

ISSUE DATE: June 9, 1998

DOCKET NO. P-442, 407, 5321, 466/CI-96-1541

ORDER DEFERRING PROCEEDINGS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Edward A. Garvey  
Joel Jacobs  
Marshall Johnson  
LeRoy Koppendrayner  
Gregory Scott

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Investigation of  
GTE-Minnesota's Cost of Providing  
Interconnection and Unbundled Network  
Elements

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**PROCEDURAL HISTORY**

On December 12, 1996, the Commission issued its ORDER RESOLVING ARBITRATION ISSUES AND OPENING COST PROCEEDING in Docket No. P-442, 407/M-96-939. In that Order, the Commission established interim prices for interconnection and unbundled network elements in GTE's service area. The Commission also initiated a generic cost proceeding to establish prices to replace those interim rates. The GTE generic cost proceeding has been assigned to the current docket, P-442, 407, 5321, 466/CI-96-1541.

On March 26, 1997, the Commission referred GTE's generic cost proceeding to the Office of Administrative Hearings. Administrative Law Judge (ALJ) Allen Giles presides.

On March 31, 1998, the ALJ issued an order directing the parties to file revised cost studies by May 4, 1998 and scheduling a Cost Study Workshop for June 8-9, 1998.

On April 24, 1998, AT&T requested that the Commission defer this case to June 1, 1999, at which time the Commission may re-visit the need for rescheduling. AT&T stated that it suffers from a most critical lack of resources needed to participate at this time.

On May 1, 1998, the ALJ issued a prehearing order certifying this issue to the Commission, questioning whether, given the delays and continuances in this matter to date, there are any policy reasons for any further delays.

The Commission met on May 19, 1998 to consider this matter.

**FINDINGS AND CONCLUSIONS**

**I. AT&T'S REQUEST**

AT&T has asked the Commission to defer further activity in this docket until June 1999. AT&T cited its extremely heavy caseload as well as that of other parties involved in this docket. AT&T listed several cases which it noted will require considerable resources this year:

- the universal service fund (USF) cost model case (97-909),
- the CLEC and USF rulemakings (97-609),
- the USWC generic cost case (96-1540),
- the USWC direct measures of quality (DMOQ) case (97-381), and the
- USWC's alternative form of regulation (AFOR) case (97-1544).

Additionally, AT&T stated that it expects the USWC Section 271 investigation to begin shortly, perhaps by the end of the summer.

## **II. GTE'S OPPOSITION**

GTE opposed what it termed AT&T's last minute request. GTE stated that it has expended substantial resources to ensure that its cost studies and other materials were filed on May 4, 1998 in accordance with the ALJ's Order. GTE explained that it is not opposed to any reasonable modifications of the schedule to accommodate parties' needs, but contended that the extension requested by AT&T went beyond such reasonable scheduling accommodation.

## **III. THE DEPARTMENT'S COMMENTS**

The Department stated that unless other competitors come forward and demonstrate substantial interest in proceeding with the case earlier than proposed by AT&T it supported AT&T's request for a time extension. The Department noted that AT&T's full participation in this docket will allow a more adequate comparison of the AT&T-sponsored Hatfield model and the GTE-sponsored Integrated Cost Model (ICM). The Department argued that the requested time extension will allow AT&T an opportunity to fully participate in this docket, thereby helping to ensure a full record.

Further, the Department stated that delaying this docket would have no substantial impact on competition because currently no CLECs are either reselling or purchasing unbundled network elements in GTE's Minnesota exchanges.

## **IV. THE COMMISSION'S ANALYSIS AND ACTION**

The Commission understands GTE's desire to proceed with this case, having prepared as it has, to do so. The Commission also appreciates the desirability, as a general matter, to obtain closure on the cost proceeding docket. In addition, the Commission understands that AT&T has not guaranteed that delaying the proceeding will result in its participation at the date to which this proceeding is postponed.

However, it is also undeniable that the time demands on the parties are extremely intense during this period and the value of potentially securing AT&T's participation in this matter (i.e. the benefit of having the record developed by an active competitor of GTE ) is great. In addition, despite uncertainty whether delaying this proceeding will result in AT&T's participation in this proceeding, the benefit of proceeding to obtain a decision in this matter as soon as possible appears of even less value since there appears to be little immediate prospect of competitors in

GTE's local exchange market to place the results of the proceeding (final unbundled network element prices) into use. Further, the Commission notes that GTE would not be substantially prejudiced by the delay since much of the value of the work it has done to prepare for this case to-date will not disappear during the delay.

In these circumstances, the Commission will postpone the proceedings in this matter, but not for as long as AT&T has requested: June 1, 1999. To move this matter forward as quickly as circumstances reasonably allow, the Commission will defer proceedings in this matter only until January 19, 1999. At that point, the matter will resume consistent with the ALJ's timetable, unless the Commission (upon motion from a party and good cause shown) decides otherwise.

**ORDER**

1. Proceedings in this matter are deferred until January 19, 1999.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

(S E A L)

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