

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

McLEODUSA)	
TELECOMMUNICATIONS)	
SERVICES, INC.,)	
Petitioner,)	Docket No. UT-063013
v.)	
QWEST CORPORATION,)	
Respondent.)	

**REBUTTAL TESTIMONY
OF
TAMI J. SPOCOGEE
ON BEHALF OF
MCLEODUSA TELECOMMUNICATIONS SERVICES, INC.**

June 22, 2006

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Tami J. Spocogee. My business address is 15 East 5th Street, Tulsa,
3 Oklahoma 74103.

4

5 **Q. ARE YOU THE SAME TAMI SPOCOGEE WHO FILED DIRECT TESTMONY**
6 **IN THIS PROCEEDING ON APRIL 28, 2006?**

7 A. Yes.

8

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. To discuss Mr. Easton's testimony surrounding the Power Measurement Amendment and
11 his assertion that McLeodUSA clearly understood that the Power Plant charge shown
12 under the .-48 Volt DC Power Usage rate category of 8.1.4 of the pricing appendix would
13 continue to be billed on an "as ordered" basis instead of a measured basis under the
14 Power Measuring Amendment.

15

16 **Q. HAVE YOU REVIEWED THE RESPONSE TESTIMONY OF WILLIAM R.**
17 **EASTON FILED IN THIS CASE ON JUNE 14, 2006?**

18 A. Yes I have.

19

20 **Q. DO YOU AGREE THAT THE DC POWER MEASURING AMENDMENT**
21 **CLEARLY SHOWS THAT THE POWER PLANT CHARGE SHOULD**
22 **CONTINUE TO BE BILLED ON AN "AS ORDERED" BASIS, AS MR. EASTON**
23 **CONTENDS?**

24 A. No. Mr. Easton states in his testimony that the Power Plant charge was not even
25 mentioned in the amendment so it was clearly understood that those charges would not be
26 included in the measurement.¹ However, Section 2.1 of the amendment explains the
27 difference between DC Power Usage and AC Usage Charges. And the description of the
28 DC Power Usage Charge specifically states that the DC Power Usage is for the capacity
29 of the *power plant* available for CLEC's use. Since the description includes the use of the
30 power plant used by the CLEC and not the power plant ordered, it's very clear that the
31 power plant is to be included in the Power Measuring Amendment.

32
33 Section 2.2.1 explains that the DC Power Usage Charge applies on a per amp basis to all
34 orders of greater than sixty (60) amps. Initially, the power would be billed as ordered
35 until the actual usage is measured. Once the measurement was performed the method of
36 billing would be changed to a measured basis.

37
38 Exhibit A of the Interconnection Agreement shows both Power Plant and Power Usage as
39 a component of the DC Power Usage Rate Category. Section 2.2.1 shows the DC Power
40 Usage Charge applies on a per amp basis to all orders greater than (60) amps and would
41 be billed on a measured basis. Because the components are part of the same rate
42 category, the Amendment and Exhibit A clearly considers the Power Plant charge to be
43 included in the measurement billing.

44

¹ See, e.g., Easton Response, page 7, lines 12 – 14.

45 **Q. DOES MR. EASTON'S DISCUSSION OF THE CHANGE MANAGEMENT**
46 **PROCESS (CMP) TELL THE WHOLE STORY?**

47 A. No. Mr. Easton has made statements regarding the "Change Management Process"
48 (CMP) and the PCAT (Easton Response, pages 9 – 12) that can be found on Qwest web
49 site and provides his opinion about what he would expect a reasonably prudent carrier to
50 do with this information. (Easton Response, page 12, line 23) However, Mr. Easton's
51 opinion in this regard is irrelevant. Qwest can provide as many different versions of
52 these documents as it wants, but it doesn't change McLeodUSA's interpretation of the
53 Amendment that was signed. Neither of these documents regulates the rates or the
54 application of such rates billed via an Interconnect Agreement or Tariff. In fact, Exhibit
55 WRE-3 clearly states at the bottom of page 1: "Note: In cases of conflict between the
56 changes implemented through this notification and any CLEC interconnection agreement
57 (whether based on the Qwest SGAT or not), the rates, terms and conditions of such
58 interconnection agreement shall prevail as between Qwest and the CLEC party."

59
60 Mr. Easton also made statements that McLeodUSA had a representative that participated
61 in the CMP meetings, but not the ad hoc meetings held specifically about the DC Power
62 Amendment. (Easton Response, pages 10 – 11) McLeodUSA had previously checked
63 with all the parties that normally participated in the CMP functions and at that time could
64 not locate anyone that had participated. Mr. Easton's testimony states that McLeodUSA
65 employee, Stephanie Prull, was in attendance at the general meetings where the DC
66 Power Amendment was presented. After investigation was performed, we determined
67 that Ms. Prull was indeed in attendance. However, she is no longer with the company,

68 and, in any event, the function she performed when she was employed by the Company
69 was based solely on the ordering processes used for the provisioning of McLeodUSA end
70 user services. Ms. Prull was not in attendance to handle situations surrounding
71 Collocations and would have no knowledge regarding the billing and or elements
72 associated with the billing of collocations.

73
74 Furthermore, the CMP and PCAT are product and process documents. They do not
75 define or regulate the rates and/or application of those rates. On the Qwest web site
76 there's a section describing CMP, in which the first paragraph states: "This document
77 defines the processes for change management of Operations Support Systems (OSS)
78 Interfaces, products and processes (including manual) as described below. CMP provides
79 a means to address changes that support or affect pre-ordering, ordering/provisioning,
80 maintenance/repair and billing capabilities and associated documentation and production
81 support issues for local services." Nowhere in this description does it state that CMP
82 defines the rates or application of rates billed – and for good reason: those are defined in
83 the Interconnect Agreements. Because CMP and PCAT are used for the purpose of
84 setting processes and explaining products (not rates or rate application), it really doesn't
85 matter if McLeodUSA read the CMP/PCAT documents identified by Mr. Easton or not.
86 In short, the Parties' Interconnection Agreement (including its amendments, e.g., Power
87 Measuring Amendment) overrides anything stated in the CMP or PCAT, and
88 McLeodUSA believes that the Power Measurement Amendment requires the Power Plant
89 element to be billed on a measured basis.

90

91 **Q. WOULD YOU LIKE TO RESPOND TO MR. EASTON’S EXHIBITS WRE-4 AND**
92 **WRE-5?**

93 A. Yes. Mr. Easton claims that spreadsheets used by the McLeodUSA engineering group to
94 track the savings as a result of signing the amendment proves that McLeodUSA intended
95 for the Power Measuring Amendment to impact only the Power Usage rate element and
96 not the Power Plant rate element. See Exhibits WRE-4 and WRE-5, Easton Response,
97 page 13 – 14. I strongly disagree. This spreadsheet is nothing more than a summary of
98 the price quote information Qwest provided to McLeodUSA. The purpose of this
99 spreadsheet was to combine all of the Price Quote forms sent by Qwest to show the
100 amount of credit that would be applied to the collocation invoices. If the spreadsheet is
101 compared to the Price Quote sheet, you'll see the price quote date and the very same
102 information that was provided on the Price Quote. Since Exhibit WRE-5 shows the state
103 of Utah, I've attached some sample price quotes that were received from Qwest that
104 displays the very same information that was used in the development of the exhibit. See
105 Exhibit TS-1. The engineering group that made the decision to execute the amendment
106 had the responsibility to ensure the total power charges would not be *increased* if the
107 amendment were signed. Though it sounds counterintuitive that McLeodUSA's total
108 power charges would increase if it was billed on a measured basis instead of an "as
109 ordered" basis, McLeodUSA had actually experienced this situation in other states,
110 wherein the ILEC reduced McLeodUSA's power charges, but increased other charges for
111 a net increase in the overall billing related to collocation. The Price Quote information
112 that was provided by Qwest (and aggregated in the spreadsheet in question) confirmed
113 that the amendment would reduce the total collocation cost (i.e., no other charges would

114 increase as a result of the Amendment), everything else equal, so the Power Measuring
115 Amendment was signed.

116

117 **Q. MR. EASTON TESTIFIES THAT IT IS NOT POSSIBLE THAT THE PERSONS**
118 **WHO PREPARED THIS SPREADSHEET WERE UNAWARE THAT THERE**
119 **ARE SEPARATE POWER PLANT AND POWER USAGE RATES (EASTON**
120 **RESPONSE, PAGE 14, LINES 8 – 18). WOULD YOU LIKE TO COMMENT?**

121 A. Yes. In Mr. Easton's testimony he discussed Exhibit WRE-6. Although the detail wasn't
122 available in the exhibit provided (i.e., the exhibit was blank with the exception of column
123 headings), I can assume it's one of the original price quotes sent when the collocation is
124 initially built. From the comments in the testimony, the power plant is shown as a
125 separate cost component along with the power usage on the collocation. Mr. Easton
126 assumes that since the price quote shows the power plant in addition to the power usage
127 that the engineers that were responsible for the signing of the amendment would clearly
128 understand that the power plant would not be included in the measurement portion of the
129 usage costs. This assumption is incorrect. As mentioned previously, the engineering
130 group was only making sure that the total cost of the collocation would not be increased.
131 Even though the initial cost of the total collocation was provided, the engineers look at
132 the total cost and not the application of all the rates. In other words, the engineers don't
133 go back and review the cost elements in a detailed basis and determine the application of
134 the rates.

135

136 **Q. WHY DO YOU BELIEVE THE MCLEODUSA ENGINEERS WOULD HAVE**
137 **BEEN UNAWARE OF THE DIFFERENT POWER RELATED ELEMENTS IN**
138 **PERFORMING THE ANALYSIS?**

139 A. Because this team had been doing the same work in Michigan (where they almost signed
140 an amendment) where there is a unified rate (i.e., a combined rate covering power plant
141 capacity and usage). Thus, the group would not have understood there were separate
142 charges that applied in certain Qwest states.

143

144 **Q. HOW DID MCLEODUSA IDENTIFY THE PROBLEM OF QWEST**
145 **CONTINUING TO BILL THE POWER PLANT CHARGE ON AN “AS**
146 **ORDERED” BASIS?**

147 A. Once the amendment was signed and the Network Cost group started performing audits
148 on the collocations, we noticed the Power Plant rate element of the DC Power Usage rate
149 group was not being billed on a measured basis. Questions were sent to Qwest for
150 explanations and rationale as to why it was not billing the Power Plant charge on a
151 measured basis. However, given that Qwest’s explanation did not square with
152 McLeodUSA’s interpretation of the Power Measuring Amendment (and does not
153 withstand scrutiny from an economic and engineering perspective, as explained by
154 Messrs. Morrison and Starkey), McLeodUSA came to the conclusion that the charges
155 were not billed in accordance with the Amendment, and disputed the charges.

156

157 **Q. MR. EASTON TESTIFIES THAT “MCLEOD ACKNOWLEDGED THAT IT**
158 **WAS ONLY AFTER SIGNING THE AMENDMENT, IN FACT MANY MONTHS**

159 **AFTER SIGNING THE AMENDMENT, THAT IT FIRST BEGAN TO**
160 **INTERPRET THE LANGUAGE IN THE AMENDMENT IN THE MANNER**
161 **THAT IT IS PROPOSING IN THIS PROCEEDING.” (EASTON RESPONSE,**
162 **PAGE 14). DOES MR. EASTON PROVIDE AN ACCURATE PORTRAYAL OF**
163 **THIS ISSUE?**

164 A. No. This problem of Qwest inappropriately billing the Power Plant rate element was not
165 discovered until the normal audit processes performed by the Network Cost Management
166 group were performed. The responsibility of this group is entirely different than the
167 engineers that signed the agreement. Network Cost Management is responsible for the
168 auditing of all the network invoices that McLeodUSA receives from other telecom
169 vendors providing service to McLeodUSA. There are two different processes performed
170 by the group that work in conjunction with the power plant issue. One of the functions
171 includes the verification of the savings initiatives done by the network groups. This
172 would include the validation that the credits were received from the price quotes
173 associated with the measurement amendment, which was the purpose of the spreadsheet
174 shown in the previous exhibits. The engineers would populate the spreadsheet and turn it
175 into the Network Cost group to verify the charges changed. The other function
176 performed by the Network Cost Management group is the detailed audit to review all
177 contracts, tariffs, service orders, network configuration, etc. and compare with the
178 charges billed by the vendors. It was during one of these detailed audits that the power
179 plant usage measurement was questioned. This has nothing to do with the engineering
180 group interpretation changing, as Mr. Easton insinuates. Annual audits are performed on
181 embedded base services and these audits were started on all collocations around April or

182 May of 2005. McLeodUSA sent various inquiries, mostly via conference calls, to Qwest
183 personnel questioning the measurement of the power plant. It is very common in the
184 industry for audits to be performed and back disputes filed as far back as 2 years (as
185 stated in the Telecom Act). Because of the difficulty in the network charges billed and
186 the large volume, audits cannot be performed in detail every month as bills are rendered.
187 McLeodUSA is limited because of the due dates enforced (usually 30 days from the
188 invoice date) to only perform detailed audits periodically. Mr. Easton's testimony points
189 out the fact that the ICA only allows 30 days from the date the invoice was received for
190 disputes to be filed. This has no bearing on the fact that McLeodUSA still believes the
191 charges billed are incorrect and inconsistent with the Power Measurement Amendment.
192 In the past, Qwest has not enforced this short limitation for incorrect charges being
193 disputed. We've had previous disputes associated with ICA charges wherein credits were
194 applied though the dispute was filed after 30 days. This limitation in no way changes the
195 fact that the Power Plant charges should be billed on a measured basis pursuant to the
196 Power Measuring Amendment. At the very most, this provision would limit how far
197 back McLeodUSA should get recovery for the overcharges, which would be at worst
198 when McLeodUSA started notifying Qwest in 2nd Quarter 2005 that it was challenging
199 the billings for collocation power charges.

200

201 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

202 A. Yes, it does.