

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: 1991 Depreciation Study for
UNITED TELEPHONE COMPANY OF FLORIDA

) DOCKET NO. 910725-TL
) ORDER NO. 25800
) ISSUED: 2/25/92
)

ORDER ON PREHEARING PROCEDURE

Pursuant to the provisions of Rule 25-22.038, Florida Administrative Code, all parties and Staff are hereby required to file with the Director of Records and Reporting a prehearing statement on or before March 13, 1992. Each prehearing statement shall set forth the following:

- (a) all known witnesses that may be called and the subject matter of their testimony;
- (b) all known exhibits, their contents, and whether they may be identified on a composite basis and witness sponsoring each;
- (c) a statement of basic position in the proceeding;
- (d) a statement of each question of fact the party considers at issue and which of the party's witnesses will address the issue;
- (e) a statement of each question of law the party considers at issue;
- (f) a statement of each policy question the party considers at issue and which of the party's witnesses will address the issue;
- (g) a statement of the party's position on each issue identified pursuant to paragraphs (d), (e) and (f) and the appropriate witness;
- (h) a statement of issues that have been stipulated to by the parties;
- (i) a statement of all pending motions or other matters the party seeks action upon; and
- (j) a statement as to any requirement set forth in this order that cannot be complied with, and the reasons therefore.

DOCUMENT NUMBER-DATE

01927 FEB 25 1992

FPSC-RECORDS/REPORTING

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The original and fifteen copies of each prehearing statement must be received by the Director of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of March 13, 1992. Failure of a party to timely file a prehearing statement shall be a waiver of any issues not raised by other parties or by the Commission staff. In addition, such failure shall preclude the party from presenting testimony in favor of his or her position on such omitted issues. Copies of prehearing statements shall also be served on all parties. Prehearing statements shall substantially conform to the Florida Rules of Civil Procedure requirements as to form, signatures, and certifications.

Each party is required to prefile all exhibits and all direct testimony it intends to sponsor in written form. Prefiled testimony shall be typed on standard 8 1/2 x 11 inch transcript quality paper, double spaced, with 25 numbered lines, in question and answer format, with a sufficient left margin to allow for binding. An original and fifteen copies of each witness' prefiled testimony and each exhibit must be received by the Director of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the due date. Failure of a party to timely prefile exhibits and testimony from any witness in accordance with the foregoing requirements may bar admission of such exhibits and testimony. Copies of all prefiled testimony shall also be served by the sponsoring party on all other parties.

A final prehearing conference will be held on April 6, 1992, in Tallahassee. The conditions of Rule 25-22.038(5)(b), Florida Administrative Code, will be met in this case and the following shall apply:

Any party who fails to attend the final prehearing conference, unless excused by the prehearing officer, will have waived all issues and positions raised in his or her prehearing statement.

Any issue not raised by a party prior to the issuance of the prehearing order shall be waived by that party, except for good cause shown. A party seeking to raise a new issue after the issuance of the prehearing order shall demonstrate that: he or she was unable to identify the issue because of the complexity of the matter; discovery or other prehearing procedures were not adequate to fully

develop the issues; due diligence was exercised to obtain facts touching on the issue; information obtained subsequent to the issuance of the prehearing order was not previously available to enable the party to identify the issue; and introduction of the issue could not be to the prejudice or surprise of any party. Specific reference shall be made to the information received, and how it enabled the party to identify the issue.

Unless a matter is not at issue for that party, each party shall diligently endeavor in good faith to take a position on each issue prior to issuance of the prehearing order. When a party is unable to take a position on an issue, he or she shall bring that fact to the attention of the prehearing officer. If the prehearing officer finds that the party has acted diligently and in good faith to take a position, and further finds that the party's failure to take a position will not prejudice other parties or confuse the proceeding, the party may maintain "no position at this time" prior to hearing and thereafter identify his or her position in a post-hearing statement of issues. In the absence of such a finding by the prehearing officer, the party shall have waived the entire issue. When an issue and position have been properly identified, any party may adopt that issue and position in his or her post-hearing statement.

To facilitate the management of documents in this docket, parties and Commission Staff shall submit an exhibit list with their respective prehearing statements. Exhibits will be numbered at the Prehearing Conference. Each exhibit submitted shall have the following in the upper right-hand corner: the docket number, the witness's name, the word "Exhibit" followed by a blank line for the Exhibit Number and the title of the exhibit.

An example of the typical exhibit identification format is as follows:

Docket No. 870675-TL
J. Doe Exhibit No. _____
Cost Studies for Minutes Of Use by Time of Day

The following dates have been established to govern the key activities of this proceeding in order to maintain an orderly procedure.

1. February 28, 1992 -- Testimony of Michael Harris
2. March 4, 1992 -- Issue ID
3. March 6, 1992 -- Intervenors Testimony
4. March 13, 1992 -- Prehearing Statements
5. March 18, 1992 -- Staff Testimony
6. March 25, 1992 -- Rebuttal to all Testimony except Staff
7. April 2, 1992 -- Rebuttal to Staff Testimony
8. April 6, 1992, 10:30 a.m., Room 106 -- Prehearing Conference
9. April 13-14, 1992, 9:30 a.m., Room 106 -- Hearing
10. May 4, 1992 -- Briefs
11. June 1, 1992 -- Staff Recommendation
12. June 8, 1992, 1:00 p.m., room 106 -- Special Agenda

The hearing in this docket is presently set for April 13-14, 1992. Unless authorized by the Prehearing Officer for good cause shown, all discovery shall be completed by April 6, 1992. In addition, to facilitate their identification, all interrogatories, requests for admissions, and requests for production of documents shall be numbered consecutively. Each set of discovery requests shall be numbered sequentially from any previous set(s). Unless authorized by the Prehearing Officer, the following shall apply: interrogatories, including all subparts, shall be limited to 300, and requests for production of documents, including all subparts, shall be limited to 175.

Parties are directed to file copies of all prehearing statements, post-hearing statements of positions on issues or briefs, and proposed findings of fact and conclusions of law on diskette in word processing format. Specific details regarding the

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appropriate word processing software shall be obtained from the Director of the Division of Records and Reporting. Exceptions to this requirement may be granted by this Prehearing Officer for good cause shown.

Attached to this order as Appendix "A" is a tentative list of issues which will be addressed in this proceeding. Prefiled testimony and prehearing statements shall be addressed to the issues set forth in Appendix "A" as evolved at the March 4, 1992, Issue ID.

Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 364.183(2), Florida Statutes.

In the event it becomes necessary to handle confidential information during the hearing, the following procedures will be observed:


- 1) It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 364.183, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.
- 2) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 364.183, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The

notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

- 3) Failure of any party to comply with 2) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 4) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- 5) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- 6) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Commission Clerk's confidential files.

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By ORDER of J. Terry Deason, Commissioner and Prehearing
Officer, this 25th day of FEBRUARY, 1992.



J. Terry Deason, Commissioner
and Prehearing Officer

(S E A L)

CWM

**UNITED TELEPHONE COMPANY
1991 DEPRECIATION STUDY
DOCKET NO. 910725-TL**

Preliminary Issues

1. ISSUE: Should the currently prescribed depreciation rates and amortization/recovery schedules for United Telephone Company be revised at this time?
2. ISSUE: United is proposing a complete transition from today's asynchronous transmission equipment to the new SONET transmission equipment over the 1994-1998 period. Is this timetable reasonable?
3. ISSUE: United projects its migration from a metallic to an all fiber network to be complete by 2010. Is this projection reasonable?
4. ISSUE: United is proposing the retirement of 9 Northern Telecom DMS NT40 processors in 1992, 13 Digital 1210 switches and 1 DMS-100 switch in 1993, and 10 Digital 1210 switches in 1994. Are these retirements prudent?
5. ISSUE: United is proposing the retirement of its remaining electromechanical switches and associated analog circuit equipment by year-end 1993 (8 in 1992 and 5 in 1993). Are these retirements prudent?
6. ISSUE: United is proposing the retirement of its remaining operator systems by year-end 1994? Are these retirements prudent?
7. ISSUE: United is proposing the retirement of 16 microwave radio routes and their associated towers during the period 1992-1996 (3 in 1992, 1 in 1993, 7 in 1994, 2 in 1995 and 3 in 1996). Are these retirements prudent?
8. ISSUE: United is proposing the retirement of \$ _____ digital circuit equipment during the period 1993-1994. Are these retirements prudent?
9. ISSUE: United has budgeted metallic cable retirements of \$69,709,000 (\$16,928,000 in Aerial, \$5,623,000 in Underground and \$47,158,000 in Buried) during the 1992-1995 time period. Are these projected retirements prudent?
10. ISSUE: Should any reserve reallocations be made at this time?
11. ISSUE: What are the appropriate life, salvage and reserve components and resultant depreciation rates?

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12. ISSUE: What are the appropriate recovery schedules?
13. ISSUE: What should be the implementation date for revised depreciation rates and recovery schedules?