used in the calculation, the line counts used for each wire center, the cost produced for each wire center by the Commission's run of Hatfield 3.1, and the factor used by the Commission to ensure that the zones produced an average statewide cost of \$18.16.

Respectfully submitted this ____ day of May, 2000.

U S WEST Communications, Inc.

Lisa A. Anderl, WSBA # 13236