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BEFORE THE ARIZONA CORPORATION COMMISSION

254

COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES

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AZ CORP COMMISSION  
DOCUMENT CONTROL

Arizona Corporation Commission

DOCKETED

JUN 27 2005

DOCKETED BY [Signature]

IN THE MATTER OF THE JOINT NOTICE OF  
INTENT BY VERIZON COMMUNICATIONS,  
INC. AND MCI, INC., ON BEHALF OF ITS  
REGULATED SUBSIDIARIES.

DOCKET NO. T-01846B-05-0279  
T-03258A-05-0279  
T-03475A-05-0279  
T-03289A-05-0279  
T-03198A-05-0279  
T-03574A-05-0279  
T-02431A-05-0279  
T-03197A-05-0279  
T-02533A-05-0279  
T-03394A-05-0279  
T-03291A-05-0279

PROCEDURAL ORDER

BY THE COMMISSION:

On April 13, 2005, Verizon Communications, Inc. ("Verizon") and MCI, Inc. ("MCI") on behalf of their regulated subsidiaries, filed a Joint Notice of Intent with the Arizona Corporation Commission ("Commission") pursuant to A.A.C. R14-2-803 concerning Verizon's proposed acquisition of MCI.

On May 25, 2005, the Commission's Utilities Division Staff ("Staff") filed a Request for Procedural Order ("Request") requesting implementation of a proposed procedural schedule.

On June 23, 2005, Verizon and MCI filed a Response to Staff's Request for Procedural Order requesting implementation of a proposed procedural schedule, which has been agreed upon by Staff and the companies:

- Applicants' testimony Wednesday, July 13, 2005
- Staff/Intervenor Responsive Testimony Tuesday, August 30, 2005
- Applicants' Rebuttal Testimony Tuesday, September 6, 2005
- Hearing Wednesday, September 14, 2005

1 The stipulated procedural dates set forth in the Response are reasonable, and we will set the  
2 schedule for this proceeding accordingly.

3 IT IS THEREFORE ORDERED that the **hearing** on the above-captioned matter shall  
4 commence **on September 14, 2005, at 10:00 a.m.**, or as soon thereafter as is practical, at the  
5 Commission's offices, 1200 West Washington Street, Phoenix, Arizona 85007. **Public comment**  
6 will be taken at the commencement of the hearing.

7 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **September 9,**  
8 **2005 at 10:00 a.m.**

9 IT IS FURTHER ORDERED that direct testimony and associated exhibits to be presented at  
10 hearing on behalf of Verizon and MCI shall be reduced to writing and filed on or before July 13,  
11 2005.

12 IT IS FURTHER ORDERED that responsive testimony and associated exhibits to be  
13 presented at hearing on behalf of the Commission's Utilities Division Staff and intervenors in this  
14 matter shall be reduced to writing and filed on or before August 30, 2005.

15 IT IS FURTHER ORDERED that rebuttal testimony and associated exhibits to be presented  
16 at hearing on behalf of Verizon and MCI shall be reduced to writing and filed on or before September  
17 6, 2005.

18 IT IS FURTHER ORDERED that any surrebuttal or rejoinder testimony shall be presented  
19 orally at the hearing.

20 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to  
21 the Application, Notice, or pre-filed testimony shall be reduced to writing and filed no later than five  
22 days before the witness is scheduled to testify.

23 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,  
24 except that all motions to intervene must be filed on or before **August 10, 2005.**

25 IT IS FURTHER ORDERED that objections to any motions to intervene must be filed on or  
26 before **August 17, 2005.**

27 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have  
28 been pre-filed as of September 6, 2005 shall be made before or at the pre-hearing conference on

1 September 9, 2005.

2 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
3 regulations of the Commission, except that: any objection to discovery requests shall be made within  
4 three days<sup>1</sup> of receipt; responses to discovery requests shall be made within five days of receipt; the  
5 response time may be extended by mutual agreement of the parties involved if the request requires an  
6 extensive compilation effort; and no discovery requests shall be served after September 9, 2005.

7 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel  
8 discovery, any party seeking discovery may telephonically contact the Commission's Hearing  
9 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a  
10 request, a procedural hearing will be convened as soon as practicable; and that the party making such  
11 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the  
12 hearing provide a statement confirming that the other parties were contacted.<sup>2</sup>

13 IT IS FURTHER ORDERED that Verizon and MCI shall provide public notice of the hearing  
14 in this matter, in the following form and style, with the heading in no less than 24 point bold type and  
15 the body in no less than 10 point regular type:

16  
17 **IN THE MATTER OF THE JOINT NOTICE OF INTENT BY**  
18 **VERIZON COMMUNICATIONS, INC. AND MCI, INC.**  
**CONCERNING THEIR PROPOSED MERGER**

Docket No. T-01846B-05-0279 et al.

19 Verizon Communications, Inc. and MCI, Inc. ("Applicants") jointly filed with  
20 the Arizona Corporation Commission ("Commission") a Notice of Intent, pursuant to  
21 Arizona Administrative Code R14-2-803.A, concerning the proposed merger of  
Verizon and MCI.

22 The application and subsequent filings in this proceeding will be available for  
23 inspection during regular business hours at the offices of the Commission located at  
24 1200 West Washington Street, Phoenix, Arizona 85007, and at [**Applicants insert  
addresses and contact information for both Verizon Communications, Inc. and  
MCI, Inc.**].

25 Under appropriate circumstances, interested parties may intervene in the  
26 proceedings and participate as a party. You may have the right to intervene in the  
proceeding, or you may make a statement for the record. Intervention shall be in  
accordance with A.A.C. R14-3-105, except that all motions to intervene must be filed

27 <sup>1</sup> All reference to "days" is to calendar days.

28 <sup>2</sup> The parties are encouraged to attempt to settle discovery disputes through informal, good faith negotiations  
before seeking Commission resolution of the controversy.

1 on or before **August 10, 2005**. Persons desiring to intervene must file a written  
2 motion to intervene with the Commission and send such motion to Applicants or their  
3 counsel and to all parties of record. The motion to intervene shall contain the  
4 following:

3 1. The name, address, and telephone number of the proposed intervenor and of  
4 any party upon whom service of documents is to be made if different than the  
5 intervenor.

6 2. A short statement of the proposed intervenor's interest in the proceeding  
7 (e.g. a customer of Applicants, a shareholder of Applicants, a competitor, etc.).

8 3. A statement certifying that a copy of the motion to intervene has been  
9 mailed to Applicants or their counsel and to all parties of record in the case.

10 A.A.C. R14-3-105 shall govern the granting of motions to intervene. The  
11 granting of intervention, among other things, entitles a party to present sworn evidence  
12 at the hearing and to cross-examine other witnesses. However, failure to intervene  
13 will not preclude any interested person or entity from appearing at the hearing and  
14 providing public comment. The hearing is scheduled to commence on **September 14,  
15 2005 at 10:00 a.m.** at the Arizona Corporation Commission, 1200 West Washington  
16 Street, Phoenix, Arizona 85007. Please check with the Commission for any changes  
17 to the scheduled hearing date.

18 If you wish to provide written comments to the Commission, please mail them to:

19  
20 The Arizona Corporation Commission  
21 Attention Docket Control  
22 re: Verizon and MCI  
23 T-01846B-05-0279 et al.  
24 1200 West Washington Street  
25 Phoenix, Arizona 85007

26 If you have any questions about this Notice of Intent, or want information on  
27 intervention, you may contact the Consumer Services Section of the Commission at  
28 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

29 The Commission does not discriminate on the basis of disability in admission  
30 to its public meetings. Persons with a disability may request reasonable  
31 accommodations such as sign language interpreter, as well as request this document in  
32 an alternative format, by contacting Linda Hogan, ADA Coordinator,  
33 [lhogan@azcc.gov](mailto:lhogan@azcc.gov), voice phone number 602-542-3931. Requests should be made as  
34 early as possible to allow time to arrange the accommodation.

35 IT IS FURTHER ORDERED that Verizon and MCI shall cause the above notice to be  
36 published at least once in a newspaper of general circulation in their Arizona service territory, with  
37 publication to be completed no later than **July 29, 2005**.

38 IT IS FURTHER ORDERED that Verizon and MCI shall file certification of publication as  
39 soon as practicable after the publication has been completed.

40 IT IS FURTHER ORDERED that notice shall be deemed complete upon publication of same,

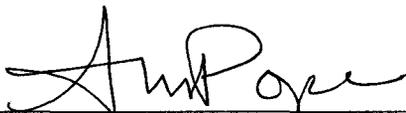
1 notwithstanding the failure of an individual to read or receive the notice.

2 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized  
3 Communications) applies to this proceeding as the matter is now set for public hearing and shall  
4 remain in effect until the Commission's Decision in this matter is final and non-appealable.

5 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended  
6 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

7 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
8 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

9 Dated this 27<sup>th</sup> day of June, 2005

10  
11  
12  
13   
14 AMANDA POPE  
ADMINISTRATIVE LAW JUDGE

15 The foregoing was mailed/delivered  
16 this 27 day of June, 2005 to:

17 **FOR VERIZON:**

18 Elaine M. Duncan  
19 Vice President and General Counsel  
20 Verizon California, Inc.  
21 700 Van Ness Avenue  
22 San Francisco, California 94102

23 Deborah R. Scott  
24 Of Counsel  
25 Snell & Wilmer  
26 One Arizona Center  
27 Phoenix, Arizona 85004

28 Sherry F. Bellamy  
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1 New York, New York 10036

2 Andrew B. Clubok  
3 Kirkland & Ellis LLP  
4 655 Fifteenth Street, N.W., Suite 1200  
5 Washington, DC 20005

6 **FOR MCI:**

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8 Senior Attorney  
9 MCI, Inc.  
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13 Lewis and Roca LLP  
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15 Phoenix, Arizona 85004-4429

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17 MCI, Inc.  
18 Director, State Regulatory  
19 201 Spear Street, 9<sup>th</sup> Floor  
20 San Francisco, California 94105

21 Marsha A. Ward  
22 National Director – State Regulatory  
23 Law & Public Policy  
24 MCI, Inc.  
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26 Atlanta, Georgia 30328

27 Christopher Kempley, Chief Counsel  
28 Maureen A. Scott, Attorney  
Jason Gellman, Attorney  
Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

Ernest G. Johnson, Director  
Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

ARIZONA REPORTING SERVICE, INC.  
2627 N. Third Street, Ste. Three  
Phoenix, Arizona 85004-1104

26 By:



27 Molly Johnson  
28 Secretary to Amanda Pope