

**Bench Request Number 8:**

Regarding Mr. Spinks' density zone sharing assumptions, please and reduce them down to one number for aerial, buried, and underground structure. Please identify where within your workpapers that information could be found, and include in your response the worksheet number and the cell reference.

**Response:**

In order to calculate the overall amount of structure sharing produced by the HAI model using the staff structure sharing percents, staff uses the corrected version of HAI that was provided at Dr. Mercer's cross-examination. (Ex. 860)

The overall amount of structure sharing is calculated using the corrected model by populating the inputs with the values used in prior staff cost estimates and including the distribution module that was modified to correct for loop length differences.

The revised model was run twice by density zone – once using the staff structure sharing percentages and a second time with the structure sharing percentages set at 100%. The two output files are included in the accompanying CD-ROM and are named WA\_Verizon\_061604\_023003\_DZ and A\_Verizon\_No\_SS\_023003\_DZ, respectively.

The total investment values for feeder and distribution plant are found at cell K16 under the "Distribution" tab and at cell K20 under the "Feeder" tab. Total investment in the run with no structure sharing was \$371,261,548 and was \$309,417,028 in the run using the staff structure sharing percents. The result is that total investment is reduced by 16.66 percent as a result of using the staff structure sharing percents and the percent that would be used in the Verizon model, as staff understands it, would be 83.34 percent.