

[Service Date May 13, 2004]

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET NO. UT-040788
TRANSPORTATION COMMISSION,)	
)	
Complainant)	
)	
v.)	NOTICE OF PREHEARING
)	CONFERENCE
VERIZON NORTHWEST INC.,)	(Set for May 24, 2004, 1:30 p.m.)
)	
Respondent.)	
.....)	

- 1 On April 30, 2004, Verizon Northwest Inc. filed with the Commission certain tariff revisions designed to effect an interim increase in its rates for telecommunication services in this state. The Company filed a "Petition of Verizon Northwest Inc. Seeking Interim Rate Increase" with these tariff revisions. The Company's request for interim rate relief is related to, and dependent upon, the Company's request for general rate relief, discussed later in this Notice.

- 2 The Company indicates that its interim rate request, if granted, would implement an interim surcharge of \$3.54 on each residential and business line, to recover \$29.7 million in additional revenue annually, subject to refund, pending a decision in its general rate case. The operation of such tariff revisions has been suspended by order of the Commission, pending hearing or hearings concerning such changes and the justness and reasonableness of thereof.

- 3 The Commission will hear this matter pursuant to Part IV of chapter 34.05 RCW pertaining to adjudicative proceedings, including but not limited to RCW 34.05.413, RCW 34.05.422, RCW 34.05.431, RCW 34.05.440, RCW 34.05.449, and RCW 34.05.452. The Commission has jurisdiction over this matter pursuant to Title 80 RCW, having legal authority to regulate the rates, services, and practices of telecommunications companies pursuant to RCW 80.36.140. Statutes involved, in addition to those previously cited, include those within chapters 80.01 RCW, 80.04 RCW and 80.36 RCW relating to rates, including but not

limited to RCW 80.01.040, RCW 80.04.020, RCW 80.36.080, and RCW 80.36.140. Rules involved include those within chapters 480-07 WAC, and chapters 480-120 WAC.

- 4 The ultimate issues include whether the tariff revisions are fair, just, reasonable, and sufficient, and in the public interest. This includes issues whether the revisions constitute a filing for interim rate relief, and whether the revisions may be approved under the pertinent standards for interim rate relief filings. The issues also include consideration of alternative rate design or structure. In accordance with the provisions of RCW 80.04.130, the burden of proof on these issues, including the burden on the ultimate issues: to show that the increase is just and reasonable, will be upon the respondent.
- 5 Verizon's request for interim rate relief is connected to, and dependent upon, another petition the Company filed with the Commission on April 30, 2004, called "Petition of Verizon Northwest Inc. for an Order Approving Commencement of Bifurcated General Rate Case and Waiver of WAC 480-07-510(2)." With this petition, Verizon filed certain materials that the Company represents would support an annual increase in its revenues of \$239.5 million. No tariff changes were filed to implement this revenue increase. This petition includes a request that the Commission waive certain provisions of WAC 480-07, which require the filing of tariffs and supporting materials when seeking a general rate increase, and a request that the Commission authorize a "bifurcated" hearing in which the Company would not file proposed tariffs to recover any increase in annual revenues until the Commission determines the Company's total revenue requirement. The Commission has ordered that all issues associated with the requests contained in this petition be considered in the adjudication established for review of the company's request for interim rate relief. The issues include whether additional notice to customers be provided. Statutes and provisions of the Administrative Code that may be involved include RCW 80.04.130, RCW 80.01.040, WAC 480-07-510, WAC 480-07-110, WAC 480-07-370, and WAC 480-07-395.
- 6 THE COMMISSION GIVES NOTICE That in accordance with WAC 480-07-440(1)(a), the Commission has determined that good cause exists for this matter to be heard on shortened notice.

7 **THE COMMISSION GIVES NOTICE That a prehearing conference in this matter will be held at 1:30 p.m., on Monday, May 24, 2004, in the Commission's Hearing Room, Second Floor, Chandler Plaza Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.**

8 The purpose of the prehearing conference is to take interventions, establish dates for distribution of evidence and workpapers and other scheduling matters, consider formulating the issues in the proceeding and to determine other matters to aid in its disposition, as specified in WAC 480-07-430.

9 Petitions to intervene should be made in writing at least three business days prior to the date scheduled for the prehearing conference, as required in WAC 480-07-355(a). The Commission will consider petitions to intervene made orally during the conference, but strongly prefers written petitions to intervene. In addition, party representatives must file notices of appearance with the Commission, as required by WAC 480-07-345(2), no later than the day prior to the conference. If any party or witness needs an interpreter or other assistance, please fill out the form attached to this notice and return it to the Commission. The time and place for any evidentiary hearings will be set at the prehearing conference, on the record of a later conference or hearing session, or by later written notice.

10 **THE COMMISSION GIVES NOTICE that any party who fails to attend or participate in the prehearing conference set by this Notice, or any other stage of this proceeding, may be held in default in accordance with RCW 34.05.440. The parties are further advised that the sanction provisions of WAC 480-07-450 are specifically invoked.**

11 The Commission finds that access to information in the possession of the parties may be essential to the prosecution of this proceeding and that the proceeding qualifies as one in which discovery is available under the terms of WAC 480-07-400(2)(b), which is hereby invoked for this proceeding.

12 The names and mailing addresses of all parties and their known representatives are as follows:

Complainant: Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250
(360) 664-1160

Representative: Donald Trotter
Chris Swanson
Assistant Attorney General
1400 S. Evergreen Park Drive S.W.
P.O. Box 40128
Olympia, WA 98504-0128
(360) 664-1189

Respondent: Verizon Northwest Inc.
1800 41st Street
Everett, WA 98201

Representatives: Judith A. Endejan
Graham & Dunn PC
Pier 70
2801 Alaskan Way, Suite 300
Seattle, WA 98121-1128
(206) 340-9694

Public Counsel: Simon J. ffitich
Public Counsel Section
Office of Attorney General
900 Fourth Avenue, Suite 2000
Seattle, WA 98164-1012
(206) 464-7744

13 The Commissioners of the WUTC and Administrative Law Judge C. Robert Wallis, from the Utilities and Transportation Commission's Administrative Law Division, will preside during this proceeding.

- 14 The Public Counsel section of the Office of the Attorney General has been designated by the Attorney General to represent the public. The address of the Commission, shown below, may be used for inquiries of Public Counsel, or Public Counsel may be contacted directly by writing or calling the address or telephone number listed below.
- 15 Notice of any other procedural phase will be given in writing or on the record, as the Commission may deem appropriate during the course of this proceeding.

DATED at Olympia, Washington, and effective this 13th day of May, 2004.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN
Executive Secretary

Inquiries may be address to:

Secretary
Washington Utilities and
Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250
(360) 664-1160

- or - Public Counsel Section
Office of the Attorney General
900 Fourth Avenue, Suite 2000
Seattle, WA 98164-1012
(206) 464-7744

NOTICE

PLEASE NOTE: The hearing facilities are accessible to interested people with disabilities; that smoking is prohibited; and if limited English-speaking or hearing-impaired parties or witnesses are involved in a hearing and need an interpreter, a qualified interpreter will be appointed at no cost to the party or witness.

The information needed to provide an appropriate interpreter or other assistance should be stated below and returned to Washington Utilities and Transportation Commission, Attention: Carole J. Washburn, 1300 S. Evergreen Park Drive SW, P. O. Box 47250, Olympia, WA 98504-7250. (PLEASE SUPPLY ALL REQUESTED INFORMATION)

Docket No.: _____

Case Name: _____

Hearing Date: _____ Hearing Location: _____

Primary Language: _____

Hearing Impaired (Yes) _____ (No) _____

Do you need a certified sign language interpreter:

Visual _____ Tactile _____

Other type of assistance needed: _____

English-speaking person who can be contacted if there are questions:

Name: _____

Address: _____

Phone No.: (____) _____