

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

AT&T COMMUNICATIONS OF)	
THE PACIFIC NORTHWEST,)	DOCKET NO. UT-020406
INC.,)	
)	THIRTEENTH SUPPLEMENTAL
Complainant,)	ORDER
v.)	
)	ORDER REJECTING PRICE FLOOR
VERIZON NORTHWEST, INC.,)	CALCULATION; DIRECTING
)	REFILING
Respondent.)	
.....)	

- 1 The Commission’s Eleventh Supplemental Order directed Verizon to file a price floor calculation to determine the minimum prices Verizon might charge for intrastate message toll (“long distance”) service to consumers within its territory, consistent with WAC 480-80-204(6) and with the results of the Eleventh Order.

- 2 Verizon timely filed a calculation in response to the order. The Commission invited comments on Verizon’s filing, and asked Verizon to consider two questions about the filing. Verizon responded with a corrected filing, resolving those two issues.

- 3 Commission Staff filed comments raising five issues. The Commission granted Verizon’s request for leave to answer the comments.

- 4 Two of Commission Staff’s issues were the matters on which the Commission inquired, which have been corrected. A third comment noted Commission Staff’s views in its petition for reconsideration. The Commission denied reconsideration in the Twelfth Supplemental Order, served September 11, 2003. Accordingly, the Commission Staff ITAC comment is moot.

- 5 Staff's fourth comment argues that Verizon's access-to-toll conversion factors are not based on record evidence and must be corrected. Verizon responds that the data used in the calculation are in the record, and it is only the work papers (which are not required to be of record) that are not. We find Verizon's response acceptable, and reject the Staff comment.
- 6 Finally, Commission Staff accepts Verizon's marketing and billing costs as proper, but nonetheless urges the Commission to direct Verizon to change the calculation to reflect a preferred analysis. While the changes Staff suggests may warrant consideration in a future review, Verizon is correct in its statement that it is too late in this process to bring new matters forward.
- 7 However, we note that Verizon's price floor calculation includes a significant change in the "Wholesale S/A/M Expense/Access.MOU" factor. The change was not argued on the record, and a full examination of the change would not be possible without reopening the record. As Exhibit No. 113C suggests, the factor does not vary with a change in the level of originating or terminating access charges, which are the changes that the Commission has directed. We therefore find no rationale for the change, and consequently reject Verizon's amended price floor calculation. We direct Verizon to recalculate the price floor and resubmit it within seven days after the date of this order, consistent with the factor reflected in Exhibit No. 111C, page 4.
- 8 Upon refiling as directed, the Commission will accept the filing by letter of the Commission Secretary.

DATED at Olympia, Washington, and effective this 12th day of September, 2003

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

PATRICK J. OSHIE, Commissioner