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JUN 29 2009

PUBLIC SERVICE
COMMISSION

June 29, 2009

VIA COURIER

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

Re: SouthEast Telephone, Inc., Complainant v. BellSouth
Telecommunications, Inc. d/b/a AT&T Kentucky, Defendant
KSPC 2008-00279

Dear Mr. Derouen:

Enclosed for filing in the above-referenced case are the original and five (5) copies of Testimony of Deborah Fuentes Niziolek on behalf of BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky

Sincerely,


Mary K. Keyer

cc: Parties of Record

Enclosures

738331

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

COUNTY OF COOK

STATE OF ILLINOIS

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Deborah Fuentes Niziolek, 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 Number 2008-00279, *In the Matter of: SouthEast Telephone, Inc., Complainant v. BellSouth Telecommunications, Inc., d/b/a AT&T Kentucky, Defendant*, and if present before the Commission and duly sworn, her statements would be set forth in the annexed direct testimony consisting of 21 pages and 1 exhibits.

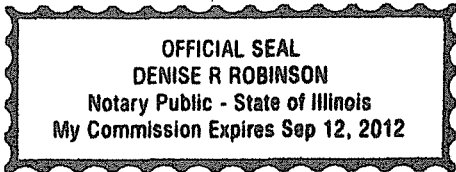

DEBORAH FUENTES NIZIOLEK

SWORN TO AND SUBSCRIBED BEFORE ME THIS 4TH DAY OF JUNE, 2009.



Notary Public

My Commission Expires: 9/12/2009



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**AT&T KENTUCKY
DIRECT TESTIMONY OF DEBORAH FUENTES NIZIOLEK
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION
DOCKET NO. 2008-00279**

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I. INTRODUCTION AND PURPOSE

12 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

13 A. My name is Deborah Fuentes Niziolek, and my business address is 350 N.
14 Orleans, Chicago, Illinois.

15 **Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?**

16 A. I am employed by Ameritech Services, Inc., d/b/a AT&T Midwest Services as an
17 Associate Director – Wholesale.

18 **Q. WHAT ARE YOUR RESPONSIBILITIES AS AN ASSOCIATE
19 DIRECTOR - WHOLESALE?**

20 A. As an Associate Director in AT&T's Wholesale product policy group, I support
21 product management and associated product policy for Interconnection
22 Agreements (ICAs), 911/E911 Services, Unbundled Network Elements (UNEs),
23 Collocation, and General Terms and Conditions.

24 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND AND
PROFESSIONAL EXPERIENCE?**

A. I received my Master of Science in Integrated Marketing Communications from
Roosevelt University, Chicago, Illinois, and my Bachelor of Arts in Political
Science from Loyola University, Chicago, Illinois.

1 I began with Ameritech (now doing business as AT&T Midwest) in 1989 in the
2 purchasing organization as a buyer for Furnish Only and Engineering equipment
3 as well as for Controlled Environmental Vaults, Huts and Remote Terminals. In
4 May of 1993, I became an Illinois Marketing Operations Manager, where my
5 responsibilities included product development, implementation and marketing
6 strategies for certain products. In November of that year, I became an Ameritech
7 Regional Product Manager in the Consumer Business Unit. My responsibilities
8 included development, implementation and marketing strategy for the Consumer
9 Business Unit for the five Ameritech states.

10

11 In May of 1995, I became a Regional Project Manager working within the
12 Strategic Supplier Implementation organization. In that position, I acted as the
13 single point of contact for one of six Ameritech Key Suppliers. In November
14 1995, I took over responsibilities as Regional Product Manager of Unbundled
15 Local Switching. My responsibilities included the development and
16 implementation of Unbundled Local Switching. In May of 1999, I became
17 Regional Product Manager for Unbundled Loops. From December of 1999
18 through June of 2000, I was also the 13-state Product Manager responsible for the
19 development and implementation of the Sub-Loop Unbundling product. I moved
20 into my current role as Associate Director in Wholesale in June of 2000.

1 **Q HAVE YOU PREVIOUSLY TESTIFIED BEFORE A REGULATORY**
2 **BODY?**

3 A. Yes. I have provided written and/or oral testimony before state commissions in
4 Arkansas, California, Illinois, Indiana, Kansas, Michigan, Missouri, Ohio, Texas,
5 Wisconsin, Nevada and Oklahoma.

6
7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8
9 A. The purpose of my testimony is to address the issues in this case as posed by the
10 Commission in its Order dated February 26, 2009: (1) whether AT&T Kentucky
11 acted unreasonably in not facilitating SouthEast Telephone's commingling orders
12 until December 1, 2008; and (2) if so, what, if any, pricing credits are due to
13 SouthEast Telephone for such failure prior to December 1, 2008. I will describe
14 the steps AT&T Kentucky took prior to December 1, 2008, to facilitate SouthEast
15 Telephone's request for a new commingled arrangement composed of an
16 unbundled copper loop, non-designed ("UCL-ND") (USOC UEQ2X) with an
17 unbundled exchange port (USOC UEPRC). I will further explain why such steps
18 were both appropriate and reasonable, and why no credits are due SouthEast
19 Telephone prior to December 1, 2008.

20

21 **Q. DID AT&T KENTUCKY ACT UNREASONABLY IN WAITING UNTIL**
22 **DECEMBER 1, 2008, TO FACILITATE COMMINGLING ORDERS BY**
23 **SOUTHEAST?**

24 A. No, it did not.

25

1 **Q. UPON WHAT DO YOU BASE YOUR OPINION?**

2 A. First of all, AT&T Kentucky did not “wait” until December 1, 2008, to facilitate
3 commingling orders by SouthEast Telephone. From the time AT&T received
4 SouthEast Telephone’s first request for a commingling arrangement on or about
5 June 16, 2008, until the interim billing adjustment process was implemented on
6 December 1, 2008, AT&T personnel spent a significant amount of time working
7 on a process to facilitate SouthEast Telephone’s commingling request – first, to
8 clarify exactly what SouthEast Telephone wanted to order; second, to investigate
9 and establish a procedure whereby SouthEast Telephone could gain the financial
10 benefit it was seeking from its commingling request; third, to implement and
11 follow every month the process that was established; and finally, to respond to the
12 complaint that SouthEast Telephone filed with this Commission on July 15, 2008,
13 within one month of SouthEast Telephone’s first request, to submit and respond
14 to the subsequent data requests and motions related to that complaint, and to
15 prepare for the hearing in this matter.

16

17 **Q. IS SOUTHEAST TELEPHONE ENTITLED TO ANY MORE**
18 **ADJUSTMENTS THAN WHAT IT HAS ALREADY BEEN PROVIDED**
19 **BY AT&T KENTUCKY FROM DECEMBER 1, 2008, TO DATE?**

20 A. No, it is not.

21

22 **Q. UPON WHAT DO YOU BASE YOUR OPINION?**

1 A. AT&T Kentucky acted diligently and reasonably in responding to SouthEast
2 Telephone's unique commingling request. Contrary to SouthEast Telephone's
3 claims, AT&T Kentucky did not have a process allowing for the ordering,
4 provisioning and billing of SouthEast Telephone's unique request nor is an
5 incumbent local exchange carrier ("ILEC") expected to have such processes in
6 place for any new arrangement that a carrier could potentially desire. As a result
7 of the many hours AT&T Kentucky devoted to clarifying and developing a
8 process to facilitate SouthEast Telephone's request, AT&T Kentucky developed a
9 creative and expedient solution that allowed SouthEast Telephone to receive the
10 financial results of the arrangement that SouthEast Telephone wanted. SouthEast
11 Telephone has received billing adjustments for its lines for which a UCL-ND was
12 available under the billing adjustment solution established to facilitate SouthEast
13 Telephone's commingling request.

14

15 **Q. CAN YOU PROVIDE SOME BACKGROUND ON COMMINGLED**
16 **ARRANGEMENTS?**

17 A. Yes. Commingling in the context of wholesale telecommunications services has
18 historically applied to the coupling of unbundled loops ordered from the
19 interconnection agreement and special access transport requested through the
20 tariff. This concept was developed as a result of the FCC's Triennial Review
21 Order. AT&T has these combinations available today that CLECs, including
22 SouthEast, can order and AT&T can provision and bill under their interconnection
23 agreements. Prior to SouthEast Telephone's request to commingle the UCL-ND

1 with a commercial switch port, AT&T Kentucky had not received (and in fact no
2 other incumbent local exchange carrier (“ILEC”) affiliate of AT&T Kentucky has
3 received) a request to commingle Section 251 loops with switch ports available
4 only pursuant to Section 271 because AT&T Kentucky and its ILEC affiliates
5 offer Local Wholesale Complete (“LWC”) (previously known as Wholesale Local
6 Platform or “WLP”) pursuant to commercial agreements. LWC already provides
7 the functionality SouthEast Telephone seeks to obtain with the unusual
8 commingled arrangement it has requested.

9 The only reason SouthEast has made its request for such arrangement is because it
10 has found, where available in the network, a scaled down, non-designed loop that
11 costs less in zones 2 and 3 in Kentucky than the loop types provided with LWC,
12 even though all the loop rates are based on the TELRIC rate methodology and this
13 Commission’s orders. The UCL-ND loop SouthEast Telephone is requesting was
14 created specifically for competitive local exchange carriers (“CLECs”) to use for
15 *xDSL services* and was not intended to be utilized in place of a voice-grade loop
16 due to the risk of diminished voice quality and the lack of ubiquitous availability.
17 Hence, CLECs have not been interested in utilizing the UCL-ND in a loop/port
18 combination. In fact, even when the unbundled network element platform
19 (“UNE-P”) was a required UNE offering, this very arrangement was not requested
20 by SouthEast Telephone or any other CLEC in any of the 22 states where AT&T
21 Kentucky or its ILEC affiliates operate. Thus, it is reasonable that AT&T
22 Kentucky did not have a process in place to offer this arrangement prior to
23 SouthEast Telephone’s request.

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Q. YOU MENTIONED THAT AT&T KENTUCKY SPENT QUITE A BIT OF TIME CLARIFYING WHAT SOUTHEAST TELEPHONE WAS ORDERING AFTER IT SUBMITTED ITS ORDERS ON JUNE 16 AND AGAIN ON JUNE 18, 2008. CAN YOU EXPLAIN WHAT AT&T DID AND WHY?

A. Yes, and to help explain my answer, I have attached a copy of the Local Service Request (LSR) that SouthEast Telephone provided to AT&T Kentucky and attached as part of its response to AT&T Kentucky's answer to SouthEast's complaint to support its claim that it ordered from AT&T Kentucky a UCL-ND commingled with a commercial port (DFN-Exhibit 1). AT&T Kentucky reviewed the LSR when it was first submitted and identified that SouthEast Telephone was requesting copper unbundled *sub-loop distribution* (see remarks section of LSR requesting USOC of UCS2X) commingled with a commercial port (USOC of UEPRC), *not* a UCL-ND (USOC of UEQ2X) as SouthEast Telephone claims. The parties exchanged emails regarding this request. While SouthEast Telephone was saying one thing - that it wanted to order a UCL-ND commingled with a commercial port - it was ordering another. When SouthEast Telephone explained that it actually wanted a UCL-ND commingled with a switch port (rather than the sub-loop commingled arrangement it ordered), AT&T Kentucky personnel notified SouthEast Telephone on July 9, 2008, that there was no process in place to provide it.

1 **Q. WHAT HAPPENED AFTER AT&T NOTIFIED SOUTHEAST**
2 **TELEPHONE ON JULY 9, 2008, THAT IT DID NOT HAVE A PROCESS**
3 **IN PLACE TO ACCOMMODATE SOUTHEAST TELEPHONE'S**
4 **REQUEST?**

5 A. In less than one week after that, on July 15, 2008, SouthEast Telephone filed a
6 complaint with this Commission. Further confusion ensued because again on
7 August 13, 2009, SouthEast Telephone submitted the LSR (*see* DFN Exhibit 1)
8 with its response to AT&T Kentucky's answer to SouthEast Telephone's
9 complaint that clearly showed SouthEast Telephone had ordered an unbundled
10 sub-loop distribution and not a UCL-ND.

11 On August 21, 2008, during a telephone conversation in which AT&T Kentucky
12 personnel described the technical parameters of UCL-ND and its limited
13 availability to make sure SouthEast Telephone did in fact want that configuration,
14 SouthEast Telephone personnel confirmed that the commingled arrangement they
15 desired was a UCL-ND with a 2-wire residential commercial port. This was
16 different from what SouthEast Telephone actually ordered back in June and was a
17 unique arrangement.

18
19 **Q. WHAT DO YOU MEAN WHEN YOU SAY WHAT SOUTHEAST**
20 **TELEPHONE WAS REQUESTING WAS A UNIQUE ARRANGEMENT?**

21 A. The commingled arrangement SouthEast Telephone desired was a new
22 arrangement that AT&T Kentucky had not provided to, nor had it been requested
23 by, any other customer either before or after the FCC's Triennial Review Remand
24 Order removed unbundled switching as a Section 251 element. The particular

1 loop, UCL-ND, requested by SouthEast Telephone in the commingled
2 arrangement was designed for CLECs to use in the provision of xDSL services
3 and is not ubiquitously available in AT&T Kentucky's network. It was not
4 designed to be used for typical plain old telephone service or "POTS", and was
5 thus not considered for use in LWC arrangements. Furthermore, UCL-ND was
6 never offered in a loop/port combination, nor was it ever requested by any CLEC,
7 including SouthEast Telephone, when UNE-P was a Section 251 obligation.
8 When an FCC or Commission order applicable to AT&T Kentucky contains only
9 general requirements, such as the Commission's order that AT&T Kentucky must
10 commingle Section 251 elements and Section 271 elements, AT&T Kentucky can
11 and does develop processes for ordering those arrangements that carriers typically
12 need or want. In fact, prior to this Commission's commingling order, AT&T
13 entered into commercial agreements providing for approximately 200 different
14 loop and port combinations that are available to CLECs, including SouthEast
15 Telephone in its commercial agreement. AT&T Kentucky currently offers 44
16 stand-alone Switch Ports and 13 Loop types in Kentucky. This results in 572
17 possible scenarios that a CLEC could request. Because AT&T Kentucky cannot
18 predict every possible arrangement that a CLEC may want as a result of the order,
19 AT&T Kentucky does not develop processes and pursue systems changes for
20 orders that may never be placed or that may only be placed by one CLEC – in this
21 case, SouthEast Telephone. To this day, one and a half years after the
22 Commission ordered commingling of Section 251 with Section 271 elements, no

1 carrier other than SouthEast Telephone has indicated any interest in such an
2 arrangement, much less the arrangement that is the subject matter of this docket.

3

4 **Q. HOW DOES AT&T KENTUCKY NORMALLY PROCESS REQUESTS**
5 **FROM CLECS FOR ANY SERVICE, INCLUDING COMMINGLED**
6 **ARRANGEMENTS, THAT ARE NOT CURRENTLY AVAILABLE?**

7 A. Requests for unsupported architectures, such as the one SouthEast Telephone was
8 requesting, generally utilize the bona fide request (“BFR”) process set forth in the
9 interconnection agreements or some similar process.

10 Under ordinary circumstances, if a CLEC wishes to request a product or service
11 that is not currently offered by AT&T Kentucky, the CLEC formally requests
12 AT&T Kentucky to develop and implement such a product or service and submits
13 the request in writing to its Account Manager. The request must specifically
14 provide AT&T Kentucky with information necessary for AT&T Kentucky to
15 evaluate the request, including without limitation, a technical description of the
16 requested product or service; proposed implementation date; a brief description of
17 how the product or service will be utilized; and the desired specifications so that
18 AT&T Kentucky has sufficient information to analyze and prepare a response to
19 the request.

20

21 Once AT&T Kentucky receives the request, it begins a high level analysis of the
22 request, and responds back to the CLEC acknowledging receipt of the request and
23 identifying any missing information necessary to complete processing the request.

1

2 AT&T Kentucky then lets the CLEC know whether or not (a) the request is
3 technically feasible and/or (b) whether or not the request qualifies as something
4 AT&T Kentucky is required to provide. If so, the analysis would also include, at a
5 very high level, a timeline for the project and the estimated cost to the CLEC for
6 product development as well as the estimated recurring and nonrecurring costs for
7 the product itself. If the CLEC agrees to the costs and timeline for the project,
8 and decides to move forward with the product development, AT&T Kentucky will
9 work to implement the product.

10

11 **Q. HOW LONG DOES SUCH DEVELOPMENT ACTIVITY NORMALLY**
12 **TAKE?**

13 **A.** Because of all of the steps involved (resources, cost, technical requirements, etc.),
14 such activity may take upwards of a year or more to develop the requested
15 product and processes necessary to support such a product. The product manager
16 must coordinate with various groups, such as the Operational Support Systems
17 (“OSS”) group that handles ordering interfaces for the CLECs; the network
18 groups responsible for provisioning which involves on the front end engineering,
19 design, and assignment of facilities and on the back end maintenance; and the
20 billing group to make sure the billing system will recognize the product and be
21 able to bill the customer for it. Each group is responsible for determining and
22 developing what is necessary for such an order to be processed, provisioned and
23 billed. Such coordination takes a great deal of time because of the number of

1 tasks and people involved including, but not limited to, establishing methods and
2 procedures, assigning and training personnel, and if necessary and to the extent
3 approved through the Change Management Process, modifying systems, which
4 could involve IT programming and costs. All this time, money and resources
5 must be planned for and appropriated by the various departments and the
6 participating CLEC.

7

8 **Q. ONCE AT&T KENTUCKY REALIZED THAT SOUTHEAST**
9 **TELEPHONE WANTED A UCL-ND COMMINGLED WITH A PORT,**
10 **HOW DID AT&T PROCEED IN DEVELOPING A PROCESS FOR**
11 **FACILITATING SOUTHEAST TELEPHONE'S REQUEST?**

12 **A.** AT&T Kentucky requested from SouthEast Telephone the specifications of the
13 arrangement it was requesting, the locations where it was requesting it, and how it
14 was going to be utilized due to the technical constraints and limited availability of
15 the UCL-ND. Through this process and from discussions with SouthEast
16 Telephone, AT&T Kentucky learned that SouthEast Telephone was interested
17 only in the financial aspects of such an arrangement, and had no specific interest
18 in or need for the technical aspects or functionality of the UCL-ND loop
19 SouthEast Telephone was requesting be commingled. Given the time, resources
20 and cost to both AT&T Kentucky and SouthEast Telephone in developing this
21 process for a specific unique commingled arrangement in which no other CLEC
22 has expressed an interest, AT&T Kentucky shifted its focus to developing an
23 interim solution. This required investigation and coordination among various

1 groups within AT&T to establish what would need to be done to accomplish the
2 goal, find the proper personnel who would be charged with implementing the
3 process, and training those personnel.
4

5 **Q. DID AT&T KENTUCKY SUCCESSFULLY DEVELOP AN INTERIM**
6 **SOLUTION TO FACILITATE SOUTHEAST TELEPHONE'S REQUEST?**

7 **A.** Yes. AT&T Kentucky created a billing solution that represents a theoretical
8 commingled arrangement to allow SouthEast Telephone to receive the financial
9 result it was seeking in an expedient manner. AT&T Kentucky proposed a billing
10 adjustment process that allows SouthEast Telephone to continue to order a LWC
11 line and, if the commingled arrangement would have been available in that
12 location, AT&T Kentucky treats that line, from a billing perspective, as if it were
13 ordered as a commingled UCL-ND loop with a 2-wire residential or business port
14 (“commingled arrangement”). It is worth noting that UCL-ND was not available
15 at the location requested by SouthEast in its order placed June 18, 2008 (*see*
16 DFN-Exhibit 1). For SouthEast Telephone’s existing lines, the billing adjustment
17 process was designed to mirror the physical activities that AT&T Kentucky would
18 have to undertake to move those lines from a LWC arrangement to the
19 commingled arrangement. AT&T Kentucky adjusts the pricing, including both
20 monthly recurring charges and nonrecurring charges, to accurately reflect what
21 SouthEast Telephone would pay for the commingled arrangement.
22

1 **Q** **COULD YOU PLEASE PROVIDE THE COMMISSION WITH A HIGH**
2 **LEVEL DESCRIPTION OF THE INTERIM PROCESS AT&T**
3 **KENTUCKY IMPLEMENTED TO ACCOMMODATE SOUTHEAST**
4 **TELEPHONE'S COMMINGLING REQUEST?**

5 A. Certainly. I want to preface this discussion to note that the interim process is a
6 completely manual one, utilizing hands-on resources to complete the required
7 work. The steps involved in the process are as follows:
8 Step one, on a monthly basis SouthEast Telephone submits to AT&T Kentucky a
9 spreadsheet with the telephone numbers that were ordered by SouthEast
10 Telephone as part of the LWC. Step two, AT&T Kentucky validates whether
11 these numbers can be served by a UCL-ND loop. Step three, the applicable
12 telephone numbers are sent to a group within AT&T Kentucky that extracts the
13 billing data for these numbers. Step four, the billing data is provided to the
14 process coordinator who prepares the information for dissemination to both
15 AT&T Kentucky's billing group and SouthEast Telephone. This step includes
16 calculating the billing adjustment, formatting the file to add user-friendly
17 explanations, and formatting the file to meet AT&T Kentucky billing
18 requirements. Finally, the calculated adjustment is sent to the billing organization
19 responsible for completing SouthEast Telephone's billing adjustment. Currently,
20 AT&T Kentucky has five employees involved in this manual process for each
21 phase of monthly bill adjustments.

22

1 **Q. DID AT&T KENTUCKY APPLY THIS INTERIM BILLING SOLUTION**
2 **IN LIEU OF SOUTHEAST TELEPHONE'S REQUEST TO MOVE ITS**
3 **EXISTING LINES TO A COMMINGLED ARRANGEMENT?**

4 A. Yes, it did. SouthEast Telephone's February 2009 bill was the first one adjusted
5 and included all the applicable billing adjustments due to SouthEast Telephone.
6 The adjustments began with all activity starting on December 1, 2008.

7
8 **Q. WHY DID AT&T KENTUCKY DEVELOP AN INTERIM SOLUTION**
9 **INVOLVING BILLING ADJUSTMENTS RATHER THAN ORDERING,**
10 **PROVISIONING AND BILLING PROCESSES TO HANDLE**
11 **SOUTHEAST TELEPHONE'S COMMINGLING ORDERS?**

12 A. As explained earlier in my testimony, SouthEast Telephone was the only carrier
13 interested in this arrangement, and SouthEast Telephone's interest was based
14 solely on price, not functionality. In an effort to provide SouthEast Telephone
15 with a more immediate solution than having to wait several months for the
16 development of ordering, provisioning and billing processes to accommodate its
17 unusual request and to avoid further litigation, AT&T Kentucky elected to offer
18 the interim solution while considering the viability of a potential longer term
19 arrangement. Due to the expense and resources required to develop ordering,
20 provisioning and billing processes for a unique arrangement for which no market
21 exists other than SouthEast Telephone, AT&T Kentucky wanted to take some
22 time to determine the best and most expedient way to accommodate SouthEast
23 Telephone's request long term. Thus, AT&T Kentucky developed an interim

1 process to adjust SouthEast Telephone's billing each month as if SouthEast
2 Telephone had gone through the ordering, provisioning and billing for such an
3 arrangement. This entails adjusting both the monthly recurring and nonrecurring
4 charges as if SouthEast Telephone had ordered and AT&T Kentucky had
5 provisioned the commingled arrangement.

6
7 **Q. WHEN DID AT&T KENTUCKY SHARE THIS SOLUTION WITH**
8 **SOUTHEAST TELEPHONE?**

9 A. On November 6, 2008, AT&T Kentucky discussed the newly developed bill
10 adjustment process with SouthEast Telephone and explained that December 2008
11 would be the first full month that AT&T Kentucky would begin implementing the
12 process and adjusting SouthEast Telephone's bills.

13
14 **Q. HOW LONG DID IT TAKE AT&T TO DEVELOP THIS PROCESS?**

15 A. It took approximately eight weeks to develop the interim process.

16
17 **Q. CAN YOU PROVIDE A TIMELINE OF WHEN AND HOW AT&T**
18 **KENTUCKY REACHED THIS SOLUTION?**

19 A. Recapping the ordering history of this issue, SouthEast Telephone placed an order
20 for a commingled sub-loop (USOC UCS2X) and switch port on June 16, 2008,
21 then an additional manual order on June 18, 2008. Prior to doing so, however,
22 SouthEast Telephone did not engage its AT&T account manager to seek
23 assistance in ordering the arrangement SouthEast Telephone later stated it wanted.

1 Instead, SouthEast Telephone contacted AT&T Local Service Center employees
2 regarding the orders, and those employees are only trained to process orders for
3 established services.

4
5 In less than one month after placing these orders, on July 15, 2008, SouthEast
6 filed a complaint with the Commission complaining that AT&T Kentucky was
7 not in compliance with the Commission's Change of Law Order. AT&T
8 Kentucky responded to the complaint explaining that the commingling of sub-
9 loop distribution and port was not technically feasible as sub-loop feeder – an
10 element not available to SouthEast Telephone under its agreements – would be
11 necessary to complete the transmission path. In SouthEast Telephone's response
12 to AT&T Kentucky on August 13, 2008 (as well as in the informal conference
13 held on September 11, 2008), SouthEast Telephone stated it wanted to order an
14 UCL-ND with a switch port, but the order it submitted to support that was for
15 sub-loop distribution (*see* DFN-Exhibit 1). The fact that SouthEast Telephone
16 wanted UCL-ND was confirmed on August 21, 2008, in a conference call
17 between the parties in which AT&T Kentucky shared the technical attributes of
18 the UCL-ND and the fact that UCL-ND was not ubiquitously available in AT&T
19 Kentucky's network.

20 AT&T Kentucky immediately began investigating the requirements for making
21 available the commingled arrangement SouthEast Telephone desired. After
22 approximately two weeks of investigation, AT&T Kentucky quickly determined
23 that implementation of the ordering, provisioning and billing requirements

1 necessary for providing this specific arrangement would require significant
2 development time and cost, similar to the development of a new service. In
3 discussing SouthEast Telephone's goals in obtaining the new arrangement, AT&T
4 Kentucky found that SouthEast Telephone was not seeking the technical attributes
5 or functionality different from that available with LWC but was seeking only the
6 pricing advantage of the UCL-ND loop. At that time, AT&T Kentucky shifted its
7 efforts to implement an interim manual solution that would provide the
8 commingled arrangement pricing SouthEast Telephone desired on those lines that
9 qualified given the UCL-ND's specific technical attributes. Development of this
10 interim solution took AT&T Kentucky approximately eight weeks and on
11 November 6, 2008, AT&T Kentucky communicated the interim solution to
12 SouthEast Telephone. The solution began with the December 25, 2008, bill
13 period identifying any activity as of December 1, 2008.

14
15 **Q. HAVE YOU REVIEWED SOUTHEAST TELEPHONE'S RESPONSES TO**
16 **THE COMMISSION'S DATA REQUESTS IN THIS CASE?**

17 A. Yes.

18
19 **Q. DO YOU AGREE WITH HOW SOUTHEAST TELEPHONE**
20 **CALCULATED THE CREDITS IT IS SEEKING FROM AT&T**
21 **KENTUCKY IN THIS CASE?**

22 A. No, I do not. SouthEast Telephone is claiming that it is entitled to credits starting
23 July 1, 2008, which was barely two weeks from when SouthEast Telephone first

1 submitted an order for a commingled arrangement of any kind. And as I have
2 explained previously in my testimony, the orders submitted by SouthEast
3 Telephone were not for a UCL-ND commingled with a port. In addition to the
4 time it took to clarify what SouthEast Telephone was requesting, it also took time
5 for AT&T Kentucky to investigate the development of a process for the ordering,
6 provisioning and billing of such an arrangement, and to develop the interim
7 solution that AT&T Kentucky ultimately established to facilitate SouthEast
8 Telephone's request. AT&T Kentucky was reasonable in the time it took to
9 develop this interim process that allows SouthEast Telephone the financial results
10 of the commingled arrangement.

11
12 **Q. SOUTHEAST TELEPHONE CLAIMS IT IS ENTITLED TO CREDITS**
13 **FOR THE DIFFERENCE BETWEEN THE LWC PRICE AND THE**
14 **COMMINGLED PRICE GOING BACK TO JULY 1, 2008. HOW DO YOU**
15 **RESPOND TO THAT?**

16 A. I disagree with SouthEast Telephone's claims for several reasons. First, there is
17 nothing in the timeline of this case that supports an entitlement to any credit for
18 SouthEast Telephone prior to December 1, 2008. Nor is there anything in the
19 Commission's order that requires AT&T Kentucky to develop, at its own
20 financial risk, ordering and provisioning processes for a single CLEC. To do so
21 would be uneconomical and impractical. Common sense dictates that a
22 reasonable time period be allowed for AT&T Kentucky, or any carrier, to develop

1 a process for the ordering and provisioning of a new product, service or
2 combination that has never before been required or requested.

3
4 **Q. CAN YOU ELABORATE ON YOUR STATEMENT THAT NOTHING IN**
5 **THE TIMELINE OF THIS CASE SUPPORTS SOUTHEAST**
6 **TELEPHONE'S CLAIM FOR CREDITS PRIOR TO DECEMBER 1, 2008?**

7 **A.** Absolutely. As I stated earlier, when it originally placed its LSR, SouthEast
8 Telephone ordered an arrangement that was not technically feasible to provide, as
9 it requested AT&T Kentucky to commingle sub-loop distribution with a switch
10 port, ignoring the fact that sub-loop feeder, an essential element to connect the
11 sub-loop distribution with the port, was neither ordered by nor available to
12 SouthEast under any agreement with AT&T Kentucky. Weeks later when
13 SouthEast confirmed that it in fact wanted a UCL-ND and port combination,
14 AT&T Kentucky was still unable to provide the specific arrangement that
15 SouthEast Telephone wanted because no processes for ordering, provisioning and
16 billing that particular arrangement had been developed. AT&T Kentucky
17 investigated what would be required to develop a process that allowed for the
18 ordering, provisioning and billing of such an arrangement. When AT&T
19 Kentucky determined that it was going to involve substantial time and money,
20 AT&T Kentucky refocused its efforts to develop an interim solution under which
21 SouthEast Telephone could more immediately obtain the financial results of the
22 arrangement it was requesting.

1 When AT&T Kentucky met via conference call with SouthEast Telephone in
2 November 2008, it not only laid the groundwork for the interim process, but also
3 made SouthEast Telephone aware of AT&T Kentucky's position that, for existing
4 LWC lines as well as for new orders placed after December 1, 2008, a review of
5 each would confirm whether the lines qualified for UCL-ND pricing. If the UCL-
6 ND was available, AT&T Kentucky would begin processing bill adjustments in
7 January 2009 (for the qualified December 2008 commingled arrangements).

8 **Q. HAS SOUTHEAST TELEPHONE RECEIVED THE ADJUSTMENTS FOR**
9 **ITS EXISTING LWC LINES AND NEW LINES ORDERED SINCE**
10 **DECEMBER 1, 2008, THAT QUALIFIED UNDER AT&T'S BILLING**
11 **ADJUSTMENT INTERIM SOLUTION AS HAVING UCL-ND**
12 **AVAILABLE?**

13 **A.** Yes, it has.

14 **Q. IS SOUTHEAST TELEPHONE ENTITLED TO RECEIVE ANY**
15 **FURTHER CREDITS OR ADJUSTMENTS PRIOR TO DECEMBER 1,**
16 **2008?**

17 **A.** No, it is not.

18 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

19 **A.** Yes, it does.

20 737458

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Local Service Request (LSR)

Administrative Section	PON	SCOTT	PG	02	OF	12
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AFA ACCOUNT FEATURE

ACCOUNT FEATURE DETAIL

AFA ACCOUNT FEATURE

ACCOUNT FEATURE DETAIL

AFA ACCOUNT FEATURE

ACCOUNT FEATURE DETAIL

AFA ACCOUNT FEATURE

ACCOUNT FEATURE DETAIL

AFA ACCOUNT FEATURE

ACCOUNT FEATURE DETAIL

AFA ACCOUNT FEATURE

ACCOUNT FEATURE DETAIL

Bill Section	BI1	M	BAN1	502Q950628628	BI2	<input type="checkbox"/>	BAN2	<input type="text"/>
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ACNA SEQ CNO EBP VTA

Local Service Request (LSR)

Administrative Section	PON	SCOTT	PG	03	OF	12
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Contact Section	INIT	CHRIS SALYERS
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TELNO	8777988780	FAX NO	6064334405
-------	------------	--------	------------

EMAIL	CHRIS.SALYERS@SETEL.COM
-------	-------------------------

IMPON	CHRIS SALYERS	TELNO (IMPON)	8777988780
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ALT IMPON	WALLY JUSTICE	TELNO (ALT IMPON)	8777988780
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DSGCON	WES MAYNARD	DRC		TELNO (DSGCON)	6064323000
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FAX NO (DSGCON)	6064443100	ATR	
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STREET (DSGCON)	106 POWER DRIVE	FLOOR (DSGCON)	
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ROOM (DSGCON)		CITY (DSGCON)	PIKEVILLE
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STATE (DSGCON)	KY	ZIP (DSGCON)	41502
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Remarks	NEW INSTALL AS ADDITIONAL LINE. PLEASE NOTE REQUESTING USOC OF UCS2X.
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End User Service Request

Administrative Section PON VER

PG OF

Location and Access Section LOCNUM EUA

NAME NCON AFT

SAPR SANO SASF SASD

SASN

SATH SASS LD1 LV1

LD2 LV2 LD3 LV3

AAI

CITY

STATE ZIP CODE ORDN

LCON TELNO EUMI

ACC

WSOP CPE MFR LOCNUM HEADER

CPE MOD ELT IBT LOCNUM DETAIL

Inside Wire Section IWO IWBAN

IWCON TEL NO (IWCON)

Bill Section EAN EATN FBI

BILLNM SBILLNM

STREET FLOOR ROOM

CITY STATE ZIP

BILLCON TEL NO (BILLCON)

End User Service Request

Administrative Section	PON	SCOTT	VER	01
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DQTY		PG	05	OF	12
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Disconnect Information	LOCNUM	
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DNUM		DISC NBR		TERS		TER	
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TC OPT		TC TO PRI		TC TO SEC	
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TC PER	
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TCID		TC NAME	
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TCID		TC NAME	
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TC TO SEC	
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TCID		TC NAME	
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TCID		TC NAME	
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TC TO SEC	
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TCID		TC NAME	
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TCID		TC NAME	
------	--	---------	--

DNUM		DISC NBR		TERS		TER	
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TC OPT		TC TO PRI		TC TO SEC	
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TC PER	
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TCID		TC NAME	
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TCID		TC NAME	
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TC TO SEC	
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TCID		TC NAME	
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TCID		TC NAME	
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TC TO SEC	
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TCID		TC NAME	
------	--	---------	--

TCID		TC NAME	
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Port Service Request

Administrative Section

PON SCOTT

VER 01

PQTY 001

PG 06

OF 12

Service Detail Section

LOCNUM 000 LNUM 00001 LNE X NPI LNA

LST TNS TLI TERS

S OTN FPI B PIC 0432 LPIC 5124

SDI MATN TSP LNECLS SVC UEPRM

CKR

LEAN LEATN ISPID

ECCKT

OECCKT

TC OPT TC TO PRI TC TO SEC

TC PER TC FR

TCID TC NAME

TCID TC NAME

TC TO SEC

TCID TC NAME

TCID TC NAME

TC TO SEC

TCID TC NAME

TCID TC NAME

JK CODE JK NUM JK POS JR NIDR

IWJK IWJQ IWJK IWJQ

IWT IWTQ SYSTEM ID

Port Service Request

Administrative Section

PON SCOTT

VER 01

PG 07

OF 12

Service Detail Section (Continued)

SHELF SLOT RELAY RACK PULSE

CFA SGNL SSIG

CABLE ID CHAN/PAIR

CCEA

BA BLOCK

FA N FEATURE BCR

FEATURE DETAIL

FA N FEATURE BRD

FEATURE DETAIL

FA N FEATURE CREXV

FEATURE DETAIL

FA N FEATURE ESXDC

FEATURE DETAIL

FA N FEATURE NXMCR

FEATURE DETAIL

FA N FEATURE ESM

FEATURE DETAIL

FA N FEATURE UEPRM

FEATURE DETAIL /ADL

FA N FEATURE UCS2X

FEATURE DETAIL

Directory Listing Request

Administrative Section

PON VER

LOCNUM DLNUM PG OF

Listing Control Section

LACT ALI RTY LTY EOS

STYC TOA DOI WPP

Listing Indicators Section

DML BRO ADV

STR DLNM PROF DIRIDL

DIRNAME

DIRSUB

OMSD

Listing Instruction Section

LTN NSTN SHTN

OMTN LEX DNA LNPL

LNLN

LNFN

DES TL HS

TITLE1 TITLE2 TLD

TITLE1D TITLE2D NICK

Directory Listing Request

PLA

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Directory Listing Request

Administrative Section

PON SCOTT

VER 01

PG 09 OF 12

Listing Instruction Section (Continued)

LTXNUM LPHRASE ADI

FAINFO

FATN SO

LAPR LANO 1500 LASF LASD

LASN STEPHENS BRANCH

LATH Rd LASS

LALO

LALOC

LAST LAZC DNO

LTXTY

LTEXT

LTXTY

LTEXT

LTXTY

LTEXT

Directory Listing Request

Administrative Section	PON	SCOTT	VER	01
PG	10	OF	12	

Listing Instruction Section (Continued)

LTXTY	<input type="text"/>
LTEXT	<input type="text"/>
LTXTY	<input type="text"/>
LTEXT	<input type="text"/>

Caption/SLU Indent Section

LVL	<input type="text"/>	PLS	<input type="text"/>
PLINFO	<input type="text"/>		
PLTN	<input type="text"/>	PLSO	<input type="text"/>
FAINFO	<input type="text"/>		
FATN	<input type="text"/>	SO	<input type="text"/>
PLFAINFO	<input type="text"/>		

Directory Listing Request

Administrative Section PON VER
PG OF

Caption/SLU Indent Section (Continued)

LVL PLS
PLINFO
PLTN PLSO
FAINFO
FATN SO PLEFATN
PLFAINFO
LVL PLS
PLINFO
PLTN PLSO
FAINFO
FATN SO PLEFATN
PLFAINFO

Directory Listing Request

Administrative Section		PON	SCOTT	VER	01
PG	12	OF	12		

Delivery Address Section

DACT		NAME	SCOTT PORTER		
DDAPR		DDANO	1500	DDASF	
DDASN	STEPHENS BRANCH				
DDATH	RD	DDASS		LD1	
LD2		LV2		LD3	
AAI					
CITY	PRESTONSBURG				
STATE	KY	ZIP	41653		
DIRQTY	0	DIRTYP		DIRQTYA	2
				DIRQTYNC	2

Advertising Section

SIC		YPH	
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CERTIFICATE OF SERVICE – PSC 2008-00279

It is hereby certified that a true and correct copy of the foregoing was served on the following individuals by U.S. Mail this 29th day of June, 2009.

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Mary K. Keyer