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BEFORE THE WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION,)Docket UT-040788
Complainant,)Volume I
)Pages 1-33
v.)
VERIZON NORTHWEST, INC.,)
Respondent.)

A pre-hearing in the above-entitled matter was held at 1:40 p.m. on Monday, May 24, 2004, at 1300 South Evergreen Park Drive, Southwest, Olympia, Washington, before Administrative Law Judge C. ROBERT WALLIS.

The parties present were as follows:

COMMISSION STAFF, by Donald T. Trotter and Christopher G. Swanson, Assistant Attorneys General, 1400 S. Evergreen Park Drive, S.W., P.O. Box 40128, Olympia, Washington, 98504-1028.

VERIZON NORTHWEST, INC., by Judith Endejan, Attorney at Law, Graham & Dunn, Pier 70, 2801 Alaskan Way, Suite 300, Seattle, Washington 98121, and Charles Carrathers, III, Attorney at Law, 600 Hidden Ridge, Irving, Texas.

PUBLIC COUNSEL, by Simon ffitch, Assistant Attorney General, 900 Fourth Avenue, Suite 2000, Seattle, Washington 98164.

Barbara L. Nelson, CCR
Court Reporter

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1 AT&T OF THE PACIFIC NORTHWEST, INC., by
Gregory J. Kopta, Attorney at Law, Davis Wright
2 Tremaine, LLP, 2600 Century Square, 1501 Fourth
Avenue, Seattle, Washington 98101, and Letty S. D.
3 Friesen, Attorney at Law, 1875 Lawrence Street, Room
1575, Denver, Colorado 80202 (Appearing via
4 teleconference bridge.)

5 WEBTEC, by Arthur A. Butler, Attorney
at Law, Ater Wynne, LLP, Two Union Square, 601 Union
6 Street, Suite 5450, Seattle, Washington 98101.

7 DEPARTMENT OF DEFENSE, by Stephen S.
Melnikoff, Attorney at Law, Regulatory Law Office,
8 U.S. Army Litigation Center (JALS-RL), 901 N. Stuart
Street, Suite 700, Arlington, Virginia 22203-1837
9 (Appearing via teleconference bridge).

10 AARP, by Ronald Roseman, Attorney at
Law, 2011 14th Avenue East, Seattle, Washington
11 98112.

12 CITIZENS UTILITY ALLIANCE, by John
O'Rourke, Director, 212 West Second Avenue, Spokane,
13 Washington 99201 (Appearing via teleconference
bridge.)
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1 JUDGE WALLIS: The conference will please
2 come to order. This is a pre-hearing conference in
3 the matter of Docket Number UT-040788, which involves
4 a filing by Verizon Northwest for an increase in the
5 rates and charges that it collects from customers.

6 This conference is being held in Olympia,
7 Washington, on May 24 of the year 2004, before
8 Administrative Law Judge C. Robert Wallis, pursuant
9 to due and proper notice to all interested parties.

10 We will begin this morning by stating -- or
11 this afternoon by stating appearances. And when we
12 do so, I would like lead counsel for each party to
13 identify the name of the party, the name of counsel
14 who will be appearing, and state the contact
15 information, including business address, telephone,
16 fax, and electronic mail. Now, I know that's a
17 mouthful when it comes to you. If you want to take
18 notes now, that's perfectly all right. Let's begin
19 with the company on this, please.

20 MS. ENDEJAN: Thank you, Judge Wallis.
21 Judith A. Endejan, appearing for Verizon Northwest,
22 Inc. I'm with the firm of Graham & Dunn, P.C. My
23 business address is Pier 70, 2801 Alaskan Way, Suite
24 300, Seattle, Washington, 98121-1128. My telephone
25 number is 206-340-9694; my fax is 206-340-9599; and

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1 my e-mail address is jendejan@grahamdunn.com.

2 Also appearing with me is Charles
3 Carrathers, C-a-r-r-a-t-h-e-r-s, General Counsel for
4 Verizon Northwest. And Your Honor, do you want me to
5 enter his business address and everything, as well?

6 JUDGE WALLIS: Will your name and address be
7 sufficient for contact purposes?

8 MS. ENDEJAN: It will.

9 JUDGE WALLIS: Very well. Mr. Butler.

10 MR. BUTLER: Yes, Arthur A. Butler, of the
11 Law Firm of Ater Wynne, LLP, appearing on behalf of
12 the Washington Electronic Business and
13 Telecommunications Coalition, also known as WeBTEC.
14 The contact information is 601 Union Street, Suite
15 5450, Seattle, Washington, 98101-2327. Telephone,
16 206-623-4711; fax, 206-467-8406; e-mail,
17 aab@aterwynne.com.

18 JUDGE WALLIS: Mr. Kopta.

19 MR. KOPTA: Thank you, Your Honor. Gregory
20 J. Kopta, of the Law Firm Davis, Wright, Tremaine,
21 LLP, on behalf of AT&T Communications of the Pacific
22 Northwest, Inc. My business address is 2600 Century
23 Square, 1501 Fourth Avenue, Seattle, Washington,
24 98101-1688. Telephone, 206-628-7692; fax,
25 206-628-7699; e-mail, gregkopta@dwt.com.

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1 And also appearing for AT&T is Letty
2 Friesen, L-e-t-t-y F-r-i-e-s-e-n.

3 JUDGE WALLIS: Again, your contact
4 information would be sufficient for your client; is
5 that correct?

6 MR. KOPTA: That's correct.

7 JUDGE WALLIS: Thank you. Mr. Roseman.

8 MR. ROSEMAN: Thank you, Your Honor. My
9 name is Ronald L. Roseman. I'm an Attorney at Law
10 representing AARP. My address is 2011 14th Avenue
11 East, Seattle, Washington, 98112. My phone number is
12 206-324-8792; my fax is 206-568-0138; my e-mail
13 address is ronaldroseman@comcast.net.

14 JUDGE WALLIS: Mr. ffitich.

15 MR. FFITCH: Good afternoon, Your Honor.
16 Simon ffitich, Assistant Attorney General, Public
17 Counsel Section, Washington Attorney General, 900
18 Fourth Avenue, Suite 2000, Seattle, Washington,
19 98164. The phone number is 206-389-2055; fax,
20 206-389-2058; e-mail is simonf@atg.wa.gov.

21 JUDGE WALLIS: Commission Staff.

22 MR. TROTTER: for the Commission, I'm Donald
23 T. Trotter, Assistant Attorney General, and my
24 co-counsel is Christopher G. Swanson, Assistant
25 Attorney General. Our address is 1400 South

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1 Evergreen Park Drive, S.W., P.O. Box 40128, Olympia,
2 Washington, 98504-0128. My telephone is
3 360-664-1189; fax is 360-586-5522; and e-mail is
4 dtrotter@wutc.wa.gov.

5 JUDGE WALLIS: Thank you. I'm going to take
6 a brief moment here and hand counsel a packet of
7 several sheets of paper asking that you write down
8 that information for us, so that when we enter the
9 order resulting from this pre-hearing conference, we
10 have the accurate information to attach to it.

11 MR. TROTTER: May I make a short comment,
12 Your Honor, brief comment?

13 JUDGE WALLIS: Mr. Trotter.

14 MR. TROTTER: Under the APA, for purposes of
15 serving a Commission order, it needs to be served on
16 the party and not necessarily the party's counsel, so
17 at least for purposes of issuing the final order, it
18 might behoove us to take the actual party's name and
19 address, and maybe that can just be put on the piece
20 of paper.

21 JUDGE WALLIS: Thank you very much. That's
22 an excellent idea, Mr. Trotter. Everybody understand
23 that? We would like the name of the party, its
24 address, and the person to whom the order should be
25 directed.

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1 Now let's move to the bridge line, beginning
2 with Mr. O'Rourke.

3 MR. O'ROURKE: Yes, John O'Rourke, Director
4 of the Citizens Utility Alliance of Washington.
5 Address, 212 West Second Avenue, Spokane, Washington,
6 99201. Phone is 509-744-3370, Extension 247; fax,
7 509-744-3374; e-mail, orourke@snapwa.org.

8 JUDGE WALLIS: Thank you. And Mr.
9 Melnikoff.

10 MR. MELNIKOFF: Thank you, Your Honor. For
11 the Department of Defense, Stephen S. Melnikoff. My
12 address is -- and let me spell it. S-t-e-p-h-e-n,
13 S., like Stephen, Melnikoff, M, like Mary, -e-l-n,
14 like Nellie, -i-k-o-f-f, like Frank. My business
15 address is Regulatory Law Office, U.S. Army
16 Litigation Center, 901 North Stuart, S-t-u-a-r-t,
17 Street, Suite 700, Arlington, Virginia, 22203-1837.
18 Telephone number is 703-696-1643; fax number is
19 703-696-2960, and I better -- on my business address,
20 after U.S. Army Litigation Center, I better give you
21 a routing code. And I apologize for the -- for
22 skipping that. After U.S. Army Litigation Center, it
23 should read (JALS-RL).

24 JUDGE WALLIS: Mr. Melnikoff, please excuse
25 me for interrupting, but I caught JAL, and I did not

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1 catch the next symbol.

2 MR. MELNIKOFF: JALS, like Sam, hyphen --

3 JUDGE WALLIS: S, as in Sam?

4 MR. MELNIKOFF: Yes.

5 JUDGE WALLIS: Hyphen RL?

6 MR. MELNIKOFF: Hyphen RL, end paren.

7 JUDGE WALLIS: Okay. Please continue.

8 MR. MELNIKOFF: I think the only thing I owe
9 you is e-mail address, and that is
10 stephen.melnikoff@hqda.army.mil, m-i-l, like
11 military.

12 JUDGE WALLIS: Okay. Thank you very much.

13 Let me ask at this time if there is anyone else on
14 the bridge line who wishes to enter an appearance in
15 this docket? Let the record show that there is no
16 response.

17 Before we move on, I'd like to ask both Mr.
18 O'Rourke and Mr. Melnikoff if you would send your
19 information to me via electronic mail before the end
20 of the day today. I would appreciate that very much,
21 and we will use that in preparing an attachment to
22 the pre-hearing conference order that will distribute
23 the information to everyone. My e-mail address is
24 bwallis@wutc.wa.gov.

25 Now I'd like to make the rounds again, this

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1 time of persons who are representing clients who wish
2 to intervene in this docket. And I would suggest
3 that we proceed in the same order. If you have filed
4 a written petition for intervention, you may
5 acknowledge that, and then if you would very briefly
6 describe the nature of your client's interest in the
7 docket and the reason for petitioning for
8 intervention, and then we will ask if there is an
9 objection, and then we'll move on to the next.

10 Mr. Butler, let's start with you.

11 MR. BUTLER: Yes, Arthur A. Butler. I did
12 pre-file a written petition to intervene on behalf of
13 WeBTEC, which -- do you need any more from me in
14 addition to what was in the petition?

15 JUDGE WALLIS: Just for the record and for
16 the information of parties, if you could give me two
17 sentences identifying the nature of your client's
18 interest and why it's intervening.

19 MR. BUTLER: Yes. WeBTEC is an association
20 of large end users of telecommunications services,
21 and its members are customers of Verizon Northwest.
22 And its interests in this proceeding are as large
23 customers of retail services offered by Verizon
24 Northwest.

25 JUDGE WALLIS: Thank you. Is there

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1 objection to the intervention of WeBTEC?

2 MS. ENDEJAN: No objection, Your Honor.

3 JUDGE WALLIS: Very well. Mr. Kopta.

4 MR. KOPTA: Thank you, Your Honor. AT&T
5 filed a petition to intervene, but briefly, AT&T is
6 one of the largest customers of Verizon switched
7 access services, which will be at issue in this
8 proceeding. In addition, AT&T competes with Verizon,
9 both for intraexchange and interexchange services,
10 and has an interest in the rates that are established
11 for end user customers to ensure that sufficient
12 opportunity exists for competitors that rely on
13 monopoly inputs from Verizon.

14 JUDGE WALLIS: Thank you. Ms. Endejan.

15 MS. ENDEJAN: No objection, Your Honor.

16 JUDGE WALLIS: Mr. Roseman.

17 MR. ROSEMAN: Thank you. My client, AARP,
18 submitted a petition to intervene. AARP is a
19 membership organization of people age 50 and older.
20 It's had an interest in telecommunications and
21 affordable telecommunications services nationwide,
22 and particularly in the state of Washington. It has
23 over 800,000 members in the state of Washington.
24 Many are residing within households that receive
25 telecommunications service from Verizon. We are

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1 interested in affordability of telecommunications
2 services and the quality of the service provided.

3 JUDGE WALLIS: Ms. Endejan, is there
4 objection?

5 MS. ENDEJAN: No objection.

6 JUDGE WALLIS: Very well. Mr. O'Rourke.

7 MR. O'ROURKE: Yes, I'm the Director of the
8 Citizens Utility Alliance. We are a statewide
9 consumer advocacy group with more than 2,200 members
10 from 120 Washington cities. We have members that are
11 customers, residential customers of Verizon. One of
12 our primary purposes is to promote public policies
13 that assure affordable access to power and
14 telecommunications service for all Washington
15 citizens, with a special emphasis on low income and
16 vulnerable citizens. We understand that the
17 Telephone Assistance Program may be discussed in this
18 case, and we are, I believe, the only organization
19 headquartered in Eastern Washington that wants to
20 participate in this case.

21 JUDGE WALLIS: Ms. Endejan.

22 MS. ENDEJAN: No objection.

23 JUDGE WALLIS: Mr. Melnikoff.

24 MR. MELNIKOFF: I represent the Department
25 of Defense, who is a -- which is a large business

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1 user of Verizon, as well as a customer, as a small
2 business customer in other locations. We are
3 interested in the rates, potentially, that could
4 result from this proceeding. We do have a limited,
5 but not insubstantial interest in this proceeding.
6 It was unclear as to the potential structure of this
7 proceeding. It still is unclear in my mind, I might
8 add.

9 JUDGE WALLIS: We hope to rectify that by
10 the end of the day.

11 MR. MELNIKOFF: And so given our focused
12 interest and in the interest of preserving our
13 resources and not burdening the Commission or the
14 parties and not willing at this point to assume full
15 obligations of a party, we thought we would only
16 become an interested party and at some time might
17 need to intervene in the full powers of an
18 intervenor, unless that would be impossible. And at
19 your suggestion, we would orally file a petition for
20 intervention at this time.

21 JUDGE WALLIS: Thank you, Mr. Melnikoff. I
22 would be very uncomfortable in the role of advising
23 you as to what you should do on behalf of your
24 client. I will ask if any of the parties have any
25 comments on Mr. Melnikoff's statement? For the

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1 Company?

2 MS. ENDEJAN: Well, Your Honor, I guess we
3 would like some clarification in terms of whether
4 someone's a party and has party status versus just an
5 interested party, and I'm not certain if kind of you
6 can be both. I think you sort of have to elect, as I
7 understand the rules.

8 JUDGE WALLIS: Are there other --

9 MS. ENDEJAN: I could be wrong on that.

10 JUDGE WALLIS: Mr. Trotter.

11 MR. TROTTER: Well, yes, Your Honor. I can
12 agree with the principle that you need to make a
13 timely intervention, and either you're in or you're
14 out. I hear Mr. Melnikoff say if that's the rule,
15 then he wants to be in. And that's fine. I think
16 part of the problem here, of course, is there are not
17 tariffs, other than the interim tariffs, there are
18 not tariffs implementing the revenue requirement, so
19 they are not sure whether they're -- the extent to
20 which they're impacted. That could be what he's
21 saying. I'm kind of reading between the lines, but I
22 did hear him say that if he needs to be in now or at
23 risk of trying to get in later, then he needs to come
24 in now, and I think he should if that's -- because
25 there could be problems later.

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1 JUDGE WALLIS: Anyone else wish to comment?

2 MR. FFITCH: Your Honor, Simon ffitch, for
3 Public Counsel. I guess I'd just echo what Mr.
4 Trotter just said. I think this is an illustration
5 almost immediately of the problems with Verizon's
6 procedural approach to the case for parties trying to
7 decide whether to participate and at what level.

8 JUDGE WALLIS: Mr. Melnikoff.

9 MR. MELNIKOFF: Well, I think the Staff and
10 Public Counsel have interpreted my positions
11 accurately. I don't believe that we are trying to be
12 both an interested party and a intervenor, but I fear
13 that there might be problems intervening down the
14 road, so that being -- and I was trying to, as I
15 mentioned, trying to not to burden the Commission or
16 the parties in service, as well as not getting full
17 participation in every aspect of the hearing, but
18 given what I think I'm hearing, I guess I am forced
19 to elect to petition for intervention orally.

20 JUDGE WALLIS: I'm uncomfortable with your
21 use of the term forced --

22 MR. MELNIKOFF: Well --

23 JUDGE WALLIS: -- Mr. Melnikoff. I would
24 interpret it that, based on your understanding of
25 process, it would be your election at this time to

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1 intervene with, of course, the right to withdraw at
2 any later time. Am I hearing you correctly?

3 MR. MELNIKOFF: You do, Your Honor.

4 JUDGE WALLIS: Very well. I will reiterate
5 my request to Mr. O'Rourke and Mr. Melnikoff to pass
6 along the contact information, including the name of
7 a person with your client to whom orders would be
8 sent, whether it is Mr. Rumsfeld or another person in
9 the department, if you could let us know who that is,
10 we will then make our service list accordingly.

11 All of the petitions for intervention that
12 have been made and presented today are granted, and
13 all of the petitioners for intervention are now
14 parties to this proceeding. The pre-hearing order
15 will reflect that decision.

16 MR. MELNIKOFF: And that includes the oral
17 petitions for --

18 JUDGE WALLIS: Yes, that's correct.

19 MR. MELNIKOFF: Thank you.

20 JUDGE WALLIS: Is there anything further on
21 the questions of appearances or petitions to
22 intervene? Let the record show that there's no
23 response.

24 We will note that discovery has been
25 determined to be appropriate for this proceeding. I

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1 will merely ask whether there has been any difficulty
2 with discovery up to this point? I know that there
3 are some preliminary steps toward discovery going on,
4 and want to have folks identify whether any issues
5 are anticipated, have shown so far, or are
6 anticipated so that we can be at the ready if there
7 is any question relating to discovery. Ms. Endejan.

8 MS. ENDEJAN: Your Honor, I'm not aware of
9 any serious problems to date, but I would like to
10 request of the parties that they -- if they seek
11 information from Verizon, to please put it in a
12 formal data request, because the Company, as you can
13 understand, this is a huge case, and we have
14 established a system for tracking data requests, and
15 we can only do those with formal data requests.

16 I'd also request the parties, when they're
17 sending data requests, to make sure that they send a
18 data request to Greg Diamond, and I believe that his
19 information has been previously distributed, in terms
20 of -- it's on our petition for an order approving
21 commencement of a bifurcated general rate case.
22 Other than that, we're doing the best we can.

23 MR. TROTTER: I think it's too early to
24 identify any specific issues to address at this
25 point.

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1 JUDGE WALLIS: Thank you. Any comments from
2 the bridge line? There are none. Mr. ffitch.

3 MR. FFITCH: Your Honor, we have not
4 encountered any problems at this date, and I
5 appreciate the Company's work so far. We do have an
6 outstanding request for electronic versions of the
7 initial filing, and we are working with Ms. Endejan,
8 providing written requests, as you've just indicated.

9 The reason I spoke up was, however, to ask
10 for a reduced response time during the interim phase
11 of the proceeding to seven business days. I have not
12 had an opportunity to confer with any counsel on this
13 before this moment, but we think that would be
14 appropriate, given the accelerated nature of the
15 interim proceeding.

16 JUDGE WALLIS: Mr. ffitch, if you don't
17 mind, my suggestion is that we defer that until we
18 start talking schedule and have a specific process
19 and a schedule proposal that we will address. Would
20 that be all right?

21 MR. FFITCH: That's fine. Thank you, Your
22 Honor.

23 JUDGE WALLIS: Very well. Anything further
24 on discovery? Very well. I'd also like to
25 acknowledge that a protective order has been entered

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1 and ask the same questions about that. Does that
2 appear to be sufficient? I note, from following the
3 documents received, that some of the parties are
4 providing names of persons to have access to
5 confidential documents. Are there any concerns or
6 questions relating to the protective order?

7 MS. ENDEJAN: Not at this time, Your Honor.
8 It's --

9 JUDGE WALLIS: Let the record show that
10 there is no response, no affirmative response to that
11 question.

12 All right. Let's move on and address the
13 motions that Verizon has filed. And Ms. Endejan, I
14 would like you to identify those motions,
15 incorporating all of your filings related to the
16 motions, and identify the process and the schedule
17 that you would like to see, in terms of giving the
18 Commission an opportunity to resolve those motions.

19 MS. ENDEJAN: Thank you, Your Honor. When
20 the Company made its filing on April 30th, it was
21 accompanied with a petition for interim rate relief
22 and a petition for an order approving the
23 commencement of a bifurcated general rate case and
24 waiver of WAC 480-07-510, varying subparts.

25 Your Honor, at the beginning of the

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1 pre-hearing conference, I believe you said that you
2 had three -- you had figured three motions were
3 pending, and I'm presuming that they would be the
4 petition for interim relief, the petition for
5 bifurcation, and the petition for waiver. We've --
6 and as I indicated before the hearing commenced
7 today, there was a brief errata to the amended
8 petition that we filed at the open meeting, and I
9 have distributed copies of the amended petition with
10 the corrections made to all the parties, except for
11 those on the phone.

12 Your Honor, I don't -- I was not prepared to
13 address the motions substantively, but merely
14 identify the motions that we have pending.

15 JUDGE WALLIS: Very well. Do you have any
16 proposal in terms of process and schedule?

17 MS. ENDEJAN: Well, we've attached to the
18 motion for petitions for the bifurcated general rate
19 proceeding a proposed schedule that lays out what the
20 Company would envision as an appropriate schedule for
21 dealing with the process that we're asking for.

22 It's imperative that the Company's petition
23 for interim rate relief be addressed according to
24 that schedule, and the Company very much would oppose
25 any effort to delay commencing examination of interim

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1 rate relief while the parties go through the process
2 of briefing or resolving the bifurcated rate case
3 issue. We believe that that can be resolved at the
4 same time, and we would request that that issue be
5 resolved relatively promptly.

6 The parties have had our petition for any
7 number of weeks now and should be in a position to
8 respond relatively promptly, depending upon the
9 schedule that you decree appropriate.

10 JUDGE WALLIS: very well. Others wish to be
11 heard? Mr. Trotter.

12 MR. TROTTER: Thank you, Your Honor. I
13 mentioned this off the record, but I'll address it on
14 the record, as well. As parties may recall in the
15 Staff's memo to the Commission at the open meeting in
16 which the interim tariffs were suspended, the Staff
17 had some issues with whether the Company had provided
18 sufficient work papers and other documents, and we
19 are now satisfied that they have done so, with the
20 exception, of course, in those matters for which they
21 are requesting waiver.

22 Staff also had some discussions with the
23 Company regarding which rules needed to be waived,
24 and with the errata filed today, Staff is now
25 satisfied that the rules that need to be sought for

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1 waiver have been sought for waiver. That's just
2 Staff's point of view. Other parties are free to
3 agree or disagree with what. That does not
4 constitute a position on whether that motion ought to
5 be granted or not.

6 With respect to -- also with respect to the
7 schedule, the Company amended the schedule to delete
8 a compliance filing after the general -- after the
9 revenue requirement phase of its proposal, and I
10 confirmed that the Company did not intend to file any
11 tariffs resulting from the revenue requirement phase,
12 if that would call for an increase in rates.

13 Having said all that, I'll now move to the
14 schedule. I confirmed, subject to your check, Your
15 Honor, that the three Commissioners are not available
16 for the hearing dates requested by the Company,
17 August 4th through 6th, and there are other Staff
18 conflicts, key staff would not be available. But I
19 was able to discover, at least as of a couple days
20 ago, that the dates of August 10th through 13th
21 appear to be open, maybe not all of each day. One of
22 those is a Wednesday public meeting, so I'm not
23 suggesting each of those days be selected, but those
24 are days -- I believe they're the only days in
25 succession in that month where three Commissioners,

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1 all three are available.

2 So I'm assuming that that would be -- if the
3 interim rate filing goes forward, that that would be
4 the date for the hearing, during those four days or
5 some part thereof.

6 Staff would propose the following schedule
7 leading to those hearings.

8 JUDGE WALLIS: Excuse me, Mr. Trotter. I
9 will proceed and take the information that you're
10 providing. I would like you to address, however,
11 your proposal for a schedule for resolving the
12 motions that are pending, as well.

13 MR. TROTTER: And that will be included in
14 my schedule, Your Honor.

15 JUDGE WALLIS: Thank you.

16 MR. TROTTER: Do you want me to just do that
17 or put the whole thing forward?

18 JUDGE WALLIS: Please proceed.

19 MR. TROTTER: Okay. June 3rd would be a
20 filing for responses to the amended petition for
21 bifurcation and waiver. June 9th would be the date
22 Verizon answers those responses. June 9th would also
23 be the deadline for filing any dispositive motions
24 regarding the interim rate increase petition. I
25 hesitate to state dates in which the Commission will

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1 issue an order, so we can put quotes behind these,
2 but by June 18th, the Commission would issue an order
3 on the bifurcation waiver petition. And that would
4 also be the date, June 18th, for Verizon's Response
5 to the dispositive motions regarding interim rate
6 relief. On June 25th, there would be answers to the
7 Company's response to the dispositive motions for
8 interim rate relief. And on July 9th, the Commission
9 would issue an order on any dispositive motions, if
10 any, that are filed.

11 July 14th, assuming the interim rate relief
12 petitions -- excuse me, the dispositive motions on
13 interim rate relief are denied, if there are any such
14 motions, July 14th would be the day for any party,
15 other than the Company, to file testimony in response
16 to the Company's testimony on interim rate relief.
17 And then July 30th would be the Company's rebuttal on
18 the interim rate relief testimony that was filed on
19 the 14th.

20 JUDGE WALLIS: What was that date?

21 MR. TROTTER: July 30th. With hearings on
22 August 10th through 13th. And as part of that July
23 30th through August 10th interval, we would recommend
24 a five business-day response time for data requests
25 on rebuttal.

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1 JUDGE WALLIS: Mr. ffitch earlier indicated
2 that he would like to see a seven-day response time
3 on the interim beginning immediately. Would you care
4 to comment on that, Mr. Trotter?

5 MR. TROTTER: The Staff issued data requests
6 to the Company on the interim phase, and they
7 responded on 10 business days -- on the tenth
8 business day, which was the normal deadline.

9 This -- my proposed -- Staff's proposed
10 schedule calls for dispositive motions coming up
11 pretty quick, so I think perhaps the seven-day makes
12 some sense, with the understanding that's a good
13 faith compliance time, and if it can't be done, then
14 it can't be done, but at least a good faith try,
15 seven business days, as I understand the proposal.
16 So we'd support that, to the extent it's achievable.

17 JUDGE WALLIS: Very well. Let me ask other
18 parties, not including the Company at this point, to
19 offer any comments on the proposal, beginning with
20 persons in the hearing room.

21 MR. FFITCH: Your Honor, Simon ffitch, for
22 Public Counsel. You're asking for comments on the
23 entire Staff proposed schedule?

24 JUDGE WALLIS: Yes.

25 MR. FFITCH: Your Honor, I think Public

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1 Counsel is comfortable with the proposed schedule. I
2 have an additional comment. Public hearings are
3 shown on -- are something that need to be added to
4 the schedule. They're shown, I think, on the
5 Company's proposal, which we appreciate, without a
6 specific date, and we would propose that one public
7 hearing for -- in the evening for public comment be
8 scheduled in Everett, Washington, and that an
9 additional hearing be scheduled in either Pullman or
10 Richland, subject to further discussions with
11 Commission Staff, Public Affairs or Public Hearing
12 Staff about the logistics, but we would propose two
13 public comment hearings, one east and one west. The
14 date would be determined.

15 I can see that we probably will be asking
16 for those hearings to be probably before August,
17 which is probably a harder time to get people to come
18 out to these hearings, given family vacation times
19 and so on.

20 JUDGE WALLIS: Very well.

21 MR. FFITCH: I'm sorry. The only other
22 comment I have, I don't know if this is the right
23 time for it, but -- was I'd like to raise at some
24 point in the hearing the possibility of the
25 Commission or the Bench authorizing electronic filing

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1 and service with same-day hard copy mailing for,
2 again, helping expedite things with the schedule.

3 MR. TROTTER: Your Honor, if I might make --
4 I had two other dates.

5 JUDGE WALLIS: Mr. Trotter.

6 MR. TROTTER: For briefing and an order. I
7 had post-hearing briefs on interim, simultaneous,
8 August 27th, with a Commission order date around
9 September 10th. I forgot to mention those.

10 JUDGE WALLIS: Thank you.

11 MR. FFITCH: Those are also reasonable, in
12 our view, Your Honor.

13 JUDGE WALLIS: Are there other comments from
14 the hearing room? Are there any comments from
15 persons on the bridge line?

16 MR. O'ROURKE: Yeah, this is John O'Rourke.

17 JUDGE WALLIS: Mr. O'Rourke, we're having
18 trouble hearing you. If you'd bring the microphone
19 of your telephone instrument right up close to you
20 and speak up a bit.

21 MR. O'ROURKE: Okay.

22 JUDGE WALLIS: Much better. Thank you.

23 MR. O'ROURKE: Yes, I would just concur with
24 Mr. ffitich. I would ask that we have a public
25 hearing on the east side of the state. That's all I

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1 have to say.

2 JUDGE WALLIS: For the Company?

3 MS. ENDEJAN: Your Honor, by and large, the
4 Company could live with this schedule. And with
5 respect to the immediate seven-day response time,
6 subject to the rule of reason that Mr. Trotter
7 mentioned, the Company will make every effort to
8 comply with that. And if there is going to be a
9 problem and they will need more time to provide a
10 response, we'll try to identify those problematic DRs
11 immediately and work it through. I'm presuming that
12 counsel is amenable to that.

13 MR. FFITCH: We're amenable to that.

14 MS. ENDEJAN: The other point is, with
15 electronic filing and service, some of the materials
16 aren't available electronically. They're hard copy.
17 And I just raise this as a logistical issue. Because
18 Mr. ffitch has asked for a lot of this to be provided
19 electronically, and some of the stuff, to scan it in,
20 is quite voluminous. So what I would like to do is
21 hope that the parties would agree that, to the extent
22 it exists in electronic form and can be sent
23 electronically, we would do so. If it does not exist
24 in electronic form, we would have -- we would provide
25 it hard copy. And because -- that's one of the

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1 problems that we're experiencing at the moment.

2 JUDGE WALLIS: Might we infer that materials
3 that are not available in electronic format, but are
4 not voluminous and are susceptible of scanning, could
5 be scanned and distributed?

6 MS. ENDEJAN: Oh, that goes with the rule of
7 reason. And we'll try and identify those things and
8 let the parties know that they're going to be getting
9 a four-inch stack of paper, as opposed to, you know,
10 several e-mails.

11 The only other point that I would make is,
12 with respect to the scheduling of the public
13 hearings, we would respectfully request that those
14 not be scheduled during that time period when we
15 would have to prepare our rebuttal testimony,
16 because it would be awfully hard to devote resources
17 to going to Pullman, Richland, Spokane or Everett
18 while we're working on our rebuttal testimony.
19 That's a pretty quick turnaround time. So that might
20 pose a logistical problem. Otherwise, the Staff's
21 schedule sounds reasonable and acceptable to the
22 Company.

23 JUDGE WALLIS: Very well. I cannot commit
24 on behalf of the Commission to the availability of
25 the dates that were mentioned, but I see nothing in

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1 the proposal that I believe would be difficult,
2 barring the availability of Staff and Commissioners
3 during the appropriate periods.

4 I would ask Mr. Trotter what advantage would
5 be gained by entering an order on bifurcation prior
6 to entry of an order on the other pending matters?

7 MR. TROTTER: And by bifurcation, you mean
8 bifurcation and waiver?

9 JUDGE WALLIS: Yes.

10 MR. TROTTER: Okay. I think our reason for
11 putting that first was -- there was several reasons.
12 One, the petition itself states the Company's reasons
13 for relief, and they are what they are, and I think
14 we can deal with them relatively efficiently.
15 Second, I think it reflects a belief that if the
16 bifurcation waiver is denied, then the rate revenue
17 requirement phase cannot go forward without a tariff
18 filing, and then testimony and exhibits supporting
19 that, and so the sooner that gets resolved, the
20 sooner that can go forward.

21 Other than that, I don't think there was
22 another reason. It's just -- I think that was
23 fundamentally the reason.

24 JUDGE WALLIS: Very well. Let me ask at
25 this time if there is any party that contemplates

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1 filing a dispositive motion in this docket?

2 MR. TROTTER: For Commission Staff, we have
3 not made up our minds on that, but we felt that this
4 deadline would allow sufficient time to determine
5 whether one was appropriate or not.

6 JUDGE WALLIS: Very well. Any other
7 parties?

8 MR. FFITCH: We're giving it very serious
9 review, Your Honor, for Public Counsel.

10 JUDGE WALLIS: Any other comments in the
11 hearing room? Let the record show that there's no
12 response. Any on the bridge line? Let the record
13 show that there's no response. Very well.

14 MR. BUTLER: Your Honor, may I ask if your
15 previous statement about not seeing any problem
16 included the proposal for electronic filing, with
17 hard copy mailing on the same day, with the
18 additional provisions about scanning in small
19 documents?

20 JUDGE WALLIS: It did not.

21 MR. BUTLER: Okay.

22 JUDGE WALLIS: Would the parties prefer
23 that?

24 MR. BUTLER: We would.

25 JUDGE WALLIS: I suspect parties might

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1 prefer that. The only note that I would have is that
2 -- well, there are actually two. One is that it does
3 pose a slight burden on the Commission's Records
4 Center, which has to sort out what electronic filings
5 are filings, what are not, and distribution of the
6 hard copy documents when they come in.

7 The other is that the -- especially as time
8 gets very short, there may well be a need for that.
9 It may not be true at the outset of the proceeding.
10 So I hesitate to adopt it as a general rule for all
11 filings, even in the interim phase, but I will look
12 at the schedule and will, in the order, indicate
13 whether it will be a general rule for purposes of the
14 interim, whether there will be certain filings that
15 would be appropriate, and otherwise give the parties
16 some guidance.

17 Sometimes, when we don't get the hard
18 copies, there are Staff people who need to have the
19 copies. Commissioners may need to have copies. And
20 it actually works to the parties' detriment, rather
21 than their benefit, to extend the filing in that way.
22 So I'll just look at the schedule and let parties
23 know.

24 All right. Are there any other matters that
25 need to be addressed at this time? Mr. Trotter, have

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1 you brought to the record all of the items that
2 you've indicated you might wish to place of record?

3 MR. TROTTER: Just a moment, Your Honor. I
4 have nothing further at this time, Your Honor.

5 JUDGE WALLIS: Very well. Anyone else? Mr.
6 Kopta.

7 MR. KOPTA: Yes, Your Honor. The schedule
8 that Staff has proposed does not include the
9 remainder of the case, and I'm assuming that, because
10 the schedule contemplates that there would be an
11 order on Verizon's petition for bifurcation and
12 waiver, that that leaves open the possibility that
13 thereafter there would be another pre-hearing
14 conference scheduled to schedule the remainder of the
15 case. Is that the contemplation at this point?

16 JUDGE WALLIS: I believe it is. Certainly,
17 we try to be sensitive to those things and, when it
18 appears to us that the Commission or the parties
19 might benefit from a conference, we will not hesitate
20 to schedule one.

21 In addition, if any of the parties believe
22 that it would be helpful, you can send a friendly
23 reminder, with a copy to all parties, and we will
24 certainly review that and do our best to serve the
25 parties' interests and the Commission's.

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1 MR. KOPTA: Thank you, Your Honor. I
2 suspect that Verizon would beat me to the punch on
3 that particular one.

4 MS. ENDEJAN: Count on it.

5 MR. TROTTER: I just want to notify, I think
6 the parties are probably aware, that Staff has been
7 issuing data requests on the revenue requirement
8 issue. That would be relevant not only to the
9 interim, but also to the general.

10 JUDGE WALLIS: Very well. Is there anything
11 further to come before the Commission? It appears
12 that there's not. Let the record show that there is
13 no response, and this conference is adjourned. Thank
14 you all very much.

15 (Proceedings adjourned at 2:30 p.m.)

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