

COPY OF TRANSCRIPT

BEFORE THE PUBLIC SERVICE COMMISSION

COMCAST CABLE COMMUNICATIONS,
INC., a Pennsylvania corporation,

Docket No. 03 035 28

Claimant,

vs.

PACIFICORP, dba UTAH POWER, an
Oregon corporation,

Respondent.

DEPOSITION OF COREY FITZ GERALD

CONFIDENTIAL

TAKEN AT:

Ballard, Spahr, Andrews & Ingersoll
201 S. Main Street, Suite 600
Salt Lake City, Utah

DATE:

May 13, 2004

TIME:

9:02 a.m.

REPORTER:

DAWN M. DAVIS, RPR



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APPEARANCES

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and

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For the Respondent:

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JONES, WALDO, HOLBROOK & MCDONOUGH

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Salt Lake City, Utah 84101

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Deposition of Corey Fitz Gerald

May 13, 2004

PROCEEDINGS

COREY FITZ GERALD, called as a witness
for and on behalf of the Claimant, being first
duly sworn, was examined and testified as follows:

EXAMINATION

BY-MR. THOMAS:

Q. Good morning, Corey.

A. Good morning.

Q. As you know, I am Dave Thomas, and I
will be taking your deposition today. Just a few
preliminary matters that we discussed before going
on the record.

Mr. Sackett, I think that we had agreed
before going on the record that we would treat
all the material in the deposition and the
exhibits that we are discussing today as subject
to the protective order for a period of 14 days
and that within the 14-day period you will review
the deposition and mark those parts of it and the
materials associated with that that you would like
to have subject to the protective order.

MR. SACKETT: That's fine, although we
didn't talk about where the 14 days runs because--



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1 MR. THOMAS: We, we can be flexible on
2 that.

3 MR. SACKETT: Why don't we get the 14
4 days from when we get the copy of the transcript.

5 MR. THOMAS: That's fine, 14 days from
6 when we get a copy of the transcript. That's
7 fine. That's great.

8 Q. Corey, I just wanted to say good
9 morning and to have a few preliminaries here.

10 I am going to be asking a lot of
11 questions today and--have you had your deposition
12 taken before?

13 A. No, I have not.

14 O. Okay. As you know, we are, we are
15 being recorded, a court reporter is here writing
16 down everything that we say. So if I ask you a
17 question, it's important that you speak up so that
18 the microphone can pick up what we say and the--
19 we are not in a videotape deposition, so nodding
20 of the head or shaking of the head won't come out
21 on the record so--a yes or no will come out.

22 It is very possible that I'll ask you
23 questions that, that you won't understand. I may
24 not formulate them particularly well. If you
25 don't understand the question, please say, I don't



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1 understand the question, and I will try and
2 reformulate it in a way that it is understandable.

3 If you--we want you to be, you know,
4 comfortable here today. If you need to take a
5 break for any reason, you know, just say you'd
6 like to take a break. We can take a break. We
7 have coffee and stuff over there so you can take
8 time to help yourself throughout this, whenever
9 you like.

10 Maybe what we'll do is take a mid-
11 morning recess after an hour and a half or so and
12 then break for lunch and then come back in the
13 afternoon and finish up. We don't know exactly
14 how long we are going to be, but we will try and
15 move through this as efficiently as possible.

16 If I ask, if I ask you a question that
17 you start to answer, I would, I would ask that
18 you finish the question--finish answering the
19 question before you ask, ask your counsel. I
20 want you to feel free to talk to your counsel,
21 but if there is a question pending, I just ask
22 that you would finish the answer before, before
23 consulting with counsel.

24 I have a couple of questions that are
25 really in the nature of formal questions that we



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1 sort of have to do just to make sure to protect
2 the integrity of the record. So I want, I want
3 to ask you if you are on any, any medication or
4 drugs that would maybe make answering the
5 questions difficult for you.

6 A. No, I am not.

7 Q. Have you had an alcoholic drink within
8 the last eight hours that might make it difficult
9 to answer the questions?

10 A. No.

11 Q. Are you under a doctor's care for any
12 illness that might affect your ability to answer
13 the questions fully and truthfully today?

14 A. No, I'm not.

15 Q. Any other reason that you can think of
16 that might prevent you from answering the
17 questions fully and truthfully today?

18 A. No.

19 Q. Okay, thank you.

20 A good place to start is always at the
21 beginning, and so I just wanted to ask a little
22 bit about your, your background.

23 Would you mind telling me about your,
24 your educational background, college, graduate
25 school, that sort of thing?



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1 A. Okay. I have a bachelor's in business
2 management from Portland State University and, and
3 no further education beyond that formal education.

4 Q. And what year did you graduate from
5 Portland State?

6 A. It was 2002.

7 Q. 2002?

8 A. (Witness nods head.)

9 Q. Okay. How long have you been working
10 at PacifiCorp?

11 A. A total of 14 years next month.

12 Q. So you started in 19--you started in
13 June of 1990?

14 A. Yes.

15 Q. And in, in what capacity did you start
16 at PacifiCorp?

17 Did I say Portland General Electric?

18 A. No.

19 Q. Okay. What year did you start at
20 PacifiCorp?

21 A. I started in 1990 as a temporary
22 employee through Advanced Temporaries, and I
23 worked in the Records Management Department,
24 started part time in conjunction with my
25 schooling, and then became a full-time employee of



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1 PacifiCorp in April of 1993.

2 Q. And were you in the Records Department
3 as a temporary from 1990 until 1993?

4 A. I was.

5 Q. And then in 1993 were you still in the
6 Records Department?

7 A. Yes. I continued for one more year in
8 the Records Department as a PacifiCorp employee,
9 and then in 1994 I began as an office specialist
10 in the Joint Use of Facilities Department.

11 Q. Could you briefly describe for me from
12 the 1990 to 1994 time frame what your
13 responsibilities were in the Records Department?

14 A. Primarily data entry. The company was
15 indexing its rights of way and easements that were
16 only on hard copy, and they had an old card
17 catalog to look up those rights of way and
18 easements, so we were electronically indexing all
19 of the hard copy rights of way and easements so
20 that we could find them in the database.

21 Q. And then in 1994, you went into--you
22 said joint use specialist?

23 A. I was an office specialist in the Joint
24 Use Department.

25 Q. And can you describe for me what your



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1 job functions were there?

2 A. Sure.

3 The, the company had completed a
4 process called BPI, the business processing
5 improvement, analysis that they were doing of many
6 company internal processes and looking where there
7 could be improvements to those processes. The
8 Joint Use Department consisted of one supervisor
9 and one employee, and in order to implement some
10 of the improvements, they needed another person,
11 so I was hired on to fill that additional third
12 spot in the department.

13 And what I did to begin with was sort
14 out their filing system, put all like records
15 together, all of the same company agreements,
16 correspondence, billings, things like that,
17 started on that level just to get to know all of
18 the contracts and records. And eventually moved
19 into doing the billing for the Joint Use group.

20 Q. And how long from 1994 when you first
21 started as a--as an office specialist--how, how--
22 let me rephrase that.

23 How long were you holding the title of
24 office specialist?

25 A. I held the title of office specialist



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1 for approximately three years.

2 Q. So that brings us to about 1997, more
3 or less?

4 A. Yes. Yes.

5 Q. During that time period, did the Joint
6 Use Department at PacifiCorp grow?

7 A. No, it did not.

8 Q. Okay. So there were still only three
9 people during that, during that three--three-year
10 period that we are talking about?

11 A. Yes.

12 Q. Then in 1997, tell me what happened
13 with respect to your title and--

14 A. Sure.

15 I became a contract administrator and
16 began the process of renegotiating contracts.
17 That process had actually began in 1996.

18 Q. Okay.

19 A. We had hired a contract administrator
20 to do those renegotiations, and her technical
21 expertise become much more valuable to the
22 department over the contracts piece, and so I took
23 over the contracts. She moved into implementation
24 of databases, so I took over a process that was
25 already well underway from 1996 and I took over



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1 in '97.

2 Q. And, and the, the--who was the contract
3 administrator, your predecessor in that job?

4 A. Mardi Gilkey.

5 Q. Is Mardi Gilkey still with the company?

6 A. She is.

7 Q. Okay. Could you describe for me on a
8 more or less daily basis what you would be
9 expected to do in your function as a contract
10 administrator for the department?

11 A. Sure.

12 One of the recommendations that had
13 come from that prior audit several years before
14 was that PacifiCorp's contracts were--they
15 differed because we had acquired different small
16 electric utilities and we had merged with Utah
17 Power, so the contracts were not standard, they
18 didn't all say the same thing, and since some of
19 them had been signed as far back as 1950-
20 something, all the way up to current, we were
21 looking to standardize the language in all the
22 contracts for all of what was then seven states
23 of service territory.

24 So my primary responsibility was to
25 notify all existing contract holders of our intent



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1 to renegotiate and then begin that negotiations
2 process or resume the process as Mardi had already
3 started on certain contracts.

4 Q. When you started as the joint use--the
5 contract administrator in the Joint Use Department
6 what were PacifiCorp's states of operation at that
7 point?

8 A. They were Washington, Oregon, northern
9 California, Idaho, Montana, Wyoming, and Utah.

10 Q. So the same as they are today?

11 A. We don't have Montana anymore.

12 Q. So but--except for Montana, they are
13 the same states that PacifiCorp operates in today?

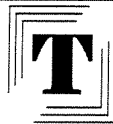
14 A. Correct.

15 Q. So when you were the contract
16 administrator within the Joint Use Department, you
17 were overseeing the negotiation or renegotiation
18 of the Joint Use contracts in all those states?

19 A. Correct.

20 Q. Okay. What are the kinds of companies
21 that, that have contracts with the Joint Use
22 Department in, in PacifiCorp?

23 A. The, the types of companies are
24 primarily cable television, telephone, some new
25 CLECs, competitive local exchange carriers, but at



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1 the time it was primarily cable and telephone.

2 We do have some, what we term, pole-
3 specific agreements that are a limited number of
4 poles that are given to, say, a small business or
5 individual.

6 Q. Do you have joint use agreements with
7 municipalities for things, say, like traffic
8 signalization or things like that?

9 A. We do not have joint use agreements
10 that I'm aware of, but we do have franchise
11 agreements with municipalities that clearly state
12 their ability to use our overhead assets for
13 things such as traffic signals.

14 Q. Okay. You were the contract
15 administrator beginning in 1997. Correct?

16 A. Correct.

17 Q. And how long were you in that role as,
18 as contract administrator?

19 A. I was in that role for approximately a
20 year and a half when I left the company. I left
21 in June of 1998 and returned to the company in
22 November of 1998 again as the contract
23 administrator for a period of six months, and then
24 I was promoted into the supervisor of Joint Use
25 of Facilities.



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1 Q. During that period of--as--three or
2 four-month period, what were you doing in the
3 interim?

4 A. I was coaching women's competitive
5 gymnastics.

6 Q. Really?

7 A. I did that as a part-time job for four
8 years while I was working at PacifiCorp and then
9 moved into that in a full-time capacity.

10 Q. Was that an Olympic year?

11 So when you returned in the fall of
12 1998--is that where we are?

13 A. November of '98.

14 Q. November of '98. You were--what was
15 your title at that point?

16 A. Contract administrator.

17 Q. Contract administrator.

18 A. Uh-huh (affirmative).

19 Q. So was it basically the same job that
20 you had before you took your sabbatical?

21 A. It was basically the same job, but the
22 contracts had been negotiated for the most part,
23 so my responsibilities really became more focused
24 on process analysis and how were we implementing
25 our joint use processes, were they effective.



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1 Concurrently with the contract
2 negotiations during that whole two- to three-year
3 period, we were also--Mardi Gilkey and I were
4 doing field training of PacifiCorp's field
5 personnel as well as the other utilities' field
6 personnel for what the new contract said and what
7 we could or could not do, what our expectations
8 were of other companies using the poles, what the
9 appropriate processes were for permitting and new
10 construction and make-ready accommodations.

11 So we--when I returned to the company
12 in November '98--resumed some follow-up training
13 on those processes to ensure that they were still
14 being used correctly.

15 Q. How many people in the department at
16 this point, in November of '98?

17 A. November of '98 it had been two.

18 Q. It had been two. And then when you came
19 back it was up to three or it was--

20 A. It was two. When I left the company in
21 June of '98, we were at three.

22 Q. Okay.

23 A. The reason I returned to the company
24 was my predecessor, Bob Coates, who was the
25 supervisor of the Joint Use Department--Bob had



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1 retired and he wanted to go home so--

2 Q. Okay.

3 A. I came back to replace Bob, and we left
4 it at two when I returned.

5 Q. Okay. Now when you--a minute ago you
6 said your predecessor, Bob Coates. You mean your
7 predecessor in your current role as director of
8 transmission or whatever the title is. Is that
9 correct?

10 A. Yes. Bob was the supervisor so he was
11 my predecessor as supervisor.

12 Q. As supervisor?

13 A. Yes.

14 Q. Okay. So from November of 1998--in
15 November of 1998, you were back as a contract
16 administrator. How long did you have that title?

17 A. Six months.

18 Q. Six months.

19 Where are we now, April, May?

20 A. Yeah, April '99. Somewhere around
21 there.

22 Q. April '99. Your job description
23 changed?

24 A. To supervisor.

25 Q. To supervisor. And that, that was when



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1 Bob Coates departed?

2 A. Bob departed in November and officially
3 there was no supervisor of Joint Use for that
4 six-month period, and it was an agreement when I
5 hired back in November of '98 that in six months
6 I would be evaluated for that promotion.

7 Q. So during that period, would it be fair
8 to say that you had all the responsibilities but
9 none of the benefits of Bob's former job?

10 A. It would be fair to say that, yes.

11 Q. Okay. So in May of '98 you became
12 supervisor.

13 A. Yes.

14 Q. How many people--

15 MR. SACKETT: '99.

16 MR. THOMAS: '99. Thank you.

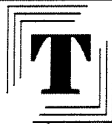
17 MR. SACKETT: Trying to see if we are
18 all paying attention.

19 MR. THOMAS: There will be a quiz at
20 the, at the--before the morning recess.

21 Q. May of '99, how many people in the
22 department at that point?

23 A. Still just two, myself and one full-
24 time employee.

25 Q. And who was the other full-time



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1 employee?

2 A. His name is Richard Hawkes.

3 Q. What was his title?

4 A. He was a contract administrator.

5 Q. Is he still with the company?

6 A. No, he is not.

7 Q. Looking into the substance of the work

8 that you did in--and are doing in the Joint Use

9 Department but focused on the '97 to '99 time

10 frame, approximately how many agreements did your

11 department administer during that time frame?

12 A. We administered approximately 300

13 contracts overall. We renegotiated at least 90 of

14 those contracts.

15 Q. And those contracts that you

16 renegotiated, were they with cable companies?

17 A. Yes.

18 Q. Were they with CLECs, competitive local

19 exchange companies?

20 A. Very few, but, yes.

21 Q. Are there any, say, long-distance

22 companies attached to your poles?

23 A. Not that I'm aware of.

24 Q. With--did you renegotiate your

25 contracts with incumbent telephone companies



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1 like--

2 A. Yes.

3 Q. --Qwest and I guess Verizon now?

4 A. Yes, we did.

5 Q. You did. The Joint Use Department is--I
6 am trying to ascertain where in the overall kind
7 of corporate structure of PacifiCorp the Joint Use
8 administration--Joint Use Department sits. Could,
9 could you help explain that to me?

10 A. Sure.

11 Currently the, the business unit that I
12 am in is power delivery.

13 Q. Uh-huh.

14 A. Power delivery encompasses such things
15 as field operations--

16 Q. Uh-huh.

17 A. --the line crews and operations
18 managers. Also distribution engineering, dispatch
19 and a group called T&D Operation Support Services,
20 which is where Joint Use resides. There are
21 actually more departments that report through
22 power delivery, but those are some of them and
23 Joint Use resides within T&D Operation Support
24 Services, which has tree trimming, the company's
25 detailed facilities inspection program for its own



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1 facilities, transportation, logistics, joint use,
2 mapping.

3 Q. These are all departments within the
4 power delivery site?

5 A. These are all departments within T&D
6 Operation Support Services which reports through
7 the power delivery business unit.

8 Q. Okay. Returning back to our, our
9 chronology here, we are in May of '99 I believe
10 Mr. Sackett pointed out to us before. How long
11 did you--were you in the role of supervisor at
12 this point?

13 A. (Witness nods head.) I became a
14 manager of Joint Use of Facilities in about
15 January of 2002, so I guess that's about a year
16 and a half, a little over a year and a half that
17 I was the supervisor.

18 Q. Okay. And then in January of 2002 you
19 got a promotion?

20 A. I did. A new position was created.
21 The company had not formerly had a manager of
22 Joint Use of Facilities specifically. There were
23 managers that oversaw Joint Use and had other
24 departments with them, but this was just a single
25 department manager of Joint Use to accommodate the



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1 approval of development of the joint use program
2 which would require additional employees.

3 Q. And when you assumed that position in
4 January of 2002, how many employees were there?

5 A. There were two contract employees.

6 Q. Contract administrators?

7 A. No, contractors, temporary employees,
8 and one full-time employee that was on disability.

9 Q. Okay. When you were in the role of
10 supervisor, you were in charge of those employees
11 in, in that group. Is that correct?

12 A. Correct.

13 Q. Then in January of 2002, did the--
14 beginning in January of 2002, did the department
15 expand to more employees?

16 A. January of 2002 is when we began
17 posting additional positions with the intention to
18 expand up to as many as 32 full-time employees,
19 including the manager position.

20 Q. Okay. When you were the supervisor--
21 and this is again prior to January of 2002--who
22 did you report to within the hierarchy that you
23 described for us previously?

24 A. When I became the supervisor, I
25 reported to Mike Cochran, who was manager in



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1 Distribution Support Services. Mike was promoted
2 into a different position within the company after
3 a few months, and I reported directly to Bill
4 Cunningham, who was Mike's director before Mike's
5 promotion.

6 Q. Can you describe for me the, the
7 hierarchy, sort of the title hierarchy, starting
8 at supervisor, then who is above supervisor?

9 A. Sure.

10 Typically in our organizational
11 structure there is a supervisor, manager, then
12 director, now managing director, vice president
13 and/or senior vice president. And then there is
14 an executive vice president that reports to the
15 CEO of PacifiCorp who reports to the CEO of
16 Scottish Power.

17 Q. Is it a direct line of between the CEO
18 of Pacificorp and--direct reporting line from CEO
19 of PacifiCorp and the CEO of Scottish Power?

20 A. Yes, it is. To, to the best of my
21 knowledge.

22 Q. So as supervisor you reported--I think
23 you said to a manager?

24 A. I did.

25 Q. And, and the manager reported to the



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1 director, now, not necessarily then, there was a
2 senior director. Is that correct?

3 A. There was a--at the time--

4 Q. There is now a senior director.

5 A. There is now a managing director.

6 Q. Managing director.

7 A. At the time, there were assistant vice
8 presidents in the place where we currently now
9 have managing directors, which is really the only
10 change that's been made to our hierarchical
11 structure, but that was when--during all of this
12 that we are discussing here in the '99 to 2002
13 time frame was in the midst of the Scottish Power
14 merger with PacifiCorp, so there were some
15 structural changes that took place in the middle
16 of this.

17 Q. Okay, I actually--that's, that's a good
18 segue because I was going to ask you about that.
19 Let's switch gears a little bit from---no, Corey
20 Fitz Gerald to PacifiCorp

21 Prior to Scottish Power, was PacifiCorp
22 a standalone company, corporation, based in
23 Portland?

24 A. Yes, it was.

25 Q. And it was subsequently acquired by



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1 Scottish Power based in Scotland. Is that correct?

2 A. Correct. Correct.

3 Q. When, when did that occur?

4 A. Well, the, the announcement that the
5 merger would be attempted, that we would try to
6 get approval from all the regulatory bodies, was
7 in early '99, and the actual merger became final
8 in early 2000, we had all approvals, so
9 approximately a year's worth of time as we were
10 going through the merger approval process.

11 Q. Okay. It just occurred to me that I
12 haven't taken any notes, and I somehow feel like
13 I should be taking a few notes here.

14 MR. SACKETT: You don't think these
15 four people here are adequate to take notes.

16 MR. THOMAS: I haven't had a chance to
17 look over to see--Jerry is sleeping.

18 MR. OLDROYD: I don't need notes. I
19 have got it all up here.

20 MR. THOMAS: No doubt. No doubt.

21 Q. The merger, the merger approvals were
22 finalized in 2000, you said?

23 A. To the best of my recollection, it was
24 approximately a year where we went through state
25 by state attempting to get approvals.



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1 Q. Okay. But at some point in 2000 the
2 merger was finalized, to the best of your
3 knowledge?

4 A. Yeah.

5 Q. Okay. Going back to Corey Fitz Gerald
6 now and our 2002 time frame--and I hope I'm not--
7 I am probably confusing myself more than you, but
8 you, I think, mentioned that you had begun posting
9 for a--more employees within, within the Joint Use
10 Department.

11 A. I did.

12 Q. Were those postings done internally
13 with the company or were they done outside the
14 company or both?

15 A. Both.

16 Q. Both.

17 Let's say by the end of 2002, how many
18 employees would you estimate were in your
19 department?

20 A. We had eight field specialists, four
21 supervisors over those field specialists, a
22 project manager for the inventory, as well as a
23 project coordinator for that inventory.

24 We had four administrative service
25 coordinators that were processing applications and



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1 one billing coordinator and a budget analyst so--

2 Q. I have 22. That's give or take.

3 Can you explain to me the reasons why
4 the department increased so much during that
5 period?

6 A. Sure.

7 In 2001, for the majority of 2001, we
8 evaluated the current resources dedicated to the
9 joint use function and whether or not we were
10 achieving full-cost recovery as allowed by
11 regulators associated to third-party use of poles.
12 And it was determined through those months of
13 discussion with senior managers that we were not,
14 in fact, doing an adequate job of recovering our
15 costs, managing the assets for third-party use, so
16 we evaluated the level of resources that would be
17 necessary in order to properly manage that and
18 came up with a starting number of 32..

19 Q. Of 32?

20 A. Uh-huh (affirmative).

21 Q. And by the end of 2002 we had the
22 numbers and--the numbers of employees in the
23 functions that you have described. I said 23.
24 I'm not sure if that number is right but it's
25 close. Is that correct?



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1 A. Correct.

2 Q. Okay. When did these costs/recovery
3 discussions with management and senior management
4 occur? What was the time frame so we can
5 understand that?

6 A. Late January of 2001 through December
7 of 2001, so pretty much the entire calendar year
8 of 2001 we had discussions ongoing.

9 Q. Was there--can, can you tell me what
10 precipitated those discussions?

11 A. Sure.

12 As a part of the Scottish Power merger,
13 the company had performed an exercise that it
14 called the transition plan, and there was a desire
15 in the overall transition plan to reduce
16 PacifiCorp's head count by--it was either 20 or 25
17 percent overall, and to escalate spending on
18 technology development in order to reduce the
19 impacts of that head count reduction. So to do
20 these in, in phases over a five-year period as we
21 reduce head count and increase our investment in
22 technology to supplement that.

23 In the transition team's evaluation of
24 Joint Use of Facilities, they had recommended that
25 we downsize the department from the three FTE



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1 positions to one.

2 Q. FTE? I'm sorry.

3 A. Full time equivalent.

4 Q. Full time equivalent.

5 A. Meaning a PacifiCorp employee as
6 opposed to a temporary or a contract employee.

7 Q. I understand. I'm sorry. Continue.

8 A. That's all right. I was just going to
9 say that the recommendation was to downsize from
10 three FTEs to one FTE.

11 Q. And this is in the Joint Use
12 Department?

13 A. Yes.

14 Q. And I'm missing something. If the
15 recommendation was to go from three to one, how
16 do we get to 23 and then to 32? Well, let's stay
17 with 23 first.

18 A. As part of the transition plan, there
19 were also very significant organizational
20 structure changes, reporting lines changed. I no
21 longer reported through Mike Cochran or Bill
22 Cunningham's organizations but through a new
23 department called Maintenance Policy, which was
24 part of the asset management organization. I had
25 a new manager and a new director in this process.



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1 My manager was Tom Tjoelker, and my director was
2 Brett Allsup. And as they had acquired the Joint
3 Use Department and neither of them had formerly
4 had any oversight or responsibility for Joint Use
5 of Facilities, we spent our first couple of months
6 talking and getting to know each other and
7 discussing the business and my concerns over the
8 recommendation to downsize the organization from
9 three to one because I had spent the prior year
10 under Mike Cochran's direction trying to increase
11 the resources as it was.

12 Q. Uh-huh.

13 A. Tom and Brett agreed that some further
14 evaluation needed to occur within this area before
15 we just went with the transition team's
16 recommendation and walked me through some steps to
17 develop white papers or just general discussion
18 points for our new managing director of asset
19 management, which was Alec Burden. And we sat
20 down with Alec in February, March of 2001 and
21 said, Here are some of our concerns with
22 downsizing these resources, and we actually were
23 in the process of recommending additional ones
24 when this merger came about and transition team
25 and, you know, obviously were not in a position



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1 to present any of that at the time, but now we
2 are and we'd like to talk about it.

3 Q. Now, the transition plan, was that what
4 was basically sponsored by Scottish Power
5 initially? Is that why they call it a transition
6 plan?

7 A. Yes.

8 Q. And is it fair to say that you and
9 others at PacifiCorp said essentially, hold on a
10 minute, we need more people, there is cost
11 recovery that we are not getting that we can get
12 here but we can't do it with one, we need many
13 more than one and here is what we need?

14 A. Correct. There was a secondary driver
15 during this same time frame. The Oregon PUC
16 staff had, had contacted some of the senior
17 executives of Scottish Power--thank you--and let
18 them know that there was a lot of activity in the
19 state of Oregon around pole attachment issues and
20 that they understood that there was a
21 recommendation to downsize the department and that
22 not only did they not support that type of a
23 recommendation but also they believed that we were
24 underrecovering our costs by several million
25 dollars and that they knew that there would be a



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1 rate case being filed sometime in the near future,
2 and they wanted Scottish Power to understand that
3 there would possibly be financial implications to
4 any rate cases that were filed if we did not
5 address the underrecovery of costs associated with
6 pole attachments.

7 Q. Was this in the 2000, the 2000 time
8 frame?

9 A. The 2000, 2001, yes.

10 Q. Okay. Focusing in on the Oregon PUC
11 staff's concern here, when was the first
12 expression--when I say expression--where they
13 expressly came to you or to PacifiCorp and said,
14 we think you are underrecovering, be careful,
15 Scottish Power. When did that first occur, to
16 the best of your recollection?

17 A. To the best of my recollection, it
18 would have been in late 2000 when I personally
19 first started to hear about the issues from the
20 Oregon PUC staff.

21 Q. Had you heard that there had been other
22 contacts by PUC staff to PacifiCorp or Scottish
23 Power people prior to their coming to you
24 directly?

25 A. What they had said to me was that they



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1 had been attempting to reach executive personnel
2 within PacifiCorp, whether they be from Scottish
3 Power or, you know, former PacifiCorp executive
4 personnel, and they let me know that they wanted
5 to know if I knew of any particular executive
6 that they might be able to speak with directly.

7 Q. So they had tried but hadn't been
8 successful was your understanding?

9 A. That was my understanding.

10 Q. And who, who from the Oregon PUC
11 contacted you with this request?

12 A. John Wallace.

13 Q. And John Wallace's function at the
14 Oregon PUC at this time was, what?

15 A. My understanding is that John Wallace
16 was then and is still now Oregon PUC safety
17 staff.

18 Q. Safety staff.

19 A. (Witness nods head.)

20 Q. Could you help me understand why
21 someone from the Oregon PUC's safety staff would
22 come to you with a concern about underrecovery of
23 costs?

24 A. The connection is that--my
25 understanding from John is that the implication is



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1 if you are not billing out for these types of
2 activities adequately, then the implication to the
3 safety staff is that you are not adequately
4 monitoring the process of third-party attachments
5 which could lead to unsafe conditions on your
6 poles. If you knew of the people that were using
7 the poles and how they were using them, would you
8 not then bill them for those activities.

9 Q. Did you have other meetings with John
10 Wallace on the issues of safety and cost recovery
11 subsequent to that first expression of concern
12 that he made to you about this?

13 A. Not one to one but many, many meetings
14 involving the entire industry of cable, telephone,
15 and electric utilities through the Oregon Joint
16 Use Task Force which then became the Oregon Joint
17 Use Association.

18 Q. Yes. Okay.
19 To the best of your knowledge, did the
20 Oregon PU staff--PUC staff succeed in contacting
21 the executives within PacifiCorp or Scottish Power
22 that they had wanted to?

23 A. One contact in particular that I know
24 of to be a fact was Frank Mitchell, who was the
25 vice president of Commercial and Trading.



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1 Q. And is Frank Mitchell someone that you
2 reported to at all?

3 A. No.

4 Q. No.

5 Do you--do you have any idea why Frank
6 Mitchell would be the person that PUC would want
7 to talk to?

8 A. No.

9 Q. Is Frank Mitchell with PacifiCorp or
10 Scottish Power at the time?

11 A. Scottish Power, but my understanding
12 is--he came from Scottish Power, but when the
13 Scottish Power employees came over to the US, they
14 signed contracts as PacifiCorp employees, so
15 technically he is a PacifiCorp employee who came
16 from Scottish Power.

17 Q. A PacifiCorp employee with an accent?

18 A. Yes.

19 Q. During that 2000 time period, you had
20 mentioned that there had been a series of
21 discussions that your group had with management
22 and senior management about cost recovery.
23 Correct?

24 A. Correct.

25 Q. Were those discussions a result of the



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1 PUC's expression of concern about cost recovery?

2 A. They were primarily a result of my
3 concern over downsizing the department from three
4 to one while at the same time downsizing the
5 field resources that we had been relying on to be
6 our eyes in the field. So if you were going to
7 downsize both field resources, who would no longer
8 have time to care for the joint use side of the
9 business, and you were going to downsize the
10 department, that was the primary concern that
11 started the discussions.

12 Q. I, I understand. Now I recall that you
13 said you had concerns about downsizing and the PUC
14 had concerns about safety and cost recovery.

15 A. Correct.

16 Q. Thank you.

17 How many meetings do you recall that
18 you had with management and senior management over
19 this issue of cost recovery during this 2000
20 calendar year roughly?

21 A. There were dozens of one-to-one or
22 small-group meetings to discuss various aspects of
23 this, but there were maybe a half a dozen
24 meetings with executive committees with several
25 executives present who had ultimate decision-



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1 making authority.

2 Q. When we say executives, can you
3 describe for me within PacifiCorp what the
4 definition of executive is?

5 A. My understanding of the level of
6 executive would be managing director and above.

7 Q. Okay. You participated in, in a number
8 of these meetings during the 2000 time period?

9 A. (Witness nods head.)

10 Q. I would--let the record reflect the
11 witness answered she did.

12 During this time period, you were
13 hiring on in your department additional employees.
14 Correct?

15 A. Correct.

16 Q. Who else from PacifiCorp at the
17 executive level participated in these, in these
18 meetings? And I understand that, you know, it
19 doesn't have to be a roll call for every single
20 meeting, but generally who were the major
21 participants, let's say, during that period?

22 A. Frank Mitchell, Bob Moir, Alec Burden,
23 Andy MacRitchie, Hugh Mullan. Those were the
24 primary individuals.

25 Q. I didn't write those names down fast



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1 enough. Can you give me those names again and
2 their titles and a brief description? And we can
3 go back through the transcript, if you like, but
4 starting with Frank Mitchell.

5 A. Sure.

6 Q. What was Frank Mitchell's title and job
7 responsibilities, to the, you know, best of your
8 understanding?

9 A. Frank Mitchell was the Vice President
10 of Commercial and Trading. His overall job
11 responsibilities I am not very familiar with at
12 all. He did have one group reporting through his
13 organization that I work with on a regular basis.
14 They are financial analysts, they actually do the
15 pole attachment rental rate calculations for us on
16 an annual basis. But the rest of his
17 organization I am not familiar with.

18 Q. Is Frank still with the company?

19 A. He is with Scottish Power, but he has
20 gone back to the U.K.

21 Q. Okay. Is he still involved in these
22 joint use issues now that he is back in Scotland?

23 A. No.

24 Q. The second name that you mentioned, I
25 think, was Bob?



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1 A. Bob Moir.

2 Q. Bob Moir. What's Bob Moir's title?

3 A. Bob was the Senior Vice President of
4 Distribution. Bob retired in March of 2004, just
5 a couple of months ago.

6 Q. Lucky him.

7 A. Yeah.

8 And his primary responsibilities were
9 field operations, as well as the remaining
10 distribution business unit functions of
11 engineering for the construction standards, the
12 asset management organization.

13 Q. And since Bob Moir retired in 2004, who
14 is his successor?

15 A. They have reorganized the Distribution
16 Business Unit so he has two successors. He was a
17 senior vice president. They have replaced him
18 with two vice presidents: Bill Eaquinto is the
19 Vice President of T&D Operations, and Darrell
20 Gerrard is the Vice President of T&D Engineering
21 and Asset Management.

22 Q. Do both Bill and, and--Bill Eaquinto
23 and Darrell Gerrard have knowledge of and
24 responsibility for joint use issues jointly?

25 A. Bill Eaquinto has the responsibility



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1 for the joint use organization now. As my boss,
2 Paul Brown, the Managing Director of T&D Operation
3 Support Services, reports directly to Bill
4 Eaquinto. And Darrell Gerrard has knowledge of
5 joint use of facilities as he has been with the
6 company for more than 20, 25 years.

7 Q. Right. But your--today, May 13th, you
8 report to Paul Brown?

9 A. I do.

10 Q. And Paul reports to Bill Eaquinto?

11 A. Correct.

12 Q. And who does Bill Eaquinto report to?

13 A. Matthew Wright, the Executive Vice
14 President of Power Delivery.

15 Q. Okay. All right. So we've got Frank
16 Mitchell, who is back in Scotland; Bob Moir, who
17 is fishing, playing golf. Who else participated?

18 A. Alec Burden. Alec was the Managing
19 Director of Asset Management. Alec retired the
20 same day as Bob Moir.

21 Q. They play golf together?

22 A. Alec golfs, Bob fishes.

23 Q. Is that, is that true?

24 A. That's very true.

25 Q. What a guess. Huh?



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1 (Discussion off the record.)

2 Who else participated in those 2000
3 meetings? We have Frank, we have Bob, we have
4 Alec.

5 A. Frank, Bob, Alec. Hugh Mullan.

6 Q. And what is, what is Hugh's title and
7 job description?

8 A. Hugh was a managing director, and I'm
9 struggling to recall the name of the organization
10 that he was over, but I believe it was synonymous
11 to the controller's group.

12 Q. A money guy?

13 A. Yes.

14 Q. Okay. Is Hugh still with the company?

15 A. He is but he also has repatriated to
16 the U.K. at the same time that Frank went.

17 Q. Is--like Frank, is he no longer
18 involved in these joint use issues for--

19 A. He is not.

20 Q. Was Bill Eaquinto involved, to your
21 knowledge, in, in those 2000 discussions regarding
22 cost recovery?

23 A. No, he was not.

24 Q. He was not.

25 Do you know if he was with the company



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1 or are they ongoing subsequent to December 31,
2 2000?

3 A. My discussions with my internal
4 management happened primarily during the calendar
5 year of 2001.

6 Q. Okay. Okay.

7 A. So as soon as I transferred into the
8 maintenance policy organization began talking with
9 Tom and Brett, and then we began including Alec,
10 Frank Mitchell, Bob Moir.

11 Q. And somebody here may have written this
12 down but tell me again who Tom and Brett are.

13 A. Tom Tjoelker was the Manager of
14 Maintenance Policy.

15 Q. Okay.

16 A. And Brett Allsup is the--or was the
17 Director in Asset Management that had
18 responsibility for Maintenance Policy and other
19 departments.

20 Q. Is Maintenance Policy still around?

21 A. Yes.

22 Q. Is it--do you work within Maintenance
23 Policy now?

24 A. No.

25 Q. Okay. I know I'm jumping around a



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1 little bit chronologically--and we'll come back to
2 some of this, but so I understand right now,
3 your, your group is--it's within what cluster of
4 the PacifiCorp hierarchy, shall we say?

5 A. I'll start at the top. Matthew Wright
6 is the Executive Vice President of Power Delivery.

7 Q. Okay.

8 A. Bill Eaquinto is the Vice President of
9 T&D Operations, and he reports to Matthew.

10 Q. Okay.

11 A. Paul Brown is the Managing Director of
12 T&D Operation Support Services, and he reports to
13 Bill Eaquinto.

14 Q. Okay.

15 A. And I am the Director of Infrastructure
16 Management, and I report to Paul Brown.

17 Q. Thank you.

18 You mentioned that in 2001 John
19 Sullivan came and made a more formal presentation
20 to PacifiCorp. Is that correct?

21 A. He did.

22 Q. When in 2001 was that, roughly?

23 A. Roughly June, July.

24 Q. June, July?

25 A. (Witness nods head.)



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1 Q. And did he give one presentation or
2 more than one presentation, if you recall?

3 A. He gave one formal presentation, but
4 there were several meetings leading up to that,
5 some of which included our executives like Bob
6 Moir, Frank Mitchell, Alec Burden but one formal
7 presentation.

8 Q. And who was at that main formal
9 presentation from PacifiCorp?

10 A. Alec Burden, myself, and Bob Moir.

11 Q. Did anybody attend with John from UAM?

12 A. Several people were in attendance with
13 John. I don't recall all of them but his boss,
14 Rand Sherwood, was present and several of his team
15 members.

16 Q. Several of John's?

17 A. Yes, several of John's directors.

18 Q. Members. Was Dennis Desmerais there, do
19 you remember?

20 A. You know, I don't recall if Dennis
21 was--I know Dennis, but I don't recall if he was
22 present.

23 Q. Okay. Probably not important at this
24 point.

25 Can you describe for me the



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1 presentation that UAM made to, to you and Bob and
2 the others from PacifiCorp generally?

3 A. Sure.

4 The presentation was based on the
5 overall concept of PacifiCorp outsourcing its pole
6 attachment activities, such as permit processing,
7 pre-inspections, post-inspections, make-ready
8 estimates, inventories, and compliance audits.
9 Outsourcing all of those functions to utility
10 asset management within Portland General Electric,
11 and gave us a general time line of how many years
12 they would need in order to perform a system-wide
13 inventory and compliance audit, what the
14 approximate costs per pole or per attachment to do
15 that work would be and their--I believe it
16 included their estimates of what we would recover
17 in costs from other utilities and what we would
18 bear as a company as our own costs.

19 Q. Were they proposing to be compensated
20 on a per pole basis, on the basis of recovery of
21 fees collected from attachers or some combination
22 thereof?

23 A. If memory serves correctly, their
24 proposal did not attempt to collect or bill fees.
25 PacifiCorp would remain responsible for billing



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1 and collections; however, they were willing to add
2 that to their proposal. So they were merely going
3 to perform the work, process the information, and
4 keep the database of information on our behalf to
5 support billings.

6 Q. So the idea was that UAM would be sort
7 of an outsourcing resource to PacifiCorp?

8 A. Correct.

9 Q. For Oregon alone or for all states?

10 A. The proposal was for all states, but
11 there was discussion about starting with Oregon as
12 a pilot.

13 Q. What was PacifiCorp's reaction to
14 John's presentation?

15 A. Overall that it was very professional,
16 well thought out and was very clear that they
17 understood the business forward and backwards.

18 However, that it was a risk to us
19 adding a middleman, which would increase the cost
20 to the licensees or third parties that use the
21 poles and whether or not we would run up against
22 challenges over whether or not those costs were
23 reasonable in comparison to whether or not
24 PacifiCorp could do that work itself for less
25 money.



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1 Q. And PacifiCorp ultimately decided not
2 to go with the UAM model?

3 A. Correct.

4 Q. When was that decision made?

5 A. It was made very shortly after that
6 final formal presentation in the June, July time
7 frame, June, July of 2001. Correct.

8 Q. What I'd like to do is just ask you a
9 couple of questions about, about a couple of
10 individuals in, in your--I think who report to you
11 whose job functions I just don't really understand
12 very well.

13 Who was Laura Raypush?

14 A. Laura Raypush is the Supervisor of
15 Contracts and Administrative Services for the
16 Joint Use Department.

17 Q. And does she have administrative
18 responsibility for UP&L contracts, joint use
19 contracts?

20 A. Yes.

21 Q. Does she have other states that she is
22 responsible for?

23 A. Laura's responsibility encompasses all
24 states that PacifiCorp serves, and she performs--
25 she and her organization perform the same



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1 functions for all states.

2 Q. Okay. Who is Jim Coppedge? I know I
3 am talking to him tomorrow, but I'm not exactly
4 sure who he is.

5 A. Jim Coppedge is the Manager of Field
6 Services for the joint use organization. Jim has
7 two primary areas of responsibility: oversight of
8 the inventory and compliance audit, and oversight
9 of all ongoing pre- and post-inspections.

10 Q. Is Jim's--does Jim have primary
11 responsibility for dealing with Osmose in Utah?

12 A. Yes, he does.

13 Q. Okay. I may have some more questions
14 about Jim and Osmose later, but I'm just trying
15 to get a general sense at this point.

16 A. Could I clarify that?

17 Q. Sure. Absolutely.

18 A. PacifiCorp has many contracts with
19 Osmose and Jim is responsible for the relationship
20 with Osmose specifically related to the pole
21 attachment inventory and compliance audit and not
22 any of the other contracts that we have with
23 them.

24 Q. So, for example--so I understand--you
25 may have contracts with Osmose for treatment of



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1 poles for insect damage.

2 A. Correct.

3 Q. He wouldn't deal with that.

4 A. No.

5 Q. But he would deal with the audit
6 activity in Utah.

7 A. Correct.

8 Q. Okay. And, by the way, Corey, if on
9 reflection you are uncomfortable with any answer
10 that you've given, even if it was an hour ago or
11 whatever, please feel free to go back and clear
12 it up. And, you know, when we get to the end of,
13 of our time together today, if there is something
14 that you want to clarify, you know, please, please
15 do so. I will try to remember to, to ask you
16 that, but if I don't and if there is something
17 that's bothering you about an answer, then, you
18 know, let's go back and take care of that.

19 A. Thank you. I will.

20 Q. All right. Well, let's turn to the
21 great state of Utah for a little while. And then
22 what I thought maybe if, if you and counsel are
23 okay, we could go for another 25 minutes, half an
24 hour and then take a brief recess and--ten minutes
25 or so and then we can go until noon and then



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1 break for lunch. Is that okay?

2 A. Sounds fine.

3 Q. When did Utah Power and Light get
4 acquired by PacifiCorp, if you know?

5 A. It was approximately 1989. When I
6 began working as a temporary in 1990, the last of
7 the employees that had accepted the retirement
8 package were on their way out the door, so I
9 believe the merger was finalized in '89.

10 Q. Okay. When did you first become
11 familiar with joint use matters in Utah?

12 A. For the state of Utah, I first became
13 familiar with joint use matters in approximately
14 1996.

15 Q. Help me again with the chronology. In
16 '96 were you a contract administrator?

17 A. I was an office specialist.

18 Q. Office specialist. Precocious.

19 Okay. What was your first exposure in
20 the 1996 time frame to joint use in Utah?

21 A. We had made a request--Mardi Gilkey,
22 who was the contract administrator at the time, had
23 made a request to the field offices of PacifiCorp
24 in the Utah Power service area that they send any
25 and all contracts for joint use that may be



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1 located at the service centers--

2 Q. Uh-huh.

3 A. --to our Portland office. The Utah
4 Power and Light company had not had a Joint Use
5 Department in its history. It was handled at the
6 local service center level, joint use as a, as a
7 practice was handled at the local service center,
8 and the contracts were kept at the local service
9 center so we requested that all pole attachment
10 contracts be sent to Portland and that we would
11 be standardizing our contracts and our process for
12 managing pole attachments.

13 Q. And how many--at the time, how many
14 local service centers were there in Utah,
15 approximately?

16 A. Approximately 35.

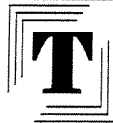
17 Q. And the contracts physically resided in
18 those service, in those service centers?

19 A. Correct. There was a practice that all
20 original contracts resided in the records
21 management organization of Utah Power.

22 Q. Of Utah Power here in--was that in Salt
23 Lake City?

24 A. Correct.

25 Q. So there may have been a contract--



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1 there may have been contracts at the local service
2 centers and there may have been contracts at the
3 records--centralized records management in Salt
4 Lake City?

5 A. Correct.

6 Q. Do you know whether those approximately
7 35 service centers, if they all had contracts
8 there or, or if there were just some of those
9 service centers that had contracts?

10 A. I don't believe that all service
11 centers had contracts, but the majority of them
12 did.

13 Q. And describe for me the functions of
14 the service center. What activities went on at
15 the service center generally, so I can get an
16 overall understanding.

17 A. Generally the activities at our service
18 centers are, are related to construction of
19 electric distribution and/or transmission
20 facilities.

21 Q. So I wouldn't go there to pay my bill.
22 It's not that kind of service center?

23 A. You would have gone there to pay your
24 bills prior to 1994ish when we created two central
25 processing phone centers and closed down the



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1 customer service centers, which in some cases were
2 a completely separate building and location from a
3 service center and in some cases were one with
4 the service center. But we closed all customer
5 service offices. So in 1996, no, you would not
6 have gone to the service center to pay your bill.

7 Q. But in 1990 I would have?

8 A. Correct.

9 Q. And the--so you had a customer service
10 function--and when I say customer service--
11 residential electric rate payers could pay their
12 bills there, but you were also running, you know,
13 trucks and stuff from those service centers for
14 maintenance issues and things like that. Is that
15 correct?

16 A. Prior to 1996, correct.

17 Q. Yes, thank you, prior to 1996.

18 In--again, I'm trying to focus in on
19 the dates here. When was it again that you put
20 the request out that the contracts come from the
21 35 or so local service centers up to Portland?
22 What was the date of that?

23 A. It would have been early 1996, probably
24 in the first quarter if not late 1995.

25 Q. Okay. And did--prior to that time, to



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1 that request, were the permitting issues handled
2 by the local service centers?

3 A. Yes, they were.

4 Q. So if at that time TCI wanted to get on
5 a pole, they would go through whatever their local
6 service center was and that's how they would
7 apply?

8 A. Correct.

9 Q. Okay. We had gotten some information in
10 from counsel in the course of discovery that you
11 had, you had helped prepare that had indicated
12 that there had been some different audits in 1997,
13 1998 time frame and another audit in 2001 and
14 then, of course, the one that we are sort of
15 sitting here about today.

16 Prior to '97, '98, do you know of other
17 audits that UP&L may have done?

18 A. I do know that some districts prior to
19 1997 had chosen to audit third-party attachments,
20 but the company, Utah Power, PacifiCorp, had not
21 performed any system-wide or state-wide pole
22 attachment audits to the best of my knowledge
23 prior to 1997.

24 Q. Okay. And when you say district, does
25 that match up to what we were--just so the



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1 terminology--a district centered at a local
2 service office?

3 A. Correct.

4 Q. Of 35, give or take, districts in Utah?

5 A. Correct.

6 Q. So individual districts may have done
7 audits prior to '97, is that, is that what you
8 are saying?

9 A. Correct.

10 Q. Do you know how, how many, how many
11 such district level surveys were done?

12 A. I really don't. Having been out in
13 almost all of the service centers doing training,
14 I was told on at least three occasions by field
15 personnel or managers that we did a pole
16 attachment audit, you know, way back when just in
17 conversation, but I don't have any documentation
18 or factual information about those audits or the
19 results of them.

20 Q. Do you know who would know?

21 A. Honestly, no.

22 Q. Because I'm asking myself, if Corey
23 doesn't know, who is going to know.

24 Does--do you know whether those audits
25 were to determine--well, let me, let me rephrase



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1 that.

2 What do you know about what the purpose
3 of those audits were? For example, was it for
4 safety or was it just to determine what kind of
5 attachments were on the poles or was it to count,
6 you know, cable or Qwest attachments on each pole?

7 A. My understanding is that it was
8 typically to account for the number of attachments
9 and the proper ownership of those attachments and
10 not specific to safety violations.

11 Q. Okay. Let's turn to the 1997 and 1998
12 audit. You were at PacifiCorp at that time.
13 Right?

14 A. Yes. I was gone from May of '98 to
15 November of '98, but with the exception of that
16 period I was at PacifiCorp in '97, '98.

17 Q. You know the audit I'm talking about.
18 Right?

19 A. Yes, I do.

20 Q. Do you--when did it--I have referred to
21 it as the 1997/1998 audit, but I don't really
22 know when it started and when it ended. So could
23 you help us with that?

24 A. Sure.

25 The audit started in early 1997,



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1 probably right at the beginning of the year. It
2 was Bob Coates' primary responsibility to hire the
3 contractor and oversee the activities of that
4 audit and to process the results of that audit.

5 The intention was to complete that
6 audit within a 24-month period, which would put us
7 at the close of '98, but due to the amount of
8 data we actually did end up collecting data into
9 1999 as well.

10 Q. So from now on I should refer to it as
11 the 1997/1999 audit.

12 Who was the contractor, Corey, for that
13 audit?

14 A. The Pole Maintenance Company.

15 Q. And where are they?

16 A. They are in Nebraska.

17 Q. Nebraska.

18 Was that audit of Utah Power's entire
19 Utah surface area?

20 A. Yes. The audit was comprehensive of
21 PacifiCorp's entire service area, including the
22 state of Utah.

23 Q. Can we go off the record just for one
24 quick second, please?

25 (Discussion off the record.)



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1 We are back on the record.

2 Corey, you said that the '97/'98 audit
3 was for all of Utah Power and Light's service
4 area. Is that correct?

5 A. Correct.

6 Q. Can you describe for me in general
7 terms what, what that audit was intended to find
8 out?

9 A. The primary purpose of that audit was
10 to identify which companies were attached to
11 PacifiCorp-owned poles.

12 Q. Okay. How many PacifiCorp poles are
13 there in Utah, roughly?

14 A. Roughly 400,000.

15 Q. 400,000.

16 Do you recall the data that was
17 collected by the contractor in connection with
18 that audit? I can be more specific.

19 Was it counting attachments on poles?
20 Was it checking for NESC violations?

21 A. It was merely verifying the pole on the
22 map versus the pole in the field to assure that
23 we had the correct pole and stating which
24 companies were attached. It did not seek to
25 count attachments or identify violations.



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1 Q. Okay. Do you recall the cost of that
2 audit to PacifiCorp during that '97 to '99 time
3 period, ball park?

4 A. It was approximately 81 cents per pole,
5 and in Utah, Utah Power specifically, there was an
6 additional \$1.20 charge for attaching the pole
7 plates that did not exist prior to that audit.

8 Q. And what are the pole plates?

9 A. PacifiCorp uses a yellow, metal pole
10 plate that states the pole number on that plate
11 and the township and range location of the pole.

12 Q. Does it look like one of those little
13 license plates on a kid's bicycle that we used to
14 see?

15 A. It does.

16 Q. Okay. I have seen them.

17 Did the results of that survey get
18 reported to any of your communications tenants on
19 your plates?

20 A. It was provided on request because it
21 was used as the basis for all future pole
22 attachment rental billings, and because some
23 companies experienced a significant change in
24 total number of attachments they requested a
25 printout of exactly which pole numbers they were



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1 being charged for and it was provided.

2 Q. So as a result of the '97/'99 audit,
3 some cable companies had more poles in their
4 invoices than previously?

5 A. Correct.

6 Q. And when they asked why, you would
7 provide them with output from the survey to
8 explain?

9 A. Correct.

10 Q. Okay.

11 MR. SACKETT: Good place to break?

12 MR. THOMAS: That's fine. Sure. Sure.

13 (Recess taken.)

14 Q. I think we are back on the record,
15 Corey.

16 We are talking about the 1997/'98--
17 '97/'99 survey.

18 Did--when, when you sent the increased
19 pole count as a result of the '97/'99 survey, did
20 some cable operators say, hey, what's this, why
21 did my pole count go up?

22 A. Some did ask us what the reason was for
23 the increased attachments.

24 Q. Did you--did PacifiCorp at the time
25 inform cable operators that the survey was going



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1 on?

2 A. Yes, we did.

3 Q. Did cable operators request backup for
4 the increased pole numbers from PacifiCorp?

5 A. Yes.

6 Q. Do you recall which cable operators
7 requested such backup?

8 A. I don't recall primarily because
9 billings are often sent to local cable offices and
10 not necessarily a corporate office. So it could
11 be the same cable company but only one or two of
12 their service districts requested backup and the
13 rest of them didn't. So backup was not necessarily
14 provided on a company-by-company basis but on
15 request.

16 Q. On a--so your understanding or
17 recollection was that it may have been on a
18 system-by-system basis?

19 A. Correct.

20 Q. Do you have any recollection of which
21 systems may have requested this backup?

22 A. Is the question specific to the state
23 of Utah?

24 Q. Yes, it is. I'm sorry. Thank you.

25 A. All right.



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1 No, I do not have any recollection of
2 which systems requested the backup in Utah.

3 Q. Do you have a recollection that some
4 systems in Utah requested backup?

5 A. Yes.

6 Q. Okay. I think you may have answered
7 this question already, but the 1997/1999 survey
8 was of all the poles in the Utah service area of
9 Utah Power and Light?

10 A. Yes.

11 Q. Did that include transmission poles
12 that may have had those attachments on them as
13 well or just distribution?

14 A. Some transmission.

15 Q. Do you have any documentary backup from
16 the system specific in Utah, requests for support
17 of the additional pole numbers that were being
18 invoiced for?

19 A. Not to the best of my knowledge.

20 Q. Is there anybody else at PacifiCorp
21 that might know whether such documents would be
22 available?

23 A. No.

24 Q. Did you assist in preparing the
25 response to the document request to the '97/'99



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1 audit that we are waiting on?

2 A. I initially assisted in pointing our
3 counsel to the individual that could help them
4 extract that data.

5 Q. Okay. And who was that individual?

6 A. Brian Lund.

7 Q. Brian Lund.

8 And what's, what's Brian Lund's title
9 and job description?

10 A. Brian Lund is a joint use supervisor
11 for the northeast region.

12 Q. And is he in, is he in Portland?

13 A. No, he is in Casper, Wyoming.

14 Q. Casper, Wyoming.

15 Does Brian Lund have administrative
16 oversight and responsibility for Utah?

17 A. Parts of Utah.

18 Q. Parts of Utah. Okay.

19 Would Brian Lund, to the best of your
20 knowledge--and, you know, if you don't know, don't
21 guess--but would Brian Lund know about such
22 documentation of backup sought by systems in Utah
23 as a result of the '97/'99--

24 A. It's highly unlikely that he would
25 know.



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1 Q. --not in connection with document
2 review for the discovery process here?

3 A. Brian's--the request I made of Brian
4 was limited to extracting data from PacifiCorp's
5 mainframe database, not, not at all having to do
6 with going back through files--

7 Q. Paper files.

8 A. --correspondence, contract files.

9 Q. Okay. And when the systems in Utah in
10 1999 received invoices for more poles it was
11 because more of their attachments were discovered
12 on UP&L poles as a result of that audit?

13 A. Correct.

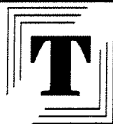
14 Q. Let's fast forward a couple of years to
15 2001. Do you remember at the hearing that we had
16 recently before the commission a discussion
17 regarding a 2001 audit that was done in the Salt
18 Lake area? And I may be able to help refresh your
19 recollection of that.

20 A. I'm afraid I'm going to need you to.

21 Q. Sure.

22 A. Are you referring to an audit that
23 PacifiCorp would have done in 2001.

24 Q. Yes. Yes. And let me, let me help
25 you, help you understand.



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1 As I recall--and if we need to, we can
2 look at the transcript but as I, as I can
3 recall--as I recall, I had mentioned in the course
4 of the hearing that I had seen poles with Osmose
5 tags out here in the, you know, northeast part of
6 the city with tags that said Osmose 2001 and I,
7 and I think that at the time your counsel had
8 indicated, oh, that was another, that was
9 something different from what the 2003 survey we
10 are talking about here.

11 A. Correct.

12 Q. Now--are you with me now?

13 A. I am.

14 Q. Okay. What was the 2001 survey that
15 was being referred to in that context?

16 A. The 2001 survey is part of a ongoing
17 PacifiCorp detailed electric distribution system
18 inspection program. Its primary purpose is to
19 identify PacifiCorp's NESC violations that would
20 exist on our poles and follow through with
21 correction of those violations.

22 Q. Everything above--would the inspection
23 encompass everything above the top communications
24 conductor essentially. Is that right?

25 A. Primarily. The inspection does



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1 encompass the whole pole from ground up--

2 Q. Okay.

3 A. --including telecommunications but is
4 limited to identifying those telecommunications
5 violations which are visibly notable.

6 Q. Okay. Is that inspection being done in
7 connection with the project Quantum Leap
8 initiative here in Utah?

9 A. No.

10 Q. What exactly--help me understand
11 exactly what project Quantum Leap is. I have
12 heard the term, but I'm not really familiar with
13 what's involved.

14 A. Sure. And I'll do my best. I'm not
15 terribly familiar with the Quantum Leap project,
16 but what I do know is that PacifiCorp is
17 investing just over \$200,000,000 in the Wasatch
18 front area of Utah to upgrade our electric
19 distribution and transmission systems to prevent
20 further outages during peaks of, of use during the
21 year.

22 Q. Would that include poles and
23 appurtenant facilities such as guys and cross arms
24 and things like that?

25 A. It can, yes.



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1 Q. It can.

2 And what was the--returning to the 2001
3 Osmose tags and that survey, what was the, what
4 was the impetus for that? Was it safety? Was it
5 grid reliability?

6 A. PacifiCorp has historically performed
7 ongoing cyclical detailed inspections of its own
8 facilities in what used to be the Pacific Power
9 region, Washington, Oregon, California.

10 Q. Uh-huh.

11 A. And has noticed the benefits of
12 performing those inspections, testing and treating
13 the poles on a cyclical basis and correcting
14 violations. And in approximately 2000 expanded
15 that program to include the former Utah Power
16 service region and Wyoming, whether it was Pacific
17 Power or Utah Power. So the Utah state has not
18 been through one full cycle of this cyclical
19 program yet because it only began in 2000.

20 Q. And is this 2001--this survey that we
21 are talking about here, is it related to the one
22 that's the subject of the dispute, why we are
23 here today, of the 2003 inspection of Comcast's
24 facilities?

25 A. No, it is not.



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1 Q. It's, it's completely independent?

2 A. Completely independent.

3 Q. Okay. When the 1997 and '99 survey was
4 completed and the pole counts were all tabulated,
5 did that get--that got turned into, for lack of a
6 better term, the billing department. Is that
7 correct?

8 A. PacifiCorp's Joint Use of Facilities
9 Department performs the billings related to pole
10 attachments within the department.

11 Q. Okay. And--but the data from the
12 '97/'99 survey ended up in billing essentially?

13 A. Correct.

14 Q. I believe I've seen the term used the
15 '97/'98--thank you--the '97/'98 survey. And you a
16 may have used it yourself. This term was the
17 baseline for the audit that we're talking about
18 here, the 2003 forward audit. Is that, is that
19 right? The question is: was it the baseline?

20 A. It was the baseline for comparing
21 whether attachments still exist or currently exist
22 versus their, their status in '97, '98.

23 It was not used as a baseline for the
24 actual field inspection itself. We did not hand
25 the '97/'98 audit results to Osmose and say, go



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1 compare against these records. So it was not an
2 Osmose baseline; it was an internal PacifiCorp
3 baseline.

4 Q. We'll probably get to this a little bit
5 later, but what were--on this point, what were the
6 instructions that were given to Osmose on
7 counting?

8 A. Jim Coppedge will most likely be able
9 to answer that for you in a great deal more
10 detail than I, but I'll give you my understanding.

11 Q. Sure.

12 A. We gave Osmose electronic maps which
13 they took out on a handheld device. We asked
14 them to identify which company was attached to the
15 pole, how many attachments that company has, and
16 measure the heights of those attachments and note
17 any NESC violations that existed for those
18 individual attachments.

19 Q. Just communications attachments?

20 A. Correct.

21 Q. So the NESC violations were--you
22 weren't measuring NESC violations of electric
23 attachments at the top of the pole?

24 A. No.

25 Q. Just the communications attachments?



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1 A. Correct.

2 Q. But you would be measuring, for
3 example, the distance between the top
4 communications attachment and the lowest
5 electrical attachment. Correct?

6 A. The lowest, yes. The lowest electrical
7 attachment on down.

8 Q. Okay. You would, you would--stated
9 another way, you would be measuring communications
10 attachments in relation to the first--the closest
11 electrical attachments?

12 A. Correct.

13 Q. When Osmose went out to the field to
14 count cable attachments, Comcast attachments,
15 tabulated those numbers for a certain area, what
16 do they compare that number to? In other words,
17 they find, for example, 500 poles in an area.

18 A. Uh-huh.

19 Q. PacifiCorp records indicate billing for
20 only 400 poles in that area. What is the 500
21 number and what is the 400 number in that
22 example, that hypothetical?

23 A. Osmose--

24 Q. And if you don't understand the
25 question, please, please let me know.



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1 A. Osmose does not compare any numbers.

2 Q. Okay.

3 A. Osmose merely collects field data.

4 Q. Okay. So you get--PacifiCorp gets the
5 field data, there are 500 Comcast attachment in
6 area x, PacifiCorp records only indicate 400.
7 Where are those PacifiCorp records that indicate
8 400?

9 A. Those records in a mainframe database
10 at PacifiCorp that is called JTU.

11 Q. Okay. What does JTU stand for?

12 A. Joint use.

13 Q. I thought that was right. Told you.

14 MS. SAPIR: The T has to be for
15 something.

16 BY MR. THOMAS:

17 Q. Did the results of the '97/'99 survey
18 go into the JTU database?

19 A. Yes.

20 Q. What happens with the NESC portion of
21 the individual pole inspection? In other words,
22 okay, Comcast is up here and it has--and it's too
23 close to power so the--Comcast is on this pole
24 piece, goes to PacifiCorp, ends up compared with
25 JTU records and goes into the JTU mainframe.



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1 A. (Witness nods head.)

2 Q. What happens with the other NESC piece
3 of that inspection?

4 A. All field data collected is stored and
5 maintained in a system called FastGate, including
6 the NESC safety information.

7 Q. Does FastGate produce mapping data?
8 Does it produce maps?

9 A. FastGate has a copy of PacifiCorp's
10 maps which are done in a completely different
11 system. But it was primarily developed as a
12 connectivity tool, not a mapping database.

13 Q. What do you mean by a connectivity
14 tool?

15 A. When FastGate was originally created as
16 a software system--

17 Q. Uh-huh.

18 A. --it was created to capture
19 connectivity data in the field to follow a circuit
20 from substation to home and everything in between.
21 So how many customers are attached to this
22 distribution transformer. And if you are having
23 outages, then you can better manage that
24 information because you have an actual picture of
25 what your electric distribution system looks like



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1 in the field.

2 Q. So when you talk about connectivity,
3 you mean actual connection of electrical wires
4 from point A through point Z?

5 A. Correct.

6 Q. Okay. Who, who developed the FastGate
7 program?

8 A. A company called Coherent Networks
9 Incorporated, CNI, which was then purchased by
10 Osmose.

11 Q. By Osmose. And Osmose uses FastGate in
12 connection with the Utah inspections?

13 A. Yes.

14 Q. And--

15 A. Pole attachment inspections.

16 Q. Pole attachment inspections. Okay.
17 Do--does, does Osmose use FastGate
18 for--well, let me back up.

19 Is Osmose doing the rolling audit of
20 PacifiCorp holding facilities that started in
21 2001?

22 A. Yes, it is.

23 Q. Are they using FastGate for that?

24 A. No.

25 Q. They are not.



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1 Are they using, to your knowledge,
2 another connectivity or mapping program?

3 A. To perform the detailed electric
4 inspections?

5 Q. Yes.

6 A. No.

7 Q. I believe I--at one point--and we can,
8 I think, can go to the transcript at some point
9 if we need to do that--that your counsel had said
10 the database--in connection with the 2001 and the
11 2003 surveys--that the databases don't even talk
12 to each other.

13 A. They do not.

14 Q. So two separate databases?

15 A. Correct.

16 Q. Okay. After you performed the '97 and
17 '99 audit, why was it determined that another
18 audit was needed beginning in 2003 here, here in
19 Salt Lake--you know, Utah?

20 A. There had been a significant amount of
21 activity in the telecommunications industry
22 beginning in about 1996 with the passing of the
23 Federal Telecommunications Act. Because
24 PacifiCorp did not have a dedicated joint use
25 program in the field it was our belief that we



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1 had not adequately tracked all of the new
2 attachments that had been made, upgrades that had
3 been done and safety violations that may have been
4 created as a result of that increased activity.

5 Q. And, therefore, would it be fair to say
6 that you wanted to increase your understanding of
7 what was on your poles?

8 A. Correct.

9 Q. When did PacifiCorp come to the
10 conclusion that a Utah-specific audit of this kind
11 was necessary?

12 A. PacifiCorp approved a system-wide
13 audit.

14 Q. When you say system wide, you mean
15 multistate?

16 A. All states. Was not specific to Utah
17 in particular. But we approved a companywide, all
18 six states audit in September of 2002.

19 Q. And are you doing--are you auditing in
20 other states in addition to Utah today?

21 A. No.

22 Q. Okay. After it was decided to conduct
23 the audit in Utah, can you walk through for me
24 what your, your next steps were from idea to
25 implementation?



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1 A. We started the audit in both Wyoming
2 and Utah at the same time. We intended to follow
3 that up by moving to Washington, knowing that the
4 Salt Lake metro area in particular would take us
5 a very significant amount of time to get through.

6 Q. Because?

7 A. Because of the size, the number of
8 poles and the level of attachments. Just a lot
9 of detail--

10 Q. Right.

11 A. --within the Salt Lake metro area. So
12 there were audits going on in multiple states
13 simultaneously, and Washington and Wyoming were
14 completed in the process of performing audits in
15 Utah.

16 Q. Okay. And, and why was it--you just
17 mentioned that you had a lot of work to do in, in
18 Utah with the audit. Why, why was it that you
19 felt you needed to--that you felt like you kind
20 of didn't know what was on your poles in, in
21 Utah?

22 A. We had received some phone calls from
23 field personnel contacting us.

24 Q. Utah Power field personnel?

25 A. Yes.



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1 Q. Okay.

2 A. In the state of Utah, personnel had
3 contacted the Joint Use Department asking if this
4 company, whichever company that may be--and in
5 some cases it was AT&T or TCI--had permits to be
6 doing construction at this particular location
7 because they were creating safety hazards and were
8 watching it happen, who authorized it.

9 That was one of our first indicators,
10 was that we would get somewhat frequent phone
11 calls from field personnel asking if these
12 companies had permission to be doing construction.

13 Q. You mentioned TCI. Were there other,
14 other companies who were building that were
15 mentioned by your field people?

16 A. Yes.

17 Q. Who? Can you give me some examples, if
18 you remember?

19 A. Electric Lightwave.

20 Q. And approximately when, what, what time
21 period or--are we talking about when these
22 questions or complaints first started coming to
23 you?

24 A. I would say in 1999, 2000 time frame
25 specific to Utah was when I first noted many



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1 questions coming. I attributed that not only to
2 the growth in the Utah area but also the training
3 sessions that we had held, both with our folks as
4 well as external third-party attachers, to bring
5 an awareness about the proper procedures for
6 making a joint use attachment. People begin to
7 call and ask a lot of questions.

8 Q. So you had, you had training sessions
9 with your joint use field personnel about the
10 right way to do things?

11 A. PacifiCorp didn't have any joint use
12 field personnel until we started this department
13 in January of 2002. So field personnel that we
14 relied upon to give us this kind of information
15 were the field operations personnel, linemen,
16 estimators, servicemen, troubleshooters, people
17 that were literally out in the field every day
18 working on electric distribution facilities. And
19 we relied on them to let us know if an
20 application was approved or acceptable for
21 attachment. So, yes, those field personnel were
22 the ones contacting us.

23 Q. At this, at this time when you were,
24 you know, starting to get these complaints, was,
25 was the permit application process handled out of



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1 Portland or was it handled here in Utah?

2 A. It was a joint effort. The application
3 was originally submitted to the local office in
4 Utah.

5 Q. Okay.

6 A. And then completed in Portland.

7 Q. Okay. Did the--you mentioned that the
8 training and increased awareness of PacifiCorp
9 personnel may have played a role in the phone
10 calls, complaints to you. Correct?

11 A. Correct.

12 Q. Were the individuals who called you
13 part of that training or were they--well, were
14 they part of that training?

15 A. Most of the time they were part of that
16 training. Sometimes they had been referred to me
17 by someone who had attended the training.

18 Q. Okay. And these would be, as you
19 indicated, linemen, for example?

20 A. Correct.

21 Q. People who were out in the field
22 looking at the poles every day?

23 A. Right. And mostly in the Utah area
24 estimators or engineers that would contact me.

25 Q. Okay. So is it fair to say that you



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1 felt a need to get a better handle on who was
2 doing what and when on your poles?

3 A. Yes.

4 Q. Okay. Were you involved in the bid
5 process that resulted in Osmose's performing the
6 survey work that's going on now?

7 A. Yes.

8 Q. The 2000--at the end of 2003?

9 A. (Witness nods head.)

10 Q. Could you walk me through how that
11 process went in terms of soliciting bids, et
12 cetera?

13 A. Sure.

14 Jim Coppedge was originally hired as
15 the project manager of the inventory, and it was
16 his primary responsibility to develop the bid, the
17 bid package in cooperation with PacifiCorp's
18 procurement department.

19 My responsibilities were to oversee
20 that, assist Jim with any questions he may have,
21 and review the package prior to sending it out.

22 And we made a list of all data elements
23 that we felt were related to third-party
24 attachments and that were necessary for proper
25 asset management of third-party attachments or to



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1 discern whether or not a safety violation exists
2 and began with that list. And Jim actually came
3 up with the list of companies that would be
4 offered the opportunity to bid.

5 Q. Was Jim at PacifiCorp previously?

6 A. No.

7 Q. What was he doing before?

8 A. Jim spent approximately 25 years in the
9 telecommunications and cable industry as a
10 construction worker, project manager, manager.

11 Q. Do you know what--with what companies?

12 A. When we hired him, he was at RCN.

13 Q. Okay. I'll, I'll find out more from
14 him tomorrow but, thank you.

15 Okay. So you had a list--Jim had
16 helped identify a list of companies. Then, then
17 what happened?

18 A. Then Jim and our procurement folks sent
19 out the bid package, received bids back and gave
20 two companies the opportunity to make a formal
21 presentation based on those bids.

22 Q. Was UAM on that list?

23 A. They were.

24 Q. They were?

25 A. They were not selected as one of the



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1 final two to give a formal presentation, but they
2 were on the bid list.

3 Q. And who were the final two?

4 A. Custom Lighting Services and Osmose.

5 Q. And Osmose.

6 You--PacifiCorp has a--done other
7 business with Osmose over the years. Is that
8 correct?

9 A. Yes, we have.

10 Q. Why did you decide to go with Osmose as
11 opposed to the other finalist?

12 A. Osmose had a greater depth of
13 experience in inspecting pole attachments. Custom
14 Lighting Services had limited experience specific
15 to pole attachments.

16 Q. Was the Nebraska company that had
17 helped out in the '97/'99 survey on the list?

18 A. No, I don't--I'm sorry, yes, I do
19 believe that they were on the list.

20 Q. Okay. Do you recall why they didn't
21 make the final cut for--to make a formal
22 presentation?

23 A. Limited experience with the NESC.

24 Q. Okay. Is Jim Coppedge the individual
25 who is primarily responsible for interfacing with



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1 Osmose with respect to the, you know, audit, the
2 2003 audit?

3 A. Yes, he is.

4 Q. Does PacifiCorp use other contractors
5 in connection with the Utah audit?

6 A. No.

7 Q. Does Osmose use subcontractors in
8 connection with the Utah audit?

9 A. No.

10 Q. Who is Volt Contracting?

11 A. Volt is the temporary employee agency
12 that PacifiCorp has made its vendor of choice for
13 temporary employee services.

14 Q. What, what kind of, what kind of
15 temporary employees are we talking about?

16 A. Typically clerical but some have some
17 form of technical expertise.

18 Q. Is Volt involved either in the field or
19 administratively with the audit?

20 A. Not in the field, but I would say
21 administratively there is, off the top of my head,
22 three employees that process data that has been
23 returned from the inventory.

24 Q. Volt employees?

25 A. Volt employees, yes.



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1 Q. Who are on contract to your department?

2 A. Correct.

3 Q. Are there other temporary contractors
4 that you rely on for any aspect of the 2003 audit
5 that's ongoing?

6 A. Yes.

7 Q. Who would those be?

8 A. Susan Canniff and Karen Kelly.

9 Q. Individuals?

10 A. Yes.

11 Q. And what do they do in connection with
12 the audit?

13 A. Susan and Karen are not directly
14 involved in the audit, but they are on contract
15 to PacifiCorp as technology development project
16 managers, and what Susan and Karen do that does
17 indirectly tie to the audit is assist us in
18 creating reports and business cases that we
19 present to executives that say this type of
20 technology is the best fit for this task for
21 these reasons.

22 Q. And they are--do they have a certain
23 technical expertise or--

24 A. Yes, they do.

25 Q. And their technical expertise is in



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1 information systems or--

2 A. Yes.

3 Q. Okay.

4 A. Yes.

5 Q. You had mentioned earlier that there
6 were no audits currently going on in, in your
7 other service area states, I think.

8 A. Not currently.

9 Q. Not currently.

10 So have you done audits in those other
11 states similar to what's going on in Utah today?

12 A. Yes.

13 Q. Was Osmose the contractor in those
14 other states as well?

15 A. Yes.

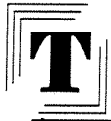
16 Q. Were they selected as part of the same
17 RFP process that resulted in their selection in
18 Utah?

19 A. Yes.

20 Q. So when you went through that process,
21 it was for consideration for your audit needs
22 across your entire service area?

23 A. Correct.

24 Q. Okay. Do you know how much to date
25 PacifiCorp has paid Osmose in connection with the



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1 Utah-specific survey project, the 2003?

2 A. Utah specific, no, I do not.

3 Q. Okay. So the payments that have come
4 from PacifiCorp to Osmose have been on a service
5 area-wide basis, multistate basis?

6 A. Yes.

7 Q. Do you have an idea of what the number
8 would be for that--that gross number?

9 A. The total amount of payments that we
10 have paid to Osmose to date that I'm aware of is
11 approximately \$5,000,000.

12 Q. Okay. In one of your discovery
13 answers--and maybe after lunch we'll actually pull
14 out some documents--but in one of your discovery
15 answers, you had indicated--or I believe it was
16 you--PacifiCorp had indicated that the total value
17 of the contract was \$10,000,000.

18 A. Correct.

19 Q. Is that, is that contract the contract
20 between PacifiCorp and Osmose?

21 A. Correct.

22 Q. And is that with respect to the
23 multistate service area audit?

24 A. Yes, it is.

25 Q. Not \$10,000,000 to Utah specifically?



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1 A. No.

2 Q. You mentioned earlier in our discussion
3 that there were approximately 400,000 poles in
4 Utah.

5 A. Correct.

6 Q. How many poles does PacifiCorp have
7 system-wide?

8 A. Approximately 1.4 million.

9 Q. 1.4 million.

10 Well--yeah, just a clarification.
11 Corey, is that 1.4 million figure--is that
12 distribution poles only?

13 A. No.

14 Q. That's transmission and distribution?

15 A. Yes.

16 Q. Does that include--I am trying to think
17 of FERC accounts now--f-e-r-c--that's transmission
18 poles not latticed, multistate towers. Correct?

19 A. Correct. Poles.

20 Q. So those would be booked into FERC
21 accounts 364 for distribution and 355?

22 A. Correct.

23 Q. Okay. Thanks.

24 My apologies.

25 A. No problem.



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1 Q. When did work actually begin in Utah
2 for the audit?

3 A. For Utah. Approximately January of
4 2003.

5 Q. Approximately 2003.

6 And when was Osmose selected as
7 PacifiCorp's multistate contractor for the
8 multistate project?

9 A. October of 2003.

10 Q. 2000--

11 A. Three--or two. I'm sorry. October of
12 2002.

13 Q. Okay. I was like--they were very
14 confident.

15 A. Yes.

16 Q. When did the work in the other states
17 begin?

18 A. Work in Wyoming and Washington began in
19 November of 2002.

20 Q. I'm sorry, Washington and Wyoming?

21 A. Yes.

22 Q. And, and Osmose has--is Osmose doing
23 work or has--you said before that Osmose--you had
24 said before that other than Utah there are no
25 other audits underway now. Correct?



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1 A. Correct.

2 Q. Washington is done?

3 A. Correct.

4 Q. Wyoming is done?

5 A. Correct.

6 Q. Have you done--you are out of Montana,
7 no Montana?

8 A. No Montana.

9 Q. California?

10 A. No.

11 Q. You are not in California?

12 A. We are in California, but we have not
13 audited California.

14 Q. Not audited California.

15 Oregon. Have you audited Oregon?

16 A. We audited some of Oregon.

17 Q. But there is nothing going on now?

18 A. No.

19 Q. Okay. Of--is it fair to say that if
20 the total contract amount to Osmose is about
21 \$10,000,000 and you have paid them about
22 \$5,000,000 that you are about half done?

23 A. We are--to date we've collected nearly
24 1,000,000 poles worth of data, so we are more
25 than 75 percent done. The lag is in processing



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1 the data before paying the bill.

2 Q. Okay. That is a lot of work.

3 If you have got 400,000, give or take,
4 poles in Utah--

5 A. Distribution poles.

6 Q. Distribution poles in Utah--well, how
7 many transmission poles in Utah, approximately,
8 Utah specifically?

9 A. Approximately 100,000.

10 Q. Approximately 100,000?

11 A. (Witness nods head.)

12 Q. So half a million poles. So
13 transmission poles and distribution poles are both
14 being looked at as part of this audit?

15 A. Transmission poles are only looked at
16 if there is a joint use attachment and we know
17 along that circuit.

18 Q. Do we know how many joint use
19 transmission poles there are in Utah, give or
20 take?

21 A. Off the top of my head, no, I don't.

22 Q. Okay. Have you seen data back from the
23 survey that might be able to give you a basis to
24 make a reasonable estimate? I am just--I am not
25 going to hold you to it, I am just trying to get



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1 an idea.

2 A. Right.

3 Honestly, I think that Jim Coppedge may
4 be a better source of that--

5 Q. Okay.

6 A. --than I am.

7 Q. That, that--that's fair.

8 Do we know how many distribution poles
9 are subject to joint use today, give or take?

10 A. Approximately 50 percent of our poles
11 have a joint use attachment on them--of our
12 distribution poles--have a joint use attachment on
13 them at least one or more. That's an overall
14 statistical summary--

15 Q. Sure.

16 A. --From the inventory. Some areas would
17 be denser than others.

18 Q. Does Qwest attach to your poles?

19 A. Yes, they do.

20 Q. Is the Osmose survey in Utah only of
21 joint use poles, the 2003 survey?

22 A. No.

23 Q. So--okay. So they are looking--Osmose
24 is looking at all distribution poles, whether or
25 not there is a communications facility on there or



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1 not?

2 A. Correct.

3 Q. Okay. But they are only looking at
4 transmission poles to the extent there is joint
5 use on that.

6 A. Correct.

7 Q. Why the distinction?

8 A. There typically are not as frequent
9 attachments to transmission poles because they're
10 usually not located right in the center of where
11 the customer base is. So most of the
12 transmission poles in our experience that have
13 pole attachments on them also have distribution
14 underbuilt on that transmission pole.

15 Q. Okay.

16 A. So we are basically looking at all
17 poles that have distribution, and some of those
18 may also have transmission on them.

19 Q. Okay. How far along are you and Osmose
20 to completion of the Utah audit?

21 A. We have, we have ceased collecting data
22 in the state of Utah as of Friday, May 7th.

23 Q. Congratulations.

24 A. Thank you.

25 Q. Does that mean you are finished



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1 collecting data?

2 A. We stopped. And there are certain
3 small districts in southern Utah that will not be
4 completed in this inventory.

5 Q. Was it your initial intent to do all
6 the poles across the entire state, including
7 southern Utah?

8 A. Yes.

9 Q. Why did you stop before completing
10 then?

11 A. There has been some regulatory
12 uncertainty.

13 Q. Would you explain that to me a little?

14 A. Certainly.

15 Q. Thank you.

16 A. In both Utah and Oregon, as you know,
17 there is a significant amount of pole attachment
18 activity taking place at the regulatory level.

19 Q. I have heard that.

20 A. Yes. And from an executive
21 perspective, I suppose, it puts into question
22 PacifiCorp's ability to recover its costs of
23 performing the inventory and that was not in
24 question, from our perspective, when we started
25 this.



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1 Q. Do you have a ballpark estimate of how,
2 how close you are in terms of completion, you
3 know, is it 80 percent, 90 percent, 70 percent?

4 A. I would say probably 90 to 95 percent
5 in the state of Utah.

6 Q. Okay. In terms of lag between the time
7 that data is collected in the field to the time
8 that PacifiCorp sends out survey results to its
9 tenants, do you have an estimate of the range of
10 that lag?

11 A. I believe it is approximately 90 days
12 before a district is completed before a licensee
13 would receive any notification from us of whether
14 or not they had unauthorized attachments. That is
15 an electronic comparison, as you know, that
16 happens much quicker than the safety side of the,
17 the results which have in some cases a
18 significantly longer lag, depending on the total
19 amount of violations that were found in area
20 because we are actually using our joint use field
21 person to go out and verify and audit some of
22 those safety results before we communicate them to
23 the licensees.

24 Q. On that last piece, Osmose does an NESC
25 survey.



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1 A. (Witness nods head.)

2 Q. PacifiCorp employee does essentially
3 quality control on that?

4 A. Yes. But in addition to the quality
5 control they categorize those violations into
6 things that the communication carrier can correct
7 on their own and things that are going to require
8 PacifiCorp's help.

9 Q. Can you give me an example?

10 A. Sure.

11 Let's take a 40-inch safety space
12 violation as an example. If there is sufficient
13 room on the pole for a communications carrier that
14 is currently too close to the electric space, if
15 there's room for them to move down on the pole,
16 they can do that without our assistance so long
17 as it doesn't create a ground-level violation.

18 If the pole needs to be replaced in
19 order for them to have proper clearance then that
20 gets classed as something that's going to require
21 PacifiCorp assistance to correct the violation.

22 This assists us in better managing the
23 correction of all of these violations and
24 informing the field operations managers of exactly
25 how much work they are looking at for that



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1 district.

2 Q. And this is done by PacifiCorp
3 employees and not contractors. Is that correct?

4 A. Correct.

5 Q. Okay. In the second example of
6 needing, you know, the power company to assist in
7 clearing the violation--let's take an example of a
8 pole replacement. Who, who pays for that pole
9 replacement?

10 A. The--it would depend on the condition
11 of the pole. If in PacifiCorp's detailed
12 inspection program that pole had been classed as
13 failing test and treat, then PacifiCorp would pay
14 for the pole up to the height that it--that
15 requires for its own core business needs. And if
16 additional height is required to accommodate the
17 communications carriers, they would pay the
18 incremental difference in height.

19 Q. So if PacifiCorp were fine with a, you
20 know, 40-foot pole, but it wouldn't be enough room
21 for Comcast on the 40-foot pole, they would pay--
22 Comcast would pay for the difference in cost
23 between the 40-foot pole and a 45-foot pole, for
24 example?

25 A. Correct.



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1 Q. So if it was \$2,000 for a new 40-foot
2 pole and, you know, \$2300 for a 45--I am just
3 making these numbers up--then that additional \$300
4 would be paid for by Comcast, for example?

5 A. Correct.

6 Q. What about situations where it's not
7 clear who caused the violation? I can give you
8 an example.

9 There is a communications line that is
10 too close to a drip loop on a transformer. A
11 PacifiCorp employee sees that scenario. What does
12 he write down for cost responsibility?

13 A. He doesn't.

14 Q. He doesn't.

15 A. He just writes down the violation.

16 Q. Okay.

17 A. And cost responsibility is determined
18 in the Portland Joint Use organization based on
19 who is attached--who all is attached to the pole
20 and what the violation was.

21 Q. So by one of your people basically?

22 A. Yes.

23 Q. Would that--one of your people in
24 Portland perhaps have a conversation with or would
25 it be based on the paper?



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1 A. There may be a conversation.

2 Q. Okay. Going back to the timing and the
3 lag time of, of reporting the--I believe you said
4 that there was a 90-day lag between the time that
5 Osmose had finished collecting data until numbers
6 of attachments as distinct from NESC violations
7 were reported back to Comcast.

8 A. Depending on the size of that district,
9 yeah.

10 Q. Okay. It could be more if it was a
11 more populous district with more poles?

12 A. It could be, or it could be less if it
13 was a smaller district.

14 Q. Okay. Do you know the--do you know
15 which districts have been reported to Comcast from
16 PacifiCorp? And I, I can help you with this. I
17 know they have received information from Ogden,
18 Layton, American Fork, and a part of Salt Lake
19 valley. That's, that's the extent of my knowledge.
20 Can you supplement that for me or tell me that
21 I'm wrong?

22 A. For Comcast specifically, no, I can't
23 supplement that because I'm not sure exactly which
24 districts they've received altogether, but I do
25 know that you're correct about Ogden, Layton,



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1 American Fork, part of Salt Lake Valley. He and
2 I--I've seen those on summaries of invoices and
3 Ogden, American Fork, and Layton were the initial
4 districts, I believe, that started this docket.

5 Q. Okay. In one of the data requests that
6 we made to you and that you answered, it said
7 that Osmose charges PacifiCorp on a, on a per
8 pole basis in connection with this work. And
9 this is the work across all the states?

10 A. Correct.

11 Q. Is it the same cost across--is it the
12 same cost across all the states?

13 A. Yes, it is.

14 Q. What is that charge?

15 A. Approximately \$12.50 for a joint use
16 pole and \$3.25 for a pole that has no joint use.
17 And they simply verified the location and that it
18 has no joint use.

19 Q. Okay. So if we do the math, 12, 12
20 bucks, 3 bucks, blend it, times 1.4 is about
21 10,000,000. Is that how we get there?

22 A. Yeah.

23 Q. More or less.

24 And that's a static amount, that
25 hasn't, that hasn't--that's wired into the



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1 contract, those prices?

2 A. Those prices, yes, are static.

3 Q. Okay. Are there other charges that
4 are, that are in there that Osmose may be
5 entitled to recover? To the best of your
6 knowledge.

7 A. To the best my knowledge, the only
8 other costs included, which are paid for solely by
9 PacifiCorp, are street light only poles, where
10 they are noting that there is a street light only
11 pole here, and we pay the same as a distribution
12 only pole with three dollars and a quarter.

13 Q. The \$3 charge?

14 A. Right, for street lights.

15 Q. The--but are there other components to
16 the charges that are not included in the per pole
17 charges?

18 A. No, not that I'm aware of.

19 Q. And just to be clear, overtime,
20 vehicle, PDA, not that you are aware of?

21 A. No, not that I'm aware of.

22 Q. Are you familiar with the way in which
23 Osmose actually compensates its employees in
24 connection with the audit?

25 A. Generally I am familiar with that they



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1 compensate them on an hourly basis.

2 Q. Are there bonuses or premiums that you
3 are aware of that they may pay to their employees
4 in connection with this work?

5 A. The only bonuses or premiums that I am
6 aware of were to their management.

7 Q. And what would those premiums or
8 bonuses be? Can you give us some examples?

9 A. Honestly, I don't have any idea. We
10 only found out that their management were entitled
11 to certain bonuses by happenstance and otherwise
12 would not have been privy to that. And it was
13 not something I believe that's stated in their
14 contract with PacifiCorp. That's an Osmose
15 structure--payment structure.

16 Q. Was it--what was the nature of the,
17 what was the nature of the information that you
18 got regarding the bonuses?

19 A. Osmose had come to PacifiCorp several
20 months after the inventory started.

21 Q. In 2003?

22 A. Yes.

23 Q. Okay.

24 A. And requested either additional monies
25 per pole or a reduction in scope to increase



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1 their productivity, and as a result of those
2 discussions, PacifiCorp requested to see Osmose's
3 actual expenses, and we were granted that access
4 briefly, and there was a line item for management
5 bonuses.

6 Q. Did you change the contract price as a
7 result of those requests?

8 A. No, we did not.

9 Q. Did you change the scope of the project
10 as a result of that request?

11 A. Only for the states of Oregon,
12 Washington, and California.

13 Q. Okay. Do you recall what--how the--do
14 you recall how the bonuses for management would
15 work for Osmose?

16 A. They didn't share that with us.

17 Q. Now, you said it was a line item. It
18 just said manager bonus, dollar amount?

19 A. Dollar amounts budgeted for that.

20 Q. Just a few more questions and then
21 maybe, Counsel, then we can, then we can break.
22 We are having so much fun here I hate to
23 interrupt it.

24 I believe that you had stated in
25 response to one of our data requests that



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1 PacifiCorp is passing through the costs of the
2 audit. And what I mean--the costs of the audit,
3 what, what I mean is what do you pay to Osmose
4 for the field work on a, on a pro rata basis--

5 A. Uh-huh.

6 Q. --to attachers on, on your poles. Is
7 that correct?

8 A. That's correct.

9 Q. Can you describe for me the allocation
10 that, that you've used for that?

11 A. Sure.

12 Because every district will have a
13 different number of distribution only versus joint
14 use poles and--and we are including all those
15 costs. What we felt was the most fair and
16 reasonable way to allocate the expenses is, first
17 and foremost, to take all street light only poles
18 and all poles that are foreign owned that
19 PacifiCorp is attached to. So, for example,
20 Qwest-owned poles that PacifiCorp is paying rent
21 on. Take all streets light only and foreign-owned
22 poles and put those aside, and PacifiCorp pays for
23 those a hundred percent.

24 Q. Do we have a sense of how many of those
25 poles are out there in Utah?



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1 A. How many poles, no, I do not, but
2 ultimately the overall breakdown of costs,
3 approximately 80 percent of the total inventory
4 cost ends up being allocated to third-party
5 attachers.

6 Q. Okay.

7 A. PacifiCorp pays approximately 20
8 percent of it for street lights and its own
9 attachment to foreign poles.

10 So with that 80 percent of costs that
11 are left over, we took the first five completed
12 districts and took all of the Osmose expenses that
13 were incurred and all of the PacifiCorp expenses
14 that were incurred to process that data and
15 quality control that data, and we averaged per
16 attachment across those five districts, which gave
17 us an average of about 13.50, I believe it is.
18 So we are charging \$13.50 per attachment to be
19 recovered for that 80 percent of the costs that
20 are solely attributed to third-party attachment
21 verification.

22 If at the end of the audit that average
23 per attachment cost ends up being an underrecovery
24 of what was actually spent system wide--

25 Q. Uh-huh.



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1 A. --then we would seek to true up bills
2 if it was, you know, 20 cents per attachment
3 under whatever it was. Additional bills would be
4 issued to recover that cost.

5 If we had overrecovered our actual
6 expenses, we would issue refunds or credit future
7 billings, however the licensee preferred.

8 Q. Okay. You had mentioned that the
9 maximum per pole amount for a joint use pole that
10 Osmose was charging you was 13 something, or 12?

11 A. Twelve.

12 Q. Twelve something, okay.

13 Do you know what, on a per pole basis,
14 PacifiCorp's processing and QC functions were--or
15 are?

16 A. Off the top of my head, no, I don't.
17 Again, Jim Coppedge probably would know.

18 Q. Okay. And you said the first five
19 districts. Are you talking first five districts
20 in Utah or first five districts in PacifiCorp or
21 multistate?

22 A. The first five districts in PacifiCorp,
23 but it just so happens that I believe three of
24 those five were in the state of Utah.

25 Q. Ogden, Layton, and American Fork,



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1 perhaps?

2 A. Perhaps.

3 Q. You mentioned that the per attachment
4 allocation of those costs was about \$13.

5 A. 13.50.

6 Q. 13.50, give or take. That's fine. I'm
7 sure we'll find the exact number at some point.

8 That includes the Osmose cost plus the
9 PacifiCorp processing and QC cost divided by, you
10 said, attachments?

11 A. (Witness nods head.)

12 Q. Not to get picky but maybe--are we
13 talking about attachments or are we talking about
14 entities or companies on the pole?

15 A. Attachments.

16 Q. Attachments. So let's talk about that
17 for a moment and then break for lunch.

18 A. Okay.

19 Q. I know that you have had some occasion
20 in the past to talk about the definition of
21 attachment. In this context, what are we talking
22 about in terms of an attachment? Help me
23 understand.

24 A. I'll try to do that.

25 For the purposes of this audit and



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1 these charges, the attachments are a, a bolt hole.
2 So if Comcast had a main line attachment and then
3 they ran up the pole with a service drop and also
4 drilled another hole in the pole to support that
5 service drop they would have two attachments.

6 We are not counting power supply boxes,
7 down guy, and anchor attachments. Only those
8 things that you would typically find in the
9 telecommunications area of the distribution pole.

10 Q. Okay. Let's break this down in pieces.

11 If you have a Qwest attachment, one
12 attachment, no J hook, no drops.

13 A. (Witness nods head.)

14 Q. You have a Comcast attachment
15 immediately above that. Those costs would be
16 divided by two?

17 A. Each attachment would be charged
18 \$13.50.

19 Q. \$13.50. Okay. But that is--that
20 \$13.50 comes from an aggregate bucket from the
21 first five districts?

22 A. Correct.

23 Q. Another scenario. Qwest, one
24 attachment, right above it another Qwest
25 attachment, 27 bucks?



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1 A. Correct.

2 Q. Okay. Cable attachment, J hook for a
3 service drop, 27 bucks?

4 A. Correct.

5 MR. THOMAS: Okay. Why don't we break.

6 THE WITNESS: Okay.

7 MR. THOMAS: That's great.

8 (Recess taken.)

9 Q. Corey, at this point, we would like to
10 turn your attention to some documents that have
11 been served in connection with our discovery
12 requests, and we are going to look first at
13 your--PacifiCorp's response to request number five
14 that we made, and we are just going to mark this
15 for identification as Exhibit 1.

16 (Discussion off the record.)

17 And what we are seeking here is some
18 clarification of what we talked about a little bit
19 this morning. And what this is--this is your--
20 PacifiCorp's January 23, 2004, response to our
21 initially data requests.

22 A. Uh-huh (affirmative).

23 Q. And we are going to turn to the
24 response to number five. Have you, Corey, seen
25 this document before?



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1 A. I have.

2 Q. And did you assist in preparing this,
3 this response?

4 A. I did.

5 Q. I would like to draw your attention to
6 the second-to-last sentence of that response. And
7 I'll, I'll read it. It says, "PacifiCorp has
8 paid the full costs of the portion of the 2003
9 audit directed at determining PacifiCorp's
10 attachments to third-party poles."

11 Could you explain what, what is meant
12 by that sentence there?

13 A. Earlier I referred to the third-party
14 poles as foreign-owned poles, so what is meant is
15 that PacifiCorp is paying all costs associated to
16 capturing data where PacifiCorp is the licensee on
17 someone else's pole such as Qwest.

18 Q. Is there any significance, in your
19 mind, to the phrase, directed at determining? And
20 what I mean by that is could the sentence have
21 been reworded to say, PacifiCorp has paid the full
22 costs of the portion of the 2003 audit to the
23 extent it determined PacifiCorp's attachments to
24 third-party poles?

25 A. Yes, that would mean the same to me.



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1 Q. Okay. Thank you.

2 Earlier today you had mentioned that
3 other parties were being assessed charges
4 associated with the audit, like Comcast, and we
5 had talked about some CLECs and Qwest. And I
6 think we established that by way of methodology,
7 but I'm not sure that we established that they
8 were, in fact, being charged for, for the audits.
9 Are they?

10 A. Yes, they are.

11 Q. Okay. And are they being assessed--or
12 have they been assessed unauthorized attachment
13 penalties similar to those that Comcast has been
14 assessed?

15 A. Yes, they have.

16 Q. Okay. What we want to do now is turn
17 your attention to some comments that were filed in
18 the generic docket and just want to read a couple
19 of excerpts to you.

20 The first document that we will take a
21 look at are the URTA documents that were filed in
22 that docket. And we'll mark this for
23 identification as Exhibit 2.

24 Exhibits-1thru2 marked
25 (Discussion off the record.)



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1 And this document is captioned, Initial
2 Comments of Utah Rural Telecom Association, URTA,
3 in the proceeding in the matter of an
4 investigation into pole attachments before the
5 Public Service Commission of Utah.

6 Corey, have you seen this document
7 before?

8 A. I have seen it.

9 Q. Okay. I'd like to direct your
10 attention to paragraph nine of these comments and
11 specifically on page five, at the very top, and
12 I'll, I'll, I'll read the excerpt.

13 "There continue to be several
14 outstanding disputes over the issue. For example,
15 following inventories performed exclusively and
16 unilaterally by PacifiCorp, PacifiCorp has billed
17 URTA members \$13.25 for each URTA member
18 attachment to pay for the cost of the inventory."

19 Is that the \$13.25 charge that we spoke
20 about this morning?

21 A. Yes, it is.

22 Q. Okay.

23 A. And I may have earlier mistakenly
24 referred to it as 13.50, but it's the same
25 charge.



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1 Q. Okay. Turning back to the previous
2 page in the same paragraph, the second sentence.
3 And I'll read that sentence. I'm--correction, I
4 will read from the first sentence so we know
5 exactly what we are talking about here.

6 "URTA has begun trying to resolve the
7 issue of accounting for pole ownership through
8 inventories, but the commission may have to review
9 and help solve this issue as well. The issue
10 arose when PacifiCorp began tagging all of the
11 poles where it had facilities and then billed URTA
12 members for pole attachments even when the poles
13 were owned by URTA members."

14 Had you seen that allegation previously
15 about PacifiCorp's billing URTA members for being
16 attached to their own poles?

17 A. I had not seen it, but I had heard it
18 in conversations.

19 Q. And, to your knowledge, has this matter
20 been investigated by PacifiCorp?

21 A. No, it has not. PacifiCorp's feedback
22 to the comments made are that PacifiCorp tags
23 every pole that it is attached to, whether it
24 owns it or not, so that's just a facility
25 identification that tells us the location of the



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1 pole. It does not intend to assert ownership.

2 Q. What, what is the--when you tag it,
3 what does the tag say on it?

4 A. Typically it says either PacifiCorp or
5 Utah Power and Light, and then it has a map
6 number and a six-digit pole number on the tag.

7 Q. So the tag that--assuming that this is
8 true, that there have been situations where non-
9 PacifiCorp poles have been tagged in this audit,
10 the tags do have the PacifiCorp name on those
11 poles?

12 A. Yes, they do. We have not asked Osmose
13 to tag any poles as a part of this audit, so
14 there is a bit of confusion around this in
15 general.

16 Q. Okay. Are these the tags that we
17 talked about earlier today that look like the
18 little kid's license plates from the bicycles?

19 A. Yes, same tags.

20 Q. Same tags. Okay.

21 In connection with the audit of those
22 poles owned by others, do those other owners
23 receive invoices for inspection of that pole, do
24 you know?

25 A. If someone other than PacifiCorp owns



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1 the pole, then PacifiCorp is paying that portion
2 of the inventory. There are--it is, it is very
3 common for there to be ownership discrepancies,
4 regardless of tags, as to who owns that pole.

5 Q. Do you jointly own--does PacifiCorp
6 jointly own poles with any entities in Utah?

7 A. Not anymore.

8 Q. When did that practice stop?

9 A. To the best of my understanding,
10 sometime in the 1980s.

11 Q. And who did you own poles jointly with
12 prior to, to that time?

13 A. In Utah I'm not sure exactly who, but
14 we did have some joint ownership agreements with
15 U.S. West and Pac Bell in, in the past.

16 Q. And do you know why there is no longer
17 those joint ownership arrangements with those
18 kinds of entities?

19 A. To the best of my knowledge, it was not
20 serving either party advantageously. It was
21 difficult to keep records, maps, of where poles
22 were, depending on who had set the pole, and it
23 was difficult to maintain billings of third-party
24 attachments.

25 Q. If you go out and do an inspection--in



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1 connection with the inspection, which is almost
2 finished here in Utah, and there is no tag on
3 that pole, do you assume that pole to be owned by
4 someone else?

5 A. In the state of Utah, no, I would not
6 assume that because the state of Utah--PacifiCorp
7 did not begin tagging its poles in the state of
8 Utah until 1996.

9 Q. So as I understood what we talked about
10 previously today, you did a survey in 1997 to
11 1999?

12 A. Uh-huh (affirmative).

13 Q. Correct?

14 A. (Witness nods head.)

15 Q. And as part of that survey, was it 81
16 cents, give or take, to inspect the pole and
17 another \$1.20 to nail the tag on the pole. Right?

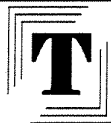
18 A. Correct.

19 Q. And that was done for all PacifiCorp's
20 poles in Utah at the time?

21 A. The '97 through '99 inventory was
22 limited to joint use poles. They did not visit
23 every distribution pole.

24 Q. Okay. I understand.

25 So when there is no tag on a pole, how



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1 does Osmose or upon follow-up inspection by
2 PacifiCorp determine ownership of the pole?

3 A. The primary way they determine
4 ownership is the maps that were given to them
5 electronically, the symbol of the pole will either
6 be hollow or filled in, and a filled-in circle on
7 the map indicates a foreign-owned pole. So they
8 are not attempting to tell us any differently
9 unless there is some blatant sign that we clearly
10 don't own this pole, such as we get to a pole
11 that indicates that PacifiCorp owns it on the map
12 and there is no electric utility on that pole.
13 Then--

14 Q. In that case, there would be no
15 situation where there is an electrical pole with
16 no electric facilities on it?

17 A. Correct.

18 Q. Okay. Would there be other blatant
19 signals?

20 A. There are certain signs if you have
21 done enough pole inspections or been around enough
22 inspections to know but not ones that we
23 specifically asked Osmose to verify at every pole.

24 In some cases the--at the base of the
25 pole might be some type of branding or seal that



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1 was tagged to the pole that says Mountain States
2 Telephone and Telegraph, which since has evolved
3 into Qwest. They didn't put those tags on those
4 poles unless it came from their yard. Now, that
5 doesn't always mean that they own it. We may
6 have actually paid for the placement of that pole
7 for our own needs, and it just came from their
8 yard, but it's a pretty good indicator if you
9 know to look for it.

10 Q. Do your poles have a brand into the
11 wood that describes ownership?

12 A. Not that I'm aware of.

13 Q. Do you-have any understanding of
14 discussions between foreign pole owners, as you
15 have described them, and PacifiCorp with respect
16 to the ownership identification issues that URTA
17 has raised?

18 A. Can you restate the question?

19 Q. Yes.

20 You stated that you weren't aware of
21 any investigation--

22 A. (Witness nods head.)

23 Q. --that PacifiCorp had conducted. What
24 I was trying to do was take a step back and--were
25 you aware of any dialogue between those



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1 communications owners and PacifiCorp over this
2 issue?

3 A. Yes.

4 Q. And can you summarize for me those
5 discussions?

6 A. The discussions that I am aware of were
7 just verbal discussions between the URTA, the DPU,
8 and PacifiCorp that this was one of their
9 concerns. In addition, Qwest has communicated
10 with PacifiCorp in written letter to my managing
11 director, Paul Brown, that they have some
12 ownership concerns.

13 Q. Okay. Corey, I am going to give you a
14 document which we'll mark for identification as
15 Exhibit 3. And this is Qwest's comments in the
16 matter of an investigation into pole attachments.
17 The docket number is 04-999-03. Do you have it
18 yet or--

19 A. No.

20 Q. And I would like to direct your
21 attention to page five. First of all, are you--
22 have you seen this document? Are you familiar
23 with it?

24 A. I am familiar with it, but I haven't
25 read it all the way through.



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1 Q. Okay. Can you please turn to page five
2 of that document?

3 A. Uh-huh (affirmative).

4 Q. And in the second-to-last sentence of
5 the first paragraph--that's not the full
6 paragraph--there is a sentence that begins with
7 yet. Do you see that sentence?

8 A. Yes.

9 Q. I am going to read that.
10 "Yet in various spot checks conducted
11 by Qwest, it determined that many of the poles
12 for which PacifiCorp is seeking back billing and
13 penalties are poles that Qwest owns!"

14 Have you seen that before, the
15 sentence?

16 A. I, I haven't seen it in this document,
17 but I have seen that allegation in, in the
18 letters that Paul received.

19 Q. Okay. And so you are familiar
20 generally with, with the issue?

21 A. Yes.

22 Q. And this was the issue that we were
23 speaking about immediately before I, I showed you
24 this document. Is that correct?

25 A. Correct.



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1 all that different.

2 Q. Okay, so something less than five
3 percent of the total numbers that they had looked
4 at?

5 A. That's my understanding, yes.

6 Q. So--just so I understand the
7 methodology, they spot checked 110 of Qwest poles?

8 A. No, 110 poles that we alleged had
9 unauthorized attachments.

10 Q. Okay.

11 A. On our poles.

12 Q. Unauthorized Qwest attachments on your
13 poles?

14 A. Correct.

15 Q. And something less than five percent--
16 you said five poles out of 110, so less than five
17 percent were misidentified?

18 A. Correct.

19 Q. Okay, thank you.

20 I apologize for the delay. We, we have
21 covered a lot of material already this morning, so
22 some of this is finding my way through the
23 material.

24 Corey, I think the next material I
25 would like to, to look at with you are the users



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1 manual of, of the FastGate technology that we
2 talked about this morning. We had some general
3 questions this morning, which your answers helped
4 us understand it, but I thought if we could just
5 spend a few minutes going through some of this,
6 we might be able to take care of this fairly
7 efficiently and what we have--we ask it be marked
8 for identification as Exhibit 4. And these are
9 the supplemental responses of PacifiCorp to
10 Comcast's first set of data requests. These were
11 served on April 1, 2004, and--Gary, you have got
12 a copy of this.

13 MR. SACKETT: Yes.

14 BY MR. THOMAS: We are going to go to tab E
15 of that document.

16 MS. SAPIR: Yes.

17 BY MR. THOMAS:

18 Q. And this is--the cover page of this
19 document says Osmose Utilities Services Pacific
20 Region. PacifiCorp joint use/NESC violations,
21 training and operations manual.

22 Are you familiar with this, with this
23 document, Corey?

24 A. Yes.

25 Q. Turning to the second page of that--and



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1 it's bates stamp PC6--6100--it is, it is described
2 as a document that has FastGate Mobile, FastGate
3 Mobile User's Guide, FastGate Advanced Gateway
4 Software.

5 Is this the same FastGate that we were
6 speaking about this morning in the data collection
7 conversation we had about the Osmose survey?

8 A. Yes, it is.

9 Q. Okay. Turning to the next page, which
10 is identified as bates stamp PC 6101, there you'll
11 see that there is a date there of 23 October
12 2002. Do you see that?

13 A. Yes, I do.

14 Q. Is this--was this software guide
15 prepared especially for PacifiCorp, if you know?

16 A. Not to the best of my knowledge.

17 Q. Okay. The reason I was asking because
18 the gate--the dates match up quite closely to the
19 chronology of when you were going through the bid
20 process and starting the audit. That's why I'm
21 asking that.

22 A. (Witness nods head.)

23 (Discussion off the record.)

24 Q. I think if we turn to bates stamp PC
25 6129--and let me know when you get there.



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1 A. I am there.

2 Q. Have you looked at these pages of this
3 manual before, Corey?

4 A. Not thoroughly, no.

5 Q. Not thoroughly. Okay.

6 Since you are not familiar with the
7 manual itself, is it fair to say from your
8 knowledge that this is the manual that is
9 associated with the handheld devices that the
10 Osmose contractor uses in connection with the
11 survey?

12 A. Yes.

13 Q. Okay. Not necessarily based on these
14 documents, but based on your knowledge, when
15 Osmose technicians go into the field with the
16 PDAs, the handheld PDAs, is there PacifiCorp
17 mapping information that is stored in that PDA?

18 A. Yes.

19 Q. And are they able to call up map
20 locations on the PDA when they are doing their
21 pole inspections in the field?

22 A. Can you define, call up map locations?

23 Q. Yes.

24 A technician has been asked to inspect
25 a line of poles that begins at First and Main and



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1 ends at 10th and Main. When he gets to First and
2 Main, can he click on something and have the map
3 for that pole run come on his PDA?

4 A. The maps that they are to inspect is
5 the only, what we call, data set that is loaded
6 on the PDA. So on the average they may be able to
7 have 300 poles on the PDA at any given time, and
8 they are to inspect every pole that's on that
9 PDA. And they turn the data set in and then they
10 get a new data set. So what they are given is
11 what drives the location they go to.

12 Q. I understand. That's very helpful.

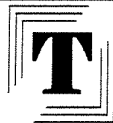
13 Does that PDA have GPS communications
14 capability associated with it?

15 A. It is able to take a GPS reading.

16 Q. Okay. What do we--what do you mean by
17 a GPS reading?

18 A. Standing at a pole we are able to
19 capture the GPS coordinates of that pole location,
20 and it will log the x, y coordinate for that
21 record for that pole.

22 To the best of my knowledge, it does
23 not have the ability for us to put in a GPS
24 coordinate into the PDA and have it direct us on
25 where to go.



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1 Q. Okay. When a PacifiCorp--sorry--when
2 an Osmose technician gets a PDA, a loaded--a PDA
3 loaded with the map information, it's--that's
4 essentially his work order or job sheet for the
5 period of time that it takes him to do that?

6 A. Yes.

7 Q. Do you know whether they would do 300
8 poles in a day or in a week or what time period
9 would be involved?

10 A. If they are working in an area that has
11 mostly joint use poles, if I recall the statistics
12 correctly, they are able to do maybe 50 poles in
13 a day because they are stopping at every pole and
14 taking measurements of heights, and it's more time
15 consuming.

16 Q. So the typical Osmose technician may
17 come in Monday morning and get his PDA loaded
18 with a week's work?

19 A. Yes.

20 Q. Can you describe for me what happens
21 when the Osmose technician gets out of his truck
22 with his PDA and walks up to a pole? Tell me
23 what happens.

24 A. Okay. I personally haven't been out in
25 the field; although, other members of my staff



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1 have, but my conceptual understanding of what
2 happens is the first thing that they do is verify
3 that the pole on the map is, in fact, this pole
4 in the field.

5 Q. The pole on the electronic map on the
6 PDA?

7 A. Yes.

8 Q. And how would they do that?

9 A. First by pole tag, assuming that the
10 pole tag exists on the pole.

11 Secondly, just by general geographic
12 location, this is the third pole down this street.
13 And they'll verify that this is, in fact, the
14 same pole that they are supposed to be capturing
15 data on.

16 And if they believe this is the pole
17 that they are supposed to be capturing data on
18 but there is no tag or the tag differs, then
19 that's noted in a separate field.

20 Q. Okay.

21 A. They--after identifying that they are
22 at the correct location, they capture all of the
23 required data elements which are automated within
24 the PDA to tell them what data they need to
25 capture. They measure the height of each of the



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1 telecommunications attachment from the lowest
2 point of electric utility on down, and they take
3 a picture of the pole and a GPS coordinate
4 reading.

5 Q. Is the picture done with the same
6 device or do they have another device--

7 A. It's the same device.

8 Q. The same device.

9 And the GPS coordinate is done with the
10 same device?

11 A. Correct.

12 Q. And when the information regarding
13 separations and placement on the pole are done, is
14 that done manually with a stick or how is that
15 performed?

16 A. Yes, it is done with a manual stick.

17 Q. Is their practice to have one-man
18 crews, two-man crews, three-man crews when they do
19 that?

20 A. They started with two-man crews and
21 went to one-man crews.

22 Q. Okay. Is the function of the Osmose
23 inspection to enter, for lack of a better term,
24 the raw field data?

25 A. Yes.



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1 Q. Do the Osmose inspectors make judgments
2 about NESC compliance in the field?

3 A. Yes.

4 Q. Can you describe how, how that is done
5 and how it is tracked?

6 A. The PDA has a drop-down list for NESC
7 violations. And if I recall correctly, there is
8 a drop-down list for each attachment. And some
9 of the most common NESC violations exist within
10 that drop-down box, Rule 235C or 218A. They have
11 a choice. If this is a 40-inch safety space
12 violation or clearance to ground or mid span, then
13 they can choose one of those or they have a
14 manual, an other, that they can enter in.

15 Q. And then they can key in the weird
16 violation that's not in the drop-down menu?

17 A. Correct.

18 Q. What happens with the data at the end
19 of one work day? Is it downloaded somewhere else
20 or is it kept locally in the handheld until the
21 electronic job sheet is completed?

22 A. I would recommend that you confirm this
23 with Jim Coppedge, but my understanding is that
24 each day's work is downloaded so that nobody ever
25 loses more than one day's worth of work. But I



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1 also understood that everything they had done the
2 day prior or days prior remains on the handheld
3 so that they can see all the poles that are
4 completed and they don't lose that record.

5 Q. And when it's downloaded--assuming that
6 you are right--and we will confirm with Jim
7 Coppedge--that it's done at the end of each day--
8 which strikes me as a good practice--what is it
9 downloaded to?

10 A. Using a, a laptop and a FastGate--the,
11 the PC software version. There is FastGate Mobile
12 and then FastGate--what I call FastGate
13 production, and, and they download it just like
14 you would your Palm Pilot.

15 Q. Okay. So all of the data, the
16 attachments and the measurements, are all
17 downloaded to that laptop or that desktop?

18 A. Correct.

19 Q. Well, you said laptop, but would it--
20 could it be to a desktop as well?

21 A. It could be. I just assumed it would a
22 laptop since most of these folks are on the road
23 all week long.

24 Q. Okay. How many Osmose technicians
25 participate--participated in the Utah survey?



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1 A. Utah survey.

2 Q. We can come at it from the bigger
3 multistate number and try and back into a Utah
4 specific number if that's easier.

5 A. I want to say that there were 30, but I
6 believe at some point in this process within this
7 docket we produced a list of all Osmose employees,
8 and I don't recall what the total count was off
9 that list.

10 Q. It was hard for us to understand--well,
11 now--since you mentioned that, was that list that
12 was produced for Utah only or was that for the
13 multistates, do you recall?

14 A. Utah.

15 Q. Utah. Okay. That's very helpful.

16 When--would each of these field
17 technicians, to, to your knowledge--again we can
18 ask Mr. Coppedge about this--but they would be
19 issued both a Palm and then they would be issued
20 a laptop where they would download that?

21 A. That was my understanding.

22 Q. Okay. I am not going to bore you with
23 the details of these names. We'll save that for
24 Mr. Coppedge.

25 A. Okay.



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1 Q. Can you tell me a little bit about what
2 you know regarding the training of the Osmose
3 people for performing this work?

4 A. I know that they have a minimum of two
5 weeks' in-classroom training before they are ever
6 out in the field. I know that they are required
7 to pass written tests. And if they do not pass
8 those tests, then they are not allowed to continue
9 on the inspections.

10 And then they receive another series of
11 training--if they've passed the written test, they
12 receive another series of training in the field.

13 Q. Are these Osmose requirements or
14 PacifiCorp?

15 A. Those were Osmose requirements.

16 Q. And would they be tested once at the
17 beginning or would it--there be periodic testing
18 through their employ?

19 A. I believe that the periodic testing
20 Osmose considers to be their ongoing quality
21 control program.

22 Q. Okay. When the data comes back from
23 the handheld, sync'd to the laptop, then what
24 happens to the data? Do you have--I am
25 envisioning a universe of 30 laptops now, give or



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1 take. What happens to that 30 laptops worth of
2 field data?

3 A. The data is transmitted either--some
4 method electronically, via e-mail or out on a
5 shared network drive, to their New York office
6 where their production--

7 Q. Osmose's New York office?

8 A. Yes, where their production server is.
9 And that data is compiled, all the data sets are
10 compiled on Osmose and--before they are sent
11 electronically to PacifiCorp to store on our
12 FastGate server. And then we assign those data
13 sets out--a random percentage of those data sets
14 to our quality control.

15 Q. Okay. I am a little thick here. I
16 just want to walk--make sure I understand this.

17 They end up--the data ends up in
18 upstate New York, Buffalo--what is it, Buffalo?

19 A. Buffalo.

20 Q. In Buffalo.

21 And then what, what does Osmose do with
22 it up in Buffalo so I can understand every step
23 of the chain here.

24 A. I don't understand exactly the
25 technical aspects of what they do, but they



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1 compile all of those data sets that have been
2 delivered to them in a package that can be sent
3 to PacifiCorp.

4 Q. And it's sent--you said it was sent
5 electronically?

6 A. Yes.

7 Q. How is it--is it done as a file, an
8 e-mail or is it--sounds like lot of data.

9 A. Yeah, it is a lot of data. And I
10 believe--and, and this is another thing that Jim
11 can verify for you for actual correctness, but I
12 believe that we are sharing files via FastGate as
13 opposed to large e-mail files. So they are
14 putting information out on PacifiCorp's FastGate
15 server.

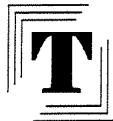
16 Q. Okay. And your FastGate server, is
17 that a, is that a DOS-based, PC Windows
18 environment or--well, is that what FastGate
19 operates in?

20 A. It is.

21 Q. Okay. And it comes to your FastGate
22 server in Portland?

23 A. Correct.

24 Q. How does it get from there to the JTU?
25 JTU system?



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1 A. Uh-huh (affirmative). Only certain
2 pieces of that data are taken--broken down from
3 FastGate electronically into a file, and I don't
4 know if it's a text file or what type of file,
5 but certain pieces of that data are taken down
6 into a file which our IT production folks can
7 then upload for comparison with JTU records, pole
8 number by pole number.

9 And the, the rest of the data that,
10 that they don't have the ability to compare in
11 JTU just remains on the server. So they only
12 pull specific data, such as the pole number, the
13 utility code that identifies each company, and
14 that's taken and compared against JTU.

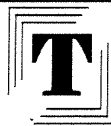
15 Q. Okay. Let's go from Portland back
16 across the country to Buffalo and then back down
17 here to Salt Lake.

18 You mentioned before on a couple of
19 occasions that PacifiCorp employees would do QC of
20 the Osmose inspections.

21 A. (Witness nods head.)

22 Q. Can you tell me how that, how that
23 process works?

24 A. Yes. And just the way that you phrased
25 that question makes me want to make a correction



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1 to something that I said earlier in the day--

2 Q. Please.

3 A. --when you asked me if Volt had any
4 field personnel.

5 There are four quality control
6 inspectors working for PacifiCorp that are
7 assigned through Volt, and they go out and do the
8 quality control, in addition to what the
9 PacifiCorp employees are doing specific to safety
10 violations.

11 Q. Okay. So PacifiCorp, PacifiCorp and
12 Volt both are doing follow-up QC work?

13 A. Yes.

14 Q. Volt is limited to the tabulation
15 aspects of the survey, the counting?

16 A. The Volt quality control employees are
17 merely checking to see that the data that was
18 collected is, in fact, the correct data in the
19 field. So just standing at the pole and verifying.
20 And in some cases they are measuring, so if the
21 attachment was recorded at 22 feet, they are
22 measuring to make sure that the attachment is in
23 fact at 22 feet.

24 Q. Do they do that for every pole that was
25 inspected by Osmose?



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1 A. No, only 5 percent. Osmose has a QC
2 program of their own that does either 5 or 10
3 percent of all the poles that are inspected.

4 PacifiCorp then takes 5 percent and
5 does QC and 2 percent of that 5 percent are
6 things that Osmose already QC'd and the other 3
7 percent is just random.

8 Q. Random.

9 A. So some of our QCs are verification of
10 their QC, and some of it is just random.

11 Q. When in the data processing chain is
12 the QC function provisioned?

13 A. After the data is received from Osmose
14 in New York to PacifiCorp in Portland, the exact
15 poles which are to be QC'd by PacifiCorp's Volt
16 employees are downloaded into a data set and put
17 out on the FastGate server for the Volt employee
18 to retrieve onto their handheld.

19 Q. Okay. So Osmose takes it from the PDA
20 to the laptop. Laptop uploads it literally to
21 Buffalo?

22 A. Uh-huh (affirmative).

23 Q. More Osmose processing, out to the
24 FastGate server in Portland. Do you do the
25 selection of locations in Portland and stick it on



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1 the server for Volt and PacifiCorp employees to
2 pull down?

3 A. Yes.

4 Q. Okay. Thank you.

5 From the time that the Osmose field guy
6 finishes with his 300 poles in his PDA until
7 Portland directs the stuff out for QC by Volt and
8 PacifiCorp back down here in Salt Lake, how long
9 is that?

10 A. It can be as short as two weeks, and,
11 and it can be as long as two or three months.

12 Q. Okay. Average, would you say, if you
13 can say?

14 A. Wow. I haven't had enough firsthand
15 data with the--or firsthand experience with the
16 data really to know how long that's taking--

17 Q. Okay.

18 A. --On average.

19 Q. That, that gives us a good idea. We
20 can ask Mr. Coppedge.

21 In the course of Osmose's work and your
22 follow-up QC, have you detected problems with the
23 data that Osmose has gathered and processed?

24 A. As in quality problems with the data?

25 Q. Yes. Does QC--does your QC pick up



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1 errors?

2 A. Yes. For the most part, we found
3 Osmose's inspection and their QC to be very
4 accurate, but there are times when they go through
5 a new session of trainees and put them out in the
6 field for the first few weeks and many of the
7 packages fail QC either on their end or our end,
8 and you can always tell the ebb and flow of new
9 trainees in the field. And then they get back
10 onto the accuracy for a long period of time and--

11 Q. And you can tell that just from looking
12 at the data?

13 A. Just the number of packages that come
14 back from QC saying it didn't pass the accuracy
15 test.

16 Q. So you can look at that and say, oh,
17 must be a new guy out in that district?

18 A. Yeah.

19 Q. Okay, that makes sense.

20 A. Okay.

21 Q. What is the, what is the error rate
22 threshold that Osmose has in its contract with
23 PacifiCorp, do you know?

24 A. They have to be 97 percent accurate.

25 Q. And if they are not 97 percent



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1 accurate?

2 A. Then the data is not accepted, and it's
3 sent back for reinspection, and that data set is
4 never loaded onto the production server.

5 Q. The production server, that's the--

6 A. FastGate.

7 Q. Is that the FastGate server that's--
8 okay.

9 The production server, is that the
10 server that receives the data from Buffalo?

11 A. No.

12 Q. Okay.

13 A. There are two servers in Portland.

14 Q. Okay.

15 A. One of them is in the Joint Use
16 Department.

17 Q. Okay.

18 A. And it is basically a staging area
19 where we hold the data until it has passed all of
20 the QC and been received back. And it isn't
21 until it's received back and approved that we put
22 it in production in FastGate.

23 Q. Okay. What do you mean by in
24 production in FastGate?

25 A. PacifiCorp was using FastGate as a



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1 software prior to this pole attachment inventory
2 for connectivity. That's how we became familiar
3 with it.

4 Q. Okay.

5 A. And that being its primary purpose, it
6 is used to capture connectivity data in the field
7 in the same way that you would capture pole
8 attachment data in the field. So there is a
9 production server of FastGate that is located in
10 our joint--or, I'm sorry, in our mapping
11 organization and that is where our outage
12 management system gets its connectivity data from.
13 So that's the production version of FastGate;
14 anything that's in there has been accepted by
15 PacifiCorp as true and accurate.

16 Q. Data comes from Buffalo to the first
17 FastGate server?

18 A. (Witness nods head.)

19 Q. Correct?

20 A. Yes.

21 Q. That's the non-production server?

22 A. Correct.

23 Q. Is it from that server that you put out
24 the data for PacifiCorp's and Volt's QC?

25 A. Yes.



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1 Q. If it passes PacifiCorp's and Volt's
2 QC, then it goes to the production server?

3 A. Yes.

4 Q. And then does it go from the production
5 server--or components of the data go from the
6 production server into the JTU mainframe?

7 A. No.

8 Q. Okay.

9 A. Nothing goes directly from FastGate to
10 JTU.

11 Q. Okay. How--

12 A. JTU is a mainframe-based software
13 system, and FastGate is a client, server-based
14 system.

15 Q. Okay.

16 A. So they do not talk directly across.
17 It's not an apples to apples conversion, so you
18 have to convert the data into a separate file
19 before you can upload any changes into JTU.

20 Q. But there is a way--but that's done
21 electronically?

22 A. Yes.

23 Q. And it's, for lack of a better term,
24 translated from, you know, FastGate language to
25 JTU language, but the data is what was gathered



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1 weeks ago by the guy with the PDA in Salt Lake
2 City?

3 A. Correct.

4 Q. Okay. Thank you.

5 What kinds of discrepancies have, have
6 you found on your QC of the Osmose inspection?

7 A. To the best of my understanding, the
8 discrepancies have mainly been either the
9 measurement itself or identification of the
10 company.

11 Q. Okay. How would you characterize the
12 amount of turnover of Osmose employees that had
13 occurred in Utah on this project from, you know,
14 one extreme of very high turnover to no turnover
15 and, and your--we'll leave it at that.

16 A. I suppose that the scale depends on
17 what you are comparing it to. For this amount of
18 work and the amount of travel that's required and,
19 you know, the days of away from home, I would say
20 they have a moderate turnover in Utah.

21 Q. Of the--I believe you said earlier
22 there were 30 crew members--Osmose crew members in
23 Utah?

24 A. Yeah. As far as I know.

25 Q. Give or take, give or take?



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1 A. Yeah.

2 Q. Do you know whether that's--is that 30
3 number--assuming that that's right--that's when a
4 fully engaged crew or is it three groups of ten?
5 If you understand my question. If not, I can
6 rephrase it.

7 A. Maybe you should rephrase it, so I
8 answer it correctly.

9 Q. Sure. I, I would be happy to.

10 If--assuming that, that a fully staffed
11 crew in Utah is 30, can you, from your knowledge,
12 say that there were, you know, 90 crew members
13 over the course of the survey to staff those 30
14 positions, whether there were 32 or 45, just a
15 sense of how many individuals were needed to staff
16 those 30 positions?

17 A. I understand the question. I'm not
18 sure that I have a, that I have a good answer for
19 you.

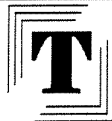
20 Q. Okay. So you don't really know?

21 A. No, I don't.

22 Q. Okay. Do you think Mr. Coppedge might
23 know?

24 A. Yeah, I think he might have an idea.

25 Q. We'll ask him. Thank you.



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1 Do you have a sense of how long the
2 average tenure of a Osmose crew member would be?
3 Is it six months, is it a year, is it three
4 weeks?

5 A. They have, to my knowledge, two levels
6 of inspectors, some that are titled as inspectors
7 and some that are titled as foremen, and if I'm
8 not mistaken, at one point in the game, at least
9 half of their staff were foremen and the other
10 half inspectors. The foremen tend to be longer-
11 term Osmose employees.

12 And the way it was explained me is that
13 they tend to be folks that are used on several
14 different jobs as projects come up and that the
15 inspectors--you know, some of them last about six
16 months and decide that's not the kind of work
17 they want to do.

18 Q. I don't blame them.

19 Corey, a little earlier we were talking
20 about the old days of joint ownership with U.S.
21 West on poles.

22 A. (Witness nods head.)

23 Q. And I know that those days preceded
24 your years at PacifiCorp, but I was wondering if
25 you knew the process by which that pole ownership



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1 change occurred.

2 A. Well, just to be clear about
3 specifically Utah, I don't have any firsthand
4 knowledge that there were ever mutual pole
5 ownership agreements within the state of Utah.

6 Q. Okay.

7 A. I know that PacifiCorp had mutual pole
8 ownership agreements with companies like U.S. West
9 and Pac Bell and possibly GTE. And I do know the
10 process by which those agreements were broken up,
11 but I don't know that they were specific to Utah.

12 Q. Do you--just to nail this down, you
13 don't know if there were any joint ownership
14 arrangements at all in Utah?

15 A. I do not, no.

16 Q. Do you know who might know the answer
17 to that?

18 A. I think the, the only person that might
19 be certain of it would be me if I go back through
20 all of the, all of the files and all the
21 agreements, but I've looked at and renegotiated
22 most of the Utah agreements, and there isn't any
23 one that comes to mind that was a third--that was
24 a mutual ownership agreement.

25 Q. Okay. Earlier when we were talking



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1 about the data collection process, did I
2 understand you to say there was a digital
3 photograph that was taken of each pole?

4 A. Yes.

5 Q. And, and that was taken with the same
6 PDA device that's used for recording the
7 information?

8 A. Yes.

9 Q. And for getting the GPS coordinates,
10 the GPS reading?

11 A. Yes.

12 Q. Only one photograph?

13 A. It depends on the location and number
14 of attachments on the pole. If one photograph is
15 all that is needed, then that's all we capture.
16 But if there are attachments surrounding all sides
17 of the pole, then we get a couple different views
18 of it.

19 Q. Okay. Is this data collection work
20 done from the ground?

21 A. Yes.

22 Q. Do Osmose people ever climb poles to
23 get a closer look at things?

24 A. No.

25 Q. Do they use a bucket truck to get a



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1 closer look at things?

2 A. No.

3 Q. And why, why is that?

4 A. This is a non-union contract bid, and
5 that would be against our union agreements.

6 Q. And you have union agreements here in
7 Utah?

8 A. Yes.

9 Q. Okay.

10 Want to take a break?

11 A. Sure.

12 Q. Okay.

13 (Recess taken.)

14 BY MR. THOMAS: Corey, we are moving
15 into the final stages here.

16 Earlier today before lunch we had
17 talked about the charges that went out to
18 communications attachers for the survey and how
19 you calculated those charges, and I believe it's
20 13.25 per attachment. When you receive payment for
21 those surveys, where--how, how is that treated
22 from an accounting standpoint? Where does that
23 money go on the books? If you know.

24 A. The--when the invoice is created is
25 when the accounting structure is set up, so the



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1 orders that are used for PacifiCorp employees,
2 Volt employees, to charge their time to and the
3 orders that we charge when we pay Osmose are the
4 same orders that get credited back when payment
5 gets received for those invoices.

6 Q. Okay. But in a--when, when the money,
7 check, for 13.25 comes from Comcast to pay for an
8 inspection on x pole, where does that money go--in
9 the bank, but how, how is it, how is it accounted
10 for in, in the PacifiCorp accounting universe?

11 A. Uh-huh. Let me try to answer this the,
12 the best way that I can because I am not sure
13 that I have exactly the answer that you are
14 looking for.

15 But the, the check is a credit to that
16 specific district's cost order, so all the costs
17 for Layton were put into this one bucket here,
18 and we pay Osmose out of that bucket. And when
19 we receive payment from Comcast for a Layton
20 inspection that check is credited to that Layton
21 bucket.

22 In terms of FERC accounting, I'm not
23 sure exactly which account that flows through for
24 FERC reporting purposes.

25 Q. Okay. But it--to your knowledge, it



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1 does flow through to some FERC account?

2 A. To my knowledge, which accounting and
3 financewise is limited, but to my knowledge, all
4 dollars within the company flow in some manner or
5 another through a FERC account, either a FERC
6 revenue or a FERC expense account.

7 Q. Okay. But you are not exactly sure
8 which one or ones that would be?

9 A. No, I am not.

10 Q. What about the payments for the \$250
11 unauthorized attachment penalty, how, how is that
12 handled? In the same way?

13 A. Yes. The--when the invoice is, is
14 created, we use a cost element which is an SAP
15 accounting term. An SAP is PacifiCorp's
16 accounting system of record. We have a specific
17 cost element set up for sanctions.

18 Now, I may have just answered my own
19 question to begin with, but I'd have to go back
20 and verify that this is, in fact, the case.
21 Because all of the department, the cost center and
22 the profit centers for the entire joint use
23 department, are residing within FERC account 588--

24 Q. Uh-huh.

25 A. --all cost elements and orders that are



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1 set up within those cost centers and profit
2 centers, my assumption would be, reside within
3 FERC account 588.

4 Q. Okay. Okay. Would ten unauthorized
5 attachments in Layton get invoiced out to Comcast
6 for \$2,500?

7 A. Yes.

8 Q. And Comcast would write a check for
9 \$2,500 and that would be credited to the, the
10 Layton basket, the Layton district?

11 A. Yes.

12 Q. Is that how--okay.

13 Switching gears a little bit, I want to
14 ask you a few questions about the 2002--late 2002,
15 2003 time frame. And that time frame is when--
16 after PacifiCorp had, you know, made its decision
17 to use Osmose for the audit but, you know, before
18 the audit got fully underway in, in Utah.

19 To your knowledge, what did you do to--
20 you or anybody at PacifiCorp do to notify Comcast
21 about the impending Utah audit?

22 A. At a minimum of 30 days prior to
23 setting foot in a particular district, we send out
24 a letter to the companies that operate within that
25 district to our knowledge and inform them that we



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1 will be coming to this specific district of
2 PacifiCorp's to do a pole attachment inventory.
3 And we provide them with contact information for
4 anyone that may have questions.

5 Q. So a letter--you send out letters?

6 A. Yes.

7 Q. Did you send letters to Comcast?

8 A. Yes.

9 Q. Okay. For Utah?

10 A. Yes.

11 Q. Okay. Did you have other occasion to
12 notify or speak with Comcast folks about the
13 upcoming audits other than the letters?

14 A. Not in Utah.

15 Q. Not in Utah.

16 Somewhere else?

17 A. In Oregon.

18 Q. In Oregon, okay.

19 So you talked with Comcast people in
20 Oregon about the multistate audit?

21 A. Yes. A number of occasions at the
22 Oregon Joint Use Association and separate
23 committee meetings of that association where
24 Comcast was present. PacifiCorp--not me personally
25 but other PacifiCorp personnel that attended those



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1 as well--stated that PacifiCorp would be doing a
2 system-wide pole attachment audit.

3 Q. Do you remember who from PacifiCorp had
4 those conversations?

5 A. Jim Coppedge would be one person. Joe
6 Clifton may be another. Joe sits on one of the
7 committees of the OJUA.

8 Q. And do you--did you have any
9 conversations with Comcast people about the
10 service area audits?

11 A. I don't want to say that I had
12 conversations specifically with Comcast. I had
13 conversations with the industry, and Comcast was
14 on the board of directors as well as PacifiCorp
15 when we had those discussions.

16 Q. So in connection with your OJUA
17 activities?

18 A. Yes.

19 Q. Can you tell me names of folks at
20 Comcast, if you can remember, but if you can't
21 remember which company they are from just names of
22 individuals that you had those conversations with
23 from the cable industry?

24 A. Martin McCallister was Comcast's
25 representative on the OJUA. One of his direct



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1 reports, Scott Wheeler, was in attendance at most
2 of those meetings as well. Those are the
3 individuals from Comcast.

4 I have since had many conversations
5 with Bill Woods of Comcast. Bill and I have met
6 one to one, but this was after the inventory
7 started and after the actual Comcast merger or
8 purchase of AT&T.

9 There were--everybody on the board of
10 directors, John Sullivan from Portland General,
11 Sandy Coleman from Uvision. Willamette Broadband
12 was representing the smaller cable companies.
13 Roger Coleman from General Electric and Mark
14 Simonsen of Verizon and then Jeff Kent from Qwest
15 eventually.

16 Q. Okay. Is--do you still run into Martin
17 McCallister? in--

18 A. Once in a blue moon we see him in the
19 OJUA meeting in the audience.

20 Q. He is still in the industry as far as
21 you know?

22 A. As far as we know.

23 Q. He is not with Comcast anymore. Is he?

24 A. No, he is with a--last time I saw him,
25 he was with a project management consulting firm.



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1 Q. Okay. Just a few more questions on
2 this. And what I'd like to do now is turn your
3 attention to--I think we are up to Exhibit 5 at
4 this point because this is Exhibit 4.

5 Exhibits-3thru5 marked

6 Okay. And what that is is, Corey, your
7 declaration, I think, that was attached to your
8 response to our original petition and just trying
9 to get a little more clarification on, on that.

10 A. Sure.

11 Q. And, Corey, this is a document entitled
12 declaration of Corey Fitz Gerald. That would be
13 you. Correct?

14 A. That would be me.

15 Q. And it's in the caption of Comcast
16 Cable Communications, Inc., versus PacifiCorp.
17 Response of PacifiCorp to request of Comcast for
18 agency action.

19 Do you recognize this document?

20 A. Yes, I do.

21 Q. Would you please turn to paragraph ten,
22 page five? The sentence--I have a couple of
23 questions on--reads, "At no time did any AT&T
24 representative contact me or any other employees
25 in T&D Infrastructure to request to participate in



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1 the audit process. In fact, only one company,
2 Qwest Communications, expressed an interest in
3 participating in the audit and actually did so by
4 accompanying Osmose."

5 Is that still your recollection?

6 A. Yes.

7 Q. Okay. And to date are you aware of
8 Comcast participating in the Osmose survey?

9 A. Of Osmose?

10 Q. Of the Osmose, right.

11 A. I'm sorry, can you repeat that, please?

12 Q. Sure.

13 My question was, do you--would you read
14 my question back, please?

15 (Record read.)

16 A. No, I'm not.

17 Q. Okay. Did Qwest participate in the
18 Osmose survey?

19 A. Yes, they did.

20 Q. Can you describe for me of what Qwest's
21 participation was?

22 A. Qwest representatives met with John
23 Cordova, who was the joint use supervisor for the
24 southeast region, which is most of Utah. They
25 met with him here in Salt Lake and accompanied



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1 Osmose out in the field to monitor the process by
2 which they capture data and how they identify who
3 is attached to the poles.

4 Q. Did Qwest go out in the field with
5 Osmose people to oversee the field inspections?

6 A. Qwest was out in the field with Osmose
7 to oversee the inspections but only for a limited
8 time.

9 Q. Okay. Did they ride out with
10 PacifiCorp or Volt during the QC process, to your
11 knowledge?

12 A. That I don't know.

13 Q. Okay. Who is John Cordova?

14 A. John Cordova is now an operations
15 manager in Moab, Utah, for PacifiCorp. He was
16 the Joint Use supervisor of the southeast region
17 for a period of approximately one year.

18 Q. And when did John Cordova change jobs?

19 A. The official changeover was January 1,
20 2004.

21 Q. And prior to that, he had
22 responsibility for joint use matters in Utah?

23 A. Yes.

24 Q. As a supervisor?

25 A. Yes.



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1 Q. And he is now a manager?

2 A. Yes.

3 Q. Who is Joe Clifton?

4 A. Joe Clifton was John Cordova's
5 counterpart. He was also a Joint Use supervisor
6 for the northwest region, which is the northern
7 half of Oregon and all of our Washington service
8 area.

9 Q. And Joe Clifton now, what his title is?

10 A. Joe Clifton remains in that title of
11 the Northwest Joint Use Supervisor. When John
12 Cordova switched jobs, Joe filled in on the
13 southeast region for a period of time until we
14 had a replacement for John.

15 Q. And who is John's replacement?

16 A. John's replacement is Mark Kuhn.

17 Q. And Mark Kuhn, is that k-u-h-n?

18 A. H-n, yes.

19 Q. And is Mark Kuhn a supervisor?

20 A. He is.

21 Q. In the southeast region?

22 A. Yes.

23 Q. And southeast region encompasses Utah
24 service area?

25 A. It is everything in Salt Lake and



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1 sought feedback from or shared information at that
2 level of detail with.

3 Q. Did Qwest and PacifiCorp end up doing a
4 joint audit?

5 A. No.

6 Q. Okay. Why was that?

7 A. Qwest already had funding approval and
8 was ready to start the RFP process. PacifiCorp
9 had only just started developing its department
10 and didn't have any funding approval to start the
11 inventory yet, and they were anxious to get
12 started and the timing just didn't work out.

13 Q. Okay. I am going to take a look at
14 another, another document, Corey. And this is
15 PacifiCorp's response to data request six.

16 (Discussion off the record.)

17 And I'll read data request number six.
18 Do, do you recognize the document, Corey?

19 A. Yes.

20 Q. And did you prepare this response?

21 A. I did.

22 Q. And I will read. "In addition to the
23 Comcast employees that have participated in the
24 2003 audit, PacifiCorp states that individuals,
25 contractors, subcontractors, and other persons



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1 identified in attachment C participated in the
2 2003 audit."

3 What did you mean in the first part of
4 that sentence, "In addition to the Comcast
5 employees that have participated in the 2003
6 audit"?

7 A. When the audit results were sent out,
8 specifically when the unauthorized attachment
9 results were sent out, Comcast employees and/or
10 contractors contacted PacifiCorp in an attempt to
11 verify some of the results and that was my
12 intention with saying, participated in the 2003
13 audit. They participated in verification of
14 results of that audit.

15 Q. Do you remember who those employees
16 were, the identities?

17 A. I didn't work directly with any of
18 them. Jim and/or John Cordova may be able to give
19 you specific names. I do remember the contractor
20 that contacted us was MasTek.

21 Q. MasTek?

22 A. Uh-huh (affirmative).

23 Q. Okay. So did you say that you did not
24 have direct contact with these Comcast employees?

25 A. No, I didn't.



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1 Q. But Jim Coppedge may have?

2 A. Yes. And/or John Cordova.

3 Q. And/or John Cordova.

4 (Discussion off the record.)

5 Let's go ahead and mark this as Exhibit

6 6. And this is a letter to Genevieve Sapir from
7 Troutman and Sanders dated April 26, 2004. It is
8 a letter that supplements information that
9 PacifiCorp had provided in response to Comcast's
10 data request number six. Do you have that
11 document, Corey?

12 A. Yes.

13 Q. Are, are you familiar with this
14 document?

15 A. Actually, no, I'm not.

16 Q. Okay.

17 Exhibit-6 marked

18 Can you turn to page two? There is a
19 list of cc's. Does your name appear down there?

20 A. Yes, it does.

21 Q. Okay. Just making sure we had the same
22 document.

23 In the last paragraph at the bottom of
24 the first page it states, "PacifiCorp further
25 states that Kaei Major, a Comcast employee, was



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1 aware of the 2003 audit. In addition, Mike
2 Sloan, an employee of AT&T Cable Service, Comcast
3 predecessor in interest, received notice that
4 PacifiCorp intended to conduct the 2003 audit 30
5 days before it commenced the audit in specific
6 areas throughout Utah. The letter sent by Mr.
7 Coppedge to Mr. Sloan may be located in attachment
8 two to the December 1, 2003, response of
9 PacifiCorp."

10 Do you know, Corey, whether Mike Sloan
11 actually did receive such notice of the 2003
12 audit?

13 A. I certainly couldn't certify to the
14 fact that he did, but as soon as I saw his name
15 here in this letter--Mike and I have had a number
16 of conversations over the years, and I have a
17 very vague recollection of a conversation that
18 Mike and I had prior to leaving Comcast. It--
19 just in, in sort of wrapping up our, our
20 relationship and he was telling me he was moving
21 on, and I, I recall some level of conversation
22 that he and I had regarding just the fact that
23 there was an audit. But I certainly couldn't
24 certify that he received those letters.

25 Q. Do you remember when you had this wrap-



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1 up conversation with him?

2 A. I'm trying to remember. It was, it was
3 right around the time that it became official that
4 the Comcast acquisition of AT&T was final.

5 Q. Okay. Do you recall from the
6 conversation if you talked about Utah
7 specifically?

8 A. No, I don't recall that.

9 Q. Do you recall if you discussed a notice
10 letter that Comcast--excuse me--that PacifiCorp
11 may have sent to them?

12 A. No.

13 Q. Is there anything else that you can
14 recall from that conversation without--

15 A. Mike was my contacts within AT&T, my
16 legal contact for pole attachment agreements and
17 the legal notices, so when we spoke, mainly we
18 were speaking of who Brandy Wagner should deal
19 with on contract negotiations when, when those
20 began for Utah and Idaho, if I'm not mistaken. I
21 believe he was my contact for both of those
22 states. So the contract--the conversation
23 centered more around the contract negotiations, I
24 believe, than anything specific to inventory.

25 Q. Okay. You mentioned Brandy Wagner.



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1 Who is Brandy Wagner?

2 A. Brandy Wagner is acting as PacifiCorp's
3 agent negotiating seven different company
4 contracts for pole attachments.

5 Q. Which--if you can recall, which
6 companies is she--when you say seven different
7 companies, do you mean communications companies?

8 A. Two cable and five telephone. Comcast
9 and Charter being the cable. Qwest, Verizon,
10 Sprint, Century, and Citizens are the telephone
11 companies.

12 Q. And Brandy is an independent
13 contractor?

14 A. She is.

15 (Discussion off the record.)

16 Q. Okay. We have a few questions about,
17 about the RFP process from, from documents. And
18 we'll mark this for identification as Exhibit 7.
19 And this is a document that I'll describe as
20 beginning at bates number PCD22 going through
21 PCD36. The PCD is not really a bates number,
22 it's a handwritten number, but--and it's--on the
23 title page it says, Transmission and Distribution
24 Pole Inventory, RFP JFG-7, 7-3-02, Attachment IV
25 dated June 26, 2002.



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1 Corey, on the first cover page there,
2 what are the initials JFG stand for, if you know?

3 A. I don't know.

4 Q. Okay. It's not somebody's initials
5 within PacifiCorp that immediately jumps to mind?

6 A. No, not, not that jumps to mind.

7 Q. Okay.

8 A. Actually, now that you say that, it
9 very well could be John Garren in our Procurement
10 Department.

11 Q. And you don't know whether John
12 Garren's middle initial is F?

13 A. I have no idea.

14 Q. You had said previously this morning
15 that Jim Coppedge in your department worked with
16 the Procurement Department in developing this RFP.
17 Is that correct?

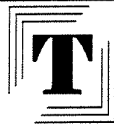
18 A. Correct.

19 Q. And would Jim Coppedge's contact have
20 been John Garren?

21 A. Yes. John's been the sole contact from
22 procurement for the Osmose contract.

23 Q. Okay. And what is John's title, if you
24 know?

25 A. I don't know John's official title. He



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1 is a procurement contract specialist.

2 Q. Okay.

3 A. Non-management.

4 Q. Okay. Supervisory level, manager
5 level? Not manager?

6 A. No, non-manager.

7 Q. Okay. Let's turn to page PCD--Peter
8 Charlie David--24.

9 (Discussion off the record.)

10 Corey, I would like to direct your
11 attention to the second paragraph of PCD24, the
12 last sentence there that says, "Please review the
13 supporting documents carefully and note that
14 PacifiCorp will use composite pricing in support
15 of this project."

16 Do you see that?

17 A. Yes.

18 Q. What is composite pricing?

19 A. I am afraid Jim is probably going to
20 have to give you the, the official terminology of
21 that, but when the RFP was originally sent out
22 what I termed it was menu-item pricing. We said,
23 here are all the data elements that we would like
24 to capture, what would you charge us to, to
25 capture those data elements, and the bidder had



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1 the option of marking each and every one of those
2 data elements separately or just lumping them
3 altogether in one group and, and putting a price
4 on them. And then jump down to this next section
5 and tell me what you would charge to collect
6 these data elements in addition to those.

7 So here is your base starting point,
8 you are going to capture all of these things at
9 minimum. Now, if I added this to it, what would
10 you charge me incrementally over that initial
11 price and if I added this and that and the other.
12 Sort of a menu-item listing.

13 And my understanding of composite
14 pricing is that we would not be taking out
15 individual line items from that initial starting
16 point, that those would be a composite price
17 regardless of whether you bid them individually or
18 not. We are going to put those all into one
19 composite price and, and expect you to be able to
20 capture all of those for whatever you bid it at
21 in total.

22 Q. Thank you.

23 Let's go to PCD26. The very first
24 sentence on that page--are, are you there?

25 A. I am.



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1 Q. It reads, "The contractor will provide
2 PacifiCorp a single point of contact for this
3 project."

4 Does "this project" refer to the
5 multistate audit project, all states?

6 A. Yes.

7 Q. Who was that single point of contact?

8 A. Chris Diliberto.

9 Q. Chris Diliberto.

10 And what is Chris', Chris' title and
11 function for Osmose, if you know?

12 A. Chris' title is project manager, but
13 his specific function for Osmose for the past year
14 and a half has been the PacifiCorp pole attachment
15 inventory project manager.

16 Q. So he has been working full time on
17 PacifiCorp since when?

18 A. Since we started the inventory. When
19 they were awarded the bid in October of 2002,
20 Chris was named as their single point of contact
21 and has been the full time point of contact ever
22 since.

23 Q. Okay. And he is still in that, in that
24 role?

25 A. He was until Friday, May 7th and--



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1 Q. Okay. And now--

2 A. I don't know.

3 Q. On the same page, Corey, actually right
4 in the very next sentence it says, "This
5 individual"--who we--I have identified--we have
6 identified as Chris Diliberto--"will communicate
7 all activities and reports as designated by
8 PacifiCorp's project manager."

9 PacifiCorp's project manager is Jim
10 Coppedge?

11 A. That was his title at the time of this
12 document, yes.

13 Q. And his title now is?

14 A. Manager of Field Services.

15 Q. Manager of Field Services.

16 The next sentence reads, "Prior to work
17 commencing in each service area, PacifiCorp will
18 acquire a formal preinventory meeting with the
19 local operations managers in the T&D
20 Infrastructure Team."

21 Do you see that?

22 A. Yes, I do.

23 Q. Did such a formal preinventory meeting
24 occur?

25 A. If I'm not mistaken, we started out



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1 with those meetings in the first few districts,
2 and the local operations managers referred to in
3 this document would be PacifiCorp's local
4 operations managers.

5 And I think that we found--Jim can add
6 to this, but I believe what we found is that a
7 phone call was sufficing for these folks in most
8 cases, that they didn't feel the need to get
9 together and meet before the inventory, they just
10 wanted to be notified that Osmose was going to be
11 in their district and what it was that they would
12 be doing because the local operations managers and
13 their personnel are typically the people that
14 receive the customer phone calls about somebody in
15 my backyard.

16 Q. We have all had those calls.

17 A. Yeah. So--

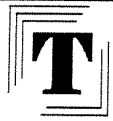
18 Q. So the local operations managers would
19 be those managers at the 35 or so districts that
20 there are in Utah?

21 A. Correct.

22 Q. Is the T&D Infrastructure Team your
23 group?

24 A. It is.

25 Q. Corey, how many folks are in that group



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1 now?

2 A. Thirty plus contractors.

3 Q. And would those contractors include, at
4 least until last Friday, Osmose?

5 A. Osmose and Volt.

6 Q. And Volt.

7 In one of your earlier data responses,
8 I think it stated that there were 79 people in
9 your group that you oversaw?

10 A. Correct. That includes the Mapping and
11 Data Management Departments.

12 Q. Okay. So those 79--that 79 number is
13 just employees or it includes contractors as well?

14 A. It is PacifiCorp employees and Volt
15 temporaries. But no contracted vendor support
16 such as Osmose.

17 Q. Okay. In these meetings or phone
18 calls--were these conducted on an ongoing basis or
19 just during initial stages?

20 A. There--they were conducted all the way
21 through the inventory to communicate with the
22 local operations managers as we moved from one
23 district to the next, we will be coming to your
24 district and here is what to look for, and if you
25 get any customer phone calls, here is a number



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1 that you can give them to call us and we'll
2 handle that so that field operations doesn't have
3 to bear it.

4 Q. Okay. And these were only calls
5 between Osmose and PacifiCorp employees and
6 contractors?

7 A. Correct.

8 Q. It did not include any communications
9 attachers?

10 A. No.

11 Q. Okay. Corey, earlier when we were
12 talking about quality control and the 97 percent
13 requirement for Osmose--do you recall that
14 conversation?

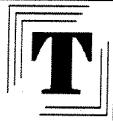
15 A. Yes.

16 Q. And I believe you stated that if our
17 field checks didn't reveal 97 percent compliance,
18 the data was not accepted.

19 A. Correct.

20 Q. If it was not accepted, then what
21 happened?

22 A. There were two levels at which this
23 data could be not accepted: one would be within
24 Osmose when they do their own QC, and then we
25 would never even know. It would get reissued back



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1 out to their field personnel who would go redo
2 the entire data set.

3 If it passed through Osmose's QC and
4 made it to PacifiCorp, then our QC would go out,
5 return the data set, and inform Jim Coppedge's
6 organization that it failed the 97 percent
7 accuracy.

8 That data set would be sent
9 electronically back to Osmose indicating that it
10 did not pass QC, and it would be reissued back
11 out to the field for reinspection.

12 Q. Under the terms of the contract and the
13 practice between PacifiCorp and Osmose, did Osmose
14 only invoice PacifiCorp for the work after the 97
15 percent threshold was made?

16 A. We've had those discussions internally
17 before, and I believe what was happening in the
18 beginning was that Osmose was invoicing PacifiCorp
19 as soon as that data set had been returned full
20 to Osmose, whether it had been through
21 PacifiCorp's QC or not.

22 Jim Coppedge--I believe his answer to
23 me, when we talked about this was because there
24 is some lag between them sending it to us and us
25 getting final QC results we've agreed to pay them



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1 because they have to redo the work one way or the
2 other if it doesn't pass the QC. And when they
3 redo the work, it's on their own dime. So my
4 understanding of the arrangement was that they
5 were paid as soon as the inspection was completed
6 even--as soon as it was completed through their
7 QC. If it passed their QC, they were sending us
8 an invoice. If it didn't pass our QC, they were
9 still paid before we ever knew that. And I do
10 believe we had some internal conversations about
11 whether or not that was the appropriate method.

12 Q. But as far as you know that's the
13 method that remained in place?

14 A. Yes. I'm not aware of any changes that
15 were made to that.

16 Q. Okay. Do you have an understanding of
17 what percentage--the survey results that passed
18 Osmose QC came to PacifiCorp but that didn't pass
19 PacifiCorp's QC of the total?

20 A. I'm not aware by percentage, but I am
21 only aware by conversation of maybe a dozen data
22 sets in total that made it to us that we sent
23 back.

24 Q. Out of how many total data sets?

25 A. Hundreds. A data set really only has



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1 approximately 300 poles or whatever can be held on
2 a handheld, so, you know, nearly a million poles
3 divided by 300 would give you an idea of how many
4 data sets.

5 Q. Okay. I can do the math later.

6 And is it fair to say that the only
7 consequence of not meeting the 97 percent
8 threshold was that it was put in the redo pile?

9 A. Yes.

10 Q. Okay.

11 A. Let me expand on that a little bit
12 further.

13 Q. Sure.

14 A. Osmose, as indicated in this exhibit,
15 on PCD26, had numbers of poles that were to be
16 completed by certain dates, and poles that didn't
17 pass QC were not counted on PacifiCorp's side
18 towards completion. So, technically speaking, the
19 further consequence could be financial to Osmose
20 if they fell behind on their productivity.

21 O. In terms of slower compensation?

22 A. There were penalties in the contract
23 for not meeting a certain number of poles
24 inspected by these time frames. And I don't
25 recall exactly what the penalties were, but they



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1 were a per pole--you know--for example, 25 cents
2 per pole penalty for all poles not inspected up
3 to that number.

4 So Osmose may have, you know--for
5 instance, in phase two may have actually inspected
6 600,000 poles by March 31, 2004, but if only
7 550,000 of those actually made it through as, as
8 quality control accepted, then there would be a
9 penalty on those 50,000 poles.

10 Q. Do you know whether that, in fact,
11 happened?

12 A. They met their productivity goal so
13 there was never a financial penalty.

14 Q. No penalty.

15 Corey, we are going to turn your
16 attention to--in a moment, we are going to turn
17 your attention to another, another document which
18 has both been produced in connection with this
19 case but also has been provided to Comcast
20 engineering personnel. And what it--well, we'll
21 describe it, we'll describe it for you here
22 briefly, but essentially what it is, it is output
23 of the NESC part of, of the Osmose, Osmose
24 survey. And we'll--

25 MS. SAPIR: Actually, there is three



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1 documents that are in there. Do you want all of
2 them at once or--I have one for each district
3 that were provided to us.

4 MR. THOMAS: I think I just want--I
5 think just the first one will be fine and what
6 we've got--and we'll mark this for identification
7 as Exhibit 8. And this is a--this material is
8 attached to a cover letter to Genevieve Sapir from
9 Jennifer Chapman at Troutman Sanders.

10 Exhibit-7thru8 marked

11 Q. And the third page of this package is--
12 has a bates number in the upper right-hand corner
13 of PCA1.

14 We are going to call upon your
15 translating services here for us so we can
16 understand the, the, the document a little bit, a
17 little bit better. Just going through the
18 columns, I am going to ask you what JU class
19 means. That's in the top, left-hand column of
20 the table on that page.

21 A. To me it's somewhat equivalent to
22 equipment type, you know.

23 Q. Are you familiar with this, this
24 document or this output?

25 A. I am.



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1 Q. Okay. So when you say equipment type,
2 you mean the kind of apparatus attached to the
3 pole?

4 A. Correct.

5 Q. So, for example, looking on some of the
6 entries in that column, we have CATV attachment.
7 That would be a cable television attachment?

8 A. Correct.

9 O. Okay. In the next column it says, Name.
10 And if you go down the name column, you'll see
11 that the designations there appear to correspond
12 fairly closely to the designations in the far left
13 column.

14 A. Correct.

15 Q. Any, any insight that you can provide
16 us with respect to that column?

17 A. My assumption is that the, the name
18 column is just a shortened version of the JU
19 class, and it's probably used in--within software
20 systems for grouping things differently. They
21 probably had an IT need for having these two
22 separate columns.

23 Q. Okay. Map string. What's a map
24 string?

25 A. A map string is part of PacifiCorp's



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1 facility numbering system. It--each digit in map
2 string has a specific significance.

3 In this particular case, on the very
4 first line map string is 11405001.0. The 11, the
5 first two digits, are the state code and in this
6 case any map string that begins with 11 is in
7 Utah.

8 The, the next digit, the four,
9 indicates whether or not that township and range
10 that that pole is in, is in the northeast,
11 southeast, southwest, or northwest quadrant. So--
12 it's been awhile since I've, I've interpreted, but
13 if I remember correctly a four is north and east.

14 So as I go along the map string, the
15 05, the next two digits, represent the township
16 and the next three, including the decimal point
17 zero, so the next four digits, are the range. So
18 now I know that I am in range five--or township
19 five north, range one east. And I got the north
20 and the east from the four.

21 So this is a township range coordinate
22 system, and it's used in conjunction with the next
23 column, the facility point number. And the first
24 two digits of the six-digit facility point number
25 are always the section. So if you ever read a



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1 lot of rights of way or easements they typically
2 give a geographical description of township,
3 range, and section and that's basically what the
4 map string and the facility point number are made
5 up of.

6 Q. Utility code in the next column, what
7 is that?

8 A. Every company that PacifiCorp has a
9 pole attachment agreement with has at least one
10 utility code and in most cases two. Utility
11 codes are given by company by state according to
12 structure type. So AT&T Cable Services in this
13 case would have a utility code for their
14 attachments on PacifiCorp's distribution poles in
15 the state of Utah, and they would have a separate
16 utility code for their attachment to PacifiCorp
17 transmission poles in the state of Utah.

18 Q. So looking in that column, we see lots
19 of 0877s. Those are Comcast, previously AT&T
20 Cable Services in Utah, on distribution poles.

21 A. Correct.

22 Q. Down in the middle of the page, we see
23 some utility codes identified as 1051.

24 A. Correct.

25 Q. Those are Comcast attachments to



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1 PacifiCorp transmission poles?

2 A. In the state of Utah.

3 Q. In the state of Utah?

4 A. Correct.

5 Q. Okay. Looking at the columns--or the
6 rows on that page that have 1051, it looks like
7 the column may have been cut off and what we have
8 is AT&T Cable Services, paren, u-t--which I assume
9 is Utah?

10 A. It is.

11 Q. End paren. And then paren, t-r-a-n-s--
12 and it's kind of cut off. Is there a hidden
13 column there, if you know, or is it just the rest
14 of the text to indicate transmission?

15 A. That should be the end of it. And, in
16 fact, it would probably end with S, end paren.
17 We typically abbreviate transmission just trans
18 so--

19 Q. Okay. What about in those--that
20 column, still looking at the utility column, the
21 only other number that we see in those cells are
22 zero. What does that mean?

23 A. To be honest with you, I don't know,
24 and my, my first guess would have been that those
25 seemed to be placed consistent with guy



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1 attachments, the, the first three zeros are all
2 guy attachments. But then later on down the
3 list, the third and fourth up from the bottom are
4 guy attachments, and they have a utility code, so,
5 to be honest with you, I don't know what that
6 indicates.

7 Q. Okay. So we have a zero--some zeros
8 are--all zeros are guy attachments, but not all
9 guy attachments are zeros because some guy
10 attachments are 877s, which are Comcast
11 distribution attachments. Is that fair?

12 A. Correct.

13 Q. Going to the top of the column--I'm
14 sorry, the top of the table, looking at the first
15 two rows, is that the same pole we are talking
16 about there?

17 A. It is.

18 Q. Okay. The--looking in the column that
19 is identified as violation, there is a notation,
20 235, dash, 40-inch rule.

21 A. Yes.

22 Q. Would that refer to NESC Rule 35?

23 A. Yes.

24 Q. And the 40-inch rule, does that refer
25 to the separation distance required between top



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1 communications attachment at the pole and first
2 electric attachment?

3 A. Yes, it does.

4 Q. In the next column, attachment height
5 is indicated as 19 feet?

6 A. Yes.

7 Q. And attachment mid height is the next
8 column. Is that attachment height at mid span?

9 A. Yes, it is.

10 Q. So does that mean that at the pole the
11 attachment was at 19 feet but at the middle of
12 the pole, at mid span, it sagged to 16.83?

13 A. Correct.

14 Q. Okay. You said a moment ago that the
15 second row was the same pole based, I guess, on
16 the facility point number and map string.

17 A. Yes.

18 Q. Correct?

19 The column in that second row under
20 violation is blank. Correct?

21 A. It is.

22 Q. The attachment height is the same.
23 Correct?

24 A. Correct.

25 Q. And there is--for mid span attachment



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1 height, zero is indicated?

2 A. Correct.

3 Q. Can you explain why there are two
4 different entries for the same pole?

5 A. This is a guess on my part, and I think
6 that Jim Coppedge will probably be of much more
7 assistance to you on, on these reports, but my
8 assumption is that there is also a service drop
9 at the 19-foot mark and that's why there is no
10 mid span attachment height because it's not going
11 from pole to pole, it's going from the pole to
12 the house.

13 Q. Okay. So if you're right that this is
14 indeed a service drop, would this indicate that
15 the service drop is at the same height as the
16 main attachment, i.e., 19 feet?

17 A. Yes.

18 Q. And that there is a--if we are right
19 that the service drop is the second one and the
20 main line is the first one, there is no NESC
21 violation associated with the service drop. From
22 this.

23 A. What I would, what I would have drawn
24 from this conclusion, just from this amount of
25 information, is that it was assumed that all



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1 attachments at 19 feet are under that violation of
2 the 40-inch rule.

3 Q. Oh. So that it's at 19-if the first
4 one is at 19 and the second one is at 19, you
5 don't need to write it down twice, it's going to
6 be the same violation?

7 A. Right. It's the same pole and it's the
8 same company utility code, so anything that's at
9 19 feet is going to be in that same violation.

10 Q. This pole, if it's-- if we are right
11 that it's counted as two attachments, under what
12 we had discussed about the invoicing method for
13 the surveys, there would be a \$26.50 charge
14 associated with that survey?

15 A. If the assumption is that these--that
16 both of these lines are being counted as an
17 attachment?

18 Q. Yes.

19 A. Then, yes, there would be \$26.50
20 assessed.

21 But my question to somebody like Jim
22 would be, is that what is the intent of this
23 report because we don't charge separate attachment
24 fees for guys and risers and power supplies and
25 those types of things are listed on here as well.



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1 Q. Right.

2 A. So I'm getting the sense from looking
3 at this report that this is a comprehensive result
4 of the inventory for these pole locations and not
5 necessarily what gets loaded into JTU as the total
6 number of attachments for the purposes of billing
7 and the purposes of cost recovery for the
8 inventory.

9 Q. That's fair. I understand. That's
10 fair.

11 One more question on this, Corey, and I
12 think we can move out of this.

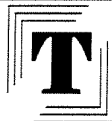
13 The map string and facility point
14 number, is that a unique identifier? In other
15 words--well, I can't say it better than that.

16 A. If, if you combine both the map string
17 and the facility point number, yes, it is a
18 unique identifier. If you were to separate either
19 one of them, no, they would not be unique.

20 Q. Is a facility point--so a facility
21 point number is not a pole number. Is that
22 correct?

23 A. It is.

24 Q. It is a pole number, but there may be
25 another 01000 in another map string?



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1 A. Exactly.

2 Q. So you need the two together to know
3 which pole you are talking about?

4 A. Yes.

5 Q. Okay.

6 (Recess taken.)

7 BY MR. THOMAS: Corey, just when we
8 recessed briefly here I was asking about the
9 facility point number and the map string.

10 Does the facility point number match up
11 with those little mini license plates that we were
12 talking about earlier?

13 A. It does.

14 Q. It does.

15 How long has this basic classification
16 system that you walked us through, the map string,
17 the facility point number, the utility code, how
18 long has that been sort of in place?

19 A. As far as I know, for the entire
20 history of both PacifiCorp Power and Utah Power.

21 Q. So it precedes Osmose's entry into,
22 INTO the scene?

23 A. Yes.

24 Q. And we provided them with this data as
25 set up for their work?



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1 A. This is actually on the electronic data
2 set that they receive. Every pole number is
3 identified with these map string, facility point
4 numbers on the data set.

5 Q. Okay. Got a couple of more documents
6 to take a look at. And we are up to number nine,
7 I think at this point.

8 This document is a document entitled,
9 Inventory Report Key Comcast Discovery Index. And
10 have you seen this document before, Corey?

11 A. No.

12 Q. Okay. The JTU output that was provided
13 in connection with the document requests in this
14 matter was several boxes of large--lots of poles.
15 And this material in front of us is an attempt to
16 categorize what was produced by matching
17 description of the material with a bates number
18 range.

19 A. Okay.

20 Q. Do you know who would have--since you
21 say you haven't seen this document before, do you
22 know who would have assisted in preparing this
23 document for purpose of this report?

24 A. Most likely Sara Johnson and/or Mike
25 Paolicelli.



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1 Q. Could you spell Mike Paolicelli for us?

2 A. P-a-o-l-i-c-e-l-l-i.

3 Q. And Sara, s-a-r-a, no h?

4 A. No h.

5 Q. Johnson?

6 A. Johnson, with an o-n.

7 Q. o-n.

8 Have you seen if not report--this
9 report a report like this before? We are just
10 trying to get a little help with some of the
11 terminology and document identification. If you
12 don't know, don't guess but--

13 A. I haven't seen a report like this
14 before, but I'm familiar with some of the
15 terminology that's being used on this report.

16 Q. Can we just quickly go through this
17 and, AND if, and if you know say, yes, I'm
18 familiar with that and this is what it is or, no,
19 I am not familiar with it.

20 A. Okay.

21 Q. Attach mismatch mapping script,
22 1107001. Do you know what that is?

23 A. I know what the attachment mismatch
24 report is. I do not know the reference to the
25 mapping script number.



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1 Q. What's, what's the attachment
2 mismatching report?

3 A. The attach mismatch report in this case
4 is specific to Ogden, as indicated by the OG that
5 it starts with the first line of the description
6 there. It is the--anything between FastGate and
7 JTU that did not match probably for that map
8 string that's listed as mapping script.

9 Q. Okay. Flipping back four pages into
10 the document, we'll see AF. Does that stand for
11 American Fork?

12 A. It does.

13 Q. And back on the last page--I'm sorry,
14 in the second page, LA means Layton?

15 A. It does.

16 Q. Okay. Attachment remove--attach
17 removal on the first page, what, what does that
18 mean the second row, if you know?

19 A. I believe that that report is a list of
20 all of the attachments that were not found in the
21 field that do exist in JTU and are currently
22 being billed for annual rental.

23 Q. Okay. Billing summary, what does that
24 mean, if you know?

25 A. That should be a list of all of the



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1 unauthorized attachments that require billing.

2 Q. Attachment mismatch?

3 A. That is the comparison between FastGate
4 and JTU.

5 Q. We talked about that. Okay.

6 Removal, removal report? A few lines
7 below.

8 A. Yeah. I, I think that it is synonymous
9 with the attach removal. I'm looking at the--I
10 am just looking at the key, the report number on
11 the far left.

12 Q. Yes. It's just described below. Right?

13 A. Right. That's described below. And
14 there is an attach removal and there is a removal
15 report, and I don't know what the difference
16 between the two is.

17 Q. Okay. The number in the parentheses
18 after each of the descriptions, removal report,
19 attachment mismatch, does that refer to a map
20 string?

21 A. It looks identical to a map string.

22 Q. And 11 is Utah?

23 A. Yes, it is.

24 Q. Okay. To your knowledge, has
25 PacifiCorp prepared a master list of numbers of



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1 poles as well as pole numbers and locations of
2 poles that it believes has unauthorized Comcast
3 attachments on them?

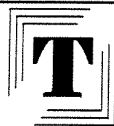
4 A. A master list. To the best of my
5 knowledge, no. Those lists would have been
6 district specific.

7 Q. In the JTU mainframe to the extent that
8 information has passed FastGate and QC muster?

9 A. The listing actually wouldn't have come
10 from JTU specifically. It would have come from
11 that attachment mismatch report that said, We've
12 compared FastGate with JTU and here are all of
13 the attachments that either need to be removed
14 from JTU because they no longer exist in the
15 field or they need to be added to JTU for future
16 billing and billed currently for unauthorized
17 attachment.

18 So that report, that billing summary
19 report, here would be compiled per district. You
20 see that it's run here per map string, and all
21 the map strings within a given district would be
22 compiled for one invoice. So the master list
23 then would be accompanying that invoice for that
24 district.

25 Q. At some point, somebody is going to



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1 need to compare all the poles that Comcast thinks
2 that Comcast is on and all the poles that
3 PacifiCorp thinks that Comcast is on to come up
4 with a way to resolve this case. Correct?

5 A. Correct.

6 Q. Would focusing on the attachment
7 mismatch output be an important step in that
8 process?

9 A. It may, depending on what information
10 is available from Comcast.

11 Q. Okay. Pulling our settlement and not
12 litigation hats on, if we were locked into a
13 room, similar to the way we have been today, and
14 said, figure out how you are going to come up
15 with a number of real discrepancies here, and you
16 can't come out until you do, how would you,
17 Corey, go about doing that? And I ask you that
18 question because I think no one knows more about
19 this than you.

20 A. I would start by asking both parties to
21 come together with a list of all of the poles
22 that they believe Comcast is attached to and if
23 at all possible by PacifiCorp pole number and/or
24 GPS coordinates.

25 I would then identify all of the



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1 exceptions between the two. We would have to go
2 line item by line item and do you have this pole
3 on your list, yes or no. And eventually we would
4 end up with an exception report between what the
5 two companies believe they have records for in
6 attachment. And we would also need to have some
7 level of discussion about what those records
8 consist of. Because I know that Comcast feels
9 that it has some records of attachments that in
10 some manner or another were authorized by Utah
11 Power, and I think there would need to be some
12 discussion around whether or not those were, in
13 fact, authorized, what time frame they had been
14 made within, and if Comcast was, in fact, aware
15 that they had a certain number, number of
16 attachments all these years, say, since the end of
17 the '99 audit that occurred, but was not being
18 billed for that level of attachments, then why was
19 that not disclosed.

20 And those are the kinds of processing
21 and discussions that, that I would like to have
22 in conjunction with a factual comparison of how
23 many poles, you know, let's just throw them out
24 on the table.

25 Q. Okay. One quick question, Corey, in



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1 connection with a question about retention of
2 records and recordkeeping.

3 In a response to a data request,
4 PacifiCorp said that it's not aware of any
5 documents or, or electronic information related to
6 T&D Infrastructure, management permanent
7 applications that have been knowingly destroyed
8 within the last nine years.

9 Do you remember that, that response?

10 A. I do.

11 Q. Do you recall why the, the nine years
12 was picked out as the time period?

13 A. Because that's about how long I've been
14 in the department.

15 Q. I thought so.

16 Are you aware of any document
17 destructions that may have occurred before you
18 arrived in the department?

19 A. Since I spent the three, four years
20 prior to that in the records department, I can
21 say that I have no firsthand knowledge of us
22 destroying any pole attachment permits or
23 documents for that period of time either, but
24 prior to that, no. Prior to 1990, I have no
25 knowledge of whether or not there was destruction



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1 of pole attachment documents.

2 Q. Okay. Are you familiar with a company
3 called Comsys?

4 A. Yes, I am.

5 Q. What do they do?

6 A. They are an agency that supplies
7 technically skilled temporary employees to
8 PacifiCorp such as Karen Kelly and Susan Canniff,
9 who work on our IT projects.

10 Q. In Portland?

11 A. Yes.

12 Q. They are not field personnel in Utah?

13 A. No.

14 Q. IT--they provide IT support for your
15 department in Portland.

16 A. Yes.

17 (Discussion off the record.)

18 Q. Corey, we are going to ask you a couple
19 of questions about permitting fees associated with
20 Comcast attachments. Just want to--

21 (Discussion off the record.)

22 Q. --and I think we would mark this for
23 identification as number nine.

24 MR. SACKETT: Ten.

25 MR. THOMAS: Number ten? There is a--



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1 this is what we need, a cover sheet. Isn't it?

2 MS. SAPIR: Okay. I'm sorry. Gave you
3 the wrong ones.

4 MR. THOMAS: Give those back. Do you
5 have four copies of that?

6 MS. SAPIR: Actually, they are two-page
7 documents.

8 MR. THOMAS: They are two-page
9 documents. Okay. There we go. Take that.

10 THE WITNESS: Thank you.

11 BY MR. THOMAS:

12 Q. These weren't stapled either. It's a
13 two-page document--well, it's a two-page document,
14 as we understand it, but it's a little confusing,
15 but we'll, we'll describe it and see where we
16 can--okay, it is a two-page document, and what it
17 is, it's a fax cover sheet to Marty Pollock of
18 AT&T Broadband from Jackie Carter.

19 Do you know Jackie Carter?

20 A. I do.

21 Q. Does she work for you?

22 A. She used to.

23 Q. Okay. What was her, what was her job
24 function?

25 A. She was on our billing coordinator.



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1 Q. Okay. And is Jackie in your department
2 anymore?

3 A. No, she is not.

4 Q. Is she still with PacifiCorp?

5 A. Yes.

6 Q. And what is she doing now?

7 A. She is a business analyst.

8 Q. In, in your department?

9 A. No.

10 Q. Oh, no, I'm sorry. In, in what
11 department?

12 A. I believe she is in Field Operations.

13 Q. Okay. On this fax cover sheet, you'll,
14 you'll see a series of fees listed. Do you see
15 that there, Corey?

16 A. Yes.

17 Q. There are four fees listed, and we'll
18 just read through those quickly and--can you tell
19 me, first of all, what the \$29 application
20 processing fee per pole is?

21 A. When PacifiCorp first began charging
22 application and inspection fees, which was in this
23 April 2002 time frame that Jackie's letter
24 references to, we were charging application fees
25 per pole so you could submit a hundred poles on



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1 one application, it would be \$29 per pole.

2 Q. And that would be \$2900 for a hundred?

3 A. Yes.

4 Q. Okay. Sorry.

5 A. The inspection fees were categorized by
6 whether or not a full-loading calculation was
7 performed, whether no-loading calculation was
8 performed but there was a physical get-out-of-the-
9 truck-and-do-an-inspection at the pole or did they
10 drive by the pole and say, generally speaking, it
11 looks like there is enough room and the pole is
12 of adequate height and strength.

13 This is the beginning of how we started
14 application and inspection fees, and we have since
15 revised those fees.

16 Q. Okay. Let, let me just make sure I
17 understand this.

18 So if I want to apply to attach to a
19 pole, I have to pay a \$29 application fee?

20 A. (Witness nods head.)

21 Q. Is that correct?

22 A. Correct. That was correct at the time.

23 Q. Okay, at the time.

24 If I wanted to overlash a new fiber to
25 an attachment I already have, would I have to pay



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1 this fee?

2 A. Yes.

3 Q. Okay. Then would someone from
4 PacifiCorp go out and look at the pole?

5 A. Yes.

6 Q. And if the pole looked good and strong
7 and not in need of any detailed inspection, there
8 would be a \$9 charge associated with that?

9 A. Correct.

10 Q. If the individual had to get out of the
11 truck and take a closer look, maybe perform some
12 measurements, that would be \$30?

13 A. Correct.

14 Q. If he needed to get out of the truck,
15 take a closer look and then take detailed loading
16 and--detailed inventory and information required
17 to do a load calculation, that would be \$70?

18 A. Correct.

19 Q. And that's, that's per pole?

20 A. Correct.

21 Q. And you mentioned that this has evolved
22 or changed from this time period?

23 A. It has.

24 Q. Okay. We have another document that--
25 we are up to 11 now? Okay. Is this--this is a



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1 document that's titled, Fee Schedule, and this was
2 provided to, to Comcast by PacifiCorp. Are you
3 familiar with this document?

4 A. I am.

5 Q. Okay. Can we go through the categories
6 here and you describe for me how, how this fee
7 schedule works?

8 A. Sure.

9 The application processing fee has
10 changed from a per pole fee to a flat application
11 fee with an additional per pole charge for every
12 pole that's on that application. So 26.65 is
13 basically the setup and processing fee for any
14 application, regardless of how many poles are on
15 it, and then there is \$4 per pole.

16 Q. So if I wanted to go on one pole, it
17 would cost me \$30.65?

18 A. Correct.

19 Q. And is there any limit to the number of
20 poles that could be handled in a single batch?

21 A. No.

22 Q. So I could go on a thousand and it
23 would cost me \$4,000--\$4,026.65?

24 A. Correct.

25 Q. Okay. Now let's go to the next grouping



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1 that's called Preinspection Fees. And there is
2 a--there is an asterisk after preinspection and
3 then it says--just sort of a footnote there--it
4 says, "PacifiCorp may at its discretion perform
5 other necessary inspections. You will be charged
6 the actual cost of performing the inspections as
7 they do not fall under the scope of work
8 performed in the above tables."

9 Can you explain that to me, just a
10 little bit more detail?

11 A. Certainly.

12 If we received applications from a
13 licensee requesting attachment and because we had
14 pictures available through FastGate to do an
15 evaluation as opposed to getting out in the field
16 and do a preinspection, we may opt not to do a
17 preinspection on that application, we would just
18 do a desktop audit, look at the pictures, and
19 say, Well, there is nobody else attached to those
20 poles or there is plenty of room, we have no
21 reason to believe you couldn't attach here, turn
22 the application around in a very quick time frame.

23 If we were to receive any phone calls
24 or drop by that job site in the process of
25 construction and find that things were not being



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1 constructed as they were applied for, we would
2 reserve the right to perform an inspection at our
3 discretion of that ongoing construction work, and
4 if it meant having somebody sit and watch for a
5 period of time or give some instruction on what
6 the expectations are, then actual charges would be
7 assessed as opposed to the typical inspection
8 process that we would go through.

9 Q. Okay. Now, to get on the poles I have
10 paid \$26.65 and then \$4 and then I go to the
11 preinspection fees, level one.

12 A. Uh-huh (affirmative).

13 Q. Would the level one--what is the level
14 one? Walk me through the levels, please.

15 A. Level one is somewhat equivalent to the
16 drive-by that was formerly referred to as a \$9
17 fee.

18 Q. Okay.

19 A. Level two is equivalent to the getting
20 out of the truck, maybe doing some measurements or
21 evaluating the mid span clearances to make sure
22 that this is a feasible attachment.

23 And level three is the, the full
24 inspection--preinspection, and in some cases,
25 level three comes at the request of the licensee



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1 if they did not perform a preengineering survey.

2 Q. In other words, they may rely on
3 PacifiCorp to do that preengineering work--

4 A. Correct.

5 Q. --for them?

6 And under the post-inspection, it's
7 basically the same amount of work after
8 attachment?

9 A. Correct.

10 Q. Okay. So if I wanted to attach to one
11 pole or overlash a new conductor to an existing
12 attachment and the pole was basically clean, I
13 would need to pay fees of \$57.95 for that pole.
14 Is that correct?

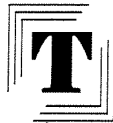
15 A. Are you adding a level one--

16 Q. To the application processing fee.

17 A. You would, you would have to add \$4 for
18 each pole.

19 Q. Oh, right. Okay. So \$61.95 for--okay.

20 A. And technically you, you could be
21 charged \$61.95 for that pole, but PacifiCorp, in
22 areas where the inventory has been performed and
23 pictures exist, we do not have the resources nor
24 the intent to do a physical preinspection of every
25 single pole on an application. We are relying on



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1 the licensees to provided adequate information on
2 the application that we can do a desktop audit,
3 and we would always do a post-inspection. We may
4 not always do a preinspection.

5 Q. Right.

6 A. But as a policy, we would always do a
7 post-inspection and our post-inspection would
8 include an updated picture of what that pole now
9 looks like.

10 Q. And then that would go back into your
11 database that had been--that--FastGate?

12 A. Yes.

13 Q. So conceivably, you know, a worst case
14 scenario for me as an attacher would be
15 application plus a per pole--application
16 processing fee plus per pole. It just so
17 happened that I wanted to get on a really crowded
18 pole that required a full loading analysis, so I
19 would have to go \$30.65 plus 88.55 for a
20 preinspection, and assuming I was able to actually
21 get on that pole that was right about at its load
22 capacity but looked like it passed, I would have
23 to also pay an 88.55 post-inspection for that
24 pole?

25 A. Correct.



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1 Q. And is this, is this the schedule
2 that's, that's currently in effect--

3 A. It is.

4 Q. --in Utah?

5 Is it in effect in other states as
6 well?

7 A. All states.

8 Q. And--almost finished.

9 How did you, in three minutes or less,
10 derive these numbers?

11 A. To be helpful, Joe Clifton will be able
12 to tell you exactly how these numbers were derived
13 when you speak with him next week because he was
14 the primary contact for creating this schedule.

15 Q. Okay.

16 A. But, in short, we took all of our labor
17 costs, vehicle costs, materials, and the average
18 number--or the average minutes of drive time and
19 the average minutes to do an actual inspection of
20 these various levels and made a flat-rate fee for
21 each level of inspection.

22 Q. Okay. And so Joe was the one who maybe
23 could help us understand that a little bit more?

24 A. Correct.

25 Q. And in terms of, in terms of when this



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1 went into effect, when would that be? We have
2 talked about--

3 A. Right.

4 Q. --2002 previously. To the best of your
5 knowledge, 2002 was the old scheme this is the
6 new, the new fee structure?

7 A. Right. And if memory serves, it was
8 only a matter of maybe six months between when
9 this original schedule went into effect in April
10 of 2002 and when these fees were revised later in
11 that same calendar year.

12 Q. So October, November of 2002?

13 A. Yeah.

14 Q. Give or take. Okay.

15 Do you want to take a moment because I
16 know Gary has to leave here, to see if there is
17 any, any stuff you'd like to supplement or any
18 other answers that you have given that may not
19 have been exactly how you wanted them to come out
20 before we adjourn?

21 MR. SACKETT: Just take a minute.

22 THE WITNESS: Sure.

23 (Recess taken.)

24 BY MR. THOMAS:

25 Q. All right. Back, back on the record.



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1 Corey, when you--one last question and
2 I'm--when you receive payment for these fees, is
3 it treated, from an accounting standpoint, the
4 same way that the \$250 survey and the Osmose
5 survey charges are treated, in other words, to the
6 district basket that we have discussed or is it
7 treated differently?

8 A. There wouldn't necessarily be a
9 district basket for these types of fees, but the
10 same concept, that these are the application fees
11 and since this is the, the bucket that application
12 fees were billed out of, this is exactly the same
13 bucket that the money goes back into.

14 MR. THOMAS: Okay. I have no further
15 questions.

16 EXAMINATION

17 BY-MR. SACKETT:

18 Q. I just have one.

19 Mr. Thomas asked you--I think it was
20 this morning--some questions about what prompted
21 PacifiCorp to initiate the 2002 inventory audit,
22 and you indicated that a large part of that was
23 phone calls and the like.

24 Were there other things that went into
25 that decision to, to initiate that inventory



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1 audit?

2 A. Yes. The, the growth in Utah in
3 particular had a great deal to do with our
4 decision, especially in light of the Olympic year
5 taking place right here in the Wasatch Front, and
6 we experienced a very high volume of construction
7 in preparation for the Olympics as well as
8 following the Olympics. We've measured--I believe
9 the, the company's measurement is approximately
10 six percent growth per year just here in the
11 valley. And when our customer base grows at six
12 percent, so does the communications customer base.
13 So a very significant amount of activity right
14 here in Utah that prompted that as well as some
15 safety concerns being communicated from the field.

16 MR. SACKETT: That's all I have.

17 MR. THOMAS: Thank you. Thank you,
18 Corey.

19 THE WITNESS: Thanks.

20 (Deposition concluded at 4:45 p.m.)
21
22
23
24
25



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1
2 **CERTIFICATE**

3 This is to certify that the foregoing deposition was
4 taken before me, DAWN M. DAVIS, a Registered Professional
5 Reporter and Notary Public in and for the State of Utah;

6 That said witness was duly sworn to testify the
7 truth, the whole truth and nothing but the truth;

8 That the deposition was reported by me in stenotype
9 and thereafter caused by me to be transcribed into
10 typewriting, and that a full, true, and correct
11 transcription of said testimony so taken and transcribed
12 is set forth in the foregoing pages;

13 That no review of this deposition was requested by
14 either party or the witness and, therefore, pursuant to
15 Rule 30 (e) of the Utah Rules of Civil Procedure the
16 review was waived.

17 I further certify that I am not of kin or otherwise
18 associated with any of the parties to said cause and am
19 not interested in the event thereof.

20 

21 Dawn M. Davis, RPR
22 My Commission Expires:
23 March 8, 2008

