



STOLL · KEENON · OGDEN
PLLC

RECEIVED

JUN 03 2008

PUBLIC SERVICE
COMMISSION

2000 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202-2828
(502) 333-6000
Fax: (502) 333-6099
www.skofirm.com

DOUGLAS F. BRENT
502-568-5734
douglas.brent@skofirm.com

June 2, 2008

OVERNIGHT DELIVERY

Ms. Stephanie L. Stumbo
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RE: *dPi Teleconnect v. BellSouth Telecommunications*
Case No. 2005-00455—Rebuttal Testimony of Brian Bollinger

Dear Ms. Stumbo:

Enclosed please find an original and ten copies of dPi Teleconnect's pre-filed rebuttal testimony of Brian Bollinger. A list of exhibits is included. Please note that Exhibits 1 through 6 were filed in support of dPi Teleconnect's direct testimony. Exhibits 7 and 8 are filed in support of this rebuttal testimony.

Exhibit 8 to Mr. Bollinger's testimony consists of five subparts, labeled A through E. Exhibit 8E is a compact disc containing confidential information obtained from BellSouth through discovery. BellSouth sought confidential treatment for this information, and the request was granted via letter dated March 14, 2008. If printed, this exhibit would include 1,012 pages. Accordingly, we are filing one copy of the compact disc, and no paper copies of the information contained therein. If your office requires a paper copy or additional copies of the electronic media please contact me.

Please indicate receipt of this filing by your office by placing a file stamp on the extra copy and returning to me.

Sincerely yours,

Douglas F. Brent

cc: J. Philip Carver, Sr.

RECEIVED

JUN 03 2008

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DPI TELECONNECT, LLC v.)
BELLSOUTH TELECOMMUNICATIONS,) Case No. 2005-00455
INC.)

REBUTTAL TESTIMONY OF DPI TELECONNECT'S BRIAN BOLINGER

1 Q. Mr. Bolinger, have you reviewed BellSouth's direct testimony?

2 A. I have.

3 Q. Overall, what is your response to BellSouth's testimony?

4 A. First, as a housekeeping matter, I would like to address BellSouth's treatment of non-
5 Line Connection Charge Waiver ("LCCW") promotions, then respond to LCCW related
6 matters.

7 Q. OK. What about the non-LCCW promotions?

8 A. For all practical purposes, they are irrelevant because discovery revealed the dollar
9 amounts related to these promotions to be so small. As a consequence, dPi performed no
10 analysis on the amounts applied for and denied under these promotions, and has similarly
11 has not bothered to review and analyze the points BellSouth presented in its testimony.
12 In fact, when dPi filed its testimony in this case, dPi indicated that it would only be
13 pursuing and providing evidence on the LCCW promotion. By that time, discovery in
14 this case had revealed that of the total \$44,993.11 amount in dispute, 97% was connected
15 to a single promotion: the Line Connection Charge Waiver. Of those credits applied for
16 under the Line Connection Charge Waiver but denied, denial was on the grounds that

1 dPi's orders for Basic Service plus the Touchstar Blocking Features HBG, BCR, and
2 BRD did not qualify for the promotion because BellSouth did not count these features as
3 "paid features." Accordingly, when dPi filed its testimony in this case it indicated that it
4 would be addressing only the LCCW promotion – because it does not make economic
5 sense to spend thousands of dollars in attorney time fighting over \$1,349.79 in credits
6 applied for under multiple other promotions and denied for multiple reasons.

7 Nonetheless, BellSouth has gone to considerable length to "expose" dPi's "malfeasance"
8 in applying for these credits. dPi has not spent the resources to disprove these claims.
9 But two observations come immediately to mind:

10 First, it is doubtful whether there really is a problem with the orders BellSouth
11 complains about. For example, with regards to the "double dipping" complaint that Ms.
12 Moreland emphasizes at p. 24 of her testimony, in which credit requests were submitted
13 in the same month for accounts for both the LCCW (for new customers) and the SSCW
14 (for existing customers) promotions, note that *there are no restrictions in either*
15 *promotion prohibiting an end user in qualifying for both promotions in the same*
16 *month*. An educated consumer is able to qualify for the LCCW promotion by signing up
17 for new service on January 1, 2005, and the very next day, as an existing customer,
18 qualify for the SSCW promotion.

19 Second, if there is a problem, the true source of the problem here lies not with
20 dPi's billing agent's computer search engines, but with BellSouth itself: BellSouth has
21 created this situation by refusing to bill the correct amounts for service orders at the time

1 they are ordered, and instead dropping a haystack of billing information upon dPi and
2 requiring dPi to find the needles that are the qualifying orders and submit those for
3 refunds.

4 **Q. But it's really the LCCW promotion that's important to this case?**

5 A. Yes. By far, the main issue in this complaint is the Line Connection Charge Waiver
6 ("LCCW") Promotion. It accounts for about 97% of the total credits wrongfully denied
7 and thus it will be the focus of my rebuttal testimony.

8 **Q. Does focusing on the Line Connection Charge Waiver ("LCCW") Promotion**
9 **simplify issues for the Commission?**

10 A. Vastly. As noted above, the dispute over this promotion accounts for more than 92% of
11 the dollars at issue between the parties. Frankly, the cost of litigation far surpasses the
12 minuscule amount at issue for the other two promotions. Had this been known earlier,
13 these claims likewise could have been dismissed earlier. From here out, dPi will
14 concentrate only on the LCCW promotions.

15 The vast majority of the time, dPi was denied credit under this promotion because
16 BellSouth refused to "count" as Touchstar features those features selected by dPi, such as
17 the Touchstar blocks. In fact, that is the basis for BellSouth's denial of promotion credit
18 97% of the time.

19 **Q. So in short, this case is reduced to whether dPi is entitled to promotional credits**
20 **when it orders Basic Service plus Touchstar block features because it has**

1 **“purchase[d] ... BellSouth Basic Service with at least one feature” and thus has**
2 **“qualif[ied] for a waiver of the local service connection fee?”**

3 A. Exactly. And there is no getting around the fact that dPi has in fact ordered Basic Service
4 with Touchstar features – because every line that dPi orders is a basic service line with
5 the Touchstar Blocking Features known by their USOCs of HBG, BCR, and BRD, unless
6 the customers order features that conflict with those features. If BellSouth did not wish
7 its promotion to apply to all Touchstar features, it should have (1) done like SBC (prior to
8 its merger with BellSouth), and alter its promotion so that the promotion specifically lists
9 those features that BellSouth requires to qualify for the promotion; and (2) it should not
10 have waived the Line Connection Charge for its own retail customers who order basic
11 service plus the TouchStar Blocking Features.

12 **Q. So what are your thoughts in response to BellSouth’s contentions about why dPi is**
13 **not entitled to the promotion when it orders basic service plus the TouchStar**
14 **Blocking Features?**

15 A. I understand why they are fighting this – there’s a lot of money at stake across the entire
16 BellSouth area of operations. But their contentions lack credibility, because the sequence
17 of events shows that the original interpretation of the promotion and application was
18 exactly as dPi has presented it, with BellSouth changing its interpretation only after it
19 realized that the original interpretation would result in it owing significant amounts to
20 CLECs. Once BellSouth realized that it faced a significant liability to CLECs, it

1 advanced a series of rationales, one after another, for why dPi's orders do not qualify.
2 Each of these "justifications" was discredited in turn, and new ones were generated.

3 **Q. Can you elaborate on this series of rationales BellSouth advanced as to why dPi's**
4 **orders did not qualify; and how, as each of these "justifications" were discredited in**
5 **turn, new ones were generated?**

6 A. We know that BellSouth **did** originally interpret its promotion the as the plain language
7 reads, and as dPi contends it should be interpreted, for two reasons.

8 First, as described in direct testimony, because Lost Key worked with BellSouth
9 in developing the automated system for processing these promotions. By December 2003
10 and January 2004, Steve Watson was working on the LCCW promotion, and had batches
11 containing credit requests for orders for basic service plus the TouchStar Blocking
12 Features approved. In fact, in January, February, March, and April 2004, regular batches
13 of such orders were approved for Teleconnex (on whose behalf Steve Watson was
14 working at the time), before Teleconnex was taken over by other owners and ceased
15 doing business. Then, in the summer of 2004, BellSouth was crediting other CLECs
16 (such as Budget Phone) with millions for promotional rates for orders essentially
17 identical to dPi's.

18 Second, we know from review of BellSouth's own retail ordering data that
19 ***BellSouth did credit its own retail users who otherwise qualify for the promotion and***
20 ***take only basic service plus the BCR, BRD, and HBG TouchStar Blocking Features.***
21 Through discovery in Florida, dPi sought records showing what non-recurring charges

1 BellSouth charged its own end users who (1) ordered new basic service and (2) any two
2 of the BCR, BRD, and HBG TouchStar Blocking Features (without any other TouchStar
3 features). The response showed that from 2003 to August 2007, in any given month, for
4 BellSouth end users ordering basic service plus the TouchStar Blocking Features,
5 BellSouth would waive the end users' Line Connection Charge between 8.8% and 40.1%
6 of the time. More particularly, for the time period from May 2003 to January 2005, new
7 BellSouth retail accounts created with basic service and 2 TouchStar Blocking Features
8 had their Line Connection Charge waived between 40% and 22% of the time. Those new
9 orders not receiving the waiver included orders that did not qualify because they were not
10 a "winover" or "reacquisition" (a requirement to qualify for LCCW); because they split
11 off of existing accounts; or the orders were for accounts that were reestablished after
12 being disconnected – in other words, those orders not granted LCC waivers were for
13 reasons *other* than because BellSouth was not counting BCR and BRD as TouchStar
14 features. The frequency BellSouth awarded its end users LCCW is shown on three
15 graphs in Exhibit 6, as referenced in my direct testimony. An affidavit by Steven Tepera
16 explaining the methodology for Exhibit 6 is found in dPi's Exhibit 8.

17 **Q. So if BellSouth waived the Line Connection Charge for its own end users taking**
18 **basic service plus the TouchStar Blocking Features, why did BellSouth not extend**
19 **the promotion pricing to dPi?**

1 A. Frankly, because the amounts dPi was entitled to under the promotion were so large.
2 There has followed a parade of excuses, some more initially plausible than others, but
3 ultimately, all false.

4 **Q. How do you know BellSouth refused to extend the promotion pricing to dPi because**
5 **the amounts dPi was entitled to under the promotion were so large?**

6 A. In 2006, dPi deposed BellSouth's Kristy Seagle, who was the person at BellSouth who
7 headed up the promotion crediting process. A copy of her deposition is attached as dPi
8 Exhibit 7. She had been in the position for two years (Seagle depo 8) and no one at
9 BellSouth knew more about the process than her (Seagle depo 27-28). She was in charge
10 of processing dPi's credit requests. Ms. Seagle testified that the credit requests were
11 received in September 2004 but no payments or denials made until April 2005. (Seagle
12 depo 37-39). The credit requests were initially not paid simply because the amounts
13 seemed so large:

14 The red flag went off for me initially because the dollar amount was so
15 high. I just -- I guess I don't deal in those large of dollars. It just shocked
16 me, shocked me and made me start looking at what we were doing.
17 (Seagle depo 46-47).

18 ***

19 and that's when I stopped everything that we were doing at that point
20 from October 2004 until April 8, 2005, nobody was credited for those
21 promotions..... (Seagle depo 39-40).

22 At this point, (September/October 2004) BellSouth put together a team of lawyers and
23 retail and marketing managers to find see if there was a way to avoid paying the
24 promotions. See Seagle depo 40-56.

1 **Q. Can you elaborate about this parade of excuses BellSouth gave for evading**
2 **extending the promotional pricing to dPi?**

3 A. The first theory they came up with after months of study was to say that dPi's orders
4 could not qualify because they were not win-overs or re-acquisitions, because they were
5 new orders. *See* Seagle depo at 48. This approach was developed in the fall 2004 and
6 very early 2005 (*see* Seagle depo at 55), but was abandoned in February of 2005 when it
7 became clear that this approach would not work (*see* Seagle depo at 44-45, 51). Given
8 the nature of its business – catering to credit challenged customers – essentially all of
9 dPi's clientele are those who were once customers of BellSouth or other carriers but who
10 were disconnected for failure to pay.

11 **Q. What was the next excuse offered after the “customers not win-over/reacquisition”**
12 **excuse was abandoned?**

13 A. As noted in my direct testimony, another reason initially advanced for not issuing the
14 credits was for the supposed reason that the TouchStar Blocking Features dPi used to
15 qualify for the LCCW were really not “features.” This reason was withdrawn (though it
16 has now reappeared in sister states) after dPi pointed out that:

- 17 – by tariffed definition, “TouchStar service is” simply “a group of central
18 office call management features offered in addition to basic telephone
19 service” (Tariff at A13.19.1), and the items in question are undoubtedly
20 call management features – there is no other category of service to which
21 they can be assigned;
- 22
23 – although BellSouth claims that the BCR, BRD, and HBG TouchStar
24 Features cannot be considered features because they are blocks, the fact
25 they are blocks does not mean the they are not features: blocks *are*

1 features. The most glaring example is the A13.19.2 E Call Block feature
2 from the tariff;

- 3
4 – the TouchStar Blocking Features appear in the Kentucky tariff (*e.g.*, at
5 A13.19.4 A. 1. (c),(f); A13.19.4 B. 1. (c),(f); (and various state tariffs)
6 where they are listed as features;
7
8 – they are specifically referred to as features in these tariffs;
9
10 – BellSouth employees repeatedly referred to these features as features
11 during communications between the parties; and
12
13 – BellSouth characteristically referred to and charged for these things as
14 features under the UNE regime.
15

16 **Q. What was the excuse offered after the “the TouchStar Blocking Features aren’t**
17 **really features excuse?**

18 A. The next approach was to claim that the promotion was not honored in situations where
19 the only things ordered were basic local service plus the TouchStar Blocking Features.
20 Ms. Seagle conferred with Elizabeth Stockdale, a retail manager on the team, on this
21 issue:

22 After I got into validating dPi and realized that these blocks were on here,
23 I did call Elizabeth Stockdale and said can you run this one down, it's
24 BCR, BRD, HBG. Find out what happens when people order those blocks
25 on their -- with basic local service and that's it. She came back to me and
26 said we do not honor that. (Seagle depo 53).

27 While several months went into evaluating the winback/reacquisition “defense,” almost
28 none went into evaluating the “TouchStar Blocking Features don’t count” defense:

29 Q. Okay. How long did it take Elizabeth Stockdale’s people or Elizabeth
30 Stockdale to get back to you with the information that you wanted from
31 her?

32 ***

1 A. Okay. Reacquisition was a couple of months of meetings. There was
2 a lot of other issues being discussed, like secondary service or FR, but it
3 was at least a couple months before we could come to any conclusion,
4 then of course they changed it.

5 With the block -- with the blocks I want to say I don't have perfect recall
6 here, but I want to say the next day, within a day or two.

7 Q. So a very short turnaround compared to --

8 A. Yes. (Seagle depo at 55).

9 Note that the same information that would have been necessary to verify what BellSouth
10 was doing for its own customers -- taking basic service plus the TouchStar Blocking
11 Features -- is the same information that BellSouth resisted producing in Florida and
12 Louisiana for months on the grounds that it was too labor and time intensive to recover
13 and evaluate. The conclusion to be drawn here is obvious: no real evaluation was done
14 here, someone just made a snap decision to use this as the reason, as it sounded rational
15 and defensible.

16 **Q. Well, isn't there a requirement that the TouchStar features be purchased "at**
17 **additional cost" as BellSouth says?**

18 A. No, not at all. This argument fails because BellSouth *is reading additional requirements*
19 *into its promotion criteria that simply aren't in the text.* According to the plain language
20 of the promotion, all dPi must do to qualify is

21 ... purchase[s] any one of the following [packages]:

22 [1] BellSouth® Complete Choice® plan,

23 [2] BellSouth® PreferredPack plan, or

1 [3] BellSouth® basic service and two (2) custom calling (or
2 Touchstar® service) local features.¹

3 Accordingly, dPi meets the requirements of the text of the promotion when it
4 purchases the combination of basic local service plus the two or more TouchStar
5 Blocking Features. For BellSouth to impose added restrictions to these written terms –
6 such as that the features must be “purchased at additional cost” – imposes qualifying
7 criteria that simply don’t appear in the text.²

8 BellSouth’s argument that the HBG, BCR, and BRD TouchStar Blocking
9 Features could not possibly have been meant to count, since including them would be
10 tantamount to giving something away for free, and that BellSouth would therefore lose
11 money, is either disingenuous or inane: BellSouth routinely discounts things or waives
12 charges in order to generate goodwill and win business, and the entire purpose behind the
13 promotion was to increase BellSouth’s market share at the expense of its competitors – as
14 evidenced by the fact that the promotion was directed only to “winover” or
15 “reacquisition” customers. So BellSouth does “get something” when it waives the line
16 connection charge for these customers: it gains goodwill, it expects to increase its
17 customer base and market share – just as when it gives away promotional items at

¹ See dPi’s Exhibit 2, 3.

² In any event, the word “purchase” does not have the limited meaning – “to pay cash for” – which BellSouth seems to ascribe to it. Among other things, “purchase” includes:

1: to gain or acquire; to acquire (real property) by means other than descent or inheritance
2: to obtain by paying money or giving other valuable consideration [such as choosing to do business with one over another]. See Webster’s; Merriam Webster law dictionary. “Purchase” also includes taking by sale, discount, negotiation, mortgage, pledge, lien, issue or re-issue, gift or any other voluntary transaction creating an interest in property. See U.C.C. § 1-201(32). Cf. Securities Exchange Act § 3: the term “purchase” includes any contract to purchase or otherwise acquire.

1 sporting events. Waiving the sign up charge is a common method of getting new
2 customers, used not just by telephone companies but all sorts of other businesses – like
3 Gold’s Gym, for instance. The drive is to get as many paying customers as they can.

4 Again, BellSouth’s assertion that these items don’t count because BellSouth
5 would never intend to give anything away for free when they do so all the time, and
6 where they are in fact attracting customers to rebuild their customer base, undermines
7 BellSouth’s credibility not just on this issue, but on all other assertions it makes in this
8 case.

9 Furthermore, if the Touchstar Blocking Features were originally intended not to
10 be “counted” towards fulfilling the promotion, BellSouth could easily have drafted its
11 promotional language to so specify – as it did before in other promotions/tariff sections,
12 which point out that the blocks could not be counted towards different discount pricing
13 plans. The lack of such limiting language indicates BellSouth did not consider these
14 features as not counting towards the promotion.

15 Alternatively, BellSouth could have specifically listed those limited features
16 which it would allow to qualify for the promotion (i.e., “choose any two from the
17 following list...”). But BellSouth did *not* so limit the list of features from which one
18 could choose. Again, this lack of limiting language indicates BellSouth did not consider
19 these features as not counting towards the promotion.

20 Note also that BellSouth relies heavily on the fact that the North Carolina Utilities
21 Commission initially decided that dPi was not entitled to the LCCW credit because the

1 North Carolina Utilities Commission found that BellSouth did not actually provide the
2 credit to its end users with identical orders as dPi's customers. The North Carolina
3 Commission's decision was, however, founded upon BellSouth's Pam Tipton's testimony
4 that the BellSouth did not waive the Line Connection Charge for its end users taking
5 basic service plus the TouchStar Blocking Features, which the North Carolina
6 Commission found to be "dispositive." Now that BellSouth's own ordering information
7 (acquired after the North Carolina hearing) has demonstrated the errors in that testimony,
8 the North Carolina Commission is deliberating over whether to re-open the case.

9 **Q. What's the latest excuse now that the "yeah, but these TouchStar Blocking Features**
10 **weren't purchased at additional cost" has been debunked?**

11 A. The latest excuse, which has come up only after the litigation started, appears to be that if
12 *dPi's customers* don't specifically request the blocks *from dPi* (like BellSouth end users
13 would supposedly do when ordering from BellSouth), then BellSouth is not required to
14 extend the promotion to dPi. This position is simply a trap to confuse the unwary and the
15 poorly informed.

16 **Q. Why do you say BellSouth's contention that it need only extend the promotion to**
17 **end users of dPi's who have specifically requested these features is a trap to confuse**
18 **the unwary and the poorly informed ?**

19 A. Because BellSouth cannot legally impose these restrictions on a CLEC's ability to resell
20 these services at the wholesale discount. Conditioning dPi's eligibility for the
21 promotions upon a verification of *dPi's relations with third parties* (e.g., whether dPi's

1 customers specifically request the TouchStar Blocking Features by name, and whether
2 dPi passes on all or some of the promotional savings to its customers) both violates the
3 law and contradicts the overarching general provisions of the contract. Under the law,
4 whatever retail offers BellSouth makes to its customers, it must make available to
5 CLECs.³ If a retail customer can obtain service a certain way from BellSouth for a
6 certain price, the CLEC obtaining the same service the same way to resell is entitled to
7 the same price, less the avoided cost discount. For BellSouth, CLECs are the end user;
8 CLEC customers are unrelated third parties.

9 BellSouth's contention that it can require additional requirements is extrapolated from a
10 single footnote to a chart in the ICA, which provides that "Where available for resale,
11 promotions will be made available only to End Users who would have qualified for the
12 promotion had it been provided by BellSouth directly." The best interpretation of this

³ 47 U.S.C. § 251(c)(4)(B). ILECS have a duty not to "prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale of such telecommunications service."

47 C.F.R. § 51.613(a)(2). "The following types of restrictions on resale may be imposed: Short term promotions. An incumbent LEC shall apply the wholesale discount to the ordinary rate for a retail service rather than a special promotional rate only if:

- (i) Such promotions involve rates that will be in effect for no more than 90 days; and
- (ii) The incumbent LEC does not use such promotional offerings to evade the wholesale rate obligation, for example by making available a sequential series of 90-day promotional rates."

[The FCC] therefore "establish[ed] a *presumption* that promotional prices offered for a period of 90 days or less need not be offered at a discount to resellers. Promotional offerings greater than 90 days in duration must be offered for resale at wholesale rates pursuant to section 251(c)(4)(A)." Local Competition Order ¶ 950; *see also* 47 C.F.R. § 51.613(a)(2). *BellSouth Telecommunications, Inc. v. Sanford*, 494 F.3d 439, 446 (C.A.4 (N.C.), 2007).

"The NC Commission then concluded that that point would be 90 days, the same period specified by the FCC in its regulations and in its Local Competition Order. *See* 47 C.F.R. § 51.613(a)(2); Local Competition Order ¶ 950 ("We therefore establish a presumption that promotional prices offered for a period of 90 days or less need not be offered at a discount to resellers. Promotional offerings greater than 90 days in duration must be offered for resale at wholesale rates pursuant to §251(c)(4)(A)"). *BellSouth Telecommunications, Inc. v. Sanford*, 494 F.3d 439, 452 - 453 (C.A.4 (N.C.), 2007)

1 footnote is that the only resale orders that will qualify for promotional pricing are those
2 that would qualify for promotional pricing had they been made by a BellSouth end user
3 directly. Interpreting this footnote in the way now suggested by BellSouth – as
4 conditioning dPi’s eligibility for the promotions upon a verification of *dPi’s relations*
5 *with third parties* (e.g., whether dPi’s customers specifically request the TouchStar
6 Blocking Features by name, and whether dPi passes on all or some of the promotional
7 savings to its customers) – both violates the law, and contradicts the overarching general
8 provisions of the contract, such as the Resale Attachment’s General Provision section 3.1:

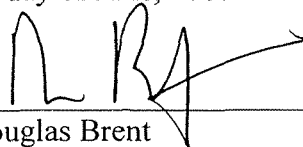
9 ... Subject to effective and applicable FCC and Commission rules and
10 orders, BellSouth shall make available to DPI for resale those
11 telecommunications services BellSouth makes available ... to customers
12 who are not telecommunications carriers.

13 **Q. Does this conclude your testimony?**

14 A. Yes – for now. But I reserve the right to supplement or amend it at hearing.

CERTIFICATE OF SERVICE

I hereby certify that I have served a true copy of the foregoing rebuttal testimony and exhibits by overnight delivery upon the Public Service Commission and served upon Defendant BellSouth through its below-listed attorneys on this 2nd day of June, 2008.

A handwritten signature in black ink, appearing to read 'DB', with a long horizontal line extending to the right from the end of the signature.

Douglas Brent

Attorneys for Defendant

J. Philip Carver, (first class mail)
Senior Attorney
AT&T Southeast
675 West Peachtree Street, Suite 4300
Atlanta, Georgia 30375
Via first-class mail

Mary K. Keyer (hand delivery)
General Counsel, Kentucky
601 W. Chestnut Street
Room 407
Louisville, KY 40203

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DPI TELECONNECT, LLC v.)
BELLSOUTH TELECOMMUNICATIONS,) Case No. 2005-00455
INC.)

dPi TELECONNECT, L.L.C.'S CONSOLIDATED EXHIBIT LIST

<u>NO.</u>	<u>DESCRIPTION</u>
dPi KY-1	General Subscriber Service tariff excerpt pertaining to TouchStar Service rates and charges
dPi KY-2	Promotion eligibility definition for Line Connection Charge Waiver
dPi KY-3	Screenshot taken from BellSouth's website during the summer of 2005
dPi KY-4	Spreadsheet which shows the Line Connection Charge Waiver promotion credits that dPi applied for, and those that were paid
dPi KY-5	E-mail correspondence pertaining to connection fee waivers and status of other qualified promotional payments
dPi KY-6	Graphs showing BellSouth's award of LCCW to its end users
dPi KY-7	Deposition transcript of Kristy Seagle
dPi KY-8 and subparts A through E	Affidavit of Steven Tepera and exhibits thereto

1 THE NORTH CAROLINA UTILITIES COMMISSION

2 In the Matter of:

3 Complaint of dPi)
 Teleconnect, LLC)
 4 Against BellSouth)
 Telecommunications, Inc.) Docket No.
 5 Regarding Credit for) P-55, Sub 1577
 Resale of Services)
 6 Subject to Promotional)
 Discounts)
 7 ~~~~~

8

DEPOSITION OF
 KRISTY SEAGLE

9

10 10:14 a.m.
 February 24, 2006

11

675 West Peachtree Street
 Atlanta, Georgia

12

Valerie N. Almand, CCR-B-531,
 RPR, CRR

13

14

15

16

17

18

19

20

21

22

23

24

25

dPi
 AL-7

1 APPEARANCES OF COUNSEL

On behalf of the Plaintiff:

2 ANDREW D. SHORE, Esquire
BellSouth Corporation
3 Suite 4300
675 West Peachtree Street
4 Atlanta, Georgia 30375
404.335.0714
5 404.614.4054 (facsimile)
andrew.shore@bellsouth.com

6 On behalf of the Defendant:

CHRISTOPHER MALISH, Esquire
7 Foster Malish & Blair, L.L.P.
1403 West Sixth Street
8 Austin, Texas 78703
512.476.8591
9 512.477.8657 (facsimile)
chrismalish@fostermalish.com

10 Also Present: Brian A. Bolinger
Vice President Legal Affairs
11 DPi Teleconnect
Pam Tipton
12

13

14

15

16

17

18

19

20

21

22

23

24

25

February 24, 2006

2 10:14 a.m.)

3 [!WITNESS],

4 having been duly sworn, testified as

5 follows:

6 Q. (By Mr. Malish) Ms. Segal, my name

7 is Chris Malish, I'm a lawyer, I represent

8 dPi and this is Brian Bolinger, he's a

9 employee of dPi's. Have you ever given a

10 deposition before?

11 A. No.

12 Q. This is your very first one?

13 A. Yes.

14 Q. Well, I won't be as mean to you then

15 as I was to --

16 A. Thank you.

17 Q. -- Ms. Tipton. I'm allowed to be

18 mean to her because it's her job. Anyway, if

19 I start to get mean we'll you can tell me and

20 we'll take a break.

21 MR. SHORE: I'll tell him.

22 Q. Let me try to go over -- I'm sure

23 that Andrew, he should have gone over the

24 ground rules with you but I'll go over them

25 with you anyway and that way we're both on

4

1 the same page.

2 Valerie is writing down everything

3 that the two of us say, so one of the first

4 things that we try to make sure that
5 everybody abides by is that I won't speak
6 while you're speaking if you won't speak
7 while I'm speaking, and we had a big problem
8 yesterday with one of my witnesses who just
9 couldn't do that, so Andrew would pause
10 before adding the last two or three words of
11 his question and already my guy would be
12 answering, so I will try to wait for you to
13 say everything that you want to say before I
14 start talking again if you'll try to do the
15 same for me. Is that fair?

16 A. That's fair.

17 Q. If you ever need to take a break for
18 whatever reason we can do that, you just need
19 to let us know because this is not supposed
20 to be a Gestapo type interrogation, it's just
21 a -- supposed to be more civil than that.

22 So if we need to take a break, just
23 let me know and you can and you can go and
24 visit with your attorney or go make a phone
25 call or do whatever you want to do.

5

1 The only exception to that rule is
2 that we can't take a break while a question
3 is up in the air, okay.

4 A. Okay.

5 Q. What else? It may happen during the
6 course of our dialogue that I may say

7 objection, responsiveness and your attorney
8 may say okay, BellSouth's attorney may say
9 objection to form or some other objection,
10 and if we do that it's not because you've
11 done anything wrong, okay, it's just
12 something that we have to preserve for the
13 record later on in case -- because we may
14 have seen a problem or thought we saw a
15 problem and so that's something to preserve
16 for us to deal with later.

17 And if that happens wait for
18 whoever's talking to finish, as usual, and
19 then unless Andrew instructs you not to
20 answer then please go ahead and try and do
21 so. Okay?

22 A. Okay.

23 Q. It's going to happen during the
24 course of this proceeding that I'm going to
25 ask you something that just doesn't make

6

1 sense, and if I do that let me know or tell
2 me why it doesn't make sense, whatever, and
3 I'll try to reask the question in a better
4 way so that it does make sense, and that way
5 we're both on the same page.

6 A. All right.

7 Q. Okay?

8 A. Okay.

9 Q. All right. What else, what else,
10 what else? Oh, this isn't being videotaped
11 so it's important that if you have an answer
12 to my question that you say yes or no as
13 opposed to just a nod or a shake, because
14 that doesn't necessarily make it into the
15 record in the way that you might want it to
16 be, so if you mean no, say no.

17 Also, uh-huh or huh-uh doesn't come
18 through clearly in writing what you may have
19 meant; okay?

20 A. Okay.

21 Q. I think that's everything. You're
22 not on any kind of medicine or anything like
23 that that would make it hard for you to
24 remember things in the past; right?

25 A. No.

7

1 Q. So the answers that you're giving
2 today are going to be the best answers that
3 you would be able to -- you're in as good
4 physical and mental shape today as you would
5 otherwise be on any day; right?

6 A. Yes.

7 Q. Sometimes people aren't, you know.
8 Sometimes they're on --

9 A. Antihistamines or something.

10 Q. Something, yeah. All right. I
11 think I talked plenty about the ground rules.

12 You know we're here to talk about
13 the promotional fight between BellSouth and
14 dPi; right

15 A. Yes.

16 Q. And you were involved in that, at
17 least in some way; right?

18 A. I looked at the credit request, yes.

19 Q. Okay. What is your job with
20 BellSouth?

21 A. I'm a product manager in
22 interconnection services.

23 Q. What does that mean? If you had to
24 describe what you do to like an 8th grader,
25 what would you say it is that you actually

8

1 do?

2 A. I manage several different products.
3 The primary one that involves this testimony
4 is resale, and basically my job is to make
5 sure that what retail offers their customers
6 that is a Telecommunications service we also
7 offer our customers on the wholesale side of
8 the house.

9 Q. Okay. And so when you were using
10 the word they, you were referring to
11 BellSouth retail?

12 A. What BellSouth retail offers, we on
13 the wholesale side of the house offer our

14 resale customers.

15 Q. Okay. How long have you been in
16 that job?

17 A. A little over four years. I've been
18 a product manager for a little over four
19 years. I was -- but I've only been on the
20 resale product management side for, it's
21 almost two years now.

22 Q. And what product manager -- what
23 kind of product manager were you before?

24 A. Daily usage files, DUF, ODUF, ADUF.
25 I don't know if you're familiar with those.

9

1 Q. Sure.

2 A. And I helped out with some of UNE-P
3 product development.

4 Q. That's where I'm most familiar with
5 the DUF files was in the UNE context.

6 A. Uh-huh.

7 Q. It doesn't apply in resale, though.

8 A. We do have ODUF files for resale.

9 Q. And where do you fit in with regards
10 to promotions and promotion credit
11 application and so forth?

12 A. As the resale product manager my
13 responsibility is to look at what promotions
14 are available to our resale customers, review
15 those, look at the qualifications that are
16 set out in the tariff and speak with the

17 retail side of the house to determine what
18 that promotion is in practice, and then offer
19 that to our resale CLECs.

20 Q. Do you have any experience working
21 on the retail side at all?

22 A. Yes.

23 Q. Okay. Can you tell me what that is
24 and when it happened or when it -- when you
25 worked there and what you did and when you

10

1 were on that side of the house?

2 A. I started working for BellSouth in
3 1998, and I was hired as a small business
4 service representative in the incoming call
5 center, and I worked there for a year before
6 I went into interconnection services.

7 Q. Will you tell me how the promotion
8 system or the promotion credit application
9 system works, I'm calling it a system, that's
10 just my word, but the process, how it works
11 from sort of start to finish for a reseller?

12 A. From the reseller perspective?

13 Q. From -- I want more like a global
14 perspective, but we can do it from reseller
15 and then if it's different from BellSouth
16 then we can look at it from both sides.

17 A. Okay. The resale CLEC will look at
18 their end user accounts and determine which

19 of their accounts fall within the
20 qualifications of the promotion set out in
21 the tariff, and then they fill out a
22 spreadsheet of end user account numbers and
23 the date of the service order for that end
24 user account that they're saying that service
25 order matches this promotion.

11

1 And we also ask sometimes for the
2 end user telephone number if it's different
3 from the one they're applying for and the
4 previous end user service address and the
5 amount that was on the bill and the amount
6 that they are requesting credit for. So they
7 do that for every end user telephone account
8 number that they feel qualifies for the
9 promotion.

10 They send that in to my department
11 through e-mail. The system has changed very
12 recently so that there is a mailbox that they
13 can send those promotions directly to instead
14 of just my mailbox or Keith Deason's's
15 mailbox. It's a little more streamlined for
16 the reseller and for BellSouth.

17 Then their entry, just say for that
18 months, for that promotion, for that queue
19 account, goes into our system, our hopper,
20 and as we get to those accounts, you know,
21 whoever sends them in first is the one we

22 check.

23 And as we get to that account we
24 pull out that spreadsheet and then we count
25 how many end user telephone number accounts

12

1 have been submitted, and then we validate a
2 certain percentage of those end user account
3 numbers, and the way we do that is we go to
4 BOCRIS, that's our service order system.

5 MR. SHORE: You may need to till the
6 court reporter how you spell that.

7 THE WITNESS: All caps B-O-C-R-I-S.
8 And I'm sorry, I don't know what that
9 stands for. There's so many acronyms.

10 A. But we go to BOCRIS or to MOBI, MOBI
11 is MOBI in all caps, and we look up the
12 original service order that was listed on
13 here, and say it's for May 10th. We go to
14 that service order on May 10th and we say for
15 that service order did it meet the
16 qualifications for the promotion for which
17 they are applying, and then if it did it's a
18 yes, if it didn't it's a no. And we go
19 through and validate a certain percentage of
20 every spreadsheet that's sent in.

21 And then -- do you want me to
22 continue?

23 Q. Sure.

24 A. Whatever, like, you know, if we
25 validated 10 and five were correct and five

13

1 were incorrect and they requested \$1,000,
2 they would get \$500 back. They'd get 50
3 percent of what we validated back.

4 MR. MALISH: Go ahead.

5 MR. SHORE: I don't want to
6 interrupt, it's your deposition.

7 MR. MALISH: I don't care. I'm not
8 going to object if you have a --

9 MR. SHORE: I thought that last
10 sentence to me was a little bit
11 confusing, but again, I don't have an
12 objection. I don't want to interrupt.

13 THE WITNESS: I'll be glad to clear
14 up anything.

15 Q. It sounded fine to me. Bowl bowl
16 her last sentence Christy just said?

17 MR. SHORE: Yeah.

18 Q. How long has that system been in
19 place?

20 A. The validation system?

21 Q. Uh-huh. Well, the system that you
22 just described.

23 A. March 2005.

24 Q. And what system was there before
25 that?

1 A. The first part of it was basically
2 the same with the CLEC filling in the
3 spreadsheets for their end user accounts.
4 However, at that point -- at that time we did
5 not validate, prior to October 2004 we did
6 not look at end user accounts and validate.
7 We just assumed that if they were sending
8 them in -- we did check to see that they were
9 customers, you know, like if it was a CLEC
10 turning it in that we made sure it was their
11 customer, but we assumed that what they
12 turned in was correct, so we didn't go into
13 the systems to look at the service order to
14 make sure. We just said okay, it's this
15 CLEC's customer.

16 Q. So there was a certain amount of
17 validate but you didn't vet the whole thing
18 the way you do now.

19 A. We only made sure that it was the
20 correct CLEC.

21 Q. Okay. And how long was that system
22 or process in effect that way?

23 A. When I took over the job in April of
24 2004, that was the system. I don't know how
25 long it had been prior to that.

1 Q. When you worked on the retail side
2 of the house, when you were signing people
3 up, I guess, over the phone -- is that what
4 you were doing? Signing people up over the
5 phone?

6 A. For telephone service, yes.

7 Q. Yeah. I just wanted to make sure I
8 didn't -- I was assuming something and it
9 turns out to be true, but you'd be surprised
10 how many times I get it wrong.

11 The way I understand it from talking
12 to other people at BellSouth is that when
13 somebody calls up to a call center and talks
14 to somebody who does a job which I think is
15 similar to what you were doing before, you're
16 able to tell -- find out what they want and
17 steer them towards one product or another, or
18 we have a good deal on -- we have a good deal
19 on such and such or we have, you know, two
20 features for free if you get whatever.
21 There's promotions. And I'm assuming there's
22 always one promotion or another in effect at
23 any given time, more or less. Is that a fair
24 statement? There's always some kind of
25 promotion going on.

1 MR. SHORE: Are you asking her now or
2 back when she was doing this job?

3 Q. I'm asking about back when you were
4 doing it.

5 A. No, there really weren't that many
6 promotions. When I was doing it back in 1998
7 like Com meet Choice was the big deal, so
8 there weren't a lot of promotions. We were
9 just selling complete Choice.

10 Q. Okay. That's like a discount
11 package when you buy a bunch of things
12 together.

13 A. It's more of a billing package, yes.
14 That's what it is, really, it's a USOC that
15 you put on an account that says you get all
16 these features for free and your basic line
17 costs this much.

18 Q. Right. But the idea behind that is
19 that it's -- by purchasing it that way you
20 pay less than if you took each one of those
21 things a la carte.

22 A. Yes.

23 Q. And if somebody called you up and
24 said I want X, Y and Z, then you would tell
25 them well, you know, if you get -- I can give

17

1 you X, Y and Z if you want it, but I can also
2 give you this intelechoice, whatever --

3 A. Complete Choice.

4 Q. Sorry, where you will get X, Y and Z
5 plus A, B, C and D all for slightly more or
6 slightly less than you were wanting to pay
7 for these things a la carte. You would tell
8 them that; right?

9 A. Yes.

10 Q. And it would make sense from a
11 business perspective to do that and they
12 would sign up and take it; right?

13 A. Some would.

14 Q. Some would, right. But if they did
15 take it, their bill would sort of flow
16 through and they would automatically get the
17 good price.

18 A. Yes.

19 Q. They didn't have --

20 A. Well, I as the rep have to put the
21 USOCs on the order in order for it to flow
22 through. It's not just automatic. I have to
23 put the USOCs on the order.

24 Q. This' a code, though, that you put
25 in and that makes it automatic. In other

18

1 words, the customer doesn't have to come back
2 at the end of the month and make an
3 application for, hey, you told me that this
4 was going to be, you know, ABCDXYZ all for,
5 you know, 10 dollars less than I would have

6 paid a la carte. Why am I being charged too
7 much? I need to have money back. Right? It
8 would all work automatically and they would
9 get the correct price.

10 A. Yes. Once I put the USOC on the
11 order.

12 Q. Why does that not happen for
13 resellers?

14 MR. MALISH: Object to the form.
15 You can answer it.

16 Q. Do you understand my question?

17 A. Why -- well, no. Could you rephrase
18 it, please?

19 Q. A BellSouth retail customer doesn't
20 have to go through a rigmarole to get the
21 benefit of the promotion. It's automatically
22 put in place on its bill. Would you agree
23 with that?

24 A. I would say that a BellSouth end
25 user has to call the service center and has

19

1 to talk to a rep and the rep has to put it in
2 the system, if that's rigmarole.

3 Q. No, no, no. The rigmarole, what I'm
4 calling a rigmarole is what happens to the
5 reseller, which, you know, they put an order
6 through, they're coding in USOCs too; aren't
7 they? When they put a --

8 A. I don't know.
9 Q. You don't know how it works?
10 A. I don't know how it works.
11 Q. If you will assume with me that
12 when -- do you understand that they place
13 orders electronically?
14 A. Yes, yes, on an LSR?
15 Q. Yes.
16 A. Okay.
17 Q. In other words, although they, I
18 suppose in theory could call a BellSouth
19 customer rep and have the BellSouth customer
20 rep type things in, the way it actually works
21 in almost 100 percent of the cases is that
22 the CLEC reseller types an order in and it
23 flows through the system electronically.
24 A. Okay.
25 Q. Do you understand that that's how it

20

1 works?
2 A. Yes, yes.
3 Q. Okay. And, again, that
4 automatically generates a bill based on what
5 they've ordered.
6 A. Yes.
7 Q. However, the difference between a
8 BellSouth retail customer's bill and the
9 reseller's customer's bill, or the reseller's
10 bill, is that the BellSouth retail customer

11 automatically has the promotion showing up on
12 their bill and they get the savings
13 automatically.

14 A. Once they've been screened, yes.

15 Q. All right. What I'm talking about,
16 what I'm calling the rigmarole is this
17 process where they have to get their bill and
18 they have to go through it and figure out
19 what are the parts that -- what are the
20 promotions that they're eligible for, how
21 they have to present the information, what
22 they have to do to vet their information to
23 resubmit the data back to BellSouth. That's
24 what I'm calling the rigmarole.

25 A. Okay.

21

1 Q. Does that make sense?

2 MR. MALISH: Object on be.

3 A. .

4 Q. Do you understand what I'm talking
5 about?

6 A. Yes, I do understand what you're
7 talking about (object to the form).

8 Q. And my question is why do they have
9 to go through that rigmarole, as opposed to
10 just having the bill be generated
11 automatically with the correct charges by
12 BellSouth?

13 MR. MALISH: Object to the form. I
14 think there's not a foundation. I think
15 you need to ask her if she knows if
16 there's a reason why there's a
17 difference, preface that question. But
18 you can answer if you can, Ms. Segal.

19 A. Do I know why there's a difference?
20 I can only -- no.

21 Can you rephrase that again, please?
22 I'm confused.

23 Q. Why does the reseller have to go
24 through these onerous extra steps in order to
25 get the correct pricing?

22

1 MR. MALISH: Object to the form and
2 the characterization.

3 Q. All right. And a retail customer
4 doesn't have to do that?

5 A. We don't -- me as a resale product
6 manager that's going to look at those end
7 user account numbers, I don't have direct
8 contact with a reseller's end user. Only the
9 resale CLEC has contact with that end user
10 and they're the only ones that can determine
11 whether or not that account qualifies for
12 that promotion, so that -- I'm not sure I
13 answered your question.

14 Q. Well, maybe it's as simple as this:
15 When you were -- why is there not a USOC that

16 the reseller, reselling CLEC, can enter on
17 the order in order to have it automatically
18 generate a correct bill?

19 MR. MALISH: Again, object to the
20 form.

21 You can answer, if you know.

22 A. I don't know.

23 Q. Who else is there in your department
24 besides yourself?

25 A. My manager is Jim Maziarz.

23

1 Q. Okay.

2 A. And we've recently hired a
3 promotions credit manager, Keith Deason. My
4 director is Ad, A-D, Allen.

5 Q. So maybe we should spell Jim
6 Maziarz's last name.

7 A. M-A-Z-I-A-R-Z.

8 Q. And he's above you in the chain of
9 command.

10 A. Yes.

11 Q. And Ad --

12 A. Advernall is her name, it's
13 A-D-V-E-R-N-A-L-L, and Allen is A-L-L-E-N.

14 Q. Okay. And AD is also above new the
15 chain of command; is that true?

16 A. Yes.

17 Q. And Keith Deason works for you under

18 you.

19 A. Yes.

20 Q. All right. And was there somebody
21 else as well? That's it?

22 A. No, that's it.

23 Q. In all of BellSouth those are the
24 only people that would be working on
25 promotions for resellers?

24

1 A. There's some LCSC reps that validate
2 the orders for us. There's about five reps
3 in the center that look at the end user phone
4 numbers and look them up in MOBI.

5 Q. Those are basically data processing
6 people, I'm assuming.

7 A. They're service reps for
8 interconnection.

9 Q. But they look for things to validate
10 based on what someone in your position tells
11 them to look for.

12 A. Yes, yes. I tell them what to look
13 for.

14 Q. And Jim Maziarz, does he have other
15 responsibilities besides promotion credits
16 for resellers?

17 A. Yes.

18 Q. Many other responsibilities?

19 A. He's UNE-P portfolio manager.

20 Q. So how much would you say of his job

21 is focused on reselling -- reseller
22 promotions, overseeing that kind of thing,
23 percentagewise?
24 A. Very small percent.
25 Q. And do you mean --

25

1 A. Like 5 percent of his time, maybe,
2 is spent.
3 Q. So it's not his primary
4 responsibility.
5 A. No.
6 Q. That's kind of what I'm getting to.
7 A. No.
8 Q. Can you give me a similar percentage
9 for AD Allen?
10 A. She's a director. A small
11 percentage. It's definitely not her main
12 job.
13 Q. Okay. Is she above Jim?
14 A. Yes.
15 Q. Okay. So she's probably going to
16 have even less than a percentage than Jim.
17 A. Probably.
18 MR. SHORE: Object to the form.
19 Q. And you understand when I ask that
20 question that I'm talking about how much of
21 her time is spent looking at this particular
22 kind of problem, these promotion reseller

23 promotion credits, as opposed to Jim's, the
24 amount of time that Jim would spend.

25 A. Actually, I've worked more with Ad

26

1 than Jim. It's been -- we've worked hard to
2 establish the verification process and to
3 clarify what happens on retail and what
4 happens on resale, so Ad really has been
5 involved in a lot more conference calls and
6 meetings than Jim has.

7 Q. But when there's a problem or
8 there's a -- when they need to know something
9 about it, they come to you to find out
10 what --

11 A. Yes.

12 Q. So you're basically the resource for
13 them.

14 A. Yes.

15 Q. As opposed to them being a resource
16 for you.

17 MR. SHORE: Object to the form. A
18 problem about what? I don't even know
19 what the question is.

20 MR. MALISH: That's okay.

21 MR. SHORE: Do you know what he's
22 talking about, Ms. Segal? Do you
23 understand the question? If you do you
24 can answer it.

25 THE WITNESS: I believe he's saying

1 if a problem occurs in resale product
2 manager they come to me to find out the
3 details as opposed to me going to them
4 to find out the details.

5 Q. Exactly.

6 A. Is that basically what you mean?

7 Q. Yes, ma'am.

8 A. Yes. They are very much a resource
9 for me, though.

10 Q. They're more big picture and you
11 have a problem and you say this is what the
12 problem is, how do you want me to -- which of
13 these options do you want me to exercise to
14 try to fix it, or something like that.

15 A. Yes.

16 Q. All right. So you would tend to be
17 the go to person within BellSouth if somebody
18 had a question or a problem or needed to know
19 more about the -- how the reseller promotion
20 system works.

21 MR. SHORE: Object to the form.

22 A. Myself or Keith Deason. Keith is
23 working hard to catch up with that and get
24 the process, he's doing a good job.

25 Q. Okay. But it would be you or Keith

1 Deason.

2 A. Right.

3 Q. And Keith Deason is the person that
4 you hired recently to help.

5 A. Right.

6 Q. I went through this whole exercise
7 because I want to make sure that -- it may be
8 that no one has perfect knowledge in
9 BellSouth about how this works or how it's
10 supposed to work, but you are the one with
11 the most perfect knowledge.

12 MR. SHORE: Object to the form.

13 Q. Is that a fair statement?

14 MR. SHORE: What is this? Are you
15 talking about the validation process?

16 MR. MALISH: Yeah.

17 A. Yes.

18 Q. And you understood that that that's
19 what I was talking about; right?

20 A. What I'm hearing you ask me, am I
21 the person that hospital the most knowledge
22 right now about what goes on with resale
23 promotions and other, and the answer to that
24 would be yes.

25 Q. Was there somebody before who had

1 more knowledge than you in the past two
2 years?

3 A. More knowledge than me?

4 Q. On this subject.

5 A. About promotion crediting?

6 Q. Uh-huh.

7 A. No.

8 Q. Okay. So if I had -- earlier I
9 asked the question -- I'm sorry.

10 A. Go ahead. I drink a lot of water.

11 Q. Earlier I asked the question, you
12 know, why is there not a USOC or some other
13 code similar that a reseller can enter when
14 it's sending an order through the system in
15 order to automatically get the benefit of
16 whatever promotion is then currently in
17 effect, and you said you don't know. And
18 there's really nobody else that we could ask
19 that would know.

20 MR. SHORE: Object to the form.

21 You've asked her about -- I mean, you're
22 confusing the issues here and I just
23 want to make sure that the record is
24 very clear. You've asked her about the
25 validation process and she's told you

1 she's the person who knows the most

2 about the validation process, but USOC
3 and ordering, that's not her job. So
4 there probably are people that know that
5 or might know that, but it's getting
6 very confusing and I don't want the
7 witness to be confused. She does the
8 validation process and she's the person
9 that knows the most about it and that's
10 clear and she can certainly answer
11 questions about that, but she's told you
12 she doesn't know why there's not a USOC.
13 You can ask her who might know, I
14 suppose.

15 Q. The answer to my question is you
16 don't know why they can't do it with the --
17 just by inputting some sort of code when they
18 order.

19 A. I really don't know enough about the
20 systems that resellers use or why there's not
21 a USOC for that. I don't know.

22 Q. Okay. When y'all -- you were
23 talking about the validation process.

24 A. Uh-huh.

25 Q. How you take a look at the claims

31

1 that have been submitted and then a
2 statistical sample is taken of those and
3 those particular claims are subject to
4 scrutiny to see if they actually meet with

5 what y'all think that the promotion requires.

6 A. Uh-huh. (Nods head.)

7 Q. Is that done automatically by a
8 computer?

9 A. Is the validation done automatically
10 by a -- the LCSC service reps look up the
11 account in MOBI.

12 Q. Okay. And do you know what the
13 thing is that they are looking at? Are they
14 looking at a piece of --

15 A. Service order.

16 Q. Is that a piece of paper or is that
17 a piece of electronic data?

18 A. It's electronic data. You can make
19 a print copy of it.

20 Q. But it's primarily stored
21 electronically.

22 A. Right.

23 Q. Do you know what kind of -- and I --
24 I'm assuming that each order is a file, saved
25 separately as a file. Do you know?

32

1 A. I don't know.

2 Q. Do you know if they can access
3 orders on an order per order basis?

4 A. Yes.

5 Q. Each order is accessible separately
6 from the others.

7 A. Yes.

8 Q. Do you believe it would be possible
9 to create a program that would look at the
10 data in those orders in order to be able to
11 see if the data matches whatever the
12 qualifying criteria are in the promotion?

13 A. Again, we're in an area that's not
14 my expertise. That would certainly make my
15 job easier, but I don't know. If a program
16 can be developed to look at an order and tell
17 if it qualifies, I don't know.

18 Q. Does it seem plausible to you that
19 that ought to be something that could be
20 done?

21 MR. SHORE: Object to the form.
22 She's already told you she doesn't know.

23 Q. Did you understand my question?

24 A. If it ought to be? I don't know.
25 Really, I don't. There's people above me

33

1 that make those decisions about BellSouth
2 systems. I work with what I've got.

3 Q. Do you have any evidence or reason
4 to believe that it is not possible to create
5 a data query which would look through those
6 orders to see if they contain the various
7 parts that BellSouth says entails an order to
8 be treated as a promotion or as being
9 entitled to a promotion discount?

10 A. Do I have evidence that says that
11 that cannot be created?

12 Q. Uh-huh.

13 A. No.

14 Q. And do you have any reason to
15 believe that it cannot be done that way?

16 A. I don't have enough knowledge -- I
17 don't even know what Lenz -- what would
18 happen in Lenz or where you would look or
19 where that program would be created. I just
20 don't have that kind of knowledge.

21 Q. Okay.

22 A. I'm on the back end here.

23 Q. Okay. So you may not be the right
24 person to ask, but --

25 A. Right.

34

1 Q. -- you don't know of any reason why
2 it can't be done.

3 A. I have no evidence that says it
4 can't be done.

5 Q. Okay. And I'll be fair, and you
6 also have no evidence why it can be done;
7 right?

8 A. No, I don't.

9 Q. I'm not trying to trick you. I just
10 want to find out.

11 A. No, I know.

12 Q. You've looked at the dPi case.

13 A. Yes.

14 Q. I'm assuming you're as intimately
15 familiar with it as anyone at BellSouth is.

16 MR. SHORE: Object to the form.

17 A. Yes.

18 Q. Nobody at BellSouth is going to know
19 more about the actual facts of the case than
20 you; is that --

21 MR. SHORE: Object to the form.

22 Q. -- fair to say?

23 A. I don't know what other people know.

24 I know -- I'm very close to this case.

25 Q. Okay. Do you know of anybody who's

35

1 closer?

2 A. No.

3 Q. Okay.

4 A. I've worked a lot with Pam Tipton.

5 Q. After the case was filed, though;
6 right?

7 A. Yes.

8 Q. And a lot of what she knows she
9 knows because you've told it to her.

10 MR. SHORE: Object to the form. I
11 don't know what she knows, how she knows
12 it, but if you'd like to answer you can.

13 A. We work together and she looked at
14 the service orders.

15 Q. Back when dPi first submitted its
16 requests for promotions or promotion
17 treatment, promotion credits, they submitted
18 a whole slew of requests; is that correct?

19 A. Lost Key submitted dPi and three
20 other CLECs, eight months worth of three
21 promotions each. Yes.

22 Q. Okay. And y'all have -- I just want
23 to talk about dPi only and not other people.

24 A. Okay.

25 Q. They submitted initially three, and

36

1 was it later four promotions, four kinds of
2 promotions.

3 A. I know for sure of three. There was
4 a fourth promotion that was available and I
5 don't remember ever seeing anything that dPi
6 submitted on that. I don't recall.

7 Q. What do you think that -- what is
8 that fourth one that was available?

9 A. It was five dollars off Complete
10 Choice but it was only available -- the
11 promotion was supposed to have ended
12 February 2004. Retail left the notification
13 on the website until July 2004, so I honored
14 it through July. Anything submitted after
15 July I would not have honored, and that would
16 have been dPi because they submitted in

17 September 2004.

18 Q. Okay.

19 A. I just don't remember if I received
20 any and rejected them, I don't remember.

21 Q. Okay. Of the ones that, of the
22 promotions that dPi applied for, one of them
23 was the line connection charge waiver.

24 A. Yes.

25 Q. And there were two others.

37

1 A. Yes.

2 Q. I think we don't have to talk about
3 the two others because if there was some
4 debate early on about whether they were
5 entitled to those, I think in the end they
6 got paid the lion's share of those that they
7 applied for. Would you agree with me?

8 A. Yes.

9 Q. So initially we had a fight about
10 however many hundred thousands of dollars,
11 but as we sit here today 99 -- more than 99
12 percent of the dollars that we're fighting
13 about are connected with the line connection
14 charge waiver promotion. Would you agree
15 with that assessment?

16 A. I haven't worked out the percentage,
17 but it's in the 90's for sure.

18 Q. Okay. Do you know when the -- well,
19 can you go back and tell me what the other

20 two promotions were apart from the line
21 connection charge waiver?
22 A. Yes. Secondary service order charge
23 waiver and 1 FR plus 2 free features.
24 Q. Okay. These three -- dPi's
25 application for promotions under each of

38

1 these three features, those were all
2 submitted as essentially the same time?
3 A. For January 2004 through August
4 2004, I received them approximately September
5 9th, I think, 2004.
6 Q. Okay. Now, the secondary service
7 charge waiver, did I call it the right thing?
8 A. Yes.
9 Q. When did that one get paid?
10 MR. SHORE: Do you mean that initial
11 batch?
12 MR. MALISH: The initial batch.
13 A. It was on April 8th.
14 Q. April 8th of 2005?
15 A. Yes.
16 Q. Okay. And the 1 FR plus 2 free
17 features, when did that initial batch get
18 paid?
19 A. Same time, April 8th.
20 Q. Okay. So the time frame we're
21 looking at is roughly September 9th when

22 y'all got it to April 8th when y'all paid it.

23 A. Yes.

24 Q. Can you explain to me why it took
25 that long to get the credits?

39

1 A. Yes.

2 Q. Okay.

3 A. One, as I stated before, there was
4 thousands of lines that Lost Key submitted at
5 one time, and prior to that we had been
6 verifying that the accounts were like a dPi
7 account, and giving the money back.

8 Steve Watson with Lost Key called me
9 after Hurricane Ivan hit in Pensacola and
10 asked me if I would please give him --
11 process the line connection waiver for Budget
12 phone, so I did that, because he -- his house
13 was destroyed, his business was destroyed, he
14 needed that done. So I did it. And for that
15 eight months and that promotion, all their
16 queue accounts, it equalled something like
17 \$865,000, and I literally went home and
18 couldn't sleep that night because I thought
19 that's just not right, it's almost \$1 million
20 that we gave back in line connection waiver
21 for eight months, and I thought this can't --
22 the way we've been doing it can't be the
23 right way, and that's when I stopped
24 everything that we were doing at that point

25 from October 2004 until April 8th, 2005

40

1 nobody was credited for those promotions
2 until dPi was credited, and that's because I
3 stopped everything, I went to retail and I
4 went to legal and Ad Allen and we pulled
5 together a team, I said you've got to tell me
6 everything you're doing over here, everything
7 you're looking at, everything that's going on
8 over here so I can duplicate it on the resale
9 side, and unfortunately that's how long it
10 took.

11 We got bogged down first with the
12 definition of reacquisition or win-over, and
13 we had that established finally in January of
14 2005, and I began to process dPi orders and a
15 correction came through from retail about how
16 they defined reacquisition or win-over, and I
17 basically had to go back and redo all of dPi.

18 And so April 8th was as soon as I
19 could get it on the bill.

20 Q. Okay. I think what you were talking
21 about there sounded to me like you were
22 talking about line connection charge waiver.

23 A. Yes.

24 Q. What about the other two promotions?

25 A. I also -- we also had to go back and

1 determine what retail does for secondary
2 service work charge and what resale was doing
3 with 1 FR. Like it says 1 FR but it really
4 means basic local service. Any basic local
5 service on that promotion would qualify.

6 At first if it wasn't a 1 FR I was
7 denying it, and then I thought well, all of
8 North Carolina is basically I think a PSR for
9 their basic local service, so I had to go
10 back and redo all those. I just had to make
11 sure that what they were doing on retail is
12 what I was doing on resale.

13 So those two promotions also were
14 involved in that process of really
15 determining, factoring out, what are you
16 doing here, how can I match it here.

17 Q. All right. I would appreciate it if
18 you could take me through this process of you
19 had -- the light came on, all right, I was
20 going to use the word epiphany but it's
21 better just to say the light came on for you,
22 whatever, in September, October 2004, and
23 y'all began to look at these things more
24 carefully.

25 And I would like it if you could

1 talk me through that in more -- you've given
2 me an overview now.

3 A. Okay.

4 Q. But I would appreciate it if you
5 could talk me through that more, in a more
6 detailed fashion, when the light came on, who
7 you went to, who you talked to, what was
8 said, and how things were dealt with, in as
9 much detail as you can.

10 A. As I can recall.

11 Q. Yeah.

12 A. Okay. After I came back into work
13 that next day and I started looking at -- I
14 started pulling some of the end user accounts
15 and looking at them, and it really looked
16 like many -- and this was not dPi, this is
17 somebody else. It really looked like many of
18 their accounts were not -- would not qualify
19 under what my definition for reacquisition or
20 win-over would be.

21 So I took this information to my
22 director, Ad Allen, and I told her what I had
23 done, and then the next day that I had come
24 back and started looking at these accounts
25 more carefully, and she suggested that we

1 meet -- we pull a team together with retail
2 and legal and herself and me to -- and also
3 we did a marketing directive which is -- it
4 comes from our department, I send it to a
5 person, I can't remember her name right
6 offhand, but I send a marketing directive
7 saying I need a definition of reacquisition
8 and win-over in this case.

9 It goes through interconnection
10 services and goes to retail, and then once
11 this marketing directive comes out they pull
12 together the players on their team, legal,
13 and our team, and we meet, and we did that.

14 And we had several meetings, several
15 e-mails passing back and forth because how
16 it's defined in the tariff, we wanted to make
17 sure that how it's defined in the tariff is
18 actually what happens in practice, and we're
19 really focusing on reacquisition or win-over
20 at that time because that was the major issue
21 that I saw with the accounts I looked at.

22 Also at the same time we began to
23 ask our data group if they could develop this
24 e-mail system where it would be easier for
25 CLECs to submit in one e-mail box and not

1 take the chance of getting lost in my e-mail
2 box, so that was also happening at the same
3 time. We were meeting with the data group to

4 establish the mailbox and to search out this
5 reacquisition or win-over.

6 Okay. That brings us to January.
7 We came to the decision for reacquisition or
8 win-over, it was defined by at that time end
9 user telephone number, and that would mean
10 that if I would look up this end user
11 telephone number and it was a brand new
12 number, it had no history on the account,
13 that then I could say that is not a
14 reacquisition or win-over and I could --
15 because it has to come, in order to be a
16 reacquisition you have to be with somebody
17 and go to somebody else, so -- and what the
18 decision was that it was based on end user
19 telephone number.

20 So if I looked at that end user
21 telephone number and it was a new number,
22 then that would mean that it didn't come from
23 anybody else. So that's the way I was first
24 looking at the accounts for dPi in this case.

25 And many did not fit the

45

1 qualifications in that case, and I had gone
2 through almost the whole eight months' worth
3 when a flyer came out from retail advertising
4 for reacquisition or win-over customers, it
5 was the 1 FR plus two free features. I got a

6 call from another customer. They said this
7 flyer should be available to everybody. I
8 called retail, I said is it available to
9 everybody? No, it's only available to
10 reacquisition or win-over. How did you know
11 if you're targeting this, how did you know?

12 It turns out that they had mailed it
13 to the service address of end user customers
14 who were considered available for
15 reacquisition and winovers. That means I had
16 to change the qualifications. It's no longer
17 based on end user telephone number, it's now
18 based on service address. So I did not have
19 service addresses for those dPi customers.

20 So at that point in time I put aside
21 reacquisition or win-over, I said it only
22 matters if I can tell for sure that it's not
23 reacquisition or win-over, in other words
24 it's a dPi UNE coming to a dPi resale, that
25 would not qualify. It's a dPi move order or

46

1 transfer order, however you want to call it,
2 that would not qualify.

3 Those things that I could definitely
4 tell did not fit the qualifications of
5 reacquisition or win-over, I went with.

6 Okay, then the next step was to look
7 at the basic local service and purchase 2
8 features. So that was --

9 Q. Can I --

10 A. Sure.

11 Q. This is is very helpful, but I want
12 to ask a clarifying question before we go on
13 to the next step in the process, I want to
14 ask a clarifying question about the --

15 A. Sure.

16 Q. -- the win-over, acquisition thing.

17 The way I -- well, first of all,
18 your initial concern I guess when you had
19 this flood of data or promotion request
20 coming in, you're like -- your initial
21 thought was that can't be right, they can't
22 all be win-overs or reacquisitions. Is that
23 why the red flag went off initially?

24 A. The red flag went off for me
25 initially because the dollar amount was so

47

1 high. I just -- I guess I don't deal in
2 those large of dollars. It just shocked me,
3 shocked me and made me start looking at what
4 we were doing.

5 Q. And the first thing that you looked
6 at that you thought was incorrect or whatever
7 was it must be that they can't be win-overs
8 or reacquisitions.

9 MR. SHORE: Object to the form and to
10 characterizing her testimony, I don't

11 believe accurately.
12 Ms. Segal, don't let him
13 characterize your testimony. That's why
14 I'm objecting. I want you to be careful
15 that he isn't putting words in your
16 mouth.

17 Q. Is that not what --

18 A. Could you repeat it?

19 Q. Yeah. The first thing that happened
20 to you is you were shocked because the dollar
21 amounts were so high.

22 A. Uh-huh.

23 Q. And the first thing, from my
24 understanding of your testimony what you were
25 saying was the first thing that occurred to

48

1 you must be that these are not reacquisitions
2 or winovers and that's what you went to
3 check.

4 MR. SHORE: Same objection.

5 Q. Is that a fair statement?

6 A. What I did was start looking at the
7 end user accounts to verify what was going on
8 with them, and the first thing on that
9 particular CLEC that I noticed is that they
10 were mostly new accounts, which would not
11 qualify for reacquisition or win-over.

12 Q. Okay. And what were you thinking
13 would qualify as a reacquisition or win-over?

14 Basically a conversion?

15 A. An account where I could see -- it's
16 not always a C order, if that's what you mean
17 by a conversion.

18 Q. Uh-huh.

19 A. If you look at the history of the
20 account, you pull up the telephone number and
21 you can call it up by six months' worth of
22 service orders. And so if you look at the
23 date, May 10th of, say, this one was
24 submitted for, if you look back and see on
25 May 9th it belonged to somebody else, it's

49

1 clearly a reacquisition or win-over, even if
2 it's an N order, you can see the history of
3 the service orders.

4 Q. That's looking only at the
5 telephone, though, the telephone number.

6 A. Yes. That's how I pulled them up.

7 Q. And I'm assuming that the idea is
8 you really are concerned about the customer
9 and whether the customer is a reacquisition
10 or win-over.

11 Let me give you an example.

12 A. Okay.

13 Q. Let's say I'm a customer of South
14 western Bell -- BellSouth, I'm sorry. I work
15 with both companies, they're both Bells.

16 Let's say I'm a customer of
17 BellSouth. For whatever reason, I stop being
18 their customer, I move to a new house, I
19 become somebody else's customer. Then I move
20 again to another new house. There will be a
21 new telephone number. But I will have been a
22 pre-existing at one time BellSouth customer
23 coming back to BellSouth, if I choose them;
24 right? That might be a reacquisition.
25 Would that customer in that position

50

1 be a reacquisition?

2 A. Yes.

3 Q. Okay. And possibly a win-over also,
4 because they've left whoever they were with
5 and they didn't choose to stay with them in
6 their new location, might be a win-over also;
7 true?

8 A. Reacquisition technically,
9 reacquisition means it was with BellSouth
10 retail, it went to somebody else and it came
11 back to BellSouth retail. That's
12 reacquisition.

13 Win-over is if it's with anybody and
14 it comes back to BellSouth -- and it comes to
15 BellSouth, it's a win-over.

16 Q. Okay. The point of my illustration,
17 though, was that by looking just at the
18 history of the phone number, that doesn't

19 necessarily tell you whether the customer is
20 truly a win back or a win-over or
21 reacquisition.

22 A. That's true. That's why we --

23 Q. That's why you did it differently.

24 A. Right.

25 Q. And that's where I interrupted you

51

1 when you were getting ready to tell me the
2 next phase of the inquiry which began in
3 January of 2005.

4 A. Yes. It was probably around
5 February before we got the reacquisition or
6 win-over defined clearly, and when I made the
7 decision that we just spoke about to only
8 look at it if it's clearly not.

9 Then we looked at the words in the
10 tariff and it's basic local service. The
11 minimum is basic local service plus two
12 purchase features.

13 I again called my retail co-workers,
14 counterparts, and I said on line connection
15 waiver in practice what does this mean, and
16 they said well, if they have Complete Choice
17 they get it, if they have Preferred Pack they
18 get the line connection waiver. The minimum
19 is basic local service, which can be
20 anything -- 1 FR or area calling or just some

21 sort of basic local service plan, and that
22 you purchase two TouchStar or custom calling
23 features. So that was the next criteria that
24 we looked at.

25 Q. Okay. And how did that play out?

52

1 A. Could you rephrase that?

2 Q. Well, you said that's the next thing
3 that you looked at, and so --

4 A. Oh, and that ultimately is what --
5 how we determined credits, the appropriate
6 credit that should be given.

7 Q. Who did you talk to in retail?

8 A. I remember the key players. I don't
9 remember several people that went down the
10 line, but Elizabeth Stockdale, Burt Hogeman,
11 who's an attorney. There were several. I
12 cannot remember their names.

13 Q. What were their jobs?

14 A. Elizabeth Stockdale basically pulled
15 together her group of people and then she
16 would say, you know, especially in the "reac"
17 or win-over, go to your service reps, go to
18 your material that you have written, find out
19 how this works out in practice. And there
20 were three or four people who -- that was
21 their assignment, to find out how it worked
22 out in practice.

23 Q. And did you explain to her what you

24 were doing and why you needed to know?

25 A. Yes.

53

1 Q. Okay. And generally what did you
2 say to her?

3 A. I said that we have CLEC customers
4 who are applying for line connection waiver
5 promotion and I am initiating, implementing
6 validation process. I want to make sure that
7 what we do on this side of the house is a
8 mirror for what you do on your side, so we
9 have to be, it's the law. We have to be
10 mirroring each other.

11 Q. Did you ask or did you tell them
12 that you've got people that are applying for
13 this line connection charge waiver that only
14 have basic service and these two blocks?

15 A. After I got into validating dPi and
16 realized that these blocks were on here, I
17 did call Elizabeth Stockdale and said can you
18 run this one down, it's BCR, BRD, HBG. Find
19 out what happens when people order those
20 blocks on their -- with basic local service
21 and that's it. She came back to me and said
22 we do not honor that.

23 Q. Did she say -- can you recall for me
24 her exact words?

25 A. No.

1 Q. Did she say we don't honor that or
2 she may have said something like we don't do
3 that, or that doesn't happen or anything like
4 that?

5 A. I really can't recall her exact
6 words. I questioned her repeatedly, if
7 they're ordering only basic local service and
8 blocks and CREX, do you know? She went to
9 the tariff. It has to be purchased features,
10 that's the only ones we count, and there's no
11 charge for those.

12 Q. Did you ask her if BellSouth
13 customers actually order basic service with
14 those blocks?

15 A. No.

16 Q. Do you know if BellSouth retail
17 customers do that? Have you seen any
18 instance where it's happened?

19 A. When I was in small business I had
20 customers order those blocks, especially for
21 a business phone, you don't want somebody
22 picking it up and do star 69, that feature to
23 be blocked.

24 Q. Right. But that was in -- that's
25 only in small business that you have that

1 experience in; right?

2 A. Yes.

3 Q. That wasn't in residential.

4 A. I've never worked in consumer.

5 Q. Okay. How long did it take

6 Elizabeth Stockdale's people or Elizabeth

7 Stockdale to get back to you with the

8 information that you wanted from her?

9 A. On which question, the reacquisition
10 or the blocks?

11 Q. Well, let's do both.

12 A. Okay. Reacquisition was a couple of
13 months of meetings. There was a lot of other
14 issues being discussed, like secondary
15 service or FR, but it was at least a couple
16 months before we could come to any
17 conclusion, then of course they changed it.

18 With the block -- with the blocks I
19 want to say I don't have perfect recall here,
20 but I want to say the next day, within a day
21 or two.

22 Q. So a very short turnaround compared
23 to --

24 A. Yes. .

25 Q. I had made a note to myself when you

1 were talking to ask why it took so long, and
2 I'm calling -- basically I understand it to
3 have taken October, November, December,
4 January at least, maybe part of February, on
5 this very -- what seems like a basic question
6 to me, what are we going to call a win-over
7 and what are we going to call win back. Why
8 did it take that many months?

9 A. It took several weeks to get all the
10 key players together at the right time. It
11 was several weeks of research and coming back
12 and more questions would come up. It just
13 took that long.

14 Q. Now, on the secondary service charge
15 waiver promotion, is that applicable only to
16 reacquisitions or win backs?

17 A. No.

18 Q. Why did that take so long to get
19 paid off?

20 A. Paid off?

21 Q. Or --

22 A. Well, I just --

23 Q. -- processed or whatever you want to
24 call it.

25 A. It was -- I could have done those --

1 I did do, actually, some of them on the
2 December bill. I did. Not all of those were

3 April 8th. I did process some of the
4 secondary service order charges in December.

5 Q. What about -- well, the way I
6 understand it is that prior to the April
7 payment, do you recall what the April payment
8 was for dPi roughly?

9 A. Dollars and cents?

10 Q. Uh-huh.

11 A. No, sir. No.

12 Q. Does approximately \$250,000 sound in
13 the ballpark?

14 A. For all states?

15 Q. Yes.

16 A. All queue accounts?

17 Q. Yes.

18 A. All promotions?

19 Q. Yes.

20 A. In the ballpark, yes.

21 Q. Give or take 50,000?

22 A. I really don't have recall of that
23 number.

24 Q. Okay.

25 A. I'm trying to pull it back because I

58

1 have some things written down and I'm trying
2 to pull it back that way. It seems like it
3 was around \$250,000.

4 Q. And that -- I don't know the number

5 either, but we're going to say it's ballpark
6 250,000. That was paid, and again, sort of
7 BellSouth wide, not just one state, but those
8 were payments just for the secondary service
9 charge waiver and the 1 FR plus two free
10 features; right?

11 A. No.

12 Q. Well, there may have been some
13 amount paid for line connection charge
14 waiver, but that was a small amount.

15 MR. SHORE: Object to the form.

16 A. No. On April 8th we paid through --
17 in North Carolina we paid through January of
18 2005 on line connection waiver. We paid all
19 of 2004 in the rest of the states.

20 Q. Okay.

21 A. On the April 8th bill. Bowl bowl
22 take a break for a minute.

23 MR. MALISH: Yeah, I think we're
24 ships passing in the night. Can we take
25 a break for a second?

59

1 (A recess was taken from 11:24 a.m.
2 to 11:33 a.m.).

3 Q. Ms. Segal, I've -- what is that?
4 Tip tip it's the air.

5 MR. SHORE: Either that or a plane is
6 landing.

7 Q. Back on the record. Ms. Segal, I've

8 given you a printout of, at least a portion
9 of it, and the only reason I gave you that is
10 to see if it would help refresh your
11 recollection about the numbers that were paid
12 to dPi in connection with these promotion
13 credit requests in April of 2005. (Portion
14 of an e-mail) you've seen that before?

15 A. Yes.

16 Q. Do those numbers look about right?

17 A. Yes.

18 Q. If you look on the back page, I
19 guess -- mine is another page, the total is
20 241, so that's in the 250 grand ballpark we
21 were talking about.

22 A. Yes.

23 Q. So do you feel better about
24 everything said that now?

25 A. Yes.

60

1 Q. Okay. Now, when I look at the
2 secondary service charge waiver, it looks
3 like BellSouth ended up paying out 100
4 percent in April of '08 -- or April 8 of '05.

5 A. Yes.

6 Q. And on the 1 FR plus two free
7 features, they paid that, BellSouth paid that
8 100 percent as well.

9 A. Yes.

10 Q. My question was, or is, were there
11 other amounts paid on those two promotions
12 prior to April 8th?

13 A. Yes, on secondary service order
14 charge I know for sure. I don't recall with
15 1 FR and two free features with there were
16 prior to April 8th or not.

17 Q. What dPi has told me is that they
18 were paid somewhere between seven and nine
19 thousand dollars total promotions between
20 after they submitted in September of '04
21 until April of '05. Does that sound roughly
22 correct?

23 A. I don't know. I don't recall. It
24 was for secondary service order charge, and
25 we've already acknowledged that that's not

61

1 one of the largest promotions, so --

2 Q. Well, I was wondering why it took
3 from September to April to pay these two
4 promotions, the secondary service charge and
5 the one R plus two free features.

6 A. We were validating -- we were mostly
7 concentrating on line connection waiver,
8 because it was the biggest promotion, and it
9 just took that long.

10 Q. What was the validation process for
11 these two, the 1 FR plus two free features
12 and the secondary service charge waiver?

13 A. Again, we would look at the end user
14 account number, go into the service order
15 that was stated on the spread sheet that dPi
16 submitted and look at it to see what the
17 activity, like for secondary service order
18 charge you look at for what activity. If it
19 was adding CREX or something like that or
20 adding a feature, that would qualify for
21 secondary service order charge.

22 1 FR is the same thing, go into the
23 end user account. It's establishing an order
24 that would establish that, so you look at
25 what happened on that order, did they have

62

1 basic service and two features.

2 Q. There was not the kind of, I don't
3 know, group meeting and trying to figure out
4 what was necessary in order to pay -- what
5 was necessary in order to qualify for those
6 two features like there was for the line
7 connection charge waiver; was there?

8 A. Yes. Reacquisition or win-over is
9 both on line connection and 1 FR plus two
10 free features, so all that discussion about
11 reacquisition or win-over was for both of
12 those promotions.

13 Secondary service order charge is a
14 promotion that has been with BellSouth for

15 years, so it doesn't need as -- it's much
16 more on the top of people's minds, and it's
17 not nearly as difficult to determine.

18 Q. Was there a reason to make the
19 validation of these two promotion requests,
20 was there a reason to make those two
21 applications wait until the line connection
22 waiver had been completed?

23 A. I didn't wait for secondary service
24 order charge. I did that -- I believe I
25 submitted those in December and they were

63

1 probably on their January 8th bill.

2 Q. Then this 12,000 that was paid in
3 April, that was for what, additional or
4 follow on requests for the same promotion?

5 A. Without having my -- yes.

6 Q. So the first batch that was
7 submitted in September was paid by, what did
8 you say, December?

9 A. It was probably on their January 8th
10 bill.

11 Q. Okay. And so the remainder of this
12 12,443 is for stuff that was not submitted in
13 the first batch.

14 A. It was for those requests that I did
15 not look at in December.

16 Q. Okay. Were you aware that dPi had
17 filed an informal complaint with the North

18 Carolina commission about its -- we're not
19 getting our promotions and it's taking too
20 long?

21 A. Yes.

22 Q. Do you remember when that happened?

23 A. I don't remember the date.

24 Q. Did it happen before or after this
25 \$250,000 credit was made, \$241,000 credit was

64

1 made?

2 A. It was right at that time. I don't
3 recall. I do remember calculating figures
4 after the April 8th date, and I remember
5 answering questions and calculating after the
6 April 8th date. I don't know when the
7 complaint was filed.

8 Q. What were you telling -- I'm
9 assuming that you had conversations or other
10 communications with dPi or Lost Key on behalf
11 of dPi about why their promotions weren't
12 getting paid, why they weren't showing up on
13 the bill, for example, in October of 2004.

14 Did you have such communications
15 with them?

16 A. I recall meeting with Steve Watson
17 after September 2004, and at that time he had
18 not only submitted the four CLECs in
19 September but he had submitted an additional

20 four, and I was at this meeting, I explained
21 to him because of how much he submitted all
22 at once that we could not even begin to
23 process those claims yet and that we were in
24 the process of defining reacquisition and
25 win-over.

65

1 Q. And did you give him an estimated
2 time of arrival for the credits?

3 A. Yes.

4 Q. What did you tell him?

5 A. The only date I recall telling him
6 was March 15th.

7 Q. When was the meeting that you had
8 with Steve Watson?

9 A. I don't remember the exact date. It
10 was after September and it was before
11 Christmas. It was October or November 2004.
12 He came to Birmingham.

13 Q. And besides face-to-face meeting,
14 did you have telephone or e-mail
15 communications or any other kind of
16 communications?

17 A. Yes.

18 MR. SHORE: Can I take a short break?

19 The witness is fine, she can stay here,
20 but I need a break, a few minutes.

21 MR. MALISH: Okay.

22 (A recess was taken from 11:44 a.m.)

23 to 12:03 p.m.).

24 MR. MALISH: Okay, we're going to

25 let you go.

66

1 (Whereupon, the deposition was
2 concluded at 12:03 p.m.)

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

**BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY**

In the Matter of:) **No. 2005-455**
)
dPi Teleconnect, L.L.C. v.)
BellSouth Telecommunications, Inc.)

**AFFIDAVIT OF STEVEN TEPERA EXPLAINING THE METHODOLOGY
OF THE CALCULATIONS FOR EXHIBIT 6 TO dPi's DIRECT TESTIMONY**

Before me, the undersigned notary, on this day personally appeared Steven Tepera, a person whose identity is known to me. After I administered an oath to him, upon his oath, he said:

1. My name is Steven Tepera. I am an attorney working for Foster Malish Blair & Cowan, LLP. My firm represents dPi Teleconnect, LLC ("dPi") in this matter. I am of legal age and sound mind, and otherwise able to make this affidavit.
2. The items herein are true and correct, and within my personal knowledge.
3. Exhibit 6, attached to the direct testimony and filed November 30, 2007, with the Alabama Public Service Commission are graphs that show numbers and frequency of line connection charge waivers given by AT&T to its end users from May 2003 through August 2007. I created those graphs. This affidavit will detail the methodology and underlying data for those graphs.
4. Attached to this affidavit are five (5) exhibits, numbered 8A through 8E. Exhibits 8C, 8D, and 8E are AT&T's responses to request for information and my analysis and summaries therefrom. Exhibits 8A and 8B are transfer letters from Phil Carver related to the data produced shown in Exhibit 8E.
5. The first two exhibits are:
 - Correspondence from Phil Carver, attorney for AT&T, dated October 29, 2007, explaining the meaning of all of the codes used by AT&T in the documents produced as Exhibit 8E (Exhibit 8A); and
 - Correspondence from Phil Carver, attorney for AT&T, dated November 9, 2007, explaining that the supplemental production of data is only for the years 2003 and 2004 (Exhibit 8B)

6. The first three exhibits attached to this exhibit are (in reverse order):
 - AT&T’s responses to a discovery request to identify those orders AT&T filled for its retail customers involving new connections of basic service plus two of the three Touchstar Blocking Features originally at issue in this case, along with the amounts those customers were charged (approximately 981 pages of data) (Exhibit 8E) (the “data”);
 - a summary or tabulation of the data, performed by me (Exhibit 8D); and
 - a series of charts I created to display graphically the results of my tabulation of the data (Exhibit 8C).

ABOUT EXHIBIT 8E, THE AT&T DATA PROVIDED IN RESPONSE TO DISCOVERY:

7. The data – Exhibit 8E – is a true and accurate copy of an excerpt from discovery responses received by Foster Malish Blair & Cowan, LLP, on behalf of dPi. The data was provided in response to the following discovery request in Florida:

Please identify any and all occurrences, on a month to month basis beginning January, 2002, of an end user ordering from AT&T basic service plus any two of the three following features: the call return block (bearing in North Carolina the Universal Service Ordering Code [“USOC”] of “BCR”); the repeat dialing block (“BRD”); and the call tracing block, and “HBG” block. Please indicate what these customers were charged when implementing these services, including any and all recurring charges, non-recurring charges, and promotional charges.

8. Exhibit 8E consists of data produced at two different times by AT&T. Although AT&T initially objected to providing the data on various grounds, it was ultimately compelled by the Florida commission to provide the data requested for at least part of the time period requested. Thus, on September 26, 2007, AT&T supplemented its response with the requested data from January 2005 through August 2007 (“the first supplemental response”). A true and accurate copy of the entirety of the first supplemental response, with various orders highlighted, is included in Exhibit 8E.
9. On November 9, 2007, AT&T supplemented its response again with what appeared to be data from May 2003 to December **2005** (“the second supplemental response”). However, in the transfer letter from Phil Carver, it was clear that the second supplemental response “contains the requested information for the time frame of January 1, 2003, through December 31, **2004.**” This letter is included as Exhibit 8B. Thus, the 2005 data from the second supplemental response was ignored and the 2005 data from the first supplemental response

was used in my tabulations.¹ A true and accurate copy of the 2003 and 2004 portion (the non-overlapping portion) of AT&T's second supplemental response is included in Exhibit 8E as well.

10. Collectively, excluding the overlapping data from 2005, this amounted to 981 pages of data, mostly consisting of up to 33 or 38 orders (or portions of orders) per page.
11. A true and accurate copy of a letter we received from Phil Carver, attorney for AT&T, explaining the codes used in the data is attached to this affidavit as Exhibit 8A.
12. Decoding the data using the keys to the abbreviations provided by Phil Carver, I was able to identify those new service orders placed for:
 - (1) IFR (that is, basic service);
 - (2) at least 2 of the Touchstar Blocking Features;
 - (3) and no other features; and
 - (4) that were not charged a line connection fee.

These were the orders that AT&T received that fit the criteria of being basic service plus two Touchstar Blocking Features and being granted the Line Connection Charge Waiver ("LCCW") promotion.

13. I counted the number of orders that met the above four criteria two times. The first time, I went through the entire 981 pages of data and recorded the number of orders that met the

1

AT&T claims that the second set of data is more favorable to AT&T and inferred or implied some dishonest motive from dPi's ignoring the second set of 2005 data and using the first set only. However, the two data sets overlapped for year 2005 and dPi was not told to disregard or use one portion of the overlapping data sets over the other, and did not want to incur additional expense by analyzing duplicate results. In fact, AT&T's transfer letter for the second data set indicated that it was to be used only for the period ending December 2004. In any event, dPi cannot verify that the data differs significantly between the two versions produced by AT&T for 2005, because dPi fully evaluated only a single set, relying on AT&T's representation that the materials it produced were responsive to the request for information propounded. dPi's cross checking simply involved verifying that a handful of orders that appeared in one version also appeared in the second, and left it at that. But even assuming *arguendo* that AT&T's claim that the 2005 billing system data (the first data set produced for 2005) showed that the line connection charge was waived 29 percent of the time, while the ordering system data (the second data set produced for 2005) showed that the line connection charge was waived 14 percent of the time, changes nothing: we see that notwithstanding the March 2005 internal publication of AT&T internal "policy" of not "counting" these kinds of orders as qualifying for the LCCW, 14% of such orders nonetheless had the Line Connection Charge waived in 2005.

four criteria page-by-page on an Excel spreadsheet. The second time through, I highlighted those that fit all four criteria. Then, on a page-by-page basis, I compared the number of orders on the Excel spreadsheet with the number of highlighted lines. If any discrepancy arose, I recounted on that page.²

ABOUT EXHIBIT 8D, THE DATA TABULATION:

14. Exhibit 8D is simply the record of the tabulations discussed above, and is a true and correct copy of the summaries of data I created. Thus, for Exhibit 8D, I collected the results of my work as described above in an Excel spreadsheet. The first page of Exhibit 8D shows a summary of the months of data from May 2003 to August 2007. It is a summation of the remaining pages of Exhibit 8D.
15. The remaining pages of Exhibit 8D are my page-by-page tabulations of the data provided in Exhibit 8E grouped by month, with each entry showing the bates stamp page number of the data page being evaluated, the total number of orders on that page, and the total number of orders on that page receiving the waiver.

ABOUT EXHIBIT 8C, THE CHARTS:


16. Exhibit 8C contains true and correct copies of three graphs showing different arrangements of the data from the first page of Exhibit 8D.
17. The first chart shows the percentage of orders of 1FR + 2 Touchstar Blocks awarded LCCW over time. The chart shows that waivers for such orders were issued approximately 28% of the time from May 2003 to December 2004, then decline sharply in early 2005, with the

2

By way of example of how the tabulation was done, refer to the first page of Exhibit 8.3, Bates stamped 000001. Per the letter of Phil Carver, orders that had their line connection charge waived were indicated by a WNR, WLC, or WSO (collectively, "W codes") in column 6, titled "Account Waiver Code." For instance, on 000001, seven lines are highlighted which have W codes. However, in some cases, AT&T reproduced the same order twice (presumably because two different W codes were applied to the same account); see e.g., the fourth and fifth highlighted lines, and the sixth and seventh highlighted lines. These entries were only counted once, as indicated by the hand-drawn bracket indicating that those two lines are to be counted as one order. Also, some orders were not counted at all if either a subsequent order showed the customer taking additional features later (*see e.g.*, p. 000002, lines 24 and 25 (line 25 shows account in line 24 taking "ESX" or call waiting)), or if the order showed that it was not an order for basic service (*see e.g.*, p. 000002, line 15 ("1FRCL" means Caller I.D. was on the line); and line 16 ("NXMCR" is an order for Basic Service plus Caller ID Deluxe with Anonymous Call Rejection)). Ultimately, the total number of qualifying orders on each page were noted on the bottom right hand corner of the page. I did this for each of the 981 pages of orders.

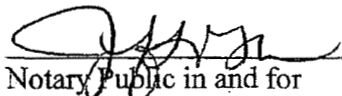
average for January 2005 through August 07 of approximately 14%. Also included on that chart are the dates and strengths of hurricanes and tropical storms in Florida. These are included to show no apparent correlation in Florida between the presence of a storm and the frequency of line connection charge waivers given to end users. This refutes AT&T's previous contention made in other states that end users have their line connection charge waived because they are simply reconnections of disconnections that occurred due to hurricanes.

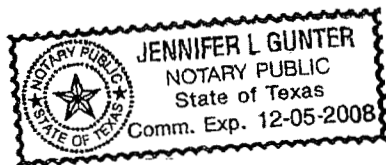
18. The second graph shows a comparison of 1FR + 2 Touchstar Blocks orders per month awarded LCCW versus those not awarded LCCW. These are the raw numbers, and not percentages as shown on the line graph.
19. The third chart shows the total numbers without taking time into consideration. Thus, it shows that 5,052 1FR + 2 Touchstar Blocks orders received LCCW, and 20,074 did not from May 2003 to August 2007.


Steven Tepera

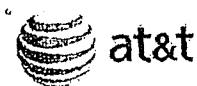
Further affiant sayeth not.

Sworn to and subscribed before me by Steven Tepera on April 30, 2008.


Notary Public in and for
The State of Texas



My commission expires: 12/05/2008



J. Phillip Carver
Senior Attorney
Legal Department

AT&T South
150 South Monroe Street
Suite 400
Tallahassee, FL 32301

T: 404.335.0710
F: 404.614.4054
j.carver@att.com

October 29, 2007

Christopher Malish, Esq.
Foster Malish & Blair, L.L.P.
1403 West Sixth Street
Austin, TX 78703

Re: Docket No. 050863-TP; dPi Teleconnect, L.L.C. v. BellSouth
Telecommunications, Inc. before the Florida Public Service Commission

Dear Chris,

In response to your letter, dated October 8, 2007, AT&T Florida provides below the answers to your questions regarding the information produced in response to dPi's Request No. 1-19. As an initial matter, you state in the letter that dPi is seeking information regarding initial service orders. That is what AT&T produced. The information is not, as you appear to believe, a record of monthly recurring activity for subscribers to service consisting of 1FR + blocks. (See, pp. 1-2). Again, these are only the initial orders. Beyond this, the specific answers to your questions are as follow:

- (1) [I]n general, what AT&T contends the spreadsheet is showing (e.g., "every one of these orders shows an instance where a retail customer orders new basic service with two or more of the blocks....")

AT&T Response: The spreadsheet provided to dPi on September 26, 2007 identifies each new order AT&T received from January 2005 through August 2007 that had a basic residential line and at least 2 of the 3 requested call blocks (BCR, BRD and/or HBG). Some of these orders also included features, in addition to blocks, and this information is provided as well.

AT&T was able to identify new orders because AT&T utilizes an order number naming nomenclature that aligns with the activity being performed. Order numbers beginning with an "N" indicate a "new account" and are used anytime a billing account is being established. This may include either a brand new account (e.g. new customer, split billing of existing account, or reacquisition/win over) or the re-establishment of a previously disconnected account (e.g. disconnection in error, re-establishment after force majeure, re-establishment following disconnect for non-pay).

EXHIBIT

A

Not all new orders are reacquisitions. Further, AT&T has not yet been able to determine which of the new orders are submitted by reacquisition or win-over customers. We have produced all new orders because that is what you requested. However, the new orders that were not submitted by reacquisition or win over customers are not part of the universe of retail orders that would qualify for the Line Connection Charge Waiver.

The spreadsheet also identifies whether the order has a waiver code to waive certain non-recurring charges, and includes a partial listing of certain Touchstar services or custom calling features that were identifiable on the service order. Waiver codes may be listed multiple times for a particular service order, but will only be applied once for the entire service order. In the event the waiver code is placed in the Bill Section, that code will appear in the Account Waiver Code column adjacent to every appearance of the order number, regardless of whether that waiver code applies to that particular nonrecurring charge on the service order. For example, "WSO" only waives the line connection charge or the secondary service order charge, but does not waive any other nonrecurring charges.

Finally, the spreadsheet provides a column that identifies the recurring charges associated with a particular service or feature. In some instances, blanks appear in this column. The reasons for these blanks are explained below.

(2) **[T]he information AT&T believes is reflected under each of the columns (an explanation of the headings);**

AT&T Response: Several of the column headings include the term "USOC," which stands for "Uniform Standard Ordering Code". AT&T utilizes USOCs for ordering different services and features and each service and feature is assigned a unique identifying USOC.

The following is an explanation of each column heading:

- Month/Year:.....Lists the Month and Year of a particular service order
Account Number:.....Lists the Account Number associated with the service order
- BCOS:.....Means "Basic Class of Service" and identifies the specific USOC that the customer ordered. This column includes only basic residential USOCs;
- Order Number:.....Provides the service order number. All service orders listed are "N" orders (i.e., new accounts). These represent customers who are establishing a new billing arrangement with AT&T. As mentioned above, AT&T is not able to separately identify reacquisition and win-over customers in this list.
- ADDED Blocked**
USOC Combination:.....Lists 2 or 3 of the specific Call Blocks that were present on the service order. The specific USOCs are BCR, BRD and/or HBG.
Account Waiver Code:.....Identifies whether a particular waiver code was entered into the bill section of the service order. (See Note Below.)

Service or Feature USOC.....Lists certain USOCs, either services or features, included in the service order.

USOC Waiver Code.....Identifies whether a particular waiver code was associated with a particular USOC on the service order.

USOC Revenue.....Provides the monthly recurring charges associated with each individual USOC.

Nonrecurring charges can be waived by either of the following methods: an entry in the bill section of the order or an entry immediately adjacent to a particular USOC. Use or placement of certain waiver codes has the same practical effect, regardless of where it is placed on the service order. A description of waiver codes is below.

- (3) **[W]hat it means if there is a blank as opposed to an entry in a particular place (does it always mean the same thing? Could it mean more than one thing? E.g., "the fact that there is a blank in the Account Waiver Code Column does not necessarily mean that nothing was waived, just that there was not a code for the waiver");**

AT&T Response: There are two separate reasons that blanks appear on the provided spreadsheet. Some blanks are associated with the waiver code columns (both the Account Waiver Code column and the USOC Waiver Code column). Blanks also appear in the USOC Revenue column. AT&T will address these separately.

Under the Account Waiver Code column and the USOC Waiver Code column, a blank means that non-recurring charges were not waived. If there is an entry in the column, it means that certain non-recurring charges were waived. As discussed above, in the event the waiver was entered into the bill section that code will appear in the Account Waiver Code column adjacent to every appearance of the order number, regardless of whether that waiver code applies to that particular nonrecurring charge.

As to the second type of blank, the "USOC Revenue" column is populated with data drawn from a static table within the database that is refreshed at the end of each month. This was the only method by which AT&T could be responsive to dPi's request for recurring charges. This column matches the USOC listed in the "Service or Feature USOC" column from a particular service order with the monthly snapshot of the charges associated with the account number provided on the service order. If the USOC listed in the "Service or Feature USOC" column is no longer included in the billing data field in the static table, the system produces a blank (i.e., \$ -). This occurs when a customer establishes service on a particular day and then subsequently changes the ordered services/features (on a separate billing order). This type of change will eliminate or remove the type of service being billed, and thus nullify the services/features included in the initial "N" order.

- (4) **[T]he acronyms used in the spreadsheet.**

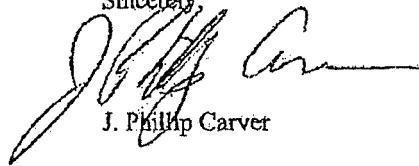
Below is a chart of each acronym that is included in the spreadsheet and the description of the acronym

Acronym	Description of Acronym
IFR	Flat rate line, residence
IFRCL	Flat rate line, residence with Caller ID
999VM	BellSouth Essentials, Credit Plan with BellSouth Voice Mail
BGR	TouchStar, call return, usage based blocking
BRD	TouchStar, repeat dialing, usage based blocking
BSCOS	Basic Class of Service
BVMRP	BellSouth Voice Mail, Residential Premium Mailbox
BVMRV	BellSouth Voice Mail, each mailbox
DRS	RingMaster Service, residence and business RingMaster I
DRS1X	RingMaster Service, residence and business RingMaster II, first additional telephone number with distinctive ringing, per line
DRS2X	RingMaster Service, residence and business RingMaster II, second additional telephone number with distinctive ringing, per line
ESC	Three way calling (non-packaged)
ESL	Speed calling (8 code) (non-packaged)
ESM	Activation/deactivation of call forwarding (non-packaged)
ESX	Call Waiting, per line,
ESXD9	Call Waiting, per line, deluxe, with conferencing, for Call Forward don't answer subscribers
ESXDC	Call Waiting, per line, deluxe, with conferencing
OCE	Call forwarding busy line, per CO line equipped
GCJ	Call forwarding don't answer, per CO line equipped
GCJRC	Call forwarding don't answer, per CO line equipped ring control
GCZ	Call forwarding, variable, remote activation, per line equipped
HBG	Denial of call tracing, per activation (where universal call tracing is activated)
HBY	Anonymous call rejection, per line
MBBRX	MemoryCall Answering Service, residence per month, each mailbox
MWW	Message waiting indication
MWWAV	Message waiting indication audio/visual
NSD	Caller ID, basic, number delivery, per line
NSQ	Repeat Dialing
NSS	Call Return, per line
NST	Call Tracing, per line
NSY	Call Block, per line
NXMCR	Caller ID Deluxe (name and number delivery), per line with Anonymous Call Rejection (ACR)

Acronym	Description of Acronym
PMX1R	Privacy Director(r) Service, residence, per line
USOC	Uniform Service Ordering Code
WLC	Waives only the Line Connection Charge
WNR	Waives all Non-Recurring Charge
WSO	Waives the Line Connection Charge or the Secondary Service Charge
VR5	Area Plus Service, residence, 40 mile radius (FL)
VR5CL	Area Plus Service, residence, 40 mile radius (FL) with Caller ID

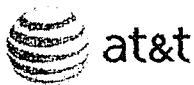
I believe that the foregoing addresses all of your questions.

Sincerely,



J. Phillip Carver

cc: Lee Eng Tan



J. Phillip Carver
Senior Attorney
Legal Department

AT&T Florida
150 South Monroe Street
Suite 400
Tallahassee, FL 32301

T: 404.335.0710
F: 404.614.4054
j.carver@att.com

November 9, 2007

**VIA U.S. MAIL AND
ELECTRONIC MAIL**

Christopher Malish
Foster Malish Blair & Cowan LLP
1403 West Sixth Street
Austin, TX 78703

Re: **Docket No. 050863-TP: dPi Teleconnect, L.L.C. v. BellSouth
Telecommunications, Inc.**

Dear Mr. Malish:

Attached is AT&T Florida's Supplemental Response to dPi's First Request for Information, No. 1-19. As you know, the Pre-Hearing Officer ruled that AT&T Florida was required to provide only "the requested information for the period of July 2005 through July 2007." AT&T has already complied with this requirement. As I stated previously, both at the Pre-Hearing Conference and in previous filings, the information for the 2005-2007 time period was extracted from a system that does not have information any earlier than 2005. Nevertheless, through a great deal of time-consuming effort (much of which was manual), we were able to extract earlier information from a different data base. Thus, the attached electronic file contains the requested information for the time frame of January 1, 2003 through December 31, 2004. You will note that there are some slight differences in the format of the information in the attachment. Again, this is because a different database was utilized, and it was not possible to produce information that matched up exactly with that which was previously produced from a different database.

This information is confidential because it includes information about specific AT&T customers. For this reason, I am transmitting it to you in a password protected file. Someone from my office will call you with the password for the file. If you have not received this call by the end of the day, please call me at your earliest convenience, and I will give you the password.

Sincerely,

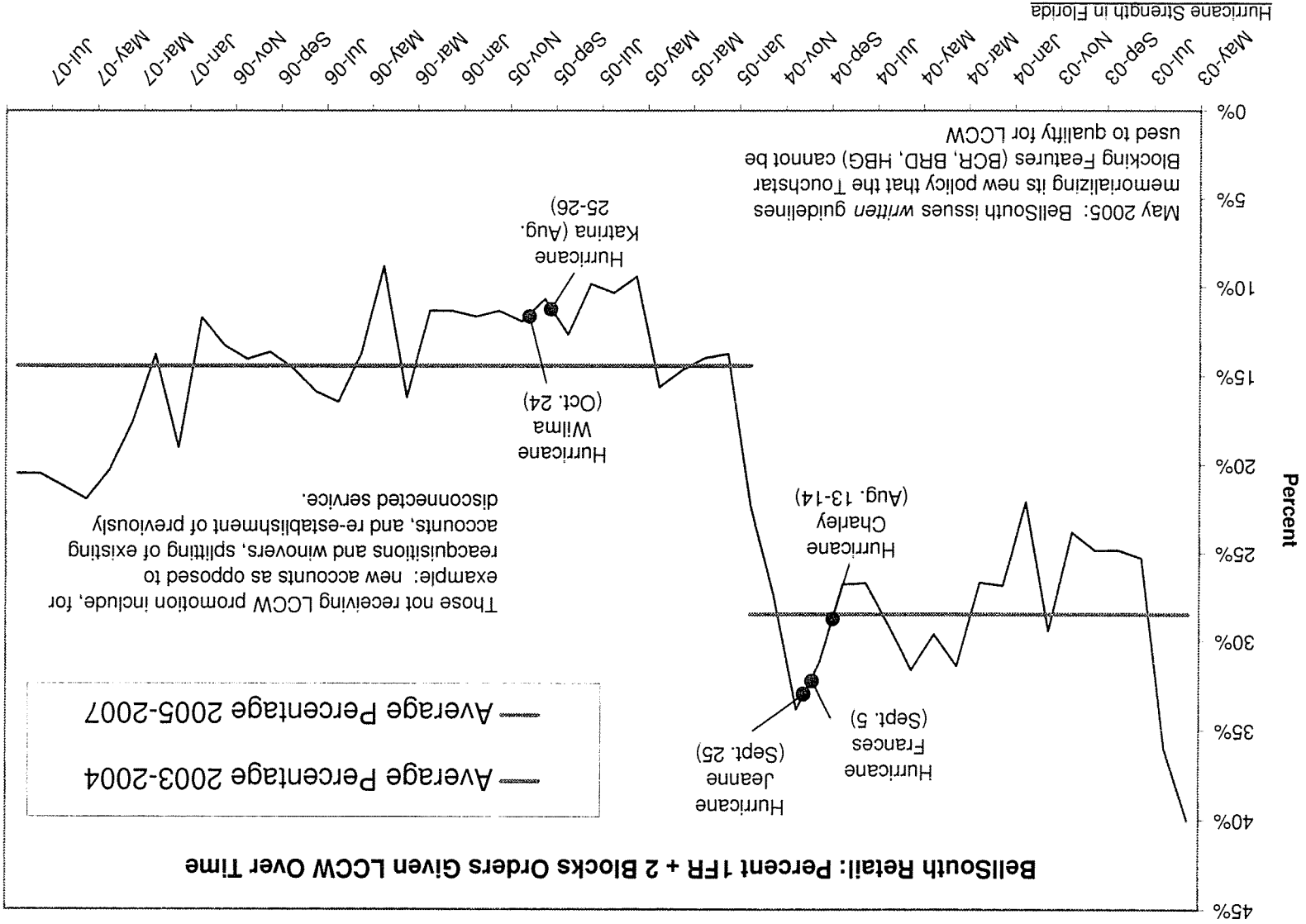

J. Phillip Carver

cc: All Parties of Record

USA
2007

EXHIBIT
B

EXHIBIT 8C: CHARTS AND GRAPHS SHOWING
1FR + 2 BLOCKS IN FLORIDA



Hurricane Strength in Florida

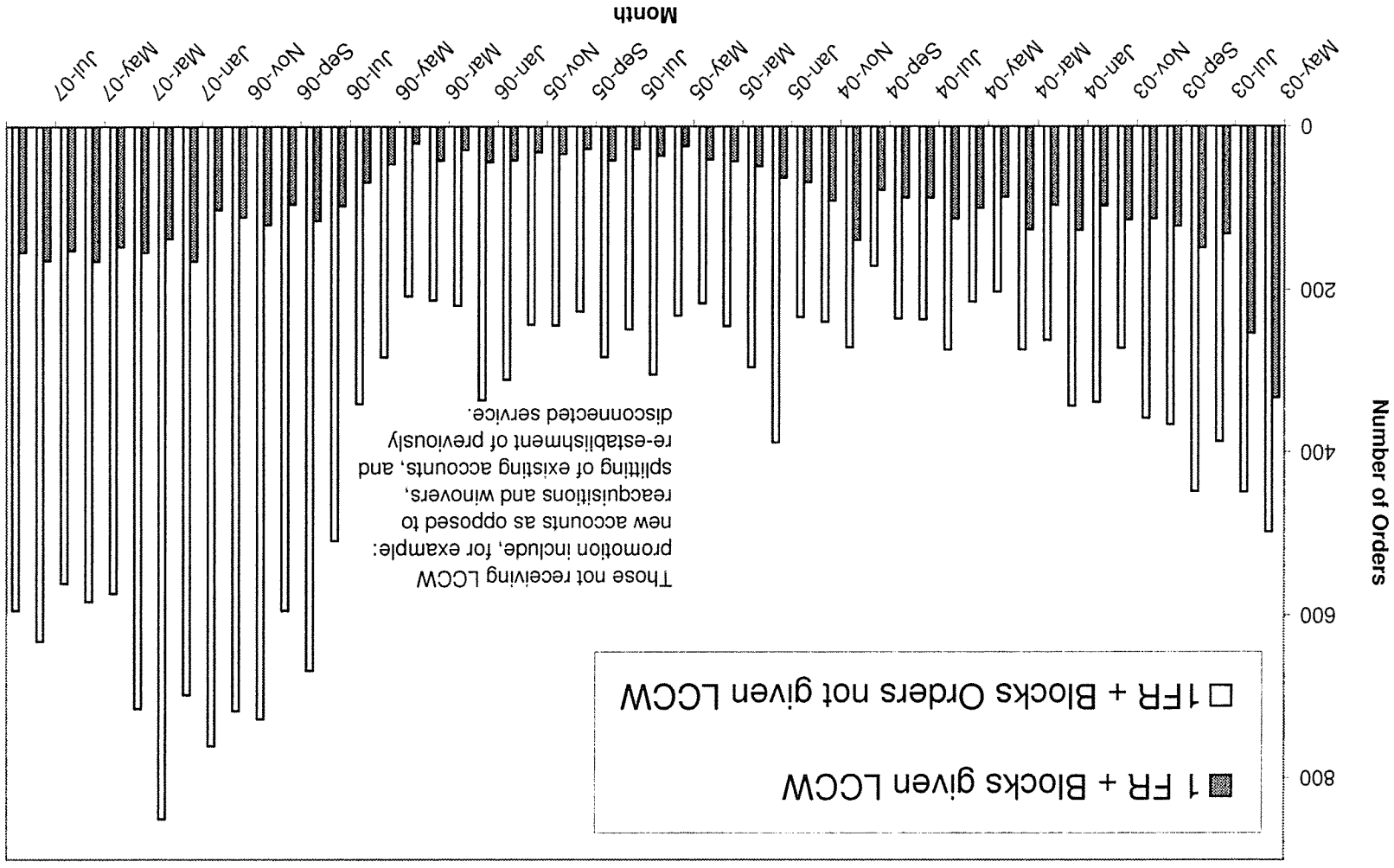
Charley (a category 4 storm) passed through Florida August 13-14, 2004, from Punta Gorda on the Southwest coast to Orlando on the Mideast coast. Frances (a category 2 storm) passed through Florida September 4 and 5, 2004, from near Sewall's Point on the east coast to Tampa on the Gulf, then up through the panhandle at St. Marks on September 5.

Jeanne (a category 3 storm) passed through Florida September 25, 2004, closely following Frances' path from the East coast till it reached Pasco County near the middle of the peninsula, where it went North up the middle of the state.

Katrina (a category 1 storm) passed over southern Florida and the Keys August 25 and 26.

Wilma (a category 4 storm) passed over southern Florida on October 24, 2005.

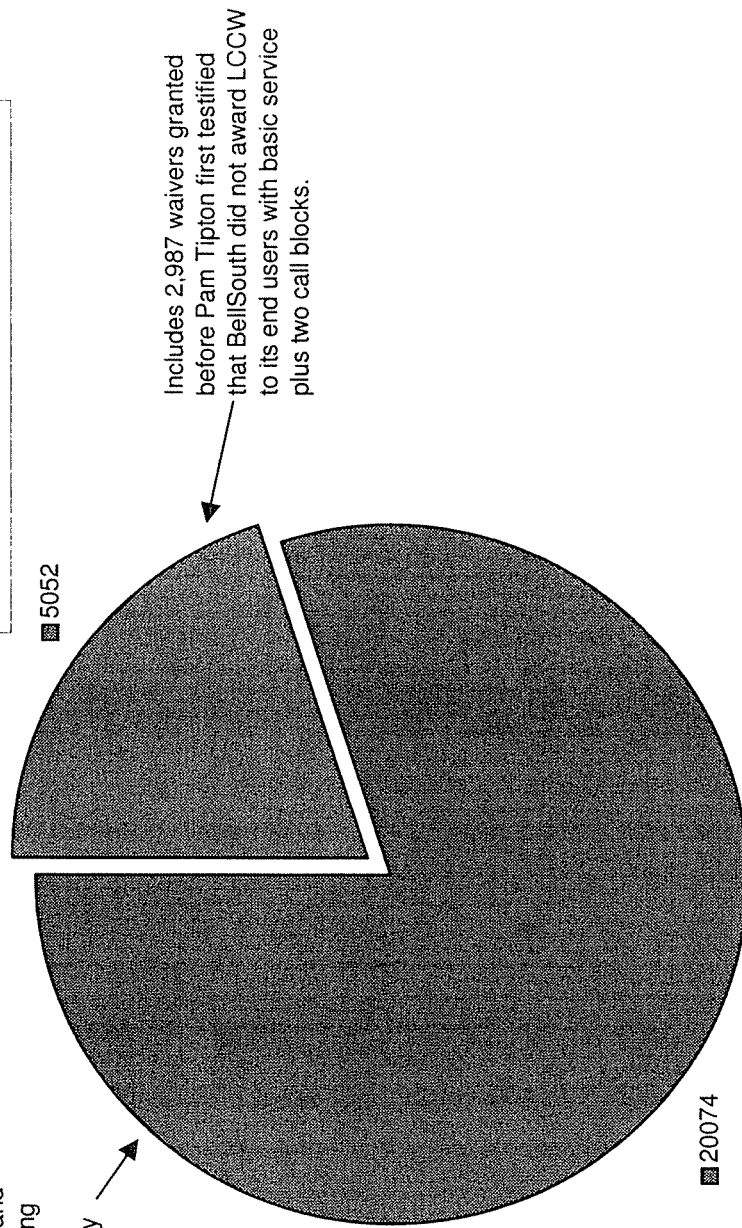
**Bellsouth Retail:
Comparison of 1 FR + Blocks Granted v. Not Granted Waiver Over Time**



BellSouth Retail: Comparison of 1FR + 2 Blocks Orders Granted v. Not Granted LCCW from May 2003 through August 2007

Those not receiving LCCW promotion include, for example: new accounts as opposed to reacquisitions and winovers, splitting of existing accounts, and re-establishment of previously disconnected service.

■ Orders Awarded Waivers
 ■ Orders Denied Waivers



Month	Number of Waivers	Number of orders of 1FR + 2 or more blocks	Percent awarded
May-03	333	831	40.07%
Jun-03	253	702	36.04%
Jul-03	131	518	25.29%
Aug-03	148	596	24.83%
Sep-03	121	487	24.85%
Oct-03	112	470	23.83%
Nov-03	113	384	29.43%
Dec-03	96	434	22.12%
Jan-04	126	469	26.87%
Feb-04	95	356	26.69%
Mar-04	125	398	31.41%
Apr-04	85	287	29.62%
May-04	99	313	31.63%
Jun-04	112	385	29.09%
Jul-04	86	322	26.71%
Aug-04	86	321	26.79%
Sep-04	77	247	31.17%
Oct-04	138	408	33.82%
Nov-04	90	329	27.36%
Dec-04	67	300	22.33%
Jan-05	62	450	13.78%
Feb-05	48	343	13.99%
Mar-05	42	286	14.69%
Apr-05	40	256	15.63%
May-05	24	255	9.41%
Jun-05	35	339	10.32%
Jul-05	27	275	9.82%
Aug-05	41	323	12.69%
Sep-05	27	253	10.67%
Oct-05	33	276	11.96%
Nov-05	31	273	11.36%
Dec-05	41	351	11.68%
Jan-06	43	379	11.35%
Feb-06	28	247	11.34%
Mar-06	41	253	16.21%
Apr-06	20	227	8.81%
May-06	45	327	13.76%
Jun-06	67	407	16.46%
Jul-06	96	605	15.87%
Aug-06	114	782	14.58%
Sep-06	94	688	13.66%
Oct-06	119	847	14.05%
Nov-06	110	828	13.29%
Dec-06	101	862	11.72%
Jan-07	164	862	19.03%
Feb-07	136	987	13.78%
Mar-07	153	868	17.63%
Apr-07	146	719	20.31%
May-07	164	747	21.95%
Jun-07	151	712	21.21%
Jul-07	163	795	20.50%
Aug-07	153	747	20.48%