

Hawke

ORIGINAL

McKeon

Sniscak &

Kennard LLP

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April 5, 2006

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – Filing Room
P.O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

RECEIVED
2006 APR -5 PM 4:13
PA PUC
SECRETARY'S BUREAU

Re: Pennsylvania Public Utility Commission v. Commonwealth Telephone Company,
~~R-00061209~~; ANSWER TO OSBA COMPLAINT

R-00061290 C0001

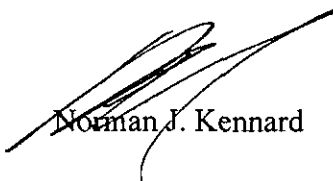
Dear Secretary McNulty:

In accordance with the Commission's regulation at 52 Pa. Code § 5.61(d), Commonwealth Telephone Company ("CTCo") will not be filing an answer to the Small Business Advocate's ("OSBA") Complaint in the above matter.

Please be advised, however, that CTCo has previously already provided all proprietary documents to the OSBA (February 24, 2006) and answered a set of interrogatories (March 17, 2006). An informal discovery session was also held between the parties (March 7, 2006). Further, the parties are continuing in their discussion of the filing.

Thank you for your attention to this matter.

Very truly yours,


Norman J. Kennard

DOCKETED
APR 7 2006

NJK/ajt
cc: Steven Gray (OSBA)

MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

73

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF SMALL BUSINESS ADVOCATE
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101

William R. Lloyd, Jr.
Small Business Advocate

ORIGINAL

(717) 783-2525
(717) 783-2831 (FAX)

February 17, 2006

HAND DELIVERED

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

RECEIVED
2006 FEB 21 PM 3:51
PA PUC
SECRETARY'S BUREAU

Re: **Pennsylvania Public Utility Commission v. Commonwealth Telephone Company**
Docket No. R-000612900001

Dear Secretary McNulty:

I am delivering for filing today the original plus three copies of the Complaint and Public Statement of the Small Business Advocate in the above captioned matter. Both a Public Version and a Version with material marked **Proprietary** by Commonwealth Telephone Company are being filed. This proceeding has not yet been assigned a Docket Number.

Two copies have been served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed.

If you have any questions, please do not hesitate to contact me.

Sincerely,

William R. Lloyd, Jr.
Small Business Advocate

Enclosures

cc: Hon. Veronica Smith
Parties of Record

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
v. : Docket No. _____
Commonwealth Telephone Company :

Certificate of Service

I certify that I am serving two copies of the Public Version of the Complaint and Public Statement on behalf of the Office of Small Business Advocate by first class mail (unless otherwise noted) upon the persons addressed below:

Hon. Veronica Smith
Chief Administrative Law Judge
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
(717) 787-1191
(717) 787-0481 (fax)
verosmith@state.pa.us
(Hand delivered)

Michael P. Sharry
Commonwealth Telephone Company
100 CTE Drive
Dallas, PA 18612-9774
(570) 631-2700

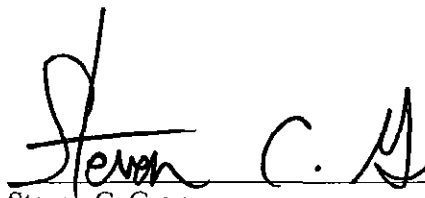
Johnnie E. Simms, Esquire
Office of Trial Staff
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
(717) 787-4886
(717) 772-2677 (fax)
josimms@state.pa.us
(Hand delivered)

Philip McClelland, Esquire
Office of Consumer Advocate
555 Walnut Street 5th FL Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048
(717) 783-7152 (fax)
pmcclelland@paoca.org
(Hand delivered)

Norman James Kennard
Hawke McKeon Sniscak & Kennard, LLP
100 North Tenth Street
Harrisburg, PA 17101
(717) 236-1300
(717) 236-4841 (fax)

Robert C. Barber, Esquire
AT&T Communications of PA, Inc.
3033 Chain Bridge Road - #3-D
Oakton, VA 22185

Michelle Billand Painter
MCI WorldCom, Inc.
22001 Loudoun County Parkway
E2-3-507
Ashburn, VA 20147


Steven C. Gray
Assistant Small Business Advocate

Dated: February 17, 2006

RECEIVED
2006 FEB 27 PM 3:52
PA PUC
SECRETARY'S BUREAU

ORIGINAL

PUBLIC VERSION
Of
OSBA COMPLAINT

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

COMMONWEALTH TELEPHONE
COMPANY

:
:
:
:
:
:
:

R-000612900001
DOCKET NO. _____

**COMPLAINT OF THE
SMALL BUSINESS ADVOCATE**

1. The Complainant is:

William R. Lloyd, Jr.
Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
(717) 783-2525

RECEIVED

FEB 17 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

2. The name and address of the Complainant's attorney is:

Steven C. Gray
Assistant Small Business Advocate
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
(717) 783-2525

**DOCUMENT
FOLDER**

3. The respondent utility is:

Commonwealth Telephone Company
100 CTE Drive
Dallas, PA 18612-9774

DOCKETED
MAR 2 - 2006

4. The Complainant is authorized and directed by the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50, to represent the interests of small business consumers of utility services in matters before the Pennsylvania Public Utility Commission (“Commission”).

5. This complaint is filed against the rates, terms, and other provisions of the Commonwealth Telephone Company’s (“Commonwealth” or the “Company”) Price Stability Index (“PSI”), Service Price Index (“SPI”), and Deferred Change Index (“DCI”) filing (collectively the “PSI Filing”) that was filed on February 1, 2006. The PSI Filing proposed to increase Commonwealth’s annual revenue by \$4.1 million.

6. Upon preliminary review of the materials filed by Commonwealth in support of its PSI Filing, the Complainant believes, and therefore avers, that those materials may be insufficient to justify the rate increases requested, and that Commonwealth’s proposed rates, rules, and conditions of service may be unjust, unreasonable, unduly discriminatory, and otherwise contrary to law, particularly as they pertain to small business customers.

7. Upon preliminary review of the aforementioned materials filed by Commonwealth in support of its PSI filing, the Complainant also believes, and therefore avers, that the proposed rate increases for Commonwealth’s business customers may be unjust, unreasonable, and in violation of 66 Pa. C.S. §§ 1301 and 3015(g). Specifically:

a. Certain “proprietary information” was redacted from the PSI Filing. Consequently, there is an insufficient basis upon which to determine the accuracy of the calculations that result in the changes in the SPI, the DCI, and the increase applied to local exchange service. The overall percentage increase and how it was applied by the Company in the PSI Filing can not be correctly determined without all of the data.

b. The PSI Filing indicates that a [BEGIN PROPRIETARY] [REDACTED] [END PROPRIETARY] is being applied to local exchange service revenue (and to no other non-competitive service revenue) in order to generate an overall increase of 2.86%. However, Commonwealth has not demonstrated that the local exchange service revenue increase will produce no more revenue than permitted by Chapter 30, the Company's NMP, and an accurately calculated PSI amount.

c. The PSI Filing assigns the entire non-competitive revenue increase to Local Exchange Service, and does not spread any of the multi-million dollar increase among the Company's other non-competitive services.

d. In Question 8, under the section titled "Responses to Title 52, Chapter 53, Section 53.32," the Company claims that the PSI Filing itself is a sufficient response to "Studies undertaken to draft the proposed change." The OSBA respectfully submits that the PSI Filing does not constitute a sufficiently detailed study as required by Commonwealth's NMP. Rate increases of the size requested by the Company [BEGIN PROPRIETARY] [REDACTED] [END PROPRIETARY] on captive, non-competitive local exchange service should be justified with detailed cost data showing which services in the noncompetitive category are priced below cost and therefore need increases.

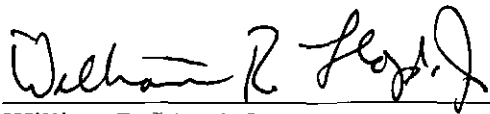
e. While Exhibit 2 purports to set forth the Company's Demand Unit Data, the exhibit fails to state the date upon which it is based, how it was calculated, whether stimulation or suppression of demand was considered, or whether there was a shift of customers to competitive service bundles or packages. Consequently, the OSBA is unable to verify the validity of the Demand Unit Data analysis performed therein. Furthermore, only local exchange service demand data was presented (extracted at some unknown point in time) and not the entire category of non-competitive services that is the subject of the increase in revenue.

f. The Company provides little information as to why the inclusion of “pole rental revenue” is necessary. Although Commonwealth claims that this inclusion has no impact on Commonwealth’s “income,” the pole rental rates have doubled. Furthermore, although the Company claims to be reporting this revenue for “proper management” of the SPI and DCI, Commonwealth does not explain why it is presented and how it impacts the SPI and DCI calculations.

8. In view of the foregoing, the Small Business Advocate respectfully requests that the Pennsylvania Public Utility Commission:

- a. Investigate the operation of Commonwealth's PSI filing;
- b. At the conclusion of such investigation, reject the proposed new rates and other tariff changes proposed in the PSI Filing to the extent required to insure that Commonwealth's rates are lawful, just, reasonable, and not unduly discriminatory to any class of customers; and
- c. Grant such other relief as may be necessary or appropriate.

Respectfully submitted,



William R. Lloyd, Jr.
Small Business Advocate

Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)

Dated: February 17, 2006

VERIFICATION

I, William R. Lloyd, Jr., hereby state that the facts set forth herein above are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).

Date: February 17, 2006

William R. Lloyd, Jr.
(Signature)

**PUBLIC STATEMENT OF
SMALL BUSINESS ADVOCATE
CONCERNING THE INTEREST
OF SMALL BUSINESS CONSUMERS
TO BE PROTECTED BY THE FILING OF A COMPLAINT
AGAINST THE 2006 PRICE STABILITY INDEX FILING OF
COMMONWEALTH TELEPHONE COMPANY
DOCKET NO. _____**

The Small Business Advocate is authorized and directed to represent the interest of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 ("Act"). The Act further provides that the Small Business Advocate is to issue publicly a written statement stating concisely the specific interest of small business consumers to be protected by his initiation of or intervention in any proceeding involving those interests before the Public Utility Commission or any other agency or court. This public statement relates to the filing today by the Small Business Advocate of a complaint against the proposed 2006 Price Stability Index ("PSI") Filing of Commonwealth Telephone Company ("Commonwealth" or the "Company").

The Small Business Advocate files this formal complaint against the Company's proposed PSI Filing in order to protect the interests of the Company's small business customers. A thorough inquiry by the Public Utility Commission into all of the elements of the Company's proposed PSI Filing is necessary to ensure that the utility is charging rates that are just and reasonable and non-discriminatory.

In view of the foregoing, the Small Business Advocate will participate in proceedings before the Public Utility Commission to investigate the reasonableness of the proposed rates in the Company's 2006 PSI Filing. The Small Business Advocate will ask the Commission to deny any proposed rate increase or other changes in the Company's present tariffs that apply to small business customers that are not proven by Commonwealth to be lawful, just, reasonable, and non-discriminatory to all of its customer classes.

Dated: February 17, 2006

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P O BOX 3265, HARRISBURG PA 17105-3265

February 22, 2006

MICHAEL P. SHARRY
DIRECTOR
REGULATION & PUBLIC AFFAIRS
100 CTE DRIVE
DALLAS PA 18612-9774

DOCUMENT
FOLDER

RE: PA PUC vs. COMMONWEALTH TELEPHONE COMPANY
R-00061290C0001

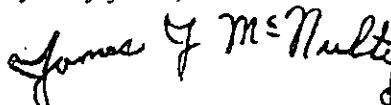
Dear Sir/Madam:

A Complaint has been filed against you in the above-captioned matter before the Pennsylvania Public Utility Commission by OFFICE OF SMALL BUSINESS ADVOCATE.

This complaint, of which the attached is a true and correct copy, has been presented and filed of record with the Pennsylvania Public Utility Commission. The Pennsylvania Public Utility Code, 66 Pa. C.S., requires the Commission to serve on each party named in a complaint a copy of the complaint.

Within twenty (20) days from the date on which this complaint is served, you may either satisfy this complaint or comply with the provisions of 52 Pa. Code, Section 5.61 et seq., as amended.

Very truly yours,



James J. McNulty
Secretary

(SEAL)

Certified Mail
Return Receipt Requested

DOCKETED
FEB 24 2006

jih

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint Form

ORIGINAL

Please print or type.

1. CUSTOMER NAME (COMPLAINANT) R-00061290C0002

Your name, mailing address, county, telephone number, utility account number and service address:

Name JOHN + BERNADINE HEROLD

Street/P.O. Box 560 ST. JOHNS RD. Apt #

City WAPWALLOPEN State PA Zip 18660

County LUZERNE

Area Code/HOME Phone 570-379-2144

Area Code/WORK Phone

Utility Account Number 26-379-2144-8-298-0 (from your bill)

DOCUMENT FOLDER

RECEIVED 2006 APR 26 AM 8:54 P.A.P.U.C. SECRETARY'S BUREAU

If your complaint involves utility service provided to a different address than your mailing address, please list this information below.

Name

Street/P.O. Box

City State Zip

DOCKETED MAY 15 2006

2. UTILITY NAME (RESPONDENT)

Name of utility company your complaint concerns: COMMONWEALTH TEL. Co.

3. TYPE OF UTILITY (check one)

- ELECTRIC
- GAS
- WATER
- TELEPHONE (local, long distance)
- STEAM HEAT
- WASTE WATER
- MOTOR CARRIER (taxi, moving company, limousine)

23

4. **COMPLAINT** (check one)

A. In general, what is your complaint?

- I want to oppose the company's proposed rate increase.
- There are incorrect charges on my bill.
- There is a reliability, safety or quality problem with my utility service.
- I received a notice that my utility service is being terminated.
- I would like a payment agreement.
- Other.
(explain)

B. State the facts of your complaint.

Include any specific dates, times or places that are important. If the complaint is about a bill, tell us about any charges that you believe are not correct. Use additional paper if you need more space. Provide copies of all relevant documents you believe will support your complaint.

5. **RELIEF**

What do you want the Public Utility Commission to do about your complaint? Use additional paper if you need more space.

We are a low income couple in our 70's & as such cannot even afford an ans. machine, caller ID, etc. so why should we have to contribute to the developement of still more extras? We can't even afford a cell phone or cable TV. This increase is not fair to folks like us. The rates should be increased for those who take all the extras - raise the prices for those items.

Thank you

6. PROTECTION FROM ABUSE

Answer the following question if your complaint is against a natural gas distribution company, an electric distribution company or a water company **AND** your complaint is about a billing problem, an application for service problem, a termination of service problem or a request for a payment agreement.

Has a court granted a "Protection from Abuse" order for your personal safety?

YES

NO

7. PRIOR UTILITY CONTACT

Answer the following question only if you are a residential customer and your complaint is against an electric distribution utility, natural gas distribution utility or a water distribution utility.

Have you spoken to a utility company representative about this complaint?

YES
(includes appeals of BCS determinations)

NO

If you tried to, but could not speak to a utility company representative about your complaint, please explain why.

8. VERIFICATION AND SIGNATURE

You must print or type your name below on the line provided for the verification paragraph, and you must sign and date (in ink) this form on the lines provided.

Verification:

I JOHN + BERNADINE HEROLD, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Bernadine Herold
(Signature)

4/24/06
(Date)

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P O BOX 3265, HARRISBURG PA 17105-3265

MAY 5, 2006

DOCKETED
MAY 15 2006

MICHAEL P SHARRY SR DIR REG & PUB
COMMONWEALTH TELEPHONE CO
100 CTE DRIVE
DALLAS PA 18612

**DOCUMENT
FOLDER**

RE: PA PUC vs COMMONWEALTH TELEPHONE CO

Docket Number R-00061290C0002

Dear Sir/Madam:

A Complaint has been filed against you in the above-captioned matter before the Pennsylvania Public Utility Commission by JOHN & BERNADINE HEROLD.

This complaint, of which the attached is a true and correct copy, has been presented and filed of record with the Pennsylvania Public Utility Commission. The Pennsylvania Public Utility Code, 66 Pa. C.S., requires the Commission to serve on each party named in a complaint a copy of the complaint.

Within twenty (20) days from the date on which this complaint is served, you may either satisfy this complaint or comply with the provisions of 52 Pa. Code, Section 5.61 et seq., as amended.

Very truly yours,
James J. McNulty

James J. McNulty
Secretary

(SEAL)

Certified Mail
Return Receipt Requested
SS

ORIGINAL

May 17, 2006

James McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

RE: John and Bernadine Herold v. Commonwealth Telephone Company; Docket No.
R-00061290C0002; **FILING OF CERTIFICATE OF SATISFACTION**

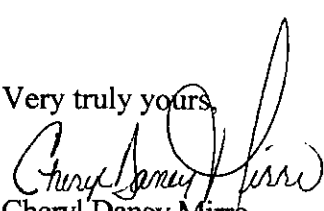
Dear Mr. McNulty:

Enclosed, for filing with the Commission on behalf of Commonwealth Telephone Company ("CTCo"), are the original and three (3) copies of a Certificate of Satisfaction in connection with the above-referenced case. This Certificate indicates that CTCo and John and Bernadine Herold have resolved the issues raised in the Formal Complaint filed at Docket No. R-00061290C0002. Unless Mr. and Mrs. Herold file an objection to the enclosed Certificate of Satisfaction within ten (10) days, the Formal Complaint filed at Docket No. R-00061290C0002 should be withdrawn and the Commission's file closed.

Thank you for your attention to this matter. Please feel free to contact me at (570) 631-6908 if you have any questions regarding this filing.

DOCUMENT
FOLDER

Very truly yours,


Cheryl Daney Mirro
Supervisor Regulatory and Public Affairs
Commonwealth Telephone Company

SECRETARY'S BUREAU
2006 MAY 18 AM 9:23
RECEIVED

ORIGINAL

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA P.U.C.
SECRETARY'S BUREAU

2006 MAY 18 AM 9:23

RECEIVED

JOHN AND BERNADINE HEROLD,

Complainant:

v.

:Docket No. R-00061290C002

COMMONWEALTH TELEPHONE COMPANY,

Respondent:

**DOCUMENT
FOLDER**

**CERTIFICATE OF SATISFACTION
AND WITHDRAWAL**

I, Ed Weirich, Senior Manager Residential Sales & Service, hereby certify on behalf of Commonwealth Telephone Company that (a) I have spoken with Bernadine Herold to discuss the issues raised in the Formal Complaint filed with the Pennsylvania Public Utility Commission and docketed at Complaint Docket No. R-00061290C0002; (b) the issues raised in the Formal Complaint have been satisfied; and (c) Mrs. Herold has agreed the Formal Complaint can be withdrawn.

This Certificate of Satisfaction is provided pursuant to 52 Pa. Code §5.24(b). Unless Mrs. Herold files an objection to this Certificate within ten (10) days of its filing, the Formal Complaint filed at Docket No. R-00061290C0002 shall be withdrawn and the Commission's file closed.

DOCKETED
MAY 31 2006

Ed Weirich
Ed Weirich
Senior Manager Residential Sales & Service

DATE: May 17, 2006

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

DATE: June 23, 2006

SUBJECT: R-00061290C0002
John & Bernadine Herold v. Commonwealth Telephone Company

TO: Wanda Zeiders
Docket Management

FROM: Dawn M. Reitenbach, ALJ Support Staff
Office of Administrative Law Judge

DOCUMENT
FOLDER

On My 18, 2006, a Certificate of Satisfaction was filed in the above-captioned proceeding. If no objection is filed to this certificate within 10 days of the filing, this proceeding will be closed.

All parties should be notified that the case is closed and a copy of that notification placed in the document folder.

Attachment

pc: (None Assigned)
Beth Plantz
Case File

DOCKETED
JUL 05 2006