

Docket No. UT-081393
United's Response to AT&T Data Request No. 96
Date 5/20/2009
Preparer: Henry Roth

AT&T 3-96 Provide the vintage for each material price found in "Highly Confidential
LoopMaterial_WA.xls."

RESPONSE:

The vintage is October 2008.

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United's Response to AT&T Data Request No. 133

Date 5/27/2009

Preparer: Henry Roth – Director Economic Costing

AT&T 4-133 Please explain how service order plant related costs are identified and removed in developing maintenance expense factors.

RESPONSE:

Service Order costs are recorded to 4 specific ledger accounts. A unique account exists for Digital Switching, Circuit Equipment, one account exists for all Aerial Cable service order work and one account exists for all Buried Cable service order work. The non-recurring expenses in these specific accounts are excluded when developing maintenance expense factors.

Docket No. UT-081393
United's Response to AT&T Data Request No. 134
Date 5/27/2009
Preparer: Henry Roth – Director Economic Costing

AT&T 4-134 Explain the values for SO Plant Related Costs used to develop
Maintenance Factors found in the Input Module.

RESPONSE:

See United's response to AT&T 3-104.

Docket No. UT-081393
United's Response to AT&T Data Request No. 104
Date 5/20/2009
Preparer: Henry Roth

AT&T 3-104 Describe the entries in Cells H35, H43, H53 and H61 found in the "Expenses_Revenues" worksheet of the Input Module and explain why they have zero values.

RESPONSE:

The Service Order line item expenses have been excluded from the category expenses for aerial drop, buried drop, circuit and switching. The expenses are presented net of service orders expenses. See also Column G on page 172, an additional adjustment for Service Order expenses is not included.

Docket No. UT-081393
United's Response to AT&T Data Request No. 105
Date 5/20/2009
Preparer: Henry Roth

AT&T 3-105 Describe the source of input data found in the "ACF," "Expenses_Revenues," "Main_Factors," "SwitchWireCenters," "SwitchInputs," "Switch_Unit_Pricing," "Power," "TransInputs," "TransTermConfig," "TransTermMaterial," "Trans_Rings," "Labor_Rates," "M13," "Channel_Bank" and "LoopWCData worksheets of the Input Module. Also, provide all supporting documents for the input data.

RESPONSE:

The sources for the input data are identified in each worksheet. Workpapers supporting these inputs were provided with the model; no further work papers are available.

Docket No. UT-081393
United's Response to AT&T Data Request No. 103
Date 5/20/2009
Preparer: Henry Roth

AT&T 3-103 Provide Embark's current-to-booked investment ratios for the accounts (Lines 26-40) shown in the "ACF" worksheet of the Input Module.

RESPONSE:

Column C of the ACF worksheet reflects the most currently developed Maintenance Factors for the accounts listed on lines 26-40. These factors are based on 2007 ledger data for both expense and investment. See page 172 for the detail of the factor development.

Docket No. UT-082119
Response to Public Counsel Data Request No. 48
Date 1/23/2009
Preparer: Clay Bailey

PC-48 Paragraph 17 of the Application states that "[t]he Transaction will result in a combined enterprise that can achieve greater economies of scale and scope than the two companies operating independently." Please explain the source(s) of these greater economies of scale and scope, what this conclusion was based on, and how it was reached.

RESPONSE: Economies of scale and scope are associated with the annual synergy savings the combined company expects to realize. These synergy savings have been estimated at \$400 million annually after conversions are completed and synergies are completely realized. The financial changes associated with the proposed transaction are primarily limited to operating cost savings, increased purchasing power, increased penetration of existing products and introduction of new products. Of the \$400 million annual synergy savings, \$300 million are annual expense synergies and \$30 million are capital expense synergies. The estimated synergy savings were calculated on a total company level and not for Washington specifically. Also, please see **HIGHLY CONFIDENTIAL** Attachment PC-48.

REDACTED

**Attachment PC-48 is Redacted
in its Entirety**

Docket No. UT-081393
United's Response to AT&T Data Request No. 123
Date 5/27/2009
Preparer: Henry Roth – Director Economic Costing

AT&T 4-123 Please provide documentation showing how the synergies claimed at http://www.centurytel.com/Pages/AboutUs/PressRoom/pressRelease.jsp?page=Corporate/Press_Release66.html related to the recently agreed merger with CenturyTel have been incorporated into the United Economic Cost Model ("ECM") inputs.

RESPONSE:

The merger is not approved nor have any synergies been realized. In addition, the synergy estimate cited is an estimate of synergy savings for the combined companies (not just United) and is on a national level, not specific to any particular operating company (e.g., United in the State of Washington). Just as United has not explicitly incorporated synergy savings, neither has it included any anticipated merger integration expenses, inflation increases, anticipated contract renewal increases, unrealized efficiency savings. United operates at a heightened level of efficiency today, that efficiency is incorporated into the cost study and is reflected in the resulting MOU costs for intrastate switched access. United has developed an efficient forward-looking network design reflective of its operations in Washington.