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Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF DETERMINING PRICES )**  
**FOR UNBUNDLES NETWORK ELEMENTS )** **CASE NO. QWE-T-01-11**  
**(UNE) IN QWEST CORPORATION'S )**  
**STATEMENT OF GENERALLY AVAILABLE )** **COMMENTS OF THE**  
**TERMS (SGAT). )** **COMMISSION STAFF**  
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**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Weldon B. Stutzman, Deputy Attorney General, in response to the Notice of Request for Approval of Negotiated Rates and Notice of Modified Procedure in Case No. QWE-T-01-11 issued on December 4, 2003, and submits the following comments.

On June 12, 2001 the Commission approved a Motion by Qwest Corporation for a procedural Order to adopt a proceeding to establish prices for Qwest's unbundled network elements (UNEs). The federal Telecommunications Act of 1996 provides for State Commissions to set non-discriminatory prices for UNEs, based on a total element long-run incremental cost (TELRIC) methodology. The Commission approved Qwest's Motion in Order No. 28748, and established a proceeding, which included informal workshops to facilitate discussions and, if possible, agreement on rates for specific UNEs. An initial workshop convened on June 23, 2001,

and since the workshop the Commission Staff and Qwest continued their discussions on cost model results and possible UNE prices.

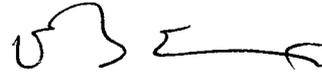
On November 12, 2003, Qwest filed a Motion for Approval of Negotiated Rates. Qwest states in its Motion that, as the informal workshop process continued, it became clear that only a portion of the UNEs that are reflected in Qwest's Statement of Generally Available Terms (SGAT) were the subject of significant controversy, mainly the UNEs most often purchased by competing carriers and that make up the product known as unbundled network element – platform, or UNE-P. Qwest states that for the majority of the other UNEs, those that are not controversial, Qwest and Staff were able to reach a negotiated price founded on Qwest's cost studies, but which were modified by changing inputs in the models or, in some cases, were reduced to bring them closer to results ordered in other Qwest jurisdictions. Qwest identified the negotiated rates for the specific UNEs in Attachment A filed with its Motion.

Qwest has asked the Commission to approve the UNE rates identified in Attachment A to its Motion and Staff recommends approval of the rates for the specific UNEs identified in Attachment A. The proceedings through which these rates were developed were properly noticed and open to all parties, although, after the initial workshop, the only parties to participate in the lengthy negotiations were Staff and Qwest. Staff agrees with Qwest's description of the specific UNEs identified in Attachment A as being "not controversial". They do not generate controversy because they are typically products that are either not frequently ordered, or products with rates that are consistent with the rates charged by Qwest and other Bell Operating Companies in other states. All of these rates were based on a total element long-run incremental cost (TELRIC) methodology, using inputs to the models that Staff considers to be within an acceptable range of reasonableness.

Staff has compared these rates to those that have been approved by Commissions in other states served by Qwest and any significant differences in the rates can be explained by conditions that can reasonably be expected to lead to differences in Qwest's costs to provide the services.

Staff believes approval of these rates is in the public interest, as it will allow the Commission and Qwest to use their respective finite resources to concentrate on the remaining elements and products, which are more significant in terms of assisting the development of competition in Idaho.

Respectfully submitted this 24<sup>th</sup> day of December 2003.



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Weldon B. Stutzman  
Deputy Attorney General

Technical Staff: Wayne Hart

WS:WH.uumisc/comments/qwet01.11wsw

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 24TH DAY OF DECEMBER 2003, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. QWE-T-01-11, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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