



CenturyLink™

July 16, 2012

VIA HAND DELIVERY

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED FPSC
12 JUL 16 PM 4:17
COMMISSION
CLERK

Re: Docket No. 090538-TP - AMENDED COMPLAINT OF QWEST COMMUNICATIONS COMPANY, LLC AGAINST MCIMETRO ACCESS TRANSMISSION SERVICES (D/B/A VERIZON ACCESS TRANSMISSION SERVICES); TW TELECOM OF FLORIDA, L.P.; GRANITE TELECOMMUNICATIONS, LLC; BROADWING COMMUNICATIONS, LLC; BIRCH COMMUNICATIONS, INC.; BUDGET PREPAY, INC.; BULLSEYE TELECOM, INC.; DELTACOM, INC.; ERNEST COMMUNICATIONS, INC.; FLATEL, INC.; NAVIGATOR TELECOMMUNICATIONS, LLC; PAETEC COMMUNICATIONS, INC.; SATURN TELECOMMUNICATIONS SERVICES, INC. D/B/A EARTHLINK BUSINESS; US LEC OF FLORIDA, LLC; WINDSTREAM NUVOX, INC.; AND JOHN DOES 1 THROUGH 50, FOR UNLAWFUL DISCRIMINATION.

Dear Ms. Cole:

Enclosed for filing in the above referenced docket matter is the original and fifteen (15) copies of CenturyLink QCC's Redacted Supplemental Direct Testimony and Exhibits for the following:

1. Derek Canfield, Exhibits DAC-31 and DAC-32 (Redacted) *DN 04718-12*
2. William R. Easton, Exhibits WRE-1C, WRE-45, and WRE-46 (Redacted) *DN 04719-12*

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same.

Copies are being served upon the parties in this docket pursuant to the attached certificate of service.

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 TEL _____
 CLK _____

Sincerely,

Susan S. Masterton
Susan S. Masterton

Enclosures

SUSAN S. MASTERTON
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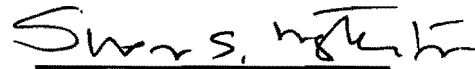
FPSC-COMMISSION CLERK

**CERTIFICATE OF SERVICE
DOCKET NO. 090538-TP**

I hereby certify that a true and correct copy of the foregoing has been served upon the following via U. S. Mail and/or *Hand Delivery on this 16th day of July, 2012.

<p>Florida Public Service Commission Theresa Tan Office of General Counsel 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 ltan@psc.state.fl.us</p>	<p>Division of Regulatory Analysis Jessica Miller Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399 JEMiller@psc.state.fl.us</p>
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<p>Klein Law Group Andrew M. Klein/Allen C. Zoracki 1250 Connecticut Ave. NW, Suite 200 Washington, DC 20036 AKlein@kleinlawPLLC.com azoracki@kleinlawpllc.com</p>	<p>Flatel, Inc. c/o Adriana Solar Executive Center, Suite 100 2300 Palm Beach Lakes Blvd. West Palm Beach, FL 33409-3307 asolar@flatel.net</p>
<p>Verizon Access Transmission Services Rebecca A. Edmonston 106 East College Avenue, Suite 710 Tallahassee, FL 32301-7721 rebecca.edmonston@verizon.com</p>	<p>Paula W. Foley One Communication--Earthlink 5 Wall Street Burlington, MA 01803 pfoley@corp.earthlink.com</p>
<p>Verizon Florida LLC Dulaney L. O'Roark III 5055 North Point Parkway Alpharetta, GA 30022 de.oroark@verizon.com</p>	<p>PaeTec Communications, Inc. John B. Messenger, Vice President and One PaeTec Plaza 600 Willowbrook Office Park Fairport, NY 14450-4233 john.messenger@paetec.com</p>

<p>Navigator Telecommunications, LLC David Stotemyer 8525 Riverwood Park Drive North Little Rock, AR 72113</p>	<p>Budget Prepay, Inc. Alan G. Gold 1501 Sunset Drive 2nd Floor Coral Gables, FL 33143 agold@acgoldlaw.com</p>
<p>Ms. Bettye Willis Windstream 1201 West Peachtree St., Suite 610 Atlanta, GA 30309 bettye.j.willis@windstream.com</p>	<p>*Gunster, Yoakley & Stewart, P.A. Matthew J. Feil 215 South Monroe Street, Suite 601 Tallahassee, FL 32301 mfeil@gunster.com</p>
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Susan S. Masterton
Susan S. Masterton

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF FLORIDA

In re: Amended Complaint of Qwest Communications Company, LLC against MCImetro Access Transmission Services (d/b/a Verizon Access Transmission Services); tw telecom of florida, l.p.; Granite Telecommunications, LLC; Broadwing Communications, LLC; Birch Communications, Inc.; Budget Prepay, Inc.; BullsEye Telecom, Inc.; DeltaCom, Inc.; Ernest Communications, Inc.; Flatel, Inc.; Navigator Telecommunications, LLC; PaeTec Communications, Inc.; Saturn Telecommunications Services, Inc. d/b/a Earthlink Business; US LEC of Florida, LLC; Windstream Nuvox, Inc.; and John Does 1 through 50, for unlawful discrimination.

DOCKET NO. 090538-TP

Filed: July 16, 2012

SUPPLEMENTAL DIRECT TESTIMONY OF DEREK CANFIELD

ON BEHALF OF

QWEST COMMUNICATIONS COMPANY, LLC

Filed: July 16, 2012

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04718 JUL 16 2012

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I. INTRODUCTION

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

2 My name is Derek Canfield. I am employed by TEOCO Corporation (TEOCO) as
3 Executive Director of Usage Audit and Analysis. My business address is 10955
4 Lowell Ave Ste 705, Overland Park, KS, 66210.

5 **II. PURPOSE OF DIRECT TESTIMONY**

6 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

7 A. On June 14, 2012, I filed Direct Testimony in this Docket. On that same day, the
8 Commission granted QCC's request to add Saturn Telecommunications Services, Inc.
9 d/b/a Earthlink Business ("Saturn") as a respondent in this case, in lieu of its affiliate
10 STS Telecom, LLC. Subsequently, the Commission set July 16, 2012 as the date for
11 both Saturn and QCC to file supplemental direct testimony addressing QCC's claims
12 against Saturn.

13 Accordingly, this Supplemental Direct Testimony expands my Direct Testimony to add
14 a discussion of Saturn's rate treatment of QCC. Mr. Easton is likewise filing
15 Supplemental Direct Testimony regarding Saturn.

16 **III. CLEC BY CLEC ANALYSIS**

17 **N. Saturn Telecommunications Services**

18 **Q. PLEASE DESCRIBE THE SATURN TELECOMMUNICATIONS SERVICES,**
19 **INC. (SATURN) AGREEMENT AT ISSUE IN THIS CASE?**

20 A. Saturn has an off-price list agreement for intrastate switched access with [REDACTED] in the
21 state of Florida. A copy of the agreement is attached to the Supplemental Direct
22 Testimony of William Easton as Exhibit WRE 45.

23

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1 Q. WAS QCC BILLED AT THE SAME RATES CONTAINED WITHIN THE OFF-
2 PRICE LIST AGREEMENT?

3 A. No. QCC was billed at rates higher than those set forth in these agreements.

4 Q. WHAT WAS THE RELEVANT TIME FRAME OF THE AGREEMENTS?

5 A. I understand the agreement with [REDACTED] to have a beginning effective date of [REDACTED]

6 [REDACTED] I was able to obtain invoices starting in [REDACTED]

7 Thus, the relevant timeframe for my current analysis is [REDACTED] through [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 Q. PLEASE DESCRIBE SATURN'S BILLING TO QCC DURING THIS PERIOD
11 OF TIME?

12 A. For invoices dated from [REDACTED] through [REDACTED], Saturn billed QCC for
13 [REDACTED] for intrastate switched access in Florida. Saturn billed individual composite
14 rates for switched access. Both originating and terminating switched access were billed
15 at a rate of \$.035 or \$.03 depending on the relative time frame of the usage. The current
16 rates for these elements are found in section 3.9 of Saturn's Florida price list, a copy of
17 which is attached to the Direct Testimony of William Easton as Exhibit WRE 46.

18 Q. WHAT RATES DID THE SATURN OFF PRICE LIST AGREEMENTS
19 CONTAIN?

20 A. Saturn's agreement with [REDACTED] defines the effective rate as [REDACTED]

21 [REDACTED] For 800 database queries the rate is

22 [REDACTED]

23 Q. WHAT WAS THE FINANCIAL IMPACT TO QCC OF THE AT&T
24 AGREEMENT?

REDACTED

1 A. By virtue of billing QCC the higher rates, Saturn billed [REDACTED] more to QCC than it
2 would have billed to [REDACTED] for the exact same set of minutes during the relevant time
3 frame. I found that QCC was charged [REDACTED] percent higher than was [REDACTED]. My
4 calculation is summarized at Exhibit DAC-31 and DAC-32. Exhibit DAC-31 is a month-
5 by-month summary of the overcharge, while Exhibit DAC-32 provides a more granular
6 analysis and is divided by category (8XX database query, originating access, terminating
7 access), by month and by type of invoice (electronic or manual).

8 **Q. HOW WAS THIS FINANCIAL IMPACT CALCULATED?**

9 A. For 95 percent of the minutes and dollars, QCC had received the electronic bill detail
10 needed to complete the calculation. Thus, I simply extracted the minutes from the
11 switched access invoices and multiplied the minutes by the contract rate to derive the
12 amount QCC would have been billed had QCC enjoyed the same discount Saturn was
13 providing to the preferred IXC. The financial impact, therefore, was calculated by
14 subtracting the amount QCC would have been billed at the contract rate from the amount
15 it was actually billed. The electronic invoices also provided me with information as to
16 what percentage of Saturn's total monthly invoices was comprised of intrastate switched
17 access charges (including intrastate 800 query charges). In this instance, that percentage
18 was 87 percent.

19 For the remaining 5 percent of the minutes and dollars included in my analysis, QCC had
20 access only to the total dollars billed on a particular invoice. For this subset of invoices,
21 I applied the percentage of intrastate switched access from the electronic invoices
22 discussed above (i.e., 87 percent) to the total amount of the manual bills to derive a
23 reasonable estimate of the intrastate switched access charges on those manual invoices. I
24 then applied the previously mentioned [REDACTED] percent variance calculated from the electronic

REDACTED

1 invoice detail to determine the financial impact of this remaining 5 percent.

2 **Q. WERE THERE ANY OTHER FACTORS INCLUDED IN YOUR ANALYSIS?**

3 A. Yes. [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

REDACTED

IV. UPDATED FINANCIAL SUMMARY

1
 2 **Q. PLEASE SUMMARIZE YOUR ANALYSIS OF THE CLECS IN THIS**
 3 **COMPLAINT.**

4 A. The analysis presented above (and it my Direct Testimony) quite simply applied the
 5 discounts provided by the respondent CLECs to their preferred IXC customers to the
 6 switched minutes of use billed by the respective CLEC to QCC in the state of Florida.
 7 The variance between the amounts billed to QCC and the amounts calculated in the
 8 analysis reflects the amount QCC was overcharged during the time analyzed. As I
 9 mentioned previously, these calculations will need to be updated and brought current at a
 10 later stage of the case. The table below summarizes this analysis.

11	CLEC	FROM	THROUGH	BILLED	OVERCHARGE
12	[BEGIN LAWYERS ONLY CONFIDENTIAL]				
13	BROADWING/FOCAL	████████	████████	████████	████████
14	[END LAWYERS ONLY CONFIDENTIAL]				
15	BUDGET	████████	████████	████████	████████
16	BULLSEYE	████████	████████	████████	████████
17	DELTACOM	4/1/2004	3/31/2012*	████████	████████
18	ERNEST	████████	████████	████████	████████
19	FLATEL	████████	████████	████████	████████
20	GRANITE	████████	████████	████████	████████
21	MCI	1/27/2004	1/26/2007	████████	████████
22	NAVIGATOR	6/21/2002	3/31/2012*	████████	████████
23	PAETEC	1/26/2002	6/20/2011	████████	████████
24	SATURN	████████	████████	████████	████████
25	TIME WARNER	1/1/2001	1/1/2008	████████	████████
26	US LEC	3/14/2002	6/30/2011	████████	████████
27	WINDSTREAM NUVOX	1/1/2002	3/31/2012*	████████	████████
28	TOTAL			████████	████████

REDACTED

1 (* indicates that the calculations need to be updated to reflect later time periods.)

2 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

3 **A.** Yes, it does.

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ASSUMPTIONS

- 1) The percentage intrastate usage charges of total usage is the same for manual invoices as for electronic invoices.
- 2) The percentage variance when applying the contract rate is the same for manual invoices as for electronic invoices.
- 3) 84.03% of the minutes are tandem routed.
- 4) The average transport mileage for tandem routed traffic was 1 miles.
- 5) 100% of the traffic originates or terminates in the Bellsouth territory.
- 6) Applied the Saturn - AT&T agreement rates.



Manual

A table with a header row containing the word 'Manual'. Below the header, there are ten rows, each containing the letters 'FL'. The table is surrounded by large black rectangular redaction boxes on the left, right, and top.

ASSUMPTIONS

- 1) The percentage intrastate usage charges of total usage is the same for manual invoices as for electronic invoices.
- 2) The percentage variance when applying the contract rate is the same for manual invoices as for electronic invoices.
- 3) 84.03% of the minutes are tandem routed.
- 4) The average transport mileage for tandem routed traffic was 1 miles.
- 5) 100% of the traffic originates or terminates in the Bellsouth territory.
- 6) Applied the Saturn - AT&T agreement rates.