

EXHIBIT 1 TO ALLTEL'S MOTION TO COMPEL –
BERESFORD

CONTAINS: RELEVANT RESPONSES TO ALLTEL'S
INTERROGATORIES AND REQUEST FOR PRODUCTION
DATED FEBRUARY 29, 2008

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE PETITION OF
BERESFORD MUNICIPAL TELEPHONE
COMPANY FOR ARBITRATION
PURSUANT TO THE
TELECOMMUNICATIONS ACT OF 1996
TO RESOLVE ISSUES RELATING TO
AN INTERCONNECTION AGREEMENT
WITH ALLTEL, INC.**

DOCKET No. TC 07-113

**BERESFORD MUNICIPAL TELEPHONE
COMPANY'S RESPONSES TO
ALLTEL'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF
DOCUMENTS**

FIRST SET OF INTERROGATORIES MADE BY ALLTEL

DR 1 For each Data Request, identify each person who assisted in the preparation of these responses, or who provided information for the purpose of preparing these responses.

RESPONSE: These responses were prepared by Consortia Consulting, Vantage Point Solutions, General Manager Todd Hansen, and undersigned counsel. Consortia Consulting assisted with those responses pertaining to the FLEC study. Vantage Point Solutions assisted with those responses pertaining to the InterMTA analysis and the FLEC study.

DR 2 Provide 2007 minute of use data by Petitioner terminating CLLI code. State the type of traffic (i.e., intra-exchange voice traffic, intra-exchange dial-up ISP traffic, inter-exchange local and/or EAS, CMRS, intrastate toll, and interstate toll) whether the reported data are actual measured or estimated, and identify the records that support the responses. If 2007 usage is not available provide data for the most current period measured for each type of traffic.

- (a) To the extent the MOU data provided differs from the MOU data used in Petitioner's cost study filed in this proceeding, explain and reconcile the differences.
- (b) To the extent the MOU data provided herewith are actual, identify all usage terminating to an ISP trunk group.
- (c) To the extent the MOU data are actual, identify all usage originated to Alltel and the trunk group that carries that traffic to Alltel.
- (d) To the extent the MOU data provided is an estimate, explain the method by which ISP-bound traffic (i.e., dial-up internet traffic) estimate was derived.

OBJECTION AND RESPONSE: Petitioner objects to this request on the basis that it is overly broad and unduly burdensome. Without waiving this objection,

objects to this request on the basis that it is not reasonably calculated to lead to the discovery of relevant or admissible evidence. The requirements for the development of a FLEC study does not require consideration of Universal Service and therefore receipt of any such funding is irrelevant and immaterial to the issues identified in this arbitration proceeding.

DR 10 Provide copies of all documents upon which you rely to support your answers to all Data Requests.

RESPONSE: See exhibits attached hereto and identified herein.

DR 11 Provide complete cost models, cost schedules, work papers or other documentation underlying switching “price inputs” contained in the “Price Inputs” spreadsheet of each of your FLEC Model. This documentation should identify:

- (a) Composition of Switch Processor prices in terms of quantities and unit investments for hardware and software. (Provide separately quantities and unit investments for standalone, host and remote switches.)
- (b) Composition of Trunk Card prices in terms of quantities and unit investments for hardware and software, if any.
- (c) Various “loading” factors used, such as engineering and installation factors, sales tax factors, miscellaneous construction cost factors and others.
- (d) Composition of other switch investments, if any.

RESPONSE: See Exhibit E attached hereto and incorporated herein by this reference.

DR 12 Provide the sources of unit investments identified in DR11. These may include analyses of actual switch investments, analyses of vendor quotes, analyses based on vendor switch configuration models used for construction estimates or others.

RESPONSE: The source of the unit investment associated with the switch electronics estimates is based upon a composite of proposals received from switching electronics vendors for entities other than Beresford Municipal Telephone Company. The pricing utilized is specific to projects of similar size and scope to the Beresford Municipal Telephone Company network.

DR 13 Provide vendor or other documentation describing the engineering of “Switch Processor” hardware and software components in terms of the following:

- (a) Whether the capacity (and costs) of hardware or software components are demand volume-sensitive or volume-insensitive.

DR 20 Describe these equipment categories – base, line and tributary – in terms of the function of the category and the types of equipment included in the category (racks, shelves, power, wiring, plug-ins by bandwidth, *etc.*).

RESPONSE: For the “Inter-Exchange Transport” electronics, the cost estimates for this equipment were divided into three categories: Base Cost, Line Cost, and Tributary Cost. The Base Cost estimates for the Inter-Exchange Transport electronics included “common” components for a SONET network element. These base costs may include, but are not limited to, items such as the SONET equipment chassis, timing and synchronization cards, switch fabric cards, processor cards, power supplies, and cooling fan assemblies.

The Line Cost estimates for the Inter-Exchange Transport electronics include the OC-192 circuit interface cards and associated miscellaneous materials such as fiber patch cables. The purpose for these circuit interface cards is to facilitate the communication between adjacent SONET network elements.

The Tributary Cost estimates for the Inter-Exchange Transport electronics include any circuit interface cards required to provide the necessary ports to add or drop the appropriate circuits at each respective location.

DR 21 Provide the complete cost models, cost schedules, work papers or other documentation underlying switched transport electronics by exchange and for the three equipment categories. This documentation should identify:

- (a) Composition of the investment (by exchange and equipment category) in terms of equipment items (name and description), quantities and unit investments.
- (b) Basis for equipment item quantities in terms of total demand and the engineering parameters used to determine quantities needed to serve total demand.
- (c) Source of unit investments; *e.g.*, analyses of actual switched transport electronics installations, analyses of vendor quotes, analyses based on vendor configuration models or other.

RESPONSE: See Exhibit F attached hereto and incorporated herein by this reference.

DR 22 Confirm that the following switched trunks (DS0s) are consistent with the total interoffice minutes of use, such that the resulting minutes of use/trunk is a valid measure of trunk usage. If not, provide consistent quantities.

RLEC	Switched Trunks	Total IO MOU	MOU/Trunk
Beresford Municipal Tel.	164	8,203,591	50,022

RESPONSE: The switched trunks are consistent with the total interoffice minutes of use.

DR 23 Provide your current or most recent measure of interoffice trunk utilization (annual MOU/trunk) and the supporting work papers used to compute the measure.

OBJECTION AND RESPONSE: Petitioner objects to this request on the basis that it is overly broad and unduly burdensome. Petitioner further objects to this request on the basis that it seeks information which is not required in conformance with the development of a FLEC analysis. Petitioner further objects to the extent that such request improperly suggests that the Petitioner has a duty to continuously update its FLEC study as each input becomes more currently available.

DR 24 Provide a breakdown of the special circuit (paths) quantities by bandwidth as shown in the table below.

RLEC	Special Circuits (paths)	DS0	DS1	DS3	OC3	OC12	OC48
Beresford Municipal Tel.	22						

OBJECTION AND RESPONSE: Petitioner objects to this request on the basis that it is overly broad and unduly burdensome. Petitioner further objects to this request on the basis that it seeks information which is not required in conformance with the development of a FLEC analysis. Without waiving this objection, the special circuit paths consist of 2 DS-0 paths and 20 DS-1 paths.

DR 25 For each special circuit bandwidth describe the proportion of OC-192 equipment capacity consumed by one circuit of each bandwidth. Provide capacity consumption separately for common equipment and plug-ins. (For example, a DS0 special circuit may consume 1/(24 X % engineering fill) of a DS1, a DS1 may consume 1/(84 X % engineering fill) of an OC3 plug-in; and, an OC3 plug-in may require one slot on the OC-192 common equipment. Likewise, an OC3 special circuit may require one OC3 plug-in and consume one slot of common equipment.)

OBJECTION: Petitioner objects to this request on the basis that it seeks information which is neither relevant nor reasonably calculated to lead to the discovery of relevant or admissible evidence. Petitioner further objects to this request on the basis that it seeks information which is not related to the FLEC study used in connection with this proceeding.

DR 26 Provide a copy of the documentation describing the architecture, equipment and engineering rules/parameters for the OC-192 transport system represented in your cost studies, or for one commonly used.

OBJECTION AND RESPONSE: Petitioner objects to this request to the extent that it seeks information which is confidential and proprietary and is the subject of a third-party non-disclosure agreement. Petitioner further objects to this request to the extent that it seeks information that is equally available to Alltel and the burden on Alltel to obtain the requested information is no greater than the burden on Petitioner. Without waiving these objections, the OC-192 SONET electronics included in the estimates for the Forward Looking Economic Cost (FLEC) model is available from a number of vendors including Alcatel-Lucent, Cisco Systems, Fujitsu Network Communications, and Nortel Networks. These vendors provide detailed product documentation to consultants and telecommunications service providers within the confines of a Non-Disclosure Agreement. The requested information can be obtained directly from these vendors.

DR 27 Confirm the following for your cost study and if incorrect, identify how and why it is incorrect:

- (a) Switched transport electronics investment (\$424,600) reflects an OC-192 transport system.
- (b) The OC-192 transport system carries Beresford's 164 switched trunks (DS0s) and 22 special circuits (paths).
- (d) The OC-192 transport system also carries additional transiting circuits. The file, "Copy of SD Beresford Fiber Transiting Table.xls" indicates there are 463 additional circuits (471 total circuits less 8 SDN circuits).

If the above is correct, explain why no switched transport electronics costs are attributed to the additional transiting circuits (item C).

RESPONSE: The statements set forth in subparts (a), (b) and (d) above are correct.

No costs were attributed to item C because there is no item C. Petitioner assumes that item C is actually subpart (d). The South Dakota Beresford Fiber Transiting Table calculates the percentage of fiber miles used for interoffice transport purposes as 54.5% and for non-transport purposes as 45.5%. The same table calculates the percentage of circuit miles used for

transiting as 71.3% and for Beresford as 28.7%. The interoffice transport allocation, including consideration of both fiber and circuit allocation, is 54.5% times 28.7% or 15.6%. The remaining 84.4% is allocated to non-interoffice transport. These allocation percentages appear in the model input as Transport Plant Division.

DR 28 Provide the bandwidth of the additional transiting circuits (463) for you.

OBJECTION AND RESPONSE: Petitioner objects to this request on the basis that it seeks information that is irrelevant to this proceeding and is not reasonably calculated to lead to the discovery of relevant or admissible evidence.

DR 29 Provide the rationale for excluding the 8 SDN circuits from the quantity of additional transiting circuits for Beresford.

RESPONSE: The 8 SDN circuits were excluded from the transiting circuits but were included in the special access circuits.

DR 30 Provide measures of utilization of OC-192 transport electronics underlying the FLEC Model as shown in the following table.

	OC-192 Nominal Capacity - DS1s	Average Equipped Capacity (DS1s)	% Equipped Capacity of Nominal Capacity	DS1- Equivalents in Service	% Utilization of Equipped Capacity
RLEC					
Beresford Municipal Tel.		5,376			

OBJECTION: Petitioner objects to this request on the basis that it seeks information which is neither relevant nor reasonably calculated to lead to the discovery of relevant or admissible evidence. Petitioner further objects to this request on the basis that it seeks information which is not related to the FLEC study used in connection with this proceeding.

DR 31 Indicate whether switched transport electronics direct expenses include expenses for both *transport electronics maintenance/repair* and *provisioning of retail services* (e.g., establishing private lines and special service circuits). If so, provide an estimate of the *percentage of transport electronics direct expenses attributable to activities for retail services*.

RESPONSE: No.

DR 32 Provide the cost models, cost schedules, work papers or other documentation showing the components and costs of the urban and rural cable investments per foot.

RESPONSE: See Exhibit G attached hereto and incorporated herein by this reference.

DR 33 Indicate whether you shares cable structures (trenches, conduit, poles) with other utilities, telecommunications carriers or affiliates.

RESPONSE: Interoffice cable structures are not shared with other utilities, telecommunications carriers or affiliates.

DR 34 Indicate whether multiple cables (metallic or non-metallic) share your cable structures.

RESPONSE: Multiple cables are not included in the cable structures.

DR 35 Indicate whether a portion of cable structures costs was allocated to users or uses other than interoffice cable in developing the urban and rural cable investments per foot.

RESPONSE: No.

DR 36 Provide cable investments per foot (urban and rural) for 12- and 24-fiber buried fiber cables, similar to the 48-fiber cable (BFO48) investments per foot reflected in the FLEC Models.

OBJECTION: Petitioner objects to this request on the basis that it seeks information which is neither relevant to this proceeding nor is it likely to lead to the discovery of relevant or admissible evidence. Petitioner further objects to this request to the extent that it seeks information that is equally available to Alltel and the burden on Alltel to obtain the requested information is no greater than the burden on Petitioner.

DR 37. In computing the % of fiber-miles in service for transport (vs. non-transport), provide the rationale for not including the fiber-miles used by digital loop carrier (DLC) in the total fiber-miles in service (*i.e.*, the denominator or total demand for fiber-miles)?

RESPONSE: The forward looking engineering design does not include DLC fibers in the interoffice transport plant.

DR 38 Provide the current or most recent average quantity of trunks or DS0 circuits per DS1. Provide source data and supporting calculations.

OBJECTION: Petitioner objects to this request on the basis that it seeks information which is neither relevant to this proceeding nor reasonably likely to lead to the discovery of relevant or admissible evidence.

DR 39 Provide the current or most recent average quantity of switched lines per common transport trunk or DS0 circuit.

OBJECTION: Petitioner objects to this request on the basis that it seeks information which is neither relevant to this proceeding nor reasonably likely to lead to the discovery of relevant or admissible information.

DR 40 Beresford Municipal Telephone's network diagram (Beresford FLEC:00006) indicates that the SDN meet point is in the Beresford central office. Beresford allocates 15.6% of its switched transport outside plant investment and costs to interoffice transport. Given that the SDN meet point is in the Beresford central office, explain why any outside plant investment and costs should be allocated to interoffice transport.

RESPONSE: The SDN meet point is not in the Beresford central office. Beresford FLEC:00006 is in error.

DR 41 For each RLEC, provide the following:

- (a) Current amount of long-term debt.
- (b) Average interest rate on long-term debt.
- (c) Current ratio of long-term debt to total investor-supplied capital (long-term debt and stockholder equity).

OBJECTION: Petitioner objects to this request to the extent that it seeks information that constitutes confidential and proprietary information. Petition further objects to this request on the basis that it seeks information which is neither relevant to this proceeding nor reasonably likely to lead to the discovery of relevant or admissible information.

DR 42 Indicate whether you defer income taxes through accelerated tax depreciation and normalization. Provide the current ratio of accumulated deferred income taxes to total telecommunications plant in service.

RESPONSE: Petitioner does not defer income taxes through accelerated tax depreciation.

DR 43 Indicate whether your Corporate Operations expenses (accounts 6710 and 6720) in the calendar year reflected in your FLEC Model include any expenses directly attributable to individual services or a family of services. These may include:

- (a) Employee expenses (salaries and wages, benefits, *etc.*) of RLEC employees (general managers, human resources personnel, financial and accounting personnel, *etc.*) engaged in activities during a portion of the calendar year attributable to individual services or a family of services; *e.g.*, retail service-specific planning, NECA reporting for access charges, *etc.*