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September 29, 2011

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

Re: AT&T South Carolina's Petition to Withdraw Funds from the State USF to Support Stand-Alone Basic Residential Lines Pursuant to S.C. Code Ann. §58-9-576(C)(9)(c)
Docket No.

Dear Ms. Boyd:

Enclosed for filing is AT&T South Carolina's Verified Direct Testimony of Kenneth E. Minzenberger 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
945200

AT&T SOUTH CAROLINA'S

VERIFIED DIRECT TESTIMONY OF KENNETH E. MINZENBERGER

BEFORE THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. _____

SEPTEMBER 29, 2011

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

A. My name is Kenneth E. Minzenberger. I am employed by AT&T Services, Inc. as an Area Manager – Public Policy. My business address is 1057 Lenox Park Boulevard NE, Atlanta GA 30319.

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

A. I have been employed by AT&T Services, Inc. and its predecessor entities for over 39 years. I have been in AT&T Services, Inc.'s Public Policy organization since December 2006, and since that time I have been responsible for preparing information that AT&T South Carolina submits annually to the South Carolina Office of Regulatory Staff pursuant to various Orders the Commission has entered in the State USF Docket (Docket No. 1997-239-C).

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to provide information in support of the Petition AT&T South Carolina filed with the Commission on September 29, 2011 to withdraw funds from the State Universal Service Fund ("State USF") to support stand-alone basic residential lines pursuant to S.C. Code Ann. §58-9-576(C)(9)(c) ("the Petition").

Q. UNDER WHAT FORM OF REGULATION DOES AT&T SOUTH CAROLINA OPERATE?

A. Effective October 1, 2009, AT&T South Carolina operates pursuant to S.C. Code Ann. §58-9-576(C). *See* Exhibit KEM-1.

Q. PRIOR TO THAT, DID AT&T SOUTH CAROLINA WITHDRAW FUNDS FROM THE STATE USF?

A. Yes. Prior to October 1, 2009, AT&T South Carolina withdrew approximately $24.7 million annually from the State USF.

Q. HOW MUCH IS AT&T SOUTH CAROLINA ENTITLED TO WITHDRAW FROM THE STATE USF ON A GOING-FORWARD BASIS?

1 A. As of October 1, 2011, AT&T South Carolina is entitled to continue withdrawing
2 from the State USF all amounts needed to fund the state Lifeline match that is
3 necessary to ensure that low-income persons enrolled in the Lifeline program
4 receive the maximum federally funded Lifeline amounts available. *See* S.C. Code
5 Ann. §58-9-576(C)(9)(d). AT&T South Carolina currently withdraws
6 approximately $1.7 million annually from the State USF to fund this state Lifeline
7 match.
8
9 Q MAY AT&T SOUTH CAROLINA SEEK TO WITHDRAW ANY
10 ADDITIONAL AMOUNTS FROM THE STATE USF ON A GOING-
11 FORWARD BASIS?
12
13 A. Yes. Prior to October 1, 2011, AT&T South Carolina may petition the
14 Commission to withdraw from the State USF amounts based on its stand-alone
15 basic residential lines that were in service as of October 1, 2009 and that remain
16 in service. *See* S.C. Code Ann. §58-9-576(C)(9)(c).
17
18 Q. HOW MANY OF AT&T SOUTH CAROLINA'S STAND-ALONE BASIC
19 RESIDENTIAL LINES THAT WERE IN SERVICE AS OF OCTOBER 1, 2009
20 REMAIN IN SERVICE?
21
22 A. 22,907.
23

1 Q. HOW DID AT&T SOUTH CAROLINA CONFIRM THAT THESE 22,907
2 STAND-ALONE BASIC RESIDENTIAL LINES WERE IN SERVICE AS OF
3 OCTOBER 1, 2009?
4
5 A. In October 2009, AT&T South Carolina ran a database query to identify each line
6 in South Carolina that met the statutory definition of a stand-alone basic
7 residential line and that was in service as of October 1, 2009 (the effective date of
8 AT&T South Carolina's election to operate pursuant to Section 58-9-576(C)).
9 AT&T South Carolina retains a copy of the results of this query.
10
11 In September 2011, AT&T ran a database query to identify each line in South
12 Carolina that met the statutory definition of a stand-alone basic residential line as
13 of July 2011.
14
15 The number of lines identified in both queries – that is, the number of stand-alone
16 basic residential lines that were in service as of October 1, 2009 and that remain
17 in service – is 22,907.
18
19 Q. HOW MUCH SUPPORT IS AT&T SOUTH CAROLINA SEEKING TO
20 WITHDRAW FROM THE STATE USF BASED ON THESE 22,907 STAND-
21 ALONE BASIC RESIDENTIAL LINES?
22
23 A. $1,112,111.

Q. HOW DID AT&T SOUTH CAROLINA CALCULATE THIS $1,112,111 AMOUNT?

A. On July 1 of each year, in accordance with Commission Orders entered in Docket Number 97-239-C (including without limitation Order Nos. 2001-996, 2005-7, 2005-139, and 20050185), AT&T South Carolina provides the South Carolina Office of Regulatory Staff ("ORS") confidential and proprietary information related to the State USF. This information includes the calculation, on a wire-center-by-wire-center basis, of "Phase I Support for Residence Line" in accordance with the Universal Service Fund Guidelines and Administrative Procedures the Commission adopted in Order No. 2001-996.

The $1,112,111 in State USF support AT&T South Carolina seeks in the Petition is the result of multiplying each of the 22,907 lines identified above by the annual "Phase I Support for Residence Line" amount (as set forth in the information AT&T provided to the ORS on July 1, 2011) for the wire center from which the line is served.

Q. DURING WHAT TIME PERIOD IS AT&T SOUTH CAROLINA SEEKING TO WITHDRAW THIS $1,112,111 OF SUPPORT?

A. Calendar year 2012.

Q. MAY AT&T SOUTH CAROLINA WITHDRAW SUPPORT FROM THE STATE USF FOR STAND-ALONE BASIC RESIDENTIAL LINES BEYOND CALENDAR YEAR 2012?

A. Yes, but Section 58-9-576(C)(9)(c) requires that the Commission establish a process for annually reducing AT&T South Carolina's withdrawals from the state USF based on its stand-alone basic residential lines that were in service as of October 1, 2009 and that remain in service as of the adjustment date.

Q. HOW DOES AT&T SOUTH CAROLINA RECOMMEND THE COMMISSION COMPLY WITH THIS REQUIREMENT?

A. AT&T South Carolina recommends that the Commission comply with this statutory requirement by requiring AT&T South Carolina to file with the Commission, on or before July 1 of each year, a calculation of the support it seeks pursuant to S.C. Code Ann. §58-9-576(C)(9)(c) for the following calendar year.

Q. WHY DOES AT&T SOUTH CAROLINA RECOMMEND JULY 1 AS THE DEADLINE FOR SUCH A FILING?

A. As explained above, AT&T South Carolina provides the ORS confidential and proprietary information related to the State USF on July 1 of each year. Among other things, the ORS uses this information to re-size the State USF on an annual

basis. Requiring AT&T South Carolina to file the annual calculation discussed above at the same time it provides this information to the ORS will promote administrative efficiency by allowing the the ORS to incorporate the request into its annual re-sizing of the State USF.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

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EXHIBIT KEM-1

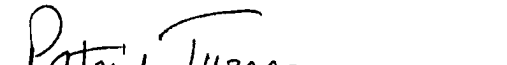
BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

In re: AT&T South Carolina's Notice of Election to Operate Pursuant to S.C. Code Ann. §58-9-576(C)	)))	Non-Docketed Item

AT&T SOUTH CAROLINA'S
NOTICE OF ELECTION TO OPERATE PURSUANT TO
S.C. CODE ANN. §58-9-576(C)

BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina ("AT&T South Carolina") respectfully submits its notice that it elects to have its rates, terms, and conditions for its services determined pursuant to the plan describe in S.C. Code Ann. §58-9-576(C). As AT&T South Carolina currently is operating pursuant to subsection 58-9-576(B) based on having complied with subsection 58-9-576(A)(1), this election becomes effective by operation of law five days after it is filed with the Commission. *See* S.C. Code Ann. §58-9-576(C). Accordingly, AT&T's South Carolina's election is effective October 1, 2009.[1]

Respectfully submitted this the 23rd day of September, 2009.



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ATTORNEY FOR AT&T SOUTH CAROLINA

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[1] The date of this filing is not included in calculating the statutory five-day period, S.C. R. Civ. P. 6(a), and because the period of time prescribed in the statute is less than seven days, intermediate Saturdays and Sundays are excluded as well. *Id.*

AFFIDAVIT

STATE OF GEORGIA)
)
COUNTY OF FULTON)

Before me, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid personally came and appeared Kenneth E. Minzenberger who, being by me first duly sworn, deposed and said that:

1. I, Kenneth E. Minzenberger, am employed by AT&T Services, Inc. as an Area Manager – Public Policy.

2. I have read my foregoing Verified Direct Testimony of Kenneth E. Minzenberger in a Docket yet to be assigned a number, which is dated September 29, 2011 and consists of seven (7) pages and one exhibit.

3. The contents of my foregoing testimony are true to the best of my knowledge.

Kenneth E. Minzenberger
AFFIANT

Sworn to and subscribed before me this 28 day of September, 2011.

Kelly A. Hilton
NOTARY PUBLIC

My Commission Expires: 9/25/2012

[SEAL]

KELLY A. HILTON
NOTARY PUBLIC
Exp. Sept. 25, 2012
CHEROKEE COUNTY, GA

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 BellSouth Telecommunications, LLC. d/b/a AT&T South Carolina ("AT&T") and that she has caused AT&T South Carolina's Verified Direct Testimony of Kenneth E. Minzenberger to be served upon the following on September 29, 2011:

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Nyla M. Laney