

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of a Request to Extend the 800 Service Promotional Offering and to Offer Dedicated Leased Access Lines and a Full Range of Long Distance Services in Two Additional Cities

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ORDER APPROVING TARIFF CHANGES

PROCEDURAL HISTORY

On March 15, 1988, MCI Telecommunications Corp. (MCI or the Company) filed two tariff changes with the Minnesota Public Utilities Commission. First, the Company proposed to extend its 800 service promotional offering, scheduled to end January 31, 1988 until September 30, 1988. Second, MCI proposed to offer dedicated leased line service and a full range of long distance services to Duluth and St. Cloud, Minnesota.

In a Report of Investigation and Recommendation (Report) dated April 6, 1988, the Minnesota Department of Public Service recommended approval of the proposed changes.

FINDINGS AND CONCLUSIONS

The Commission must decide whether to extend MCI's 800 service promotion and whether to allow the Company to offer dedicated leased lines and long distance services to Duluth and St. Cloud, Minnesota.

The promotional offering of 800 service began in November, 1987 when MCI introduced its 800 service. The 800 service is an inward WATS service where the MCI 800 customer, rather than the person placing the call, is billed for it. MCI 800 service customers are charged a flat monthly fee plus per minute usage charges that vary according to time of day. During the promotion, usage charges have been approximately 12.6% lower than regular rates would be.

The Commission finds that the Company is proposing to extend its 800 service promotion because

the system for billing state specific usage rates has not yet been developed. The promotion rates are not state specific. The Company expects to be able to charge state specific 800 service usage rates when the proposed promotion extension ends, September 30, 1988. The Commission finds it reasonable to approve the Company's request because to do so will foster competition for 800 services and, furthermore, to deny the request would be administratively burdensome on the Company. The Commission will approve the time extension. The Commission, however, cautions MCI that it will closely examine any future extension requests. The Commission does not favor extended continuances of temporary rates. Therefore, any future requests for extensions of these rates will be very closely scrutinized by the Commission.

In its second tariff proposal, the Company plans to offer dedicated leased line service and a full range of long distance services to Duluth and St. Cloud, Minnesota. MCI currently offers these services in St. Paul, Minneapolis, Rochester and Owatonna, Minnesota. Dedicated leased line service is service dedicated to the use of a specific customer and billed at pre-determined fixed monthly rates. In addition to dedicated leased lines, MCI proposed to offer the following other services in Duluth and St. Cloud: Option A Dial One/Direct Dial service, Option B Credit Card Service, Option C MCI WATS, Option E Hotel WATS, Option H MCI Prism 1, Option I MCI Prism II, and Option J University WATS. The customer may select the manner in which calls are originated and terminated, may obtain one-way or two-way service, may obtain point-to-point or multipoint service, or may originate calls in multiple cities.

The Commission finds that MCI has recently installed the facilities to permit offering dedicated leased line and long distance services in Duluth and St. Cloud. The Commission believes that MCI's offerings will foster competition in those cities and should be approved.

ORDER

1. The Commission hereby approves extending MCI's 800 service promotional offering until September 30, 1988.
2. The Commission hereby authorizes MCI to offer dedicated leased line service and the long distance services described above in Duluth and St. Paul, Minnesota.

3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)