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UTILITIES COMMISSION

March 6, 2009

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702-5983

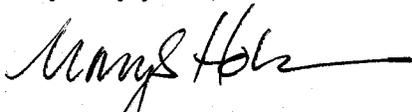
RE: Docket No. GRN-T-08-4

Dear Ms. Jewell:

Enclosed for filing with this Commission are an original and seven (7) copies of the **Report of Qwest Corporation** concerning the Petition of the Pearl area residents. Confidential Attachment A to said report is being filed under separate cover and with an Attorney's Certificate.

If you have any questions, please contact me. Thank you for your cooperation in this matter.

Very truly yours,



Mary S. Hobson

Enclosures

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Attorneys for Qwest Corporation

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE PETITION
REGARDING THE QUALITY OF LOCAL
TELEPHONE SERVICE IN AND TO THE
PEARL, IDAHO AREA**

**Case No. GNR-T-08-04
REPORT OF QWEST CORPORATION**

Qwest Corporation ("Qwest"), by and through its attorneys of record, pursuant to the direction of the Commission Staff contained in the letter of Grace Seaman, Utilities Analyst, dated February 13, 2009, files the following report in response to the Petition of the Pearl area residents.

**Construction, Timeframes and Costs
To Serve the Pearl Area**

In preparing to file this report Qwest conducted a field survey of what it understands to be the "Pearl area" and identified twenty-two living units spanning a distance of 13.4 miles starting at 6500 Chaparral and ending at 10505 Pearl Road. If

Qwest were to construct telecommunications facilities to serve the twenty-two living units it has identified with basic local exchange and MTS services, it estimates the total cost would be \$520,134.00.¹

This cost estimate includes over 71,000 feet of buried copper cable backbone facilities and nearly 40,000 feet of buried service wire connecting the identified housing units with backbone facilities. The estimate includes all costs associated with engineering, construction, and splicing the above-described facilities. The total includes a cost of \$160,000.00 associated with cutting and/or removal of an estimated 8,000 feet of rock along the roughly 13 miles of the construction route. Should Qwest construct these facilities, it would customarily charge customers the actual cost of dealing with rock, which could be either greater or smaller than this estimate.

Qwest's preliminary construction design is depicted on Confidential Attachment A. Qwest estimates it could complete this construction project in 90 days.²

Sources of Funding for Qwest Construction

Construction by Qwest in the Pearl area does not qualify for funding under either state or federal "high cost" or "universal service" funding mechanisms as they are currently configured. Therefore, under Qwest's line extension policies, applicants for service would be asked to fund the construction associated with providing service, subject to a line extension credit of \$1600 per customer. *See* Qwest Corporation's Exchange and Network Services Catalog § 4.2.2

On a project such as this one, all applicants for service would share the total construction cost minus their combined credits on an equal basis. For example, assuming there are twenty-two willing applicants (i.e., one applicant for service in each identified housing unit who is willing to pay the construction costs), the total line extension credit available would be \$35,200, which would be subtracted from the construction cost of

¹ Qwest recognizes that this estimate is substantially higher than estimates that it has provided on an informal basis to Pearl residents in the past. This is because on prior occasions only the cost to deliver service to a single location or group of relatively closely placed locations was estimated. These estimates did not represent the full scope of the Pearl area. The estimate contained in this report represents the most economical approach available to Qwest for providing service to the entire Pearl area.

² This estimate is subject to weather factors that could affect overall construction time.

\$520,134, leaving \$484,935 to be divided among the twenty-two applicants.

Alternative Options

Qwest has spent a considerable amount of time looking into this issue and is convinced that its proposed construction design as described in this report represents the most cost-effective method of providing service to the Pearl area. Due to terrain characteristics that significantly limit alternatives based on line-of-sight transmissions, Qwest is not aware of feasible or cost-effective alternatives to buried telecommunications facilities as discussed here that could be deployed in the Pearl area.

Respectfully submitted this 6th day of March, 2009.



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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing **REPORT OF QWEST CORPORATION** was served on the 6th day of March, 2009 on the following individuals:

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