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June 2, 2008

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**PUBLIC SERVICE
COMMISSION**

VIA HAND-DELIVERY

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

Re: dPi Teleconnect, LLC v. BellSouth Telecommunications, Inc.
KPSC 2005-00455

Dear Ms. Stumbo:

Enclosed for filing in the above-referenced case are the original and four (4) copies of AT&T Kentucky's Rebuttal Testimony of Elizabeth M. Moreland. A copy of Elizabeth M. Moreland's affidavit is being filed with this testimony. The original affidavit will be sent to the Commission in the near future.

Exhibits C and D contained in Moreland Exhibit 7 are confidential, and pursuant to 807 KAR 5:001; § 7, AT&T Kentucky files herewith its Petition for Confidentiality requesting that the Commission afford confidentiality to that material.

A proprietary copy of the Rebuttal Testimony of Elizabeth M. Moreland is being provided to parties of record pursuant to a previously executed Protective Agreement.

Thank you for your attention to this matter.

Sincerely,

Mary K. Keyer
General Counsel/Kentucky

Enclosures

cc: Parties of Record

712591

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In Re:

dPi Teleconnect, LLC)	
Complainant)	
v.)	Case No. 2005-00455
BellSouth Telecommunications, Inc.)	
Defendant)	
_____)	

BELLSOUTH TELECOMMUNICATIONS, INC.'S
PETITION FOR CONFIDENTIALITY

Petitioner BellSouth Telecommunications, Inc., d/b/a AT&T Kentucky ("AT&T Kentucky"), by counsel, hereby moves the Public Service Commission of the Commonwealth of Kentucky (the "Commission"), pursuant to KRS 61.878 and 807 KAR 5:001, § 7, to classify as confidential Exhibits C and D contained in Exhibit EMM-7 to AT&T Kentucky's Rebuttal Testimony of Elizabeth M. Moreland. The material contains information that is personal information or specific to AT&T's end users or AT&T in the conduct of their business.

The Kentucky Open Records Act exempts certain information from the public disclosure requirements of the Act, including information of a personal nature, certain commercial information, and also information the disclosure of which is prohibited by federal law or regulation. KRS 61.878(1)(c)1 and 61.878(1)(a)(k).

To qualify for the personal information exemption and, therefore, keep the information confidential, a party must establish that it is "information of a personal

nature where the public disclosure would constitute a clearly unwarranted invasion of personal privacy....” KRS 61.878(1)(a); 807 KAR 5:001 § 7. Exhibits C and D to EMM-7 contain customer specific information of AT&T. The information identified in these documents is personal information the disclosure of which would “constitute a clearly unwarranted invasion of personal privacy,”¹ and should be protected as confidential.

To qualify for the commercial information exemption and, therefore, keep the information confidential, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors if openly discussed. KRS 61.878(1)(c)1; 807 KAR 5:001 § 7. The Commission has taken the position that the statute and rules require the party to demonstrate actual competition and the likelihood of competitive injury if the information is disclosed.

The information in EMM-7 is considered confidential business information related to the competitive interests of AT&T that is proprietary and confidential. This information is not publicly available and disclosure of this data would impair the competitive business and cause harm to AT&T. Public disclosure of the identified information would provide competitors, namely CLECs and other CMRS Providers, with an unfair competitive advantage.

The Commission should also grant confidential treatment to the information for the following reasons:

(1) The information for which AT&T Kentucky is requesting confidential treatment is not known outside of AT&T;

¹ *Kentucky Bd. Of Examiners v. Courier-Journal*, 826 S.W.2d 324, 327 (Ky. 1992).

(2) The information is not disseminated within AT&T Kentucky and is known only by those of AT&T Kentucky's employees who have a legitimate business need to know and act upon the information;

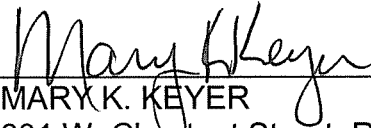
(3) AT&T Kentucky seeks to preserve the confidentiality of this information through appropriate means, including the maintenance of appropriate security at its offices; and

(4) By granting AT&T Kentucky's petition, there would be no damage to any public interest.

In addition, information provided to the Commission in EMM-7 regarding specific customers is customer proprietary network information ("CPNI") and should not be publicly disclosed without the approval of the individual customers. Disclosure of customer-specific information is subject to obligations under Section 222 of the Communications Act of 1937 as amended by the Telecommunications Act of 1996. Federal law imposes the obligation to maintain the confidentiality of such information from public disclosure when the disclosure of such information or records is prohibited by federal law or regulation. Therefore, because CPNI is protected from disclosure by federal law, this information should be afforded proprietary treatment.

For the reasons stated herein, the Commission should grant AT&T Kentucky's request for confidential treatment of the identified information.

Respectfully submitted,



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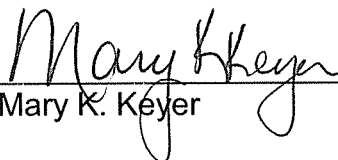
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CERTIFICATE OF SERVICE – 2005-00455

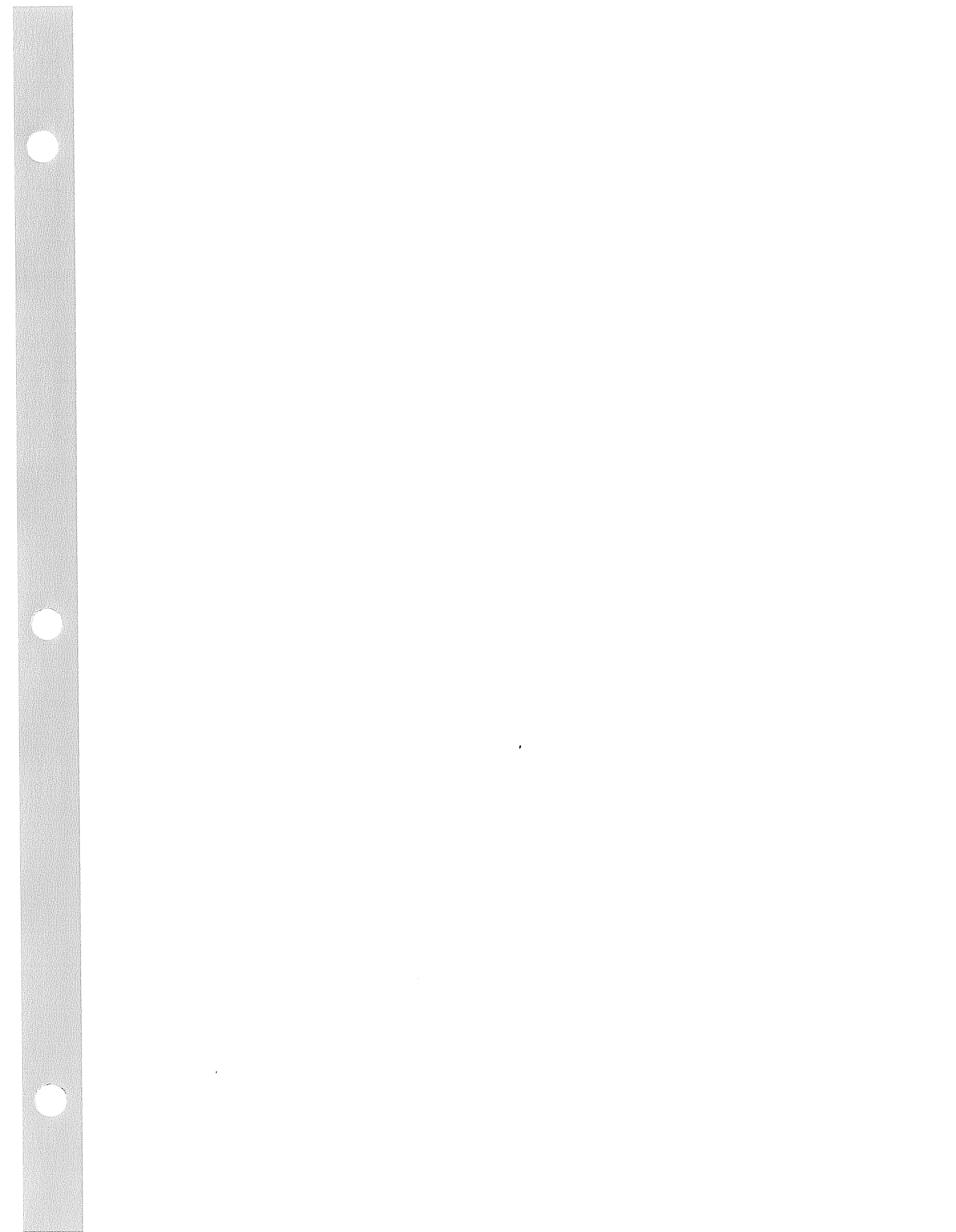
It is hereby certified that a true and correct copy of the foregoing was served on the following individuals by mailing a copy thereof, this 2nd day of June 2008.

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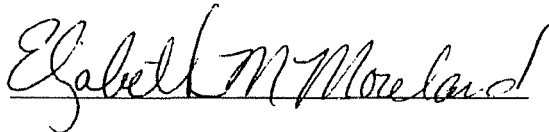
Mary K. Keyer



KENTUCKY PUBLIC SERVICE COMMISSION

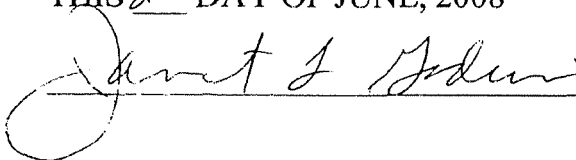
COUNTY OF Fulton
STATE OF Georgia

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Elizabeth Moreland, who being by me first duly sworn deposed and said that she is appearing as a witness on behalf of BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky before the Kentucky Public Service Commission in Docket No. 2005-00455, In the Matter of dPi Teleconnect, L.L.C. v. BellSouth Telecommunications, Inc., and if present before the Commission and duly sworn, her statements would be set forth in the annexed rebuttal testimony consisting of 18 pages and 1 exhibits.



Elizabeth Moreland

SWORN TO AND SUBSCRIBED BEFORE ME
THIS 2nd DAY OF JUNE, 2008



Notary Public

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AT&T KENTUCKY
REBUTTAL TESTIMONY OF ELIZABETH M. MORELAND
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION
DOCKET NO. 2005-00455
JUNE 2, 2008

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

A. Yes, I filed Direct Testimony on May 1, 2008.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. My Rebuttal Testimony responds to portions of the Direct Testimony filed on May 1, 2008, by Brian Bolinger and Steve Watson on behalf of dPi Teleconnect, L.L.C. ("dPi").

Q. BEFORE GETTING INTO THE SPECIFICS OF DPI'S TESTIMONY, DO YOU HAVE ANY GENERAL COMMENTS?

A. Yes. In the majority of his testimony, Mr. Watson discusses at great length the process by which AT&T Kentucky ("AT&T") reviewed CLEC requests for promotional credits in the past. This process is not at issue and has nothing to do with the issues in this proceeding. Moreover, Mr. Watson's testimony does not even relate to current conditions. Mr. Watson makes general references to events that occurred between 2003 and 2005. Many of Mr.

1 Watson's comments relate to processes that, as I discussed in my direct
2 testimony, have not been utilized since that time. AT&T developed and
3 instituted an automated review process in 2006 so the process that Mr.
4 Watson discusses in his testimony no longer exists. dPi's complaint centers
5 on its claim that it did not receive promotional credits to which it believes it is
6 entitled. (dPi Complaint, p. 3) Nowhere in its complaint does dPi discuss the
7 process by which AT&T reviews CLECs' requests for promotional credits.

8
9 The only issue that is before this Commission is whether dPi is entitled to
10 credits for reselling certain AT&T promotions; more specifically, whether dPi's
11 end users would have qualified for the specific promotion requested had they
12 been an AT&T end user.

13
14 Q. ON PAGE 1, LINES 16-19, MR. BOLINGER STATES THAT AT&T "IS
15 REQUIRED BY LAW TO MAKE AVAILABLE FOR RESALE ANY
16 PROMOTION THAT BELLSOUTH MAKES AVAILABLE TO ITS
17 CUSTOMERS" AND THAT THIS CASE ARISES "BECAUSE OF
18 BELLSOUTH'S REFUSAL TO EXTEND ITS PROMOTIONAL PRICING TO
19 DPI." IS MR. BOLINGER'S CHARACTERIZATION OF BELLSOUTH'S
20 ACTIONS ACCURATE?

21
22 A. No. Based on the law and dPi's Interconnection Agreement with AT&T, AT&T
23 will make available for resale applicable promotions to "End Users who would
24 have qualified for the promotion had it been provided by [AT&T] directly."
25 AT&T is not *refusing* to extend its promotional pricing to dPi. AT&T has

1 denied dPi's request for these particular promotional credits because dPi, and
2 more specifically, dPi's end user customers, do not qualify for the promotions.
3 When reselling promotions, a CLEC's end user customer must meet the same
4 requirements as an AT&T retail end user customer in order to qualify for the
5 promotion. dPi's end user customers did not meet these requirements and,
6 therefore, dPi's requests to receive credit were denied.
7

8 Q. WHY DID AT&T DENY DPI'S REQUEST FOR PROMOTIONAL CREDITS
9 UNDER THE PROMOTIONS AT ISSUE IN THIS PROCEEDING?
10

11 A. It is undisputed that the promotions at issue in this proceeding have specific
12 requirements that must be met in order for a customer to qualify for the
13 promotion. One of the specific requirements for the Line Connection Charge
14 Waiver ("LCCW") and the Secondary Service Charge Waiver ("SSCW")
15 promotions is that "the end user customer must purchase a minimum of basic
16 local service and two Custom Calling or TouchStar[®] features." AT&T denied
17 most of dPi's requests for credit for the LCCW and SSCW promotions
18 because the orders submitted by dPi did not satisfy this criterion. dPi
19 contends that its addition of free "call blocks", also referred to as "denial per
20 activation", to its end user accounts qualifies those end users for the
21 promotion.¹ However, these call blocks are not qualifying features. Also,
22 these call blocks are available at no charge, thus, there was no purchase of a
23 Custom Calling or TouchStar[®] feature, a call block or any other service.

¹ The proper name of the service in question, as set forth in the Kentucky General Subscriber Services Tariff is "denial of per activation". This free service is often informally referred to as a "call block" or "call restriction". Hereinafter, these terms are used interchangeably.

1

2 Q. DID DPI END USERS ORDER THE CALL BLOCKS?

3

4 A. No. dPi has admitted (during Mr. Bolinger's depositions and hearing
5 testimony in North Carolina and Florida) that dPi places call blocks on its
6 customers lines without its customers' knowledge that such call blocks are
7 there.

8

9 Q. DID DPI PASS THE PROMOTIONAL CREDITS THAT IT RECEIVED ON TO
10 ITS END USER CUSTOMERS?

11

12 A. No. Again, during his depositions and hearings in North Carolina and Florida,
13 Mr. Bolinger admitted that dPi does not pass the promotional credits it
14 receives from incumbent local exchange carriers, such as AT&T, to its end
15 user customers. Unlike AT&T's retail end user customers who are the
16 beneficiaries of AT&T's promotions, dPi, and not dPi's end user customers, is
17 the only beneficiary of any promotional credits that dPi is granted.

18

19 Q. MR. BOLINGER (PAGE 5, LINES 1-4) AND MR. WATSON (PAGE 7, LINES
20 15-21) CLAIM THAT AT&T IS TREATING DPI UNFAIRLY AND
21 INCONSISTENTLY BECAUSE IT GRANTED SIMILAR CREDIT REQUESTS
22 FROM OTHER CLECS DURING 2004. ARE SUCH STATEMENTS TRUE?

23

24 A. No, AT&T is not treating dPi in an unfair or inconsistent manner. There are
25 several facts that are missing in their statements that are relevant to their

1 assertions.

2

3 In August and September 2004, Lost Key began submitting thousands of
4 promotional credit requests not just for dPi, but for several different CLECs it
5 represented. These requests covered a six-month to a year backlog of CLEC
6 service orders. AT&T was in the process of working through the voluminous
7 number of requests when Mr. Watson contacted AT&T and requested AT&T
8 to prioritize Budget Phone's credit request and process it as soon as possible.
9 Lost Key's operations had been severely damaged as a result of Hurricane
10 Ivan in September 2004 and Mr. Watson, who is compensated on a
11 percentage basis of how much money he recovers for his clients, needed his
12 commission fee in order to continue his business operations.

13

14 Therefore, in September 2004, AT&T, assuming that Budget Phone's requests
15 were valid and qualified promotional credit requests, credited Budget Phone
16 almost 100% of the credit Budget Phone applied for. Shortly after issuing the
17 credit, AT&T realized that Budget Phone had received credit for promotions
18 that it did not qualify for, and that many of the promotions that had been
19 submitted by Lost Key on behalf of its CLEC clients during the August and
20 September 2004 timeframe also did not meet the qualifications of the
21 promotions as submitted. AT&T notified Lost Key it was suspending the
22 granting of credits submitted, which it applied to *all* CLEC requests, and
23 immediately initiated the development of a process for reviewing the requests
24 for promotional credits to ensure that the credit requested met the terms of the
25 specific promotion.

1

2

AT&T's only misstep during this time period is that it trusted Lost Key and the CLECs it represented to submit valid promotional credit requests for promotions for which their end users actually qualified. Unfortunately, CLECs, including those CLECs represented by Mr. Watson, took advantage of what was, at the time, a process in which CLEC credit requests were not closely scrutinized, by submitting credit requests for which they did not qualify.

8

9

Q. WHY DID IT TAKE UNTIL APRIL 2005 FOR AT&T TO CREDIT DPI?

10

11

A. As I mentioned above, Lost Key submitted thousands of promotional credit requests on behalf of several different CLECs in August and September 2004. When AT&T realized that CLECs were applying for promotions that they did not qualify for, AT&T initiated the development of a process to validate requests for promotional credits. This effort began with an internal review by the wholesale organization to ensure consistent interpretation of the company's retail promotions. Upon completion of such investigation, AT&T began its evaluation of dPi's promotional credits in early 2005 and completed the reviews in late February/March 2005, with billing credits appearing on dPi's April and May 2005 billing statements.

21

22

Q. WOULD THIS BE WHAT MR. BOLINGER IS REFERRING TO ON PAGE 3 OF HIS TESTIMONY WHEN HE SUGGESTS THAT AT&T WAS TESTING "POSSIBLE REASONS FOR NOT PAYING THE CREDITS"?

23

24

25

1 A. I cannot answer for Mr. Bolinger, but I can state that AT&T has never tested
2 “reasons for not paying” credits for promotions where the eligibility
3 requirements have been met. AT&T was simply developing a process to
4 review CLEC requests for promotional credits so that it could properly apply
5 retail promotions to its wholesale CLEC resellers. Due to the overwhelming
6 volume of credit requests submitted by Lost Key in August and September
7 2004, AT&T’s wholesale operations realized that its was not in the position to
8 closely scrutinize promotional credit requests submitted by CLECs on a
9 regular basis. When it became apparent that a process was necessary for the
10 proper auditing of CLEC promotional credit requests, AT&T, like any business,
11 took the time to evaluate the terms of the promotions and how AT&T’s retail
12 end users qualify for such promotions and then developed a process to review
13 and approve/deny CLECs’ requests, as appropriate.

14
15 Q. MR. BOLINGER (PAGE 4) AND MR. WATSON (PAGE 9) REPRESENT
16 THAT THE BLOCKS AT ISSUE IN THIS CASE ARE FEATURES. ARE THEY
17 CORRECT?

18
19 A. No. As I discussed in my direct testimony, the term “feature” does not include
20 blocks that are available free of charge to prevent the use of actual service
21 features. Instead, these blocks or “denial(s) of per activation,” as they are
22 referred to in the Kentucky Tariff, are a means to disable, deactivate or
23 otherwise prevent the operation of the service feature. More importantly, the
24 different “denial(s) of per activation” at issue in this case are not included as
25 Features in the Definition of Feature Offerings in the Kentucky General

1 Subscriber Services Tariff. They are described under specific Features as a
2 method to restrict access to the “per activation” option of particular features at
3 no charge and are not represented to be a Feature themselves.
4

5 Q. MR. BOLINGER (PAGE 3) AND MR. WATSON (PAGE 9) SUGGEST THAT
6 AT&T DROPPED THE ARGUMENT THAT CALL BLOCKS WERE NOT
7 FEATURES BUT THEN LATER REVIVED THE ARGUMENT. IS THAT
8 TRUE?
9

10 A. No. I am not sure what Mr. Bolinger and Mr. Watson are referring to. AT&T
11 has been consistent in its position that call blocks, or “denial(s) of per
12 activation”, are not features and that any order that dPi submitted for a
13 promotional credit request that only had a basic line and two or more call
14 blocks was denied because it did not meet the requirements of the promotion.
15 This position has never changed.
16

17 Q. ARE THE TIMEFRAMES MR. WATSON (PAGES 6-7) DISCUSSES IN HIS
18 TESTIMONY AN ACCURATE DESCRIPTION OF THE EVENTS
19 SURROUNDING DPI'S PROMOTIONAL CREDIT REQUESTS?
20

21 A. Not completely. First, Mr. Watson suggests that he worked with AT&T in
22 2003-2004 to develop AT&T's electronic submission process. As I discussed
23 in my direct testimony, AT&T did not begin developing its automated
24 verification process until mid-year 2005 and subsequently implemented it in
25 April 2006. Therefore, Mr. Watson's suggestion that he “worked with” AT&T

1 on this process during the 2003-2004 timeframe is incorrect.

2

3 Q. DID MR. WATSON WORK WITH AT&T IN THE DEVELOPMENT OF AT&T'S
4 AUTOMATED VERIFICATION PROCESS?

5

6 A. Mr. Watson's involvement in the development of the automated verification
7 process was very limited. In an effort to ensure that the automation process
8 flow would be successful, AT&T worked with Mr. Watson to ensure that the
9 form CLECs would use when submitting electronic promotional credit requests
10 was compatible with the automated verification process AT&T was
11 developing. Any "approvals" that Mr. Watson claims to have received were
12 instances of confirmation that the form flowed through the process. Any
13 confirmation Mr. Watson might have received regarding the process flow was
14 not regarding the actual content that was submitted.

15

16 Q. HAS AT&T ACTED IN AN UNFAIR MANNER TOWARDS DPI AND DPI'S
17 PROMOTIONAL CREDIT REQUESTS?

18

19 A. Absolutely not. As soon as the issue about how to apply the promotion to
20 reseller CLECs arose, AT&T immediately stopped issuing credits to all
21 outstanding credit requests and evaluated the situation. Based upon its
22 findings, AT&T then applied those criteria to the outstanding requests and
23 applied credits accordingly on a going forward basis.

24

25 dPi appears to contend that because two other CLECs received credits based

1 upon requests that did not qualify, dPi is entitled to receive credits for invalid
2 requests as well. This position is ridiculous. Clearly, the fact that two CLECs
3 improperly received credits by submitting invalid requests does not mean that
4 AT&T should be required to grant credits to the whole CLEC community, or to
5 just one other CLEC, once a problem is identified.

6

7 Q. MR. BOLINGER (PAGE 3) AND MR. WATSON (PAGE 9) DISCUSS HOW
8 THE USOCS INVOLVED IN THIS CASE ARE TREATED IN THE UNE
9 REGIME. IS SUCH DISCUSSION RELEVANT TO THIS PROCEEDING?

10

11 A. No. This proceeding is about resale promotions. The services in question
12 were not subscribed to as UNEs. The services in question were AT&T retail
13 services that were being resold by dPi. Any correlation as to what happens,
14 or happened, in the UNE regime is irrelevant to this proceeding.

15

16 Q. CAN YOU EXPLAIN WHY THIS IS THE CASE?

17

18 A. Resale is the purchase by a CLEC of AT&T's pre-packaged retail service
19 offerings at a discounted price and reselling that service offering under the
20 CLECs name and brand. With UNEs, a CLEC purchases/leases individual
21 components of AT&T's network and combines those individual elements to
22 create its own "retail" service offering. Resale and UNEs are two separate
23 and very different offerings and are governed by two separate pricing
24 principles. They cannot be compared to one another.

25

1 Q. PLEASE ADDRESS THE TESTIMONY OF MR. BOLINGER (PAGES 5-6)
2 AND MR. WATSON (PAGE 8) WITH REGARD TO THE DISCOVERY AT&T
3 PRODUCED IN FLORIDA RELATING TO RETAIL SERVICE RECORDS.

4
5 A. Mr. Bolinger and Mr. Watson claim that, based upon the retail service order
6 data produced in Florida, dPi was able to determine that AT&T has granted
7 the LCCW promotion to its own retail customers who ordered basic local
8 service and call blocks, but no features. AT&T did not grant the LCCW
9 promotion to its own end users who did not meet the eligibility requirements of
10 ordering and paying for basic service and at least two features. In the data
11 produced, waivers of the line connection charge occurred for other legitimate
12 reasons as I explain further below. The fact that the data showed an AT&T
13 retail customer receiving a credit does not support dPi's conclusion that the
14 LCCW promotion was provided to end users who did not meet the required
15 eligibility criteria. Such a conclusion can not be drawn from the data.

16
17 Q. HAS AT&T PREVIOUSLY ADDRESSED DPI'S CLAIMS IN ANY OTHER
18 STATE?

19
20 A. Yes. In November 2007, dPi filed a Motion for Reconsideration in a North
21 Carolina proceeding relating to the same issues in this proceeding. In
22 response to dPi's Motion for Reconsideration, AT&T filed Pam Tipton's
23 written affidavit with the North Carolina Utilities Commission on December
24 17, 2007. I worked directly with Ms. Tipton in performing the analysis
25 conducted and supported by the affidavit. The affidavit, a copy of which

1 is attached hereto as Exhibit EMM-7, provides a detailed description of
2 the elements I outlined above.

3

4 Q. WHY CAN DPI'S CONCLUSIONS NOT BE DRAWN FROM THE DATA?

5

6 A. There are several reasons. First, the data itself does not identify when the
7 LCCW promotion was given to an AT&T customer. Second, AT&T issued a
8 waiver of line connection charges to customers for appropriate reasons other
9 than the promotion as further explain in my testimony below. Finally, it was
10 not AT&T's practice to grant the LCCW promotion to end users who did not
11 meet the eligibility requirements. Therefore, there can be no reliable or
12 supportable conclusion drawn from the data that AT&T granted the LCCW
13 promotion to customers who did not meet the eligibility criteria.

14

15 Q. WHAT INFORMATION IS INCLUDED IN THE DATA?

16

17 A. In its data request, dPi requested AT&T to "identify any and all occurrences,
18 on a month to month basis beginning January, 2002, on an end user ordering
19 BellSouth basic service plus any two of the three following features: ...call
20 return block...repeat dialing block...call tracing block..." Because dPi's
21 request focused on how retail customers order their service, AT&T attempted
22 to fulfill the request based on data from its retail service ordering system.
23 AT&T developed a methodology to extract certain data from service orders
24 that met the parameters of dPi's data request. However, pursuant to AT&T's
25 standard record retention guidelines, actual service order data is only retained

1 for a period of 24 months. AT&T provided dPi the first set of data, which
2 closely matched dPi's request and was compiled from service order data from
3 January 2005 through August 2007 ("Service Order Data").²
4

5 For time periods extending beyond 24 months, only partial data is retained.
6 The data that is retained is in a format that is not readily searchable and that
7 may be contained in different source files, depending on the nature of the
8 data. Therefore, the information that dPi sought could not be extracted from
9 the service ordering systems from which the Service Order Data was taken.
10 However, in an abundance of caution and in an effort to be responsive, AT&T
11 developed a second methodology to provide a surrogate to the Service Order
12 Data for the time period prior to January 2005. This second methodology
13 required extensive programming to extract the pertinent information from
14 customers' accounts, corporate billing records and a corporate financial
15 database (together, "Billing Data") that, together, provided a close surrogate to
16 the Service Order Data.³
17

18 Q. WHAT DOES DPI'S ANALYSIS SHOW?

19

20 A. To be blunt - nothing. The data itself cannot be used to perform the analysis
21 dPi is trying to perform. There is no way, based upon the data provided, dPi

² AT&T was able to provide an additional six months of service order data because the extra data (January 2005 – July 2005) had been maintained for other business needs.

³ Although dPi's request asked for charges billed to AT&T's customers, neither set of data contains the amount customers were actually charged for the services, due to the limitations in data retained in AT&T's systems. Instead, the data sets contain a table-driven entry that contains the revenue associated with the particular service. The table is refreshed on the last Friday of every month and could result in information that was relevant at the time the customer placed their order to be dropped from the reports provided to dPi.

1 can determine if a customer who received a waiver of certain non-recurring
2 charges received the waiver because they qualified for the promotion or for
3 some other reason. The “N” orders (identified in the Service Order Data)
4 represent all new billing accounts that are established, whether for completely
5 new accounts, for re-established accounts or for reacquisition/win-back
6 accounts. There is no way to distinguish among these various activities
7 without reviewing the actual service order issued – and in some cases, the
8 service order information proves inconclusive. Thus, it is impossible to
9 determine from the data dPi requested if a particular customer’s account is
10 receiving a waiver because of the LCCW promotion or for another reason.

11

12 Q. IN WHAT INSTANCES MIGHT A WAIVER APPLY?

13

14 The waivers reflected in the data set are given for several reasons, not just for
15 the LCCW promotion. In fact, AT&T’s use of these waiver codes pre-dates
16 the implementation of the LCCW promotion. For example, as provided in the
17 tariff, when a customer restores service following a natural disaster or when a
18 customer reconnects service after being disconnected in error, AT&T would
19 waive certain non-recurring charges, including the line-connection charge.
20 During 2004 and 2005 (a time period essential to dPi’s argument), Florida (the
21 state the data was pulled from) was severely impacted by hurricanes and
22 many customers’ service was temporarily disconnected. Based on AT&T’s
23 tariff, when a customer’s home is destroyed, AT&T waives the line connection
24 charge when the customer establishes service (thus initiating an “N” order) (i)
25 at their temporary location and (ii) then again when they return to their

1 permanent location and reestablish service.

2

3 Another example of a waiver unrelated to the LCCW promotion is a split-bill
4 situation, in which roommates are dividing one billing account with two existing
5 lines into two separate billing accounts. In that case, the service
6 representative initiates an "N" order, makes the notation of the billing change
7 and places a waiver code to waive any non-recurring charges that might
8 typically apply to a new order. Regardless of the reason for waiving a non-
9 recurring charge, one or more of the universal waiver codes (WNR, WSO
10 and/or WLC) would appear on the service order.

11

12 Q. BASED UPON THE INFORMATION ABOVE, IS THERE ANY VALIDITY TO
13 THE CONCLUSIONS REACHED BY DPI FROM THIS DATA?

14

15 A. No. Contrary to dPi's statements, there is no way that dPi could have
16 analyzed either the Service Order Data or the Billing Data and properly
17 concluded that AT&T was inappropriately giving its retail customers the LCCW
18 promotion every time a waiver code appeared on an account. The data did
19 not indicate if a waiver was being given as a result of the LCCW promotion or
20 because of another reason. AT&T previously informed dPi of the limitations in
21 the data, which, in the form that dPi requested, is not sufficient for the
22 analytical purposes that would lead to a reliable conclusion. Nevertheless, dPi
23 has presented its conclusions to the Commission in a way that
24 mischaracterizes the data. The conclusions dPi draws simply cannot be
25 drawn from the data dPi requested nor can it be mechanically extracted from

1 the raw service order data.

2

3 Based on the above analysis, it is clear that dPi: (i) ignored information from
4 AT&T that indicated that the data could not result in any reliable analysis; (ii)
5 proceeded with an analysis based on data it mischaracterized; (iii) presented
6 evidence to this Commission that was incomplete and misleading; and (iv)
7 provided conclusions that are based on speculation and faulty data. Based on
8 these reasons, dPi's analysis has no merit and should be ignored.

9

10 Q. DID AT&T DO A REVIEW OF THE DATA PROVIDED TO DPI?

11

12 A. Yes. In response to dPi's claims, AT&T performed an analysis of a sample of
13 the underlying service orders that were the source for the data provided to
14 dPi. In doing so, AT&T used appropriate assumptions and took into
15 consideration the data limitations noted above. Specifically, AT&T reviewed a
16 random sample of 136 service orders that fell within dPi's classification of
17 waived charges.

18

19 The review revealed that many of the service orders did not provide a
20 significant amount of new information. However, in my review, I was able to
21 ascertain that a significant number of service orders listed reasons for the
22 waiver, and these reasons were not the LCCW promotion. There were many
23 orders that contained the waiver because the retail customer either had been
24 disconnected in error, had purchased a bundled offering with two or more
25 chargeable services and/or features or had purchased a non-packaged

1 offering with two or more chargeable services and/or features. dPi's claim that
2 all of the service orders that received a waiver received such waiver as a
3 result of the LCCW promotion was proven to be inaccurate. The fact is there
4 are no specific indicators on the service orders that any of the waivers were
5 given as a direct result of the LCCW promotion and it was not AT&T's practice
6 to provide the LCCW promotion to customers who did not meet the eligibility
7 requirements.

8

9 Q. DO YOU HAVE ANY CONCLUDING REMARKS?

10

11 A. Yes. Mr. Watson and Mr. Bolinger attempt to obscure the issues and the
12 facts in this case. This case is not about the process AT&T follows to
13 issue promotional credits to CLECs. The issue is whether dPi is entitled
14 to credits under certain promotions. The answer to that question for the
15 majority of dPi's promotional credit requests, and for all of the requests
16 AT&T denied, is "no". As I discussed in my direct testimony, where dPi's
17 end users have met the appropriate requirements of the promotion at
18 issue, AT&T has granted dPi the promotional credit. However, most of
19 dPi's promotional credit requests did not meet the criteria of the
20 promotion in question and therefore, dPi is not entitled to these credits.
21 dPi submitted credit requests for services that were not eligible for the
22 promotion they applied for. In addition, the services dPi claimed qualified
23 their service orders for the promotion included services that dPi's own
24 end users had not ordered. Because these items are free of charge, dPi
25 was able to add them to its end users account without its end users'

1 knowledge. dPi then tried to use such services to receive a promotion to
2 reduce its cost of providing service. Any promotional credit that dPi did
3 receive from AT&T was not passed onto its end user. dPi simply is trying
4 to game the system by reducing its cost for basic local service below the
5 resale discount already established by this Commission. Such tactics
6 should not be allowed.

7

8 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

9

10 A. Yes.

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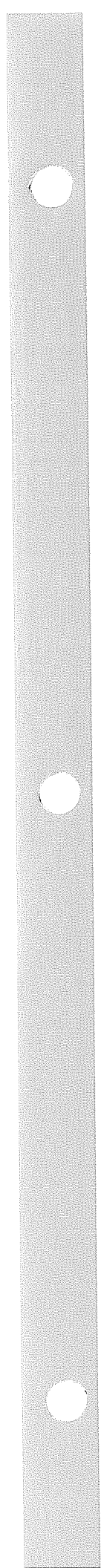


Exhibit EMM-7

(Proprietary Document)

NORTH CAROLINA
BEFORE THE UTILITIES COMMISSION

In the matter of:)	
)	
dPi Teleconnect, L.L.C)	
v.)	Docket No. P-55, Sub 1577
AT&T North Carolina)	
)	

AFFIDAVIT OF PAM TIPTON

1. My name is Pam Tipton. The following statements are made under oath and are based on personal knowledge.

2. I am currently employed by AT&T (formerly BellSouth Telecommunications, Inc.) as a Director – Regulatory Policy and Support, Wholesale Operations. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

3. I have 20 years experience in telecommunications, with my primary focus in the areas of process development, services implementation, product management, marketing strategy and regulatory policy implementation. In my role as Director, I am responsible for implementing state and federal regulatory mandates for AT&T Wholesale and determining the impact of such mandates on the Wholesale business unit.

4. On August 25, 2005, dPi Teleconnect, L.L.C. (“dPi”) filed a complaint with the North Carolina Utilities Commission (the “Commission”) alleging that AT&T (which, at the time of dPi’s complaint, was BellSouth) was

withholding promotional credits that were due to dPi under the Line Connection Charge Waiver (“LCCW”), Secondary Service Charge Waiver (“SSCW”) and the Two Features for Free (“TFFF”) promotions. On June 7, 2006, the Commission issued its Order Dismissing Complaint, ruling in AT&T’s favor. After receiving certain data from AT&T in another proceeding in another state, dPi filed a Motion for Reconsideration with the Commission on November 19, 2007 (“Motion for Reconsideration”).

5. In its Motion for Reconsideration, dPi asks the Commission to reconsider its previous findings because dPi asserts that the testimony I provided during the hearing was incorrect. dPi bases its claim upon discovery produced in a similar proceeding in the state of Florida.

6. The purpose of my affidavit is to address issues raised by dPi in its Motion for Reconsideration. I also explain: (1) what data AT&T produced in Florida; (2) why dPi’s analysis of the data is incorrect; and (3) how dPi’s conclusions are inaccurate and misleading. I will also provide additional information that contradicts dPi’s assertions.

I. Data Provided to dPi by AT&T

7. dPi requested AT&T to “identify any and all occurrences, on a month to month basis beginning January, 2002, on an end user ordering BellSouth basic service plus any two of the three following features: ...call return block...repeat dialing block...call tracing block...” (See Footnote 3, Motion for Reconsideration.) Because dPi’s request focused on how retail customers order their service, AT&T attempted to fulfill the request based on data from its retail

service ordering system. AT&T developed a methodology to extract certain data from service orders that met the parameters of dPi's data request. However, pursuant to AT&T's standard record retention guidelines, actual service order data is only retained for a period of 24 months. Thus, on September 26, 2007, AT&T provided dPi the first set of data, which closely matched dPi's request and was compiled from service order data from January 2005 through August 2007 ("Service Order Data").¹

8. For time periods extending beyond 24 months, only partial data is retained. The data that is retained is in a format that is not readily searchable and that may be contained in different source files, depending on the nature of the data. Therefore, the information that dPi sought could not be extracted from the service ordering systems from which the Service Order Data was taken. However, in an abundance of caution and in an effort to be responsive, AT&T developed a second methodology to provide a surrogate to the Service Order Data for the time period prior to January 2005. This second methodology required extensive programming to extract the pertinent information from customers' accounts. On November 7, 2007, AT&T provided dPi the second set of data for May 2003 through December 2005 based on extracts from billing records and a financial database ("Billing Data") that, together, provided a close surrogate to the Service Order Data.²

¹ AT&T was able to provide an additional six months of service order data because the extra data (January 2005 – July 2005) had been maintained for other business needs.

² Although dPi's request asked for charges billed to AT&T's customers, neither set of data contains the amount customers were actually charged for the

9. While AT&T has made every attempt to provide dPi the information dPi requested, AT&T's legacy systems were not designed to produce data to be used in forensic analysis as dPi has attempted. The service order system is designed to accept customer telecommunications and billing request information, translate that information into a service order that contains: (i) a Bill Section (containing administrative information); (ii) a Service and Equipment section (containing Universal Service Order Codes ("USOCs"), Field Identifiers ("FIDs"), other information that enables telecommunications services to be provisioned and billed); and (iii) a Remarks section for any special instructions. A service order flows from the front end interfaces, through the network provisioning and inventory systems, and when completed, posts to the billing system. The billing system is designed for the express purpose of rendering consumer and business customer bills. Certain portions of the information contained on rendered bills are retained in AT&T's systems. Separately, revenue information, classified by product code and certain billing phrase codes, is retained in AT&T's financial systems. Some of this data is retained, and some is not. The bottom line is the service ordering system and the billing records are not designed to provide a permanent record as to why certain activities, such as the waiving of charges, took place. Trying to recreate service order activity from data stored in multiple systems based upon service requests that were processed in the past, in an

services, due to the limitations in data retained in AT&T's systems. Instead, the data sets contain a table-driven entry that contains the revenue associated with the particular service. The table is refreshed on the last Friday of every month and could result in information that was relevant at the time the customer placed their order to be dropped from the reports provided to dPi.

attempt to determine the circumstances surrounding the order, will not provide meaningful results. AT&T tried to explain this to dPi, but dPi was insistent on receiving the data. The problem is not with the data or AT&T's systems: the problem is that dPi has requested information thinking that it would provide a definitive answer about what customers ordered and why certain waivers were given. The systems are not designed to provide that level of information, so any conclusions drawn from the data are purely conjecture.

A. Detail of What the Service Order Data Contained and Shortcomings of Data

10. The Service Order Data provided to dPi contained all "new" type service orders (referred to as "N" orders, as explained below) for AT&T retail end users that had two or more of the free call blocking USOCs (i.e., BCR, BRD and/or HBG) for the time period of January 2005 through August 2007.³ Specifically, the report contained the following data: 1) the month and year the service order posted to the bill; 2) the billing account number; 3) the service order number; 4) an indicator regarding whether a non-recurring charge waiver code was present on the service order, either in the billing section or adjacent to a particular USOC; 5) the basic class of service and certain other USOCs, such as certain TouchStar® or Custom Calling features that might have qualified the order for the LCCW promotion; and 6) an indicator for monthly recurring revenue associated with the particular USOC service. AT&T believes that the Service

³ BCR is the USOC for blocking the TouchStar® Call Return Feature. BRD is the USOC for blocking the TouchStar® Repeat Dialing Feature and HBG is the USOC that blocks the TouchStar® Call Tracing Feature.

Order Data comes closer to providing the information dPi requested than does the Billing Data. It provides a snapshot picture in time of the services a customer ordered when establishing service. dPi attached AT&T's responsive documents to its Motion for Reconsideration. See Appendix 3: 9/26/07 Supplemental Item 1-19, pages 000001-000685.

11. On October 8, 2007, dPi sent AT&T a letter requesting clarification regarding the Service Order Data. On October 29, 2007, AT&T provided dPi a written explanation of the data. Both dPi's October 8th letter and AT&T's October 29th letter are attached hereto as Exhibit A.

12. In its letter to dPi, AT&T explained that it was able to identify "new" service orders because AT&T's ordering systems utilize 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 an existing account, or reacquisition/win-back) or the re-establishment of a previously disconnected account (e.g. disconnection in error, re-establishment after force majeure, or re-establishment following disconnect for non-pay). Importantly, AT&T also highlighted that not all new "N" orders are reacquisition or win-back customers and that A&T had not yet determined a method to identify separately this class of customers. Further, from the data AT&T provided, there is no way for AT&T (or for dPi) to determine whether a particular service order is for a reacquisition customer or for some other activity as described above.

B. Detail of What the Billing Data Contained and Shortcomings of Data

13. Because service order data was not available prior to 2005 and dPi insisted that AT&T produce data for 2003 and 2004, AT&T had to reconstruct the data by extracting certain information from different sources. Thus, AT&T recreated data from billing and financial database records. Extracting data from different databases that are not designed to store the information in the manner dPi requested and then combining the data into one report results in data that is not as complete or as accurate as the Service Order Data.

14. Unlike service order data in which an “N” service order constitutes a new service account, AT&T had to develop a surrogate methodology to filter its billing systems for *potential* new accounts. AT&T isolated accounts by searching the field “Date of Installation” to determine the first month a billing account might have been established. Then, AT&T cross-referenced such accounts with its financial database records to ensure that during the month when “Date of Installation” occurred, the customer was only billed for a partial month (“fractional billing”). The two filtering searches were the only way AT&T could have isolated potential “new accounts”. Once AT&T determined which accounts met those parameters, AT&T provided relevant data that had been retained regarding these accounts. This included whether the accounts had the call block USOCs (i.e., BCR, BRD and/or HBG), whether any revenue-generating TouchStar® or Custom Calling Feature USOCs that might have qualified the account for the LCCW promotion appeared on the account, and whether any non-recurring charges

("NRCs") were retained in the database. AT&T used NRCs since it did not have service order records that showed whether a waiver had been applied to the order. If an account showed "\$--" in the "Non-Recurring Charges Billed" column, it can be *assumed* that a waiver of certain charges had been placed on the account, but it cannot be concluded with certainty.

15. However, dPi's "analysis" of the data supplied by AT&T called into question the comparability of the billing data to the service order data. Prior to supplying the data to dPi, AT&T had made little or no attempt to perform a side by side comparison of the overlapping year of data provided (2005), primarily because AT&T did not know how dPi planned to use the data. Since the filing of dPi's Motion, AT&T's billing and IT managers have compared the two sets of 2005 data and determined that not only were there a significant number of discrepancies between the two sources, but there was clear evidence that the billing and financial data were missing components, thus distorting the number of accounts with no non-recurring charges.

16. dPi attached a portion of the Billing Data to its Motion for Reconsideration. See Appendix 3: 11/09/07 Supplemental Item 1-19, pages 000001-000295.

II. EXAMINATION OF DPI'S ANALYSIS OF DATA

17. dPi represents that the data AT&T produced shows that AT&T has been providing its reacquisition/win-back customers who subscribe to basic service and two or more call blocks with the LCCW promotion since 2003.⁴ AT&T has previously informed dPi of the limitations in the data, which, in the form that dPi requested, is not sufficient for the analytical purposes that would lead to a reliable conclusion. Nevertheless, dPi has presented its conclusions to the Commission in a way that mischaracterizes the data. For the reasons explained below, dPi has presented invalid conclusions based on a combination of faulty analyses and misrepresentations.

18. First, the data itself cannot be used to perform the analysis dPi is trying to perform. The "N" orders represent all new billing accounts that are established, whether for completely new accounts, for re-established accounts or for reacquisition/win-back accounts. There is no way to distinguish among these various activities without reviewing the actual service order issued – and in some cases, the service order information proves inconclusive. Thus it is impossible to determine from the data supplied if a particular customer's account qualifies for the LCCW promotion.

19. In addition, the waiver codes listed in the data set are used for multiple applications and/or promotions and do not represent just the LCCW promotion. In fact, AT&T's use of these waiver codes pre-dates the

⁴ In order to qualify for the LCCW promotion, an AT&T retail customer must be coming back to AT&T (reacquisition or win/back) and purchase Complete Choice, PreferredPack or basic service and two features.

implementation of the LCCW promotion. An example of waiving certain non-recurring charges as provided for in the tariff are restoration of service following a natural disaster or disconnection in error. During 2004 and 2005 (a time period essential to dPi's argument), Florida was severely impacted by hurricanes and many customers' service was temporarily disconnected. Based on AT&T's tariff, when a customer's home is destroyed, AT&T waives the line connection charge when the customer establishes service (thus initiating an "N" order) (i) at their temporary location and (ii) then again when they return to their permanent location and reestablish service. Another example of a waiver that is unrelated to the LCCW promotion is a split-bill situation where roommates are dividing one billing account with two existing lines into two separate billing accounts. In that case, the service representative initiates an "N" order, makes the notation of the billing change and places a waiver code to waive any non-recurring charges that might typically apply to a new order. Regardless of the reason for waiving a non-recurring charge, one or more of the universal waiver codes (WNR, WSO and/or WLC) would appear on the service order.

20. Contrary to dPi's statements, there is no way that dPi could have analyzed the Service Order Data and properly concluded that AT&T was inappropriately giving its retail customers the LCCW promotion every time a waiver code appeared on an account. Yet, dPi misrepresents the data with authoritative statements such as, "BellSouth **had** been awarding the LCCW promotion to its end users who had ordered ... basic service and two of the three call blocks..." and "[t]hose not receiving [the] LCCW promotion include, for

example: new accounts as opposed to reacquisitions and winovers, splitting of existing accounts, and re-establishment of previously disconnected service.” (Motion for Reconsideration, page 4 and Appendix 1, page 2 and 3.) Such conclusions simply cannot be drawn from the data AT&T provided. In fact, it is impossible to tell from this data whether the line connection charges were waived under the LCCW promotion or given for some other reason.

21. Second, the two different data sets (the Service Order Data (2005-2007) and the Billing Data (2003-2005)) cannot be combined and analyzed as if they were comparable to each other. The two sets of data were pulled from completely different sources and do not provide comparable results. A comparison of the Service Order Data and the Billing Data reveals that there are a total of 5,063 unique accounts listed for January 2005 through December 2005. Of those, 946 accounts are included in the Service Order Data that are not included in the Billing Data and 724 accounts are included in the Billing Data that are not included in the Service Order Data. One explanation for the difference is that a customer could have placed a service order, which was included in the Service Order Data, but then modified his or her service before the end of the month when the billing data was updated. (See footnote 2 above.) Such change could impact whether the account was captured in the Billing Data because any modifications during this window (from the service order date until the end of the month) could affect the class of service associated with the customer or any features either added or dropped. Without reviewing each instance of why an

account was captured in one set of data and not in the other, there is no way to know for sure what caused the discrepancies in the data.

22. In addition, when comparing the two sets of data, it would be appropriate that when a waiver is included on the service order, the "Non-Recurring Charges Billed" column would have a "\$--". However, after running a comparison, AT&T found that there are 8 accounts that had waiver codes (based on Service Order Data), but non-recurring charges appeared in the Billing Data, while 438 accounts appeared to not have a non-recurring charge, but no waiver was associated with the same account. Non-recurring charges can only be waived in the billing system using a billing instruction waiver code. Such discrepancies raise significant concerns about the data and its comparability.

23. The data sets conflict with each other in such a way as to highlight AT&T's concern about (a) the reliability of the Billing Data in determining whether any waivers were actually granted and (b) the data's use for dPi's purpose. The difference between the data sets also demonstrates that despite AT&T's best efforts, the data was not consistently captured using both methodologies. Trying to draw conclusions by comparing the results from the Billing Data and the Service Order data cannot provide anything but faulty conclusions.

24. To provide a better understanding of why the two sets should not be compared, attached hereto as Exhibit B is a side-by-side comparison of the 2005 percentages for each set of data. Using dPi's apparent methodology of

analyzing the Billing Data,⁵ the percentage of accounts with no non-recurring charges for 2005 appears to average approximately 29%. Conversely, the Service Order Data, a significantly more reliable source of data for the same time period, demonstrates that approximately 14% of accounts had waivers present. Thus, dPi's graphic depiction on page 1 of its Appendix 1 is an inaccurate depiction of the data provided to dPi. The top line should not stop at the end of 2004, but should continue into 2005 with everything else remaining the same.

25. In fact, dPi would lead this Commission to believe that AT&T only provided the Billing Data for 2003-2004. However, when dPi filed its Motion and attached its Appendix 3, it failed to include the Billing Data supplied by AT&T for January 2005 to December 2005, instead representing that Appendix 3 consisted of the totality of AT&T's data production. It is difficult to believe that dPi mistakenly neglected to file over 100 pages with the Commission, especially given that the missing data represents an omission of exactly one year of data: *the one year of data that undercuts dPi's theory and analysis*. Additionally, it is inconceivable that someone could look at the two sets of data and not question its reliability. Yet, dPi never asked AT&T to clarify the data; it simply asked for a general explanation about what was included. In order to ensure that the Commission has a complete record of the data produced in this case, attached

⁵ dPi did not include an explanation on the methodology used in analyzing the Service Order Data or the Billing Data. However, in reviewing dPi's numbers, it appears that dPi limited the number of accounts to just those with 2 or more blocks and no other features and then counted the number of accounts with zero in the "Non-Recurring Charges Billed" column.

as Exhibit C are the pages from the Billing Data that represent the missing year of data (January 2005-December 2005; Bates Pages 000295-000403).

26. Finally, dPi has misinterpreted the data provided and has drawn erroneous conclusions. dPi performed an “analysis” of the data (i.e., a count of waiver codes) claiming that approximately 15% of the service orders issued from January 2005 through August 2007 had waivers associated with those accounts and that those waivers were granted as a result of the LCCW promotion. dPi then concludes that 100% of the 15% were granted the LCCW because they were reacquisition customers. Such conclusion cannot be found in the facts presented, nor is it even remotely true. As previously explained, there are many reasons why a waiver may be applied to an account. Just because an account may have a waiver code does not mean that the waiver is the result of the LCCW promotion. Yet, dPi provides no explanation regarding its methodology or its conclusion. Conversely, dPi appears to assume 85% of AT&T’s retail customers are denied a waiver because they are not reacquisition customers. dPi appears to believe that, for each new retail account for basic service that has two or more call blocks and a waiver, it means that the customer is a reacquisition and that AT&T granted the waiver because of the LCCW promotion. None of these conclusions can be found in the facts of the data provided.

27. Based on the above analysis, it is clear that dPi: (i) ignored information from AT&T that indicated that the data could not result in any reliable analysis; (ii) proceeded with an analysis based on data it mischaracterized; (iii) presented evidence to this Commission that was incomplete and misleading; and

(iv) provided conclusions that are based on speculation and faulty data. Based on these reasons, dPi's analysis has no merit and should be ignored.

III. AT&T's Analysis of the Data

28. In response to dPi's claims, I performed an analysis of the data provided to dPi using appropriate assumptions and taking into consideration the data limitations noted above. My analysis focused primarily on the Service Order Data since it more closely aligns to dPi's initial discovery request and because of the issues associated with the Billing Data discussed above. Attached hereto as Exhibit D is a matrix summarizing the Service Order Data. The matrix demonstrates the scale of orders at issue in this proceeding. In particular, the matrix shows that AT&T processed almost 1,650,000 new orders from January 2005 to August 2007. Of those, only 18,621 service orders were for basic service with two or more free blocks, meaning, only 1.13% of all "N" orders initiated by AT&T are in the pool of orders that dPi is analyzing. Further, of those 18,621 orders, only 2,571 had waivers associated with the order but did not have TouchStar[®] feature USOCs, thus reducing the percentage of orders that dPi claims AT&T should not have granted the waiver to to 0.16% of AT&T's retail "N" orders.

29. The 2,571 orders identified above represent approximately 14% of a universe of 18,621, the orders for basic service with two or more call blocks. This is consistent with the number reflected in dPi's Appendix 1. However, contrary to dPi's assumptions, I recognize that there are multiple reasons for

waivers to appear on service orders. Thus, in order to understand the reason for the waivers on the accounts and to determine if all 14% received the LCCW promotion, as dPi suggests, I reviewed a random sample of 136 service orders that fell into dPi's classification of waived charges.

30. My review revealed that many of the service orders did not provide a significant amount of new information. However, I was able to ascertain that a significant number of service orders did have explainable reasons for the waiver and these were not a result of the LCCW promotion as dPi claims. There were many orders that contained the waiver because the retail customer either had been disconnected in error, had purchased a bundled offering with two or more chargeable services and/or features or had purchased a non-packaged offering with two or more chargeable services and/or features. dPi's claim that all of the approximately 14-15% of service orders that received a waiver were for reacquisition customers receiving the LCCW promotion was proven to be inaccurate. The fact is there were no specific indicators that any of the waivers were given as a direct result of the LCCW promotion.

IV. Conclusion

31. In February 2006, I represented AT&T before the Commission in this proceeding and provided specific information based upon my knowledge at the time. Commissioner Kerr asked me several questions about whether AT&T granted the LCCW promotions to its reacquired or win-back end user customers who were similarly situated with dPi's customers. I responded that AT&T had not


and does not grant the LCCW promotion to any reacquired or win-back customers who only order basic service and two or more free call blocks. It was *not* and still *is not* AT&T's policy to grant the LCCW to customers similarly situated to dPi's customers, that is, customers with only basic service and two or more free call blocks. Our promotions are not designed to provide financial rewards, such as billing credits, as an incentive for requesting free items. As previously noted, nothing submitted in dPi's Motion for Reconsideration supports the conclusion that AT&T has deviated from its policies. Nevertheless, in an abundance of caution, AT&T has developed additional training materials for service representatives to ensure that promotions are properly administered.

32. As I have demonstrated, the data dPi asked AT&T to produce in discovery cannot lead to valid conclusions about AT&T's application of waivers to service orders. The data does not reveal which customers qualified for the LCCW promotion nor does it reveal whether customers received the promotion. dPi attempts to avoid this fundamental issue by mischaracterizing the data through its "analysis" and by misrepresenting to the Commission what AT&T actually produced in Florida by redacting an entire year's worth of data. dPi's contention that all of the waivers are attributable to the LCCW promotion is incorrect. The data AT&T provided in response to discovery is not what dPi claims, and it does not support dPi's conclusions. AT&T has properly applied the

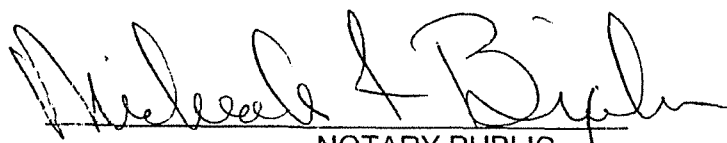
waiver of non-recurring charges for force majeure, split billing, and reconnection following disconnection in error among other valid reasons. AT&T has not made a practice of granting the line connection charge waiver to customers who only purchase basic service and two or more free call blocks.

This concludes my affidavit.

This 17th day of December, 2007.


Pamela A. Tipton

Sworn to and subscribed before me this 17th day of December, 2007.


NOTARY PUBLIC

MICHEALE F. BIXLER
Notary Public, Douglas County, Georgia
My Commission Expires November 3, 2009

Exhibit A

FOSTER MALISH & BLAIR, L.L.P.

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October 8, 2007

**Via fax, First-Class mail,
and email: mg2708@att.com**

Manuel A. Gurdian, Attorney
AT&T Florida
150 South Monroe Street, Room 400
Tallahassee, Florida 32301

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

Dear Manny:

On October 8 I wrote in response to your email regarding Steven Tepera's inquiry about the spreadsheet you all sent us in response to our RFI 1-19. To date we have neither received any of the clarification requested, nor any indication that the clarification would or would not be forthcoming. Could you please check on this for us? Basically, we just need to make sure both sides understand what information is contained in AT&T's response to 1-19.

If you recall, we asked among other things that you please send us an explanation and/or key explaining:

- (1) in 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");
- (2) the information AT&T believes is reflected under each of the columns (an explanation of the headings);
- (3) what 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"); and

(4) the acronyms used in the spreadsheet.

Representative pages were attached for your reference, so that you wouldn't have to pull up the entire 600 page spreadsheet.

Please call if you have any questions or concerns; we look forward to your response.

Very truly yours,

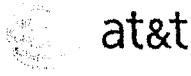


Christopher Malish

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October 29, 2007

Christopher Malish, Esq.
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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 HFR + 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).

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 USOC's 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 USOC's.
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 USOC's 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.**

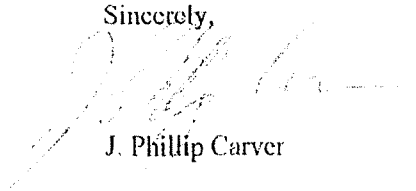
Below is a chart of each acronym that is included in the spreadsheet and the description of the acronym

<u>Acronym</u>	<u>Description of Acronym</u>
IFR	Flat rate line, residence
IFRCL	Flat rate line, residence with Caller ID
999VM	BellSouth Essentials, Credit Plan with BellSouth Voice Mail
BCR	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
GCE	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)

<u>Acronym</u>	<u>Description of Acronym</u>
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)
VRSCI	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

Exhibit B

Comparison of 2005 Data Sets
Billing Data Compared to Service Order Data

Exhibit B

BILLING DATA

<u>Month</u>	<u>Number of New Installations w/ 2+ Free Blocks</u>	<u>Number of Lines w/ no NRC</u>	<u>Percentage</u>
Jan-05	475	116	24%
Feb-05	378	99	26%
Mar-05	349	110	32%
Apr-05	285	80	28%
May-05	255	66	26%
Jun-05	408	165	40%
Jul-05	304	86	28%
Aug-05	383	130	34%
Sep-05	323	100	31%
Oct-05	290	78	27%
Nov-05	309	77	25%
Dec-05	358	221	62%

SERVICE ORDER DATA

<u>Number of New Orders W/ 2 Free Blocks</u>	<u># N Orders w/ Block Waiver</u>	<u>Percentage</u>
505	78	15%
407	58	14%
339	58	17%
304	51	17%
287	34	12%
400	55	14%
321	42	13%
389	57	15%
321	36	11%
324	40	12%
319	42	13%
423	56	13%

Exhibit C

**The entire
document is
proprietary. There
is no edited copy.**

Exhibit D

**The entire
document is
proprietary. There
is no edited copy.**