

John L. Conroy
Vice President - Regulatory



125 High Street, Oliver Tower
7th Floor
Boston, MA 02110

Phone 617 743-9250
Providence Office 401 525-3060

June 19, 2012

Karen Lyons, Esq.
Special Assistant Attorney General
150 South Main Street
Providence, RI 02903

Re: Docket 4321

Dear Ms. Lyons;

Attached are responses to the Division's First Set of Data Requests in the above proceeding. If you have any questions, feel free to contact me.

Sincerely

A handwritten signature in black ink, appearing to read "John L. Conroy", written in a cursive style.

cc: Luly Massaro
Service List

Verizon New England, Inc.
d/b/a Verizon Rhode Island

State of Rhode Island

Docket No. 4321

Respondent: John L. Conroy
Title: Vice President-
Regulatory Affairs

DATA REQUEST

DATED: May 23, 2012

ITEM: What does Verizon expect to achieve from the proposed additions to the standards? How were costs for residential subdivisions handled in the past?
DIV. 1 - 1

REPLY: Verizon RI proposes these tariff changes in order to improve the efficiency of its network investments in Rhode Island. Currently, Verizon RI incurs substantial costs to extend its network to serve new residential subdivisions where the subdivision's roads are or are intended to be dedicated as public ways, which is most often the case. In the past, Verizon RI was able to recoup those costs from the revenue generated from new customers in the subdivision. Today, however, customers prefer to bundle voice services with television and/or data. Consequently, in areas of the state not served by Verizon RI's FiOS network, most subdivision homebuyers choose to purchase voice service as part of a bundle from the local CATV company, and relatively few customers purchase it as a stand-alone service from Verizon RI. Thus, Verizon RI is unable to recover the cost of building-out its copper network in the subdivision.

Verizon New England, Inc.
d/b/a Verizon Rhode Island

State of Rhode Island

Docket No. 4321

Respondent: John L. Conroy
Title: Vice President-
Regulatory Affairs

DATA REQUEST

DATED: May 23, 2012

ITEM: Will there be additional revenue generated resulting from these proposed
DIV. 1 - 2 additions? If so, how much estimated revenue should be expected?

REPLY: The proposed additions to the tariff will result in reimbursement to Verizon RI of the costs associated with the extension of Verizon RI's network. The amount of such reimbursement will vary based on the size and nature of subdivisions that might be proposed in the future and whether the developers are willing to pay for construction. Verizon RI therefore cannot estimate the amount of reimbursement it may receive.

VZ DIV 1 - 2

Verizon New England, Inc.
d/b/a Verizon Rhode Island

State of Rhode Island

Docket No. 4321

Respondent: John L. Conroy
Title: Vice President-
Regulatory Affairs

DATA REQUEST

DATED: May 23, 2012

ITEM: How many customer projects that the company currently knows about
DIV. 1 - 3 would be affected by the proposed changes for the remainder of the 2012
calendar year? How many customers does the company expect to collect
from in a twelve-month period?

REPLY: At the current time, Verizon RI is not aware of any new planned residential subdivisions that would be affected by these tariff provisions. Currently, there is only one project under way (a new residential subdivision with between 10 and 15 planned single family homes) for which Verizon RI would have sought cost reimbursement had the revised tariff language been in effect at the time that project commenced. A review of our records for the prior two years has identified no projects during that time frame that would have resulted in Verizon RI seeking cost reimbursement had the revised tariff language been in effect. Verizon RI is not able to estimate how many projects may arise during the next twelve-month period.

VZ DIV 1 - 3

Verizon New England, Inc.
d/b/a Verizon Rhode Island

State of Rhode Island

1.

Docket No. 4321

Respondent: John L. Conroy
Title: Vice President-
Regulatory Affairs

DATA REQUEST

DATED: May 23, 2012

ITEM: Under Verizon's current Construction and Interior Wiring standard(s)
DIV. 1 - 4 2.1.5:

- a) How many customers were charged a fee as per the standard?
- b) How many dollars were collected in total related to these fees in FY 11?

REPLY: Section 2.1.5 addresses the circumstances in which special construction charges apply. It is not related to the proposed additions in section 2.1.6 of the tariff. That said, in 2011, no customers in residential subdivisions were charged special construction fees under section 2.1.5.

VZ DIV 1 - 4

Verizon New England, Inc.
d/b/a Verizon Rhode Island

State of Rhode Island

Docket No. 4321

Respondent: John L. Conroy
Title: Vice President-
Regulatory Affairs

DATA REQUEST

DATED: May 23, 2012

ITEM: Please briefly explain how Verizon operates under the Join[t] Use Pole Agreement IOP with NGrid. Include information regarding how each company may compensate or charge the other when construction is completed within or outside a company's respective maintenance area. Also include descriptions of how Verizon may operate within its maintenance area when a line extension, pole upgrade, pole relocation or general construction is required with and without the addition of any new Verizon customer(s).

DIV. 1 - 5

REPLY: Objection: This request is neither relevant to any issue raised by the proposed tariff changes nor reasonably calculated to lead to the discovery of admissible evidence. Communications services in new residential subdivisions are almost always provided through underground conduit. The Joint Ownership agreement between Verizon RI and National Grid applies solely to utility poles, not to underground conduit.

Subject to this objection, however, Verizon RI states that under the Joint Pole Ownership agreement with NGrid, each party has responsibility to install, or "set," jointly-owned poles in defined geographical regions of the state. The parties generally do not charge each other for setting new poles, either as part of a pole upgrade or relocation, in their respective set areas. However, where NGrid seeks an aerial line extension in a Verizon RI set area

and Verizon RI believes that the extension will yield few if any new Verizon RI customers, the company may decline to build that extension. NGrid would be free to build the line extension, and NGrid would be the sole owner of those poles.

VZ DIV 1 - 5

Verizon New England, Inc.
d/b/a Verizon Rhode Island

State of Rhode Island

Docket No. 4321

Respondent: John L. Conroy
Title: Vice President-
Regulatory Affairs

DATA REQUEST

DATED: May 23, 2012

ITEM: In proposed 2.1.6.B, what time period is considered with the term "...by
DIV. 1 - 6 the revenue the Company expects to receive...”?

REPLY: Generally, ten years.

VZ DIV 1 - 6

Verizon New England, Inc.
d/b/a Verizon Rhode Island

State of Rhode Island

Docket No. 4321

Respondent: John L. Conroy
Title: Vice President-
Regulatory Affairs

DATA REQUEST

DATED: May 23, 2012

ITEM: Also in proposed 2.1.6.B, are the charges considered all-or-nothing? At
DIV. 1 - 7 what point does the Company, exercising its sole discretion, determine when there will be charges and is there any credit given for expected revenue? Would or could a standard formula be used e.g., price per foot, cost/revenue justification?

REPLY: Verizon RI expects that where a proposed residential subdivision is located in an area of the state that is not served by Verizon RI's FiOS network but is served by a CATV provider, the investment necessary to extend the Company's network to that subdivision will not be justified by the revenue the Company expects to receive from customers in the subdivision. Those are the circumstances in which the Company expects to require the developer to pay the costs of construction of the network extension.

VZ DIV 1 - 7

Verizon New England, Inc.
d/b/a Verizon Rhode Island

State of Rhode Island

Docket No. 4321

Respondent: John L. Conroy
Title: Vice President-
Regulatory Affairs

DATA REQUEST

DATED: May 23, 2012

ITEM: If a subdivision requires a pole line extension, do charges differ whether
DIV. 1 - 8 an existing roadway where the line extension is required is public or
private?

REPLY: Yes. *See* RI PUC Tariff No. 15, Part A, sections 2.1.2 and 2.1.3.
Charges may also depend on other factors, as described in the tariff.

VZ DIV 1 - 8