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September 27, 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 WAC 480-07-883 and the ordering clauses of the Commission's 24th, 27th, and 28th Supplemental Orders in this docket, Verizon Northwest Inc. ("Verizon NW") hereby submits its compliance cost filing. This filing contains (1) an advice letter to accompany the revised tariff; (2) a revised tariff; (3) a rate sheet of all elements at issue in this proceeding; (4) spreadsheets listing each input as ordered by the Commission, with citations indicating where the Commission ordered the inputs; and (5) a checklist providing the additional documentation for VzCost as ordered by the Commission in Appendix A to the 24th Supplemental Order.

As these documents demonstrate, Verizon NW performed its rate calculations in compliance with the methodology adopted by the Commission. For non-switching elements such as the loop and transport elements, Verizon NW calculated rates by adjusting the cost estimates provided by the Commission by the ordered line loss adjustment factor and then weighting those cost estimates by 60% using Verizon's model and 40% using HM 5.3. For switching rates, Verizon NW used the cost estimates provided by the Commission for HM 5.3 with adjustments ordered by the Commission, including adjusting the local minute-of-use rate to include costs for SS7 and umbilicals not identified in HM 5.3.

There are a number of elements that Verizon NW has not included in its revised tariff due to the revised unbundling rules established by the Federal Communications Commission ("FCC") and this Commission's application of those rules in this docket. As Verizon NW has previously noted,<sup>1/</sup> in the 21st Supplemental Order the Commission determined that the

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<sup>1/</sup> See Letter from William R. Richardson, Jr. on behalf of Verizon Northwest Inc., August 24, 2005 at n.2.

following elements should be removed from this docket, pursuant to the FCC's *Triennial Review Order*.<sup>2/</sup>

- 2 wire Subloop Feeder - Zones 1-5
- 4 wire Subloop Feeder - Zones 1-5
- DS1 Subloop Feeder - Zones 1-5
- DS3 Subloop Feeder
- Dark Fiber - IOF - Verizon CO to CLEC CO - Serving Wire Center Charge/Pair/SWC
- Dark Fiber - IOF - Verizon CO to CLEC CO - IOF Channel Termination Fixed Charge
- Dark Fiber - IOF - Verizon CO to CLEC CO - IOF Channel Termination Mileage per pair per 1/4 mile
- Dark Fiber - Subloop Feeder CO to RT - Serving Wire Ctr Chrg/Pair/SWC
- Dark Fiber - Subloop Feeder CO to RT - Mileage Charge per pair, per 1/4 mile
- Dark Fiber - Subloop Feeder CO to RT - Charge/Pair
- Dark Fiber - Subloop Distribution RT to EU - Mileage Charge per pair, per 1/4 mile
- Dark Fiber - Subloop Distribution RT to EU - Charge/Pair
- Dark Fiber - Subloop Distribution RT to EU - Loop Charge/Pair
- Dark Fiber - Subloop RT to RT - Mileage Charge per pair, per 1/4 mile
- Dark Fiber - Subloop RT to RT - Transport Charge/Pair/RT
- Dark Fiber - Subloop RT to RT - Intermediate Office Chrg/Intermediate Office

Subsequent to the 21st Supplemental Order, the FCC issued its *Triennial Review Remand Order*.<sup>3/</sup> In the 24th Supplemental Order, issued shortly thereafter, the Commission instructed Verizon NW to indicate in this filing whether the filing of any rate would violate the FCC's new unbundling rules.<sup>4/</sup> In the *Triennial Review Remand Order* the FCC determined that, effective March 11, 2005, incumbent carriers are no longer obligated to provide any new unbundled dark fiber loops.<sup>5/</sup> Verizon NW does not currently provide any unbundled dark fiber loops (and did not at the time the *Triennial Review Remand Order* rules became effective) and is therefore not obligated to make any unbundled dark fiber loops available. Thus, in accordance with the *Triennial Review Remand Order*, Verizon NW has not included the following dark fiber loop elements in its revised tariff:

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<sup>2/</sup> 21st Supplemental Order ¶ 19; Appendix B.

<sup>3/</sup> Order on Remand, *Unbundled Access to Network Elements; Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, 20 FCC Rcd 2533 (2005) ("*Triennial Review Remand Order*"), petitions for review filed sub nom. *Covad Communications Co. v. FCC*, Nos. 05-1095 *et al.* (D.C. Cir. filed Feb. 24, 2005). Verizon NW and its affiliates have sought review of this order, and this compliance filing is made subject to the outcome of those review proceedings.

<sup>4/</sup> 24th Supplemental Order ¶ 578.

<sup>5/</sup> *Triennial Review Remand Order*, 20 FCC Rcd at 2639 ¶ 195.

Dark Fiber - Loop - Serving Wire Center Charge/Pair/SWC  
Dark Fiber - Loop Mileage Charge per pair, per 1/4 mile  
Dark Fiber - Loop Charge/Pair

There are also a number of other elements that are being phased out pursuant to the *Triennial Review Remand Order*. For each such element, Verizon NW is entitled to charge an additional amount as established in that order.<sup>6/</sup> Verizon NW's tariff incorporates by reference the applicable increases.

Finally, the Commission did not establish an effective date for Verizon NW's revised tariff. Barring any further ordered changes to Verizon NW's compliance filing and necessary revisions to the accompanying rates and tariff, Verizon NW proposes that this tariff become effective 30 days from this filing, October 27, 2005. *Cf.* RCW 80.36.110 (presumptive effective date for changes proposed by carriers). This time period will allow Verizon NW appropriate time to implement the revised rates in its billing systems.

Respectfully submitted,

/s/

William R. Richardson, Jr.

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<sup>6/</sup> The amounts permitted are 115 percent of the rate for high-capacity loops and high-capacity dedicated transport and, for unbundled switching, a one dollar addition to the rate for UNE-P. *Triennial Review Remand Order*, 20 FCC Rcd at 2613, 2640-41, 2660-61 ¶¶145, 198, 228.