

P-439/EM-88-480 APPROVING RATE CHANGES, APPROVING NEW SERVICES,
REQUIRING ELIMINATION OF GEOGRAPHIC DEAVERAGING, AND REQUIRING
REFUNDS

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 by American Sharecom, Inc. to Change Tariff Language, Introduce Three WATS Options, Discontinue One WATS Option, Change the Direct Dial Rates, and Introduce Directory Assistance Service

ISSUE DATE: December 16, 1988

DOCKET NO. P-439/EM-88-480

ORDER APPROVING RATE CHANGES, APPROVING NEW SERVICES, REQUIRING ELIMINATION OF GEOGRAPHIC DEAVERAGING, AND REQUIRING REFUNDS

PROCEDURAL HISTORY

On July 14, 1988 American Sharecom, Inc. (the Company) made a tariff change filing proposing to change its direct dialing rates, to change its policy on billing increments, to discontinue one WATS option, to introduce three new WATS options, and to introduce directory assistance service. The Company had already put the changes into effect and made the filing upon learning that it had inadvertently failed to do so prior to changing its rates, as required by Minn. Stat. § 237.60, subd. 2 (1986).

The Department of Public Service (the Department) examined the filing and recommended approval, subject to the Company's compliance with a recent Commission Order requiring the elimination of geographical deaveraging in long distance rates. In the Matter of the Petition of the Office of Attorney General for an Order Concerning Geographically Deaveraged Long-Distance Rates, Docket No. P-999/C-88-615, Order Granting Petition and Requiring Filing, November 23, 1988.

The Department also recommended that the Company be required to refund the difference between the rates previously on file with the Commission and the rates it charged its customers prior to Commission approval of the July 14 filing.

The Residential Utilities Division of the Office of the Attorney General filed comments concurring in the recommendations of the Department.

The Company requested waiver of the refund on grounds that its failure to comply with statutory filing requirements had been unintentional.

FINDINGS AND CONCLUSIONS

The Commission finds that the proposed rate and service changes are reasonable and should be approved, subject to the constraints imposed by the geographical deaveraging Order cited above. The rates in the filing cover costs, and they are not excessive. They therefore comply with the requirements of Minn. Stat.

§ 237.60, subd. 2 (1986). The Company is already bound by the deaveraging Order, and it is mentioned here only for purposes of clarity.

The Commission also finds that the Company should be required to refund the difference between its old rates and the new rates paid by customers prior to their approval today. The Commission understands that the Company's failure to file a timely rate change petition was inadvertent. The reliability of Commission tariffs and the integrity of the regulatory process depend on consistent compliance with statutory filing requirements, however. The Commission will therefore deny the request for waiver.

Finally, the Commission is aware that the amount of this refund may not justify the expense it would require to attempt to identify which customers paid the rate increase and to make refunds directly to them. The Commission is convinced, however, that if the Company and the Department address the refund issue together, they can develop an economical plan to refund the amount the Company improperly collected. The Commission will so require.

ORDER

1. The rate changes, service changes, and new service offerings proposed by American Sharecom, Inc. in its filing of July 14, 1988 are approved, subject to the Company's compliance with the November 23, 1988 Order in docket no. P-999/C-88-615, requiring the elimination of geographical deaveraging in long distance rates.

2. The Company shall refund, with interest at the average monthly prime rate, the additional revenue resulting from the difference between its old rates and the new rates paid by customers prior to their approval today.
3. The Company and the Department shall work together to develop an economical plan to accomplish the refund ordered in paragraph 2.
4. The Department shall submit the plan for Commission approval, or shall submit a report on the status of its discussions with the Company, within 30 days of the date of this Order.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)