

1 **REBUTTAL TESTIMONY OF BRUCE TODD**

2 **Q. Please state your name, occupation and business address.**

3 A. My name is Bruce Todd. I am the General Manager and Chief Executive Officer of
4 UBTA-UBET Communications, Inc. dba STRATA Networks (“STRATA”). My address
5 at STRATA is P.O. Box 398, 211 East 200 North, Roosevelt, Utah 84066.

6 **Q. Have you pre-filed testimony in this proceeding?**

7 A. Yes. I pre-filed direct testimony with STRATA’s application that started this proceeding.

8 **Q. What is the purpose of your rebuttal testimony?**

9 A. The purpose of my testimony is to respond to some of the testimony filed by William
10 Duncan for the Division of Public Utilities and Michele Beck for the Office of Consumer
11 Services. I also offer some observations about the way this proceeding has been
12 conducted to this point.

13 **Q. In his testimony, Mr. Duncan provides an overview of the Division’s**
14 **recommendations. Do you agree with the recommendations the Division has made in**
15 **this case?**

16 There are some of the recommendations the Division has proposed that STRATA could
17 accept. Karl Searle who testifies for STRATA enumerates those recommendations in his
18 rebuttal testimony. In my memory, unlike any prior proceeding in which STRATA has
19 participated, we have not had the opportunity to negotiate and come to any agreement on
20 any issue.

21 **Q. Are there recommendations from the Division with which you disagree?**

22 A. Yes. Those are itemized in Mr. Searle’s rebuttal testimony and in Douglas Meredith’s
23 rebuttal testimony, both of which will be filed together with mine.

24 **Q. Where are the areas of greatest disagreement in this case?**

25 A. STRATA does not accept the Division's new single asset method approach to
26 depreciation. In my experience, it has never been used before and we believe it violates
27 Part 32 accounting rules and the Commission's own rules. The other biggest issue for
28 STRATA is the Division's treatment of rate of return. We do not believe the Division has
29 calculated that appropriately and Mr. Meredith gives a detailed explanation as to why in
30 his testimony.

31 **Q. What is your response to the overall recommendations made by Michele Beck for**
32 **the Office of Consumer Services?**

33 A. I do not accept any of the Office's recommendations or adjustments.

34 **Q. Ms. Beck states that the Office had difficulty obtaining adequate supporting**
35 **information to review this case. How to you respond to that statement?**

36 A. I don't understand it. Karl Searle testifies the lengths to which STRATA went to help the
37 Office's consultants understand STRATA's operations. They also confused STRATA's
38 case with Carbon/Emery Telcom's based on questions and information they filed with us.
39 They were in our office for four days. After they returned home and filed data requests,
40 Karl even called them to try to answer orally when we couldn't satisfy them in written
41 responses. I don't know what else we could have done.

42 **Q. Did you produce the documents the Office consultants requested?**

43 A. Yes. We didn't create documents we didn't have, but if we had them we produced them.
44 We also gave the consultants the data we had to enable them to reach their own
45 conclusions.

46 **Q. What is your reaction to this proceeding generally?**

47 A. I don't remember one like it before.

48 **Q. What do you mean?**

49 A. I know it's been ten years since we have come in asking the Public Service Commission
50 for anything, but I have never seen a case like this. While I hope it changes going
51 forward, to date there have been no efforts from the Division or the Office to reach
52 agreement on any issues. It seems like the parties want to litigate rather than stipulate,
53 and not only has that been rare in this industry, it significantly drives up regulatory costs
54 and burdens. STRATA would prefer to try to reach agreement informally. Additionally,
55 STRATA based its application on longstanding Commission rules and procedures in
56 making the decision to file for relief. After the case got underway, the parties made some
57 new proposals that significantly change outcomes. Whether or not it's intended, it looks
58 like the proposals are driven by desired results rather than by the public interest.

59 **Q. What do you recommend?**

60 A. I recommend that the Commission require the parties to negotiate if they can't agree to do
61 so themselves to determine if they can resolve any of their disputes. I also recommend
62 that the Commission apply the rules and procedures they have always applied to this
63 industry, and if they desire to make changes they do so through rulemaking after all
64 parties affected by the changes have notice and an opportunity to participate.

65 **Q. Does this conclude your rebuttal testimony?**

66 A. Yes.