

STANLEY K. STOLL
BLACKBURN & STOLL, LC
257 East 200 South, Suite 800
Salt Lake City, Utah 84111
Telephone: (801) 521-7900
Attorneys for Uintah Basin Telecommunications
Association, Inc. and UBET Telecom, Inc.

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION FOR INCREASE IN USE ELIGIBILITY FOR UINTAH BASIN
TELECOMMUNICATIONS ASSOCIATION, INC.

DOCKET NO. 05-053-01

SUR-REBUTTAL TESTIMONY

OF KARL SEARLE

SUR-REBUTTAL TESTIMONY
OF KARL SEARLE

Q:DID YOU PREPARE, AND CAUSE TO BE FILED, DIRECT TESTIMONY IN THIS DOCKET?

A: Yes. I prepared, and caused to be filed Direct Testimony on behalf of Uintah Basin Telecommunications Association, Inc. (“UBTA”) and UBET Telecom, Inc. (“UBET Telecom”) (collectively, “UBTA-UBET”, “Applicants” or the “companies”) in this Docket.

Q:ARE THERE ANY ISSUES YOU WOULD LIKE TO CLARIFY FROM THE TESTIMONY OF THE DIVISION?

A. Yes. On page 25 of Mr. Huntsman’s testimony he refers to a loan balance of \$_____ guaranteed by the company for UBTA. This is a correct statement for years ending 2003 and 2002. However, I

believe the testimony should be clarified too recognize that the loan balance at 12/31/2004 was only \$_____. This was included in our response to the Division's Data Request 1.27 and was updated with the balance as of 6/30/2005 in response to the Division's Data Request 3.4. In fact, the June 2005 balance is included in Mr. Chris Luras' testimony in Exhibit 9.3.

Q: ARE THERE ANY OTHER MATTERS YOU WOULD LIKE TO CLARIFY?

A: Yes. On page 7 of Ms. Peggy Egbert's testimony with reference to the financial condition of NC Telecom makes the following statement, "Nevertheless, based on the Division's own examination (Refer to Wesley Huntsman's Testimony), continued operation relies entirely upon financial support of UBTA-UBET." This statement has no basis. In fact, in response to Data Request 2.7,

Q: MARY CLEVELAND STATES, IN HER TESTIMONY, THAT UBTA, UBET AND THEIR SUBSIDIARIES DO NOT MAINTAIN A SEPARATE SET OF BOOKS AND RECORDS. DO YOU AGREE WITH MS. CLEVELAND?

A: No. A separate set of books is kept for each individual entity. Ms. Cleveland refers to common accounts. Common accounts are for common costs that are then allocated to each entity. This is in compliance with Part 32 and Part 64 Rules of the Federal Communications Commission.

Q: DOES THAT CONCLUDE YOUR TESTIMONY?

A: Yes.