October 20, 2000

RE: In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale;
Docket Nos. UT-960369, *et al.*

TO COMMISSION STAFF:

Staff has provided the Commission with a CD containing the HAI 3.1 model and modules used by Staff in its attempt to replicate the Commission's 8th Supplemental Order HAI 3.1 runs for U S WEST. Staff states, "the modules were copied from the disk "Hatfield Model Release 3.1 w/WA Loop Length Analysis Docket UT-960369."[1]

The CD provided by Staff also contains files referred to by Staff as "intermediate and final output files from the staff run that were created during the model run." These files are labeled hm1.xls through hm8.xls. Staff states that the file "hm8.xls" sheet 1 contains the relevant output data from file "hm7.xls" used to calculate the staff run statewide average loop cost of $13.07."[2]

The Commission seeks clarification from the Staff on how its runs were performed. In particular, the Commission seeks clarification from the Staff as how files hm1.xls through hm8.xls were used and how they are related to one another.

The Commission also seeks clarification from the Staff as to the reason for the difference in line counts it has observed in files hm1.xls through hm8.xls. In its analysis of the files the Commission discovered that Staff's final HAI Wirecenter output, hm7.xls had line counts that were different from those contained in the Commission's model run. The Commission's run had 2,618,826 Total Lines for U S WEST while the Staff run had 2,468,673. What is puzzling to the Commission is that examination of the files showed that hm1.xls, hm3.xls, hm4.xls,and hm5.xls had line counts matching the Commission's model run, while hm2.xls, hm6.xls, hm7.xls, and hm8.xls had the line counts that were ultimately found in staff's final output.

[1] From the readme.doc file provided on the Staff CD.
[2] Ibid.

Along the lines of the above paragraph, the Commission seeks to know how Staff obtained the line counts it used for its statewide average loop cost calculations. In the its runs the Commission used the database from the USW_WA_CASE2B_DB scenario from the *Hatfield Model Release 3.1; w/ WA Loop Length Analysis: Docket No. UT-960369* CD. The line counts used for U S WEST were the normalized line counts located in the *cbg data* table of the Hm31.mdb Access database file found in the USW_WA_CASE2B_DB scenario folder.

Further, the Commission notes that the names for the modules files on the Staff CD are different from the module file names on the CD the Commission used in its runs. The Commission seeks confirmation from the Staff that the module files used by the Staff are the same as those used by the Commission.

The Commission also compared the inputs used by Staff in its Run with those used by the Commission in the 8th Supplemental run. This analysis showed several differences in expense inputs utilized (Table A, attached).

As to the difference in Directory Listing Expense Inputs between the two runs, the Commission notes that: 1) The difference is not significant to the result, and; 2) These expense inputs are not part of the $13.53 loop cost factor derived from the Commission's HAI run for U S WEST.

The difference in sharing factors is apparently attributable to rounding.

As to the differences in the *Service Lives* inputs between the Commission and the Staff runs, the Commission arrived its HAI input values using the calculations in Table B, attached, consistent with the discussion at paragraphs 215-217 of the Eighth Supplemental Order and as set out in Appendix A of the Ninth Supplemental Order.

Please respond to these inquires within 10 days.

Sincerely,

C. ROBERT WALLIS,
Administrative Law Judge

Cc: All Parties

# ATTACHMENT A

| Expense Input | Staff Inputs | Commission Inputs |
|---|---|---|
| Directory Listing per line per month | 0.150 | 0.100 |
| Distribution Aerial Fraction - 0 | 0.62500 | 0.63000 |
| Distribution Aerial Fraction - 5 | 0.62500 | 0.63000 |
| Distribution Aerial Fraction - 100 | 0.62500 | 0.63000 |
| Distribution Buried Fraction - 0 | 0.87500 | 0.88000 |
| Distribution Buried Fraction - 5 | 0.87500 | 0.88000 |
| Distribution Buried Fraction - 100 | 0.87500 | 0.88000 |
| Distribution Buried Fraction - 200 | 0.67500 | 0.68000 |
| Distribution Buried Fraction - 650 | 0.67500 | 0.68000 |
| Distribution Buried Fraction - 850 | 0.67500 | 0.68000 |
| Distribution Underground Fraction - 0 | 0.87500 | 0.88000 |
| Distribution Underground Fraction - 5 | 0.87500 | 0.88000 |
| Distribution Underground Fraction - 100 | 0.87500 | 0.88000 |
| Distribution Underground Fraction - 200 | 0.62500 | 0.63000 |
| Distribution Underground Fraction - 650 | 0.62500 | 0.63000 |
| Distribution Underground Fraction - 850 | 0.62500 | 0.63000 |
| Distribution Underground Fraction – 2550 | 0.62500 | 0.63000 |
| Distribution Underground Fraction – 5000 | 0.62500 | 0.63000 |
| Distribution Underground Fraction - 10000 | 0.62500 | 0.63000 |
| Feeder Aerial Fraction - 0 | 0.62500 | 0.63000 |
| Feeder Aerial Fraction - 5 | 0.62500 | 0.63000 |
| Feeder Aerial Fraction - 100 | 0.62500 | 0.63000 |
| Feeder Underground Fraction - 0 | 0.87500 | 0.88000 |
| Feeder Underground Fraction - 5 | 0.87500 | 0.88000 |
| Feeder Underground Fraction - 100 | 0.87500 | 0.88000 |
| Feeder Underground Fraction - 200 | 0.62500 | 0.63000 |
| Feeder Underground Fraction - 650 | 0.62500 | 0.63000 |
| Feeder Underground Fraction - 850 | 0.62500 | 0.63000 |
| Feeder Underground Fraction - 2550 | 0.62500 | 0.63000 |
| Feeder Underground Fraction - 5000 | 0.62500 | 0.63000 |
| Feeder Underground Fraction - 10000 | 0.62500 | 0.63000 |
| Feeder Buried Fraction - 0 | 0.87500 | 0.88000 |
| Feeder Buried Fraction - 5 | 0.87500 | 0.88000 |
| Feeder Buried Fraction - 100 | 0.87500 | 0.88000 |
| Feeder Buried Fraction - 200 | 0.67500 | 0.68000 |
| Feeder Buried Fraction - 650 | 0.67500 | 0.68000 |
| Feeder Buried Fraction - 850 | 0.67500 | 0.68000 |
| Motor Vehicles | 11.87000 | 11.43000 |
| Other Work Equipment | 15.38000 | 17.58000 |
| Buildings | 51.28000 | 34.38000 |
| Company Comm. Equipment | 9.80000 | 9.90000 |
| General Purpose Computer | 6.10000 | 6.11000 |
| Operator Systems | 10.00000 | 12.00000 |
| Digital Circuit Equipment | 12.10000 | 12.12000 |
| Public Telephone Terminal Equipment | 10.50000 | 10.53000 |
| Aerial Cable - metallic | 19.04000 | 19.35000 |
| Aerial Cable - non metallic | 22.20000 | 22.58000 |
| Underground Cable - non metallic | 22.93000 | 24.59000 |
| Buried - metallic | 22.42000 | 20.56000 |
| Intrabuilding Cable - non metallic | 23.30000 | 23.33000 |

# ATTACHMENT B

**As decided in Docket UT 95-1425**

| Account | Description | Service life A | Future Net Salvage B | Depreciation Rate C = ((1-B)/A)*100 | Calculated Service Life for Hatfield (1/C)*100 |
|---|---|---|---|---|---|
| 2112 | motor vehicles | 9.6 | 16.00% | 8.75 | 11.43 |
| 2114 | Special Purpose Vehicle | 14 | 0.00% | 7.14 | 14.00 |
| 2115 | garage work equip | 14 | 0.00% | 7.14 | 14.00 |
| 2116 | other work equip | 16 | 9.00% | 5.69 | 17.58 |
| 2121 | buildings | 33 | 4.00% | 2.91 | 34.38 |
| 2122 | furniture | 20 | 0.00% | 5.00 | 20.00 |
| 2123.1 | office equipment | 15 | 0.00% | 6.67 | 15.00 |
| 2123.2 | company comp equip | 9.9 | 0.00% | 10.10 | 9.90 |
| 2124 | gen purpose equip | 5.8 | 5.00% | 16.38 | 6.11 |
| 2212 | digital switch equipment | 17 | 0.00% | 5.88 | 17.00 |
| 2220 | operator systems | 12 | 0.00% | 8.33 | 12.00 |
| 2231 | radio systems | 15 | -3.00% | 6.87 | 14.56 |
| 2232 | Circuit Equipment | 12 | 1.00% | 8.25 | 12.12 |
| 2351 | public tel term equip | 10 | 5.00% | 9.50 | 10.53 |
| 2362 | other term equip | 9 | 0.00% | 11.11 | 9.00 |
| 2611 | pole lines | 28 | -75.00% | 6.25 | 16.00 |
| 2421 | Aerial cable met | 24 | -24.00% | 5.17 | 19.35 |
| 2421 | Aerial cable non-met | 28 | -24.00% | 4.43 | 22.58 |
| 2422 | Ungrd cable met | 25 | -22.00% | 4.88 | 20.49 |
| 2422 | Ungrd cable non-met | 30 | -22.00% | 4.07 | 24.59 |
| 2423 | Buried Cable met | 22 | -7.00% | 4.86 | 20.56 |
| 2423 | Buried Cable non-met | 28 | -7.00% | 3.82 | 26.17 |
| 2426 | intra bldg ca met | 20 | -20.00% | 6.00 | 16.67 |
| 1426 | intra bldg ca non-met | 28 | -20.00% | 4.29 | 23.33 |
| 2431 | Aerial wire | 8.7 | -124.00% | 25.75 | 3.88 |
| 2441 | conduit systems | 55 | -10.00% | 2.00 | 50.00 |