

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the)	
)	
Request of Sprint Nextel Corporation)	
for an Order Declining to Assert)	DOCKET NO. UT-051291
Jurisdiction Over or, in the)	
Alternative, Application of Sprint)	
Nextel Corporation for Approval of)	ORDER NO. 01
the Transfer of Control of United)	
Telephone Company of the Northwest)	
and Sprint Long Distance, Inc. From)	PREHEARING CONFERENCE
Sprint Nextel Corporation to LTD)	ORDER
Holding Company.)	
)	
.....		

1 **PROCEEDINGS:** On August 26, 2005, Sprint Nextel Corporation filed with the Commission a request for an order declining to assert jurisdiction over or, in the alternative, an application for approval of the transfer of control of United Telephone Company of the Northwest and Sprint Long Distance, Inc., from Sprint Nextel Corporation to LTD Holding Company. The Commission conducted a prehearing conference on October 7, 2005, before Administrative Law Judge Dennis J. Moss.

2 **PARTY REPRESENTATIVES:** Tre Hendricks, III, attorney, Sprint Corporation, Hood River, Oregon, and Gregory J. Kopta, Davis Wright Tremaine L.L.P., Seattle, Washington, represent Sprint Nextel. Robert Cromwell, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section of the Washington Office of Attorney General. Gregory J. Trautman, Assistant

Attorney General, Olympia, Washington, represents the Commission's regulatory staff ("Commission Staff" or "Staff").¹

3 **PETITIONS TO INTERVENE:** There were no petitions to intervene.

4 **DISCOVERY; PROTECTIVE ORDER:** The parties will conduct discovery pursuant to the Commission's discovery rules, WAC 480-07-400—425. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution.

5 Sprint requests that the Commission enter a protective order with provisions for handling information and documents that parties may designate as "confidential" and "highly confidential" consistent with the Commission's procedural rules concerning protective orders. WAC 480-07-420 and -423. No one objected to the terms of the protective order proposed by Sprint, which is consistent with the Commission's "standard form" protective order. The Commission will enter a protective order in this proceeding to facilitate the filing and exchange among parties, during discovery and otherwise, of information that is deemed confidential or highly confidential by the party in whose custody and control the information is held.

6 **PROCEDURAL SCHEDULE:** The Commission establishes the procedural schedule that is attached to this Order as Appendix B, which is incorporated into the body of this Order by this reference.

¹ In formal proceedings, such as this case, the Commission's regulatory staff functions as an independent party with the same rights, privileges, and responsibilities as any other party to the proceeding. There is an "*ex parte* wall" separating the Commissioners, the presiding ALJ, and the Commissioners' policy and accounting advisors from all parties, including Staff. RCW 34.05.455.

- 7 **ISSUES:** Staff requested that the Commission recognize two issues that it may pursue in this proceeding. Staff states that it is considering whether to advocate that any approval of the proposed divestiture be conditioned by a requirement for imputation of revenues to account for a prior sale by Sprint of its directory publication, generically referred to in the industry as “yellow pages.” In addition, Staff is considering whether it will argue for a revenue neutral rebalancing of rates in light of what Staff described as “high access charges” and “cross-subsidies” in current rates.
- 8 Sprint Nextel challenges the Commission’s jurisdiction over the proposed corporate reorganization and divestiture. In the alternative, Sprint Nextel requests that even if the Commission concludes it has jurisdiction it decline to exercise its jurisdiction. Finally, Sprint Nextel argues that even if the Commission has jurisdiction and elects to exercise its jurisdiction, the matters suggested by Staff are outside the scope of this proceeding.
- 9 The Commission offered the parties the opportunity for early briefing of, and decision on the jurisdictional issues. The parties stated their preference to proceed with discovery and the development of their respective cases² with an eye toward an early hearing and one round of briefing. The parties’ preference is reflected in the attached procedural schedule.
- 10 **ALTERNATE DISPUTE RESOLUTION:** The Commission supports the informal settlement of matters before it. The parties in this proceeding have scheduled a settlement conference, which is included in the procedural schedule. If parties need the services of a settlement judge, they should telephone the Director, Administrative Law Division, at 360-664-1142.

² We note that Sprint Nextel filed testimony and exhibits with its application.

- 11 **FILING; COPIES OF MATERIALS:** Parties must submit the original and 15 copies of all documents filed. All paper copies of filed documents must be mailed to the Commission Executive Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive, S.W. Olympia, Washington 98504-7250, or delivered by hand to the Commission's Records Center at the agency's physical address. Both the post office box and street address are required to expedite deliveries by U.S. Postal Service.
- 12 Paper copies of filed materials are required to conform to the format and publication guidelines set forth in WAC 480-07-395 and 480-07-460, and must be three-hole punched with *oversized* holes to allow easy handling. The Commission may require a party to refile any document that fails to conform to these standards.
- 13 An electronic copy of all filings is required. Electronic copies may be provided by e-mail delivery to <records@wutc.wa.gov>. Alternatively, parties may furnish an electronic copy by delivering with each filing a 3.5-inch IBM-formatted high-density diskette including the filed document(s).
- 14 The Commission prefers that parties furnish electronic copies of all filings that do not include confidential information and unredacted versions of documents that do include confidential information in .pdf (Adobe Acrobat) format, supplemented by a separate file in MS Word 6.0 (or later), or WordPerfect 5.1 (or later) format. **Electronic documents that are redacted versions that mask confidential information, should be filed exclusively in "read-only" .pdf format.** Parties are required to organize and identify electronic files as specified in WAC 480-07-140(5).

15 **NOTICE TO PARTIES: Any objection to the provisions of this Order must be filed within ten (10) days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review.**

DATED at Olympia, Washington, and effective this 11th day of October, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS

Administrative Law Judge

APPENDIX A

PARTIES' REPRESENTATIVES				
DOCKET NO. UT-051291				
	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
Sprint Nextel	Gregory J. Kopta Davis Wright Tremaine L.L.P. 2600 Century Square 1501 Fourth Avenue Seattle, WA 98101-1988	206-628-7692	206-628-7699	gregkopta@dwt.com
	Nancy Judy State Executive Tre Hendricks Attorney Sprint Corporation 902 Wasco Street Hood River, OR 97031	541-387-9265 541-387-9439	541-387-9753	nancy.judy@sprint.com tre.e.hendricks.iii@sprint.com
Public Counsel	Robert Cromwell Public Counsel Section Office of Attorney General 900 Fourth Avenue Suite 2000 Seattle, WA 98164	206-389-2055	206-389-2079	RobertC1@atg.wa.gov
Commission Regulatory Staff	Greg J. Trautman Assistant Attorney General 1400 S. Evergreen Park Drive SW P.O. Box 40128 Olympia, WA 98504-0128	360-664-1187	360-586-5522	gtrautma@wutc.wa.gov

**APPENDIX B –
PROCEDURAL SCHEDULE**

EVENT	DATE	INTERVAL
Sprint Nextel Direct Testimony	August 26, 2005 (with Application filing)	
Prehearing Conference	October 7, 2005	42 days
Settlement Conference	November 9, 2005	33 days after PHC
Staff and Public Counsel Response Testimony	November 30, 2005	54 days after PHC
Sprint Nextel Rebuttal Testimony	December 28, 2005	28 days after Response
Cross-exhibits submitted and served	January 18, 2006	21 days after rebuttal
Evidentiary Hearings	January 23 – January 27, 2006	26 days after rebuttal
Opening Briefs (all parties)*	February 10, 2006	14 days after hearing
Reply Briefs (all parties)*	February 17, 2006	7 days after opening briefs
Applicant's requested date for Commission Order	March 24, 2006	36 days after reply briefs

***Briefs must be submitted via e-mail by 12:00 noon to meet the Commission's internal distribution schedule and must be simultaneously provided in electronic format to all party representatives. Parties must initiate mail or courier delivery of originals and required copies by COB on the scheduled date.**