

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Review of:)	DOCKET NO. UT-023003
Unbundled Loop and Switching)	
Rates; the Deaveraged Zone)	
Rate Structure; and Unbundled)	TWELFTH SUPPLEMENTAL ORDER:
Network Elements, Transport,)	GRANTING MOTION TO COMPEL;
and Termination)	REVISING SCHEDULE; AND
)	BIFURCATING PROCEEDING
)	
)	
In the Matter of the Review of:)	DOCKET NO. UT-033034
Unbundled Loop and Switching)	
Rates; the Deaveraged Zone)	
Rate Structure, and Unbundled)	ORDER NO. 01
Network Elements, Transport,)	
and Termination (Non recurring)	
Costs))	ESTABLISHING SCHEDULE OF
)	PROCEEDINGS

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Synopsis: *The Commission grants AT&T's Motion to Compel Discovery of Qwest and grants Commission Staff's Motion to Extend the Schedule for Filing Testimony. The Commission orders the proceeding to be bifurcated, and sets a schedule for the new nonrecurring cost docket.*

I. INTRODUCTION

1 Background. On July 14, 2003 AT&T Communications of the Pacific Northwest, Inc. (AT&T) filed a motion to compel Qwest to provide customer location information of a type that AT&T might be able to incorporate into the cost model AT&T planned to use in the recurring cost phase of this proceeding. Qwest

Corporation (Qwest) filed objections to the motion and Commission Staff filed a response in support of granting the motion.

2 On August 1, 2003, the Commission convened a prehearing conference to address AT&T's discovery motion.

3 On July 25, 2003, Commission Staff filed a Motion to Modify Schedule. Public Counsel indicated it had no objection to the proposed schedule change.

4 In the Eleventh Supplemental Order, entered on July 17, 2003 the Commission asked the parties to comment on a proposal to bifurcate this cost proceeding into two separate dockets, and to open a new docket for the nonrecurring cost portion of this case. Only Staff filed a response.

5 **Appearances.** The following parties appeared at the prehearing conference: Qwest Corporation ("Qwest"), by Lisa Anderl, attorney, Seattle, Washington; Verizon Northwest Inc. ("Verizon"), by William Richardson, attorney, Washington, D.C.; Covad Communications Company ("Covad"), by Harry Pliskin, attorney, Denver, Colorado; AT&T of the Pacific Northwest, Inc. ("AT&T"), Pac-West, Inc. ("Pac-West"), and XO Washington, Inc. ("XO"), by Mary Steele, attorney, Seattle, Washington; MCI/WorldCom ("WorldCom") by Michel Singer-Nelson, attorney, Denver, Colorado; WeBTEC, by Arthur Butler, attorney, Seattle, Washington; Eschelon Telecom, Inc. ("Eschelon"), by Dennis Ahlers, Minneapolis, Minnesota; and Commission Staff, by Mary Tennyson, Senior Assistant Attorney General.

II. DISCUSSION AND DECISION

A. AT&T MOTION TO COMPEL DISCOVERY

6 AT&T seeks to obtain customer location information similar to that provided by Qwest pursuant to an order of the Arizona Corporation Commission in 2002.

The Arizona-type information is raw customer location data that Qwest contends is only 63% accurate. AT&T also seeks to obtain specific identification of the types of services provided at the customer locations.

- 7 AT&T contends that actual customer location is relevant because it provides the most accurate information available for use in developing network design and costs. In the past, AT&T has used information from a commercial source for customer location inputs to its model, but this approach suffers from lack of openness, as the information is proprietary. AT&T contends that Qwest uses Federal Communications Commission (“FCC”)- approved Universal Service Fund (“USF”) customer location data in the Qwest cost study and that the accuracy of this information is suspect. AT&T also points out Verizon submitted raw customer location information in response to AT&T’s data request, and the record would benefit from having the same type of information from Qwest.
- 8 AT&T admits that it did not incorporate the raw customer location data it received from Verizon in AT&T’s direct testimony filed on June 26, 2003. AT&T also expressed uncertainty about whether or not it would scrub the raw data and incorporate it in its cost model for rebuttal filing. The decision whether to do so would depend on the potentially significant cost to AT&T.
- 9 Commission Staff supports AT&T’s motion.
- 10 Qwest objects to providing AT&T the Washington specific “Arizona-type” customer location information on two grounds: AT&T’s motion is not timely and the requested information is unreliable and irrelevant. Qwest contends that AT&T knew in December, 2002 that Qwest objected to providing the information and waited seven months to file its motion to compel. Qwest also argues that the raw information AT&T is requesting must be “scrubbed” in order to provide any meaningful information. The process of scrubbing means that the data is subject to verification using services like MetroMail and Dunn and Bradstreet and then compared to the most recent census block information. Scrubbing purportedly

raises the accuracy of the information to approximately 80%. Qwest also asserts that the type of information AT&T is requesting is not used by either Qwest or Verizon in their own cost models.¹

11 Nevertheless, Qwest states that if required to provide the information, it could do so within 20 days.

12 **Decision.** The customer location information AT&T seeks is relevant. Both Qwest and Verizon incorporate some type of customer location information into their cost studies. AT&T also used proprietary customer location data in its HAI model. No party could represent the level of accuracy of any of the current data used in these cost models. Even a 63% accuracy rate for customer location data may prove important in this context.

13 In the past, the Commission has expressed a concern that the most accurate customer location information should be used to design and cost telecommunications networks.² The availability of all relevant customer location information from both Verizon and Qwest may assist the parties in preparation of testimony and evidence in this case and thereby assist the Commission in reaching a final determination. AT&T's motion is granted. Qwest must provide both the Arizona-type information for Washington and the additional specific service designations for those locations within 20 calendar days of the date of entry of this order.

¹ As indicated above, Qwest uses FCC USF data in its cost model. Verizon uses "location of serving terminals" data in its cost model in this case.

² *In the Matter of Determining Costs for Universal Service, Docket No. UT-980311(a), Tenth Supplemental Order, November 20, 1998 at ¶51; In the Matter of the Pricing Proceeding for Interconnection, Unbundled Elements, Transport and Termination, and Resale, Docket Nos. UT-980369, UT-960370 and UT-960371, Eighth Supplemental Order, April, 16, 1998, ¶¶ 218-227.*

B. PROCEDURAL SCHEDULE

- 14 The Fourth and Fifth Supplemental Orders in this proceeding established a bifurcated procedural schedule to address recurring and nonrecurring costs separately. Recurring costs were to be addressed in hearings scheduled to begin on December 2, 2003, whereas hearings concerning nonrecurring costs were scheduled to begin on January 5, 2004.
- 15 On June 25, 2003, several parties proposed a continuance of the procedural schedule for the nonrecurring costs portion of the proceeding. Subsequently, the parties also proposed shifting the recurring cost hearings to the dates originally scheduled for hearing the nonrecurring cost portion of the case. In the Eleventh Supplemental Order, the Commission granted the continuance of the nonrecurring cost case and shifted the recurring cost hearings to January, 2003. In that order, the Commission asked the parties to respond to the Qwest's proposal to bifurcate the nonrecurring cost portion of the case and create a new docket for it and stated that a schedule for the nonrecurring cost part of the case would be forthcoming.
- 16 On July 29, 2003, Commission Staff filed a motion to extend the recurring cost filing deadlines, in view of the fact that the hearing was now scheduled for January, 2004 rather than December, 2003. Staff requested that the September 4, 2003 date for response filing be changed to October 3, 2003. Staff also requested that the October 16, 2003 rebuttal filing date be extended to November 14, 2003.
- 17 No party objected to this proposal, but Verizon proposed that the October 16, 2003 rebuttal filing date be changed to November 24, 2003, with electronic service, hard copy filing next day. Staff, MCI and Qwest do not oppose this change. AT&T takes no position.
- 18 Commission Staff separately filed a response supporting bifurcation of the proceeding.

19 **Decision.** Qwest's proposal to bifurcate the proceeding and create a separate nonrecurring cost docket is reasonable. This will avoid confusion between the two types of costs and will allow the parties and the Commission to focus their efforts more efficiently. A schedule for the new proceeding is set forth below.

20 Modification of the filing schedule in the recurring cost case is also reasonable, in view of the change in hearing dates for that case.

21 The remaining schedule of proceedings for the **recurring cost case** is now as follows:

October 3, 2003	Response testimony due
November 24, 2003	Rebuttal testimony due
December 30, 2003	Prehearing Conference
January 6-23, 2004	Hearings
February 23, 2004	Post-hearing briefs due

The schedule of proceedings for the **nonrecurring cost** docket is as follows:

January 23, 2004	Direct testimony due
March 26, 2004	Response testimony due
May 7, 2004	Rebuttal testimony due
May 19, 2004	Prehearing conference
May 24 –June 4, 2004	Hearings

July 2, 2004

Post hearing briefs due

22 All pleadings and filings in the nonrecurring cost docket should henceforth bear only the new docket number identified in the caption of this Order.

III. ORDER

THE COMMISSION ORDERS That

- 23 (1) AT&T's Motion to Compel is granted and Qwest must provide the data requested within 20 calendar days of entry of this order.
- 24 (2) The filing schedule in the recurring cost docket is modified as set forth in the Order.
- 25 (3) A new docket is created for the consideration of nonrecurring costs, and a schedule for the nonrecurring cost proceeding is established as set forth in the Order.

Dated at Olympia, Washington and effective this 5th day of August, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

THEODORA M. MACE
Administrative Law Judge

NOTICE TO PARTIES: Any objection to the provisions of this Order must be filed within ten (10) days after the date of mailing of this document, pursuant to WAC 480-09-460(2). Absent such objections, this Order will control further proceedings in this matter, subject to Commission review.