

**PATRICIA E. SCHMID (#4908)**  
**JUSTIN JETTER (#13257)**  
Assistant Attorney General  
Counsel for the DIVISION OF PUBLIC UTILITIES  
**SEAN D. REYES (#7969)**  
Attorney General of Utah  
160 E 300 S, 5<sup>th</sup> Floor  
P.O. Box 140857  
Salt Lake City, UT 84114-0857  
Telephone (801) 366-0380

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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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**In the Matter of Emery Telecom  
Inc.'s Application for Utah Universal  
Service Fund Support**

**Docket 15-042-01  
Division of Public Utilities  
1st Set of Data Requests to  
Emery Telecom Inc.  
May 3, 2018**

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**Please send an electronic copy  
and a paper copy of your Data  
Response to:**

**Dennis Miller - Legal Assistant  
Division of Public Utilities  
Heber M. Wells Bldg - 4<sup>TH</sup> Floor  
160 E 300 S - Box 146751  
Salt Lake City UT 84114-6751**

**PLEASE E-MAIL YOUR DATA  
RESPONSE TO DENNIS MILLER**  
[dpudatarequest@utah.gov](mailto:dpudatarequest@utah.gov)

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**Your Data Response is not considered received  
until an electronic copy is furnished and received**

This shall be treated as the first data request of information that must be provided within 30 days unless a shorter data response time is agreed to by the Parties. The information provided from the first data request will be used to help plan the site visit. All supporting work papers and calculations should be in working versions of Excel spreadsheets with all formulas intact.

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**1.1 General Ledger –**

For the test year and for the current year to date provide the general ledger detail for the Company and all affiliates. Please provide the general ledger in an

electronic, sort-able working format. The general ledger for the test year must be balanced (or be reconciled) to the Company's Commission Annual Report for the test year.

**1.2 Trial Balance –**

Provide the first quarter general ledger trial balance for the Company and all affiliates for 2015. Please provide the general ledger trial balance in an electronic sort-able working format. The trial balance report for the test year must balance to the Company's Commission Annual Report for the test year.

**1.3 Open Work Orders –**

Provide a report of all open work orders at the end of the test year. Include the work order number, project name, estimated project cost, YTD capitalized project costs, YTD project costs expenses, account numbers, etc.

**1.4 Labor Reports –**

- a. Provide reports for the last three years for the Company and all affiliates. Please provide the Labor Distribution Report in an electronic sort-able working format.
- b. Provide reports for the last three years showing all employees employed and released by Emery Telecom including the department they worked in.

**1.5 Payroll Allocation Work Paper -**

- a. Provide for the test year and current year an Excel spreadsheet that reports for each Company and affiliate employees, the total compensation amount and percent of total payroll costs.
- b. Report the expensed payroll amounts and capitalized payroll amounts by payroll components of base salary, bonus, benefits and other compensation for each Company and affiliate employee.
- c. Calculate the amount and percent of total payroll expenses allocated to the Company and each affiliate by Company and affiliate employee.
- d. Explain how the amounts and percent were determined.

**1.6 Bonuses –**

- a. For the test year and current year to date for the Company and all affiliates provide the total amount of bonuses paid to each employee in the test year and current year by account number.

- b. Provide a written description of the Company's bonus policy. Explain the reason for the bonus and provide related supporting calculations that reconcile to the Company's bonus policy.

**1.7 Chart of Accounts –**

Please provide a table or listing for the Company and all affiliates to identify the account codes used which identify the various parts of the organization in the accounting system in the year prior to the test year, the test year and the current year to date.

**1.8 Tax Returns-**

Provide tax returns filed for the test year as well as the previous year.

**1.9 Continuing Property Records (CPRs) –**

- a. Identify amounts in summary form of the transactions that have been removed or added to the CPRs for various reasons (retirements, additions, transfers to other affiliates, correction of errors, amounts fully depreciated, amounts not used or useful, amounts not located, amounts that are not Utah assets, etc.)
- b. Identify and explain property records held for future use by the Company for the test year and for the current year to date.
- c. Please provide for the test year and for the current year to date the Continuing Property Records for the Company and all affiliates.
- d. Please provide the records In accordance with FCC Part 32.
- e. Explain and list of all individual additions, retirements, sales, transfers (to other affiliates or accounts), and changes that occurred in the test year and current year.
- f. Identify and explain all assets that are used in part or total by other affiliates.

**1.10 Related Parties and Affiliate Transactions –**

- a. For the test year and for the current year to date provide a detailed explanation of each affiliate and related party transaction in an Excel spreadsheet showing the related impact of each transaction on the financial records of the Company and each affiliate by account number and the related impact on the revenue requirements in the filing. This analysis should include the following:

- b. An explanation of the method, along with supporting calculations for each type of affiliate and related party transaction recorded in the financial records
- c. An explanation of each transaction showing if the transaction is recorded at the higher or lower of cost or fair market value, tariff, independent cost study, or other method.
- d. A reconciliation of the methodology to the Cost Allocation Manual where applicable.

For example, if the Company is compensated for these amounts via rent paid from another affiliate, then the Company should provide a copy of the rent agreement, a copy of all rent calculations including documentation that compares the rent to the related underlying amount of costs (capital cost, depreciation expense and overheads), and show the amount of rent income to the Company is at the higher of cost or market.

#### **1.11 Depreciation Expense Work paper –**

- a. For the test year provide an Excel work paper showing how depreciation expense for the Company's books and the UUSF/Rate Case filing were determined. The Excel work paper should include a detailed listing of each asset (or each asset included in the group asset depreciation expense calculation) and show the related gross asset multiplied by the related depreciation rate to arrive at depreciation expense. In addition, the Company should show the gross value, accumulated depreciation, and net book value for each asset/groups asset category.
- b. Identify all individual assets (and group asset categories) that are included on the books (and included in the CPRs), for which the depreciation expense has been stopped or suspended. The Company should explain why depreciation expense was stopped or suspended on these accounts.
- c. Provide records of property retirements that will allow the determination of the service life of the property that has been retired.

#### **1.12 Wholesale NECA DSL Tariff Rate –**

- a. Is Emery Telephone currently participating in the NECA DSL Tariff #5 for cost reimbursement from ETV or other who provide internet service using Emery Facilities?

- i. If yes, please provide the applicable rate band and the monthly revenue per subscriber reimbursed to Emery
- ii. If no, please answer the following questions:
  - 1. Please provide the monthly rate charged per subscriber to ETV and other internet service providers that use Emery facilities.
  - 2. Please provide the number of subscribers taking DSL from ETV or other providers as of the last month of 2012, 2013 and 2014.
  - 3. Please provide all cost data used to develop the monthly rate developed above (in Excel format with formulas intact).
  
- b. Does ETV or any other entity owned by Emery provide telephone and/or internet service to customers within the designated service area of Emery Telephone?
  - i. If yes, please answer the following:
    - 1. How many telephone customers as of the last month of 2014?
    - 2. How many internet customers as of the last month of 2014?
    - 3. Is Emery Telephone placing FTTH to serve these customers? What is the approximate schedule to migrate these customers to the FTTH network?
    - 4. What costs are there in migrating these customers to the FTTH network? Be specific. Are these one time or on-going costs?
  
- c. Provide an explanation of the wholesale NECA DSL tariff rates (access, Ethernet transport, etc.) charged by the Company to each affiliate in the test year and for the current year to date, to recover the costs of DSL service.
  
- d. Identify the revenues received by the Company for these DSL tariff rates, and provide a comparison of these revenues to the Company's costs of providing DSL service to affiliates.
  
- e. Include asset costs for each related asset on the Continuing Property Records (CPRs) including common loop costs, depreciation expense, rate of return (ROR), and other related expenses and taxes).
  
- f. Explain if the DSL wholesale tariffs adequately recover the cost of DSL service costs, and provide related supporting documentation and calculations.

**1.13 Cable TV Customers-**

a. Does ETV or any other entity owned by Emery provide telephone and/or internet service to customers within the designated service area of Emery Telephone?

i. If yes, please answer the following:

1. How many telephone customers as of the last month of 2014?

2. How many internet customers as of the last month of 2014?

3. Is Emery Telephone placing FTTH to serve these customers? What is the approximate schedule to migrate these customers to the FTTH network?

4. What costs are there in migrating these customers to the FTTH network? Be specific. Are these one time or on-going costs?

**1.14 Land Line Loss-**

a. In Emery's application, exhibit 7a projects a loss of 553 lines over the next 3 years. Please answer the following related to this adjustment.

i. Does Emery have any cost allocators that use access line counts as a factor in determining cost allocation between Emery Telephone and affiliated entities? If so, please identify which allocators utilize this factor.

ii. Emery's application contains no offsetting cost decreases to match the projected revenue loss. Please explain.

**1.15 Area Maps**

a. Please provide a facility map of Emery's interoffice facilities showing central office locations and the type of media the interoffice facilities are carried on (fiber, digital radio, copper, etc.). This can be a stick-map not necessarily to scale. Label the type of switch and designate host, remote or carrier status.

b. Have there been any central office boundary changes in Emery's exchanges that have not been filed with the Commission? This would include acquisition of open territory and any transferred area resulting from negotiation with adjacent ILECs. Currently there are no exchange maps for Emery, Carbon/Emery or Hanksville on file with the Commission. The Division will recommend that the Commission order

these maps to be filed in this proceeding or a separate concurrent filing with time for adequate regulatory review.

DPU Requestor: Joseph Hellewell 801-530-6616

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Dennis Miller - (801) 530-6657

cc: Service List