

Transmittal No. 524, Additional Labor and Miscellaneous Services

**THE VERIZON TELEPHONE COMPANIES**

**TARIFF F.C.C. No. 1**

**REVISIONS TO ADDITIONAL LABOR AND MISCELLANEOUS SERVICES**

**Introduction of Charges for Testing and Maintenance with Other Telephone Companies  
and Other Labor**

**Rate Level Changes for  
Additional Cooperative Acceptance Testing (Special Access) and  
Nonscheduled Testing (Special Access)**

**DESCRIPTION AND JUSTIFICATION**

**Transmittal No. 524**

**December 16, 2004**

<b>SECTION</b>	<b>DESCRIPTION</b>
1	DESCRIPTION AND JUSTIFICATION
2	COMPLIANCE WITH COMMISSION RULES
3	WORKPAPER INDEX

## **1.1 INTRODUCTION**

With this filing, The Verizon Telephone Companies<sup>1</sup> (“Verizon”) submit tariff pages and supporting information for a price cap restructure filing in compliance with Section 61.3(II) of the Commission’s rules. Section 61.3(II) of the Commission’s rules defines a restructured service as “an offering which represents a method of charging or provisioning a service, or the introduction of a new method of charging or provisioning that does not result in a net increase in options available to customers.” Also with this filing, Verizon submits tariff pages for a price cap rate change filing.

## **1.2 SERVICE DESCRIPTION**

Testing and Maintenance with Other Telephone Companies includes additional testing, maintenance or repair of facilities which connect to facilities of other telephone companies which is in addition to normal effort required to test, maintain or repair facilities provided exclusively by Verizon. The regulations for Testing and Maintenance with Other Telephone Companies are found in Section 13.2.4 of the tariff.

Other Labor is any additional labor not specifically itemized within the regulations for additional labor. The regulations for Other Labor are found in Section 13.2.5.

Testing and Maintenance with Other Telephone Companies and Other Labor charges (USOC ALK) were removed under The Bell Atlantic Telephone Companies Transmittal No. 644

Transmittal No. 524, Additional Labor and Miscellaneous Services filed April 1, 1994, but the regulations for this subset of Additional Labor were left in the tariff.

On April 14, 2004, Verizon filed Transmittal No. 430 to reinstate charges for Testing and Maintenance with Other Telephone Companies and Other Labor, a subset of Additional Labor. Under Transmittal No. 430, Verizon identified these charges as a “new service”. Carriers subsequently filed Petitions to Reject or Alternatively Suspend and Investigate Transmittal No. 430, arguing that the charges should be treated as a “restructure” and not as a “new service”. After discussions with Commission Staff, Verizon withdrew Transmittal No. 430 and reinstated material presently in effect under Transmittal No. 434.

With this filing, Verizon is again submitting revisions to its Tariff F.C.C. No. 1, Access Service, to reinstate the same subset of charges for Additional Labor (USOC ALK). After Transmittal Nos. 430 and 434 were filed, Verizon was able to determine that a shift in a small portion of its ALK demand should have occurred to two of its Testing Services, Additional Cooperative Acceptance Testing (USOC SNT) and Nonscheduled Testing (USOC SNO). Under The Bell Atlantic Telephone Companies Transmittal No. 644, a footnote had been introduced for the rates applicable to these two Testing Services to show that they would include “Testing and Maintenance with other Telephone Companies” (Refer to Sections 13.3.4(C)(2)(a) and (b)). According to Verizon records, actual demand is only associated with USOC SNO.

Also as part of this filing, Verizon provides tariff pages to provide rate increases for Additional Cooperative Acceptance Testing and Nonscheduled Testing Services for Special Access. These rate level increases were included in supporting information provided with The Verizon Telephone Companies 2004 Annual Access Charge filing under Transmittal No. 459 on

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<sup>1</sup> The Verizon Telephone Companies participating in this filing are: Verizon Delaware Inc.; Verizon Maryland Inc.; Verizon New Jersey Inc.; Verizon Pennsylvania Inc.; Verizon Virginia Inc.; Verizon Washington, D.C. Inc.; and

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June 16, 2004. However, the tariff revisions associated with the rate changes included in the supporting information were inadvertently omitted from Transmittal No. 459.

A copy of the customer notification letter associated with this filing is provided as an attachment hereto. The notification letter was distributed to customers December 10, 2004.

### **1.3 DESCRIPTION AND JUSTIFICATION**

The supporting documentation for this filing contains material in support of a price cap filing that restructures SNO rate elements by shifting 2003 base period demand for Testing and Maintenance with other Telephone Companies to the reinstated ALK rate elements. In addition, demand for Other Labor is also incorporated into the reinstated ALK rate elements. The Other Labor demand identifies customers that are currently not being charged (since these rates were removed from the tariff in 1994), but will now be charged the reinstated ALK rates. The demand changes are shown on Workpaper Restructure.

The restructure in this filing modifies the method of charging without increasing the available number of options. In addition to the tariff pages, Verizon is also providing the necessary price cap supporting workpapers. Workpaper Restructure Detail and Workpaper Rates and Revenues demonstrate these changes.

## **1.4 JUSTIFICATION**

These tariff regulations are being made to recover the revenue associated with performing such labor activities.

## **SECTION 2**

### **2.1 COMPLIANCE WITH RULES**

Support information as specified in Sections 61.49 of the Commission's Rules is attached. The support documentation contains the necessary workpapers, as well as the Tariff Review Plan (TRP).

This restructure demonstrates the reduction in demand in SNO for those customers who received testing and maintenance associated with other telephone companies and a demand increase in ALK. The demand that is removed from SNO was identified by assuming a correlation with the same type of demand that is regulated under FCC 11 jurisdiction, i.e., the relationship between SNO demand and ALK demand from FCC 11 2003 data. This part of the restructure is revenue neutral since the rates are the same. Other ALK projected revenue comes from forecasting demand for Other Labor service, which was eliminated from the tariff in 1994 and for which no tariffed charges exist.. Existing Other Labor Revenues were calculated at the current zero level and the Proposed Other Labor Revenues were calculated using the new proposed. This rate change results in revenues being increased by \$5.2K. Workpapers providing documentation for these changes are found in the Workpaper SA Rates and Revenues, Workpaper TS Rates and Revenues, Workpaper Revenue Summary and the Tariff Review Plan.

## SECTION 3

### 3.1 WORKPAPERS AND TARIFF REVIEW PLANS

#### INTRODUCTION

The Verizon companies have provided the necessary detail to support the calculations of indices in various workpapers. The following is the index of such workpapers.

#### Workpaper Index

Workpaper Revenue Summary	Revenue Summary
Workpaper SA Rates and Revenues	Rates and Revenues—Special Access Basket
Workpaper Restructure-Current	Current Structure to be Restructured
Workpaper Restructure-Proposed	Proposed Restructure Detail
Customer Notification Letter	Letter notifying customers of filing

#### Tariff Review Plan

<b>ANALYZER</b>	TRP Analyzer
<b>BNTR IND-1</b>	Price Cap Indices Display-Verizon-East
<b>BNTR PCI-1</b>	Price Cap Index Calculations-Verizon-East
<b>BNTR TGT</b>	Targeting: Inputs and Aggregate Target-Verizon-East
<b>NXTR TGT</b>	Targeting: Inputs and Aggregate Target-Verizon-East, North, FCC No. 11
<b>BATR TGT</b>	Targeting: Inputs and Aggregate Target -Verizon-East, South, FCC No. 1
<b>BNTR SUM-1</b>	Price Out Summary-Verizon-East
<b>NXTR SUM-1</b>	Price Out Summary-Verizon-East, North, FCC No. 11
<b>BATR SUM-1</b>	Price Out Summary-Verizon-East, South, FCC No. 1
<b>BNTR EXG-1</b>	Exogenous Cost Changes-Verizon-East
<b>BNTR EXG-2</b>	Net Exogenous Cost Shifts-Verizon-East
<b>BNTR RTE-1</b>	Rate Detail-Verizon-East
<b>NXTR RTE-1</b>	Rate Detail-Verizon-East, North, FCC No. 11 Pages 2-40
<b>BATR RTE-1</b>	Rate Detail-Verizon-East, South, FCC No. 1
<b>CAP-1 (BNTR)</b>	Calculation of EUCL Limit, PICC and CCL Rates—Verizon-East
<b>CAP-2 (BNTR)</b>	Manual Input of EUCL rates-Verizon-East
<b>CAP-3 (BNTR)</b>	Calculation of Minimum and Maximum End User Rates-Verizon-East

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<b>CAP-4 (BNTR)</b>	Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East
<b>CAP- 5 (BNTR)</b>	Verification of Recovered CMT Revenue-Verizon-East
<b>NXTR RTE-1J</b>	Rate Detail-Verizon-East, North, FCC No. 11 Page 1
<b>NXTR CAP-1J</b>	Calculation of EUCL Limit, PICC and CCL Rates
<b>NXTR CAP-2J</b>	Manual Input of EUCL rates-Verizon-East
<b>NXTR CAP-3J</b>	Calculation of Minimum and Maximum End User Rates-Verizon-East
<b>NXTR CAP-4J</b>	Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East
<b>NXTR CAP- 5J</b>	Verification of Recovered CMT Revenue-Verizon-East
<b>NXTR ANALYZER – JURIS</b>	Analyzer Page 2
<b>DC RTE-1J</b>	Rate Detail-Verizon-East, North, FCC No. 1 Page 1
<b>DC CAP-1J</b>	Calculation of EUCL Limit, PICC and CCL Rates
<b>DC CAP-2J</b>	Manual Input of EUCL rates-Verizon-East
<b>DC CAP-3J</b>	Calculation of Minimum and Maximum End User Rates-Verizon-East
<b>DC CAP-4J</b>	Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East
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<b>MD RTE-1J</b>	Rate Detail-Verizon-East, North, FCC No. 1 Page 1
<b>MD CAP-1J</b>	Calculation of EUCL Limit, PICC and CCL Rates
<b>MD CAP-2J</b>	Manual Input of EUCL rates-Verizon-East
<b>MD CAP-3J</b>	Calculation of Minimum and Maximum End User Rates-Verizon-East
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<b>VA RTE-1J</b>	Rate Detail-Verizon-East, North, FCC No. 1 Page 1
<b>VA CAP-1J</b>	Calculation of EUCL Limit, PICC and CCL Rates
<b>VA CAP-2J</b>	Manual Input of EUCL rates-Verizon-East
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<b>WV RTE-1J</b>	Rate Detail-Verizon-East, North, FCC No. 1 Page 1
<b>WV CAP-1J</b>	Calculation of EUCL Limit, PICC and CCL Rates
<b>WV CAP-2J</b>	Manual Input of EUCL rates-Verizon-East
<b>WV CAP-3J</b>	Calculation of Minimum and Maximum End User Rates-Verizon-East
<b>WV CAP-4J</b>	Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East
<b>WV CAP- 5J</b>	Verification of Recovered CMT Revenue-Verizon-East
<b>WV ANALYZER – JURIS</b>	Analyzer Page 2
<b>DE RTE-1J</b>	Rate Detail-Verizon-East, North, FCC No. 1 Page 1
<b>DE CAP-1J</b>	Calculation of EUCL Limit, PICC and CCL Rates
<b>DE CAP-2J</b>	Manual Input of EUCL rates-Verizon-East
<b>DE CAP-3J</b>	Calculation of Minimum and Maximum End User Rates-Verizon-East
<b>DE CAP-4J</b>	Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East
<b>DE CAP- 5J</b>	Verification of Recovered CMT Revenue-Verizon-East
<b>DE ANALYZER – JURIS</b>	Analyzer Page 2
<b>NJ RTE-1J</b>	Rate Detail-Verizon-East, North, FCC No. 1 Page 1
<b>NJ CAP-1J</b>	Calculation of EUCL Limit, PICC and CCL Rates
<b>NJ CAP-2J</b>	Manual Input of EUCL rates-Verizon-East
<b>NJ CAP-3J</b>	Calculation of Minimum and Maximum End User Rates-Verizon-East
<b>NJ CAP-4J</b>	Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East
<b>NJ CAP- 5J</b>	Verification of Recovered CMT Revenue-Verizon-East
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<b>PA RTE-1J</b>	Rate Detail-Verizon-East, North, FCC No. 1 Page 1

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<b>PA CAP-1J</b>	Calculation of EUCL Limit, PICC and CCL Rates
<b>PA CAP-2J</b>	Manual Input of EUCL rates-Verizon-East
<b>PA CAP-3J</b>	Calculation of Minimum and Maximum End User Rates-Verizon-East
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<b>Supplemental TRP</b>	Percent Change in Revenues by Band BATR-Verizon-East, South
<b>Supplemental TRP</b>	Percent Change in Revenues by Band NXTR-Verizon-East, North