

P-421/M-88-284 DELAYING EFFECTIVE DATE OF COMMISSION ACTION AND
REQUIRING PRE-APPROVED CUSTOMER NOTICE

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: March 1, 1989

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

ORDER DELAYING EFFECTIVE DATE
OF COMMISSION ACTION AND
REQUIRING PRE-APPROVED
CUSTOMER NOTICE

PROCEDURAL HISTORY

On January 23, 1989 the Commission issued its Order After Reconsideration and Vacating Order in the above-captioned matter. In that Order the Commission reversed an earlier decision approving TeleChoice, a new service offering by Northwestern Bell Telephone Company (the Company).

TeleChoice consisted of five telephone service "packages," each including basic local service and a different combination of optional services, such as call waiting, call forwarding, and similar services. The Commission determined on reconsideration that the TeleChoice pricing structure was discriminatory and that it increased local service rates without authorization in at least one of the packages. The Commission directed the Company to stop offering TeleChoice to its customers.

On January 31, 1989 the Company filed a request to delay the effective date of the January 23 Order for 90 days to allow the Company to identify and contact TeleChoice customers and explain their new service options. In the alternative, the Company requested that it be allowed to continue providing TeleChoice service to existing TeleChoice customers, as long as they retained the same package at the same service address.

The Department of Public Service (the Department) did not oppose the 90-day delay in implementing the Order, but did oppose allowing existing customers to continue the service. The Residential Utilities Division of the Office of the Attorney General (RUD-OAG) took the same position.

FINDINGS AND CONCLUSIONS

The Commission agrees with all parties that a 90-day delay in implementing the January 23 Order is necessary and appropriate. The Company reports that 5,000 customers currently receive TeleChoice service. All of these customers must be notified that the service will be discontinued, must be advised of their remaining service options, and must be given adequate time to make an informed decision. Ninety days is a reasonable length of time for accomplishing these things.

The Commission agrees with the Department and the RUD-OAG that it would be inappropriate to allow the Company to continue providing TeleChoice service, even to current TeleChoice customers. Minnesota law requires that all rates charged by telephone utilities be just and reasonable and prohibits discriminatory pricing. Minn. Stat. §§ 237.06 and 237.09 (1988). The Commission has found the Telechoice price structure discriminatory and unreasonable. Under these circumstances, continued provision of the service is not an option.

Finally, the Commission will provide the Company with some direction regarding the mechanics of discontinuing this service. The Company should submit to Commission staff for prior approval a letter to TeleChoice customers containing the following information: (1) the service is being discontinued; (2) what the customer's rates will be if he or she continues to receive the services in the applicable TeleChoice package; (3) the Company will continue all present services at the new rates if the customer does not contact the Company and request otherwise; (4) there will be no fee for changing services in connection with the discontinuation of TeleChoice.

ORDER

1. The Company's request for a 90-day delay in effecting the discontinuation of the TeleChoice service offering is granted.
2. The Company shall discontinue all TeleChoice service within 90 days of the date of this Order.
3. Within ten days of the date of this Order the Company shall prepare and submit for Commission staff approval a customer notice complying with the requirements set forth above.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)