

TOP ORIGINAL



OFFICE OF CONSUMER ADVOCATE  
1425 Strawberry Square  
Harrisburg, Pennsylvania 17120

IRWIN A. POPOWSKY  
Consumer Advocate

(717) 783-5048

RLS

July 9, 1992

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DOCUMENT FOLDER

JUL 09 1992

John G. Alford, Secretary  
PA Public Utility Commission  
Room G-18, North Office Bldg.  
Harrisburg, PA 17120

Public Utility Commission  
SECRETARY'S OFFICE  
Information Control Division

Re: Pennsylvania Public Utility  
Commission v.  
Commonwealth Telephone Company  
Docket No. I-00920020

Dear Secretary Alford:

Enclosed please find for filing an original and 3 copies  
of the Office of Consumer Advocate's Notice of Intervention  
in the above-captioned proceeding.

Copies have been served upon all parties of record as  
shown on the attached Certificate of Service.

Sincerely,

*Philip F. McClelland*  
Philip F. McClelland  
Assistant Consumer Advocate

Enclosures  
cc: All parties of record

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission  
v. Commonwealth Telephone Company  
Docket No. I-00920020

I hereby certify that I have this day served a true copy of the foregoing document, Office of Consumer Advocate's Notice of Intervention, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 9th day of July, 1992.

SERVICE IN PERSON

Office of Trial Staff PA Public Utility Commission Room 210, North Office Bldg. Harrisburg, PA 17120	Office of Special Assistants PA Public Utility Commission Room 116, North Office Bldg. Harrisburg, PA 17120
---	--

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

John D. Filipowicz, Esq.  
C-TEC Corporation  
46 Public Square  
P.O. Box 3000  
Wilkes-Barre, PA 18703

Office of Small Business  
Advocate  
City Towers Bldg., Room 500B  
301 Chestnut Street  
Harrisburg, PA 17101

Malcolm M. Burnside  
Revenue & Public Affairs  
Commonwealth Telephone Co.  
100 Lake Street  
Box 100  
Dallas, PA 18612

Mark A. Keffer, Esq.  
AT&T  
Room 3A2  
3201 Jermantown Road  
Fairfax, VA 22030

  
Philip F. McClelland  
Assistant Consumer Advocate

Counsel for Office of Consumer  
Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120  
(717) 783-5048

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility  
Commission v.

Commonwealth Telephone Co. :  
: Docket I-00920020

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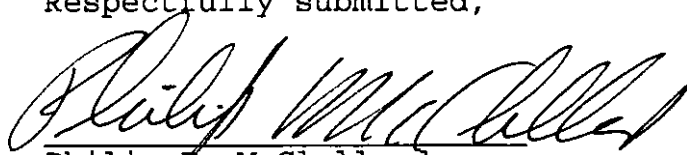
Public Utility Commission  
SECRETARY'S OFFICE  
Information Control Division

OFFICE OF CONSUMER ADVOCATE  
NOTICE OF INTERVENTION

Pursuant to 52 Pa. Code Section 5.71(a)(1), the Office of Consumer Advocate hereby gives Notice of Intervention in the above-captioned proceeding. A copy of all correspondence and notices, documents, orders or other communications with respect to the above-captioned proceeding should be addressed to the following:

Philip McClelland  
Assistant Consumer Advocate  
Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, Pa. 17120

Respectfully submitted,



Philip F. McClelland  
Assistant Consumer Advocate

Counsel for:  
Irwin A. Popowsky  
Consumer Advocate

Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120  
(717) 783-5048  
Dated: July 9, 1992  
2538

DOCKETED  
JUL 14 1992

PUBLIC STATEMENT OF THE CONSUMER ADVOCATE ISSUED IN ACCORDANCE WITH SECTION 904-(e) OF ACT OF APRIL 9, 1929 (P.L. 177, NO. 175), KNOWN AS "THE ADMINISTRATIVE CODE OF 1929", AS AMENDED BY ACT 161 OF 1976 (APPROVED JULY 9, 1976)

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC or Commission). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file its Notice of Intervention in this proceeding and participate in this action before the Commission concerning the Commonwealth Telephone Company ("Commonwealth").

On April 8, 1992, the Commission entered an Order in this proceeding to investigate the earnings of Commonwealth. On July 9, 1992, the Commission entered a second Order in order to review whether the Commonwealth STAS rate increase of 1991 has resulted in unjust and unreasonable rates. In that Order, the Commission has questioned whether Commonwealth has incurred an increase in its Parent Corporation Management Service Fees. Further, the Commission has referred this case to the Office of Administrative Law Judge and called for the parties to review the affiliated transactions expenses incurred by Commonwealth and all relevant earnings information consistent with ratemaking principles.

The OCA wishes to participate in this proceeding so as to examine the affiliated interest expenses incurred by Commonwealth, and other related financial information, and

propose any required ratemaking adjustments. The OCA is concerned that the rates of Commonwealth may be excessive, unjust or unreasonable and will further develop this issue and propose any ratemaking adjustments as may be appropriate.

COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265  
July 23, 1992



In Re: I-00920020  
R-00922313

(See attached list)

I-00920020 Pennsylvania Public Utility Commission  
v.  
Commonwealth Telephone Company

Assessment of the impact of significant increase in certain operating expenses on the common equity return rate.

R-00922313 Pennsylvania Public Utility Commission  
v.  
Commonwealth Telephone Company

RLS

Investigation into increase in charges for non-published telephone numbers resulting in increased annual operating revenues of approximately \$212,196.

NOTICE

This is to inform you that a prehearing conference on the above captioned cases will be held Thursday, August 6, 1992, at 10:00 a.m. in an available hearing room, Ground Floor, North Office Building, North Street and Commonwealth Avenue, Harrisburg, Pennsylvania.

In an effort to expedite the future conduct and disposition of this proceeding, we are attaching a list of information you are expected to bring with you to this conference.

The presiding officer in this proceeding is Administrative Law Judge George M. Kashi. Judge Kashi can be contacted at P.O. Box 3265, Harrisburg, Pennsylvania 17105-3265; telephone (717) 783-5452.

cc: Judge Kashi  
Mr. Frazier - PIO  
Mr. Cadden  
Office of Trial Staff - 4  
Law Bureau  
Consumer Advocate  
Small Business Advocate  
Mr. Barrett  
Mrs. Lewis  
Scheduling Sec.  
Mrs. Plantz  
Docket Room ?

Certified Mail  
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August 3, 1992

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PUBLIC UTILITY COMMISSION  
SECRETARIES BUREAU  
Information Control Division

John G. Alford, Secretary  
Pennsylvania Public Utility Commission  
P. O. Box 3265  
North Office Building  
Harrisburg, PA 17120

Re: Objections of Commonwealth Telephone Company  
to the Office of Consumer Advocate  
Interrogatories Set I; Docket No. I-00920020

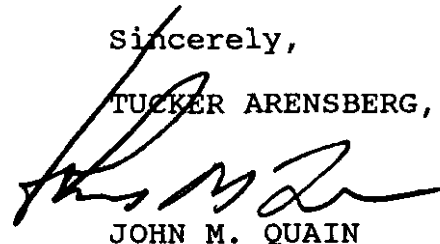
Dear Secretary Alford:

Enclosed herewith please find an original and two (2) copies of the Objections of Commonwealth Telephone Company to interrogatories served in the above-captioned matter.

Should you have any questions concerning this matter, please feel free to contact me.

Sincerely,

TUCKER ARENSBERG, P.C.



JOHN M. QUAIN

JMQ:das  
Enclosure  
ctec.alford3.ltr

cc: S. Burnside

DOCUMENT  
FOLDER

ORIGINAL

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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SECRETARY'S OFFICE  
Public Utility Commission

Pennsylvania Public Utility Commission	:	
	:	
	:	
v.	:	Docket No. I-00920020
	:	
Commonwealth Telephone Company	:	

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OBJECTIONS OF COMMONWEALTH TELEPHONE COMPANY  
TO THE OFFICE OF CONSUMER ADVOCATE  
INTERROGATORIES SET I

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AND NOW COMES, Commonwealth Telephone Company ("CTCO") by and through its attorneys and objects to the Office of Consumer Advocate ("OCA") Interrogatories Set I Nos. 3 and 4, pursuant to the Rules of Administrative Practice and Procedure of the Pennsylvania Public Utility Commission ("Commission") 52 Pa. Code §1.56 and §5.342 (c) and (d). In support thereof, CTCO avers as follows:

1. On July 20, 1992 the OCA served Set I of its interrogatories in the above-captioned proceeding. The interrogatories were served by first class mail.

2. CTCO objects to certain interrogatories contained in Set I for the reasons set forth below:

Interrogatory No. 3: Please supply a copy of the internal telephone book.

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DOCUMENT  
FOLDER

**Objection:** CTCO does not maintain an internal telephone directory for its employees. Rather, there exists only an internal directory for the entire CTEC system, including all of its various subsidiaries. Said directory consists of listings in alphabetical order; it is not organized by individual CTEC subsidiary. Hence, CTCO can not comply with the OCA request without disclosing the name and telephone numbers of all CTEC employees.

It should be remembered that only three CTEC subsidiaries are regulated by this Commission<sup>1</sup>. For this reason, the information contained in the requested document is both irrelevant and immaterial to the instant proceeding. As such, it is unlikely to lead to the disclosure of any information legitimately within the scope of discovery.

Moreover, the above referenced document contains the home telephone numbers of all CTEC employees. It's use and distribution is thus closely monitored by the employer, for it contains personnel information on each member of its work force.

CTCO also cautions that disclosure of the aforesaid document is an invitation for its misuse. It is the customary practice in investigations of this nature, that any communication by a litigant be conducted through each party's counsel of record. CTCO does not waive its right, at this juncture, to have all such communications directed to its attorneys. Thus, balancing the usefulness of the

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<sup>1</sup> The three regulated subsidiaries are CTCO, Paging Plus, Inc. (an RCC) and CLD (a reseller). Only CTCO is fully regulated. The remaining two companies are subject to limited regulation.

information to the OCA, against the private and irrelevant nature of the information requested, causes CTCO to raise this objection.

**Interrogatory No. 4:** Please describe any significant reorganization that has occurred in the past five (5) years concerning the Commonwealth Telephone Company and CTEC.

**Objection:** The interrogatory lacks the requisite specificity to allow the Company to provide a meaningful response. CTCO is unclear regarding the intended meaning of the phrase "any significant reorganization... concerning the Commonwealth Telephone Company and CTEC". Read in its broadest context the inquiry could include everything from replacement of a corporate middle manager to departmental reorganization.

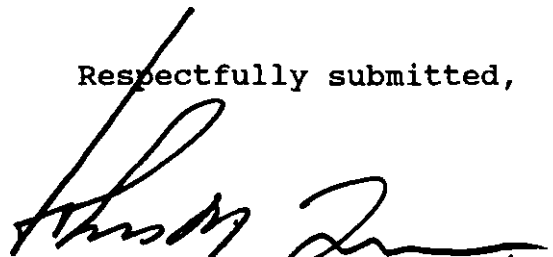
The focus of the Commission's Order is an investigation of the Parent Corporation Management Service Fee Expense. (See June 4, 1992 Order). Therefore, the historic five (5) year corporate reorganization of the two (2) companies is irrelevant to the instant inquiry, and not reasonably anticipated to lead to discoverable material.

Giving reasonable interpretation to the inquiry, CTCO has attached hereto a copy of its current application pending before the Commission. It concerns a proposed "Corporate reorganization", as that term is generally used in the business community. Further, CTCO will provide a response to OCA Interrogatory 1 which identifies its current corporate organization. It will likewise respond to Interrogatory 2, which provides an organizational chart for CTCO, itself. It is respectfully submitted that such

information provides the OCA with the relevant information it seeks. Any inquiry of a broader nature is clearly irrelevant to the instant investigation.

WHEREFORE, for the reasons set forth above, Commonwealth Telephone Company respectfully objects to OCA Interrogatories Set I, Nos. 3 and 4.

Respectfully submitted,



NORMAN J. KENNARD, Esquire  
JOHN M. QUAIN, Esquire  
TUCKER ARENSBERG, P.C.  
116 Pine Street. Suite 403  
Harrisburg, PA 17101

Attorneys for Commonwealth  
Telephone Company

Dated: August 3, 1992

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIVED  
MAY 01 1992

In re: Application of :  
Commonwealth Telephone Company :  
For Approval Of The Transfer :  
Of Stock By It's Parent Company :  
To An Affiliated Interest :

Docket No. \_\_\_\_\_

SECRETARY'S BUREAU  
Information Control Division

TO THE HONORABLE CHAIRMAN AND COMMISSIONERS OF THE PENNSYLVANIA  
PUBLIC UTILITY COMMISSION:

AND NOW COMES, Commonwealth Telephone Company (hereinafter  
"CTCO" or the "Applicant"), pursuant to 66 Pa C.S. Section  
1102(a)(3) of the Public Utility Code, and 52 Pa Code Section 3.551  
of the Public Utility Commission's (hereinafter "Commission") Rules  
of Practice and Procedure to seek approval for the transfer of  
stock by it's parent company, to an affiliated interest.

In support thereof, Applicant avers as follows:

1. The name and address of the Applicant are:

Commonwealth Telephone Company  
100 Lake Street  
Dallas, PA 18612

2. The name and address of Applicant's attorneys are:

John M. Quain, Esquire  
Kenneth Zielonis, Esquire  
Tucker Arensberg, P.C.  
116 Pine Street  
Suite 403  
Harrisburg, PA 17101

Raymond B. Ostroski, Esquire  
General Counsel  
Commonwealth Telephone Company  
46 Public Square  
P.O. Box 3000  
Wilkes-Barre, PA 18703-3000

3A. Corporate History of Transferor

C-TEC Corporation (hereinafter "C-TEC") is the transferor in the proposed transaction. It was formed as a holding company for various subsidiaries. Prior to January 1, 1992, C-TEC consisted of eight (8) operating divisions. It provided a core group of executive and corporate management services to all of it's operating subsidiaries.

Effective January 1, 1992 C-TEC underwent a corporate reorganization and now consists of seven (7) operating subsidiaries, including: C-TEC Cable Systems, Inc.; Tec-Air, Inc.; C-TEC Telephone Properties, Inc.; C-TEC Properties, Inc.; C-TEC Financial Services, Inc.; Cellular Plus, Inc.; and C-TEC Services, Inc.

3B. Purpose of Incorporation of Transferor

C-TEC was incorporated as a holding company, and holds all of the outstanding stock of it's operating subsidiaries.

3C. Affiliated Interests

C-TEC is the parent corporation of Applicant. It is therefore an affiliated interest of Applicant as said term is defined in Section 2101(1) of the Public Utility Code. 66 Pa C.S. Section 2101(1). C-TEC has effective control of the Applicant through it's one hundred percent (100%) ownership of it's outstanding common stock.

3D. Service Territory

CTCO serves customers in the territory supplied by its telephone lines and facilities located in the counties of Wyoming,

portions of Berks, Bradford, Bucks, Carbon, Chester, Columbia, Dauphin, Lackawanna, Lancaster, Lehigh, Luzerne, Lycoming, Monroe, Northampton, Schuylkill, Sullivan, Susquehanna, Tioga and York, Pennsylvania.

4A. Corporate History of Transferee

C-TEC Telephone Properties, Inc., (hereinafter "CTPI") is the transferee in the proposed transaction. It was incorporated on December 6, 1991, and, as noted in paragraph three (3A) above, it is one of the seven (7) operating subsidiaries of C-TEC.

4B. Corporate Purpose of Transferee

CTPI was formed for the purpose of increasing operational efficiencies and to further the general corporate purpose of the C-TEC Corporation.

4C. Affiliated Interests

CTPI was formed as a holding company for CTCO and for possible future acquisitions. It is therefore an affiliated interest of CTCO as said term is defined in Section 2101(1) of the Pennsylvania Public Utility Code. 66 Pa C.S. Section 2101(1). It is likewise an affiliated interest of the transferor. The transferor has effective control of transferee through its ownership of one hundred percent (100%) of the outstanding common stock of the corporation.

5. Transferor and transferee are affiliates as said term is defined under 66 Pa C.S. Section 2101(1) of the Public Utility Code. As noted above, transferor is the parent company of transferee by virtue of holding one hundred percent (100%) of the

outstanding common stock of transferee.

6. Applicant provides public utility service to 177,522 ratepayers in Pennsylvania, of which 157,112 are residential, and 20,410 are business customers.

7. Attached hereto as Exhibits A and B, are Balance Sheets of C-TEC and CTPI as of December 31, 1991, said date being the latest available Balance Sheets prior to the date of filing. Data for the period ending March 31, 1992 will be provided within thirty (30) days of the date of this filing.

8. Attached hereto as Exhibits C and D, are Income Statements of C-TEC and CTPI for the twelve (12) months ended December 31, 1991, said date being the same date as the Balance Sheets referred to in Paragraph (7) above. Data for the period ending March 31, 1992 will be provided within thirty (30) days of the date of this filing.

9. All annual reports, tariffs, certificates, applications for approval or the issuance of securities and securities certificates filed with Your Honorable Commission by transferor and transferee or by their predecessors, constituents and affiliated companies are incorporated herein by reference and made a part hereof.

10. The property to be transferred from C-TEC to CTPI is one hundred percent (100%) of the outstanding common stock of the Applicant. Pursuant to 66 Pa C.S. 1102(a)(3) said transfer requires the approval of the Public Utility Commission through the issuance of a Certificate of Public Convenience. As such, it is

this transfer of stock which is the subject of the instant Application.

11. The consideration for the transfer of stock is in the nature of an equity contribution from C-TEC to CTPI.

12. The number of shares of common stock to be transferred are 1,267,629 having a book value of \$88,194,081.

13. Pro forma Financial Statements of transferor and transferee giving effect to the transfer will be provided within thirty (30) days of the date of this filing.

14. Attached hereto as Exhibit E is a certified copy of the meeting minutes of the Board of Directors and the stockholders of C-TEC Corporation authorizing the transfer herein proposed.

15. The proposed transfer of stock will have no adverse affect on service to Applicant's customers.

16. The proposed transfer will have no affect on CTCO's rates.

17. The reasons for the proposed transfer are as a result of a corporate reorganization undertaken by C-TEC.

WHEREFORE, Applicant prays that your Honorable Commission approve the transfer which forms the subject of this filing.

Respectfully submitted,



JOHN M. QUAIN, ESQUIRE  
KENNETH ZIELONIS, ESQUIRE  
TUCKER ARENSBERG, P.C.  
116 Pine Street  
Suite 403  
Harrisburg, PA 17101

Counsel for Commonwealth  
Telephone Company

Dated: May 1, 1992



IN THE  
COMMONWEALTH OF PENNSYLVANIA  
BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :  
v. : Docket No. I-00920020  
Commonwealth Telephone Company :

CERTIFICATE OF SERVICE

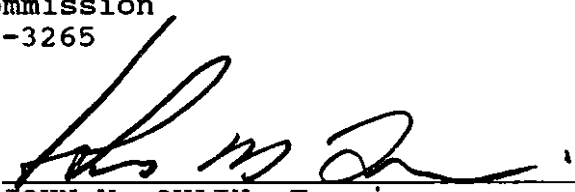
I hereby certify that, this 3rd day of August, 1992 I have served a true and correct copy of the foregoing document upon the persons set forth below by First Class Mail, postage prepaid, in accordance with 52 Pa. Code Section 1.54 and 1.55:

Kandace F. Melillo, Esquire  
Office of Trial Staff  
North Office Building, Room 210  
Harrisburg, PA 17120

Phillip F. McClelland, Esquire  
Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

Mark Keffer  
AT&T Communications of PA, Inc.  
Third Floor  
3201 Jermantown Road  
Fairfax, VA 22030-2885

Hon. George M. Kashi  
Administrative Law Judge  
Room G08  
PA Public Utility Commission  
Harrisburg, PA 17105-3265

  
JOHN M. QUAIN, Esquire  
TUCKER ARENSBERG, P.C.  
116 Pine Street, Suite 403  
Harrisburg, PA 17101

Attorneys for COMMONWEALTH  
TELEPHONE COMPANY

COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265  
August 4, 1992

In Re: I-00920020  
R-00922313

(See letter dated 7/23/92)

I-00920020 Pennsylvania Public Utility Commission  
v.  
Commonwealth Telephone Company

Assessment of the impact of significant increase in certain  
operating expenses on the common equity return rate.

R-00922313 Pennsylvania Public Utility Commission  
v.  
Commonwealth Telephone Company

Investigation into increase in charges for non-published  
telephone numbers resulting in increased annual operating  
revenues of approximately \$212,196.

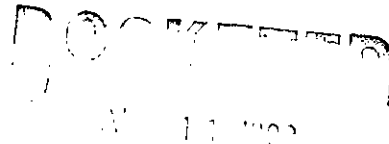
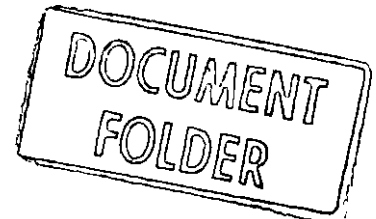
C O R R E C T E D   N O T I C E

This is to inform you that the prehearing conference now scheduled to  
be held on Thursday, August 6, 1992, at 10:00 a.m. in the subject proceeding  
has been changed to Thursday, August 6, 1992, at 2:00 p.m.

Please change your records accordingly.

cc: Judge Kashi  
Mr. Frazier - PIO  
Mr. Cadden  
Office of Trial Staff - 4  
Law Bureau  
Consumer Advocate  
Small Business Advocate  
Mr. Barrett  
Mrs. Lewis  
Scheduling Sec.  
Mrs. Plantz  
Docket Room

Certified Mail  
Receipt Requested



PLEASE NOTE CHANGE AS HIGHLIGHTED ABOVE

ORIGINAL

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY  
COMMISSION :  
:  
:  
v. :  
:  
COMMONWEALTH TELEPHONE :  
COMPANY :

Docket Nos.  
I-00920020  
R-00922205

NOTICE OF APPEARANCE

RECEIVED  
AUG 6 1992

SECRETARY'S OFFICE  
Public Utility Commission

To The Secretary:

Please enter the appearance of the Office of  
Trial Staff of the Pennsylvania Public Utility Commission  
in the above-captioned proceeding.

Prosecutor(s) for the Office of Trial Staff,  
in addition to the undersigned, will be:

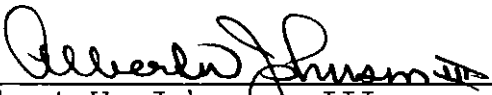
Kandace F. Melillo

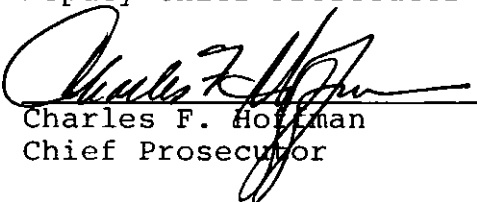
All service on and communications to the Office  
of Trial Staff in this proceeding should be addressed to:

Kandace F. Melillo, Esquire  
Prosecutor, Office of Trial Staff  
Pa. Public Utility Commission  
210 North Office Building  
Post Office Box 3265  
Harrisburg, PA 17105  
(717) 787-1976

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Albert W. Johnson, III  
Deputy Chief Prosecutor

  
Charles F. Hoffman  
Chief Prosecutor

Date: August 6, 1992

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document(s), either personally, by FAX and/or by first class mail, upon the persons addressed below:

Honorable George M. Kashi  
Administrative Law Judge  
Pa. Public Utility Commission  
G08 North Office Building  
Post Office Box 3265  
Harrisburg, PA 17105-3265

Scott Burnside, Vice President  
Regulatory and Public Affairs  
Commonwealth Telephone Company  
100 Lake Street  
Dallas, PA 18612

Mark A. Keffer, Attorney  
AT&T Communications of PA  
Room 3A2  
3201 Jermantown Road  
Fairfax, VA 22030-2885

Phillip F. McClelland, Assistant  
Consumer Advocate  
Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

Norman James Kennard, Esquire  
John M. Quain, Esquire  
Tucker Arensberg, P.C.  
116 Pine Street, Suite 403  
Harrisburg, PA 17101

John D. Filipowicz, Counsel  
Commonwealth Telephone Company  
46 Public Square  
Post Office Box 3000  
Wilkes-Barre, PA 18703-3000

Bernard A. Ryan, Jr., Esquire  
Small Business Advocate  
Office of Small Business Advocate  
City Towers Building, Suite 500B  
301 Chestnut Street  
Harrisburg, PA 17101

*Kandace F. Melillo*

Kandace F. Melillo

Prosecutor - Office of Trial Staff  
Pennsylvania Public Utility Commission

Date: August 6, 1992  
I-00920020, R-00922205

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

AT&T Communications of  
Pennsylvania, Inc.

Complainant

v.

Commonwealth Telephone Company

Respondent

Docket No. I-920020CO01

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PREHEARING MEMORANDUM OF  
AT&T COMMUNICATIONS OF PENNSYLVANIA, INC.

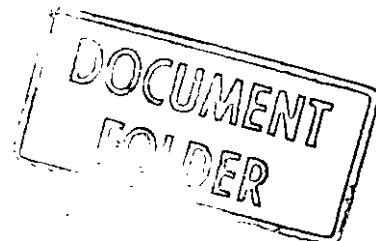
Pursuant to the July 23, 1992, Notice of Prehearing Conference, AT&T submits the following information for the prehearing conference:

IDENTIFICATION OF ISSUES:

1. Commonwealth should be required to establish access charges that reflect Commonwealth's underlying costs of providing access services. Commonwealth's access charges should be moved substantially closer to costs in this case.
2. Commonwealth should be required to provide state-specific incremental cost studies and fully distributed cost studies for its intrastate access services, so that the Commission will be able to (a) identify the earnings being generated by Commonwealth's access services, and (b) establish appropriate access charges for Commonwealth.
3. The subsidy being generated by Commonwealth's Carrier Common Line Charge should be reduced to a level no higher than that reflected by Subscriber Line Usage (SLU) for access services applied to Commonwealth's Non-Traffic Sensitive costs.
4. Commonwealth's Carrier Common Line Charge should be capped in a manner similar to the revenue caps developed for Bell of PA and GTE.

**DOCKETED**

AUG 14 1992



WITNESS (ES) AND SCOPE OF TESTIMONY

AT&T will introduce testimony of Christopher J. Rozycki, AT&T Manager - Access Pricing, to address access-related issues, including the relationships between Commonwealth's access rates and the company's underlying costs of providing access services. AT&T reserves the right to introduce other witnesses as necessary to respond to additional issues that may be raised by the parties and that involve AT&T's interests.

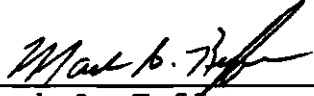
EVIDENCE

AT&T's evidence will consist of its testimony and accompanying exhibits. Much of the information AT&T intends to present will be derived from Commonwealth's responses to AT&T's discovery.

Respectfully submitted,

AT&T COMMUNICATIONS  
OF PENNSYLVANIA, INC.

By its attorney

  
\_\_\_\_\_  
Mark A. Keffer  
3201 Jermantown Road  
Fairfax, Virginia 22030  
(703) 359-4086

August 6, 1992

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

**DOCKETED**  
AUG 14 1992

Pennsylvania Public :  
Utility Commission :  
:  
:  
:  
v. :  
:  
:  
Commonwealth Telephone :  
Company :

Docket No. CI-00920020  
R-00922313

RECEIVED

AUG 11 1992

IRLS

SEC. OF  
Public Utility Commission

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PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. §333, and in response to the prehearing conference notice issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. ISSUES AND SUB-ISSUES

The OCA hereby presents a list of issues and sub-issues which it anticipates will be included in its investigation of Commonwealth Telephone Company. It is anticipated that other issues may arise and may be pursued once the answers to all of OCA's interrogatories have been received and analyzed.

OCA has served one set of interrogatories to date. OCA

has not received any answers to that discovery request. As soon as the OCA has received answers to its discovery, and has had the opportunity to review the answers to the interrogatories, it is anticipated that further requests for discovery may occur. As such discovery takes place, the OCA will then be able to narrow the scope of additional information requests. Once the discovery process has been completed, the OCA will be prepared to file direct testimony which will set forth the specific issues to be addressed in this proceeding. At that time the OCA will also be able to make and to quantify its specific recommendations.

The Commission has indicated its intent in this proceeding to review the earnings of Commonwealth. Orders of April 8, 1992 and July 9, 1992 at Docket No. I-00920020. In its most recent Order, it has indicated its intent to review utility financial data in order to determine whether the Commonwealth STAS increase will result in just and reasonable rates. Order of June 4, 1992 at 1. In its Order of June 4, the Commission has also made note of increases in Commonwealth's affiliated transaction fees and determined that it requires "detailed information" about such increases. Id. at 2. The Commission has also indicated that the parties should not view any expense item in isolation and indicated its desire to explore "all relevant adjustments that impact earnings." Thus, OCA submits that the PUC has determined to exercise its powers to investigate the financial conditions of Commonwealth, generally, and the rates and practices of Commonwealth with regard to its affiliate payments specifically. Accordingly, the OCA proposes to conduct discovery in this case and

provide the type of information which the Commission has requested. To the extent that this information indicates that the rates of Commonwealth, including the STAS, is in excess of a just and reasonable level, the OCA may propose rate reductions, or other actions, to resolve these issues. The following list sets forth the issues at this time that OCA anticipates it may raise.

A. Affiliated Transactions

1. Management Service Fees. Review the level of management service fees and whether such fees are appropriate pursuant to the Commission's authority in Chapters 3, 13 and 21 of the Public Utility Code.

2. All other affiliate transactions. Review the level of all other affiliate transactions to determine whether such transactions are appropriate pursuant to the Commission's authority in Chapters 3, 13 and 21 of the Public Utility Code.

3. C-TEC Corporate Organization. Review the manner in which the Commonwealth Telephone Company ("Commonwealth") parent, C-TEC, has been established and revised and the means by which the structure of C-TEC has affected the affiliate transactions and financial operations of Commonwealth.

B. Rate of Return

1. Review the rate of return earned by Commonwealth and the rate of return which would be appropriate for ratemaking purposes to be earned by Commonwealth.

B. Measures Of Value

1. Review the measures of value appropriate to use for ratemaking purposes for Commonwealth both presently and

prospectively.

C. Revenues And Expenses

1. Review the revenues and expenses, including taxes, appropriate to use for ratemaking purposes for Commonwealth both presently and prospectively.

II. WITNESSES

The OCA intends to present the testimony, as may be necessary, of the following witnesses in this proceeding. Each witness will present testimony in written form and will also attach various exhibits, documents, and explanatory information which will assist in the presentation of OCA's case. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be mailed directly to each of the expert witness(es) responsible for the area of the case, as well as mailing a copy to counsel for the OCA.

A. Rate of Return

Witness not yet determined, but will be provided when selected.

B. Rate Base, Revenues, Expenses, Taxes and General Accounting

Tom Catlin  
Exeter Associates  
10801 Lockwood Dr.  
Suite 350  
Silver Spring, Md. 20901

C. Affiliate Transactions

Scott J. Rafferty  
4730 Massachusetts Avenue  
Washington, D.C. 20016

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, all parties of record will be notified.

### III. SERVICE ON OCA

The OCA will be represented in this case by Assistant Consumer Advocate Philip McClelland. Two copies of all documents should be served on the OCA as follows:

Philip McClelland  
Assistant Consumer Advocate  
Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

Telephone: (717) 783-5048  
Telecopier: (717) 783-7152

Respectfully submitted,

  
Philip McClelland  
Assistant Consumer Advocate

For:  
Irwin A. Popowsky  
Consumer Advocate

Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120  
(717) 783-5048

DATED: August 6, 1992  
3198

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

**DOCKETED**

AUG 14 1992

PENNSYLVANIA PUBLIC UTILITY  
COMMISSION

RLS

v.

COMMONWEALTH TELEPHONE COMPANY

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Docket Nos. I-00920020  
R-00922313

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FOLDER

PREHEARING MEMORANDUM  
OF  
OFFICE OF TRIAL STAFF

AUG 11 1992

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TO THE ADMINISTRATIVE LAW JUDGE, THE HONORABLE GEORGE M. KASHI:

I. BACKGROUND

On April 2, 1992, the Commission initiated an investigation, at Docket No. I-00920020, into the current earnings of Commonwealth Telephone Company (Commonwealth or the Company). By Commission Order entered July 9, 1992, this earnings investigation was continued for the purposes of examining the Parent Corporation Management Service Fee expense and all related affiliated interest charges. Following that analysis, the parties are to explore all relevant earnings information to determine whether Commonwealth's return (incorporating pro forma adjustments consistent with ratemaking principles) is reasonable in light of existing market conditions, or whether an adjustment is appropriate.

This matter was assigned to the Office of Administrative Law Judge for a Recommended Decision and the scheduling of such

further proceedings as may be necessary. The Office of Trial Staff (OTS) was directed to participate in proceedings before the Administrative Law Judge (ALJ).

On April 23, 1992, at Docket No. R-00922313, Commonwealth filed Supplement No. 23 to Tariff-Telephone Pa. P.U.C. No. 23, to become effective on July 3, 1992, for the purpose of increasing monthly charges for non-published telephone numbers and non-published numbers available through directory assistance. At Public Meeting on June 19, 1992, the Commission instituted an inquiry and investigation at the above docket to determine the fairness, reasonableness and justness of rates named in Supplement No. 23. Under authority of Section 1308(b) of the Public Utility Code, 66 Pa. C.S. §1308(b), application of the proposed rates was suspended for a period of up to six (6) months. OTS was directed to participate in this proceeding.

By letter dated June 23, 1992, Commonwealth sought to voluntarily withdraw Supplement No. 23. However, as the matter had already been referred to the Office of Administrative Law Judge for hearing and decision, the letter petition for voluntary withdrawal was assigned to an ALJ for recommended disposition.

OTS has no objection to the granting of the letter petition to voluntarily withdraw Supplement No. 23.

The prosecutor for the Office of Trial Staff (OTS) in this proceeding is Kandace F. Melillo, Esquire. All correspondence should be addressed to Ms. Melillo at the following address:

Pa. Public Utility Commission  
P.O. Box 3265

Harrisburg, PA 17105-3265  
(717) 787-1976

II. AREAS OF INQUIRY CONCERNING DOCKET NO. I-00920020

OTS intends to follow the Commission's directives concerning the scope of the investigation as contained in the Commission Order entered July 9, 1992. First, OTS will focus upon the Parent Corporation Management Service Fee expense and all related affiliated interest charges. Following that analysis, OTS will examine Commonwealth's earnings information to determine whether Commonwealth's return (incorporating pro forma adjustments consistent with ratemaking principles) is reasonable in light of existing market conditions, or whether an adjustment is appropriate. Since the Commission specifically mentioned an adjustment in return as a possibility if Commonwealth's return is determined to be unreasonable, the Commission does consider a rate rollback to be within the scope of this proceeding. OTS emphasizes that the Public Utility Code at 66 Pa. C.S. §§315(a) and (d) unequivocally places the burden of proof on the Company to demonstrate that its current earnings are not excessive.

III. OTS WITNESSES CONCERNING DOCKET NO. I-00920020

Sections 331(a) and 1309 of the Public Utility Code, 66 Pa. C.S. §§331(a) and 1309, require that parties to be affected by a Commission Order be provided an opportunity to be heard. In the event hearings are scheduled in this matter, the party with the burden of proof (the Company) should be required to prefile its

direct testimony first. All other parties should then be given a reasonable period of time for discovery prior to the commencement of hearings. At these hearings OTS may call any or all of the following witnesses:

Malcolm Maguire (Revenue and Expenses)  
Fixed Utility Financial Analyst

Charles Weakley (Revenue and Expenses)  
Fixed Utility Financial Analyst

Alan Korn (Revenue and Expenses)  
Fixed Utility Financial Analyst

Timothy Wallick (Revenue and Expenses)  
Fixed Utility Financial Analyst Supervisor

Michael Gruber (Rate Base)  
Fixed Utility Valuation Engineer Supervisor

Gary Yocca (Rate Structure)  
Fixed Utility Financial Analyst Supervisor

Andrew R. O'Donnell (Rate of Return)  
Fixed Utility Financial Analyst Supervisor

Donald H. Muth (Taxes)  
Fixed utility Financial Analyst Manager

Paul Yarolin (Cost of Service)  
Fixed Utility Valuation Engineer

In addition to the direct testimony and exhibits of OTS witnesses and cross-examination of parties opponent, OTS intends also to rely upon the answers to data requests and interrogatories and other Commission filings, general financial market information sources, and other public documents and reports.

OTS reserves the right to call additional witnesses or delete witnesses listed above. The listing above is provided

without the benefit of complete discovery, or analysis of the positions of all parties to this proceeding.

The setting of a hearing schedule is premature at this time. OTS is in agreement with the suggestion of other parties that a second prehearing conference be scheduled within thirty (30) days to assess the progress of the investigation. At that time the parties may be in a better position to ascertain whether the scheduling of hearings is necessary.

#### IV. DISCOVERY

The OTS and the OCA have commenced discovery but at this early date no answers have yet been received. Due to the scope of this proceeding as established by the Commission, wherein all relevant earnings information (incorporating pro forma adjustments consistent with ratemaking principles) is to be explored to determine whether Commonwealth's current return is reasonable, OTS contemplates the need for much of the information required to be filed under the Commission's base rate filing requirements. This information is particularly vital since telephone companies have not been required to file Annual REports with the Commission since approximately 1985.

Since this investigation concerns rates (and could result in a rate rollback), the Commission's discovery regulations at 52 Pa. Code §5.342(d) require interrogatory responses to be provided within fifteen (15) days. However, as this proceeding is not constrained by the statutory deadlines contained in Sections

1308(b) and (d) of the Public Utility Code, 66 Pa.C.S. §§1308(b) and (d), OTS would not be adverse to a slight modification of the discovery regulations to provide for a twenty (20) day response time.

Respectfully submitted,

*Kandace F. Melillo*

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Kandace F. Melillo, Esquire  
Prosecutor

Office of Trial Staff (OTS)  
Pennsylvania Public Utility  
Commission

Dated: August 6, 1992

PAY

DOCKET NO. I-00920020, R099922313

CASE NAME PA PUC v. Commonwealth

Telephone Company

HEARING LOCATION Harrisburg

HEARING DATE August 6, 1992

ALJ Kashi

CHECK THOSE BLOCKS WHICH APPLY:

Hearing held YES  NO

Testimony taken YES  NO

Hearing concluded YES  NO

Further hearing needed YES  NO

Estimated add'l days \_\_\_\_\_

RECORD CLOSED YES  NO

Date \_\_\_\_\_

Briefs to be filed YES  NO

Date \_\_\_\_\_

BENCH DECISION YES  NO

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AUG 10 1992

Office of A. L. J.  
Public Utility Commission

RLS

DOCKETED

AUG 13 1992

REMARKS: Pre hearing Conference

Parties' plans to motion by

Company regarding scope of proceedings

on 8/17/92

NAMES, ADDRESSES AND TELEPHONE NUMBERS OF PARTIES OR COUNSEL OF RECORD

PLEASE PRINT CLEARLY

INCOMPLETE INFORMATION MAY RESULT IN DELAY OF PROCESS

NAME and TELEPHONE NUMBER	ADDRESS	APPEARING FOR
Philip McClelland Telephone No. (717) 783-5048	1425 Strawberry Sq. City Hbg. State Pa. Zip 17120	Office of Consumer Advocate
Kandace F. Melillo Telephone No. (717) 783 6155	Pa PUC P.O. Box 3265 City Harrisburg State PA Zip 17120	Pa PUC OTS
Mark A. Keffer Karllyn D. Stanley Telephone No. ( )	3201 Serman town Rd City Fairfax State Va Zip	AT&T

CHECK THIS BOX IF ADDITIONAL PARTIES OR COUNSEL OF RECORD APPEAR ON BACK.



Richard A. Fresh  
Reporter

NAME and TELEPHONE NUMBER	ADDRESS			APPEARING FOR
NORMAN JAMES KENNARD TUCKER ARENSBERG, PC  Telephone No. (717) 238-2900	116 Pine Street  City: HBG      State: PA      Zip: 17101			Commonwealth Telephone Company
Telephone No. (      )	City      State      Zip			
Telephone No. (      )	City      State      Zip			
Telephone No. (      )	City      State      Zip			
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AUG 17 1992

OFFICE OF CONSUMER ADVOCATE  
1425 Strawberry Square  
Harrisburg, Pennsylvania 17120

Public Utility Commission  
SECRETARY'S BUREAU  
Information Control Division

IRWIN A. POPOWSKY  
Consumer Advocate

(717) 783-5048

DOCUMENT  
FOLDER

ORIGINAL

August 17, 1992

John G. Alford, Secretary  
PA Public Utility Commission  
Room G-18, North Office Bldg.  
Harrisburg, PA 17120

Re: Pennsylvania Public Utility  
Commission

v.

Commonwealth Telephone Company  
Docket No. I-00920020

RLS

Dear Secretary Alford:

Enclosed please find for filing an original and 3 copies of the Office of Consumer Advocate's Response in the above-captioned proceeding.

Copies have been served upon all parties of record as shown on the attached Certificate of Service.

Sincerely,

Philip F. McClelland  
Assistant Consumer Advocate

Enclosures  
cc: All parties of record

ORIGINAL

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

AUG 17 1992

PENNSYLVANIA PUBLIC  
UTILITY COMMISSION

v.

COMMONWEALTH TELEPHONE  
COMPANY

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Docket No. I-00920020:  
R-00922313

AUG 20 1992

OFFICE OF CONSUMER ADVOCATE RESPONSE  
TO THE COMMONWEALTH TELEPHONE COMPANY MOTION  
TO STRIKE OR DISMISS, WITH PREJUDICE THE COMPLAINT  
OF AT&T COMMUNICATIONS OF PENNSYLVANIA, INC.

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FOLDER

NOW COMES, the Office of Consumer Advocate, ("OCA") to respond to the Commonwealth Telephone Company ("Commonwealth") Motion to Strike or Dismiss, with Prejudice, the Complaint of AT&T Communications of Pennsylvania, Inc. ("AT&T"). The OCA will respond to this Motion only to the extent that the Motion of Commonwealth has called into question certain basic considerations as to the scope of the ratemaking issues to be addressed in this proceeding. The OCA will not offer a position on certain particular rate structure issues raised by the AT&T Complaint and the Commonwealth Motion. Accordingly, the OCA states as follows:

1. Admitted.
2. Admitted.
3. The OCA has no knowledge as to the facts averred and is unable to either admit or deny such averments.

4. Admitted in part and denied in part. It is admitted that the PUC has directed that:

"a further investigation into the appropriateness of Commonwealth's affiliated transactions, in particular the Parent Corporation Management Service Fees, is warranted consonant with Section 331(a) of the Public Utility Code, 66 Pa.C.S. § 331(a). Therefore, we conclude that it is necessary for us to obtain additional detailed information about this increase as well as the total annual payment of Management Service Fees by Commonwealth to its parent corporation."

Order of July 9, 1992 at 2. This provision of the Order clearly indicates that this investigation is to examine the Management Service Fees paid by Commonwealth as well as all of its other affiliated transactions.

It is denied that a review of Commonwealth's earnings is only to be undertaken after a review of Commonwealth's affiliated transactions has been completed. It is denied that an earnings review should be in any sense contingent upon the findings of an affiliated transactions review as the PUC has clearly indicated that the parties will have the opportunity to present all adjustments related to earnings. Id. at 2. It is denied that earnings adjustments may not even be an issue in this proceeding based upon the clear provisions of the Order concerning the presentation of these adjustments. Id.

It is denied that the PUC has not indicated that it is considering revising Commonwealth's rates. The OCA is without knowledge as to how Commonwealth has determined that its "basic

local rates are among the lowest in the Commonwealth" and is unable to either admit or deny such averments.

The OCA contends that the PUC has not attempted to narrowly constrain the scope of this proceeding as Commonwealth now attempts. The PUC has specifically indicated that the PUC should review financial data submitted by utilities to determine whether the State Tax Adjustment Surcharge ("STAS") rate increase, which occurred in 1991 for Commonwealth as well as many other utilities, will result in "unjust and unreasonable" rates. Id. at 1. The PUC has admonished that ratemaking issues must be reviewed in an integrated fashion and that "[r]atemaking principles resist examining an isolated expense item without considering other relevant adjustments that may impact earnings." Id. at 2. The PUC has emphasized the comprehensive nature of this proceeding, and directed that the parties should explore all relevant earnings information and the Commonwealth return - including "pro forma adjustments consistent with ratemaking principles" - and "[t]hat this means that Commonwealth as well as other parties will be able to present all relevant adjustments that impact earnings (in addition to any potential affiliates expense adjustment)." Id. Under the Commonwealth proposal that this proceeding should be segmented into an examination of issues related to earnings, which is entirely contingent upon a review of its affiliated transactions, the promise that all parties will be able to present all relevant adjustments including those unrelated to affiliate expense would not be fulfilled.

It appears that Commonwealth misinterprets the PUC's direction that "[t]he parties should focus initially on the affiliated transactions expenses . . . and the ALJ should make specific findings [related to such expenses] . . . ." and "[t]hen the parties should explore all relevant earnings information . . . ." Id. The OCA submits that, in view of the PUC's express direction to proceed in an integrated fashion and allow "all relevant adjustments that impact earnings" to be presented in this case, this direction, as to the parties' focus in the proceeding, is more a matter of emphasizing the particular importance of the affiliate transactions rather than any means of postponing or excluding earnings review. Id. In any event, the PUC has clearly indicated that earnings should be reviewed in this proceeding regardless of the results of any affiliated transaction analysis.

5. a. The OCA takes no position as to the manner in which AT&T has sought to consolidate its complaint with this action.

b. The OCA takes no position as to whether the AT&T complaint should be consolidated with this proceeding.

c. Admitted in part and denied in part. It is denied that this PUC initiated proceeding is not a legally permissible vehicle by which to revise Commonwealth rates. It is denied that the PUC has cited § 331 as a means of limiting its legal authority in this case or that the PUC is not permitted to revise rates through a § 331 proceeding. 66 Pa.C.S. § 331. It is denied that § 331 may only be used for

a "'fact finding' proceeding." Id. It is admitted that a § 1309 proceeding is another means which may be used to reduce rates and that "reasonable notice" is required by that section.

The discussions contained within the Show Cause Orders are as stated in those Orders and require no response. It is denied that the Order of July 9 contains no allegation of overearning and that this case is in "[c]omplete contrast" to the other Show Cause Orders.

The PUC has indicated that the parties should review the financial condition of Commonwealth to determine if rates are "unjust and unreasonable" as follows:

It is incumbent upon us to review the financial data submitted by the utilities[, including Commonwealth,] in order to determine whether the STAS increase will result in unjust and unreasonable rates.

. . . .

Then the parties should explore all relevant earnings information to determine whether Commonwealth's return (incorporating pro forma adjustments consistent with ratemaking principles) is reasonable in light of existing market conditions, or whether an adjustment is appropriate.

Order of July 9, 1992 at 1-2. This discussion clearly indicates the intent of the Commission to determine if Commonwealth's rate of return on a pro forma basis is excessive and should be reduced through a reduction in rates.

OCA notes that the PUC has indicated that an investigation in this case "is warranted consonant with

Section 331(a)." Id. at 2. OCA interprets this to mean that the PUC has initiated this proceeding consistent with the powers conferred explicitly by § 331(a) but is not necessarily limited to the powers conferred by that Section. Moreover, the powers of § 331(a) are quite broad indicating that the PUC may "investigate and examine the condition and management of any public utility." 66 Pa.C.S. § 331(a). There is no restriction against using such an investigation as a vehicle whereby rates may be reduced which may also be done under the more explicit provisions of § 1309. 66 Pa.C.S. § 1309. The Public Utility Code also provides that: "The express enumeration of the powers of the commission in this part shall not exclude any power which the commission would otherwise have under any of the provisions of this part." 66 Pa.C.S. § 501(a). Thus, OCA argues that the PUC may use this investigation to reduce rates through a § 331(a) proceeding even though they have not cited the powers more explicitly conferred by § 1309 in its Order. 66 Pa.C.S. §§ 331(a), 1309. On matters such as these the "substance and not the form of Commission action is controlling." Department of Highways v. Pa. PUC, 189 Pa. Super. 111, 117, 149 A.2d 552, 555 (1959). Moreover, the PUC has clearly indicated its intent in the Order of July 9, 1992 to determine whether rate adjustments should be made and, by doing so, has not limited this case to fact finding.

OCA submits that the PUC may use a Commission initiated investigation to apply the results of that investigation to

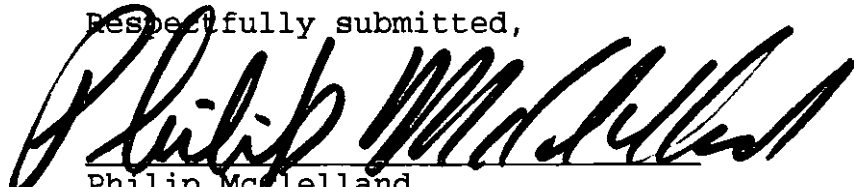
reduce rates. See, for example, Investigation of the Reasonableness of the Cost of Quarto Coal for Duquesne Light Company and Pennsylvania Power Company, Docket No. I-80120343, Order of December 20, 1983 at 2, 8 (PUC took action in that investigation to limit the amount of Quarto coal related costs that could be passed through to ratepayers through the Duquesne and Penn Power Energy Cost Rates), aff., Duquesne Light Co. v. Pa. PUC, 96 Pa. Cmwlth. 398, 507 A.2d 1274 (1986).

As the OCA has indicated above, it is apparent upon the face of the PUC Order of July 9, 1992 that the PUC wishes to use this proceeding to gather information concerning the affiliated transactions of Commonwealth and its present earnings, submit this information in the form of pro forma ratemaking adjustments, and adopt these adjustments to reduce the rates of Commonwealth if found to be appropriate. Nonetheless, Commonwealth has complained that it lacks notice in this proceeding that the Commission intends to revise the rates of Commonwealth. Com. Mot., ¶ 2. Notwithstanding the PUC's clear determination as to the scope of its Order in this regard, OCA believes that it would be appropriate in the Order ruling upon the Commonwealth Motion to clearly indicate that the Commission may apply any pro forma adjustments submitted in this case to revise the rates of Commonwealth if such adjustments are found to be reasonable.

6. OCA takes no position as to whether the AT&T Complaint can be amended so as to be within the scope of this investigation.

WHEREFORE, the Office of Consumer Advocate requests that Administrative Law Judge Kashi dismiss the Motion of Commonwealth as to the issue of whether the Commission may revise the rates of Commonwealth in this proceeding and also provide notice to Commonwealth that the Commission may revise the rates of Commonwealth if it is determined through this proceeding that the present level of rates are unjust and unreasonable.

Respectfully submitted,



Philip McLelland  
Assistant Consumer Advocate

FOR:  
Irwin A. Popowsky  
Consumer Advocate

Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120  
(717) 783-5048

DATED: August 17, 1992  
3198

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission  
v.  
Commonwealth Telephone Company  
Docket No. I-00920020

I hereby certify that I have this day served a true copy of the foregoing document, Office of Consumer Advocate's Response to Motion to Strike or Dismiss, with prejudice the Complaint of AT&T Communications, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 17th day of August, 1992.

SERVICE IN PERSON

Kandace F. Melillo  
PA Public Utility Commission  
Room 210, North Office Bldg.  
Harrisburg, PA 17120

Hon. George M. Kashi  
Administrative Law Judge  
PA Public Utility Commission  
Room G-08A, North Office Bldg.  
Harrisburg, PA 17120

SERVICE BY FIRST CLASS MAIL, POSTAGE PREPAID

Norman J. Kennard, Esq.  
116 Pine Street  
Harrisburg, PA 17101

Mark A. Keffer, Esq.  
AT&T  
Room 3A2  
3201 Jermantown Road  
Fairfax, VA 22030

Scott Burnside  
Revenue & Public Affairs  
Commonwealth Telephone Co.  
100 Lake Street  
Dallas, PA 18612

Counsel For:

Office of Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120  
(717) 783-5048

  
Philip F. McClelland  
Assistant Consumer Advocate

RLS

COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265  
November 21, 1992

In Re: I-00920020

(See letter of 8/4/92)

I-00920020 Pennsylvania Public Utility Commission  
v.  
Commonwealth Telephone Company

Assessment of the impact of significant increase in certain  
operating expenses on the common equity return rate.

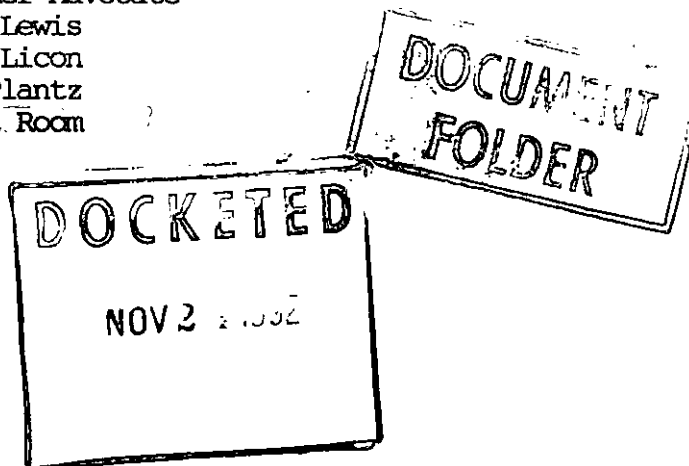
NOTICE

This is to inform you that a prehearing conference on the above  
captioned case will be held Tuesday, December 29, 1992 at 10:00 a.m. in an  
available hearing room, Ground Floor, North Office Building, North Street  
and Commonwealth Avenue, Harrisburg, Pennsylvania.

The presiding officer in this proceeding is Administrative Law Judge  
George M. Kashi. Judge Kashi can be contacted at P.O. Box 3265, Harrisburg,  
Pennsylvania 17105-3265; telephone (717) 783-5452.

cc: Judge Kashi  
John Frazier - PIO  
Bur. of Safety/Compliance  
Law Bureau  
Consumer Advocate  
Norma Lewis  
Susan Licon  
Beth Plantz  
Docket Room

Certified Mail  
Receipt Requested



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Public Utility Commission  
SECRETARY'S BUREAU  
Information Control Division



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

December 18, 1992

IN REPLY PLEASE  
REFER TO OUR FILE

All Parties of Record

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DEC 21 1992

SECRETARY'S OFFICE  
Public Utility Commission

RLS

Re: Pennsylvania Public Utility Commission v.  
Commonwealth Telephone Company  
Docket No. I-00920020

Dear Sir or Madam:

Chairman Rolka has asked that the record be developed to address the following questions.

1. My understanding is that Commonwealth Telephone Company has a long distance subsidiary, and that both companies provide toll service. What is the name of the long distance subsidiary? Does the long distance subsidiary provide both intraLATA and interLATA toll service? Does Commonwealth Telephone provide both intraLATA and interLATA toll service? What do the relevant tariff provisions of Commonwealth Telephone prescribe, in terms of its provision of intraLATA and interLATA toll service? Has the Pa. PUC issued a certificate of public convenience to the long distance subsidiary?
2. Does Commonwealth Telephone have equal access for interLATA toll service in some or all of its territory?
3. When a customer applies for service with Commonwealth Telephone, which company--Commonwealth Telephone or its long distance subsidiary, provides intraLATA toll service? Which company provides interLATA toll service?
4. Are Commonwealth Telephone service representatives who assist customers in applying for service promote or encourage customers to sign up with the long distance subsidiary for toll service?

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All Parties of Record  
December 18, 1992  
Page Two

5. Are Commonwealth Telephone Company's switches programmed to distinguish between calls placed with Commonwealth Telephone and calls placed with the long distance subsidiary?
6. Are Commonwealth Telephone Company's payphones programmed to use Commonwealth Telephone for: (a) intraLATA toll; (b) interLATA toll? Are Commonwealth Telephone Company's payphones programmed to use Commonwealth Telephone's long distance subsidiary for: (a) intraLATA toll; (b) interLATA toll?
7. Are Commonwealth Telephone Company's payphones programmed to enable customers to dial-around the presubscribed carrier and to enable customers to reach their carrier of choice?
8. Does Commonwealth Telephone Company incur country club costs either associated with dues or other activities, and if so, are these costs booked above or below the line?

Very truly yours,

  
George M. Kashi  
Administrative Law Judge

GMK/ad