

**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

In the Matter of the Complaint of)
McLeodUSA Telecommunications)
Services, Inc., against Qwest Corporation) Docket No. 06-2249-01
for Enforcement of Commission-)
Approved Interconnection Agreement)
)

DIRECT TESTIMONY

OF

TAMI J. SPOCOGEE

ON BEHALF OF

MCLEODUSA TELECOMMUNICATIONS SERVICES, INC.

April 14, 2006

PUBLIC VERSION

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

2 **A:** My name is Tami J. Spocogee. My business address is 15 East 5th Street, Tulsa,
3 Oklahoma 74103.

4
5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 **A:** I am employed by McLeodUSA Incorporated as a Director – Network Cost and Access
7 Billing. McLeodUSA Incorporated is the parent company of McLeodUSA
8 Telecommunications Services, Inc. (“McLeodUSA”).

9
10 **Q. PLEASE DESCRIBE YOUR RELEVANT WORK EXPERIENCE.**

11 **A:** I have been involved in the telecommunications industry since 1980, when I began
12 working for Southwestern Bell Telephone Company (“SWBT”). I held a variety of
13 positions with SWBT starting in the commercial business office. In 1985 I joined the
14 Inter-exchange Carrier Service Organization where my primary responsibilities
15 concentrated on Access and Interconnect billing. My specific titles and responsibilities
16 were Service Representative in the Service Center and Manager - SWBT Headquarters
17 handling billing and dispute processes. I also was a member of a BellCore (now
18 Telcordia) task force established to improve integrity between the billing, ordering and
19 network systems for SWBT. The last position I held at SWBT was Manager in the
20 Service Center handling billing issues for most inter-exchange carriers and competitive
21 local exchange carriers (“CLECs”). In August 1994 I joined WilTel, subsequently
22 acquired by WorldCom and then MCI, as a Manager in the Network Cost Organization. I
23 subsequently moved to Senior Manager over the Network Cost organization, handling

24 payments, audits and disputes of network and CLEC services. During this time, I was
25 also a participant, and for two years a Co-Leader, of the Billing Committee in the Order
26 and Billing Forum. I joined McLeodUSA Incorporated in September 2000 as a Senior
27 Manager over the network cost organization. My organization is responsible for
28 payments, audits and disputes of network services purchased from other
29 telecommunications service providers. In December of 2004, I also started managing the
30 group responsible for access services and Carrier Access Billing System access services
31 billings and the related billing disputes. Presently, I am the Director of Network Cost and
32 Access Billing.

33

34 **Q: HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY MATTERS?**

35 **A:** Yes, I have testified in an Illinois docket investigating a proposal by Illinois Bell to
36 eliminate metered collocation power arrangements.

37

38 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

39 **A:** The purpose of my testimony is to report the amount of monthly collocation power
40 charges that McLeodUSA seeks to recoup from Qwest should the Utah Public Service
41 Commission agree with McLeodUSA that Qwest should be billing McLeodUSA for DC
42 Power on a usage basis under the 2004 amendment.

43

44 **Q. ARE YOU FAMILIAR WITH BILLINGS FOR COLLOCATION POWER BY**
45 **QWEST TO MCLEODUSA?**

46 **A:** Yes. My organization is responsible for reviewing all collocation billings, including the
47 billings for the 25 collocations McLeodUSA currently has operating in Qwest central
48 offices in the State of Utah. Of those 25 collocations, 5 are cageless, and the remaining
49 20 are caged collocations.

50

51 **Q: ARE YOU FAMILIAR WITH THE INTERCONNECTION AGREEMENT**
52 **(“ICA”) AND THE DC POWER AMENDMENT THAT MCLEODUSA SIGNED**
53 **WITH QWEST REGARDING COLLOCATION POWER CHARGES IN 2004?**

54 **A:** Yes, I am generally familiar with the ICA and have specifically reviewed the DC Power
55 Measuring Amendment. It is my understanding that the amendment was a form
56 amendment that Qwest provided to McLeodUSA in July 2004.

57

58 **Q: ARE YOU FAMILIAR WITH THE TESTIMONY OF MICHAEL STARKEY OF**
59 **QSI CONSULTING, INC. FILED IN THIS PROCEEDING?**

60 **A:** Yes, I have reviewed Mr. Starkey’s testimony.

61

62 **Q: HAVE YOU CALCULATED THE AMOUNT OF DC POWER CHARGES THAT**
63 **MCLEODUSA PAID QWEST IN EXCESS OF CHARGES THAT WOULD**
64 **HAVE BEEN OWED HAD THE DC POWER CHARGE BEEN BILLED ON A**
65 **USAGE BASIS?**

66 **A:** Yes, through March 2006, I estimate that Qwest charged McLeodUSA \$385,951 more
67 than should have been billed for DC Power if Qwest had properly applied the 2004
68 amendment to the DC Power charge. This amounts to \$23,705 in excess monthly
69 operating costs that McLeodUSA should not have to pay Qwest for DC Power that
70 McLeodUSA is not using.

71

72 **Q: PLEASE EXPLAIN THE BASIS OF YOUR CALCULATION?**

73 **A:** I used the amps that Qwest measured for each collocation and applied the DC Power rate
74 to calculate how much McLeodUSA should have been billed based on the amount of
75 power its collocated equipment actually used. I subtracted this from the amount that
76 Qwest billed for each collocation to determine the overcharge.

77

78 **Q: DOES YOUR FIGURE REFLECT A REDUCTION IN POWER CHARGES FOR**
79 **ALL MCLEODUSA COLLOCATIONS IN UTAH?**

80 **A:** No, the 2004 amendment contains a 60-amp minimum for each collocation before DC
81 Power will be billed on a usage basis. Therefore, my calculation does not reflect any
82 claim to recoup excess power charges at the two (2) collocations in Utah where we
83 ordered 60 amps or less.

84

85 **Q: DID MCLEODUSA WITHHOLD PAYMENTS BILLED BY QWEST RELATED**
86 **TO THIS DISPUTE?**

87 **A:** Yes, once our audit revealed that Qwest was continuing to bill McLeodUSA for the DC
88 Power charge on an “as ordered” basis rather than on a usage basis, I began short paying

89 the Qwest invoice in September 2005. The amount withheld equaled the difference
90 between the invoiced amount and what the DC Power charge should have been if billed
91 on a usage basis. McLeodUSA has been paying the invoiced amount since December
92 2005, but it reserved its right to continue disputing all DC Power charges in excess of the
93 amount that would have been billed on a usage basis. For the limited time McLeodUSA
94 was withholding the disputed amount, this withholding totaled \$146,493.12.

95
96 **Q: IS THE DISPUTED DC POWER CHARGE SIGNIFICANT TO MCLEODUSA**
97 **OPERATIONS?**

98 **A:** Yes, collocation power charges paid to Qwest represent a significant operating cost to
99 McLeodUSA in providing facilities-based competitive services. The excess DC Power
100 charges billed by Qwest represents 48% of the total monthly cost of collocation. These
101 power charges can significantly impact the decision to enter or exit a particular wire
102 center using a facilities-based offering requiring collocation at the central office.

103
104 **Q: CAN YOU EXPRESS THIS MONTHLY IMPACT OF EXCESS DC POWER**
105 **COSTS OF \$23,705 ON A PER LINE BASIS?**

106 **A:** Yes. Based on McLeodUSA's approximately *****BEGIN CONFIDENTIAL** [REDACTED]
107 **END CONFIDENTIAL***** UNE-L lines in service as of December 2005 in its 25
108 collocations in Qwest's Utah central offices, the excess DC Power charges costs
109 McLeodUSA an average of *****BEGIN CONFIDENTIAL** [REDACTED] **END**
110 **CONFIDENTIAL***** per line per month. This excess charge clearly impacts the

111 margin McLeodUSA can achieve on its services. I should point out that the per-line
112 impact would vary widely among individual collocations.

113

114 **Q: DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?**

115 **A:** Yes, it does.