



1 **I. INTRODUCTION**

2 **Q: Please state your name for the record.**

3 **A:** My name is William Duncan.

4 **Q: By whom are you employed and what is your business address?**

5 **A:** I am employed by the Utah Department of Commerce, Division of Public Utilities  
6 (DPU). My business address is 160 East 300 South, 4<sup>th</sup> Floor, Salt Lake City, Utah,  
7 84114.

8 **Q: What is your position with the Division?**

9 **A:** I am the manager of the Telecommunications and Water Section.

10 **Q: Please summarize your educational and professional experience.**

11 **A:** I received a Bachelor's Degree in Business Administration – Finance from Weber State  
12 College in 1975. I also received an MBA from the University of Utah. I was employed  
13 for over 26 years by Mountain Bell / U S West / Qwest in a variety of management  
14 positions including Customer Operations, Process and Quality Improvement, Forecasting,  
15 Network Planning and Engineering.

16 **Q: Have you testified before the Commission on prior occasions?**

17 **A:** Yes.

18 **Q: Please describe your participation in the Division's review of UBTA-UBET**  
19 **Communications, Inc's (UBTA) application for an increase in Utah Universal**  
20 **Service Fund Support (UUSF).**

21 **A:** I have overseen and managed this case since it was filed in April, 2015.

22 **II. PURPOSE AND SCOPE OF TESTIMONY**

23 **Q: What is the purpose of your testimony in these proceedings?**

24 **A:** My testimony will present the overall recommendation of the DPU as it pertains to  
25 changes to UBTA's current Utah USF funding. I will also introduce DPU witnesses and  
26 identify the scope of their testimony.

27

28 **Q: Please summarize the Division's actions and recommendation in this case.**

29 **A:** On or about April 6, 2015, UBTA filed its application for increase in Utah Universal  
30 Service (UUSF) support, seeking an additional \$3,422,053 annually in UUSF. This  
31 amount is in addition to the annual amount of \$1,116,396 that UBTA currently receives,  
32 for a total UUSF distribution of \$4,538,449. Since the filing in April, 2015, DPU auditors  
33 have conducted a rigorous review of UBTA's operations, financial and accounting  
34 records. The Division issued several data requests that were responded to by UBTA. As a  
35 result of this review, the Division recommends a slight decrease in UBTA's annual UUSF  
36 eligibility of \$3,588, adjusting its total annual UUSF eligibility to \$1,112,808.

37 **Q. Please describe the exhibits that have been filed with your direct testimony.**

38 **A.** There are two exhibits filed with my testimony:

39 **DPU Exhibit 1.1 D** This exhibit is a summary worksheet that the DPU uses to model  
40 changes to USF requirement when other factors – such as revenue and expense  
41 adjustments – are added, deleted or modified. The body of the exhibit from column A  
42 through F is based on UBTA Exhibit 2.1. Columns H and I, contain the DPU  
43 adjustments. Column J, illustrates how the total annual UUSF (found in row 2)  
44 recommended by the DPU, allows UBTA to earn a reasonable rate of return.

45

46 **DPU Exhibit 1.2 D** This exhibit is a summary worksheet that the DPU uses to model  
47 changes to proposed rate base. The body of the exhibit from column A through H is  
48 based UBTA Exhibit 2.2. Column I contains DPU adjustments. Column J, contains the  
49 DPU recommended rate base.

50

51 **Q: Please introduce the Division witnesses that are expected to testify in this case.**

52 **A:** The Division intends to present three additional witnesses:

53 Mr. Paul Hicken will testify to the DPU's adjustment to depreciation expense of

54 [REDACTED] found in column H line 12 of DPU Exhibit 1.1. He will also provide testimony

55 on the DPU's second adjustment of [REDACTED] that was added back to UBTA's

56 accumulated depreciation reserve. This adjustment is found in cell G4 on DPU Exhibit

57 1.2 D.

58 Ms. Shauna Benvegna Springer will testify to certain expense adjustments found in

59 Exhibit 1, column G, lines 11-16.

60 Mr. Casey Coleman will testify to the DPU's position on UBTA's Cost of Capital and the

61 Rate of Return calculation.

62 **Q: Does this conclude your direct testimony?**

63 **A:** Yes it does.