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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE PETITION)
OF QWEST CORPORATION FOR)
ARBITRATION OF AN INTERCONNECTION)
AGREEMENT WITH UNION TELEPHONE) Docket No. 04-049-145
COMPANY d/b/a UNION CELLULAR UNDER § 252)
OF THE FEDERAL TELECOMMUNICATIONS ACT)

**RESPONSE OF UNION TELEPHONE COMPANY TO
QWEST CORPORATION'S FOURTH SET OF DATA REQUESTS**

Union Telephone Company ("Union"), with its undersigned counsel hereby
responds to the Fourth Set of Data Requests as provided by Qwest Corporation, stating and
alleging as follows:

Qwest 4-001:

In response to Qwest data request 1-017, Union states that it "previously supplied information to Qwest". Qwest is not aware of such information. Please supply this information and any other information that is responsive to data request 1.017.

Response:

Union objects to Qwest's request in that it is ambiguous. Union indicated in its Response to Qwest's Data Request 1-017 that it had previously supplied information to Qwest which identified the various elements of the company's [cost] study. Union referred Qwest to the testimony of Jason Hendricks wherein he addressed the Union TELRIC study and the impact

of the various cost elements relating to the switch.

Qwest 4-002:

Produce the current contracts or similar documentation for all of Union's agreements with each vendor from which Union purchases equipment and/or software that is included in the revised study. This documentation must include all the contracts or similar documentation for all the investments included in "Plant in Service" on Row 6 of the "Summary" tab of Union's revised study.

Response: Union objects to the data request as it is burdensome, overbroad and calls for documentation and information that is not relevant to this proceeding. The request asks for all current contracts or similar documentation for all of Union's agreements on each matter for which Union purchases equipment or software. The general nature of the request incorporates a broad spectrum of contracts that would be unduly burdensome to Union to produce as part of its presentation before the Commission. As the request is ambiguous, it can be interpreted broadly or in a more limited fashion such as to include or exclude numerous contracts. Notwithstanding the objection, Union has been requested elsewhere in the course of these requests to provide cost information that relates to equipment it has purchased or is contemplating purchasing and it is incorporated into the cost study. As part of the later request, Union will provide the information and documentation that is appropriate for a response herein.

Qwest 4-003:

Explain why the number of cell sites included in the revised study increased by almost 50% from the original study filed in Utah.

Response: Union objects to the request as it is irrelevant to this proceeding. Notwithstanding the objection, Union would state that its initial study was accomplished in 2004 using 2003 estimates of cell site costs, actual costs are much higher and more accurate. There are reasons for the increase in the number and costs of cell sites. As Union is installing a modern GSM system, the need for additional cell sites has arisen because of the difference in the new

technology. A modern GSM site does not have the coverage that would have occurred utilizing a TDMA system, which relates in part to the modulation technology and timing of the radios. In addition, as traffic volumes have increased, the new GSM technology requires additional cell sites to accommodate increased volume. As traffic increases, typically power is reduced and a new tower constructed to address the increased traffic.

In sum, the fact that there are increased numbers of cell sites is tied to increases in traffic and the technology utilized to address increased traffic. The fact that the updated study recognizes additional cell sites is indicative of the increased traffic but it is also a reflection of the additional licenses and area that Union has added since 2003. For instance, just recently Union acquired licenses in the Fort Collins and Grand Junction, areas that were not previously available and certainly not included in the earlier study.

Qwest 4-004:

Produce a map or other document depicting the locations of each of the 325 cell sites included in Union's revised study and identify which of the 325 sites were included as part of Union's original cost study.

Response: Union objects to the request as it calls for an explanation of information that is readily available to Qwest. Qwest has access to Union's initial cost study as well as its revised study, Qwest can easily identify which of the 325 sites were included as part of the original cost study. Notwithstanding the objection, Union will produce a listing of cell sites which identifies location if this is not presently in Qwest's possession.

Qwest 4-005:

Identify the coverage area of each of the 325 cell sites listed in Union's revised study.

Response: Union objects to the request as it calls for the production of a study that would be very difficult, time consuming and expensive for Union to produce. If Qwest refers to the locations of the cell sites, it can roughly depict the coverage of the sites knowing the technology

utilized at the locations. A propagation study for the cell sites would be much too difficult and time consuming to produce. Notwithstanding the objection, Union can produce a current coverage map which shows those cell sites existing as of the time of the map's creation.

Qwest 4-006:

The "Average Cost Per Site" in cell E77 of the "GSM Sites Costs" tab of the revised study is over 50% higher than the "Total Projected Cost per Site" in cell E1006 of the GSM Budget – New Sites tab in the original study. Explain what has changed since Union filed its original study in October of 2005 and the time that the revised study was filed (April 28, 2006) that would cause such a significant increase.

Response: Union's initial cost study utilized estimates based on the best available data existing in 2003. Union's most recent cost study uses actual values which appropriately reflect an increase in cell sites and cell site costs. As stated by Mr. Jason Hendricks in responding to cross-examination in the Colorado PUC arbitration proceeding, the estimate of costs for the cell sites was based on minimum values for each of the sites. As actual costs were utilized in the most recent study, such factors as the increase in radio costs was recognized. As the sites and equipment utilized at the sites have increased to address increased traffic and actual traffic, costs have correspondingly increased to reflect actual values.

Qwest 4-007:

For each of the 71 GSM-Only sites listed on the "GSM Sites Costs" tab of the revised study, provide an itemized breakdown of the components similar to that provided in the original study (*i.e.* building, tower, power line, rights of way, antenna, BTS, etc.) and list the costs for each of those components.

Response: Union objects to the request as it is burdensome and over broad. Notwithstanding the objection, Union will provide customer property records for GSM cell sites which break down the components associated with particular sites. These include labor and equipment costs as requested.

Qwest 4-008:

List and provide an itemization of the type of equipment and/or components used to provision the following services:

- (a) GPRS (General packet radio service);
- (b) SMS (Short message service); and
- (c) Any other non-voice service provided by Union.

Response: Union objects to the request to the extent that it is ambiguous. Notwithstanding the objection, Union would state that as shown in the production of the response provided above, costs associated with equipment and facilities are utilized to provide voice services. The system was design for voice and it has priority. Any particular non-voice services are limited.

Qwest 4-009:

For each of the 71 GSM-Only sites listed on the “GSM Sites Costs” tab of the revised cost study:

- (a) identify what the voice capacity of the cell is;
- (b) state how much of the voice capacity identified in subpart (a) above is presently being utilized at each cell site;
- (c) identify what the data capacity of the cell site is; and
- (d) state how much of the data capacity identified in subpart (c) above is presently being utilized at each cell site.

Response: Union objects to the request to the extent that it requests evidence that is irrelevant to the proceeding and overly burdensome to produce. Notwithstanding the objection, Union states that it has provided the CPR for the various sites that reflect the equipment upon which Qwest may extrapolate the values requested. See also Response to 4-021.

Qwest 4-010:

- (a) Explain and specify what the expenses in the “Expenses” tab of the revised study are based upon.
- (b) Explain and specify what the comparable expenses in the original study are based upon.

Response: (a) The expenses in the “Expenses” tab of the revised study are the 2005 Union expenses attributed to GSM and TDMA operations pursuant to the standards set fort in Parts 32 and 64 of the FCC rules.

(b) The comparable expenses in the original study are the 2003 Union expenses allocated to the accounts specified in the study.

Qwest 4-011:

Explain why the expenses per cell site in the revised study are higher than the comparable expenses in the original study.

Response: The revised study includes more expense categories than were used in the original study.

Qwest 4-012:

- (a) Of the 164 current cell sites (see row 208 of the “Expenses” tab in the revised study) upon which the operational expenses are based, state how many are GSM-Only sites (*i.e.*, sites with no TDMA).
- (b) Identify and itemize the expenses associated with the cell sites that are GSM-Only.

Response: (a) There are 71, however, Union is further revising its study, which will now include 68 GSM-only sites.

(b) Such identification and itemization is already contained in the “Expenses” tab. Specifically, expenses associated with sub-accounts that begin with the number “3” are Cell/TDMA expenses and expenses associated with sub-accounts that begin with the number “8” are GSM expenses.

Qwest 4-013:

- (a) Define and explain the terms “Land & Building Exp” and “Land & Building Lease Expense” found in Column C of the “Expenses” tab of the revised study.
- (b) Explain the differences between the “Land & Building Exp” and “Land & Building Lease Expense” categories.
- (c) State whether the “Land & Building Exp” and “Land & Building Lease Expense” expenses include lease expense for the GSM BTS sites.
- (d) If the answer to subpart (c) above is yes, explain and itemize what is being leased at the GSM sites.

Response: (a) “Land & Building Lease Expense” refers to expenses associated with leasing land and buildings from third parties. For example, Union often has to lease land from third parties such as ranchers and the National Forest Service in order to place towers on that land. “Land and Building Exp” refers to land and building expenses, such as building maintenance,

that are not lease expenses.

(b) See response to (a)

(c) The "Land & Building Exp" and "Land & Building Lease Expense" expenses include lease expense for the GSM BTS sites.

(d) Please see the attached file.

Qwest 4-014:

- (a) Explain and itemize what is included in "Operator Expense" in column C of the "Expenses" tab of the revised study.
- (b) State whether it is possible for Qwest end users to call a Union operator.
- (c) If the answer to subpart (b) above is "yes", explain how.
- (d) State whether end users pay the charges for Union operator-assisted calls.
- (e) If the answer to subpart (d) above is "no", identify who pays the charges.
- (f) List the charges assessed by Union for operator-assisted calls.

Response: (a) The "Operator Expense" classification includes those cost associated with operator expense

- (b) Yes, it is possible for a Qwest end user to call a Union operator.
- (c) There are different methods; one method would be to use an 800 number.
- (d) Yes.
- (e) There is a charge assessed to end users
- (f) The charges are assessed pursuant to tariff and price lists.

Qwest 4-015:

- (a) State whether Union considers any of the expenses included in the "Expenses" tab to be Common Costs and explain why or why not.

Response: Union does not consider the expenses in the "Expenses" tab to be common costs because each of those expenses can be directly attributed to individual services, specifically, TDMA (sub-account 3) and GSM (sub-account 8). Accordingly, they are not common costs, as defined by the FCC in CFR, Title 47, Section 51.505(c)(1). Further, the "Expenses" tab does not include any joint and common expenses, which Union assigns costs to sub-account code 1 (Consolidated), since they can't be directly attributed to TDMA or GSM services.

Qwest 4-016:

- (a) Identify and list what accounts comprise “Common Costs” as that term is used in the original study.
- (b) Explain and describe what activities are contained in the accounts identified in the answer to subpart (a) above.

Response: (a) No specific accounts comprised "Common Costs" as that term was used in the original study. Rather, the common costs were assumed to be costs calculated in a manner similar to “Variable Overhead Factor” input in HAI utilized by Qwest, except that, rather than being expressed as a fraction of the sum of all capital costs and operational expenses calculated by the model as HAI does it, Union’s costs were calculated as a fraction of operational expenses (maintenance and power) only.

- (b) See response to (a).

Qwest 4-017:

- (a) Identify and list what accounts comprise “Common Costs” as that term is used in the revised study.
- (b) Explain and describe what activities are contained in the accounts identified in the answer to subpart (a) above.

Response: (a) No specific accounts comprise "Common Costs" as that term is used in the revised study. Rather, the common costs are assumed to be costs calculated in a manner similar to “Variable Overhead Factor” input in HAI utilized by Qwest, except that, rather than being expressed as a fraction of the sum of all capital costs and operational expenses calculated by the model as HAI does it, Union’s costs are calculated as a fraction of operational expenses only.

- (b) See response to (a).

Qwest 4-018:

- (a) State whether Union’s radios are Adaptive Multi-Rate (AMR) capable.
- (b) If the answer to subpart (a) above is “yes”, state whether Union operates its cell site radios at Adaptive Multi-Rate (AMR) half rate or Adaptive Multi-Rate (AMR) full rate. If the answer to subpart (a) above is “no”, state why not.

Response: Yes, the radios have that capability and would operate at full rate if the functionality was used.

Qwest 4-019:

State what percent of a typical Union cell site’s daily minutes of use take place in the busiest hour of the day.

Response: Union objects as it is not relevant. The information is not tracked thus.

Qwest 4-020:

Define and explain what Union means by "Traffic Sensitive Factor" in its revised cost study.

Response: The Traffic Sensitive Factor is a user-adjustable input that allows the user to select the proportion of the expenses and investments associated with cell sites and the GSM switch that varies in proportion to the number of calls terminated over those facilities.

Qwest 4-021:

Explain how Union developed the value for the input "Projected MOU Growth Factor" in its revised cost study.

Response: The value used for the input "Projected MOU Growth Factor" was based on both historic demand growth and projected usage that can be handled by the equipment invested at each site without further cell site additions and/or cell site splitting.

Qwest 4-022:

Explain how the value for the "Projected MOU Growth Factor" of 150% in the revised study was developed.

Response: See Response to 4-021.

DATED this 30th day of May, 2006.

s/ James H. Woody

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As to objections:

Bruce S. Asay

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served via electronic mail and/or first class mail (postage prepaid) on the 30th day of May, 2006, addressed as follows:

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