

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Pricing Proceeding for)
Interconnection, Unbundled Elements,) Docket No. UT-960369
Transport and Termination, and Resale)
_____)
)

In the Matter of the Pricing Proceeding for) Docket No. UT-960370
Interconnection, Unbundled Elements,)
Transport and Termination, and Resale)
for U S WEST COMMUNICATIONS, INC.)
_____)
)

In the Matter of the Pricing Proceeding for) Docket No. UT-960371
Interconnection, Unbundled Elements,)
Transport and Termination, and Resale)
for GTE NORTHWEST INCORPORATED)
_____)
)

COMMENTS OF WUTC STAFF ON ILEC COMPLIANCE FILINGS

I. INTRODUCTION

In its Twenty-Eighth Supplemental Order issued on September 27, 2000, in this matter, the Commission invited parties to comment on the compliance filings of Qwest Corporation (Qwest) and Verizon Northwest, Inc. (Verizon). Staff provides the following comments.

II. COMMENTS ON QWEST COMPLIANCE FILING

A. Introduction

On September 15, 2000, Qwest filed tariff revisions under Advice No. 3169T to comply with the Commission's Twenty-Sixth and Twenty-Seventh Supplemental Orders in this docket. The filing proposes to establish rates for various interconnection services as Tariff WN U-42 and resale of services as Tariff WN U-43.

B. Tariff WN U-42 - Interconnection Services

Staff's review of Table B indicates that the rates for various interconnection services appear to be in compliance with prior Commission orders. Although the Commission's Twenty-Sixth Supplemental Order states "U S WEST's per-port common channel signaling rate of \$148.80 is approved,"¹ the \$148.80 represents the cost. The cost was increased by the Company in its compliance filing by 4.05% to arrive at the rate of \$154.82. The compliance filing also added new language to sheet 1 which states: "The provision of such network interconnection by the Company as set forth in this Tariff does not constitute a joint undertaking with a carrier for the furnishing of any service." Staff contacted the Company regarding the new language, and the Company has filed a replacement sheet to remove the language.

On sheet 13, the Company also included rates for various operator services in the tariff, even though the Commission did not direct the Company to include them. Staff does not object

¹Twenty-Sixth Supplemental Order at page 12, paragraph 66. We believe the Commission intended to approve the \$148.80 as the *cost* for the port.

to the inclusion of the rates, but the Commission should remind parties to follow the provisions of WAC 480-09-340 when making compliance filings.

C. Tariff WN U-43 - Resale of Local Exchange Services

The Company removed the terms and conditions which were included in the prior compliance filing. The proposed non-recurring charges for customer transfers are the same rates as shown in rate Table B. The resale discounts approved by the Commission are listed in the tariff.

D. Recommendation on Qwest Compliance Filings

Staff recommends that the Commission approve the compliance filing filed with Advice No. 3169T as amended by the filed replacement sheet.

III. COMMENTS ON VERIZON COMPLIANCE FILING

A. Introduction

On September 18, 2000, Verizon filed under Advice Nos. 945, 946, and 947 proposed tariff revisions to comply with the Commission's Twenty-Sixth and Twenty-Seventh Supplemental Orders in this docket. These filings do not constitute the entirety of proposed compliance tariffs before the Commission. On May 26, 2000, Verizon filed Advice No. 927 in compliance with the Commission's Twenty-Fifth Supplemental Order in this docket. Advice No. 927 accompanied Tariff WN U-21 to establish rates for various interconnection services. The filing in Advice No. 946 proposes revisions to various sheets filed with Advice No. 927. Hence, Staff will discuss issues with Advice Nos. 927 and 946 together.

B. Tariff WN U-21- Interconnection Services

1. Sheet Numbering

The first problem with the filings is the sheet numbering. Advice No. 946 used revised sheet numbers to establish tariff revisions ordered in the Commission's Twenty-Sixth and Twenty-Seventh Supplemental Orders in this docket. The Company mistakenly believed that Advice No. 927 had become effective on the stated effective date rather than upon Commission order as required by WAC 480-09-340 (3). The Company will need to refile tariff sheets which are all labeled as "Original Sheets."

2. Sheet 2, "General Regulations"

Regarding Advice Nos. 927 and 946, sheet 2, "General Regulations," the first two paragraphs on this sheet essentially indicate that the tariff rates, terms, and conditions for UNEs are subordinate to any rates, terms, and conditions that are contained in interconnection agreements. Staff does not believe that the Commission intends for rates, terms, and conditions, once they are tariffed, to be supplanted by different rates, terms, and conditions for the same UNEs in interconnection agreements. Staff recommends the two paragraphs be deleted. Alternately, if the Commission does not delete the items, we recommend it direct the Company to revise the two paragraphs in two ways.

In the first paragraph, the Company should add the following language (shown underlined):

The general regulations, terms and conditions for the UNEs listed in this tariff will be governed under the CLP's Interconnection Agreement until such time as the Commission adopts tariffed terms and conditions.

The second paragraph in the proposed regulation currently reads:

The rates for UNEs listed within this tariff are not inclusive. Additional rates may be applied as indicated within each CLP's Interconnection Agreement.

It should be revised to read:

Additional rates do not apply to the tariff UNE service when CLP's choose to use tariff UNE service rates in an Interconnection Agreement.

3. Sheet 4, 4-Wire Analog Voice Grade Loop

Regarding Advice Nos. 927 and 946, sheet 4 includes a monthly rate for the 4-wire analog voice grade loop at the statewide average cost of \$35.91. The Company needs to file rates for the 4-wire loop for each density zone rather than the statewide average rate.

4. Sheet 4.3, ILNP Charges

Regarding Advice No. 946, sheet 4.3, a footnote should be added that states that the Interim Local Number Portability (ILNP) charges are not applicable in areas with long-term number portability.

5. Sheets 4.1 and 4.2, Service Orders

Regarding Advice No. 946, sheets 4.1 and 4.2, the Company filed revisions to its non-recurring charges (NRCs) for Service Ordering that reflect adjustments to work times as directed by the Commission's Twenty-Sixth Supplemental Order. Staff has one concern with the NRCs. A number of the NRCs include a charge for recovery of OSS costs that, in a number of cases, exceeds the cost for the service itself. Staff is concerned that the level of the charge may act as a barrier to entry to CLECs. Staff does not dispute that the Company has been authorized to establish interim OSS rates. Staff is concerned with the proposed amount to be recovered on

each service order as well as the underlying validity of the costs and demand forecasts used to calculate the amount of the charge. The OSS costs and demand forecasts used to develop the charge do not appear to have been part of the Company's filing in Part A of Docket No. UT-003013. The proposed amount to be charged is almost four times the level of OSS cost recovery per service order recommended by staff in the Part A proceeding. Staff recommends that the non-recurring cost estimates be adjusted to reduce the amount of OSS cost recovery to no more than \$5.00 per service order.

C. Tariff WN U-22 - Resale Local Exchange Services

The proposed resale tariff, filed under Advice No. 945, contains numerous terms and conditions of service. The Commission noted in its Twenty-Sixth Supplemental Order that parties had agreed to address terms and conditions at a later date and directed Qwest to remove terms and conditions from its resale tariff. Staff recommends the following changes to remove the terms and conditions.

1. Sheets 3, 5, 6, and 7 should be deleted in their entirety.
2. Sheet 1 - Delete all except the first two paragraphs and the sixth paragraph which begins with the words "Service offered in this tariff"
3. Sheet 9 - Delete the paragraphs titled "Interference with or Impairment of Service" and "Subscribing to Adequate Service."

In addition, the non-recurring charges shown on sheets 12, 13, and 14 are identical to the rates filed in the Company's June 8, 2000, compliance filing. The non-recurring charges for ordering resale local service rely on the same cost study that was used to develop the non-recurring service order charges for UNEs. Staff believes the adjustments made to the time

estimates for UNE service orders also need to be flowed through to the applicable service order charges for resale local services.

D. Tariff WN U-20 - Collocation Service

Verizon filed Advice No. 947 to comply with the Commission's decision to not round up certain values in determining certain collocation charges. The Company has subsequently filed revisions to its collocation tariff WN U-20 that were approved by the Commission which deleted the unrounded charges and established monthly recurring charges in their stead. Since the monthly rates are being considered in Docket No. UT-003013, Staff recommends that this advice not be permitted to become effective.

E. Summary

The Commission should reject the tariffs filed with Advices 927, 945, and 946 and direct the Company to refile the tariffs with the changes discussed above. The tariff filed with Advice No. 947 should not be permitted to become effective due to the changes made in the current collocation tariff and the pending resolution of issues in Part A of Docket No. UT-003013.

DATED this 9th day of October, 2000.

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