

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

AT&T COMMUNICATIONS OF)	
THE PACIFIC NORTHWEST,)	DOCKET NO. UT-020406
INC.,)	
)	FOURTEENTH SUPPLEMENTAL
)	ORDER
Complainant,)	
v.)	
)	ORDER ACCEPTING FIRST
VERIZON NORTHWEST, INC.,)	REVISED PRICE FLOOR
)	CALCULATION
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. Verizon timely filed a calculation in response to the order, and Commission Staff submitted comments about the calculation, which Verizon answered. Verizon submitted a revised filing.

- 2 The Commission’s Thirteenth Supplemental Order approved the corrected price floor calculation, in part, but directed Verizon to refile based on a specific concern stated in the order. Verizon did refile, as directed, but asked the Commission to reconsider that element of its order and to approve the revised (second) filing.

- 3 The issue is whether Verizon’s price floor calculation correctly calculated its “Wholesale S/A/M Expense/Access.MOU” factor in its original and first revised filing.

4 The Thirteenth Supplemental Order noted the following:

. . . 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.

5 Verizon responded, saying that it did not change the factor applied, which remains at the level in the exhibit, but that the costs to which the factor is applied did change because they are the product of minutes of use times the (modified) cost per minute, which the Commission modified in the Eleventh Supplemental Order. A review of Exhibit 111C in light of this explanation demonstrates that Verizon is correct in its application of the factor to access charges.

6 The Commission accepts Verizon's calculation. The Commission therefore approves Verizon's second (first revised) price floor calculation, filed on August 29, 2003, for purposes of this proceeding.

DATED at Olympia, Washington, and effective this 30th day of September, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

PATRICK J. OSHIE, Commissioner