

- 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 SETTING THE DE-AVERAGING</u> <u>ZONES FOR QWEST CORPORATION'S</u> <u>UNBUNDLED LOOP RATES</u>
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ISSUED: January 27, 2004

By The Commission:

On December 5, 2003, the Commission requested 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 were received by the Commission on or before December 17, 2003.

The Commission finds that, based on the evidence presented in the record, the recent comments, the ostensible supporting rationales for the competing methodologies and resulting projected rates, there is insufficient basis to support a change to the wire center de-averaging zones previously used by the Commission. The Commission concludes there is little record evidence establishing that the mathematically based AT&T de-averaging model is a superior alternative to our past practice. We are concerned with the significant changes CLECs and Qwest might experience in several wire centers, combined with the likelihood that the developing competition in high cost areas would likely be dealt a severe setback were we to adopt an approach whose merits have limited support in the record .

ORDER

1. The Division shall update its version of the HAI model's de-averaging module to use the existing zone groupings.
2. The Division shall submit the updated HAI model, and such materials as deemed necessary for all parties to this Docket to review and verify the Division's changes, to the Commission and other Parties to this Docket.
3. After verifying the Division's modifications to the HAI model, Qwest shall file de-averaged prices for the unbundled loop, and other rates consistent with our original Order in this Docket.

DATED at Salt Lake City, Utah this 27<sup>th</sup> day of January, 2004.

/s/ Ric Campbell, Chairman

/s/ Constance B. White, Commissioner

/s/ Ted Boyer, Commissioner

Attest:

/s/ Julie Orchard  
Commission Secretary