--BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH--

In the Matter of the Application for	Docket No. 05-053-01
Increase in USF Eligibility for Uintah	Bart S. Croxford
Basin Telecommunications Association	Exhibit No. DPU 6.0
and UBET Telecom, Inc.	

PREFILED DIRECT TESTIMONY OF

BART S. CROXFORD

FOR THE

DIVISION OF PUBLIC UTILITIES

DEPARTMENT OF COMMERCE

STATE OF UTAH

SEPTEMBER 9, 2005

CONFIDENTIAL PUBLIC VERSION

1		I. QUALIFICATIONS
2	Q.	PLEASE STATE YOUR NAME FOR THE RECORD.
3	Α.	Bart S. Croxford.
4		
5	Q.	BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR BUSINESS
6		ADDRESS?
7	Α.	I am employed by the Utah Department of Commerce, Division of Public Utilities
8		("Division"). My business address is 160 East 300 South, Fourth Floor, Salt Lake
9		City, Utah, 84111.
10		
11	Q.	WHAT IS YOUR POSITION?
12	Α.	Utility Regulatory Analyst.
13		
14	Q.	BRIEFLY DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL
15		BACKGROUND.
16	Α.	I received a Bachelor of Arts in Accounting from the University of Utah in 1976.
17		I am also a certified public accountant. I was employed by Utah Power & Light
18		and PacifiCorp for a total of nineteen years in the accounting and power supply
19		operations departments. I have been with the Division for eight years and have
20		worked mainly in the regulation of telecommunications utilities. I am responsible
21		for auditing companies in preparation for rate cases, making recommendations to
22		the Commission after reviewing contracts, tariffs, applications for competitive

1		entry, etc. Currently, I have been asked to examine issues in conjunction with the
2		application of UBTA-UBET Communications in this docket.
3		
4		II. PURPOSE OF TESTIMONY
5	Q.	WHAT IS THE PURPOSE OF YOUR TESTIMONY?
6	A.	My testimony addresses the revenue requirement relating to UBTA-UBET's
7		revenue accounts. I will be addressing revenue that could have been collected for
8		the implementation of local number portability and recommending normalizing
9		lease payments that were received for offices in North Myton for the test period.
10		
11		
12		III. ADJUSTMENTS
13		1. LOCAL NUMBER PORTABILITY (LNP)
	Q.	1. LOCAL NUMBER PORTABILITY (LNP) PLEASE DESCRIBE THE ADJUSTMENT FOR LOCAL NUMBER
14	Q.	
14 15	Q. A.	PLEASE DESCRIBE THE ADJUSTMENT FOR LOCAL NUMBER
14 15 16	_	PLEASE DESCRIBE THE ADJUSTMENT FOR LOCAL NUMBER PORTABILITY.
14 15 16 17	_	PLEASE DESCRIBE THE ADJUSTMENT FOR LOCAL NUMBER PORTABILITY. The Telecommunications Act of 1996 amended the Communications Act of 1934
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14 15 16 17 18 19 20	_	PLEASE DESCRIBE THE ADJUSTMENT FOR LOCAL NUMBER PORTABILITY. The Telecommunications Act of 1996 amended the Communications Act of 1934 "to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans
 13 14 15 16 17 18 19 20 21 22 	_	PLEASE DESCRIBE THE ADJUSTMENT FOR LOCAL NUMBER PORTABILITY. The Telecommunications Act of 1996 amended the Communications Act of 1934 "to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition." In particular, section

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BART S. CROXFORD

DOCKET 05-053-01

1	changing local service providers hampers the development of local competition.	
2	To address this concern, Congress added section 251(b)(2) to the 1934 Act, which	
3	requires all LECs, both incumbents and new entrants, to provide, to the extent	
4	technically feasible, number portability in accordance with requirements by the	
5	Federal Communications Commission ("FCC").	
6		
7	In its <i>Third Report and Order</i> , the FCC concluded that section 251(e)(2) requires	
8	the FCC to ensure that all telecommunications carriers bear, in a competitively-	
9	neutral manner, the costs of providing long-term portability for interstate and	
10	intrastate calls. It concluded that the costs of number portability that carriers must	
11	bear on a competitively-neutral basis included the costs that LECs incur to meet	
12	the obligation imposed by section $251(b)(2)$, as well as the costs other	
13	telecommunications carriers—such as interexchange carriers and commercial	
14	mobile radio service providers—incur for the industry-wide solution to providing	
15	local number portability.	
16		
17	Initially, this did not affect UBTA-UBET because it was protected from	
18	competition, pursuant to section $251(f)(1)$ of the 1996 Act. But when the FCC	
19	required wireless number portability to be implemented by May 24, 2004 by all	
20	wireless carriers that were not required to implement LNP by the original date of	
21	November 24, 2003, it affected UBTA-UBET because its affiliate, UBET	
22	Wireless, was required to provide LNP.	
	meress, mus required to promue Lini.	

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1		The Third Report and Order also allowed rate-of-return and price cap LECs to
2		recover their carrier-specific costs directly related to providing long-term LNP
3		through a federally-tariffed, monthly number-portability charge that applied to
4		end users.
5		
6		UBTA-UBET reported costs of ****** for implementing wireless LNP but did
7		not report any revenues from charging its customers to recover these costs. If the
8		Company had done so, the revenue requirement would have been reduced by
9		****** as detailed in DPU Exhibit 6.1. After the state allocation is applied,
10		based on the Plant Specific Operations Expense of 68.2845%, the result is an
11		adjustment of ******.
12		2. NORTH MYTON OFFICE
13	Q.	PLEASE DESCRIBE THE ADJUSTMENT FOR THE RENT RELATED
13 14	Q.	PLEASE DESCRIBE THE ADJUSTMENT FOR THE RENT RELATED TO NORTH MYTON OFFICE.
	Q. A.	
14		TO NORTH MYTON OFFICE.
14 15		TO NORTH MYTON OFFICE. During the onsite audit of the Company's books, the Division found in the
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14 15 16 17 18 19		 TO NORTH MYTON OFFICE. During the onsite audit of the Company's books, the Division found in the minutes of UBTA's board of directors that, in October 2004, the Company leased the former headquarters of the Company in North Myton for ***** per month. By normalizing these lease payments for the test period by imputing the other ten months of rent revenues, the revenue requirement is reduced by the amount
14 15 16 17 18 19 20		TO NORTH MYTON OFFICE. During the onsite audit of the Company's books, the Division found in the minutes of UBTA's board of directors that, in October 2004, the Company leased the former headquarters of the Company in North Myton for ***** per month. By normalizing these lease payments for the test period by imputing the other ten months of rent revenues, the revenue requirement is reduced by the amount shown in Exhibit 6.2. The adjustment is computed by simply multiplying the

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1		plant investment remaining would be allocated that way.	The total adjustment is,
2		therefore, ******.	
3		IV. CONCLUSION	
4	Q.	DOES THIS CONCLUDE YOUR TESTIMONY?	
5	А.	Yes.	

RESUME BART S. CROXFORD

EDUCATION:

Bachelor or Arts, Accounting: University of Utah, 1976, Magna Cum Laude

CPA STATUS:

Licensed in Utah since 1981

Utah Division of Public Utilities
160 East 300 South, 4 th Floor
Salt Lake City, UT 84111
Utility Regulatory Analyst
Primary responsibilities include reviewing and analyzing financial statements, tariffs, contracts, and applications of telecommunications companies
and making recommendations to the Commission. Responsibilities also include auditing
telecommunications companies in preparation of rate cases.
PacifiCorp/Utah Power & Light Company 825 NE Multnomah Portland, OR 97032
Power analyst
Compiled and analyzed power plant loads and costs for management.
Utah Power & Light Company 1407 W. North Temple
Salt Lake City, UT 84116
Accountant
Prepared cost analyses and billings involving Company property.