

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the )  
Continued Costing and Pricing of Unbundled ) Docket No. UT-003013 (Part B)  
Network Elements, Transport, Termination, )  
and Resale )

**VERIZON NORTHWEST INC.'S REPLY TO STAFF'S COMMENTS  
REGARDING ITS NON-RECURRING COMPLIANCE FILING**

Verizon Northwest Inc. ("Verizon"), by counsel, pursuant to the Notice of Opportunity to File Reply Comments issued by the Commission on November 27, 2002, hereby replies to Staff's Comments regarding certain items in Verizon's non-recurring compliance filing (Advice No. 3059). The Commission should approve Advice No. 3059 in its entirety because all of the items included in the filing, including those about which Staff complains, comply with the applicable portions of the Commission's Thirty-Second and Thirty-Eighth Supplemental Orders.

In its Comments dated November 22, 2002, Staff states that Verizon's non-recurring compliance filings "substantially comply" with the Commission's orders, except for two items discussed therein. Those two items concern loop conditioning, which is addressed in paragraph 61 of the Thirty-Second Supplemental Order. There, the Commission ordered Verizon to use Qwest's loop conditioning work times<sup>1</sup> in its loop conditioning cost study. In addition, in order to account for Verizon's longer average loop length, the Commission ordered Verizon to apply a 17:13 ratio to Qwest's "distance-sensitive" work times before inputting them into the study. Contrary to Staff's complaints, Verizon complied with these requirements.

First, Staff states that engineering and splicing work times are not "distance sensitive" and Verizon should not have applied the 17:13 ratio to those work times. In complying with the Commission's order, Verizon made no determination regarding which of Qwest's work times are

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<sup>1</sup> Qwest's work times were approved by the Commission in the Eighth Supplemental Order in Docket UT-960369.

distance sensitive. – It asked Qwest. According to Qwest, it developed its engineering and splicing work times on a distance sensitive basis. Thus, as ordered, Verizon applied the 17:13 ratio to those work times.

There is no question that Verizon's application of the 17:13 ratio complies with the Commission's order. Staff does not seem to dispute this. Instead, Staff seeks "direction" from the Commission on whether as a general matter engineering or splicing times should be considered distance sensitive. This is not a question of compliance and thus provides no basis for rejecting the engineering and splicing rates submitted by Verizon in Advice No. 3059.

Second, Staff states that Verizon should have included additional unit rates for loop conditioning instead of just initial rates. Verizon did include additional unit rates in its original filing based on Verizon's work times, but the Commission rejected these. The Commission ordered Verizon to use Qwest's work times, but the Qwest work times the Commission ordered Verizon to use do not include work times for additional units. Thus, Verizon could not (and cannot) produce additional unit rates that comply with the Commission's order because there are no Qwest work times on which to base them. As a result, Verizon did not include the additional unit rates in its compliance filing. If Verizon had included additional unit rates based on its own work times, those rates would not comply with the Commission's order.

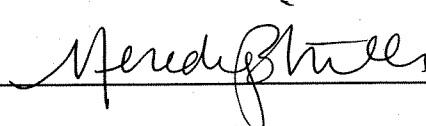
Verizon is not opposed to developing additional unit rates for Part B. In order to do so, however, Verizon would need additional guidance from the Commission regarding the work times on which to base such rates. Such additional guidance could include an order for Verizon to use its own work times (as is or adjusted) as the basis for additional unit rates. Alternatively, the Commission could order Verizon to use Qwest's initial work times with adjustments. Such adjustments might include removing the portions of the initial work times relating to engineering

and travel (which would only apply once per work order) and applying only a portion of the work time for set up, splicing, and tear down (because only a portion of the initial work time would be appropriate when additional loops are conditioned at the same location).<sup>2</sup>

Should the Commission decide to provide additional guidance that would permit Verizon to develop additional unit rates, that decision is no cause for rejection, or delay in approving, Advice No. 3059. As explained herein, the rates filed in Advice No. 3059 fully comply with the Commission's orders. For these reasons, Verizon respectfully requests that the Commission approve Advice No. 3059 in its entirety.

Respectfully submitted,

VERIZON NORTHWEST INC.

By  \_\_\_\_\_

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Dated: December 5, 2002

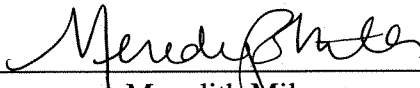
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<sup>2</sup> Assistance from Qwest would be necessary for this alternative because Qwest's work times are "lump sums." That is, they do not show separate times for the tasks that are included.

**CERTIFICATE OF SERVICE**

I hereby certify an original and 19 copies of Verizon Northwest Inc.'s Reply to Staff's Comments Regarding Its Compliance Filing were sent by overnight mail and one copy sent by electronic mail to Ms. Carole J. Washburn, Executive Secretary, Washington Utilities & Transportation Commission, 1300 S. Evergreen Park Drive SW, Post Office Box 47250, Olympia, WA 98504-7250 and to the parties below by regular and electronic mail:

DATED this 5<sup>th</sup> day of December 2002.

  
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