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February 5, 2010

The Honorable Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

Re: dPi Teleconnect, LLC, Complainant/Petitioner v. BellSouth Telecommunications, Incorporated, Defendant/Respondent
Docket No.: 2005-358-C

Dear Mr. Terreni:

Enclosed for filing is AT&T South Carolina's Direct Testimony of Kristy A. Seagle in the above-referenced matter.

By copy of this letter, I am serving all parties of record with a copy of this pleading as indicated on the attached Certificate of Service.

Sincerely,

Patrick Turner

Patrick W. Turner

PWT/nml
Enclosure
cc: All Parties of Record
778493

AT&T SOUTH CAROLINA

DIRECT TESTIMONY OF KRISTY A. SEAGLE

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NO. 2005-358-C

FEBRUARY 5, 2010

Q. PLEASE STATE YOUR NAME, YOUR EMPLOYER, AND YOUR BUSINESS ADDRESS.

A. My name is Kristy Seagle. I am employed by AT&T Operations, Inc. in the area of wholesale operations. My business address is 3535 Colonnade Parkway, Suite N3C, Birmingham, Alabama 35243.

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND EXPERIENCE.

A. I received my Masters of Business Administration degree from the University of Alabama in Birmingham in 1982. I have eleven years experience in the telecommunications industry. My career with AT&T/BellSouth began in 1998 as a Small Business Service Representative. Since then I have worked as a Systems Designer, Resale Product Manager, and Lead Interconnection Agreements Manager.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to respond to the portions of the Direct Testimony filed in this docket on January 22, 2010 by dPi Teleconnect's ("dPi's") witness, Mr. Tom O'Roark that address: (1) AT&T's purported "approval" of "small batches" of dPi's LCCW credit requests; and (2) the reasons AT&T denied dPi's LCCW credit requests.

I. AT&T'S PURPORTED "APPROVAL" OF "SMALL BATCHES" OF DPI'S LCCW CREDIT REQUESTS

Q. AT PAGE 10 OF HIS DIRECT TESTIMONY, MR. O'ROARK SAYS THAT IN LATE 2003 TO EARLY 2004, STEVE WATSON (DPI'S BILLING AGENT) "WAS WORKING WITH [AT&T] ON WAYS TO AUTOMATE THE CREDITING PROCESS" AND THAT MR. WATSON SENT "SMALL BATCHES OF ORDERS AT A TIME" TO SEE IF A NEW AUTOMATED CREDITING PROCESS WORKED. ARE YOU FAMILIAR WITH DISCUSSION BETWEEN MR. WATSON AND AT&T REGARDING THE AUTOMATED CREDIT PROCESS THAT MR. O'ROARK DISCUSSES?

Q. Yes. I am familiar with discussions AT&T had with Steve Watson regarding the promotional credit process, and I was involved in many, if not most, of those discussions.

A. IS MR. O'ROARK'S ACCOUNT OF THOSE DISCUSSIONS ACCURATE?

1

2 A. No.

3

4 Q. PLEASE DESCRIBE THE DISCUSSIONS THAT ACTUALLY OCCURRED.

5

6 A. The discussions began when I met with Mr. Watson in a face-to-face meeting in

7 Birmingham, Alabama, in August of 2004 (not in late 2003 or early 2004).

8

9 Q. WAS MR. O'ROARK AT THAT MEETING?

10

11 A. No.

12

13 Q. WHAT WERE YOUR JOB RESPONSIBILITIES AT THAT TIME YOU MET

14 WITH MR. WATSON IN AUGUST 2004?

15

16 A. In August 2004, I was the resale product manager. Among my several job

17 responsibilities at the time was processing promotional credit requests submitted by

18 CLECs.

19

20 Q. HOW DID YOUR AUGUST 2004 MEETING WITH MR. WATSON COME

21 ABOUT?

22

1 A. Mr. Watson asked me to meet with him and his son Chris. Mr. Watson said that
2 he had recently left his position with another carrier and was starting a new
3 business, Lost Key Telecom, Inc., that would work with a number of CLECs to
4 submit promotional credit requests to AT&T. Mr. Watson said he wanted to
5 discuss the format he intended to use in submitting these requests to be sure that it
6 included all of the information AT&T needed to process the requests.
7
8 Q. DID YOU DISCUSS THE PROMOTIONAL CREDIT REQUEST PROCESS
9 WITH MR. WATSON DURING YOUR AUGUST 2004 MEETING?
10
11 A. Yes. I explained the form that needed to be submitted to seek promotional credit
12 requests, and Mr. Watson and I discussed how best to format the backup
13 information that would need to be submitted in support of the request form.
14
15 Q. TO WHAT EXTENT, IF ANY, WAS MR. WATSON "WORKING WITH
16 [AT&T] ON WAYS TO AUTOMATE THE CREDITING PROCESS?"
17
18 A. None. Mr. Watson was simply discussing with AT&T what information CLECs
19 had to provide to support a credit request submitted under the process that AT&T
20 developed. AT&T began working on the automated crediting process in April
21 2005.
22

1 Q. MR. O'ROARK, AT PAGE 10, TESTIFIES THAT "BY DECEMBER 2003
2 AND JANUARY 2004, WE WERE WORKING ON THE LCCW
3 PROMOTION, AND HAD OUR BATCHES CONTAINING CREDIT
4 REQUESTS FOR ORDERS FOR BASIC SERVICE PLUS THE TOUCHSTAR
5 BLOCKING FEATURES APPROVED." ARE YOU AWARE OF WHAT HE
6 IS TALKING ABOUT?
7
8 A. No. I became Resale Product Manager in March 2004, and I worked closely with
9 my predecessor for several weeks prior to that. If AT&T had been working on the
10 type of process Mr. O'Roark describes during the time period he describes, I
11 would have been aware of it.
12
13 As I mentioned earlier, Mr. Watson and I did not meet until August 2004, and in
14 that meeting he and I discussed how best to format the backup information that
15 would need to be submitted in support of a form requesting promotional credits.
16 No "approval" of any actual requests was involved at that point. In fact, no credit
17 requests were submitted for dPi until September 2004.
18
19 When Mr. Watson began submitting credit requests on behalf of dPi, he
20 occasionally would check with AT&T to confirm that credit requests he had
21 submitted to AT&T under the new process had actually been received by AT&T.
22 No "approval" of any actual requests was involved.
23

1 Q. TO THE BEST OF YOUR KNOWLEDGE, WAS MR. O'ROARK INVOLVED
2 IN ANY OF THE MATTERS YOU HAVE JUST DESCRIBED?
3
4 A. No.
5
6 **II. THE REASONS AT&T DENIED DPI'S LCCW CREDIT REQUESTS**
7
8 Q. BEGINNING ON PAGE 13 OF HIS DIRECT TESTIMONY, MR. O'ROARK
9 RELIES ON A DEPOSITION TRANSCRIPT (DPI EXHIBIT 7) IN MAKING A
10 NUMBER OF STATEMENTS REGARDING AT&T'S DENIAL OF DPI'S
11 LCCW CREDIT REQUESTS. ARE YOU FAMILIAR WITH THAT
12 TRANSCRIPT?
13
14 A. Yes. It is the transcript of a deposition I gave in 2006.
15
16 Q. ON PAGE 13, LINES 18-20 OF HIS DIRECT TESTIMONY, MR. O'ROARK
17 SUGGESTS THAT AT&T SOUTH CAROLINA DENIED DPI'S LCCW
18 PROMOTIONAL CREDIT REQUESTS SIMPLY BECAUSE OF THE LARGE
19 AMOUNTS DPI SOUGHT. DO YOU AGREE WITH THAT ASSERTION?
20
21 A. No. As I stated at page 35 of my deposition transcript, in September 2004, AT&T
22 received promotional credit requests from dPi and three other CLECs for eight
23 months worth of three promotions each. And as I stated on page 39 of my

1 deposition transcript, it was the amount of credit requested by another CLEC (not
2 dPi) that initially caught my attention.
3
4 Q. WHAT WAS THAT AMOUNT?
5
6 A. More than $850,000 of LCCW credits requested in only an eight-month period.
7
8 Q. WHY DID THAT AMOUNT CATCH YOUR ATTENTION?
9
10 A. In my experience, that seemed like a very high amount in a very short time for a
11 promotion that was available only for reacquisition or winover customers who
12 purchased a line and two features.
13
14 Q. DID YOU DECIDE TO DENY ANY CREDIT REQUESTS AT THAT POINT?
15
16 A. No. Instead, as I explained on pages 39-40 of my deposition transcript, I decided
17 to hold off on further processing all promotional credit requests (including those
18 submitted by dPi and those submitted by other CLECs) so we could ensure that
19 we were processing them correctly.
20
21 Q. WHAT WAS AT&T ATTEMPTING TO DETERMINE WHILE YOU HELD
22 OFF ON PROCESSING THESE PROMOTIONAL CREDIT REQUESTS?
23

1 A. As I stated at page 40 of my deposition transcript, AT&T's wholesale operations
2 wanted to be sure that we were applying the same qualifying criteria to CLECs'
3 requests for promotional credits as AT&T's retail operations were applying to end
4 user customers under the same promotions.
5
6 Q. WHAT WAS THE FIRST QUALIFYING CRITERIA AT&T CONSIDERED?
7
8 A. As I explained at pages 42 and 43 of my deposition transcript, we first considered
9 how AT&T retail went about deciding whether a retail customer was a
10 reacquisition or win-over customer, because that was the issue that was apparent
11 from the first (non-dPi) group of LCCW credit requests that was processed.
12
13 Q. WHY DID YOU WANT TO KNOW WHETHER A RETAIL CUSTOMER
14 WOULD BE CONSIDERED A REACQUISITION OR WINOVER
15 CUSTOMER?
16
17 A. As I stated at page 43 of my deposition transcript, "I need[ed] a definition of
18 reacquisition and win-over" because "we wanted to make sure that how it's
19 defined in the tariff is actually what happens in practice, and we're really focusing
20 on reacquisition or win-over at that time because that was the major issue that I
21 saw with the accounts I looked at."
22

1 Q. WHAT WAS THE SECOND QUALIFYING CRITERIA AT&T
2 CONSIDERED?
3
4 A. As I stated on page 51 of my deposition transcript, after addressing the
5 reacquisition and winover question, "[t]hen we looked at the words in the tariff
6 and its basic local service. The minimum is basic local service plus two purchase
7 features."
8
9 Q. AND WHAT WAS YOUR QUESTION ABOUT THIS LANGAUGE?
10
11 A. As I stated on page 53 of my deposition transcript, "I want[ed] to make sure that
12 what we do on [the wholesale] side of the house is a mirror for what [is done on
13 the retail] side . . . ."
14
15 Q. DID AT&T "PUT TOGETHER A TEAM OF LAWYERS AND RETAIL AND
16 MARKETING MANAGERS TO FIND [SIC] SEE IF THERE WAS A WAY TO
17 AVOID PAYING THE PROMOTIONS" AS MR. O'ROARK ALLEGES AT
18 PAGE 14 OF HIS DIRECT TESTIMONY?
19
20 A. No. An appropriate group of AT&T personnel carefully discussed these issues, as
21 would be expected of any responsible business. The purpose of those discussions,
22 however, was not to "see if there was a way to avoid paying the promotions" as
23 Mr. O'Roark erroneously suggests. Instead, as is evident from pages 40 and 53 of

1 the transcript of my deposition, the purpose of those discussions was to ensure
2 that AT&T's wholesale operations were applying the same qualifying criteria to
3 CLECs' requests for promotional credits as AT&T's retail operations were
4 applying to end user customers under the same promotions.
5
6 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?
7
8 A. Yes, it does.
9
10 DM775854

STATE OF SOUTH CAROLINA)
) CERTIFICATE OF SERVICE
COUNTY OF RICHLAND)

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for AT&T South Carolina ("AT&T") and that she has caused AT&T's Direct Testimony of Kristy A. Seagle in Docket No. 2005-358-C to be served upon the following on February 5, 2010.

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