

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

In the Matter of the Review of)	
Unbundled Loop and Switching Rates; the)	DOCKET NO. UT-023003
Deaveraged Zone Rate Structure; and)	
Unbundled Network Elements, Transport,)	
and Termination)	
)	

**SUPPLEMENTAL FILING OF VERIZON NORTHWEST INC.
WITH RESPECT TO VZLOOP VERSION 7RA**

In accordance with the Commission's order following the close of the testimony in this proceeding on June 4, 2004, Verizon Northwest Inc. ("Verizon NW") respectfully submits herewith an analysis of the effects of Version 7rA of VzLoop in Verizon NW's Washington service area. Verizon NW made Version 7rA available to all parties in this proceeding on June 3, 2004, through the VzCost website (www.verizon.com/vzcost).

As Verizon NW noted at the hearing, Version 7rA of VzLoop was created during the course of the California UNE proceeding in May 2004, in response to a request by AT&T Communications of California, Inc. and WorldCom, Inc. Version 7rA was developed in order to correct an error in the code for Version 7 of VzLoop, which had permitted the "economic crossover" calculation (subtracting the cost of fiber investment from the cost of copper investment) to result in a negative number, thereby distorting the calculation. The economic crossover analysis requires placement of an additional DLC on a feeder route leaving the wire center at any point closer than (1) the location of the closest existing DLC to the wire center or (2) the location of a DLC otherwise modelled in order to ensure compliance with the maximum

copper loop length restriction established by the user. *See* Exhibit 201TC at 43-44 (Verizon NW June 2003 panel testimony).

Exhibit A hereto is an Excel spreadsheet summary of investment outputs from the Basic Component (“BC”) run for the two-wire loop, using VzLoop Version 7 as filed in January 2004 (referred to in Exhibit A as “Filed Investment”) compared to the same investment outputs using the new Version 7rA (referred to as “Scenario 1”). The complete sensitivity run has been made available in VzCost.¹ As the summary shows, there existed no negative economic crossover in VzLoop Version 7 as filed in January 2004 in Washington. Thus, the correction of this error in the VzLoop code had no effect on the placement of DLCs, or on any other investments (or costs).

During cross-examination on June 3, 2004, the VzCost/VzLoop panel was asked whether this negative economic crossover analysis would be affected by the fact that, as noted in Verizon NW’s rebuttal testimony, “the SpanNet program . . . , in a rare number of instances, incorrectly converts certain locations to potential DLC facilities.” Exhibit 228TC, at 47. As Verizon noted, “An additional step has been inserted into the validation process to address the effects of this feature,” which had resulted in placement of a DLC within 213 feet of the Acme wire center. *Id.* Accordingly, Verizon NW has also included herewith a second comparison of Versions 7 and

¹ To view this run on the VzCost website, click on “Filings” in the “Coster” domain on the homepage, and then click on the “Filing Name” to highlight the associated filing (here, “WA.UT023003 Whsl UNE Loop Supplemental Scenario 1.06072004”). Clicking on “View Dependents” will then display all of the cost studies, templates, data versions, and document sets related to this sensitivity analysis.

Note the names of the Document Sets identified in the Filing. To view the Document Sets, click on “Document Sets” in the “Coster” domain, then click on the Document Set Names from within the filing identified above, then click on “View,” and then click on “Open.” The Document Sets will be displayed and printable. Other Document Sets may then be viewed by closing Adobe, clicking on the next pertinent Filing Name, and repeating these steps.

7rA, using a revised NETWORK table that corrects this feature of SpanNet. This comparison again confirms that, for the same reason, eliminating the possibility of a negative economic crossover through Version 7rA has no effect on investments or costs in Washington. This comparison is summarized in the Excel spreadsheet included as Exhibit B hereto.² The complete sensitivity run has also been made available in VzCost.³

As these analyses demonstrate, the negative cross-over never took place in Version 7 in Washington (either using the NETWORK table as filed in January 2004, or a revised NETWORK table that corrects the SpanNet error.

Respectfully submitted,



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June 9, 2004

² In Exhibit B, "Scenario 2" reflects the use of VzLoop Version 7 and this correction to SpanNet; "Scenario 3," the use of VzLoop Version 7rA and this same correction.

³ The Filing Name for Scenario 2 is "WA.UT023003 Whsl UNE Loop Supplemental Scenario 2.06072004"; for Scenario 3, "WA.UT023003 Whsl UNE Loop Supplemental Scenario 3.06072004."

Exhibit A
Washington
2 Wire BC Investment Run Comparison

NAME	ACCOUNT	D/S	Scenario 1		DIFF \$	DIFF %
			VALUE	Filed Investment		
TOTAL_2W_POTS_LOOP	223200	D	\$ 232.68	\$ 232.68	0.00	0.0%
TOTAL_2W_POTS_LOOP	223200	S	\$ 68.50	\$ 68.50	0.00	0.0%
TOTAL_2W_POTS_LOOP	241100	S	\$ 46.75	\$ 46.75	0.00	0.0%
TOTAL_2W_POTS_LOOP	242110	D	\$ 98.45	\$ 98.45	0.00	0.0%
TOTAL_2W_POTS_LOOP	242120	D	\$ 8.89	\$ 8.89	0.00	0.0%
TOTAL_2W_POTS_LOOP	242210	D	\$ 57.54	\$ 57.54	0.00	0.0%
TOTAL_2W_POTS_LOOP	242210	S	\$ 7.54	\$ 7.54	0.00	0.0%
TOTAL_2W_POTS_LOOP	242220	D	\$ 267.45	\$ 267.45	0.00	0.0%
TOTAL_2W_POTS_LOOP	242310	D	\$ 38.98	\$ 38.98	0.00	0.0%
TOTAL_2W_POTS_LOOP	242320	D	\$ 283.69	\$ 283.69	0.00	0.0%
TOTAL_2W_POTS_LOOP	242610	D	\$ 1,110.48	\$ 1,110.48	0.00	0.0%
TOTAL_2W_POTS_LOOP	244100	S	\$ 7.54	\$ 7.54	0.00	0.0%
Total 2 Wire POTS Loop Inv.			\$ 1,110.48	\$ 1,110.48	0.00	0.0%

Scenario 1 reflects the use of VzLoop Version 71A Element Calculator
 Associated BC Run: NAL_2W-VZ_BC-V7_WA_JUR_71A_SENS_RUN
 Associated Filing: WA.UT023003 Whsl UNE Loop Supplemental Scenario 1.06072004

Exhibit B
Washington
2 Wire BC Investment Run Comparison

	Scenario 2		Scenario 3			
NAME	ACCOUNT	D/S	VALUE	VALUE	DIFF \$	DIFF %
TOTAL_2W_POTS_LOOP	223200	D	\$ 192.51	\$ 192.51	0.00	0.0%
TOTAL_2W_POTS_LOOP	223200	S	\$ 63.14	\$ 63.14	0.00	0.0%
TOTAL_2W_POTS_LOOP	241100	S	\$ 47.04	\$ 47.04	0.00	0.0%
TOTAL_2W_POTS_LOOP	242110	D	\$ 99.05	\$ 99.05	0.00	0.0%
TOTAL_2W_POTS_LOOP	242120	D	\$ 8.70	\$ 8.70	0.00	0.0%
TOTAL_2W_POTS_LOOP	242210	D	\$ 68.17	\$ 68.17	0.00	0.0%
TOTAL_2W_POTS_LOOP	242210	S				
TOTAL_2W_POTS_LOOP	242220	D	\$ 7.45	\$ 7.45	0.00	0.0%
TOTAL_2W_POTS_LOOP	242310	D	\$ 269.11	\$ 269.11	0.00	0.0%
TOTAL_2W_POTS_LOOP	242320	D	\$ 38.48	\$ 38.48	0.00	0.0%
TOTAL_2W_POTS_LOOP	242610	D				
TOTAL_2W_POTS_LOOP	244100	S	\$ 290.96	\$ 290.96	0.00	0.0%
Total 2 Wire POTS Loop Inv.			\$ 1,084.62	\$ 1,084.62	0.00	0.0%

Scenario 2 reflects the use of VzLoop Version 7 and the adjustment to the VzLoop Network table to correct a Spannet feature
 Associated BC Run: NAL_2W_VZ_BIC_V7_WA_TPOL_12Krt_SENS_RUN
 Associated Filing: WA_UT023003 Whsl UNE Loop Supplemental Scenario 2.06072004
 Scenario 3 reflects the use of VzLoop Version 7A and the adjustment to the VzLoop Network table to correct a Spannet feature.
 Associated BC Run: NAL_2W_VZ_BIC_V7A_WA_JUR_040524
 Associated Filing: WA_UT023003 Whsl UNE Loop Supplemental Scenario 3.06072004

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Review of:)
Unbundled Loop and Switching Rates;)
the Deaveraged Zone Rate Structure; and))
Unbundled Network Elements,)
Transport and Termination)
(Recurring Costs))
_____))
))
_____)

Docket No. UT-023003

CERTIFICATE OF SERVICE

I hereby certify that I have this 9th day of June 2004, served Verizon Northwest Inc.'s Supplemental Filing With Respect to VzLoop Version 7rA upon all parties of record in this proceeding by Federal Express and by e-mail:

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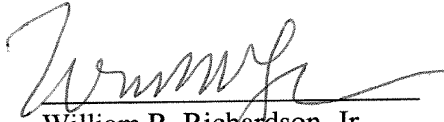
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