

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of an Application by the Division of)
Public Utilities for Commission Determination of a)
Model and to Establish Rates For Collocation for)
QWEST CORPORATION)

DOCKET NO. 00-049-106

REPORT AND ORDER

ISSUED: December 3, 2001

SHORT TITLE

Collocation Model Selection and Required Adjustments

SYNOPSIS

The Public Service Commission of Utah adopts the DPU version of the model as the starting point for a collocation model. The Commission requires that the adjustments stated in this Order must be applied to the model and that the DPU should reprogram and rerun the model and then file the resulting prices with the Commission. All parties to this Docket may review the DPU's filing for compliance with this Order and submit any disagreements for Commission determination.

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APPEARANCES

Douglas N. Owens	For	Qwest Corporation
Michael L. Ginsberg Assistant Attorney General	"	Division of Public Utilities
Gregory J. Kopta	"	XO Utah, Inc. (formerly known as NEXTLINK Utah, Inc.) And AT&T Communications of the Mountain States, Inc.
Steven M. Sager and William P. Heaston	"	McLeodUSA Telecommunications Services, Inc. (Intervened, but did not participate in the formal hearing)

BY THE COMMISSION:

I. PROCEDURAL HISTORY

On December 29, 2000 the Division of Public Utilities ("DPU") filed a petition to establish a docket to adopt a model and establish collocation rates for the Qwest Corporation's (Qwest) facilities located in the State of Utah. The parties attended multiple technical meetings in an effort to obtain Utah specific data for the models and to reduce the disputed issues prior to the testimony and hearing stages of this docket. A prehearing conference was held February 7, 2001. The Commission issued a Scheduling Order on February 14, 2001. Qwest filed a motion for a protective order on March 21, 2001. The Protective Order was issued on March 26, 2001. The Commission issued an Amended Scheduling Order on April 5, 2001. The parties began submitting testimony April 20, 2001 and concluded their surrebuttal testimony on June 15, 2001. The Commission conducted hearings on June 21 and 22, 2001. Various late-filed exhibits were submitted by the parties at the request of the Commission in July and August. The DPU, Qwest, XO, and AT&T filed their final Post-Hearing briefs on August 27, 2001.

II. FINDINGS

A. Modeling Standard

Development of an appropriate methodology by which the Commission will set collocation prices requires the use of a model which will identify costs incurred in providing services and equipment needed for collocation. Development of such a model should incorporate consideration of Utah public telecommunications policies, notably promotion of competition and development and deployment of an advanced telecommunications infrastructure with nondiscriminatory prices, terms and conditions of interconnection. Utah Code Ann. '54-8b-1.1. To the extent practical, inputs or data used in the effort should be those that would be incurred in providing collocation in Utah. See, *Telecommunications Resellers of Utah v. Public Service Commission*, 747 P.2d 1029 (Utah 1987). The process is also influenced by federal telecommunications law requiring collocation on just, reasonable and nondiscriminatory rates, terms and conditions. 47 U.S.C. '251(c)(6). Application of these statutory requirements have been interpreted as requiring a model which predicts the costs that an efficient provider of collocation services and equipment would incur on a forward-looking basis. Such modeling does not necessarily follow past practice or replicate historical costs incurred by a telecommunications corporation. Comparison to another state's value for a particular cost can also be used to consider whether a proposed Utah cost may be within the reasonable range.

The proper course is to identify the level of costs that is just and reasonable and results from the assumed efficient provider and efficient outcome standard. Qwest is entitled to recover whatever the costs are to provide the wholesale service in question in an efficient manner.

B. Model Selection

The Commission finds that the basic approach advocated by the DPU, namely improving the Qwest model with Utah specific inputs and undertaking specific adjustments to Qwest's proposed model when justified by expert opinion, is most likely to produce a result that approximates the just and reasonable standard outlined above. Therefore, the Commission selects the DPU's version of the Qwest collocation model as the base model to begin the process of calculating collocation prices in Utah. The final model, and resulting costs, must be updated to incorporate the adjustments and policy decisions set forth in this Order. The DPU will undertake the necessary calculations and programming adjustments and submit updated cost estimates to the Commission.

C. Model Adjustments and Policy Decisions

1. Cable/fiber splicing

Testimony in this docket shows that a private competent provider is willing to provide this service on a per splice basis at a cost of \$28. We find that to require a CLEC to pay significantly more than this amount is unacceptable. We reject the approach advocated by the DPU and Qwest that a setup and per splice pricing system must of necessity be established.

Using the DPU's approach as a reference, the per splice cost would range from \$403.32 for one splice to \$25.87 for 144 splices. In Qwest's version of the model the price at 144 splices is \$42.94. Qwest explained that the evidence XO submitted was for a large job (144 splices) and that ACLECs order splices in much smaller quantities, which requires multiple site trips and setups to actually splice as many as 144 fibers, and because Qwest cannot use nonunion splicing labor as the vendor which provided XO's splices likely does. (Ex. Qwest 3R, pp. 6-7) Setup is an actual cost of splicing fiber cable. (Id. at p. 6).@ None of the parties testified to the issue of what an average number of splices per CLEC order actually was.

We do have general testimony from the DPU that CLECs in Utah use 24 fibers per collocation; however, this testimony was challenged by XO and AT&T. Both XO and AT&T assert that larger quantities are to be expected. We agree, the level of 24 splices will be considered a floor for our calculations. At the level of 24 splices the DPU average per splice price would be \$39.07. We also have DPU testimony that when they A. . . looked at what the model did generate as a result of our changes . . . the model did generate a splicing cost [of] . . . \$28.00.@ (Transcript pg. 83) This implies that the DPU found an average number of splices per job of about 67. Given the ambiguity involved, we find that the range of prices on a per splice basis from \$39.07 (DPU 24 splices) to \$25.87 (DPU 144 splices) represents the reasonable range. The price submitted in XO's testimony of \$28.00 from an independent contractor is also clearly within this range. Therefore, we set the per splice price at \$28.00. We conclude that this level would compensate an efficient provider for

costs incurred in splicing cable, including costs which can be denominated as 'setup' costs.

2. Engineering Costs

Substantial disagreement among the parties exists with respect to the proper cost of engineering that is attributable to the collocation process. XO testified that Aengineering costs for collocation should be no more than \$2,000.@ (Knowles Direct at 12). However, under cross examination Mr. Knowles admitted that an XO witness, Mr. Sobieski, had testified in a Washington Commission proceeding (Docket Number 960369) that \$5,000 was the proper estimate. While the \$2,000 figure was based in part on Mr. Sobieski's testimony, it also relied on other XO engineers as well, not just on Mr. Sobieski. While this admission that an XO witness had testified to a higher number elsewhere reduces the credibility of the \$2,000 amount, it certainly does not automatically lead to adoption of the Qwest figure, \$10,432, which is more than 5 times higher. In contrast to Qwest's figure, AT&T's witness provided an estimate of approximately \$2,600. Moreover, both XO and AT&T assert that the record does not provide adequate information on the details of Qwest's calculation, the nature of the costs, or how they are incurred. They argue that there is no evidence with respect to why the Commission should consider the Qwest cost figure to represent a reasonable amount. Further, the Commission notes that the amount of engineer time required was not verified by the DPU, rather only that the algorithms used within the model were not double counting any expenses (Egbert Direct pg 10). Therefore, Qwest has shown that their model does not double count engineering inputs, but they have not shown that the amount they recommend is the just, reasonable amount a efficient provider would incur on a forward-looking basis.

Consequently the Commission is left to determine what the efficient standard is. We note that the record contains estimates ranging from \$2,000 to \$10,432. While Qwest presented its figure for engineering costs, it also included the same engineering task activities as components of its proffered Quote Preparation Fee. Qwest's witness testified that the company must Ago through all the appropriate engineering steps [to provide an accurate quote].@ Tr. at 82. We conclude that this quote preparation figure approximates what an efficient provider would reasonably incur for engineering costs associated with collocation. The Commission notes that the directly attributable engineering costs noted in Qwest's testimony approach the \$5,000 level. It is certainly within the range covered by the expert witnesses in this case. In reviewing the record, and the amount that other dominant ILEC providers charge, the Commission finds that a reasonable estimate of the costs an efficient provider would incur is \$5,000.

3. Factors

Qwest adds 42.8% in general factor charges after accounting for all direct expenses incurred in the collocation process. This is a significant number, particularly in light of charges other Regional Bell Operating Companies make for similar activities. As XO/AT&T explains:

Collocation largely represents basic construction activities Qwest's proposal to add 43% to the costs it incurs to provide collocation adds insult to the injury of refusing CLECs the ability to undertake their own construction. . . . Verizon only adds additional expense and common cost factors to its recurring charges, and even then, Verizon adds only a 9% mark-up to its direct costs. Ex. AT&T 1SR (England Surrebuttal) at 11. Other state commissions reviewing Qwest's cost studies have adopted rates that are substantially lower than the 43% that Qwest has proposed here, including Minnesota (13.09%) and Washington (approximately 24%). 6/22 Tr. at 49 (AT&T England); Ex. XOU 1.1 (WUTC Order) at 86.

Given the relatively low levels set for these factors in other states, and the observed levels of Verizon, the Commission finds that Qwest's proposed level of overhead is unreasonable. In determining why Qwest's proposed rates represent a general overstatement of charges, the Commission finds that certain charges are improperly applied. Qwest uses the terms shared and fixed costs to describe these factors' purpose in the model. Others use the terms joint or common costs to relate to shared cost and sunk cost to refer to fixed cost. A certain type of shared cost, specifically joint cost, is not the same as another type of shared cost, namely common cost. A common cost is one that cannot be broken out and assigned to any individual products or any specific group of divisions within a company. This inability to attribute the cost is not a failure of an accounting system, rather it is the nature of the cost itself. The salary of the CEO is an example. The cost of the CEO is not attributable to any specific division or product because the CEO makes decisions on all aspects of the company. Joint costs however are very different than common costs. A joint cost is one in which

the cost cannot be attributed to individual products or services, but it can be attributed to a specific group of products or services. Hence it is joint to that group, but it is not common to the company. Qwest has many costs that are joint to some limited aspects of their emerging wholesale business, but these costs are not in any way common to the company as a whole, or even to the wholesale portion of the company as a whole. The Commission finds that Qwest has included costs in the general factor accounts that are either joint with areas of the company that are not related to wholesale activities, or are only joint with specific wholesale portions of the company. Therefore the factors are overstated.

We find that the AT&T proposed rate of 26.7% is a reasonable attempt to remove the costs that are joint to other areas of Qwest's operations, but are not joint to all wholesale activities or are not common to Qwest as a whole. We find that Qwest's factor of 42.8% improperly includes costs that an efficient provider of collocation services would not cover through prices charged to collocators. Therefore we accept the proposed AT&T rate of 26.7%. While it is higher than many of the comparison rates cited in this docket, it is a legitimate attempt to address the overstatement of shared costs identified in this section.

4. Quote Preparation Fee

We find that the quote preparation fee is a charge that covers activities described and priced elsewhere in the collocation process. Qwest acknowledges this as they credit the fee against actual final collocation costs. If they did not credit the fee they would be double recovering for these activities, which would not be allowed. If these activities were not the same ones that are covered elsewhere, the fee credit would result in Qwest under-recovering actual costs. It is highly unlikely Qwest would voluntarily under-recover the costs associated with these activities. Therefore the quote preparation fee is merely an advance payment required of any CLEC that desires to investigate the possibility of collocation in Qwest's Utah service territory.

We find this arrangement unacceptable for two reasons. First it is only reasonable for those CLECs that accept the bid and undertake collocation. For those who decline the bid it is unfair. Second, Qwest is conducting engineering and design activities at the CLEC's expense prior to the CLEC ordering the service. The proper time to charge for such activities is after a CLEC has ordered a collocation job. No Quote preparation fee will be allowed. The 45 day requirement for collocation will begin when the CLEC orders a collocation job.

5. Square Foot Rental Fee

Significant disagreement exists as to what a just and reasonable square foot rental fee is for the currently available space in the Qwest central offices. On the one extreme is the argument that since it is unused, it is actually costing Qwest money until it is leased to the collocator. Qwest must pay for the incidental HVAC conditioning of the space, unless it happens to be sealed off from the portion of the office Qwest currently uses. This approach augers for a very low price. On the other hand Qwest can make the argument that the value of the space is determined by the cost of building similar space. To some extent both Qwest and AT&T have addressed themselves to this second approach. Both use a common building and rental database (RS Means) to attempt to arrive at a reasonable rental rate. The problem is that they arrive at different values. The resulting rates range begins with AT&T's rate of \$2.22 per square foot and ends with Qwest's rate of \$3.2638 a square foot. Qwest criticizes AT&T's approach as failing to establish that the characteristics of Qwest's central offices are the same as those for the facilities underlying the square footage data upon which AT&T relied. Here the Commission finds that Qwest errs. Specifically, the standard that AT&T must meet is to show that AT&T's lower figure provides an efficient provider with a building that would meet the needs generally required of a collocation facility. AT&T need not establish that Qwest's buildings are built in such a manner.

Qwest further argues that some of the jobs included in Qwest's calculations varied by 100% on the upside and 40% on the downside from AT&T's estimate. (Ex. Qwest Cross 3, p. 208.) This translates into a range of roughly \$1.33 to \$4.44. Qwest then asserts that since its estimate is the median value of the jobs surveyed, it represents the best estimate of the costs. Specifically, Qwest asserts that: AThere is no evidence of the statistical significance of the averages the AT&T witness relied on, given this amount of variance. Qwest's numbers were based on the median of the RS Means construction cost data, as shown by Ex. Qwest 12, tab E 2.2 & 3.3 Space Rent, Summary Table. The Commission can have confidence that this is a reasonable depiction since half of all jobs cost more and half cost less.@ (Qwest Post Hearing Brief, pg 69 - Emphasis added) Given that Qwest controlled which jobs were included in the survey there is

nothing in statistical theory that would say that a median, mean or even a mode is the better measure of the central tendency of a distribution. The fact is that the Commission faces a range of estimates, which in testimony Qwest indirectly accepts begins as low as \$1.33 and extends to \$4.44. Both AT&T's and Qwest's estimates of \$2.22 and \$3.2638 respectively are within that range. Both are a significant distance from the center of the range. The Commission sets the rate at the mid-point of \$2.89 a square foot.

6. Separation of the Elements Involved in Collocation Construction

AT&T asked that the individual elements of the collocation process be priced separately, and be available separately. In effect this asks that collocation itself be unbundled. Specifically, they request the following breakout of elements: Engineering, Cage/Bay Construction, Cable Racking, and DC Power Cable. While this dispute seems to be primarily about simply the level of specificity involved in the record keeping, it also touches on the idea that a CLEC should not be forced to purchase a service or product it does not need. The Commission views the request as reasonable and directs Qwest to offer separately these individual elements involved in collocation.

7. Battery Distribution Fuse Bay (BDFB) Utilization

XO testified that it does not use the BDFB that Qwest provides for collocation using 60 or fewer amps of power. Yet the pricing methodology that was incorporated in the DPU's model (at the time of the hearing) charges all CLECs a portion of the BDFB costs. During the hearings, parties requested that Qwest and the DPU modify their models to only charge this cost to those CLECs that actually use the BDFB. In responding to this request, Qwest and the DPU proposed the following separate rates: Power Plant per amp per month Less than 60 amps of \$13.29, Power Plant per amp per month Equal to or Greater than 60 amps of \$8.79, Power Usage per amp per month for loads of Less than 60 amps of \$2.20 and Power Usage per amp per month for loads Equal to or Greater than 60 amps of \$4.39. AT&T's proposals for these elements are \$11.78, \$7.80, \$1.95 and \$3.39, respectively. Given that the various parties have proposed separate rates, the only issue is the difference in the proposed prices for the resulting elements. The Commission has ordered changes to the model in this order that will impact the price set for these elements, particularly the adjustments to the factors that are applied to direct costs. The final price for these elements cannot be set until those changes are incorporated into the DPU's model. We direct the DPU to alter the model so that only those CLECs that use the BDFB and Qwest (to the extent that Qwest uses the BDFB) pay for the costs associated with it.

8. Facilities Utilization

XO/AT&T object to Qwest's current practice and modeling approach that assigns the full cost of a high capacity access point to a CLEC that may use only a small percentage of that capacity. Qwest testified, and all parties agreed, that once a small cable has been placed, a larger cable cannot be placed without removing the existing cable and disrupting service. XO/AT&T propose that Qwest ought to install high capacity cable and then utilize the space for Qwest's own needs (or other CLEC's needs) after the CLEC has determined how much they need. Qwest objected, but did concede that such an arrangement is technically feasible. (6/21 Tr. at 177-78 & 189-90 (Qwest Weidenbach)) XO/AT&T argue that Qwest's position assumes that each carrier will separately use the limited number of innerducts available among manholes and other locations. Such use would be terribly inefficient; separate use would have one carrier using only 18 fibers of a possible 144, an 8% utilization factor for the cable placeable in an innerduct. The efficiency obtainable from other carriers utilizing unused cable capacity is lost under this type of proposed use. This argument has merit given that Qwest has testified in numerous instances that manholes and innerducts are scarce resources. Further, the DPU has testified that the expected number of CLECs in a given central office is 6, and that each uses at least 24 fibers. This shows that the expected total demand for fibers is 144 (6 times 24), which is exactly the amount of fibers available in a high capacity cable. This supports the notion that Qwest, presumed to operate in an efficient manner, ought to install one high capacity cable and then splice new users in as CLEC or Qwest demand requires; installing additional cables only as demand justifies it. Given that statistical averages do not necessarily match actual outcomes, it would be unreasonable to set the effective utilization factor at 100%. Until such time as Qwest presents the Commission with a compelling argument and evidence that Qwest cannot operate in this manner (i.e., installing a large cable up front), the Commission orders that the price for this resource be calculated assuming a utilization factor of 80%.

Incorporating the expectation that 6 CLECs will collocate, the price of a high capacity access point shall be split 6 ways

and then inflated by the multiple 1.25 (the inverse of 80%) to reflect the 80% utilization factor.

9. 45 Day Labor Charges

Both the DPU and XO/AT&T oppose Qwest's policy of inflating the amount of overtime from 20% to 24%. The DPU points out that Qwest has not met the burden of proof of showing that its proposed rates reflect an efficient provider's practices in a 45 day environment. XO/AT&T note that the cost studies upon which Qwest bases its recommendation were in fact 45 day installation jobs (6/21 Tr. at 66 (Qwest Weidenbach)). Qwest on the other hand asserts that it incurs real costs due to the existence of the Commission's Rule requiring a 45 day installation interval. While it seems reasonable to expect some categories of costs to increase as the construction time is shortened, there are also other costs that decrease as the time is shortened. For example, the interest expense Qwest incurs is reduced as the total time Qwest must cover the outlay decreases. The record is insufficient with respect to:

A. What costs increase and what costs decrease as the construction interval changes,

B. What the magnitude of the changes might be,

C. What an efficient provider would do with respect to the 45 day interval. Given the insufficiency of the record with respect to the actual changes in costs and the reasonableness of the proposed changes, the Commission is left with two conflicting opinions as to what an efficient provider would do with respect to the 45 day interval and pricing. Therefore we accept the DPU's argument and approach for now: that an efficient provider would adjust in ways other than simply paying more overtime. We direct the modelers to use the DPU A45 day@ approach when running the model with the revisions required by this order.

10. Rates Not Set by the Commission

XO/AT&T notes that Qwest has referenced rates for various items in Qwest's collocation policies which are not specifically addressed by these proceedings or the Commission's order. XO/AT&T express concern that these rates become, defacto, presumed appropriate rates for these items. We agree, where parties are unable to mutually agree upon a price or rate for an item, the Commission must resolve the impasse. Accordingly, the Commission finds that all rates for collocation elements not mutually agreed upon by parties or set by the Commission are subject to true up.

11. Decommissioning

The Commission finds that AT&T's proposal to shift the recovery of construction costs to a recurring charge unacceptably shifts financial risk to Qwest. However, we also find that Qwest's proposal to refund part of the costs involved in collocation if another CLEC uses the equipment within a one year time frame to be insufficient. First, there should be a longer time limit for how long a CLEC's collocation facility may sit idle before reuse triggers a repayment. Second, there needs to be a mechanism in place that guarantees that all economically viable reuse will actually occur. To address these two issues the Commission orders that the refund amount be set at the full amount proposed by Qwest, or the current amount of duplicating the useful portion of the facilities whichever is less, until three years has passed from the time a CLEC is no longer collocated in that location. We note that it is the CLECs' responsibility to provide Qwest with current contact information during the three year period. Further, in any office in which there is an idle CLEC collocation facility (caged or cageless) Qwest must offer to refurbish the idle collocation space as part of any bid it returns to a CLEC requesting collocation in that office. Qwest is free to offer a two-part bid. One part of the bid would calculate the cost if the space is reused; and the other part would assume that completely new space is developed. It may well be possible that Qwest can provision the collocation in an expedited manner if the CLEC elects to use existing facilities; therefore, the bids Qwest provides to the CLEC should reflect this possibility.

A second related issue that the parties addressed is what happens if Qwest reuses the space itself. However, the Commission finds there is insufficient evidence on the record to determine if the potential benefit to Qwest from reusing HVAC, and possibly some electrical components, would be greater than the cost of removal of the facilities that are not reusable. The Commission therefore makes no decision with respect to this issue at this time.

12. CLEC to CLEC Connections

Currently CLECs are able to connect their networks (either their own or with other CLECs) within Qwest central offices. Qwest established a rate that covered the cost of determining a route between the two or more desired locations and has been charging that rate for some time. The current rate is a non-recurring rate and has no recurring component. In this Docket, Qwest proposes a vastly higher non-recurring rate and a recurring rate as well for this same activity. The record does not support such a request. The Commission orders that the current interim rate be made permanent. Further, we note that any party or parties may propose to the Commission that a recurring charge is justified at a later date. Such a showing will require that actual recurring costs occur that are not already recovered elsewhere.

13. LIS EICT Charges

This issue was raised in the hearings as the content of various testimony and exhibits contradicted the parties' agreements and understandings. It has apparently been resolved at this date by the agreement of all the parties that Qwest would not impose any charge for LIS EICT. The Commission mentions it only to ensure that no misunderstanding occurs. The Commission concurs and orders that no charge shall be made for this element.

14. Regeneration

The Commission denies recovery of this proposed regeneration charge and orders Qwest to provide regeneration whenever the signal transmitted to a CLEC's collocation facility is not technically acceptable for its intended use. The record shows that the distances involved in transmitting signals within Qwest's Utah central offices should be within the range where no significant signal degradation should occur. Qwest must deliver a technically acceptable signal within its central offices where collocation occurs.

In the future, Qwest may petition the Commission for recovery of the costs of regeneration on an individual case basis. However, the showing is not that regeneration was required in a particular instance. Instead, Qwest must show that (1) no collocation location existed in the central office in question where a regeneration signal would not have been required, (2) that the cabling through which the signal is transmitted is routed in an efficient manner, and (3) that proper precautions were undertaken to protect the integrity of the signal. A failure to prove any of these three points will result in a rejection of the request for recovery of regeneration costs.

15. Space Inquiry Report

Qwest proposes to re-inventory a central office each time a space inquiry request is received. Such an approach is unreasonable. For example, in the case where space is exhausted the marginal cost of a space inquiry report should be zero. Qwest should simply have a list of such offices that can be quickly referenced the moment a request is initiated. No special engineering studies, or time from people involved in managing the central office in question would be required. However, even for the cases that occur between the time of the initial request in a given office and the beginning of the collocation which uses the last available space, it is not unreasonable to expect that Qwest is capable of keeping a running total of both the space available and its location. Hence, the costs associated with a second or later request likewise should be much lower than the costs associated with the initial request. The Commission finds that the practice of starting from scratch each time a request comes in would not be the practice of an efficient provider and is unacceptable. After preparation of the first report for a given central office, subsequent requests should require minimal marginal expense. The Commission finds that multiple, successive full surveys of a given office's space and capabilities is an inefficient business practice. As such, the expenses associated with such a practice are not recoverable under our efficient firm standard. Therefore the Commission rejects the approach that would compensate Qwest as if a full survey were undertaken for each space inquiry request.

At any given time, once an initial report has been prepared for a central office, much of the information required will be readily retrievable for little or no marginal cost. Hence one option is to take the cost of gathering the information, approximately \$345.49, and dividing it by the six potential collocators the DPU model assumes. However, given that each office is unique with respect to the total number of collocators it could accommodate, and that the actual collocations themselves will also be unique in terms of the amount of space they require, the Commission finds that as space utilization approaches capacity, the equivalent of an additional full survey will likely be required. Therefore, for each office the Commission finds that the equivalent of two full surveys will have to be done. Totaling the cost of these

surveys (\$345.49 times two) and dividing by the six collocators assumed in the DPU model gives a per request rate of \$115.16.

III. REQUIRED ACTIONS

A. True Up Adjustments

1. Credit for Actual Installation Practices that do not match the Models

XO testified that even though the models use sliding doors, all of XO's Utah collocation facilities were constructed using swinging doors. This fact was undisputed. In general, to the extent that a CLEC can demonstrate that any practice that is assumed by the models was not carried out in their particular installation, it may request Qwest to credit the difference in cost between what the model assumes is installed and what was actually installed. The swinging versus sliding door fits into this category. To the extent that a CLEC and Qwest cannot arrive at acceptable terms, either may petition the Commission to decide the amount of the credits.

2. Modified model results and collocation rates.

The DPU shall alter their version of the model to incorporate all of the required changes mentioned in Section II. Findings, Part C. Model Adjustments and Policy Decisions, Points 1 through 15. The DPU shall file the results of the modified model with the Commission, within 21 days of this Order. 28 days thereafter, Qwest shall submit a rate summary of collocation rates consistent with this Order and the results of the modified model. Such rates shall be used as the Commission determined applicable rates for the specified collocation items until any subsequent Commission order changes any such rate.

VII. ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The Commission selects the DPU's version of the collocation model subject to the adjustments specified in Section II. Findings, Part C. Model Adjustments and Policy Decisions, Points 1 through 15.
2. The DPU shall submit the results of the modified model within 21 days following this Order. Qwest shall submit a collocation price summary, consistent with the terms of this Order, within 28 days of the DPU's model results filing.
3. Upon the Commission finding that the DPU and Qwest submissions reflect the rates and policies established in this Order the filed rates shall become final. Following which the charges CLECs have paid under the current interim rates shall be trued up to the final rates.
4. Pursuant to U.C.A. '63-46b-13, an aggrieved party may file, within 20 days after the date of this Report and Order, a written request for reconsideration by the Commission. Pursuant to U.C.A. '54-7-15, failure to file such a request precludes judicial review of the Report and Order. If the Commission fails to issue an order within 20 days after the filing of such request, the request shall be considered denied. Judicial review of this Report and Order may be sought pursuant to the Utah Administrative Procedures Act (U.C.A. "63-46b-1 et seq.).

DATED at Salt Lake City, Utah this 4th day of December, 2001.

/s/Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/Julie Orchard Commission Secretary

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