

P-421/EM-91-1002; P-421/EM-91-1000; P-421/EM-91-328 NOTICE AND
ORDER FOR HEARING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm	Chair
Tom Burton	Commissioner
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner
Norma McKanna	Commissioner

In the Matter of the Request of U S WEST Communications, Inc. to Restructure and Reprice Centron and to Reprice and Restructure PBX Trunk and Private Line Rates

ISSUE DATE: December 22, 1992

DOCKET NO. P-421/EM-91-1002

In the Matter of U S WEST Communications, Inc.'s Filing to Obsolete Centrex Rate Stability Plan

DOCKET NO. P-421/EM-91-1000

In the Matter of U S WEST Centron Price Change

DOCKET NO. P-421/EM-91-328

NOTICE AND ORDER FOR HEARING

PROCEDURAL HISTORY

I. Proceedings to Date

On December 20, 1991 U S WEST Communications, Inc. (U S WEST or the Company) filed a petition to restructure and reprice Centron, PBX Trunk, and Private Line services, and to eliminate Centrex service.¹ (Centrex service had not been offered to new customers since 1979, but was still available to customers who had been receiving it then.) On December 23, 1991 U S WEST filed notice of its intent to terminate the Centrex Rate Stability Plan, approved by the Commission in 1984, as contracts under the Plan expired.²

¹ In the Matter of the Request of U S WEST Communications, Inc. to Restructure and Reprice Centron and to Reprice and Restructure PBX Trunk and Private Line Rates, Docket No. P-421/EM-91-1002.

² In the Matter of U S WEST Communications, Inc.'s Filing to Obsolete Centrex Rate Stability Plan, Docket No. P-421/EM-91-1000.

In an Order dated April 9, 1992 the Commission consolidated both filings, found that they were governed by Minn. Stat. §§ 237.63, subd. 4c and 237.075, subds. 1 and 2 (1990), and found that they were not complete. Since the Company said the proposed rate changes were necessary to comply with Federal Communication Commission directives and current interpretations of the Modified Final Judgment, entered at the divestiture of AT&T, the Commission required the Company to make the filing whole within 45 days.

The Company made a new filing within 45 days, as required. The new filing, however, failed to include certain financial data required under the April 9 Order. The Commission again found the filing incomplete. The Commission also incorporated into the proceeding consideration of certain Centron price changes, which had gone into effect subject to Commission revision and were part of the base rates in the Company's new filing.³

On October 30, 1992 the Company made another filing intended to replace the first two. On December 22, 1992 the Commission issued an Order accepting that filing and suspending most of the rate changes it proposed. The Order also denied the Company's request to withdraw the first two filings; granted the Company's request to implement, conditionally, two of the rate changes proposed; continued the consolidation of the related filings with the October 30 filing; and granted interim discovery rights to commenting parties.

FINDINGS AND CONCLUSIONS

II. Jurisdiction and Referral for Contested Case Proceedings

The Commission has jurisdiction over this matter under Minn. Stat. §§ 237.63, subd. 4c and 237.075, subds. 1 and 2 (1990). If the Commission is unable to resolve all significant issues regarding the reasonableness of the proposed rates on the basis of the filing itself, the Commission is to refer the matter to the Office of Administrative Hearings for contested case proceedings. Minn. Stat. § 237.075, subd. 2 (1990).

The Commission finds that it cannot satisfactorily resolve all questions regarding the reasonableness of the proposed rates on the basis of the Company's filing. The Commission will therefore refer the matter to the Office of Administrative Hearings for contested case proceedings.

³ In the Matter of U S WEST Centron Price Change, Docket No. P-421/EM-91-328.

III. Issues to be Addressed

Parties shall address the following issues in the course of the contested case proceedings ordered herein:

- (1) Is the Company's proposal to restructure and reprice Centron, PBX Trunk, and Private Line services just and reasonable?
- (2) Is the Company's proposal to terminate the Centrex Rate Stability Plan just and reasonable?
- (3) Are the Centron price changes put into effect subject to Commission revision in Docket P-421/EM-91-328 just and reasonable?
- (4) Which, if any, of the Company's proposed rate changes are necessary to comply with directives of the Federal Communications Commission?
- (5) Which, if any, of the Company's proposed rate changes are necessary to comply with the terms of the Modified Final Judgment, entered at the divestiture of AT&T?
- (6) How does the Company's incentive plan affect its proposals?

The parties may also raise and address other issues relevant to the Company's proposals.

IV. Procedural Outline

A. Administrative Law Judge

The Administrative Law Judge assigned to this case is Allen Giles. His address and telephone number are as follows: Office of Administrative Hearings, Suite 1700, 100 Washington Square, Minneapolis, Minnesota 55401-2138; (612) 349-2543.

B. Hearing Procedure

Hearings in this matter will be conducted in accordance with the Administrative Procedure Act, Minn. Stat. §§ 14.57-14.62 (1990); the rules of the Office of Administrative Hearings, Minn. Rules, parts 1400.5100 to 1400.8400; and, to the extent that they are not superseded by those rules, the Commission's Rules of Practice and Procedure, Minn. Rules, parts 7830.0100 to 7830.4400. Copies of these rules and statutes may be purchased from the Print Communications Division of the Department of Administration, 117 University Avenue, St. Paul, Minnesota 55155; (612) 297-3000.

Under these rules parties may be represented by counsel, may appear on their own behalf, or may be represented by another person of their choice, unless otherwise prohibited as the unauthorized practice of law. They have the right to present evidence, conduct cross-examination, and make written and oral argument. Under Minn. Rules, part 1400.7000, they may obtain subpoenas to compel the attendance of witnesses and the production of documents.

Any party intending to appear at the hearing must file a notice of appearance (Attachment A) with the Administrative Law Judge within 20 days of the date of this Notice and Order for Hearing. Failure to appear at the hearing may result in facts and issues being resolved against the party who fails to appear.

Parties should bring to the hearing all documents, records, and witnesses necessary to support their positions. They should take note that any material introduced into evidence may become public data unless a party objects and requests relief under Minn. Stat. § 14.60, subd. 2 (1990).

Any questions regarding discovery under Minn. Rules, parts 1400.6700 to 1400.6800 or informal disposition under Minn. Rules, part 1400.5900 should be directed to Margie Hendriksen, Special Assistant Attorney General, 121 Seventh Place East, Suite 350, St. Paul, Minnesota 55101-2147, (612) 296-0410.

The times, dates, and places of public and evidentiary hearings in this matter will be set by order of the Administrative Law Judge after consultation with the Commission and intervening parties.

C. Intervention

Persons wishing to become formal parties to this proceeding shall promptly file petitions to intervene with the Administrative Law Judge. They shall serve copies of such petitions on all current parties and on the Commission. Minn. Rules, part 1400.6200.

D. Prehearing Conference

A prehearing conference will be held in this matter on Thursday, January 7, 1993 at 10:00 a.m. in the Large Hearing Room, Public Utilities Commission, 121 Seventh Place East, Suite 350, St. Paul, Minnesota 55101-2147.

Persons participating in the prehearing conference should be prepared to discuss time frames and scheduling. Other matters which may be discussed include the locations and dates of public hearings, discovery procedures, and similar issues.

E. Time Constraints

The Commission is required to act on the Company's filing within ten months, or the proposed rates are deemed approved. Minn. Stat. § 237.075, subd. 2 (1990). This ten-month period can be extended for two months, if the parties submit a settlement which is rejected by the Commission. Minn. Stat. § 237.075, subd. 2 (1990).

The Commission asks the Office of Administrative Hearings to conduct contested case proceedings in light of these time constraints and requests that the Administrative Law Judge submit his final report by June 30, 1993, to allow the Commission adequate opportunity for thorough consideration of the case.

V. Application of Ethics in Government Act

The lobbying provisions of the Ethics in Government Act, Minn. Stat. §§ 10A.01 et seq. (1990), apply to ratemaking proceedings. Persons appearing in this proceeding may be subject to registration, reporting, and other requirements set forth in that Act. All persons appearing in this case are urged to refer to the Act and to contact the Minnesota Ethical Practices Board, telephone number (612) 296-1720, with any questions.

VI. Ex Parte Communications

Restrictions on ex parte communications with Commissioners and reporting requirements regarding such communications with Commission staff apply to this proceeding from the date of this Order. Those restrictions and reporting requirements are set forth at Minn. Rules, parts 7845.7300-7845.7400, which all parties are urged to consult.

ORDER

1. A contested case proceeding shall be held on the Company's proposals to restructure and reprice Centron, PBX Trunk, and Private Line services; to eliminate Centrex service; to terminate the Centrex Rate Stability Plan; and to make the Centron price changes put into effect subject to Commission revision in Docket P-421/EM-91-328. The proceeding shall begin with a Prehearing Conference on Thursday, January 7, 1993 at 10:00 a.m.

2. The Commission authorizes the Executive Secretary to enter Orders on behalf of the Commission varying time requirements for the filing of pleadings and other documents and determining the conduct of this proceeding, according to the standards set forth in Minn. Rules, part 7830.4400. Any party adversely affected by such an Order may file a motion for reconsideration, vacation, or modification, no later than ten days from the date of its entry or one day before any filing deadline or occurrence of an act directed in such Order. Such motions will be heard by the Commission.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)

BEFORE THE MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS
Suite 1700
100 Washington Square
Minneapolis, Minnesota 55401-2138

FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION
121 Seventh Place East Suite 350
St. Paul, Minnesota 55101-2145

In the Matter of the Request of U S WEST Communications, Inc. to Restructure and Reprice Centron and to Reprice and Restructure PBX Trunk and Private Line Rates	MPUC Docket No. P-421/EM-91- 1002; P-421/EM-91-1000 P-421/EM-91-328
In the Matter of U S WEST Communications, Inc.'s Filing to Obsolete Centrex Rate Stability Plan	OAH Docket No.
In the Matter of U S WEST Centron Price Change	<u>NOTICE OF APPEARANCE</u>

Name and Telephone Number of Administrative Law Judge:

Allen Giles
(612) 349-2543

TO THE ADMINISTRATIVE LAW JUDGE:

You are advised that the party named below will appear at the
above hearing.

NAME OF PARTY:

ADDRESS:

TELEPHONE NUMBER:

PARTY'S ATTORNEY OR OTHER REPRESENTATIVE:

OFFICE ADDRESS:

TELEPHONE NUMBER:

SIGNATURE OF PARTY OR ATTORNEY: _____

DATE: _____