

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: SOUTH SLOPE COOPERATIVE TELEPHONE COMPANY	DOCKET NO. RPU-07-1
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**ORDER GRANTING MOTION TO COMPEL, GRANTING MOTION TO CONTINUE
HEARING DATE, GRANTING MOTION TO FILE SUPPLEMENTAL TESTIMONY,
AMENDING PROCEDURAL SCHEDULE,
AND GRANTING INTERVENTION**

(Issued June 27, 2007)

On May 30, 2007, AT&T Communications of the Midwest, Inc., and TCG Omaha (collectively, "AT&T") filed with the Utilities Board (Board) a motion to compel answers to written discovery propounded upon South Slope Cooperative Telephone Company (South Slope). In support of its motion, AT&T states that on May 11, 2007, AT&T served South Slope with 43 cost-targeted discovery requests seeking information regarding South Slope's cost of providing service. AT&T states that its discovery requests were aimed at distinguishing South Slope's incumbent network costs from its competitive network costs and testing the veracity of South Slope's cost study. AT&T asserts that South Slope failed to respond to 18 of the requests.

AT&T attached the requests at issue to its motion as well as South Slope's responses. In responding to AT&T's written discovery, South Slope answered that nearly all of the requests were irrelevant. Other responses by South Slope asserted that the requests were unduly burdensome or asked for confidential and sensitive

material. AT&T states that South Slope's responses to these requests are not responsive.

On June 4, 2007, South Slope filed a response to AT&T's motion to compel answers to its written discovery requests. In support of its response, South Slope asserts that it stands on its objections to AT&T's requests stating that the requests seek information that is irrelevant and is not likely to result in the discovery of admissible evidence. South Slope also states that some of the requests are unduly burdensome, require the production of analyzed data, and seek highly competitive confidential information. South Slope requests that a protective order be issued in this case to preserve confidential information.

On June 8, 2007, AT&T filed a reply to South Slope's response. In addition to generally restating its earlier arguments, AT&T states that it does not seek analyzed data from South Slope; rather, AT&T asks only for the raw data so that AT&T's analysts can analyze it. AT&T also states that confidential material that may be produced in response to its written discovery requests is already subject to an existing protective agreement between AT&T and South Slope and that the agreement will adequately protect the documents and information sought by AT&T.

The Board will grant AT&T's motion to compel filed on May 30, 2007. The Board finds that the requests made by AT&T are aimed at determining South Slope's competitive network costs. This proceeding deals with whether South Slope can provide requisite cost information to support South Slope's ability to assess a carrier

common line charge (CCLC) equal to three cents per minute. The information sought by AT&T in its discovery requests may reasonably be expected to result in the discovery of admissible evidence regarding South Slope's network costs and how South Slope pays for that network. In addition, the Board agrees with AT&T that the protective agreement between South Slope and AT&T is enough to protect the documents and proprietary information sought by AT&T. South Slope has not identified any reason to believe otherwise. Finally, the Board finds that supplying AT&T with the data and information requested will not be unduly burdensome. AT&T seeks raw cost data from South Slope and should perform its own analysis. Therefore, South Slope will not be unduly burdened by the analysis of that data.

Based on these findings, the Board directs South Slope to provide complete and thorough responses to the discovery requests propounded by AT&T on May 11, 2007.

Also on May 30, 2007, AT&T filed with the Board a motion to continue the hearing date in this proceeding. Pursuant to the procedural schedule issued by the Board on May 7, 2007, and amended on May 25, 2007, the hearing in this proceeding is scheduled to begin on July 26, 2007. In support of its request to continue the hearing date, AT&T states that South Slope and its software vendor discussed the possible release of an electronic working copy of South Slope's cost study to AT&T, but no agreement has been reached. AT&T states that if an electronic working copy of the cost study is now released to AT&T, a July 26, 2007,

hearing date will not provide AT&T enough time to analyze the cost study and prepare for hearing. AT&T asserts that South Slope is not prejudiced by a continuance of the hearing date because South Slope continues to charge AT&T and other interexchange carriers the intrastate CCLC pending the outcome of this proceeding.

On June 4, 2007, South Slope filed a resistance to AT&T's motion to continue the hearing date. In support of its resistance, South Slope states that AT&T has acquired an electronic working copy of South Slope's cost study and therefore AT&T's argument that it will not have enough time to analyze the data and prepare for hearing is moot. In addition, South Slope states that it will be prejudiced by an extension of the hearing date because South Slope is incurring costs and operational burdens associated with this proceeding.

The Board will grant AT&T's motion to extend the hearing date. The Board understands that AT&T did not receive an electronic working copy of South Slope's cost study until on or about May 30, 2007. In addition, the Board itself only obtained permission from South Slope's software vendor to receive an electronic working copy of South Slope's cost study on or about June 12, 2007. Because of the time at which AT&T's and the Board's receipt of working copies of the study, the Board agrees with AT&T that there is not sufficient time to adequately analyze the cost study data and prepare for a July 26, 2007, hearing. The Board finds that South Slope will not be unduly prejudiced by the extension of time because South Slope may continue to

charge the CCLC, subject to refund, pending the outcome of this proceeding. Therefore, the Board will extend the hearing date until October 9, 2007, and will amend the procedural schedule accordingly.

On June 11, 2007, AT&T filed a motion for leave to file supplemental testimony. In support of its request, AT&T states that because its motion to compel remains before the Board for consideration, the testimony that AT&T filed on June 11, 2007, pursuant to the procedural schedule established in this proceeding, may need to be supplemented depending on the Board's ruling regarding AT&T's motion to compel responses to its discovery requests. In addition, AT&T states that it is still analyzing the inputs to South Slope's electronic working copy of its cost study and that the potential discovery of additional information may require AT&T supplement its testimony.

On June 14, 2007, South Slope filed a resistance to AT&T's motion for leave to file supplemental testimony. In support of its resistance, South Slope states that AT&T did not request cost information from South Slope for nearly three months and, as such, AT&T's lack of diligence should not be rewarded by allowing AT&T an opportunity to supplement its testimony. South Slope also states that a significant portion of the testimony filed by AT&T was legal argument submitted by a witness who is not a lawyer and that AT&T is attempting to relitigate issues decided by the Board in Docket No. FCU-06-25.

The Board will grant AT&T's motion. The Board recognizes that AT&T did not have a substantial amount of time to analyze South Slope's cost study data prior to submitting its testimony on June 11, 2007. In addition, the Board's determination here regarding AT&T's motion to compel will result in South Slope submitting additional responses to AT&T's discovery requests, which may lead to the need for supplemental testimony. With the extension of the hearing date, supplemental testimony will not prejudice any party and will allow South Slope sufficient time to respond to any supplemental testimony submitted by AT&T. South Slope's arguments against allowing AT&T an opportunity to supplement its testimony are not persuasive. Therefore, the Board will grant AT&T's motion and will establish a date in the procedural schedule for the filing of supplemental testimony.

On June 8, 2007, Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom (Iowa Telecom), filed with the Board a petition to intervene in this proceeding pursuant to 199 IAC 7.13. In support of its petition, Iowa Telecom states that it has an interest in the subject matter of the proceeding because Iowa Telecom is a local exchange carrier competing against South Slope in the exchanges relevant to this proceeding. Iowa Telecom states that it has financial and operational interests in the Oxford, Solon, and Tiffin, Iowa, exchanges at issue here and that an increase in South Slope's CCLC would put Iowa Telecom at a competitive disadvantage. Iowa Telecom also states that its interests would be protected only by granting its petition to intervene.

The Board will grant Iowa Telecom's petition to intervene pursuant to 199 IAC 7.13. The Board finds that as a local exchange carrier in the Oxford, Solon, and Tiffin exchanges, Iowa Telecom has demonstrated a direct and unique interest in this proceeding that should be represented.

IT IS THEREFORE ORDERED:

1. The motion to compel filed by AT&T Communications of the Midwest, Inc., and TCG Omaha on May 30, 2007, is granted as described in this order.
2. The motion to continue hearing date filed by AT&T Communications of the Midwest, Inc., and TCG Omaha on May 30, 2007, is granted as described in this order.
3. The motion for leave to file supplemental testimony filed by AT&T Communications of the Midwest, Inc., and TCG Omaha on June 11, 2007, is granted as described in this order.
4. The procedural schedule in this docket is amended to reflect the following changes:
 - a. All intervenors may file prepared direct testimony with supporting exhibits and workpapers, on or before July 23, 2007.
 - b. South Slope may file rebuttal testimony, with supporting exhibits and workpapers, on or before August 27, 2007.
 - c. A hearing for the purpose of receiving testimony and cross-examination of all testimony will commence at 9 a.m. on Tuesday, October 9,

2007, in the Board's hearing room at 350 Maple Street, Des Moines, Iowa.

Parties shall appear at the hearing one-half hour prior to the time of hearing to mark exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Board at 515-281-5256 to request appropriate arrangements.

d. Any party desiring to file an initial brief may do so on or before October 29, 2007.

e. Any party desiring to file a reply brief may do so on or before November 13, 2007.

5. The petition to intervene filed by Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom, on June 8, 2007, is granted.

UTILITIES BOARD

/s/ John R. Norris

/s/ Curtis W. Stamp

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Krista K. Tanner

Dated at Des Moines, Iowa, this 27th day of June, 2007.