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ATTORNEYS

March 2, 2010

HAND DELIVERED

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MAR 0 2 2010

PUBLIC SERVICE COMMISSION

RE: P.S.C. Case No. 2008-00203

Dear Mr. Derouen:

Enclosed please find the original and ten copies of Kerry Smith's Supplemental Testimony in the above matter. The original of Mr. Smith's verification will be filed later this week.

Please do not hesitate to contact me if you have any questions.

Very trily yours

Mark R. Overstreet

cc: Douglas F. Brent John E. Selent

COMMONWEALTH OF KENTUCKY

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In the Matter of:

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

MAR 0 2 2010

PUBLIC SERVICE COMMISSION

AN INVESTIGATION IN THE TRAFFIC DISPUTE)BETWEEN WINDSTREAM KENTUCKY LLC,)BRANDENBURG TELEPHONE COMPANY AND)Case No. 2008-00203MCIMETRO TRANSMISSION SERVICES, LLC D/B/A)VERIZON ACCESS)

SUPPLEMENTAL TESTIMONY

OF

KERRY SMITH

ON BEHALF OF WINDSTREAM KENTUCKY EAST, LLC

Filed March 2, 2010

1 2

SUPPLEMENTAL TESTIMONY OF KERRY SMITH

Please state your name and business address. 3 **Q**. My name is Kerry Smith. I am Staff Manager of Wholesale Services and am submitting 4 A. supplemental testimony on behalf of Windstream Kentucky East, LLC ("Windstream 5 East"). My business address is 4001 Rodney Parham Drive, Little Rock, Arkansas 72212. 6 7 **O**. Are you the same witness that testified in this matter previously on behalf of Windstream East? 8 Yes. I previously submitted prefiled direct and rebuttal as well as live testimony on 9 Α. 10 behalf of Windstream East. Q. What did your prior testimony establish in this matter? 11 My testimony addressed that Windstream East's network has been used by Brandenburg Α. 12 13 Telephone Company ("Brandenburg") and MCImetro Access Transmission Services, LLC d/b/a Verizon ("Verizon") in an unauthorized manner to exchange those parties' 14 traffic and that Windstream East should be compensated, primarily by Brandenburg, for 15 16 these parties' continued use of Windstream East's network. 17 **Q**. What has the record already established in this matter with respect to compensation and liability? 18 Α. The record has demonstrated the following with respect to compensation and liability: 19 The traffic in question arises when Brandenburg's customers call dial-up Internet 20 0 service providers ("ISPs") which are customers of Verizon. 21 22 23 The traffic has nothing to do with any Windstream East customer. 0 24 Windstream East's involvement in this proceeding and its inability to mitigate the 25 0 amounts that it is owed is a result of two things: (1) the Commission's July 1, 2008 26 27 Order which required the unauthorized routing of the Brandenburg-Verizon traffic to continue to be exchanged indirectly through Windstream East's network; and (2) the 28

1 2 3	failure or refusal of Brandenburg and Verizon to timely resolve their traffic dispute and reroute the traffic away from Windstream East's network.
5 6 7 8	Windstream East's involvement in this matter generally is a result of two things: (1) Brandenburg's failure to properly route its traffic to Verizon pursuant to LERG protocols; and (2) Brandenburg's efforts to conceal the nature of the traffic it delivered to Windstream East.
9 10 11 12 13	Brandenburg improperly routed calls from its customers to Verizon's ISP customers over the extended area service ("EAS") trunks with Windstream East that are designed to carry only EAS traffic between Brandenburg's Radcliff and Vine Grove customers and Windstream East's Elizabethtown customers.
14 15 16 17	Brandenburg does not dispute that the traffic in question is traffic flowing between its customers and Verizon's customers and, therefore, that the traffic is not EAS traffic between its customers and Windstream East's customers.
18 19 20 21 22 23 24	Brandenburg and Verizon could have chosen to exchange their traffic directly between them or indirectly through the proper third party carrier's tandem. Direct interconnection would have been appropriate here given the very high volumes of calls that are exchanged between Brandenburg and Verizon. However, Brandenburg and Verizon did not do so and instead exchanged their traffic indirectly based on their collective failure to negotiate or arbitrate a resolution to their traffic dispute.
25 26 27 28 29 30 31 32 33 34 35 36	In order to properly exchange their traffic indirectly through a third party carrier's tandem, the Local Exchange Routing Guide ("LERG") protocols provide for the traffic to be routed by Brandenburg to Verizon through AT&T's Louisville tandem. Windstream East's network is nowhere on the call path for this traffic because Verizon does not subtend Windstream East's Elizabethtown tandem. Verizon designated in the LERG that Brandenburg should have delivered its traffic to Verizon through AT&T's tandem in Louisville. Thus, Windstream East is not the proper "middle man" - AT&T's tandem in Louisville is the only third party "middle man". The extraordinarily high call volumes of their traffic, however, indicate that Brandenburg and Verizon both had a responsibility to make arrangements years ago for direct interconnection.
37 38 39	Verizon's witness recognized that the LERG is the mechanism all wireless, wireline, and inter/intra-exchange carriers rely upon for proper routing of their traffic.
40 41 42 43 44 45 46	Brandenburg took action to circumvent the LERG protocols and route its traffic to Verizon through the Windstream East-Brandenburg EAS trunks. The parties did not design the EAS trunks to record the traffic, and Brandenburg acknowledges that it did not notify Windstream East about what it was doing. Windstream East, therefore, would not have known about the issue.

After the traffic was discovered by Windstream East through its investigation of 9 1 another issue, Brandenburg and Verizon were permitted to continue to misroute the 2 traffic indirectly through Windstream East's network pursuant to the Commission's 3 July 1, 2008 Order. 4 5 Windstream East believes that the primary reason that Brandenburg and Verizon have 6 not made arrangements to properly exchange and pay for their traffic is that they have 7 had no financial incentive to do so as long as Windstream East had to continue to 8 allow the routing indirectly through its network and so long as Brandenburg did not 9 have to bear the financial responsibility for routing its traffic properly through 10 AT&T's tandem in Louisville. 11 12 At any point over the last several years, Brandenburg could have, and should have, 13 immediately rerouted the calls properly through AT&T's tandem in Louisville. Such 14 rerouting could have been accomplished by Brandenburg performing approximately 15 ten to fifteen minutes worth of translations work in its switch. 16 17 Witnesses for Verizon and Windstream East explained that Brandenburg could have 18 ø rerouted its traffic properly in this manner and at the same time rated the traffic as 19 local (instead of toll) to its end users. In other words, even if Brandenburg had to 20 route the traffic as toll and bear some financial cost for that routing as a company 21 while it sorted out its dispute with Verizon, it could have refrained from charging its 22 customers for toll and billed them as if the calls were local. If Brandenburg had done 23 so, there would have been no financial impact to Brandenburg's customers, and 24 Brandenburg could have mitigated its financial liability to Windstream East. 25 Brandenburg did not do so and has continued to act in a manner that has forced 26 Windstream East to bear the financial responsibility for Brandenburg's traffic. 27 28 Brandenburg and Verizon both misrepresented to the Commission in 2008 that an 29 ø interconnection agreement between them was imminent. 30 31 During the time that Brandenburg and Verizon have failed to make arrangements for 32 ۵ the proper exchange of their traffic, they each have received the benefit of retail 33 revenues collected from their customers for their traffic. Windstream East, on the 34 other hand, has no retail relationship with the Brandenburg customers making the 35 calls or with the ISP customers of Verizon receiving the calls. 36 37 • Likewise, Windstream East has not collected any wholesale revenues from either 38 Brandenburg or Verizon for this traffic. 39 40 The routing of the Brandenburg-Verizon traffic through Windstream East' network is 41 0 not an authorized service that Windstream East has provided pursuant to any EAS 42 agreement, interconnection agreement, or tariff. The continued routing, once it was 43 discovered by Windstream East, has been a function of the Commission's July 1, 44 2008 Order. 45

- Windstream East's end office transit tariff rate of \$0.0045 is a sufficient proxy to be 1 used by the Commission to calculate appropriate compensation to be paid to 2 Windstream East. This rate should be used as a proxy because the function 3 Windstream East provided to Brandenburg is similar to transit service even though it 4 is not authorized transit service. (It is not authorized transit service as the traffic is 5 routed through Windstream East's Elizabethtown end office which is not designed to 6 function as a tandem and as Verizon subtends the AT&T Louisville tandem - not 7 Windstream East's Elizabethtown end office.) 8
 - The total amount of compensation due to Windstream East by Brandenburg for the unauthorized use of Windstream East's network is approximately \$1,633,207.00 plus fees and costs. Any amounts Verizon may owe Brandenburg by way of reimbursement may be taken up in a separate proceeding between those two carriers.
- 15 I. LIABILITY

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16 Q. Did the record in this proceeding address which party - Verizon or Brandenburg -

should compensate Windstream East for the use of its network to exchange the
 Verizon/Brandenburg traffic?

A. Yes, the record establishes that Brandenburg is the party primarily responsible to
 Windstream East with respect to the amounts owed to Windstream East. To begin, the
 calls in question are routed to Windstream East over the EAS trunks between
 Brandenburg and Windstream East as a direct result of Brandenburg performing the
 switching translations necessary to deliver the calls from its customers to Verizon
 through Windstream East's network.

25 Q. Did the record in this proceeding address whether Brandenburg knew that the 26 traffic was not Brandenburg-Windstream East EAS traffic that should be routed to 27 Windstream East's end office in Elizabethtown?

A. Yes. Brandenburg's witness acknowledged that Brandenburg discovered as early as 2005 that the calls in question were actually calls to Verizon's customers and not calls to Windstream East customers. Specifically, Brandenburg's witness explained that

Brandenburg performed some local number portability ("LNP") queries in 2005 and 1 discovered that some of the calls that Brandenburg was sending to Windstream East were 2 not completing. Brandenburg's witness testified that the calls were not completing 3 were calls to Verizon numbers in Elizabethtown 4 because they but the LERG/Brandenburg switch was attempting to correctly route the calls over the AT&T 5 facilities. In other words, Brandenburg knew as early as 2005 that (i) Verizon had 6 7 established codes in Windstream East's territory but rate-centered those codes in AT&T's Louisville territory; (ii) it needed to route the calls to Verizon through AT&T's tandem in 8 Lousiville in order to correctly follow LERG protocols; and (iii) the calls did not have 9 any connection to Windstream East or any Windstream East end user. 10

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Q. What are the LNP queries and why are they important?

These queries are perfomed in territories where competitors ("CLECs") may be porting 12 Α. numbers from the ILEC. They are important because they identify where traffic should be 13 routed that is being sent to a CLEC who has ported an applicable telephone number from 14 the ILEC. For example, in this case, the record demonstrates that Brandenburg's own 15 CLEC affiliate and Verizon each started offering services in Windstream East's 16 Elizabethtown exchange around 2002 and began porting numbers from Windstream East 17 at that time. Significantly, therefore, Brandenburg personnel knew as early as 2002 that 18 Brandenburg needed to perform LNP queries for the traffic as they were also having to 19 perform LNP queries for their own CLEC traffic. Yet, Brandenburg refused to perform 20 21 the LNP queries for the traffic in question here.

Q. Why is it important that Brandenburg learned that Verizon had established separate routing and rating points for the codes for this traffic?

Brandenburg stated on the record in this proceeding that it performed some LNP queries 1 Α. in 2005, discovered that the traffic was actually Brandenburg-Verizon traffic and not 2 Brandenburg-Windstream East EAS traffic, and then promptly ceased performing the 3 queries. This is an important point because it demonstrates very clearly that as early as 4 2005, Brandenburg knew that, in order to correctly route the traffic according to the 5 manner in which Verizon had rate-centered its code in the AT&T Louisville tandem, that 6 Brandenburg would have to route the traffic to Verizon as toll and incur some financial 7 responsibility for this traffic until such time as it could negotiate or arbitrate an agreement 8 with Verizon. This establishes the financial motive for the reason that Brandenburg took 9 10 the actions it did to conceal the nature of the traffic from Windstream East.

Q. Did Brandenburg notify Windstream East about this issue after Brandenburg discovered it in 2005?

No, it did not which we believe contributes to Brandenburg's culpability in this matter. 13 Α. As previously established on the record, Brandenburg was aware that the EAS trunks 14 established to exchange the EAS calls from Brandenburg customers to Windstream East 15 customers did not record traffic passing over the trunks. Thus, Brandenburg was aware 16 that Windstream East did not have a reason to know about the true identity of the traffic. 17 Most significantly, Brandenburg's witness stated that instead of notifying Windstream 18 East about the issue, Brandenburg decided to stop performing the LNP queries (which 19 identified the calls as being traffic to Verizon instead of Windstream East) and continue 20 routing the calls to Windstream East as if the calls were EAS calls from Brandenburg 21 customers to Windstream East customers. Its witness indicated that Brandenburg 22 believed its actions were justified because it believed the traffic going to Verizon was de 23

minimus (a point which was contradicted by Verizon's data request responses which
 showed that in 2005 the volume was as high as 10 to 30 <u>million minutes per month</u>). The
 result of Brandenburg's actions was that the traffic appeared to Windstream East for a
 long period of time to be EAS traffic between Brandenburg and Windstream East instead
 of traffic from Brandenburg customers to dial-up ISP customers of Verizon.

When and how did Windstream East learn the true identity of the traffic that

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Q.

Brandenburg was sending to it?

Windstream East believed that Brandenburg was among a group of ILECs in Kentucky 8 А. that were using Windstream East's network to provide transit service but declining to 9 compensate Windstream East for providing transit service. In 2006, we performed an 10 initial, high-level audit of the local trunk groups between all ILECs and Windstream East 11 and discovered that ILECs were sending transit traffic to Windstream East through 12 Windstream East's end offices that are not designed to function as tandems. Windstream 13 East's translations engineer began working with the ILECs in late 2006 to early 2007 to 14 move their transit traffic away from Windstream East's end offices (and to the appropriate 15 Windstream East tandem). One of the ILECs was Brandenburg, which we also 16 discovered was not performing the LNP queries and also was sending an extremely high 17 volume of traffic to Windstream East's end office well in excess of a DS1 level of traffic. 18 Windstream East contacted Brandenburg around February 2007 regarding in particular its 19 failure to perform the LNP gueries for its traffic from 2005. 20

Q. Did Brandenburg comply with Windstream East's request or otherwise notify Windstream East at that time about the issue with the Brandenburg-Verizon traffic?

Α. No. Brandenburg declined to move its traffic and also denied Windstream East's requests 1 to perform the required LNP queries for its traffic. Although Brandenburg eventually 2 began performing the LNP queries around April 3, 2007, it continued to refuse to reroute 3 the traffic to Windstream East's tandem. We now understand that may have been because 4 Brandenburg did not want Windstream East to know the true nature of the traffic in 5 guestion. It also appears that when Brandenburg finally had started performing the LNP 6 queries in 2007, it had to make (at the same time) a deliberate translations change in its 7 switch to override the proper LERG protocols to continue having the Brandenburg-8 Verizon traffic route incorrectly over the Brandenburg-Windstream East EAS trunks. 9

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Q.

What was the result of these developments?

A. As a result of Windstream East's continued pursuit of the transit issues with the ILECs, I 11 was asked to more closely evaluate each ILEC's traffic that it was routing through 12 Windstream East's end offices. During the course of my evaluation, I was able to begin 13 capturing and recording the traffic and discovered that Brandenburg's traffic was going to 14 one party - Verizon - and that Verizon did not subtend Windstream East's end office. In 15 particular, I learned that the traffic destined to Verizon from Brandenburg was for 16 telephone numbers that had been ported from Windstream East to Verizon and that the 17 Verizon switch serving those numbers was located behind the AT&T tandem in 18 Louisville. It was at this time around April 2008 that we notified Brandenburg we knew 19 what it was doing and that Brandenburg needed to immediately move its traffic. 20 Brandenburg stated it had a self-imposed deadline of May 20, 2008 by which it would 21 22 have the traffic properly rerouted via direct interconnection with Verizon. As of June 2, 2008, Brandenburg had not meet its own deadline and failed to move the traffic. 23

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Q. What is your conclusion as to Brandenburg's liability to Windstream East as a result of the foregoing?

It is for these reasons that we believe that Brandenburg is the party which is responsible 3 Α. for paying the compensation to Windstream East. This position is supported primarily by 4 the facts that Brandenburg: (i) took action to conceal the true nature of the traffic in 5 question by starting and then stopping the LNP queries; (ii) failed to notify Windstream 6 East about the issue; (iii) failed to timely negotiate or arbitrate an interconnection 7 agreement or other arrangement for the exchange and compensation of calls made by its 8 customers to customers of Verizon; (iv) apparently took affirmative action to override its 9 switch translations after it began performing the LNP queries in order to allow the 10 11 improper routing to continue contrary to LERG protocols; and (v) failed to mitigate the ongoing impact to Windstream East by refusing to assume financial responsibility for its 12 13 own traffic by correcting the routing through Louisville and rating the traffic as non-toll to its customers. 14

15 Q. Does Windstream East contend that Verizon has any responsibility in this matter?

We can see where Brandenburg could make a case that Verizon should reimburse 16 A. Brandenburg for some of the money Brandenburg owes to Windstream East. In 17 particular, Verizon's actions in failing to timely or responsibly address its traffic dispute 18 with Brandenburg certainly have not helped to resolve this matter, and I understand from 19 the testimony that Verizon may have refused Brandenburg's offer to enter into an 20 agreement containing the same terms and conditions as another agreement that Verizon 21 had negotiated with another Kentucky ILEC. I can state further that we believe Verizon 22 acted erroneously during the parties' June 5, 2008 call with Commission Staff where 23

1 Verizon supported that Brandenburg did not have to route the traffic to AT&T's Louisville tandem and instead that Windstream East should be ordered to endure the 2 misrouting through its network. Additionally, Brandenburg may be able to show that 3 Verizon created this scenario where it has codes with different rating and routing points. 4 Windstream East sympathizes with Brandenburg to the extent that we recognize the 5 difficulties that can arise when a carrier like Verizon establishes different rating and 6 routing points for its codes and that these issues may lead to financial and routing 7 disputes. To the extent that Verizon and Brandenburg obviously disagreed about the 8 terms of such an agreement or arrangement, they both share responsibility for failing to 9 timely pursue the arbitration of such an agreement before the Commission. 10

Q. What do you conclude from the record regarding the respective liability of Verizon and Brandenburg for the compensation due to Windstream East?

A. Brandenburg is the party responsible for compensating Windstream East for the claimed
 amounts. Whether Brandenburg believes it should be reimbursed by Verizon for some of
 those amounts is a separate matter that should be handled between those two parties and
 without further inconvenience to Windstream East.

Q. Can you provide a high level summary of the items that contribute most directly to your conclusion above?

A. Yes. <u>First</u>, it is undisputed that Windstream East's network has been used to exchange the
traffic between Verizon and Brandenburg and that the traffic has nothing to do with any
Windstream East customer. On that basis alone, Windstream East should be compensated
by someone in this matter although, to date, it has not received any compensation for the
use of its network. <u>Second</u>, Brandenburg took action to disguise the nature of the traffic

1 from Windstream East by routing the traffic to Windstream East over unrecorded EAS trunks and then also by starting and then stopping the LNP queries; Brandenburg's 2 explanation that its actions were based on its belief that the arrangement would be 3 temporary until Brandenburg could reach an agreement with Verizon, does not in fact 4 justify its actions. Third, Brandenburg's purported "temporary" solution lasted for many 5 years and resulted in enormous volumes of traffic being sent through Windstream East's 6 network. Fourth, Brandenburg admits to providing no notice to Windstream East about 7 the issue. Fifth, even after resuming the LNP queries, Brandenburg apparently took 8 action to code its switch translations to override LERG protocols and continue the 9 misrouting through Windstream East's network. Sixth, Brandenburg collected retail 10 11 revenues from its customers with respect to this traffic although it has taken advantage of Windstream East performing the routing at no cost to date. Seventh, Brandenburg failed 12 to timely negotiate or arbitrate an agreement with Verizon that would have resolved the 13 issue. Eighth, Brandenburg failed to mitigate its financial responsibility to Windstream 14 East by immediately routing the traffic properly through AT&T's Louisville tandem and 15 not charging its customers for toll. Ninth, Brandenburg's actions to misroute the traffic 16 through Windstream East's network appear to have been motivated by Bradenburg's 17 desire to avoid the financial implications associated with routing the traffic to Verizon 18 through the AT&T Louisville tandem. At the same time, Brandenburg's actions to 19 misroute the traffic through Windstream East also resulted in Brandenburg avoiding the 20 expense of any direct connections with Verizon. All total, Brandenburg's actions directly 21 placed Windstream East in the middle of Brandenburg's traffic dispute with Verizon, and 22 Brandenburg has failed at all points along the way to accept responsibility for its traffic 23

and to remove Windstream East from the middle of the dispute. Windstream East has incurred a great amount of fees and expense as a result of Brandenburg's actions, and it should be compensated fully by Brandenburg.

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As to my conclusion regarding whether Brandenburg may seek reimbursement from 5 Verizon, Verizon also appears to have led Commission Staff in 2008 to believe that 6 resolution of its traffic dispute with Brandenburg was imminent. Additionally, I do not 7 have personal knowledge of this fact, but Brandenburg has asserted that it offered 8 reasonable terms and conditions to Verizon back in 2005 which were subsequently 9 rejected by Verizon. Further, Brandenburg may argue that Verizon's actions in rate 10 centering its code in Louisville contributed to this issue. In no event, however, should 11 such a separate proceeding delay further Windstream East being fully compensated by 12 13 Brandenburg for the use of its network and being removed immediately from the middle of the Brandenburg/Verizon traffic dispute. 14

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II. <u>COMPENSATION AMOUNTS</u>

Q. What amounts generally does Brandenburg owe to Windstream East for its use of Windstream East's network?

A. Generally speaking, Brandenburg should compensate Windstream East in an amount of \$1,633,207.00 for the total volume of calls (on a per-minute basis) that was routed over Windstream East's network and for the LNP queries Windstream East had to arrange to be performed during the time that Brandenburg was failing to do so plus interest and fees and costs incurred by Windstream East as a particular result of Brandenburg's actions in 1

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ensuring that Windstream East has been held in the middle of Brandenburg's dispute with Verizon.

Q. What amount should Brandenburg pay to Windstream East for the high volume of calls that has been routed through Windstream East's network?

Brandenburg should compensate Windstream East in an amount of \$1,588,510.00 А. 5 representing the volume of minutes that have been delivered to Verizon through 6 7 Windstream East's network inclusive of interest. This amount was derived by multiplying the minutes of use by Windstream East's proxy rate of \$0.0045 and then applying a 8 monthly interest rate (not compounded). By "minutes of use," I am referring to the length 9 of time that the calls were routed over Windstream East's network. Typically with traffic 10 to dial-up ISPs, the calling volumes are particularly high. Thus, you may have only a 11 fewer number of customers calling the dial-up ISP, but each call may last for long periods 12 of time. The breakdown of the minutes of use, by month, as well as the interest amounts 13 14 are reflected on Exhibit 1 attached hereto. Additionally, because the routing is ongoing, I estimate that, based on current volumes, the compensation (exclusive of interest) due to 15 Windstream East increases approximately \$263.48 for every day that Windstream East 16 continues to be held in the middle of the dispute. 17

18 Q. How did Windstream East arrive at the amounts due for the minute of use charges?

A. We determined the monthly volumes of minutes of Brandenburg's traffic and then multiplied those volumes by the proxy rate of \$0.0045. As I explained previously, we used this end office transit rate as a proxy since it is the closest rate that Windstream East has to the type of function Windstream East is providing in this instance. We determined the monthly volume of minutes in two ways. <u>First</u>, for the minutes during the time from

1 May 2007 to February 5, 2010, Windstream East used the actual recordings it had gathered as a result of its pursuit of the Kentucky ILECs in the transit tariff proceeding. 2 Thus, the minutes that Windstream East included in Exhibit 1 from May 2007 to 3 February 5, 2010 are from actual recordings of the traffic Brandenburg delivered to 4 Verizon through Windstream East's network. Second, for the time periods prior to May 5 2007, Windstream East used the minutes that were provided by Verizon in its response to 6 Brandenburg's Data Request No. 14 to Verizon. (See, Exhibit 2.) Verizon's information 7 addressed how many minutes it believed had been exchanged with Brandenburg from 8 August 2005 to June 2008. (See Column labeled DR-14 Local Term (Over 3:1) Minutes 9 on Exhibit 2.) Verizon's suggested minutes closely approximate Windstream East's 10 actual recordings and also provide data for the periods prior to the time that Windstream 11 East recorded the traffic. Additionally, I should note that Verizon's data request Response 12 No. 1 to Windstream indicates that the traffic in question may have been exchanged 13 through Windstream East's network as early as August 2003 and in volumes as high as, if 14 15 not higher than, ten million minutes per month.

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Q. Is Windstream East also due compensation for Brandenburg's LNP queries?

A. Yes. As I addressed previously, Windstream East performed LNP queries for the months
 of August 2005 through March 2007 during the time that Brandenburg declined to
 perform its queries. As a result, Windstream East is seeking compensation from
 Brandenburg for the amount of \$36,299.00 plus interest of \$8,398.00.

21 Q. How did you arrive at these amounts for compensation for the LNP queries?

A. We used a current estimate of 16.5 minutes per message (for a total of 11.9 million calculated messages) and applied a rate of \$0.00305, and then we calculated interest in

the same manner as I explained above for the minute of use charges. To begin, "message" 1 as I have used it here refers to each instance in which a Brandenburg customer initiated a 2 telephone call to Verizon's ISP customer, in which case an LNP query would have 3 needed to have been performed. In order to estimate the number of messages (or, simply 4 put, the number of times that Brandenburg should have been performing LNP queries but 5 was not thereby forcing our switch to perform that function), I captured a sample month's 6 worth of total minutes of use and messages from Brandenburg. Based on that sample, I 7 determined the ratio of minutes of use to messages which allowed me to determine the 8 average number of messages (i.e., LNP queries) that would be run on the respective 9 volume of minutes. I then applied that ratio to Brandenburg's total volume of minutes for 10 the applicable months and multiplied by the applicable rate. The rate I used as a proxy is 11 one out of Windstream East's interstate access tariff that it assesses to long distance 12 companies upon request for unqueried calls. 13

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Q.

Does Windstream East believe it is also entitled to be reimbursed by Brandenburg for any other amounts?

Α. Yes. First, although the Commission is generally without authority to award 16 reimbursement of attorneys' fees and costs, in this instance Windstream East believes 17 that it should be reimbursed for the costs of having to defend against what is effectively 18 Brandenburg's traffic dispute with Verizon. Brandenburg's actions directly led to 19 Windstream East incurring these significant fees and costs, and Windstream East would 20 not have been involved in this matter at all had Brandenburg not routed this traffic to 21 Windstream East pretending that it was Brandenburg-Windstream East EAS traffic. 22 23 Second, Windstream East notes that it further is owed compensation by Brandenburg

with respect to the EAS trunks between Brandenburg and Windstream East. In particular, 1 those trunks are sized based on the amount of traffic estimated to be traversing them. 2 Therefore, because of the extremely high volume of minutes Brandenburg was routing to 3 Verizon over the EAS trunks, Windstream East anticipates that it likely has incurred 4 increased costs to sustain larger EAS facilities between itself and Brandenburg. For 5 instance, it has been estimated on the record herein that more than 50% of the current 6 traffic being delivered over the EAS trunks is not Brandenburg-Windstream East EAS 7 8 traffic but instead is the Brandenburg-Verizon traffic.

9 Q. Did Windstream East address these compensation amounts on the record in this
 10 proceeding?

11 A. Yes, although neither Brandenburg nor Verizon took the opportunity to sufficiently 12 dispute Windstream East's information. Rather, each took the position that Windstream 13 East should be paid some amount but not by it. I should also mention that after the 14 hearing and the time that the parties had briefed the issues in this proceeding, 15 Brandenburg sought to introduce a traffic study that it performed.

16 Q. Did Windstream East request a copy of Brandenburg's asserted traffic study?

17 A. Yes, and Brandenburg provided a copy. (See Exhibit 3.)

Q. Did you review Brandenburg's asserted traffic study, and can you speak to the
validity of the study?

A. Yes, I reviewed the study which Brandenburg provided to Windstream East on December 8, 2009. However, the study provides no viable evidence that contradicts Windstream's volume of minutes set forth above in our calculations. Instead, Brandenburg's study attacks Windstream East's estimate involving the number of messages that would be

involved in calculating the actual LNP queries. Brandenburg's study does not dispute the
minutes of use that both Windstream East recorded and that Verizon provided. To the
contrary, Brandenburg's study demonstrates that Windstream East's minutes of use data
are accurate. In short, Brandenburg's study attempts only to dispute the number of
messages used to calculate Windstream East's compensation requested for the LNP
queries, but it does not dispute the minutes used to calculate the majority of
compensation due to Windstream East.

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Q. Can you summarize your supplemental testimony?

Neither Brandenburg nor Verizon dispute that Windstream East is due some 9 A. compensation. Instead, they point the finger at the other as to whom should pay. 10 Windstream East did not voluntarily accept this traffic from Brandenburg. Instead, the 11 routing occurred initially because Windstream East did not know what Brandenburg was 12 13 doing and then subsequently as a result of the Commission's July 1, 2008 Order which required Windstream East to allow the routing to continue. Arguably, the Commission's 14 Order was based, at least in part, on the misrepresentations by Brandenburg that it could 15 not reroute the traffic through AT&T's Lousiville tandem (more accurately, Brandenburg 16 was unwilling to do so) and on the misrepresentations by Brandenburg and Verizon that 17 resolution of their ongoing traffic dispute was imminent. Windstream East's network has 18 been used, and it should be fully compensated by Brandenburg as a result of 19 Brandenburg's actions to have Windstream East be financially responsible for 20 Brandenburg's traffic to Verizon. Whether Brandenburg may be entitled to some 21 reimbursement from Verizon is a separate matter that may be pursued between 22 Brandenburg and Verizon but in no way should result in further delay of payment to 23

- Windstream East by Brandenburg in the total amount of \$1,633,207.00 plus applicable
- 2 fees and costs.

3 Q. Does this conclude your supplemental testimony?

4 A. Yes, at this time.

Verification

The foregoing testimony is true and correct to the best of my knowledge and belief.

RY SMITH

STATE OF ARKANSAS

)) SS)

COUNTY OF PULASKI

The foregoing testimony was subscribed and sworn to before me this 2t day of March, 2010 by Kerry Smith.



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NOTARY PUBLIC, State at Large

EXHIBIT 1

Summary of Brandenburg owed Amounts

Billing Month		Minutes		Proxy Rate	Δ۳	nout Due	Inte	0.005 rest Due	Total Due	
samig month	Aug-05	windies	30,126,451	0.0045	\$	135,569	\$	-	\$	135,56
	Sep-05		11,213,961	0.0045		50,463	\$	678	\$	51,14
	Oct-05		10,553,531	0.0045	\$	47,491	\$	930	\$	48,42
	Nov-05		10,192,281	0.0045	\$	45,865	\$	1,168	\$	47,03
	Dec-05		10,409,090	0.0045		46,841	\$	1,397	\$	48,23
	Jan-06		10,294,804	0.0045		46,327	\$	1,631	\$	47,95
	Feb-06		9,616,268	0.0045		43,273	\$	1,863	\$	45,13
	Mar-06		9,879,781	0.0045		44,459	\$	2,079	\$	46,53
	Apr-06		8,909,886	0.0045		40,094	\$	2,301	\$	42,39
	May-06 Jun-06		8,772,866 8,765,713	0.0045		39,478 39,446	\$ \$	2,502 2,699	\$ \$	41,98 42,14
	Jul-06		9,104,426	0.0045		40,970	3 \$	2,099	s	43,86
	Aug-06		8,430,868	0.0045		37,939	s	3,101	\$	41,04
	Sep-06		7,472,971	0.0045		33,628	s	3,291	\$	36,91
	Oct-06		7,661,427	0.0045		34,476	\$	3,459	\$	37,93
	Nov-06		7,356,529	0.0045		33,104	\$	3,632	\$	36,73
	Dec-06		7,403,474	0.0045		33,316	\$	3,797	\$	37,11
	Jan-07		7,272,843	0.0045		32,728	\$	3,964	\$	36,69
	Feb-07		6,367,195	0.0045	\$	28,652	\$	4,127	\$	32,78
	Mar-07		6,569,761	0.0045	\$	29,564	\$	4,271	\$	33,83
	Apr-07		5,700,730	0.0045	\$	25,653	\$	4,418	\$	30,07
	May-07		6,523,969	0.0045		29,358	\$	4,547	\$	33,90
	Jun-07		4,778,935	0.0045		21,505	\$	4,693	\$	26,19
	Jul-07		4,643,247	0.0045		20,895	\$	4,801	\$	25,69
	Aug-07		4,547,738	0.0045		20,465	\$	4,905	S	25,37
	Sep-07		3,968,371	0 0045		17,858	\$	5,008	S	22,86
	Oct-07		3,762,589	0.0045		16,932	\$	5,097	\$	22,02
	Nov-07		3,941,025	0.0045		17,735	S	5,182	\$	22,91
	Dec-07		3,827,434	0.0045		17,223	\$ e	5,270	\$	22,49
	Jan-08		3,879,857	0.0045		17,459	\$ \$	5,357	\$ \$	22,81
	Feb-08 Mar-08		3,711,294 3,368,903	0.0045		16,701 15,160	э \$	5,444 5,527	s s	22,14 20,68
	Apr-08		3,399,923	0.0045		15,300	\$	5,603	\$	20,00
	May-08		3,054,229	0.0045		13,744	s	5,680	\$	19,42
	Jun-08		2,697,512	0.0045		12,139	\$	5,748	\$	17,88
	Jul-08		1,873,526	0.0045	\$	8,431	\$	5,809	\$	14,24
	Aug-08		1,934,695	0.0045	\$	8,706	\$	5,851	\$	14,55
	Sep-08		2,087,485	0.0045	\$	9,394	\$	5,895	\$	15,28
	Oct-08		2,004,644	0.0045	\$	9,021	\$	5,942	\$	14,96
	Nov-08		1,961,763	0.0045		8,828	\$	5,987	\$	14,81
	Dec-08		1,978,733	0.0045		8,904	\$	6,031	S	14,93
	Jan-09		2,371,961	0.0045		10,674	\$	6,075	\$	16,74
	Feb-09		2,218,111	0.0045		9,981	\$ c	6,129	\$	16,11
	Mar-()()		2,051,965	0.0045		9,234	S ¢	6,179 6,225	\$ ¢	15,41
	Apr-09 May-09		2,191,785	0.0045 0.0045		9,863 8,668	\$ \$	6,225 6,274	\$ s	16,08 14,94
	Jun-09		1,920,193	0.0045		8,760	ֆ Տ	6,318	S S	14,94
	Jul-09		1,940,584	0.0045		8,780 7,739	ъ \$	6,361	ъ \$	14,10
	Aug-09		2,057,400	0.0045		9,258	3 \$	6,400	s S	15,65
	Sep-09		1,808,717	0.0045		8,139	\$	6,446	\$	14,58
	Oct-09		1,732,609	0.0045		7,797	\$	6,487	\$	14,28
	Nov-09		1,701,711	0.0045		7,658	\$	6,526	\$	14,18
	Dec-09		1,687,804	0.0045		7,595	\$	6,564	\$	14,15
	Jan-10		1,822,596	0.0045	\$	8,202	\$	6,602	5	14,80
	Feb-10		1,785,821	0.0045	\$	8,036	\$	6,643	\$	14,67
			297,043,814		\$	1,336,697	\$	251,813	\$	1,588,51
		Minutes/Day	and the second	Rate		iount/Day				
er Day Average	2009		58,551	0.0045	\$	263.48				
otal due from N	linutes of	f Use Billing p	lus Interest						\$	1,588,51
otal due from L	ND DUP	m mlass to t				وتدادت ومجرو لأكفائك كالتكافية	-		S	44,69

Total due from both Minute of Use and LNP Billing plus Interest	\$ 1,633,207
	a de la constante de la constan

LNP Work Sheet Aug-2005 to Feb 5th, 2010

Billing Month	\ug-05	Minutes		Calculated Messages	Rate per query	Amount owed for LNP		est Due		al Due
	Aug-05	30,126,451	16.5	1,825,846	0.00305	\$ 5,569	s	-	\$	5,569
	Sep-05	11,213,961	16.5	679,634	0.00305	\$ 2,073	\$	28	\$	2,101
	Oct-05	10,553,531	16.5	639,608	0.00305	\$ 1,951	\$	38	\$	1,989
	Nov-05	10,192,281	16.5	617,714	0.00305	\$ 1,884	\$	48	\$	1,932
	Dec-05	10,409,090	16.5	630,854	0.00305	\$ 1,924	S	57	\$	1,981
	Jan-06	10,294,804	16.5	623,928	0.00305	\$ 1,903	\$	67	ş	1,970
	Feb-06	9,616,268	16.5	582,804	0.00305	\$ 1,778	\$	77	\$	1,854
	Mar-06	9,879,781	16.5	598,775	0.00305	\$ 1,826	\$	85	\$	1,912
	Apr-06	8,909,886	16.5	539,993	0.00305	\$ 1,647	\$	95	\$	1,742
٢	vlay-06	8,772,866	16.5	531,689	0.00305	\$ 1,622	\$	103	\$	1,724
	Jun-06	8,765,713	16.5	531,255	0.00305	\$ 1,620	\$	111	\$	1,731
	Jul-06	9,104,426	16.5	551,783	0.00305	\$ 1,683	\$	119	\$	1,802
	Aug-06	8,430,868	16.5	510,962	0.00305	S 1,558	\$	127	S	1,686
	Sep-06	7,472,971	16.5	452,907	0.00305	\$ 1,381	\$	135	\$	1,517
	Oct-06	7,661,427	16.5	464,329	0.00305	\$ 1,416	\$	142	\$	1,558
1	Nov-06	7,356,529	16.5	445,850	0.00305	\$ 1,360	\$	1.49	\$	1,509
	Dec-06	7,403,474	16.5	448,695	0.00305	\$ 1,369	S	156	\$	1,524
	Jan-07	7,272,843	16.5	440,778	0.00305	\$ 1,344	\$	163	\$	1,507
	Feb-07	6,367,195	16.5	385,891	0.00305	\$ 1,177	\$	170	\$	1,347
	Mar-07	6,569,761	16.5	398,167	0.00305	\$ 1,214	\$	175	\$	1.390
Brandenburg Started doing own LNP querie	es			,		<u>\$</u> 36.299				
	٨pr-07	-	0	0	0 00305	\$ -	\$	181	\$	181
1	vlay-07	-	0	0	0.00305	\$ -		181	\$	181
	Jun-07	-	0	0	0.00305	\$ -	-		\$	181
	Jul-07	-	0	0	0.00305	\$ -		181	\$	181
	Aug-07	•	0	0	0.00305	\$-	-	181	\$	181
	Sep-07	-	0	0				181	\$	181
	Oct-07	-	0	0			\$	181	\$	181
	Nov-07	-	0	0			\$	181	\$	181
	Dec-07	-	0	0			\$	181	\$	181
	Jan-08	-	0	0			\$	181		181
	Feb-08	-	0	0			\$	181		181
	Mar-08	-	0	0				181		181
	Арг-08	-	0	0			.	181		181
1	May-08	-	0	0				181		181
	Jun-08	-	0	0			\$		\$	181
	Jul-08	-	0	0			\$	181		181
	Aug-08	-	0	0			\$	181	\$	181
	Sep-08	-	0	0				181		181
	Oct-08	-	0	0			5	181	\$	181
	Nov-08	-	0	0			\$	181		181
	Dec-08	-	0	0			\$	181	\$	181
	lan-09	-	0	0			\$	181		181
	Feb-09	-	0	0			\$	181		181
	Mar-09	-	0	0			\$	181		181
	Apr-09	-	0	0				181	S	181
	May-09	-	0	0			Ŷ	181		181
	Jun-09	-	0	0			\$ r	181	\$	181
	Jul-09	-	0	0				181		181
	Aug-09	-	0	0			\$	181		181
	Sep-09	-	0	0			S	181		181
	()ct-()9	-	0	0				181		181
	Nov-09	-	0	0			\$	181		181
	Dec-09	-	0	0			-	181 181		181
	Jan-10 Eab. 10	-	0	0			5			181
	Feb-10	-	0	0	0.00305	ф -	\$	181	ð	181

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EXHIBIT 2

<u>REQUEST NO. 14</u> Identify the monthly volume of traffic that MCImetro has received from Brandenburg during each of the past thirty-six months.

Responsible Person: Dennis Ricca

RESPONSE:

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See Attachment A to Response 13 labeled "Minutes Exchanged between MCImetro and Brandenburg in KY" in the columns labeled "LOCAL TERM (Under 3:1) Minutes" and "LOCAL TERM (Over 3:1) Minutes."

	DR-14	DR-14	DR-14	DR-13
Traffic	INTRASTATE	LOCAL	LOCAL	LOCAL
Month	Switched	TERM (Under3:1)	TERM (Over 3:1)	ORIG
YYYYMM	Access MOUs	Minutes	Minutes	Minutes
200508	166,500	0.00	30,126,451	0.00
200509	65,242	0.00	11,213,961	0.00
200510	77,914	0.00	10,553,531	0.00
200511	75,789	0.00	10,192,281	0.00
200512	72,637	0 00	10,409,090	0.00
200601	85,049	0.00	10,294,804	0.00
200602	55,512	0.00	9,616,268	0.00
200603	51,567	0.00	9,879,781	0.00
200604	51,086	4.00	8,909,886	1.33
200605	52,278	0.00	8,772,866	0.00
200606	44,625	0.00	8,765,713	0.00
200607	53,263	0.00	9,104,426	0.00
200608	49,535	0.00	8,430,868	0.00
200609	54,403	0.00	7,472,971	0.00
200610	46,603	0.00	7,661,427	0.00
200611	34,149	0.00	7,356,529	0.00
200612	39,808	0.00	7,403,474	0.00
200701	42,417	0.00	7,272,843	0.00
200702	40,093	0.00	6,367,195	0.00
200703	37,980	0.00	6,569,761	0.00
200704	30,084	0.00	5,700,730	0.00
200705	32,257	0.00	5,435,717	0.00
200706	28,996	0.00	5,252,080	0.00
200707	25,018	0.00	5,161,271	0.00
200708	21,900	0.00	4,527,424	0.00
200709	17,547	0.00	4,189,997	0.00
200710	14,874	0.00	4,339,604	0.00
200711	19,936	0.00	4,171,334	0.00
200712	18,045	0.00	4,220,713	0.00
200801	26,581	0.00	4,078,541	0.00
200802	22,692	0.00	3,688,992	0.00
200803	15,195	0.00	3,751,249	0 00
200804	7,435	0.00	3,412,718	0.00
200805	1,856	0.00	3,286,325	0.00
200806	8,442	0.00	1,987,327	0.00

Minutes Exchanged between MCImetro and Brandenburg in KY

Attachment A

Local Term = Local Minutes of Use Originated by Brandenburg customer and terminated to MCImetro. Local Orig = Local Minutes of Use Originated by MCImetro customer and terminated to Brandenburg.

EXHIBIT 3

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STITES&HARBISONPLLC

ATTORNEYS

421 Wast Main Street Post Office Box 634 Frankfort, KY 40602-0634 15021 223-3477 15021 223-4124 Fax www.stites.com

Bruce F. Clark (502) 209-1214 (502) 223-4388 FAX

bclark@stites.com

November 19, 2009

VIA EMAIL AND U.S. MAIL

John E. Selent, Esq. Dinsmore & Shohl, LLP 1400 PNC Plaza 500 West Jefferson Street Louisville, KY 40202

> RE: Kentucky Public Service Commission Case No. 2008-00203

Dear John:

The "Reply" filing you made on behalf of Brandenburg Telephone Company on October 12, 2009 referenced two traffic studies conducted by Brandenburg. First, page 8 of the Reply refers to a 2007 "internal traffic study" that Brandenburg used to contest MCImetro's usage estimates. Second, page 9 of the Reply refers to a 2009 "study of current usage."

While Windstream objected to reference to these studies in the Reply, we recognize that they are relevant to the issues remaining before the Commission. Therefore, I am writing to request copies of the studies, and any supporting workpapers, so that Windstream can work with Brandenburg to get resolution of this case as quickly as possible.

Very truly yours,

STITES & HARBISON, PLLC

Suce

Bruce F. Clark

BFC:pjt

19199:1:FRANKFORT



John E. Selent 502-540-2315 john.selent@dinslaw.com

December 8, 2009

Bruce F. Clark, Esq. Stites & Harbison, PLEC Post Office Box 634 Frankfort, Kentucky 40602-0634

> Re: Kentucky Public Service Commission Case No. 2008-00203

Dear Bruce:

Enclosed please find Brandenburg Telephone Company's response to your letter dated November 19, 2009.

Thank you. If you have any questions, please call me.

Very truly yours,

DINSMORE & SHOHL LLP

John E. Selent

enclosure

Charleston Cincinnati Columbus Dayton Lexington Louisville. Morgantown Pittsburgh Wheeling

1400 PNC Plaza, 500 West jefferson Street Louisville, KY 40202 502.540.2300 502.585.2207 fax www.dinslaw.com

received 12.9.09

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MCI Metro

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In support of MCI minutes versus Brandenburg (page 8)

Captured Minutes of Use						
Date	Brandenburg	MCIMetro D	iscrepancy			
5/31/2007	4,868,833	5,435,717	11.64%			
6/29/2007	4,551,048	5,252,080	15.40%			
7/31/2007	4,768,778	5,161,271	8.23%			
8/31/2007	4,055,231	4,527,424	11.64%			
9/30/2007	3,518,372	4,189,997	19.09%			
10/31/2007	4,187,032	4,339,604	3.64%			
11/30/2007	3,806,352	4,171,334	9.59%			
12/31/2007	3,463,692	4,220,713	21.86%			
1/31/2008	4,154,118	4,078,541	-1.82%			
2/29/2008	3,431,238	3,688,991	7.51%			
3/31/2008	3,474,012	3,751,249	7.98%			
4/30/2008	3,127,363	3,412,718	9.12%			
5/31/2008	2,929,878	3,286,325	12.17%			
6/30/2008	1,815,788	1,987,327	<u>9.45</u> %			
	52,151,735	57,503,291	10.26%			

In support of Difference between Windstream Hold Time estimates and Brandenburg (page 9)

Brandenburg captured total EAS hold time for traffic in a sample period in July 2009. Total holdtime was less than 18 minutes.

For the same period, Brandeburg also looked at carrier code 920 (a subset of the total) which was only that traffic that was EAS in nature but not associated with an EAS carrier trunk (ie, not Windstream, but almost exclusively MCI) the hold time rose to between 68 to 75 minutes.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing has been served by first class mail on those persons whose names appear below this 2^{nd} day of March, 2010:

John E. Selent Edward T. Depp Holly C. Wallace DINSMORE & SHOHL, LLP 1400 PNC Plaza 500 West Jefferson Street Louisville, KY 40202 *Counsel to Brandenburg Telephone Company* Douglas F. Brent Stoll Keenon Ogden PLLC 2000 PNC Plaza 500 West Jefferson Street Louisville, KY 40202-2874 *Counsel to Verizon*

Mark R. Overstreet