Exhibit No.:
Issue(s): *Article II (Definitions); Article III (general Provisions); Article VI (Resale); Article VII (UNEs); Article VIII (Ordering & Provisioning); Article XIII (OSS); Article XV (PMs); Affiliated Charges*
Witness: *Pam Hankins*
Type of Exhibit: *Rebuttal Testimony*
Sponsoring Party: *CenturyTel of Missouri, LLC and Spectra Communications Group, LLC d/b/a CenturyTel*
Case No.: *TO-2006-0299*
Date Testimony Prepared: *April 6, 2006*

REBUTTAL TESTIMONY

OF

PAM HANKINS

ON BEHALF OF
CENTURYTEL OF MISSOURI, LLC AND SPECTRA COMMUNICATIONS GROUP, LLC d/b/a CENTURYTEL

CASE NO. TO-2006-0299

NP

OF THE STATE OF MISSOURI

PETITION OF SOCKET TELECOM, LLC FOR COMPULSORY ARBITRATION OF INTERCONNECTION AGREEMENTS WITH CENTURYTEL OF MISSOURI, LLC AND SPECTRA COMMUNICATIONS, LLC PURSUANT TO SECTION 252(b)(1) OF THE TELECOMMUNICATIONS ACT OF 1996	)))))))	**CASE NO. TO-2006-0299**

STATE OF LOUISIANA

PARISH OF OUACHITA

AFFIDAVIT OF PAMELA A. HANKINS

I, Pamela A. Hankins, of lawful age and being duly sworn, state:

1. My name is Pamela A. Hankins. I am presently Manager-Carrier Relations for CenturyTel Service Group, LLC.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.

Pamela A. Hankins

Subscribed and sworn to before this 6th day of April, 2006.

Notary Public

My Commission expires: AT DEATH

Gary Maxwell Cox
Louisiana Bar Roll No. 27419
Notary Public, Ouachita Parish, Louisiana
My Commission is for Life

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PAM HANKINS

ON BEHALF OF CENTURYTEL OF MISSOURI, LLC AND SPECTRA COMMUNICATIONS GROUP, LLC d/b/a CENTURYTEL

Q. PLEASE STATE YOUR NAME.

A. My name is Pam Hankins.

Q. ARE YOU THE SAME PAM HANKINS WHO FILED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes.

I.
PURPOSE OF TESTIMONY

Q. WHAT ISSUES DO YOU ADDRESS IN YOUR REBUTTAL TESTIMONY?

A. My direct testimony supported CenturyTel's position on numerous unresolved issues between the parties arising out of their negotiations for an Interconnection Agreement ("Agreement"). These issues included disputes related to notification requirements under the Agreement, and the pre-ordering, ordering and provisioning issues. In Section II below, the subject matter of my rebuttal testimony will primarily address these same disputed issues. In an effort to help the Commission correlate my rebuttal testimony with my direct testimony, I have addressed the issues in the order I addressed them in my direct testimony, with one exception. For purposes of this rebuttal testimony, I address Article III, Issue 6 (Sec. 54.5) with the other issues associated with general notification issues—Article II, Issue 2 (Sec. 1.2); Article III, Issue 6 (Sec. 54.5); and Article III, Issue 9 (Sec. 32).

In Section III of my rebuttal testimony, I address other miscellaneous disputes in Article III related to Socket's billing due date.

In Section IV of my rebuttal testimony, I confirm recent resolutions between the parties on certain pre-ordering and ordering issues in Articles VI and VIII.

In Section V of my rebuttal testimony, I address Article VII, Issue 13B (Sec. 2.18.4), which relates the ordering charge applicable to UNE conversion orders.

In Section VI of my rebuttal testimony, I address Article XV, which relates to apparent disputes regarding the "parity" of CenturyTel's provisioning intervals.

Finally, in Section VII of my rebuttal testimony, I address certain issues raised by Socket regarding the use of CenturyTel' affiliates' facilities and the question of affiliated charges. These issues impact the parties' dispute on the definition of "dedicated transport" as reflected in Article II, Issues 6 and 34, and Article VII, Issue 32.

II.
DISPUTED ISSUES REGARDING THE GENERAL NOTIFICATION PROCESS BETWEEN THE PARTIES [ARTICLE II, ISSUE 2 (Sec. 1.2); ARTICLE III, ISSUE 9 (Sec. 32); and ARTICLE VI, ISSUE 14 (Sec. 6.1)] and ARTICLE III, ISSUE 6 (Sec. 54.5): Should CenturyTel be required to provide Socket notification of changes to CenturyTel's "standard practices" using email followed by registered mail?

Q. HAVE ANY OF THE ISSUES RELATED TO THIS GENERAL NOTIFICATION ISSUE BEEN RESOLVED BY THE PARTIES?

A. Yes. The parties have resolved Article VI, Issue 14 (Sec. 6.1). The parties have agreed to incorporate the following language into Article VI of the Agreement:

6.0 CHANGES IN RETAIL SERVICE

6.1 CenturyTel will notify Socket, at the time a tariff is filed with the Missouri Commission, of any changes in the prices, terms and conditions under which CenturyTel offers telecommunications services at retail to subscribers who are not telecommunications service carriers. Such changes shall include, but not be limited to, the introduction of any new features, functions, services, promotions, or the discontinuance or grandfathering of current features and services. CenturyTel shall provide notice to Socket of such tariff changes by posting the same to CenturyTel's website, with email notification of such postings.

Q. WHAT IS THE BASIS OF THE PARTIES' DISPUTE IN THE REMAINING ISSUES RELATED TO GENERAL NOTIFICATIONS: ARTICLE II, ISSUE 2 (SEC. 1.2) AND ARTICLE III, ISSUES 6 (SEC. 54.5) AND 9 (SEC. 32)?

A. Article II, Issue 2 (Sec. 1.2) and Article III, Issues 6 (Sec. 54.5) and 9 (Sec. 32) relate to the process by which CenturyTel will provide Socket with notification of official information under the Agreement. For example, Article III, Issue 6 (Sec. 54.5) contemplates CenturyTel providing Socket with notice of such things as changes in network management or changes in standard CenturyTel practices and/or operations. Article III, Issue 9 (Sec. 32) contemplates CenturyTel providing Socket with notice of more day-to-day matters, such as changes in retail services. Thus, in one form or another, these provisions similarly address various notices CenturyTel will provide Socket under the Agreement.

Q. HOW HAS SOCKET PROPOSED THAT CENTURYTEL PROVIDE SUCH NOTICES?

A. In its proposed language, Socket seeks to impose upon CenturyTel the obligation to provide notification via something called "Accessible Letters," which I understand to be a process specific to AT&T Missouri but which is not in place at or supported by CenturyTel. Socket's proposed definition of "Accessible Letters" is set forth in Article II, Issue 2 (Sec. 1.2). In

addition, Socket's proposal for how it would like the Accessible Letters process to work is set forth in its proposed Sec. 32 of Article III.

Q. HAS CENTURYTEL'S POSITION CHANGED WITH RESPECT TO WHY SOCKET'S PROPOSED "ACCESSIBLE LETTERS" PROCESS IS UNACCEPTABLE?

A. No. I would respectfully refer the Commission to pages 5-11 of my direct testimony where I explain why Socket's proposed process should be rejected.

Q. HAS CENTURYTEL'S POSITION CHANGED WITH RESPECT TO HOW IT PROPOSES TO PROVIDE NOTIFICATION UNDER ARTICLE III, SECTIONS 54.5 AND 32?

A. Yes, significantly. As I stated in my direct testimony, CenturyTel originally had proposed that it be required only to post notifications to CenturyTel's website. However, throughout negotiations, Socket has maintained that it should not have to continuously monitor CenturyTel's website to determine whether and when CenturyTel has posted a notification. Throughout the period of negotiations and continuing up through the time the parties filed direct testimony, CenturyTel was in the process of evaluating the feasibility of incorporating into its notification process some form of email notification. Recently, CenturyTel agreed to develop a new process whereby it would provide Socket with email notification whenever a notice was posted to its website. In this way, Socket would not have to monitor or periodically check the website for notices. Instead, CenturyTel proposed to send Socket an email indicating that a new notice had been posted to the website, thereby prompting Socket to go to the website for further details.

In addition, CenturyTel proposed specific language to Socket that would embody this email notice commitment in the parties' Agreement. Specifically, CenturyTel proposed to settle these notification issues in Article III, Sections 32.2 and 54.5 by incorporating the following terms into the Agreement:

> 32.2 Except as otherwise specified elsewhere in this Agreement, CenturyTel shall communicate official information to Socket via the CenturyTel website, with email notification of such postings. This process shall cover a variety of subjects, including updates on products/services promotions; deployment of new products/services; modifications and price changes to existing products/services; cancellation or retirement of existing products/services; and operational issues.
>
> 54.5 Except as otherwise specified elsewhere in this Agreement, all changes to standard practices will be posted on the CenturyTel website prior to implementation, with email notification of such postings. Posting will include CenturyTel personnel who may be contacted by Socket to provide clarification of the scope of the change and timeline for implementation. Socket reserves its right to request changes to be delayed or otherwise modified where there is an adverse business impact on Socket, with escalation through the dispute resolution process.

Q. WHAT WAS SOCKET'S RESPONSE TO CENTURYTEL'S RECENT OFFER?

A. Socket rejected CenturyTel's offer. Nevertheless, CenturyTel informed Socket that CenturyTel's offered terms would reflect its position going forward.

Q. DO CENTURYTEL'S PROPOSED SECTIONS 32.2 AND 54.5 FOR ARTICLE III ADDRESS AND RESOLVE SOCKET'S SPECIFIC CONCERNS AS SET FORTH IN MR. KOHLY'S DIRECT TESTIMONY?

A. Yes. On pages 41-47, Mr. Kohly repeatedly criticizes CenturyTel's original position—that being that posting notices to CenturyTel's website constitutes sufficient notice to Socket. Specifically, Mr. Kohly states that the problem with CenturyTel's original position is that "it shifts the burden to Socket and forces Socket to identify changes that will affect Socket."

Kohly Direct at 44:3-5. Mr. Kohly continues: "This will force Socket to regularly check CenturyTel's website to try to find any changes that will affect Socket." *Id.* at 44:5-6. Later in his testimony, Mr. Kohly states: "CenturyTel is proposing to establish a system that would require Socket to continually monitor CenturyTel's website to look for changes that will or may affect Socket's operations. In essence, it is shifting the burden . . . ." *Id.* at 46:9-12. CenturyTel's recently proposed language addresses and resolves these specific concerns, which are the only real concerns Socket raises with respect to CenturyTel's prior position. By providing Socket with email notice whenever something new has been posted to the notification page of its website, or whenever something on that page changes, CenturyTel is providing Socket with a prompt to check the website for further details. In this way, Socket's personnel are not compelled to "monitor" CenturyTel's website. It could hardly be considered an improper shifting of the burden to, once an email notice is received, require Socket to then go to the website for further information.

Q. ARE THERE CERTAIN TYPES OF NOTICES THAT WOULD NOT BE SUBJECT TO THIS NOTIFICATION PROCESS?

A. Yes. Notifications of scheduled network maintenance and network outages are example of specific notifications that are addressed more specifically elsewhere in the Agreement (*e.g.*, Article IX: Maintenance) and, therefore, would not be subject to this general notification process. The language—"except as otherwise specified elsewhere in this Agreement"—is intended to acknowledge and give effect to those more specific types of notices. CenturyTel witness, Marion Scott, testifies about notifications of scheduled network maintenance and outages in her testimony regarding Article IX: Maintenance issues.

Q. IS THERE ANOTHER DISPUTE BETWEEN THE PARTIES REGARDING ARTICLE III, ISSUE 6 (SEC. 54.5)?

A. Yes. The other disputed issue in Article III, Issue 6, has to do with Socket's proposal that, upon its request, CenturyTel be required to assign "project team resources" to Socket in order to implement any CenturyTel change in standard practices. CenturyTel's position is that it has and will always make reasonable resources available to assist CLECs in understanding the nature and implication of a change in standard practices. However, Socket's demand for a contractual right to a CenturyTel "project team" is unreasonable given the burden and cost of such a proposition on CenturyTel and the potential for abuse by Socket. For example, under Socket's proposed language, it would retain the contractual right to require CenturyTel to assemble a special "project team" devoted to Socket upon demand, even if the nature and/or impact of a change in a standard practice does not warrant that level of interaction. CenturyTel's workforce is not employed by Socket, and Socket should not have a contractual right to co-opt it just because Socket deems it necessary.

Q. SHOULD THERE BE A PROJECT TEAM FOR IMPLEMENTING CHANGES IN STANDARD PRACTICES?

A. No. CenturyTel does not believe it is necessary to include this requirement in this Agreement. CenturyTel will provide names of CenturyTel personnel that Socket may contact concerning issues or areas affected by changes in standard practices. These contacts will have sufficient knowledge to assist Socket in understanding the nature of any change in standard practices and how to implement it.

Q. HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?

A. The Commission should adopt CenturyTel's recently proposed Sections 32.2 and 54.5 as set forth above, and reject Socket's proposed language for those provisions. Alternatively, the Commission should find that providing Socket with email notice directing it when to check CenturyTel's website for posted or changed notifications constitutes a sufficient process under the Agreement for general notifications. In addition, the Commission should find that CenturyTel is not required to mobilize a "project team" on Socket's demand anytime there is a change in standard practices.

III.
ARTICLE III DISPUTED ISSUES

ISSUE 2 (Sec. 9.2, Sec. 9.3 and Sec. 9.5): Should Socket's payment due date on bills be forty-five (45) calendar days or twenty (20) business days from the bill date?

Q. PLEASE DESCRIBE AGAIN THE NATURE OF THIS DISPUTE.

A. Socket proposes that the number of days between the bill date and the payment due date should be 45 days. CenturyTel's position is that the payment due date should be 20 business days from the bill date, or approximately 30 calendar days.

Q. IS THIS ISSUE ANOTHER EXAMPLE OF SOCKET TRYING TO IMPOSE THE TERMS OF SBC'S M2A2 AGREEMENT ON CENTURYTEL?

A. It appears so. One of the issues arbitrated in the M2A2 proceeding was whether the bill payment period should be 45 days or 30 days. Given the specific facts presented in that proceeding, the Commission determined that CLECs should have 45 days from the bill date to remit payment. Socket's witness, Mr. Kohly, states in his testimony (Kohly Direct, p. 20),

it is "logical" that the Commission decide the issue in this case the same way because the issue is "nearly identical [to the] issue in the SBC Arbitration." (Kohly Direct, p. 37).

Q. IS IT "LOGICAL" FOR THE COMMISSION TO RULE ON THIS ISSUE IN THE SAME MANNER THAT IT RULED IN THE M2A2 ARBITRATION?

A. Absolutely not. The facts are not the same in this case as they were in that case. As I pointed out in my direct testimony, Socket's bills are not even close to being of the same volume and size as those at issue in the M2A2 proceeding. Indeed, the volume and size of the bills presented in that proceeding were primary reasons why the Commission ruled the way it did. The Socket bills at issue here are not nearly as voluminous, lengthy or complex (*See* Hankins Direct, p. 14).

Q. MR. KOHLY TESTIFIES THAT IN THE 7-MONTH PERIOD THEY REVIEWED, THE AVERAGE DIFFERENCE BETWEEN THE BILL DATE AND THE DATE RECEIVED WAS 13 DAYS. WOULD YOU CARE TO ADDRESS THIS STATEMENT?

A. Yes. First of all, Mr. Kohly does not clarify which CenturyTel bills Socket was examining. It is out customary business practice to mail CABS bills, which relate to access services, within one or two business days of the bill date. Delivery by U.S. Mail typically only requires three to five days at most. Thus, I am going to assume for purpose of this rebuttal testimony that Socket must be referring to its Ensemble bills, which relate primarily to *_____* and *____* charges, and which may take slightly longer to arrive by mail because of they first must go through an auditing process before they are sent out This auditing process may take a few extra days.

Q. MR. KOHLY CLAIMS THAT 20 BUSINESS DAYS IS INSUFFICIENT TIME FOR IT TO REVIEW BILLS AND FILE DISPUTE CLAIMS PRIOR TO THE PAYMENT DUE DATE. COULD YOU PLEASE RESPOND TO MR. KOHLY'S TESTIMONY ON THIS POINT?

A. Yes. Mr. Kohly says Socket does not receive CenturyTel's bills until approximately 13 days after CenturyTel's bill date (calculating the average difference between CenturyTel's bill date and the date Socket received CenturyTel's bills over a 7-month period of time). Even assuming that is true,[1] Mr. Kohly then conveniently uses the shortest month of the year, February, as an example, and says that it only has about "11 business days" to review CenturyTel's bills before payment is due. I should note that 11 business days, even during the shortest month of the year, is essentially 15 calendar days—either way, assuming Socket's example is accurate, that gives Socket more than two full business weeks to review its bills before payment is due. Had Mr. Kohly used virtually any other month of the year in his example, he could have added 2 or 3 more days to the time Socket has to review its bills, giving Socket about 2 ½ business weeks. Given the volume and length of CenturyTel's bills to Socket, which I discuss more fully below, between 2 and 2 ½ business weeks should be ample time for Socket to review its bills and submit payment to CenturyTel.

Q. IS 20 BUSINESS DAYS SUFFICIENT TIME FOR SOCKET TO REVIEW ITS BILLS PRIOR TO PAYMENT?

A. Yes. The 20 business day (or 30 calendar day) payment period should be sufficient time for Socket to review its bills for errors and submit those claims before the payment date. As I

[1] I have some doubt about Mr. Kohly's calculation given that he elsewhere asserts that Socket receives 13 different bills from CenturyTel, while my research of CenturyTel's records indicates that Socket only receives, at most, 6

stated above, Socket's bills are neither lengthy nor are they complex. The monthly charges are primarily made up of recurring service order charges for number ports and charges for circuits. The individual charges simply don't vary much from month to month, so it cannot take long for Socket to review its bills. Plus, Socket can take advantage of CenturyTel's electronic billing services that will allow Socket more time for bill review. Essentially, Socket has option available to it that will increase the amount of time the actual billing detail is "in its hands" for review. Socket's exercise of those options is a more reasonable resolution of this issue than requiring CenturyTel to reprogram its billing systems for one carrier.

Q. ARE SOCKET'S BILLS AS COMPLEX AS MR. KOHLY CLAIMS (KOHLY DIRECT, P. 40)?

A. No. Socket's bills are typically charges for *_____*, service order charges, and charges for *_____*. These charges are not complex charges, nor are the bills complex and hard to follow. Nor are Socket's bills large in size or in number.

Q. IF THEIR BILLS ARE NOT REALLY COMPLEX, AND DON'T REQUIRE A LOT OF TIME TO REVIEW, DOES SOCKET REALLY NEED EXTRA TIME TO REVIEW THE CHARGES ON THEIR BILLS?

A. No. Socket's charges are not complex, nor are the bills large or difficult to interpret. With these facts, along with the small number of bills they receive from CenturyTel each month, I fail to see why Socket needs an extra fifteen (15) days each month to review their CenturyTel bills.

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bills. Thus I don't know what bills Mr. Kohly used to calculate the time it takes Socket to receive a bill from the bill date.

Q. YOU MENTIONED ELECTRONIC BILLING OPTIONS THAT ARE AVAILABLE TO SOCKET. COULD YOU EXPLAIN THESE OPTIONS IN MORE DETAIL?

A. Yes. Contrary to Mr. Kohly's testimony, page 45, line 18, CenturyTel does offer electronic billing options. In fact, CenturyTel has run a test case scenario with Socket for its CABS bills so that Socket can begin receiving these bills in electronic format going forward, should it choose to do so. In addition, Socket can also choose to have its Ensemble bills sent to them in electronic format.

As I stated in my direct testimony, Socket's Ensemble bills are available as a "picture" of the paper bill on CenturyTel's web-site, using MyAccount access. Socket can also make payments to its Ensemble accounts online at this same location. This online service is available to all CenturyTel customers receiving bills from our Ensemble billing system. Customers can sign up directly on the CenturyTel web site, following instructions provided there. However, I worked with our MyAccount personnel to get Socket set up for access to this service a couple of weeks ago. Socket should be able to review its Ensemble bills and remit payments online at the MyAccount site going forward with its March bills.

Q. DO ELECTRONIC BILLS, MYACCOUNT, AND ELECTRONIC PAYMENTS ALLOW SOCKET ADDITIONAL TIME TO REVIEW THEIR BILLS?

A. Yes. Either method, electronic bill or MyAccount, allows Socket faster receipt of bills, basically cutting off the mailing period on the front end of the payment period. Also, if Socket makes electronic payments, it actually has up until the date the payment is due to remit payment. If it takes up to 5 days for mail to be delivered either way, utilizing electronic

bills and payments would increase the number of days by 10 that Socket would have each month to review their bills.

Q. WHAT OF SOCKET'S CLAIM THAT IT RECEIVES THIRTEEN (13) SEPARATE BILLS FROM CENTURYTEL IN TWO SEPARATE FORMATS?

A. I researched CenturyTel's billing to Socket Telecom, LLC prior to writing my direct testimony and again before drafting this rebuttal testimony. My initial research showed that Socket Telecom, LLC, only receives four (4) bills from CenturyTel for services provided under its interconnection agreement with CenturyTel--two (2) CABS bills and two (2) Ensemble bills. Further research revealed that Socket also receives two (2) Ensemble bills for 911 charges. However, these are the only six (6) bills I am aware of that CenturyTel of Missouri, LLC and Spectra Communications Group, LLC d/b/a CenturyTel remit to Socket for services associated with interconnection or resale.

Socket receives a number of other bills from CenturyTel and/or its affiliates. For example, Socket Telecom receives bills from CenturyTel *_____*, and Socket Internet, an affiliate of Socket Telecom, LLC, receives bills from CenturyTel for *_____ _____*. Tariffed services ordered by Socket for its own business use are not services provided under the terms of the parties' interconnection agreements. To the extent any of the 13 bills to which Mr. Kohly alludes pertain to services not provisioned under the parties' interconnection agreement, those bills are not material at all to this proceeding or to the terms of the Agreement.

Q. MR. KOHLY ALSO CLAIMS THAT SOCKET'S BILLS "ARE 40 PAGES LONG WITH NUMEROUS LINE ITEMS."

A. After reading Mr. Kohly's direct testimony, I once again reviewed several of Socket's bills. I also double checked with our CABS billing department and had personnel there review their records again. The largest bills we found issued to Socket Telecom, LLC were *__* and *__* pages in length. Both of these bills were December 2005 CABS bills on their 2 CABS accounts. These bills contained a number of adjustments to provide credits to Socket for several prior months' charges that had been disputed. Socket was fully aware of the charges in dispute and the settlement adjustments that were due to them on these bills, so it should not have been difficult for them to verify the adjustments. I counted 108 adjustments on the 2 accounts combined. However, this number of adjustments and this size bill are certainly not the norm. My research indicates that Socket's bills are usually much smaller than the 40 pages Mr. Kohly describes in his direct testimony (Kohly Direct, p. 39). In fact, as I previously described, Socket's average CABS bill is only *__* pages. I simply cannot find evidence in CenturyTel's records that Socket Telecom was issued a bill from CenturyTel of the length described in Mr. Kohly's testimony. If perchance Socket was issued such a bill, it had to have been an isolated case. Certainly the records I reviewed did not in any way show that Socket regularly receives a 40-page bill. On the contrary, my research indicates that Socket's bills are usually much smaller than 40 pages. Its average CABS bill is only *__* pages; its largest Ensemble bill was *__* pages.

Q. MR. KOHLY CLAIMS THAT CENTURYTEL ASSESSED HUNDREDS OF THOUSANDS OF DOLLARS IN CHARGES THAT THEY DISPUTED AND TO WHICH CENTURYTEL NEVER RESPONDED. DO YOU AGREE WITH THIS CLAIM?

A. No. I agree that there were on-going disputes between CenturyTel and Socket as to the appropriate charge for some special access circuits it purchased from CenturyTel for interconnection. However, I object to Mr. Kohly's statement that CenturyTel did not respond to Socket's disputed claims. CenturyTel had initial discussion with Socket concerning the charges and its claim that the charges were at an incorrect rate. CenturyTel billed Socket according to what CenturyTel believed the rate should be, and Socket disputed those charges. CenturyTel did not have monthly dialogue concerning the disputed rate. Ultimately, the parties compromised on the appropriate rate, which resulted in the adjustments posted to Socket's accounts in December 2005.

Q. WHAT IS YOUR RESPONSE TO SOCKET'S CLAIMS THAT CENTURYTEL'S BILLS ARE "PLAGUED WITH ERRORS" (KOHLY DIRECT, P. 38)?

A. I examined a summary of billing dispute claims Socket filed on its Ensemble bills over the last year. I noted that Socket did file a number of disputes. Most were associated with non-recurring service order charges and non-discounted resale rates for certain services. Although there were a number of these dispute claims filed during the period, the magnitude of dispute claims was not large. Keep in mind, Socket only resells *__* lines. The services are not complex; they are basic service lines. The "extensive auditing" of the charges on these *__* lines cannot be that difficult, especially since there is little activity in this account.

Socket also has an Ensemble account where CenturyTel charges out *_____ _____*. The dispute claims I reviewed for this account were primarily disputes of the rates charged for processing service orders. These are one-time charges applied any time Socket submits an order for any service. Given the low volume of orders Socket submits each month to CenturyTel, auditing these charges should not be difficult either.

Q. DOES CENTURYTEL PRACTICE "CRAMMING" THIRD-PARTY RETAIL CHARGES ONTO SOCKET'S WHOLESALE BILL?

A. No, and CenturyTel takes accusations such as "cramming" very seriously. Since Mr. Kohly did not provide specific bills that contained examples of such third-party charges as he described in his direct testimony, p. 40, I examined Socket's resale bills for the period starting in June 2005, when they first began reselling CenturyTel's services, through February 2006. I did not see any examples of the specific types of charges Mr. Kohly described on those bills.

I also examined their Ensemble account containing the UNE and service charges for number porting. I found that there were some charges such as Mr. Kohly described in his testimony on these bills, but they occurred prior to October 2005. Mr. Kohly's suggestion that "CenturyTel has a practice of cramming third-party retail charges onto Socket's wholesale bills" is disingenuous at best. It also erroneously suggests that CenturyTel's billing of such charges is ongoing. My research indicates that some such charges were billed to Socket in the past, but that problem was rectified in September 2005.

Q. CAN YOU EXPLAIN WHY THESE THIRD-PARTY CHARGES WERE ON SOCKET'S BILLS IN THE FIRST PLACE?

A. These are charges that CenturyTel receives from NECA Services, Inc. ("NSI") with whom CenturyTel has a billing and collection agreement. CenturyTel passes through charges sent by NSI via magnetic tape onto our customers' bills. However, CenturyTel discovered a while back that there were charges coming through from NSI on CLEC accounts other than for direct-dialed toll or operator assisted calls on resold lines. Specifically, there were services charges for Internet, voice mail and other such charges coming through on these billing tapes. So, in August 2005, CenturyTel completed a billing programming change to reject these charges on resale and facilities-based CLEC accounts. CenturyTel had provided credits for these charges prior to this time, but until the programming change was in place, there was no way to prevent these charges from showing up on all CenturyTel customers' bills. Nevertheless, CenturyTel recognized this problem and corrected it. Socket's suggestion that billing such third-party charges is a CenturyTel "practice" is a gross distortion of the facts.

Q. ARE YOU SAYING, THEN, THAT CENTURYTEL HAS PROVIDED A SOLUTION FOR THESE CHARGES APPEARING ON SOCKET'S BILLS?

A. Yes. We believe we have corrected the issue of these types of third-party charges showing up on Socket's and any other CLEC's bills. If, for some reason, Socket does experience any of these types of charges on its bills in the future, CenturyTel needs to know about it as soon as possible so that its programmers can look into the problem and take corrective action. This is an issue to which CenturyTel has been and will continue to be responsive.

Q. SHOULD SOCKET BE ALLOWED A 45-DAY PAYMENT PERIOD UNDER THIS AGREEMENT?

A. No. There is no need for CenturyTel to be required to undertake such a major change in its billing systems and to expend the cost as it would take to change its payment period to 45 days when there are billing and payment alternatives available to Socket as well as all other CenturyTel customers. As I explained above, utilization of these alternatives allow virtually the same amount of time for bill review as Socket has requested. These alternatives are available today, and some already have been set up for Socket's use.

Q. HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?

A. The Commission should rule that 20 business days or 30 calendar days is a reasonable payment period to include in the terms of this Agreement, particularly given the options available to Socket to receive and/or review its bills electronically.

IV.
DISPUTED ISSUES REGARDING THE FORM OF PRE-ORDERING AND ORDERING NOTIFICATIONS USING THE LSR PROCESS

[ARTICLE VI, ISSUE 23 (SECTIONS 10.2.2, 10.2.3 & 10.2.4) and ARTICLE VIII, ISSUE 6 (Sec. 4.2)]

ARTICLE VI, ISSUE 23 & ARTICLE VIII, ISSUE 6: Should CenturyTel be required to provide Socket with facsimile or email notification during the pre-ordering and ordering processes applicable to ordering resold services and UNEs?

Q. HAVE ARTICLE VI, ISSUE 23 AND ARTICLE VIII, ISSUE 6 BEEN RESOLVED BY THE PARTIES?

A. Yes. CenturyTel has agreed to develop a process and capability whereby it will be able to provide Socket email notification of certain LSR order status changes—service order

completion (SOC), reject error notices, and jeopardy notices. Thus, the parties have agreed to incorporate the following provisions into the Article VI of the Agreement:

> 10.2.2 Upon work completion, CenturyTel will provide Socket an SOC (Service Order Completion) notice via facsimile, e-mail or other method agreed upon by the Parties.
>
> 10.2.3 As soon as identified, CenturyTel, will provide Socket any reject error notifications via facsimile, e-mail or other method agreed upon by the Parties.
>
> 10.2.4 CenturyTel will provide Socket with a Jeopardy Notice when CenturyTel's Committed Due Date is in jeopardy of not being met by CenturyTel on any resale service via facsimile, e-mail or other method agreed upon by the Parties. On that Jeopardy Notice, CenturyTel shall provide the revised Committed Due Date.

The parties further have agreed to incorporate the following provision into Article VIII of the Agreement:

> 4.2 If an electronic OSS interface is not available, CenturyTel will, upon work completion, provide Socket with a Service Order Completion notice for LSRs via email, facsimile, or other method agreed upon by the parties for each LSR that states the order was completed. In the event that CenturyTel is unable to complete an order, CenturyTel shall provide a Jeopardy Notice via email, facsimile, or other method agreed upon by the parties as soon as CenturyTel realizes that it will be unable to complete the Service Order. That Jeopardy Notice shall include a request for a supplemental order to revise the due date. For ASRs, the live test between CenturyTel and Socket shall constitute notice to Socket of ASR work order completion.

V.
DISPUTED ISSUES REGARDING THE APPLICABLE CHARGE FOR THE MANUAL HANDLING OF A UNE CONVERSION ORDER [ARTICLE VII, ISSUE 13B (Sec. 2.18.4)]

ARTICLE VII, ISSUE 13B (Sec. 2.18.4): Should Socket be exempt from the applicable charge for the manual handling of a UNE conversion order?

Q. PLEASE SUMMARIZE THIS ISSUE.

A. This dispute in Article VII, Section 2.18.4 concerns the order charge for processing UNE conversion orders. Socket's proposed language would obligate it to pay only an "electronic" service order charge for a UNE conversion order, even though CenturyTel must process the order manually. CenturyTel's position is that a manual service order charge applies if the order is handled manually.

Q. DOES ANYTHING MR. KOHLY STATES IN HIS DIRECT TESTIMONY REBUT YOUR DIRECT TESTIMONY ON THIS ISSUE?

A. No. CenturyTel is not required by applicable law to have an automated ordering system for UNE conversions. CenturyTel's process for handling such order is manual, and CenturyTel is entitled to recover costs associated with such manual order processing. Please see my Direct Testimony at pages 22-23.

Q. IN HIS DIRECT TESTIMONY ON THIS ISSUE, MR. KOHLY SPENDS A LOT OF TIME DISCUSSING WHAT HE PERCEIVES TO BE THE ADVANTAGES OF ELECTRONIC ORDER PROCESSING OVER MANUAL PROCESSING. WOULD YOU CARE TO ADDRESS HIS TESTIMONY IN GENERAL?

A. Yes, I would. Mr. Kohly discusses what, in his opinion, are advantages of electronic order processing over manual processes. Whatever those advantages may or may not be, his discussion is not pertinent to the issue here. There is no dispute that CenturyTel's UNE

conversion ordering process is manual. The real issue is whether Socket should have to pay manual charges. Socket's position—that, even if a manual process is used, Socket should only have to pay a nominal "electronic service order" charge—is entirely unreasonable and is intended solely to penalize CenturyTel for not having the ordering system Socket desires.

The electronic ordering system Socket desires is not feasible because there are insufficient numbers of orders—from both Socket and CLECs generally—to justify the costs of such a system. As CenturyTel witness, Carla Wilkes, provides in her testimony, such electronic systems are very expensive to implement and maintain, and can only be justified by volume of users (Wilkes Direct, p. 4).

Mr. Kohly also states that electronic ordering is "no longer the exception; instead it has become an accepted norm in the industry." I have to wonder where Mr. Kohly's experience of "norm" comes from. Records we reviewed indicate that, excluding CenturyTel, Socket only has interconnection agreements in Missouri with AT&T (f/n/a SBC) and Sprint. As CenturyTel witness, Bill Avera, testifies, CenturyTel is not the same company as AT&T (f/k/a SBC) or Sprint, either in terms of size, network, operations or customer base (Avera Direct, p.6). Their sheer volume of ordering allows them to provide for electronic ordering, notifications, etc. On the other hand, CenturyTel is simply not in the same category as these companies. We are not of the same size and don't have the same volume of orders. So, for Socket to compare us with these companies as "normal" is simply not a legitimate comparison.

Q. ON AVERAGE, HOW MANY ORDERS DOES CENTURYTEL RECEIVE FROM SOCKET PER MONTH?

A. On average CenturyTel receives less than *__* orders from Socket per month.

Q. HOW MANY OF THESE ORDERS WERE FOR *_____*?

A. My understanding is that Socket only recently, on March 15th, sent in its first UNE conversion orders to CenturyTel. They ordered the conversion of *_____ _____* to *_____*. I understand that CenturyTel provisioned these converted facilities on March 31st. However, such a small volume of orders hardly justifies the development, deployment and maintenance of an expensive automated ordering system.

Q. SHOULD SOCKET BE REQUIRED TO PAY A MANUAL SERVICE ORDER CHARGE WHEN IT PLACES A UNE CONVERSION ORDER WITH CENTURYTEL?

A. Yes. Socket should pay for costs associated with the service CenturyTel provides. In this case, Socket should pay a manual service order charge because that is the appropriate charge for the service it is receiving. If CenturyTel were providing for electronic service orders, an electronic service order charge would be identified, and that charge would be the appropriate charge. However, as other CenturyTel witnesses point out, Socket and other CLECs would be required to reimburse CenturyTel for the TELRIC costs of installing and operating the electronic system.

One has to look at the case in point. In this case, the service is a manually provided service; thus, the manual charge should apply.

VI.
ARTICLE XV DISPUTED ISSUES REGARDING "PARITY" OF CENTURYTEL'S PROVISIONING INTERVALS

Q. DO SOCKET WITNESSES KOHLY AND BRUEMMER CORRECTLY REPRESENT CENTURYTEL'S DEFINITION OF "PARITY"?

A. No. In fact, they grossly misrepresent that understanding. Both of these witnesses state CenturyTel's idea of parity as CenturyTel providing services to all CLECs equally, without consideration of how CenturyTel provides services to itself.

Q. WHAT IS CENTURYTEL'S DEFINITION OF "PARITY"?

A. I explained CenturyTel's understanding of "parity" in my direct testimony (Hankins Direct, p. 24). We have established parity for these types of services as the provision of access to Socket that is equal to the level of quality that we provide ourselves, our customers, or our affiliates. This definition does not say that we have to provide actual access to our systems, or the same systems, just that we provide the same quality, accuracy, and timeliness that we provide ourselves, our affiliates, or our own customers.

In addition, CenturyTel and Socket agreed to what service parity means in Article III, Section 52.0. In that Article, the description of parity is that either Party will provide to the other Party services under the Agreement that are equal in quality to that the Party provides to itself. Contrary to Socket's testimony, I am not aware of any definition by CenturyTel that states that we will provide services only to all CLECs equally, without consideration of how CenturyTel provides services to itself.

Q. MR. BRUEMMER ASSERTS THAT CENTURYTEL'S WEB-BASED ORDERING SYSTEM PROVIDES ONLY A "FRACTION OF THE FUNCTIONALITY" SOCKET CONSIDERS TO BE "STANDARD" FROM THEIR "EXPERIENCE" WITH OTHER COMPANIES. WOULD YOU COMMENT ON THESE STATEMENTS?

A. There are a couple of issues I am concerned with in Mr. Bruemmer's statement. First of all, CenturyTel is not required to provide service at parity with other incumbent LECs; we are only required to provide service at parity with ourselves. In its direct testimony, Socket repeatedly misquoted CenturyTel's definition of parity solely as providing services to all CLECs equally, yet here Socket seem to be attempting to define the term as CenturyTel providing services in a manner equal to what other incumbent LECs provide. In the end, access to OSS is an unbundling obligation, and the standards have to do with what it is that CenturyTel has, not what other incumbent LECs have.

Secondly, again I must point out that Socket's "experience" with other incumbent LECs besides CenturyTel is apparently limited to the New AT&T (f/k/a SBC) and Sprint. These companies are much larger in scope and size than CenturyTel and offer services, fully automated access to OSS in this instance, that CenturyTel does not have available without expending a lot of money to implement. Again, if CenturyTel were to invest in such systems, the cost of these systems would then be passed on to the CLECs for whom they were developed, driving up the costs of services these CLECs order.

Q. HAS CENTURYTEL REACHED AGREEMENTS AND MADE OFFERS THAT ENSURE THAT SOCKET WILL RECEIVE PARITY TREATMENT?

A. Yes. CenturyTel and Socket have recently agreed to an entire set of intervals for pre-ordering, ordering, and provisioning. Under these "Provisioning Intervals," the parties have

agreed to a level of service for these functions that is acceptable to each. With respect to these functions, therefore, the question of parity can no longer be reasonably claimed to be in dispute.

Moreover, both Socket and CenturyTel have proposed "Performance Measures" or "PMs" keyed off of these Provisioning Intervals and other measurements of performance. While CenturyTel believes the PMs to be unnecessary in this case, and the parties proposed PMs differ, if PMs are imposed, then CenturyTel's version is the set that is more attuned to the appropriate relationship between CenturyTel and Socket. Ms. Moreau and others testify on the propriety of proposed PMs.

Q. HOW DO THE PERFORMANCE MEASURES AND PROVISIONING INTERVALS ENSURE PARITY?

A. The Parties have agreed to specific timing intervals for the processing and provisioning of orders for services. These defined intervals are at parity or in some cases, better than parity, with the level of service CenturyTel provides itself or our own customers. There are remedies built into the performance measures plan if we don't meet the intervals established in the agreement. Thus, these intervals and remedies define the standards by which orders should be handled.

Q. DOES THIS MEAN, THEN, THAT THE PROCESS MUST LOOK THE SAME TO SOCKET AS IT DOES WITHIN CENTURYTEL'S OWN OPERATIONS?

A. No. Virtually every service offered to Socket is, in fact, offered with the same quality, accuracy, and timeliness that CenturyTel provides itself. For the few instances that Socket has claimed to be out of parity, the Parties have reached agreements that constitute parity in

the process, particularly in the outcome and its timeliness. If within a given process, such as with the entry of an order for one to three resold access lines, Socket is not currently afforded the exact same process as CenturyTel's own customers, parity is not nullified. Rather, as long as CenturyTel provides the service within the given interval as defined in Article XV, CenturyTel has provided a level (quality) of service Socket has agreed is acceptable. It does not matter to Socket or its customers whether CenturyTel spends half of its agreed provisioning interval typing, or driving, or doing nothing, as long as CenturyTel is accountable for meeting the deadline for provisioning the service. The intervals, particularly those that are agreed, look not to the actual process involved, but to the end result of the process.

Q. IS THE ACCESS TO OSS THAT CENTURYTEL OFFERS SOCKET UNDER THE PROPOSED AGREEMENT AT PARITY WITH CENTURYTEL?

A. Yes. As I stated in my Direct Testimony, even before the negotiations giving rise to this case, CenturyTel provided identical, not just nondiscriminatory, access to most preordering, ordering, provisioning, maintenance, repair, and billing functions. Many of these OSS functions are not set up for automated access even for CenturyTel retail functions. We do not, generally, propose to make them automated for Socket or other CLECs, either. However, they are "equal in quality."

Q. ARE THERE ANY FUNCTIONS THAT SOCKET COULD ARGUE ARE NOT IN PARITY WITH CENTURYTEL?

A. We don't think so. However, during negotiations, we have attempted to reach agreement with Socket on any aspects of access to CenturyTel's OSS that could even arguably be

provided on different time frames or in a different manner than CenturyTel provides itself. As a result, we think that wherever it could even be argued that CenturyTel was not providing Socket with the level of service to which it is entitled, we have reached agreements on intervals that satisfy Socket.

Q. WHAT PROCESSES HAS SOCKET IDENTIFIED AS BEING OUT OF PARITY?

A. Mr. Bruemmer identifies three processes as not meeting his standard (Bruemmer Direct, pp. 12-13). These include (1) the Local Service Request ("LSR") ordering interface; (2) access to the Customer Service Records ("CSRs") in the preorder phase; and (3) access to Access Service Request ("ASR") provisioning information. The remainder of Mr. Bruemmer's complaints are not specific, but generally seek more efficient systems.

Q. HAS MR. BRUEMMER IDENTIFIED SITUATIONS WHERE CENTURYTEL IS NOT PROVIDING SERVICE TO SOCKET WITH THE SAME QUALITY, ACCURACY, OR TIMELINESS THAT IT PROVIDES ITSELF?

A. We don't think so, but let me address each situation separately.

Q. WHAT IS MR. BRUEMMER'S FIRST COMPLAINT?

A. First, Mr. Bruemmer claims that the LSR interface is inadequate. Specifically, with respect to access to the LSR ordering interface, Mr. Bruemmer contends that use of the Web Graphical User Interface (the "Web GUI") electronic access is insufficient to satisfy his standards because when the orders are received, they are keyed into the CenturyTel ordering system manually. Mr. Bruemmer contends that this "order keying" time adds to the time that a Socket customer is provisioned service in a way that CenturyTel customers do not experience.

Q. IS MR. BRUEMMER'S CLAIM CORRECT?

A. No. Mr. Bruemmer describes in his testimony certain aspects of the process that CenturyTel has in place to receive and process CLEC, including Socket, LSRs. At the outset, in his testimony, Mr. Bruemmer refers to this so-called "order keying" interval as being 48 "business" hours. This has never been CenturyTel's practice. At most, the interval has been 48 hours, not 48 "business" hours. The "up-to" 48-hours-from-receipt interval is the maximum time that CenturyTel has historically allowed itself in the ordering and provisioning process to receive the CLEC's order and enter it into the Ensemble order entry system.

Q. DOES THIS INTERVAL EXIST WITH CENTURYTEL'S RETAIL CUSTOMER'S ORDERS?

A. It depends on the type of order. For customers ordering one to three lines, orders are usually input into the system directly. For customers placing orders for more than three lines, or for more complex orders, the interval is comparable to the 48-hour interval for processing LSRs. These retail processes are demonstrated in Exhibits PH-1 and PH-5 attached to my direct testimony.

Q. BUT, DOESN'T THE UP-TO-48-HOUR ORDER-KEYING DELAY PUT YOU OUT OF "PARITY" WITH RESPECT TO SOCKET'S ORDERS?

A. Again, generally no, but as I explain below, even that delay has been dealt with through negotiation.

Q. WHAT IS MR. BRUEMMER'S SECOND COMPLAINT?

A. Mr. Bruemmer claims receiving CSRs by fax or email within 24 hours of making a request for information is insufficient, because CenturytTel's Service Representatives have instantaneous access to the same information (Bruemmer Direct, p. 12).

Q. IS MR. BRUEMMER'S CLAIM CORRECT?

A. It is true that Socket has not historically received CSRs on an instantaneous basis. CenturyTel's existing systems simply would not permit this kind of result. However, as I describe below, the parties have arrived at an interval for the delivery of CSRs through negotiations that is satisfactory to Socket.

Q. WHAT IS MR. BRUEMMER'S THIRD COMPLAINT?

A. Mr. Bruemmer claims that receiving order confirmations or designs for ASRs by means of email is insufficient (Bruemmer Direct, p. 13). Mr. Bruemmer speculates that CenturyTel's people obtain information on a more efficient basis.

Q. IS THIS CORRECT?

A. No. As I explain in my Direct Testimony, ASRs are handled in exactly the same way for CLEC orders as they are for our own. Whether Socket perceives that there are inefficiencies in our process of confirming the availability of facilities or preparing the design of a circuit is not the question. We provide Socket with exactly the same level of service that we experience ourselves.

Q. HAVE THE PARTIES AGREED TO ANY OF THE PROVISIONING INTERVALS ATTACHED TO EITHER THE SOCKET ARTICLE XV LANGUAGE OR THE CENTURYTEL ARTICLE XV LANGUAGE?

A. Yes. Although most of the intervals are reflected in the current Joint DPL as remaining in contest, the final DPL will reflect the parties' agreement to certain provisioning intervals and other terms in lieu of strictly identical treatment. Specifically, the parties have agreed to the provisioning intervals for CSR returns (six Business Hours for both initial and supplemental CSRs) and Resold Retail Product Provisioning Intervals (*e.g.*, POTS for up to twenty lines in four Business Days). Although most every service described in Appendix—Provisioning Intervals is already provided at parity; everything from UNE provisioning, to resold retail products, to resold special access products is subject to an agreed standard for provisioning. At bottom, the intervals that Mr. Bruemmer identified as problematic—and all others, besides—have been agreed. I have attached as Schedule Reb. PH-1 a true and correct copy of the agreements relating to Provisioning Intervals.

Q. SHOULD THE COMMISSION ADOPT THE PROVISIONING INTERVALS TO WHICH THE PARTIES HAVE AGREED?

A. Yes. The agreements on intervals and related terms are just, reasonable, and nondiscriminatory.

Q. SHOULD THE COMMISSION ADOPT THE PERFORMANCE MEASURES TABLES CENTURYTEL HAS PROPOSED?

A. Yes. The Commission should adopt CenturyTel's proposals as set forth in our proposed Article XV (including the agreed Performance Intervals) and its incorporated Performance Measures Tables 1-5.

VII.
ISSUES RAISED BY SOCKET WITNESS KOHLY REGARDING THE USE OF CENTURYTEL AFFILIATES' FACILITIES AND THE QUESTION OF AFFILIATED CHARGES

ARTICLE II (ISSUE 6)—SOCKET ISSUE STATEMENT: Can CenturyTel avoid its obligation to provide currently available services at parity by shifting the ability to provide those services to an affiliate:

CENTURYTEL ALTERNATIVE ISSUE STATEMENT: Should the parties' ICAs extend obligations to CenturyTel affiliates?

ARTICLE II (ISSUE 34) & ARTICLE VII (ISSUE 32) – What is the appropriate definition for "dedicated transport" that should be incorporated into the parties' Agreement?

Q. CAN YOU PROVIDE BACKGROUND ON CENTURYTEL OF MISSOURI, LLC AND SPECTRA COMMUNICATIONS GROUP, LLC?

A. Spectra Communications Group, LLC, (Spectra) was formed as a partnership and became operational in July 2000 as a result of purchasing telephone exchanges in Missouri from GTE.[2] Originally, CenturyTel, Inc. was one of five (5) Spectra partners and was the majority partner at the time of acquisition. At the time of acquisition, the partners agreed that CenturyTel, Inc. would manage the operations of Spectra because of CenturyTel's unique knowledge and expertise managing and operating ILEC facilities. At the time, Spectra was the only telephone operating property that CenturyTel operated in Missouri.

In 2002, CenturyTel of Missouri, LLC, a subsidiary of CenturyTel, Inc., purchased additional telephone exchanges in Missouri from Verizon. CenturyTel acquired these

[2] *See In the Matter of the Joint Application of GTE Midwest Incorporated and Spectra Communications Group, LLC, for Authority to Transfer and Acquire Part of GET Midwest Incorporated's Franchise, Facilities, or System Located in the State of Missouri and for Issuance of Certificate so Service Authority to Spectra Communications Group, LLC, to Borrow an Amount Not to Exceed $250,000,000 from CenturyTel, Inc., and in Connection*

properties as sole owner. There were no other partners involved in this acquisition as there was with the Spectra acquisition. These are the exchanges that CenturyTel, Inc. currently operates as CenturyTel of Missouri, LLC.

Q. ARE THESE COMPANIES, SPECTRA AND CENTURYTEL OF MISSOURI, LLC, UNDER THE SAME FORM OF REGULATION?

A. No. Let me explain. Since the Spectra-acquired properties represented three study areas as defined by the FCC, the Partnership had to file a waiver to establish a new study area. In addition, the waiver contained a request for the new company to settle on a Rate of Return basis with the FCC. The waiver was filed on March 17, 2000 and adopted by the FCC on July 26, 2000.[3] Spectra continues to be a rate of return carrier in the federal arena. In transactions that occurred in January 2001 and November 2003, CenturyTel purchased the interests of the other partners; however, the settlement election and the study area definition approved by the FCC remained as it was at acquisition.

There are distinct differences between the purchase of Verizon exchanges by CenturyTel in the 2002 transaction and the Spectra 2000 acquisition of exchanges. In the 2002 purchase by CenturyTel of Missouri, LLC, CenturyTel was not required to file an FCC study area waiver. All of the study area was being purchased from Verizon. Also, Verizon operated this company under FCC Price Cap regulations rather than Rate of Return regulations. Settlement arrangements are totally different between a Price Cap company and

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Therewith to Execute a Telephone Loan Contract, Promissory Notes, and a Mortgage, Security Agreement and Financing Statement, Case No. TM-2000-182, Report and Order (April 4, 2000).

[3] *See In the Matter of Spectra Communications Group, LLC and GTE Midwest Incorporated Joint Petition for Waiver of Definition of "Study Area" Contained in the Part 36 Appendix-Glossary of the Commission's Rules and*

a Rate of Return company. By purchasing the total study area, CenturyTel agreed to operate this property as a Price Cap company at acquisition, and this method continues today.

Q. ARE THESE COMPANIES SEPARATE LEGAL ENTITIES?

A. Yes, Spectra and CenturyTel of Missouri, LLC are separate and distinct legal and regulatory entities. As a result of the varied circumstances surrounded these two separate and distinct acquisitions, two separate legal entities were established and are maintained today. While CenturyTel does provide efficiencies by performing back office functions using CenturyTel Service Group, LLC, the assets of these companies are not combined, nor can they be without additional approval by the FCC. Two distinct acquisitions occurred for these separate sets of telephone operating property assets from, in reality, two different sellers (GTE, Verizon). Both of these properties continue to operate as separate entities with all the distinctions of all other telephone operating properties that are affiliates of CenturyTel, Inc.

Q. YOU ADDRESSED THE DIFFERENT REGULATION ARRANGEMENTS WITH THE FCC. WHAT FORM OF REGULATION ARE THESE COMPANIES UNDER IN THE STATE OF MISSOURI?

A. Both CenturyTel of Missouri, LLC and Spectra are regulated by the Missouri PUC as Price Cap Companies.[4] Basic Service rates are adjusted annually based on a CPI-Telephone

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section 69.3 (e) (9) of the Commission's Rules; Spectra Communications Group, LLC Petition for Waiver of Section 61.41 (c) of the Commission's Rules, CC Docket No. 96-45.

[4] *See In the Matter of the Joint Application of GTE Midwest Incorporated d/b/a/ Verizon Midwest, and CenturyTel of Missouri, LLC, for (1)Authority to Transfer and Acquire Part of Verizon Midwest's Franchise, Facilities or System Located in the State of Missouri; (2) for Issuance of Certificate of Service Authority to CenturyTel of Missouri, LLC; (3) to Designate CenturyTel of Missouri, LLC, as Subject to Regulation as a Price Cap Company; and (4) to Designate CenturyTel of Missouri, LLC, as a Telecommunications Carrier Eligible to Receive Federal Universal Service Support*, Case No. TM-2002-232 (effective May 31, 2002); and *In the Matter of the Petition of Spectra Communications Group, LLC d/b/a/ CenturyTel Regarding Price Cap Regulation Under Section 392.245, RSMo 2000*, Case No. IO-2003-0132 (effective Dec. 27, 2002).

Service Index (CPI-TS). Non Basic rates can be adjusted up to a maximum of 5%. Access rates are subject to the CPI-TS adjustment and/or rebalancing provisions under the price cap statute. In summary, rates in the intrastate jurisdiction are not updated based on costs. Since intrastate rates are not established based on costs, CenturyTel has no incentive to artificially inflate any cost to these regulated entities for the purpose of driving up intrastate rates.

Q. CAN YOU DISCUSS CENTURYTEL'S RELATIONSHIP WITH ITS AFFILIATES CENTURYTEL FIBER COMPANY II, LLC D/B/A LIGHTCORE AND CENTURYTEL SOLUTIONS, LLC?

A. CenturyTel's telephone operating properties are in the primary business of offering local telephone service to retail customers in defined geographical areas. CenturyTel Solutions, LLC ("Solutions") currently operates as a Competitive Local Exchange Carrier (CLEC) in geographic areas where CenturyTel is not the ILEC. LightCore is known as a "Carrier's Carrier" and is in the business of providing wholesale bandwidth to customers. LightCore's primary customers are CLEC, wireless, and long distance carriers.

All three types of affiliates, CenturyTel's ILECs, Solutions, and LightCore, have experienced growth by purchasing assets for specific use, or by acquiring other companies. In these acquisitions, the assets are retained by the acquiring affiliate and neither assets nor services are transferred between any of these affiliates without an arm's length transaction following Part 32 rules. Specifically, for the Missouri properties that were purchased from GTE and Verizon, none of the assets were transferred between the two operating properties, and none were moved to LightCore (which also operates in the State of Missouri).

Q. WHAT ANALYSIS IS PERFORMED IN DECIDING TO BUILD FACILITIES OR LEASE FACILITIES FROM ANOTHER ENTITY?

A. CenturyTel decides to purchase assets for interoffice connections and for transport based on economics. If the ILEC can purchase assets and place them in its network at a cost that is less than it can order facilities from others (including affiliates), then the decision to build is made. As part of the build versus lease review, competitive bids are reviewed from companies from which CenturyTel would order facilities in routes where Lightcore does not have facilities available. In areas where LightCore does have facilities, if LightCore has facilities available and can provide the service, then rates are established not to exceed market rates and CenturyTel's Missouri ILECs may utilize LightCore as its carrier. The affiliates mentioned do share the same back office administration and the same billing systems for efficiencies. But costs for these services are allocated to each affiliate based on defined rules.

Q. ARE THERE AFFILIATED TRANSACTIONS BETWEEN CENTURYTEL SOLUTIONS AND CENTURYTEL'S ILECS?

No. CenturyTel's telephone operating properties and CenturyTel Solutions do not sell to each other. CenturyTel and Solutions operate in separate service areas.

Q. DOES CENTURYTEL ABIDE BY PART 32 RULES IN TRANSACTIONS WITH AFFILIATES?

A. Yes. CenturyTel follows the Part 32 rules in transactions with affiliate companies.

Q. WHAT PROCEDURES DOES CENTURYTEL HAVE IN PLACE TO ENSURE THAT THEY ARE IN FACT IN COMPLIANCE WITH AFFILIATE TRANSACTION RULES, PARTICULARLY AS THEY PERTAIN TO TRANSACTIONS WITH LIGHTCORE?

A. CenturyTel has a committee made up of representatives from various disciplines within the company who review affiliate transactions. There are representatives from legal, finance, revenues, engineering and LightCore on the committee that reviews pricing transactions between Lightcore and CenturyTel's ILECs. This committee compares the rates that Lightcore charges the ILECs for facilities and compares those rates to other carriers for the same service. The amount that Lightcore charges CenturyTel's ILECs is adjusted to ensure that the ILECs are charged no more than they would be charged if they leased the same service from a third party.

Q. ARE CENTURYTEL'S AFFILIATE TRANSACTIONS EVER REVIEWED OR AUDITED BY OUTSIDE AGENCIES?

A. Yes. CenturyTel has several telephone operating properties that are a part of the National Exchange Carriers Association (NECA). The NECA files tariffs on behalf of not only the CenturyTel properties but also many other local exchange carriers that are part of the NECA. Revenues from the NECA tariff are pooled and settlements are distributed to companies based on a Part 36/69 cost study. Annually, the NECA reviews the CenturyTel properties, and affiliated transactions are included in this review.

Affiliate transactions have also been reviewed by several of the state commissions. Currently, eight of the states where CenturyTel operates require the regulated entity to

provide affiliated transactions reports. In four of these states, contracts between affiliates must also be filed.

Q. FOOTNOTE 19 TO KOHLY'S TESTIMONY STATES THAT CENTURYTEL COULD BE HOLDING ASSETS IN AN AFFILIATE'S NAME RATHER THAN THE ILECS NAME IN ORDER TO ARTIFICIALLY INFLATE THE REGULATED AFFILIATE'S COSTS, AND THAT THIS SHIFT IN COSTS COULD DRIVE RATES UP. WOULD YOU COMMENT ON THESE ASSERTIONS?

A. CenturyTel utilizes various carriers for bandwidth and transport. As stated earlier, each decision is an economic decision and is based on what is best for the company in the long run. In many cases CenturyTel has been able to reduce costs in its telephone operating properties substantially by purchasing from LightCore where it has facilities. Instead of inflating costs as Mr. Kohly has suggested, CenturyTel is witnessing results to the contrary in that the regulated ILEC properties are benefiting from reduced costs due to these purchases from affiliates that are less expensive than if the same service were ordered from a third party.

As mentioned earlier, asset transfers have not occurred between and among CenturyTel affiliates with the intent of shifting cost or control of the network to specific entities. To do so would be in violation of the affiliate transaction rules. CenturyTel's affiliates do not participate in those types of activities. Decisions on whether to buy (build) or lease facilities are made on a company-by-company basis and are dependent on the economics of the situation. Please refer to Testimony of Wayne Davis pp. 6-12.

Q. THE SAME FOOTNOTE TO MR. KOHLY'S TESTIMONY REFERENCES CASE NO. TC-2006-0184, WHICH WAS A CASE CONCERNING A COMPLAINT THE MISSOURI PSC STAFF FILED AGAINST NEW FLORENCE TELEPHONE COMPANY. IS NEW FLORENCE TELEPHONE COMPANY UNDER THE SAME FORM OF REGULATION AS CENTURYTEL?

A. No. New Florence Telephone Company is rate of return regulated for intrastate purposes. As described above, both Spectra and CenturyTel of Missouri, LLC have elected price cap regulation for intrastate.

Q. WHAT DOES THIS MEAN IN CONTEXT OF THE FOOTNOTE EXAMPLE?

A. Mr. Kohly sites the New Florence case as an example of an ILEC that was believed by the Commission to have artificially inflated costs of goods and services it obtained from an affiliate in order to recapture these higher costs through increased rates. Mr. Kohly infers that CenturyTel would have the same incentive to inflate affiliated charges so that it could then pass on to its customers these higher costs in the form of rate hikes. However, CenturyTel is not rate of return regulated; as I already stated above both companies are under price cap regulation in Missouri. Therefore, these incentives simply do not exist. In fact, price cap companies are more likely to try to reduce their costs rather than increase their costs.

VIII.
CONCLUSION

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

APPENDIX – PROVISIONING INTERVALS

UNE PROVISIONING INTERVALS

PRODUCT	QUANTITY[1]	INTERVAL (BUSINESS DAYS/HOURS)[2]
Loops[3]		
8.0 dB 2 Wire Loop	1 – 5 6+	4 Business Days Negotiate
5.0 dB 2 Wire Loop	1 – 5 6+	4 Business Days Negotiate
2 Wire Digital Loop	1 – 5 6+	4 Business Days Negotiate
4 Wire Analog Loop	1 – 5 6+	4 Business Days Negotiate
4 Wire Digital Loop	1 – 5 6+	4 Business Days Negotiate
DS1 Loop	1 – 5 6+	15 Business Days Negotiate
DS3 Loop	ALL	Negotiate; where facilities are currently available, 15 Business Days
Dedicated Transport		
DS1 Dedicated Transport	1 – 5 6+	15 Business Days Negotiate
DS3 Dedicated Transport	ALL	Negotiate; where facilities are currently available, 15 Business Days
EEL and Commingled Combinations[4]		
All	Negotiate	

[1] "Quantity" refers to orders for services or facilities to a single customer premises.

[2] Provisioning Intervals begin at and are measured from the Start Date/Time, as set forth in Section 3.3. For purposes of this Article, the date and time CenturyTel "receives" the order or request shall be understood to refer to the time stated in the Order Date Field in the Order Summary Section on the CenturyTel Internet Services Customer Portal or the date time stamp on email or facsimile or its functional equivalent.

[3] Loop Category includes both Loops with number porting or without number porting.

[4] EEL Category includes both EELs with number porting or without number porting

Miscellaneous		
Stand Alone Number Portability	1 – 5 6+	4 Business Days Negotiate

Resold Retail Product Provisioning Intervals.

PRODUCT	QUANTITY	INTERVAL (BUSINESS DAYS/HOURS)
Plain Old Telephone Service (POTS) includes installation, moves, add/delete Features &PIC Changes.	1-20	4 Business Days
Plain Old Telephone Service (POTS) includes installation, moves, add/delete Features &PIC Changes.	21+	Negotiate
Key System/PBX Trunks	1-5	4 Business Days; where additional or new facility or design is required, 15 Business Days
Key System/PBX Trunks	6+	Negotiate
Centrex	1-5	15 Business Days
Centrex	6+	Negotiate
DID	1-5	4 Business Days; where additional or new facility or design is required, 15 Business Days
DID	6+	Negotiate

RESOLD SPECIAL ACCESS PROVISIONING INTERVALS		
PRODUCT	**QUANTITY**	**INTERVAL (DAYS)**
DDS	1 – 5 6+	15 Business Days Negotiate
DS1	1 – 5 6+	15 Business Days Negotiate
DS3	ALL	Negotiate
VGPL	1 – 5 6+	15 Business Days Negotiate
BRI or PRI	1 – 5 6+	15 Business Days Negotiate
OCn	ALL	Negotiate

CUSTOMER SERVICE RECORD RETURNS		
PRODUCT	**QUANTITY**	**INTERVAL (BUSINESS DAYS/HOURS)**
CSR Returns	Original Supplemental	6 Business Hours from Receipt 6 Business Hours from Receipt

ARTICLE XV AND APPENDIX – PERFORMANCE MEASURES

Agreed Definitions/Provisions:

"Received" definition within Article XV:

1.3.2 Provisioning Intervals begin at and are measured from the Start Date/Time, as set forth in Section 3.3. For purposes of this Article, the date and time CenturyTel "receives" the order or request shall be understood to refer to the time stated in the Order Date Field in the Order Summary Section on the CenturyTel Internet Services Customer Portal or the date time stamp on email or facsimile or its functional equivalent.

New Subsection 1.3.4 to Article XV:

1.3.4 If CenturyTel in the future improves its internal provisioning intervals, the Parties agree to renegotiate all affected intervals contained in this Appendix to provide Socket with a level of performance comparable to the performance CenturyTel provides itself for like services.

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"Business Days" and related definitions (subject to Socket's review and agreement):

3.1. "Business Hours" are defined as CenturyTel's CLEC Service Center's normal hours of operation. Business Hours are daily, Monday – Friday, 8:00 a.m. to 5:00 p.m. Central Time, excluding CenturyTel observed holidays.

3.2. "Business Days" are Monday-Friday, excluding CenturyTel observed holidays. A Business Day includes nine (9) consecutive Business Hours.

3.3. "Start Date/Time" is the date and time that CenturyTel receives a Socket request or order for which CenturyTel or Socket's performance is to be measured in accordance with this Article. If Start Date/Time is outside of Business Hours, the Start Date/Time is deemed to be 8:00 a.m. on the next Business Day.

3.4. "End Date/Time" is the date and time that CenturyTel transmits a measured response by fax or electronic mail or completes a measured task.

3.5. "Close of the Business Day" is 5:00 p.m. local time.