

[Service Date February 20, 2003]

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the Review of:)	DOCKET NO. UT-023003
Unbundled Loop and Switching)	
Rates; the Deaveraged Zone)	
Rate Structure; and Unbundled)	FIFTH SUPPLEMENTAL ORDER:
Network Elements, Transport,)	PREHEARING CONFERENCE
and Termination)	ORDER; ESTABLISHING
)	PROCEDURAL SCHEDULE
)	
.....)	

1 **Prehearing Conference.** The Commission convened a prehearing conference on February 6, 2003, at Olympia, Washington before Administrative Law Judges Theodora M. Mace and Lawrence J. Berg pursuant to due and proper notice to all interested persons. The primary purpose of the conference was to address the scope of the proceeding and scheduling issues.

2 **Appearances.** The following parties appeared at the prehearing conference: Qwest Corporation (“Qwest”), by Lisa Anderl and Adam Sherr, attorneys, Seattle; Verizon Northwest Inc. (“Verizon”), by Catherine Ronis, attorney, Washington, D.C.; Covad Communications Company (“Covad”), by Brooks Harlow, attorney, Seattle; AT&T of the Pacific Northwest, Inc. (“AT&T”), Pac-West, Inc. (“Pac-West”), and XO Washington, Inc. (“XO”), by Gregory Kopta, attorney, Seattle; MCI/WorldCom (“WorldCom”) by Michel Singer-Nelson, attorney, Denver, Colorado; WeBTEK, by Arthur Butler, attorney, Seattle; Eschelon Telecom, Inc. (“Eschelon”), by Dennis Ahlers, Minneapolis, MN; Allegiance Telecom of Washington, Inc. (“Allegiance”), by Dale Dixon, attorney, Portland, Oregon; and Commission Staff, by Mary Tennyson, Senior Assistant Attorney General and Shannon Smith, Assistant Attorney General, Olympia.

- 3 **Filing and Service Requirements.** As discussed at the prehearing conference, parties must strictly comply with filing and service requirements pursuant to WAC 480-09-120 unless prior notice issues altering those requirements, including the granting of permission to parties for the filing of documents by either facsimile transmission or email attachment. Parties should request exceptions to requirements when necessary as soon as possible. Parties must file an original and 17 copies of all pleadings with the Commission. Parties may make agreements for the electronic service of pleadings that are not inconsistent with Commission rules. The Commission's longstanding practice is to request that parties submit electronic versions of pleadings via email attachment or diskette.
- 4 **Time and Motion Studies.** The parties raised several issues regarding the preparation of time and motion studies to support nonrecurring cost studies. The first issue is whether Qwest and Verizon must retain third parties to prepare time and motion studies. After listening to arguments from the parties, the ALJs ruled that prior Commission orders simply conclude that the former practice of relying on subject matter expert testimony was not acceptable and that parties must prepare verifiable time and motion studies to support nonrecurring cost studies, except under extraordinary circumstances. A verifiable methodology must be based on measured time intervals. The Commission anticipates that the preparation of time and motion studies by both Qwest and Verizon will provide some perspective regarding what constitutes valid study methodology. The Commission also believes that other parties may bring to bear expertise from within the industry and scientific communities regarding whether time and motion studies are based on valid methodology and produce verifiable and reliable data.
- 5 The second issue raised by the parties is whether prior Commission orders require parties to perform time and motion studies in support of nonrecurring costs for both ordering and provisioning elements. The ALJs took this issue under advisement, and it will be addressed in a separate interlocutory order.

6 Finally, the parties stated that they have previously discussed whether other parties would be allowed to observe the conduct of time and motion studies by Qwest and Verizon. Qwest and Verizon were unable to respond to the proposal by other parties and also requested more information. Parties interested in observing the conduct of time and motion studies were required to submit to Qwest and Verizon written statements of interest, including proposed terms and conditions, no later than February 14, 2003. Qwest and Verizon were required to respond to other parties no later than February 21, 2003. Parties must file motions regarding observation of the conduct of time and motion studies no later than February 28, 2003.

7 **Procedural Schedule.** The parties agreed to a bifurcated procedural schedule that corresponds to the bifurcated hearing schedule that was previously established in the Fourth Supplemental Order in this proceeding. Additionally, the date previously established for the filing of direct evidence was revised for both schedules.

Recurring Costs

<u>Procedural Event</u>	<u>and Other Issues</u>	<u>NRCs and OSS</u>
Direct evidence	June 26, 2003	August 7, 2003
Response evidence	September 4, 2003	October 2, 2003
Rebuttal evidence	October 16, 2003	November 13, 2003
Prehearing conference	November 21, 2003	December 30, 2003
Hearings (previously est.)	Begin December 2, 2003	Begin January 5, 2004

8 The purpose of the prehearing conferences noted above are to address prehearing motions raised by the parties and for parties to exchange cross-examination exhibits. Separate notice regarding the prehearing conferences and hearings will issue and be served to the parties later in the proceeding.

Dated at Olympia, Washington and effective this 20th day of February, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

THEODORA M. MACE
Administrative Law Judge

LARRY J. BERG
Administrative Law Judge

NOTICE TO PARTIES: Any objection to the provisions of this Order must be filed within ten (10) days after the date of mailing of this document, pursuant to WAC 480-09-460(2). Absent such objections, this prehearing conference order will control further proceedings in this matter, subject to Commission review.