

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Petition of Qwest
Corporation for Arbitration with Eschelon
Telecom, Inc. Pursuant to 47 U.S.C. Section
252 of the Federal Telecommunications Act of
1996**

Docket No. UT-063061

EXHIBIT DD-29

TO THE

SURREBUTTAL TESTIMONY OF DOUGLAS DENNEY

ON BEHALF OF ESCHELON TELECOM, INC.

APRIL 3, 2007

5. ORDERING OPTIONS FOR ACCESS SERVICES

5.2 ACCESS ORDER

5.2.2 ACCESS ORDER MODIFICATIONS (CONT'D)

D. Expedited Order Charge

When placing an Access order for service(s) for which standard intervals exist, a customer may request a service date that is prior to the standard interval service date. A customer may also request an earlier service date on a pending standard or negotiated interval Access Order. If the Company agrees to provide the service on an expedited basis, an Expedited Order Charge will apply.

A customer may request a change of end user premises within the same serving wire center. When this occurs, the service date is changed to reflect the standard interval. If the customer requests an earlier service date, an Expedited Order Charge will apply.

Expedited Order Charges will not apply if the revised interval to a pending order is equal to or longer than the standard interval for that service.

Expedited Order Charges will not apply to part-time audio or part-time video. (C)

When an expedited service date is missed, the Expedited Order Charge will apply unless the missed service date is caused by the Company.

5. ORDERING OPTIONS FOR ACCESS SERVICES

5.2 ACCESS ORDER

5.2.2 ACCESS ORDER MODIFICATIONS

D. Expedited Order Charge (Cont'd)

The Expedited Order Charge will apply to all products and services found in this tariff unless otherwise specified. This charge will be applied when the customer requests a service date that is prior to the standard interval service date on an Access Order or when a customer requests an earlier service date on a pending standard or negotiated interval Access Order.

(C)
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(C)

The Company will provide the customer with an estimate of the Expedited Order Charge before expediting an order.

The Expedited Order Charge, as set forth below, will apply on a per order basis for each day the service date is advanced.

(N)

	USOC	NONRECURRING CHARGE
• Per day advanced	EODDB	\$200.00
• Per day advanced[1] for Pricing Flexibility	EODDA	200.00

The Expedited Order Charges will be billed in addition to other applicable nonrecurring charges.

(N)

[1] This rate applies to Expedited Orders located in Phase I and Phase II MSAs, as defined in Section 23, following.

(C)
(C)

5. ORDERING OPTIONS FOR ACCESS SERVICES

5.2 ACCESS ORDER

5.2.2 ACCESS ORDER MODIFICATIONS

D. Expedited Order Charge (Cont'd)

If costs other than additional labor are to be incurred when an Access Order is expedited, the Company will develop, determine and bill the customer such costs in accordance with the special construction terms and conditions as set forth in Tariff F.C.C. No. 2. Authorization to incur the cost and to bill the customer will be in accordance with the terms and conditions of Tariff F.C.C. No. 2.

5. ORDERING OPTIONS FOR ACCESS SERVICES

5.2 ACCESS ORDER

5.2.2 ACCESS ORDER MODIFICATIONS (Cont'd)

D. Expedited Order Charge

When placing an Access order for service(s) for which standard intervals exist, a customer may request a service date that is prior to the standard interval service date. A customer may also request an earlier service date on a pending standard or negotiated interval Access Order. If the Company agrees to provide the service on an expedited basis, an Expedited Order Charge will apply.

A customer may request a change of end user premises within the same serving wire center. When this occurs, the service date is changed to reflect the standard interval. If the customer requests an earlier service date, an Expedited Order Charge will apply.

Expedited Order Charges will not apply if the revised interval to a pending order is equal to or longer than the standard interval for that service.

Expedited Order Charges will not apply to part-time audio and part-time video services.

When an expedited service date is missed, the Expedited Order Charge will apply unless the missed service date is caused by the Company.

5. ORDERING OPTIONS FOR ACCESS SERVICES

5.2 ACCESS ORDER

5.2.2 ACCESS ORDER MODIFICATIONS

D. Expedited Order Charge (Cont'd)

The Expedited Order Charge is based on the extent to which the Access Order has been processed at the time the Company agrees to the expedited Service Date. A table of these Service Date Intervals is found in the Qwest Corporation Service Interval Guide. The Expedited Order Charge is calculated as follows:

- Based on the Critical Dates associated with the Access Order, as defined in 5.2.3.C., following, the Company will determine the next Critical Date scheduled to be completed on the order.
- Using the table of 5.2.3.E., following, and the Critical Date as determined above, the Company will determine the percent of the provisioning interval not yet completed.
- The Company will apply this percentage to the sum of all the nonrecurring charges associated with the order^[1] and divide this sum by the number of days remaining in the original service interval.
- The per day charges so developed will then be applied on a per-day-of-improvement basis, per order, but in no event shall the charge exceed fifty percent (50%) of the total nonrecurring charges associated with the Access Order.
- The Company will provide the customer with an estimate of the Expedited Order Charge before expediting an order.

[1] Nonrecurring charges associated with the order are used to calculate the Expedited Order Charge even if the nonrecurring charges are waived.

5. ORDERING OPTIONS FOR ACCESS SERVICES

5.2 ACCESS ORDER

5.2.2 ACCESS ORDER MODIFICATIONS

D. Expedited Order Charge (Cont'd)

If costs other than additional labor are to be incurred when an Access Order is expedited, the Company will develop, determine and bill the customer such costs in accordance with the special construction terms and conditions as set forth in Tariff F.C.C. No. 2. Authorization to incur the cost and to bill the customer will be in accordance with the terms and conditions of Tariff F.C.C. No. 2.

TRANSMITTAL NO. 202
QWEST CORPORATION
TARIFF F.C.C. No. 1
ACCESS SERVICE
DESCRIPTION AND JUSTIFICATION
QWEST EXPEDITE ORDER CHARGE

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1. Introduction And Description

This filing is being made by Qwest Corporation (Qwest) in its Tariff F.C.C. No. 1, Access Services, Section 5, Ordering Options for Access Services, to revise the Expedited Order Charge application to a per day charge structure. This charge will be applied when the customer requests a service date that is prior to the standard interval service date or when a customer requests an earlier service date on a pending standard or negotiated interval Access Order. The Expedited Order Charge will apply on a per order basis for each day the service date is advanced.

This change is being made at the request of customers who want a simpler and easier to method to expedite their orders and calculate the cost of that expedite.

The Expedite Order Charges are as follows:

	Nonrecurring Charge
Per day advance	\$200.00
Per day advance	\$200.00

for Pricing Flexibility

This tariff will impact the Expedite Order Charge for Non price Cap, Price Cap and Price Flex Services.

2. Rate Development

The Expedite Order Charge was developed utilizing a market based pricing process including proper price positioning with other Qwest and competitors services.

3. Non Price Cap Demand And Revenue Impacts

3.1 Demand Impacts

Qwest projects that Non Price Cap services will experience 178 days that will be charged the Expedite Order Charge. The demand is for a 12 month period from the effective date of this filing.

There are no cross-elastic or complementary demand impacts expected as a result of this filing.

3.2 Revenue Impacts

As a result of this filing, Qwest expects a total interstate revenue increase to Non Price Cap Services of approximately \$35,600. There are no cross-elastic or complementary revenue impacts expected as a result of this filing.

4. Unit Costs

4.1 Overview

This section describes how Qwest developed regional unit costs in support of the Expedite Order Charge. This unit cost section describes the process used to develop the Nonrecurring unit costs and provides a description of the cost Workpaper.

The unit costs developed in this study reflect 2004 cost levels for the Expedite Order Charge. They were developed using an incremental or "bottoms-up" cost methodology. Under this methodology, costs are determined by adding together all of the necessary equipment and/or labor expenses associated with providing the service on a forward looking basis. These costs depict the economic unit cost of offering the service.

4.2 Development of Nonrecurring Unit Costs

When a customer requests the service a one-time cost to provision the service is incurred. The nonrecurring provisioning rate element recovers this cost.

The first step taken in developing the nonrecurring one time labor cost was to identify the various work groups and tasks required to install the service. Next, Qwest estimates were used to develop average labor times per task. Once identified, the average labor times were multiplied by the appropriate labor rates to produce the cost per work group. The sum of all the work group costs produces the total cost.

The labor rates used in this study were developed by applying additional factors to cover administrative expense and business fees that are incurred with the new offering. Administrative expenses include the costs associated with the line and staff operations, which support the new service. Business fees include state level franchise taxes, municipal license fees and occupation taxes.

The work groups involved in providing Expedite Service are listed below along with their associated work functions: (1) Order Processing Wholesale Service Delivery Coordinator – This group serves as the primary order provisioning contact for CLEC's, Interexchange Carriers and Wireless customers who purchase complex wholesale and retail products and services; (2) Order Processing Retail Service Delivery Coordinator – This center interfaces with the customer gathering and processing customer specific information for establishing or terminating products and services. They are responsible for initiating the service order process and negotiating service installation or service termination dates; (3) Loop Provisioning Center (LPC) – LPC ensures customer service order activity is provisioned with outside plant and central office facilities. A request for Manual Assistance is generated when all conditions for customer service cannot be met; (4) Design – Design has overall responsibility for the Record Issue Date completion and assigns interoffice facilities and equipment at the circuit level; (5) Central Office Resource Administration Center (CORAC) - CORAC utilizes "Work Force Administration/Dispatch In" to build installation daily service order logs. Monitors and logs service order progress and completion; (6) Central Office (CO) – CO is

responsible for service connection in the central office and associated testing and administration functions; (7) Load Resource Administration Center (LRAC) – LRAC utilizes “Work Force Administration/Dispatch Out” to build installation daily service order logs. Monitors and logs service order progress and completion; (8) Installation – Performs necessary field work on new orders and changes to existing service; (9) Implementer – The Implementer has overall control responsibility for provisioning, maintaining, coordinating and testing of design services; (10) Manager and Supervisor time is for the additional work and coordination between different organizations that is required to expedite an order.

4.3 Description Of Nonrecurring Workpaper

The nonrecurring charge was developed at a regional level. Workpaper 1 provides a detailed summary of the work groups, work times in minutes, hourly labor rates for each work group and the calculated costs.

5. Price Cap Analysis

Services subject to price cap regulation will also be impacted by this revision in the Expedite Order Charge. Section 61.46(c) of the Commission’s price cap rules requires that a filing proposing a rate restructure demonstrate the effect of converting existing rates to rates that will apply after the restructure takes effect. In order to meet the Commission’s requirements, the first step is to recast base period demand into the new rate structure. This step is discussed in Section 5.1. Next the recast base period demand is multiplied by proposed rates to derive the revenues

under the rate restructure. This step is discussed in Section 5.2. Section 5.2 also discusses rate adjustments that were made in order to bring the restructure within applicable price cap limits.

5.1 Demand Analysis

The proposed rate will be charged on a per order basis for each day the service is advanced. Demand was determined by reviewing the orders that were expedited during the 2003 Price Cap filing period and totaling the number of days each order was advanced.

5.2 Revenue Impact

The tariff revisions proposed in this filing will result in an increase in expedite revenues. In order to stay within the allowable price cap limits, selected Special Access service rates were reduced. These rate adjustments are displayed in Appendix A and Workpaper SP-1. Overall Special Access increased by \$208,026. However, exogenous increases allowed in the 2004 Annual Access Tariff Filing (Transmittal 198) in the amount of \$221,000 were allowed and Qwest chose not to increase rates at that time. Qwest is now using a portion of that amount in this filing.

6. Price Flex

The revision of the Expedite Order Charges will also impact services associated with Pricing Flexibility. However, Section 69.727 eliminates the need to file supporting information discussed under price cap regulation.

7. Description of Workpapers

Workpaper 1 is the Nonrecurring Cost Study for the new Expedite Charge. Appendix A provides a summary of all price cap rate changes. With respect to price cap price changes, Workpapers (SP-1 provides Special Access Detail, and SP-2 provides the Special Access Consolidated Weightings) and the price Cap Tariff Review Plan demonstrate that the Commission's rules with regard to price cap indices have been satisfied.

7.1 Workpapers

Workpaper 1	Nonrecurring Charge Cost Study
Appendix A	Price Cap Rate Changes
Workpaper SP-1	Special Access Detail
Workpaper SP-2	Special Access Consolidated Weightings
Tariff Review Plan	

State: Qwest

Workpaper 1

Labor Group	Time In Minutes	Labor Rate Per Hour	Costs
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EXPEDITE CHARGE per circuit order per day

Inward Costs

ORDER PROCESSING WHOLESALE SERVICE DELIVERY COORDINATOR	8.88	\$50.50	\$7.47
ORDER PROCESSING RETAIL SERVICE DELIVERY COORDINATOR	3.28	\$50.50	\$2.76
LOOP PROVISIONING CENTER (LPC) DESIGN	2.00	\$49.62	\$1.65
CENTRAL OFFICE RESOURCE ADMINISTRATION CENTER/CORAC CO	7.50	\$52.78	\$6.60
LOAD RESOURCE ADMINISTRATION CENTER/LRAC	2.50	\$49.62	\$2.07
INSTALL IMPLEMENTOR	5.00	\$57.04	\$4.75
MANAGER PROCESS MANAGEMENT - WHOLESALE, RETAIL	7.50	\$55.49	\$6.94
MANAGER PROCESS MANAGEMENT - DESIGN SERVICES	15.00	\$107.95	\$26.99
SUPERVISOR NETWORK OPERATIONS - CENTRAL OFFICE	15.00	\$107.95	\$26.99
SUPERVISOR NETWORK OPERATIONS - FIELD	15.00	\$70.17	\$17.54
ADDITIONAL SHIPPING EXPENSE	15.00	\$70.17	\$17.54
	0.00	0.00	\$5.59

Subtotal - Inward	104.15		\$133.57
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Outward Costs

Subtotal - Outward	0.00		\$0.00
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Total Inward & Outward	104.15		\$133.57
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PRIVATE LINE TRANSPORT SERVICES

RATE	RATE ELEMENT DESCRIPTION	CURRENT PROPOSED	
		RATE	RATE
SECTION 5			
NONRECURRING			
M024N	EXPEDITE CHARGE	\$106.16	\$200.00
SECTION 7			
DS1 & DS1 NETPLAN SERVICE -CHANNEL TERMINATIONS			
NONRECURRING RATES			
NONPLAN - MONTHLY/36 MOS/ 60 MOS			
8000N	DS1 CT NRC MONTHLY NON PLAN	\$313.25	\$305.00
8000N36	DS1 CT NRC 36 MONTHS NON PLAN	\$313.25	\$305.00
8000N60	DS1 CT NRC 60 MONTHS NON PLAN	\$313.25	\$305.00
ZONE 1 - MONTHLY/36 MOS/60 MOS			
8000F	DS1 CT NRC MONTHLY ZONE 1	\$313.25	\$305.00
8000F36	DS1 CT NRC 36 MONTHS ZONE 1	\$313.25	\$305.00
8000F60	DS1 CT NRC 60 MONTHS ZONE 1	\$313.25	\$305.00
ZONE 2 - MONTHLY/36 MOS/60 MOS			
8000G	DS1 CT NRC MONTHLY ZONE 2	\$313.25	\$305.00
8000G36	DS1 CT NRC 36 MONTHS ZONE 2	\$313.25	\$305.00
8000G60	DS1 CT NRC 60 MONTHS ZONE 2	\$313.25	\$305.00
ZONE 3 - MONTHLY/36 MOS/60 MOS			
8000H	DS1 CT NRC MONTHLY ZONE 3	\$313.25	\$305.00
8000H36	DS1 CT NRC 36 MONTHS ZONE 3	\$313.25	\$305.00
8000H60	DS1 CT NRC 60 MONTHS ZONE 3	\$313.25	\$305.00

		QWEST SPECIAL ACCESS BASKET DETAIL						
		(A)	(B)	(C)	(D)	(E)	(F)	(G)
		BASE PERIOD QUANTITY	BASE PERIOD FINAL PRICE	CURRENT RATES	PROPOSED RATES	BASE PERIOD REVENUES	ANNUAL REVENUE CURRENT RATES	ANNUAL REVENUE PROPOSED RATES
RATE ELEMENT	DESCRIPTION	2003 ACTUAL YRLY DEMAND				COLS (A) * (B)	COLS (A) * (C)	COLS (A) * (D)
8000N	DS1 CT 1.544 MBPS NEW	4,809	\$313.25	\$313.25	\$305.00	\$1,506,419	\$1,506,419	\$1,466,745
	TOTAL DS1 (S/A) NON-PLAN					\$70,299,347	\$70,299,347	\$70,259,673
8000F	DS1 CT 1.544 MBPS NEW	4,263	\$313.25	\$313.25	\$305.00	\$1,335,385	\$1,335,385	\$1,300,215
	TOTAL COMB DS1 (S/A) DENSITY ZONE 1					\$23,953,791	\$23,953,791	\$23,918,621
8000G	DS1 CT 1.544 MBPS NEW	10,366	\$313.25	\$313.25	\$305.00	\$3,247,150	\$3,247,150	\$3,161,630
	TOTAL COMB-DS1 (S/A) DZ-2					\$52,894,023	\$52,894,023	\$52,808,504
8000H	DS1 CT 1.544 MBPS NEW	19,216	\$313.25	\$313.25	\$305.00	\$6,019,412	\$6,019,412	\$5,860,880
	TOTAL COMB DS1 (S/A) DZ-3					\$186,981,224	\$186,981,224	\$186,822,692
	TOTAL DS1 S/A					\$287,570,564	\$287,570,564	\$287,251,668
M024N	EXPEDITE CHARGE	2,874	\$106.16	\$106.16	\$200.00	\$47,878	\$47,878	\$574,800
	TOTAL HI-CAP OTHER					\$313,661	\$313,661	\$840,583
	TOTAL SPECIAL ACCESS	32,871,292				\$462,745,302	\$462,745,302	\$462,953,328

QWEST CORPORATION
 RESTRUCTURE OF EXPEDITE CHARGES
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WORKPAPER SP-2
 PAGE 1 OF 1

CATEGORY	(A) TOTAL BASKET CURRENT WEIGHTING	(B) TOTAL BASKET NEW WEIGHTING	(C) SERVICE CATEGORY CURRENT WTG %	(D) SERVICE CATEGORY NEW WTG %	(E) SUBINDEX1 BASE WTG % (CURR RATE)	(F) SUBINDEX1 NEW WTG % (CURR RATE)	(G) SUBINDEX2 BASE WTG % (CURR RATE)	(H) SUBINDEX2 NEW WTG % (CURR RATE)	(I) PROPOSED TO CURRENT REVENUE RATIO
VOICE GRADE & WATS	0.013773	0.013773	1.000000	1.000000					1.000000
AUDIO & VIDEO	0.002313	0.002313	1.000000	1.000000					1.000000
HI CAP & DDS	0.983913	0.984363	1.000000	1.000457					1.000457
DS1 - S/A TOTAL					1.000000	1.000000			1.000000
DS1 S/A DZ-1							1.000000	0.998294	0.998294
DS1 S/A DZ-2							1.000000	0.998121	0.998121
DS1 S/A DZ-3							1.000000	0.999015	0.999015
DS1 S/A NON-PLAN							1.000000	0.999344	0.999344
DS3 (S/A) TOTAL					1.000000	1.000000			1.000000
DS3 SP DZ-1							1.000000	1.000000	1.000000
DS3 SP DZ-2							1.000000	1.000000	1.000000
DS3 SP DZ-3							1.000000	1.000000	1.000000
DS3 SP NON-PLAN							1.000000	1.000000	1.000000
TOTAL (API)	1.000000	1.000450							1.000450