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October 16, 2003-

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Mrs. Blanca S. Bayó Director, Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard

Re: <u>Docket Nos. 981834-TP and 990321-TP (Generic Collocation)</u>

Dear Ms. Bayó:

Tallahassee, FL 32399-0850

DANIEL MCCUAIG

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Enclosed are an original and fifteen copies of Verizon Florida Inc.'s Response to Covad's Motion to Compel Verizon to Respond to Covad's Second Set of Discovery, which we ask that you file in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

Daniel McCuaig

a Milia

cc: All Parties of Record Charles Schubart

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FPSC-COMMISSION CLERK

## CERTIFICATE OF SERVICE Docket No. 981834-TP and 990321-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via FedEx or regular U.S. Mail this 16th day of October, 2003 to the following.

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# BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Competitive Carriers for Commission action to support local Competition in BellSouth Telecommunications Inc.'s service territory

Docket No. 981834-TP

In re: Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation.

Docket No. 990321-TP

### VERIZON FLORIDA INC.'S RESPONSE TO COVAD'S MOTION TO COMPEL VERIZON TO RESPOND TO COVAD'S SECOND SET OF DISCOVERY

Verizon Florida Inc. ("Verizon") urges the Commission to reject DIECA Communications, Inc. d/b/a Covad Communications Company's ("Covad") Motion to Compel Verizon Florida Inc. to Respond to Covad's Second Set of Discovery ("Motion to Compel") because Covad's discovery: (1) seeks information pertaining to issues that were appropriately addressed at the August hearing and for which the record is now closed; (2) is unduly burdensome; and (3) would require Verizon to perform a special cost study solely for purposes of responding to discovery.

#### ARGUMENT

I. COVAD'S DISCOVERY IMPROPERLY SEEKS TO RELITIGATE AN ISSUE ADDRESSED AT THE AUGUST HEARING AND FOR WHICH THE RECORD IS NOW CLOSED.

On September 15, 2003, Covad served Verizon with its Second Set of Interrogatories (Nos. 6-31) and Request for Production No. 2. Notwithstanding the Commission's clear declaration that the record for Phase I Issues closed with the conclusion of the Phase I hearing, several of Covad's interrogatories focus exclusively on issues that, if relevant at all, were addressed exhaustively as part of Issue 6B in the first phase of this litigation. Indeed, these interrogatories go to the very heart of the issue, extensively litigated during the August hearing, of whether ILECs should be required to offer DC power to collocators on metered basis. Covad's attempts to reopen the record and relitigate this issue should be rejected.

In its June 11, 2003 Order Approving Agreement, the Commission determined that Issue 6B ("If power is charged on a per-amp-used basis or on a fused capacity basis, how should the charge be calculated and applied?") should be addressed at the Phase I Hearing in August.<sup>2</sup> AT&T challenged this determination in its Motion for Modification of the Procedural Schedule, arguing "the policy question on charges for electric power should not be determined without also looking at the cost issues leading to the development of the rates for electric power consumption," and thus that the Commission should not decide Issue 6B until *after* the *Phase II* Hearing.<sup>3</sup> The

See Covad Interrogatory Nos. 6, 7, 12, and 20-31.

Order Approving Agreement, Order No. PSC-03-0702-FOF-TP, Docket Nos. 981834-TP & 990321-TP (June 11, 2003), at 4.

AT&T's Motion for Modification of the Procedural Schedule, filed in Docket Nos. 981834-TP & 990321-TP on July 24, 2003, at 3.

Commission squarely rejected AT&T's argument, finding that "[t]he parties have been on notice for quite some time when Issues 6A-6C would be addressed, . . . [and] there appears to be no undue prejudice that will result from maintaining the current schedule and no other overriding reason to do otherwise." Accordingly, the Commission has made clear that Issue 6B is a Phase I issue.

The Phase I Hearing concluded on August 12, 2003, following extensive discovery, prefiled testimony, live testimony, and briefing regarding the very issues that are the subject of Covad's discovery. The record is now closed and the Commission is scheduled to rule on the Phase I Issues at its November 3, 2003 Agenda.

Covad disingenuously asserts that "a brief review" of its interrogatories will reveal that they are relevant to Phase II of this proceeding because they go to the "costs" Verizon incurs to provide DC power to collocators. Although Verizon agrees that one subpart of Covad's first two interrogatories specifically asks for costs, the word "cost" (or any synonym thereof) appears *only* those two times in the interrogatories Verizon challenges here. By contrast, the word "capacity" appears *thirty* times and the word "amperes" *twenty-one* times in the same group of interrogatories. Thus, Covad clearly is not seeking information regarding the *cost* of each amp of DC power infrastructure, but rather whether Verizon in fact builds DC power infrastructure capacity to accommodate ALEC orders, as all three ILEC witnesses confirmed at the August

Order Denying Motion for Modification of Procedural Schedule, Order No. PSC-03-0910-PCO-TP, Docket Nos. 981834-TP & 990321-TP (Aug. 7, 2003), at 4.

Motion to Compel ¶ 6.

<sup>6</sup> Covad Interrogatory Nos. 6(c), 7(c). Verizon does not challenge the relevancy of these two subparts, but objects to them because they are unduly burdensome for the reasons discussed below.

Covad Interrogatory Nos. 6, 7, 12, and 20-31.

hearing.<sup>8</sup> Because this latter issue is precisely the question raised by Issue 6B,<sup>9</sup> for which the record is now closed, Covad's Motion to Compel should be denied.

The only power question that remains to be answered in Phase II of this proceeding is *how much* Verizon should be compensated for each amp of capacity it provides to the ALECs. Apart from two isolated subparts, which are unduly burdensome as described below, the disputed Covad interrogatories do not even purport to address this question.

Thus, Covad's claim that the information it seeks is relevant to Phase II of this proceeding because it goes to Verizon's "costs" is incorrect.<sup>10</sup>

### II. COVAD'S DISCOVERY REQUESTS ARE UNDULY BURDENSOME.

Covad's discovery requests should also be denied because responding to them would be unduly burdensome. In its Motion to Compel, Covad concedes (as it must) that the disputed interrogatories are unduly burdensome on their face. Covad therefore offers to reduce its request in Interrogatory Nos. 6 and 7 from all power plant construction and augment jobs since January 1, 1996 to Verizon's five most recent jobs, and to reduce its request in Interrogatory Nos. 20-31 from all Verizon central offices in Florida today to the Verizon central offices where Covad is collocated. Covad's so-called offer to make its requests less burdensome falls short of the mark.

See, e.g., 8/11/03 Tr. at 184, 187 (Milner); id. at 366-69 (Davis); 8/12/03 Tr. at 536 (Bailey).

Issue 6B asks "how should the [power] charge be calculated and applied?"

Covad's suggestion that Interrogatory Nos. 6, 7, 12, and 20-31 are meant to advance not Covad's own interests but rather the Commission's is particularly insincere. See Motion to Compel ¶ 9. Staff appropriately ceased promulgating discovery regarding Phase I Issues once that phase of this proceeding closed; the Commission should order Covad to do the same.

See Motion to Compel ¶¶ 11, 12.

<sup>&</sup>lt;sup>12</sup> Motion to Compel ¶ 11.

<sup>&</sup>lt;sup>13</sup> Covad Interrogatory No. 20.

Covad implies that the information it seeks in Interrogatory No. 6 is the same as Verizon provided in response to Covad Interrogatory No. 3, with the only difference being that it is now seeking information from Verizon's last five power jobs whereas Interrogatory No. 3 asked only about Verizon's last two power jobs. That is not true. Covad Interrogatory No. 3 asked specifically about Verizon's power costs and did not request any of the irrelevant information Covad seeks in this set of discovery. Interrogatory Nos. 6 and 7, by contrast, seek power plant capacity information.

The detailed cost information Verizon provided in response to Covad Interrogatory No. 3, moreover, was burdensome to produce. It required many engineer labor hours to gather the relevant information for Verizon's two most recent Florida power plants. Verizon's Real Estate and Cost Groups also made significant contributions to Verizon's responses. Just gathering the *cost* information for three additional (and necessarily older) power plants (and five augments) would impose a significant burden on Verizon: Verizon's power engineers estimate that responding to Interrogatory Nos. 6 and 7 would take approximately 60 hours. And the *capacity* information that Covad seeks is not information that Verizon keeps in the ordinary course of business and thus would be extremely burdensome, if not impossible, to produce.

With respect to Interrogatory Nos. 20-31, Covad's proposed "compromise" to limit the scope of these interrogatories to the 24 Verizon central offices where Covad has

<sup>&</sup>lt;sup>14</sup> Motion to Compel ¶ 12.

See Motion to Compel ¶ 11 n.4.

See Covad Interrogatory No. 3.

See Covad Interrogatory Nos. 6(d)-(i), 7(d)-(i).

collocation arrangements does not cure their unduly burdensome nature. These interrogatories seek detailed information dating as far back as January 1, 1996 that Verizon does not keep in the ordinary course of business. Gathering such information would be extremely burdensome if not impossible, especially for such a large number of central offices.

Finally, in Interrogatory No. 12, Covad seeks capacity information from the 46 Verizon central offices in which ALECs are collocated. It would be extremely burdensome for Verizon to gather detailed information for so many central offices.

Thus, the Commission should reject Covad's Motion to Compel the disputed discovery requests on the grounds that they are unduly burdensome, particularly in light of their complete lack of relevance to this phase of the proceeding.<sup>18</sup>

## III. SEVERAL OF COVAD'S DISCOVERY REQUESTS WOULD REQUIRE A SPECIAL COST STUDY AND ARE SPECULATIVE.

Covad's Motion to Compel completely fails to address Verizon's objection that Interrogatory Nos. 13-16 and Request for Production No. 2 would require Verizon to perform a special cost study for purposes of discovery. Verizon is *not* obligated to conduct new cost studies to answer Covad's discovery, and therefore Covad's Motion to Compel should be denied.<sup>19</sup>

With respect to Verizon's other objection to these discovery requests — that they are speculative — Covad argues that they are not speculative because the Commission

Fla. R. Civ. P. 1.280(c). See generally Palmer v. WDI Sys., Inc., 588 So.2d 1087, 1088 (Fla. Dist. 5 Ct. App. 1991) ("As a practical matter, a trial court weighs a variety of factors in deciding whether to refuse discovery to a party.").

See, e.g., Scales v. Swill, 715 So.2d 1059, 1060-61 (Fla. Dist. 5 Ct. App. 1998) ("An expert cannot be compelled to . . . produce nonexistent documents."); Balzebre v. Anderson, 294 So.2d 701, 702 (Fla. Dist. 3 Ct. App. 1974) (party not required to produce in discovery a statement reflecting net

suggested at the August hearing that it might consider ordering the ILECs to bifurcate their DC power charges into infrastructure and electric utility components.<sup>20</sup> But by inferring that the Commission not only will order such a bifurcation but also will order that the infrastructure costs be recovered via an NRC, Covad engages in second derivative speculation. If the Commission does indeed order Verizon to recover its power infrastructure costs via a standalone NRC, Verizon will perform the cost study required to establish appropriate rates. Unless and until the Commission does so, however, Covad's requests are wholly speculative and its Motion to Compel should be denied.

#### CONCLUSION

For the foregoing reasons, Verizon respectfully requests that the Commission deny Covad's Motion to Compel.

Respectfully submitted,

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Dated: October 16, 2003

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worth, assets, and liabilities because "a party may not be required to produce documents which it does not have and which are not shown to exist.").

See Motion to Compel ¶ 13.