BEFORE THE STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

In the matter of:)		
Kearsarge, Wilton, Hollis, Merrimack)	DT	07-027
Telephone Companies)		
Petition for Alternative Form of Regulation)		
Phase II)		

Direct Prefiled Testimony

of

Stephen R. Eckberg Utility Analyst

Dated: July 17, 2009

1 I. INTRODUCTION

- 2 Q. Please state your name and occupation.
- 3 A. My name is Stephen R. Eckberg. I am employed as a utility
- 4 analyst with the Office of Consumer Advocate (OCA). My
- 5 qualifications are included as Attachment 1 to this
- 6 testimony.

7

- 8 Q. Have you testified previously in this docket?
- $9\,$ A. No. I participated in the first phase of this docket for
- 10 the OCA but did not file testimony. The OCA filed
- 11 testimony from Robert Loube Ph.D. during the first phase of
- 12 this Docket.

13

- 14 Q. Please summarize the purpose of your testimony.
- 15 A. The purpose of my testimony is to identify certain areas of
- 16 concern that I have with the supplemental direct testimony
- of Michael C. Reed filed on January 29, 2009 in this docket
- on behalf of Kearsarge Telephone Company (KTC) and
- Merrimack County Telephone Company (MCT) ("Supplemental
- Filing").

- 22 II. HISTORY OF PROCEEDINGS
- 23 Q. You referred above to the "first phase" of this docket,
- 24 please briefly describe the procedural history of this
- 25 case.

- 1 A. On March 1,2007, KTC, Wilton Telephone Company (WTC),
- 2 Hollis Telephone Company (HTC) and MCT, (collectively, the
- 3 "TDS Companies"), each a wholly-owned subsidiary of
- 4 Telephone & Data Systems, Inc. (TDS), filed petitions with
- 5 the Commission seeking approval of an alternate form of
- 6 regulation pursuant to RSA 374:3-b. On December 3, 2007,
- 7 the TDS Companies, segTEL, OCA and Staff filed a settlement
- 8 agreement amending the four alternative regulation plans
- and recommending their approval ("Settlement Agreement").
- One party, MCT customer Daniel Bailey (represented by New
- 11 Hampshire Legal Assistance) opposed the Settlement
- 12 Agreement.

- 14 Q. What was the Commission's decision on the Settlement
- 15 Agreement?
- 16 A. On April 23, 2008, in Order 24,852 ("Final Order"), the
- 17 Commission granted WTC and HTC an alternative form of
- 18 regulation consistent with the Settlement Agreement.
- 19 However, the Commission rejected the Settlement Agreement
- 20 to the extent it provided for alternative regulation of KTC
- and MCT. See Final Order, at pp. 29-30. The Commission did
- 22 not find that the record supported a requisite finding of
- available alternative services in each of the exchanges,
- 24 based on one exchange in each of the two service
- 25 territories: Salisbury in KTC and Sutton in MCT. See Id.
- 26 See also RSA 374:3-b, 111(a) (requiring availability of

1 "[c]ompetitive wireline, wireless or broadband service. . .
2 to a majority of the retail customers in each of the
3 exchanges served"). The Commission also determined that it
4 would keep the record open for one year to allow for the
5 submission of further evidence concerning alternative
6 service availability in the KTC and MCT exchanges. See
7 Final Order, at p. 30.

8

- 9 Q. In ruling on the Settlement Agreement, as it applied to KTC

 10 and MCT, did the Commission consider whether competitive

 11 alternatives were available to a majority of the customers

 12 within all of the exchanges served by these two companies?
- 13 A. No. The Commission only reached a determination on the
 14 issue of whether alternatives existed within the Sutton and
 15 Salisbury exchanges. See Final Order, at pp. 28-29. It
 16 did not reach a determination on the issue of
 17 competitiveness in these two exchanges. See Id. at p. 29.
- The Commission also did not consider the existence of alternatives in other exchanges served by KTC and MCT. Id at pp. 28-30.

- 22 III. SUPPLEMENTAL FILING BY KTC AND MCT
- 23 Q. Why did Mr. Reed file the Supplemental Filing?
- A. As mentioned above, the Commission's Final Order permitted

 KTC and MCT to file further evidence concerning alternative

 service availability within their exchanges. See Final

1	Order, at p. 30. The Supplemental Filing responded to this
2	provision of the Final Order. See Reed Supp. Direct at p.
3	2, lines 11-15.
4	

5 Q. Does the Supplemental Filing include any new data or

6 information?

7 Yes. KTC and MCT retained the services of a company called 8 C Squared Systems, LLC ("C Squared") "to physically measure 9 the strength of the wireless signal available throughout 10 the Sutton and Salisbury exchanges." See Reed Supp. Direct 11 at p. 3, line 23 through p. 4, line 2. The Supplemental 12 Filing includes the results of C Squared's "benchmarking," 13 or signal-strength, analysis. Specifically, the 14 Supplemental Filing includes C Squared's "Multi-Carrier 15 Benchmarking Reports" and "related coverage maps." See 16 Reed Supp. Direct at p. 4, line 20.

17

18 How does Mr. Reed interpret the C Squared data? Q.

Mr. Reed contends that C Squared's benchmarking analysis 19 Α. 20 shows that "wireless service is available to the majority 21 of the retail customers in the Sutton and Salisbury 22 exchanges." See Reed Supp. Direct at page 3, lines 4-6. also points to the CoverageRight®2 maps depicting New 23

² In original Reed Direct Testimony filed March 1, 2007, at page 8, the name of the map database product was redacted. In Reed's Supplemental Direct Testimony filed January 29, 2009, on page 12, Mr. Reed states the product name without redaction. Therefore, I use the map database product name here without redaction.

1		Hampshire ³ , which were filed with the original petition, and
2		states that these, "indicate[] that wireless
3		telecommunications is offered to virtually 100% of the
4		service areas within these two exchanges." Reed Supp.
5		Direct, at p. 12, lines 13-16. He concludes, with regard
6		to the Sutton and Salisbury exchanges, that "The wireless
7		coverage shown on the CoverageRight® map is consistent
8		with the actual measurements provided by C Squared." Reed
9		Supp. Direct, at p. 12, line 23, through p. 13, line 2.
10		
11	Q.	For the other exchanges served by MCT and KTC, what
12		evidence does Mr. Reed rely upon to support the assertion
13		that competitive alternatives are available to a majority
14		of the customers within these exchanges?
15	Α.	To prove that wireless service is available to the majority
16		of customers in the MCT exchanges of Bradford and Warner,
17		and the KTC exchange of Andover, Mr. Reed relies upon the
18		CoverageRight® map, Exhibit G, again. See Reed Supp.
19		Direct, at p. 17, lines 1-10. Specifically, Mr. Reed
20		asserts that because the CoverageRight® map is "consistent"
21		with the C Squared's benchmarking analysis of the Sutton
22		
22		and Salisbury exchanges, "it is reasonable for the

³ See MCR – Exhibit G (Confidential). In a data request of Mr. Bailey, 1-29, the Companies produced enlarged sections of Exhibit G, corresponding to the Sutton (TDS CONF 0267) and Salisbury (TDS Conf 0268) exchanges. These are 24" X 36" maps and are not attached to my testimony.

determining [whether the Bradford, Warner and Andover

Commission to rely upon the CoverageRight® maps for

23

1 exchanges] have wireless service available to the majority 2 of their customers." See Reed Supp. Direct, at p. 12, line 3 23, through p. 13, line 5. See also Id. at p. 17, lines 7-4 10. 5 6 Q. With respect to the remaining exchanges served by KTC and 7 MCT, upon what evidence does Mr. Reed base his conclusion 8 that competitive alternatives are available to a majority 9 of the customers? 10 Α. Mr. Reed relies on Exhibit E to his original (Phase 1) 11 direct testimony, and states that it shows "the MCT 12 exchanges of Antrim, Contoocook, Henniker, Hillsboro and 13 Melvin Village, as well as the KTC exchanges of Boscawen, 14 Chichester, Meriden and New London have an alternative 15 service, cable broadband, which is available to a majority 16 of the customers in each of those exchanges." Reed Supp. 17 Direct, at p. 16, lines 17-21. 18 19 Did C Squared conduct a benchmarking analysis for any other Q. 20 exchanges served by KTC and MCT besides Salisbury and 21 Sutton? 22 Α. No. 23 24 25

IV. OCA'S POSITION

- 2 Q. Before turning to the Supplemental Filing, what is the
- 3 OCA's position on the standard that the Commission should
- 4 apply in reviewing this information and KTC and MCT's
- 5 renewed request for approval of the Settlement Agreement.
- 6 A. On advice of counsel, it is my understanding that in ruling
- 7 on the Supplemental Filing and the renewed request for
- 8 approval of the Settlement Agreement, as it pertains to KTC
- 9 and MCT, the Commission must determine that competitive
- 10 alternatives exist for a majority of the customers in each
- 11 exchange served by MCT and KTC. See Final Order, at pp.
- 12 28, citing RSA 374:3-b, III(a).

13

- 14 Q. If the OCA was a signatory to the Settlement Agreement, why
- is it participating in the discussion of whether or not
- 16 competitive alternatives exist in the exchanges served by
- 17 MCT and KTC?
- 18 A. One might think that because the OCA agreed in the
- 19 Settlement Agreement to plans for alternative regulation
- 20 for KTC and MCT that it would not now dispute the
- 21 Commission's approval of those plans based upon the
- Companies' Supplemental Filing. However, the OCA's
- 23 understanding of the Commission's Final Order is that it
- 24 effectively modified the terms of the Settlement Agreement
- and the proposed plans for KTC and MCT. Because of this
- 26 modification by the Commission, the OCA is participating in

1 the present discussion of whether or not competitive

2 alternatives exist for a majority of customers within the

3 exchanges served by MCT and KTC.

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Q. Please explain further how the OCA believes that the
Commission's Final Order modified the Settlement Agreement,
as it pertains to KTC and MCT.

The Settlement Agreement, as it pertained to KTC and MCT, did not permit an immediate transition to alternative regulation. See Settlement Agreement, p. 4, section 6.1. Instead, the Settlement Agreement required KTC and MCT to maintain their basic service rates in all of its exchanges for a period of two years. Id. The two year period begins upon Commission approval of the plans. After the two year period, the Settlement Agreement allowed the Companies to transition to alternative regulation "when the Petitioners ... show that at least one of the tests set forth in Section 6.2 shall have been met for that exchange." Id. The last test in Section 6.2, subsection v., is "the affected Petitioner demonstrates to the Commission that wireless or nonaffiliated broadband service is available to a majority of retail customers in the affected exchanges and that such service is 'competitive' within the meaning of RSA 374:3b." Settlement Agreement, p. 5, section 6.2 (v).

25

The reasoning underlying these provisions, at least from the perspective of the OCA, was that the two-year phase-in period would enable the development of competitive alternatives in the KTC and MCT exchanges before KTC's and MCT's prices were deregulated. The "tests" in section 6.2 provided an additional level of protection to consumers in that KTC and MCT had to make an affirmative showing that such competition existed after two years and before its prices were deregulated.

Had the Commission approved these terms as proposed, at the end of the two year period, the OCA would have likely participated in the Commission's review of whether KTC and MCT satisfied the Section 6.2 (v) test. When the Commission ruled on the Settlement Agreement and permitted the Company to demonstrate that competitive alternatives exist presently within the exchanges served by KTC and MCT, it effectively moved up the timing of the Section 6.2 (v) test.

Based on advice of counsel, I believe that if the Commission determines now that competitive alternatives are available to a majority of the customers in each exchange served by KTC and MCT, it will not review this issue again, as provided by Section 6.2 of the Settlement Agreement, after the two-year rate freeze expires. Consequently, if

the OCA does not participate now in the Commission's review
of the supplemental filing, and the associated discussion
about whether or not KTC and MCT have satisfied the burden
of RSA 374:3-b, in effect the test in Section 6.2 (v) of
the Settlement Agreement, the OCA would forego the
opportunity provided by Section 6.2 to protect residential
ratepayers.

8

9 Q. So, to be clear, is it the OCA's position that KTC and MCT

10 are still required to maintain existing basic rates for two

11 years, as required by Section 6.1 of the Settlement

12 Agreement, if the Commission approves the Settlement

13 Agreement as it relates to KTC and MCT?

14 A. Yes. The OCA negotiated and expects a two-year rate freeze
15 in the KTC and MCT exchanges after a Commission Order
16 approving the proposed alternative regulation for KTC and
17 MCT.

- 19 Q. Turning to the Supplemental Filing itself, do you have any
 20 concerns with the supplemental information or the arguments
 21 that are presented in Mr. Reed's testimony?
- 22 A. Yes, I do. The areas of concern I have with Mr. Reed's supplemental testimony relate to:
- 24 1) Mr. Reed's assertion that the results of the signal
 25 strength analysis by C Squared for Sutton and Salisbury are
 26 consistent with the CoverageRight® map depicting these

- 1 exchanges (see Reed Supp. Direct, at p. 12, line 23,
- 2 through p. 13, line 2);
- 3 2) Mr. Reed's assertion that this "consistency" proves
- 4 that the CoverageRight® map is an accurate depiction of the
- 5 extent of competitive alternatives available to customers
- in all New Hampshire exchanges, including the MCT exchanges
- of Bradford and Warner, and the KTC exchange of Andover
- 8 (see Reed Supp. Direct, at p. 17, lines 1-10); and
- 9 3) Mr. Reed's assertion that the CoverageRight® map shows
- 10 that wireless telecommunications is available to virtually
- 11 100% of the service area within these three exchanges."
- 12 See Reed Supp. Direct at p. 17, lines 6-10.

- 14 Q. Please address your first concern regarding the signal-
- 15 strength data.
- 16 A. My first concern is related to certain areas in the Sutton
- 17 and Salisbury exchanges. To see these physical locations
- 18 consult Confidential Attachments 2 and 3 to my testimony.
- 19 These are smaller versions (8.5" by 11") of confidential
- 20 maps originally provided by the Company in response to data
- 21 request Staff 2-5 and Staff 2-6 regarding Salisbury and
- 22 Sutton, respectively. The original versions provided by
- the Company were 24" by 36" and are labeled TDS-CONF 0269

1	(Confidential) and TDS CONF 0270 (Confidential),
2	respectively. 4
3	
4	Both of my Confidential Attachments, 2 and 3, show the C
5	Squared signal-strength data, TDS customer location
6	information, and the CoverageRight® map data all overlaid
7	onto a single map. On my Confidential Attachment 2 for the
8	Salisbury exchange in KTC and on my Confidential Attachment
9	3 for the Sutton exchange in MCT, I have identified certain
10	areas, marked with polygons, which << <begin confidential="">>></begin>
11	
12	<< <end confidential="">>>.</end>
13	

14 This <<<Begin Confidential>>>

⁴ These larger maps are not included with my testimony.

1	Q.	How did you identify the roads that were driven by C
2		Squared?
3	A.	The Supplemental Filing included << <begin confidential="">>></begin>
4		
5		
6		
7		
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9		<< <end confidential="">>>.</end>
10		In response to a data request propounded by the OCA, the
11		Company confirmed that << <begin confidential="">>></begin>
12		
13		
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15		
16		<< <end confidential="">>> See KTC and MCT response to OCA 2-13</end>
17		(Confidential)(emphasis added)(Attachment 4).
18		
19		For the Salisbury exchange, the Supplemental Filing also
20		included << <begin confidential="">>></begin>
21		
22		
23		
24		
25		
26		<< END CONFIDENTIAL>>> . Based upon KTC and MCT's

1		response to OCA 2-13 (Confidential), I presume that
2		<< <begin confidential="">>></begin>
3		
4		<< <end< td=""></end<>
5		CONFIDENTIAL>>>.
6		
7		The roads << <begin confidential="">>></begin>
8		<< <end confidential="">>> that I identify on my</end>
9		Confidential Attachments 2 and 3 for Salisbury and Sutton,
10		respectively, correspond to the << <begin confidential="">>></begin>
11		
12		<< <end< td=""></end<>
13		CONFIDENTIAL>>>.
14		
15	Q.	Is it problematic that << <begin confidential="">>></begin>
16		
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18		<< <end confidential="">>>?</end>
19	Α.	Not in and of itself. While it is not surprising that
20		<< <begin confidential="">>></begin>
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24		<< <end confidential="">>>, it is problematic that <<<begin< td=""></begin<></end>
25		CONFIDENTIAL>>>
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3		<< <end confidential="">>>.</end>
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5	Q.	Please explain this problem.
6	Α.	The CoverageRight® data depicts the number of wireless
7		service providers within the geographic area, using various
8		shades of green. Looking at Confidential Attachments 2 and
9		3 to my testimony, it is easy to see that << <begin< td=""></begin<>
10		CONFIDENTIAL>>>
11		
12		
13		
14		<< <end confidential="">>>. This indicates to me that</end>
15		it is difficult, if not impossible, to establish any
16		meaningful relationship between the number of service
17		providers (i.e., the shade of green) at a specific
18		geographic spot and what the signal strength might be at
19		that spot.
20		
21	Q.	Please explain why it is important to understand the
22		relationship between the signal strength data and the
23		number of wireless carriers providing coverage at a
24		specific geographic spot.
25	A.	This connects to my second area of concern that I
26		identified above. While the Company has provided this

1 extensive additional signal strength data for the Sutton 2 and Salisbury exchanges, they have not done so for several 3 other exchange areas with similar rural characteristics. 4 For three other rural exchanges, the MCT exchanges of 5 Bradford and Warner, and the KTC exchange of Andover, the 6 Company, instead, relies on what it perceives as a 7 "consistent" relationship between C Squared signal-strength data and the CoverageRight® data indicating the number of 8 9 wireless carriers marketing service in the Sutton and 10 Salisbury exchange territories to support its conclusion 11 that "...wireless service is available to the majority of 12 customers" within the Bradford, Warner and Andover 13 exchanges. See Reed Supp. Direct, p. 12, line 23, through 14 p. 13, line 5; and p. 17, lines 1-10. In other words, KTC 15 and MCT assert that, because the C Squared data for Sutton 16 and Salisbury is "consistent" with the CoverageRight® data 17 for these exchanges, the CoverageRight® data is sufficient 18 proof that competitive alternatives exist for a majority of 19 the customers in the Bradford, Warner and Andover 20 exchanges.

21

22 Q. Do you agree that the information provided by the Company
23 for the Sutton and Salisbury exchange territories supports
24 the claim that wireless service is available to a majority
25 of customers in the other exchange territories you just
26 mentioned?

1 A. No, I do not. The Company is relying on the CoverageRight®
2 map data alone to demonstrate that simply because one or
3 more wireless carriers claim to be providing service at a
4 particular location, there must be adequate signal strength
5 at that location to support a wireless call.

The data provided by the Company does not demonstrate a relationship or correlation between the C Squared signal strength data and the CoverageRight® data that is sufficiently strong such that the CoverageRight® data alone can be used in another exchange territory to make an inference about the signal strength at any geographic location within that other exchange territory.

The CoverageRight® data does show the "most current marketed footprints" provided by wireless carriers themselves about their service areas. See, e.g., KTC and MCT response to Bailey Phase II, 2-5 (c) (Attachment 5) ("Each carrier sets its own policies on how they want to represent their coverage. All coverage patterns are estimates. They represent a probability of being able to place or receive a call. Each carrier can set the cut-off point at which they no longer feel comfortable marketing their service"). The CoverageRight® data, however, does not provide any information about signal strength, and the Company has not provided evidence that one could use to

1		guess, estimate, or otherwise impute any definitive
2		information about the actual wireless signal strength by
3		looking solely at the information on the CoverageRight®
4		maps - which is what the Company suggests the Commission do
5		in the exchanges of Bradford, Warner, and Andover.
6		
7	Q.	In the first phase of this proceeding, in ruling on the
8		settlement agreement, as it applied to KTC and MCT, did the
9		Commission reach any conclusions on the original evidence
10		provided by the TDS Companies, including the CoverageRight®
11		data?
12	Α.	Yes, the Commission determined in its Final Order, that
13		"The TDS Companies' reliance on wireless coverage estimates
14		by wireless providers [, the CoverageRight® data,] [was]
15		not sufficient to demonstrate availability of third party
16		offerings." See Reed Supp. Direct at p. 11, lines 15-17,
17		citing Final Order, at p. 29.
18		
19	Q.	Do you agree with this conclusion of the Commission about
20		the CoverageRight® data?
21	Α.	Yes.
22		
23	Q.	What is your opinion of the value of the supplemental
24		signal strength data provided by the Company in the Sutton
25		and Salisbury exchange territories?

1	Α.	I believe this data does indeed provide significant
2		additional evidence about the availability of wireless
3		service on the roadways in the Sutton and Salisbury
4		exchanges where the testing was conducted and the data
5		gathered. However, I do not feel comfortable stating
6		whether or not this data conclusively demonstrates that
7		wireless service is available to a majority of customers
8		within these exchanges. At the very least, in order for
9		wireless service to be considered a "competitive
10		alternative" to landline telephone service, it seems that
11		the wireless service should be available and function where
12		the customer uses her/his landline service - within the
13		home. ⁵

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15

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Q. Does the supplemental signal strength data inform you on this point?

17 In fact, just the opposite is true. In response to Α. 18 discovery, the Company stated:

19 There are differences between signal strengths within 20 people's homes and signal strengths outside on the 21 roads ... It is important to note that while there may 22 be areas outside on the roads where the signal 23 strength is stronger than in the home, there may be 24 conversely areas in the home where signal strength is 25 stronger than outside on the road, i.e., the second 26 floor bedroom, 15 feet above the ground. That is, the 27 answer is dependent upon many factors: the location of 28 the home relative to the serving signal, ground 29 elevation of the home, foliage density around the 30 residence, building material, etc. In a vehicle on the

⁵ It is important to note here, that Dr. Loube, on behalf of the OCA in the first phase of this proceeding, discussed other ways that wireless service may not be a competitive alternative to TDS's landline service. For more information about this issue, please see Loube Direct Testimony, October 12, 2007, pp. 12-14.

road, the factors affecting the signal strength may be the shadowing effect of the trees or the landscape, the density of the foliage relative to the road, the speed of the vehicle, the location of the handset within the vehicle, etc.

See response to OCA 2-4 (Attachment 6). This response leaves me with unanswered questions about whether the wireless service that is available outside of customers' homes, on the roadways, is also available and functional within the customers' home.

13 O. What are the OCA's recommendations for the Commission?

14 A. In light of the problems I have identified with the

<<<BEGIN CONFIDENTIAL>>>

1		majority of customers in the MCT exchanges of Bradford and
2		Warner, and the KTC exchange of Andover.
3		
4	Q.	Does this conclude your testimony?
5	Α.	Yes.
6		

Qualifications of Stephen R. Eckberg

My name is Stephen R. Eckberg. I am employed as a Utility

Analyst with the Office of Consumer Advocate (OCA), where I have

worked since 2007. My business address is 21 S. Fruit Street, Suite

18, Concord, New Hampshire 03301.

I earned a B.S. in Meteorology from the State University of New York at Oswego in 1978, and an M.S. in Statistics from the University of Southern Maine in 1994.

After receiving my M.S., I was employed as an analyst in the Boston office of Hagler Bailly, Inc, a consulting firm working with regulated utilities to perform evaluations of energy efficiency and demand-side management programs.

From 2000 through 2003, I was employed at the NH Governor's Office of Energy and Community Services (now the Office of Energy and Planning) as the Director of the Weatherization Assistance Program. Most recently, I was employed at Belknap-Merrimack Community Action Agency as the Statewide Program Administrator of the NH Electric Assistance Program (EAP). In that capacity, I presented testimony before this Commission in dockets related to the design, implementation and management of the EAP. I have also testified before Committees of the New Hampshire Legislature on issues related to energy efficiency and low income electric assistance.

In my position with the OCA, I have testified jointly with

Kenneth E. Traum, Assistant Consumer Advocate, in DG 08-048, Unitil

Corporation and Northern Utilities, Inc. Joint Petition for Approval

of Stock Acquisition, in DW 08-070, Lakes Region Water Company

Petition for Financing and Step Increases and in DW 08-098 Aquarion

Water Company of New Hampshire. I have also entered testimony in DW

08-073, Pennichuck Water Works, Inc. Petition for Rate Increase and in

DW 08-065, Hampstead Area Water Company, Petition for Rate Increase.

I am a member of the American Statistical Association. I have attended regulatory training at New Mexico State University's Center for Public Utilities, and I participate in committees of the National Association of State Consumer Advocates (NASUCA) on behalf of the OCA.

DT 07-027 Phase II Eckberg Testimony Attachment 2 REDACTED

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DT 07-027 Phase II Eckberg Testimony Attachment 3 REDACTED

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DT 07-027 Phase II Eckberg Testimony Attachment 4 REDACTED

Kearsarge Telephone Company
Merrimack County Telephone Company
Docket No. DT 07-027
Company Responses
To OCA Phase II, Set 2 Data Requests
CONFIDENTIAL
June 19, 2009

CONFIDENTIAL

<<END CONFIDENTIAL>>> shown on page MCR 0033 than on page MCR 0020.

RESPONSE: Exhibit E was the planned drive route. The actual drive route altered slightly based on access to certain roads. Exhibit C was modified to show the actual drive route. We did not go back to alter Exhibit E following the drive test.

Mike Reed is responsible for this response.

D1 U/-U2/ Phase II Eckberg Testimony Attachment 5 REDACTED

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Kearsarge Telephone Company
Merrimack County Telephone Company
Docket No. DT 07-027
Company Responses
To Bailey Phase II, Set 2 Data Requests
CONFIDENTIAL
June 19, 2009

CONFIDENTIAL

BAILEY 2.5: Please refer to TDS response to Bailey 1.31, relating to Exhibit G, the "CoverageRight" map. TDS said: "The map was created using ESRI ArcGIS (ArcView with Spatial Analyst) software and CoverageRight database (2006) consisting of vector polygon cellular mapping layers." Please:

- a) Identify all readings, tests or other data which serve as the inputs in the CoverageRight database,
- b) Identify the source or sources of the inputs (e.g. cellular company provided marketing information, roaming agreements, independent tests of coverage, etc.),
- c) Identify the methodologies used to create the CoverageRight database,
- d) Please also reference In the Matter of Examining a Framework For Regulatory Relief, CASE 07-C-0349, 2008 N.Y. PUC LEXIS 88, 14-15 (2008); TDS 0199. This decision does not specifically indicate that the "CoverageRight" database from American Roamer, Inc. was used in the analysis. Please identify the various cellular coverage maps and coverage map databases that can be purchased or leased from American Roamer, Inc., and explain why TDS selected the CoverageRight database,
- e) Please also reference In the Matter of Examining a Framework For Regulatory Relief, CASE 07-C-0349, 2008 N.Y. PUC LEXIS 88, 14-15 (2008); TDS 0199. As referenced on this page, please identify what methodologies are used by American Roamer, Inc. maps, and specifically in the CoverageRight database, to identify coverage "holes" in service,
- f) Did TDS purchase or lease the CoverageRight database (2006)? If so, from whom? If the answer to this question is yes, please provide the database subject to an appropriate confidentiality agreement.

RESPONSE:

- a) See response to (f) below.
- b) See response to OCA 2.9.
- c) See response to OCA 2.9. Each carrier sets its own policies on how they want to represent their coverage. All coverage patterns are estimates. They represent a probability of being able to place or receive a call. Each

DT 07-027 Phase II Eckberg Testimony Attachment 5 REDACTED

Kearsarge Telephone Company
Merrimack County Telephone Company
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CONFIDENTIAL
June 19, 2009

carrier can set the cut-off point at which they no longer feel comfortable marketing their service. There are various software programs used to "predict" the signal strength and each one will show a slightly different result when being fed the same information. Some smaller carriers are too small to run these predictions in-house and will contract with an outside engineering firm to develop their RF propagation predictions. In the few instances where they do not receive patterns from the carriers, they collect the information in whatever manner they can (usually from their marketing materials), geo-register the images and convert the information into the same types of polygons that represent other carriers. The CoverageRight product wraps all the most current marketed footprints into a convenient package offering all the files in the same compatible format.

d) Coverage Right Voice: Contains marketed coverage patterns for all carriers in the US, Canada and Mexico for all voice technology analog and digital.

Coverage Right Advanced Services: Contains marketed coverage patterns for all carriers in the US, Canada and Mexico for all data/broadband technologies (i.e. EVDO, Edge, Ixrtt, etc.)

Market Right: Contains all license holding for all wireless carriers in the US. Supports PCS, CMA, AWS, 700MHZ, etc.

Market Right PowerPack: An addition to Market Right that includes more detailed information like the System Identifier (SID), Broadcast Identifier (BID), etc.

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- e) Any holes shown within the coverage patterns are those disclosed by the carriers themselves.
- f) The CoverageRight product is purchased on a subscription basis from Empower Geographics, a reseller of American Roamer products. U.S. Cellular holds an existing license. In the past, U.S. Cellular provided TDS Telecom with the entire database, but after re-negotiating the contract and T&Cs, U.S. Cellular can no longer provide the entire database outside of

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the specific licenses they purchase. As such, TDS Telecom cannot provide the data base.

Michael C. Reed is responsible for this response.

D1 U/-U2/ Phase II Eckberg Testimony Attachment 6

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OCA 2.4: Refer to OCA 1-6. Please provide a response by C Squared to this question, based upon its understanding of the industry.

RESPONSE: See Response to OCA 2.12. There are differences between signal strengths within people's homes and signal strengths outside on the roads. A complete response to this question would require hours of testimony and a multitude of supporting documentation and literature. It is important to note that while there may be areas outside on the roads where the signal strength is stronger than in the home, there may be conversely areas in the home where signal strength is stronger than outside on the road, i.e., the second floor bedroom, 15 feet above the ground. That is, the answer is dependent upon many factors: the location of the home relative to the serving signal, ground elevation of the home, foliage density around the residence, building material, etc. In a vehicle on the road, the factors affecting the signal strength may be the shadowing effect of the trees or the landscape, the density of the foliage relative to the road, the speed of the vehicle, the location of the handset within the vehicle, etc.

Dan Goulet is responsible for this response.