

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of )  
**MCIMETRO ACCESS TRANSMISSION** )  
**SERVICES LLC, MCI TELECOMMUNICATIONS** )  
**CORPORATION, and BROOKS FIBER** )  
**COMMUNICATIONS OF MICHIGAN** ) Case No. U-13944  
for a Commission investigation to update )  
the total element long-run incremental cost, )  
total service long-run incremental cost, )  
and resale cost studies of Verizon North Inc. )  
and Contel of the South, Inc., d/b/a Verizon )  
North Systems. )

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) )  
In the matter, on the Commission’s own motion, )  
to review the costs of telecommunications services ) Case No. U-14013  
provided by Verizon North Inc. and Contel of the )  
South, Inc., d/b/a Verizon North Systems. )  
\_\_\_\_\_ )

At the April 20, 2004 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chair  
Hon. Robert B. Nelson, Commissioner

**ORDER GRANTING REHEARING**

On January 22, 2004, the Commission issued an order in this proceeding dismissing the application filed by MCImetro Access Transmission Services LLC, MCI Telecommunications Corporation, and Brooks Fiber Communications of Michigan (collectively, MCI) seeking an investigation concerning the total element long-run incremental cost, total service long-run incremental cost, and resale cost studies of Verizon North Inc. and Contel of the South, Inc., d/b/a

Verizon North Systems (collectively, Verizon). In addition, however, the Commission opened Case No. U-14013 to examine updated cost studies Verizon was directed to file on July 2, 2004.

On February 23, 2004, Verizon filed an application for rehearing of the Commission's January 22, 2004 order. In support of its application, Verizon states that there will be unintended consequences resulting from its compliance with the Commission's order. Specifically, Verizon asserts that the time period provided for it to file new cost studies (five-and-a-half months) is unreasonably short and likely unattainable. (Verizon contrasts this with the longer than eight months that it took SBC Michigan to file a new cost study.) Verizon contends that a great deal of work goes into preparing cost studies and that work was not anticipated prior to the Commission's order and therefore had not begun. Additionally, Verizon asserts that its last cost studies were compiled prior to the GTE/Bell Atlantic merger and that new cost studies based on Verizon's model will be used. Accordingly, Verizon will have to identify cost differences from the past. Lastly, Verizon asserts that its cost personnel are currently working on cost cases in other states. For these reasons, Verizon requests at least an additional 120 days (until November 29, 2004) in which to comply with the Commission's order.

On March 15, 2004, MCI filed a response to Verizon's petition. In its response, MCI indicates that it prefers a prompt resolution, Verizon does bring new information to the Commission's attention that justifies the extension of time. Specifically, MCI refers to Verizon's representation that it will be filing new costing models in Michigan. MCI also notes that if the Federal Communications Commission changes its costing rules, or changes the nature of competition between now and November 2004, additional adjustments to the schedule may be necessary.

As the Commission has consistently held in the past, a petition for rehearing is not “merely another opportunity for a party to argue a position or to express disagreement with”<sup>1</sup> a Commission order. Unless a party can show the decision to be incorrect or improper because of errors, newly discovered evidence, or unintended consequences of the decision, the Commission will not grant a rehearing.

The Commission, however, is persuaded by the arguments presented and therefore grants Verizon’s petition for a rehearing. Verizon has brought new information to the Commission’s attention that supports the rehearing request, specifically that Verizon intends to file a new cost study based upon a new model in Michigan. Even MCI, which initiated these proceedings, appreciates the time-consuming nature of this task and does not oppose the extension. Therefore, the Commission grants the rehearing request and directs Verizon to file its cost studies by November 29, 2004.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1991 PA 179, as amended, MCL 484.2101 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission’s Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 et seq.
- b. Verizon’s petition for rehearing should be granted.

THEREFORE, IT IS ORDERED that:

- A. The petition for rehearing filed by Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, is granted.

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<sup>1</sup> See, March 16, 2004 order in Case No. U-13789.

B. Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, shall file its cost studies by November 29, 2004.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark

Chair

( S E A L )

/s/ Robert B. Nelson

Commissioner

By its action of April 20, 2004.

/s/ Mary Jo Kunkle

Its Executive Secretary

B. Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, shall file its cost studies by November 29, 2004.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

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Chair

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Commissioner

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Case No. U-13944

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Case No. U-14013

Suggested Minute:

“Adopt and issue order dated April 20, 2004 granting the February 23, 2004 petition for rehearing filed by Verizon North Inc. and Contel of the South, Inc., d/b/a/ Verizon North Systems, as set forth in the order.”