

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

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RE: INVESTIGATION AND SUSPENSION	)	INVESTIGATION AND SUSPENSION
OF PROPOSED CHANGES IN TARIFF --	)	DOCKET NO. 1655
COLORADO PUC NO. 5 - TELEPHONE,	)	
MOUNTAIN STATES TELEPHONE AND	)	ORDER SUSPENDING EFFECTIVE DATE
TELEGRAPH COMPANY, DENVER,	)	OF TARIFFS, NOTICE OF HEARING,
COLORADO B0202.	)	AND PROCEDURAL DIRECTIVES.

December 6, 1983

IMPORTANT NOTICE: ANY PERSON DESIRING TO TESTIFY OR MAKE A STATEMENT ONLY MAY DO SO SIMPLY BY APPEARING AT THE PUBLIC HEARING. THE LAW REQUIRES THAT ANY PERSON DESIRING TO ASK QUESTIONS OF A WITNESS, OR OTHERWISE PARTICIPATE AS A PARTY IN THIS RATE MATTER, MUST REQUEST PERMISSION FROM THE COMMISSION TO BE AN INTERVENOR (EVEN IF A PROTEST ALREADY HAS BEEN FILED). ANYONE DESIRING TO INTERVENE SHOULD READ THIS NOTICE CAREFULLY AND FOLLOW THE DIRECTIONS FOR BECOMING AN INTERVENOR. FOR FURTHER INFORMATION, PLEASE CALL 866-2370 (PUC CONSUMER OFFICE).

STATEMENT AND FINDINGS OF FACT

BY THE COMMISSION

On November 28, 1983, Mountain States Telephone and Telegraph Company (Mountain Bell) filed three advice letters, to wit: Advice Letter No. 1930, Advice Letter No. 1931 and Advice Letter No. 1932. This decision and order pertains only to Advice Letter No. 1931 wherein Mountain Bell seeks a general across-the-board revenue increase of approximately 151.0 million dollars. (The \$151 million revenue increase amounts to a percentage increase of 46.08 percent to be applied to Mountain Bell's products and services under tariffs effective as of October 1, 1983, with the exception of intrastate long distance message telecommunications and related services, and local coin calls which would increase from 20 cents to 25 cents per call.)<sup>1</sup>

Mountain Bell requests that tariffs filed pursuant to Advice Letter No. 1931 become effective on January 1, 1984, on more than thirty-days statutory notice.

Pursuant to the provisions of 40-6-111(1), as amended, CRS 1973, the Commission may set the tariffs for hearing if it believes that a hearing is required and that the proposed rates as set forth in the tariffs may be improper. We find that a hearing is necessary and that in view of changed conditions affecting the telephone industry since Mountain Bell's last general rate case the rates as proposed by Mountain Bell may be improper. Section

<sup>1</sup> In Advice Letter No. 1930, Mountain Bell seeks an interim intrastate interLATA carrier access charges in the amount of \$51.4 million. By Advice Letter No. 1932, Mountain Bell proposes an interim increase in rates, subject to refund in the event that the tariffs proposed in Advice Letter No. 1931 are suspended in the amount of \$33.2 million, by applying a 7.38 percent increase to the monthly rates of Mountain Bell products and services under tariffs effective as of October 1, 1983 except for local coin calls and non-recurring (one-time) charges.

40-6-111(1) of CRS 1973, as amended, also provides that the Commission, in its discretion, by separate order, may suspend the effective date of the filed tariffs for an additional 90 days. Thus, the power and authority of the Commission to suspend the effective date of the filed tariffs herein extends for a maximum period of 210 days, or in this docket, as it pertains to Advice Letter No. 1931, until July 28, 1984. If no new rates are established by the Commission prior to the expiration of the first suspension period of one hundred twenty (120) days, or by April 29, 1984, the tariffs filed by Mountain Bell will become effective by operation of law unless the tariffs' effective date is suspended further for a period of up to ninety (90) days. In the event the Commission further suspends the effective date of the tariffs for an additional ninety (90) days, by separate order, if no new rates are established by the Commission on or before July 28, 1984, the tariffs filed by Mountain Bell will become effective by operation of law.

The Commission, on its own motion, states and finds that it should set the herein proposed tariff revisions for hearing and suspend the effective date thereof in the manner and form as set forth in the order hereinafter to follow, because we find that a hearing is necessary, and also because of the important impact on the customers of Mountain Bell using telephone service. We further find that the rates filed herein may be unjust and unreasonable as applied to Mountain Bell's customers.

The Commission, in the order hereinafter to follow, will set forth the dates for intervention and certain other procedural directives generally with respect to Phase I of this docket. The Commission also will use its normal practice of requiring that the direct testimony of Mountain Bell, intervenors, and the Staff, be in writing, in question and answer format, and filed prior to the date of cross-examination.

The Commission has determined that the procedural methodology previously used in Investigation and Suspension Docket No. 1575 generally will be used with regard to the current general rate case. That is, the Commission anticipates entering a Phase I revenue requirements order which will be designated as a final order for Commission and judicial review purposes in accordance with CRS 1973, 40-6-114 and 40-6-115, respectively. At this time, we cannot anticipate the date that this Phase I decision will be entered. Whatever increase in Mountain Bell's revenue requirement, if any, is found to be appropriate will be spread on a uniform percentage basis to the various classes of service pending resolution of any rate design issues. It is necessary to complete Phase I within the 210-day suspension period. Of course, after the Phase I revenue requirement is determined, the Commission, at an appropriate time, will enter into Phase II proceedings with respect to the spread-of-the-rates.

The parties may commence Phase I settlement negotiations among themselves at any time. The Commission will appreciate the parties using the mechanism of settlement negotiations among themselves to reduce and clarify issues. In this way, the hearing time resources of the Commission can be utilized more efficiently.

On March 20, 1984, at 2 p.m., the Commission will commence evidentiary hearings with respect to Phase I. On that date, the Commission will have marked and placed into the record the prefiled written direct testimony and supporting exhibits of Mountain Bell. If any one or more issues have been settled, the parties shall file with the Commission a written stipulation setting forth the settlement agreement, which stipulation will set forth the terms of the settlement. If a stipulation is to be filed with the Commission, it should be filed no later than March 16, 1984. The Commission promptly will review the stipulation and by written order will inform all parties which of

the settlement issues, if any, have been approved by the Commission and, therefore, are not subject to hearing in Phase I. Any unsettled issue, or issues, will be subject to hearing.

In the order hereinafter, the Commission shall also set forth certain procedural dates with respect to discovery, the filing of written testimony, statements of position, etc.

The Commission, hereinafter, also will set dates for hearing with respect to procedural motions, if any, that may be filed by one or more of the parties during the course of the proceeding. Hearings, with respect to such procedural motions, will be conducted by one or more Hearings Examiners designated by the Commission for that purpose. It should also be noted that this decision and order does not set forth the dates, times and places for the reception of public testimony except for the reception of such testimony in Denver. The Commission, by subsequent order or notice, plans to set dates, times and places for hearings in certain locations outside the Denver metropolitan area. The parties, and interested persons, firms and corporations will be notified, as indicated above, by subsequent order or notice of the same. Although the Commission is not making firm commitments at this time, as to the other locations, it is expected that these locations outside Denver will be Alamosa, Durango, Fort Collins, Grand Junction, Pueblo and Steamboat Springs.

For the first time in many years, the Commission is faced with almost simultaneous major rate filings by the Mountain States Telephone and Telegraph Company (Mountain Bell) and Public Service Company of Colorado (Public Service). As indicated above, unless the Commission establishes rates within 210 days of the proposed effective date of the filed tariffs, the filed tariffs automatically go into effect on the 211th day. Although the Commission statutorily is not required to make its final determination in a rate case prior to the end of the 210-day period, the Commission has always endeavored to do so in order to avoid the possible confusion of having current rates succeeded by filed rates and in turn succeeded by Commission established rates, within a relatively short time frame. Such a scenario is not only confusing to the ratepayers, but also administratively burdensome and very costly to the utility involved. Thus, for practical reasons, it is most desirable for all concerned for the Commission to complete its Phase I work within the 210-day period.

Because of the almost simultaneous filings by Mountain Bell and Public Service, it has been necessary to schedule two major rate cases into an almost identical time frame. The procedural dates hereinafter set in the order are designed to accomplish the 210-day time constraints in both Mountain Bell and Public Service filings, respectively.

We have attempted to schedule as many days as is physically possible in order to accommodate hearings hours from 10:00 A.M. to 6:00 P.M. on Wednesdays, Thursdays and Fridays and from 2:00 P.M. to 6:00 P.M. on Tuesdays. There is no room to maneuver the dates or times. Accordingly, the procedural dates set herein should be regarded as firm dates not subject to change. All of the parties who intend to participate in this proceeding should be fully prepared to do whatever is necessary to assist the Commission in accomplishing its work within the procedural dates and times hereinafter set.

#### ORDER

##### THE COMMISSION ORDERS THAT:

1. The herein matters with respect to the tariff revisions filed by the Mountain States Telephone and Telegraph Company with respect to its Advice



Letter No. 1931, dated November 28, 1983 be, and hereby are, set for hearing to commence as follows:

DATE: March 20, 1984

TIME: 2:00 p.m.

PLACE: Hearing Room  
5th Floor State Services Building  
1525 Sherman Street  
Denver, Colorado 80203

2. The effective date of the tariff revision filed by the Mountain States Telephone and Telegraph Company on November 28, 1983, pursuant to its Advice Letter No. 1931, be, and hereby is, suspended until April 29, 1984, or until further order of the Commission.

#### PHASE I

3. Any person, firm, or corporation desiring to intervene as a party in the within proceeding generally, or desiring to intervene as a party in the within proceeding with respect to Phase I only, shall file an appropriate pleading therefor with the Commission on or before December 19, 1983, and serve a copy thereof on the Respondent herein, or its attorney or attorneys of record.

4. The test period in this docket shall be the twelve months ended December 31, 1984.

5. The Mountain States Telephone and Telegraph Company shall file with the Executive Secretary of the Commission ten (10) copies of all exhibits and direct testimony with respect to Phase I on or before January 17, 1984. Additionally, on or before January 17, 1984, the Mountain States Telephone and Telegraph Company shall furnish a copy of all exhibits and direct testimony concerning Phase I to each party of record or its counsel. Except upon timely motion and for good cause shown or by stipulation of all parties and the Staff of the Commission no other, different or additional exhibits, witnesses, or scope of witnesses' testimony will be permitted to be offered by the Mountain States Telephone and Telegraph Company in support of its direct case..

6. The Mountain States Telephone and Telegraph Company shall file with the Executive Secretary of the Commission, on or before February 27, 1984, ten (10) copies of financial exhibits which set forth a full and complete pro forma intrastate rate case based upon a historic test year ending December 31, 1983. All effects of divestiture of the Mountain States Telephone and Telegraph Company from the American Telephone and Telegraph Company shall be treated as pro forma adjustments to the book numbers contained in the books and records of the Mountain States Telephone and Telegraph Company and they shall not be treated, in whole or in part, as a part of other pro forma adjustments or a part of the book numbers themselves of the Mountain States Telephone and Telegraph Company. The Mountain States Telephone and Telegraph Company shall furnish copies of the financial exhibits to be filed with the Executive Secretary of the Commission on or before February 27, 1984 to each party of record or its counsel.

7. The Staff of the Commission and any person, firm or corporation which has been granted intervention status may commence discovery with respect to Phase I on the Mountain States Telephone and Telegraph Company at any time from and after the date of this decision. All discovery requests to the Mountain States Telephone and Telegraph Company, with respect to Phase I must be

completed on or before February 17, 1984. The Mountain States Telephone and Telegraph Company shall complete its responses to Phase I discovery requests on or before March 9, 1984.

8. The within matter be, and hereby is, set for hearing on the summary of direct examination and cross examination of the Mountain States Telephone and Telegraph Company witnesses, with respect to Phase I (revenue requirements) as follows:

DATE: March 20, 1984  
TIME: 2:00 P.M.  
PLACE: Hearing Room  
5th Floor State Services Building  
1525 Sherman Street  
Denver, Colorado 80203

The dates of March 21, 22, 23 (10:00 a.m.); April 3 (2 p.m.), 4, 5, 6, 1984 (10:00 a.m.), shall be reserved on the Commission calendar for hearing, if necessary.

9. Reception of public testimony will be taken by an examiner of the Commission designated for that purpose at the following dates, time and place:

DATE: April 11, 1984  
TIMES: 12:00 Noon and 7:00 P.M.  
PLACE: Hearing Room  
5th Floor State Services Building  
1525 Sherman Street  
Denver, Colorado 80203

The dates, times and places for the additional reception of public testimony by a hearings examiner of the Commission, designated for that purpose, shall be set by subsequent order or by notice.

10. The Mountain States Telephone and Telegraph Company and any intervenor may commence discovery of the Staff of the Commission at any time with respect to Phase I from and after the date of this decision. All discovery requests to the Staff with respect to Phase I must be completed on or before April 23, 1984. The Staff shall complete its responses to Phase I discovery requests on or before April 30, 1984.

11. The Mountain States Telephone and Telegraph Company, the Staff of the Commission and any intervenor may commence discovery of an intervenor at any time with respect to Phase I from and after the date of this decision. All discovery requests of an intervenor with respect to Phase I must be completed on or before April 23, 1984. Each intervenor shall complete its responses to Phase I discovery requests on or before April 30, 1984.

12. The Staff of the Commission and each intervenor who wishes to present direct testimony in Phase I (revenue requirements) of the docket herein shall file with the Executive Secretary of the Commission on or before April 16, 1984 ten (10) copies of its prepared written direct testimony and supporting exhibits with respect to Phase I. Additionally, on or before April 16, 1984, the Staff of the Commission and each intervenor who wishes to present direct testimony in Phase I, respectively, shall furnish a copy of all exhibits and direct testimony to each party of record or its counsel. Except upon timely motion and for good cause shown, or by stipulation of the parties, no other, different, or additional exhibits, witnesses, or scope of witnesses' testimony will be permitted to be offered by the Staff, or any intervenor, respectively, in support of their respective direct cases.

13. The within matter be, and hereby is, set for hearing on the summary of direct examination and cross examination of the Staff of the Commission and intervenor witnesses, with respect to Phase I (revenue requirements) and submission of rebuttal testimony, if any, by the Mountain States Telephone and Telegraph Company, shall be as follows:

DATE: May 15, 1984

TIME: 2:00 P.M.

PLACE: Hearing Room  
5th Floor State Services Building  
1525 Sherman Street  
Denver, Colorado 80203

The dates of May 16, 17, 18 (10:00 a.m.), 22 (2:00 p.m.), 23, 24, 25, 1984 (10:00 a.m.), shall be reserved on the Commission calendar for hearing, if necessary.

14. Procedural motions shall be heard by a hearings examiner designated for that purpose, to the extent that any are pending, at 9:00 A.M. on the following dates: February 23, 1984, March 5, 1984 and April 26, 1984.

15. To the extent that any one or more issues have been settled by the parties pursuant to a written stipulation, the parties shall file with the Commission said written stipulation setting forth the terms of their settlement of issues and said stipulation is to be filed with the Commission on or before May 11, 1984.

16. Opening Statements of position with respect to the substantive issues in Phase I (together with proposed findings of fact and conclusions of law) shall be filed by the parties with the Commission on or before June 4, 1984. Reply statements of position, on an optional basis, shall be filed on or before June 11, 1984.

#### PHASE II

17. Any person, firm, or corporation desiring to intervene as a party in the within proceeding with respect to Phase II only, shall file an appropriate pleading therefor with the Commission on or before June 8, 1984.

Further procedural directives, with respect to Phase II of this docket, shall be established by subsequent order or orders of the Commission.

#### GENERAL

18. The procedural directives herein may be modified, as appropriate, by subsequent order or orders of the Commission.

19. Further procedural directives or modifications thereto will be issues, as appropriate, by subsequent order or orders of the Commission.

This Order shall be effective forthwith.

DONE IN OPEN MEETING the 6th day of December, 1983.

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

Edythe S. Miller

Daniel E. Munn

André Schmidt

Commissioners

jm:00613

(Decision No. C83-1831-E)

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

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COLORADO PUC NO. 5 - TELEPHONE, )	DOCKET NO. 1655
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TELEGRAPH COMPANY, DENVER, )	ERRATA NOTICE
COLORADO 80202. )	

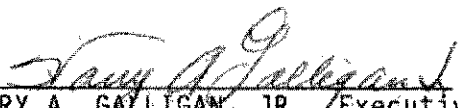
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January 19, 1983  
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Decision No. C83-1831  
(Issued December 6, 1983)

Page 6, Ordering Paragraph No. 15, last line, should be  
corrected to read as follows:

"before March 12, 1984."

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

  
HARRY A. GALLIGAN, JR., Executive  
Secretary

Dated at Denver, Colorado this 19th  
day of January, 1984.