

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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January 22, 2021

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Verizon Pennsylvania LLC
2019 Price Change Opportunity Filing
Docket No. R-2018-3005792

Office of Consumer Advocate

v.

Verizon Pennsylvania LLC
Docket No. C-2018-3005972

Office of Small Business Advocate

v.

Verizon Pennsylvania LLC
Docket No. C-2018-3006035

Verizon North LLC
2019 Price Change Opportunity Filing
Docket No. R-2018-3005793

Office of Consumer Advocate

v.

Verizon North LLC
Docket No. C-2018-3005977

Office of Small Business Advocate

v.

Verizon North LLC
Docket No. C-2018-3006040

Verizon Pennsylvania LLC
2020 Price Change Opportunity Filing
Docket No. R-2019-3014032

Rosemary Chiavetta, Secretary
January 22, 2021
Page 2

Office of Consumer Advocate
v.
Verizon Pennsylvania LLC
Docket No. C-2019-3014285

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Motion to Suspend the Procedural Schedule in the above-referenced proceedings.

Copies have been served per the attached 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: The Honorable Dennis J. Buckley (**email only**)
The Honorable Joel H. Cheskis (**email only**)
Certificate of Service

*302897

CERTIFICATE OF SERVICE

Re: Verizon Pennsylvania LLC	:	
2019 Price Change Opportunity Filing	:	Docket No. R-2018-3005792
	:	
Office of Consumer Advocate	:	
v.	:	
Verizon Pennsylvania LLC	:	Docket No. C-2018-3005972
	:	
Office of Small Business Advocate	:	
v.	:	
Verizon Pennsylvania LLC	:	Docket No. C-2018-3006035
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Verizon North LLC	:	
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Office of Small Business Advocate	:	
v.	:	
Verizon North LLC	:	Docket No. C-2018-3006040
	:	
Verizon Pennsylvania LLC	:	
2020 Price Change Opportunity Filing	:	Docket No. R-2019-3014032
	:	
Office of Consumer Advocate	:	
v.	:	
Verizon Pennsylvania LLC	:	Docket No. C-2019-3014285

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Motion to Suspend the Procedural Schedule, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 22nd day of January 2021.

SERVICE BY E-MAIL ONLY

Steven C. Gray, Esquire
Office of Small Business Advocate
555 Walnut Street
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Harrisburg, PA 17101-1923

Susan D. Paiva, Esquire
Verizon
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/s/ Barrett C. Sheridan
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Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: January 22, 2021
*302881

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Verizon Pennsylvania LLC 2019 Price Change Opportunity Filing	:	Docket No. R-2018-3005792
Office of Consumer Advocate v. Verizon Pennsylvania LLC	:	Docket No. C-2018-3005972
Office of Small Business Advocate v. Verizon Pennsylvania LLC	:	Docket No. C-2018-3006035
Verizon North LLC 2019 Price Change Opportunity Filing	:	Docket No. R-2018-3005793
Office of Consumer Advocate v. Verizon North LLC	:	Docket No. C-2018-3005977
Office of Small Business Advocate v. Verizon North LLC	:	Docket No. C-2018-3006040
Verizon Pennsylvania LLC 2020 Price Change Opportunity Filing	:	Docket No. R-2019-3014032
Office of Consumer Advocate v. Verizon Pennsylvania LLC	:	Docket No. C-2019-3014285

**MOTION OF THE
OFFICE OF CONSUMER ADVOCATE
TO SUSPEND THE PROCEDURAL SCHEDULE**

Pursuant to Sections 5.103 and 1.15 of the Pennsylvania Public Utility Commission's (Commission) regulations, 52 Pa. Code §§ 5.103, 1.15, the Office of Consumer Advocate (OCA) respectfully requests that the Presiding Officer, Administrative Law Judge Dennis J. Buckley

grant this Motion and suspend the Procedural Schedule agreed to by the Parties and accepted by ALJ Buckley as of October 5, 2020 in the matter of Verizon Pennsylvania, LLC's (Verizon PA) and Verizon North LLC's (Verizon North) respective contested 2019 Price Change Opportunity (PCO) filings. Verizon PA, Verizon North (collectively, Verizon) have indicated that Verizon does not oppose this motion. The Office of Small Business Advocate (OSBA) has indicated that it supports this motion.

The OCA submits that good cause exists to grant this Motion pursuant to Section 1.15. Section 1.15(b) permits the filing of a motion for extension of time in which to perform an act required or allowed to be done within a specified time set by the presiding officer. 52 Pa. Code § 1.15(b). The OCA acknowledges that on October 5, 2020, ALJ Buckley issued a Cancellation Notice regarding the previously scheduled October 6, 2020 evidentiary hearing, based on the Parties' support for a specific 2021 litigation schedule. The first date under the Parties' proposed 2021 litigation schedule called for the filing of testimony by the OCA and OSBA on January 14, 2021. The OCA confirms that it did not file testimony or advise the ALJ that the OCA would not be filing testimony on January 14, 2021.

For the reasons set forth below, the OCA requests that ALJ Buckley grant an indefinite suspension of the 2021 procedural schedule agreed to by the Parties on October 5, 2020.

Procedural History

1. By Secretarial Letter issued March 2, 2018, the Commission initiated an investigation to determine the effects of the Tax Cuts and Jobs Act (TCJA) on Pennsylvania incumbent local exchange carriers (ILECs) for 2018 and future years. See, Tax Cuts and Jobs Act of 2017 Petition to Rescind Secretarial Letter and Discontinue Temporary Stay, Docket No. M-2018-

2641242, Order at 2-3 (Oct. 25, 2018)(October 2018 TCJA Order). The Commission noted that following its approval of ILEC Chapter 30 Plans “shortly after Chapter 30 became effective, the Commission has had no cause to review the impact of an event such as the TCJA, which by magnitude and after a more thorough review, may or may not be considered within the context of the applicable Chapter 30 price stability mechanisms.” Id. at 5.

2. On November 1, 2018, Verizon PA and Verizon North filed their separate 2019 PCO filings and proposed tariff supplements. The OCA and the OSBA filed formal complaints against the Verizon PA and Verizon North PCO filings. The OCA formal complaint addressed: a) Verizon’s omission of any adjustments for tax savings; b) Verizon PA’s compliance with the interest rate provision of Verizon PA’s Amended Chapter 30 Plan; and c) a joint proposal by Verizon PA and Verizon North to make inter-company banking adjustments as part of the 2019 PCO rate changes.

3. On December 3, 2018, Verizon PA filed Preliminary Objections to the OCA Formal Complaint and moved for judgment on the pleadings. The OCA answered and opposed Verizon PA’s preliminary objections.

4. On December 20, 2018, the Commission accepted the Verizon PA 2019 PCO filing as procedurally consistent with the Verizon PA Amended Chapter 30 Plan and allowed the proposed rate changes to take effect, subject to resolution of the related OCA and OSBA formal complaints and possible refund. (Verizon PA 2019 PCO Order). The Commission denied Verizon PA’s and Verizon North’s cross-company banking proposal.

5. On December 20, 2018, the Commission accepted the Verizon North 2019 PCO procedurally consistent with the Verizon North Amended Chapter 30 Plan, subject to resolution of the related OCA and OSBA formal complaints. The Commission denied Verizon PA’s and

Verizon North's cross-company banking proposal. The Commission directed Verizon North to file revised tariff supplements to implement the proposed revenue increase, subject to possible refund.

6. The Parties engaged in discovery in early 2019. A proposed prehearing conference for January 2019 was cancelled at the Parties' request.

7. On July 31, 2019, ALJ Buckley denied Verizon PA's preliminary objections and motion for judgment on the pleadings as moot, based upon the Commission's December 2018 Verizon PA 2019 PCO Order. The ALJ Order directed the parties to provide a status update and proposed schedule by August 16, 2019.

8. On November 1, 2019, Verizon PA submitted its 2020 PCO filing. Verizon PA proposed no change in rates. The OCA filed a formal complaint against the Verizon PA PCO filing and calculation of interest.

9. On January 16, 2020, the Commission accepted the Verizon PA 2020 PCO filing as procedurally consistent with the Verizon PA Amended Chapter 30 Plan, subject to resolution of the related OCA formal complaint and possible rate refunds.

10. The Parties engaged in further discovery in late 2019 and early 2020.

11. On August 20, 2020, the OALJ issued a notice of a telephonic evidentiary hearing scheduled for October 6, 2020.

12. On October 5, 2020, the Parties and ALJ Buckley exchanged e-mails regarding the October 6, 2020 hearing date. The Parties reported progress in settlement discussions. In lieu of the October 6, 2020 evidentiary hearing, the Parties proposed a procedural schedule commencing with pre-filed testimony by OCA and OSBA due January 14, 2021, all parties' rebuttal due March 9, 2021, surrebuttal due April 9, 2021, and evidentiary hearings tentatively April 20-21,

2021. By e-mail issued the afternoon of October 5, 2020, ALJ Buckley indicated that the hearing scheduled for October 6, 2020 would be cancelled, and that an Order would be issued adopting the proposed procedural schedule.

13. On October 5, 2020, the OALJ issued a Hearing Cancellation Notice.

14. The OCA does not have a record of an Order adopting the 2021 litigation schedule.

15. OCA counsel did not personally calendar the agreed upon 2021 litigation dates.

16. The OCA did not file testimony on January 14, 2021 pursuant to the agreed upon litigation schedule, nor did the OCA provide notice to the Presiding Officer of this fact.

17. Separate from but roughly parallel in time to these Verizon PCO proceedings, the OCA and OSBA entered into a settlement with the United Telephone Company of Pennsylvania, d/b/a CenturyLink (CenturyLink) of similar OCA complaints against CenturyLink's 2018 and 2019 Price Stability Mechanism (PSM) filings (Docket Nos. R-2018-3004019, R-2019-3012239, et al.). That Joint Petition for Approval for Settlement Agreement of the contested CenturyLink PSM filings was submitted to the OALJ and Commission in January 2020. Chief Deputy ALJ Joel H. Cheskis and ALJ Benjamin J. Myers issued a Recommended Decision on June 1, 2020 recommending rejection of the settlement (CenturyLink R.D.). The CenturyLink Settlement, R.D., and exceptions are pending before the Commission.

18. The OCA notes that there is no time requirement for Commission resolution of the CenturyLink Settlement Petition and R.D. However, the usefulness of the CenturyLink Settlement as a guide for resolution of these proceedings is unresolved.

19. The OCA believes that there is still a possibility for settlement of some or all issues in the matter of the contested Verizon PA and Verizon North PCO filings.

20. Overlaying the challenge of addressing these novel issues which concern Chapter 30 Plan language, changes in tax law, annual price change filings, and the Verizon interest calculation issue is the fact of the COVID-19 pandemic, the Governor's Disaster Proclamation, and the continued operation of Commonwealth offices by telework. The OCA submits that suspension of a procedural schedule is appropriate pursuant to the Commission's Emergency Order¹ dated March 20, 2020 related to suspension of statutory and regulatory deadlines.

21. The OCA proposes that the Parties provide the Presiding Officer with a status report every 90 days during the suspension period, during which time the Parties may continue settlement discussions and evaluate developments – if any – in the pending CenturyLink proceeding.

¹ Re: Suspension of Regulatory and Statutory Deadlines: Modification to Filing and Service Requirements, Docket No. M-2020-3019262, Emergency Order (Mar. 20, 2020, ratified Mar. 26, 2020).

WHEREFORE, the Office of Consumer Advocate respectfully submits that it has shown good cause for grant of a suspension of the 2021 litigation schedule agreed to by the Parties and accepted by the Presiding Officer on October 5, 2020.

Respectfully Submitted,

/s/ Barrett C. Sheridan

Barrett C. Sheridan

Assistant Consumer Advocate

PA Attorney I.D. # 61138

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Counsel for:

Tanya J. McCloskey

Acting Consumer Advocate

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Fax: (717) 783-7152

Dated: January 22, 2021

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Office of Consumer Advocate	:	
v.	:	
Verizon Pennsylvania LLC	:	Docket No. C-2019-3014285

VERIFICATION

I, Barrett C. Sheridan, Assistant Consumer Advocate of the Office of Consumer Advocate, hereby state that the facts above set forth 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).

DATED: January 22, 2021
*302903

Signature: /s/ Barrett C. Sheridan
Barrett C. Sheridan
Assistant Consumer Advocate
PA Attorney I.D. # 61138
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