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1 AARP, by RONALD L. ROSEMAN, Attorney at Law,
2 2011 - 14th Avenue East, Seattle, Washington 98112,
3 Telephone (206) 324-8792, Fax (206) 568-0138, E-Mail
4 ronroseman@attbi.com.

5 WEBTEC, via bridge line by ARTHUR A. BUTLER,
6 Attorney at Law, Ater Wynne LLP, 601 Union Street, Suite
7 5450, Seattle, Washington 98101, Telephone (206)
8 623-4711, Facsimile (206) 467-8406, E-Mail
9 aab@aterwynne.com.

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0036

1 P R O C E E D I N G S

2 JUDGE WALLIS: This is a prehearing
3 conference before the Washington Utilities and
4 Transportation Commission in the matter of Docket Number
5 UT-040788, which is a matter involving a tariff filing
6 of Verizon Northwest, Inc. The purpose of today's
7 conference, which is being held in Olympia, Washington,
8 before Administrative Law Judge C. Robert Wallis, is to
9 discuss procedural matters that flow from a Commission
10 decision entered on June 23, 2004, requiring Verizon to
11 file tariffs to institute a general rate proceeding.

12 Let's take appearances today and begin with
13 the company.

14 MS. ENDEJAN: Thank you, Your Honor, Judith
15 Endejan for Verizon Northwest, Inc., the company.

16 JUDGE WALLIS: For Commission Staff.

17 MR. SWANSON: Chris Swanson, Assistant
18 Attorney General for Commission Staff.

19 MR. FFITCH: And Simon ffitch, Assistant
20 Attorney General for the Public Counsel.

21 MR. ROSEMAN: Ronald Roseman appearing for
22 AARP.

23 JUDGE WALLIS: And on the bridge line.

24 MR. BUTLER: Arthur A. Butler appearing for
25 WebTEC.

0037

1 JUDGE WALLIS: Thank you very much. I will
2 note for the record that I have today been advised by
3 Mr. O'Rourke, Mr. Melnikoff, and Mr. Rice that they are
4 aware of the conference, that they will abide the
5 results of the conference, and that because of conflicts
6 they will not be appearing today.

7 We do have scheduling matters to consider,
8 and I'm wondering if the parties have engaged in
9 discussions about scheduling.

10 MR. SWANSON: Yes, Chris Swanson for
11 Commission Staff. The parties have, well, I should back
12 up, the company and Staff have come to a preliminary
13 proposal and agreed to that proposal and have just now
14 circulated it with the other parties but haven't reached
15 a consensus with all parties on the proposal.

16 JUDGE WALLIS: Very well, would the parties
17 like a short period of time to engage in those
18 discussions?

19 MS. ENDEJAN: That would probably be useful.

20 JUDGE WALLIS: Very well. How much time
21 would you require?

22 MS. ENDEJAN: Ten minutes.

23 JUDGE WALLIS: Okay, very good, well, let's
24 be off the record for approximately 10 minutes, and

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0038

1 we'll resume on the record at 10 minutes of 2:00
2 according to the clock on the hearing room wall.

3 (Recess taken.)

4 (Discussion off the record.)

5 JUDGE WALLIS: Let's be back on the record,
6 please. Parties have engaged in some additional
7 discussions and have reached a consensus on a preferred
8 schedule. For purposes of convenience, why don't I read
9 this into the record, and that way folks can verify that
10 I have the right things down on my notepaper.

11 It would begin on July 23 with the filing of
12 tariffs. Rate design testimony the company would file
13 on August 23. Other parties would file revenue
14 requirements testimony on November 15 and rate design
15 testimony on December 8th. Verizon would file its
16 rebuttal testimony on January 26, and hearings would be
17 scheduled on February 21, weeks of February 21 and
18 February 28. There would also be a prehearing
19 conference scheduled for the purposes of addressing
20 procedural issues including the collection and marking
21 of exhibits for cross-examination in Olympia on February
22 16th. The parties wish to submit simultaneous opening
23 briefs on March 31 and simultaneous answering briefs on
24 April 15th. And anticipate all going well that the
25 Commission may be able to enter a final order on

0039

1 approximately May 15th.

2 Do I have everything correctly?

3 MS. ENDEJAN: That tracks with my notes, Your
4 Honor.

5 JUDGE WALLIS: Okay, very good.

6 Mr. Ffitch, you wanted to address the topic
7 of hearings for receiving testimony of members of the
8 public; is that correct?

9 MR. FFITCH: Yes, Your Honor, and one other
10 matter relating to the date for our rate design
11 testimony, I will just address that briefly first.

12 JUDGE WALLIS: Fine.

13 MR. FFITCH: We do agree to the December 8th
14 date for rate design for Public Counsel and intervenors.
15 I'm just stating for the record that we have not
16 retained a rate design expert yet, and we will of course
17 endeavor to find someone who is available to meet that
18 date, but it may happen that we might have to approach
19 parties and the Bench for modification if we have an
20 extreme scheduling problem. I just wanted to make sure
21 that that was fully disclosed.

22 JUDGE WALLIS: Thank you for making that
23 statement for the record.

24 MR. FFITCH: The other matter, Your Honor, is

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0040

1 that we would request the Commission schedule three
2 public comment hearings in this matter. They would be
3 as follows, in Everett, Washington, in Mount Vernon,
4 Washington, and a third hearing on the east side of the
5 state in Richland, Wenatchee, or Pullman, in that order.
6 And with regard to the Eastern Washington request, Your
7 Honor, I am essentially concurring in a request that was
8 made earlier by Mr. O'Rourke in a written communication,
9 and we agree with his request for the east side
10 hearings. Those would -- we would ask those would be
11 held in either February or March at the Commission's
12 discretion and scheduling convenience and in the
13 evening.

14 We believe that it is important to have
15 multiple hearings as proposed because this company has
16 not had a full rate case for 20 years and because the
17 size of the request is quite substantial, Your Honor.
18 Our research indicates it's the largest rate increase
19 request of a telecom company in Washington ever, and the
20 overall amount is 70%. The Commission has already
21 received over 300 letters from customers indicating that
22 there is customer awareness and interest, and so we
23 think that all those reasons justify having at least
24 this number of hearings.

25 And I think that was all I needed to cover,

0041

1 Your Honor.

2 JUDGE WALLIS: Very well, thank you very
3 much.

4 Is there anything else to come before the
5 Commission at this time?

6 MR. BUTLER: Your Honor, this is Art Butler,
7 I just wanted to also state for the record that WeBTEC
8 is in the same position that Public Counsel is, namely
9 that we have not yet retained a rate design witness.

10 JUDGE WALLIS: Very well, we know that you
11 are proceeding apace, we just add our encouragement to
12 both of you to discover that person or those people at
13 the earliest time so that the schedule can remain as far
14 as possible intact.

15 I have earlier indicated that the
16 Commissioners do have a preference for proceeding
17 expeditiously with this docket, and I want to commend
18 the parties for working together to come up with a
19 schedule that appears appropriately to balance the need
20 for a speedy resolution with a recognition, as
21 Mr. ffitch indicated a few moments ago, of the potential
22 complexity as well as the substantial scope and
23 magnitude of the proposal.

24 I do also need to indicate for the record

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0042

1 that as the parties are aware we have not confirmed
2 these dates with the Commissioners. We have taken a
3 preliminary look at their schedule, and these dates
4 appear to be available, but if there is any challenge
5 with regard to the proposal other than those challenges
6 which the parties are presently aware of, we will be
7 back in touch with you, and we will proceed with any
8 arrangements that might be necessary to deal with
9 challenges that we become aware of.

10 Is there anything further to accomplish
11 today?

12 Mr. ffitch.

13 MR. FFITCH: Just to put on the record, Your
14 Honor, that we have discussed the issue of customer
15 notice, and perhaps Ms. Endejan would like to make a
16 comment, and then I can chime in after that.

17 JUDGE WALLIS: Thank you.

18 MS. ENDEJAN: Your Honor, what I wanted to
19 state was that the company wishes to use the notice
20 provisions of WAC 480-120-197 as opposed to WAC
21 480-120-194, and in order to avail itself of the 197
22 procedure, the company agrees to the suspension of the
23 tariffs that it has not yet filed but will file. The
24 company will work with Staff and Public Counsel with
25 respect to language in the customer notice, and we look

0043

1 forward to reasonably working that out.

2 MR. FFITCH: And, Your Honor, I will just add
3 that we would be happy to confer with the company and
4 Staff on the form of the notice as well as the timing,
5 location, and amount of the notice, which are the
6 matters addressed in the rule. And we note that the
7 rule asks that the prehearing conference order address
8 these matters, so we would hope to coordinate with the
9 Bench and sort of address the notice issue expeditiously
10 so that the Bench would have the information to put in
11 the prehearing conference order, and then we know where
12 we're going with this issue.

13 JUDGE WALLIS: Excellent. We will delay
14 entry of the order for a reasonable period to make sure
15 that we have that information. If it becomes necessary
16 from a timing standpoint to enter the order before that
17 information is available, then we will enter a
18 supplementary order containing that information.

19 MR. FFITCH: Thank you, Your Honor.

20 JUDGE WALLIS: Okay, anything further?

21 Mr. Roseman.

22 MR. ROSEMAN: Yes, the company indicated that
23 they would work with Public Counsel on the form of the
24 notice and the content of the notice. I'm sure that the

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0044

1 other intervenor consumer groups would also like to
2 receive a copy and be involved in those discussions.

3 MS. ENDEJAN: We'll do the best we can, Your
4 Honor, to incorporate the input of interested parties.

5 JUDGE WALLIS: Thank you.

6 Okay, there being nothing further, this
7 conference is adjourned, and thank you all.

8 (Hearing adjourned at 2:40 p.m.)

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