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June 13, 2005

RECEIVED

JUN 14 2005

PUBLIC SERVICE  
COMMISSION

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602

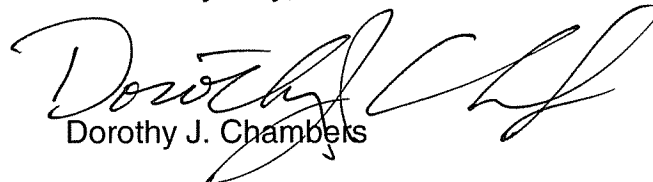
Re: Joint Petition for Arbitration of NewSouth Communications Corp., NuVox Communications, Inc., KMC Telecom V, Inc., KMC Telecom III LLC, and Xspedius Communications, LLC on Behalf of Its Operating Subsidiaries Xspedius Management Co. Switched Services, LLC, Xspedius Management Co. of Lexington, LLC, and Xspedius Management Co. of Louisville, LLC of an Interconnection Agreement With BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Communications Act of 1934, As Amended  
PSC 2004-00044

Dear Ms. O'Donnell:

Reference is made to BellSouth's May 13, 2005, filing of transcripts of the hearing in the Florida proceeding. It has come to BellSouth's attention that the copy of the February 25, 2005, transcript of the deposition of Kathy Blake contained only odd-numbered pages. Enclosed for filing are two complete copies of the transcript. A CD containing this document is also enclosed. Please substitute this paper copy for the one filed on May 13, 2005.

BellSouth apologizes for any inconvenience this may have caused.

Yours very truly,



Dorothy J. Chambers

Enclosures

cc: Parties of Record (without Enclosures)  
589214

**CERTIFICATE OF SERVICE**

It is hereby certified that a true and correct copy of the foregoing was served on the following individuals by mailing a copy thereof, this 13th day of June 2005.

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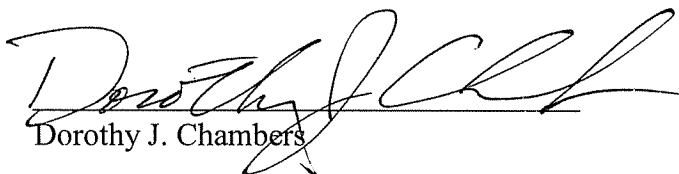
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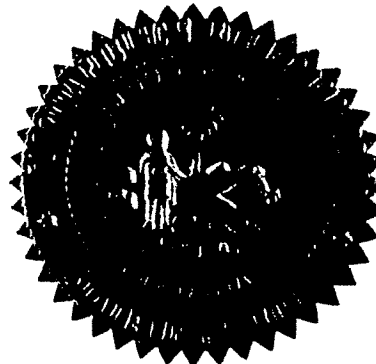
  
Dorothy J. Chambers

FILE COPY BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 040130-TP

In the Matter of

JOINT PETITION BY NEWSOUTH  
COMMUNICATIONS CORP., NUVOX  
COMMUNICATIONS, INC., KMC TELECOM  
V, INC., KMC TELECOM III LLC, AND  
XSPEDIUS COMMUNICATIONS, LLC, ON  
BEHALF OF ITS OPERATING SUBSIDIARIES  
XSPEDIUS MANAGEMENT CO. SWITCHED  
SERVICES, LLC AND XSPEDIUS MANAGEMENT  
CO. OF JACKSONVILLE, LLC, FOR  
ARBITRATION OF CERTAIN ISSUES ARISING  
IN NEGOTIATION OF INTERCONNECTION  
AGREEMENT WITH BELLSOUTH  
TELECOMMUNICATIONS, INC.



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A CONVENIENCE COPY ONLY AND ARE NOT  
THE OFFICIAL TRANSCRIPT OF THE HEARING,  
THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

TELEPHONIC  
DEPOSITION OF: KATHY BLAKE

TAKEN AT THE  
INSTANCE OF: The Staff of the Florida  
Public Service Commission

PLACE: Room 362  
Gerald L. Gunter Building  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

TIME: Commenced at 10:44 a.m.  
Concluded at 12:00 p.m.

DATE: Friday, February 25, 2005

REPORTED BY: LINDA BOLES, RPR  
Official FPSC Hearings Reporter  
FPSC Division of Commission Clerk and  
Administrative Services  
850/413-6734

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WITNESS

NAME:

PAGE NO.

KATHY BLAKE

Direct Examination by Ms. Scott

6

MISCELLANEOUS

STIPULATION

5

ERRATA SHEET

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CERTIFICATE OF REPORTER

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CERTIFICATE OF OATH

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S T I P U L A T I O N

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that objections, except as to the form of the question, are reserved until hearing in this cause; and that reading and signing was not waived.

IT IS ALSO STIPULATED that any off-the-record conversations are with the consent of the deponent.

1           A     My name is Kathy K. Blake, 675 West Peachtree Street,  
2 Atlanta, Georgia 30375.

3           Q     Did you file testimony in Docket 040130?

4           A     Yes, I did.

5           Q     Did you file direct and rebuttal?

6           A     Yes, I did.

7           Q     Do you have copies of your testimony with you today?

8           A     Yes, I do.

9           Q     And what documents did you review prior to this  
10 deposition?

11          A     I reviewed my testimony, Mr. Morillo's direct  
12 testimony for which I'm adopting, Mr. Russell's rebuttal  
13 testimony, the joint petitioners' testimony, Mr. Morillo's  
14 North Carolina parts of supplemental direct that were asked  
15 about, and the transcript page referenced in -- of the  
16 transcript that was requested.

17          Q     Okay. Is that all?

18          A     Basically, yes.

19          Q     Okay. I'm going to ask you a series of questions  
20 regarding the EEL auditing process.

21          A     Okay.

22          Q     In particular, Items 51(b) and (c).

23          A     Okay.

24          Q     Would you please explain what the parties have agreed  
25 to with regard to Item 51(b), that is Issue 2-33(b)?

1 what the parties are unable to agree to with regards to the  
2 time period, the timing issue?

3 A I don't believe the agreement or the disagreement is  
4 relative to the timing period as far as the number of days in  
5 the notice. It's pretty -- it's centered around what is  
6 contained in the notice. BellSouth would identify in the  
7 notice the cause upon which we rest our allegations that  
8 they're out of compliance, their EELs are not in compliance.

9 The joint petitioners, on the other hand, are seeking  
10 for BellSouth to specifically identify the circuits for which  
11 we have reason to believe are out of compliance, as well as  
12 provide supporting documentation with the notice.

13 Q Okay. Thank you. Would you please explain what  
14 BellSouth's position is with regard to the portion of the issue  
15 that the parties have been unable to reach agreement on?

16 A Relative to 51(b)?

17 Q Yes, ma'am.

18 A Well, in the, in the language in Attachment 2 the  
19 joint petitioners set forth basically what I just mentioned a  
20 minute ago about wanting the notice to contain and identify  
21 particular circuits for which we allege noncompliance, and then  
22 the notice will also include all supporting documentation.

23 And in BellSouth's language we, we are agreeable to  
24 identifying the cause upon which we rest our allegations of  
25 noncompliance, and, and that should be all we'd be required to

1 interconnection agreement that would allow the CLEC this  
2 negotiation option?

3 A I'm not sure I understand what you mean by  
4 "negotiation option."

5 Q I'm referring back to the Lines 1 through 5 where  
6 there's discussion of negotiation as to the specific start date  
7 and time. That's the negotiation option that I'm referring to.

8 A I mean, I can state we're willing to entertain  
9 language, you know, that the parties will, you know, work  
10 cooperatively to reach an agreeable start date.

11 But I think what we need to make sure we're not  
12 subject to is unnecessary delay based on either their  
13 contention that we don't have cause or that we're doing an  
14 audit unnecessarily or, you know, we'll get to this in 51(c),  
15 you know, that they don't like the auditor we selected or that  
16 they are questioning the independence or integrity of an  
17 auditor that, you know, has been selected.

18 So, you know, whether, whether language can be  
19 proposed and considered that would, you know, work in that  
20 we're willing to negotiate the start date of the audit, but the  
21 intent is to, to ensure that the CLECs are using EELs in  
22 compliance with the eligibility criteria. And the sooner we  
23 can proceed with the audit and get the auditor to make that  
24 assessment, that's where we need to be.

25 Q Just a moment. I'm sorry.



1 A No.

2 Q Oh, okay.

3 A I printed this off the AICPA Web site.

4 Q Okay. Under the membership requirements there are  
5 five bullets.

6 A Right.

7 Q Would you please read the first sentence under the  
8 last two bullets?

9 A The first sentence of the fourth bullet is, "Practice  
10 in a firm enrolled in an approved practice-monitoring program  
11 (or, if practicing in a firm not eligible to enroll, are  
12 themselves enrolled in such a program); (a) If the service is  
13 performed by such a firm or individual or within the scope of  
14 the AICPA's practice" --

15 Q That's all you have to, to read, ma'am.

16 Oh. Could you go on to read the fifth bullet point?

17 A Yes. "All members must agree to abide by the AICPA  
18 bylaws and code of professional conduct."

19 Q Okay. Thank you. Do you have a copy of Article IV,  
20 Section 4, Objectivity and Independence? Just Article IV. I'm  
21 sorry.

22 A Yes, I have Article IV.

23 Q Okay. Please read the portion starting with, "A  
24 member."

25 A The italicized under the title?

1           A     Well, I guess BellSouth's position is that's an  
2 unnecessary requirement and contradicts the obligation set  
3 forth in the FCC's order.

4           Q     Just a moment.

5                     (Pause.)

6                     Okay. Ms. Blake, I'm back.

7                     If the auditor finds a problem but the CLEC disagrees  
8 with the finding, does the CLEC have any recourse to appeal  
9 that finding?

10           A     The CLEC would have the recourse to come to the  
11 Commission as kind of a dispute resolution under the agreement.

12           Q     Okay. Let me see if I understand you correctly.  
13 You're saying that the recourse is coming to the Commission  
14 and -- is that what you're saying?

15           A     It would be a dispute under the agreement. The terms  
16 of the agreement would set forth how we would do the audit or  
17 the process for the audit. And if they didn't agree with the  
18 findings of the audit, I believe that would be subject to the  
19 dispute resolution procedures process set forth in the  
20 agreement.

21           Q     Okay. Where can that be found in the interconnection  
22 agreement?

23           A     Dispute resolution being arbitrated under Issue 9,  
24 it's the general terms and conditions section.

25           Q     Could you repeat that? I'm sorry.

1 had in mind?

2 A I think that'll be dependent upon our discussions  
3 with the CLEC, unless it would be prompted by the CLEC  
4 contacting us and saying, you know, the person that handles my  
5 bill is, you know, had a death in the family or, you know,  
6 we've got a situation within their company that is going to  
7 cause them to not to be able to pay their bill by the payment  
8 due date and they're seeking an extension, they could have had  
9 a flood in their office that, you know, caused them to be out  
10 of commission for a few days. Those type of situations would  
11 come to mind. We don't have an exhaustive list or even a  
12 contemplated list. It would be dependent upon the circumstance  
13 the CLEC brings forth to BellSouth at the time.

14 Q Okay. Give me a moment, please.

15 Okay. If I understood you correctly, are you saying  
16 that it's, it's purely a function of what the CLEC brings?

17 A It would have to be determined based on the situation  
18 the CLEC would bring to our attention. You know, we, we talk  
19 with the CLECs, our collection and, billing and collection  
20 organization, you know, has sometimes daily, weekly, sometimes  
21 multiple times daily discussions with the billing groups of the  
22 CLECs, and either questions about their bill or inquiries  
23 about, you know, disputes, status of disputes pending. So, I  
24 mean, it's in the normal course of business in dealing with our  
25 customers, which the CLECs are our customers just like any

1           A     Yes. Depending on the system that their bill is  
2 generated from, whether it's a CRIS bill, there may be some  
3 different bill generation processes that are not quite exactly  
4 the same as the CABS bill generation process. But if the  
5 customer is billed via our CRIS system, regardless of the type  
6 of customer, it would all be generated the same way.

7           Q     Okay. A bill date is not the same as the bill  
8 generation date; correct?

9           A     Correct. The bill date is the set date that is  
10 populated on the customer's bill that says this is when we  
11 basically stopped -- for this month we stopped accumulating the  
12 charges. And then the bill generation is the process we go  
13 through to generate the bill, pull all the charges, do all the  
14 processing and producing of the bill.

15          Q     Are the terms "bill date" and "bill generation date"  
16 separately defined in the interconnection agreement?

17          A     I do not believe to that specificity they are. I  
18 mean, the interconnection agreement sets forth the -- we send  
19 you a bill, we expect it to be paid by the payment due date,  
20 which is defined as on or before the next bill date.

21          Q     You state that the bill generation date is typically  
22 three to four business days past a bill date; correct?

23          A     Typically, yes.

24          Q     Has that always been the case?

25          A     Yes. Typically in the past even with our retail

1           So I can't, can't imagine or recall or have any  
2 knowledge of that we would have had the ability to, like, on  
3 the first bill period that we generate the bill on the first.  
4 It would be highly unlikely.

5           Q     Do you know if BellSouth has ever been requested to  
6 do, to do this on an individual case basis?

7           A     Not to my knowledge. I do not have any knowledge to  
8 that effect, and I would be --

9           Q     Can a wholesale or retail customer request that  
10 BellSouth generate a bill on the bill date?

11          A     I, I guess they could request anything. Whether we  
12 can honor that request is really the issue here. As far as to  
13 individually process and generate a bill for one customer on a  
14 specific date and realizing the volume of bills we generate  
15 every month in the 20-plus billing cycles we have in a month,  
16 it just would not be an efficient -- I mean, again, we'd have  
17 to weigh what would be the cost of doing that. And, again, you  
18 know, we've got processes in place for CLECs to request things  
19 that are outside of our obligations, which, you know, I'm not  
20 aware that any CLEC has asked for that through our business  
21 request or bona fide request process or the new business  
22 request process rather.

23          Q     Okay. I want to shift over to Page 46 now of your  
24 rebuttal testimony.

25          A     Okay.

1 afforded any specific terms and conditions because the billing  
2 was untimely?

3 A I'm not real versed on the Tier 1 type penalties. I  
4 believe those are payments directly to a CLEC --

5 Q Yes.

6 A -- using their particular measure.

7 Would you ask your question again? I was thinking  
8 about the Tier 1 when you were asking.

9 Q Sure. No problem. If BellSouth pays a Tier 1 SEEM  
10 penalty for a mean time to deliver invoices metric, are the  
11 affected CLECs afforded any specific terms and conditions  
12 because the billing was untimely?

13 A By terms and conditions, are you talking about in the  
14 concert of their interconnection agreement?

15 Q Yes.

16 A Not -- and, again, that could be if the bill was  
17 delivered late, you know, and that would perpetuate it being a  
18 SEEMs penalty or could fall into a SEEMs penalty. It could be  
19 that we would waive late payment charges in that case.

20 Q Okay. Now for the next question if you could get out  
21 joint CLEC or joint petitioners' witness Hamilton Russell's  
22 rebuttal testimony.

23 A I have it.

24 Q Or, I'm sorry, direct testimony.

25 A Right.

1           Now my next series of questions, you'll need to get  
2 out BellSouth's responses to staff's first set of discovery.

3           A     Okay.  Yes.  I'm ready.

4           Q     Okay.  Please turn to the attachment for Item Number  
5 16.

6           A     I have it.

7           Q     In general, what does this report tell us?

8           A     This is the SQM report for Florida for the time  
9 period of January 2004 through December 2004, the billing  
10 measure that measures the mean time to deliver invoices via  
11 CRIS or CABS, those are the two billing systems, which in  
12 essence is an average time to deliver bills.

13                   It shows the month, the source or the system, which  
14 is CABS or CRIS, has the state, which shows Florida.  It shows  
15 the product group description, whether it's interconnection,  
16 resale or UNE.  It shows, reflects what the benchmark analog  
17 is, and in this case it's retail.

18                   And the next three columns, again, are probably more  
19 detail or there's more detail to them than I'm able to give.  
20 But it shows data that was used in calculating the measurement  
21 based on BellSouth's retail information, and then the CLEC  
22 volume information is in this next three columns.  And then  
23 there's some other standard deviation errors which are blank,  
24 and then there's a Z-score equity that indicates whether we met  
25 the measure, are we at parity or not.  And there's only one

1 the column labeled for the first row, January '04 for CABS  
2 interconnection, the BellSouth metric or, that were measured  
3 against for CLECs, we delivered their bills, average time  
4 delivery was five days. CLECs, the average was 4.8 to  
5 8.5 days. So we were better than the 5 we did for retail.

6 Q Does BellSouth's proposed interconnection language  
7 allow payment terms to float?

8 A I'm sorry? I'm not sure I'm following your question.  
9 Payment terms for CLECs to pay their bills?

10 Q Yes.

11 A No. The language in the agreement is predicated upon  
12 payment is due on or before the payment due date, which is  
13 defined as the bill date of the next month. Again, we've  
14 got -- you know, if there's situations that they need more  
15 time, we could, you know, discuss those and don't unreasonably  
16 deny those requests.

17 So, I mean, the bill is expected to be paid on or  
18 before the payment due date, as with every one of our other  
19 customers.

20 Q Would you agree that contract terms need to be firm  
21 as opposed to floating?

22 A I think contract terms need to be defined so the  
23 parties understand what their obligations are.

24 Q Okay. Is it correct that BellSouth met the benchmark  
25 for both sub-metrics in almost every reporting period?



1 Q Okay. Is the Z-score equity value the trigger for a  
2 Tier 1 SEEM penalty?

3 A I'm not sure that I'm in a position to answer that.  
4 I don't, I don't know if there's other factors that may play  
5 into, into whether we pay a penalty based on just a yes/no in  
6 one particular item or not. I don't know.

7 Q Would you be able to explain how the Z-score equity  
8 value relates to the SEEM trigger?

9 A No, I would not.

10 Q Do you believe that the issue is not really about  
11 parity with retail?

12 A Relative to payment due date?

13 Q Yes. Issue 97, yes.

14 A Yeah. Well, if it was parity to retail, that's  
15 exactly what we're offering to the joint CLECs, the same  
16 billing payment due date that we offer to our retail customers.  
17 So it's basically the joint petitioners are wanting better than  
18 we offer to our retail customers. We expect our retail  
19 customers to pay their bill by the payment due date, which is  
20 on or before the next bill date at the latest. I mean, I think  
21 in some of the retail it may, we may even publish a payment due  
22 date that is sooner than the bill date.

23 But, again, I think what the joint petitioner is  
24 asking for is beyond what we, we offer our retail customers.

25 Q Because the performance metric for mean time to

1 speaking of that. So I'm just speaking of basic copper loops,  
2 DS0 type loops that will still be provided.

3 We would offer that copper loop or DS0 level loop in  
4 accordance with 251. It really wouldn't be purchased as a 271  
5 element.

6 Q Are the rates, terms and conditions different for the  
7 251 and 271 UNEs described, that you just described?

8 A Well, if a UNE is offered pursuant, has to be offered  
9 or we have an obligation to offer it pursuant to 251, it would  
10 be priced at TELRIC. If an element is no longer obligated, we  
11 no longer have an obligation to provide that element as a  
12 251 element or UNE and we offer it only pursuant to 271, it  
13 would be priced not at TELRIC, at a market-based rate.

14 Q If a CLEC has a voice grade DS0 251 UNE and a voice  
15 grade DS0 271 UNE, would BellSouth commingle the two DS0s at  
16 the CLEC's request?

17 A Not pursuant to the interconnection agreement.

18 Q Would BellSouth allow the CLEC to commingle the DS0s  
19 using the CLEC's own equipment?

20 A We, we would provide the DS0 loop. And I guess to  
21 make sure we're talking the right elements, if you will, the  
22 251 DS0 loop we could provide -- we would provide pursuant to  
23 the interconnection agreement. If they wanted a 271 switch  
24 port and we had a separate agreement for that switch port to  
25 provide that switch port pursuant to 271, it would be priced at

1 But, again, the 271 switch port is outside the  
2 requirements of 251 and outside of this interconnection  
3 agreement.

4 Q Okay. In your opinion, is BellSouth obligated under  
5 Section 251 to provide the tandem intermediary function?

6 A You're moving to Issue 65?

7 Q Yes.

8 A Okay. Sorry.

9 Q I'm sorry for not being more clear.

10 A Okay. We have an obligation -- all, all carriers  
11 have an obligation to either directly or indirectly  
12 interconnect and we fulfill that obligation.

13 BellSouth doesn't believe it has an obligation to  
14 perform the transit function or perform a transit function at a  
15 TELRIC rate. We have agreed we would provide it, we just do  
16 not believe it should be -- it's not appropriate to be priced  
17 at TELRIC.

18 Q Is it necessary for this Commission to set a  
19 TELRIC-compliant rate for the TIC?

20 A No. We would prefer you didn't.

21 Q Why is that?

22 A Again, it's our opinion that the FCC and the Wireline  
23 Competition Bureau has found that the transit function is not  
24 something that should be, should be provided at TELRIC. And I  
25 think the, the jurisdiction of an interconnection agreement by

1 MR. MEZA: We can give you that, the actual  
2 transcript from that order as a late-filed, Kira.

3 MS. SCOTT: Okay.

4 MR. MEZA: That will be BellSouth Late-Filed 2; is  
5 that right?

6 MS. SCOTT: Yes. Thank you.

7 (Late-Filed Exhibit 2 identified.)

8 BY MS. SCOTT:

9 Q Okay. Ms. Blake.

10 A Yes.

11 Q What basis was used to develop the TIC?

12 A What basis? Are you talking about a costing or  
13 pricing basis?

14 Q Yes.

15 A I'm not aware of any specific methodology that was  
16 used. That was developed through our product management  
17 organization within interconnection services.

18 Q Has BellSouth previously charged or attempted to  
19 charge any of the petitioners the TIC?

20 A Yes, we have. Well, as far as the joint  
21 petitioners -- I know we have agreements in place with other  
22 CLECs that have the TIC charge in them.

23 Q Okay. Do you -- would you happen to know when and at  
24 what rate?

25 A When and at what rate with the joint petitioners or

1 contract does not contain a TIC charge, I believe the rates  
2 that would be would be tandem switching and transport, if  
3 there's transport to that wireless carrier.

4 Q Okay. What specific elements and rates would apply  
5 to this scenario?

6 A It would be set forth in their Attachment 3, I  
7 believe it's tandem switching and transport, if there's  
8 transport involved in that hand-off to that carrier.

9 Q Now under your proposal in this docket what charges  
10 would be assessed?

11 A The tandem and the transport and the TIC charge.

12 Q And what specific elements and rates would apply to  
13 this scenario?

14 A Well, the tandem and the transport would be the  
15 Commission-ordered TELRIC rates. The TIC charge would be, I  
16 believe we proposed a .0015.

17 Q Okay. Now I'm going to ask you several questions  
18 dealing with Item 100.

19 A Okay.

20 Q If you could please get out your rebuttal testimony  
21 and turn to Page 47.

22 A I'm there.

23 Q Lines 12 through 13.

24 A Okay.

25 Q It's really just a reference point for you actually.

1 Q No problem.

2 A Down in para -- Section 215, we would endeavor to  
3 resolve their dispute within 60 days of the notification date.  
4 So once they notify us they've got a dispute, it's treated as a  
5 disputed charge. So the fact that they've reported it and  
6 submitted it as a dispute until we either respond back that  
7 it's a valid dispute and we're going to adjust it or it's not a  
8 valid dispute and they've got to pay it, it's still in the  
9 disputed category and, as such, would be excluded from our  
10 suspension notice or we would not expect payment of disputed  
11 charges.

12 Q Okay. From the time a procedurally valid bill  
13 dispute is received, how long does it take BellSouth to post  
14 the disputed amount to the proper account?

15 A I'm not versed enough in the details of the timing of  
16 those. I guess if we notify them it's a valid dispute, we'd  
17 work the adjustment and their credit would appear on their next  
18 bill. Those type of processes are typical for all of our  
19 customers. As far as the timing, I don't have the details of  
20 how long that takes. Again, I think it's consistent with the  
21 language that's in this agreement that the parties have agreed  
22 upon, and there's no dispute about the dispute resolution or  
23 the billing dispute process.

24 Q Okay. Please give me a moment.

25 (Discussion held off the record.)

1 would know here's all the disputes that BellSouth is  
2 acknowledging. If they happen to submit one the day before the  
3 note is sent out, it obviously may not be in that notice that  
4 says the total amount to be paid. So -- but I would think the  
5 CLEC should have the intelligence to know, well, I just  
6 submitted this dispute. They could call our office if they  
7 wanted to verify that again, but we would not expect payment of  
8 disputed charges.

9 Q Okay. Now would you please refer to Page 47, Lines  
10 20 through 24.

11 A Okay.

12 Q Why did BellSouth modify its collection process to  
13 handle the notices for the integrated billing system the same  
14 as the notices for the carrier access billing system?

15 A This gets back to just a little bit what I was just  
16 talking about. Previously in our integrated billing system we  
17 just, on the payment due date we sent -- when the payment due  
18 date passed, we would send a notice that says, we haven't  
19 gotten your payment. And it could likely, most cases would  
20 have just reflected the total amount that was on their original  
21 bill and didn't account for any disputes that had been entered  
22 into the system. And previously -- in CABS in the converse we  
23 did that. We, we took account of all disputes pending, backed  
24 those out of the amount due and said, okay, you owe us this,  
25 this amount, which was reflective of all the undisputed

1 Q Is a 15-day notice also sent for the March 2nd and  
2 March 4th bills if they're not paid by their respective due  
3 dates?

4 A Yes.

5 Q Do the notices for the March 2nd and March 4th bills  
6 also include a 15-day due date?

7 A They would just because they're systematically  
8 generated and the system wouldn't know that the other previous  
9 first billed invoice had not been paid. So it's triggered  
10 systematically by our billing systems on the past due -- when  
11 the payment due date passes.

12 So, yes, it would be reflective of -- for that  
13 particular account, like in this example on the 2nd, it would  
14 reflect \$500 is due, representing undisputed amounts, is due or  
15 has become past due and, therefore, we're going to notice you  
16 that you're in risk of suspension of LENS or your OSS access.

17 Q If a bill dated March 14th with a due date of  
18 April 14th was not paid by April 14th, would that bill have to  
19 be paid by April 16th to avoid suspension of ordering systems?

20 A That bill should have actually been paid by  
21 April 14th; however, the notice would go out on the 14th  
22 indicating that we had not received your payment and we would  
23 expect payment of nondisputed -- if you still haven't paid the  
24 first billed period and you got that notice, we would expect  
25 payment of all the past due amounts, undisputed past due



1           However, if they have not done so and we send, and we  
2 put them, their account into treatment, if you will, then if  
3 they're slow paying or haven't paid that first bill cycle, then  
4 we need to make sure they're not in a perpetual, you know,  
5 always paying on, by the notice. I mean, the notice is not  
6 their bill. Their bill tells them when the payment is due.  
7 The notice is to say we haven't gotten your payment, you know,  
8 and we need to, you know, make sure we're going to get our  
9 money, and not be, you know, at risk for not getting paid for  
10 those charges.

11           Q     Would it be correct to say that CLECs would have to  
12 calculate the total past due amount taking into account  
13 procedurally valid disputes of payments and partial payments to  
14 avoid suspension or termination?

15           A     Not necessarily. That notice -- I mean, they'll get  
16 a notice for all these bill cycles where the payment due date  
17 has passed. It will be net of any disputes that have been  
18 posted. Again, like I said, if they file a dispute three days  
19 before the end of the payment due date and maybe it didn't get  
20 in there, reflected in the notice, I mean, they should have  
21 that intelligence to know, well, I just filed a dispute for,  
22 you know, \$200, so I need to back that out and pay that net.

23                     Again, this should be a normal business practice for  
24 a CLEC managing their financials and understanding, you know,  
25 their accounts receivables, accounts payables of what they've

1 our standard position and I would be surprised if it wasn't in  
2 there.

3 Q I would like you now to refer to Page 163, Lines  
4 9 through 10 of the transcript, the hearing transcript in North  
5 Carolina.

6 A Okay. I'm there.

7 Q Okay. I believe that's where BellSouth Witness  
8 Morillo states, "We have never suspended your clients for  
9 nonpayment," and the same witness's Florida direct testimony on  
10 Page 9, Lines 7 through 9, where he asserts, "Often after  
11 receipt of a notice of past due charges the parties will enter  
12 into discussions related to payment arrangements in an effort  
13 to resolve the issue without the need for suspension or  
14 termination."

15 My first question to you is do you agree that these  
16 statements indicate BellSouth has worked with the petitioners  
17 when payments are past due and has never suspended or  
18 terminated service to them?

19 A Yeah, I would agree with that. We do work very  
20 closely, as I mentioned, sometimes daily, multiple times daily  
21 talking with these joint petitioners' billing centers about  
22 these matters and trying to work with them. I mean, it takes a  
23 lot to suspend as far as work effort and stuff. And if we can  
24 get terms and conditions or terms set up, payment terms made  
25 that's agreeable to both parties, that's what we want to do,

1 late-filed exhibits should be due.

2 MR. MEZA: Yes. We can get you the transcript rather  
3 quickly. Regarding the proposed language, it could be more  
4 time consuming because we have to talk to, you know, our  
5 negotiators and stuff. So would a week be okay?

6 MS. SCOTT: Okay. Would March 7th be reasonable?

7 MR. MEZA: Sure.

8 MS. SCOTT: Okay. Well, I guess that's all.

9 MR. MEZA: Yeah. Just for the record, I have no  
10 redirect.

11 MS. SCOTT: Okay. Thank you for your time, Ms.  
12 Blake.

13 (Deposition concluded at 12:00 p.m.)

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1 STATE OF FLORIDA )  
2 COUNTY OF LEON ) : CERTIFICATE OF REPORTER

3 I, LINDA BOLES, RPR, Official FPSC Commission Reporter, do  
4 hereby certify that I was authorized to and did  
5 stenographically report the foregoing deposition at the time  
and place herein stated.

6 I FURTHER CERTIFY that this transcript, consisting of 49  
7 pages, constitutes a true record of the testimony given by the  
witness.

8 I FURTHER CERTIFY that I am not a relative, employee,  
9 attorney or counsel of any of the parties, nor am I a relative  
or employee of any of the parties' attorney or counsel  
10 connected with the action, nor am I financially interested in  
the action.

11 DATED THIS 7th DAY OF MARCH, 2005.

12 Linda Boles  
13 LINDA BOLES, RPR  
14 Official FPSC Hearings Reporter  
15 850/413-6734

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BellSouth Telecommunications, Inc.  
Florida Public Service Commission  
Docket No. 040130-TP  
Late-Filed Deposition Exhibit of Kathy K. Blake  
Exhibit No. 1  
Page 1 of 1

**REQUEST:** On page 37, lines 1-4 of Witness Blake's rebuttal testimony, Ms. Blake states "Naturally, there is room for negotiation as to the specific start date and time, and BellSouth will certainly consider extenuating circumstances that may not permit a CLEC to be ready within 30 days." What language, if any, is BellSouth willing to consider addressing the flexibility regarding the start date of an EELs audit?

**RESPONSE:** There is no dispute between the Parties that the audit shall commence no sooner than 30 days after the Notice of Audit is sent to the CLEC. Specifically, the issue in dispute centers around what information and documentation should be included in the Notice of Audit, not the date upon which the audit will commence. Thus, specific contract language addressing a flexible audit start date is not necessary and may result in the improper expansion of the arbitration issue if it is included. Nevertheless, BellSouth stands by Ms. Blake's testimony in the situations described above.

**PROVIDED BY:** Kathy Blake

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

ADMINISTRATIVE SESSION

Hearing Room 110  
244 Washington Street  
Atlanta, Georgia

Tuesday, February 1, 2005

The administrative session was called to order at  
10:02 a.m., pursuant to Notice.

PRESENT WERE:

ANGELA E. SPEIR, Chairman  
ROBERT B. BAKER, JR., Vice Chairman  
STAN WISE, Commissioner  
H. DOUG EVERETT, Vice Chairman  
DAVID BURGESS, Commissioner

1 Telecommunications, Inc. petition for declaratory ruling  
2 regarding transit traffic. This is consideration of staff's  
3 recommendation.

4 Staff recommends approval of the recommendation  
5 that was brought forth at Communications Committee.

6 CHAIRMAN SPEIR: All right, we've heard staff's  
7 recommendation. Any Commissioner have any comments, any  
8 questions?

9 COMMISSIONER WISE: Commissioners, I have an  
10 amendment to staff's recommendation.

11 I'm going to move that the section of staff -- I  
12 believe it's 6, Mr. Bowles, that addresses the point of  
13 interconnection on the network, be modified to require that  
14 the originating carrier be responsible for paying any  
15 transit traffic fees and that BellSouth shall not bill  
16 terminating carriers for such fees.

17 Certainly I realize that (inaudible) the Texcom  
18 case and what the FCC may or may not do, but certainly it is  
19 appropriate and one that's happened all over this country,  
20 not that we're bound by what happens in 49 other states.  
21 But it is appropriate, pending an FCC decision contrary to  
22 this or being modified, that we can do so at that time.

23 CHAIRMAN SPEIR: All right, we've heard  
24 Commissioner Wise's amendment, motion to amend staff's  
25 recommendation.

1           But when I read the Texcom order, it's the closest  
2 thing to what is out there now that resembles the situation  
3 that is before us. That order -- in that order -- I think  
4 we need to be plain here -- that was a request from Texcom,  
5 who was a CMRS provider that was being charged by Verizon  
6 for transit fees for calls transitioning their network, and  
7 they filed a complaint with the FCC telling -- asking the  
8 FCC to grant them relief and that they not have to pay those  
9 transit fees.

10           You can read what you want to read in that Texcom  
11 order, but the bottom line is the FCC denied Texcom's  
12 petition. They did not grant the relief that Texcom asked  
13 for. They found, clearly found, that Texcom was responsible  
14 for paying those costs and added in the order on  
15 reconsideration that if Texcom wanted to recoup those costs,  
16 they do it through a traditional reciprocal compensation  
17 agreement. That's plain as you can get. At the end of the  
18 day, parties -- they pull excerpts out of that order that  
19 are favorable to the position that was held by certain  
20 parties, but at the end of the day, make no mistake about  
21 it, the FCC did not grant the relief that Texcom asked for.

22           And they came back on reconsideration and  
23 reiterated in their decision on reconsideration this covers  
24 a situation where you've got three parties involved in the  
25 transfer of traffic and specifically the same arguments that



1 causer principle applied to how costs are recovered from  
2 those that caused them.

3 And if this Commission is wrong, then we  
4 ultimately have an opportunity to correct that and not  
5 change the trend that we have seen from this Commission in  
6 4906.

7 COMMISSIONER BURGESS: Mr. Chairman, I do -- I  
8 mean Madam Chair -- I have another motion to offer on this  
9 docket dealing with the pricing issue.

10 I think clearly the Virginia arbitration decision  
11 found, and subsequent decisions have been found by other  
12 state commissions, that TELRIC is not the appropriate  
13 pricing methodology to be utilized in determining what these  
14 transit fees should be.

15 Contained in the memorandum of understanding is a  
16 rate of 2.5 cents per minute, that is a market rate, quote-  
17 unquote. My only problem with the rate is -- that's in the  
18 MOU -- it's a rate that was proposed by two parties and  
19 neither one of those parties at the end of the day have to  
20 pay that rate.

21 So I think in a sense of fairness, I would ask  
22 that this Commission make this rate subject to true-up and  
23 an interim rate, and that this Commission will schedule a  
24 proceeding to take in evidence and establish a rate that is  
25 just and reasonable based on this Commission's standards and

1 recommendation, then --

2 CHAIRMAN SPEIR: Then we should vote on staff's  
3 recommendation.

4 VICE CHAIRMAN BAKER: As amended.

5 CHAIRMAN SPEIR: Yes. Thank you, Commissioner  
6 Baker.

7 Therefore, we would take up the vote on staff's  
8 recommendation as amended by Commissioner Wise's motion and  
9 Commissioner Burgess' motion.

10 All in favor, say aye.

11 COMMISSIONER WISE: Aye.

12 COMMISSIONER EVERETT: Aye.

13 CHAIRMAN SPEIR: Aye.

14 VICE CHAIRMAN BAKER: Aye.

15 COMMISSIONER BURGESS: Aye.

16 CHAIRMAN SPEIR: The vote is unanimous. Thank  
17 you, Mr. Bowles.

18 Moving on to item R-2.

19 MS. MCGOUGHY: Item R-2 is Docket Number 9205-U  
20 consideration of staff's request for approval to issue a  
21 Notice of Proposed Rulemaking to Amend Disconnection Rule  
22 515-3-3-.02(b) and 515-3-3-.07.

23 On December 21, 2004, the Commission voted to  
24 approve the second issuance of a Notice of Proposed  
25 Rulemaking to amend Commission Rule 515-3-3-.02(b) and 515-

1           COMMISSIONER EVERETT: I will support the NOPR  
 2 also, but I'm wondering myself -- this I believe hurts SCANA  
 3 more than anybody and I believe it's because of them being  
 4 the regulated provided for us.

5           I'm wondering if maybe a lot of this, what you're  
 6 trying to do -- and I don't like the term minor because to  
 7 me this is more than minor -- that this could be handled  
 8 through the RFP when the next regulated provider comes about  
 9 in August, and not change the rules for everybody.

10           As I said earlier, last Thursday, I would like to  
 11 see us stop regulating a deregulated industry. I believe  
 12 this can be handled other ways than what we're doing here.  
 13 I don't know how many people we're actually talking about on  
 14 this, but I'm going to go ahead and support the NOPR, but I  
 15 too was concerned about what Mr. Skipper stated, and I'm  
 16 also concerned about us continuing to change constantly  
 17 regulations on a deregulated industry.

18           But I'm going to listen to what y'all have to say.

19           CHAIRMAN SPEIR: If there are no further comments,  
 20 we'll vote on staff's recommendation on item R-2. All in  
 21 favor, say aye.

22           COMMISSIONER WISE: Aye.

23           COMMISSIONER EVERETT: Aye.

24           CHAIRMAN SPEIR: Aye.

25           VICE CHAIRMAN BAKER: Aye.

1           You know, you've asked this to be held,  
2 Commissioner. I don't know if a motion to that effect is  
3 appropriate, but I will move that, that parties and staff  
4 give a report to this Commission in 48 hours on a payment  
5 schedule.

6           CHAIRMAN SPEIR: Commissioner Burgess, I suppose  
7 that since you asked that the item be held first, before we  
8 take up Commissioner Wise's motion, are you agreeable with  
9 proceeding in that fashion?

10          COMMISSIONER BURGESS: Well, I don't think we  
11 need a motion. I think a directive to have the parties meet  
12 and reply back to this Commission in 48 hours --

13          COMMISSIONER WISE: A ruling of the Chair, I have  
14 no objection.

15          COMMISSIONER BURGESS: -- yeah, I think it's been  
16 said.

17          CHAIRMAN SPEIR: Okay, well, Ms. Thebert, what we  
18 will do is officially hold this item and proceed  
19 accordingly, given the directive from Commissioner Wise and  
20 agreed upon by the Commission. Thank you very much.

21          Moving on to item R-4.

22          MR. STAIR: Commissioners, good morning. Item R-4  
23 is Docket Number 18638-U Atlanta Gas Light Company's 2004-  
24 2005 rate case. Consideration of AGLC's petition for  
25 rehearing, reconsideration and oral argument concerning the

1 basis upon which advisory staff is recommending that the  
2 Commission reject the substantive objections to SCANA's data  
3 requests that AGLC raises in its petition. As I said, the  
4 data requests were filed by SCANA in November of 2004 and  
5 AGLC filed its responses and initial objection in a timely  
6 manner on December 27th. Now in that December 27th  
7 response, AGLC raised but one single objection to the data  
8 requests, that those data requests were not reasonably  
9 calculated to lead to discovery of admissible evidence.

10 The Commission considered that objection in its  
11 January 18, 2005 order and found that five of SCANA's data  
12 requests were in fact relevant and designed to lead to the  
13 discovery of admissible evidence. Having reviewed the  
14 Commission's order, AGLC filed its petition in which it  
15 raised new objections to the data requests. For example, in  
16 its petition, the company objects that the data requests at  
17 issue are over-broad, unduly burdensome, vague and seek  
18 confidential information. As the company chose not to raise  
19 these objections in a timely manner when it filed its  
20 responses in December, it has now waived the right to raise  
21 those objections at this time.

22 Commissioners, having made that recommendation,  
23 I'd like to note that the staff has had an opportunity to  
24 meet with representatives of AGLC who have indicated a  
25 willingness to meet with SCANA to try to resolve these

1 Commissioner Baker, there has been an indication that the  
2 company may well appeal if the decision is not favorable to  
3 them and obviously, you know, a decision adverse to them  
4 would probably make it less -- perhaps make it less likely  
5 that the parties would want to negotiate.

6 But again, you know, as I said, I've had an  
7 opportunity to speak with the company and they've indicated  
8 their willingness, and certainly would leave that to the  
9 Commission as to whether they wanted to issue the order  
10 today or hold the item to allow them to negotiate.

11 COMMISSIONER EVERETT: When you said party, I did  
12 not hear "s", are you talking that both parties have agreed  
13 or just AGL?

14 MR. STAIR: Commissioner, I've not had an  
15 opportunity to speak with SCANA. You know, this item was  
16 added at the last minute. I met with -- the representatives  
17 of the company came by this morning and I've just not had an  
18 opportunity to speak with SCANA to ask if they would be  
19 willing to negotiate.

20 COMMISSIONER BURGESS: I don't know, just from my  
21 perspective, from my understanding, AGL has responded to the  
22 request. It might not be the answers that SCANA wants but  
23 they've complied with the order of the Commission. And my  
24 question is, is the motion for reconsideration procedurally  
25 kind of ahead of the game. I mean they did respond.

1 offered to provide an officer of the company to meet with  
2 SCANA to try to convince SCANA of the fact that you don't  
3 need the information because it's not relevant. So I guess  
4 it's not completely accurate to say that the company has  
5 fully complied. They have made an effort to comply, there's  
6 no question about that. But the reason why they're -- what  
7 they're asking in their motion for reconsideration -- a  
8 couple of things -- one, to say these issues -- the data  
9 requests are not designed to lead to discoverable evidence  
10 or in the alternative to say what AGL has done is acceptable  
11 and has in fact complied with your order.

12 CHAIRMAN SPEIR: Any further comment before we  
13 take up staff's recommendation?

14 (No response.)

15 CHAIRMAN SPEIR: All right.

16 VICE CHAIRMAN BAKER: And precisely what is your  
17 recommendation again, to hold it or --

18 MR. STAIR: No, the recommendation remains as set  
19 forth in --

20 VICE CHAIRMAN BAKER: Deny the motion for  
21 reconsideration.

22 MR. STAIR: Correct. And simply left to the  
23 Commission the alternative -- staff would not have any  
24 objection obviously if the Commission would decide you  
25 wanted to give another couple of week, put this on the

1 Moving on to item R-5.

2 MS. PERRY: Item R-5 is Docket Number 20139-U,  
3 it's consideration of BellSouth Telecommunications' request  
4 for waiver of North American Numbering Plan's denial of its  
5 application for numbering resources in the Atlanta northeast  
6 678 rate center.

7 The need for this matter to be considered today  
8 arose because approximately 50 BellSouth customers are  
9 experiencing problems with telephone numbers assigned to  
10 them in the Atlanta northeast rate center. Although the  
11 BellSouth Telecorder number assignment system shows this  
12 block as belonging to BellSouth, NeuStar's system shows the  
13 block as unassigned; and therefore, they are requiring  
14 BellSouth to apply to this Commission for a waiver before  
15 changing their system to release this block to BellSouth.

16 Via telephone with NeuStar, they did verify that  
17 in their database, it shows that this block belongs to  
18 BellSouth. Therefore the staff is recommending that this  
19 Commission direct the North American Numbering Plan  
20 Administration to release the 678-245-8 code to BellSouth.

21 CHAIRMAN SPEIR: All right, we've heard staff's  
22 recommendation. Does any Commissioner have any questions,  
23 comments, motions to be made?

24 COMMISSIONER BURGESS: I just want to say that  
25 this is service affecting to some subscribers right now and



1 unanimously.

2 And we have one item on our regular agenda?

3 MS. FLANNAGAN: Yes. Staff would like to request  
4 approval to send two of our electric engineers for a trip to  
5 Southern Company in Birmingham. And this is relating to the  
6 independent evaluator and the RFP process. They would like  
7 to travel next week and so rather than delaying it, I wanted  
8 to request approval today.

9 CHAIRMAN SPEIR: Any questions or comments from  
10 Commissioners regarding this item?

11 (No response.)

12 CHAIRMAN SPEIR: All in favor of approving item  
13 1.A. on the Administrative Affairs agenda, say aye.

14 COMMISSIONER WISE: Aye.

15 COMMISSIONER EVERETT: Aye.

16 CHAIRMAN SPEIR: Aye.

17 VICE CHAIRMAN BAKER: Aye.

18 COMMISSIONER BURGESS: Aye.

19 CHAIRMAN SPEIR: It's approved unanimously.

20 MS. FLANNAGAN: Thank you.

21 CHAIRMAN SPEIR: Thank you, Ms. Flannagan.

22 If there are no other matters to be taken up this  
23 morning --

24 COMMISSIONER BURGESS: Madam Chair, there's one  
25 thing I did want to say. I would just ask -- this

C E R T I F I C A T E

I, Peggy J. Warren, Certified Court Reporter, do hereby certify that the foregoing transcript is an accurate record of the proceedings, to the best of my ability, prepared from a recording of the proceedings provided to me by the Georgia Public Service Commission.

Peggy J. Warren, CVR-CM, CCR A-171

The minutes of the Administrative Session were approved this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

Angela E. Speir, Chairman

Reece McAlister,  
Executive Secretary