BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of Budget Prepay, Inc. d/b/a Budget Phone, Inc.'s Petition for Limited Designation as a Non-Rural Wireless Eligible Telecommunications Carrier.

Docket No. 12-2554-01

HEARING TAKEN AT: Fourth Floor Hearing Room 451 Heber M. Wells Building 160 East 300 South Salt Lake City, Utah DATE: Wednesday, November 7, 2012 TIME: 9:02 a.m to 9:32 a.m. REPORTED BY: Michelle Mallonee, RPR

	Hearing 11/07/12
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2	
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5	SARA KERKHOFF RUNDELL, ESQ.
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12	Budget Prepay, Inc.
13	
14	ROBYN ENKEY (Appearing telephonically)
15	Budget Prepay, Inc.
16	
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25	Division of Public Utilities

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•	CHERYL MURRAY
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4	BETSY WOLF
5	Salt Lake Community Action Program
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13	2012 With Attached Exhibits		
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1	Hearing		
2	November 7, 2012		
3	PROCEEDINGS		
4	THE COURT: We will be on the record.		
5	Good morning. I'm Melanie Reif, Administrative		
6	Law Judge for the Public Service Commission. And this		
7	morning, we are here in Docket 12-2554-01. This docket is		
8	entitled, "In the Matter of Budget Prepay, Inc., dba Budget		
9	Mobile's Petition for Limited Designation as a Non-Rural		
10	Wireless Eligible Telecommunications Carrier." This hearing is		
11	being scheduled at the request of the parties, in particular the		
12	parties to the stipulation and settlement that was filed on		
13	October 31, 2012. And I'd like to start first by taking		
14	appearances.		
15	MR. NELSON: Good morning, your Honor. Thor		
16	Nelson, and Sara Rundell by telephone. We're with the law firm		
17	of Holland & Hart, appearing today on behalf of the applicant,		
18	Budget Mobile.		
19	THE COURT: Thank you.		
20	MR. JETTER: And Justin Jetter for the Division of		
21	Public Utilities. And my witness is Casey Coleman, also with		
22	the Division of Public Utilities.		
23	THE COURT: Thank you.		
24	MS. MURRAY: Cheryl Murray with the Office of		
25	Consumer Services.		

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1	MS. WOLF: Betsy Wolf with Salt Lake Community
2	Action Program.
3	THE COURT: Okay. Ms. Wolf, could you make
4	share your microphone is on? I'm not hearing you real well.
5	MS. WOLF: Sorry. Is that better?
6	THE COURT: That's much better. Thank you very
7	much.
8	Back to you, Mr. Nelson. This is your application,
9	so I'm going to let you take the lead here. And will you be
10	calling a witness this morning?
11	MR. NELSON: We will, your Honor. We will be
12	calling David Donahue, who is with Budget Mobile.
13	THE COURT: Okay. And I think for convenience
14	sake, since we're also going to be hearing testimony from Mr.
15	Casey [sic] on behalf of the Division, Ms. Murray on behalf of
16	the office.
17	And, Ms. Wolf, do you intend to give testimony this
18	morning?
19	MS. WOLF: I didn't intend it. I'm just here to
20	answer questions, if there are any.
21	THE COURT: Okay. All right. Let's
22	unless you would like to proceed otherwise, Mr. Nelson, I'd like
23	to go ahead and swear in all three witnesses at once. Is that
24	okay with you?
25	MR. NELSON: That would be just fine.

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1	THE COURT: Okay. And you do not intend to call
2	Ms. Enkey. Is that correct?
3	MR. NELSON: That's correct. She's just there as
4	backup.
5	THE COURT: All right.
6	Mr. Donahue, can you hear me okay?
7	MR. DONAHUE: Yes, ma'am.
8	THE COURT: Okay. So I'm going to ask you just
9	to follow along and do, do as I say, as will the witnesses here
10	present.
11	If all the witnesses who intend to testify today will
12	please raise their right hand.
13	And do you swear that the testimony that you are
14	about to give is the truth?
15	Mr. Donahue, I'll let you go first, please.
16	MR. DONAHUE: Yes.
17	THE COURT: Mr. Casey?
18	MR. COLEMAN: Yes.
19	THE COURT: Ms. Murray.
20	MS. MURRAY: Yes.
21	THE COURT: Thank you very much.
22	Okay. Mr. Nelson, please proceed.
23	MR. NELSON: Thank you, your Honor. Your
24	Honor, we had identified in our pre-hearing submissions three
25	exhibits that we intended to introduce. And I'd just ask your

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1	preference for how that be accomplished. In particular, we had
2	identified, first, Budget Exhibit No. 1, which was the application
3	that was filed in this proceeding on June 21st of 2012. That
4	Exhibit No. 1 includes several exhibits to itself.
5	Then we had as Exhibit No. 2 the prefiled direct
6	testimony and exhibits of David Donahue, also submitted in this
7	case. I would note that two of the exhibits to Mr. Donahue's
8	testimony, Exhibits DD-5 and DD-6, were filed as "Confidential"
9	and have been included in little packets for everyone on yellow
10	paper.
11	And then finally, we had identified Joint Exhibit No.
12	1, which is a copy of the Stipulation and Settlement Agreement
13	that was reached between Budget, the Division, and the Office,
14	which is the subject of the hearing this morning. Attached to
15	Joint Exhibit No. 1 is the Utah State Specific Fact Sheet, which
16	is labeled as Attachment No. 1.
17	So I wanted to know whether it was your pleasure,
18	since the Stipulation contemplated the admission of these
19	exhibits, I didn't know if you needed me to have the witness
20	walk through these identify them, and do that formally, or if you
21	would prefer another procedure for the introduction of these
22	documents into the record.
23	THE COURT: Mr. Nelson, I think given, what
24	appears to be, the uncontested nature of this stipulation, I
25	would prefer to take judicial notice of the documents. That's not

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1	to say, however, that you should overlook them when calling	
2	your witness to testify. I think it would be helpful to have him	
3	cover all of those. And also, to the extent that there are	
4	confidential documents involved, I think it would be in the best	
5	interest to have them admitted in the way of judicial notice as	
6	opposed to exhibits.	
7	MR. NELSON: That would be fine. So then I would	
8	ask that your Honor take judicial notice of what have been	
9	identified as the Budget Exhibit 1, the Application filed in this	
10	caseprefiled in this case; Budget Exhibit 2, the Prefiled Direct	
11	Testimony exhibits of Mr. Donahue; and Joint Exhibit No. 1, the	
12	Stipulation and Settlement Agreement submitted by Budget, the	
13	Division, and the Office.	
14	THE COURT: Thank you, Mr. Thor [sic]. I'm	
15	assuming there's no objection to those being entered- excuse	
16	me, not entered, but that the Commission will take judicial	
17	notice of them.	
18	MR. JETTER: We have no objection.	
19	THE COURT: Okay. Thank you.	
20	They are so noted. Thank you.	
21	MR. NELSON: Okay.	
22	DAVID DONAHUE, having been first duly sworn,	
23	was examined and testified as follows:	
24	DIRECT EXAMINATION	
25	BY-MR.NELSON:	

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1	Q. Good morning, Mr. Donahue, can you hear me	
2	okay?	
3	A. Yes, I can.	
4	Q. Okay. Mr. Donahue, since this is your first time	
5	appearing in Utah, anyway, can you please just identify by	
6	whom you are employed and in what capacity?	
7	A. Yes. I'm employed by Budget Prepay,	
8	Incorporated. I am the CFO for the company.	
9	Q. Okay. And you caused to be prefiled in this case	
10	the documents, which were just taken judicial notice of, the	
11	direct testimony of David Donahue, which included various	
12	exhibits, that was filed on August 10th of 2012. Is that correct?	
13	A. Yes, sir.	
14	Q. Okay. And you are also, were you not, involved in	
15	the discussions regarding the Stipulation and Settlement	
16	Agreement, which was just identified as Joint Exhibit No. 1, the	
17	agreement agreed to between Budget, the Division, and the	
18	Office. Do you recall that, sir?	
19	A. Yes, sir.	
20	Q. Okay. And do you have in front of you today,	
21	where you're calling from, a copy of all of the documents that	
22	we've been talking about: the Application, your testimony, and	
23	the Stipulation and Settlement Agreement?	
24	A. Yes, sir.	
25	Q. Okay. Very good. By way of background, then,	

1just a little bit, can you provide a little bit of overview for who2Budget is and what it is that you do, what your business is?3A. Sure. We're a company that been in business4approximately 16 years. Can you hear me? I'm sorry.5Q. Yeah, we hear you great. Thank you.6A. Okay. Budget's been in business for approximately716 years. We've been an ETC in multiple states on the wireline8side for approximately five to six years. We also became a9wireless ETC in approximately 18 states. We have10approximately 500,000 customers on the wireless side. and11approximately 40,000 customers on the wireless12also have a couple of other divisions that we sell wireless13recharge. But our main business is focused on non-lifeline and14Lifeline products on the wireless side.15Q. Okay. Now, turning, then, tolet me just start by16the focus of what I think this hearing is about, the stipulation17and settlement agreement. If you could put that in front of you18so you have19you can see that.20A. Okay.21Q. Just want to ask you a couple of general questions22about this.23First of all, in the state of Utah, Budget is seeking24ETC designation for low-income services only. Is that correct?25A. Yes.			Hearing 11/07/12	11
3A.Sure. We're a company that been in business3approximately 16 years. Can you hear me? I'm sorry.5Q.Yeah, we hear you great. Thank you.6A.Okay. Budget's been in business for approximately716 years. We've been an ETC in multiple states on the wireline8side for approximately five to six years. We also became a9wireless ETC in approximately 18 states. We have10approximately 500,000 customers on the wireless side, and11approximately 40,000 customers on the wireless side, and12also have a couple of other divisions that we sell wireless13recharge. But our main business is focused on non-lifeline and14Lifeline products on the wireless side.15Q.16okay. Now, turning, then, tolet me just start by16the focus of what I think this hearing is about, the stipulation17and settlement agreement. If you could put that in front of you18so you have19you can see that.20A.21Q.23First of all, in the state of Utah, Budget is seeking24ETC designation for low-income services only. Is that correct?	1	just a little l	oit, can you provide a little bit of overview for who	
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 16 years. We've been an ETC in multiple states on the wireline side for approximately five to six years. We also became a wireless ETC in approximately 18 states. We have approximately 500,000 customers on the wireless side, and approximately 40,000 customers on the wireless side. And we also have a couple of other divisions that we sell wireless recharge. But our main business is focused on non-lifeline and Lifeline products on the wireless side. Q. Okay. Now, turning, then, tolet me just start by the focus of what I think this hearing is about, the stipulation and settlement agreement. If you could put that in front of you so you have you can see that. Q. Just want to ask you a couple of general questions about this. ETC designation for low-income services only. Is that correct? 	5	Q.	Yeah, we hear you great. Thank you.	
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14Lifeline products on the wireless side.15Q. Okay. Now, turning, then, tolet me just start by16the focus of what I think this hearing is about, the stipulation17and settlement agreement. If you could put that in front of you18so you have19you can see that.20A. Okay.21Q. Just want to ask you a couple of general questions22about this.23First of all, in the state of Utah, Budget is seeking24ETC designation for low-income services only. Is that correct?	12	also have a	couple of other divisions that we sell wireless	
 Q. Okay. Now, turning, then, tolet me just start by the focus of what I think this hearing is about, the stipulation and settlement agreement. If you could put that in front of you so you have you can see that. A. Okay. Q. Just want to ask you a couple of general questions about this. First of all, in the state of Utah, Budget is seeking ETC designation for low-income services only. Is that correct? 	13	recharge. E	But our main business is focused on non-lifeline and	b
 16 the focus of what I think this hearing is about, the stipulation 17 and settlement agreement. If you could put that in front of you 18 so you have 19 you can see that. 20 A. Okay. 21 Q. Just want to ask you a couple of general questions 22 about this. 23 First of all, in the state of Utah, Budget is seeking 24 ETC designation for low-income services only. Is that correct? 	14	Lifeline pro	ducts on the wireless side.	
 17 and settlement agreement. If you could put that in front of you 18 so you have 19 you can see that. 20 A. Okay. 21 Q. Just want to ask you a couple of general questions 22 about this. 23 First of all, in the state of Utah, Budget is seeking 24 ETC designation for low-income services only. Is that correct? 	15	Q.	Okay. Now, turning, then, tolet me just start by	
 18 so you have 19 you can see that. 20 A. Okay. 21 Q. Just want to ask you a couple of general questions 22 about this. 23 First of all, in the state of Utah, Budget is seeking 24 ETC designation for low-income services only. Is that correct? 	16	the focus of	what I think this hearing is about, the stipulation	
 19 you can see that. 20 A. Okay. 21 Q. Just want to ask you a couple of general questions 22 about this. 23 First of all, in the state of Utah, Budget is seeking 24 ETC designation for low-income services only. Is that correct? 	17	and settlem	ent agreement. If you could put that in front of you	
20A.Okay.21Q.Just want to ask you a couple of general questions22about this.23First of all, in the state of Utah, Budget is seeking24ETC designation for low-income services only. Is that correct?	18	so you have)	
 Q. Just want to ask you a couple of general questions about this. First of all, in the state of Utah, Budget is seeking ETC designation for low-income services only. Is that correct? 	19	you can see	e that.	
 22 about this. 23 First of all, in the state of Utah, Budget is seeking 24 ETC designation for low-income services only. Is that correct? 	20	Α.	Okay.	
23First of all, in the state of Utah, Budget is seeking24ETC designation for low-income services only. Is that correct?	21	Q.	Just want to ask you a couple of general question	S
24 ETC designation for low-income services only. Is that correct?	22	about this.		
	23		First of all, in the state of Utah, Budget is seeking	
25 A. Yes.	24	ETC design	ation for low-income services only. Is that correct?)
	25	Α.	Yes.	

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1	Q. Okay. And can you also confirm that the
2	designation that Budget is seeking is limited to the geographic
3	area that is served by Qwest and CenturyLink in the state of
4	Utah?
5	A. Yes, sir.
6	Q. Okay. In the Stipulation and Settlement
7	Agreement, I'll refer you now to page 5 of that document at
8	paragraph 7. Do you see that, sir?
9	A. Yes.
10	Q. All right. There, you describe that there are two,
11	two Lifeline plans that Budget intends to offer in the state of
12	Utah if the ETC designation is granted. And let me just ask you
13	about those.
14	First of all, could you explain the Free Plan that
15	Budget intends to offer and what that provides to customers?
16	A. Yes. That's a frequentwe call that our "Free
17	Plan." It's basically 250 free minutes per month with awe also
18	provide a refurbished handset to those individuals that qualify
19	for the plan.
20	Q. Okay. And then secondly, there is another plan,
21	which is sometimes described as the "Active Talk & Text Plan."
22	Can you describe what that is and how that is priced and what
23	services that provides to customers?
24	A. Okay. That plan is priced at \$34.25. It is- after
25	the Lifeline discount, it's approximately \$25. It's a 4000 Minute

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1	Talk & Text Plan for an individual that has the ability to use a
2	total of thoseof that 4000 minutes.
3	Q. Okay. In the stipulation that was entered into
4	between Budget and the Division and the Office, in addition to
5	talking about the plans that Budget intends to offer, it also
6	discusses the fact that Budget meets the qualification
7	requirements under state and federal law. Do you recall that,
8	sir?
9	A. Yes.
10	Q. Okay. And as you sit here today, the facts, as they
11	are set forth in the Application and the Stipulation with regard to
12	the fact that Budget does meet the federal and state
13	qualifications, does that remain true today?
14	A. Yes, sir.
15	Q. Okay. Then lastly, I just want to turn your attention
16	to the specific agreements, then, that were made between
17	Budget and the staff and the Office here. Now I'll turn your
18	attention to page 6 of the Joint Exhibit 1, the Stipulation
19	Agreement.
20	A. I'm there.
21	Q. Okay. And then on page 6, there's a paragraph
22	numbered 10, and then a number of lettered paragraphs, A
23	through H, beneath that, that set forth the specific agreements
24	that Budget has made with the Division and the OCS in this
25	case. Do you see that, sir?

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1	Α.	Yes, sir.	
2	Q.	Okay. And I just would askwe're just going to	
3	walk throug	h each of these, generally speaking, so we have tha	t
4	all on the re	cord.	
5		The first agreement, can you explain what's	
6	described ir	n paragraph 10-A and what Budget has agreed to do	?
7	Α.	Yes. That any changes to the Lifeline offering, we	
8	would inforr	n DPU and OCS before changing any plans.	
9	Q.	Okay. And then in 10-B, what are we committing to	
10	do there?		
11	Α.	Basically to provide a Utah-specific page on the	
12	website, de	aling with the offerings in Utah.	
13	Q.	Okay. And the purpose of 10-B there is what with	
14	respect to o	ur customers?	
15	Α.	They've have the most up-to-date information	
16	available to	them about the Utah plans that we're offering.	
17	Q.	Okay. And then in 10-C, we talk about a	
18	Utah-specif	ic fact sheet. And then there's a reference to	
19	Attachment	A to the stipulation that includes that fact sheet. Do	С
20	you see tha	t reference, sir?	
21	Α.	Yes, I do.	
22	Q.	Okay. And does theis the informationif you	
23	could refer	to Attachment 1the information on the Utah-specif	ic
24	program tha	t, that Budget is intending to offer, is that true to	
25	date in term	s of what our intent of what our offers are if the	

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1	application	is approved?	
2	Α.	Yes, sir.	
3	Q.	All right. Moving forward. Can you explain what	
4	Budget has	agreed to in paragraph 10-D?	
5	Α.	That we did notwe are not seeking any Utah state	
6	funds.		
7	Q.	Right.	
8	Α.	Universal service funding.	
9	Q.	Okay. And this is the point that our application is	
10	limited to lo	w-income support at the federal level. Is that	
11	correct?		
12	Α.	That is correct.	
13	Q.	Okay. And then what are we committing to in 10-E	?
14	Α.	Basically to comply to all the Utah service quality	
15	and consum	ner protection requirements.	
16	Q.	And 10-F.	
17	Α.	That we agree to pay all local, state, and regulatory	y
18	fees, includ	ling universal service fees, emergency service fees,	
19	and relay se	ervice fees.	
20	Q.	All right. And 10-G.	
21	Α.	That we agree to adopt any Utah-specific Lifeline	
22	certificatior	n developed by the Commission in their docket.	
23	Q.	Okay. Understanding these commitments, I then	
24	want to turr	your attention back to the Joint Exhibit No. 1, the	
25	Stipulation	on page 4.	

 A. Okay. Q. And there you see two parts of the Agreement, which are under the Agreement. I want to refer you first to what's listed as paragraph No. 2. That discusses whether or n Budget's program will help further the goal that the citizens of the State of Utah have access to high-quality and affordable telecommunication services. Do you see that, sir? A. Yes, I do. Q. Okay. In your view, why is it that if Budget is authorized to provide theis granted the ETC designation that we are seeking, how does that help the citizens of the state of Utah gain access to high-quality, affordable telecommunicatio services? 	ot
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 12 Utah gain access to high-quality, affordable telecommunicatio 13 services? 	
13 services?	
	ı
14 A. Basically our, our plan is, for the state of Utah, is	
15 to provide services to low-income individuals through our retai	
16 stores and through our retail channel. We kind of differentiate	
17 ourselves from other companies, that we do it more from a stor	е
18 front or locally and not through the Internet. We have-we	
19 access the customer base a lot quicker. It also allows	
20 customers to come in if they have problems, buy additional	
21 service, have a place toa point of reference to come to.	
22 Q. And the customers that we servehere, actually,	et
23 me back that up. Let me just refer to this next question here.	
24 Let me just turn your attention to paragraph 3, rig	nt
25 beneath that, where it talks about the fact that Budget's	

	Hearing 11/07/12	17
1	products will provide additional customer choices with regard to	
2	service options for low-income customers.	
3	Let me ask you: In your experience, do low-income	
4	customersor have low-income customers historically had	
5	extensive numbers of choices for different telecommunication	
6	services?	
7	A. No. Again, we're one of the few companies that	
8	actually offers a 250 Free Minute Plan and one that actually	
9	offers a 4000 Minute Talk & Text Plan. Typically, the minutes	
10	are a lot lower.	
11	Q. Okay. And so from your perspective, how does	
12	your offering improve the choices that are available to	
13	low-income customers in Utah?	
14	A. It gives us a bettercompetition, and gives the	
15	customer the ability to choose a better product.	
16	Q. Okay. Then finally, Mr. Donahue, do you believe	
17	that the application that has been submitted by Budget in the	
18	context of the agreements that we've made in the Stipulation	
19	and Settlement Agreement that those are in the public interest	
20	of the citizens of the state of Utah?	
21	A. Yes, sir.	
22	Q. Thank you, Mr. Donahue.	
23	MR. NELSON: Your Honor, I have no further	
24	questions of the witness at this time. And he's available for any	
25	questions of the parties or yourself.	

	Hearing 11/07/12 18	3
1	THE COURT: Anything from the Division or the]
2	Office?	
3	MR. JETTER: Can I have justThe Division has no	
4	questions.	
5	THE COURT: Ms. Murray, do you have any	
6	questions?	
7	MS. MURRAY: No.	
8	THE COURT: And, Ms. Wolf, would you like to ask	
9	any questions?	
10	MS. WOLF: No, thank you.	
11	THE COURT: Okay.	
12	Mr. Thor, just one question, please, from the	
13	Commission.	
14	One of the requirements under the statute for the	
15	approval of the stipulation is that the settlement proposal be	
16	just and reasonable and resolved. And I would like to ask Mr.	
17	Donahue	
18	first of all, I really appreciate the extent and the detailed	
19	testimony that he has given. And he has responded to the issue	
20	of the public interest, which is very helpful.	
21	I would like him to address the question of whether	
22	he believes that what's being proposed is just and reasonable in	
23	result.	
24	Could youMr. Donahue, did you hear my	
25	question?	

	Hearing 11/07/12 1
1	THE WITNESS: Sure, I did, yes. Yeah, I believe
2	that the stipulation agreement, that it is justified and there is
3	nowe have no problem with the settlement agreement.
4	THE COURT: Okay.
5	MR. NELSON: Let me, thenlet me try to follow up
6	with a couple of questions, Mr. Donahue, on this particular
7	issue.
8	With respect to whether or not the outcome is
9	reasonable, let's first make sure we understand. The outcome
10	that is being sought here is the approval of the Public Service
11	Commission of Utah to allow Budget to receive the federal
12	subsidy if, and to the extent, Budget is able to sell services to
13	qualified low-income customers in the state of Utah. Is that
14	correct?
15	A. Yes.
16	Q. Okay. And so the request that we're asking for
17	here, the result that we're asking for is approval of the
18	application.
19	And let me ask in a couple of different ways to
20	make sure that we have on the record why we think that
21	approving of the application is init is a just and reasonable
22	outcome.
23	First, as to the justness of it, I think you've
24	previously testified, but I think I'll just verify again, that your
25	testimony today is that Budget has committed to meet all of the

	Hearing 11/07/12 20
1	requirements under state and federal law to obtain ETC
2	certification in Utah. Is that correct?
3	A. That is correct.
4	Q. Okay. And further, in the context of the stipulation,
5	we have agreed to comply with the ongoing rules and
6	requirements of the Utah Commission, including, for example,
7	service quality rules and consumer protection rules. Is that
8	correct?
9	A. That is correct.
10	Q. And then we've also agreed to comply with any
11	changes to the certification and verification process that the
12	Commission may order with respect to ETC customers going
13	forward. Is that correct?
14	A. That is correct.
15	Q. Okay. And then let me justas to the
16	reasonableness, we haveyour testimony today was that by
17	granting the application to Budget that you would, you would
18	have the outcome of increasing the number of, the number and
19	the quality of choices that are available to qualify low-income
20	customers in Utah. Do you recall your testimony on that point,
21	sir?
22	A. That is correct.
23	Q. Okay. But whatimportantly, as to the
24	reasonableness of this, I think it's worth noting that is it your
25	understanding that there are other ETCs who have been

	Hearing 11/07/12 21
1	designated in the state of Utahfor example, I wireless?
2	A. That is correct.
3	Q. Okay. And so the relief that we are seeking is
4	essentially to put us on an equal footing, if you would, in terms
5	of our eligibility to receive federal support for low-income
6	customers, as the other carriers who have already been granted
7	that eligibility in Utah?
8	A. That is correct.
9	Q. Okay. And by putting Budgetin essence, because
10	Budget has met the federal and state requirements, do you think
11	it is reasonable for Budget to be put on the same footing, that
12	is, to gain the same certification as the Commission has
13	afforded to other carriers in the marketplace?
14	A. That is correct.
15	Q. Okay. Thank you.
16	THE COURT: Thank you, Mr. Nelson. Thank you
17	Mr. Nelson. Appreciate that.
18	Mr. Jetter, I'm going to move to you now.
19	MR. JETTER: Thanks.
20	THE COURT: Before I do, though, Mr. Thor, does
21	that conclude your presentation and
22	MR. NELSON: It does, your Honor. We have
23	nothing further from Mr. Donahue, unless you and the other
24	parties have other questions.
25	THE COURT: Okay. Thank you.

	Hearing 11/07/12	2
1	Mr. Jetter?	
2	MR. JETTER: The Division would like to call its	
3	witness, Casey Coleman.	
4	THE COURT: Thank you. Mr. Coleman's been	
5	sworn. Please proceed.	
6	MR. JETTER: Can you hear me okay?	
7	THE COURT: I can hear you okay, thank you.	
8	MR. JETTER: Excellent.	
9	CASEY COLEMAN, having been first duly sworn,	
10	was examined and testified as follows:	
11	DIRECT EXAMINATION	
12	BY-MR.JETTER:	
13	Q. Mr. Coleman, have you reviewed the Application	
14	and the testimony filed by David Donahue in this docket?	
15	A. Yes, I have.	
16	Q. And have you reviewed the Settlement and	
17	Stipulation Agreement?	
18	A. Yes.	
19	Q. Do you still agree that the general terms and	
20	agreements between the parties, as outlined in the settlement	
21	agreement, are still in the public interest?	
22	A. Yes.	
23	Q. Do you believe that if the settlement agreement is	
24	approved by the Commission and Budget is provided a	
25	Non-Rural Wireless ETC Carrier designation, that would result	
		_

	Hearing 11/07/12 23
1	in just and reasonable rates to consumers?
2	A. Yes.
3	Q. I have no further questions.
4	THE COURT: Thank you, Mr. Jetter.
5	Any questions for Mr. Casey?
6	MR. NELSON: No questions.
7	THE COURT: Casey Coleman? Excuse me.
8	MR. COLEMAN: That's fine.
9	THE COURT: Apologize.
10	MR. NELSON: No questions, thank you.
11	THE COURT: Okay. Thank you.
12	Ms. Murray.
13	CHERYL MURRAY, having been first duly sworn,
14	testified as follows:
15	TESTIMONY
16	BY-MS.MURRAY
17	Thank you, your Honor. I just have a brief
18	statement. The Office of Consumer Services is responsible for
19	assessing the impact of utility rate changes and regulatory
20	actions upon residential and small commercial customers. And
21	it's in that capacity that we have analyzed Budget Mobile's
22	request for limited designation as an eligible
23	telecommunications carrier for the purpose of providing Lifeline
24	service. Our considerations are both with the benefits provided
25	to low-income customers and the funds that are going to be

	Hearing 11/07/12	24
1	collected from telecommunications customers to fund the	
2	Lifeline program.	
3	The Office recognizes the need for low-income	
4	persons to have access to telephone service, and, in general,	
5	supports the ability to receive that access through wireless	
6	telephone service.	
7	The stipulation that is being presented today	
8	incorporates conditions the Office asserts are necessary to the	
9	public interest, such as development and use of a Utah-specific	
10	information sheet, payment of appropriate taxes and fees,	
11	agreement to adopt any changes to the process that are	
12	developed within Docket 10-2528-01. And future requests for	
13	access, if there is a future request for access, to the state USF,	
14	there must be a filing and a hearing on the matter.	
15	In conclusion, in the Office's judgment, the	
16	stipulation is in the public interest, and we recommend	
17	Commission approval.	
18	THE COURT: Thank you, Ms. Murray.	
19	As a follow-up question, is it your testimony that	
20	the Settlement Agreement, as noted on page 7, paragraph 2, is	
21	also just and reasonable in result?	
22	MS. MURRAY: It is.	
23	THE COURT: Thank you.	
24	Are there any other questions for Ms. Murray?	
25	Okay.	

	Hearing 11/07/12 2
1	Ms. Wolf, I know you haven't gone on the record as
2	making an appearance and that you're here. And I really do
3	appreciate that. The Commission really appreciates that.
4	I do note that you have intervened in this case. And
5	while you are not a party to the stipulation, it would be very
6	helpful to ask you a couple of questions for clarification. And is
7	that okay with you?
8	MS. WOLF: That would be fine, thank you.
9	THE COURT: Okay. Okay. On the very front page
10	of the Stipulation Agreement, it states in the last sentence of
11	the first paragraph that, "The Salt Lake City Community Action
12	Program, and intervening party, does not oppose this
13	stipulation." Is that a correct statement?
14	MS. WOLF: That is a correct statement.
15	THE COURT: Okay. Thank you very much.
16	Is there any objection to the Application that's
17	pending today? Hearing none, this hearing will be adjourned
18	and a decision will be forthcoming. I thank you very much for
19	your attendance today. And have a good rest of your day.
20	MR. NELSON: Thank you, your Honor.
21	THE COURT: Thank you.
22	(The matter concluded at 9:32 a.m.)
23	
24	
25	

	Hearing 11/07/12	26
1	CERTIFICATE	
2		
3	State of Utah)	
4	SS.	
5	County of Salt Lake)	
6		
7	I, Michelle Mallonee, a Registered Professional	
8	Reporter and Notary Public in and for the State of Utah, do	
9	hereby certify:	
10	That the proceedings of said matter was reported	
11	by me in stenotype and thereafter transcribed into typewritten	
12	form;	
13	That the same constitutes a true and correct	
14	transcription of said proceedings so taken and transcribed;	
15	I further certify that I am not of kin or otherwise	
16	associated with any of the parties of said cause of action, and	
17	that I am not interested in the event thereof.	
18		
19		
20		
21	Michelle Mallonee, RPR, CSR	
22		
23		