

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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January 19, 2018

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17101

Re: Verizon Pennsylvania LLC 2017 Price
Change Opportunity Filing
Docket No. R-2017-2632523
Office of Small Business Advocate v.
Verizon Pennsylvania LLC
Docket No. C-2017-2633476

Dear Secretary Chiavetta:

Attached for electronic filing, please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,

/s/ Barrett C. Sheridan
Barrett C. Sheridan
Assistant Consumer Advocate
PA Attorney I.D. #61138
E-Mail: BSheridan@paoca.org

Enclosures:

cc: Honorable Joel Cheskis
Honorable Andrew Calvelli
Certificate of Service

*243356

CERTIFICATE OF SERVICE

Re: Verizon Pennsylvania LLC :
2017 Price Change Opportunity Filing : Docket No. R-2017-2632523
: :
Office of Small Business Advocate v. : Docket No. C-2017-2633476
Verizon Pennsylvania LLC :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Prehearing Memorandum, 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 19th day of January 2018.

SERVICE BY E-MAIL and INTEROFFICE MAIL

Richard A. Kanaskie
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
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900 Race Street, 6th Floor
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Verizon
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/s/ Barrett C. Sheridan
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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Verizon Pennsylvania LLC
2018 Price Change Opportunity Filing : Docket No. R-2017-2632523

Office of Small Business Advocate v.
Verizon Pennsylvania LLC : Docket No. C-2017-2633476

**PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE**

Pursuant to Section 333 of the Public Utility Code, 66 Pa.C.S. §333, and the Prehearing Order of Administrative Law Judges Joel H. Cheskis and Andrew M. Calvelli dated January 10, 2018, the Pennsylvania Office of Consumer Advocate (OCA) hereby submits this Prehearing Memorandum:

I. PROCEDURAL HISTORY

On November 1, 2017, Verizon Pennsylvania LLC (Verizon PA) filed with the Commission a 2018 Price Change Opportunity (PCO) pursuant to the Price Stability Mechanisms (PSM) set forth in Verizon PA's Chapter 30 Plan. Per Verizon PA's Chapter 30 Plan, Verizon PA's calculated allowed annual revenue increase is \$1,257,000. Verizon PA proposes to increase residential basic local service rates by \$0.20 per month and increase business dial tone rates between \$0.80 and \$2.55 per month and the minimum business late payment fee.

After preliminary review of the materials filed by Verizon PA in support of its 2018 PCO filing and proposed tariff changes, the Office of Small Business Advocate (OSBA) filed a Formal Complaint on November 13, 2017. In its Formal Complaint, the OSBA averred that the materials filed in support of the PCO filings may be insufficient to justify the proposed rate increases, and that the proposed rates, rules, and conditions of services may be unjust, unreasonable, unduly discriminatory, and otherwise contrary to law as they pertain to Verizon PA's small business customers. OSBA further averred that the proposed rate changes for Verizon PA's business customers may violate Section 1301 and 3015(g) of the Public Utility Code.

Verizon PA filed an Answer to the OSBA Formal Complaint on November 27, 2017.

On December 21, 2017, the OCA filed a Notice of Intervention and Public Statement formally entering the proceedings involving OSBA's Formal Complaints. The OCA determined that the OSBA has raised important issues in its Formal Complaints and intervened into the proceeding to protect the interest of the Companies' residential consumers.

On December 21, 2017, the Commission issued an Order which allowed Verizon PA to implement the revenue increase, pending adjudication of the OSBA formal complaint and subject to refund.

On January 5, 2018, the Commission sent Notice of an Initial Pre-hearing Conference for January 26, 2018 before Administrative Law Judges Joel H. Cheskis and Andrew M. Calvelli. On January 10, 2018, the ALJs issued a Prehearing Conference Order directing the parties, among other things, to prepare and distribute a prehearing memo. In response to the Prehearing Conference Order, the OCA submits as follows:

II. ISSUES

The OCA has identified the following list of issues:

1. Whether the rates charged by Verizon PA are just and reasonable and in accordance with all applicable laws, including any banked amounts;
2. Whether Verizon PA's PCO filing is consistent with the Verizon PA's Chapter 30 plan as well as applicable precedent;
3. Whether Verizon PA's proposed increases for non-competitive services will result in rates which are just and reasonable; and

The OCA reserves the right to address or respond to whatever issues may be raised by other parties in this proceeding. The OCA intends to participate in this investigation. If any additional issues arise as a result of this investigation, the OCA will address them at that time.

III. WITNESSES

The OCA's consultant and expert witness in this proceeding is Dr. Robert Loube. Dr. Loube's contact information is:

Robert Loube
Vice President
Rolka Loube
10601 Cavalier Drive
Silver Spring, MD 20901

Tel. 301 681-0338
Fax 301 681-0339

bobloube@earthlink.net

Dr. Loube will address the issues articulated above as well as any other issues that may arise throughout this proceeding. In order to expedite the resolution of this proceeding, the OCA

requests that copies of all interrogatories, testimony, and answers to interrogatories be served directly upon Dr. Loube, both in electronic and hard copy form, in addition to serving a copy of such documents on counsel for the OCA.

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the 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.

IV. PROPOSED SCHEDULE

The OCA will cooperate with the ALJ and other parties in establishing a schedule for this proceeding.

V. MISCELLANEOUS

The OCA will be represented in this case by Assistant Consumer Advocate Barrett C. Sheridan. The OCA requests one copy of all documents be served on the OCA as follows:

Barrett C. Sheridan, Assistant Consumer Advocate
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VI. SETTLEMENT

The OCA is amenable to settlement discussions and will participate in such settlement discussions as may be scheduled or convened by the parties.

Respectfully Submitted,



Barrett C. Sheridan
Assistant Consumer Advocate
PA Attorney I.D. # 61138
E-Mail: BSheridan@paoca.org

Counsel for:
Tanya J. McCloskey
Acting Consumer Advocate

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January 19, 2018
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