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**I.INTRODUCTION**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

My name is Linda Casey. My business address is 600 Hidden Ridge, Irving, Texas 75038.

:

**ARE YOU THE SAME LINDA CASEY WHO FILED PHASE A DIRECT TESTIMONY IN THIS MATTER ON MAY 19, 2000?**

Yes, I am. In addition, an errata to my phase A direct testimony was filed on June 21, 2000.

**ON WHOSE BEHALF ARE YOU PRESENTING TESTIMONY IN THIS PROCEEDING?**

I am presenting testimony on behalf of Verizon Northwest Inc., which was formerly known as GTE Northwest Incorporated. The company recently changed its name after the closure of the merger between its parent company, GTE Corporation, and Bell Atlantic Corporation. The merged company name is Verizon Communications.

**IN YOUR TESTIMONY HOW DO YOU USE THE TERMS "VERIZON NW" AND "GTE"?**

My fellow witnesses and I use "Verizon NW" to refer to Verizon Northwest Inc., the company that is a party to this proceeding and on whose behalf we are testifying. I use "GTE" to refer to the former GTE companies, which are now part of the Verizon Communications companies along with the former Bell Atlantic companies. This will make clear that we are talking about cost studies and inputs that have been developed by and for the GTE telephone operating companies and about those companies'

1 operations, practices and procedures.

2

3 **WHAT IS THE PURPOSE OF YOUR PHASE A RESPONSIVE DIRECT**  
4 **TESTIMONY?**

5 My phase A direct testimony addressed the costs that support the nonrecurring charges for  
6 two line sharing scenarios.<sup>1</sup> These scenarios include: (1) CLEC-owned splitter in a  
7 physical collocation arrangement (Configuration #2) and (2) Verizon NW-owned  
8 splitter (Configuration #3). The purpose of my phase A responsive direct testimony  
9 is to present Verizon NW's costs that support the non-recurring charges associated  
10 with Verizon NW's proposed line sharing Configuration #1. At the time I submitted  
11 my phase A direct testimony, Verizon NW was still in the process of developing  
12 these costs.

13

14 **ARE YOU SPONSORING ANY EXHIBITS TO YOUR PHASE A RESPONSIVE**  
15 **DIRECT TESTIMONY?**

16 Yes. I am sponsoring Confidential Exhibit LC-4C, which contains Verizon NW's  
17 installation costs for line-sharing Configuration #1. Confidential Exhibit LC-4C  
18 includes the following:

19 *Confidential Schedule 1: Incremental Installation Costs*

20 *Confidential Schedule 2: CLEC-Owned Investments Maintained by Verizon NW*

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<sup>1</sup> Phase A Direct Testimony of Linda Casey, May 19, 2000, pages 15 – 21.

1

2

**II. LINE SHARING COSTS FOR CONFIGURATION #1**

3

4 **Q. WHAT IS THE SERVICE ARRANGEMENT FOR CONFIGURATION #1?**

5

6 A. In this line-sharing configuration, the CLEC provides the splitter, and it is placed in  
7 a virtual collocation-like arrangement and leased to Verizon NW. This configuration  
8 is diagrammed in Exhibit No. JJB-4 attached to Verizon NW witness John Boshier's  
9 phase A direct testimony. With this configuration, which is Verizon NW's preferred  
10 configuration for provisioning line sharing with CLECS, Verizon NW does not incur  
11 the cost of a splitter. However, Verizon NW will incur incremental costs of  
12 engineering, installing, operating and maintaining the equipment on behalf of the  
13 CLEC. I explain how the costs associated with service ordering, cross-connect  
14 activities, and splitter installation were derived. Verizon NW witness David Behrle  
15 explains in his phase A responsive direct testimony how the costs for monthly  
16 maintenance and operating the splitter equipment are developed.

17

18 **Q. WHAT ARE THE COSTS THAT SUPPORT VERIZON NW'S PROPOSED**  
19 **NONRECURRING CHARGES ASSOCIATED WITH LINE SHARING**  
20 **CONFIGURATION #1?**

21 A. Verizon NW will incur costs associated with service ordering, provisioning (jumper

1 activity), and installation of the CLEC-owned splitter in the Verizon NW central  
2 office. The service ordering and provisioning activity associated with Configuration  
3 #1 is the same as the service ordering and provisioning activity described in my direct  
4 testimony for Configuration #2 (See pages 14-20). The costs associated with this  
5 activity for Configuration #1 are also the same as the costs presented for  
6 Configuration #2 in my phase A direct testimony. (See pages 1-WA 10-11 of Exhibit  
7 LC-2C.) The costs associated with the installation of the CLEC-owned splitter in the  
8 Verizon NW central office (Configuration #1) are included in Exhibit LC-4C of my  
9 phase A responsive direct testimony. Verizon NW witness David Behrle addresses  
10 Verizon NW's costs that support the monthly recurring charges for Configuration #1  
11 in his phase A responsive direct testimony.

12

13 **HOW WERE THE SPLITTER INSTALLATION COSTS DEVELOPED FOR CONFIGURATION #1,**  
14 **THE CLEC-OWNED SPLITTER THAT IS LEASED TO VERIZON NW FOR**  
15 **INSTALLATION AND MAINTENANCE?**

16 The cost support can be found in Schedules 1 and 2 of Confidential Exhibit LC-4C.

17 Supporting the non-recurring rate is the cost to Verizon NW of installing the splitter  
18 and the splitter shelf. Our cost study uses ADSL equipment provisioned by Verizon  
19 NW for its own ADSL service as a proxy for the equipment to be used by the CLEC.  
20 This approach is used to provide a surrogate measurement of installation,  
21 maintenance and operation of costs that Verizon NW expects to incur due to the  
22 provisioning of line sharing in this particular configuration. The development of

1 installation costs for a shelf of splitters in this configuration is similar to the process  
2 used for developing installation costs for an individual splitter in the Verizon NW-  
3 owned splitter configuration (Configuration #3).

4  
5 Schedule #2 identifies the unit costs of each piece of equipment required to enable  
6 line sharing to occur in this configuration. Included in this schedule are unit costs for  
7 the splitter shelf and the splitter modules/cards. Engineering and installation costs  
8 are also identified. The total investment of material and labor is then expressed by  
9 these two categories on a per shelf unit of capacity basis. Schedule 1 of Exhibit LC-  
10 4C develops the provisioning costs of minor materials associated with a shelf and its  
11 full complement of 96 splitters. The engineering and installation costs are then added  
12 on Schedule 1 to this cost estimate of minor materials. The resulting total represents  
13 the total installation cost for the CLEC-owned equipment based upon the equipment  
14 that Verizon NW provisions for its own ADSL service.

15

16 **Q. ARE THE LOOP CONDITIONING COSTS PREVIOUSLY PRESENTED IN**  
17 **YOUR PHASE A DIRECT TESTIMONY FOR LINE SHARING ALSO**  
18 **APPLICABLE TO CONFIGURATION #1?**

19 **A.** Yes. The loop conditioning costs noted in Exhibit LC-2C (See pages 1-WA 10-11)  
20 and described on pages 20-22 of my phase A direct testimony apply for all line  
21 sharing services where the CLEC requests loop conditioning.

1

2 **DOES THIS CONCLUDE YOUR PHASE A RESPONSIVE DIRECT TESTIMONY?**

3 Yes.

4

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION**

In the Matter of the Continued Costing	)	
And Pricing for Interconnection,	)	DOCKET NO. UT-003013
Unbundled Elements, Transport and	)	PHASE A
Termination and Resale	)	

**PHASE A RESPONSIVE DIRECT TESTIMONY OF**

**LINDA CASEY**

**MANAGER - COSTING**

**ON BEHALF OF**

**VERIZON NORTHWEST INC.**

**Formerly Known as GTE Northwest Incorporated**

**SUBJECT: COSTS SUPPORTING NON-RECURRING CHARGES**

**JULY 21, 2000**

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