

COMMONWEALTH OF PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

**ORIGINAL**

-----X  
Pennsylvania Public Utility Commission : Docket Nos.  
v. Verizon North, Inc. : R-00061914  
2007 Price Change Opportunity Filing. : P-00001854F1000  
-----X  
Office of Small Business Advocate : Docket No.  
v. Verizon North, Inc. : R-00061914C0001  
-----X  
Pennsylvania Public Utility Commission : Docket Nos.  
v. Verizon Pennsylvania, Inc. : R-00061915  
2007 Price Change Opportunity Filing. : P-00930715F1000  
-----X  
Office of Small Business Advocate : Docket No.  
v. Verizon Pennsylvania, Inc. : R-00061915C0001  
: :  
Telephonic Conference. : :  
-----X

Pages 80 through 109

Conference Room A  
Commonwealth Keystone Building  
Harrisburg, Pennsylvania

Friday, August 17, 2007

**DOCUMENT  
FOLDER**

Met, pursuant to adjournment, at 10:08 a.m.

**BEFORE:**

KANDACE F. MELILLO, Administrative Law Judge

**APPEARANCES:**

SUZAN PAIVA, Esquire  
1717 Arch Street, 10 West  
Philadelphia, Pennsylvania 19103  
(For Verizon)

*Jm*

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**APPEARANCES, (Continued):**

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Harrisburg, Pennsylvania 17101  
(For Office of Small Business Advocate)

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P.O. Box 3265  
Harrisburg, Pennsylvania 17120  
(For Office of Trial Staff)

**JOEL H. CHESKIS, Esquire**  
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(For Office of Consumer Advocate)

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Camp Hill, Pennsylvania 17011

WITNESS INDEX

WITNESSES

DIRECT   CROSS   REDIRECT   RECROSS

(None.)

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FORM 2



P R O C E E D I N G S

1  
2 ADMINISTRATIVE LAW JUDGE KANDACE F. MELILLO: This is  
3 the time and the place set aside for a telephonic conference  
4 in the matter of the 2007 Verizon Pennsylvania and Verizon  
5 North price change opportunity filings; also called PCO  
6 filings.

7 The docket numbers are R-00061914, P-00001854F1000,  
8 R-00061915, P-00930715F1000; and also the complaints of the  
9 Office of Small Business Advocate. And they are at Docket  
10 R-00061914C0001 and R-00061915C0001.

11 I am Administrative Law Judge Kandace F. Melillo,  
12 assigned by the Commission to preside in these consolidated  
13 cases.

14 I requested this telephonic conference to ask some  
15 questions about the settlement petition which I received on  
16 August 9, 2007, and the company's filing of their respective  
17 currently effective Chapter 30 plans, which I received,  
18 actually, this morning, because they came in after close of  
19 business yesterday.

20 The parties were notified of this telephonic  
21 conference by a notice dated August 15, 2007. And I also  
22 circulated the notice via email to the parties.

23 For purposes of the court reporter, can the parties  
24 who are on the line please state their name and their  
25 affiliation, including your consultants that are on the

1 line? Also, we are going to need addressees.

2 MS. PAIVA: I'll start. This is Suzan Paiva. I'm  
3 representing Verizon Pennsylvania, Inc. and Verizon North,  
4 Inc. My address is 1717 Arch Street, 10 West, Philadelphia,  
5 Pennsylvania 19103.

6 JUDGE MELILLO: Thank you, Ms. Paiva. Do you have  
7 anyone with you today?

8 MS. PAIVA: No, I do not.

9 JUDGE MELILLO: All right.

10 Next, the Office of Small Business Advocate.

11 MR. GRAY: Good morning, Your Honor. This is  
12 Steven Gray of the OSBA. I'm at 300 North Second Street,  
13 Harrisburg, 17101. And on the line is Al Buckalew.

14 Al, would you give your address, please?

15 MR. BUCKALEW: 1601 North Tenth Street, Suite 1104,  
16 Arlington, Virginia 22209.

17 JUDGE MELILLO: All right. Thank you, Mr. Gray and  
18 Mr. Buckalew.

19 And we have also the Office of Consumer Advocate.

20 MR. CHESKIS: Good morning, Your Honor. This is  
21 Joel Cheskis with the Office of Consumer Advocate. Our  
22 address is 555 Walnut Street, Fifth Floor, Forum Place,  
23 Harrisburg, PA 17101. And with me on the phone is  
24 Tom Caitlin.

25 MR. CAITLIN: And my address is Exeter Associates,

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1 5565 Sterrett Place, S-T-E-R-R-E-T-T, Suite 310, Columbia,  
2 Maryland 21044.

3 JUDGE MELILLO: All right. Thank you, Office of  
4 Consumer Advocate and Mr. Cheskis.

5 And then I guess finally we have the Office of Trial  
6 Staff.

7 MR. ECKENROD: Good morning, Your Honor. This is  
8 Robert Eckenrod on behalf of the Office of Trial Staff. And  
9 my business address is P.O. Box 3265, Harrisburg, PA 17105.

10 JUDGE MELILLO: All right. And do you have anyone  
11 with you?

12 MR. ECKENROD: No, I do not, Your Honor.

13 JUDGE MELILLO: All right. So does that conclude the  
14 parties and technical consultants that we have on the line  
15 right now?

16 (No audible response.)

17 JUDGE MELILLO: Hearing no further response, I take  
18 it that that's everyone on the line. And as I said earlier,  
19 I am here with Melissa Knerr, with the Commission's Bureau  
20 of Fixed Utility Services. And she is a technical advisor  
21 to me in this proceeding.

22 First of all, I will state for the record that by  
23 cover letter dated July 24, 2007, I received copies of  
24 Chapter 30 plans from Verizon and Verizon North.

25 However, these documents turned out to contained

1 proposed language, including proposed banking language. The  
2 documents were not the currently effective Chapter 30 plans.  
3 And as the currently effective Chapter 30 plans had been  
4 directed by the Commission to be provide in Verizon and  
5 Verizon North's 2005 PCO compliance filing, the companies  
6 were required by secretarial letter dated August 6, 2007, to  
7 refile the Chapter 30 plans without the additional proposed  
8 changes by August 16, 2007.

9 I also had requested the currently effective  
10 Chapter 30 plans for the record in the 2007 PCO cases.

11 I was provided copies of these documents via email  
12 after close of business yesterday, and I printed them out  
13 this morning.

14 I'm taking a look at what has been designated as the  
15 clean compliance version of Verizon Pennsylvania, Inc.'s  
16 currently effective Chapter 30 plan, and I note that the  
17 banking provisions, which on my copy start on page 10,  
18 consist of three paragraphs.

19 And I take it those three paragraphs are from the  
20 Embarq Chapter 30 plan. Is that correct, Verizon?

21 MS. PAIVA: That's correct. And that exact language  
22 was quoted in the Commission's March 22, 2006 order, where  
23 it incorporated that Embarq language into our plan.

24 JUDGE MELILLO: All right. And I note further that I  
25 don't see any explicit explanation of a mechanism for

1 determining what amount would be available in the bank to be  
2 spent on rate changes in the following year. Is that  
3 correct? It's not specifically set forth in the plan.

4 MS. PAIVA: Right. The banking language is what's  
5 here, no more.

6 JUDGE MELILLO: All right. And the specific banking  
7 methodology that Verizon PA is proposing is set forth in the  
8 settlement proposal; is that correct?

9 MS. PAIVA: Correct.

10 JUDGE MELILLO: Is there any banking mechanism being  
11 proposed for Verizon North in the 2007 PCO case?

12 MS. PAIVA: Well, Verizon North has the same banking  
13 language in its plan as you see right here, the one from the  
14 Embarq plan.

15 But there was no dispute referred to our present  
16 proceeding relating to Verizon North's banking. The  
17 Commission only referred Verizon PA's banking to our  
18 proceeding.

19 JUDGE MELILLO: All right. So is it the parties'  
20 position that the specific banking mechanism for Verizon  
21 North is not being addressed in this 2007 PCO proceeding?

22 MS. PAIVA: Yes, for me. We did not address it in  
23 the settlement.

24 JUDGE MELILLO: All right. So it's not being  
25 addressed in the settlement; is that correct?

1 MS. PAIVA: Yes.

2 JUDGE MELILLO: And there's no party on the line that  
3 disputes that?

4 (No audible response.)

5 JUDGE MELILLO: All right. I hear nothing, so I'm  
6 taking it that I'm not addressing the banking mechanism for  
7 Verizon North in this particular case.

8 Is Verizon saying that the proposed banking language  
9 set forth in the August 16, 2007 compliance filing is  
10 therefore consistent with it's currently effective  
11 Chapter 30 plan language for banking?

12 MS. PAIVA: You mean is the settlement consistent  
13 with the currently effective banking language?

14 JUDGE MELILLO: Right.

15 MS. PAIVA: Yes.

16 JUDGE MELILLO: Okay. I had indicated before that I  
17 wanted to incorporate the currently effective Chapter 30  
18 plans into the record of the 2007 PCO proceeding. So I'm  
19 going to do that at this time. I'm going to incorporate by  
20 reference the Chapter 30 plans that have been filed by the  
21 companies in compliance with the Commission's 2006 PCO  
22 order.

23 But I understand that these plans are subject to  
24 compliance review as set forth in the Commission's August 6,  
25 2007 secretarial letter.

1 Verizon, please provide the requisite copies of these  
2 documents to the court reporter for this proceeding.

3 MS. PAIVA: You probably haven't received it yet, but  
4 you will get three copies of this filing in the overnight  
5 package. Can two of those be for the court reporter? Or do  
6 you need more?

7 JUDGE MELILLO: Well, I have to see if I get them by  
8 the time that we're done with our telephonic conference.

9 MS. PAIVA: Okay. Or if not, we would have to send  
10 them later.

11 JUDGE MELILLO: Right. They weren't in my in box.

12 MS. PAIVA: Federal Express probably only gets there  
13 right around this time, at best; right?

14 MR. GRAY: Your Honor?

15 JUDGE MELILLO: Yes.

16 MR. GRAY: This is Steve Gray for the OSBA. At the  
17 risk of repeating what you just said, you had talked about  
18 the compliance review phase.

19 JUDGE MELILLO: Right.

20 MR. GRAY: I'd also like to observe under 52 Pa. Code  
21 5.592(c), the parties have ten days to file exceptions to  
22 these compliance filings. And we expect to do so.

23 JUDGE MELILLO: All right. Thank you, Mr. Gray.  
24 Yes, that's why I said that the compliance filings are  
25 subject to the secretarial letter. The secretarial letter

1 sets forth a ten-day time frame.

2 All right. So I understand this banking methodology  
3 being proposed, first of all, is Verizon PA proposing this  
4 methodology because they view it as being consistent with  
5 how the 2003 PCO negative values were being treated?

6 MS. PAIVA: Basically, yes. It's just a continuation  
7 of that methodology, now taking into account the addition of  
8 the banking of the 2006 PCO.

9 JUDGE MELILLO: And am I correct that under the  
10 banking methodology proposed for Verizon Pennsylvania in the  
11 settlement, there is a recurring obligation beyond the  
12 cumulative net value amount in the bank for a particular  
13 year, to the extent that the PCO in a prior year has not  
14 been fully implemented in rates?

15 MS. PAIVA: Yes.

16 JUDGE MELILLO: Okay. So that under the settlement,  
17 the cumulative net value does not depict the amount  
18 available for recurring rate changes in the year?

19 MS. PAIVA: That's right. And there's a separate  
20 description of that.

21 JUDGE MELILLO: All right. And that's the case even  
22 though the prior year's net PCO is factored into a  
23 determination of the bank's cumulative net value?

24 MS. PAIVA: That's right. It's just like the 2003  
25 PCO, if you use that one year to cover the USF payment. But

1 the whole thing is available again the next year to cover  
2 the USF payment.

3 JUDGE MELILLO: Is it Verizon's position that the  
4 methodology I just described, wherein the cumulative net  
5 value does not depict the amount available for recurring  
6 rate changes in the next year, that that is consistent with  
7 the banking methodology currently utilized by Embarq?

8 MS. PAIVA: It's consistent with the banking  
9 language, the Embarq banking language. I don't believe  
10 Embarq has the negative and positive PCOs in its bank to  
11 actually have this kind of mathematical exercise. But it's  
12 consistent with the language.

13 JUDGE MELILLO: Approval of a settlement is generally  
14 not considered precedent, except as required to effectuate  
15 the settlement as among the parties. That's my  
16 understanding of the Commission treatment of settlements.  
17 But I did not see that language in the proposed settlement.

18 Are the parties taking the position that approval  
19 of the settlement by the Commission with the banking  
20 mechanism as proposed would somehow bind the Commission with  
21 respect to a banking mechanism utilized by other  
22 Pennsylvania telephone companies?

23 MS. PAIVA: That's a good question. As far as  
24 Verizon goes, we are settling for Verizon in our  
25 interpretation of this planned language based on what we

1 have in our own bank.

2 That may be a better question for the other parties.

3 JUDGE MELILLO: All right.

4 Do any of the other parties have a position on that?

5 MR. CHESKIS: Can you repeat the question?

6 JUDGE MELILLO: Certainly. It's been my experience  
7 in Commission approval of settlements that the approval of a  
8 settlement is not considered Commission precedent except  
9 with respect to those parties to effectuate the settlement.

10 I have usually seen language to that effect in the  
11 settlement. And I didn't see it in the settlement. So I  
12 wanted to be clear whether the parties are taking the  
13 position that approval of the settlement by the Commission  
14 would somehow bind the Commission in a precedent-setting  
15 nature with respect to the banking methodology of other  
16 Pennsylvania telephone companies.

17 MR. CHESKIS: Well, this is Joel Cheskis for the  
18 Office of Consumer Advocate. And I agree with Ms. Paiva  
19 that this settlement would pertain specifically to these two  
20 current proceedings that have been consolidated involving  
21 both Verizon and Verizon North.

22 I can't really speak at this point to their  
23 effectiveness as they would possibly apply to other  
24 telephone companies in other future proceedings.

25 JUDGE MELILLO: All right. So the Office of Consumer

1 Advocate isn't advocating that it would be considered  
2 precedent for other Pennsylvania telephone companies; is  
3 that correct?

4 MR. CHESKIS: I believe that's correct.

5 JUDGE MELILLO: All right.

6 How about the other parties?

7 MR. ECKENROD: For what it's worth, Your Honor, this  
8 is Rob Eckenrod, with Trial Staff. I would also agree with  
9 the OCA and with Verizon in that regard.

10 JUDGE MELILLO: All right.

11 What about the Office of Small Business Advocate?

12 MR. GRAY: Your Honor, we would see it as a  
13 settlement of this case only. We definitely do not see it  
14 as precedent for any other proceeding whatsoever.

15 JUDGE MELILLO: All right. Thank you for that  
16 clarification.

17 MS. PAIVA: Your Honor, can I add one more thing on  
18 that?

19 JUDGE MELILLO: Certainly.

20 MS. PAIVA: I think as a practical matter, the fact  
21 pattern that's here for Verizon PA probably will not arise  
22 with other companies unless any of them have a large  
23 negative bank PCO.

24 JUDGE MELILLO: All right. I appreciate your  
25 clarification there.

1 If a future recurring obligation of \$601,300, based  
2 upon the net 2006 PCO, is created until fully implemented in  
3 rates, as the parties have so stated, is a future recurring  
4 obligation for rate reductions also created for each of the  
5 amounts shown in Verizon and Verizon North's Statement 1,  
6 Exhibit A -- that's the testimony of Ms. Fortin -- and every  
7 subsequent year until reflected in rates?

8 MS. PAIVA: I don't think I understood the question.

9 JUDGE MELILLO: All right. Well, you have \$601,300  
10 as a net PCO that you say needs to be implemented in rates;  
11 and that's as a result of the 2006 PCO operation; correct?

12 MS. PAIVA: The amount of the 2006 PCO that has not  
13 yet been implemented in rates.

14 JUDGE MELILLO: Right. And that's a net amount,  
15 because that's the amount that hasn't yet been reflected in  
16 rates; is that correct?

17 MS. PAIVA: That's correct.

18 JUDGE MELILLO: All right. So if you look on  
19 Ms. Fortin's testimony, Statement 1, attachment to that  
20 Exhibit A, which is also part of the settlement.

21 MS. PAIVA: I'm looking at it.

22 JUDGE MELILLO: You see there basically at the top,  
23 the values there shown for the 2003 PCO as of 1/1/2004,  
24 1/1/2005, 1/1/2006 and 1/1/2007.

25 MS. PAIVA: Yes.

1 JUDGE MELILLO: Are those values, those 2003 subtotal  
2 values, the negative values there, are they also, like the  
3 \$601,300, available as a future stream for every single year  
4 thereafter until implemented in rates?

5 MS. PAIVA: Yes. The amount of the 2003 PCO that  
6 hasn't been implemented in rates, which is, if you look at  
7 the upper right-hand corner of that exhibit, the amount of  
8 the original PCO was 17,718,000. 243,000 of it was  
9 implemented in access reductions.

10 But the rest of it remains available the next year to  
11 be used. But we anticipate proposing to again use that to  
12 cover the USF payment.

13 JUDGE MELILLO: All right, I understand. Am I  
14 correct that the parties are not advocating at this point  
15 that those amounts, I guess those subtotal negative amounts,  
16 be somehow reflected in rates on a recurring basis, because  
17 that would permanently reduce the amount of available for  
18 USF fund payments?

19 MS. PAIVA: That's right.

20 JUDGE MELILLO: Okay. Can you specifically explain  
21 what Verizon means by the phrase, quote, account for the gap  
22 each year is shown on page 42, line 16 of Ms. Fortin's  
23 Statement No. 1?

24 I think that has to do with what I just described,  
25 but I just want to make sure. Because I think it's also

1 language in the proposed settlement?

2 MS. PAIVA: It was page 42, line 16?

3 JUDGE MELILLO: Right.

4 MS. PAIVA: Okay. Preferable to have a Verizon  
5 account for the gap each year. Yes, that basically refers  
6 to after -- at least it has been the experience in the last  
7 few years, after we cover the USF payment there is a couple  
8 million dollars left over for that year. And basically  
9 that's the gap that we're referring to. To use that in some  
10 fashion.

11 JUDGE MELILLO: All right. But it's not being  
12 proposed by the parties, as I just described, to be actually  
13 effectuated in rates on a recurring basis, like the \$243,000  
14 was for the access reductions?

15 MS. PAIVA: No. What you end up with, the gap that  
16 remains in the bank after you do all the accounting is the  
17 -- let me get back to Exhibit 1 so I can give you the exact  
18 number.

19 It's the 1,610,536. That we will propose to  
20 implement. We'll make a proposal with our 2008 filing. But  
21 it won't be a recurring implementation in rates, it will be  
22 from the use of that money in a one-time way.

23 JUDGE MELILLO: All right. Well, the \$1,610,536  
24 shown on Exhibit A as a cumulative net value, and includes  
25 interest, that's what you're saying is a one-time value.

1 It's an historical number based on, I guess, the mechanism  
2 of the banking proposal. But it's not actually exactly  
3 equal to the value, for example, of the 2003 PCO that wasn't  
4 implemented in 1/1/2007.

5 MS. PAIVA: That's right. It's the historical sum of  
6 all the gaps.

7 JUDGE MELILLO: All right.

8 MS. PAIVA: And accounting for all the positive and  
9 negative. And there will be a new gap for 2008, we assume.  
10 We assume that our USF payment will not use up the entire  
11 money that we have available.

12 JUDGE MELILLO: Well, if the parties were -- and I  
13 know they're not. But if they were proposing to have a  
14 recurring reduction, I guess I'm trying to understand, why  
15 wouldn't it be the 1/1/2007 number, the \$1,893,521? Because  
16 that appears to be what the company is doing; they're saying  
17 the \$601,300 is available as a positive 2006 PCO, and that  
18 they want to use part of that in this case, they want to use  
19 485,000 of it, and 116,300's left.

20 So I guess I'm trying to understand. The parties are  
21 saying, well, if we wipe out the bank, we would do that by a  
22 one-time effectuation of the negative \$1,610,536.

23 MS. PAIVA: Right, that wipes out the bank, all the  
24 old gaps. But you still have parts of the PCOs that haven't  
25 been implemented in rates the next year

1 JUDGE MELILLO: All right. And those are recurring  
2 amounts, I guess.

3 MS. PAIVA: With the recurring amounts. You could  
4 just use them in recurring rate increases and decreases, and  
5 get rid of them. But because we have this thing with the  
6 USE, that was what causes us to do this every year.

7 JUDGE MELILLO: All right. The current Verizon  
8 Chapter 30 plan, at least as filed yesterday -- and I know  
9 it's subject to exceptions. But that has language in which  
10 requires that Verizon take bank decreases greater than  
11 \$500,000 immediately.

12 To be consistent with this provision, are the parties  
13 therefore proposing that Verizon would implement that one-  
14 time credit of the \$1,610,536?

15 MS. PAIVA: Yes. That's why we're going to propose  
16 to implement it with our 2008 PCO.

17 JUDGE MELILLO: And that's going to be filed on or  
18 before December 1, 2007?

19 MS. PAIVA: November.

20 JUDGE MELILLO: Oh, I'm sorry. November 1, 2007?

21 MS. PAIVA: Right. I think it's November 1. It's  
22 November, in any event.

23 JUDGE MELILLO: All right. And Verizon is committing  
24 to definitely filing a proposal to effectuate that decrease  
25 of \$1,610,536?

1 MS. PAIVA: Yes. And I think that's required by the  
2 settlement.

3 JUDGE MELILLO: All right. Can you tell me what  
4 interest rate Verizon is using for the bank?

5 MS. PAIVA: We're using the interest rate described  
6 in the banking language. Let me get back to the clean.

7 JUDGE MELILLO: I guess I'm wondering what number was  
8 used. It isn't set forth.

9 (Whereupon, the telephone line was disconnected.)

10 JUDGE MELILLO: We got disconnected, and we're going  
11 back on the record.

12 I was asking about the interest rate, the actual  
13 number that was used.

14 MS. PAIVA: And I guess you probably didn't hear my  
15 answer; right?

16 JUDGE MELILLO: No, I did not. It's not on the  
17 record.

18 MS. PAIVA: Okay. We used the interest rate that's  
19 set forth in the banking language in the currently effective  
20 plan, which is the rate set forth at 66 PACS, Section 1308.

21 JUDGE MELILLO: But what's that number? What was  
22 actually used? You had to have used a certain number.

23 MS. PAIVA: A number?

24 JUDGE MELILLO: Yes.

25 MS. PAIVA: I don't know off hand, but I can find

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1 out, and I can get that back to you by email.

2 JUDGE MELILLO: All right. And please email the  
3 parties. And somehow we have to get that on the record  
4 though, so we have that.

5 How soon do you think you can provide that? I know  
6 you're going to be going on vacation.

7 JUDGE MELILLO: I'm still going to be checking my  
8 email. The person who does these calculations is on  
9 vacation this week. So if Ms. Fortin knows the number, I  
10 could get it today.

11 JUDGE MELILLO: All right.

12 MS. PAIVA: I have to check with her. But as I say,  
13 we'd have to go back to the person who actually does the  
14 calculation. And I'll have to find out when she's going to  
15 be back from vacation.

16 JUDGE MELILLO: All right. Whoever is going to be  
17 doing this, can you put that number in the form of an  
18 exhibit, and submit it? And I'll have to, I guess, enter  
19 some type of order to have it admitted.

20 MS. PAIVA: Okay.

21 JUDGE MELILLO: I don't know what exhibit number we  
22 would be up to. In the settlement, do you have your exhibit  
23 numbers by letter? Or how did you do this? Are you up to  
24 Exhibit G?

25 MS. PAIVA: It was letters, and we had a lot of them.

1 I'll just put it as the final letter after whatever we used  
2 in the settlement.

3 JUDGE MELILLO: All right. Well, I guess the way my  
4 settlement looks, it looks like there's tabs. And I thought  
5 the last exhibit, which is Exhibit G, was the Office of  
6 Trial Staff statement in support.

7 MS. PAIVA: Yes.

8 JUDGE MELILLO: So you could have it Exhibit H.

9 MS. PAIVA: And I will email you just to give you a  
10 status report as to whether I'll be able to get the number  
11 today or not.

12 JUDGE MELILLO: All right. Well, you're stating that  
13 you're using the interest rate required under what Verizon,  
14 Verizon North is saying is their compliance filing.

15 MS. PAIVA: Right. And that statute doesn't actually  
16 have number in it, it just has a way of coming up with a  
17 rate.

18 JUDGE MELILLO: I understand. I just wanted to know  
19 what number it was. All right.

20 Ms. Paiva, what counsel should I contact at  
21 Verizon PA or Verizon North if I have further questions or  
22 need to schedule any further conferences during your absence  
23 in the next two weeks?

24 MS. PAIVA: Well, I'll give you a backup counsel.  
25 But you can copy me on any emails, because I will be

1 checking my email.

2 JUDGE MELILLO: I'll do that.

3 MS. PAIVA: And if it's not an urgent question, I  
4 could probably answer it myself.

5 JUDGE MELILLO: All right.

6 MS. PAIVA: But to be sure you get somebody that you  
7 can get to immediately, you can contact Leigh Hyer,  
8 L-E-I-G-H, H-Y-E-R.

9 JUDGE MELILLO: All right.

10 MS. PAIVA: Do you have her contact information?

11 JUDGE MELILLO: Could you provide that, please?

12 MS. PAIVA: Yes. Well, her email is  
13 leigh.a.hyer@verizon.com. And this is the phone number from  
14 her Baltimore office. If she's not there, her assistant  
15 might answer the phone, or she might have it forwarded.  
16 It's 410-393-7725.

17 JUDGE MELILLO: All right. Thank you.

18 MS. PAIVA: Now, you could also, if you needed to get  
19 in touch with her, could dial my number and press zero, and  
20 my assistant can also find her.

21 JUDGE MELILLO: Okay. What's your contact number?

22 MS. PAIVA: It's 215-466-4755.

23 JUDGE MELILLO: And then I would dial zero?

24 MS. PAIVA: Press zero when you get voice mail.

25 JUDGE MELILLO: Okay.

1 Now, primarily this telephonic conference was called  
2 because of the banking questions. I looked through the  
3 joint settlement petition, and I didn't really see any other  
4 area I needed to get clarified.

5 And I also wanted to see what Verizon, Verizon North  
6 was saying were their currently effective Chapter 30 plans.  
7 And as I said, I didn't get those till this morning. So I  
8 may have further questions.

9 I guess what I should do at this point is, let me go  
10 see if I did get that. You said it's going to be Federal  
11 Express, the copies of the plan?

12 MS. PAIVA: It might be UPS. But an overnight mail  
13 service.

14 JUDGE MELILLO: It is supposed to be here by, say,  
15 10:00?

16 MS. PAIVA: It's supposed to be the morning delivery.  
17 I don't know if they have a time. They usually get there by  
18 10:00. Because we've checked before. Sometimes they're  
19 there by 9:30.

20 JUDGE MELILLO: All right. Let me check. The  
21 parties, please be at ease. We're off the record.

22 (Off-the-record pause.)

23 JUDGE MELILLO: Back on the record.

24 All right. I checked, and we generally do not get  
25 those mailings until about 1:30.

1 MS. PAIVA: Oh, no. So what you want is to mark two  
2 copies of the clean version of the compliance filing for  
3 exhibits; right?

4 JUDGE MELILLO: Right. And as I said, they are  
5 subject to exceptions.

6 MS. PAIVA: Right.

7 JUDGE MELILLO: All right. How do you want those  
8 marked? I have one copy here that I got off an email, but I  
9 didn't know whether we wanted to use that because of the  
10 numbering that could be changed in an email.

11 MS. PAIVA: Is the email a PDF? Because if so, the  
12 numbering should be the same.

13 JUDGE MELILLO: I don't know if it was PDF. But in  
14 any event, how do you want it marked? Do you want it  
15 marked, one would be Exhibit I, and the other would be  
16 Exhibit J?

17 MS. PAIVA: That's fine. We're reserving H for the  
18 data request. Okay.

19 JUDGE MELILLO: The only thing I guess I caution. I  
20 understand the OSBA, and perhaps some other parties, are  
21 going to be filing exceptions. I don't want it to be  
22 considered a part of a settlement agreement. Maybe we  
23 should submit it separately.

24 MS. PAIVA: You know what I was thinking? If you're  
25 really only interested in the banking language, being that

1 came out of a Commission order, it may be that the parties  
2 could stipulate that there won't be any dispute over the  
3 banking language; but if there are complaints, they'll be  
4 over other parts of the plan.

5 JUDGE MELILLO: Well, I had previously ordered in  
6 orders in this case that the Chapter 30 plans be provided  
7 for this record. So I want the whole plan. But with the  
8 understanding it's subject to exceptions.

9 MS. PAIVA: Right.

10 JUDGE MELILLO: So I don't know how you want to mark  
11 that. Do you have an Exhibit 1, for example, in the case?

12 MS. PAIVA: We don't have a Verizon exhibit, because  
13 the settlement exhibits are joint exhibits.

14 JUDGE MELILLO: All right.

15 MS. PAIVA: So we could mark it Verizon Exhibit 1;  
16 right?

17 JUDGE MELILLO: All right, Verizon PA Exhibit 1 will  
18 be the clean compliance version, according to Verizon PA of  
19 the alternative regulation plan for Verizon PA as of August  
20 2007, currently effective plan according to Verizon PA,  
21 subject to exceptions.

22 **(Whereupon, the document was marked**  
23 **as Verizon PA Exhibit No. 1 for**  
24 **identification.)**

25 JUDGE MELILLO: The other document will be Verizon

1 North Exhibit 1. That will be the clean compliance version  
2 of the alternative regulation plan for Verizon North as of  
3 August 2007, subject to exceptions. That's the way we'll do  
4 it.

5 (Whereupon, the document was marked  
6 as Verizon North Exhibit No. 1 for  
7 identification.)

8 JUDGE MELILLO: And they're made a part of the  
9 record.

10 (Whereupon, the documents marked as  
11 Verizon PA Exhibit No. 1 and Verizon  
12 North Exhibit No. 1 were received in  
13 evidence.)

14 JUDGE MELILLO: And Verizon, you're going to supply  
15 the requisite copies to the court reporter.

16 MS. PAIVA: We send those directly to the court  
17 reporter?

18 JUDGE MELILLO: Yes.

19 MS. PAIVA: So I'll need the contact information,  
20 which court reporter it is.

21 JUDGE MELILLO: It's Commonwealth Reporting.

22 MS. PAIVA: Okay. I'm sure we have their address.  
23 Should we put any particular person's name on it?

24 JUDGE MELILLO: Bill Horst, H-O-R-S-T.

25 MS. PAIVA: Okay.

1 JUDGE MELILLO: All right. Would there be anything  
2 further?

3 MR. CHESKIS: Your Honor, this is Joel Cheskis at the  
4 OCA. I was wondering how fast the turnaround time of this  
5 transcript do you think there might be?

6 This was a pretty, I guess, technical discussion that  
7 we had on the phone. And I think it would be nice to have  
8 the transcript to review to make sure that I understood  
9 everything.

10 JUDGE MELILLO: Certainly. And I appreciate that.  
11 It's a rate case. It's my understanding it's a three-day  
12 transcript turnaround. Which would be three working days,  
13 or three business days.

14 MR. CHESKIS: Great. Thank you very much.

15 JUDGE MELILLO: So it should be probably next  
16 Wednesday.

17 MR. CHESKIS: Thank you.

18 JUDGE MELILLO: Anything further?

19 (No audible response.)

20 JUDGE MELILLO: All right. If there's nothing  
21 further, then this telephonic conference will be at an end.  
22 Thank you very much.

23 (Whereupon, at 10:45 a.m., the hearing was adjourned,  
24 to reconvene at a time and date to be designated by the OALJ  
25 Scheduling Unit.)

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C E R T I F I C A T E

I hereby certify, as the stenographic reporter,  
that the foregoing proceedings were taken stenographically  
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