

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 Northwestern Bell Telephone
Company's Telechoice Service Offering

ISSUE DATE: May 23, 1988

DOCKET NO. P-421/M-88-284

ORDER ACCEPTING FILING,
SUSPENDING RATES, AND INITIATING
SUMMARY INVESTIGATION

PROCEDURAL HISTORY

On May 4, 1988, Northwestern Bell Telephone Company (NWB or the Company) submitted a miscellaneous tariff filing to the Minnesota Public Utilities Commission (the Commission). The Company sought Commission approval to offer Telechoice service in Minnesota.

Telechoice is the name given to five telephone service packages. Each consists of a combination of telephone services that are currently available on an individual tariff basis and an inside wire maintenance service, Linebacker, which is deregulated. The proposed rate for each package of services is less than the cumulative rate would be if each of the individual services in the package were individually bought at the tariffed rate.

NWB claimed that it discounted all services in each package except local calling.

On May 12, 1988, the Minnesota Department of Public (Department or DPS) filed a letter with the Commission stating that NWB had not specified whether it made the filing under Minn. Stat. Sec. 237.075 (1986) or Minn. Stat. Sec. 237.63, subd.4 (Supp. 1987).

However, the DPS orally stated that it believed the filing was a miscellaneous rate decrease to be handled subject to Minn. Stat. Sec. 237.63, subd.4 (Supp. 1987). The DPS further stated that it had begun an investigation of the Telechoice filing but needed more information to complete its analysis due to the nature and complexity of the issues raised by the proposal.

On May 16, 1988, the Residential Utilities Division of the Office of the Attorney General (OAG) filed comments on the filing with the Commission. The OAG recommended that the tariff filing be suspended pending an investigation into the proposal.

The Company indicated to Commission staff in a telephone conversation on May 16, 1988 that it had filed Telechoice under Minn. Stat. Sec. 237.06 (1986). That statute requires "rates to be fair and reasonable." The Company further stated orally to the Commission that it did not dispute handling the filing pursuant to Minn. Stat. Sec. 237.63, subd. 4 (Supp. 1987).

On May 20, 1988, the Commission met to hear oral comments from the Company, the OAG, and the DPS and to consider this matter.

FINDINGS AND CONCLUSIONS

The Commission must first decide which section of Minnesota Statutes Chapter 237 governs this proceeding. Then the Commission must decide whether to accept the filing.

At the May 20, 1988 Commission meeting on this matter, all parties agreed that NWB's Telechoice filing was a filing for a decrease in rates.

The Commission finds that the Telechoice filing is a proposal for a miscellaneous rate change that would reduce rates.

Minn. Stat. Sec. 237.63, subd. 4 (Supp. 1987) provides that a telephone company may reduce its rates for one or more services effective 20 days after filing the rates with the Commission. The Commission concludes that Minn. Stat. Sec. 237.63 (Supp. 1987) governs this proceeding.

Minn. Stat. Sec. 237.63, subd. 7 (Supp. 1987) makes clear that the Commission may order that a requested rate change not take effect, or may later amend the rates either through a complaint proceeding, a Commission investigation, or through a proceeding conducted under Minn. Stat. Sec. 237.075 (1986). The Commission's investigatory authority is broad. Pursuant to Minn. Stat. Sec. 237.075, subd. 2 (1986), the Commission may suspend the effective date of a proposed rate change for up to 10 months for purposes of investigating the filing. Further, pursuant to Minn. Stat. Sec. 237.081 (1986), the Commission has the express authority to summarily investigate any matter relating to any telephone service for any reason.

The Commission finds that the Department and other interested persons need more time to complete an investigation and analysis of the Telechoice filing. The Commission also needs more information to decide whether or not to approve the tariff. The Commission concludes that it will accept NWB's Telechoice filing but suspend its implementation until the completion of an investigation into the fairness and reasonableness of the Company's proposed rates. The suspension shall last until the Commission can review and act upon the report of the Department and other record information before it or until March 6, 1989, whichever occurs first.

The Commission will direct the DPS to continue its ongoing investigation of this tariff and file a report with the Commission no later than July 5, 1988. Responsive comments will be due July 15, 1988.

ORDER

1. The Commission hereby accepts NWB's Telechoice filing under Minn. Stat. Sec. 237.63, subd.4 (Supp. 1987) and suspends its implementation pursuant to Minn. Stat. Sec. 237.63, subd.7 (Supp. 1987) and Minn. Stat. Sec. 237.075, subd. 2 (1986) pending the Commission's final determination in this matter.
2. The Commission hereby initiates an investigation under Minn. Stat. Sec 237.075, subd. 2 (1986) and Minn. Stat. Sec. 237.081 (1986) to evaluate the fairness and reasonableness of Northwestern Bell Telephone Company's Telechoice filing.
3. The Department of Public Service shall file its report on the investigation not later than July 5, 1988. Responsive comments are due not later than July 15, 1988.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)