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NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY

COMMONWEALTH OF MASSACHUSETTS

D. T. E. 00-101

Respondent: Arthur Silvia
Title: Director

REQUEST: AT&T Communications of New England, Set #1
DATED: January 18, 2001

ITEM: ATT 1-1 Please refer to Section C, Tab 1, pages 1-83 of Verizon's October 2, 2000 sixth Annual Price Cap Compliance Filing ("Filing"). With regard to the column designated as "Quantities," please describe what the quantity refers to. For example, if it is the quantity of the rate element "sold" in a specific historical period, please so state and indicate the historical period that was used.

REPLY: Section C, Tab 1 provides detail on the rate elements that make up the Revenue that is subject to the Price Cap Plan. The quantities are in-service quantities or demand units generally from a study month (June) within the historical test period (the 1999 calendar year). In some cases, for example non-recurring elements, the quantities represent the entire historical period. This section provides rate element billing determinants that yield the total Present and Proposed Revenue that demonstrate compliance with the overall Price Rule of the Plan. In some cases in this listing of rate elements, a quantity of one is used instead of billed quantities to represent a "bucket" of revenue or a calculated credit or discount against billing elements that are fully rated elsewhere in the listing. In a few other cases, the quantities for newly introduced services have been adjusted as specified by the Plan. Regardless of how the quantities are represented, all pertinent revenue is accounted for.

VZ# 11

NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY

COMMONWEALTH OF MASSACHUSETTS

D. T. E. 00-101

Respondent: Arthur Silvia
Title: Director

REQUEST: AT&T Communications of New England, Set #1
DATED: January 18, 2001

ITEM: ATT 1-2 Please refer to Section C, Tab 1, pages 1-83 of Verizon's October 2, 2000 Filing.

Untitled

- a. Identify and reference by section and page each and every specific rate element for a wholesale service or product.
- b. For each such rate element, please provide a breakdown of the quantities listed for that rate element according to whether the UNE or service to which the rate element relates was provided pursuant to (i) interconnection agreement, (ii) Tariff 17 or (iii) other.

REPLY:

REPLY: ATT 1-2

(cont'd)

Verizon followed the methodology described in response to ATT 1-1 in developing each of its six (6) Annual Price Cap Compliance Filings. This methodology does not require Verizon to categorize its products or services.

- a. In order to be responsive to this request, the Company is attaching a list of rate elements from Section C, Tab 1 that may be considered to be wholesale services or products (Attachment 1). It is not an all-inclusive list of Verizon's wholesale services. For example, quantities associated with the resale of retail services are included in the retail service elements.

Attached is an expanded copy of Section C, Tab 1 with each rate element numbered (Attachment 2). The Company has provided this attachment to allow an easy-to-use cross-reference with all of the rate elements displayed in Section C, Tab 1.

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- b. The requested data was not necessary to develop the Sixth Annual Price Cap Filing. Therefore, the data is not readily available, and would require a special study to acquire it.

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COMMONWEALTH OF MASSACHUSETTS

D. T. E. 00-101

Respondent: Arthur Silvia
Title: Director

REQUEST: AT&T Communications of New England, Set #1

DATED: January 18, 2001

ITEM: ATT 1-3 Please refer to Section C, Tab 1, pages 1-83 of Verizon's October 2, 2000 Filing.

- a. Identify and reference by section and page each and every specific rate element for a service or product, where the quantity listed is not the quantity that Verizon shows on its books as having been "sold" in the historical period.
- b. For each such rate element, please describe what service or product the rate element relates to and explain why an historical quantity was not used.
- c. For each rate element for which an historical quantity was not used, please explain in detail how the quantity was estimated, whether it is intended to represent future demand and, if it is intended to represent future demand, what point in time it relates to (e.g., is the number intended to represent the number of subscribers at the end of the first year of the service, or at the end of enough time that the service reaches maturity). Please provide all workpapers, analyses and documents that refer to, evidence or support the determination of the quantity estimated.

REPLY:

REPLY: ATT 1-3

(cont'd)

No element in Section C, Tab 1 represents the number of sales made during the test year. The elements typically represent historical in-service quantities. See AT&T-VZ #1-1.

- a. There are generally two situations where the quantity listed is not the quantity from the historical period. In some cases, a quantity of one is used instead of billed quantities to represent a "bucket" of revenue or a calculated credit or discount against billing

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elements. In a few other cases, the quantities for newly introduced services have

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been adjusted as specified by the Plan. In all cases the appropriate revenue for demonstrating compliance with the Price Rules of the Plan is accounted for. The attached worksheet lists the rate elements with a quantity of one. Also, please see the response to AT&T 1-4.

b. Please see a.

c. Please see a.

VZ# 13

NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY

COMMONWEALTH OF MASSACHUSETTS

D. T. E. 00-101

Respondent: Arthur Silvia
Title: Director

REQUEST: AT&T Communications of New England, Set #1

DATED: January 18, 2001

ITEM: ATT 1-4 Please refer to Section C, Tab 1, pages 1-83 of Verizon's October 2, 2000 Filing.

a. Identify and reference by section and page each and every specific rate element for a service or product that was first introduced in the historical period used for determining quantities, as described in response to information request no. 1, or in a later period.

b. For each such rate element, please (i) describe what service or product the rate element relates to, (ii) provide a copy of the tariff filing introducing the service or product and (iii) state whether the quantity listed represents the historical quantity "sold" in the historical period.

c. Also, for each such rate element, please explain why the quantity used (whether historical or not) is the appropriate quantity to use.

d. If the quantity used is not historical (and if not explained in response to the preceding information request), please explain in detail how the quantity was estimated, whether it is intended to represent future demand and, if it is intended to represent future demand, what point in time it relates to (e.g., is the number intended to represent the number of subscribers at the end of the first year of the service, or at the end of enough time that the service reaches maturity). Please

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provide all workpapers, analyses and documents that refer to, evidence or support the determination of the quantity estimated.

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REPLY: ATT 1-4
(cont'd)

a) The new products in Section C, Tab 1 are SoundDeal (Section C, Tab 1, Pg. 48), Local Package (Section C, Tab 1, Pg. 48), and Sensible Minute (Section C, Tab 1, Pg. 41).

b) (i) See a above. (ii) Please see the attached filings. (iii) SoundDeal quantities represent an estimate of in-service quantities for this product after one year from its filing effective date. Eleven of twelve months of actual data was available, month twelve was estimated based on average monthly gains. Local Package quantities represent an estimate of in-service quantities for this product after one year from its filing effective date. Six months of actual data was available, the annual estimate was based on the six month average gain. Sensible Minute reflects a quantity of one (1) to reflect the estimated revenue impact provided in the original filing of these products.

This methodology is the same methodology used in all six (6) Annual Price Cap Compliance Filings. The methodology has been approved in each of the prior filings.

c) See (b).

d) See (b).

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NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY

COMMONWEALTH OF MASSACHUSETTS

D. T. E. 00-101

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Respondent: Arthur Silvia
Title: Director

REQUEST: AT&T Communications of New England, Set #1
DATED: January 18, 2001
ITEM:

ITEM:

(cont'd)
ATT 1-5

ATT 1-5

Please refer to Section C, Tab 1, pages 1-83 of Verizon's October 2, 2000 Filing.

- a. Identify and reference by section and page each and every specific rate element for a service or product that was first introduced in the 12 months preceding the historical period used for determining quantities in Verizon's October 2, 2000 Filing, as described in response to information request no. 1.
- b. For each such rate element, please (i) describe what service or product the rate element relates to, (ii) provide a copy of the tariff filing introducing the service or product and (iii) state whether the quantity listed in Verizon's October 2, 2000 Filing represents the historical quantity "sold" in the historical period.
- c. Also, for each such rate element, please explain why the quantity used (whether historical or not) is the appropriate quantity to use.
- d. If the quantity used is not historical (and if not explained in response to the preceding information request 3.c.), please explain in detail how the quantity was estimated, whether it is intended to represent future demand and, if it is intended to represent future demand, what point in time it relates to (e.g., is the number intended to represent the number of subscribers at the end of the first year of the service, or at the end of enough

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time that the service reaches maturity). Please provide all workpapers, analyses and documents that refer to, evidence or support the determination of the quantity estimated.

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e. Also, for each rate element identified in subpart a, please

i. State the quantity that was used in the Fifth Annual Price Cap Compliance Filing and state whether this amount is the amount that Verizon predicted would be sold during a full historical period;

ii. state the quantity of such rate element that was "sold" during the historical period for the October 2, 2000 Filing; and

iii. state whether the number listed in response to subpart ii should approximate, in Verizon's opinion, the number that is listed in response to subpart i; and if so why and if not, why not.

f. Also, for each rate element identified in subpart a, please state whether Verizon has taken any steps to determine or validate whether the quantity that was used in the Fifth Annual Price Cap Compliance Filing was, in fact, an accurate or proper number to use.

i. If so, please provide all work papers and documents referring to, concerning, or evidencing those steps.

ii. For each rate element for which Verizon determined that the number that had been used in the Fifth Annual Price Cap Filing did not accurately represent the number actually sold in a full year, state whether Verizon did anything about it; and, if so, what.

REPLY:

REPLY: ATT 1-5

(cont'd)

a. The requested data was not necessary to develop the Sixth Annual Price Cap Filing. Therefore, the data is not readily available, and would require a special study to acquire it.

b. See a. above.

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c. See a. above.

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d. See a. above.

e. See a. above.

f. In the previous five Price Cap filings, Verizon tracked the quantity of new services only when the new services had a significant impact on the filing (e.g., the element represented a significant rate change impacting the Company's calculations). The new services in the Fifth Price Cap Compliance Filing were de minimus, and therefore were not tracked.

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NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY

COMMONWEALTH OF MASSACHUSETTS

D. T. E. 00-101

Respondent: Arthur Silvia
Title: Director

REQUEST: AT&T Communications of New England, Set #1

DATED: January 18, 2001

ITEM: ATT 1-6 Please refer to Section C, Tab 1, pages 1-83 of Verizon's October 2, 2000 Filing.

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- a. Identify and reference by section and page each and every specific rate element with a quantity listed as zero.
- b. For each such rate element, please explain how the present rate is given any weight in the calculation of the "Present 'Average Price'" shown on the second page of Section A, Tab 3, of the October 2, 2000 Filing.
- c. For each such rate element, please explain how the proposed rate is given any weight in the calculation of the "Proposed 'Average Price'" shown on the second page of Section A, Tab 3, of the October 2, 2000 Filing.
- d. If no weight is given to the rate element in either "Present 'Average Price'" or in "Proposed 'Average Price,'" please explain why such rate element is included.

REPLY:

REPLY: ATT 1-6

(cont'd)

a. Rate elements with a quantity of zero are easily identified on the referenced pages. Attached is a separate list of all the rate elements with a quantity of zero (Attachment 1).

The Company also numbered each rate element to allow an easy-to-use cross-reference with all of the rate elements displayed in Section C, Tab 1. See the Company's response to AT&T 1-2, Attachment 2.

b. The rate elements with a quantity of zero have no weight in the calculation of the "Present Average Price".

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c. The rate elements with a quantity of zero have no weight in the calculation of the "Proposed Average Price".

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d. The rate elements are included to provide an inventory of the tariffed or regulated rate elements subject to the Price Cap Plan.

VZ# 16

NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY

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D. T. E. 00-101

Respondent: Arthur Silvia
Title: Director

REQUEST: AT&T Communications of New England, Set #1

DATED: January 18, 2001

ITEM: ATT 1-7 Please refer to Section C, Tab 1, pages 1-83 of Verizon's October 2, 2000 Filing.

a. Identify and reference by section and page each and every specific rate element with a rate of less than zero.

b. For each such rate element, please explain how the rate can be less than zero

REPLY: a. Rate elements with a rate less than zero are easily identified on the referenced pages, Attached is a separate list of the rate elements with a rate less than zero.

The Company also numbered each rate element to allow an easy-to-use cross-reference

Untitled

with all of the rate elements displayed in Section C, Tab 1. See the Company's response to AT&T 1-2, Attachment 2.

b. A rate is less than zero the rate element when it represents a discount or credit.

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NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY

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D. T. E. 00-101

Respondent: Arthur Silvia
Title: Director

REQUEST: AT&T Communications of New England, Set #1

DATED: January 18, 2001

ITEM: ATT 1-8 Please refer to Section C, Tab 1, pages 1-83 of Verizon's October 2, 2000 Filing.

a. Identify and reference by section and page each and every specific rate element with a rate of less than zero that does not reflect a credit for a service.

b. For each such rate element, please explain how the rate can be less than zero.

REPLY: Please see the reply to AT&T 1-7.

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