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RECORDS AND REPORTING

August 3, 1998

BY HAND DELIVERY

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Docket No. 980696-TP

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Vista-United Telecommunications' Direct Testimony of William D. Huttenhower.

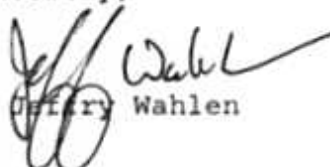
Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

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FPSC-BUREAU OF RECORDS

Sincerely,

  
J. Jeffrey Wahlen

- ACK \_\_\_\_\_ Enclosures
- AFA 2 cc: All parties of record
- APP \_\_\_\_\_
- CAF \_\_\_\_\_ h:\data\jjw\vat\980696.byo.doc
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FPSC-RECORDS/REPORTING

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VISTA-UNITED  
DOCKET NO. 980696-TP  
FILED: 08/03/98

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
DIRECT TESTIMONY  
OF  
WILLIAM D. HUTTENHOWER

Q. Please state your name and business address.

A. My name is William D. Huttenhower. My business address is 3100 Bonnet Creek Road, Lake Buena Vista, Florida, 32830-0180.

Q. By whom are you employed and in what capacity?

A. I am employed by Vista-United Telecommunications ("Vista" or the "Company") as Regulatory Affairs Manager. My responsibilities include liaison and point of contact with various regulatory agencies and entities relating to Vista's local exchange operations. Other responsibilities include message processing and toll rating, access revenue budgeting and forecasting and local number portability.

Q. Please describe your educational background and work experience.

A. I was graduated from the University of Central Florida in

1 1978 with a Bachelor of Science degree in Business  
2 Administration. From 1973 to 1975, I worked for General  
3 Telephone Company of Florida in installation and repair. I  
4 began working at Vista in 1975 in the customer service area,  
5 and have held various positions in finance and carrier  
6 billing areas over the past 23 years.

7  
8 In addition to my education at the University of Central  
9 Florida, I have obtained specialized training and education  
10 in the areas of carrier access billing and cost separations.

11  
12 Q. What are the purposes of your testimony?

13  
14 A. The purposes of my testimony are to describe Vista and to  
15 describe the inputs Vista provided to John Staurulakis,  
16 Incorporated (JSI") for use in the embedded cost study they  
17 prepared on behalf of Vista for this proceeding. That  
18 embedded cost study is explained in the prepared direct  
19 testimony of Daniel C. Weaver.

20  
21 **About Vista**

22  
23 Q. Please describe Vista.

24  
25 A. Vista is a small local exchange telecommunications carrier

1 within the meaning of Chapter 364, Florida Statutes. It has  
2 been providing local exchange telecommunications services in  
3 its FPSC-certificated territory since it was created in  
4 1971. Vista's territory is in the Orlando area and includes  
5 a significant portion of the Orlando/I-4 resort and  
6 entertainment corridor. As of June 30, 1997, Vista served  
7 approximately 14,000 access lines, most of which were  
8 business access lines.

9  
10 Q. Has Vista elected price regulation as provided in Chapter  
11 364, Florida Statutes?

12  
13 A. Yes. Vista is no longer regulated by the FPSC on a rate of  
14 return basis. However, Vista continues to maintain its  
15 accounting records in accordance with Part 32 of the Federal  
16 Communications Commission's rules, and submits an annual  
17 cost study to the National Exchange Carriers Association  
18 ("NECA").

19  
20 **Cost Study Inputs**

21  
22 Q. Please describe the inputs provided by Vista to JSI for use  
23 in the preparation of Vista's embedded cost study.

24  
25 A. The information and data provided by Vista to JSI is 1997

1 historical accounting information contained in the  
2 "regulated" accounting books and records of the Company. By  
3 this I mean that we gave JSI historical data that excludes  
4 the effect of our activities that have been traditionally  
5 considered non-regulated by the FCC and the FPSC.

6  
7 More specifically, for investment related accounts, such as  
8 outside plant and central office, we provided JSI with  
9 average-of-average balances for 1997. For expenses and  
10 taxes, Vista gave JSI "regulated" expenses incurred during  
11 the 12 months in 1997. The information we gave to JSI for  
12 use preparing the cost study is the same information used in  
13 our Part 36 cost study submitted to NECA for 1997.

14  
15 Q. Did the information Vista gave to JSI include the  
16 investments and expenses associated with paystations?

17  
18 A. Yes. The information provided to JSI included all  
19 paystation-related costs. These costs were included in the  
20 1997 study submitted to NECA. However, as of April 15,  
21 1997, paystation costs were classified as non-regulated or  
22 de-regulated, so JSI excluded paystation-related costs and  
23 investments from the embedded cost study performed by JSI.

24  
25 Q. Do the inputs provided to JSI include investments and

1 expenses attributable to non-regulated or de-regulated  
2 services?

3

4 A. No. The underlying accounting information provided to JSI  
5 was prepared in a manner consistent with the Federal  
6 Communication Commission (FCC) requirements outlined in the  
7 Code of Federal Regulations (CFR), Parts 32 and 64. This  
8 means that Vista has accounted for non-regulated activities  
9 and those activities are not reflected in the data used to  
10 prepare the embedded cost study for Vista.

11

12 Q. What depreciation rates were used to compute the  
13 depreciation expense and reserve balances supplied by Vista  
14 for use in the cost study?

15

16 A. Vista used the depreciation rates last approved by the FPSC  
17 and used when Vista last filed a surveillance report with  
18 the FPSC.

19

20 Q. Does this complete your direct testimony?

21

22 A. Yes.

23

24

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by U. S. Mail or hand delivery (\*) this 3rd day of August, 1998, to the following:

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