

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY  
RECORD REQUESTS OF THE  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY  
TO THE STATEWIDE EMERGENCY TELECOMMUNICATIONS BOARD  
D.T.E. 06-4  
August 23, 2006**

Responsible Person: Michelle Hallahan

**RR-DTE-9**

Please explain any differences between the total encumbrance amounts listed in Attachment DTE-SETB 1-11(d) and the amounts in the revised August 3, 2006 spreadsheet for the categories of E911 Services and Relay Services and Disability Access. (Tr. at 75-76).

**Response:**

Encumbrances are budgetary documents that commit funds for a specific purpose. Expenditures represent the actual amount that was invoiced and paid. The encumbrance amounts on Exhibit Attachment DTE-SETB 1-11(d) were based on the Settlement Agreement between the SETB and Verizon executed in June 2004. This Agreement is contained in Exhibit Attachment DTE-SETB 1-14(d). Following this Settlement Agreement, the SETB and Verizon entered into contracts for E911 Services and Relay Services and Disability Access Programs. These contracts are contained in Exhibits DTE-SETB 1-14(a) and DTE-SETB 1-14(c). These contracts created modifications to the original encumbrances listed in Attachment DTE-SETB 1-11(d) and is the basis for any differences between the original encumbrance amounts and the spreadsheets submitted by the SETB in this proceeding. Please see the response to RR-DTE-2 for the actual expenditures for FY2004 through FY2006.

**COMMONWEALTH OF MASSACHUSETTS**  
**DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**  
RECORD REQUESTS OF THE  
**DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**  
**TO THE STATEWIDE EMERGENCY TELECOMMUNICATIONS BOARD**  
D.T.E. 06-4  
August 23, 2006

Responsible Person: Michelle Hallahan

**RR-DTE-10**      Are the capital upgrades considered capital costs under accounting principles? If capital upgrades are booked as capital costs, should they be depreciated? If they are depreciated over a time period, would that reduce the overall cost of the upgrades to the SETB? (Tr. at 77-78).

Response:      The SETB used the term "Capital" upgrade in the revised August 3, 2006 spreadsheets to describe the new customer premises equipment to be installed in the PSAPs in accordance with the Enhanced Wire-Line 9-1-1 Contract. Telecommunication utilities identify and classify the term "capital costs" differently than Governmental entities. Per conversations with the Massachusetts Office of the State Comptroller, the equipment upgrades are not considered capital costs under accounting principles with regard to spreading the cost of the expenditure over the useful life of the asset. Depreciation does not apply in terms of expensing an amount each year calculated from its useful life.

In the spreadsheets contained in the response to RR-DTE-2, the upgrade is now referred to as "equipment upgrade."

**COMMONWEALTH OF MASSACHUSETTS**  
**DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**  
RECORD REQUESTS OF THE  
**DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**  
**TO THE STATEWIDE EMERGENCY TELECOMMUNICATIONS BOARD**  
D.T.E. 06-4  
August 23, 2006

Responsible Person: Michelle Hallahan

**RR-DTE-15**      Please provide the approximate percentage between the SETB and municipality funding of the total E911 costs for a PSAP. (Tr. at 101).

Response:      The SETB does not track funding levels of individual PSAPs in the Commonwealth. The wire-line surcharge only funds essential elements of the E911v system (network, database, customer premises equipment, maintenance/monitoring) and training. All other emergency communications equipment, furniture, physical infrastructure, personnel and other operating costs of a PSAP are borne by the municipality.