

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE TARIFF FILING)
BY VERIZON DELAWARE INC., TO)
RECLASSIFY DENSITY CELLS IN) PSC DOCKET NO. 02-023T
COMPLIANCE WITH PSC ORDER NO. 5208)
(FILED SEPTEMBER 30, 2002))

ORDER NO. 6057

AND NOW, this 29th day of October, 2002, the Commission determines and Orders the following:

1. On the retail side, Verizon Delaware Inc. ("VZ-DE") has allocated each of its local exchange central offices to a particular "density cell" classification. Under the three-tiered density cell definitions, each central office is assigned a density cell "1", "2", or "3" depending on the density of the particular exchange's working pair access lines per square mile. See Findings, Opinion, and Order No. 5208 (Aug. 31, 1999) (describing density cell regime).^[11] In turn, on the retail side, the density cell assignment for a particular central office (or exchange) will affect the rate in such exchange for several services, including the rates for special access services and private lines.

2. In the federal Telecommunications Act of 1996, Congress mandated that VZ-DE lease its network elements, including local loops, to competing local exchange carriers. The Federal Communications Commission directed that, in setting the lease pricing for the loop unbundled network elements and interconnection, the prices be "geographically deaveraged" into at least three prices. 47 C.F.R. § 51.507(f)(1)-(2). In Order No. 5208, this Commission chose to use the density cell regime as the grouping benchmark to be used in setting the required "geographic deaveraged" loop and interconnection prices. See Order No. 5208 at ¶¶ 4, 19-21, & Ord. ¶ 1. At the same time, the Commission directed VZ-DE, every three years, to review the number of working pairs per square mile in each exchange area and, if

the resulting survey reported the need to reassign any exchange to a differing density cell category, to file for such reclassifications. Order No. 5208 at ¶ 23 & Ord. ¶ 4.

3. Pursuant to this directive, on September 30, 2002, VZ-DE filed revised tariff sheets to implement Density Cell reclassifications for two Exchange Areas, Georgetown and Middletown. According to VZ-DE, the current density of lines in those two exchanges exceed the limits of their current Density Cell 3 assignments. Accordingly, VZ-DE proposes to reassign both of the two exchanges to Density Cell 2.

4. Staff has reviewed the working papers submitted by VZ-DE to support these Density Cell reclassifications. Staff reports that the working pairs per square mile in both the Georgetown and Middletown exchanges exceed the Density Cell 3 criteria and, accordingly, recommends that the Commission approve their reassignment to Density Cell 2. Such latter assignment conforms to the reported density of lines in those two exchanges.

5. As noted above, the reclassifications of these two exchanges may affect - downwardly - the deaveraged prices VZ-DE may charge other local exchange carriers for many unbundled network loops in these two exchange areas. Similarly, in the case of retail special access services and retail private lines, the reclassifications will result in the application of lower rates for those services in these two exchanges. Because of this, the Commission will now allow the two reclassifications to go into effect promptly and without any prior public notice of the filing of this application. See 26 Del. C. §§ 304(a) (allowing waiver of sixty-day waiting period and public notice), 707(a) (applying § 304 to "basic service" offerings). At the same time, the Commission will allow a period of time after the entry of this Order for any interested person or entity to petition for further investigation of this matter if such person asserts the two reclassifications are inappropriate or that, upon reasonable basis, further exchange reclassifications are required. If such a request is

received, the Commission will then determine, by subsequent Order, the need for further proceedings and, if required, the course of such further proceedings. In the absence of any such request and further Order, these two reclassifications shall continue in effect until further revised under Order 5208.

6. VZ-DE has also requested that this tariff revision, making the reclassifications, become effective on October 29, 2002. For the reasons stated above, the Commission grants this request, and foregoes the traditional sixty-day review period.

Now, therefore, **IT IS ORDERED:**

1. That the proposed revised tariff sheets filed by Verizon Delaware Inc., which reclassify the Georgetown and Middletown Exchange Areas from Density Cell 3 to Density Cell 2 are hereby permitted to go into effect on October 29, 2002.

2. That the Secretary shall forthwith serve, by United States mail, a copy of this Order on each party on the service list in PSC Docket No. 96-324, Phase II.

3. That the Secretary shall post a copy of this Order on the Commission's website for a period of forty-five days after the date of this Order. Such Order shall be highlighted by a reference stating "Reclassification of Density Cells for the Georgetown and Middletown Exchanges of Verizon Delaware Inc."

4. That any person or entity that wishes the Commission to institute further investigation into this matter shall file such a request within forty-five (45) days after the date of this Order. The Commission will act on such a request by further Order.

5. That Verizon Delaware Inc., is notified, under 26 Del. C. § 114, that it is assessed the costs of this proceeding.

6. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or

proper.

BY ORDER OF THE COMMISSION:

_____Chair

/s/ Joshua M. Twilley
Vice Chair

/s/ Joann T. Conaway
Commi ssi oner

PSC Docket No. 02-023T, Order No. 6057 Cont'd.

/s/ Donald J. Puglisi
Commi ssi oner

/s/ Jaymes B. Lester
Commi ssi oner

ATTEST:

/s/ Karen J. Nickerson
Secretary

^[1] Hereafter cited as "Order No. 5208."