

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the)	
)	DOCKET NO. UT-003013
Continued Costing and Pricing of)	<i>PART B</i>
Unbundled Network Elements, Transport,)	
Termination, and Resale.)	MOTION FOR ORDER CLARIFYING
)	PERMISSIBLE USE OF TESTIMONY
_____)	

The Washington Utilities and Transportation Commission Staff (Staff) requests an order clarifying the potential use and relevancy of some evidence pre-filed by Verizon Northwest, Inc. (Verizon) and Qwest Corporation (Qwest) in this Part B proceeding. Staff is in the process of preparing testimony in this proceeding to be pre-filed on October 20, 2000. In preparing that testimony, Staff is guided by paragraph 8 of the Commission's July 17, 2000, Third Supplemental Order which states:

Commission Staff states that it is prepared to present the HCPM for the limited purpose of reviewing the classification of wire centers to deaveraged zones, but requests clarification whether the Commission is interested in receiving this information. In light of the consensus among the parties not to re-litigate the unbundled loop prices established in UT-990369, the Commission considers use of the HCPM unnecessary in this docket.

Third Supp. Order, ¶ 8.

We read this as clear notice that the Commission will not revisit, at least for the time being, the unbundled loop prices established in Docket Nos. UT-960369, et al., and will not

consider evidence challenging those established loop prices. However, in their direct testimony, both Verizon and Qwest filed new analyses of unbundled loop costs using new, untested loop cost models.

For example, Mr. Kevin Collins, on behalf of Verizon, advocates that the Commission select the ICM model for estimating costs of Verizon's Washington network. Direct Testimony of Kevin C. Collins, at 6. He also advocates using other than the currently authorized return and depreciation rates, *id.* at 28-29, rates that were decided in Docket Nos. UT-960369, et al. *See also id.* at 31 (advocating using GTE prices for material, labor, and equipment contrary to prior decisions). Qwest did not initially provide any cost model information. However, Qwest finally provided cost models with the Supplemental Testimony of Ms. Million (Sept. 12, 2000).¹

It appears, contrary to the Commission's directive in paragraph 8 of its Third Supplemental Order, that Verizon and Qwest may be seeking to legitimize new cost models in this case for calculating the cost of their unbundled loops. At most, however, that evidence is relevant to estimating percentages of sub-loop costs that then could be applied to the loop costs determined earlier.

Staff is not intending to rebut any attempt by Verizon and Qwest to revisit the Commission's earlier decisions regarding cost models. In our testimony due on October 20, 2000, we intend to use the HM 3.1 model as a basis for allocating sub-loop costs. However, to ensure that we understand correctly the Commission's earlier directive, we ask the Commission to confirm our view by issuing an order that states definitively that the evidence submitted by

¹The CD-ROM, "Qwest Models of Cost Studies," CD 2, contains new loop cost modules.

Qwest and Verizon is neither admissible for the purpose of challenging the Commission's earlier acceptance of the Hatfield 3.1 model nor admissible for a redetermination of the cost of the unbundled loop. Should the Commission's decision in this case ultimately be challenged in court, we want to ensure that a court will not consider Qwest's and Verizon's uncontested cost model evidence in Part B of this proceeding as grounds for overturning the Commission's earlier determination that the Hatfield 3.1 model should be used for determining deaveraged loop costs.²

This is not to say that the Commission should not clarify its use of the Hatfield 3.1 model. As we indicated in our Answer of Commission Staff to Petition for Reconsideration in Docket Nos. UT-960369, -960370, -960371 (filed October 9, 2000) (copy attached as Exhibit 1 to this motion), we need some additional clarification of the Commission's methodology of determining loop costs in order for us to be of maximum use to the Commission in this Part B proceeding.

DATED this 9th day of October, 2000.

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²Should our reading of paragraph 8 of the Third Supplemental Order be in error, and the Commission wishes responsive evidence critiquing Verizon's more obvious, and Qwest's more subtle, assault on the Commission's earlier use of cost models to determine loop costs, then we will do our best to respond. However, should that be the case, we likely would seek permission to file supplemental testimony.