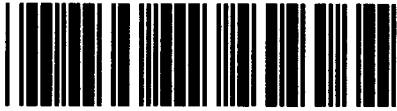




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PROJECT NO. 32182

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PUC INVESTIGATION OF METHODS TO §
IMPROVE ELECTRIC AND TELCOM §
INFRASTRUCTURE THAT WILL §
MINIMIZE LONG TERM OUTAGES AND §
RESTORATION COSTS ASSOCIATED §
WITH GULF COAST HURRICANS §

PUBLIC UTILITY
COMMISSION
OF TEXAS

**VERIZON SOUTHWEST'S RESPONSE
TO STAFF'S MEMORANDUM OF DECEMBER 23, 2005**

Verizon Southwest ("Verizon") files the following comments in response to the Commission Staff's Memorandum dated December 23, 2005.

Question 1: If your company provided service in the areas affected by Hurricane Rita, please provide your company specific information on the number of customers affected, the minimum, maximum and average outage duration for the customers affected.

Response: The detailed information requested is not available in the format requested. Verizon was affected by Hurricane Rita which caused 7,891 out-of-service troubles and took a total of 39 days to restore all Verizon customers.

Question 2: Please provide information on additional non-company resources deployed in the area for the restoral effort.

Response: All resources deployed were company resources. Verizon did not require any non-company resources. Verizon has a detailed emergency management plan whereby Verizon resources across the country could be called upon to assist if needed.

Question 3: Please provide information on the types and physical quantity of facilities affected by the hurricane in your service area.

- a) What percent of those facilities were replaced using existing inventory.
- b) What percent of those facilities had to be newly procured?
- c) Are the facilities replaced meet the existing standards or exceed the standards to ensure survivability in the event of another hurricane of category 4 or higher?

Response: In total, the hurricane caused damage to 281 poles, 227 Terminals, 3 Repeaters, 1 Central Office building and required 834 cable repairs/replacements and 324 Drop Wire repairs/replacements.

- a) With the exception of the replacement of the damaged Central Office roof, approximately 85% to 90% of all materials needed to affect the damaged facility repair were obtained from existing inventory.
- b) Approximately 10% to 15% of required material, excluding the repair of the Central Office roof, was newly purchased. All material to replace the CO roof was purchased.
- c) Existing standards were met. However, during the facility repair approximately 15% to 20% of the damaged aerial cable was replaced with buried plant.

Question 4: What lessons were learned in the process that would improve restoral time or reduce cost of restoral in the future?

Response: The main issues affecting restoral times were beyond our control. (e.g., transporting employees back into the affected areas after the mandatory evacuation, obtaining

FEMA permits, transporting materials to the affected locations and the shortage of gasoline). For employee safety reasons, employees are not allowed into an area until all power conditions, such as downed live power cables which clearly present a safety hazard, were declared safe. Verizon has comprehensive disaster recovery plans which were followed and the Company believes this worked very well in minimizing restoral time for our customers. For example, Verizon started to prepare five (5) days before the hurricane made landfall, tracking the hurricane and taking steps to prepare for the worse. Verizon deployed 25 emergency generators to different Texas CO locations and remote sites which prevented loss of service to 95,735 lines that were without power. As the storm approached and prior to evacuation, Verizon employees sand bagged and sealed COs in order to prevent water and wind damage as well as property theft. (Verizon lost a total of 8 generators through theft but the battery back up worked until replacement generators could be delivered and installed.) Verizon also arranged for a fully equipped Central Office on a trailer to be available (from Falcon Communications out of Missouri) should it be needed. When the Hardin, TX CO roof was blown off, the switch was transported down the next day following the request and the roads were declared safe. The Verizon team deployed tarps to keep out the rain and this temporary repair effort kept the switch and power connections dry. As a result, Verizon did not need the portable switch although it was available just in case, and service to the customers in Hardin went uninterrupted.

Question 5: What, if any, additional costs would be associated with improvements from lessons learned identified above? To what degree, if any, might they be offset by more timely restoral of services?

Response: Verizon does not have such information.

Question 6: How might your company's physical infrastructure be modified or replaced to enhance its ability to withstand severe hurricanes?

Response: Replacing all aerial cable with buried plant might help in some instances. However, Verizon sometimes encounter right-of-way issues when attempting to bury plant and buried plant is not a cure all if heavy rains and flooding occurs. Today, Verizon expends extra effort on those Gulf Coast locations. For example, Verizon has been pro-active in removing aerial cable facilities and replacing with buried or underground cable facilities the past 5 years. Also, in addition to stationary and portable emergency generators, each Central Office location in the Gulf area has emergency 8 hour battery back up.

Question 7: How does the cost of the modifications and replacements identified above compare with that of replacing storm-damaged infrastructure in the past?

Response: Verizon does not have the cost data available that would allow such a comparison.

Question 8: Has your company modified the planning, engineering and construction practices since Hurricane Rita for deploying facilities in the Texas Gulf coast region? If so how? Please provide details.

Response: No.

Question 9: How should the cost identified in the responses to the previous questions be recovered? Should the cost be recovered from the general body of ratepayers, from the ratepayers in the affected areas, or from some other source?

Response: Verizon does not have the cost data as stated above. Verizon opted into incentive regulation and operates under Chapter 58 of the Texas Public Utility Regulatory Act (PURA) and follows the appropriate rules.

Question 10: What changes in depreciation practices are appropriate?

Response: Verizon utilizes economic depreciation principles and does not believe any changes to current depreciation practices are necessary.

Question 11: Should utility standards of construction in the coastal area be upgraded? Has your company provided input or planning to participate in the activities of standard setting organizations? If so, provide details.

Response: Verizon believes its current standards of construction are appropriate. In addition, Verizon has in place detailed emergency procedures that can be called into play and that provide adequate relief in emergency situations that is timely, responsive and efficient. Verizon also conducts an, "after-the-fact" meeting with all parties who had a hand in addressing the emergency to assess how things were handled, what was done right and what could have been done better and how.

Verizon appreciates the opportunity to file responses to the questions posed by Staff, and looks forward to working with the Staff on these issues.

Respectfully submitted,

VERIZON SOUTHWEST

By:



ALFRED A. BANZER
DIRECTOR-REGULATORY AFFAIRS
816 Congress Avenue, Suite 1500
Austin, Texas 78701
(512) 370-4214
Fax: (512) 370-4275

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Verizon Southwest's Response to Staff's Memorandum of December 25, 2005 has been hand-delivered to the General Counsel, this 13th day of January, 2006.

Simona A. Boren