

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

IN THE MATTER OF THE CONTINUED)
COSTING AND PRICING OF UNBUNDLED) **DOCKET NO. UT-003013**
NETWORK ELEMENTS, TRANSPORT,) **PHASE D**
TERMINATION, AND RESALE)

PHASE D DIRECT TESTIMONY OF

TERRY R. DYE

ON BEHALF OF

VERIZON NORTHWEST INC.

SUBJECT: PROPOSED RATES

MARCH 7, 2002

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1 **I. INTRODUCTION**

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

4 A. My name is Terry R. Dye. My business address is 600 Hidden Ridge Drive, Irving, Texas,
5 75038. I am employed by Verizon Services Group as Manager - Regulatory and am
6 representing Verizon Northwest Inc. (“Verizon” or “the Company”) in this proceeding.

7
8 **Q. PLEASE DESCRIBE YOUR EDUCATION AND WORK EXPERIENCE.**

9 A. I received a Bachelor of Science in Economics in 1977 and a Master of Arts in Economics in
10 1979, both from the University of Missouri. Upon graduation, I accepted a full time position
11 with the Missouri Department of Natural Resources as a Planner until accepting employment as
12 an Economist with the Missouri Public Service Commission in 1981. Thereupon, I was
13 assigned to the Rates and Tariffs Section of the Communications Department. I was
14 responsible for the review and preparation of testimony, exhibits and cost support data
15 submitted in support of tariff filings and making recommendations based upon that review.

16
17 In January 1984, I accepted a position as a Rate Manager in the Economics and Rates
18 Department of the Illinois Commerce Commission. In that capacity, I had general rate design
19 responsibility over telephone utility matters in the Rate Design Section.

1 I joined Contel Telephone Operations in January 1985 as a Senior Financial Analyst in the
2 Pricing Group of the Revenue Department. I was promoted to Pricing Manager in December
3 1987.

4
5 With the merger of Contel and GTE in 1991, I accepted the position of Rate Design Manager
6 with GTE Telephone Operations. From January 1993 to January 1994, I held the position of
7 New Services Manager in the Pricing Department, and then I was assigned my current position.

8

9 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

10 A. Yes. I presented testimony in Phase III of Docket No. UT-960369 et al regarding the
11 deaveraging of UNEs.

12

13 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY OTHER COMMISSIONS?**

14 A. Yes. I have testified on numerous occasions in the area of telecommunications ratemaking and
15 cost methodologies, in Missouri, Illinois, South Carolina, West Virginia, New York, Hawaii and
16 Oregon. In addition, I have presented testimony in Public Utility Commission proceedings
17 related to the Telecommunications Act of 1996 (the “Telecommunications Act”) in the States of
18 Pennsylvania, Ohio, Illinois, South Carolina, Indiana, Wisconsin, Kentucky, Arkansas, New
19 Mexico, Alabama, Washington, Texas, Florida, and New York.

1 **Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. The purpose of my testimony is to adopt Bert I. Steele’s direct testimony (Exhibit BIS-1T)
3 submitted on November 7, 2002 in Phase D of this proceeding. I also sponsor Exhibits TRD-2
4 and TRD-3, which should replace Mr. Steel’s exhibits in their entirety (BIS-2 and BIS-3) .
5

6 **II. VIRTUAL COLLOCATION**
7

8 **Q. DO YOU HAVE ANY REVISIONS TO MAKE TO THE TESTIMONY OR**
9 **EXHIBITS THAT YOU ARE ADOPTING?**

10 A. Yes. Revisions have been made to Exhibit TRD-2 (formerly Exhibit BIS-2) that summarizes the
11 rates proposed by Verizon in Phase D of this proceeding and Exhibit TRD-3 (formerly Exhibit
12 BIS-3) that provides a definition for each of the collocation rate elements identified in Exhibit
13 TRD-2. A new proposed collocation rate element has been added to Exhibit TRD-2 as a result
14 of the new cost element called “Engineering/Major Augment – Virtual without Entrance
15 Facilities” that is presented in Verizon witness Larry Richter’s Phase D Reply Testimony.¹
16 Exhibit TRD-3 provides a revised definition for this new collocation rate element.

¹ Phase D Reply Testimony of Larry Richter (LR-4T) dated March 7, 2002 at pgs. 2-3.

1 **Q. PLEASE DESCRIBE VERIZON’S PROPOSED COLLOCATION RATE**
2 **STRUCTURE FOR THIS NEW RATE ELEMENT.**

3 A. As is the case for all non-recurring collocation rate elements, the Company is not proposing to
4 mark-up the costs that support its proposed non-recurring rates in this proceeding. Thus, the
5 cost of \$378.90 presented in Mr. Richter’s Phase D Reply Testimony is also the Company’s
6 proposed rate.

7
8 **Q. WHEN SHOULD THE ENGINEERING/MAJOR AUGMENT – VIRTUAL**
9 **WITHOUT ENTRANCE FACILITIES RATE BE APPLIED?**

10 A. The Engineering / Major Augment – Virtual without Entrance Facilities fee applies to each
11 virtual collocation arrangement that is designated as a major augmentation and does not require
12 entrance facilities. The Engineering / Major Augment – Virtual with Entrance Facilities fee
13 applies to each virtual collocation arrangement that is designated as a major augmentation and
14 does require entrance facilities. Major augments are those requests that add
15 telecommunications equipment that require additional AC or DC power systems; heating,
16 ventilation and air conditioning (“HVAC”) system modifications; or a change in the size of the
17 collocation arrangement.

18
19 **Q. DOES THIS CONCLUDE YOUR PHASE D DIRECT TESTIMONY?**

20 A. Yes.