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7. **BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Complaint of
BEAVER COUNTY, et al.,

Complainants,

-vs-

QWEST CORPORATION fka U S WEST
COMMUNICATIONS, INC. fka MOUNTAIN STATES TELEPHONE
& TELEGRAPH SERVICES, INC.,

Respondent.

**DIRECT TESTIMONY OF
BILL THOMAS PETERS**

Docket No. 01-049-75

Q: What is your name?

A: Bill Thomas Peters.

Q: Where do you reside?

A: I am a resident of Salt Lake County, Utah.

Q: Are you a lawyer licensed to practice in the State of Utah?

23: A: Yes.

24. Q: When were you admitted to the bar?

25: A: 1966.

Q: Did you represent the complainants in this matter in a previous action that was filed in the Third

26.

27. District Court, in and for Salt Lake County, State of Utah, Case No. 980913349 on December
28. 31, 1998.

29. A: Yes.

30. Q: Do you recall obtaining an order from the Third District Court allowing the deposition of the
31. \$16.9 million tax refund into the Court?

32. A: Yes.

33. Q: Do you recall in fact depositing such funds into the Court?

34. A: Most of the \$16.9 million was deposited, although I remember one or two counties were late with
35. the refund.

36. Q: Do you recall being contacted by U S. West Communications, Inc.'s lawyer about the deposit of
37. such funds?

38. A: Yes.

39. Q: When was that?

40. A: Within a week.

41. Q: Who was that lawyer?

42. A: I cannot recall whether it was George Haley of the law firm of Holme Roberts & Owen or Robert
43. Stoelbarger, but it was one of them who telephoned me.

44. Q: What did U. S. West's lawyer say?

45. A: Whichever one of them it was, expressed their client's displeasure at the fact that the funds had
46. been deposited and asked whether we would be willing to consider having U. S. West
47. Communications, Inc. post a bond for \$16.9 million in lieu of having the funds deposited into
48. Court.

49. Q: Did he tell you why U. S. West wanted to do that?

A: Yes.

50.

Q: What did he tell you?

51.

A: He told me that the year-end bonus for U. S. West Communications' officers was largely

45. dependent upon the \$16.9 million they had anticipated being paid into the company at year-end

46. 1998, and that it would have a serious impact on those officers if the funds were not paid to U. S.

47. West Communications, Inc.

~~48~~: What did you tell him?

~~49~~: I told him that I would have to check with my clients, but that I saw no problem with substituting a

50. bond for the \$16.9 million.

~~51~~: What happened later about that?

~~52~~: My clients agreed and we executed a stipulation and the Court signed an order releasing the

53. funds and substituting a bond so the U. S. West communications, Inc. officers could either

54. receive or keep their bonuses.

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CERTIFICATE OF SERVICE

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The undersigned hereby certifies that true and correct copies of the foregoing Pre-Filed

61. Testimony of Eckhardt Arthur Prawitt was served via e-mail transmission, this _____ day of

62. December, 2004, to the following:

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