

OALJ Hearing Report

Please Check Those Blocks Which Apply

Docket No.:	P-00001854F1000, C-20078514	YES	NO
Case Name:	Pennsylvania Public Utility Commission v. Verizon North, Inc. Office of Small Business Advocate v. Verizon North, Inc.	Prehearing Held:	<input type="checkbox"/> YES <input type="checkbox"/> NO
Location:	Philadelphia	Hearing Held:	<input type="checkbox"/> YES <input type="checkbox"/> NO
Date:	January 31, 2008	Testimony Taken:	<input type="checkbox"/> YES <input type="checkbox"/> NO
ALJ:	Marlane R. Chestnut & Guy Koster	Transcript Due:	<input type="checkbox"/> YES <input type="checkbox"/> NO
Reporting Firm:	Commonwealth Reporting	Hearing Concluded:	<input type="checkbox"/> YES <input type="checkbox"/> NO
DOCUMENT FOLDER		Further Hearing Needed:	<input type="checkbox"/> YES <input type="checkbox"/> NO
		Estimated Add'l Days:	
RECEIVED FEB 13 2008 PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU		RECORD CLOSED:	<input type="checkbox"/> YES <input type="checkbox"/> NO
		Briefs to be Filed:	<input type="checkbox"/> YES <input type="checkbox"/> NO
		Bench Decision:	<input type="checkbox"/> YES <input type="checkbox"/> NO
		REMARKS:	

PLEASE PRINT CLEARLY - Incomplete information may result in delay of processing.

Name and Telephone Number	Address	Who are you representing?
Suzan DeBusk Paiva, Esq. Telephone: 215-466-4755	1717 Arch Street, 10W City: Philadelphia State: PA Zip: 19103	Verizon Pennsylvania Inc. Verizon North, Inc.
Joel H. Cheskis, Esq. Telephone: 717-783-5048	555 Walnut Street, 5 th Floor Forum Place City: Harrisburg State: PA Zip: 17101-1923	Office of Consumer Advocate
Steven C. Gray, Esq. Telephone: 717-783-2525	300 N. Second Street, Suite 1102 City: Harrisburg State: PA Zip: 17101	Office of Small Business Advocate

BTL

Check this box if additional parties or attendees appear on back of form.

Bob SA

Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

Name and Telephone Number	Address			Who are you representing?
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	City	State	Zip	
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	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:
	City	State	Zip	
Telephone:	E-mail Address:			Fax Number:

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

COMMONWEALTH OF PENNSYLVANIA



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March 18, 2008

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RECEIVED
MAR 18 2008
PA PUBLIC UTILITY COMMISSION
SECRETARY'S OFFICE

E-mail and First Class Mail

Hon. Marlane R. Chestnut
Administrative Law Judge
Pa. Public Utility Commission
Rm. 1302, Philadelphia State Office Building
1400 West Spring Garden Street
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Hon. Guy M. Koster
Administrative Law Judge
Pa. Public Utility Commission
Rm. 1302, Philadelphia State Office Building
1400 West Spring Garden Street
Philadelphia, PA 19130

**Re: Pennsylvania Public Utility Commission v. Verizon North, Inc.
Docket Nos. P-00001854F1000 and C-20078514**

**DOCUMENT
FOLDER**

Dear Judge Chestnut and Judge Koster:

I am enclosing two copies of the Prehearing Memorandum II, on behalf of the Office of Small Business Advocate.

As evidenced by the enclosed certificate of service, all parties have been served as indicated.

Sincerely,

Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: ✓ James J. McNulty, Secretary
Pa. Public Utility Commission

Parties of Record

Allen Buckalew

RJP

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

VERIZON NORTH INC.

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DOCKET NOS. P-00001854F1000
C-20078514

**OFFICE OF SMALL BUSINESS ADVOCATE
PREHEARING MEMORANDUM II**

I. INTRODUCTION

On November 1, 2007, Verizon North Inc. ("Verizon North" or the "Company") submitted its 2008 Price Change Opportunity ("PCO") filing to the Pennsylvania Public Utility Commission ("Commission"). According to the 2008 PCO filing, Verizon North's price stability mechanism calculates that Verizon North's 2008 PCO is \$2,793,000. This \$2,793,000 amount is then offset by the refunds ordered by the Commission in the 2006 and 2007 PCO proceedings. Verizon North claims that it has included the refunds for the 2006 and 2007 PCO filings, at Docket Nos. R-00051227 and R-00061914, respectively, in this 2008 PCO Filing.

The OSBA filed a Complaint on November 13, 2007.

On December 17, 2007, Verizon North filed preliminary objections to the OSBA's complaint.

On December 27, 2007, the OSBA filed an answer to Verizon North's preliminary objections.

On January 8, 2008, Administrative Law Judges ("ALJs") Marlene R Chestnut and Guy M. Koster denied Verizon North's preliminary objections.

On January 31, 2008, the ALJs held a telephonic prehearing conference.

On February 1, 2008, the ALJs issued their Prehearing Order #1.

The OSBA submits this second, updated, prehearing memo as required by Paragraph 9 of Prehearing Order #1.

II. ISSUES

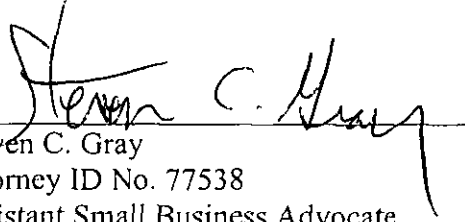
The OSBA is primarily focused on the following issues:

1) *Whether Verizon North properly included Inter-Company Settlement competitive service revenue in its noncompetitive revenue total.* The OSBA and Verizon North have been discussing this issue in settlement conferences, although no resolution of this issue has yet been reached.

2) *Whether Verizon North properly calculated its payments into the Pennsylvania E-Fund and Broadband Outreach and Aggregation Fund ("BOAF"), and whether Verizon North's plan to withhold payments from the BOAF until 2009 is just and reasonable.*

The OSBA, after discussing this issue with Verizon North, believes that Verizon North's calculations appear to be correct.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steven C. Gray", is written over a horizontal line.

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Assistant Small Business Advocate

For:

William R. Lloyd, Jr.
Attorney ID No. 16452
Small Business Advocate

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Dated: March 18, 2008

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
v. : Docket No. C-20078514
Verizon North, Inc. :

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Prehearing Memorandum II, on behalf of the Office of Small Business Advocate, by e-mail and first class mail (unless otherwise noted) upon the persons addressed below:

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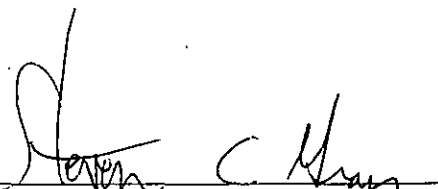
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Date: March 18, 2008