

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**
3 **UM 1288**

4 PUBLIC UTILITY COMMISSION OF
5 OREGON,

6 Complainant,

7 v.

8 VCI COMPANY f/k/a STAN EFFERDING
9 and STANLEY JOHNSON, dba VILAIRE,
and VCI COMPANY, a Washington
corporation

10 Defendants.

COMPLAINT

11 1.

12 The Public Utility Commission of Oregon (PUC), pursuant to ORS 756.515,
13 opened an investigation to examine the Oregon Telephone Assistance Program (OTAP)
14 billings revenue and remittance reporting of Defendants VCI Company f/k/a Stan
15 Efferding and Stanley Johnson, dba Vilaire (Defendants) to determine the accuracy of
16 OTAP reimbursements to Defendants for their reported customers. The investigation was
17 prompted by PUC audits of Defendants that found multiple instances of duplicate billings
18 by Defendants for the same customer, multiple instances of Defendants billing for
19 customers served by other carriers, and multiple instances of Defendants billing for
20 customers with discontinued service.

21 2.

22 The investigation concluded that Defendants billed the Commission and received
23 reimbursement for a large number of customers that did not have service with
24 Defendants. Based on a random sample of Defendants' billings from June 2004 through
25 November 2006, Defendants were paid \$203,391.97 for customer billings for which
26 Defendants had no line for the customer.

1 3.

2 This complaint is filed on the Commission's own initiative pursuant to
3 ORS 756.500 for the purpose of recovering overpayments made to Defendants under
4 OAR 860-033-0045. The Commission maintains its office at 550 Capitol Street NE,
5 Suite 215, Salem, Oregon 97301-2551.

6 4.

7 On May 22, 2003, Defendant Stan Efferding and Defendant Stanley Johnson
8 registered to do business in the State of Oregon under the assumed business name Vilaire.

9 5.

10 On December 17, 2003, the Commission granted the petition of Defendant Stan
11 Efferding, dba Vilaire for designation as a federal and state Eligible Telecommunications
12 Carrier (ETC) throughout the Oregon service area of Qwest Corporation (Qwest).
13 Granting the petition resulted in Stan Efferding, dba Vilaire being designated as a federal
14 Lifeline/LinkUp program. Granting the petition also resulted in Stan Efferding, dba
15 Vilaire being designated as a state DTC authorized to participate in OTAP.

16 6.

17 On June 29, 2004, Defendant Stan Efferding requested that the Commission
18 change the name of the phone company in its records from Stan Efferding, dba Vilaire to
19 VCI Company. On July 2, 2004, the Commission changed the name of the phone
20 company to VCI Company as requested.

21 7.

22 The Defendant VCI Company is a foreign business corporation that was
23 incorporated in the State of Washington. VCI Company registered to do business in the
24 State of Oregon on December 4, 2003.

25 ///

26 ///

1 8.

2 The Defendants were at all relevant times acting as an eligible
3 telecommunications carrier participating in the OTAP under OAR 860-033-0010 to 860-
4 033-0047.

5 9.

6 ORS 756.040 provides, in relevant part, that

7 (1) * * * the commission shall represent the customers of any
8 public utility or telecommunications utility and the public generally in all
9 controversies respecting rates, valuations, service and all matters of which
10 the commission has jurisdiction. In respect thereof the commission shall
11 make use of the jurisdiction and powers of the office to protect such
12 customers, and the public generally, from unjust and unreasonable
13 exactions and practices and to obtain for them adequate service at fair and
14 reasonable rates.

15 * * * * *

16 (2) The commission is vested with power and jurisdiction to
17 supervise and regulate every public utility and telecommunications utility
18 in this state, and to do all things necessary and convenient in the exercise
19 of such power and jurisdiction.

20 ORS 756.070 provides that,

21 The Public Utility Commission may inquire into the management of the
22 business of all public utilities and telecommunications utilities and shall keep
23 informed as to the manner and method in which they are conducted and has the
24 right to obtain from any public utility or telecommunications utility all necessary
25 information to enable the commission to perform duties.

26 ORS 756.075 provides, in relevant part,

(2) The commission or authorized representatives shall, upon
demand, have the right to inspect the books, accounts, papers, records and
memoranda of any public utility or telecommunications utility and to
examine under oath any officer, agent or employee of such public utility
or telecommunications utility in relation to its business and affairs.

OAR 860-033-0045 provides, in relevant part,

(1) Each eligible telecommunications provider shall be
compensated from the Residential Service Protection Fund for specific
costs incurred as a consequence of participating in OTAP.* * *:

1 (a) Each eligible telecommunications provider will be
2 compensated for benefit costs. Compensation will equal the revenue the
3 provider foregoes by providing local service to qualified low-income
4 customers at a reduced rate. The telecommunications provider's invoices
5 shall indicate the number of qualified customers who received the OTAP
6 benefit during a specified period and the amount of revenue foregone
7 during the same period;

8 10.

9 WHEREFORE, the Commission directs the defendants to file a verified answer to
10 this complaint within ten (10) days from the date this complaint is mailed to the
11 defendants. If no verified answer or other written appearance raising a question of fact or
12 law, or requesting a hearing, is filed with the Commission at 550 Capitol Street NE, Suite
13 215, Salem, Oregon 97301-2551, within the 10-day period, the allegations of the
14 complaint shall be deemed admitted, and an order shall be entered ordering any defendant
15 that does not answer or appear to pay the overpayment in the amount of \$203,391.97.

16 DATED this 10th day of September 2007.

17 Respectfully submitted,

18 HARDY MYERS
19 Attorney General

20 

21

David B. Hatton, OSB #75151
22 Assistant Attorney General
23 Of Attorneys for Staff of the Public
24 Utility Commission of Oregon
25
26

1 **CERTIFICATE OF SERVICE**

2
3 I certify that on September 10, 2007, I served the foregoing upon following parties by
4 delivering a copy by electronic mail (to those parties with available email addresses) and by
5 delivering a copy by postage prepaid first class mail to:

6
7 **CERTIFIED MAIL**
8 STANLEY EFFERDING
9 SECRETARY
10 VCI COMPANY
11 7304 ZIRCON DRIVE SW
12 LAKEWOOD, WA 98498
13 stanj@vcicompany.com

SCHWABE WILLIAMSON
WILLIAM J. OHLE
SCHWABE WILLIAMSON WYATT PC
1600-1900 PACWEST CTR
1211 SW 5TH AVE
PORTLAND OR 97204
whole@schwabe.com

14
15 **CERTIFIED MAIL**
16 STANLEY JOHNSON
17 PRESIDENT
18 VCI COMPANY
19 7304 ZIRCON DRIVE SW
20 LAKEWOOD, WA 98498

21
22
23
24
25
26


Neoma Lane
Legal Secretary
Department of Justice
Regulated Utility & Business Section

STAFF EXHIBIT LIST

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CASE: UM 1288
WITNESS: Ming Peng

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 100

Direct Testimony

September 10, 2007

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

2 A. My name is Ming Peng. My business address is 550 Capitol Street NE
3 Suite 215, Salem, Oregon 97301-2551. My telephone number is (503)
4 373-1123. I am employed by the Public Utility Commission of Oregon
5 (OPUC) as a Utility Analyst of the Economic and Policy Analysis Section
6 in the Economic Research and Financial Analysis Division.

7 **Q. PLEASE DESCRIBE YOUR EXPERIENCE AND EDUCATION.**

8 A. My Witness Qualification Statement is found in Exhibit Staff/101.

9 **Q. WHAT IS PURPOSE OF YOUR TESTIMONY?**

10 A. I was asked to determine the sample size for the quantitative survey of
11 OPUC consumer group. I was also asked by OPUC Staff to advise the
12 survey team on sample selection technique. My testimony will describe
13 the procedures I used for determining sample size and describe the
14 sample selection.

15 **Q. HAVE YOU PREPARED EXHIBITS?**

16 A. Yes. I include my Witness Qualification Statement as Staff/101 and
17 I prepared Exhibit Staff/102, consisting of 1 page which contains the
18 reference of this Testimony.

19 **Q. WHAT DID YOU CONCLUDE?**

20 A. I concluded that a sample size of 384 is needed to have 95% confidence
21 of our overall results and that using the systematic sampling method
22 support, one should select a sample element from every 323rd record.

1 **Q. WHAT IS SAMPLING?**

2 A. Sampling is the technique or method that measures part of a population to
3 determine the characteristics of the entire population.

4 **Q. WHAT IS THE PURPOSE OF SAMPLING?**

5 A. The purpose of sampling is to reduce the cost and time involved in
6 expressing the characteristics of a population. For example, to determine
7 how candidates stand in support among voters, instead of asking all
8 registered voters their preference among the candidates, a much smaller
9 subset of voters are selected. This allows the analyst to draw conclusions
10 about populations from a subset of the population (a sample). Inferential
11 statistics are computed from sample data in order to make inferences
12 about the population.

13 **Q. HAVE THE MERITS OF SAMPLING BEEN DISCUSSED IN**
14 **TEXTBOOKS?**

15 A. Yes. Cochran (1977) addressed this issue by stating that the
16 “advantages of the sampling method” are:
17 (1) “Reduced Cost” because “If data are secured from only a small
18 fraction of the aggregate, expenditures are smaller than if a complete
19 census is attempted.”
20 (2) “Greater Speed” because “the data can be collected and summarized
21 more quickly with a sample than with a complete count.”
22 (3) “Greater Scope” because the “surveys that rely on sampling have
23 more scope and flexibility regarding the types of the information that can
24 be obtained.”

1 (4) "Greater Accuracy" because "a sample may produce more accurate
2 results than the kind of complete enumeration that can be taken."

3 **Q. WHAT METHODS ARE GENERALLY ACCEPTED FOR CREATING**
4 **SAMPLES?**

5 A. Sampling methods are classified as either probability sampling (each
6 member of the population has a known non-zero probability of being
7 selected) or non-probability sampling (members are selected from the
8 population in some nonrandom manner).

9 **Q. WHAT SAMPLING METHOD DID YOU CHOOSE?**

10 A. I chose a probability sampling method. A probability sampling is also
11 called random sampling, because of the random way of selecting
12 individuals to ensure an unbiased representation of the whole population.

13 **Q. WHAT ARE THE BENEFITS OF A PROBABILITY METHOD OF**
14 **CREATING A SAMPLE?**

15 A. The advantage of probability sampling is that sampling error can be
16 calculated (Sampling error is the degree to which a sample might differ
17 from the population.).

18 **Q. WHAT POPULATION ARE YOU SAMPLING?**

19 A. The population to be sampled (the sample population) is a list of
20 customers of a phone company.

21 **Q. PLEASE DESCRIBE YOUR PROCEDURES FOR DETERMINING**
22 **SAMPLE SIZE AND ILLUSTRATE THE SAMPLE SIZE FORMULAS.**

23 A. How well the sample represents the population is determined by two
24 important statistics – the survey's margin of error and confidence level.

1 The formula I used was

2
$$n = t^2 \times (p)(q) / d^2$$
 (formula 4.2, p. 75, W. G. Cochran)

3 Where:

4 t = value for selected α -level (alpha-risk) of 0.025 in each tail = 1.96.

5 1.96 represents a 95% confidence level (how sure you can be, the
6 95% confidence level means you can be 95% certain). That is, 95% of
7 the time in repeated sampling, the confidence interval (a measure of
8 the reliability of survey results) can be calculated using the formula:

9 Sample Mean \pm 1.96 x Standard Error will contain the population mean
10 μ .

11 p = the proportion of people responding to the survey question
12 (Expected probability of occurrence, response distribution).

13 q = 1- p , it is safest to maximize the variation, by assuming a 50/50 split
14 in responses across questions.

15 d = Acceptable Margin of Error at 5% (The margin of error is a statistic
16 expressing the amount of random sampling error in a survey's results,
17 a standard value is 0.05, for example, the results are accurate within a
18 range of plus or minus 5%).

19 Note, in term t above, the α -level is not calculated, it is chosen by the
20 researcher. The α -level I used in determining sample size is 0.05, which is
21 0.025 in each tail. The α -level can be interpreted as the chance of making
22 a Type I error in statistics (Type I Error = α : Reject truth, Type II Error = β :
23 Fail to reject falseness). The "smaller alpha level, like .01 or .001, which
24 decreases the probability of making a Type I error," but "increases the

1 likelihood of making a Type II error. Past experience has suggested that
 2 an alpha level of .05 is a good compromise between the likelihoods of
 3 making Type I and Type II errors, and so that is what we adopt in science”
 4 (Art Markman). In general, an α -level of 0.05 is acceptable for most
 5 research (p. 45 Bartlett).

6 **Q. PLEASE SUMMARIZE YOUR CALCULATION ON SAMPLE SIZE.**

7 A. Sample size calculation summary is listed below

Description	Parameter	Value
Population	N	143,081
Confidence level at 95%, alpha level of .025 in each tail = 1.96	t	1.96
Squared confidence level at 95% (standard value of 1.96)	t ²	3.8416
Expected probability of occurrence	p	0.5
1 - Expected probability of occurrence	q = 1 - p	0.5
Acceptable margin of error at 5% (standard value of 0.05)	d	0.05
Squared margin of error at 5%	d ²	0.0025
Required sample size	$n = t^2 \times p \times q / d^2$	384.16

9
 10 By using these figures in the equation $n = t^2 \times (p)(q) / d^2$, the sample size
 11 is:

12
$$n = (1.96^2) (0.5)(0.5) / 0.05^2 = 384$$

13 **Q. PLEASE EXPLAIN THE MEANING OF THIS RESULT.**

14 A. Based on this calculation, a sample size of 384 is needed to have 95%
 15 confidence of our overall results. That is, 95% of the time (19 out of 20
 16 times) in repeated sampling, our results will be a relatively accurate
 17 reflection of the true population mean. In the other word, if the survey
 18 were conducted 100 times, the sample mean will represent the true
 19 population mean in 95 out of 100 surveys.

1 Q. **WHAT METHOD DID YOU CHOOSE TO SELECT THE SAMPLE?**

2 A. I selected a systematic sampling method.

3 Q. **WHAT OTHER METHODS CAN BE USED?**

4 A. Probability sampling methods include random sampling, systematic
5 sampling, and stratified sampling.

6 Q. **WHAT WAS THE RESULT OF YOUR SAMPLING METHOD?**

7 A. Using the systematic sampling method I concluded that one should select
8 a sample element from every 323rd record. I calculated this as follows:
9 After the required sample size has been calculated, every Kth record is
10 selected from a list of population members. Where k, the sampling
11 interval, is calculated as:

$$k = \text{population size (N)} / \text{sample size (n)}$$

12 So the Sample Interval $k = 143,081 / 384 = 372.6 = 373$, I select sample
13 element from every 323rd record.
14

15 Q. **WHY DO YOU USE SYSTEMATIC SAMPLING METHOD?**

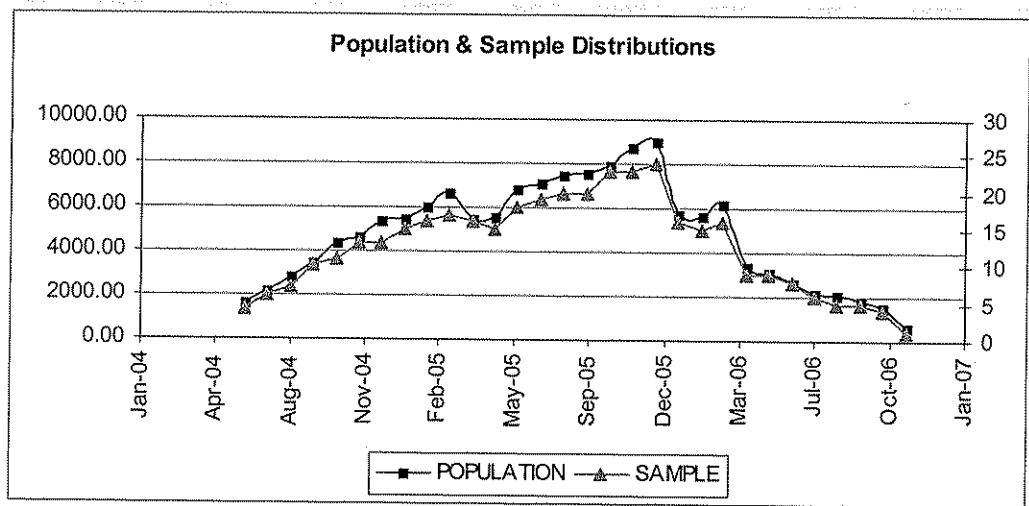
16 A. Using this method each element in the population has an equal probability
17 of selection. This makes systematic sampling functionally similar to
18 simple random sampling. It is much more efficient and much less
19 expensive to carry out. Systematic sampling is frequently used to select a
20 specified number of records from a computer file.

21 Q. **DID YOU TAKE ANY PRECAUTIONS WHEN USING THIS METHOD?**

22 A. Yes.

23 I ensured that the chosen sampling interval did not hide a pattern,
24 because any pattern would threaten randomness. A starting point is

1 chosen at random. Next, I compared the patterns between the sample
2 distribution and the population distribution (see chart below). By visually
3 inspecting the relationship of the sample and population distributions, I
4 conclude that they are almost identical. This indicates that sampling
5 result does not generate any new pattern, and therefore, properly
6 represents the survey population.
7



8
9
10 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

11 **A. Yes.**
12
13
14
15
16
17

CASE: UM 1288
WITNESS: Ming Peng

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 101

Witness Qualification Statement

September 10, 2007

WITNESS QUALIFICATION STATEMENT

NAME: MING PENG

EMPLOYER: PUBLIC UTILITY COMMISSION OF OREGON

TITLE: UTILITY ANALYST

ADDRESS: 550 Capitol St. N.E. Suite 215, Salem, OR 97301-2551

EDUCATION & TRAINING:

Certified Rate of Return Analyst (CRRA)
Society of Utility and Regulatory Financial Analysts 2002

NARUC Annual Regulatory Studies Program
Michigan State University, East Lansing 1999

Master of Science, Agricultural Economics
University of Idaho, Moscow 1990

Bachelor of Science, Statistics
People's University of China, Beijing 1983

EXPERIENCE:

UTILITY ANALYST 1999 - present
Statistics & Forecasting: reviewed and examined energy companies' (1) Weather Normalization, (2) Revenue Adjustment on Energy Sales, and (3) Energy Demand Forecasting Models. The models include (1) Multivariate Time Series Models, (2) Multiple Regression Based Forecasting Models, and (3) Econometric Models (UE & UG Dockets).
Testimonies: Price Forecasting on Utility Property Sale, Cost of Capital on Merger and Acquisition and on Energy Utility Rate Cases.

INDUSTRY ANALYST 1996-1998
Weyerhaeuser Company. Primary responsibilities: Forecasted product demand, price trends, and price elasticity. Established the process (specific methods and techniques) for effective short, medium and long term forecasting. Selected the analytical techniques most appropriate for any given problem.

ECONOMIST (Natural Resources) 1992-1996
Idaho Department of Water Resources. Primary responsibilities: Conducted economic research. Developed analysis in evaluating policy and planning alternatives; determined the financial and economic feasibility of proposed natural resource projects using economic modeling and investment analysis.

CASE: UM 1288
WITNESS: Ming Peng

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 102

References

September 10, 2007

REFERENCES:

1. Cochran, W. G. (1977). *Sampling Techniques* (3rd Ed.). New York: John Wiley & Sons.
2. James E. Bartlett, II, Joe W. Kotrlik, Chadwick C. Higgins. *Organizational Research: Determining Appropriate Sample Size in Survey Research*. Information Technology, Learning, and Performance Journal, Vol. 19, No. 1, Spring 2001.
3. Lyman Ott. *An Introduction to Statistical Methods and Data Analysis*, (2nd Ed.). Duxbury Press 1984.
4. Pamela Narins. *How to determine appropriate survey sample size*, SPSS Web site, <http://www.ryerson.ca/~mjoppe/ResearchProcess/SurveySampleSize.htm>
5. Pamela Hunter, *Margin of Error and Confidence Levels Made Simple*, Web site at <http://www.isixsigma.com/library/content/c040607a.asp>
6. Art Markman, Professor, *Why should we select an alpha level of .05?* Introduction to research and statistics, Web site: <http://homepage.psy.utexas.edu/homepage/Faculty/Markman/PSY418/PSY418.html>
7. Wikipedia Web Site, <http://en.wikipedia.org/wiki/Wikipedia>

CASE: UM 1288
WITNESS: Roger Weinstein

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 103

Affidavit of Roger H. Weinstein

September 10, 2007

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1288

In the Matter of VILAIRE COMPANY
INCORPORATED, dba VCI Investigation into
Oregon Telephone Assistance Program
billings, as well as revenue and remittance
reporting.

**AFFIDAVIT OF ROBERT H.
WEINSTEIN**

I, ROBERT H. WEINSTEIN, of lawful age, first duly sworn deposes and says:

1. I am a Staff Witnessing Representative for the Wholesale Markets organization of Qwest Services Corporation, parent company of Qwest Corporation ("Qwest"), an incumbent local exchange provider in Oregon. My business address is 1801 California Street, Denver, Colorado 80202.

2. In my capacity as a Staff Witnessing Representative with Qwest I am responsible for investigating, answering information requests and providing testimony on Qwest's position on issues involving the Qwest Wholesale Organization. These issues include billing disputes with CLEC's and ILECs, interconnection issues and arbitrations, product concerns and general responses to Commission requests. The work described below was performed in the normal course of business at Qwest in response to the Commission's subpoenas. The work described below was performed by Qwest personnel using Qwest systems and processes.

3. In this docket, Qwest, a non-party to the docket, received four subpoenas from the Public Utility Commission of Oregon ("Commission") for data pertaining to its investigation of Vilaire Company Incorporated (hereafter "VCI") into Oregon Telephone Assistance Program (OTAP) billings, as well as revenue and remittance reporting. The four subpoenas were issued on or about December 8, 2006, January 31, 2007, March 30, 2007 and August 1, 2007. Qwest

cooperated with the Commission's subpoenas and thus responded to and complied with the subpoenas with data from its business records and systems on or about December 28, 2006, February 21, 2007, May 1, 2007 and August 20, 2007. This affidavit describes in detail the steps that Qwest took to respond to and comply with the four Commission subpoenas.

Commission's First Subpoena and Qwest's Response

4. Specifically, on or about December 8, 2006, the Commission issued its first subpoena. In that subpoena, the Commission requested the following information:

A copy of documents that show the total number of lines that Vilaire Company, Incorporated purchased from Qwest by the month beginning with the first month that Vilaire Company, Inc. purchased lines from Qwest through the current month.

5. On or about December 28, 2006, Qwest responded to the first subpoena and submitted a confidential attachment (Confidential Attachment A) for the requested information. A true and correct copy of Qwest's December 28, 2006 response and Confidential Attachment A is attached as Exhibit A to this affidavit.

6. In preparing Confidential Attachment A for the request above, Qwest performed a count by month (beginning with February 2004 through November 2006) of the total number of lines that VCI purchased from Qwest, broken down by Resale residence, UNE-P-POTS, QPP-POTS and QPP residence per month, and counted the cumulative total of all of these lines.

Commission's Second Subpoena and Qwest's Response

7. Thereafter, on or about January 31, 2007, the Commission issued its second subpoena to Qwest. This subpoena, comprising of two requests, requested monthly order activity volumes from the date VCI first purchased lines in Oregon and historical information for a list of 100 (113) Oregon telephone customers from January 2004 to the present. The first request of the

second subpoena asked for the following information:

Monthly order activity volumes from the date VCI first began to purchase lines in Oregon to date. This would include Conversions, New Connects, Disconnects and Transfers of Service. Please include a Key to interpreting the data submitted in response to this request.

8. In response to that request, on or about February 21, 2007, Qwest produced and submitted a confidential attachment (Confidential Attachment A) for the requested information. A true and correct copy of Qwest's February 21, 2007 response and Confidential Attachment A for request no. 1 of the Commission's second subpoena is attached as Exhibit B to this affidavit.

9. In preparing Confidential Attachment A for the request above, Qwest provided a count of monthly order activity for VCI in Oregon beginning in July 2003 and continuing through December 2006, broken down by two categories, Resale and QPP POTS (Plain Old Telephone Service). This data was gathered using the *ad hoc* data used to produce the PID (Performance Indicator Definition) measure PO-2 (Electronic Flow-through) from Qwest's Telecommunications Act section 271 commitments. This data also listed service orders for VCI's (code V18) local service requests in Oregon for VCI for product types "Resale" and "QPP," removing from the list requests that were identified as "rejects," "cancels," "duplicates," and "manually received." Qwest then performed a frequency check on the two products listed above and various activity types, such as "new installations" (N), "changes" (C), "disconnection of entire account" (D), "outside move" (T), "conversion as specified" (V), "deny" (Y) or "conversion as specified/no directory listing changes - Qwest specific" (Z).

10. The second request of the second subpoena asked for the following information:

PUC has attached a list of 100 customers. Please provide historical information on these 100 customers from January 2004 to date. This information should include the following information:

- a. The name of the company that was serving the customer.

- b. Whether the customer was served as a QPP or resold line.
- c. Whether the customer was served by someone other than Qwest or VCI during the time period. And if so, the date their service began and ended with each company that served them.
- d. Whether the customer had a different telephone number or numbers than the number listed. And, if so, the telephone number or numbers and the months the customer was served by each phone number,
- e. If someone else was listed as the owner of the line, please indicate what address the telephone number is directed to and whether or not it was ever owned by the person listed including any time when it served the other customer. Please indicate if it appears the two different people were residing together at any time.

11. In response to that request, on or about February 21, 2007, Qwest produced and submitted a confidential attachment (Confidential Attachment A) for the requested information. A true and correct copy of Qwest's February 21, 2007 response and Confidential Attachment A for request no. 2 of the Commission's second subpoena is attached as Exhibit C to this affidavit.

12. In preparing Confidential Attachment A for the second request discussed immediately above, Qwest took the following actions:

Step 1) Following a detailed review of the first five telephone numbers (TNs) associated with this subpoena, Qwest's Process Subject Matter Expert (SME) developed a template for response to this historical information request that incorporated all requested elements that were had available in Qwest systems. The template included a "key" to describe commonly used acronyms or abbreviations. It also included a TN (telephone number) reference number (such as TN #1, TN #2, etc.), the actual telephone number, the subscriber name and address, and time frame as provided on the subpoena attachment. This information, which had been supplied by the Commission in its subpoena, was reflected in Qwest's response in blue font. Finally, the template then provided room for Qwest historical information on each TN. This historical information was formatted in such a way as to identify the date of each significant and relevant

change in the TN/account, as well as a description of the activity. Qwest used highlighting and bolding to enhance key elements such as customer name, account owner and dates.

Step 2) Qwest's Process SME then met with Qwest's Wholesale Operations group to discuss the subpoena request, review the template and instructions and agree on data collection timeframes, resource needs and other necessary details to ensure completion of project within final response timeframe.

Step 3) Qwest's Wholesale Operations SME worked with Qwest Wholesale Provisioning Center personnel to identify an appropriate center resource or resources to begin data collection.

Step 4) Qwest's Center SME/s began data collection. Qwest internal systems were used to gather historical information on each of the 113 TNs included in the subpoena. The primary systems used to collect the information include:

- o Optical Storage COM Application Replacement (OSCAR)- This Qwest "read-only" system stores data received from other internal billing (such as CARS and CRIS) and ordering systems. This system does not make any modifications or changes to the data it receives from other internal systems. It is used primarily to view or reprint copies of Summary Bill Accounts, Bill Status, Service Orders, Customer Service Records, Notes, Payments, and Usage. Data in OSCAR is historically available for at least six-years and considerably longer depending on the data element.
- o Interconnect Mediated Access (IMA)- This is the Wholesale Interconnect and Resale order/request submission application used by customers, such as VCI, to initiate service requests to Qwest. Customer requests are commonly referred to as Local Service Requests (LSRs). This system essentially provides a copy of the request as submitted by the customer. It also contains basic information related to the formal responses from Qwest to the customer regarding each request, including Firm Order Confirmation (FOC), Order Completion Notice. All LSRs continue to be available in production or archive status in IMA.

Additional internal systems occasionally used include:

- o Customer Request Management (CRM), which is an application primarily used to automate the assignment of work such as LSRs, as well as track and log the status of key events associated with an LSR.
- o WebSOP, which is an application that provides an easy-to-use interface to Qwest's Service Order Processors (SOPs). It is commonly used internally to input orders to the SOPs and to view account activity.
- o Customer Account Retrieval System (CARS), also known internally as RCARS (for Regional), which is a system used to retrieve customer service records, customer

billing information and account notations. It is the billing platform used in Washington, Oregon and Northern Idaho.

- o Loop Maintenance Operations System (LMOS), which is a secondary reference tool used after first consulting primary systems such as OSCAR or CARS for the SOPS.

Step 5) Qwest's Center SME returned collected data to Wholesale Operations SME, who in turn delivered to the Process SME. The Process SME then reviewed every one of the 113 TNs draft responses to ensure formatting and information consistency. This effort required re-review of many of the TNs using the same systems described above (IMA and OSCAR) and subsequent collection of additional data to effectively reflect each TNs history.

Step 6) Qwest's Process SME returned the history of 113 TNs to Qwest Legal for formal finalization and delivery to the Commission.

13. The approach used for each history was based on using the telephone number provided by the Commission, accessing information in the OSCAR database, starting with the month/year provided by the Commission and working backward and/or forward depending on the historical information found. Each TN history is unique and in many cases required significant research to identify relevant activity. Other systems (as described in Step 4) above) may have been used to gather additional data as needed. It is also important to note that Qwest's system information is generally driven by a TN. This means that while research in our systems by TN is possible, research by customer name is generally not possible.

14. Finally, Qwest took steps to parse out or "mask" any information that was not relevant to either VCI or Qwest retail customer information when it related to another Local Service Provider name, or when the TN in question was assigned to a different Local Service customer, such as a Qwest retail or VCI account not associated with the information provided by the Commission. In these cases, the information included responses such as "Different VCI End

User 1,” “Different Qwest Retail End User 1,” and “Different CLEC.”

Commission’s Third Subpoena and Qwest’s Response

15. Further still, on or about March 30, 2007, the Commission issued its third subpoena. In that subpoena, the Commission requested the following information:

The PUC has attached a list of 384 [383] persons with their address, phone number, and a month and year for each person listed. Please indicate whether the person listed was a VCI customer during the month listed. Please provide a copy of the documents that Qwest relies upon in when [sic] it indicate whether each person listed was being served by VCI. (Note: Please disregard the entry for Albuquerque NM on page 12.)

16. In response to that third subpoena, on or about May 1, 2007, Qwest responded:

In response, Qwest has investigated every account using Qwest systems and has placed information in the first tab of the attached Highly-Confidential Attachment A (a CD disk that contains a data workbook to describe whether each telephone number (TN) was being served by VCI). In addition, Qwest has included in subsequent tabs (in the same data workbook) supporting information, which generally consists of screenshots from internal systems, where appropriate. Finally, Qwest notes that at the bottom of the first tab of the attached response is a ‘Key’ which includes acronym descriptions, Qwest response information, supporting detail and other information do aid tin the understanding of Qwest’s responses and supporting detail.

17. In that May 1, 2007 response to the Commission’s third subpoena, and as quoted above, Qwest submitted a highly-confidential CD disk that contained a data workbook for each of the 383 telephone numbers at issue. A true and correct copy of Qwest’s May 1, 2007 response, including the highly-confidential CD disk, is attached as Exhibit D to this affidavit.

18. In preparing the highly-confidential CD disk, Qwest used a similar step-by-step process as described above for the second subpoena (see paragraph 12), including similar systems, resources and finalization is involved; particularly Steps 2, 3, 4, 5, and 6. The main difference between the steps in response to the third subpoena from the response to the second subpoena was related to the number of TNs reviewed (383 for the third subpoena, compared to

113 for the second subpoena), as well as a difference in the response detail for each TN, which was based on the modified information requested by the Commission.

19. Specifically, the step-by-step process for Qwest's response to the third subpoena was as follows:

Step 1) Upon receipt of an electronic version of the list of TNs on April 5, 2007 from the Commission, Qwest's Process Subject Matter Expert (SME) developed a template for response to this historical information request that built on the received Excel spreadsheet and that incorporated all requested elements that were had available in Qwest systems. The template included a "key" to describe commonly used acronyms or abbreviations, as well as "Qwest Response Information" at the bottom of the first tab. Qwest used this spreadsheet for its response by adding three columns to the right of the original data from Oregon. These columns were, J) TN VCIs? (Yes, No, Conversion, Disconnected, Undetermined, or Not Found), K) Notes/Description, L) Supporting Detail/Screen Shots.

In its response, Qwest investigated every account using Qwest systems and placed information in the first tab of the data workbook provided with the subpoena to describe whether each Telephone Number (TN) was being served by VCI. In addition, Qwest included in subsequent tabs (in the same data workbook) supporting information, generally screenshots from internal systems, where appropriate.

Detail regarding the information that Qwest provided in response to the subpoena was placed directly at the bottom of the first tab of the Excel spreadsheet. This detail defined responses to aid the Commission in understanding Qwest's response. In addition to the "key," this detail included "Qwest Response Information" and "Supporting Detail," and "Other Information" sections.

Steps 2 through 4) were similar to Steps 2 through 4) in response to the second subpoena, but as noted above, the number of accounts reviewed was greater (383 v. 113) for this request.

Step 5) Qwest's Center SME returns collected data to Qwest's Wholesale Operations

SME at regular intervals, who in turn delivered it to the Process SME. The Process SME then reviewed every one of the 383 TNs draft responses to ensure formatting and information consistency. This effort required re-review of some of the TNs using the same systems described above (IMA and OSCAR) and subsequent collection of additional data to effectively reflect each TNs history.

Step 6) Qwest's Process SME then returned the history of 383 TNs to Qwest Legal for formal finalization and delivery to the Commission.

20. All of the data that Qwest produced in response to and compliance with the three Commission subpoenas was based on Qwest business records, databases and systems that Qwest universal service support in the normal course of business, and Qwest conducted its research and investigation for the production of this data solely in response to and compliance with the Commission's three subpoenas.

Commission's Fourth Subpoena and Qwest's Response

21. Finally, on or about August 1, 2007, the Commission issued its fourth subpoena.

In that fourth subpoena, the Commission requested the following information:

The Public Utility Commission has attached Attachment A, a list of 2 persons with their address, phone number, and a month and year for each person listed. Please indicate whether the person listed was a VCI customer during the month listed. Please provide a copy of the documents that Qwest relies upon when it indicates whether each person listed was being served by VCI.

22. In response to that fourth subpoena, on or about August 20, 2007, Qwest responded as follows:

In response, Qwest has investigated the accounts using Qwest systems and has placed information in the first tab of the attached HIGHLY-Confidential Attachment A (a CD disk that contains a data workbook to describe whether each telephone number (TN) was being served by VCI). In addition, Qwest has included in subsequent tabs (in the same data workbook) supporting information, which generally consists of screenshots from internal systems, where appropriate. Finally, Qwest notes that at the bottom of the first tab of the attached response is a 'Key' which includes acronym descriptions, Qwest

response information, supporting detail and other information to aid in the understanding of Qwest's responses and supporting detail.

23. In that August 20, 2007 response to the Commission's fourth subpoena, and as quoted above, Qwest submitted a highly-confidential CD disk that contained a data workbook for the two telephone numbers at issue. A true and correct copy of Qwest's August 20, 2007 response, including the highly-confidential CD disk, is attached as Exhibit E to this affidavit.

24. In preparing the highly-confidential CD disk for the response to the fourth subpoena, Qwest used a similar step-by-step process as described above for the third subpoena (see paragraph 19), including similar systems, resources and finalization is involved. The main difference between the steps in response to the fourth subpoena (regarding 383 names) from the response to the third subpoena (regarding 383 names) was related to the number of TNs reviewed (two for the subpoena, compared to 383 for the third subpoena) and the response detail was collected by the process SME (subject matter expert) directly.

Conclusion

25. I attest that the information and data provided in this affidavit is based on Qwest records, databases and systems and activities performed by Qwest in response to the Commission's four subpoenas in this docket and that such information and data is true and correct to the best of my knowledge.



ROBERT H. WEINSTEIN

STATE OF COLORADO)

) **SS:**

COUNTY OF DENVER)

Subscribed and sworn to before me this 28 day of August, 2007


Notary Public

My Commission expires: 8-21-2010

CASE: UM 1288
WITNESS: Roger Weinstein

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 104

Exhibit A

September 10, 2007



Qwest Legal Department
1801 California St.
10th Floor
Denver, CO 80202

Stacy Hanson
Interrogatory Manager
303-383-6678
303-383-8514 (fax)
stacy.hanson@qwest.com

December 28, 2006

Via Overnight Mail

Oregon Department of Justice
Attn: David B. Hatton
1162 Court Street NE
Salem, OR 97301-4096

RE: Docket No. UM-1288 In the Matter of Vilaire Company Inc., dba VCI Investigation into Oregon Telephone Assistance Program billings as well as revenue and remittance reporting

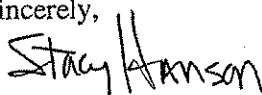
Qwest's Response to DOJ's Subpoena Duces Tecum

Dear Mr. Hatton:

Enclosed is Qwest's Response to the Department of Justice's Subpoena Duces Tecum dated December 8, 2006 in the above referenced matter. Confidential information is being provided pursuant to the General Protective Order issued in this docket.

If you have any questions regarding this serving, I can be reached at (303) 383-6678.

Sincerely,


Stacy Hanson
Interrogatory Manager

cc: Alex Duarte
Don Mason
Attached Service List

CERTIFICATE OF SERVICE

Docket No. UM-1288

I certify that I have caused to be served a copy of Qwest's Response to the Department of Justice's Subpoena Duces Tecum dated December 8, 2006 to the following parties via overnight mail:

Oregon Department of Justice Attn: David B. Hatton 1162 Court Street NE Salem, OR 97301-4096	William J. Ohle Schwabe Williamson & Wyatt 1600-1900 Pacwest Center 1211 SW 5 th Avenue Portland, OR 97204
--------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------

DATED this 28th day of December, 2006.



Kimberlie Payne

QWEST CORPORATION

DOCKET: UM 1288
INTERVENOR: Department of Justice
REQUEST NO: DOJ Subpoena Duces Tecum-001

REQUEST:

IN THE NAME OF THE STATE OF OREGON: You are hereby required to appear at the offices of the Attorney General, General Counsel Division, Regulated Utility and Business Section, Commerce Building, 158 12th Street, Salem, Oregon, 97301-4096 on the 28th of December, 2006, at 10:00 a.m. to testify under oath as a witness.

You are further commanded to bring with you the following documents:

A copy of documents that show the total number of lines that Vilaire Company, Incorporated purchased from Qwest by the month beginning with the first month that Vilaire Company, Inc. purchased lines Qwest through the current month.

RESPONSE:

Please see Confidential Attachment A for the requested information. Confidential Attachment A is being provided pursuant to the General Protective Order issued in this docket.

Respondent: Cynthia Hentschel

CASE: UM 1288
WITNESS: Roger Weinstein

**PUBLIC UTILITY COMMISSION
OF
OREGON**

**Confidential Exhibit
Subject to Order No. 06-693**

September 10, 2007

CASE: UM 1288
WITNESS: Roger Weinstein

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 105

Exhibit B

September 10, 2007



Qwest
421 Southwest Oak Street
Suite 810
Portland, Oregon 97204
Telephone: 503-242-5623
Facsimile: 503-242-8589
e-mail: alex.duarte@qwest.com

Alex M. Duarte
Corporate Counsel

February 21, 2007

Via UPS Next Day Delivery

David Hatton, Esq.
Department of Justice
Regulated Utility & Busn. Section
1162 Court Street, NE
Salem, OR 97301-4096

RE: Docket No. UM-1288 (Vilaire Company, Inc.)

Dear Mr. Hatton:

Enclosed please find Qwest Corporation's Response to the Public Utility Commission's Subpoena dated January 31, 2007. Confidential responses are printed on yellow paper and are subject to protection under Protective Order No 06-693.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alex M. Duarte". The signature is fluid and cursive, with a large initial 'A' and 'D'.

Alex M. Duarte

CMB:cmb

cc: William J. Ohle, Esq.
Vicki McLean, Oregon Public Utility Commission

QWEST CORPORATION

DOCKET: UM 1288
INTERVENOR: Department of Justice
REQUEST NO: DOJ Subpoena Duces Tecum 02-001

REQUEST:

Monthly order activity volumes from the date VCI first purchased lines in Oregon to date. This would include Conversions, New Connects, Disconnects and Transfers of Service. Please include a Key to interpreting the data submitted in response to this request.

RESPONSE:

Please see Confidential Attachment A which is being provided pursuant to the protective order issued in this docket, OPUC Order No. 06-693, issued December 27, 2006.

Respondent: E. A. Becky Ferrington, Senior Process Analyst

CASE: UM 1288
WITNESS: Roger Weinstein

**PUBLIC UTILITY COMMISSION
OF
OREGON**

**Confidential Exhibit
Subject to Order No. 06-693**

September 10, 2007

CERTIFICATE OF SERVICE

UM 1288

I hereby certify that on the 21st day of February 2007, I served the foregoing **QWEST CORPORATION'S RESPONSE TO THE DEPARTMENT OF JUSTICE'S SUBPOENA DUCES TECUM DATED JANUARY 31, 2007** in the above entitled docket on the following persons.

David Hatton, Esq.
Department of Justice
1162 Court Street, NE
Salem, OR 97301-4096

Via UPS Next Day Delivery

William J. Ohle, Esq.
Schwabe Williamson & Wyatt
1600-1900 Pacwest Center
1211 SW 5th Avenue
Portland, OR 97204

Via Rose City Delivery Services

Vicki McLean
Oregon Public Utility Commission
550 Capitol St., NE, Room 215
Salem, OR 97301

Via UPS Next Day Delivery

DATED this 21st day of February, 2007.

QWEST CORPORATION



By: _____

ALEX M. DUARTE, OSB No. 02045
421 SW Oak Street, Suite 810
Portland, OR 97204
Telephone: 503-242-5623
Facsimile: 503-242-8589
e-mail: alex.duarte@qwest.com
Attorney for Qwest Corporation

CASE: UM 1288
WITNESS: Roger Weinstein

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 106

Exhibit C

September 10, 2007

QWEST CORPORATION
DOCKET: UM 1288
INTERVENOR: Department of Justice
REQUEST NO: DOJ Subpoena Duces Tecum 02-002

REQUEST:

PUC has attached a list of 100 customers. Please provide historical information on these 100 customers from January 2004 to date. This information should include the following information:

- a. The name of the company that was serving the customer.
- b. Whether the customer was served as a QPP or resold line.
- c. Whether the customer was served by someone other than Qwest or VCI during the time period. And if so, the date their service began and ended with each company that served them.
- d. Whether the customer had a different telephone number or numbers than the number listed. And, if so, the telephone number or numbers and the months the customer was served by each phone number.
- e. If someone else was listed as the owner of the line, please indicate what address the telephone number is directed to and whether or not it was ever owned by the person listed including any time when it served the other customer. Please indicate if it appears the two different people were residing together at any time.

UM 1288 List.pdf

RESPONSE:

Please see Confidential Attachment A which is being provided pursuant to the protective order issued in this docket, OPUC Order No. 06-693, issued December 27, 2006.

Respondent: E. A. Becky Ferrington, Senior Process Analyst

CASE: UM 1288
WITNESS: Roger Weinstein

**PUBLIC UTILITY COMMISSION
OF
OREGON**

**Confidential Exhibit
Subject to Order No. 06-693**

September 10, 2007

CASE: UM 1288
WITNESS: Roger Weinstein

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 107

Exhibit D

September 10, 2007

Qwest Legal Department
1801 California St.
10th Floor
Denver, CO 80202



Stacy Hanson
Interrogatory Manager
303-383-6678
303-383-8514 (fax)
stacy.hanson@qwest.com

May 1, 2007

Via Overnight Delivery

David B. Hatton
Oregon Department of Justice
General Counsel Division
1162 Court Street NE
Salem OR 97301-4096

**RE: Oregon PUC Docket No. UM-1288 In the Matter of Vilaire Company Inc., dba VCI
Investigation into Oregon Telephone Assistance Program billings, as well as revenue and remittance
reporting**

Qwest's Response to DOJ's Subpoena Duces Tecum

Dear Mr. Hatton:

Enclosed is Qwest's Response to the Department of Justice's Subpoena Duces Tecum (DOJ 03-001) dated March 30, 2007 in the above referenced matter. Highly confidential information is being provided pursuant to the General Protective Order issued in this docket.

If you have any questions regarding this serving, I can be reached at (303) 383-6678.

Sincerely,

A handwritten signature in black ink that reads 'Stacy Hanson'.

Stacy Hanson
Interrogatory Manager

cc: Alex Duarte

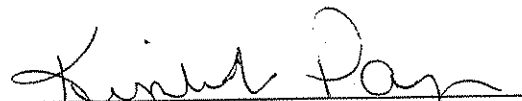
CERTIFICATE OF SERVICE

Docket No. UM-1288

I certify that I have caused to be served a copy of Qwest's Response to the Department of Justice's Subpoena Duces Tecum (DOJ 03-001) to the following parties via overnight delivery:

Oregon Department of Justice Attn: David B. Hatton 1162 Court Street NE, Salem OR 97301-4096	William J. Ohle Schwabe Williamson & Wyatt 1600-1900 Pacwest Center 1211 SW 5 th Avenue Portland, OR 97204
--------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------

DATED this 1st day of May, 2007.


Kimberlie Payne

Oregon
UM 1288
DOJ Subpoena Duces Tecum 03-001

INTERVENOR: Department of Justice

REQUEST NO: 001

The PUC has attached a list of 384 persons with their address, phone number, and a month and year for each person listed. Please indicate whether the person listed was a VCI customer during the month listed. Please provide a copy of the documents that Qwest relies upon in when it indicate whether each person listed was being served by VCI.

random sample VCI.xl:

RESPONSE:

In response, Qwest has investigated every account using Qwest systems and has placed information in the first tab of the attached HIGHLY-Confidential Attachment A (a CD disk that contains a data workbook to describe whether each telephone number (TN) was being served by VCI). In addition, Qwest has included in subsequent tabs (in the same data workbook) supporting information, which generally consists of screenshots from internal systems, where appropriate. Finally, Qwest notes that at the bottom of the first tab of the attached response is a 'Key' which includes acronym descriptions, Qwest response information, supporting detail and other information to aid in the understanding of Qwest's responses and supporting detail.

Respondent: Becky Ferrington and Qwest Legal

CASE: UM 1288
WITNESS: Roger Weinstein

**PUBLIC UTILITY COMMISSION
OF
OREGON**

**Confidential Exhibit
Subject to Order No. 06-693**

September 10, 2007

CASE: UM 1288
WITNESS: Roger Weinstein

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 108

Exhibit E

September 10, 2007

Qwest Legal Department
1801 California St.
10th Floor
Denver, CO 80202



Stacy Hanson
Interrogatory Manager
303-383-6678
303-383-8514 (fax)
stacy.hanson@qwest.com

August 20, 2007

Via Overnight Delivery

David B. Hatton
Assistant Attorney General
Oregon Department of Justice
Regulated Utility & Business Section
1162 Court Street NE
Salem OR 97301-4096

**RE: Oregon PUC Docket No. UM-1288 In the Matter of Vilaire Company Inc., dba VCI
Investigation into Oregon Telephone Assistance Program billings, as well as revenue and remittance
reporting**

Qwest's Response to DOJ's Subpoena Duces Tecum

Dear Mr. Hatton:

Enclosed is Qwest's Response to the Department of Justice's Subpoena Duces Tecum (DOJ 04-001) dated July 31, 2007 in the above referenced matter. Highly confidential information is being provided pursuant to the General Protective Order issued in this docket.

If you have any questions regarding this serving, I can be reached at (303) 383-6678.

Sincerely,

A handwritten signature in black ink that reads 'Stacy Hanson'.

Stacy Hanson
Interrogatory Manager

cc: Alex Duarte
William J. Ohle

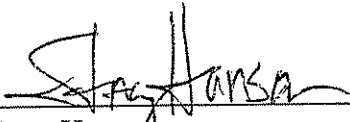
CERTIFICATE OF SERVICE

Docket No. UM-1288

I certify that I have caused to be served a copy of Qwest's Response to the Department of Justice's Subpoena Duces Tecum (DOJ 04-001) to the following parties via overnight delivery:

David B. Hatton Assistant Attorney General Oregon Department of Justice Regulated Utility & Business Section 1162 Court Street NE Salem OR 97301-4096	William J. Ohle Schwabe Williamson & Wyatt 1600-1900 Pacwest Center 1211 SW 5 th Avenue Portland, OR 97204
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------

DATED this 20th day of August, 2007.



Stacy Hanson

QWEST CORPORATION

DOCKET: UM 1288
INTERVENOR: Department of Justice
REQUEST NO: DOJ Subpoena Duces Tecum 04-001

REQUEST:

The Public Utility Commission has attached Attachment A, a list of 2 persons with their address, phone number, and a month and year for each person listed. Please indicate whether the person listed was a VCI customer during the month listed. Please provide a copy of the documents that Qwest relies upon when it indicates whether each person listed was being served by VCI.

Attachment A.pdf

RESPONSE:

In response, Qwest has investigated the accounts using Qwest systems and has placed information in the first tab of the attached HIGHLY-Confidential Attachment A (a CD disk that contains a data workbook to describe whether each telephone number (TN) was being served by VCI). In addition, Qwest has included in subsequent tabs (in the same data workbook) supporting information, which generally consists of screenshots from internal systems, where appropriate. Finally, Qwest notes that at the bottom of the first tab of the attached response is a 'Key' which includes acronym descriptions, Qwest response information, supporting detail and other information to aid in the understanding of Qwest's responses and supporting detail.

Respondent: Becky Ferrington and Qwest Legal

CASE: UM 1288
WITNESS: Roger Weinstein

**PUBLIC UTILITY COMMISSION
OF
OREGON**

**Confidential Exhibit
Subject to Order No. 06-693**

September 10, 2007

CASE: UM 1288
WITNESS: Julie Thompson

**PUBLIC UTILITY COMMISSION
OF
OREGON**

Staff Exhibit 109

Direct Testimony

September 10, 2007

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, POSITION AND POSITION DESCRIPTION.

A. My name is Julie Thompson and I am employed by the Public Utility Commission of Oregon (OPUC) as an Administrative Specialist 2 of the Residential Service Protection Fund (RSPF) in the Central Services Division. I began my tenure on October 15, 2004. My business address is 550 Capitol Street NE Suite 215, Salem, Oregon 97301-2551 and my telephone number is (503) 373-7915. The RSPF program consists of three telephone assistance programs, including the Oregon Telephone Assistance Program (OTAP). OTAP is designed to provide reduced rates for an eligible telecommunications provider's basic service for low-income customers who meet eligibility requirements. A total of \$3.50 is paid by the fund to the eligible telecommunications provider to support the reduced monthly rate for residential customers that qualify for OTAP benefits. My job duties consist of processing OTAP applications, handling OTAP customer calls and comparing phone company records to the OTAP database to verify the accuracy of customer eligibility and reimbursement.

Q. WOULD YOU PLEASE DESCRIBE WHO THE DEFENDANTS ARE IN THIS CASE?

A. Defendant Stan Efferding and Defendant Stanley Johnson registered to do business in the State of Oregon under the assumed business name Vilaire on May 22, 2003. A copy of that registration certified to be a true copy by the Office of the Secretary of State is attached and marked Exhibit 110.

On December 17, 2003, the Commission granted the petition of Defendant Stan Efferding, dba Vilaire for designation as a federal and state Eligible Telecommunications Carrier (ETC) throughout the Oregon service area of Qwest Corporation (Qwest).

The Defendant VCI Company is a foreign business corporation that was incorporated in the State of Washington. VCI Company registered to do business in the State of Oregon on December 4, 2003. Stanley Johnson is the president of VCI Company. Stan Efferding is the secretary of VCI Company. A copy of the registration certified to be a true copy by the Office of the Secretary of State is attached and marked Exhibit 111.

Q. WHAT WAS THE PURPOSE OF THE INVESTIGATION OF DEFENDANTS?

A. The purpose of the investigation was to determine the accuracy of OTAP reimbursements to Defendants for their reported customers as stated in UM 1288.

Q. HOW MANY CUSTOMERS DID THE DEFENDANTS BILL THE OPUC AS OTAP CUSTOMERS?

A. From June 2004 to November 2006, the Defendants billed for 143,737 customers, but only submitted 143,081 customers' names in their monthly spreadsheets.

Q. WHAT PROCEDURE DID YOU USE FOR DETERMINING WHETHER THE NUMBER OF THE DEFENDANTS' CUSTOMERS WAS ACCURATE?

A. After the investigation was ordered by the Commission, Staff issued four subpoenas to Qwest Corporation, the company that the Defendants

purchased telephone lines from. The first subpoena requested the total number of lines that Qwest billed the Defendants.

Q. HOW DID THE INFORMATION FROM QWEST RELATE TO THE NUMBER OF CUSTOMERS THAT THE DEFENDANTS BILLED AS OTAP CUSTOMERS?

A. Qwest's line counts were compared to the number of customers that the Defendants billed OTAP for reimbursement. The line counts from Qwest as shown on Exhibit 104 were lower than the number of customers that the Defendants billed OTAP for reimbursement. Qwest's line counts are a "snapshot" of active Defendants' lines taken at the end of each month. These snapshot line counts did not contain monthly order activity counts. Monthly order activity counts are documented actions of active Defendants' lines. The second subpoena requested Qwest's monthly order activity counts for all lines the Defendants had purchased.

Q. WHAT TYPES OF ACTIVITY DID THE MONTHLY ORDER ACTIVITY COUNTS SHOW?

A. The order activity counts were classified into seven categories shown on Exhibit 105. 1) New installation, 2) Change to an existing account, 3) Disconnect of an entire account, 4) Outside move (change of customer address), 5) Conversion (of an account from another provider or a change of "service platform"), 6) Deny, (the Competitive Local Exchange Carrier's (CLEC) request for suspension of service because of customer's non-

payment of bill) and 7) Conversion (same as number 5), but without directory listing changes).

Q. HOW DOES THE MONTHLY ORDER ACTIVITY COUNTS RECEIVED FROM QWEST AS A RESULT OF THE SECOND SUBPOENA RELATE TO THE NUMBER OF ACTIVE LINES FOR THE DEFENDANTS?

A. The second set of statistics overstates, rather than understates, the number of Qwest lines the Defendants had.

Q. HOW IS THAT?

A. One line could have multiple actions of order activity counts in the same month, and therefore be counted more than once. For example, the fourth telephone (TN #4), see Exhibit 105 at 4, had a new connection, a change of service platform from resale to Qwest Platform Plus (QPP) and a disconnection completed all in the month of March 2006. This single telephone number had three actions counted three different times for the month of March 2006, which inflated the total active line count for VCI.

Q. SO THIS SECOND SET OF STATISTICS FROM QWEST ALSO DOES NOT PROVIDE AN ACCURATE TOTAL ACTIVE LINE COUNT FOR VCI?

A. Correct, but when the order activity counts are combined with the active line counts received from the first subpoena, it shows an absolute maximum number of lines that the Defendants could have had for each month.

Q. WHAT IS THE SIGNIFICANCE OF AN ABSOLUTE MAXIMUM?

A. The absolute maximum is an inflated amount, but it is still lower, for most months, than the number of lines that the Defendants billed OTAP for customer reimbursement.

Q. IS THERE A SUMMARY SHOWING THE RESULTS OF THE COMPARISON?

A. Yes, see Exhibit 112. The "active line count" column and the "order activity counts" column were combined for a "Maximum Line Count". The "PUC Paid" column documents the amount that the OPUC paid to the Defendants for OTAP reimbursements. When the "PUC Paid" column exceeded the "Maximum Line Count" column, it was noted in the "difference" column.

Q. WHAT IS THE DIFFERENCE?

A. There were a total of 37,639 lines that the OPUC paid the Defendants that are not reflected in Qwest's active line count from the first subpoena or the order activity count from the second subpoena.

Q. DID THAT RESULT IN THE DEFENDANTS RECEIVING MORE OTAP REIMBURSEMENTS THAN IT WAS ENTITLED TO, AND IF SO, HOW MUCH?

A. Yes. It resulted in a minimum overpayment of \$131,736.50.

Q. WHY DO YOU SAY IT IS A MINIMUM OVERPAYMENT?

A. The information provided by Qwest shows all possible lines that the Defendants had available, and by including the order activity counts, it

greatly exaggerates this amount. It is evident that a larger amount of overpayment by the OPUC still exists.

Q. WAS THERE ANY OTHER INFORMATION THAT OPUC RELIED ON IN COMING UP WITH THIS AMOUNT?

A. As a result of the second subpoena, Qwest also provided service history for 113 customers that verified the time frames when the end-user's service may have been provided by the Defendants, Qwest, or another CLEC.

Q. WHAT DID YOU DO WITH THIS INFORMATION?

A. I prepared a summary of service histories as shown on Exhibit 113. For each customer, it shows the months that the Defendants provided service, which is listed in the "Actual VCI Service" column. For each customer, I researched the Defendants' monthly customer spreadsheets and documented the months the Defendants billed OTAP for reimbursement in the "Months Billed" column. In some cases I have included comments on Exhibit 113 that reflect the result of my research on customers.

Q. WHAT DOES THE SERVICE HISTORY OF THE 113 CUSTOMERS SHOW WHEN COMPARED WITH THE BILLINGS?

A. A majority of these customers had telephone service with the Defendants for a short period of time. However, when customers' phone service was disconnected, the Defendants continued to bill OPUC for OTAP reimbursement. Service histories show instances where the OPUC was billed for the month prior to customers starting service with the Defendants. The OPUC was billed for some customers who had service with different

phone companies or never started service with the Defendants. In addition, there were months in which the OPUC was billed multiple times for the same customer or phone number.

Q. HOW MANY TIMES DID THE DEFENDANTS BILL FOR CUSTOMERS THAT HAD BEEN DISCONNECTED OR NEVER RECEIVED SERVICES?

A. The Defendants incorrectly billed 849 times for these 113 customers.

Q. DID STAFF RELY ON ANY OTHER INFORMATION IN THIS INVESTIGATION?

A. The service histories from the second subpoena show that the Defendants should not have been reimbursed for a significant number of months in which customers never had service with the Defendants. Qwest's response to the first two subpoenas did not provide the information needed to produce an accurate representation of the number of incorrect billings and the amount overpaid by the OPUC. Consequently, staff determined that the sampling method would be the most effective and submitted a third (Exhibit 106) and fourth subpoena (Exhibit 107) to Qwest requesting a sample of VCI billings

Q. PLEASE EXPLAIN HOW THE DEFENDANTS' BILLING SAMPLE WAS OBTAINED?

A. OPUC Staff Analyst, Ming Peng, calculated the sample size as described in her testimony. A total of 384 customers (sample size) were sampled from the population of the Defendants' customers. I entered the Defendants customer information (customer name, phone number, address

and month in question) into a spreadsheet and submitted it to Qwest. The goal was to use a sampling method with a 95% confidence level to calculate the percentage of customers listed on Defendants' billings between June 2004 and November 2006 that actually had service with Defendants during that time period.

Q. HOW WOULD QWEST KNOW THE NAMES OF DEFENDANT'S CUSTOMERS?

A. The Defendants' billings from Qwest include the customers' service location and their last name and first initial. The response to the third and fourth subpoenas, as seen on Exhibit 106 and 107, show supporting snapshots of the Defendants' billings.

Q. WHAT DID QWEST'S RESPONSE SHOW?

A. Qwest's response showed a total of 189 lines that the Defendants provided service (yes and conversion responses), during the time frame in question. The other response categories (no, disconnected, not found, blank and undetermined responses) made up the remaining 195. I examined each of the responses and found that 193 customers or 50.26% did not have service with the Defendants for the time frames that were provided to Qwest. The results of the third and fourth subpoena validate the results of the second subpoena (i.e. billing for a customer that had been disconnected, billing for a customer that had service with a different phone company, or billing for a customer that never had service with the Defendants). Out of the 384 customers OPUC staff submitted, Qwest documented the following:

- 86 customers had service disconnected in previous months.
- 40 telephone numbers were in service with a different phone company and customer.
- 32 telephone numbers had no activity for the month in question.
- 21 telephone numbers belonged to the same customers that were submitted by the Defendants. However, the service during that time frame was with a different company.
- 8 customers were billed to the OPUC but service with the Defendants did not start until the following month.
- 2 service orders were canceled and service was never provided by the Defendants.
- 1 telephone number was invalid
- 1 telephone number was for New Mexico.
- 1 telephone number belonged to a different customer with the Defendants. However the customer in question was disconnected in a previous month. The Defendants listed this number three times in one billing for that one month.
- 1 telephone number is listed as "undetermined" because Qwest was unable to determine if it was a resold or Qwest retail account. OTAP records show that a fax received from Qwest on 08/16/04 states the customer had service with a different CLEC.

Q. HOW DID STAFF USE THAT RESULT?

A. As shown on Exhibit 114, the amount of the overpayment is calculated based on a reduction of 50.26% of the customers that the Defendants submitted. Therefore, 49.74% of correct Defendants' billings were subtracted from the total number of customers that the OPUC paid.

Q. AND WHAT WERE THOSE RESULTS?

A. With a 95% confidence level, the Defendants were overpaid for 58,111.99 customers or \$203,391.97 in OTAP reimbursements from the OPUC.

Q. HOW DO YOU KNOW THAT VCI COULD NOT HAVE HAD MORE LINES FROM OTHER CARRIERS FOR THOSE BILLINGS?

A. The Defendant, Stan Efferding, dba Vilaire, was approved for federal and state ETC to provide OTAP throughout the Oregon service area of Qwest Corporation. The Defendants were not designated as a federal and state ETC to provide OTAP in other service areas. In addition, VCI Company established an interconnection agreement with Verizon on April 25, 2006, but Verizon confirmed that VCI Company did not purchase any private or wholesale lines in Oregon. Exhibit 115.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

CASE: UM 1288
WITNESS: Julie Thompson

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 110

September 10, 2007

CERTIFICATE

State of Oregon

OFFICE OF THE SECRETARY OF STATE
Corporation Division

I, *BILL BRADBURY*, Secretary of State of Oregon, and Custodian of the Seal of said State, do hereby certify:

That the attached Document File for:

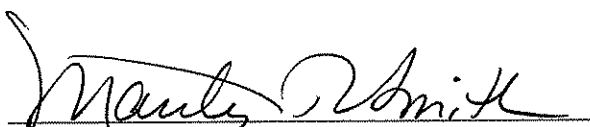
VILAIRE

*is a true copy of the original documents
that have been filed with this office.*



*In Testimony Whereof, I have hereunto set
my hand and affixed hereto the Seal of the
State of Oregon.*

BILL BRADBURY, Secretary of State

By 

Marilyn R. Smith

August 31, 2007

May 20 03 08:35p

Vilaire Apartments

253-475-6328

P. 2

05-20-03 09:59:00

FROM: CORP. DIVISION

TO: 6328

PAGE 2



Phone: (503) 866-2200
Fax: (503) 378-4381

Assumed Business Name—New Registration

Secretary of State
Corporation Division
255 Capital St. NE, Suite 151
Salem, OR 97310-1327
FileInOregon.com

FILED

MAY 22 2003

OREGON
SECRETARY OF STATE

REGISTRY NUMBER: 150798-90

In keeping with Oregon Statute 192.410-192.595, the information on the application is public record.
We must release this information to all parties upon request and it may be posted on our website.

For office use only

Please Type or Print Legibly in Black Ink. Attach Additional Sheet if Necessary.

1) AS: _____ (To be registered)

Vilaire

2) DESCRIPTION OF BUSINESS (Primary business activity)

Tele Phone Service (Resident-1)

4) AUTHORIZED REPRESENTATIVE (One name only)

Stanley Johnson

3) PRINCIPAL PLACE OF BUSINESS (Street address, city, state, zip)

7619 Burgess Street WEST office
Lakewood, WA 98499

5) MAILING ADDRESS FOR AUTHORIZED REP (Address, city, state, zip)

7619 Burgess Street west office
Lakewood, WA 98499

6) REGISTRANTS/OWNERS (List name and street address of each person who will conduct or transact business under the assumed business name.)
(Attach a separate sheet if necessary.)

NAME	STREET ADDRESS	CITY/STATE/ZIP
<u>Stan Effending</u>	<u>7619 Burgess St. west office</u>	<u>Lakewood, WA 98499</u>
<u>Stanley Johnson</u>	<u>7619 Burgess St. west office</u>	<u>Lakewood, WA 98499</u>

7) COUNTIES

- | | | | | | |
|-----------------------------------------------------------------|------------------------------------|-------------------------------------|----------------------------------|------------------------------------|-------------------------------------|
| <input type="checkbox"/> Baker | <input type="checkbox"/> Crook | <input type="checkbox"/> Harney | <input type="checkbox"/> Lake | <input type="checkbox"/> Morrow | <input type="checkbox"/> Union |
| <input type="checkbox"/> Benton | <input type="checkbox"/> Curry | <input type="checkbox"/> Hood River | <input type="checkbox"/> Lane | <input type="checkbox"/> Multnomah | <input type="checkbox"/> Wallowa |
| <input checked="" type="checkbox"/> ALL COUNTIES
(Statewide) | <input type="checkbox"/> Clackamas | <input type="checkbox"/> Deschutes | <input type="checkbox"/> Jackson | <input type="checkbox"/> Polk | <input type="checkbox"/> Wasco |
| <input type="checkbox"/> Clatsop | <input type="checkbox"/> Douglas | <input type="checkbox"/> Jefferson | <input type="checkbox"/> Linn | <input type="checkbox"/> Sherman | <input type="checkbox"/> Washington |
| <input type="checkbox"/> Columbia | <input type="checkbox"/> Gilliam | <input type="checkbox"/> Josephine | <input type="checkbox"/> Malheur | <input type="checkbox"/> Tillamook | <input type="checkbox"/> Wheeler |
| <input type="checkbox"/> Coos | <input type="checkbox"/> Grant | <input type="checkbox"/> Klamath | <input type="checkbox"/> Marion | <input type="checkbox"/> Umatilla | <input type="checkbox"/> Yamhill |

8) EXECUTED/SIGNED BY: (All registrants/owners must sign.)

Stan Effending
Stanley Johnson

1005/00/03

FEES	
Required Processing Fee	\$20
Confirmation Copy (Optional)	\$5
Processing Fees are nonrefundable.	
Please make check payable to "Corporation Division."	
NOTE: Fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.	

9) CONTACT NAME (To resolve questions with this filing)

Stanley Johnson

DAYTIME PHONE NUMBER (include area code.)

(253) 973-2476

CERTIFICATE

State of Oregon

OFFICE OF THE SECRETARY OF STATE
Corporation Division

I, *BILL BRADBURY*, Secretary of State of Oregon, and Custodian of the Seal of said State, do hereby certify:

VILAIRE

*was administratively cancelled
on the records of the Corporation Division on*

May 23, 2005

and remains inactive as of the date of this certificate.



*In Testimony Whereof, I have hereunto set
my hand and affixed hereto the Seal of the
State of Oregon.*

BILL BRADBURY, Secretary of State

By

A handwritten signature in black ink, appearing to read "Marilyn R. Smith".

Marilyn-R. Smith

August 31, 2007

CASE: UM 1288
WITNESS: Julie Thompson

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 111

September 10, 2007

CERTIFICATE

State of Oregon

OFFICE OF THE SECRETARY OF STATE
Corporation Division

I, *BILL BRADBURY*, Secretary of State of Oregon, and Custodian of the Seal of said State, do hereby certify:

That the attached Document File for:

VCI COMPANY

*is a true copy of the original documents
that have been filed with this office.*



*In Testimony Whereof, I have hereunto set
my hand and affixed hereto the Seal of the
State of Oregon.*

BILL BRADBURY, Secretary of State

By

A handwritten signature in cursive script, appearing to read "Marilyn R. Smith".

Marilyn R. Smith

August 31, 2007



Phone: (503) 866-2200
Fax: (503) 378-4381

Application for Authority to Transact Business—Business/Professional

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327
FilingInOregon.com

Check the appropriate box below:

- FOREIGN BUSINESS CORPORATION
(Complete only 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12)
- FOREIGN PROFESSIONAL CORPORATION
(Complete all items)

Staff/111
Thompson/2

FILED

DEC 04 2003

OREGON
SECRETARY OF STATE

REGISTRY NUMBER:

187422-96

In keeping with Oregon Statute 192.410-192.595, the information on the application is public record. We must release this information to all parties upon request and it may be posted on our website.

For office use only

Please Type or Print Legibly in Black Ink. Attach Additional Sheet if Necessary.

1) NAME OF CORPORATION VCI Company

NOTE: Must be identical to the name on the Certificate of Existence. See #2.

2) CERTIFICATE OF EXISTENCE (This application must be accompanied by a certificate of existence, current within 60 days of delivery to this Division, authenticated by the official having custody of the corporate records in the jurisdiction of incorporation.)

CERTIFICATE ATTACHED

7) ADDRESS OF THE OREGON REGISTERED OFFICE (Must be an Oregon Street Address which is identical to the registered agent's business office.)

2717 Locust St.
Springfield, OR 97477

3) DATE OF INCORPORATION 9/24/03 DURATION, IF NOT PERPETUAL

8) ADDRESS FOR MAILING NOTICES

2717 Locust St
Springfield, OR 97477

4) STATE OR COUNTRY OF ORGANIZATION

Washington

9) NAME AND ADDRESS OF PRESIDENT AND SECRETARY

President: Stanley Johnson
Address: 7304 Zircon Dr SW
Lakewood, WA 98498

5) ADDRESS OF PRINCIPAL OFFICE OF THE BUSINESS (Address, city, state, zip)

7304 Zircon Dr SW
Lakewood, WA 98498

Secretary: Stanley Johnson
Address: 7304 Zircon Dr SW
Lakewood, WA 98498

6) NAME OF OREGON REGISTERED AGENT

Tracy Lopez

PROFESSIONAL CORPORATION ONLY

10) PROFESSIONAL/BUSINESS SERVICES (List professional service(s) and other business services, if applicable, to be rendered.)

11) EXECUTION

Printed Name

Stanley Johnson

Signature

Title

President

12) CONTACT NAME (To resolve questions with this filing.)

Stanley Johnson

DAYTIME PHONE NUMBER (include area code.)

(253) 973-2474

FEES

Required Processing Fee \$20 - Processing Fees are nonrefundable.

Please make check payable to "Corporation Division."

NOTE:

Fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

Handwritten initials and date: DJ 12/4

VOID IF ALTERED OR ERASED

VOID IF ALTERED OR ERASED

18742296

FILED

DEC 04 2003

OREGON
SECRETARY OF STATE

UNITED STATES OF AMERICA

The State of Washington



Secretary of State

Staff/111
Thompson/ 3

I, **Sam Reed**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF EXISTENCE/AUTHORIZATION

OF

VCI COMPANY

I FURTHER CERTIFY that the records on file in this office show that the above named profit corporation was formed under the laws of the State of Washington and was issued a Certificate of Incorporation in Washington on April 24, 2003

I FURTHER CERTIFY that as of the date of this certificate, no Articles of Dissolution have been filed, and that the corporation is duly authorized to transact business in the corporate form in the State of Washington

Date: November 19, 2003



Given under my hand and the Seal of the State of Washington at Olympia, the State Capital.

Sam Reed, Secretary of State

VOID IF ALTERED OR ERASED

VOID IF ALTERED OR ERASED

CASE: UM 1288
WITNESS: Julie Thompson

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 112

September 10, 2007

CASE: UM 1288
WITNESS: Julie Thompson

**PUBLIC UTILITY COMMISSION
OF
OREGON**

**Confidential Exhibit
Subject to Order No. 06-693**

STAFF EXHIBIT 113

September 10, 2007

CASE: UM 1288
WITNESS: Julie Thompson

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 114

September 10, 2007

RESULTS BASED ON SAMPLING

Number of customers VCI submitted to OPUC for OTAP: Number of customers submitted by VCI on monthly spreadsheets.
Number of Customers OPUC Paid VCI for OTAP: Number of eligible OTAP customers that the OPUC reimbursed VCI.
Number of customers after applying the sample results: Number of customers VCI should have been reimbursed based on the reduction of the applied sample results of 50.26%.
Number of Overpaid Customers: Number of customers after applying sampling results subtracted from the total number of customers that the OPUC reimbursed VCI.

Month/Yr	Number of customers VCI submitted to OPUC for OTAP	Number of customers OPUC paid VCI for OTAP	Number of customers after applying the sample results	Number of overpaid customers
Jun-04	1628.00	1573.00	809.77	763.23
Jul-04	2188.00	2476.00	1088.31	1387.69
Aug-04	2625.00	2629.00	1405.18	1223.85
Sep-04	3469.00	3272.00	1720.61	1551.49
Oct-04	4386.00	4199.00	2186.57	2012.43
Nov-04	4667.00	4531.00	2321.37	2209.63
Dec-04	5332.00	5211.00	2652.14	2558.86
Jan-05	5498.00	5499.00	2734.71	2764.29
Feb-05	5962.00	5857.00	2965.50	2891.50
Mar-05	6648.00	6514.00	3306.72	3207.28
Apr-05	5463.00	5353.00	2717.30	2635.70
May-05	5581.00	5580.00	2775.99	2804.01
Jun-05	6816.00	6773.00	3390.28	3382.72
Jul-05	7095.00	6945.00	3529.05	3415.95
Aug-05	7477.00	7478.00	3719.06	3758.94
Sep-05	7521.00	7522.00	3740.95	3781.05
Oct-05	7939.00	7940.00	3948.86	3991.14
Nov-05	8716.00	8717.00	4335.34	4381.66
Dec-05	9016.00	9016.00	4484.56	4531.44
Jan-06	5695.00	2409.00	2832.69	***0
Feb-06	5616.00	3427.00	2793.40	633.60
Mar-06	6154.00	3202.00	3061.00	141.00
Apr-06	3378.00	3379.00	1680.22	1698.78
May-06	3101.00	2487.00	1542.44	944.56
Jun-06	2593.00	2236.00	1289.76	946.24
Jul-06	2224.00	0.00	1106.22	**1112
Aug-06	2081.00	1530.00	1035.09	494.91
Sep-06	1855.00	0.00	922.68	**927.5
Oct-06	1559.00	0.00	775.46	**779.5
Nov-06	598.00	0.00	297.45	**299.5
TOTALS:	143081.00	125755.00	71168.49	58111.99
*TOTAL OVERPAYMENT:			\$203,391.97	

*Total Overpayment calculation is based on the Amount of Overpaid Customers paid by the OPUC to VCI at \$3.50/customer.
**VCI was not reimbursed for OTAP for these months. However this amount is being reduced from the total overpayment.
***VCI billing for January 2006 was reduced by the OPUC to 2409 based on customer eligibility. The sample size results are higher than the amount OPUC paid. Therefore, no reimbursement or charge is necessary.

CASE: UM 1288
WITNESS: Julie Thompson

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 115

September 10, 2007

VERIZON LEGAL COMPLIANCE
P O BOX 1001
6TH FLOOR NORTH
SAN ANGELO, TX 76902 - 1001
888-483-2600

RECEIVED

JUL 12 2007

Department of Justice
General Counsel-Salem

July 3, 2007

David B. Hatton
Assistant Attorney General
Department of Justice/General Counsel
1162 Court Street NE
Salem, OR 97301-4096

Verizon Case #: 07318701

Dear Mr. Hatton:

This letter responds to the subpoena duces tecum that you issued with reference to Vilaire Company, Inc. d/b/a VCI ("VCI"), DOJ File No. 860720-GP0021-06, requesting "the total number of lines" that VCI purchased from Verizon Northwest Inc. ("Verizon") in Oregon, "beginning with the first month Vilaire Company, Inc. purchased lines from Verizon through the current month, organized by month."

Verizon records show that VCI has not purchased from Verizon in Oregon (1) any special access or private lines since January 2003 (the earliest date for which Verizon retains such records) nor (2) any wholesale local lines since January 2000 (again, the earliest date for which Verizon retains such records).

Sincerely,

Verizon Legal Compliance