

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Commonwealth	:	
Telephone Company, CTSI, LLC, and CTE	:	A-310800F0010
Telecom, LLC d/b/a Commonwealth Long	:	A-311095F0005
Distance Company for All Approvals	:	A-311225F0003
Under the Public Utility Code for the	:	
Acquisition By Citizens Communications	:	
Company of All of the Stock of the	:	
Joint Applicants' Corporate Parent,	:	
Commonwealth Telephone Enterprises, Inc.	:	

**DOCUMENT
FOLDER**

SCHEDULING ORDER

On September 29, 2006, Commonwealth Telephone Company, CTSI, LLC, and CTE Telecom, LLC d/b/a Commonwealth Long Distance (Commonwealth or Joint Applicants) filed an Application for approvals necessary under the Public Utility Code for the Joint Applicants' parent company, Commonwealth Telephone Enterprises, Inc., to be acquired by Citizens Communications Company (Application). The Application was published in the Pennsylvania Bulletin October 14, 2006, 36 Pa. B. 6355, with a protest due date of October 30, 2006.

On October 30, 2006, a Protest and Petition to Intervene was filed by each of the following: RCN Corporation and RCN Telecom Services, Inc. (RCN); Sprint Communications Company L.P. (Sprint); Blue Ridge Digital Phone Company (Blue Ridge); and, Broadband Cable Association of Pennsylvania (BCAP). A Protest and Preliminary Objections were filed by the *Communications Workers of America (CWA)*, but the *Preliminary Objections* were withdrawn by letter dated November 13, 2006. A Protest and Public Statement was filed by both the Office of Small Business Advocate (OSBA) and the Office of Consumer Advocate (OCA), and a Notice of Appearance was filed on behalf of the Office of Trial Staff (OTS). Citizens Communications Company (Citizens) filed a Petition to Intervene.

On November 9, 2006, Joint Applicants filed an Answer to the Preliminary Objections of CWA.

On November 8, 2006, a Notice of Prehearing Conference was issued which set the prehearing conference for November 29, 2006 in Harrisburg.

On November 10, 2006, Joint Applicants filed Preliminary Objections to Dismiss Portions of the Protest and to Limit Participation of the CWA, and separate Preliminary Objections to dismiss Protests and Petitions to Intervene of Blue Ridge, Sprint, BCAP and RCN.

On November 13, 2006, I issued a prehearing order which set forth some of the procedural requirements of a hearing before the Commission and required the parties to submit a prehearing memoranda in accordance with the regulations.

On November 20, 2006, CWA, Blue Ridge, Sprint, BCAP and RCN filed Answers to the Joint Applicants' Preliminary Objections.

On November 20, 2006, the Joint Applicants filed letters indicating that they did not oppose the participation of the OCA, OSBA and OTS.

All parties of record filed Prehearing Memos and the following were represented at the prehearing conference: for Joint Applicants, Norman J. Kennard, Esq.; for OSBA, Steven Gray, Esq., and Lauren Lepkoski, Esq.; for OCA, Shaun Sparks, Esq. and Joel Cheskis, Esq.; for OTS, Robert V. Eckenrod, Esq.; for Citizens, Lillian S. Harris, Esq.; for BCAP and Blue Ridge, Pamela Polacek, Esq.; for CWA, Scott J. Rubin, Esq.; for Sprint, Jennifer Duane, Esq., and for RCN, John F. Povilaitis, Esq., and Matthew A. Totino, Esq.

The purpose of this Order is to set a litigation schedule for the parties to follow, and to dispose of uncontested motions. The Preliminary Objections of the Joint Applicants are the subject of a separate order.

At the Prehearing Conference, no party objected to the Motion for Admission Pro hac vice of Jennifer Duane on behalf of Sprint, and it will be granted. In addition, no party objected to the intervention of Citizens, and it will also be granted.

The schedule itself was the subject of much contention. Joint Applicants seek to expedite the proceeding far more quickly than the other parties. Due to my own scheduling constraints, most of the month of February could not be offered for the evidentiary hearing. In March, a different party's critical witness could not be present each of the weeks. The Joint Applicants' solution was to recommend scheduling the hearing at the end of January, with the other obvious solution was to schedule the hearing in April. Several of the parties pointed out that there is no statutory deadline for an acquisition case, and there is, therefore, no pressing reason to expedite this matter. As a policy, however, there is a reason to provide quick service to the regulated utilities.

Regulated utilities are required to conduct certain business activities with governmental oversight, which can constrain their operations at times. This is a necessary burden in order to ensure that the ratepayers in a monopolistic, or nearly monopolistic environment, receive fair treatment and reasonable rates while the utility is given the opportunity to thrive without taking advantage of its captive ratepayers. In return, the regulators have a duty to respond quickly and fairly when the utility submits a reasonable request for approvals required by statute. Here, counsel for Joint Applicants pointed out that this is a simple transaction with no regulatory implications. Delay causes uncertainty with the employees and should be avoided. In addition, the Joint Applicants seek to complete the transaction before the end of the second quarter of the year, presumably for fiscal reasons.

Counsel for CWA stated that he is not yet privy to confidential information, since the parties have not completed hammering out the wording for a proposed protective order, and that this is hampering his efforts to engage in meaningful discovery. Other intervening parties indicate that there is no regulatory deadline for Commission action and that the business community should not dictate to the regulators what the appropriate time for review should be.

In a protested matter, the Commission's quick response must be tempered by the need to provide due process to the parties in the case, as well as to take for itself a fair opportunity to review the case. The Joint Applicants' request for expedited review must be tempered by the rights of the intervening parties to have a fair opportunity to review the specifics of the acquisition. The Joint Applicants preference for expedited treatment does not change the Commission's statutory duty to review the transaction under the applicable legal standards.

The schedule as proposed by the Applicants does not allow adequate time for investigation and review. Since the parties could not agree upon a schedule, one which represents a compromise shall be imposed. This schedule still represents a very tight time period which will require the parties to cooperate with each other, quickly and completely. This is imposed at the request of the Joint Applicants, for business reasons. In exchange, the discovery requests of the other parties must be answered as soon as is possible, and if there is any evidence of intentional delay on the part of the Joint Applicants, the evidentiary hearings may be postponed until April to permit the discovery to be completed.

Expedited discovery rules were agreed upon and shall be imposed.

The OCA has asked that a public input hearing be scheduled in the service territory of the Joint Applicants. The parties have asked that they be given the opportunity to work out the details regarding a prospective public input as well as a proposed protective order. Therefore, these shall be handled separate from this scheduling order.

THEREFORE,

IT IS ORDERED:

1. That the Motion for Admission Pro hac vice for Jennifer Duane on behalf of Sprint is granted without objection.

2. That the Petition to Intervene of Citizens Communications Company is granted without objection.

3. That the parties shall engage in settlement discussions on or before February 6 and/or February 7, 2007. Counsel for Joint Applicants shall notify the presiding officer that the negotiations have occurred.

4. That the following procedural schedule is set:

Direct testimony for parties other than Joint Applicants	January 18, 2007
Direct testimony for OSBA	January 23, 2007
All Parties' Rebuttal Testimony	February 15, 2007
All Parties' Surrebuttal Testimony	February 23, 2007
Evidentiary hearings	February 28 and March 1, 2007
Main Briefs due	March 26, 2007
Reply Briefs due	April 9, 2007

5. All due dates in this Order are in-hand dates. By agreement of counsel, service of discovery requests, testimony, exhibits and briefs may be by electronic means on the due date if transmission occurs before 5:00 pm and hard copies follow. Oversize exhibits or photographs or attachments may be served by hard copy only but must be sent by overnight mail if the submission is sent electronically on the due date.

6. The Commission's regulations regarding discovery are modified to provide that answers to discovery requests are due ten (10) business days from the date of electronic service.

7. Discovery disputes may be resolved via telephone conference with the presiding officer without the need of a motion to compel or other formal pleadings. The propounding party may choose to file a formal motion to compel.

8. Parties must serve me directly with a copy of any document filed in this proceeding. It is NOT sufficient to file with the Secretary's Bureau and expect me to receive a copy from that Bureau. 52 Pa. Code § 1.54(a). The correct address is: Administrative Law Judge Susan D. Colwell, P.O. Box 3265, Harrisburg PA 17105-3265. My electronic mail address is scolwell@state.pa.us. If you send me any correspondence or document, you must send a copy to all other parties. A copy of the Commission's current service list of the parties to this proceeding is enclosed with this Order.

Dated: November 30, 2006


Susan D. Colwell
Administrative Law Judge

A-310800F0010, A-311095F0005, A-311225F0003 JOINT APPLICATION OF COMMONWEALTH TELEPHONE COMPANY, CTSI, LLC AND CTE TELECOM, LLC D/B/A COMMONWEALTH LONG DISTANCE COMPANY FOR ALL APPROVALS UNDER THE PUBLIC UTILITY CODE FOR THE ACQUISITION BY CITIZENS COMMUNICATIONS COMPANY OF ALL OF THE STOCK OF THE JOINT APPLICANTS' CORPORATE PARENT, COMMONWEALTH TELEPHONE ENTERPRISES, INC.

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