

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott	Chair
Edward A. Garvey	Commissioner
Marshall Johnson	Commissioner
LeRoy Koppendrayner	Commissioner
Phyllis A. Reha	Commissioner

In the Matter of a Petition by Sprint Minnesota,  
Inc. Requesting Adoption and Renewal of An  
Alternative Regulation Plan

ISSUE DATE: April 23, 2002

DOCKET NO. P-430/AR-02-290

ORDER ADOPTING PROCEDURES FOR  
AFOR RENEWAL PROPOSAL AND  
SETTLEMENT CONFERENCE

**PROCEDURAL HISTORY**

On May 25, 1995, the Minnesota legislature enacted and the Governor signed into law Minn. Stat. §§ 237.76 through 237.772 which give the Commission the authority to approve alternative forms of regulation for local exchange carriers (LECs) with more than 50,000 access lines.<sup>1</sup> The statute was subsequently modified by the legislature and signed into law in 1997, with an effective date of May 31, 1997.

On April 10, 1996, United Telephone Company of Minnesota, now Sprint Minnesota, Inc. (Sprint) filed an AFOR plan (the Restated Alternative Form of Regulation Plan for United Telephone Company of Minnesota Pursuant to Settlement Agreement).

On July 12, 1996, the Commission adopted Sprint's plan with an effective date of September 1, 1996 for a term of 6 years.<sup>2</sup> Sprint's AFOR Plan will expire on September 1, 2002.

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<sup>1</sup> Minn. Stat. § 237.773 applies to AFOR plans for LECs with less than 50,000 access lines.

<sup>2</sup> See *In the Matter of a Petition by United Telephone Company of Minnesota Requesting Adoption of An Alternative Regulation Plan*, Docket No. P-430/AR-95-1049, ORDER APPROVING UNITED'S ALTERNATIVE REGULATION PLAN (July 12, 1996).

On March 1, 2002, six months before the September 1, 2002 expiration date of the current plan, Sprint filed a replacement plan. Sprint submitted its proposed AFOR renewal (AFOR Renewal), as required by Minn. Stat. § 237.766 and Section III, A of the AFOR Plan.

No parties have filed comments on this matter to date.

The Commission met to consider this matter on April 18, 2002.

## **FINDINGS AND CONCLUSIONS**

### **I. PROCEDURES FOR REVIEW AND ADOPTION OF SPRINT'S AFOR RENEWAL**

Minn. Stat. § 237.764 sets forth general procedures and guidelines for adopting, renewing and modifying AFOR plans. These general procedures include the conduct of a proceeding under section 237.61, the conduct of public meetings the Commission may deem necessary, a six-month timeline for a decision on the AFOR petition unless the petitioner and the Commission agree to a time extension, and other AFOR-related requirements and deadlines.

Commission Staff developed proposed procedures for review and adoption of Sprint's AFOR Renewal Plan. See Commission Staff Briefing Papers for consideration of this matter at the Commission's April 18, 2002 meeting, incorporated by reference into this Order. The Briefing Papers containing proposed procedures for review and adoption of Sprint's AFOR renewal were distributed to all parties in advance of the Commission's April 18, 2002 meeting. At the April 18, 2002 hearing, all parties agreed that these procedures were reasonable and supported their adoption.

The Commission finds that these procedures are appropriate and will adopt them. The Commission will use them as guidance for its activity in this matter and in the Ordering Paragraphs will also identify the specific actions that these procedures require of the parties or authorize them to do.

### **II. SETTLEMENT CONFERENCE PROCEDURES**

Sprint proposed a structure based on negotiations between the Company and other interested parties. Sprint suggested that the parties be required to report to the Commission with a recommendation for formal extension of the current AFOR Plan for up to 12 months, as allowed in the current AFOR Plan, if a resolution is not reached by August 1, 2002.

Minn. Stat. § 237.764, subd.1(f) allows the Commission to accept, reject, or modify the proposed settlement within 60 days from the date it was submitted. The schedule suggested by Sprint for a settlement report or a time extension request by August 1, 2002 does not necessarily provide for completion of the process before September 1, 2002 should a stipulation be reached by the parties by August 1, 2002.

Minn. Stat. § 237.764, subd. 2, authorizes the Commission to convene a settlement conference to encourage settlement or stipulation of issues. The Commission believes it appropriate to move the process along expeditiously because it may need more time to consider a possible settlement resolution than the August 1, 2002 date proposed by Sprint would allow. The Commission notes that the Commission may hold a hearing on the Stipulation, if one is reached by the parties, in lieu of the section 237.61 hearing described above, as was the practice in earlier AFOR cases.

Commission Staff developed proposed settlement conference procedures that move the process forward. See Commission Staff Briefing Papers for consideration of this matter at the Commission's April 18, 2002 meeting, incorporated by reference into this Order. The Briefing Papers containing the proposed settlement conference procedures were distributed to all parties in advance of the Commission's April 18, 2002 meeting. At the April 18, 2002 hearing, all parties agreed that these procedures were reasonable and supported their adoption.

The Commission finds that these procedures are appropriate and will adopt them. The Commission will use them as guidance for its activity in this matter and in the Ordering Paragraphs will also identify the specific actions that these procedures require of the parties or authorize the parties to do.

### **III. FUTURE PROCEEDINGS**

Approximately three months from the date of this Order, a hearing, in accordance with Minn. Stat. §237.61, will be held. The Company and parties to the proceeding may present oral arguments to the Commission and their respective experts and representatives shall be available for questions. The Commission will then deliberate and issue its Order on the appropriateness of the AFOR Renewal plan.

In accordance with Minn. Stat. § 237.764, subd. 2, if a substantial number of, but less than all, parties submit a settlement agreement to the Commission, the Commission may hold a hearing and adopt the parties' stipulation in place of the hearing referenced above. If a stipulation for settlement is submitted to the Commission, the Commission will accept, reject or modify the proposed settlement within 60 days from the date it was submitted.

The proposed timeline is driven by the expiration of the current plan on September 1, 2002. This Order contemplates final approval of Sprint's proposed AFOR renewal prior to the current plan's expiration date, September 1, 2002. If the parties wish to request that the Commission revise the current AFOR plan to reflect an expiration date beyond September 1, 2002, parties should so indicate in their comments on the merits of Sprint's proposed AFOR Renewal, as specifically provided in Ordering Paragraph 12.

**ORDER**

**PROCEDURES FOR REVIEW AND ADOPTION OF SPRINT'S AFOR RENEWAL**

1. The Commission hereby adopts the procedures for review and adoption of Sprint's AFOR Renewal Plan that were developed by Commission Staff and provided to all parties as part of Staff Briefing Papers for April 18, 2002. Those Briefing Papers are incorporated into this Order by reference.
2. Within 10 days of this Order, Sprint shall serve a copy of the filing and a copy of the Order on all telecommunications carriers with which the Company has an interconnection agreement.
3. Within 10 days following the issuance of this Order, the Company shall provide the Commission with a list of all persons to which it served the filing and Order.
4. Other interested persons may obtain copies of the proposed AFOR Renewal by contacting the Company at:

Sprint Communications, Inc.  
1630 World Trade Center  
30 East 7<sup>th</sup> Street  
St. Paul, Minnesota 55101-4935  
651-221-1047

5. Any person who wishes to intervene as a party shall file a petition under Minn. Rules, part 7829.0800 within 20 days of the Order.
6. Within 20 days of the date of the Order, any person who would like to be placed on the service list for this proceeding must so indicate on the Declaration of Interest form (Attachment A) and return it to the Commission.
7. After the service list is distributed, every document submitted to the Commission must be filed with proof that the document has been served (proof of service) on all other persons on the service list.
8. An original and 15 copies of all documents shall be served on the Commission by submitting them to:

Burl Haar, Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, Minnesota 55101-2147

9. Any questions concerning this matter should be addressed to Commission staff members: Lillian Brion at 651-297-7864, Ganesh Krishnan at 651-297-7071, or Roger Moy at 651-282-6443.
10. The Commission will accept written comments on the adequacy of Sprint's filing as to form on or before the 30th day following issuance of the Order.
  - Specifically, comments as to form should address whether the Company's filing meets the requirements of Minn. Stat. §§237.76-237.769 and the renewal provisions of the current Plan.
  - Comments on whether the filing meets the requirements on expedited proceeding under section 237.61 are also invited.
11. Reply comments shall be submitted to the Commission within 5 days following the 30 day comment period.
12. The Commission will accept comments on the merits of Sprint's proposed AFOR Renewal on or before the 60th day following issuance of the Order.
  - Comments should, at a minimum, address: (1) the merits of the Company's filing; (2) differences between the current AFOR plan and the proposed AFOR Renewal; and (3) whether or not the Commission should approve the filing.
  - If the parties wish to request that the Commission revise the current AFOR plan to reflect an expiration date beyond September 1, 2002, parties should so indicate in their comments on the merits of Sprint's proposed AFOR Renewal.
13. Reply comments shall be submitted to the Commission within 10 days following the 60 day comment period.
14. Proposed protective orders (orders to deal with any protection of trade secret and privileged data in this docket) must be submitted to the Commission within 20 days of the issue date of this Order.
15. Within 30 days of this Order, the Company shall submit a schedule of proposed public meetings and a proposed customer notice for those meetings, including the dates, times and locations.
16. Once the public meeting schedule and customer notice have been approved, the Company shall publish the Commission approved customer notice about the public meetings as a display advertisement in newspapers of general circulation in all county seats in its service area. The notice shall be published twice, once approximately 2 weeks before the public meeting scheduled in a particular area and again approximately 2 days before the public meeting in a particular area.

17. The Company shall also send notices about the public meetings to city clerks and/or city administrators in all cities within its service area.
18. At least two weeks prior to the first publication date, the Company shall submit to the Commission a list of the newspapers where the customer notice will be published and the date each notice will be published, and a list of city clerks/ administrators that will be notified.
19. At least two weeks before the first scheduled public meeting, the Company shall provide notice of the proposed AFOR Renewal plan to all of its individual customers.
20. Sprint and all parties shall answer any information requests that may be issued by the Commission staff, the Department, the Residential Utility and Small Business Division of the Office of the Attorney General (RUD-OAG) or any other party within 10 days of receipt of the request.
  - A copy of each information request must be served on the Commission and on the service list developed for this proceeding.
  - Answers to the information requests shall be served on the party filing the request and on other parties and non-party participants upon request, subject to the protective order described above.
21. Approximately 3 months from the date of this Order, a hearing, in accordance with Minn. Stat. §237.61, will be held regarding the appropriateness of Sprint's AFOR Renewal plan. The Company and parties to the proceeding may present oral arguments to the Commission and their respective experts and representatives shall be available for questions.
22. The Commission will delegate to its Executive Secretary the authority to vary the time periods established in the Order, on his own motion or at the request of a party for good cause shown.
23. The Commission's Order contemplates final approval of Sprint's proposed AFOR renewal prior to the current plan's expiration date, September 1, 2002. If the parties wish to request that the Commission revise the current AFOR plan to reflect an expiration date beyond September 1, 2002, parties should so indicate in their comments on the merits of Sprint's proposed AFOR Renewal.

#### **SETTLEMENT CONFERENCE PROCEDURES**

24. The Commission hereby adopts the settlement conference procedures developed by Commission Staff and provided to all parties as part of Staff Briefing Papers for April 18, 2002. Those Briefing Papers are incorporated into this Order by reference.

25. The parties shall convene a settlement conference as soon as practicable and submit either a settlement report or a recommended time extension by July 1, 2002.
26. The Company shall submit a written progress report on the settlement negotiations every 30 days thereafter.
27. Any settlement submitted to the Commission should fully discuss the merits of the settlement as well as the associated proposed plan.
28. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

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This document can be made available in alternative formats (i.e., large print or audio tape) by calling (651) 297-4596 (voice), (651) 297-1200 (TTY), or 1-800-627-3529 (TTY relay service).