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June 20, 2005

Carole Washburn
Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, S.W.
Olympia, WA 98504

Re: Docket No. UT-023003

Dear Ms. Washburn:

Pursuant to paragraph 2 of the ordering clauses of the Commission's 27th Supplemental Order in this proceeding, dated June 10, 2005, Verizon Northwest Inc. ("Verizon NW") requests that the time for its compliance filings be extended. As noted below, this additional time is necessary in light of the need for clarification on certain aspects of the Commission's order, including information concerning the HM 5.3 and VzCost cost estimates to be used for UNEs other than two-wire loops, which do not appear to have been addressed in Appendix A to the 24th Supplemental Order. It is further necessitated by the need for clarification as to the nature of the compliance filings required by the Commission's orders, and whether the Commission intends for these to include actual compliance runs for VzCost.

Verizon NW seeks an extension of the deadline for these compliance filings until 45 days after action on the requests for clarification set forth in this letter. As noted in its February 2005 request to extend this time period,¹ the steps required to make compliance filings will be extensive in this case. In its 25th and 26th Supplemental Orders, the Commission noted that it would consider that request "in our rulings on Verizon's . . . petitions" for reconsideration and clarification.² In its 27th Supplemental Order the Commission retained the 20-day deadline for compliance filings, but provided an opportunity for Verizon NW to request additional time. The need for this additional time is now particularly acute because of the following questions raised by the terms of the 27th Supplemental Order:

¹ Motion to Extend Time to File Petition for Clarification and To Make a Compliance Filing (Feb. 16, 2005).

² 25th Supplemental Order ¶ 12 (Feb. 17, 2005); 26th Supplemental Order ¶¶ 9, 15 (Feb. 22, 2005).

1. The Commission's 24th and 27th Supplemental Orders direct Verizon NW to apply certain HM 5.3 and VzCost cost estimates derived by the Commission, in arriving at the results of the 60%/40% weighting process required by those orders for non-switching UNEs. Appendix A to the 24th Supplemental Order provides the relevant instructions for this weighting process. It states that an attached spreadsheet provides "the cost estimates generated by the Commission's runs of VzCost and HM 5.3," and then directs Verizon NW "to use these cost estimates from the two models to calculate UNE rates for its compliance filing," using a weighted average. Appendix A includes a "Cost Estimate Spreadsheet," but it only appears to include information with respect to two-wire loops. In order to prepare its compliance filings, Verizon NW requires clarification from the Commission as to what cost estimates to use from VzCost and HM 5.3 for the other non-switching UNEs under review, including four-wire loops, DS1 loops, and interoffice transport.³

2. In paragraph 124 of the 27th Supplemental Order, the Commission noted that it "did not order Verizon to perform a compliance run of either VzCost or HM 5.3." Rather, it directed Verizon NW to calculate UNE rates based on "the results of the Commission's own model runs" in Appendix A. However, paragraph 188 of the same order seems to contemplate the conduct of compliance runs by Verizon NW. It requires Verizon NW to "identify each model input modified" (and document "what is accomplished by the filing," with citations to the relevant paragraphs of the Commission's orders), rather than simply to rely on the outputs generated by the Commission's own runs. Verizon NW thus seeks clarification on the precise scope of its compliance filing obligations.

3. In paragraph 151 of the 27th Supplemental Order, the Commission clarified that, under the HM 5.3 switching model that it adopted, SS7 and umbilical costs should be added. It directed Verizon NW to provide in its compliance filing the ratio of these costs to its per-MOU switching rate, "so that we can inflate the HM 5.3 per-MOU rate by that factor." Verizon NW seeks clarification that the Commission's intention is to multiply the 0.00136 per-MOU rate for end office switching (page 67 of the 27th Supplemental Order) by this factor.

4. In paragraph 47 of the 27th Supplemental Order, the Commission reiterated that Verizon NW had "the future option of petitioning to incorporate in UNE rates the updated depreciation lives resulting from Verizon's then pending (now concluded) depreciation proceeding." Verizon NW has today filed such a petition, and it seeks clarification that it may rely on such updated lives in its compliance filings in this proceeding.

5. In paragraph 312 of the 24th Supplemental Order, the Commission agreed that Verizon NW should be entitled to a 5% line reduction "to reflect a forward-looking, fully competitive" market, but increased the loop costs in VzLoop by only 3.1% to account for this factor, representing the impact of the reduction in HM 5.3 as calculated by the Commission.

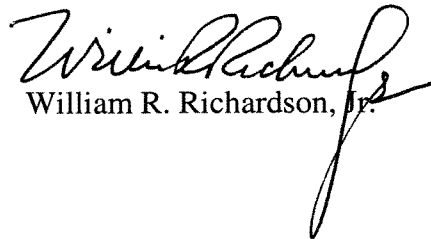
³ The 24th and 27th Supplemental Orders both noted that the UNEs subject to this weighting process would be identified in Appendix A of the 24th Supplemental Order. Verizon NW cannot locate such a list in that appendix, and thus seeks clarification that the list includes all non-switching UNEs identified in Appendix B of the 21st Supplemental Order (April 6, 2004).

However, in Appendix B of the 27th Supplemental Order the Commission has identified how it calculated the impact of this 5% line reduction in HM 5.3. In attempting to replicate the process outlined in Appendix B, Verizon NW has calculated that the HM 5.3 loop costs are increased by at least 5%, not 3.1%. Verizon NW seeks clarification of this calculation, which affects both the 40% weighting for HM 5.3 and the 60% weighting for VzCost.⁴

6. Finally, Verizon NW seeks clarification concerning the Commission's direction to increase the copper feeder fill in VzCost. In its petition for reconsideration, Verizon NW pointed out that the Commission's determination to do so had been based on a finding of discrepancy in such fills between VzCost and HM 5.3, when in fact the actual fills of these models were very close -- 73.19% and 76.5%, respectively.⁵ In rejecting that claim, the Commission noted (in paragraph 70 of the 27th Supplemental Order) that Verizon NW had provided no citation to the record for this point. But Verizon's citation in footnote 160 was to a report on "Loop Fill and Statistics Report by Density Cell" that clearly distinguished between "Average Segment Fill" and "Head of Route Fill," the latter of which includes distribution as well as feeder. A copy of the pertinent portion of this report (which portion is not confidential) is enclosed. Verizon NW seeks clarification as to whether it should adjust its copper feeder fill in light of the information cited therein.

Based on prior experience, Verizon NW believes that these clarification requests are best handled through a conference call with the Commission's experts. For the foregoing reasons, Verizon NW requests that the deadline for its compliance filings be extended to 45 days following action on the foregoing clarification requests.

Respectfully submitted,


William R. Richardson, Jr.

Enclosure

cc: Counsel of Record

⁴ The Commission did not permit Verizon NW to employ a 5% line count reduction in the VzCost weighting, but instead directed use of the same 3.1% cost increase that the Commission had arrived at using HM 5.3, because of the Commission's view that its "verification process would likely be a lengthy one." 27th Supplemental Order ¶ 106. While Verizon NW noted that the line count reduction adjustment in VzCost could be easily accomplished and clearly documented by performing new BC runs with adjusted demand as part of a compliance run, using the same 5% increase described above for both models would moot this issue.

⁵ Motion for Clarification and Petition for Reconsideration at 43 & n.160 (Feb. 22, 2005).



Verizon Northwest Inc. - Washington
 Loop Fill and Statistics Report by Density Cell

Fill Data Version 24661 wa_07/calc2_1215
 Inventory Data Version 24658 wa_07/calc2_1215
 Density Cell Data Version 25125 wa_3_zone_density_cell_map_updated

	Working	Head of Route Fill				Average Segment Fill				WC Density Lines Per Sq Mile	Percentage of Lines on all DLC	Percentage of Lines on Fiber to Premise	
		Copper Feeder	Copper Distribution	DLC	Fiber Strands Conduit	Feeder Distribution	Fiber Cable	Conduit					
Density Cell 1	844,010	53.38%	38.97%	86.20%	88.92%	25.00%	73.35%	37.20%	85.71%	28.23%	157.16	89.40%	7.80%
Density Cell 2	44,379	43.92%	32.56%	69.02%	77.21%	0.00%	62.30%	30.22%	85.71%	26.54%	6.99	81.03%	0.00%
Density Cell 3	10,100	38.95%	23.68%	46.89%	86.79%	0.00%	59.49%	21.73%	87.79%	30.28%	3.14	62.82%	0.00%
Jurisdiction Total	898,489	51.93%	38.44%	84.85%	85.88%	25.00%	73.19%	36.46%	86.21%	28.15%	60.16	88.77%	7.33%

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) Docket No. UT-023003
Unbundled Network Elements,)
Transport and Termination)
(Recurring Costs))

CERTIFICATE OF SERVICE

I hereby certify that I have this 20th day of June 2005, served Verizon Northwest Inc.'s Request for Extension of Time for Compliance Filing upon all parties of record in this proceeding by Federal Express and by e-mail:

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