

Exhibit No. _____
Issue: Billing & Accounts
Witness: Pam Hankins
Type of Exhibit: Direct Testimony
Sponsoring Party: CenturyTel of Missouri, LLC
Case No.: LC-2008-0049
Date Testimony Prepared: January 18, 2008

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

Complaint of Charter Fiberlink, LLC Seeking)	
Expedited Resolution and Enforcement of)	
Interconnection Agreement Terms Between)	<u>Case No. LC-2008-0049</u>
Charter Fiberlink-Missouri, LLC and CenturyTel)	
of Missouri, LLC.)	

**DIRECT TESTIMONY OF

PAM HANKINS

ON BEHALF OF CENTURYTEL OF MISSOURI, LLC**

January 18, 2008

1 **DIRECT TESTIMONY**

2 **OF**

3 **PAM HANKINS**

4 **IDENTIFICATION OF WITNESS & QUALIFICATIONS**

5 **Q. Please state your name and business address.**

6 A. My name is Pam Hankins. My business address is 100 CenturyTel Drive, Monroe, LA
7 71203.

8 **Q. On whose behalf are you submitting direct testimony?**

9 I am submitting direct testimony on behalf of CenturyTel of Missouri, LLC
10 ("CenturyTel").

11 **Q. By whom are you employed and what is your position?**

12 A. I am employed by CenturyTel Service Group, LLC as Manager, Corporate Carrier
13 Relations. I obtained this job title in May 2003.

14 **Q. What is the relationship between CenturyTel Service Group, LLC, and CenturyTel
15 of Missouri, LLC?**

16 A. CenturyTel Service Group, LLC, and CenturyTel of Missouri, LLC are both subsidiaries
17 of CenturyTel, Inc.

18 **Q. In your capacity as Manager, Corporate Carrier Relations with CenturyTel Service
19 Group, what are your primary responsibilities?**

20 A: I provide support to all CenturyTel, Inc. telephone company subsidiaries in my capacity
21 as manager in the Carrier Relations department. My job duties include overseeing the
22 implementation of interconnection agreements. In this capacity, I also coordinate
23 development and documentation of implementation processes and procedures. I am also

1 responsible for overseeing collections of past due accounts from carriers, both IXC's and
2 CLECs.

3 **Q: Please summarize your educational and work background, including your**
4 **experience in the telecommunications industry.**

5 A: I am a licensed CPA, and I have been employed by CenturyTel for over twenty (20)
6 years, since October 1987. I first worked as an analyst in the Cost Separations
7 Department, performing accounting, plant and traffic analysis, and completing cost
8 separations studies and forecasts. I was in that position about 4 years. Later I was
9 promoted to Supervisor, then Manager of that department. As Supervisor and Manager, I
10 was responsible for supervising the preparation of any financial analysis performed in the
11 department for outside agencies and for internal management, and for coordinating
12 financial report preparation with other departments. I also represented CenturyTel on
13 several industry committees. In July 1996, I moved to CenturyTel's Regulatory
14 Department, where I was manager of Regulatory Finance for seven (7) years. My
15 primary responsibilities included preparing financial analysis for management, as well as
16 financial reports and data request responses for state public service commissions. I also
17 was responsible for coordinating the preparation and filing of several rate cases during
18 my tenure in the Regulatory Department. It was after my seven year tenure in Regulatory
19 Finance that I obtained my current title and job of Manager, Corporate Carrier Relations.

20 **Q. Have you ever testified before this commission?**

21 A. Yes, I provided written and oral testimony in the Socket arbitration case.

22 **Q. Have you testified before other commissions?**

1 A. Yes, I have provided both written and oral testimony in several other jurisdictions
2 concerning various issues. Most recently, I testified last year in an arbitration proceeding
3 in Wisconsin regarding Charter Fiberlink, LLC's use of CenturyTel Inc.'s rural
4 Wisconsin ILECs' network interface devices (NIDs). While serving as Manager,
5 Regulatory Finance, I testified in several rate case proceedings in Wisconsin and
6 Arkansas for CenturyTel, Inc. subsidiaries. During that time I also testified before the
7 Alabama, New Mexico and South Carolina commissions on behalf of CenturyTel, Inc.
8 subsidiaries, in certification and name change proceedings.

9 **PURPOSE OF TESTIMONY**

10 **Q. What is the purpose of your testimony?**

11 A. The purpose of my testimony is to explain and substantiate the amount of indebtedness
12 due and owing from Charter Fiberlink, LLC ("Charter") to CenturyTel of Missouri, LLC
13 ("CenturyTel") as a result of Charter submitting local service request ("LSR") orders and
14 customer record search ("CSR") requests to CenturyTel.

15 **Q. Is there an outstanding balance owed to CenturyTel by Charter?**

16 A. Yes.

17 **Q. How much does Charter owe?**

18 A. As of their December 2007 billing statements, our records show that Charter owes
19 CenturyTel \$128,844.45.¹ I have attached the December 2007 billing statements as
20 Schedule PH-1 (**HIGHLY CONFIDENTIAL**).

21 **Q. Over what period of time was this indebtedness incurred?**

¹ Charter has two accounts with CenturyTel in Missouri. Account 301644892 has a balance due as of the December 10, 2007 statement of \$86,307.50. Account 405601334 shows a balance due as of the December 6, 2007 statement of \$42,536.95. The two account balances combined total \$128,844.45.

1 A. From records I reviewed, Charter began submitting LSR orders to port numbers from
2 CenturyTel in June 2003. Charter has continued to submit LSR orders for porting from
3 that date to present. In addition, Charter submitted CSR orders for customer records
4 information. Records indicate that those orders began in March 2003. In July 2004
5 Charter remitted a \$68,867.61 payment that represented payment in full of charges to its
6 account through May 2004. So, the current indebtedness is attributable to charges for
7 LSR orders for porting and CSR orders for customer records that Charter has placed since
8 May 2004.

9 **Q. What specifically is the basis of Charter's indebtedness?**

10 A. The overwhelming majority of Charter's indebtedness is associated with LSR orders
11 Charter has placed with CenturyTel in connection with its requests to port numbers from
12 CenturyTel in Missouri. As Mr. Miller explains in his testimony, CenturyTel has to
13 perform certain tasks to complete LSR orders, including reviewing the orders for
14 accuracy and completeness, and entering the orders into our billing system. For every
15 LSR order we process, we assess a one-time, administrative service ordering charge or
16 fee. And, as I indicated, those administrative service charges for processing Charter's
17 LSR orders make up the bulk of the indebtedness of Charter to CenturyTel.

18 **Q. Are LSRs used to place orders for other types of services?**

19 A. Yes. LSRs are defined by the industry as a standard method for carriers to use to place
20 orders with other carriers for services such as resale, directory listings, and unbundled
21 network elements. CenturyTel receives LSR orders for many of these other services.

22 **Q. Does CenturyTel assess service order charges for other types of LSR orders?**

23 A. Yes, we assess a service order charge for every LSR order we process.

1 **Q. Does Charter submit LSR orders for services other than number port requests?**

2 A. Yes. Charter also submits orders for customer records information, such as information
3 concerning the customer's current subscribed-to features. Customer record search
4 requests are submitted via a type of LSR dubbed a CSR. Similarly, the processing of
5 CSR orders requires a review of the order and manual input and processing of the order.

6 **Q. Does CenturyTel assess service order charges for CSR orders?**

7 A. Yes, as I stated above, we assess a service order charge for every LSR or CSR order we
8 process.

9 **Q. So, the total \$128,844.45 billed to Charter includes charges for processing CSR**
10 **orders?**

11 A. Yes.

12 **Q. Please describe in more detail how CenturyTel arrived at the \$128,844.45 balance**
13 **on the December 2007 Charter billing statements.**

14 A. I have demonstrated the history of charges, adjustments, and payments on the two
15 accounts that make up the \$128,844.45 in summary schedules attached to my testimony
16 as Schedule PH-2 (**HIGHLY_CONFIDENTIAL**). As demonstrated on those schedules,
17 CenturyTel has billed Charter monthly for the charges, and other than a few payments,
18 including the payment upon demand that Charter remitted in July 2004, Charter has failed
19 to pay on charges/invoices for the LSR and CSR orders it placed with CenturyTel.

20 **Q. Has CenturyTel been continually billing Charter for these LSR and CSR orders?**

21 A. Yes.

22 **Q. How frequently?**

23 A. CenturyTel sends out monthly invoices.

1 **Q. How are the invoices transmitted?**

2 A. Billing invoices are rendered by US mail.

3 **Q. Are you familiar with those billing statements?**

4 A. Generally, yes.

5 **Q. Do the summary schedules you provide in your Schedule PH-2 (HIGHLY**
6 **CONFIDENTIAL) provide an accurate recap of those billing statements?**

7 A. Yes. I have provided in that summary the following details from the monthly billing
8 statements – Invoice Date, Balance Forward, Payments, Adjustments/Credits, Current
9 Charges, and Ending Balance. Note that the ending balances in the two accounts shown
10 on the Schedule agree with the copies of the December 2007 invoices I attached as
11 Schedule PH-1 (**HIGHLY CONFIDENTIAL**).

12 **Q. Are there charges other than charges associated with LSR orders to port numbers**
13 **and CSR orders for customer records in the schedule you provide as Schedule PH-2**
14 **(HIGHLY CONFIDENTIAL)?**

15 A. Yes. There are other miscellaneous charges and credits on the billing statements that are
16 not associated with the charges assessed for processing LSR and CSR orders.

17 **Q. Are any of those “miscellaneous charges” included in your claim of \$128,844.45?**

18 A. Yes, there are some miscellaneous charges included in the \$128,844.45 for which
19 CenturyTel has not yet provided credits. Charter has for the most part already received
20 credits for any charges applied in error to its accounts. However, I did discover that there
21 were some charges for which credits have not yet been applied.

22 **Q. Can you explain?**

1 A. Yes. When I was reconciling the detail charges, adjustments, and payments, I realized
2 that for one of the accounts, Account 405601334, Charter had been charged for taxes of
3 \$257.22 and miscellaneous extraneous charges of \$57.16 that should be credited to them.
4 These charges were assessed in error. So, the balance due shown on the December 2007
5 invoice of \$42,536.95 should be adjusted by these amounts. The adjusted balance due is
6 then \$42,222.57.

7 **Q. Can you demonstrate the appropriate charges on both accounts?**

8 A. Yes. Since Charter has only submitted two types of orders to CenturyTel – LSRs for
9 ordering number ports and CSRs for ordering customer record searches, there should
10 only be two types of service order charges billed to Charter. These are one-time, non-
11 recurring charges, so there should be no other charges associated with these orders. I
12 have attached as Schedule PH-3 (**HIGHLY CONFIDENTIAL**) a summary of charges
13 that include only service order charges assessed to Charter for LSR and CSR orders that
14 CenturyTel processed.

15 **Q. Please describe the information found on Schedule PH-3 (HIGHLY**
16 **CONFIDENTIAL).**

17 A. Certainly. There are actually two worksheets in the Schedule, one for each account.
18 Column one of the worksheets denotes the invoice date in which the charge appeared.
19 The second column labeled “Service Order Charges” demonstrates the service order
20 charges CenturyTel assessed Charter for processing LSR orders for number ports. The
21 third column of figures represent the service order charges assessed Charter for CSR
22 orders. The fourth column is the total of the LSR and CSR service order charges shown
23 in columns two and three.

1 **Q. What do the figures at the bottom of each “Total” column represent?**

2 A. The figures at the bottom of the “Total” columns represent the total service order charges
3 that Charter owes CenturyTel as of December 2007 for processing LSR and CSR service
4 orders.

5 **Q. Why are these amounts different from the outstanding balances due on the**
6 **December 2007 billing statements shown in your Schedule PH-1?**

7 A. To explain, we must examine each account separately, because the reasons for the
8 variances are different for each account. Referring to my Schedule PH-3 (**HIGHLY**
9 **CONFIDENTIAL**), the first account, 301644892, shows total charges billed of
10 \$178,782.24. Previous credits of \$2,315.38 were posted to the account and payments on
11 the account total \$81,276.01. That means that the balance owed by Charter for charges
12 associated with service order activity in this account is \$95,190.85. The December 2007
13 invoice for this account, found in Schedule PH-1, shows a balance due of \$86,307.50, a
14 difference of \$8,883.35. In analyzing the detail charges, credits, and payments, I
15 discovered that for this account, Charter actually on more than one occasion received
16 double credits for disputed charges to which CenturyTel provided credits. This “double
17 crediting” actually served to provide for a reduction in the amount Charter owed on the
18 remaining service order charges. Charter also received payment credits to the account
19 which were payments that Charter did not make. What this means is that Charter has
20 actually received a windfall of \$8,883.35.

21 **Q. In Charter’s complaint, they mention “improper charges” for directory listings and**
22 **other miscellaneous billing issues. Have you included any such charges in the**
23 **balance you show that Charter owes CenturyTel?**

1 A. No. I have analyzed all the charges and credit adjustments in detail and am convinced
2 that Charter has received full credit for any such miscellaneous charges. Moreover, my
3 analysis shows that CenturyTel has in fact double credited Charter for these charges in
4 some cases. That is why for account 301644892, the balance due of \$86,307.50, is less
5 than the total of the service order charges assessed by CenturyTel of \$95,190.85.

6 **Q. So, is the actual balance due the \$95,190.85 shown in Schedule PH-3 (HIGHLY**
7 **CONFIDENTIAL)?**

8 A. Yes, the balance associated with the service order charges at issue in this proceeding is
9 actually \$95,190.85 for account 301644892 rather than the \$86,307.50 on the December
10 2007 invoice.

11 **Q. Is CenturyTel seeking adjustment to the December invoice for these excess credits?**

12 A. Not necessarily. However, we wanted the Commission to be aware of this issue, and if
13 they decide to require Charter to pay CenturyTel the service order charges for processing
14 their LSR and CSR orders, they should consider this information.

15 **Q. What about the analysis of charges for account 405601334? Can you explain it?**

16 A. Activity on this account began in June 2006, so there was less activity on this account
17 than on the other account. However, as was shown in the schedule for account
18 301644892, the total service order charge assessment is shown at the bottom of the
19 "Total" column, and in this case is \$43,907.66. Adjustments and payments were posted
20 to the account in the amounts of \$1,061.87 and \$1,101.03, respectively. Since Charter
21 has only minimally remitted payments on this account, late payment charges have
22 accrued on the account. Adding those late payment charges of \$477.81 to the other
23 figures brings the adjusted balance to \$42,222.57.

1 **Q. Is this adjusted balance different from what is shown on the December invoice for**
2 **this account?**

3 A. Yes. The December invoice for this account shows a balance of \$42,536.95, a difference
4 of \$314.38.

5 **Q. Can you explain the \$314.38 difference?**

6 A. Yes. As shown at the bottom of Schedule PH-3 (**HIGHLY CONFIDENTIAL**), \$257.22
7 is due to taxes that were billed to Charter. The remaining \$57.16 is for miscellaneous
8 charges. Both the taxes and the miscellaneous charges should be credited back to
9 Charter.

10 **Q. So, what is the balance associated with the service order charges at issue in this**
11 **proceeding for account 405601334?**

12 A. The balance associated with the service order charges at issue in this proceeding and
13 owed by Charter on this account is \$42,222.57, as shown by the reconciliation in
14 Schedule PH-3 (**HIGHLY CONFIDENTIAL**).

15 **Q. You have provided a rather detailed explanation of your analysis of service order**
16 **charges for LSR orders and CSR orders from Charter that included adjustments to**
17 **what is shown on the December 2007 invoice. Can you summarize your findings?**

18 A. Yes. My analysis shows that the service order activity on Charter's accounts yield
19 balances due to CenturyTel as of December 2007 of \$95,190.85 and \$42,222.57, for a
20 total balance owed of \$137,413.42. However, as shown in Schedules PH-1 and PH-2
21 (**HIGHLY CONFIDENTIAL**), the current balance demonstrated on Charter's
22 December 2007 billing statements is slightly less than this amount, or \$128,844.45.

1 **Q. Has CenturyTel applied a consistent charge to Charter for processing its LSR**
2 **orders for porting?**

3 A. No. Initially, CenturyTel applied a rate of \$19.78 to the orders. However, when we
4 discovered in mid-2007 that Charter was being assessed an inappropriate rate, we took
5 steps to change the rate to the appropriate initial service order charge provided for in
6 CenturyTel's tariff as required by the Interconnection Agreement, which is detailed in
7 Mr. Miller's Direct Testimony.

8 **Q. Please generally describe the service order charge rates that Charter was billed.**

9 A. My understanding is that initially, when CenturyTel was in the process of setting up the
10 billing codes for Charter in its billing system, the incorrect rate of \$19.78 was set up as
11 the service order charge for processing a number port. The \$19.78 rate is a contract rate,
12 the non-recurring Unbundled Network Element (UNE) rate for a Port Feature.
13 Apparently, the person who set this rate up saw that the rate was associated with a "port"
14 and, given the description of the service, incorrectly interpreted the rate to be applied to a
15 number port order. So, Charter was assessed this UNE port feature charge from the time
16 they initially sent porting orders, in June 2003, until June 2007 when we changed the rate
17 to the properly applicable tariff initial service order charge rate.

18 **Q. Since June 2007, has CenturyTel charged the correct tariff rate for LSR orders**
19 **related to porting to Charter?**

20 A. Yes.

21 **Q. Is the Initial Service Order Charge provided for in CenturyTel's tariff more than or**
22 **is it less than the UNE Port Feature charge found in the interconnection agreement**
23 **("ICA")?**

1 A. The tariff service order charge is actually more than the UNE Port Feature charge. The
2 UNE Port Feature charge is \$19.78. The current tariff initial service order charge is
3 \$23.48 or \$23.88, depending on the location of the order.

4 **Q. What does this mean in relation to what Charter was billed?**

5 A. It means that Charter was actually billed a lower rate than it should have been for LSR
6 orders for number ports that CenturyTel processed.

7 **Q. When you discovered that Charter had been assessed the incorrect rate, did you**
8 **amend the bill to assess Charter the difference between the \$19.78 it was charged**
9 **and the tariff initial service order charge it should have been assessed?**

10 A. No, we did not. We did not attempt to back-bill Charter for the difference in the rates.
11 We chose instead to implement the correct rate on a going-forward basis.

12 **Q. Are you seeking to make up the difference between the incorrect lower rate and the**
13 **correct rate as part of your claim in this case?**

14 A. No. CenturyTel has made no attempt to adjust prior months' billing at the \$19.78 rate up
15 to the tariff initial service order rates.

16 **Q. What rate has CenturyTel billed Charter for processing CSR orders?**

17 A. CenturyTel has assessed Charter \$4.21 per CSR order.

18 **Q. Is this rate provided for in the ICA?**

19 A. Yes. The rate can be found in the Non-recurring Charges of the UNE rate section of the
20 ICA.

21 **Q. Is the UNE rate section of the ICA the only place in the Agreement that provides for**
22 **a charge for a CSR order?**

1 A. No. The Resale rate section of the ICA also provides for a CSR order charge. The rate in
2 that section is \$11.69.

3 **Q. When Charter submits a customer record search request order, does Charter**
4 **indicate on the CSR form if the request is related to resale, number port, or UNE?**

5 A. No. There is no requirement on the form to indicate why the carrier is requesting the
6 information. So, we have no way of knowing how Charter will use the data.

7 **Q. Is the procedure for processing CSR orders the same regardless of how the**
8 **information will be used?**

9 A. Yes. The process is the same and the amount of work involved is the same to process the
10 order regardless of what the carrier's intention is for obtaining the information.

11 **Q. Does this conclude your testimony?**

12 A. Yes, it does.