

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**In the Matter of the Continued Costing and
Pricing of Unbundled Network Elements,
Transport, Termination, and Resale**

Docket No. UT – 003013

Part B

TESTIMONY

OF

TERESA K. MILLION

ON BEHALF OF

QWEST CORPORATION
(formerly known as U S WEST)

AUGUST 4, 2000

EXECUTIVE SUMMARY

My name is Teresa K. (Terri) Million and I present the cost studies associated with the issues for consideration in Part B of this Docket. My testimony provides support for the validity of Qwest Corporation's (formerly known as U S WEST) recurring and nonrecurring rates for the following:

UNE (Unbundled Network Element) platform;

Subloop Unbundling;

High Capacity Loops;

Loop Conditioning;

Inside Wiring;

Dark Fiber;

Shared Transport;

EELs (Enhanced Extended Loops);

Reciprocal Compensation; and

Recurring UNE Rates.

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1 **IDENTIFICATION OF WITNESS**

2 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A. My name is Teresa K. (Terri) Million. My business address is 1801 California Street, Room
4 4450, Denver, Colorado 80202.

5 Q. **PLEASE IDENTIFY YOUR EMPLOYER AND EXPLAIN YOUR POSITION AND**
6 **RESPONSIBILITIES.**

7 A. I am employed by Qwest Corporation (Qwest) as a Director, Service Costs in the Retail Markets
8 Organization. In this position, I am responsible for preparing testimony and testifying about
9 Qwest's cost studies in a variety of regulatory proceedings.

10 Q. **WHAT IS YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL**
11 **EXPERIENCE?**

12 A. I received a Juris Doctor from the University of Denver, College of Law and am licensed to
13 practice law in the state of Colorado. I also have a Master of Business Administration from
14 Creighton University and a degree in Animal Science from the University of Arizona.

15 I have more than 16 years experience in the telecommunications industry with an emphasis in
16 tax and regulatory compliance. I began my career with Northwestern Bell Telephone Company,

1 now Qwest, in 1983, where I administered Shared Network Facilities Agreements with AT&T
2 that emanated from divestiture. I held a variety of positions within the Tax Department over
3 a period of ten years, including tax accounting, audit, and state and federal tax research and
4 planning responsibilities. In 1997, I assumed a position that had responsibility for affiliate
5 transactions compliance, specifically compliance with Section 272 of the Telecommunications
6 Act of 1996 (the “Act”). In September 1999, I began my current assignment as a Cost Witness.

7 **HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE WASHINGTON**
8 **UTILITIES AND TRANSPORTATION COMMISSION?**

9 A. Yes. I submitted direct testimony regarding the recovery of OSS (Operational Support Systems)
10 costs in Part A of this docket earlier this year.

11 **Q. HAVE YOU TESTIFIED BEFORE OTHER STATE REGULATORY COMMISSIONS?**

12 A. Yes. I have presented cost testimony before commissions in Arizona and South Dakota on the
13 issue of deaveraging, and have filed cost testimony in New Mexico related to collocation and
14 OSS, as well.

15 **PURPOSE OF TESTIMONY**

16 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

1 A. The purpose of my testimony is to present Total Element Long Run Incremental Cost (TELRIC)
2 data in support of each of the issues, enumerated by the Commission for consideration in Part
3 B of this docket, for which rates were not previously established in Docket No. UT-960369, et
4 al. In particular, I present TELRIC studies in relation to the UNE Platform, Subloop
5 Unbundling, High Capacity Loops, and Dark Fiber. This data forms the basis for recurring and
6 nonrecurring costs for certain new UNEs defined by the FCC (Federal Communications
7 Commission) in the Third Report and Order, also known as the UNE Remand Order.¹

8 Q. **ARE OTHER QWEST WITNESSES PROVIDING TESTIMONY REGARDING THESE**
9 **NEW UNEs?**

10 A. Yes. Mr. Perry Hooks, Jr. will provide testimony describing in detail certain UNEs under
11 consideration in this docket, as well as Qwest's related products and services. Mr. Hooks will
12 also discuss policy issues related to the UNE Remand Order. In addition, Mr. Larry Brotherson
13 and Dr. William Taylor will provide testimony regarding Internet Service Provider (ISP) related
14 reciprocal compensation.

15 **THE QWEST TELRIC STUDIES**

16 Q. **PLEASE SUMMARIZE THE OVERALL ECONOMIC PRINCIPLES THAT ARE**

¹ *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking, CC Docket No. 96-98, released November 5, 1999.

1 **APPLIED IN QWEST’S TELRIC STUDIES.**

2 A. The Qwest TELRIC studies identify the *forward-looking* direct costs that are caused by the
3 provision of an interconnection service or network element in the *long-run*, plus the incremental
4 cost of shared facilities and operations. These studies identify *total element* costs - the average
5 incremental cost of providing the entire quantity of the element. The assumptions, methods, and
6 procedures used in Qwest cost studies are designed to yield the forward-looking *replacement*
7 costs of reproducing the telecommunications network, considering the most efficient *least cost*
8 technologies.

9 Q. **DOES THE RECENT DECISION BY THE EIGHTH CIRCUIT COURT IMPACT THE**
10 **ASSUMPTIONS USED IN QWEST’S COST STUDIES?**

11 A. The United States Court of Appeals for the Eighth Circuit recently released its decision No 96-
12 3321.² The Court vacated and remanded to the FCC rule 51.505(b)(1) which states:

13 *Efficient network configuration.* The total element long-run incremental cost of an
14 element should be measured based on the use of the most efficient telecommunications
15 technology currently available and the lowest cost network configuration, given the
16 existing location of the incumbent LEC’s wire centers.

17 Qwest is still in the process of evaluating the impact of this action on its cost studies.

¹ ² *Iowa Utilities Board, et al., Petitioners, v. Federal Communications Commission and the United States of America, Respondents, On Petitions for Review of an Order of the Federal Communications Commission.*

1 It is clear that the Court believes an ILEC's rates should be based on the forward-looking cost
2 of providing its existing facilities and equipment rather than an imaginary reconstructed local
3 network. Thus, cost models that calculate unit costs using realistic, achievable and actual inputs
4 to produce a realistic outcome would meet the requirements of the Telecom Act. The cost
5 models presented by Qwest use assumptions based on actual experience or company practice
6 and, therefore, already reflect this interpretation by the Court for the most part. While the
7 Court's action and forthcoming rules from the FCC may impact Qwest's approach to future cost
8 studies, I do not believe that it requires changes to the cost studies presented in this proceeding.

9 **Q. YOU SAID THAT THE TELRIC DATA FORMS THE BASIS FOR RECURRING AND**
10 **NONRECURRING COSTS. PLEASE DEFINE THESE COSTS.**

11 **A.** Recurring costs are the ongoing costs associated with providing a service or network element.
12 Recurring costs are generally investment-related and include both capital costs and operating
13 expenses. These costs are often presented as a cost per month or per unit of usage (e.g., minute
14 of use) and are incurred throughout the time-period the service or network element is provided
15 to a customer.

16 Nonrecurring costs are the one-time costs associated with establishing a service or network
17 element. Nonrecurring costs are generally activity or transaction-related and are calculated by
18 multiplying the length of time necessary to perform an activity by a specified labor rate.

1 **Q. PLEASE EXPLAIN HOW RECURRING COSTS ARE CALCULATED IN THE**
2 **TELRIC STUDIES PRESENTED IN WASHINGTON.**

3 **A.** All Qwest cost studies in Washington employ the same basic procedures to arrive at a monthly
4 recurring TELRIC cost estimate:

5 **Define the Network Element or Service.** The cost analyst works with product management
6 and technical staff to define the element or service to be studied. This step includes
7 identification of all the network components that are needed to provide the element or
8 service, and an estimation of demand for the element or service.

9 **Development of Investment.** The investment required to provide the service or element
10 includes the actual vendor prices for material and equipment, plus the cost to place the
11 equipment, including capitalized labor costs. Determination of the correct amount of
12 investment is key to the accuracy of any predictive cost model. Therefore, in addition to
13 utilizing actual vendor information, and contractor or internal placement costs, Qwest relies
14 on sound engineering practices to model the amount of investment necessary to provide a
15 given service at a particular level of usage or demand.

16 **Estimation of Investment-related Capital Costs.** Capital costs comprise a large portion of
17 total service cost, and the level of capital cost is impacted by the depreciation lives for the

1 relevant plant accounts and the weighted cost of debt and equity capital. Investment-related
2 capital costs (depreciation, cost of money, income tax) in Washington are based on
3 Commission prescribed rates. For example, the cost of money used by Qwest in its
4 Washington TELRIC studies is 9.63% as required by the Commission in the Eighth
5 Supplemental Order in Docket No. UT-960369, et al.

6 **Estimation of Operating Costs.** Investment-related operating expenses (e.g., maintenance
7 expense) are usually calculated based on annual cost factors that are applied to investment,
8 while other operating expenses (e.g., marketing expenses) are calculated based on factors
9 that are applied to the investment-related costs. These cost factors consider the historic
10 relationships between expenses and investment that the Company has experienced in the
11 past, adjusted for inflation/deflation and productivity increases. In Washington, the factor
12 for investment-related operating expenses has been approved by the Commission to be
13 19.62% of investment-related costs.³ The operating expenses are added to the capital costs
14 to produce Investment based and Direct costs, then the Commission-approved 19.62% is
15 multiplied by the resulting amount to produce the TELRIC for the network element. An
16 appropriate share of common costs is allocated to the TELRIC costs to yield the total cost
17 (TELRIC plus Common). The Commission has also approved the rate for common costs

¹ ³ *In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and*
² *Resale*, Docket No. UT-960369 et. al., Seventeenth Supplemental Order: Interim Order Determining Prices; Notice of
³ Prehearing Conference (September 23, 1999).

1 at 4.05% of TELRIC.

2 **Validation of Results.** After costs have been estimated, this data is reviewed and cross-
3 checked with other cost data to assure reasonableness. Results are compared across states
4 and across services. TELRIC results may also be compared with cost results derived from
5 other cost models.

6 **Q. HOW DOES THE DEVELOPMENT OF NONRECURRING COSTS DIFFER FROM**
7 **DEVELOPMENT OF RECURRING COSTS?**

8 **A.** Nonrecurring costs are expense based, and result from the development of direct costs
9 associated with the tasks necessary to perform a one-time activity. Similar to the process
10 described above, the tasks associated with establishing a particular service or element are
11 identified by product management. Time required to perform tasks are modeled and multiplied
12 by appropriate labor rates to develop the direct costs of the activity. Finally, the Commission-
13 approved loadings of 19.62% and 4.05% are applied to produce TELRIC plus Common
14 nonrecurring costs.

15 **ISSUES FOR CONSIDERATION**

16 **Q. WHAT ISSUES HAS THE COMMISSION INDICATED THAT IT WILL CONSIDER**
17 **IN THIS DOCKET?**

1 A. The Commission has established a two-part schedule in this docket. Under Part A, the
2 Commission will consider the issues of OSS, Collocation, Line Sharing and Nonrecurring
3 charges (NRCs). The parties filed direct testimony for Part A on May 19, 2000.

4 Issues for consideration in Part B include the UNE Platform, Subloop Unbundling, High
5 Capacity Loops, Loop Conditioning, Inside Wiring, Dark Fiber, Shared Transport, EELs
6 (enhanced extended loops), Reciprocal Compensation and Recurring UNE rates⁴.

7 Q. **HOW WILL YOU STRUCTURE YOUR DISCUSSION OF THE PART B ISSUES?**

8 A. I will address each of the enumerated issues individually and, where applicable, discuss the
9 TELRIC studies associated with each issue.

10 Q. **PLEASE BRIEFLY DESCRIBE THE TELRIC STUDIES THAT QWEST IS**
11 **SPONSORING IN PART B OF THIS DOCKET.**

12 A. In this part of the docket, Qwest will sponsor recurring and nonrecurring costs for several new
13 UNEs that resulted from the FCC's UNE Remand Order. My testimony presents cost studies
14 for the following elements:

¹ ⁴ In the Third Supplemental Order, at paragraph 18, the issue of flat-rated Reciprocal Compensation was expanded to include
² all alternative compensation proposals.

1 Subloop Unbundling – includes feeder and distribution plant accessible at any point on the loop
2 where a technician can access the wire or fiber without removing a splice case;

3 High Capacity Loops – includes DS1 and DS3 capable loops;

4 Dark Fiber – includes fiber in both the loop and interoffice dedicated transport;

5 Unbundled Dedicated Interoffice Transport (UDIT) – includes extended UDIT; and

6 Low Side Channelization.

7 **Q. WILL QWEST SPONSOR A RECURRING TELRIC STUDY FOR THE UNE**
8 **PLATFORM?**

9 **A.** No. As described more fully in the testimony of Mr. Hooks, the UNE platform consists of either
10 UNEs already existing in combination to serve existing customers or combinations of UNEs not
11 previously combined to serve new customers. Individual recurring UNE rates exist for the
12 elements that make up the UNE platform and will apply for UNE combinations, therefore, there
13 is no need to file additional recurring cost studies in support of the UNE platform.

14 **Q. WILL QWEST SUBMIT A NONRECURRING COST STUDY FOR THE UNE**
15 **PLATFORM?**

1 A. Yes. While individual nonrecurring UNE rates also exist for the elements that make up the
2 UNE platform, the one-time activities associated with the conversion or connection of the UNE
3 platform differ from the activities associated with connection of each individual element.
4 Therefore, Qwest has developed nonrecurring cost studies to reflect the specific activities and
5 times related to conversion and connection of UNE platforms. (See Exhibit TKM-8,
6 nonrecurring rates for UNEC).

7 Q. **ARE THERE POLICY CONSIDERATIONS ASSOCIATED WITH THE UNE**
8 **PLATFORM THAT QWEST WILL ADDRESS?**

9 A. Yes. In his discussion of the UNE platform, Mr. Hooks will also address policy issues that are
10 of concern to Qwest.

11 Q. **WILL QWEST SPONSOR A TELRIC STUDY FOR SUBLOOP UNBUNDLING?**

12 A. Yes. Qwest will present both recurring and nonrecurring costs for the subloop. The FCC has
13 defined subloop unbundling to include feeder and distribution plant accessible at any technically
14 feasible point on the loop.⁵

⁵ Third Report and Order at ¶ 207.

1 Subloop unbundling will be geographically deaveraged on the same basis as the zones that have
2 been established by the Commission for UNE loops. The proposed prices for subloops are
3 based on developing the percentages of feeder investment and distribution/drop investment to
4 the total investment per zone. Those percentages are then multiplied by the existing loop rates
5 per zone to produce the rates for subloops (i.e., distribution and feeder loops). For example, in
6 Zone 1 the loop rate for a DS0-equivalent loop is \$7.50. The percentage of feeder investment
7 to total investment in Zone 1 is 27.2%, and the percentage of distribution/drop investment is
8 72.8%. Therefore, the rate for the feeder portion of a loop in Zone 1 is \$2.04 (i.e., \$7.50 x
9 27.2%), while the rate for the distribution portion of a loop is \$5.46 (i.e., \$7.50 x 72.8%). (See
10 Exhibit TKM-9). The nonrecurring costs for subloops are submitted as part of Exhibit TKM-8.

11 In addition, because it seems likely that a CLEC (competitive local exchange carrier) would
12 want to purchase larger increments of feeder capacity, Qwest has also developed a rate for DS1
13 capable feeder. The DS1 capable feeder provides a digital transmission path from a network
14 interface in a Qwest Serving Wire Center (SWC) to the Field Connection Point (FCP). (See
15 Exhibit TKM-10).

16 **Q. WILL QWEST PROVIDE COST DATA FOR THE FIELD CONNECTION POINT?**

17 **A.** Yes. As part of the nonrecurring study (Exhibit TKM-8), Qwest will submit engineering costs
18 associated with particular field connection arrangements. This is necessary because connection

1 can occur at any technically feasible point in the subloop. Thus, depending on the location and
2 type of connection requested by a CLEC, Qwest will have to assess the feasibility for a given
3 location and determine the requirements for making a physical connection at that location.
4 Since the location and type of connection will vary from request to request, the costs for actually
5 making the connection will be determined on an individual case basis (ICB).

6 **Q. WILL QWEST SPONSOR TELRIC STUDIES FOR HIGH CAPACITY LOOPS?**

7 **A.** Yes. Qwest will present recurring and nonrecurring costs for high capacity loops. High
8 capacity loops include DS1 and DS3 capable loops. A DS1 capable loop provides a digital
9 transmission path from a network interface in a Qwest SWC to the network interface at the end
10 user's designated premises within the serving area of the SWC. A DS3 capable loop provides
11 a similar digital transmission path at a higher transmission rate than the DS1. The DS3 capable
12 loop is configured as a channel on a fiber-based system. TELRIC studies for recurring costs
13 associated with DS1 and DS3 capable loops are attached as part of Exhibit TKM-10. These cost
14 studies develop statewide average rates for DS1 and DS3 capable loops.

15 The nonrecurring costs for DS1 and DS3 capable loops are included in Exhibit TKM-8.

16 **Q. WILL QWEST SPONSOR A TELRIC STUDY FOR LOOP CONDITIONING?**

17 **A.** No. Qwest has previously submitted TELRIC studies for loop conditioning, therefore, there is

1 no need to file additional cost studies in support of loop conditioning. The FCC requires Qwest
2 to provide conditioned loops wherever requested. However, Qwest is entitled to charge the
3 CLECs for such conditioning, even where the loop is less than 18 kilofeet in length.⁶ Qwest
4 fully developed its position on loop conditioning and proposed rates for removal of bridged taps
5 and load coils. The Commission heard, and decided in Docket No. UT-960369 et al., all of the
6 arguments regarding the appropriate charges for loop conditioning. Thus, pursuant to the
7 Twenty-fifth Supplemental Order in that docket, Qwest submitted tariff rates to the Commission
8 for approval and does not believe this issue needs to be revisited in this docket.

9 **Q. WILL QWEST SPONSOR A TELRIC STUDY FOR INSIDE WIRE?**

10 **A.** No. The FCC clarified its definition of the loop in the UNE Remand Order to terminate at the
11 customer's point of demarcation, rather than the NID, in cases where the ILEC (incumbent local
12 exchange carrier) owns the inside wire.⁷ This includes wire that is both in and out-of-doors, and
13 on the customer premises. Customers include subscribers, landlords, condominiums, and
14 universities. This clarification does not require additional cost studies, but does require Qwest
15 to recognize that access to the loop includes access to inside wire that it owns. However, since
16 the investment for inside wire is already included in the rate developed for the distribution
17 portion of the loop, no additional rates are required.

⁶ Third Report and Order at ¶ 193.

⁷ *Id.* at ¶ 168.

1 Q. WILL QWEST SPONSOR TELRIC STUDIES FOR DARK FIBER?

2 A. Yes. Dark fiber includes fiber in both the loop and interoffice dedicated transport. Qwest has
3 developed two separate rate structures for these two types of dark fiber. (See Exhibit TKM-10).
4 Rates for interoffice dark fiber are on a per-mile basis consistent with the way that dedicated
5 interoffice transport is calculated. Rates for loop dark fiber are on a per-loop basis consistent
6 with the way that the loop is calculated. In other words, loop dark fiber has been developed to
7 mirror the way fiber is found in the loop. For example, although a CLEC may access dark fiber
8 anywhere that it exists, in a forward-looking model, copper wire is considered the least cost,
9 most efficient technology to use within 12 kilofeet of the central office.⁸ Therefore, the Qwest
10 model assumes a 12 kilofeet crossover point for fiber in the loop.

11 The nonrecurring costs for dark fiber are included as part of Exhibit TKM-8.

12 Q. WILL QWEST SPONSOR A TELRIC STUDY FOR SHARED TRANSPORT?

13 A. No. Qwest has submitted tariff rates for shared transport to the Commission for approval
14 pursuant to previous orders in Docket No. UT-960369, et al.

15 Q. ARE THERE OTHER TRANSPORT COSTS THAT QWEST WILL SUBMIT?

¹ ⁸ *In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale,*
² Docket No. UT-960369 et. al., Eighth Supplemental Interim Order Establishing Costs for Determining Prices in Phase II;
³ and Notice of Prehearing Conference (May 11, 1998), at ¶ 198.

1 A. Yes. Qwest will sponsor a separate recurring cost study for Unbundled Dedicated Interoffice
2 Transport (UDIT) and Extended UDIT (E-UDIT) for both OC-3 (Optical Carrier, level 3) and
3 OC-12. OC-3 UDIT and OC-12 UDIT at 155.52 and 622.08 Megabits/second, respectively,
4 provide a two-point channel between two Qwest wire centers and consist of terminating and
5 multiplexing equipment as well as fiber cable, conduit and intermediate wire center equipment.
6 The corresponding E-UDITs provide a transmission path between a Qwest SWC and a CLEC
7 wire center or IXC POP (Interexchange Carrier Point of Presence). (See Exhibit TMK-10). The
8 nonrecurring costs for UDIT and E-UDIT are included in Exhibit TKM-8.

9 In addition, Qwest is submitting separate recurring cost studies for DS0 Low Side
10 Channelization and DS0 UDIT Low Side Channelization. (See Exhibit TKM-12). These are
11 individual elements that fall under the Transport category of UNEs. Low Side Channelization
12 provides transmission facilities between the customer designated premises and the serving wire
13 center, the wire center where the CLEC is collocated, or multiplexing equipment. These
14 facilities are available for Channel Performance.

15 Q. **WILL QWEST SPONSOR A RECURRING TELRIC STUDY FOR ENHANCED**
16 **EXTENDED LOOPS?**

17 A. No. The EEL is a service. The EEL does not require a separate recurring study; its rates come
18 from other TELRIC-priced services. Rates for portions of the service have already been

1 established in previous proceedings, others are included in this filing. For example, the EEL
2 is generally regarded as a combination of an unbundled DS1 (or DS3) capable loop,
3 multiplexing equipment and dedicated interoffice transport. Tariff rates exist for direct-trunked
4 transport and for multiplexing, and rates are proposed in this docket for DS1 and DS3 capable
5 loops. Thus, the combination of these separately priced elements should be sufficient and no
6 additional cost studies are necessary. However, because Qwest designs services end-to-end, the
7 EEL may have alternate configurations. For example, as discussed further in the testimony of
8 Mr. Hooks, to the extent that CLECs want to add concentration equipment to the EEL, there are
9 various configurations available depending on CLEC preference. Therefore, since Qwest does
10 not wish to limit the CLECs' ability to choose, Qwest proposes to price concentration
11 configurations as ICB.

12 **Q. WILL QWEST SUBMIT NONRECURRING COST STUDIES FOR ENHANCED**
13 **EXTENDED LOOPS?**

14 **A.** Yes. Although the individual elements comprising the EEL service have nonrecurring costs
15 associated with them, Qwest has developed nonrecurring costs for EELs that reflect the specific
16 activities related to establishing an EEL link. (See Exhibit TKM-8).

17 **Q. WILL QWEST SPONSOR A TELRIC STUDY FOR RECIPROCAL**
18 **COMPENSATION?**

1 A. No. The parties were told by the Commission that a flat-rated reciprocal compensation proposal
2 was not required. As for a usage based mechanism, Qwest believes that the switching rates
3 already established by the Commission are the rates which would apply for reciprocal
4 compensation. Additionally, as discussed in more detail in the testimony of Mr. Brotherson,
5 Qwest believes that decisions around reciprocal compensation should be made in the context
6 of the resolution of certain policy issues.

7 Q. **WILL QWEST SPONSOR ANY OTHER TELRIC STUDIES FOR RECURRING UNE**
8 **RATES?**

9 A. Qwest is not prepared to sponsor any TELRIC studies, other than those presented in this filing.
10 However, as other issues are raised in this proceeding, upon determination of the Commission,
11 Qwest will submit other recurring studies as necessary.

12 Q. **WILL QWEST SPONSOR ANY OTHER TELRIC STUDIES FOR NONRECURRING**
13 **UNE RATES IN PART B?**

14 A. Yes. Qwest will submit nonrecurring costs for space availability inquiries and field verifications
15 for Poles, Ducts, and Conduits per the Commission's order in the Third Supplemental Order in
16 this Docket. (See Exhibit TKM-8).

1

CONCLUSION

2 **PLEASE SUMMARIZE YOUR TESTIMONY.**

3 **A.** Qwest has a right under the Telecom Act to seek recovery for the UNEs that it is required to
4 provide to the CLECs. For the issues included in Part B of this docket, I have submitted
5 recurring and nonrecurring TELRIC cost studies for those UNEs for which rates have not been
6 previously established. I have not submitted cost studies for UNEs for which I believe this
7 Commission has already established rates, or for which Qwest has submitted tariffs for
8 approval.

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 **A.** Yes, it does.

11

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Continued Costing and)
Pricing of Unbundled Network Elements,) Docket No. UT -003013
Transport, Termination, and Resale)
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**EXHIBITS OF
TERESA K. MILLION
ON BEHALF OF
QWEST CORPORATION
(formerly known as U S WEST)**

AUGUST 4, 2000

INDEX OF CONFIDENTIAL EXHIBITS

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Recurring Low side Channelization Results Summary Executive Summary and Workpapers	TKM-12

**Washington
Nonrecurring UNEs**

Element	Total Direct	State Cost/Price	State Cost/Price	Total Cost
UNEC EXISTING POTS FIRST LINE (Mechanized)	\$9.97	\$1.96	\$0.48	\$12.41
UNEC EXISTING POTS EA ADDL LINE (Mechanized)	\$1.11	\$0.22	\$0.05	\$1.38
UNEC EXISTING POTS FIRST LINE (Manual)	\$22.51	\$4.42	\$1.09	\$28.01
UNEC EXISTING POTS EA ADDL LINE (Manual)	\$2.18	\$0.43	\$0.11	\$2.71
UNEC NEW POTS FIRST LINE (Mechanized)	\$36.97	\$7.25	\$1.79	\$46.02
UNEC NEW POTS EA ADDL LINE (Mechanized)	\$10.27	\$2.01	\$0.50	\$12.78
UNEC NEW POTS FIRST LINE (Manual)	\$49.51	\$9.71	\$2.40	\$61.62
UNEC NEW POTS EA ADDL LINE (Manual)	\$11.33	\$2.22	\$0.55	\$14.11
UNBUNDLED DISTRIBUTION SUBLOOP FIRST	\$97.46	\$19.12	\$4.72	\$121.30
UNBUNDLED DISTRIBUTION SUBLOOP EACH ADDITIONAL	\$44.55	\$8.74	\$2.16	\$55.44
FEEDER SUB-LOOP FIRST	\$298.47	\$58.56	\$14.46	\$371.49
FEEDER SUB-LOOP EACH ADDITIONAL	\$241.43	\$47.37	\$11.70	\$300.50
FIELD CONNECTION POINT QUOTATION PREPARATION FEE	\$1,315.27	\$258.06	\$63.72	\$1,637.04
DS1 CAPABLE LOOP BASIC INSTALL (EXISTING SERVICE) FIRST	\$122.33	\$24.00	\$5.93	\$152.26
DS1 CAPABLE LOOP BASIC INSTALL (EXISTING SERVICE) EA ADDL	\$96.18	\$18.87	\$4.66	\$119.71
DS1 CAPABLE LOOP BASIC INSTALL PERFORMANCE TEST (NEW SERVICE) FIRST	\$279.60	\$54.86	\$13.55	\$348.00
DS1 CAPABLE LOOP PERFORMANCE TEST (NEW SERVICE) EA ADDL	\$234.49	\$46.01	\$11.36	\$291.86
DS1 CAPABLE LOOP COORD INSTALL WITH COOPERATIVE TEST FIRST	\$311.67	\$61.15	\$15.10	\$387.92
DS1 CAPABLE LOOP COORD INSTALL WITH COOPERATIVE TEST EA ADDL	\$266.09	\$52.21	\$12.89	\$331.19
DS1 CAPABLE LOOP COORD INSTALL W/O TEST (EXISTING SERVICE) FIRST	\$126.39	\$24.80	\$6.12	\$157.32
DS1 CAPABLE LOOP COORD INSTALL W/O TEST (EXISTING SERVICE) EA ADDL	\$100.24	\$19.67	\$4.86	\$124.77
DS3 CAPABLE LOOP BASIC INSTALL (EXISTING SERVICE) FIRST	\$122.33	\$24.00	\$5.93	\$152.26
DS3 CAPABLE LOOP BASIC INSTALL (EXISTING SERVICE) EA ADDL	\$96.18	\$18.87	\$4.66	\$119.71
DS3 CAPABLE LOOP BASIC INSTALL PERFORMANCE TEST (NEW SERVICE) FIRST	\$279.60	\$54.86	\$13.55	\$348.00
DS3 CAPABLE LOOP PERFORMANCE TEST (NEW SERVICE) EA ADDL	\$234.49	\$46.01	\$11.36	\$291.86
DS3 CAPABLE LOOP COORD INSTALL WITH COOPERATIVE TEST FIRST	\$311.67	\$61.15	\$15.10	\$387.92
DS3 CAPABLE LOOP COORD INSTALL WITH COOPERATIVE TEST EA ADDL	\$266.09	\$52.21	\$12.89	\$331.19
DS3 CAPABLE LOOP COORD INSTALL W/O TEST (EXISTING SERVICE) FIRST	\$126.39	\$24.80	\$6.12	\$157.32
DS3 CAPABLE LOOP COORD INSTALL W/O TEST (EXISTING SERVICE) EA ADDL	\$100.24	\$19.67	\$4.86	\$124.77
DARK FIBER PER OCCURRENCE, PER ROUTE - FIRST FIBER PAIR	\$452.35	\$88.75	\$21.91	\$563.02
DARK FIBER PER OCCURRENCE, PER ROUTE - EACH ADDL. FIBER PAIR	\$226.33	\$44.41	\$10.96	\$281.70
OPTICAL CROSS CONN - PER FIBER PAIR PER CENTRAL OFFICE	\$17.30	\$3.39	\$0.84	\$21.53
DARK FIBER - INITIAL RECORDS INQUIRY CO TO CO OR CO TO CUST PREM	\$128.00	\$25.11	\$6.20	\$159.31
DARK FIBER - MID-SPAN SPLICE/STRUCTURE POINT INQUIRY	\$163.22	\$32.02	\$7.91	\$203.15
DARK FIBER - FIELD VERIFICATION AND QUOTE PREPARATION	\$1,192.09	\$233.89	\$57.75	\$1,483.73
DS0 ENHANCED EXTENDED LINK FIRST	\$243.24	\$47.72	\$11.78	\$302.74
DS0 ENHANCED EXTENDED LINK EACH ADDITIONAL	\$170.12	\$33.38	\$8.24	\$211.74
DS1 ENHANCED EXTENDED LINK FIRST	\$282.83	\$55.49	\$13.70	\$352.02
DS1 ENHANCED EXTENDED LINK EACH ADDITIONAL	\$196.00	\$38.46	\$9.50	\$243.95
DS3 ENHANCED EXTENDED LINK FIRST	\$302.47	\$59.34	\$14.65	\$376.47
DS3 ENHANCED EXTENDED LINK EACH ADDITIONAL	\$215.64	\$42.31	\$10.45	\$268.40
DS1 ENHANCED EXTENDED LINK TRANSPORT MUX	\$223.28	\$43.81	\$10.82	\$277.90
DS3 ENHANCED EXTENDED LINK TRANSPORT MUX	\$223.28	\$43.81	\$10.82	\$277.90

DS0 UNBUNDLED DEDICATED INTEROFFICE TRANSPORT	\$250.98	\$49.24	\$12.16	\$312.38
DS1/DS3/OC3/OC12 UDIT	\$283.25	\$55.57	\$13.72	\$352.54
M1-0 MULTIPLEXING HIGH SIDE (UDIT)	\$194.53	\$38.17	\$9.42	\$242.13
M1-0 MULTIPLEXING LOW SIDE (UDIT)	\$194.93	\$38.25	\$9.44	\$242.62
POLE INQUIRY FEE - PER MILE	\$259.23	\$50.86	\$12.56	\$322.64
INNERDUCT INQUIRY FEE - PER MILE	\$311.60	\$61.14	\$15.10	\$387.83
FIELD VERIFICATION FEE - POLES PER POLE	\$28.79	\$5.65	\$1.39	\$35.83
FIELD VERIFICATION FEE - MANHOLES PER MANHOLE	\$374.27	\$73.43	\$18.13	\$465.84