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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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AZ CORP COMMISSION
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IN THE MATTER OF QWEST CORPORATION'S
FILING OF RENEWED PRICE REGULATION
PLAN

Docket No. T-01051B-03-0454

IN THE MATTER OF THE INVESTIGATION OF
THE COST OF TELECOMMUNICATIONS
ACCESS.

Docket No. T-00000D-00-0672

**NOTICE OF FILING DIRECT TESTIMONY OF
MARK A. DINUNZIO ON
BEHALF OF COX ARIZONA TELCOM, LLC**

Cox Arizona Telcom, LLC ("Cox Telcom"), through undersigned counsel, hereby files the Direct Testimony of Mark A. DiNunzio on behalf of Cox Arizona Telcom, LLC in support of the Settlement Agreement filed in this docket on August 23, 2005.

RESPECTFULLY SUBMITTED this 6th day of September 2005.

COX ARIZONA TELCOM, LLC

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1 **ORIGINAL and 15 COPIES** of the
foregoing filed this 6th day of September, 2005
with:

2 Docket Control
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5 **COPIES** of the foregoing hand-delivered/mailed
6 this 6th day of September 2005 to

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Docket No. T-00000D-00-0672

**DIRECT TESTIMONY
OF
MARK DINUNZIO
ON BEHALF OF
COX ARIZONA TELCOM, LLC**

September 6, 2005

1 Q. Please state your name and business address for the record.

2 A. My name is Mark DiNunzio. My business address is 1550 West Deer Valley Road,
3 Phoenix, Arizona 85027.

4
5 Q. By whom are you employed and in what capacity?

6 A. I am employed by Cox Communication, Inc. ("Cox") as the Manager of Regulatory
7 Affairs for Cox Arizona Telcom, LLC.

8
9 Q. What is the purpose of your testimony?

10 A. My testimony is offered in support of the Settlement Agreement arrived at by
11 virtually all of the parties to this docket. While the Residential Utility Consumers
12 Office participated initially in the settlement proceedings, they ultimately withdrew
13 from the settlement discussions and were not a signatory to the settlement
14 agreement.

15
16 Q. Was the settlement process open to all parties?

17 A. Yes, all parties to the docket were invited to participate in the settlement meetings,
18 including Cox.

19
20 Q. What was Cox's involvement in the Settlement proceedings?

21 A. Cox participated in the settlement discussion to ensure that its concerns with the
22 revised Price Cap Plan being proposed by Qwest were addressed to its satisfaction.
23 As such, Cox participated fully throughout the process.

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1 Q. What were Cox's concerns regarding the Qwest Price Cap Plan?

2 A. Cox's interest in the Price Cap Plan was limited to a few discrete issues. First, Cox
3 took issue with Qwest's proposal to establish competitive zones in which Qwest
4 would have complete pricing flexibility. Second, Cox sought to ensure that the
5 Price Cap Plan would include appropriate price floors to prevent predatory pricing,
6 price squeezes or other anti-competitive behavior. Third, Cox did not support
7 Qwest's request for \$64 million from the Arizona Universal Service Fund
8 ("AUSF"), particularly in light of the impact on: (i) the size of the fund, (ii) the
9 entire overall structure of the funding mechanism of the AUSF and (iii) Arizona
10 consumers.

11
12 Q. Does the settlement agreement address Cox's concerns regarding the Price Cap
13 Plan?

14 A. Yes. All of the concerns Cox raised, as set forth in its previously filed direct
15 testimony and rebuttal testimony, have been addressed and resolved to Cox's
16 satisfaction.

17
18 Q. Did Cox take a position on Qwest's revenue requirement, rate base or depreciation
19 rates?

20 A. No. Cox did not take a position on Qwest's revenue requirement, rate base or
21 depreciation rates.

22
23 Q. Does Cox accept the provisions of the settlement related to Qwest's revenue
24 requirement, rate base or depreciation rates?

25 A. While Cox did not perform its own analysis on Qwest's revenue requirement, rate
26 base or depreciation rates, other parties to this docket have examined those issues

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and have agreed to certain provisions in the Settlement Agreement accordingly. For purposes of settlement in this docket, Cox accepts those provisions.

Q Does Cox believe that the settlement agreement is in the public interest and should be approved by the Commission?

A. Yes. Cox believes that the settlement agreement is in the public interest and should be approved. It resolves important issues in a manner that benefits Arizona consumers without protracted litigation.

Q. Does this conclude your testimony?

A. Yes.