

**BEFORE THE PUBLIC UTILITIES COMMISSION OF OREGON**

**UM 1251**

In the Matter of

COVAD COMMUNICATIONS COMPANY,  
ESCHELON TELECOM OF OREGON, INC.,  
INTEGRA TELECOM OF OREGON, INC.,  
MCLEODUSA TELECOMMUNICATIONS  
SERVICES, INC., and XO COMMUNICATIONS  
SERVICES, INC.

Request for Commission Approval of Non-  
Impairment Wire Center List.

**SUPPLEMENTAL SURREBUTTAL TESTIMONY OF**

**DOUGLAS DENNEY**

**ON BEHALF OF ESCHELON TELECOM, INC., COVAD COMMUNICATIONS  
CORPORATION, AND XO COMMUNICATIONS SERVICES, INC.  
(THE "JOINT CLECs")**

**PUBLIC VERSION**

**AUGUST 30, 2006**

**HIGHLY CONFIDENTIAL MATERIAL HAS BEEN REDACTED**

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Douglas Denney. I work at 730 2<sup>nd</sup> Avenue South, Suite 900, in  
4 Minneapolis, Minnesota.

5 **Q. DID YOU PREVIOUSLY FILE REBUTTAL TESTIMONY MAY 19, 2006**  
6 **AND SURREBUTTAL TESTIMONY ON JULY 25, 2006 IN THIS**  
7 **DOCKET?**

8 A. Yes.

9 **Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?**

10 A. The purpose of my testimony is to provide a review of Qwest's 2004 switched  
11 business line count data and update the Joint CLECs' position with respond to the  
12 "non-impaired" wire center list, based on updated 2004 line count data. I will  
13 also compare this data to the 2003 line count data that Qwest supports for use in  
14 determining "non-impairment."

15 As discussed in my Rebuttal Testimony line count data should be reflective of  
16 time period for which "non-impairment" is being determined. The December  
17 2004 data is more reflective of the conditions in place in March 11, 2005 than the  
18 December 2003 data supported by Qwest. As a result, the Joint CLECs  
19 recommend that the December 2004 line count data be used as a basis for  
20 determining the "non-impaired" status of the current wire center list.

1 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

2 A. Based on a review of 2004 switched business line counts the Joint CLECs were  
3 able to confirm Qwest's classification for two additional wire centers. The  
4 Eugene 10<sup>th</sup> Avenue wire center is properly classified as Tier 1 and Portland  
5 Capitol wire center is properly classified as Tier 1 and "non-impaired" for DS1  
6 and DS3 loops. For wire centers remain in dispute, Medford, Salem State (Main),  
7 Bend and Portland Alpine as the updated 2004 data does not support their Tier  
8 designations claimed by Qwest. The Medford, Bend and Portland Alpine wire  
9 centers should be classified as Tier 3, while the Salem State (Main) wire center  
10 should be classified as Tier 2.

11 Table 7 below updates the parties' position with regard to the "non-impaired"  
12 status of Oregon wire centers. This table updates Table 6 that was contained in  
13 my surrebuttal testimony.

14 **Table 7 (Update to Table 6 contained in Joint CLECS/13):**

15 **Summary of Joint CLEC's Investigation of Qwest's Wire Center List**

Wire Center	CLLI(8)	Wire Center Designation	
		Qwest	Joint CLECs
Eugene 10th Ave	EUGNOR53	T1	T1
Medford	MDFDOR33	T1	T3
Portland Belmont	PTLDOR13	T2	T2
Portland Capitol	PTLDOR69	T1, DS1 & DS3 Loops	T1, DS1 & DS3 Loops
Salem State (Main)	SALMOR58	T1	T2
Bend	BENDOR24	T2	T3
Portland Alpine	PTLDOR11	T2	T3

16

17

1 **Q. ARE THERE ANY EXHIBITS TO YOUR TESTIMONY?**

2 A. Yes, there are two highly confidential exhibits to this testimony. The highly  
3 confidential exhibits are described as follows: **HIGHLY CONFIDENTIAL**  
4 **JOINT CLECs/18:** Qwest's supplemental data responses 01-033S1, 01-034S1,  
5 and 01-034S2 to Joint CLEC Data Requests 01-033 and 01-34 containing 2004  
6 line count data. **HIGHLY CONFIDENTIAL JOINT CLECs/19:** highly  
7 confidential tables for 2004 and 2003 showing corrections to Qwest's switched  
8 business line count data.

9

10

**II. SWITCHED BUSINESS LINE COUNTS**

11 **Q. PLEASE SUMMARIZE YOUR REVIEW OF THE QWEST 2004**  
12 **SWITCHED BUSINESS LINE COUNT DATA.**

13 A. Review of Qwest's 2004 switched business line count data allows the Joint  
14 CLECs to confirm Qwest's wire center "non-impairment" claims for both the  
15 Eugene 10<sup>th</sup> Ave and the Portland Capitol wire centers. Previously, based on  
16 publicly available line count data, the Joint CLECs questioned whether the  
17 Eugene 10<sup>th</sup> Ave should be classified as Tier 1, rather than Tier 2 and whether  
18 Portland Capitol should be classified as "non-impaired" for DS1 loops.<sup>1</sup> In order  
19 for a wire center to be classified as Tier 1, based in line counts, there needs to be  
20 at least 38,000 switched business lines in that wire center. In order to be  
21 classified as "non-impaired" with respect to DS1 loops the wire center needs to be  
22 at least four (4) fiber-based collocators and at least 60,000 switched business

1 lines. Table 8 below compares 2004 and 2003 switched business line count data.  
2 This table shows both Qwest's methodology for counting these lines, as well as  
3 the Joint CLEC methodology for counting these lines. As described in my  
4 rebuttal testimony, the Joint CLEC methodology aligns with both the intent and  
5 language contained in the FCC rules.<sup>2</sup>

6 **Table 8: 2004 and 2003 Line Count Comparison**

7 **[\*\*\* BEGIN REDACTION OF HIGHLY CONFIDENTIAL DATA \*\*\*]**

8 **[\*\*\* END REDACTION OF HIGHLY CONFIDENTIAL DATA \*\*\*]**

9 **Q. HOW WAS THE CORRECTED DATA DETERMINED?**

10 A. In order to calculate corrected line counts I made two general corrections to  
11 Qwest's line counts. I corrected Qwest's ARMIS data so that it represents  
12 Qwest's actual ARMIS data, rather than the adjusted data as used by Qwest. I also  
13 corrected the CLEC line counts so that they represent switched channels in use,

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<sup>1</sup> *Denney Rebuttal*, pages 17 – 20.

<sup>2</sup> *Denney Rebuttal*, pages 14 – 31.

1 rather than the total capacity of CLEC circuits whether or not they are switched or  
2 even in use.<sup>3</sup>

3 Exhibit Denney/19 shows the adjustments to Table 8 in more detail than can be  
4 seen above. This exhibit replaces Exhibit Denney/12 and is formatted different  
5 from Exhibit Denney/12, with the intention of making it easier to utilize. Exhibit  
6 Denney/19 contains five columns of data as described below:

7 Qwest Proposed Totals:

8 ARMIS (as is): This column shows the impact of using ARMIS 43-08 data by  
9 wire center as it is filed with the FCC. This column reverses Qwest's adjustment  
10 to the ARMIS data.

11 HiCap Loops (switched): This column shows the impact of using switched voice  
12 CLEC line counts provisioned over high capacity circuits, rather than non-  
13 switched and unused capacity as was included in the Qwest line counts. As  
14 discussed in my prior testimony, I have removed lines to account for carriers like  
15 Covad who do not use HiCap loops for circuit-switched voice services and for  
16 CLECs like Eschelon who use such loops for both voice and data services.

17 DS0 Loops (switched): This column shows the impact of using switched voice  
18 lines served over DS0 loops, *i.e.*, by removing DS0 loops purchased by carriers  
19 such as Covad that do not use these lines for circuit switched voice lines.

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<sup>3</sup> Detailed descriptions of the support for these corrections are contained in my Rebuttal Testimony (*Denney Rebuttal*, pages 21 – 30).

1 HiCap UNE-P (voice channels): This column shows the impact of counting only  
2 used capacity, rather than both used and unused capacity of HiCap UNE-P lines.

3 Exhibit Denney/19 contains two tables showing corrections to Qwest's line count  
4 data for 2004 and 2003. Each table shows "Qwest Proposed Totals" for each wire  
5 center along with changes to these total based on the Joint CLEC adjustments.

6 Each table is broken into two sections. The first section shows total line counts  
7 and the "sequential impacts" of the corrections to Qwest's data. For example, the  
8 total line counts under the column "HiCap Loops (switched)" includes the  
9 adjustment for this title ("HiCap Loops (switched)") as well as the adjustment for  
10 the previous column, "ARMIS (as is)." The final column of the table showing  
11 total line counts is the corrected line counts supported by the Joint CLECs. The  
12 second section of the table shows "individual changes" to the line count total  
13 based on the labeled adjustment. For example, "HiCap Loops (switched)"  
14 numbers show the impact of this change only. Unlike "sequential impacts" this  
15 section of the table shows only the adjustment for the particular change indicated  
16 in the column heading. If the Commission wanted to determine what the impact  
17 of "ARMIS (as is)" and "DS0 Loops (switched)" without changes to the other two  
18 columns, then the Commission would simply need to add up the numbers under  
19 "individual changes" in these two columns and subtract them from "Qwest  
20 proposed totals."

1 **Q. ARE THE 2003 CORRECTED LINE COUNTS CONTAINED DENNEY/19**  
2 **THE SAME AS THE CORRECTED LINE COUNTS CONTAINED IN**  
3 **DENNEY/12?**

4 A. No, there are some differences to the total adjusted numbers contained in these  
5 two exhibits. These differences result from the corrections to the HiCap Loops  
6 line counts. The adjustment to HiCap Loops in Denney/12 only removed un-used  
7 capacity, but did not properly remove non-switched data lines from these counts.  
8 Denney/19 follows the intent of my Rebuttal Testimony.

9 **Q. IT DOES NOT LOOK LIKE THERE WAS MUCH DIFFERENCE**  
10 **BETWEEN THE 2004 AND 2003 SWITCHED BUSINESS LINE COUNT**  
11 **DATA. WAS A REVIEW OF THE 2004 LINE COUNT DATA**  
12 **NECESSARY?**

13 A. Yes, a review of the 2004 line count data was crucial for this case. The line count  
14 data should coincide with timing of the claim of “non-impairment.” 2003 data  
15 was more than a year removed from the effective date of the *TRRO* and therefore  
16 stale. Review of the 2004 line count data allowed the Joint CLECs to verify that  
17 the Portland Capitol office is properly counted as “non-impaired” for both DS1  
18 and DS3 loops. The issue of the proper designation of DS1 loops in the Portland  
19 Capitol wire center most likely has the largest financial impact on both CLECs  
20 and Qwest of any “non-impairment” designation in Oregon. The review of this  
21 data also allowed for closure of disputes regarding the Eugene 10<sup>th</sup> Ave. wire  
22 center. Both the Tier status and the availability of DS3 loops were in question in  
23 this office. However, the 2004 data allowed CLECs to verify Qwest’s claims  
24 with regard to this office.



1 **Q. WHAT WIRE CENTERS REMAIN IN DISPUTE IN OREGON?**

2 A. There remain three wire centers in Oregon where the “non-impairment” status is  
3 in dispute: Medford, Bend and Portland Alpine. The Medford dispute is based on  
4 the number of fiber-based collocations and is discussed in my Rebuttal and  
5 Surrebuttal testimony. The Bend and Portland Alpine disputes center on the  
6 proper count of switched business lines.

7

8 **III. CONCLUSION**

9 **Q. WHAT RECOMMENDATIONS DO YOU HAVE FOR THE OREGON**  
10 **COMMISSION BASED UPON YOUR SURREBUTTAL TESTIMONY?**

11 A. I recommend that this Commission rely upon December 2004 line count data  
12 when determining the “non-impaired” status of Qwest’s wire center list. The  
13 December 2004 data aligns with the effective date of the TRRO and is thus  
14 appropriate for use in determining the “non-impairment” status of the initial list of  
15 wire centers in Oregon. Based upon the December 2004 data, I recommend the  
16 Commission approve the “non-impaired” wire center list, as identified by the  
17 Joint CLEC recommendations in Table 7 above.

18 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

19 A. Yes.

QWEST CORPORATION

DOCKET: UM 1251  
INTERVENOR: Covad Communications Co., Eschelon Telecom of Oregon, Inc.,  
Integra Telecom of Oregon, Inc., McLeodUSA Telecomm. Services, Inc., and XO  
Comm. Services  
REQUEST NO: Joint CLECS 01-033S1

REQUEST:

[Qwest/5, Brigham/1-24] Please provide data similar to what was provided in Highly Confidential Attachment C and Confidential Attachment D in response to Bench Requests BCH 01-002 representative of March 2005. If March 2005 data is not available, please provide this data for end of year 2004.

RESPONSE:

Qwest objects to this data request on the grounds that it is irrelevant and does not bear upon, or reasonably could lead to matters that bear upon, any issue in this proceeding. First, Qwest's use of December 2003 data is consistent with the data the FCC analyzed in making its non-impairment decisions in the TRRO. The data which formed the basis of the FCC's analysis was ARMIS data from December 2003, which was filed in April 2004. See e.g., TRRO, ¶ 105 ("The BOC wire center data that we analyze in this Order is based on ARMIS 43-08 business lines, plus business UNE-P, plus UNE loops"). Second, on February 4, 2005, the FCC directed Qwest and the other RBOCs to submit the list of wire centers that meets the FCC's non-impairment criteria. The December 2003 data represents the most recent ARMIS business line data that was available in February, 2005. Consequently, the use of December 2003 ARMIS business line data is not only appropriate, it is consistent with the FCC's intent to base determinations on "an objective set of data that incumbent LECs already have created for other regulatory purposes." TRRO, ¶ 105. Further, for consistency, the UNE-L quantities (Attachment C provided in response to BCH 01-002) and UNE-P quantities (Attachment D provided in response to BCH 01-002) must be provided for the same December, 2003 time frame.

**SUPPLEMENTAL RESPONSE DATED 7/31/06:**

Please see HIGHLY CONFIDENTIAL Attachment A for a list of unbundled loop (UNE-L and EEL) counts, as of December 31, 2004, for each Oregon wire center for which Qwest seeks non-impairment based on 2003 data. The CLEC names in HIGHLY CONFIDENTIAL Attachment A are masked, and each CLEC which is a party to this docket will be provided information to enable the CLEC to identify its own UNE loop count information on the report. Please see Confidential Attachment B for the UNE-P & QPP business line counts in Oregon non-impaired wire centers as of December 31, 2004.

Respondent: Bob Brigham

HIGHLY CONFIDENTIAL MATERIAL HAS BEEN REDACTED

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QWEST CORPORATION

DOCKET: UM 1251

INTERVENOR: Covad Communications Co., Eschelon Telecom of Oregon, Inc.,  
Integra Telecom of Oregon, Inc., McLeodUSA Telecomm. Services, Inc., and XO  
Comm. Services

REQUEST NO: Joint CLECS 01-034S1

REQUEST:

[Qwest/5, Brigham/1-24] Please provide data similar to what was provided in Confidential Attachment B, Confidential Attachment C, and Confidential Attachment D for the same time period as the data provided in response to Joint CLEC Request 01-034 above.

RESPONSE:

Qwest objects to this request because it is vague, ambiguous and unclear. The request seeks "data similar to what was provided in Confidential Attachment B, Confidential Attachment C and Confidential Attachment D" but does not specify where these attachments may be found (e.g., a previous data request). In addition, the request asks for data for the same time period "as request 01-034 above," which is a circular reference. To the extent that this data request is intended to seek certain business line data for the March 2005 or December 2004 timeframe, please see also the response/objection to Request No. 33, which Qwest fully incorporates herein.

SUPPLEMENTAL RESPONSE DATED 7/31/06:

Qwest is providing the requested business line data as of December 31, 2004, for each wire center for which Qwest seeks non-impairment status. Qwest has not used this data in its non-impairment analysis, as 2003 data is appropriately used for this purpose, as described in the testimony of Mr. Brigham.

Please see Confidential Attachment A, which includes total business line counts as of December 31, 2004, calculated using the FCC's TRRO methodology. Please see Confidential Attachment B for the Qwest retail business line counts as of December 31, 2004, calculated using the FCC's TRRO methodology. Please see Confidential Attachment C, which provides a further breakdown of the data in Confidential Attachment B, including an identification of Qwest retail high capacity (DS1) lines.

Respondent: Bob Brigham

JOINT CLECs/18  
DENNEY/9

CONFIDENTIAL MATERIAL HAS BEEN REDACTED

CONFIDENTIAL MATERIAL HAS BEEN REDACTED

CONFIDENTIAL MATERIAL HAS BEEN REDACTED

Oregon  
UM 1251  
Joint CLECS 01-034S2

INTERVENOR: Covad Communications Co., Eschelon Telecom of Oregon, Inc.,  
Integra Telecom of Oregon, Inc., McLeodUSA Telecomm. Services, Inc., and XO  
Comm. Services

REQUEST NO: 034S2

[Qwest/5, Brigham/1-24]. Please provide data similar to what was provided in  
Confidential Attachment B, Confidential Attachment C, and Confidential  
Attachment D for the same time period as the data provided in response to  
Joint CLEC Request 01-034 above.

**RESPONSE:**

Qwest objects to this request because it is vague, ambiguous and unclear.  
The request seeks "data similar to what was provided in Confidential  
Attachment B, Confidential Attachment C and Confidential Attachment D" but  
does not specify where these attachments may be found (e.g., a previous data  
request). In addition, the request asks for data for the same time period  
"as request 01-034 above," which is a circular reference. To the extent that  
this data request is intended to seek certain business line data for the  
March 2005 or December 2004 timeframe, please see also the response/objection  
to Request No. 33, which Qwest fully incorporates herein.

**SUPPLEMENTAL RESPONSE DATED 7/31/06:**

Qwest is providing the requested business line data as of December 31, 2004,  
for each wire center for which Qwest seeks non-impairment status. Qwest has  
not used this data in its non-impairment analysis, as 2003 data is  
appropriately used for this purpose, as described in the testimony of Mr.  
Brigham.

Please see Confidential Attachment A, which includes total business line  
counts as of December 31, 2004, calculated using the FCC's TRRO methodology.  
Please see Confidential Attachment B for the Qwest retail business line  
counts as of December 31, 2004, calculated using the FCC's TRRO methodology.  
Please see Confidential Attachment C, which provides a further breakdown of  
the data in Confidential Attachment B, including an identification of Qwest  
retail high capacity (DS1) lines.

Respondent: Bob Brigham

**SUPPLEMENTAL RESPONSE DATED 8/21/06:**

Please see Confidential Attachment D, which provides (1) Qwest business  
service TRRO quantities for December, 2004, and (2) ARMIS 43-08 Qwest retail  
quantities for December, 2004. This data is equivalent to the data provided  
in Confidential Attachment D included in response to data request BCH 01-003,  
except that the data is for December, 2004. For the reasons stated in Mr.  
Brigham's direct and reply testimony, Qwest does not believe the use of 2004  
data or the use of actual unadjusted ARMIS data (i.e., counting actual used  
circuits rather than counting each DS1 service as 24 circuits) is consistent  
with the FCC's TRRO methodology.

Respondent: Bob Brigham

JOINT CLECs/18  
DENNEY/13

CONFIDENTIAL MATERIAL HAS BEEN REDACTED

HIGHLY CONFIDENTIAL

JOINT CLECs/19  
DENNEY/1

HIGHLY CONFIDENTIAL MATERIAL HAS BEEN REDACTED

CERTIFICATE OF SERVICE

UM 1251

I hereby certify that on September 6, 2006, I resubmitted for filing the previously filed **Public Version of the Supplemental Surrebuttal Testimony of Douglas Denney**, along with this Certificate of Service, both electronically and via overnight delivery to the Oregon Public Utility Commission. Copies were also served electronically and via U.S. postage prepaid mail to the parties listed below.

Copies of the **Highly Confidential Version of the Supplemental Surrebuttal Testimony of Douglas Denney** were also resubmitted for filing to the Oregon Public Utility Commission via overnight delivery and copies were sent via U.S. mail, postage prepaid, to parties who have signed the Protective Order Agreement for Highly Confidential Information.

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