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1 Alexander Belinfante of the Commission's Common Carrier  
2 Bureau Tariff division to discuss the attached tables  
3 which, my recollection was, they were provided -- they  
4 were prepared and provided in response to a request from  
5 the FCC or, more appropriately, the FCC staff.

6 Q Is it fair to say that the documents attached  
7 to the letter covering Exhibit 9 provide to the FCC an  
8 explanation of changes that appear in the January 20th,  
9 1995 update to your study that was provided to the FCC?

10 A Specifically, what this document says is that  
11 the following sets out by company the reasons for the  
12 adjustments made by each LEC to update the underlying  
13 data from the Christensen 1992 TFP study, for the  
14 updated 1993 TFP study.

15 Q But it was an effort to explain to the FCC  
16 what adjustments had been made and why?

17 A That's correct.

18 Q Was the -- were all the documents that are  
19 attached to Exhibit 9 behind the letter prepared by your  
20 company?

21 A It's my best recollection they were.

22 Q Now the reference in the letter is to a  
23 meeting with three gentlemen. Can you tell us who  
24 Mark Uretsky, Anthony Bush and Alexander Belinfante  
25 were?

26 A They are FCC staff members.

27 Q And you're personally familiar with all three  
28 of them?

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1 A Yes, I am.

2 Q You didn't attend this meeting in person to  
3 discuss this transmittal, did you?

4 A No.

5 Q Did you participate by telephone?

6 A No.

7 Q Did you have any other meeting -- any meetings  
8 with any of these gentlemen from the FCC since their  
9 material -- well, since the update was provided in  
10 January to discuss the update?

11 A Yes.

12 Q How many times have you met with them?

13 A Two or three times.

14 Q Did you discuss at any of these meetings any  
15 of the adjustments that were discussed in this exhibit?

16 A I recall discussing the broad outlines of the  
17 material contained in this exhibit. I don't recall  
18 anything, any discussion of any of the specific  
19 numbers.

20 Q Do you know if anyone from Christensen  
21 Associates met with any of these three gentlemen to  
22 discuss these adjustments that are found in Exhibit 9?

23 A I know that we had some telephone  
24 conversations with him. I don't believe there were any  
25 face-to-face studies -- excuse me, face-to-face meetings  
26 to specifically discuss the numbers contained in these  
27 exhibits.

28 Q All right. Now if you turn to the second page

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1 of Exhibit 9, you'll see on that page and the page  
2 following that there are summaries of corrections for,  
3 it looks like each of the electric LECs that was  
4 included in your study. Do you see those summaries?

5 A I do.

6 Q Now some of these were in the nature of  
7 corrections to previous information that had been  
8 provided; is that right?

9 A That's right.

10 Q And some of them were in the nature of new  
11 information that had not been available at the time the  
12 original study was filed; is that right?

13 A Yes, that's correct.

14 Q Now, the corrections were to -- essentially to  
15 previous errors in the data that you had been given by  
16 the LECs to perform your study?

17 A Actually, this data had been initially  
18 provided to the bureau, U.S. Bureau of Labor Statistics  
19 at their request and subsequently provided that to me.

20 Q But it was data that been provided by the  
21 LECs?

22 A That's correct.

23 Q And in a certain number of cases, it turned  
24 out that data was wrong and had to be corrected?

25 A I would say revised rather than wrong.

26 Q All right. Now, is it true that you do not  
27 personally now have any of these corrections or the need  
28 for any of these corrections were discovered by any of

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1 the LECs?

2 A Some of them were discovered in response to  
3 questions that I asked.

4 Q Do you know, for any particular of the LECs,  
5 who discovered any of these errors that are found on  
6 Pages 2 or 3?

7 A Well, I don't know any of them personally.  
8 There were people at each of the companies whose job it  
9 was to provide these data to the U.S. Bureau of Labor  
10 Statistics and subsequently to me, but I'm not  
11 personally familiar with any of those individuals. ]

12 Q Can you identify one of the items on pages 2  
13 or 3 of this document that was identified to you as a  
14 correction based on a request you had made?

15 A I can't off the top of my head.

16 If I took some time to study this whole  
17 document perhaps I could.

18 Q Well, would you turn to Exhibit 8 for a moment  
19 and look at Data Request No. 5, which is found on the  
20 page that has got the fax label at the top, 13 of 18.

21 Do you have that in front of you?

22 A I do.

23 Q We asked there for you to identify how each of  
24 these errors was discovered, who discovered it, when it  
25 was discovered, who corrected it, and when it was  
26 provided, and the response says that you don't know who  
27 the errors -- how the errors were discovered, who  
28 discovered them, whether they were discovered, or who

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1 corrected them.

2 Now, how is it that you went about asking  
3 people to make corrections and they did it, and then you  
4 gave us a data response like this?

5 MR. SASSER: Excuse me, your Honor.

6 I think that's a mischaracterization of the  
7 witness's testimony. He never testified he asked  
8 anybody to make corrections.

9 MR. FABER: I thought that's exactly what he said.

10 He told me that some of the corrections were  
11 made in responses to requests he asked about pieces of  
12 data and that they provided corrections in response to  
13 his request, and one of our questions here was,

14 "Can you tell us how the errors  
15 were discovered."

16 It seems like it's inconsistent, and I'm just  
17 trying to understand it.

18 THE WITNESS: It's a normal process when data --  
19 when a study is being done, to ask questions about the  
20 data.

21 We asked some questions, and in the course of  
22 doing the 1992 study -- in fact, there were changes that  
23 took place before the 1992 study was in fact completed  
24 and filed with the FCC.

25 We continued to ask questions about data and  
26 ask people to double-check and verify whether all the  
27 data that are being provided to the BLS and to us are in  
28 fact -- are in fact, to the best knowledge of the

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1 providers, 100 percent correct and that's -- we were  
2 told in many cases that they were and in other cases we  
3 were told later that no, they had discovered that there  
4 needed to be some revisions, and those were then  
5 incorporated.

6 MR. FABER: Q Well, I'm still wondering, then, if  
7 you could, and I'm willing to give you a little bit of  
8 time if you need, could you point out just even one of  
9 these where you can identify who at one of the LECs  
10 provided you with the correction?

11 Is it in your notes that you have with you?

12 A No. No, it's not.

13 Q How would you go about discovering who it was  
14 that told you about the correction?

15 A I would refer to my notes back in my office.

16 Q Once you got the data from the LECs, the  
17 responses saying that some of these things were wrong  
18 and have to be either corrected or revised, or whatever  
19 the proper term is, what process did you go through to  
20 verify that the new data that had been provided to you  
21 was now accurate?

22 A In every case possible we verified that the  
23 data were consistent with the Form M data that had been  
24 filed by the LECs with the FCC.

25 And in addition to that, we did what are  
26 typically called sanity checks by economists. You look  
27 at the data and see if things seem to be plausible and  
28 follow time patterns that are common with data of this

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1 type.

2 Q Well, if we look at the documents that are  
3 attached to Exhibit 9, which of that data, if any, is  
4 found in Form M submitted by the LECs?

5 A Virtually all of it.

6 Q Is there any that's not?

7 A The TPIs are not.

8 Q Anything else?

9 A I don't see anything offhand that is not  
10 verifiable by Form M.

11 Q There's some reference to 1994 -- 1984 capital  
12 stock, some corrections to that.

13 Isn't that right?

14 A Yes. I see that.

15 Q And is that included in the format?

16 A No, I don't believe it is.

17 Q Now, do you know if any of these LEC updates  
18 had their Form M filings with the FCC include the  
19 corrections in the data that you have?

20 A I don't know.

21 Q Did you ever ask them?

22 A I don't recall asking that question.

23 Q You said that you verified -- or attempted to  
24 verify certain of these changes by reference to the  
25 Form M's, but you also said that the TPIs and the  
26 capital stock data is not in the Form M's, and you  
27 referred to something you called sanity checks.

28 Can you tell us what you did in that matter

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1 with respect to the TPIs and the capital stock  
2 adjustments?

3 A The TPIs are the most difficult of all these  
4 series to verify in that they are based on highly  
5 confidential information from the individual LECs and  
6 we -- in those cases we basically, if anything looked  
7 like it was substantially different from an expected  
8 trend, we inquired and asked the LEC to double-check and  
9 make sure that in fact the data that they provided to us  
10 did indeed reflect the figures from their own books, and  
11 we were assured by each and every LEC that that was the  
12 case.

13 Q Now, you say -- you told us in response to a  
14 data request that this information was provided in the  
15 November-December 1994 time frame, is that right?

16 A Yes.

17 Q And this updated study was submitted on  
18 January the 20th, is that right?

19 A I believe that's correct, yes.

20 Q So it was in the period of that month to two  
21 months that you did all these sanity checks and Form M  
22 valuations, is that correct?

23 A That is correct.

24 Q Now, in the underlying data that was used in  
25 your study, that was data that was provided to you -- I  
26 guess to BLS, by the LECs?

27 A That's correct.

28 Q You didn't gather the individual LEC data for

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1 that study, is that right?

2 A That's correct.

3 Q Do you know who at each of the LECs was  
4 responsible for gathering the underlying data that was  
5 used in your study?

6 A No, I do not.

7 Q Do you know the methodologies that were used  
8 by the individual LECs to compile that data? ]

9 A In broad outline, I certainly do. The  
10 specifications were laid out by the U.S. Bureau of Labor  
11 Statistics and provided to the LECs as to what they  
12 wanted to do in their total factor productivity study  
13 for the LEC industry.

14 Q Isn't it correct that in gathering this type  
15 of data, each of the LECs had to make a certain number  
16 of assumptions?

17 MR. SASSER: I'm going to object to that as vague,  
18 your Honor.

19 MR. FABER: Well, if the witness doesn't understand  
20 the question, he can say so.

21 MR. SASSER: Well, I don't understand the question,  
22 and I'm objecting to it as vague. It can be specific  
23 about what assumption he is zeroing in on.

24 To ask a question like that is vague.

25 ALJ REED: Could you be a little more specific,  
26 Mr. Faber?

27 MR. FABER: Q Did any of these data that the LECs  
28 provided come from the accounting records of the LECs?

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1           A    Yes.

2           Q    Which types of data that you included in your  
3 study came from accounting records?

4           A    All of the data. I believe that virtually all  
5 of it is contained in the accounting records of the  
6 LECs.

7           Q    Is it your belief that each of the sets of  
8 data you received from the LECs was unbiased?

9           A    Yes, that is my belief.

10          Q    Is it also your belief that they were entirely  
11 complete?

12          A    Well, an economist would always like to have  
13 more and better data than are available. The data that  
14 were provided to me were certainly complete enough for  
15 me to do, with a high degree of economic certainty, the  
16 study which I did.

17          Q    But you noted in November and December of '94  
18 some of the data was updated and corrected; is that  
19 right?

20          A    Yes, that is the standard procedure. We  
21 update our data just as is standard practice by any  
22 research economist or any U.S. Government statistical  
23 agency.

24          Q    Did you conduct any specific test to determine  
25 that the data provided by the LECs was complete with a  
26 high degree of economic certainty?

27          A    I used my -- the test that I used was my  
28 30 years of experience and expertise as a professional

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1 economist who has spent most of my career as an expert  
2 in the productivity area.

3 Q I want to correct something, I think.

4 A moment ago you said that it is standard  
5 practice for economists to update their data as they go  
6 through their studies. The changes in the  
7 November-December time frame were not updates, they were  
8 corrections to inaccuracies; isn't that right?

9 A Well, what I meant to say, and if I didn't  
10 say -- let me say now to make clear -- is that typically  
11 economists will, when new data become available -- and  
12 in this case when the 1993 data became available -- it  
13 is standard practice to review all previous data.

14 You don't say, Well, I'm going to close my  
15 eyes to any changes that took place before the new  
16 data. And you look at the new data and you look at the  
17 old data, and if there are reasons -- if there are  
18 revisions that have come to light, such as the Bureau of  
19 Labor Statistics did in revising their total factor  
20 productivity number downward from .9 to .3, I as a  
21 research economist can do the same thing: You revise  
22 and update simultaneously. And that's exactly what I  
23 did.

24 Q You mentioned a moment ago that virtually all  
25 of this data can be found in the accounting records of  
26 the LECs?

27 A Yes.

28 Q Can the TPIs be found in the accounting

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1 records of the LECs?

2 A They are derived from accounting records. I  
3 mean, to me, accounting records are basically all the  
4 financial information about the company; and that is the  
5 source for the TPIs.

6 Q But they're derived by work that you did?

7 A No, I did not derive the TPIs.

8 Q The LECs derived them from their own  
9 accounting records?

10 A That's correct.

11 Q And do you know what process any of the LECs  
12 used to derive the TPI?

13 A The process basically -- what TPIs are  
14 intended to do is to portray changes over time and the  
15 prices that the LECs pay for particular kinds of capital  
16 equipment.

17 Q You were here yesterday -- you were here  
18 yesterday when Dr. Schmalensee testified?

19 A Yes.

20 Q I asked him about a sentence in his testimony  
21 where he said,

22 "Developing price indices for  
23 telephone plant and equipment TPIs  
24 is not an easy task."

25 Do you recall that?

26 A Yes.

27 Q Do you agree with that?

28 A Sure. Nothing economists do is easy.

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1 (Laughter)

2 MR. FABER: Q Now, suppose that the data that you  
3 received in November-December 1994 correcting the  
4 previous LEC data had not been received by you at that  
5 time, would the data that you used then for your January  
6 1995 study, absent these corrections, have been  
7 erroneous?

8 A I'm not sure what you mean by "erroneous."  
9 What we do as economists is use the best information we  
10 have available. I wouldn't say that the Bureau of Labor  
11 Statistics' .9 percent per year figure for U.S. total  
12 factor productivity was erroneous before it was  
13 updated. It was updated and revised based on new and  
14 better information.

15 And so, you know, if you would ask me why did  
16 I update and use the Bureau of Labor Statistics' number  
17 when it must have been erroneous -- if you'd like me to,  
18 I'd continue to use the .9 percent per year number  
19 rather than revising --

20 Q When was the BLS update done?

21 A I believe it was in the summer of 1994.

22 Q Did you file any revisions to the May 1994  
23 study to reflect the BLS's change prior to this  
24 January 20th submittal?

25 A I don't recall.

26 Q Is it possible that you did, and you just have  
27 forgotten?

28 A Since I don't recall, it's entirely possible,

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1 yes.

2 MR. FABER: I'd like to request that that be  
3 checked by Dr. Christensen when we take a break and get  
4 an answer to that question.

5 ALJ REED: Sure.

6 MR. SASSER: Can we have the request again?

7 MR. FABER: The request was whether or not he filed  
8 any update to his May 1994 data before January 1995 to  
9 reflect the BLS's adjustment that had been made in the  
10 summer of 1994, the adjustment through the BLS which was  
11 for economy-wide TFP.

12 ALJ REED: Can you provide that?

13 THE WITNESS: Yes.

14 ALJ REED: Thank you.

15 MR. FABER: Q Now, do you have any workpapers to  
16 support all of the adjustments that were identified in  
17 Exhibit 9?

18 A I would say that Exhibit 9 are the workpapers.

19 Q These documents that you have attached to  
20 Exhibit 9 show a number of original and corrected pieces  
21 of data, correct?

22 A Yes.

23 Q Are these the exact documents that were  
24 provided to you by the local exchange companies?

25 A No, this is a compilation of those --

26 Q This is something that your company put  
27 together, right?

28 A That's correct.

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1 Q Would you not consider the underlying data  
2 provided by the LECs to constitute workpapers in support  
3 of these adjustments?

4 A Well, this is -- this provides all those  
5 numbers. There's no difference between the numbers here  
6 and the numbers that were provided to us.

7 Q How do you know that?

8 A Because I checked them.

9 Q You've checked every single one of these  
10 numbers to make sure that there isn't a typographical  
11 error on any of these 20-some pages of documents?

12 A Yes. I and my staff checked these very  
13 carefully against any original numbers that came to us.

14 MR. FABER: Your Honor, this is a problem. I  
15 requested that Pacific Bell provide the workpapers  
16 supporting these adjustments, and I fully expected that  
17 it would be the data that had been provided that were  
18 reflected in these Christensen documents. And the  
19 response I get, as you can see in Request No. 6 on  
20 Exhibit 8, page 14 of 18, is that:

21 "Dr. Christensen does not have any  
22 workpapers supporting the  
23 adjustments/corrections."

24 MR. SASSER: Your Honor, there's no inconsistency  
25 at all. The data request is with respect to the  
26 specific errors that are described in the workpapers  
27 that went into compiling the specific errors.

28 Now, when you put that in context, what we're

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1 talking about is what the individual LECs did.

2 What Dr. Christensen is talking about is his  
3 compilation of what he received and how it appears in a  
4 particular document. This document, in addition, has  
5 been in the hands of Mr. Faber for quite some time. He  
6 had this data; he could have reviewed it, and he's  
7 asking questions about it.

8 MR. FABER: Your Honor, I don't understand that  
9 answer at all, I'm afraid.

10 ALJ REED: I'm afraid, Mr. Faber, I don't quite  
11 understand it either.

12 Particularly the last part, Mr. Sasser. Could  
13 you -- could you repeat it?

14 MR. SASSER: As I understand it, your Honor, what  
15 was asked for in this data request was workpapers  
16 supporting individual adjustments that are seen on the  
17 first couple of pages. And, again, my understanding is  
18 that what was being asked for was what went into  
19 compiling the individual adjustments that you see here.

20 This, as I understand it, is simply a  
21 reflection of the -- of what was given to  
22 Dr. Christensen by way of data from the LECs; it was  
23 attached to the exhibit. Anything else in addition to  
24 this Dr. Christensen didn't have.

25 The assumption when this request was made was  
26 for something, in addition, to what Mr. Faber already  
27 had was being requested.

28 Dr. Christensen has responded that he didn't

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1 have anything in addition to this.

2 ALJ REED: So are you saying that it's possible  
3 that you or Pacific or Dr. Christensen didn't quite  
4 understand the question?

5 MR. SASSER: If the question was something  
6 different, then what was already provided was asking for  
7 information that Mr. Faber already had in his  
8 possession.

9 If it was simply asking us to regive that,  
10 then I did not understand it.

11 If it was asking for something in addition to  
12 what Mr. Faber already had, then I did understand it,  
13 and it was answered correctly.

14 MR. FABER: Your Honor.

15 ALJ REED: Do you -- I'm sorry.

16 MR. FABER: Your Honor, I've got to admit, if I  
17 sent a document request to Pacific Bell describing a  
18 particular document in my hand, and I say, Please  
19 provide all the workpapers underlying this, I don't  
20 think anybody is going to interpret that request as,  
21 Well, you already have the workpapers; that's your  
22 document.

23 My question was, what's the underlying data.  
24 I could tell from this document, Exhibit 9, that these  
25 were calculations or a compilation created by  
26 Dr. Christensen's company. I wanted to see underlying  
27 data, and I was told that there wasn't any.

28 Now I'm told that there is, and

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1 Dr. Christensen is saying that it is possible.

2 I'd like to verify it.

3 ALJ REED: Can those papers be provided to  
4 Mr. Faber?

5 THE WITNESS: I can check my records to see if  
6 there's any hard copy other than what I have here. I'd  
7 be happy to do that.

8 ALJ REED: Please do.

9 MR. FABER: Can I ask a question?

10 Q Dr. Christensen, when we look at the documents  
11 on Exhibit 9, do all the numbers in there consist of  
12 numbers that were simply copied from LEC data, or do  
13 they consist of computational results based on the data  
14 that was provided by the LECs?

15 A No, these are exactly the data that were  
16 provided to me by the LECs.

17 Q When you said a moment ago that you would  
18 check your records and provide any documents that you  
19 might have that constitute the underlying data, can you  
20 explain the relationship of that response to the  
21 assertion by Pacific Bell that certain of these  
22 materials are confidential to USTA?

23 MR. SASSER: Can you tie that into a specific  
24 request?

25 MR. FABER: Well, look at Request 6; that's a  
26 perfectly fine one. Request 6 talks about the 1984  
27 capital stock adjustments, and we said, Provide the  
28 workpapers. And I assume from what I've heard now that

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1 Dr. Christensen has some data that was provided to him  
2 by the LECs, and I'm trying to figure out now whether  
3 he's going to assert, once it's looked at, that that  
4 information is somehow confidential and I can't have it  
5 under a nondisclosure agreement, or whatever.

6 THE WITNESS: If I might respond. I think what  
7 I've said is entirely consistent with the request here.

8 It says,

9 "Provide workpapers supporting  
10 each and all of the adjustments  
11 corrections."

12 Insofar as I have workpapers, they're right  
13 here. Insofar as what they mean, how these  
14 corrections -- documentation of how these corrections  
15 took place or came about by the LECs, I don't have any  
16 such information. It was the LECs who made the  
17 corrections not I who made the corrections.

18 MR. FABER: I'm confused again; I'm sorry.

19 Q You have some data that the LECs provided  
20 you. The LECs have transmitted data to you saying these  
21 are corrections?

22 A These are the data we have right in front of  
23 us, what they transmitted to me.

24 Q These documents themselves attached to  
25 Exhibit 9 were delivered to you by the LECs, or the data  
26 that's on them was delivered to you by the LECs?

27 A The data that's on them was delivered to me by  
28 the LECs.

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1 Q And the request that I'm making is can I see  
2 the exact documents that the LECs provided to you for  
3 the data contained in Exhibit 9.

4 A And I answered that I said I would.

5 Q There wouldn't be any assertion that that  
6 information is somehow confidential. That's what I'm  
7 worried about now, that I can't have it.

8 A Since it's just these data, you have them.

9 MR. FABER: Is there --

10 MR. SASSER: Your Honor, I'm wondering what value,  
11 given Dr. Christensen's testimony, it's going to have  
12 for him to go back and check whether or not he has the  
13 transmittal of exactly the same data we're looking at  
14 here.

15 MR. FABER: Well, suppose that the data is not  
16 exactly the same. I think I'm entitled to check that.

17 ALJ REED: Mr. Sasser, I think Mr. Faber is right.

18 MR. SASSER: Okay.

19 MR. FABER: Q Is there data included in the  
20 transmittals from the LECs in the November-December 1994  
21 time frame -- from any of the LECs -- that is not  
22 reflected on the documents attached to Exhibit 9?

23 A I don't believe so.

24 Q Is it -- if you would turn for a moment to the  
25 fourth page of Exhibit 9, the heading on this is  
26 "Christensen LEC TFP Study Composite Corrected," and  
27 you see underneath Finance 1984 Gross Capital Stock?

28 A I don't have the page, the composite that

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1 you're referring to.

2 Q Maybe I've got it wrong. There's a letter on  
3 top and then there are two pages of summaries of  
4 adjustments.

5 A Yes.

6 Q And then the first page of data is the one I'm  
7 referring to, which is my fourth page.

8 A Yes, I see now.

9 Q That composite represents calculations that  
10 were performed by you or your company; isn't that right?

11 A That's right. That's a -- that's adding up  
12 all the pages that follow it.

13 Q No LEC provided you with a composite, right?

14 A That's correct.

15 MR. FABER: Just a moment, your Honor.

16 ALJ REED: Mhmm-hmm.

17 MR. FABER: Q Still looking at that document  
18 labeled "Composite," that is a composite of the eight  
19 LECs that you studied?

20 A The nine LECs that I studied.

21 Q I'm sorry; nine LECs. There are seven RBOCs  
22 and GTE. Who's the ninth?

23 A Southern New England Telephone.

24 Q Now, the pages that follow on 1984 Gross  
25 Capital Stock only contain data for Ameritech,  
26 Bell Atlantic, NYNEX, Southern New England Telephone and  
27 GTE; isn't that right?

28 A That's correct.

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1 Q That's five of the nine?

2 A Yes.

3 Q There were no corrections to the other four;  
4 is that right?

5 A That's correct.

6 Q So there's no way for us sitting here to  
7 verify the accuracy of the composite based on the  
8 underlying attached document; is that right?

9 A That is correct.

10 MR. FABER: That makes my request broader, your  
11 Honor, because now I'm not asking for just this data. I  
12 asked for the workpapers underlying the adjustments.  
13 The workpapers underlying this composite adjustment  
14 would have to include the data for all nine in order to  
15 calculate it, not just the five who made corrections.

16 MR. SASSER: Well, I'm curious, your Honor, because  
17 my recollection was there was a very specific request  
18 about workpapers underlying any of the individual  
19 adjustments shown on pages 1 and 2. If you can point me  
20 to a request that says, Show me the workpapers that went  
21 into the composite.

22 MR. FABER: Well, I did, actually. If you look at  
23 Request No. 6, we're prefaced with pages 4 through 9 of  
24 the February 1995 USTA Submission. This is the page I'm  
25 talking about. There must be an underlying nine  
26 workpapers to this page 4. It seems pretty  
27 straightforward to me.

28 MR. SASSER: Request 6.

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1 MR. FABER: Request 6, pages 14 to 16 of Exhibit  
2 6. It references pages 4 through 9.

3 The document I'm talking about is page 4. I'd  
4 like to request, your Honor, that I get all the data  
5 underlying this, not just the ones that Dr. Christensen  
6 has so far referred to.

7 ALJ REED: Can you provide that?

8 THE WITNESS: I can provide all the data underlying  
9 the adjustments/corrections as requested in  
10 Request No. 6.

11 ALJ REED: Thank you, Dr. Christensen.

12 MR. FABER: Your Honor, if I go to -- well, if you  
13 go to the next page of Exhibit 8, Request 7, I'd ask the  
14 exact same questions -- I'm sorry -- let me move on for  
15 a moment. I'll come back to this.

16 ALJ REED: Okay.

17 MR. FABER: Q The adjustments in the 1993 update  
18 showed certain corrected TPIs; is that right?

19 A That's correct.

20 Q And if you turn to Exhibit 8, Request No. 9,  
21 you'll see that I asked some questions about the  
22 corrected TPIs; is that right?

23 A Yes.

24 Q And, in particular, Exhibit 9 shows corrected  
25 TPIs for Bell Atlantic, for Southwestern Bell, and for  
26 the LEC composite; is that right?

27 A I believe that's correct.

28 Q There are no adjustments for any of the other

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1 TPIs?

2 A I believe that's correct.

3 Q Now, if you turn in Exhibit 9 -- and this gets  
4 a little complicated; I apologize for the lack of page  
5 numbers -- to what is the 17th page of that exhibit, I'm  
6 particularly referring to the corrected TPIs, telephone  
7 plant indices, for Bell Atlantic.

8 A Yes.

9 Q You see that that contains data from 1984 to  
10 1992 for Bell Atlantic's TPI?

11 A Yes.

12 Q And the top set of numbers shows the corrected  
13 TPIs, correct?

14 A That's correct.

15 Q And the middle set shows what was originally  
16 the TPIs.

17 A That's correct.

18 Q And there is a ratio down below to show the  
19 difference?

20 A That's correct; the ratio, actually.

21 Q A ratio. Now, included on this page is  
22 Bell Atlantic's TPI for central office equipment; do you  
23 see that?

24 A Yes.

25 Q What does this particular TPI represent?

26 A It represents prices -- changes over time in  
27 prices paid by Bell Atlantic for capital items that fall  
28 under the central office equipment category.

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1 Q Now, according to this document, the corrected  
2 Bell Atlantic central office equipment TPI increased by  
3 49 percent from the 1984 base year to the year 1992; is  
4 that right?

5 A Yes. The original showed 47.9 percent, and  
6 the corrected changed very slightly from 47.9 percent to  
7 49 percent.

8 Q Well, I'm not sure I'm talking about the  
9 differences between the corrections and the original.  
10 Right now, let's just stick with the corrected TPIs.

11 The increase for prices paid for central  
12 office equipment from 1984 to 1992 was 49 percent for  
13 Bell Atlantic; correct?

14 A That's correct.

15 Q Now, you also have Exhibit 8 in front of you;  
16 is that right?

17 A Yes.

18 Q Look at Request No. 1, the first two pages.  
19 We asked you to provide this updated data or the TPIs  
20 for Pacific Bell; is that right -- oh, I'm sorry -- we  
21 did ask for everything, and the response was the revised  
22 TPI for Pacific Bell; is that right?

23 A I'd have to read this data request to see if  
24 that is right.

25 Do you want me to do that?

26 Q Please.

27 MR. SASSER: Your Honor, if I could provide some  
28 clarification here.