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BEFORE THE ARIZONA CORPORATION COMMISSION

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ARIZONA CORPORATION COMMISSION  
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**COMMISSIONERS**

KRISTIN K. MAYES, Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

IN THE MATTER OF THE REVIEW AND  
POSSIBLE REVISION OF ARIZONA  
UNIVERSAL SERVICE FUND RULES,  
ARTICLE 12 OF THE ARIZONA  
ADMINISTRATIVE CODE

DOCKET NO. RT-00000H-97-0137

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

DOCKET NO. T-00000D-00-0672

**STAFF'S NOTICE OF FILING REJOINDER  
TESTIMONY**

Staff of the Arizona Corporation Commission ("Staff") hereby files the Rejoinder Testimony  
of Wilfred Shand of the Utilities Division in the above-referenced matter.

RESPECTFULLY SUBMITTED this 4<sup>th</sup> day of March, 2010.

*Maureen A. Scott*  
Maureen A. Scott, Senior Staff Counsel

Legal Division  
1200 West Washington Street  
Phoenix, Arizona 85007  
(602) 542-3402

Original and fifteen (15) copies  
of the foregoing filed this  
4<sup>th</sup> day of March, 2010 with:

Arizona Corporation Commission  
**DOCKETED**

MAR - 4 2010

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

DOCKETED BY  
*MS*

1 Copies of the foregoing mailed this  
2 4<sup>th</sup> day of March, 2010:

3 Dan Pozefsky, Chief Counsel  
4 Residential Utility Consumer Office  
5 1110 West Washington, Suite 220  
6 Phoenix, Arizona 85007

7 Norman Curtright  
8 Reed Peterson  
9 Qwest Corporation  
10 20 East Thomas Road, 16<sup>th</sup> Floor  
11 Phoenix, Arizona 85012

12 Craig A. Marks  
13 Craig A. Marks, PLC  
14 10645 North Tatum Boulevard  
15 Suite 200-676  
16 Phoenix, Arizona 85028

17 Michael W. Patten  
18 Roshka DeWulf & Patten, PLC  
19 One Arizona Center  
20 400 East Van Buren, Suite 800  
21 Phoenix, Arizona 85004

22 Mark A. DiNunzio  
23 Cox Arizona Telcom, LLC  
24 1550 West Deer Valley Road  
25 MS DV3-16, Building C  
26 Phoenix, Arizona 85027

27 Jeffrey Crockett  
28 Bradley S. Carroll  
29 Snell & Wilmer, LLP  
30 One Arizona Center  
31 Phoenix, Arizona 85004

32 Charles H. Carrathers, III  
33 General Counsel, South Central Region  
34 Verizon, Inc.  
35 HQE03H52  
36 600 Hidden Ridge  
37 Irving, Texas 75015-2092

38 Arizona Dialtone, Inc.  
39 Thomas W. Bade, President  
40 6115 South Kyrene Road, Suite 103  
41 Tempe, Arizona 85283

OrbitCom, Inc.  
Brad VanLeur, President  
1701 North Louise Avenue  
Sioux Falls, South Dakota 57107

Michael M. Grant  
Gallagher & Kennedy, P.A.  
2575 East Camelback Road  
Phoenix, Arizona 85016-9225

Isabelle Salgado  
AT&T Nevada  
645 East Plumb Lane, B132  
Post Office Box 11010  
Reno, Nevada 89520

Gregory Castle  
AT&T Services, Inc.  
525 Market Street, Room 2022  
San Francisco, California 94105

Thomas Campbell  
Michael Hallam  
Lewis and Roca LLP  
40 North Central Avenue  
Phoenix, Arizona 85004-4429

Arizona Payphone Association  
c/o Gary Joseph  
Sharet Communications  
4633 West Polk Street  
Phoenix, Arizona 85043

Nathan Glazier  
Regional Manager  
Alltel Communications, Inc.  
4805 East Thistle Landing Drive  
Phoenix, Arizona 85044

Lyndall Nipps  
Vice President, Regulatory  
Time Warner Telecom  
845 Camino Sur  
Palm Springs, California 92262

1 Dennis D. Ahlers  
Associate General Counsel  
2 Integra Telecom, Inc. &  
Eschelon Telecom, Inc.  
3 730 Second Avenue South, Suite 900  
4 Minneapolis, Minnesota 55402

5 Rex Knowles  
Executive Director – Regulatory  
6 XO Communications  
Suite 1000  
7 111 East Broadway  
8 Salt Lake City, Utah 84111

9 Joan S. Burke, Esq.  
Law Office of Joan S. Burke  
10 1650 North First Avenue  
11 Phoenix, Arizona 85012

12 William Haas  
McLeodUSA dba PAETEC Business Services  
13 1 Martha's Way  
14 Hiawatha, Iowa 52233

15 Greg L. Rogers  
Senior Corporate Counsel  
16 Level 3 Communications, LLC  
1025 Eldorado Boulevard  
17 Broomfield, Colorado 80021

18 Karen E. Nally  
19 Moyes Sellers & Sims, Ltd  
1850 North Central Avenue, Suite 1100  
20 Phoenix, Arizona 85004

21 Scott S. Wakefield  
Ridenour, Hienton & Lewis, PLLC  
22 201 North Central Avenue, Suite 3300  
23 Phoenix, Arizona 85004-1052

24

25

26

Kay Christine

27

28

**BEFORE THE ARIZONA CORPORATION COMMISSION**

KRISTIN K. MAYES  
Chairman  
GARY PIERCE  
Commissioner  
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TELECOMMUNICATIONS ACCESS )  
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DOCKET NO. T-00000D-00-0672

REJOINDER

TESTIMONY

OF

WILFRED SHAND

PUBLIC UTILITIES ANALYST MANAGER

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

MARCH 4, 2010

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

2 A. My name is Wilfred Shand. I am a Public Utility Analyst Manager employed by the  
3 Arizona Corporation Commission ("ACC" or "Commission") in the Utilities Division  
4 ("Staff"). My business address is 1200 West Washington Street, Phoenix, Arizona 85007.

5  
6 **Q. Did you previously file Direct Testimony and Reply Testimony in this proceeding?**

7 A. Yes.

8  
9 **Q. What is the scope of Staff's Rejoinder Testimony in this case?**

10 A. The purpose of the Staff's Rejoinder Testimony is to address an issue that Staff believes  
11 could result in a change to its recommendation regarding Arizona Local Exchange Carrier  
12 Association ("ALECA") members' intrastate access rates.

13  
14 **Q. What information does Staff Data Request 3.2 request?**

15 A. Staff Data Request 3.2 requests information related to the amount (annually) for each of  
16 ALECA's members that would be recoverable through Arizona Universal Service Fund  
17 ("AUSF") for reductions in switched access charges, assuming the ALECA proposal is  
18 accepted by the Commission, and assuming each of the following:

- 19 A. a reduction in intrastate access rates to the company's interstate access rates;  
20  
21 B. a reduction in each company's intrastate rates to Qwest Corporation's ("Qwest's")  
22 intrastate access rates; and  
23  
24 C. the elimination of the CCL component of the company's intrastate access charges.

25  
26 **Q. Would you please describe the issue that Staff would like to address in its Rejoinder  
27 Testimony?**

28 A. During the course of this proceeding, Staff has been operating under the assumption that  
29 the ALECA members' individual company interstate access charge rates were lower than

1 Qwest's current intrastate access charge rates. In its Confidential Supplemental Response  
2 to Staff Data Request STF 3.2 (a.), ALECA's information indicates that some carriers'  
3 interstate access charge rates are higher than Qwest's intrastate access charge rates.  
4 However, ALECA responded to a subsequent Staff inquiry, that it did not have  
5 meaningful data for some of its members.

6  
7 **Q. Why is this a concern to Staff?**

8 A. Staff's current recommendation is that ALECA members' intrastate rates be reduced to  
9 Qwest's intrastate rates. Staff's recommendation is based on the view that this is a  
10 reasonable step in the move toward consistency with interstate rates. As stated previously,  
11 Staff has been operating under the assumption that the ALECA members' individual  
12 company interstate access charge rates were lower than Qwest's current intrastate access  
13 charge rates. Other parties to this proceeding may also have been operating under this  
14 incorrect assumption.

15  
16 **Q. Is Staff continuing to investigate whether individual ALECA members' interstate  
17 access charge rates exceed Qwest current intrastate access charge rates?**

18 A. Yes. Staff is continuing to investigate this matter and conduct additional discovery.  
19

20 **Q. Given the potential for an ALECA member's rates to be less than its interstate rates  
21 if the Commission Orders that its rates be set at Qwest's intrastate rates, does Staff  
22 have any modification to its recommendation regarding the level at which ALECA  
23 members' access charge rates ought to be set?**

24 A. Yes. Staff viewed its recommendation as a reasonable step in the move toward  
25 consistency with interstate rates. If an ALECA member's interstate access charge rates  
26 are higher than Qwest's intrastate access charge rates, Staff recommends that its intrastate

1 rates should be reduced to the level of its interstate access charge rates. Stated differently,  
2 Staff recommends that each ALECA member's intrastate access charge rates be reduced  
3 to the higher of its interstate access charge rates or Qwest's current intrastate access  
4 charge rates.

5

6 **Q. Does this conclude your Rejoinder Testimony?**

7 **A. Yes, it does.**