

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of SOUTHERN BELL TELEPHONE) DOCKET NO. 890256-TL  
 AND TELEGRAPH COMPANY's capital recovery ) ORDER NO. 22471  
 position ) ISSUED: 1-25-90  
 \_\_\_\_\_ )

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 February 16, 1990. 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

00763 JAN 25 1990

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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 February 16, 1990. 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 March 5, 1990, 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

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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. 890256-TL  
J. Doe Exhibit No. \_\_\_\_\_  
Cost Studies for Minutes  
of Use by Time of Day

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

1. January 26, 1990 - Direct Testimony
2. February 16, 1990 - Rebuttal Testimony
3. February 16, 1990 - Prehearing Statements
4. March 5, 1990 - Prehearing Conference
5. March 27-30, 1990 - Hearings

Attached to this order as Appendix "A" is a tentative list of the issues which will be addressed in this proceeding. Prefiled testimony and prehearing statements shall be addressed to the issues set forth in Appendix "A".

#### Discovery

When interrogatories or requests for production are served on a party and the respondent intends to object to or ask for clarification of an interrogatory or request for production, the objection or request for clarification shall be made within ten (10) days of service of the interrogatory or request for production. This procedure is intended to reduce delay time in discovery.

By ORDER of John T. Herndon, Commissioner and Prehearing Officer, this 25th day of JANUARY, 1990

John T. Herndon  
John T. Herndon, Commissioner  
and Prehearing Officer

( S E A L )

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APPENDIX "A"

LIST OF ISSUES

1. Are Southern Bell's currently prescribed depreciation lives, salvage values, depreciation rates and recovery schedules correct, appropriate and reasonable for the time period 1989 through 1991? If not, what changes need to be made and why?
2. What changes does Southern Bell propose to its current network to transform the present asynchronous analog copper network into a synchronous digital broadband fiber network utilizing fiber optics to the home?
3. What is the impact of these network planning changes on Southern Bell's represcription proposal?
4. What timetable does Southern Bell propose for these network planning changes? Is this timetable appropriate?
5. What benefits (e.g., improved network capabilities, new service offering, lower costs) are derived as a result of these proposed network planning changes?
6. What are the anticipated total costs of these proposed changes? How would or should the current ratepayers be affected? How would or should future ratepayers be affected?
7. After weighing the anticipated costs and benefits of these proposed network planning changes, are the changes in depreciation rates proposed by Southern Bell appropriate and necessary?
8. If Southern Bell fails to demonstrate that its proposed broadband network modifications are cost effective for providing POTS, should the Commission institute accounting and ratemaking treatment to monitor subsequent investments in a synchronous digital fiber broadband network utilizing fiber technology? If so, what accounting and ratemaking treatment should be instituted, and to what extent should telephone customers bear the cost of such investments in subsequent depreciation and/or ratemaking decisions?

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APPENDIX "A"

LIST OF ISSUES (Con't.)

9. How is the term "plain old telephone service" (POTS) to be defined for purposes of this proceeding?

10. Are Southern Bell's plans for retiring certain central office equipment within the 1989-1992 period prudent? Are the 1989-1992 planned additions for the central office equipment which are scheduled for retirement during this same time period prudent?

11. What should be the implementation date of any revised depreciation rates and recovery schedules?