

P-485/NA-88-291,P-478/M-88-359,P-999/CI-88-917AFTER RECONSIDERATION GRANTING
INTERIM AUTHORITY TO TELECONNECT COMPANY TO PROVIDE OPERATOR
SERVICES

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 an Application for Certificate of Authority and Tariff Filing by Central Corporation, d/b/a Central Long Distance Corporation, for the Provision of Long Distance and Alternative Operator Services

ISSUE DATE: December 23, 1988

DOCKET NOS. P-485/NA-88-291
P-478/M-88-359
P-999/CI-88-917

In the Matter of a Tariff Filing by Teleconnect Company to Introduce Operator Services and Rates

ORDER AFTER RECONSIDERATION
GRANTING INTERIM AUTHORITY TO
TELECONNECT COMPANY TO PROVIDE
OPERATOR SERVICES

In the Matter of the Applications for Authority to Provide Alternative Operator Services in Minnesota

PROCEDURAL HISTORY

On May 26, 1988 Teleconnect Company (Teleconnect or the Company), a company duly authorized to provide intrastate long distance telephone services, filed a petition for authority to provide operator services to its long distance customers, to pay telephones, and to telephones located in hotels, motels, and hospitals. On October 26, 1988 the Commission consolidated the Company's petition with similar petitions from other companies. The Commission also determined that the petitions raised factual and policy issues requiring full evidentiary development and referred the matter to the Office of Administrative Hearings for contested case proceedings. Order Consolidating Dockets and Notice and Order for Hearing, October 26, 1988.

On November 15, 1988 Teleconnect filed a petition for reconsideration, requesting that the Commission grant the Company interim authority to provide operator services while contested case proceedings were being conducted.

The Department of Public Service (the Department) filed a response stating it did not oppose the Company's request for interim authority, subject to prior Commission approval of tariffs adequately addressing seven concerns raised by the Department and listed in the Commission's Notice and Order for Hearing.

The Residential Utilities Division of the Office of the Attorney General (RUD-OAG) filed comments concurring in the recommendations of the Department and recommending as well that the Company be required to include provisions addressing the seven concerns in its contracts with host facilities using its operator services. RUD-OAG also asked that form contracts be filed for Commission review.

The Company stated that it was willing to accept the conditions recommended by the Department and by the RUD-OAG.

The matter came before the Commission on December 7, 1988.

On December 16, 1988 the Commission issued another Order clarifying that the contested case proceedings initiated on October 26 would be generic proceedings examining alternative operator services in general, besides examining the applications filed by particular companies. The Order also accepted the withdrawal of one company's application, consolidated the remaining applications, and assigned a new docket number for the consolidated proceeding. Order Accepting Withdrawal of Petition, Consolidating Dockets, and Notice and Order for Hearing, In the Matter of the Applications for Authority to Provide Alternative Operator Services in Minnesota, P-999/CI-88-917.

FINDINGS AND CONCLUSIONS

The Commission agrees with the Department and the RUD-OAG that it is appropriate to grant Teleconnect interim authority to provide operator services. Teleconnect has been an authorized provider of intrastate long distance services since July 23, 1987. Before granting the Company authority to operate, the Commission examined its management and financial condition and found that they demonstrated an ability to provide safe, reliable service and to respond promptly to customer complaints. During the period that Teleconnect has been providing long distance service, the Commission has received no serious complaints about its service or its business practices.

Furthermore, the Company has responded in a prompt and forthright manner to the public safety and consumer protection concerns the Commission expressed in its October 26 Order. The Company appears to be willing and able to design its operator services business to meet those concerns and to protect the interests which underlie them. See Reply Comments of Teleconnect to Department of Public Service Recommendation, attached to the Company's Petition for Reconsideration.

Finally, the rates proposed in the Company's filing are identical to those currently being charged for operator services by the two major authorized providers of operator services, AT&T and U. S. West Communications. This is not a case involving exploitative pricing.

The Commission concludes that the public interest would be adequately protected by conditioning a grant of interim authority to Teleconnect on prior approval of a tariff filing adequately addressing the concerns set forth in the Commission's earlier Order. Those concerns are as follows: customer access to the provider of operator services, adequate notice to consumers regarding price and alternative service providers, quality of service, procedures for handling emergency calls, billing and collection procedures, procedures for handling customer complaints and refunds, and compliance with statutory requirements regarding maintaining an office in the state.

Except for its own long distance customers, the end user of the Company's operator services will not usually be someone with whom the Company has contracted to provide service. The other party to that contract will normally be a hotel, motel, or pay phone owner, whose cooperation will be essential to meaningful compliance with the terms of this Order. The Commission will therefore require the Company to incorporate terms designed to meet the above-listed concerns in its contracts with host facilities and to file form contracts with the Commission for review and approval.

This grant of interim authority is not based on any finding regarding the competitive or noncompetitive nature of operator services, but on a factual finding that this company, operating under the constraints imposed by this Order, under careful monitoring by the Department, can in all likelihood provide operator services without jeopardizing the public interest. Today's decision does not imply Commission acceptance of any position under examination in the contested case proceedings.

ORDER

1. Teleconnect Company is granted authority to provide operator services to its long distance customers, to pay telephone customers, and to customers using telephones in hotels, motels, and hospitals while contested case proceedings in this matter are being conducted, subject to prior Commission approval of a tariff filing adequately addressing the seven public safety and consumer protection concerns discussed herein.
2. The Company shall incorporate into its contracts with host facilities contract terms designed to ensure compliance with the terms of this Order and shall file form contracts for Commission review and approval with the tariff filing required under paragraph 1.
3. The Department of Public Service shall monitor the provision of operator services by Teleconnect Company and promptly report to the Commission any violation of the terms of this Order.
4. This grant of interim authority may be revoked at any time upon a Commission finding that the Company has violated any of the terms of this Order.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)