

00172

1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
2 COMMISSION

3 WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,) DOCKET NO. UT-950200
4)
Complainant,) VOLUME 4
5)
vs.) Pages 172 - 230
6)
U S WEST COMMUNICATIONS, INC.,)
7)
Respondent.)
8 -----)

9 A hearing in the above matter was held
10 at 6:30 p.m. on September 27, 1995, at 2921
11 Falk Road, Vancouver, Washington before
12 Chairman SHARON L. NELSON, Commissioners RICHARD
13 HEMSTAD, WILLIAM R. GILLIS, and Administrative Law
14 Judge TERRENCE STAPLETON.

15

16 The parties were present as follows:

17 U S WEST COMMUNICATIONS, by JAMES VAN
18 NOSTRAND, Attorney at Law, 411 108th Avenue Southeast,
Bellevue, Washington 98004.

19 WASHINGTON UTILITIES AND TRANSPORTATION
20 COMMISSION STAFF, by GREGORY TRAUTMAN, Assistant
Attorney General, 1400 South Evergreen Park Drive
Southwest, Olympia, Washington 98504.

21

22 FOR THE PUBLIC, DONALD TROTTER, Assistant
Attorney General, 900 Fourth Avenue, Suite 2000,
Seattle, Washington 98164.

23

24 ELECTRIC LIGHTWAVE, by SUSAN MCADAMS,
Vice-President Government Affairs, 8100 NE Parkway
Drive, Suite 150, Vancouver, Washington 98662
25 Cheryl A. Macdonald, Court Reporter

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1

I N D E X

2

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1 P R O C E E D I N G S

2 JUDGE STAPLETON: Let's be on the record.
3 This hearing will please come to order. This is a
4 hearing before Washington Utilities and Transportation
5 Commission for the purpose of taking public testimony
6 in docket No. UT-950200 which is a general rate
7 increase filing by U S WEST Communications,
8 Incorporated. My name is Terrence Stapleton and I'm
9 the administrative law judge assigned to conduct this
10 proceeding. The proceeding is being held in
11 Vancouver, Washington. Today's date is September 27,
12 1995, and this hearing is being held before Chairman
13 Sharon L. Nelson, Commissioner Richard Hemstad and
14 Commissioner William Gillis. I will take appearances
15 on behalf of the parties beginning with the company,
16 please.

17 MR. VAN NOSTRAND: Thank you. James M. Van
18 Nostrand with the Bellevue office of Perkins Coie
19 appearing tonight on behalf of U S WEST.

20 MR. TRAUTMAN: Gregory J. Trautman,
21 assistant attorney general for Commission staff.

22 MR. TROTTER: Donald T. Trotter, assistant
23 attorney general for the public counsel section.

24 JUDGE STAPLETON: Are there any other party
25 representatives to this proceeding here tonight?

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1 There are -- for the record there are several other
2 intervenors in this proceeding and they will be
3 participating at various stages but were not required
4 to be here tonight and appears that none of them have
5 attended tonight's hearing.

6 MS. MCADAMS: Electric Lightwave is present
7 but does not plan to testify at this hearing.

8 JUDGE STAPLETON: Thank you. Mr. Trotter,
9 will you begin with an opening statement, please.

10 MR. TROTTER: Sure, thank you. Again my
11 name is Don Trotter, and I'm an assistant attorney
12 general for the state of Washington and I've been
13 assigned to represent the public counsel section, and
14 we attempt to the best of our ability to represent the
15 interests of ratepayers at proceedings --

16 FROM THE AUDIENCE: Can't hear you.

17 MR. TROTTER: -- at proceedings before the
18 Commission. As the introductions just indicated,
19 these are the three commissioners. They are the
20 decision makers in the case currently pending before
21 the Commission, which is a rate proceeding filed by
22 U S WEST. As the presiding officer indicated, there
23 are many other parties to this case. There are three
24 here and I guess one in the audience but other parties
25 include AT&T and MCI because they buy services from

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1 U S WEST as well as AARP and some groups of large
2 business customers.

3 This is the third of seven ratepayer or
4 public hearings for members of the public. The
5 previous ones have been in Port Angeles and Tacoma.
6 Tacoma was last night and so this is number three, and
7 we certainly appreciate your attendance. Hearings
8 will continue in this case. Hearing for the parties
9 to present their evidence will take place from October
10 30 through November 10 with a decision anticipated
11 sometime in January of next year.

12 Hopefully you've taken advantage of
13 obtaining some of the handouts over at the table, and
14 one of those was the letter that we sent out to anyone
15 who wrote in on the case which contains hopefully
16 information that will help you understand what this
17 proposal is. The company is asking for \$205 million
18 in additional revenues annually. That amount would be
19 phased in over a four-year period. At the end of the
20 four years the 205 million would be fully in effect.

21 The substantial impacts on business and
22 residence customers relate to the basic charge for
23 service and the company is proposing to do a couple of
24 basic things. One is to split its customer groups
25 into two zones, zone one and zone two. For people in

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1 the Vancouver area if you are served by the Battle
2 Ground exchange, the Ridgefield exchange or the
3 Vancouver exchange, your rate is proposed by the
4 company to go from currently I think it's around \$10 a
5 month up to \$21.85 a month over four -- at the end of
6 four years. If you are in the greater Vancouver area
7 but not in one of those exchanges, your rate is
8 proposed to go up to \$26.35, again at the end of the
9 four-year period, and if you look at the very back of
10 this handout, we've identified that proposal, as well
11 as the Commission staff proposal and the public
12 counsel proposal. The Commission staff is proposing a
13 \$10 uniform rate throughout the state, and we are
14 proposing an \$8.41 uniform rate throughout the state
15 with none of this zone proposal.

16 On the business side the company is
17 proposing, again, the two zones, similarly defined.
18 The business rate in zone one would be \$29 and for
19 zone two it would be \$31. Commission staff is looking
20 at recommending a statewide rate of \$25.85 and public
21 counsel is at \$20.68, so there's quite a difference in
22 those proposals and we can expect those issues to be
23 hotly contested.

24 There are other proposals by the company.
25 There are some rate reductions that these residential

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1 customers might see and that is in toll rates. The
2 company is proposing some toll rate reductions for the
3 average residential customer in zone one. The rate --
4 your bill would go down about a dollar a month and in
5 zone two about \$1.80 a month. Other proposals are to
6 change the way directory assistance is charged.
7 Currently you get four calls per month allowance with
8 each additional call a quarter, 25 cents. The
9 proposal is to reduce that to one call a month without
10 charge and each additional call to directory
11 assistance 60 cents per month. Both staff and we are
12 proposing to reduce the allowance to two a month with
13 the additional charge at 35 cents, and that's
14 consistent with a Commission order last fall that has
15 not yet been implemented.

16 The company is also proposing to impose a
17 late payment fee for balances, unpaid balances, on
18 your phone bill from any suppliers of phone service,
19 including your long distance provider or anything
20 else. Any balance of \$45 or more that's unpaid would
21 be subject to a 1.2 percent per month, which is 18
22 percent annually, late payment charge, and both the
23 staff and public counsel are opposed to that
24 particular proposal.

25 On the second page of this letter, I

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1 outlined some of the issues that you may wish to
2 testify on tonight. I want to emphasize you're not
3 required to testify to any of them but it might help
4 you focus your comments, and one is obviously the
5 acceptability or what you think about the proposed
6 rate increases for residential customers, what is the
7 impact on you, service quality, are you satisfied with
8 the service you're getting, what can be improved or
9 are you getting satisfactory service. Do you have
10 opinions on this zone pricing proposal?

11 Also, privacy listings. If you want a
12 nonlisted or nonpublished telephone number the company
13 is proposing to increase that rate. The current rate
14 covers the cost to provide that but the company wants
15 to raise that higher. One point of view is that the
16 more people that are available on the network improves
17 the network. The other point of view is that people
18 who are receiving harassing calls or intimidating
19 calls or telemarketing calls ought to be able to try
20 to do something to defend themselves and they
21 shouldn't have to pay a lot extra to do that. And
22 then I also listed the directory assistance and some
23 other issues.

24 Also if you take a look at the last page of
25 that you can see the comparison of the parties'

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1 proposals. The company is asking for \$205 million.
2 The Commission staff is presently at negative \$102
3 million. That would be a decrease, and we are in the
4 range of \$50 million minus. Next Tuesday the parties
5 will file supplemental or rebuttal testimony and there
6 may be some changing in those numbers depending on
7 additional information that's been provided in this
8 case, but for now those numbers are what the parties
9 are standing on.

10 So I would like to now turn this meeting
11 over to you. This is a hearing to take testimony from
12 you. You will be asked to come up to the podium and
13 be sworn under oath or affirmation that you will tell
14 the truth. I will ask you to give your name and spell
15 your last name and give us your address. And I will
16 ask you if you are appearing on behalf of a group or
17 yourself, and then you can proceed to make your
18 statement. This isn't a forum where you can ask
19 questions of the panel or questions of us, but I'm
20 sure, speaking for everyone, at a break or after the
21 hearing is over, I think we would certainly try to
22 respond to your questions, but this is to hear
23 evidence that you have to give us.

24 Also, couple of issues that are not before
25 the Commission in this case, and one is the 360 prefix

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1 change. That's not an issue the Commission is dealing
2 with in this proceeding; and secondly, any questions
3 or issues regarding cellular phone service are also
4 not before the Commission tonight. There's plenty of
5 other issues, and let me also say that the back sheet
6 of this, I've just taken a very small sampling,
7 hopefully, of the major issues in the case, but there
8 are many, many other issues that exist in this
9 proceeding.

10 So without anything further I will go ahead
11 and start calling people off of the list. I notice
12 some people did not say whether they wished to comment
13 or not so I will call your name and if you don't wish
14 to testify, just simply say so and I will move on to
15 the next person. So with your permission.

16 JUDGE STAPLETON: Please proceed.

17 MR. TROTTER: Craig and Colleen Fry.

18 FROM THE AUDIENCE: No.

19 MR. TROTTER: Hazen Hyland.

20 FROM THE AUDIENCE: No.

21 MR. TROTTER: Nurmi Husa.

22 FROM THE AUDIENCE: Yes.

23

24 DIRECT EXAMINATION

25 BY MR. TROTTER:

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1 Q. Would you please state your name and spell
2 your last name.

3 A. Nurmi Husa. Last name is H U S A like the
4 country.

5 Q. And how about your first name?

6 A. N as in north, U R M as in money, I.

7 Q. What is your address?

8 A. 6503 Louisiana Drive. That is in
9 Vancouver.

10 Q. Are you a ratepayer of U S WEST?

11 A. Yes.

12 Q. Is that the capacity in which you're
13 speaking tonight?

14 A. Yes, I'm a private citizen.

15 Q. Proceed with your statement.

16 A. The reason I'm here is because I actually
17 took the time to read the insert in my phone bill. I
18 have now taken to the habit of reading all the inserts
19 in all the bills I get. Let me begin by saying, it's
20 very popular right now to bash government, and what a
21 horrible thing it is. In reading what the staff of
22 the Commission have suggested and also the public
23 counsel, thank God we have a government that is
24 keeping an eye out for these kind of things.

25 I was floored when I read that U S WEST

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1 effectively wanted to double my bills. I couldn't
2 believe that was possible. I have since looked
3 through the papers and I can see that I probably spend
4 about \$2,000 a year on phone services. I spend an
5 awful lot on long distance primarily to Portland but
6 also to the Seattle area. I have two phone lines.
7 From what I can gather my bills if this goes through
8 will go up at least \$300 if not more. I might be able
9 to pay for that, but I will pay for that by not
10 spending on other things.

11 I pointed this out to some of my friends,
12 one in particular who lives on a very low income, and
13 when she looked at the figures she said, well, I will
14 just have to stop having a phone. I can barely afford
15 it as it is. And that quite shocks me.

16 In looking at what both the staff and the
17 public counsel have proposed, I have no complaints
18 with that, and I hope that that will come through. I
19 looked at the list of things about making comments. I
20 did have a comment about service quality. Because I'm
21 looking at the amount of money I spend per year, I
22 stopped using the easy long distance and I have
23 another long distance server, because it is such a
24 huge difference in the price. However, the majority
25 of my calls are to Portland, and because that's within

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1 the LATA, I have to dial an enormous number of numbers
2 to override that to get access to that. If I call
3 Seattle or whatever, it's easy. It's just 1-206. I
4 don't know that there's something that can be done
5 about that. It may be a technical thing, but I wish
6 it were easier to access my long distance service
7 within the LATA.

8 With regard to rural rates, I have
9 something mean-spirited to say there, and that is if
10 you look at the polling data that people in the rural
11 areas usually are the people who scream the loudest
12 about people having to pay their way and why we have
13 to cut taxes, et cetera, et cetera, and quite frankly,
14 if it's more expensive to serve them out there they
15 should get a dose of their own medicine.

16 Privacy, I don't think people should pay
17 more for privacy. I think that's an invasion, and I
18 do have a question about business rates. I don't have
19 the answer to that but I do raise the question. Is
20 the reason that a business rate is established is
21 because a business is presumed to use the phone more
22 often than a private person? If that is the case, I
23 know several private parties and several businesses.
24 The businesses use the phone much less than the
25 private party, and if it is a question of phone usage

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1 perhaps there should be a different way of looking
2 into that, but I have no suggestions as to how that
3 can be done. That's all I have to say.

4 JUDGE STAPLETON: Will you wait just a
5 moment, Mr. Husa, to see if there are any questions.
6 Any questions from counsel for Mr. Husa?
7 Commissioners?

8 Thank you for your testimony.

9 THE WITNESS: Thank you for your allowing
10 me to comment.

11 MR. TROTTER: Don Schmidt.

12 FROM THE AUDIENCE: No comment but thank
13 you for the offer.

14 MR. TROTTER: B. B. Hovell. I will
15 apologize in advance for my pronunciation.

16 THE WITNESS: I forgot my hearing aids so
17 if you will speak a little louder I will be
18 forever grateful.

19 Whereupon,

20 B. B. HOVELL,
21 having been first duly sworn, was called as a witness
22 herein and was examined and testified as follows:

23 THE WITNESS: Like to give you a written
24 statement that might make it a little easier for
25 following.

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1 CHAIRMAN NELSON: He's going to ask you
2 some questions, too.

3

4 DIRECT EXAMINATION

5 BY MR. TROTTER:

6 Q. Would you please state your name for the
7 record.

8 A. My name is B. B. Hovell, H O V E L L.

9 Q. What's your address?

10 A. 5711 Northeast 99th Street, Vancouver,
11 Washington 98665.

12 Q. And are you a customer of U S WEST?

13 A. Yes, I am.

14 Q. Are you speaking on your own behalf
15 tonight?

16 A. I am.

17 Q. Proceed with your statement.

18 A. Since not everybody here has a copy of
19 this, I proposed to read this to you. This is written
20 by me and by my wife who are private citizens who are
21 customers of this company and have been for a number
22 of years. I would like to point out our purpose in
23 submitting this report is to document proof that U S
24 WEST user service remains totally inadequate here
25 despite the Commission's best effort to make that

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1 utility fulfill its franchise responsibility to users.
2 And more to the point, our purpose is to endorse and
3 support your staff recommendation that based on
4 inadequate company performance and other related
5 considerations, U S WEST user rates be reduced rather
6 than increased as the company proposes.

7 The following is a brief summary example of
8 U S WEST's performance. Its ongoing failure to
9 restore our residential telephone service despite
10 repeated requests by us and by the construction
11 contractor who accidentally cut our telephone line
12 about 7 a.m. yesterday, Tuesday September 26. Please
13 see our enclosed step by step documentation of our
14 unsuccessful joint efforts to obtain reasonable repair
15 service from U S WEST. Briefly, a contractor employed
16 on a new subdivision adjoining our residential
17 property advised his company, Wooben Brothers, with a
18 telephone given here by mobile phone yesterday morning
19 that the workers had cut our line. His office
20 counterpart promptly requested repair from U
21 Sbusiness, business phone repair by an 800 line call
22 and when this request produced no results, we, my wife
23 and I requested prompt repair from U S residential
24 phone repair office by an 800 call at about 5 p.m.
25 yesterday, the day the line was cut. Since no repair

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1 crew responded, both we and the contractor again
2 requested repair by 800 calls before 10 a.m. this
3 morning. While we waited on a pay phone a quarter
4 mile from our house, the residential phone repair
5 representative finally traced internal U S WEST
6 business and residential repair office records and
7 confirmed that they had received all of the requests
8 we've just enumerated.

9 The result of all our joint efforts is
10 noticed today is that U S WEST has scheduled repairs
11 to be made sometime between 7 a.m. and 7 p.m.
12 tomorrow, Thursday, the 28th of September, the third
13 day of our outage, but in fact service was finally
14 restored at 4:30 today to end our two day loss of
15 service. This totally inadequate repair service means
16 more than a mere inconvenience to my wife and to me.
17 It means that fire could have destroyed our home
18 before we could get distant firefighters on site or
19 that a family member could have risked loss of life
20 from a heart attack or serious injury before
21 paramedics could be notified and respond to our call.
22 At the very least it means that our loss of phone and
23 fax communications with associates and clients of our
24 two part-time businesses for two working days will be
25 very costly. This performance by U S WEST is so

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1 typical that the company has earned a deserved public
2 reputation for unacceptable service. Surely this
3 level of performance deserves a rate reduction as
4 proposed by your staff and not the huge reward that U
5 S WEST proposes. Are there any questions?

6 JUDGE STAPLETON: Counsel, any questions
7 for Mr. Hovell? Commissioners?

8 CHAIRMAN NELSON: No.

9 JUDGE STAPLETON: Thank you, sir.

10 MR. TROTTER: Maxine Seljack.

11 Whereupon,

12 MAXINE SELJACK,
13 having been first duly sworn, was called as a witness
14 herein and was examined and testified as follows:

15

16 DIRECT EXAMINATION

17 BY MR. TROTTER:

18 Q. Please state your name and spell your last
19 name.

20 A. Maxine Seljack, S E L J A C K.

21 Q. Your address, please?

22 A. 13404 Southeast McGillivray.

23 Q. Are you a customer of the company?

24 A. Yes.

25 Q. Are you speaking on your own behalf or a

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1 group?

2 A. No. I am speaking on behalf of AARP, but
3 I do agree with all of the points that AARP makes.

4 Q. Why don't you proceed with your statement.

5 A. And I am also a volunteer for AARP.

6 Q. Go ahead and proceed with your statement.

7 A. On the U S WEST rate increase proposal we
8 have a few points that we feel are wrong about the
9 plan. U S WEST claims that the cost of providing
10 local telephone service is well over \$20 per month,
11 which is more than what it currently charges. It
12 concludes that other services subsidize residential
13 rates. U S WEST is using this subsidy claim to
14 justify up to 188 percent increases in telephone
15 service rates over the next four years. AARP's and
16 the office of attorney general's analysis shows
17 current rates do cover U S WEST's costs and therefore
18 no subsidy exists.

19 U S WEST's studies allocate all of the
20 costs of the local loop, the line from your house to
21 the central office, to basic local service. Other
22 services besides basic local use the local loop but
23 are not allocated any of the costs. When the costs
24 for all services are examined on a consistent basis,
25 existing residential local rates cover their costs and

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1 therefore should not be increased.

2 U S WEST says it needs additional revenues
3 yet they have failed to demonstrate the need for these
4 additional revenues. Our analysis shows that, one,
5 U S WEST's proposed rate of return is excessive. Two,
6 U S WEST's case uses higher depreciation rates than
7 those prescribed by the WUTC. And three, U S WEST now
8 wants to keep the enormous profit they make from
9 Yellow Pages for its shareholders rather than using
10 these funds to offset basic local service rates as
11 they have in the past. U S WEST seeks not only to
12 raise rural basic telephone rates but to raise them
13 above urban rates. This zone pricing places an unfair
14 burden on rural consumers. We support a statewide
15 average rate and oppose any rate structure that will
16 make rural communities with no competitive options pay
17 higher rates than urban areas that may have more
18 competitive options sooner.

19 And personally, I would like to say that my
20 major concern is raising the costs of residential
21 rates and how they affect so many seniors or people
22 who are housebound and will be hurt by this raise.
23 Especially those who depend on their phones for the
24 only communication they have or for emergencies. U S
25 WEST states this service is priced below cost, but

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1 several parties have filed testimony that residential
2 rates are not below cost. It seems to me that the 100
3 percent allocation of the local loop to residential
4 services is unfair to the customers who are really in
5 need of communication every day to meet their medical
6 or personal needs. Many seniors want to stay in their
7 own homes as long as possible. This raise in rates
8 will create a hardship on this segment of our
9 population which is rising in numbers. Thank you.

10 JUDGE STAPLETON: Thank you, Ms. Seljack.
11 Just a moment, please. Counsel, any questions of this
12 witness? Commissioners.

13 Thank you for your testimony, ma'am.

14 MR. TROTTER: John M. Gear.

15

16 DIRECT EXAMINATION

17 BY MR. TROTTER:

18 Q. Please state your name and spell your last
19 name.

20 A. My name is John Gear, G E A R. I live at
21 908 West 38th Street here in Vancouver. Speaking on
22 behalf of myself as a U S WEST ratepayer.

23 Q. Go ahead.

24 A. I would like to cover three points. I did
25 submit a letter in response to the initial request for

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1 input on this rate hearing and I would like to cover
2 those again. The first point is that U S WEST's
3 proposed rate of return and all the other counter
4 proposed rate of returns far exceed the historical
5 average for all similar investments based on risk.
6 The Dow Jones and the New York Stock Exchange averages
7 for common stock since the turn of the century run
8 around 9 percent, depending on who you ask, but
9 they're all in the neighborhood of 9 percent. That is
10 for the riskiest investment that a person can make if
11 buying common stock in the open market, not in any
12 sort of preferred position. For that risk a 9 percent
13 return historically is a good return. When I see
14 rates of returns proposed nearly 11 percent for about
15 the safest investment one can make, I'm just
16 staggered, and so even the public counsel's proposal,
17 which I support, is a very generous rate of return for
18 this operation that's being conducted without
19 competition in a monopoly setting. I think U S WEST
20 is on the wrong track as far as their operations.
21 They are attempting to raise profits while they're
22 laying people off, cutting their ability to respond to
23 service and to respond to inquiries.

24 I've had a service discontinued, service
25 problems of my telephone. When I called U S WEST

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1 about it, it was a slow response. They would not tell
2 me when service would be restored and I had to go out
3 of my way to make two other calls to get them not to
4 bill me for the interrupted service. Their proposal
5 or their plan was to keep billing me on a monthly
6 basis although they didn't provide service throughout
7 the interruption period.

8 Secondly, I would like to address the issue
9 of residence rate increases. The argument that
10 there's a different cost to service for residence or
11 business, it all seems sort of like a game, isn't it?
12 I have a business out of my home and whether I have a
13 business telephone or a home telephone, it's only an
14 accounting matter for U S WEST to decide. Actually,
15 the three lines that I have, they could be business or
16 residence. No one would know the difference but
17 apparently they're saying that the cost is different
18 to provide those. I don't agree. I'm not here to
19 argue that I should have lower rates as a business
20 user, but for the residence user, people who are
21 elderly, low income people need basic phone service.
22 Any phone proposal that is passed should have a
23 lifeline rate of unlimited local service that is very
24 affordable.

25 The idea that people can have their phone

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1 rates double suggests that we think we're talking
2 about cable television or some frill here, but we're
3 not. We're talking about phone service. That's
4 critical. You cannot be a member of society on an
5 equal footing if you don't have phone service. You
6 can't get a job. You can't get credit. There's
7 nothing you can do without a phone. We need to insure
8 that everybody, whether rural or urban, has lifeline
9 rates for a first residence line.

10 Finally I want to speak about privacy. I
11 am appalled that U S WEST charges for privacy.
12 Because I enter into a contract for service with my
13 only phone provider does not give my name and address
14 and phone number to U S WEST as their property to sell
15 as their right. We should -- instead of continuing to
16 allow U S WEST to charge to restore my basic right of
17 privacy the Commission should insure that U S WEST
18 offers all citizens the right not to be listed and not
19 to have their number given out through directory
20 assistance the same as you correctly chose to do with
21 line blocking for caller ID. My wife is a social
22 worker. She deals with severely mentally disturbed
23 people at times. She also counsels a number of
24 victims of domestic violence, sexual abuse and
25 assault. All of those people need privacy and most of

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1 them can't afford to pay U S WEST's rates for having
2 privacy. As I discussed before, having a phone is not
3 optional, but you should not have to give away your
4 privacy to have that service, and it should not come
5 at a premium.

6 We saw the case in Klamath Falls or in
7 Oregon last week where a husband tracked a wife down
8 who had left, killed her and her three children.
9 That's what happens when you give away your privacy at
10 times. It's not pretty, but making money off selling
11 people's privacy which is not yours isn't pretty
12 either. That's all I have. I would be happy to
13 answer any questions.

14 JUDGE STAPLETON: Counsel.

15 Q. Just one. You mentioned your service
16 needed to be restored. What was the cause of the need
17 to have it restored?

18 A. Why would they tell me? I don't know. I
19 had a power -- not a power outage -- service outage
20 and one of my lines was dead which I wasn't notified
21 that it was out. It was finally that I noticed, which
22 means that the faxes that I didn't get are all that I
23 know about. When I finally called them they didn't
24 tell me why it was out or when it would be restored.
25 When it was finally restored I had to pursue getting

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1 it not billed.

2 CHAIRMAN NELSON: How long was it out for?

3 THE WITNESS: Well, depending on when I
4 discovered it, I mean, I don't know how long it was
5 out before I discovered it. It was out at least a day
6 and a half after my call which was as soon as I
7 discovered that I didn't have service.

8 COMMISSIONER HEMSTAD: What is the nature
9 of the business that you operate?

10 THE WITNESS: I'm a consultant.

11 COMMISSIONER HEMSTAD: And how do you use
12 your lines? Interchangeably, or do you use two for
13 business or one for residence?.

14 THE WITNESS: My wife and I have a
15 residence and I use two lines, one for phone and one
16 for fax and my modem.

17 JUDGE STAPLETON: Anything else of the
18 witness?

19 Thank you, Mr. Gear, for your testimony.

20 THE WITNESS: Thank you.

21 MR. TROTTER: Two people who did not check
22 the box one way or the other. Evert Nelson.

23 FROM THE AUDIENCE: Thank you but I don't
24 at this time.

25 MR. TROTTER: And Janice Nelson.

00198

1 Whereupon,

2 JANICE NELSON,

3 having been first duly sworn, was called as a witness
4 herein and was examined and testified as follows:

5

6 DIRECT EXAMINATION

7 THE WITNESS: My name is Janice Nelson. I
8 live at 6715 Northeast 60th Street, Vancouver, and I
9 am a U S WEST -- my husband is a U S WEST customer. I
10 don't think we've ever cojoined the phone bill. You
11 know, the last few raises we've had have been to
12 include additional services to our phone system making
13 Camas, Ridgefield, La Center, local calls instead of
14 long distance calls. Unfortunately, since I never
15 called any of those places I got a rate raise without
16 any increase in service and now it looks like you're
17 looking at another one. You're not the only phone
18 company in town any more. You're only one of three of
19 mine, and I think you have to look at being
20 competitive to stay in business.

21 A comment on the repair service. It can
22 definitely be improved. The last three years every
23 time it starts to rain in the fall our neighbors and
24 us lose our phone for a day or two. They come in and
25 they work on the same box, never gets fixed, next year

00199

1 it's the same thing. It usually takes better than a
2 day to get it done. However, in all fairness, and I'm
3 sorry, sir, but if you run over your phone line with a
4 bulldozer or a contractor or a forklift I think it's
5 your own problem.

6 As far as rural rates, I can understand a
7 higher installation rate for a rural phone but once
8 it's installed I can't see why there would be any
9 difference in providing service. And as far as
10 privacy and published or unpublished numbers, I can't
11 for the life of me see why it costs more to do less.
12 You know, as a country we set the standard for a
13 comfort style, and in our country we have gotten to
14 the point where phone is an essential, and I would
15 like to see us stay that way. Thank you very much.

16 JUDGE STAPLETON: Thank you, Ms. Nelson.
17 Are there questions? Thank you for your testimony.

18 MR. TROTTER: Peter Akins.

19 Whereupon,

20 PETER AKINS,
21 having been first duly sworn, was called as a witness
22 herein and was examined and testified as follows:

23 THE WITNESS: My name is Peter Akins. Last
24 name is spelled A K I N S. I live at 14033 Southeast
25 35th Loop, Vancouver, 98684.

00200

1

2

DIRECT EXAMINATION

3 BY MR. TROTTER:

4 Q. Are you speaking on your own behalf?

5 A. I'm speaking on my own behalf. Excuse me
6 if I seem a little nervous. This is my first time at
7 something like this. I am a business owner here in
8 town. I requested service in April and I have a great
9 sob story to tell that if you were my family I would
10 bore you with but I will keep it to a minimum so you
11 can understand why I'm against this rate increase in
12 all forms and fashion.

13 We requested service in April and the only
14 thing that we've been able to do is complain and file
15 a complaint with the Washington Utilities Commission
16 which we have done on June 21. Since that time we
17 still have no service as I stand here and talk to you
18 this evening. Now, the only part that really bothers
19 me about this rate increase is that U S WEST, I found
20 out through all my complaining, is a huge bureaucracy.
21 It is not that different than the government. There
22 is nobody ever I can call up and say your guy is to
23 blame. I am putting it on you. You can't do that
24 with those guys. There's always another department,
25 another something.

00201

1 Let me give the best example I can quickly
2 here why I believe they don't need a rate increase.
3 Yesterday after -- what is it -- almost six months now
4 we still don't have service, a guy shows up at my
5 office to connect my T1 line. My phone bill with U S
6 WEST would be very expensive every month except we
7 have nothing he can connect up to because they haven't
8 done the construction. This is the third time they've
9 sent out a guy like this where there's nothing he can
10 even do. And he will spend an afternoon even though I
11 told him there's nothing you can do, this has been
12 gone through. In other words, they're an inefficient
13 managed business at this point in time maybe because
14 they're so large. I don't know why except that
15 they're spending a lot of money for no use. They sent
16 this guy out three times. Many other things have
17 happened like this. Therefore, why do they need more
18 money if they just did it right in the first place.
19 The one thing that we have that we can hold over their
20 heads, because even the Commission told me this
21 themselves, is that the only thing that we can really
22 force them with is this issue of rate increases,
23 because we cannot actually force them to go to your
24 business or do this or do anything. They have no
25 motivation. That's what we're talking about is

00202

1 motivation. They have no motivation to improve if we
2 just give them the rate increase any time they ask for
3 it however they want. This money issue is the only
4 thing we can hold over their heads and say until you
5 do better we're not going to give you more. You know,
6 I think that's what we're trying to do is just
7 backwards here. U S WEST says give us more, we'll do
8 better. I'm saying, do better first, then we'll talk
9 about giving you more.

10 The one other issue I've looked at over the
11 issues here is the rate of payback. I agree with one
12 of the other gentlemen here this evening. Most of us
13 would love to get the kind of rate of payback they're
14 getting for an absolute guaranteed thing since they
15 are a monopoly, and I have no other choice. Nothing
16 else I can do. I can't go to another company. I'm
17 the only one -- they're the only one and I have no
18 control at whatever they do. So again, I ask you to
19 turn down this rate increase, make them perform before
20 they actually get the money. Thank you.

21 JUDGE STAPLETON: Questions, Counsel,
22 Commissioners?

23

24 EXAMINATION

25 BY CHAIRMAN NELSON:

00203

1 Q. Mr. Akins, what's the nature of your
2 business?

3 A. I am attempting to be an Internet service
4 provider.

5 Q. And that's why you wanted the T1 circuit?

6 A. Yes. We have many lines and we have lots
7 of money invested. We invested all our money already
8 based on what they told us they would do in April and
9 all we did was spend that money to sit and wait at
10 this point in time.

11 Q. And the guy shows up three times. What is
12 not available for him to connect?

13 A. Well, technically what it amounts to is
14 that you have to have a line that goes into Internet.
15 They have to have lines called T1 lines or 56K which
16 take unloaded pair. We don't have any of those on our
17 property into our building. They have to install
18 those and that's what we ordered in April and they
19 still haven't been done.

20

21 EXAMINATION

22 BY COMMISSIONER HEMSTAD:

23 Q. What has the company told you about the
24 matter of installing that line?

25 A. Well, it's a comedy of errors from one time

00204

1 to the next. For example, one time they called up day
2 before I was supposed to be in -- there's been many,
3 many days they said we'll do it it and it's come and
4 gone. One -- for example, they call up one day and
5 said we can't do it, we don't have any splicers. We
6 have to get them out of Seattle. I said why didn't
7 you schedule this two or three months ago? Why did
8 you wait until the day before? Then what happens is
9 they say we'll get the splicers but it's going to take
10 a month to get them here. Well, when the splicers got
11 ready they call up the next day and said we forgot to
12 order the cable. That will take another month. So,
13 it's like that ding, ding, the next month goes by, the
14 next month goes by so it's a thing where they have so
15 many departments that the installers don't talk to the
16 loop techs who don't talk to the engineers who don't
17 talk to the people back in Denver.

18 I saw in here where it listed \$34 million
19 worth of restructuring money for when they sent the
20 engineers back. I think all they spent that on was
21 the moving vans back and forth. I don't see any
22 investment here for us.

23 Q. Is the building where you have your office
24 in downtown or is it a remote?

25 A. It's a half a block off Millplain. It's in

00205

1 a commercial building. We thought we picked a good
2 location. Had we known what we know now we would have
3 definitely done something different, I guess.

4 COMMISSIONER GILLIS: Did the company give
5 you any connection dates that have been passed?

6 THE WITNESS: Oh, yeah, maybe 10 or 15,
7 something like that. They give you a date and it's
8 another one of these situations that the marketing
9 department, they seem to be willing to tell you
10 anything you want to hear. But then the engineering
11 crew cannot produce that when they told them they
12 could and then when the engineering department gets
13 through it goes to another department who doesn't know
14 whether they can do what the engineering department
15 thought they could do, et cetera, et cetera. So we
16 don't know. And to this day if I called up U S WEST
17 right now and we had an open phone call I have here
18 and I said can I have service this week, we've been at
19 it almost six months we've talked so many times, they
20 won't give me a date any more. They will just say we
21 don't know. They will not give me a date any more.

22 Q. Do you have some other business or how are
23 you making a living?

24 A. I took a second job. It went on long -- I
25 have a staff that we've hired. We spent all this

00206

1 money. Ready to get in business. We have lots of
2 people that want to get on line. We have lots going
3 on. My wife asked me on the way over how much do you
4 think it's cost you in revenue. It's easily in the
5 \$50,000 range not including any of the monies that
6 we've invested or anything else. I have a staff that
7 we've hired and to pay their bills I took another job
8 because there's nothing I can do. We've done
9 everything we can do up to this point in time about
10 four months ago.

11 COMMISSIONER GILLIS: So if you were ready
12 to get the T1 line tomorrow you would be ready to go
13 into business?

14 THE WITNESS: We are ready to go, all done,
15 all ready. It's been that way since May when they
16 made one of their early promises.

17 COMMISSIONER HEMSTAD: I think you should
18 talk to one of the U S WEST representatives who are
19 here tonight.

20 THE WITNESS: I've talked to everybody. We
21 have contacts to Denver. We have another sister
22 company out of Seattle that has done all kinds of
23 things and has appeared at rate increase also. We
24 have done everything we thought we could do without
25 knowing somebody like a Congressman or somebody like

00207

1 that to interfere for us. We have tried hard.

2 CHAIRMAN NELSON: Do you have any
3 competitors?

4 THE WITNESS: We have one that is not in
5 our condition. They are open for business and I know
6 that we probably lose in the neighborhood of 20
7 customers a week to our competitor based on --

8 COMMISSIONER GILLIS: Just as a curiosity,
9 why did you choose Vancouver to locate your business?

10 THE WITNESS: There's an old saying bloom
11 where you're planted. This was it.

12 MR. TROTTER: Did you say you filed a
13 complaint with the Commission?

14 THE WITNESS: Yes, sir. Yes, sir, on June
15 21.

16 CHAIRMAN NELSON: An informal complaint?

17 THE WITNESS: I did a telephone complaint.
18 As a citizen you don't know what you don't know how to
19 do. I did a telephone complaint. We followed it up
20 and all the rest and then U S WEST started saying,
21 well, we got to do this for the complaint. A couple
22 of things I asked point blank to the Commission at
23 that time was, number one, am I just complaining. I
24 mean, does this actually do anything. Do they have to
25 actually do anything and the first response was, well,

00208

1 you know, when the rate increases come up we can kind
2 of get them this way, and I was like, okay.

3 Well, this went on for two months, and
4 finally I called back up. I said, I want to raise the
5 level of complaint. We tried all of these other
6 things, what do I do next. How do we make something
7 happen. They said do a formal complaint.

8 How long does that take? Does that take
9 attorneys? I told them last time I would like to sue
10 but they drug me out so long I don't have money left
11 for an attorney. What do we do now? We can go to
12 that level if you want to. But I said can anything
13 actually be done. They said until you have service
14 technically not. If you have service and they're
15 screwing you then you can do something but until that
16 time we can't actually make them do anything, so
17 that's why I'm going, the only thing you have to
18 motivate U S WEST over is this issue of money and
19 withholding it from them to say do better and then
20 we'll talk money until then. To me it's just -- I go
21 home at night and I worry how am I going to pay my
22 bills. Who is going to make my house or cars or
23 whatever. U S WEST guys, it's just their job, and I
24 don't have any complaints with those guys on a
25 personal level but they go home at night and the job

00209

1 is over. Rest of us who count on this for being
2 something really important have a lot at stake.

3 JUDGE STAPLETON: Anything else for this
4 witness?

5 Mr. Akins, thank you for your testimony.

6 THE WITNESS: Thank you.

7 MR. TROTTER: Doug Greene.

8

9 DIRECT EXAMINATION

10 BY MR. TROTTER:

11 Q. Please state your name and spell your last
12 name.

13 A. Douglas Greene, G R E E N E.

14 Q. Your address?

15 A. 2425 Northwest 69th Street in Vancouver.

16 Q. Are you a customer of the company?

17 A. A customer, yes.

18 Q. Are you speaking on your own behalf tonight
19 or --

20 A. I'm speaking on my behalf and a couple of
21 businesses that I have.

22 Q. Can you just identify those and proceed to
23 make your statement.

24 A. Well, I have a residential line and I
25 have a Lakeview Golf Course, which I own, which is a

00210

1 business line, and Yellow Pages and a fax line, and so
2 I guess I have four lines to the system. I found my
3 way here easy tonight because I came here last night
4 to attend a meeting on light rail which the Columbian
5 indicated was going to be here Tuesday but that was
6 the bold print and in the small print it said
7 Thursday, so we know are what position the Columbian
8 is taking on light rail. It's kind of to keep people
9 going the wrong direction, but it was real easy to be
10 here tonight because I was here last night.

11 COMMISSIONER HEMSTAD: Now you can come
12 tomorrow night too.

13 A. I didn't realize this was going to be kind
14 of an open hearing like this. I thought maybe it was
15 going to be an exchange back and forth so I just
16 scratched some notes down based on some of the things
17 I quickly read and some of the service or questions
18 that I had regarding service, and probably one of the
19 biggest ones is I have another business which I forgot
20 to mention was Skyline Associates which is an import/
21 export business so I do a lot of international phone
22 calling and do a lot of domestic phone calling of which
23 sometimes I use the services of U S WEST and sometimes
24 I use the carrier AT&T, and it was most interesting
25 the problems that I had internationally as well as

00211

1 domestically including like the Chicago airport and
2 Washington D. C. with these 360 area code change.
3 That was probably one of the worst switchovers I've
4 ever seen handled from the corporation of any size for
5 that matter where they told us to change your letter
6 heads, change your business cards, change your fax
7 numbers, change your automatic dial, do all of this
8 stuff because on such and such a date the number is no
9 good and then that didn't happen so they extended it
10 three or four months and that didn't happen, and
11 as recently as a month ago when I was in Chicago
12 airport trying to make a call into my phone here, none
13 of the phones in Chicago airport, red carpet room, any
14 of the pay phones will accept the 360 code.

15 I called the operator and called AT&T.
16 AT&T took a pretty hard position which really upset
17 me. They said, hey, we know what the problem is, it's
18 not ours, so if you want to make a person-to-person
19 call through the operator to get to your home you can
20 do that. The 360 issue has been very, very expensive.
21 The newspaper has told us of a great number of
22 lawsuits that have been filed against the company.
23 The many businesses including truckers which rely on
24 the long distance service have lost millions of
25 dollars from some of the suits that I've read about.

00212

1 I don't know where the 360 code situation is right
2 now. I don't know that it's been fully resolved or
3 not. I had international problems with it. I deal
4 with Washington DC. I had problems there. You cannot
5 get out of the 202, 212 code. You can't get out of
6 Chicago codes to call in here. Now that may not be
7 the case in the last two or three weeks, but I can
8 tell you less than a month ago that was the case.

9 So we talk about phone service. We can
10 refer back to an article I read in the Columbian about
11 a month ago -- excuse me, not the Columbian, the
12 Oregonian -- that U S WEST has one of the worst
13 service performances of the whole telephone industry
14 in the whole country, and yet I picked up the paper
15 last night or this morning I guess and I'm looking at
16 -- they're looking for an increase of 100 percent plus
17 over a four-year period when inflation is running at
18 three and a half percent a year, when my checking
19 account gets two and a half percent annualized, a
20 jumbo CD gets 5.6 percent. That's a hundred thousand
21 investment and they're looking to make 10.5, 10.8
22 percent. I can't understand that. What I can
23 understand in reading this chart is that how can the
24 WUTC suggest that maybe they should have \$100 million
25 dollar decrease and they're turning around and asking

00213

1 for \$204 million increase. There's a hell of a
2 disparity there to me. Even if the service remained
3 the same, as bad as it is, I don't know why it would
4 be looking for a decrease. I certainly can't
5 understand how they could be asking for an increase.
6 I look at some of the -- some of their major issues
7 that they brought into -- at least have been brought
8 into this article here and they're saying, well, we're
9 going to change the way we're going to depreciate our
10 equipment. We're going to take the Yellow Page
11 revenue out of here, we're going to restructure the
12 company and all of these changes justify this type of
13 a rate increase. Well, I kind of liken these changes
14 to kind of moving the cup and asking for a better
15 handicap when you're playing golf. This is just kind
16 of crazy.

17 We've got all of this revenue over here
18 which we used to include as part of our business but
19 we're going to take it off. We're going to take
20 depreciation rates and they're going to double them.
21 And they're going to be on that lease equipment
22 overnight where before they used a 5 or 10
23 depreciation schedule. Well, the revenue is not
24 coming in, therefore we're going to raise our rates,
25 and structurally from a financial structure that's

00214

1 just not the way it's done in the real world. We have
2 a monopoly here. Where do I go for service? I don't.
3 I got to go to U S WEST. I can get my long distance
4 carrier any place I want, Sprint, MCI, AT&T, what have
5 you, but I can't make a five minute call to Oregon,
6 Portland for less than a buck, but if I lived in
7 Oregon I could get on the phone and talk for eight
8 hours straight for a dollar. Now, that doesn't make
9 much sense. Get that point? I can sit in Portland,
10 Oregon and make a call down to Coos Bay, Klamath Falls
11 or wherever for a dollar and I can talk for an hour
12 and hours and it's only going to cost me a buck.
13 If I want to call downtown Portland, which is, what,
14 eight miles away, for five minutes, it's going to cost
15 me a buck. I don't call that service. I don't really
16 know what the issue is or why so much money has been
17 asked for. If it's because of expansion of the state
18 of Washington, which is one of the high growth states
19 in the country, and Clark County I guess being one of
20 the largest in all of United States, I would think
21 there would be new revenues coming with that increased
22 service, and yet that's never been taken into
23 consideration, at least what I've been able to read
24 here anyway.
25 I just look at this rate increase as one

00215

1 devilish windfall for U S WEST, and I just can't
2 support it, and I can't necessarily support a decrease
3 in the costs that WUTC is suggesting but I certainly
4 can't support an increase of this size. Residential
5 or zone one or zone two, it doesn't really matter
6 where the money is coming from. It just makes no
7 sense. That's kind of my off the cuff.

8 MR. TROTTER: Thank you for your statement.

9 JUDGE STAPLETON: Any questions?

10

11 EXAMINATION

12 BY CHAIRMAN NELSON:

13 Q. Mr. Greene, on the 360 thing, the operators
14 are supposed to help you get through if you tell them
15 you're trying to get through to 360.

16 A. Yeah, that was a joke.

17 Q. Well, if you wish to file an informal
18 complaint with our staff they could help you adjust
19 that on your bill. I had the same experience from New
20 Jersey.

21 A. The people were just actually ugly on the
22 phone. They really were. Even AT&T was. So it
23 wasn't just limited. It was just amazing. There was
24 a problem, everybody knew about it, and the public was
25 the one who was going to suffer for it. They were

00216

1 going to pay more money or they were going to get
2 abusive operators. When I came back I did call
3 U S WEST about it and I mentioned the service and I
4 think it was Ameritech that had all the pay phones,
5 but this was a situation caused by the telephone
6 company, not caused by the public, and to be treated
7 the way we were -- and evidently you had problems --
8 it just doesn't seem right and they really didn't
9 care. Thank you.

10 JUDGE STAPLETON: Thank you, sir.

11 MR. TROTTER: Barbara Monear.

12 Whereupon,

13 BARBARA MONEAR,
14 having been first duly sworn, was called as a witness
15 herein and was examined and testified as follows:

16

17 DIRECT EXAMINATION

18 BY MR. TROTTER:

19 Q. Would you please state your name.

20 A. Barbara Monear, M O N E A R. I live at
21 12818 Northeast 83rd Street.

22 Q. Are you a customer of the company?

23 A. Sure am, so is my husband.

24 Q. Are you speaking on your own behalf or
25 behalf of --

00217

1 A. I'm speaking on my husband and my behalf.

2 Q. Proceed, go ahead.

3 A. My husband is a railroader. It is required
4 by his company to have a phone. On August 13 we came
5 back from Montana and there apparently was a very
6 large electrical storm here. In the process our
7 phones were blown out somehow with the lines
8 disturbed. On August 14 tve he got ahold of the phone
9 company through a neighbor's phone and were told at
10 Friday afternoon it would be fixed no later than 8:00
11 that night. We proceeded to have no phone for
12 five more days. We were told everything under the sun
13 but the truth when in reality there was only five
14 of us out of a phone and yet they claimed the whole
15 cable system was out. On Saturday I went to the
16 Clark County fair and ran into a lady who also had no
17 phone and she lives up by Southwestern Medical Center
18 which is eight miles away, and I didn't feel that
19 eight miles away she was still connected to my
20 particular cable, but she was told the same story.
21 Well, we called all day Saturday, we called Sunday.
22 We got Denver, we got Salt Lake City, the closest you
23 can get anybody is Yakima, and finally Tuesday I was
24 mad, and I decided that the little phone company that
25 sits down on Fourth Plain and approximately 117th,

00218

1 right close, if there was a person in there I was
2 going through that door, and which I did proceed to
3 do.

4 And I knocked on the door, man opened it,
5 and I said who do I talk to to get a phone. It's
6 imperative my husband has that phone. We have a
7 communication gap with our people in the railroad
8 because they are stationed out of Seattle and his
9 calls come out of Seattle and if they do not respond
10 by giving the message and passing it on to someone
11 else and giving him -- telling him that he can only be
12 called by pager, he in turn can miss a call and will
13 be up for investigation and can be fired from the
14 railroad for missing a call. We figured that this was
15 something that could very possibly happen and sure
16 enough the railroad never was notified from person to
17 person that we were strictly on a pager.

18 When we did get to the phone company they
19 finally did agree, gee, it's only five houses, not the
20 whole cable line. The lady across the street from me
21 had no phone also and she had a brand-new baby. She
22 was also upset. She was also told the same story as
23 we were. I in turn called the Washington Utilities
24 and Transportation Commission and turned in a
25 complaint about it. They said it would take two

00219

1 working days for my complaint to actually investigate
2 this and give them, U S WEST, time to repair our
3 phone. Since they did fix it on Tuesday, which took
4 them all of five minutes, five minutes to fix that
5 phone, they were within the two-day time limit for my
6 call, but I did get a report back later from a
7 gentleman -- and I'm sorry, I don't remember his name,
8 John something it was signed, and he said that they
9 had investigated and, yes, in reality U S WEST had
10 lied through their teeth. It was a computer problem.
11 There was no lightning problems. And that they had
12 misstated and misquoted everything to us and that we
13 would be receiving one week free service for the
14 inconvenience that we were put through which we were
15 put through considerable inconvenience. One, we had
16 just arrived home from our trip. Our children we
17 could not notify except to use the neighbor's phone,
18 which was a vast inconvenience to her at times to let
19 them know we were home. We could not let our parents
20 know in Montana which we had left that we had arrived
21 home safely. I do have AT&T service that I can call
22 cheaper calls, which I could not use, so in turn I had
23 to pay a higher fee for my long distance call which I
24 used out of my neighbor's phone. I couldn't use my
25 AT&T at all to do that. The U S WEST representative

00220

1 eventually called us and apologized profusely for the
2 inconvenience and the problems, and in the final
3 analysis it was because she had a report she had to
4 make to the Utilities Commission.

5 Now, today I really flipped. I got my
6 phone bill and there's no deduction, which, mind you,
7 is all of maybe four or five dollars. That's not the
8 point. So I thought, well, since this happened August
9 13 and 14 I should have that \$5 or \$4 or whatever
10 taken off my bill on this bill, so I called the
11 billing service which I don't know where it is but
12 it's probably not in this state, and this woman was
13 very indignant when I told her about it and she wanted
14 to know what the problem was, and I stated it to her,
15 and I told her we had the attorney general's office
16 had called and told me we were getting this rate
17 reduction for the inconvenience, and she wanted,
18 commanded, to know why. I called the attorney
19 general's which I couldn't seem to make her understand
20 that since I couldn't get phone service, was refused
21 phone service, that to be corrected that we have no
22 other recourse except to call the attorney general's
23 office, and she proceeded to tell me -- now, I'm going
24 to tell you, I don't know what kind of smarts those
25 people got but she proceeded to tell me that she's

00221

1 going to round off my bill to \$20 a month when it's
2 only \$17 with all the taxes and would consequently
3 give me back five. Now, if my bill is 17 and I only
4 get four back I still would only be paying 13. My God,
5 the woman wants me to pay even more. I mean, this
6 woman has got to go. If I would have been there I
7 would have had her go.

8 I have gotten my bill. I'm going to tell
9 you something. The bills are astronomical. I read in
10 the paper about the local residential line is 10
11 something. It is not. It's 17.07 when they get
12 through adding everything on to you. That's almost
13 double there. Now, the attorney general did send me
14 this particular piece that's laying out here. So I
15 read it over. They want to charge now directory
16 assistance 60 cents a call. You only get one free one
17 a month? That's ludicrous. A lot of older people
18 have trouble with the phone books and sometimes need
19 directory assistance. From what I see I have trouble
20 with it. It keeps getting changed around to the point
21 I can't find half the stuff. The revenues from the
22 Yellow Pages, I wish I could run a business where I
23 could set stuff aside and it was just mine and I
24 didn't have to call it in as part of my business.
25 That's going to be the shareholders' little profit.

00222

1 If it is I want to run down and buy U S WEST stock, I
2 guess.

3 The cost for this phone service is
4 astronomical and the service is terrible. In all the
5 years I've lived there I've never really had to call
6 in but twice and each time I was told check my own
7 phone we can't be bothered to come out to check your
8 line in your yard, we don't do that yet. I pay \$1.95
9 a month for this phone service in house for my lines.
10 That's gone up, but there's no service. And the
11 attitude with U S WEST plain stinks. They've been
12 rude, they've been anything but cooperative.

13 When I went down into that office to talk
14 to those people I actually think the workers were
15 hoping I would give heck to somebody that was in
16 management. Something is going on down there. I do
17 know one thing. When we returned that one time we
18 were looking for one truck and one man working on
19 something. We couldn't find him. If he was there he
20 was doing it at night because we never found him.
21 When we went in the building there was seven men
22 standing around looking wondering what to do yet I'm
23 without a phone. And it doesn't wash. We are
24 required to have a phone or I would take it out.
25 Basically we had a fire next door to my house

00223

1 yesterday afternoon. A very severe one, \$20,000
2 damage. It's a good thing we did have our phone in
3 service. I only live on a 10 house street. Most of
4 my neighbors work. If I hadn't been home that lady's
5 home would have been burned to the ground, so our
6 services are a necessity, not a luxury. Thank you
7 very much.

8 JUDGE STAPLETON: Ms. Monear, are there any
9 questions for this witness?

10

11 EXAMINATION

12 BY COMMISSIONER GILLIS:

13 Q. You mentioned that when you were calling
14 around trying to get some response that you ended up
15 down in Salt Lake and Denver?

16 A. I didn't know they had phone companies down
17 there for us.

18 Q. The company told you to call down there?

19 A. No. That's where you get switched on
20 weekends. If one doesn't answer they just keep
21 switching you all over the country. Basically I was
22 surprised that the phone service is -- Yakima is where
23 your phone call gets through and then from there if it
24 isn't Yakima it's Salt Lake or -- no -- yeah, Salt
25 Lake. Des Moines, Des Moines, Iowa. That's where it

00224

1 was then. Salt Lake. So it's very confusing. Thank
2 you.

3 JUDGE STAPLETON: Thank you for your
4 testimony, Ms. Monear.

5 MR. TROTTER: Jim Keithley.

6 Whereupon,

7 JAMES KEITHLEY,
8 having been first duly sworn, was called as a witness
9 herein and was examined and testified as follows:

10

11 DIRECT EXAMINATION

12 BY MR. TROTTER:

13 Q. Could you please state your name and spell
14 your last name.

15 A. James Keithley, last name is spelled K E I
16 T H L E Y, and I am representing Crown Plating,
17 Incorporated located at 4221 Northeast St. Johns
18 Boulevard, Unit G in Vancouver. And on a personal
19 note I've got three teenage boys so I have to have
20 phone service. So it's a necessity. As far as
21 service goes in the company I'm employed by I don't
22 handle the phone service. I can tell you that there's
23 been three incidents where I've heard of bad phone
24 service to people who worked with me, and where my
25 wife is employed they had a problem connecting lines,

00225

1 but I don't handle that aspect of the business.

2 As far as the part that I do handle, I
3 handle things like this where we may face a higher
4 charge and I'm supposed to come down here and find out
5 why. As far as the rate increase, in the company I
6 work for if I tried to increase my prices 100 percent
7 over four years we would go out of business. That's
8 bad business, and if you don't have a captive customer
9 base you won't get away with that and U S WEST is a
10 company, profit making company. It shouldn't be
11 allowed to get away with that.

12 As far as business rates I see, if my
13 understanding is correct, it would be lowered for us.
14 The company I work for I'm sure will go on record as
15 saying we don't want a decrease in our rates on the
16 backs of the consumer. We're doing fine with the
17 phone service we have. We'll pay our rates.

18 As far as directory assistance -- I didn't
19 have time to put anything together so I'm going to
20 wing this here. As far as directory assistance goes,
21 being in business we don't give any service away. We
22 shouldn't ask anybody to give a service away. They
23 should drop that four free, just charge you from the
24 get-go 15, 20 cents a pop for directory assistance.
25 That is a service they're providing. They shouldn't

00226

1 be forced to give anything away.

2 As far as the one percent late fee, 1.2
3 percent late fee, in business, in our business, we
4 don't do it but in our business some people do charge
5 that. On a 30-day net they charge you one percent
6 late fee. I think U S WEST should be entitled to do
7 that to businesses, not to private consumers because
8 usually when a consumer doesn't pay his own bill it is
9 because he doesn't have money. It doesn't make sense
10 to charge him more money when he doesn't have the
11 money to pay his phone bill.

12 As far as the overall plan, \$205 million
13 over four years seems like an excessive amount to ask
14 for, and as far as keeping the revenues of the Yellow
15 Pages, that's ludicrous to even ask that because we
16 can't keep a part of our company -- part of our income
17 in the company for profit. We just can't do it. It's
18 all the company's money and it goes to run the
19 company. So it's all in all a bad business practice.

20 JUDGE STAPLETON: Any questions for this
21 witness?

22 CHAIRMAN NELSON: For the record, Mr.
23 Keithley, are you the controller of Crown Plating?

24 THE WITNESS: No. You would probably call
25 me the environmental coordinator. However, I'm more

00227

1 or less a jack-of-all-trades. I go everywhere that I
2 need to go for public hearings and that Crown
3 Plating's views be known, and on this one here I see
4 it's a decrease for business but we don't need that
5 decrease.

6 JUDGE STAPLETON: Thank you for your
7 testimony, sir.

8 MR. TROTTER: Are there any additional --
9 I believe I've gone through the people
10 that signed up and checked the yes box, but I notice
11 some people came in later. It's not required that you
12 sign up in order to testify. You're free to come up
13 and even those that checked no, if you wish to testify
14 now that's fine as well, so I will just ask if there's
15 anyone present that does wish to come up and make
16 their comments to the Commission at this time.

17 Whereupon,

18 CLAY WHEELER,
19 having been first duly sworn, was called as a witness
20 herein and was examined and testified as follows:

21

22 DIRECT EXAMINATION

23 THE WITNESS: My name is Clay Wheeler. I
24 live near the Ridgefield junction. My address is 612
25 Northwest 264th Street. We have lived there for

00228

1 approximately 23 years, and I think that we've had
2 phone service from U S WEST all during that time.
3 We've had a problem or two. It's been fixed promptly.
4 I have no complaint as far as their service that way
5 is concerned, but I would like to address this rate
6 increase. As the gentleman before me just stated, 100
7 percent increase in four years is a bit astronomical.
8 Now, I'm sure that when someone comes before you to
9 ask for a rate increase or an increase in their income
10 that they're going to ask for far more than they hope
11 to get. I don't know where the money comes from in a
12 phone company. I know nothing about running a phone
13 company. I do know that on television in the past few
14 months that we have seen ad after ad after ad of
15 switch your long distance calling to me, switch to me
16 and you can call for 10 cents a minute, switch to me
17 and we've got this circle which you can call for
18 practically nothing.

19 Now, I am a bit suspicious that the rate
20 increase on the individual phone is being asked to
21 make up for the losses that somebody is giving away in
22 long distance, and I would definitely investigate that
23 if I were you. There are many people that have to
24 have a phone. There are people that are on fixed
25 incomes that a doubling of the rate on their phone

00229

1 would make it impossible for them. You can't really
2 get along these days without some communication with
3 the outside world. And I would urge you to disallow
4 this rate increase. I thank you very much.

5 JUDGE STAPLETON: Thank you, Mr. Wheeler.

6 MR. TROTTER: Is there anyone else who is
7 present that wishes to testify at this time?

8 Whereupon,

9 CRAIG FRY,

10 having been first duly sworn, was called as a witness
11 herein and was examined and testified as follows:

12 THE WITNESS: I just have a quick comment
13 and suggestion.

14

15 DIRECT EXAMINATION

16 BY MR. TROTTER:

17 Q. Before you get started if you could give us
18 your name and address.

19 A. My name is Craig Fry. Address is 8631
20 Northwest, Greenbiar Drive, Vancouver.

21 Q. How do you spell your last name?

22 A. F R Y. I just have a quick suggestion on
23 your proposed late fee of 1.2 percent per month.
24 Instead of trying to make your 204 million dollars on
25 this rate increase why not increase the late fee

00230

1 charge to say 5 or 6 percent and make your money that
2 way. Makes a lot more sense than charging us the
3 consumer all this extra money. So that's it.

4 MR. TROTTER: Thank you. Anyone else
5 present that wishes to comment that has not yet taken
6 the chance to do so? That concludes the list that we
7 have.

8 JUDGE STAPLETON: Thank you, Mr. Trotter.
9 As Mr. Trotter noted earlier, the Commission will hold
10 public hearings beginning in October 30 and running
11 through November 10 to cross-examine the witnesses of
12 all of the parties in this proceeding, and the
13 Commission must issue a decision before January 21,
14 1995. Thank you all very much for your testimony.
15 Thank you for coming this evening.

16 CHAIRMAN NELSON: Thank you all.

17 JUDGE STAPLETON: We'll stand adjourned.

18 (Hearing adjourned at 7:55 p.m.)

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