

Opening Brief at ¶ 25. To determine collocation costs, Verizon examined the average cable lengths used in collocation arrangements to connect equipment to a power source. As explained by Verizon witness Larry Richter, Verizon's central office power plants are located in an area of the central office that meets all the requirements for housing power type equipment. Battery distribution fuse bays ("BDFBs") are placed in the telecommunications equipment areas within the central office. Thus, for virtually collocated equipment, the BDFB is in close proximity to the equipment it powers. Similarly, for physical collocation, a BDFB is placed in the CLEC physical collocation area in close proximity to the equipment it powers. Whether placed for physical or virtual collocation, BDFBs are engineered by the Verizon Engineering Group in the telecommunications area (whether inside a physical collocation area or in Verizon's own telecommunications equipment area) to maximize the capabilities of the BDFB (output) and keep power cable lengths to a minimum. In other words, the engineering requirements for cable lengths are the same for physical and virtual collocation arrangements, and the average power cable lengths should be the same for both collocation arrangements. Exhibit T-2004:5-6 (Richter).

4. Moreover, Verizon has already done what Commission Staff requests that the Commission order Verizon to do. Verizon presented on the record the results of a survey of virtual collocation arrangements in Washington that validate the reasonableness of using average cable lengths for physical collocation to develop virtual collocation costs. As explained by Mr. Richter, Verizon has virtual collocation in only three central offices in Washington. Tr. 4098-99 (Richter). Verizon conducted a survey of cable lengths for these three central offices to "spot check" the reasonableness of using the same average cable lengths for both physical and virtual collocation costs. The average power cable length for the three Washington central offices with

virtual collocation was within 4 feet of the average power cable length assumed by Verizon in its physical collocation cost study. *Id.* at 4099. Thus, the actual data on virtual collocation cable lengths in Washington validates the assumptions used by Verizon to develop virtual collocation costs.

5. Verizon, however, does not ask the Commission to use the actual Washington-specific virtual collocation cable lengths to develop virtual collocation costs. In developing any costs, a cost study should use a large enough sample size to create a meaningful average. Three central offices do not provide a large enough sample size to develop such an average. Tr. 4120-21 (Richter). It was for this reason that Verizon looked to data from those states experiencing the most collocation activity. *Id.* at 4120 (Richter). Cable length data from other states applies equally to Washington, because Verizon's central offices are substantially similar from state to state. *Id.* at 4114, 4120.

6. Verizon has provided substantial, credible evidence in support of its proposed rates in this proceeding. The only criticism raised against Verizon's proposed virtual collocation rates is based on Commission Staff's unsubstantiated beliefs that (i) cable lengths for virtual collocation arrangements will vary from those for physical collocation, and that (ii) cable lengths will vary from state to state. Verizon has provided adequate evidence that Commission's Staff's criticism is unfounded. Consequently the Commission should adopt all of the rates proposed by Verizon in this proceeding as presented in Exhibit 2009 (TRD-3).

Respectfully submitted,

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Dated: August 12, 2002