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AZ CORP COMMISSION  
DOCUMENT CONTROL

1                                    BEFORE THE ARIZONA CORPORATION COMMISSION

2        CARL J. KUNASEK  
          Chairman

3        JAMES M. IRVIN  
          Commissioner

4        WILLIAM MUNDELL  
          Commissioner

6        IN THE MATTER OF THE APPLICATION OF  
7        U S WEST COMMUNICATIONS, INC., A  
8        COLORADO CORPORATION, FOR A HEARING  
9        TO DETERMINE THE EARNINGS OF THE  
10       COMPANY, THE FAIR VALUE OF THE  
11       COMPANY FOR RATEMAKING PURPOSES, TO  
12       FIX A JUST AND REASONABLE RATE OF  
13       RETURN THEREON AND TO APPROVE RATE  
14       SCHEDULES

DOCKET NO. T-01051B-99-0105

**RESPONSE TO STAFF'S  
MOTION TO COMPEL**

15                    U S WEST Communications, Inc. ("U S WEST"), by its  
16        attorneys, submits the following response to the motion to compel  
17        filed by the Arizona Corporation Commission Staff ("Staff").

18                                    Argument

19                    In its motion, Staff moves to compel responses to eleven  
20        data requests out of the more than one thousand data requests  
21        that Staff has served so far. U S WEST has made several attempts  
22        to reach compromises on these data requests. As a result of  
23        those efforts, not all of the data requests that Staff has  
24        included in its motion to compel are really in dispute. Several  
25        have already been answered either in whole or in part.

26                    In general, the data requests that are the subject of  
   Staff's motion to compel can be divided into the following four  
   categories:

   . . . . .

- 1 (1) Five-Year Strategic Plans. Five requests, several  
2 of which that are duplicative, ask for U S WEST's  
3 current five-year strategic plans. (UTI 3-16, 21-4,  
4 21-5, 22-9 and 22-10).
- 5 (2) Employee Personnel Files. Two requests that have in  
6 all material respects been answered call for  
7 employee personnel files. (UTI 18-19(c) and  
8 18-20(c)).
- 9 (3) Unregulated Subsidiaries. Part of one request calls  
10 for financial information concerning unregulated  
11 subsidiaries. (UTI 25-22(h)).
- 12 (4) Data Requests That Are Not in Dispute. Three  
13 requests have already been answered. (UTI 3-17, 3-18  
14 and 20-5).

15 Copies of the responses to these data requests are attached as  
16 Exhibit A.

17 **Five-Year Strategic Plans**

18 Data Request Nos. 3-16, 21-4, 21-5, 22-9 and 22-10 in  
19 various ways request production of U S WEST's five-year strategic  
20 plans and related support. All of these requests call for highly  
21 confidential information that is not publicly available. All of  
22 the information requested concerns plans that will be  
23 implemented, if at all, after the test period in this matter.  
24 Thus, these requests are not reasonably calculated to lead to the  
25 discovery of admissible evidence. It is noteworthy that Staff  
26 has not requested comparable information from any other

1 intervenor in this proceeding.

2       The fundamental problem with these requests is that if the  
3 information is produced to Staff, every other party to the  
4 proceeding will have an argument that they too are entitled to  
5 review it. Thus, disclosure to Staff necessarily raises the  
6 prospect that U S WEST will be required to produce this  
7 information to those competitors who are party to this rate case  
8 including AT&T, MCI, and Cox Communications, Inc. among others.  
9 Staff concedes that these parties should not be allowed to review  
10 the information called for by these five data requests.

11       Staff's makes two arguments that it contends guarantee that  
12 disclosure of the strategic plans to Staff will not result in  
13 disclosure to U S WEST's competitors. First, Staff argues that  
14 there is a protective agreement in this proceeding. However, the  
15 protective agreement Staff relies upon is the same protective  
16 agreement signed by all of the parties to this proceeding. It  
17 does not prevent the disclosure of information to U S WEST's  
18 competitors who have signed the protective agreement. Second,  
19 Staff contends that it has a unique status as a representative of  
20 the Commission. According to Staff, it is entitled to review the  
21 strategic plans even though other parties may not. Yet, Staff  
22 has not cited a single statute, Commission order or reported  
23 judicial decision to support its argument for limited disclosure.  
24 In short, Staff has not substantiated its argument.

25       In this case, the sensitivity of the strategic plans far  
26 outweighs Staff's grounds for disclosure. Under Arizona law,

1 data requests must be reasonably calculated to lead to the  
2 discovery of admissible evidence. In determining whether  
3 information is discoverable, the Commission must evaluate the  
4 data requests in a "realistic context of relevance." State Farm  
5 Mutual Automobile Insurance Company v. Superior Court, 804 P.2d  
6 1323 (Ariz. App. 1991). Fishing expeditions are not permitted.  
7 Id.

8 Staff does not identify the evidence it believes it will  
9 obtain by reviewing U S WEST's strategic plans. Instead, it  
10 argues that many rate case issues are directly affected by  
11 planning activity. Yet, Staff cannot explain how strategic plans  
12 addressing time periods subsequent to the test year will affect  
13 issues in this rate case. Instead, Staff offers two examples  
14 ostensibly to support its claim that U S WEST's strategic plans  
15 are somehow relevant.

16 First, Staff uses the example of a reserve deficiency. In  
17 this case, that is a non-issue. Depreciation-related issues have  
18 been handled in a separate docket and the rates adopted in the  
19 docket will be used in the rate case by order of the Commission.  
20 Moreover, the proposed order in the depreciation docket has  
21 already declined to award U S WEST a reserve deficiency.

22 Staff's second example is U S WEST's request for recovery of  
23 USW Advanced Technologies and Bellcore R&D costs. According to  
24 Staff, "the strategic/network/operational drivers of such costs  
25 are important to understand" whether disallowances in the last  
26 rate case should be made in this case. It is not at all clear

1 what this argument means, but is clear that Staff has not made a  
2 connection between the strategic plans and what it seeks to  
3 "understand." Staff's consultants have served dozens of specific  
4 data requests concerning Advanced Technologies and Bellcore and  
5 received answers to virtually all of them. It does not need  
6 strategic plans that it admits relate to time periods well after  
7 the test year in order to determine whether to advocate the same  
8 disallowances made in the last rate case.

9 **Employee Personnel Files**

10 Data Request Nos. 18-19 and 18-20 calls for information  
11 regarding management salary increases. U S WEST has provided the  
12 financial information requested in subparts (a) and (b) of each  
13 of these requests. However, U S WEST has objected to subpart (c)  
14 of each of these requests because it calls for employee personnel  
15 files. Subpart (c), which is substantially identical in each of  
16 these two requests, requests the following information for 1998  
17 and 1999, respectively:

18 Please provide a copy of the source documentation supporting  
19 the management salary amounts and employee counts for the  
20 months of February and March...

21 The source documentation that is requested is contained in each  
22 employee's personnel file. This information is clearly  
23 confidential.

24 Staff's sole justification for requesting this information  
25 is that the source documentation is necessary to evaluate aspects  
26 of U S WEST's case. Staff contends that U S WEST has proposed

1 certain adjustments which include components for management  
2 salary increases. Staff's argument does not justify a need to  
3 review source documentation. The financial information that  
4 would be needed for Staff to review the adjustments is provided  
5 in the answers to subparts (a) and (b) of these requests. There  
6 is nothing more for Staff to gain by review employee personnel  
7 files. Staff already has all of the information that could  
8 reasonably lead to evidence that is admissible at the hearing in  
9 this matter.

#### 10 **Unregulated Subsidiaries**

11 In data request UTI 25-22, Staff has requested information  
12 concerning the regulatory status of Internet Access. U S WEST  
13 has responded to virtually all of UTI 25-22. In fact, U S WEST  
14 has objected only to subpart (h) and only to the extent that it  
15 calls for information relating to an unregulated affiliate.

16 Staff argues that the information requested in subpart (h)  
17 is necessary because internet access revenues, expenses and  
18 investment have been included in overall revenue requirement.  
19 However, U S WEST has not objected to providing information  
20 relating to regulated activities. It has objected only to the  
21 extent that the information requested concerns unregulated  
22 activities.

#### 23 **Data Requests That Are Not in Dispute**

24 Three of the data requests that are the subject of Staff's  
25 motion have either been responded to or will soon be. U S WEST  
26 answered data request UTI 3-17 by providing 1998 construction

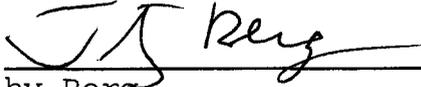
1 expenditures and the 1999 plan for construction. U S WEST  
2 answered data request UTI 3-18 by permitting onsite inspection of  
3 the operational budget called for in this request. Finally,  
4 U S WEST has agreed to provide the information not already  
5 provided in response to Data Request UTI 20-5.

6 For the reasons set forth above, Staff's motion to compel  
7 should be denied.

8 RESPECTFULLY SUBMITTED this 13th day of September, 1999.

9 U S WEST COMMUNICATIONS, INC.  
10 Thomas M. Dethlefs  
11 Senior Attorney  
12 1801 California St., Suite 5100  
13 Denver, Colorado 80202  
14 (303) 672-2948

15 and  
16 FENNEMORE CRAIG

17 By:   
18 Timothy Berg  
19 3003 North Central Avenue, Suite 2600  
20 Phoenix, Arizona 85012-2913  
21 (602) 916-5000

22 ORIGINAL AND TEN COPIES of the  
23 foregoing filed this 13th day  
24 of September, 1999, with Docket  
25 Control, Arizona Corporation Commission.

26 COPY of the foregoing hand delivered  
this 13th day of September, 1999, to:

Maureen Scott  
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2 ARIZONA CORPORATION COMMISSION  
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3 Phoenix, Arizona 85007

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7  
8 COPY of the foregoing faxed/mailed  
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Arizona  
Docket No. T-1051B-99-105  
UTI 03-UTI016

INTERVENOR: Arizona Corporation Commission Staff (Utilitech)

REQUEST NO: UTI016

Please describe the process through which the company conducts its strategic business planning and provide complete copies of USWC's most recent 5 year (or equivalent long-term) strategic planning documentation and related short-term business plans, indicative of the Company's strategic goals and objectives and implementation plans associated with same.

RESPONSE:

U S WEST objects to this data request on the grounds that this request calls for highly confidential information and is not reasonably calculated to lead to the discovery of information relevant to matters of issue in this proceeding.

Arizona  
Docket No. T-1051B-99-105  
UTI 03-UTI017

INTERVENOR: Arizona Corporation Commission Staff (Utilitech)

REQUEST NO: UTI017

Please describe the process through which the Company conducts its network construction planning and provide complete copies of USWC's most recent 5-year (or equivalent long-term) network planning documentation and related short-term construction budgets, indicative of the Company's network goals and objectives and implementation plans associated with same.

RESPONSE:

U S WEST objects to this data request on the grounds that it calls for highly confidential information and is not reasonably calculated to lead to the discovery of information relevant to the matters at issue in this proceeding.

Supplemental Response: 08/04/99

Notwithstanding the objection, USWC has agreed with Staff to provide the following:

Confidential Attachment A provides month over month construction amounts. It shows 1998 actuals and 1999 plan.

Confidential Attachment A is being provided pursuant to the terms of the Protective Agreement.

Kent Evans  
Director of FP&A  
1801 California St.  
Denver, CO 80202

Arizona  
Docket No. T-1051B-99-105  
UTI 03-UTI018

INTERVENOR: Arizona Corporation Commission Staff (Utilitech)

REQUEST NO: UTI018

Please describe the process through which the Company conducts its operations planning and provide complete copies of USWC's most recent short-term operating budgets, indicative of the Company's revenue, expense and service quality goals and objectives and implementation plans associated with same.

RESPONSE:

U S WEST objects to this data request on the grounds that it calls for highly confidential information and is not reasonably calculated to lead to the discovery of information relevant to the matters at issue in this proceeding.

Arizona  
Docket No. T-1051B-99-105  
UTI 18-019

INTERVENOR: Arizona Corporation Commission Staff (Utilitech)

REQUEST NO: 019

Ref. USWC CONFIDENTIAL response to UTI 5-9 (Management Salary Increase).  
Please provide the following information with regard to the composite 3.63% Management increase for 1999 as calculated on Confidential Attachment B:

- a. Are the Management Salary amounts for the months of February and March 1999 limited to basic wages -or- do these amounts also include premium pay, incentive compensation pay, etc.? Please explain.
- b. If the response to item (a) above indicates that these amounts were not limited to basic wages, please provide the amount of basic wages for these two months and explain why USWC chose to quantify the composite percentage increase using forms of compensation other than just basic wages.
- c. Please provide a copy of the source documentation supporting the management salary amounts and employee counts for the months of February and March 1999.

RESPONSE:

- a. The Management Salary amounts for the months of February and March 1999 represent annual base salaries. They do not include premium pay or incentive pay, etc.
- b. See answer to item a. above.
- c. U S WEST objects to Data Request No. 19(c) on the grounds that this request calls for highly confidential information about U S WEST employees. Data Request No. 19(c) is not reasonably calculated to lead to the discovery of admissible evidence.

Arizona  
Docket No. T-1051B-99-105  
UTI 18-020

INTERVENOR: Arizona Corporation Commission Staff (Utilitech)

REQUEST NO: 020

Ref. USWC CONFIDENTIAL response to UTI 5-12 (Management Salary Increase).  
Please provide the following information with regard to the composite 3.48%  
Management increase for 1998 as calculated on Confidential Attachment B:

- a. Are the Management Salary amounts for the months of February and March 1998 limited to basic wages -or- do these amounts also include premium pay, incentive compensation pay, etc.? Please explain.
- b. If the response to item (a) above indicates that these amounts were not limited to basic wages, please provide the amount of basic wages for these two months and explain why USWC chose to quantify the composite percentage increase using forms of compensation other than just basic wages.
- c. Please provide a copy of the source documentation supporting the management salary amounts and employee counts for the months of February and March 1998.

RESPONSE:

- a. The Management Salary amounts for the months of February and March 1998 represent annual base salaries. They do not include premium pay or incentive pay, etc.
- b. See answer to item a. above.
- c. U S WEST objects to Data Request No. 20(c) on the grounds that this request calls for highly confidential information about U S WEST employees. Data Request No. 20(c) is not reasonably calculated to lead to the discovery of admissible evidence.

Gayle Williams  
Finance Analyst  
1600 7th Ave., Rm. 3004  
Seattle, WA 98191

Arizona  
Docket No. T-1051E-99-105  
UTI 20-005

INTERVENOR: Arizona Corporation Commission Staff (Utilitech)

REQUEST NO: 005

Ref. Direct Testimony of USWC witness Redding, page 15 (Pension Asset).  
Mr. Redding states that customers "benefited from pension credits the Company recorded in the late 80's and 90's." Please provide the following:

- a. Please provide the level of pension cost recorded by USWC-Arizona in each year since the adoption of FAS87. Please provide separately the amount of pension cost charged/credit to expense versus capital accounts.
- b. Please provide the amount of USWC pension expense included in the test period of each ACC rate review, since the adoption of FAS87. Such proceedings would include, but not necessarily be limited to, ACC Dockets 84-100, 88-146, 91-004 and 93-183.
- c. Referring to the response to item (b) above, please explain how USWC determined the amount of pension credits associated with Docket Nos. E-1051-91-004 and E-1051-88-146, which were resolved based on negotiated settlements.
- d. Please provide the amount of actual pension contributions made by, or on behalf of, USWC-Arizona in each year since the adoption of FAS87.
- e. Referring to the response to item (d) above, please provide the annual minimum and maximum pension contribution limits based on ERISA guidelines and IRC provisions.
- f. Regarding items (a) through (e) above, please provide the appropriate prorate and/or intrastate separations factors, as necessary, to relate the amounts provided in response to this data request to USWC's Arizona intrastate operations. [Note This discovery request is similar to portions of UTI-191, UTI-383, UTI-385, UTI-386, UTI-387 and UTI-388 in ACC Docket E-1051-93-183.]

RESPONSE:

- a. U S WEST objects to this portion of the data request to the extent that the request calls for information prior to January 1993. See Confidential Attachment B, which contains the Arizona State pension expense (credit) and capital amounts for the Qualified and Non-Qualified pension plans from 1993-1998. Confidential Attachment B is being provided pursuant to the terms of the Protective Agreement.
- b. The Arizona total state qualified pension credits included in ACC rate

reviews, including the current proceeding, is as follows:

Docket E-1051-93-183 - (\$9.0M)

Docket T-1051-99-105 See supplemental response to UTI 3-12

Attachment A

c. The booked amount was assumed to be the pension credit included in both of these settlements. See request UTI-388 in ACC Docket E-1051-93-183 (referenced in this request) for the amounts.

d. U S WEST objects to this portion of the data request to the extent that the request calls for information prior to January 1993. Notwithstanding the foregoing objection, U S WEST provides the following information: No contributions have been made to the Qualified Pension Plan by or on behalf of USWC since the adoption of FAS87. The Non-Qualified Pension contribution is available on request.

e. U S WEST objects to this portion of the data request to the extent that the request calls for information prior to January 1993. Notwithstanding the foregoing objection, U S WEST provides the following information: The minimum required contribution based on the ERISA guidelines and maximum tax-deductible contribution under the Internal Revenue Code of 1986 has been zero for the U S WEST Qualified Pension Plan since the adoption of FAS87.

f. Regarding items (a) through (e) above, the appropriate prorate and/or intrastate separations factors, as necessary, to relate the amounts provided in response to this data request are provided in Attachment A.

Phil Grate  
Director-State Finance  
1600 7th Ave., Rm. 3008  
Seattle, WA 98191

Janet Ortega  
State Finance Manager  
1600 7th Ave., Rm. 3008  
Seattle, WA 98191

Arizona  
Docket No. T-1051B-99-105  
UTI 21-004

INTERVENOR: Arizona Corporation Commission Staff (Utilitech)

REQUEST NO: 004

Please describe USWC's plans with respect to deployment of mass market broadband internet access products/services in Arizona, indicating the following:

- a. Specific technologies planned for deployment, indicating any reliance upon or sharing of public switched network elements.
- b. Actual and anticipated capital investment by year, indicating any capital amounts included in test period results.
- c. Actual and anticipated expenses for research, development, consultants, engineering and deployment dates and rollout schedules in Arizona.
- d. Deployment dates and rollout schedules in Arizona.
- e. Identification of regulated versus non-regulated service elements, indicating any affiliates to be involved and their planned roles/responsibilities.

RESPONSE:

U S WEST objects to Data Request No. 4 on the grounds that it calls for highly confidential, competitively sensitive information, and is not reasonably calculated to lead to the discovery of admissable evidence.

Legal Department  
1801 California Street  
Denver, CO 80202

Arizona  
Docket No. T-1051B-99-105  
UTI 21-005

INTERVENOR: Arizona Corporation Commission Staff (Utilitech)

REQUEST NO: 005

Please describe USWC's plans with respect to deployment of mass market entertainment video (CATV-liked) products/services in Arizona, indicating the following:

- a. Specific technologies planned for deployment, indicating any reliance upon or sharing of public switched network elements.
- b. Actual and anticipated capital investment by year, indicating any capital amounts included in test period results.
- c. Actual and anticipated expenses for research, development, consultants, engineering and deployment dates and rollout schedules in Arizona.
- d. Deployment dates and rollout schedules in Arizona.
- e. Identification of regulated versus non-regulated service elements, indicating any affiliates to be involved and their planned roles/responsibilities.

RESPONSE:

U S WEST objects to Data Request No. 5 on the grounds that it calls for highly confidential, competitively sensitive information, and is not reasonably calculated to lead to the discovery of admissible evidence.

Legal Department  
1801 California Street  
Denver, CO 80202

Arizona  
Docket No. T-1051B-99-105  
UTI 22-009

INTERVENOR: Arizona Corporation Commission Staff (Utilitech)

REQUEST NO: 009

Please explain the strategic planning processes that occur within USWI and within USWC, indicating the linkage and coordination between the planning in each entity and distinguishing between the functions performed within USWI in contrast to USWC. Identify the normal planning cycle and all documents produced as a result of same. In addition, please provide the amounts of test period recorded costs that originate within USWI and within USWC, by FCC Account (before and after the Company's year-end annualization adjustment).

RESPONSE:

U S WEST objects to Data Request No. 9 on the ground that this request calls for highly confidential information, is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence.

Legal Department  
1801 California Street  
Denver, CO 80202

FROM US WEST LEGAL DEPT

(MON) 9.13'99 14:14/ST.14:11/NO.4861311172 P 12

Arizona  
Docket No. T-1051B-99-105  
UTI 22-010

INTERVENOR: Arizona Corporation Commission Staff (Utilitech)

REQUEST NO: 010

Please provide representative copies of the most currently prepared strategic planning documents identified in the Company's response to the immediately preceding request.

RESPONSE:

U S WEST objects to Data Request No. 10 on the ground that this request calls for highly confidential information, is overbroad, unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence.

Legal Department  
1801 California Street  
Denver, CO 80202

Arizona  
Docket No. T-1051B-99-105  
UTI 25-022

INTERVENOR: Arizona Corporation Commission Staff (Utilitech)

REQUEST NO: 022

Ref. USWC response to UTI 18-24 and Confidential UTI 3-19 (FCC Deregulated Services). In the pending rate proceeding, USWC has proposed to include test year revenues, expenses and investment associated with the FCC Deregulated Services above-the-line for intrastate ratemaking purposes, in the absence of explicit deregulatory action by the Arizona legislature or Arizona Commission. In response to UTI 18-24, the Company has stated that Internet Access was originally established as an FCC Part 64 deregulated product in October 1997 and moved from USWC to an unregulated affiliate in 1998. This response also states that there is no FCC order specifically stating that Internet Access is a deregulated product. Please provide the following:

- a. Why did USWC initially establish Internet Access as an FCC Part 64 deregulated product in October 1997 rather than as a regulated product? Please explain and provide a copy of any supporting information.
- b. Why did USWC initially establish Internet Access as an FCC Part 64 deregulated product in October 1997 rather than with an unregulated affiliate? Please explain and provide a copy of any supporting information
- c. Did USWC ever seek a determination from either the FCC or the ACC, or rely on any other findings of the FCC or ACC, as to the status of Internet Access as an unregulated product/service? If so, please describe and provide a copy of each such finding.
- d. Please identify the specific date in 1998 on which Internet Access was moved from USWC to an unregulated affiliate.
- e. Please provide the name of the unregulated affiliate to which the Internet Access products/ services were transferred.
- f. Did USWC seek any authority or approval from either the FCC or the ACC to move Internet Access from USWC to an unregulated affiliate? If so, please provide a copy of any order or other documentation authorizing such transfer. If not, please provide all support/ rationale for the transfer of such service without any regulatory authority.
- g. Does USWC believe that it is within its sole discretion to determine whether and to what extent a new or existing service, such as Internet Access, can or should be initially established with an unregulated affiliate or subsequently transferred from USWC to an unregulated affiliate? Please

explain and provide copies of any supporting documentation.

- h. Please supplement the Confidential response to UTI 3-19 with the amount of monthly revenues, expenses and investment (in a format substantially similar to the referenced response) associated with Internet Access following the transfer of this product/ service to an unregulated affiliate.
- i. Referring to the listing of FCC product categories provided in the response to UTI 3-19, please identify each product/service which USWC believes can be similarly transferred to an unregulated affiliate without express authorization from either the FCC or the ACC.
- j. Since USWC's last Arizona rate proceeding, please identify and describe each FCC deregulated service (or service originally established as a Part 64 FCC deregulated product) which has been similarly transferred from USWC to an unregulated affiliate.

RESPONSE:

- a. The FCC defines enhanced services in Part 64 of the FCC rules, paragraph 64.702. The definition is also referenced in FCC Order 86-111. The FCC defines enhanced services as:

"any services offered over common carrier transmission facilities that employ computer processing applications that act on the format, content, code, protocol, or similar aspects of the subscriber's transmitted information; that provide the subscriber with additional, different or restructured information; or involve customer interaction with stored information."

The product Internet Access, that includes electronic storage, protocol conversion and retrieval, and on-line information services, was determined to be an enhanced service using FCC definitions and rules.

- b. USWC erroneously indicated that Internet Access was being provided as a Part 64 nonregulated product in October 1997. However, Internet Access was provided, and continues to be provided, through a separate affiliate of USWC and is treated through Affiliate Billing procedures following Part 32 of the FCC rules, paragraph 32.27, not Part 64.

In October 1998, a correction was made to remove Internet Access from the 1998 Part 64 results. Procedures were established to properly account for this affiliate service. The amount booked in 1997 in Arizona was de minimus (\$308). Therefore, no correction was deemed necessary.

- c. USWC did not seek a determination from the FCC or the ACC on the nonregulated or regulated status of the product Internet Access. USWC did, however, using the FCC definition of enhanced services as well as the rules provided by the FCC, determine Internet Access to be an enhanced service and therefore a nonregulated product. (See reference in response (a).)

- d. Internet Access was and continues to be offered through an affiliate of

USWC, Interprise America. As explained in response (a) of this interrogatory, the Part 64 Classification was an error and was corrected in October 1998.

e. Internet Access products/services were not transferred from USWC to an affiliate. See response to part d. above.

f. Internet Access products/services were not transferred from USWC to an affiliate. See response to part d. above.

g. No. Section 272 of the Telecommunications Act of 1996 sets forth various requirements concerning its provision of services through separate affiliates.

h. U S WEST objects to Data Request No. 22(h) to the extent that it calls for information relating solely to unregulated operations on the grounds that it is not reasonably calculated to lead to the discovery of admissible evidence.

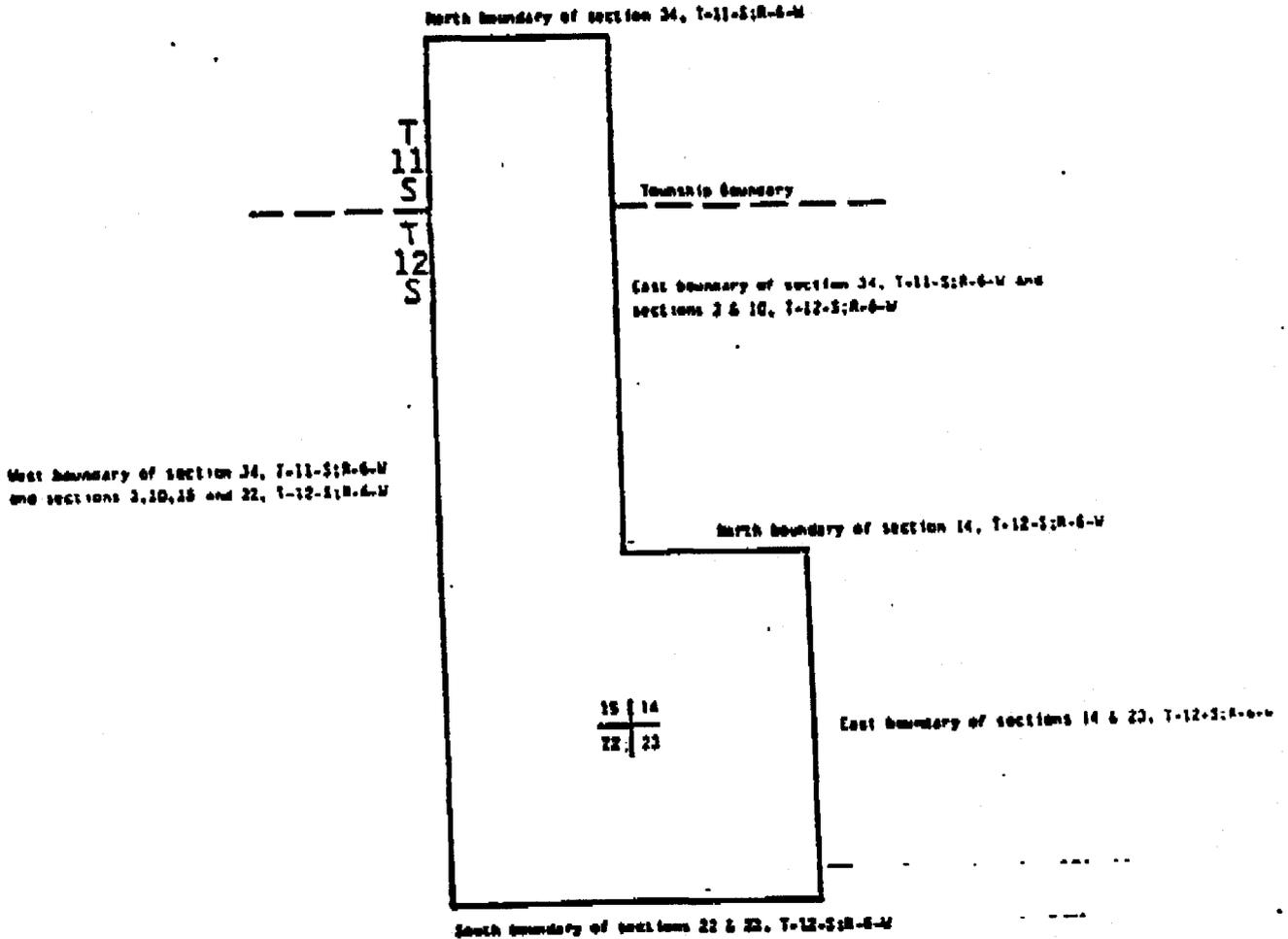
i. Internet Access products/services were not transferred from USWC to an affiliate. See response to parts d. and g. above. However, USWC is not presently aware of a requirement that it obtains express authorization from the FCC to transfer Part 64 products from USWC to an unregulated affiliate.

j. Since USWC's last Arizona rate proceeding, PCS Wireless is the only Part 64 nonregulated product that has been transferred to an affiliate.

Janet Ortega  
State Finance Manager  
1600 7th Ave., Rm. 3008  
Seattle, WA 98191

Cheryl Rudean  
Manager  
1314 DOTM, 13th Fl.  
Omaha, NE 68102

R-6-W



BASE RATE AREA MAP  
AJD, ARIZONA  
SCALE: 1" = 1 MILE

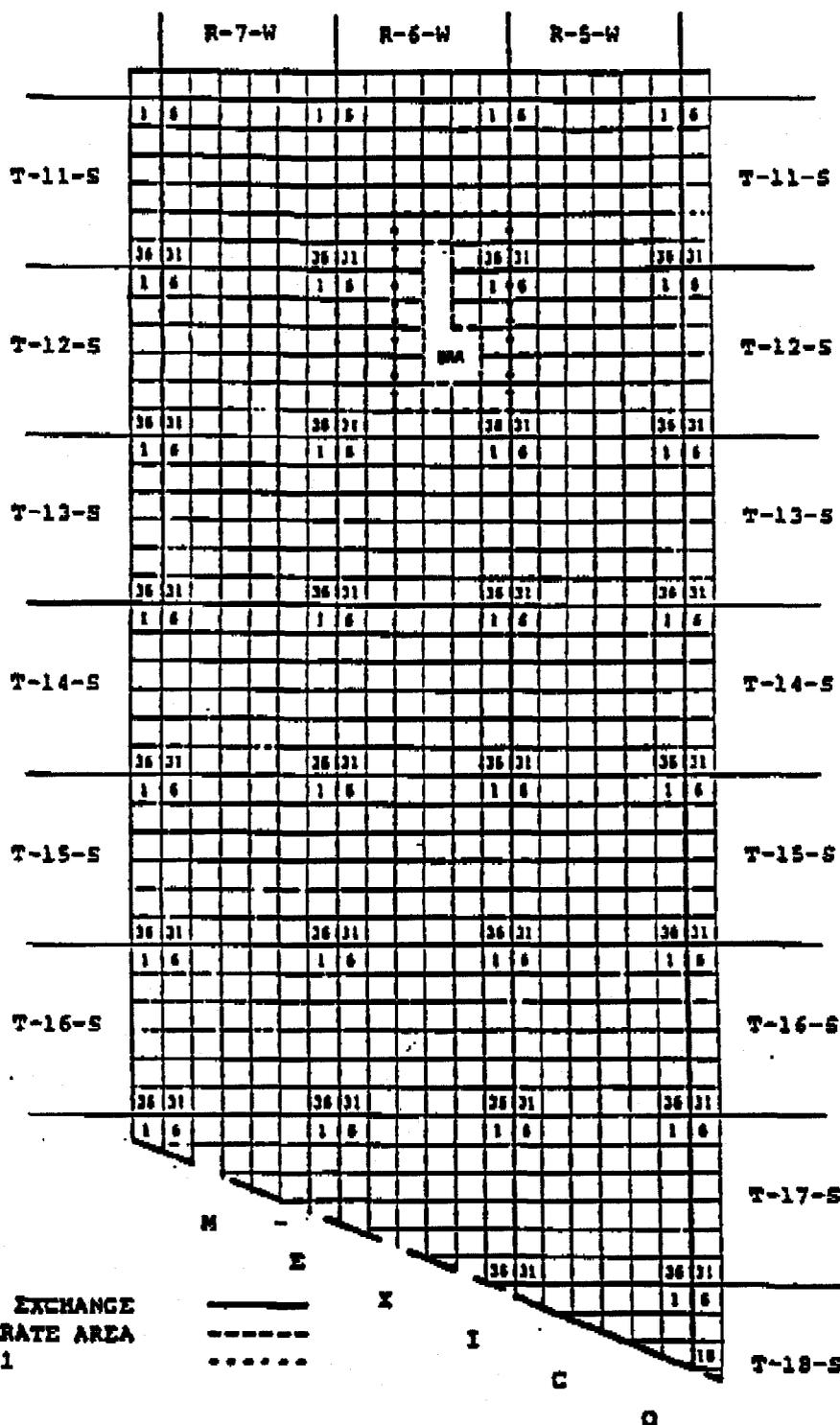
ISSUE DATE, FEBRUARY 1964

19 6.99 16:25/ST.16.21/NO.4860808519 P 19 (FR1) 8.

SECTION NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_  
REVISION NO. ORIGINAL  
SUPERCEDES \_\_\_\_\_

FROM

TABLETOP TELEPHONE COMPANY, INC.



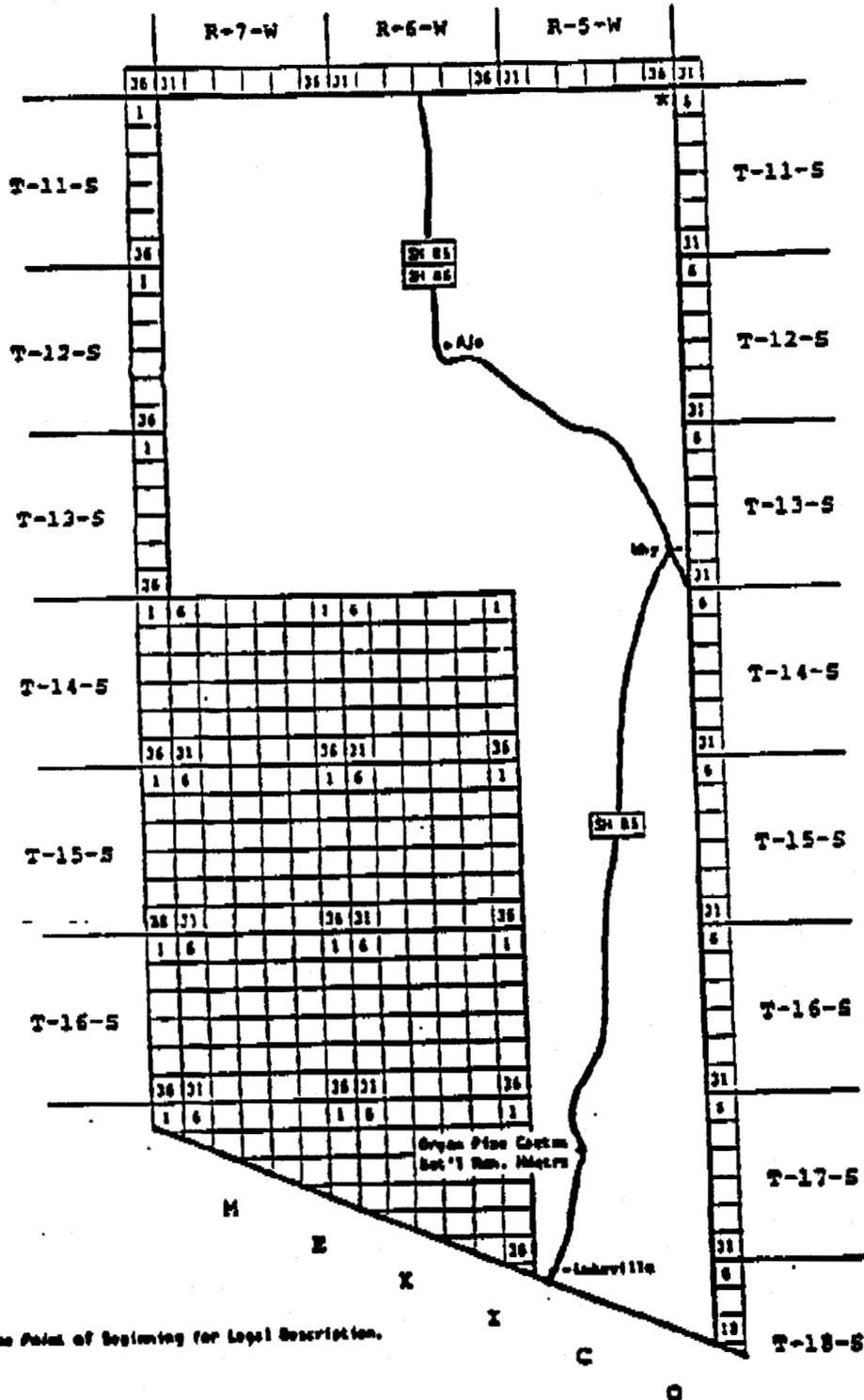
**LEGEND**

- BOUNDARY - TOTAL EXCHANGE
- BOUNDARY - BASE RATE AREA
- BOUNDARY - ZONE 1

EXCHANGE AREA ZONE MAP  
 AJO, ARIZONA  
 SCALE: 1" = 6 MILES  
 ISSUE DATE: FEBRUARY 1994

SECTION NO. \_\_\_\_\_  
 SHEET NO. \_\_\_\_\_  
 REVISION NO. ORIGINAL  
 SUPERCEDES \_\_\_\_\_

TABLETOP TELEPHONE COMPANY, INC.



NOTE: \* indicates the Point of Beginning for Legal Description.

EXCHANGE AREA BOUNDARY MAP  
AJO, ARIZONA  
SCALE: 1" = 6 MILES

SECTION NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_  
REVISION NO. ORIGINAL

(FR1) 8. 6'99 16:25/ST.16:21/NO.466008519 P 21

FROM

TABLETOP TELEPHONE COMPANY, INC.

- Beginning:** At the southeast corner, Section 18, T-14-N, R-8-W, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona;
- Thence:** West to the southwest corner, Section 17, T-14-N, R-9-W;
- Thence:** North to the southwest corner, Section 32, T-15-N, R-9-W;
- Thence:** West to the southwest corner, Section 31, T-15-N, R-9-W;
- Thence:** North to the northwest corner, Section 30, T-15-N, R-9-W;
- Thence:** East to the northeast corner, Section 30, T-15-N, R-8-W;
- Thence:** South to the point of beginning being the southeast corner, Section 18, T-14-N, R-8-W, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona.

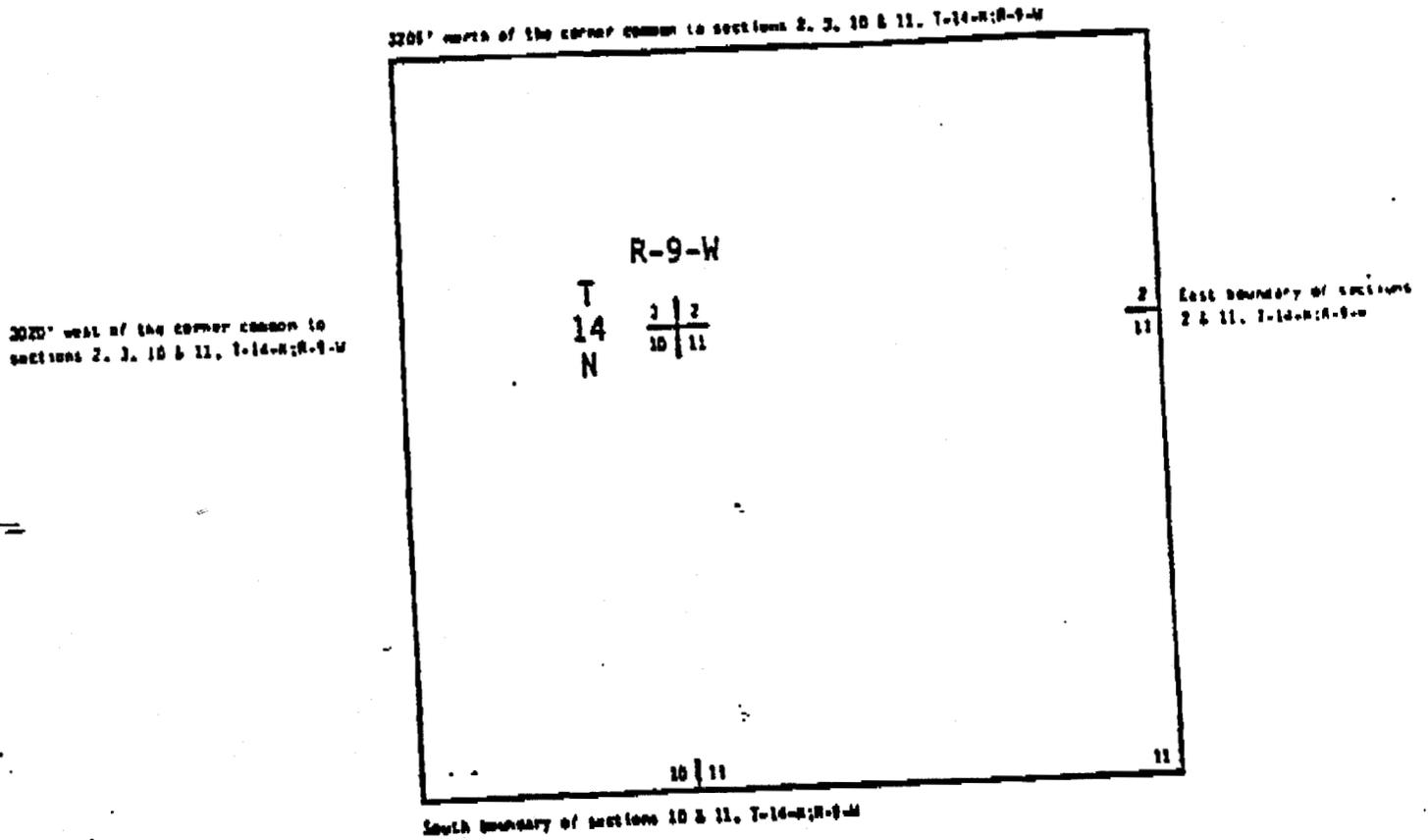
Reflects EAB shown on the Bagdad EAB Map

EXCHANGE AREA LEGAL DESCRIPTION  
BAGDAD, ARIZONA

ISSUE DATE: FEBRUARY 1994

SECTION NO. \_\_\_\_\_  
 SHEET NO. \_\_\_\_\_  
 REVISION NO. ORIGINAL  
 SUPERCEDES \_\_\_\_\_

TABLETOP TELEPHONE COMPANY, INC.



BASE RATE AREA MAP  
BAGDAD, ARIZONA  
SCALE: 1" = 2000'

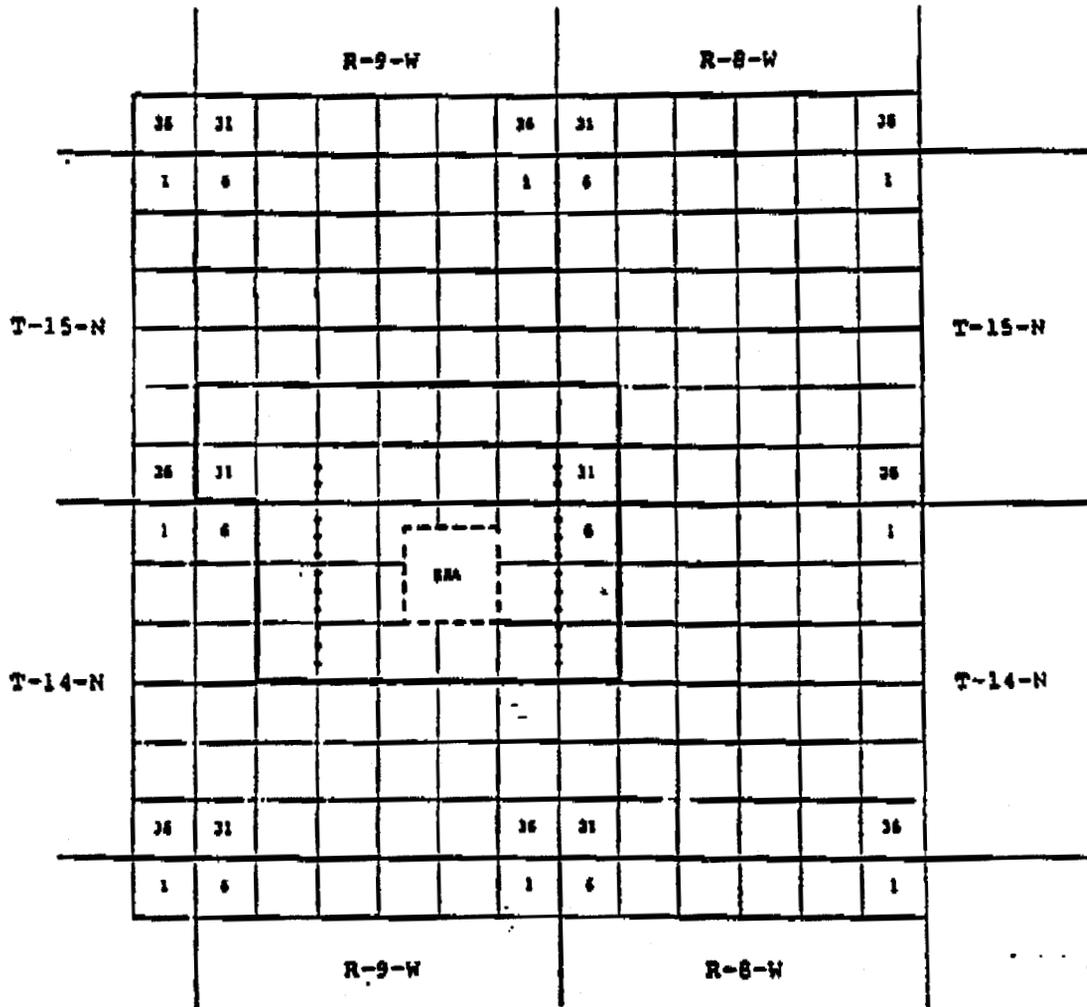
SECTION NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_  
REVISION NO. ORIGINAL  
SUPERCEDES \_\_\_\_\_

(FRI) 8. 6' 99 16:26/ST. 16:21/NO. 4660808519 P 23

FROM

TABLETOP TELEPHONE COMPANY, INC.

Schedule 2  
Page 29 of



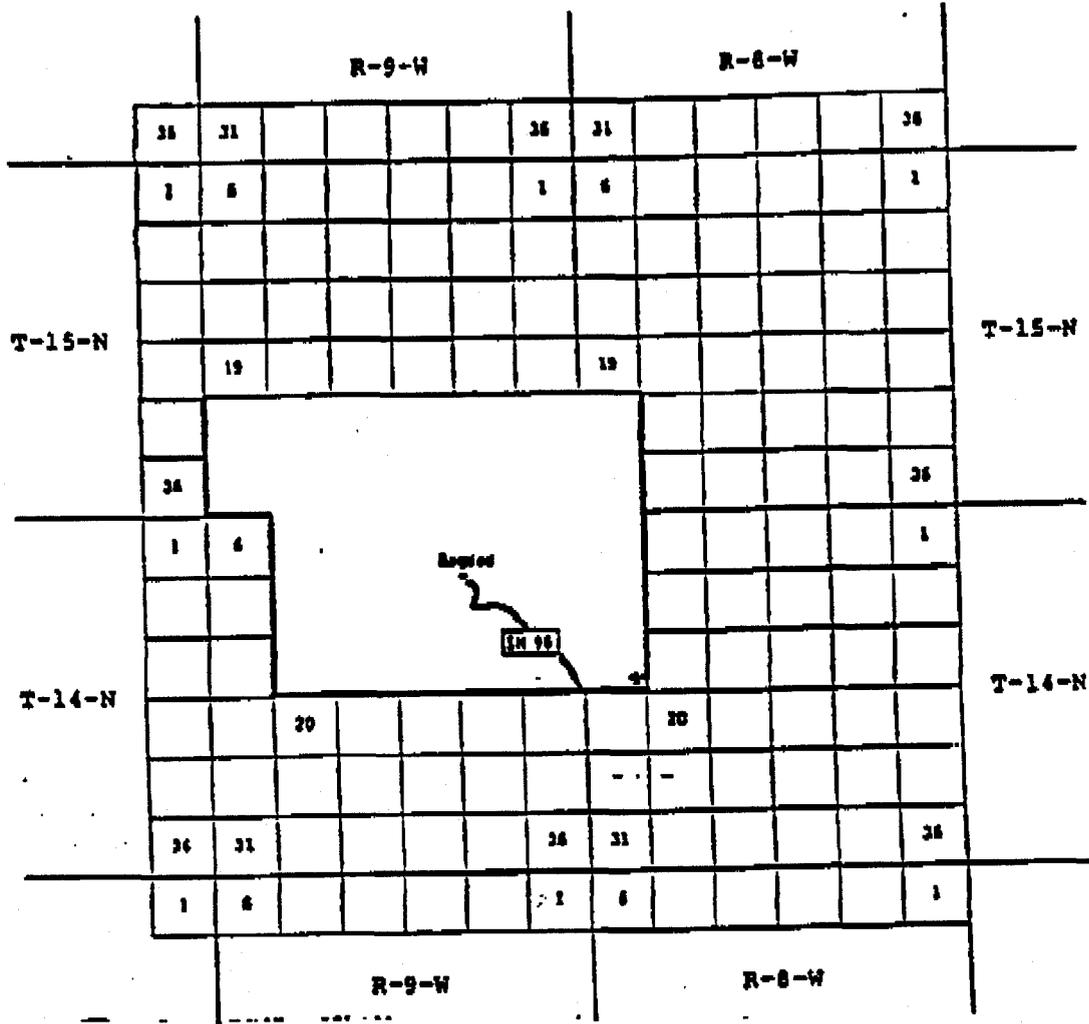
**LEGEND**

- BOUNDARY - TOTAL EXCHANGE
- BOUNDARY - BASE RATE AREA
- BOUNDARY - ZONE 1

EXCHANGE AREA ZONE MAP  
BAGDAD, ARIZONA  
SCALE: 1" = 3 MILES  
ISSUE DATE: FEBRUARY 1994

SECTION NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_  
REVISION NO. ORIGINAL  
SUPERCEDES \_\_\_\_\_

TABLETOP TELEPHONE COMPANY, INC.



NOTE: \* indicates the Point of Beginning for Legal Description.

EXCHANGE AREA BOUNDARY MAP  
BAGDAD, ARIZONA  
SCALE: 1" = 3 MILES

SECTION NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_  
REVISION NO. ORIGINAL

(PRI) 8. 6' 99 16:26/ST. 16:21/NO. 4860808519 P 25

FROM

TABLETOP TELEPHONE COMPANY, INC.

- Beginning: At the southwest corner, Section 31, T-19-N, R-25-E, of the Gila and Salt River Base and Meridian, Apache County, Arizona;
- Thence: North to the northwest corner, Section 6, T-20-N, R-25-E;
- Thence: East to the northeast corner, Section 1, T-20-N, R-25-E;
- Thence: North to the northwest corner, Section 6, T-21-N, R-26-E;
- Thence: East to the northeast corner, Section 1, T-21-N, R-27-E;
- Thence: North to the northwest corner, Section 6, T-22-N, R-28-E;
- Thence: East to the northeast corner, Section 1, T-22-N, R-29-E;
- Thence: North to the northwest corner, Section 6, T-23-N, R-30-E;
- Thence: East to the point of intersection for the northern boundary of Township 23 North and the Arizona-New Mexico State Line;
- Thence: South along said State Line to the point of intersection with the southern boundary of Township 20 North;
- Thence: West to the southwest corner, Section 31, T-20-N, R-28-E;
- Thence: South to the southeast corner, Section 36, T-19-N, R-27-E;
- Thence: West to the point of beginning being the southwest corner, Section 31, T-19-N, R-25-E, of the Gila and Salt River Base and Meridian, Apache County, Arizona.

Reflects EAS shown on the Sanders EAS Map

EXCHANGE AREA LEGAL DESCRIPTION  
SANDERS, ARIZONA

ISSUE DATE: FEBRUARY 1994

SECTION NO. \_\_\_\_\_  
 SHEET NO. \_\_\_\_\_  
 REVISION NO. ORIGINAL  
 SUPERCEDES \_\_\_\_\_

TABLETOP TELEPHONE COMPANY, INC.

Schedule 2  
Page 32 of 1

THERE IS NO BASE RATE AREA IN THE SANDERS EXCHANGE  
SEE EXCHANGE AREA ZONE MAP THAT FOLLOWS

BASE RATE AREA MAP  
SANDERS, ARIZONA

(FRI) 8. 6' 99 16:26/ST.16:21/NO.48660808519 P 27

SECTION NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_  
REVISION NO. ORIGINAL

FROM

TABLETOP TELEPHONE COMPANY, INC.

	R-25-E	R-26-E	R-27-E	R-28-E	R-29-E	R-30-E	R-31-E		
T	6	1 6	1 6	1 6	1 6	1 6	1 6		1 1
23									
N									
T	31	36 31	36 31	36 31	36 31	36 31	36 31		36
22	6	1 6	1 6	1 6	1 6	1 6	1 6		1
N									
T	31	36 31	36 31	36 31	36 31	36 31	36 31		36
21	6	1 6	1 6	1 6	1 6	1 6	1 6		1
N									
T	31	36 31	36 31	36 31	36 31	36 31	36 31		36
20	6	1 6	1 6	1 6	1 6	1 6	1 6		1
N									
T	31	36 31	36 31	36 31	36 31	36 31	36 31		36
19	6	1 6	1 6	1 6	1 6	1 6	1 6		1
N									
T	31	36 31	36 31	36 31	36 31	36 31	36 31		36
18	6	1 6	1 6	1 6	1 6	1 6	1 6		1
N									
T	31	36 31	36 31	36 31	36 31	36 31	36 31		36
17	6	1 6	1 6	1 6	1 6	1 6	1 6		1

AN  
R  
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A  
O

**LEGEND**

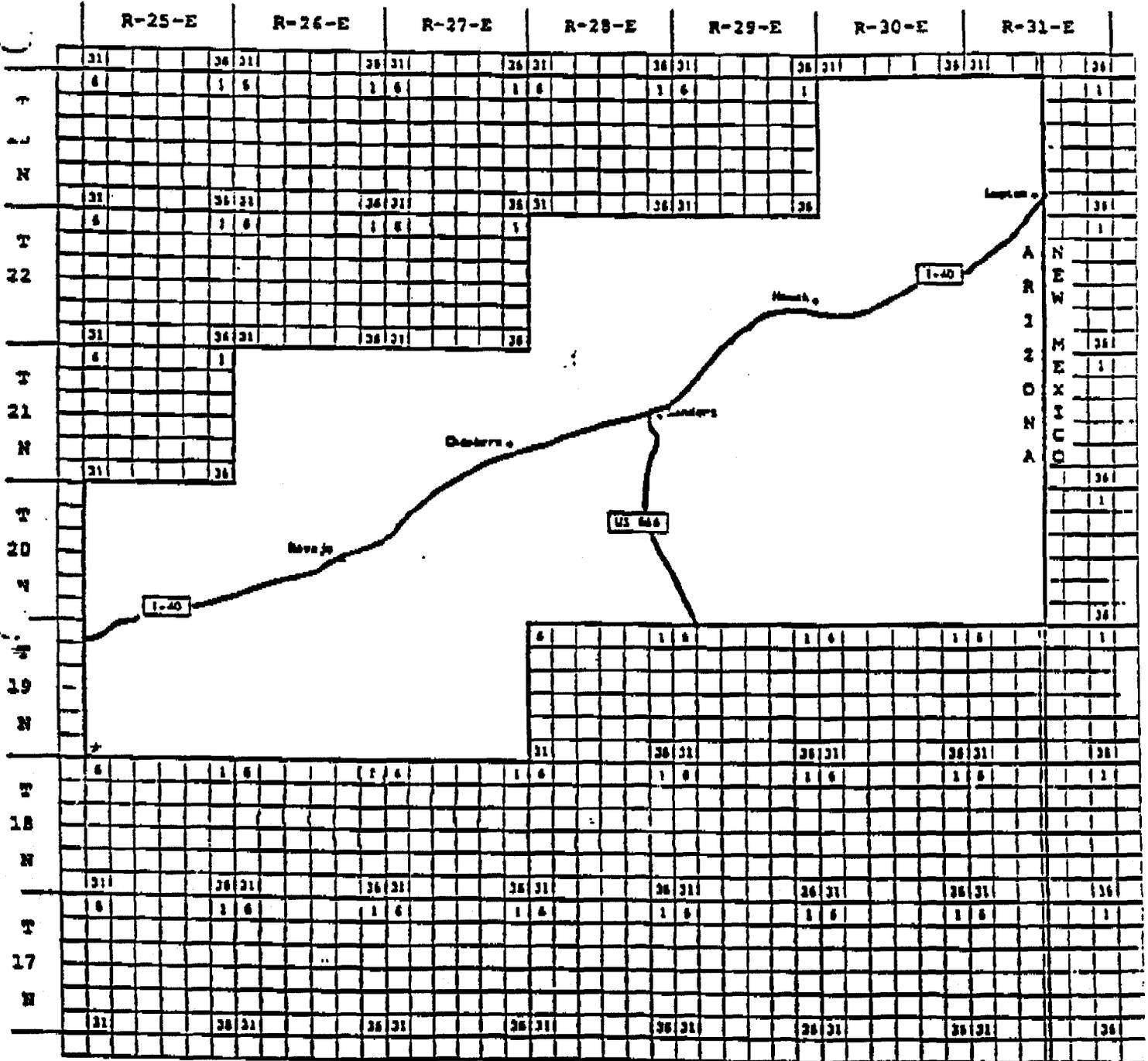
BOUNDARY - TOTAL EXCHANGE  
 BOUNDARY - BASE RATE AREA  
 BOUNDARY - ZONE 1

N/A  
 .....

EXCHANGE AREA ZONE MAP  
 SANDERS, ARIZONA  
 SCALE: 1" = 6 MILES  
 ISSUE DATE: FEBRUARY 1994

SECTION NO. \_\_\_\_\_  
 SHEET NO. \_\_\_\_\_  
 REVISION NO. ORIGINAL  
 SUPERCEDES \_\_\_\_\_

TABLETOP TELEPHONE COMPANY, INC.



NOTE: \* indicates the Point of Beginning for legal description.

EXCHANGE AREA BOUNDARY MAP  
SANDERS, ARIZONA  
SCALE: 1" = 6 MILES

ISSUE DATE: FEBRUARY 1994

(FRI) 8. 6' 99 16:27/ST. 16:21/NO. 48660808519 P 29

SECTION NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_  
REVISION NO. ORIGINAL

FROM

TABLETOP TELEPHONE COMPANY, INC.

Schedule  
Page 35

Beginning: At the northeast corner, Section 1, T-23-N, R-5-W, of the Gila and Salt River Base and Meridian, Coconino County, Arizona:

Thence: West to the northwest corner, Section 5, T-23-N, R-6-W;

Thence: North to the northeast corner, Section 1, T-24-N, R-7-W;

Thence: West to the southwest corner, Section 31, T-25-N, R-7-W;

Thence: North to the northeast corner, Section 1, T-25-N, R-8-W;

Thence: West to the northwest corner, Section 2, T-25-N, R-9-W;

Thence: Southwest along the southeastern boundary line of the Hualapai Indian Reservation to the point of intersection with the western boundary line of Section 25, T-25-N; R-10-W;

Thence: South to the southwest corner, Section 36, T-25-N; R-10-W;

Thence: West along the southern boundary line of T-25-N to the point of intersection with the Mohave/Yavapai County line;

Thence: South along said County line to the point of intersection with the northern boundary line of Section 33, T-21-N; R-10-W;

Thence: East to the northwest corner, Section 35, T-21-N; R-10-W;

Thence: South to the southwest corner, Section 35, T-21-N; R-10-W;

Thence: West to the northeast corner, Section 4, T-20-N; R-10-W;

Thence: South to the southeast corner, Section 4, T-20-N; R-10-W;

Thence: West to the point of intersection with the Mohave/Yavapai County line;

Thence: South along said County line to the point of intersection with the northern boundary of Township 19 North;

Thence: East along said boundary line to the southeast corner, Section 36, T-20-N; R-7-W;

Thence: North to the southwest corner, Section 31, T-20-N; R-6-W;

Thence: East to the southeast corner, Section 36, T-20-N; R-5-W;

Thence: North to the northeast corner, Section 1, T-20-N; R-5-W;

EXCHANGE AREA LEGAL DESCRIPTION  
SELIGMAN, ARIZONA

SECTION NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_  
REVISION NO. ORIGINAL

(PRI) 8. 6' 99 16:27/ST. 16:21/NO. 4660808519 P 30

FROM

TABLETOP TELEPHONE COMPANY, INC.

- Thence: West to the southeast corner, Section 36, T-21-N; R-5-W;
- Thence: North to the northeast corner, Section 1, T-21-N; R-5-W;
- Thence: East to the southeast corner, Section 34, T-22-N; R-4-W;
- Thence: North to the northeast corner, Section 22, T-23-N; R-4-W;
- Thence: West to the northwest corner, Section 19, T-23-N; R-4-W;
- Thence: North to the point of beginning being the northeast corner, Section 1, T-23-N, R-5-W, of the Gila and Salt River Base and Meridian, Coconino County, Arizona.

Reflects EAB shown on the Seligman EAB Map

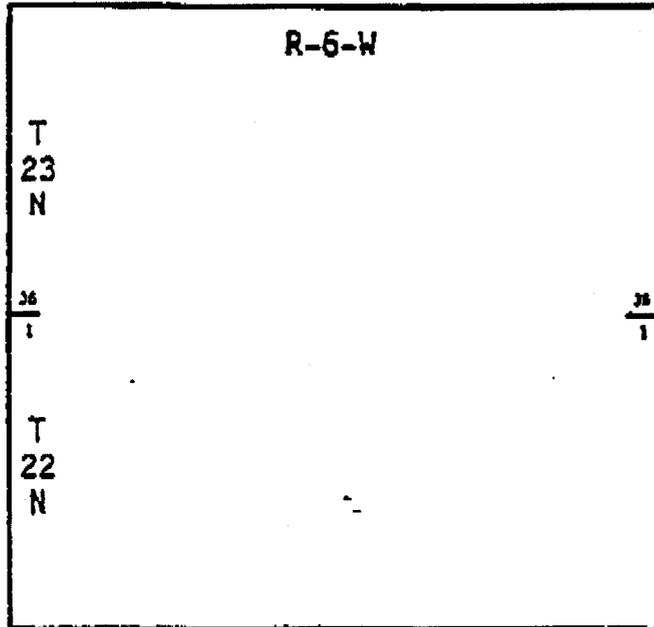
EXCHANGE AREA LEGAL DESCRIPTION  
SELIGMAN, ARIZONA

SECTION NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_  
REVISION NO. ORIGINAL  
SUPERCEDES \_\_\_\_\_

TABLETOP TELEPHONE COMPANY, INC.

Schedule :  
Page 37 c:

300' north of the center of Willow Street & extension thereof (2640'  
north of the south boundary of section 35, T-22-N;R-6-W



West line of section 1, T-22-N;  
R-6-W and section 35, T-23-N;  
R-6-W

Center of County Line Area  
extension thereof (East 1/2  
of section 1, T-22-N;R-6-W and  
section 35, T-23-N;R-6-W)

2640' (.5 mi.) south of the north boundary of section 1, T-22-N;R-6-W

BASE RATE AREA MAP  
SELIGMAN, ARIZONA  
SCALE: 1" = 1500'  
ISSUE DATE: FEBRUARY 1994

SECTION NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_  
REVISION NO. ORIGINAL  
SUPERCEDES \_\_\_\_\_

TABLETOP TELEPHONE COMPANY, INC.

Schedule 2  
Page 36 of

	R-10-W	R-9-W	R-8-W	R-7-W	R-6-W	R-5-W	R-4-W
T	1 6	1 6	1 6	1 6	1 6	1 6	1 6
N	31	31	31	31	31	31	31
T	1 6	1 6	1 6	1 6	1 6	1 6	1 6
24	31	31	31	31	31	31	31
T	1 6	1 6	1 6	1 6	1 6	1 6	1 6
N	31	31	31	31	31	31	31
T	1 6	1 6	1 6	1 6	1 6	1 6	1 6
22	31	31	31	31	31	31	31
N	31	31	31	31	31	31	31
T	1 6	1 6	1 6	1 6	1 6	1 6	1 6
21	31	31	31	31	31	31	31
N	31	31	31	31	31	31	31
T	1 6	1 6	1 6	1 6	1 6	1 6	1 6
20	31	31	31	31	31	31	31
N	31	31	31	31	31	31	31

MOHAVE COUNTY  
 YAVAPAI COUNTY

**LEGEND**

- BOUNDARY - TOTAL EXCHANGE
- BOUNDARY - BASE RATE AREA
- BOUNDARY - ZONE 1

EXCHANGE AREA ZONE MAP  
 SELIGMAN, ARIZONA  
 SCALE: 1" = 6 MILES  
 ISSUE DATE: FEBRUARY 1994

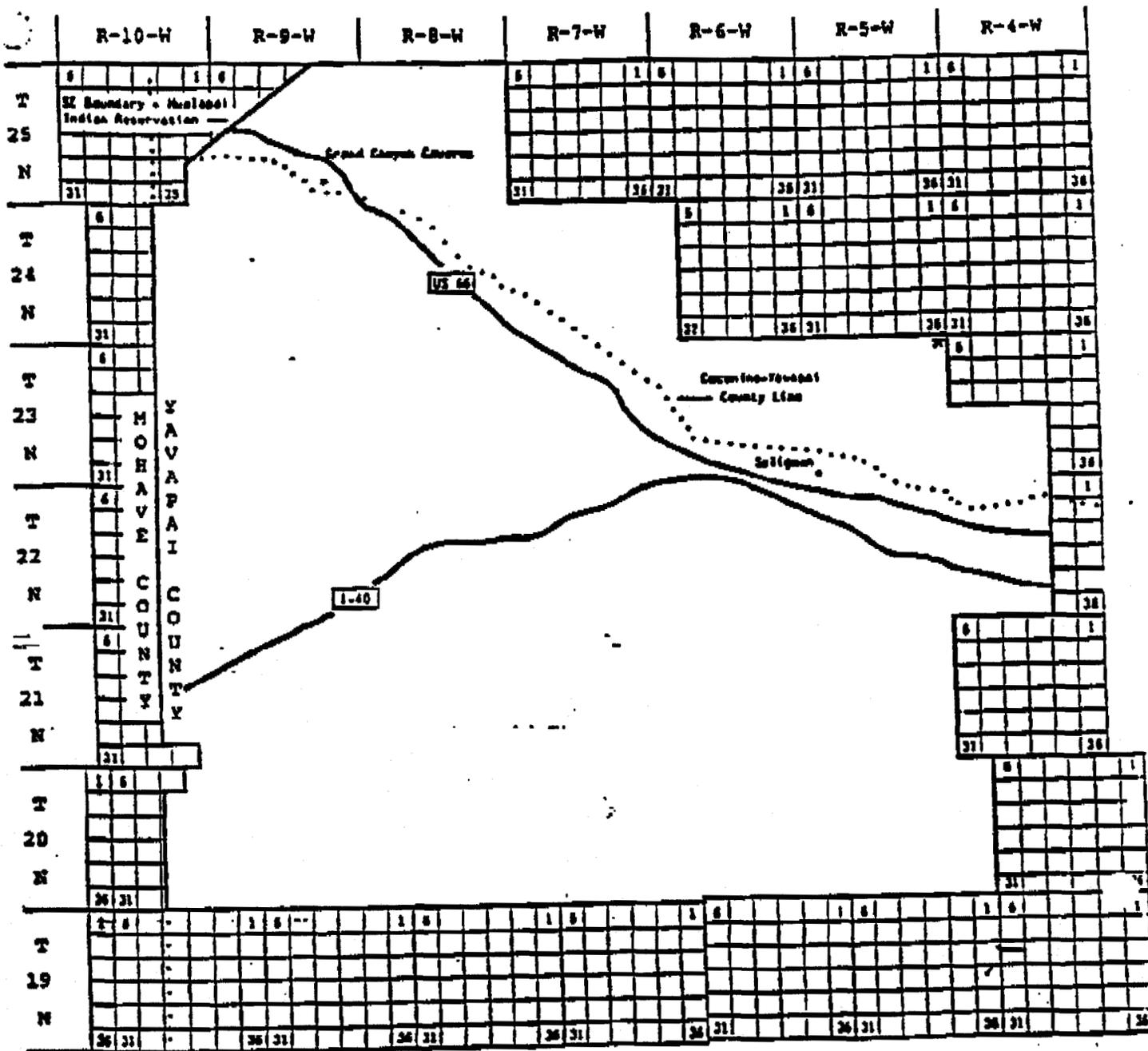
SECTION NO. \_\_\_\_\_  
 SHEET NO. \_\_\_\_\_  
 REVISION NO. ORIGINAL

(PRI) 8. 6'99 16:27/ST.16:21/NO.4860808519 P.33

FROM

TABLETOP TELEPHONE COMPANY, INC.

Schedule 2  
Page 39 of :



NOTE: \* indicates the Point of Beginning for Legal Description.

EXCHANGE AREA BOUNDARY MAP  
SELIGMAN, ARIZONA  
SCALE: 1" = 6 MILES

SECTION NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_  
REVISION NO. ORIGINAL

(PRI) 8. 6' 99 16:28/ST. 16:21/NO. 4860808519 P 34

FROM