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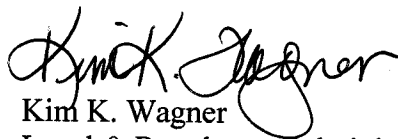
Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702-5983

RE: Docket No. QWE-T-08-07

Dear Ms. Jewell:

Enclosed for filing are nine copies of the Direct Testimony of Douglas Denney on Behalf of Intervenors Integra and 360networks, Joint CLECs in connection with the above-referenced matter. The highly confidential Exhibits 206 and 207 are included separately and will be provided directly to Qwest, consistent with the Protective Agreement.

Sincerely,



Kim K. Wagner
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Integra Telecom
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Enclosures

cc: See Attached Certificate of Service

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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**IN THE MATTER OF QWEST)
CORPORATION'S PETITION FOR)
APPROVAL OF NON-IMPAIRED)
WIRE CENTER LISTS PURSUANT TO)
THE TRIENNIAL REVIEW REMAND)
ORDER)**

CASE NO. QWE-T-08-07 IDAHO PUBLIC UTILITIES COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that nine true and correct copies of the foregoing Direct Testimony of Douglas Denney on Behalf of Intervenors Integra and 360networks, Joint CLECs was filed on May 22, 2009, with:

VIA EMAIL AND OVERNIGHT MAIL:

Jean D. Jewell
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and served on May 22, 2009 upon the individuals listed below. Highly Confidential information is being served on any Qwest individual(s) that have signed the relevant protective agreement signature page.

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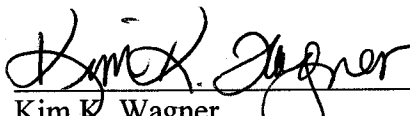
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF QWEST)
CORPORATION'S PETITION FOR)
APPROVAL OF NON-IMPAIRED) CASE NO. QWE-T-08-07
WIRE CENTER LISTS PURSUANT TO)
THE TRIENNIAL REVIEW REMAND)
ORDER)**

INTERVENOR PROFILE TESTIMONY

DIRECT TESTIMONY

OF

DOUGLAS DENNEY

ON BEHALF OF

INTEGRA AND 360networks (USA) inc. ("JOINT CLECS")

May 22, 2009

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Douglas Denney. I work at 6160 Golden Hills Drive, Golden
4 Valley, Minnesota.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by Integra Telecom, Inc., as Integra's Director of Costs and
7 Policy. My job duties include negotiating interconnection agreements,
8 monitoring, reviewing and analyzing the wholesale costs Integra or its
9 subsidiaries pay to carriers such as Qwest, and representing Integra and its
10 affiliates on regulatory issues.

11 Integra Telecom, Inc. completed its purchase of Electric Lightwave, LLC
12 ("ELI"), the affiliate doing business in Idaho, on August 1, 2006. For
13 convenience, I will generally refer to Integra and its affiliates, including ELI,
14 as Integra. However, when describing certain dockets and actions of specific
15 Integra affiliates prior to their affiliation with Integra, I will refer to
16 specifically to the affiliate.¹

17 **Q. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL
18 BACKGROUND.**

19 A. I received a B.S. degree in Business Management from Phillips University in
20 1988. I spent three years doing graduate work at the University of Arizona in

¹ For example, as discussed below, I was employed by Eschelon Telecom, Inc. when it was purchased by Integra on August 31, 2007. While with Eschelon I was involved in TRRO proceedings in many states.

1 Economics, and then I transferred to Oregon State University where I have
2 completed all the requirements for a Ph.D. except my dissertation. My field
3 of study was Industrial Organization, and I focused on cost models and the
4 measurement of market power. I taught a variety of economics courses at the
5 University of Arizona and Oregon State University. I was hired by AT&T in
6 December 1996 and spent most of my time with AT&T analyzing cost
7 models. In December 2004, I was hired by Eschelon Telecom, Inc., which
8 was subsequently purchased by Integra Telecom, where I am presently
9 employed.

10 I have participated in over 40 proceedings in the 14-state Qwest region. Much
11 of my prior testimony involved cost models — including the HAI Model,
12 BCPM, GTE's ICM, U S WEST's UNE cost models, and the FCC's Synthesis
13 Model. I have also testified about issues relating to the wholesale cost of local
14 service — including universal service funding, unbundled network element
15 pricing, geographic deaveraging, and competitive local exchange carrier
16 access rates. I have filed testimony regarding Qwest's "non-impaired" wire
17 center lists and related issues, including the *Five-State Settlement Agreement*,²
18 in dockets in Utah, Oregon, Colorado, Minnesota and Arizona.

19 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN IDAHO?**

² The Multi-State Settlement Agreement Regarding Wire Center Designations and Related Issues ("Settlement Agreement"), is attached to Ms. Albersheim's testimony as Exhibit Qwest-4, and is heavily and improperly relied upon by Qwest witnesses as their direct evidence in this case. This agreement will be discussed in more detail in Section II, and referenced throughout this testimony.

1 A. Yes. While working for AT&T, I filed testimony and participated in
2 workshops in dockets GNR-T-97-22 / GNR-T-00-2 regarding universal
3 service. More recently, while working for Integra, I filed comments in QWE-
4 08-04 regarding Qwest's SGAT and performance assurance plan.

5 **Q. PLEASE DESCRIBE INTEGRA'S PRESENCE IN IDAHO.**

6 A. In Idaho, Integra serves almost 2,000 customers with nearly 40,000 access
7 lines using a combination of its own facilities and network elements leased
8 from Qwest. Integra's investment in facilities includes building collocations
9 in 4 Qwest central offices. Integra accesses its end user customers via "last
10 mile" facilities or Unbundled Network Element ("UNE") loops purchased
11 from Qwest and connects these customers to its DMS500 switch in Idaho.
12 Integra serves the Boise Metropolitan area including Boise, Meridian, Nampa,
13 Caldwell, Eagle, Kuna, Middleton and Star. In addition, Integra also supplies
14 services outside of the Treasure Valley, reaching to Mountain Home, Twin
15 Falls, Pocatello, Idaho Falls and north to Coeur d'Alene. Currently Integra
16 employs nearly 40 people in the state.

17 **ORGANIZATION OF TESTIMONY**

18 **Q. PLEASE DESCRIBE HOW YOUR TESTIMONY IS ORGANIZED.**

19 A. My testimony is organized into eight sections. Section I introduces the
20 testimony. Section II discusses the *Five-State Settlement Agreement* and
21 explains the history of the *Five-State Settlement Agreement*, how the
22 negotiated terms of the agreement prohibit its use as evidence with regard to
23 certain issues in this docket, and how the passage of time, including CLEC

1 experience in multiple TRRO³ dockets in multiple states has provided ideas
2 that will allow this Commission to improve upon the issues raised in the *Five-*
3 *State Settlement Agreement* for Idaho. Section III explains the flaws in
4 Qwest's switched business line counts, specifically how Qwest includes
5 residential and non-switched lines when counting Competitive Local
6 Exchange Carrier ("CLEC") switched business lines. In addition, this section
7 will discuss the difficulties in validating Qwest's switched business lines.
8 Section IV discusses fiber-based collocations and describes problems Qwest
9 has had in other states properly counting fiber-based collocators. This section
10 will also discuss the difficulties in validating Qwest's fiber-based collocation
11 data. Section V explains the appropriate transition period for moving away
12 from UNEs when UNEs are no longer available. This section will explain
13 why the transition period in the *TRRO Five-State Settlement Agreement* is too
14 short and why a transition period of one-year, as outlined in the TRRO, would
15 be more appropriate. Section VI discusses why this Commission has
16 jurisdiction over the transition from UNEs to Qwest alternative services. In
17 addition, this section explains why this conversion is simply a billing change
18 and thus there is no need to change circuit IDs or charge for these
19 conversions. Section VII explains improvements to Qwest's proposal
20 regarding the most efficient process going forward, for instances where Qwest

³ TRRO refers to the FCC's Triennial Review Remand Order. (i.e. *In the Matter of Unbundled Access to Network Elements, WC Docket No. 04-313; Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket No. 01-338; Order on Remand, FCC 04-290, February 4, 2005.*

1 seeks to expand the list of wire centers. Finally, section VIII concludes the
2 testimony and summarized my recommendations.

3 **SUMMARY OF TESTIMONY**

4 **Q. ARE THERE ANY EXHIBITS TO YOUR TESTIMONY?**

5 A. Yes. The exhibits to my testimony are described below:

6 **EXHIBIT 201:** Excerpts from the hearing transcript in Colorado regarding the *Five-State*
7 *Settlement Agreement*

8 **EXHIBIT 202:** Decisions of the Colorado Commission regarding TRRO Non-Impaired
9 Wire Center Issues and the *Five-State Settlement Agreement*

10 **EXHIBIT 203:** Qwest Data Responses to Joint CLECs in Arizona TRRO Wire Center
11 Docket regarding fiber-based collocations.

12 **EXHIBIT 204:** Washington Commission Order in Qwest/Eschelon Arbitration regarding
13 Commingling.

14 **EXHIBIT 205:** Minnesota Commission Order Regarding Jurisdiction over Conversions

15 **EXHIBIT 206:** Highly Confidential – Integra Estimate of Switched Business Lines as a
16 Percent of Loop Capacity

17 **EXHIBIT 207:** Highly Confidential -- 2007 and 2008 Qwest Line Counts with
18 Adjustments

19 **ISSUES TO BE ADDRESSED**

20 **Q. WHAT ISSUES DOES THIS COMMISSION NEED TO ADDRESS IN**
21 **THIS DOCKET?**

22 A. This Commission need only decide whether Qwest has properly supported the
23 classification of the Boise Main and Boise West wire centers. Qwest has
24 requested that Boise Main be classified as Tier 1⁴ and that Boise West be

⁴ Albersheim Direct, p. 33, lines 5-6.

1 classified is Tier 2.⁵ In addition, Qwest has requested that DS3 loops be
2 classified as non-impaired in the Boise Main wire center.⁶

3 A wire center is classified as Tier 1 if it has either 4 or more fiber-based
4 collocations or at least 38,000 switched business lines. DS1 UNE transport is
5 considered non-impaired between Tier 1 wire centers.⁷ In other words, Qwest
6 no longer has to offer DS1 transport at UNE rates when both offices at the end
7 of the transport route are classified as Tier 1.

8 A wire center is classified as Tier 2 when it has either 3 or more fiber-based
9 collocations or at least 24,000 switched business lines. DS3 UNE transport
10 and dark fiber transport is considered non-impaired between offices classified
11 as either Tier 1 or Tier 2.⁸ In addition, there is a limit of 10 DS1 UNE
12 transport routes in offices where DS3 transport is considered non-impaired.⁹
13 For example, if Qwest were to prevail on its request to classify Boise Main as
14 Tier 1 and Boise West as Tier 2, CLECs would no longer be able to purchase
15 DS3 UNE transport or dark fiber between these two wire centers and would
16 be limited to 10 DS1 UNE transport circuits.

⁵ Albersheim Direct, p. 33, lines 6-7.

⁶ Albersheim Direct, p. 31, lines 11-13.

⁷ *TRRO*, Executive Summary, ¶ 5, p. 4 and ¶ 126.

⁸ *TRRO*, Executive Summary, ¶ 5, p. 4 and ¶¶ 129 & 133.

⁹ *TRRO*, ¶ 128.

