

Docket No. UT-023003
AT&T Responses to Commission Bench Requests
June 2, 2004

Bench Request No. 2:

Please identify where in the Virginia Arbitration Order the Bureau rejected Verizon's risk premium additive.

Response:

The Virginia Arbitration Order does not address the merits of Verizon's risk premium additive. Rather, as Dr. Vander Weide discussed in his testimony, the Bureau refused to consider this aspect of Verizon's cost of capital proposal on procedural grounds. The Bureau's refusal to consider, much less adopt, Verizon's proposed risk premium additive was also what Dr. Selwyn had in mind when he expressed his understanding that the Bureau did not adopt the cost of capital that Verizon had proposed.

Prepared by Dr. Lee L. Selwyn

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Bench Request No. 3:

Please provide revised tables in Exhibits 655 and 651T reflecting corrections to the erroneous data for SBC that was discussed during the evidentiary hearings. Please include workpapers describing how the calculations were developed.

Response:

The requested revised exhibits and supporting documentation are enclosed.

Prepared by Dr. Lee L. Selwyn