

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. C-2516/PI-49
on its own motion, to)
investigate cost studies to) COMPLIANCE FILING APPROVED
establish Qwest Corporation's) IN PART AND DENIED IN PART
rates for interconnection,) & OTHER RATES DECLARED
unbundled network elements,) EFFECTIVE
transport and termination, and)
resale.) Entered: June 5, 2002

B A C K G R O U N D

In September 1996, the Commission opened Application No. C-1415 to investigate cost studies and to establish rates for interconnection, unbundled elements, transport and termination, and resale services for US West Communications, Inc., now known as Qwest Corporation (Qwest). The Commission opened a subsequent docket, Application No. C-2516, on April 17, 2001, to receive new evidence on the same issues because the Commission was concerned that the evidence in the previous docket might have become stale. On April 23, 2002, the Commission issued a final order setting rates in this docket and specifying that the rates would be implemented prior to August 8, 2002.

On May 3, 2002, Qwest filed a compliance filing, including detailed runs with the Commission-ordered adjustments, of Qwest's cost models and cost studies, as required by the Commission's April 23, 2002, order in Application No. C-2516. On May 24, 2002, Qwest filed a revised SGAT with rates set forth on Exhibit A in Application No. C-2666,¹ including necessary corrections as identified by the Commission in its review of Qwest's May 3, 2002, compliance filing. On May 31, 2002, Qwest filed a substitute Exhibit A which included (1) all the rates determined by the Commission in the cost docket (Application No. C-2516), (2) new Qwest proposed lower rates for several of the Unbundled Network Elements (UNEs) and Local Interconnection Services (LIS) elements previously determined by the Commission in the cost docket, and (3) rates for some UNEs which were developed after Qwest filed its proposed rates in the cost docket. As this last set of rates was developed subsequent to the proposed rate filing in the cost docket, they have never been reviewed and approved by the Commission in a cost proceeding.

¹ Although Qwest originally filed these rates as Exhibit A in Application No. C-2666, the Commission opened a new docket, Application No. C-2750, to review the SGAT amendments.

Qwest proposed that the rates determined in the cost docket, and filed by Qwest, constitute a compliance filing, and should be deemed approved on June 7, 2002. For the other two sets of rates, Qwest has proposed that the Commission acknowledge that the newly-proposed rates for UNEs and LIS elements, and the rates for UNEs not covered by the existing cost docket, also be declared effective on June 7, 2002.

O P I N I O N A N D F I N D I N G S

The Commission finds that those cost docket rates submitted by Qwest on May 31, 2002, and proposed to be approved, and not explicitly identified below, constitute a corrected compliance filing and should be approved and effective on June 7, 2002. For those rates identified below, the Commission finds Qwest shall file the corresponding rate pages, with corrections, before June 7, 2002, to be effective June 7, 2002.

7.6.2.1 Tandem Switching, per Minute of Use

Rate incorrectly filed in May 31, 2002, SGAT as \$0.002587, correct rate to \$0.001776, consistent with May 3, 2002, Application No. C-2516 compliance filing.

9.2.1 Analog Loops, 4-wire Voice Grade, Zone 3

Rate incorrectly filed in May 31, 2002, SGAT as \$155.94, correct rate to \$155.84, consistent with May 3, 2002, Application No. C-2516 compliance filing.

9.8.1 Shared Transport, Per Minute of Use

Rate incorrectly filed in May 31, 2002, SGAT as \$0.001550, correct rate to \$0.001552, consistent with May 3, 2002, Application No. C-2516 compliance filing.

10.7.10 Pole Attachment Fee, per Foot, per Year

Rate structure incorrectly filed in May 31, 2002, SGAT. Correct rate structure to one consistent with that in May 3, 2002, Application No. C-2516 compliance filing and correct rate to \$2.73, also consistent with May 3, 2002, Application No. C-2516 compliance filing.

For the newly-proposed rates, for UNEs and LIS elements, this Commission will give other interested parties an opportunity to comment before the Commission decides whether the rates filed by Qwest should be approved. However, the Commission sees no reason why the Commission cannot acknowledge that these rates are effective on June 7, 2002, subject to the subsequent comment and approval requirement. The Commission notes that the newly-proposed rates for UNEs and LIS elements, included in the cost docket, are all less than, or equal to, the

Commission approved rates from the cost docket. The lower rates create no apparent harm and may actually provide a benefit to Qwest's wholesale customers through the opportunity to have lower rates. Therefore, the Commission will permit these rate to be effective as of June 7, 2002.

The UNEs and LIS elements not covered by the cost docket all arose after the date for filing rates in the cost docket. The Commission finds that in the 271 process, competitive local exchange carriers (CLECs) and Qwest have continued to develop new UNEs and LIS elements and thus it is impossible to set rates for all UNEs and LIS elements in one cost docket. The Commission also finds that it would benefit CLECs to have rates available and effective for these new UNE and LIS elements, even if the Commission has not yet had the full opportunity to approve or disapprove these rates. The Commission will determine whether to finally approve these rates after comment and hearing on the newly-proposed rates, for UNEs and LIS elements not at issue in Application No. C-2516, in a subsequent cost proceeding. Therefore, the Commission will permit these rates also to be effective as of June 7, 2002.

Upon receipt of rate corrections as required above, and for all the reasons identified herein, the Commission finds that it is in the public interest to place the rates listed in Qwest's May 31, 2002, subsequent filing of Exhibit A, as corrected, into effect on June 7, 2002. In addition, the Commission finds that all the rates ordered in the cost docket, Application No. C-2516, as corrected, are hereby deemed approved as of June 7, 2002.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Qwest file corrections to those rates identified herein before June 7, 2002, to be effective June 7, 2002.

IT IS FURTHER ORDERED that the compliance rates filed pursuant to the Commission's findings in Application No. C-2516, as corrected, should be, and they are hereby, approved and immediately effective as of the date of this order.

IT IS FURTHER ORDERED that the Qwest proposed lower UNE and LIS element rates filed by Qwest on May 31, 2002, and reflected in Exhibit A, should be made available and effective as of June 7, 2002.

IT IS FURTHER ORDERED that the rates filed by Qwest on May 31, 2002, in Exhibit A, which were not included in the Com-

mission's cost docket in Application No. C-2516, should be made available and effective as of June 7, 2002.

IT IS FURTHER ORDERED that a docket be opened to receive comment on all rates filed in Qwest Exhibit A that were not a part of the Commission's cost docket in Application No. C-2516.

MADE AND ENTERED at Lincoln, Nebraska this 5th day of June, 2002.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

Chair

Attest:

Executive Director