

EVIDENTIARY HEARING - VOLUME 4 - OCTOBER 19, 2006

BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS

OF THE STATE OF MINNESOTA

In the Matter of the Petition of Eschelon Telecom, Inc.
for Arbitration of an Interconnection Agreement with
Qwest Corporation Pursuant to 47 U.S.C. 252(b)

OAH DOCKET NO. 3-2500-17369-2
PUC DOCKET NO. P5340,421/IC-06-768

Minnesota Public Utilities Commission
350 Metro Square Building
121 Seventh Place East
St. Paul, Minnesota

Met, pursuant to Notice, at 9:00 in the
morning on October 19, 2006.

BEFORE: Judge Kathleen Sheehy
Judge Steve Mihalchick
REPORTER: Angie D. Threlkeld, RPR CRR

1 generating that compensation, either recurring or
2 nonrecurring rates. And I believe you are
3 compensated. And I agree for those activities that
4 you -- you know, that you do, Qwest should be and is
5 compensated.

6 Q Okay. Well, what does moving UNEs mean, as proposed
7 by Eschelon's language? What activities are
8 encompassed by that?

9 A I mean, moving could be changing the -- you know,
10 kind of changing the point at the end of -- say, at
11 the -- at the -- you know, in the office where the
12 UNE's connecting to the -- to Eschelon's facilities,
13 you know, so you're moving from one termination
14 point to another.

15 Q But moving is not a defined term anywhere, is it?

16 A Right. I think you had that conversation yesterday.

17 Q Right.

18 A Right.

19 Q So we don't know if whatever activities are
20 encompassed by that undefined term are included as
21 rate elements in the interconnection agreement, do
22 we?

23 A No, I think -- I think we do, because, I mean, we're
24 not asking here for something extraordinary that's
25 outside of activities that Qwest currently does.

Page 206

1 And those -- So the rates -- When we set the rates
2 for the unbundled network elements, as you'll
3 remember, you know, these included the activities --
4 these included factors like Mr. Starkey referred to.
5 They include, you know, costs to -- so that Qwest is
6 recovered, you know, for its normal, you know,
7 activities associated with provisioning of loops.

8 Q So is the intent here that Qwest will provide the
9 same access to UNEs that it provides for its own
10 customers and affiliates?

11 A I don't know that there's anything here about own
12 customers and affiliates. It's about what Qwest is
13 currently doing today to provide UNEs, to provide --
14 to provide access to these, you know. And we've
15 listed some things like design changes, maintenance
16 of service. And I believe really the focus of this
17 language is the rates at which these activities
18 would be compensated for. And what Eschelon
19 believes is these should be TELRIC -- you know,
20 TELRIC rates would be the basis for these types of
21 activities.

22 Q And I don't want to prolong this, but you say these
23 types of activities. The words moving, changing, or
24 adding to UNEs, if this -- if this language is
25 adopted, for Qwest to be compensated there has to be

1 rate elements in the interconnection agreement that
2 link up with the activities encompassed by those
3 three terms; would you agree with that?

4 A No, I don't -- I don't agree with that because of
5 the way -- I mean, remember when we set the
6 recurring rates, there were these cost factors that
7 we put into these rates that included things for --
8 network operations types of activities or network
9 operations. There wasn't a specific -- We didn't
10 define each and every network operations activity
11 and create a separate rate. Or there's -- Remember
12 there's a maintenance factor that gets applied to
13 all of the UNES. That maintenance factor would
14 include going out, doing repairs, maintaining the
15 network, if there's moves that are included in --
16 you know, that Qwest is moving the circuit, like you
17 heard in retirement or replacing, those types of
18 things are already recovered in the recurring rates.
19 So I don't agree that there should be a separate --

20 Q Okay. So that --

21 A -- rate element necessarily.

22 Q That's helpful. So it's your testimony here that
23 moving, adding, changing to activities that would be
24 required by Eschelon's language are already included
25 in the monthly recurring rates in Minnesota for

Page 208

1 UNES; is that correct?

2 A I -- Yes, I believe that they are. And there's a
3 cost case that can -- You know, if there's a debate
4 over these, I know -- there are -- there are some
5 rate elements that we'll be having a debate in the
6 upcoming cost case --

7 Q Okay.

8 A -- about whether they're appropriately recovered in
9 recurring versus nonrecurring rates. And that -- I
10 think that -- you know, that will be the debate that
11 will take place there.

12 MR. DEVANEY: Your Honor, may I consult
13 with my client for one moment?

14 JUDGE SHEEHY: Yes.

15 MR. DEVANEY: Thank you, Mr. Denney.

16 THE WITNESS: Thank you.

17 JUDGE SHEEHY: Ms. Anderson.

18 CROSS-EXAMINATION

19 BY MS. ANDERSON:

20 Q Good afternoon, Mr. Denney.

21 A Good afternoon.

22 Q I'm going to ask you first of all about subject
23 matter 2, issue 2-3. And I believe that shows up on
24 your direct testimony at page 8, lines 9 through 10,
25 concerning the effective date of UNE pricing