

Service Date: June 12, 1997

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application of)	UTILITY DIVISION
U S WEST Communications, Inc. to)	
Restructure its Prices for Regulated)	DOCKET NO. D96.12.220
Telecommunications Service.)	ORDER NO. 5965a

PROCEDURAL ORDER

The Commission has delegated to Commission staff the duty to set the procedural schedule and issue the Procedural Order for this proceeding. Commission staff met with the parties on May 22, 1997 and established a tentative procedural schedule, which is established as the Procedural Schedule by this Order. In a work session held on June 10, 1997, the Commission voted to consolidate in this proceeding U S WEST's recent filing docketed as No. N97.5.85, Tariff Transmittal 97-19 "Public Access Line Service -- Increase Measured Usage Rate for Basic PAL." The Procedural Schedule includes discovery dates particular to this consolidated payphone filing. The Commission has established a firm schedule in this Procedural Order. The Commission staff may amend the procedural schedule when the amendment does not alter the scheduled hearing date. The Commission will reconsider the date set for hearing only upon good cause shown and upon waiver of the nine-month requirement under § 69-3-302, MCA. The Commission has set aside a maximum of three days for the hearing.

Introduction

On December 27, 1996, U S WEST Communications, Inc. (U S WEST) filed an application with the Montana Public Service Commission (Commission) to restructure prices for some of its regulated services. Pursuant to a motion filed concurrently with this application, the Commission issued a Protective Order for this proceeding on January 7, 1996. Also on January 7, 1997, the Commission issued a Notice of Application, Opportunity for Hearing and Intervention Deadline. AT&T Communications of the Mountain States, Inc., MCI

Telecommunications Corp., the Montana Consumer Counsel, Northwest Payphone Association, and the Montana Telephone Association have intervened in this proceeding. On January 24, 1997, the Commission ruled that the initial filing in this matter was insufficient and required the filing of additional data as required by Commission rules. However, the Commission granted U S WEST's request to waive the requirements of ARM 38.5.2803 and ARM 38.5.2808 through 38.5.2819.

Also on January 24th, the Commission directed Commission staff to schedule and hold a technical and procedural conference to address the Commission's decision to consider the docket as a full cost of service/rate design proceeding. This conference was held on February 10, 1997, and resulted in informal procedures for filing cost studies and developing a list of items to be covered by the cost studies. On May 22, 1997, Commission staff met with the parties and developed the Procedural Schedule for this proceeding (Attachment "A").

Under the authority of ARM 38.2.2701-2702, this Procedural Order establishes the procedure to be followed in Docket No. D96.12.220. This Order is effective immediately and remains effective until modified by the Commission.

Intervention and Participation

1. In this Order the term "parties" includes the Applicant, U S WEST, and all intervenors. Individuals or entities are not parties unless they have been granted intervention.

2. The deadline for filing Petitions to Intervene was February 3, 1997. Petitions to Intervene filed after that date must comply with ARM 38.2.2401 through 38.2.2406, except when intervention is requested for purposes of participation in U S WEST's payphone filing which was consolidated into this Docket on June 10, 1997. Intervention will be allowed for such interested persons until June 30, 1997. Parties granted intervention in D96.12.220 need not re-petition for intervention for purposes of the payphone matter.

Service and Filing

3. Copies of all pleadings, motions, discovery requests and responses, prefiled testimony, briefs and all other documents shall be filed with the Commission and served on all parties and other entities and individuals on the service list in this Docket. Service upon the

parties shall be upon the parties' attorney of record and such other individuals as may be reasonably designated by the attorney of record. The parties may limit service of discovery responses to service on the party making the discovery request, the Commission, and parties specifically requesting service of discovery responses.

4. Filing by means of telephonic facsimile will not suffice for timely filing. Filing and service deadlines are the dates set for filing of the requisite number of paper copies in the offices of the Commission.

5. An original and seven (7) copies of all discovery must be filed with the Commission, and an original and eleven (11) copies of all other documents, except proprietary documents. Only one copy of proprietary documents shall be filed -- on yellow paper. The Commission or its staff may designate different forms of service for some parties on the service list as appropriate, at a later date (e.g., overnight mail, cover letter only, etc.).

Schedule

6. The deadlines for service and filing of documents in this Docket (pursuant to the above requirements) and other pertinent dates, shall be those dates contained in Attachment "A" which is attached hereto and incorporated herein by this reference.

Discovery

7. The term "discovery" includes all forms of discovery authorized by the Montana Rules of Civil Procedure, as well as "data requests" (informal interrogatories).

8. The Commission directs all parties to prepare data requests according to the following guidelines:

(a) Parties must assign their data requests a request number (e.g., MDU-001). Request numbers must be consecutive regardless of the party to whom the request is directed (e.g., the PSC might direct PSC-001 through 008 to MDU, PSC-009 through 016 to MCC, and PSC-017 through 019 to MDU).

(b) All data requests must include at the beginning of each request a description of five words or less explaining the subject of the data request. Other identifying information, such as the witness to whom the request is submitted, exhibit number, page number, etc., may be

included in addition to, but not in lieu of, the subject of the request. This requirement will help to identify all data requests and responses addressing a particular subject or group of subjects. Subject descriptions will obviously vary from one party to another. However, each party should attempt to keep descriptions consistent from one request to another.

(c) Multi-part requests may be used, each part denoted by a lower case letter (a, b, c, d and e). Requests must be limited to five parts (a-e). If additional parts are necessary, additional requests must be made. A single part request should be denoted by the request number only.

(d) Examples of acceptable data requests are as follows:

PSC-500 RE: Purchased Gas Contracts
Witness - Burke, Page JBB-4, Lines 13-15.

Please provide the origination and expiration date for each contract.

PSC-501 RE: Bypass
Witness - Johnson, Page DAJ-14, Lines 11-14.

- a. What risks of bypass would be avoided by the shareholders as a result of the Company's proposed treatment?
- b. What risks of bypass would be avoided by the ratepayers as a result of the Company's proposed treatment?

9. The party receiving the written discovery or data request has five business days from receipt to file any objections it has to the request(s). Notice of the objection shall be served upon the Commission and all parties (as provided in the paragraph above). The Commission may dispose of such objections by prompt ruling or may schedule argument. Failure to timely object will be a waiver of objections.

10. Any requesting party dissatisfied with the response to any written discovery or data request and desiring PSC action to compel, must serve its written objection(s) within five business days after receipt of such response (as provided in the paragraph above). The Commission may dispose of such objection(s) by prompt ruling, or may schedule argument. The

Commission will act either to sustain or overrule the objection(s), and if sustaining, set a deadline for a satisfactory response.

11. Parties are encouraged to attempt to resolve all discovery disputes between themselves, before filing objections. All motions regarding discovery should contain a statement explaining the efforts taken to resolve the issue informally, and a photocopy or restatement of the requests and responses. Discovery motions which do not include a statement explaining the efforts taken to resolve the issue informally are subject to denial without substantive consideration of the merits.

12. Submission of written discovery after the deadline established will be allowed by leave of the PSC only. The PSC will not grant requests without a showing of good cause explaining why the request was not submitted within the time period allowed.

13. Unless excused by the PSC, failure by a party to answer data requests or other discovery from any party may result in: (a) action refusing to allow the failing party to support or oppose related claims; (b) action prohibiting introduction of related matters in evidence; (c) action striking pleadings, testimony or parts thereof; (d) action staying further proceedings until the request is satisfied; or (e) action dismissing the case, defense, proceeding or parts thereof.

14. Unless otherwise provided by this Order, PSC Rules or other PSC action, discovery procedures and requirements shall be governed by the applicable Montana Rules of Civil Procedure. *See* ARM 38.2.3301 through 38.2.3305.

Testimony and Evidence

15. The PSC contemplates a complete identification of issues before the hearing. The PSC will not permit introduction of new issues or data in new areas at the time of hearing.

16. At hearing, the PSC will admit into the record all prefiled direct, answer and rebuttal testimony upon motion of the proponent, without the necessity of the witness reading the testimony into the record. This testimony will be an exhibit and not otherwise entered into the transcript.

17. All proposed exhibits and prefiled written testimony shall be marked for the purpose of identification prior to the start of the hearing. Parties shall arrange in advance with the court reporter or at a prehearing conference, for the preferred manner of identifying exhibits.

18. When cross-examination is based on a document not previously filed with the Commission, copies of the document will be made available to the Commissioners, parties, and staff, unless good cause is shown why copies are not available. Parties introducing data requests or other discovery must have copies of each request and response available at the hearing for the court reporter, each Commissioner, the PSC staff, and all parties. This last requirement may be waived if the documents to be introduced are bulky, or for other good cause, and if previous arrangements have been made with the PSC and all parties.

19. Parties may be permitted to present live rebuttal testimony only by leave of the PSC or presiding officer.

20. The Montana Rules of Evidence in effect at the time of the hearing will apply.

21. Any party to this proceeding responding to written discovery from any other party or the Commission shall have each person authorizing any response(s) present and available as a witness at the hearing to introduce the response(s) and be available for cross-examination. Parties may waive objection(s) to introduction absent the author, and the right to cross-examine. Upon PSC approval of such parties' agreement to waiver, the person responding to data requests need not be present to testify and the responses may be introduced into the record. Written discovery and data responses will be introduced at hearing only pursuant to applicable rules of evidence and through an appropriate witness subject to cross-examination, or upon stipulation approved by the PSC (except, *see* Rule 32, M.R.Civ.P. regarding admission of depositions).

Prehearing Motions and Conferences

22. Motions by any party, including motions to strike prefiled testimony and motions concerning any procedural matter connected with this Docket shall be raised at the earliest possible time. Prehearing motions shall be submitted on briefs, without oral argument, unless otherwise requested by a party and approved by the PSC. All parties are strongly encouraged to attempt to resolve procedural disputes informally.

23. The PSC may set prehearing conferences to discuss settlement of any issues in the proceeding, simplification of issues, possibility of obtaining admissions of fact and documents, distribution and marking of written testimony and exhibits prior to the hearing, and other procedural matters as may aid in the disposition of the proceeding.

24. Nothing in this order shall be construed to limit the legally established right of the PSC or its staff to inspect the books and accounts of U S WEST and other regulated utilities at any time.

Prehearing Memoranda

25. Each party and the Commission staff will serve a prehearing memorandum on the Commission and all formal parties in this Docket on or before October 27, 1997, containing the following information:

- a. Each and every Data Response and all other exhibits that it intends to offer into evidence at the hearing;
- b. The name of the witness responsible for the Data Response or through which the exhibit will be offered; and
- c. The issue to which the Data Response or document is relevant.

In addition, all parties (but not the Commission staff) are required to include the following in their prehearing memoranda:

- d. A list of all issues, contested and uncontested;
- e. Witnesses the party will call to testify;
- f. A proposed order of witnesses (including whether each witness would simultaneously offer both direct and rebuttal testimony);
- g. A proposed order of cross-examination; and
- h. Identification and explanation of any special scheduling or witness sequence needs which a party requests to accommodate scheduling conflicts.

Amendment

26. The provisions of this Order may only be amended by PSC action or PSC staff action pursuant to delegated authority. The PSC shall maintain continuing jurisdiction of the matters encompassed by this Order during the course of this Docket.

DONE AND DATED this 10th day of June, 1996 by delegation to Commission staff as the Order of the Montana Public Service Commission.

BY THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman
NANCY MCCAFFREE, Vice Chair
BOB ANDERSON, Commissioner
DANNY OBERG, Commissioner
BOB ROWE, Commissioner

ATTACHMENT "A"

Procedural Schedule

Docket No. D96.12.220, Order No. 5965a

<u>Deadline*</u>	<u>Action</u>
June 20, 1997	Data requests to U S WEST due; U S WEST Prefiled Testimony due for "payphone" filing (U S WEST Tariff Transmittal 97-19, previously docketed as N97.5.85 and consolidated in this proceeding on June 10, 1997).
July 11, 1997	U S WEST Answers to June 20 Data Requests due; Data Requests to U S WEST due for "payphone" issue.
July 21, 1997	U S WEST Answers to July 11 Data Requests due.
August 8, 1997	Intervenor Prefiled Testimony due.
August 15, 1997	Intervenor Data Requests to other Intervenors on Prefiled Testimony due.
August 22, 1997	Answers to August 15 Data Requests due.
August 29, 1997	Intervenor Cross-Response to Intervenor Testimony due.
September 5, 1997	U S WEST Data Requests on Intervenor Testimony due.
September 11, 1997	Commission identification of Additional Issues.
September 19, 1997	Answers to September 5 Data Requests due.
October 3, 1997	U S WEST Final Testimony due; Testimony on Additional Issues by all parties due.
October 14, 1997	Data Requests on U S WEST Rebuttal due; Data Requests on Additional Issues due.
October 23, 1997	Answers to October 14 Data Requests due.
October 27, 1997	Prehearing Memoranda due.
October 29, 1997	Hearing to Commence in Docket No. D96.12.220.

*DEADLINES ARE RECEIPT DATES