

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

GENESEO TELEPHONE COMPANY,)
CAMBRIDGE TELEPHONE COMPANY and)
HENRY COUNTY TELEPHONE COMPANY) Docket 11-0210
)
Petition for Universal Service.)

ILLINOIS INDEPENDENT TELEPHONE)
ASSOCIATION)
)
)
Petition to update the Section 13-301(1)(d) Illinois) Docket 11-0211
Universal Service Fund and to implement)
Intrastate Switched Access Charge reform as)
described herein and for other relief.) Consolidated

**REPLY TO GENESEO TELEPHONE COMPANY, CAMBRIDGE
TELEPHONE COMPANY AND HENRY COUNTY TELEPHONE COMPANIES
OBJECTIONS TO EMERGENCY MOTION TO MODIFY SCHEDULE**

NOW COME Intervenors, ALHAMBRA-GRANTFORK TELEPHONE COMPANY, LEAF RIVER TELEPHONE COMPANY, MONTROSE MUTUAL TELEPHONE COMPANY, NEW WINDSOR TELEPHONE COMPANY, ONEIDA TELEPHONE EXCHANGE, VIOLA HOME TELEPHONE COMPANY and WOODHULL TELEPHONE COMPANY (“ILEC’s), and hereby reply to Geneseo Telephone Company, Cambridge Telephone Company and Henry County Telephone Company (collectively “GCHC”), and states as follows:

The current schedule was adopted on April 25, 2011, before notice was sent to potentially interested parties and when no one had responded to the Stipulation. At the April 25, 2011, status, the ALJ noted that subsequent intervention may require changes in the schedule. The parties agreed to review the matter at a status conference on June 23, 2011 (Tr. 34-35).

Subsequently, Frontier intervened and indicated at the June 23, 2011, status conference that it would file its initial testimony on August 30, 2011 (Tr. 64-65). Various parties expressed concerns about the schedule and agreed to review the matter at another status conference on June 30, 2011 (Tr. 65-67).

On June 30, 2011, the parties were unable to resolve their dispute and agreed to wait until after August 30, 2011, for potential motions to change the schedule due to Frontier's testimony or other potential scheduling issues (Tr. 81-83). On June 30, 2011, the record shows:

MR. HARVEY:

* * *

It is our understanding that the Frontier companies are going to - - their position is that they have a right to file testimony on August 30, along with Staff and any other Intervenors. And it's the intent of the parties that anybody that has difficulties with that, either in terms of scheduling or substance, will raise those by motion at that time or shortly thereafter.

JUDGE JONES: That would be after the August 30 filing?

MR. HARVEY: Yes, that's correct, Your Honor.

JUDGE JONES: Thank you.

* * *

JUDGE JONES: All right. Thank you, Mr. Harvey.

Well, it appears that under that approach then Frontier would be making a filing on August 30 and then - -

MS. HERTEL: Your Honor, this is - -

JUDGE JONES: Just a minute. Then Staff and other parties would be filing motions after that, to the extent they believe that to be appropriate.

At this point let me just say this up front. Maybe this will simplify things a little bit. If that's the plan of the parties, then that is what

we will do. If that is the intent here, then I do not see any real benefit or certainly net benefit today to hearing objections, motions or concerns identified with respect to that Frontier filing.

Now, that's not to say that, if parties wish to identify what they believe to be the purpose or scope of any such motions that will be filed after August 30, that that will be a problem, indicating that today. That is, if you want to indicate the purpose or scope of those post-August 30 filings, you can do so.

I don't know if you will want to because that could be interpreted as somewhat restricting the scope of those filings. (Tr. 81-83)

ILEC's Motion should come as no surprise. Potential changes to the schedule were clearly contemplated and Frontier did file its testimony on August 30, 2011, and made its own proposals regarding the impact on the fund.

In GCHC's response, GCHC complains that ILEC's should have identified what issues the individual companies need to address that requires an extension of the schedule and new hearing dates. The Petition filed by the IITA contains a Stipulation that the Staff did not fully agree with in its testimony filed on August 30. Essentially, Staff rejected the portion of the Stipulation relating to an intrastate access replacement fund and Staff proposed merging certain access calculations with the basis IUSF funding. In addition, GCHC made other proposed funding changes and individual company adjustments. GCHC's statement that, "issues with the use of the Schedule 1.01 and rate of return approach have existed since the original order establishing the Illinois Universal Service Fund nearly 10 years ago" misses the point. It is not the inherent nature of the Schedule 1.01 approach that is contested (by anyone other than GCHC), but rather the interrelationship of a series of proposed adjustments that are being addressed for the first time. ILEC's have not had sufficient time to determine the combined effect of all these adjustments and to make an informed decision about making alternate proposals in testimony. There was no way that ILEC's expected or could have contemplated the

scope and content of the testimony that was filed on August 30, 2011. Some proposed changes affect all companies and other changes are individual in nature and not the responsibility of IITA and must be addressed on a company specific basis. Due to the number of proposed adjustments, ILEC's need time to understand the interrelationship and possible numerical outcomes as a result of the suggested changes, both as a whole, and to individual ILEC's.

Numerous data requests have been exchanged by several parties that led up to the testimony filed by Staff, GCHC and Frontier on August 30, 2011. It is not unusual for new issues to develop through the discovery process in a way that requires more time than was initially contemplated in the schedule and discovery is continuing. ILEC's have received additional data requests as recently as Tuesday, September 20, 2011. Simply put, the Stipulation will not result in the streamlined process as originally contemplated and the evolving nature and interrelationship of numerous funding issues is sufficiently complex as to warrant an extension of time for ILEC's to be able to make their own proposals and prepare testimony.

Additionally, counsel for ILEC's needs more time to communicate with clients regarding impact of Staff and GCHC proposed adjustments. Since the schedule was put in place, counsel has received court ordered dates for appearances that were not contemplated, including out of town court appearances and a case for oral argument before the Illinois Supreme Court that was set for oral argument on September 21, 2011.¹ These time constraints require additional time for ILEC's.

GCHC companies elected not to participate in IITA's funding proposal, although Cambridge² and Henry County³ do receive IUSF money under the current fund. No prejudice or

¹ *Crossroads Ford Truck Sales v. Sterling Trucks*, subcourt docket 111611.

² Cambridge Telephone Company receiving \$18,309 annual from IUSF.

³ Henry County Telephone Company receiving \$186,380 annually from IUSF.

harm will occur by the extension of the schedule sought herein, but harm will occur to ILEC's without an extension of time. ILEC's agree with GCHC that as a result of discovery and testimony filed to date there is a divergence of issues between the funding proposals in the 2 dockets. That divergence requires more time to evaluate and respond to.

WHEREFORE, ALHAMBRA-GRANTFORK TELEPHONE COMPANY, LEAF RIVER TELEPHONE COMPANY, MONTROSE MUTUAL TELEPHONE COMPANY, NEW WINDSOR TELEPHONE COMPANY, ONEIDA TELEPHONE EXCHANGE, VIOLA HOME TELEPHONE COMPANY and WOODHULL TELEPHONE COMPANY, request that the schedule be extended as set forth on Exhibit A to its Emergency Motion, and for such other and further relief as the Administrative Law Judge deems just.

Dated: 9-22-11

Respectfully submitted,

By: 
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STATE OF ILLINOIS)
)
COUNTY OF SANGAMON) SS

VERIFICATION

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct to the best of his information and belief.



Gary L. Smith

PROOF OF SERVICE

The undersigned certifies that a copy of the foregoing instrument was served upon all parties to the above cause at their address as follows:

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via e-mail on this 22nd day of September, 2011

/s/ Gary L. Smith
Gary L. Smith