

PLEASE DOCKET

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

AT&T Communications  
of Pennsylvania, Inc.

v.

Verizon North, Inc.  
Verizon Pennsylvania Inc.

:  
:  
:  
:  
:  
:  
:  
:  
:  
:

DOCUMENT  
FOLDER

C-20027195

PREHEARING ORDER #2 ON REMAND

History

On July 28, 2004, the Commission entered an Opinion and Order (July 28<sup>th</sup> Order) that granted the Joint Petition for Resolution of Litigation. The July 28<sup>th</sup> Order, *inter alia*, permitted Verizon to reduce and restructure its access charges by allowing them to file a revenue-neutral, rate rebalancing filing in which the net revenue reductions from access charge increases and decreases will be offset with revenue increases from increases in monthly dial tone line rates for residential and business local exchange customers. In accepting the terms of the Joint Petition for Resolution of Litigation, the Commission did not specify a date certain for Verizon to complete the rate rebalancing. The Commission did, however, require Verizon to provide notice to all customers "at least 30 days prior to the date of any rate change" and to "file revised tariffs or tariff supplements, to become effective on one day's notice." With regard to the remaining unresolved matters in this proceeding, the Commission remanded those matters to the Office of Administrative Law Judge. The Commission reversed the ALJ's recommendation to close the case. The Commission stated that those policy issues and other access charge concerns that were raised by the IXCs in their Exceptions, but which were not specifically resolved by a recommendation from the ALJ in this instant proceeding, are remanded to the ALJ for the further development of the record and the issuance of a recommended decision.

Verizon filed a Petition for Reconsideration. By Order entered November 23, 2004, the Commission denied the Petition to reconsider remanding the case to the ALJ.

On November 22, 2004, AT&T Communications of Pennsylvania, LLC, MCI WorldCom Communications, Inc., and Qwest Communications Corporation, filed a Joint Petition.

By Order entered January 18, 2005, the Commission granted the Joint Petition, in part and denied it in part. The Commission granted the Joint Petitioners' request that established February 1, 2005 as the compliance filing deadline date, notwithstanding any regulatory delays that may occur in the compliance review process. The Commission also granted the Joint Petitioners' request that the Remand proceeding be conducted in an expedited manner only to the extent that the Office of Administrative Law Judge is able to do so. However, the Commission denied the Joint Petitioners' request for (1) retroactive rates to February 1, 2005, if Verizon fails to comply by that date, and (2) termination of the Remand proceeding. The OCA noted that there have been significant developments in the federal arena that may impact the remand proceeding. The Commission is concerned about any impact that the proposed ICF proposal, if it is ultimately approved by the FCC, may have jurisdictionally on access charge regulation in Pennsylvania, the ability to further reduce or restructure intrastate access charges, and whether any FCC action may lead to a double recovery by the LECs in Pennsylvania in light of the remanded proceeding, and if the FCC permits intrastate access charges to be offset by increases to the federal SLC. Consequently, the Commission directed the presiding Administrative Law Judge assigned to this case to expand the scope of this proceeding with regard to any FCC activity concerning the proposal submitted by the Intercarrier Compensation Forum on October 5, 2004, and to address the impact that any FCC action may have on the Commission's jurisdictional responsibilities, as well as its relationship to the final recommended decision on access rates arising from this remand proceeding, to the extent that the FCC issues a decision prior to the issuance of the *Recommended Decision on Remand in this proceeding*;

Prehearing memoranda were filed by Verizon, AT&T, MCI, Qwest, OTS, OCA, OSBA and the Rural Telephone Company Coalition.

A prehearing conference was held on Thursday, February 17, 2005. The following parties participated: Verizon; AT&T; MCI, Qwest; OTS; OCA; OSBA; and the Rural Telephone Company Coalition. We discussed, among other things, the issues, witnesses and the FCC proceeding relating to the proposal submitted by the Intercarrier Compensation Forum on October 5, 2004.

Sprint did not participate in the February 17, 2005 prehearing conference. If it does not participate in the March 21, 2005 prehearing conference, Sprint will be designated as an inactive party. Inactive parties will receive notices of hearings and copies of any decisions and Commission orders. The inactive parties will not participate in discovery or testify and cross-examine witnesses at the formal hearings. Therefore, inactive parties will not receive copies of the hearing exhibits or the briefs of the active parties. Active parties will receive all documents and must copy all other active parties on documents sent to the Commission or the presiding officer.

A further prehearing conference will be held on Monday, March 21, 2005 at 10:00 a. m. The parties in Philadelphia will meet in an available room on the 13<sup>th</sup> floor of the Philadelphia State Office Building. The parties in Harrisburg will meet in Hearing Room Number 2, Plaza Level, Commonwealth Keystone Building. The Harrisburg parties will participate by telephone. I will call Ms. Painter at (703) 886-5973, Mr. Keffer and Mr. Barber at (202) 457-3839 and Ms. Smith at (303) 672-2820. If you will be at another number, please notify my office.

The Commission's regulation concerning prehearing conferences in rate proceedings is located at 52 Pa. Code §5.224. In the further prehearing conference we will discuss the following:

- 1) A proposed plan and schedule of discovery;
- 2) Possibility of settlement;
- 3) Issues;

- 4) Amount of hearing time needed;
- 5) Schedule for submission of testimony, hearings and briefs; and
- 6) Any other appropriate matter.

Any documents filed in this proceeding should be served on me at the Philadelphia office and the active participants. 52 Pa. Code §154(a) and (d).

Since documents can be submitted to the presiding officer and the participants by fax and e-mail, fax and e-mail addresses will be included on the service list. Please check the list for omissions and errors and contact my office to make corrections. **Please note the new contact information for Messrs. Keffer and Barber.** My fax number is (215) 560-3133 and my e-mail address is [cfordham@state.pa.us](mailto:cfordham@state.pa.us).

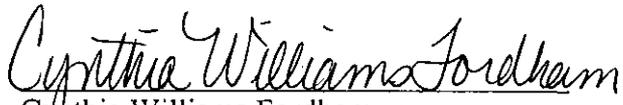
ORDER

THEREFORE,

IT IS ORDERED:

That the parties shall comply with the procedural rules and regulations discussed herein.

Date: March 15, 2005

  
Cynthia Williams Fordham  
Administrative Law Judge

SERVICE LIST

Susan Debusk Paiva, Esquire  
Julia A. Conover, Esquire  
**Verizon Pennsylvania Inc.**  
1717 Arch Street 32 NW  
Philadelphia, PA 19103  
Bus. (215) 963-6068  
Fax (215) 563-2658  
[suzan.d.paiva@verizon.com](mailto:suzan.d.paiva@verizon.com)  
[julia.a.conover@verizon.com](mailto:julia.a.conover@verizon.com)

Mark Keffer, Esquire  
Robert C. Barber, Esquire  
**AT&T Communications of PA Inc.**  
1120 20<sup>th</sup> Street, NW  
Suite 1000  
Washington, DC 20036  
Bus. (202) 457-3839 (MK) (202) 457-2160 (RB)  
Fax (281) 664-9658  
[mkeffer@att.com](mailto:mkeffer@att.com)  
[rbarber@att.com](mailto:rbarber@att.com)

Daniel Clearfield, Esquire  
Alan Kohler, Esquire  
Wolf, Block, Schorr & Solis-Cohen  
212 Locust Street, Suite 300  
Harrisburg, PA 17101-1236  
Bus. (717) 237-7160  
Fax (717) 237-7161  
[dclearfield@wolfblock.com](mailto:dclearfield@wolfblock.com)  
[akohler@wolfblock.com](mailto:akohler@wolfblock.com)  
**AT&T Communications of PA Inc.**

Zsuzsanna E. Benedek, Esquire  
240 North Third Street  
Suite 201  
Harrisburg, PA 17101  
Bus. (717) 245-6346  
Fax (717) 245-6213  
[sue.e.benedek@mail.sprint.com](mailto:sue.e.benedek@mail.sprint.com)  
**Sprint Communications Company and the United Telephone of Pa**

Steven C. Gray, Esquire  
**Office of Small Business Advocate**  
Suite 1102 Commerce Building  
300 North Second Street  
Harrisburg, PA 17101  
Bus. (717) 783-2525  
Fax (717) 783-2831  
[sgray@state.pa.us](mailto:sgray@state.pa.us)

Robert V. Eckenrod, Esquire  
PA Public Utility Commission  
**Office of Trial Staff**  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Bus. (717) 787-1976  
Fax (717) 772-2677  
[roeckenrod@state.pa.us](mailto:roeckenrod@state.pa.us)

Philip R. McClelland, Esquire  
Barrett C. Sheridan, Esquire  
Shaun A. Sparks, Esquire  
**Office of Consumer Advocate**  
555 Walnut Street 5<sup>th</sup> Floor  
Forum Place  
Harrisburg, PA 17101-1923  
Bus. (717) 783-5048  
Fax (717) 783-7152  
[pmcclelland@paoca.org](mailto:pmcclelland@paoca.org)      [bsheridan@paoca.org](mailto:bsheridan@paoca.org)  
[ssparks@paoca.org](mailto:ssparks@paoca.org)

Michelle Painter, Esquire  
**MCI Worldcom Inc.**  
22001 Loudon County Parkway  
Ashburn, VA 20147  
Bus. (703) 886-5973  
Fax (703) 886-0633  
[michelle.painter@mci.com](mailto:michelle.painter@mci.com)

John F. Povilaitis, Esquire  
Matthew A. Totino, Esquire  
Ryan, Russell, Ogden & Seltzer LLP  
800 North Third Street, Suite 101  
Harrisburg, PA 17102-2025  
Bus (717) 236-7714  
Fax (717) 236-7816  
[jpovilaitis@ryanrussell.com](mailto:jpovilaitis@ryanrussell.com)  
[mtotino@ryanrussell.com](mailto:mtotino@ryanrussell.com)  
**Qwest Communications Corporation**

Kristin L. Smith, Esquire  
**Qwest Communications Corporation**  
1801 California Street, Suite 4900  
Denver CO 80202  
Bus. (303) 672-2820  
Fax (303) 295-7069  
[klsmi23@qwest.com](mailto:klsmi23@qwest.com)

Patricia Armstrong, Esquire  
Thomas T. Niesen, Esquire  
Regina L. Matz, Esquire  
Thomas Thomas Armstrong & Niesen  
212 Locust Street  
Suite 500  
P.O. Box 9500  
Bus. (717) 255-7627  
Fax (717) 236-8278  
[parmstrong@ttanlaw.com](mailto:parmstrong@ttanlaw.com)  
[tniesen@ttanlaw.com](mailto:tniesen@ttanlaw.com)  
[rmatz@ttanlaw.com](mailto:rmatz@ttanlaw.com)  
**The Rural Telephone Company Coalition**