

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the Matter of the Complaint of
ATTORNEY GENERAL MIKE COX Against
VERIZON NORTH INC and CONTEL OF
THE SOUTH INC, d/b/a VERIZON NORTH
SYSTEMS

Case No. U-14917

ANSWER TO COMPLAINT

Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems (“Verizon”), hereby answers the Formal Complaint (“Complaint”) filed by the Attorney General (“Attorney General” or “Complainant”) as follows:

1. Verizon admits that Complainant has accurately quoted a portion of MTA Section 203(1). The remainder of this paragraph consists of legal conclusions to which no answer is required.
2. Verizon admits that Attorney General Mike Cox is the Attorney General. The remainder of this paragraph consists of legal conclusions to which no answer is required.
3. Verizon admits that Complainant has accurately quoted a portion of MCL 14.28 but denies it is applicable to this proceeding.
4. This paragraph consists entirely of legal conclusions to which no answer is required.
5. This paragraph consists entirely of legal conclusions to which no answer is required.

6. This paragraph consists entirely of legal conclusions to which no answer is required.

7. This paragraph consists entirely of legal conclusions to which no answer is required.

8. This paragraph consists entirely of legal conclusions to which no answer is required.

9. Admitted.

10. Admitted.

11. Verizon admits that Complainant has accurately quoted a portion of MCL 484.2304(1).

12. The allegations in paragraph 12 are denied because they are false.

13. Verizon admits the allegations in paragraph 13, but denies that the allegations fully describe all terms and conditions of the Value-Pak 60 plan.

14. Verizon admits that, after filing revised tariffs in Docket U-14767, which was established for Commission review of new PEBLES offerings, and sending notification to its Value Pak-60 customers, the Value Pak 60 calling plan became the Value Pak-100 PEBLES plan to comply with the statutory requirements for PEBLES. All other allegations in this paragraph are denied.

15. The allegations in paragraph 15 are denied because they are false.

16. Verizon admits that, during the time period mentioned, it notified its customers of impending changes to their phone service. All other allegations are denied.

17. Verizon's notifications to its customers, which are attached to the Complaint, speak for themselves.

18. Verizon's notifications to its customers, which are attached to the Complaint, speak for themselves.

19. Verizon's notifications to its customers, which are attached to the Complaint, speak for themselves.

20. No response is required.

21. Verizon admits that Complainant has accurately quoted a portion of MCL 484.2304(1).

22. Verizon denies the allegations of paragraph 22 for the reason that they are untrue.

23. Admitted.

24. Verizon denies the allegations of paragraph 24 for the reason that they are false.

25. Verizon denies the erroneous legal conclusions contained in this paragraph.

26. Verizon denies the erroneous legal conclusions contained in this paragraph.

27. Verizon admits that Complainant has accurately quoted portions of the AARP's and Michigan Consumer Federation's comments in MPSC Docket No. U-14731, but denies that the quotations, which appear to be double (or triple) hearsay are either admissible, accurate or relevant.

28. Verizon denies the erroneous legal conclusions contained in this paragraph.

29. No answer is required.

30. Verizon admits that Complainant has accurately quoted a portion of MCL 484.2304(1).

31. Verizon denies the allegations of paragraph 31 for the reason that they are false.

32. Admitted.

33. Verizon denies the allegations of paragraph 33 for the reason that they are false.

34. Verizon admits that Complainant has accurately quoted a portion of MCL 484.2304(2).

35. Verizon denies the erroneous legal conclusions contained in this paragraph.

36. Verizon denies the erroneous legal conclusions contained in this paragraph.

37. No answer is required.

38. Verizon's notifications to its customers, which are attached to the Complaint, speak for themselves.

39. Verizon's notifications to its customers, which are attached to the Complaint, speak for themselves.

40. Verizon's notifications to its customers, which are attached to the Complaint, speak for themselves.

41. Verizon's notifications to its customers, which are attached to the Complaint, speak for themselves.

42. Verizon's notifications to its customers, which are attached to the Complaint, speak for themselves.

43. Verizon admits that Complainant has accurately quoted MCL 484.2502(1)(a).

44. Verizon admits that customers were not advised of a restriction of 12,000 outgoing minutes of use ("MOUs") but states that the reason that although the plan allows for 12,000 MOUs, it does not prevent usage in excess of 12,000 MOUS or charge more or less for such usage. All other allegations in this paragraph are denied.

45. Verizon admits that customers were not advised of the restriction of 12,000 outgoing minutes but states that the reason that although the plan allows for 12,000 MOUs, it

does not prevent usage in excess of 12,000 MOUS or charge more or less for such usage. All other allegations in this paragraph are denied.

46. Verizon denies the erroneous legal conclusions contained in this paragraph.

47. Verizon denies the erroneous legal conclusions contained in this paragraph.

48. Verizon denies the erroneous legal conclusions contained in this paragraph.

49. No answer is required.

50. Verizon admits that it sent notifications to its customers. Verizon's notifications to its customers, which are attached to the Complaint, speak for themselves.

51. Verizon's notifications to its customers, which are attached to the Complaint, speak for themselves.

52. Verizon's notifications to its customers, which are attached to the Complaint, speak for themselves.

53. Verizon admits that its Value Pak-60 plan became Value Pak-100 PBLES plan after customers were given notice, in compliance with and as authorized under the MTA. All other allegations in this paragraph are denied.

54. Verizon admits that Complainant has accurately quoted MCL 484.2502(1)(b) but denies that this statute is applicable to this matter.

55. Verizon admits that it charged its Value Pak-100 PBLES customers the rate identified in its approved tariff for the service they received.

56. Verizon denies the erroneous legal conclusions contained in this paragraph.

57. Verizon denies the erroneous legal conclusions contained in this paragraph.

58. Verizon denies the erroneous legal conclusions contained in this paragraph.

59. Verizon admits that Complainant has accurately quoted MCL 484.2601 but denies that this statute is applicable to this matter.

60. Verizon respectfully requests that the Commission deny the requested relief and dismiss this matter.

AFFIRMATIVE DEFENSES

1. Complainant lacks standing to bring its Complaint.
2. Complainant has failed to state a *prima facie* case.
3. The Commission lacks jurisdiction over this Complaint.
4. The Complaint is an improper collateral attack on a Commission order and is barred by *res judicata* and/or collateral estoppel.
5. The Complaint fails to meet Commission filing requirements.
6. The relief sought by the Complainant is unlawful and outside the Commission's jurisdiction to award.
7. The relief sought by Complainant is preempted by federal law.
8. Verizon reserves the right to list such additional affirmative or special defenses as may be disclosed during discovery or through hearing.

RELIEF

WHEREFORE, Verizon respectfully requests that the Commission reject the Complaint, deny the relief requested by Complainant, and dismiss the Complaint.

Respectfully submitted,

HONIGMAN MILLER SCHWARTZ AND COHN LLP

Daniel L. Stanley

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Dated: July 13, 2006

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CERTIFICATE OF SERVICE

The undersigned states that on July 13, 2006 she served a copy of the foregoing Answer to Complaint by electronically mailing the same to the following:

Michael E. Moody
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Dated: July 13, 2006

Lisa Joseph
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