

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the UBTA-UBET	:	Docket 15-053-01
Communications, Inc's	:	DPU Exhibit 1.0 SR
(DBA Strata Networks) Application	:	(REDACTED)
for Utah Universal Service Fund	:	
Support	:	

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SUR-REBUTTAL TESTIMONY

OF

William Duncan
STATE OF UTAH
DIVISION OF PUBLIC UTILITIES

November 17, 2015

2 **Q: Please state your name for the record.**

3 **A:** My name is William Duncan.

4 **Q: Are you the same William Duncan that filed direct testimony in this docket?**

5 **A:** Yes.

6 **II. PURPOSE AND SCOPE OF TESTIMONY**

7 **Q: What is the purpose of your sur-rebuttal testimony?**

8 **A:** My testimony will present the revised recommendation of the DPU as it pertains to
9 changes to UBTA's current Utah Universal Service Fund (UUSF) eligibility. My
10 testimony will also identify the issues that have been resolved, and the issues still in
11 dispute between the Strata and the DPU.

12

13 **Q: Has the Division's calculation of Utah Universal Service Fund eligibility for Strata**
14 **changed since the Division filed direct testimony? If so, what is the new amount the**
15 **Division is recommending?**

16 **A:** Yes. As a result of discussions with Strata since the filing of DPU direct testimony, the
17 Division has resolved a number of issues. The DPU now calculates Strata's revenue
18 deficiency to be \$235,559 and recommends that the Public Service Commission of Utah
19 increase Strata's annual UUSF distribution by that amount.

20

21 **Q: Please describe the exhibits that have been filed with your sur-rebuttal testimony.**

22 **A.** There are two exhibits filed with my testimony:

23 **DPU Exhibit 1.1 SR** This is a revised exhibit from my direct testimony that calculates

24 UUSF eligibility.

25 **DPU Exhibit 1.2 SR** This is a revised exhibit of a summary worksheet that the DPU uses
26 to model changes to proposed rate base.

27

28 **Q. Please identify the issues that have been resolved between Strata and the DPU.**

29 **A.** Most of the adjustments proposed by Ms. Benvegna-Springer have been resolved through
30 negotiations with Strata. Specifically, DPU adjustments 3.1, 3.2, 3.4, 3.5, 3.6, 3.7, 3.8,
31 3.9, 3.10, 3.11, and 3.12 have been resolved. Ms. Benvegna-Springer will present further
32 testimony summarizing the results of those adjustments.

33

34 **Q. Which adjustments proposed by Ms. Benvegna-Springer have not been resolved?**

35 **A.** Only one of her adjustments remains, DPU 3.3. Strata is working to provide
36 documentation on this adjustment, which the DPU may receive prior to the hearing.
37 In addition, in Mr. Searle's rebuttal testimony for Strata, he questioned the use of Ms.
38 Benvegna-Springer's removal of the total cost of an expense rather than just the intra-state
39 portion of the expense on some adjustments. Ms. Benvegna-Springer will address the
40 issue of total company revenue and expense vs. intrastate only in her sur-rebuttal
41 testimony.

42

43 **Q. What other DPU adjustments remain unresolved?**

44 **A.** There are two unresolved issues:

45 First, the DPU disagrees with both Strata and the Office of Consumer Services (OCS) on

46 the Rate of Return on intrastate investment. This issue will be addressed by Mr. Casey
47 Coleman in his sur-rebuttal.

48 Second, the DPU disagrees with Strata on depreciation expense. This issue will be
49 addressed by Mr. Paul Hicken in his sur-rebuttal.

50

51 **Q: Please summarize the positions of Strata and the DPU.**

52 **A:** The positions are presented in the following table:

	Strata	DPU
Rate Base	██████████	██████████
Rate of Return	████	████
Required Return	██████████	██████████
Operating Expense	██████████	██████████
Total Costs	██████████	██████████
Total Revenue	██████████	██████████
Revenue Deficiency	██████████	██████████

53

54 **Q: Does this conclude your sur-rebuttal testimony?**

55 **A:** Yes it does.