

P-421/M-88-849 APPROVING TARIFF CHANGES

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 Northwestern
Bell to Make Miscellaneous Changes to its
Radio Common Carrier Tariff

ISSUE DATE: April 7, 1989

DOCKET NO. P-421/M-88-849

ORDER APPROVING TARIFF CHANGES

PROCEDURAL HISTORY

On October 24, 1988, Northwestern Bell Telephone Company (NWB or the Company) filed a proposal with the Minnesota Public Utilities Commission requesting approval of five miscellaneous tariff changes to its Radio Common Carrier (RCC) service tariff. The Company proposed to rename its Direct Inward Dialing Service to Direct Inward Dialing Outpulsing, to modify the assignment of blocks of telephone numbers so that RCCs can qualify for a discounted rate, to automate billing for usage charges to RCCs, to increase the non-recurring charges for Direct Inward Dialing (DID) trunks provided to RCCs, and to apply usage charges to all RCCs.

On December 28, 1988, the Department of Public Service (the Department or DPS) filed its Report of Investigation and Recommendation on the filing, recommending approval all the tariff changes except the Company's proposed rate increase to the non-recurring charge for DID trunks.

The Company responded on January 10, 1989.

On February 21, 1989 Airsignal, Inc. filed a letter with the Commission asking that any rate changes the Commission may ultimately approve be made effective 20 days after NWB's October 24, 1988 filing pursuant to Minn. Stat. § 237.63, subd. 4 (1988).

The Company filed a response to Airsignal's letter on March 9, 1989 maintaining that Minn. Stat. § 237.63, subd 4 (1988) allows a company to elect to implement rate reductions 20 days after filing them with the Commission. NWB stated it did not elect to do so.

The Commission met on March 14, 1989 to consider this matter.

FINDINGS AND CONCLUSIONS

The Commission must decide whether the proposed tariff changes which are not related to price are reasonable and will be approved.

The Commission finds that the Company's proposed tariff changes which are not related to price are reasonable. The proposed name change is more descriptive of the service.

The Company's proposal to modify the assignment of block telephone number will enable RCC customers to qualify for a discounted monthly rate if they purchase 6000 or more telephone numbers from several NXX codes rather than from a single NXX code as is currently required by the tariff. The Commission notes that NWB often could not provide blocks of telephone numbers from a single NXX and RCC customers, who have no control over the NXXs to which their numbers are assigned, could not qualify for a lower monthly rate. The proposed change is equitable and will be approved.

To automate the billing of usage charges to RCCs, the Company proposed two changes to the structure of usage charges it applies to RCCs. The Company would round the usage rates for each additional minute from a four digit number to a three digit number and would apply one usage rate for the 21-55 mileage band. This does not change the rates for any of the mileage bands. These changes will allow NWB to operate more efficiently and will be approved.

All RCC customers but one are served out of central offices that are able to charge measured service or message rate service. The Company proposed to charge the one RCC that is not served from a central office with that capability the flat rate business charge until measured or message rate service becomes available. The Commission finds that this interim proposal is reasonable and more efficient than requiring the Company to develop some type of special surrogate charge for usage to this one customer. This proposed change will be approved.

The Commission must next decide whether the Company's proposal to increase the non-recurring charge for DID trunks results in fair and reasonable rates as required by Minn. Stat. § 237.06 (1988).

The Company currently provides DID trunks to RCCs in its tariff. The rates for these DID trunks consist of a monthly charge of \$20.00 per trunk plus a non-recurring charge of \$17.25 for a service order charge and \$16.75 for a central office line charge. NWB proposed that a specific non-recurring charge in its Private Line tariff apply. This would include a \$129.00 charge for the first trunk and possibly a travel charge of \$43.65 for the initial trunk. The Company does not expect that any of its current customers will add trunks so no one will incur increased charges at this time.

The Department recommended disapproval of this proposed tariff change because the Company did not submit cost studies to support it.

The Commission finds that the DID trunk used for RCCs is a voice grade private line circuit. The cost studies for the relevant nonrecurring private line service elements were reviewed and approved by the Commission in In the Matter of the Petition of Northwestern Bell Telephone Company, Minneapolis, Minnesota, for Authority to Change its Schedule of Private Line Telephone Rates for Customers in the State of Minnesota, Order Approving Compliance Filing, Docket No. P-421/M-80-306 (March 1, 1983). The Commission finds that the rates the Company is proposing to charge for this service are consistent with the Commission's earlier decisions on RCCs in Docket Nos. P-

421/M-84-429 and RP-40/M-84-285 and adequately supported by the cost study offered in the private line case cited above. The Commission concludes that this tariff change will result in fair and reasonable rates as required by Minnesota law and will approve it.

The Commission will deny Airsignal's request. Minn. Stat. § 237.63, subd. 4 (1988) provides: A company may reduce its rates for one or more services effective 20 days after filing the rates with the commission. The Commission finds that this statute allows a company to elect to implement rate reductions 20 days after filing the rates with the Commission. NWB did not so elect. Therefore, the rates approved here will be effective as of the date of this Order.

ORDER

1. The Company's proposed miscellaneous tariff changes are hereby approved.
2. The Company shall file revised tariff pages within 10 days reflecting the decisions made here.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)