

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Determination of the Cost of the Unbundled Loop of QWEST CORPORATION)))))	<u>DOCKET NO. 01-049-85</u> <u>ORDER REQUESTING THE PARTIES'</u> <u>COMMENTS CONCERNING DE-AVERAGING</u> <u>LOOP RATES AND THE NECESSARY</u> <u>PROCEDURAL PROCESS</u>
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ISSUED: December 5, 2003

By The Commission:

Pursuant to understandings reached in the technical conference held in this Docket Wednesday, December 3, 2003, the Commission requests from the parties to this Docket comments regarding which methods it should use to de-average the statewide average monthly Unbundled Network Element loop rate of \$12.97, the procedural process the Commission must follow if it determines the public interest requires a method not discussed in the current record of this Docket, and the potential effects on the state of retail competition of each methodology. The comments are due to the Commission by December 17, 2003.

The cost model adopted by the Commission in this Docket provides wire center specific cost estimates. When the deaveraging optimizer is used, rather dramatic wholesale cost increases appear in certain wire centers. The Commission would like further discussion on how it should combine these wire center cost estimates to decide loop prices based on the weighted average of the cost estimates included in a given wire center combination (zone). The Commission views the following options as possible alternatives and requests the parties comment on the positive and negative aspects of each.

1. Using the current wire center designations established in Docket No. 94-999-01.
2. Using the optimizer methodology proposed by AT&T.
3. Using a strict cost-based ranking (like AT&T's optimizer method does) but changing the threshold points such that either:
 - A. The maximum difference between the lowest and highest cost zones is restricted to be no more than 2.5 times the lower amount (i.e., a bounded inter-zone difference as the standard of measurement rather than the minimum intra-zone difference AT&T's optimizer method employs).
 - B. That the percentage of the loops that are in a particular zone cannot be more than 60 percent nor less than 20 percent of the total loops.
4. Grouping individual wire centers according to their geographic proximity, such as the area code boundaries (post 801 split, i.e., Qwest wire centers in Salt Lake County would be one zone, all other Qwest wire centers that are currently in the 801 area code would be a second zone, and all Qwest wire centers in the 435 area code would be a third zone.)
5. Grouping wire centers by their average population density.
6. Grouping wire centers by the number of lines served.

The Commission also requests that Qwest provide a matrix (in a confidential attachment if necessary) that shows the number of UNE loops (UNE-L and UNE-P) classified according to the Docket No. 94-999-01 designations and the

AT&T Optimizer approach. The matrix should look something like the following hypothetical example, where the total number (hypothetically) of lines equals 170,000 showing the grouping of UNE loops under the old and the AT&T Optimizer methods. The diagonal boxes with bold text show the number of UNE loops that would have the same relative designation under both systems, while the areas above the diagonal would show the number of lines that move into a "higher" cost zone, and the areas below the diagonal would show the number of loops that move into a "lower" cost zone.



Additionally any party may fill out a similar matrix that shows the movement of wire centers under their favored methodology, or any methodology they choose to discuss.

DATED at Salt Lake City, Utah this 5th day of December, 2003.

/s/ Ric Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

G#36213