

P-999/CI-87-698ACCEPTING AND IMPLEMENTING TASK FORCE REPORT

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 Summary Investigation into
the Use of Access Tariffs to Bill Jointly
Provided Private Line Services to Customers

ISSUE DATE: May 1, 1989

DOCKET NO. P-999/CI-87-698

ORDER ACCEPTING AND
IMPLEMENTING TASK FORCE REPORT

PROCEDURAL HISTORY

In its November 2, 1987 Order in In the Matter of a Summary Investigation Into IntraLATA Toll Access Compensation for Local Exchange Carriers, Docket No. P-999/CI-85-582 (the 582 Docket), the Minnesota Public Utilities Commission (the Commission) directed local exchange carriers (LECs) to file intrastate switched access tariffs. Prior to that decision, the LECs had interLATA switched and special access tariffs and received settlements from Northwestern Bell Telephone Company (NWB) for jointly provided intraLATA toll and private line services.

The Commission created a Private Line Task Force to study the use of access tariffs to bill jointly provided intraLATA private line type services to customers. The Task Force was to file a recommendation by December 1, 1988, approximately one year after the decision in the 582 Docket. This one year transition period offered the Commission the benefit of the NWB Private Line Transport Service (PLTS) proceeding, Docket No. P-421/M-87-596, and the Task Force's report in determining a replacement for jointly provided private line services.

On January 4, 1989, the Commission issued its ORDER MODIFYING OFFER OF SETTLEMENT AND ADOPTING OFFER OF SETTLEMENT AS MODIFIED in NWB's PLTS case. On March 9, 1989, the Commission issued its ORDER AFTER RECONSIDERATION AND MODIFYING ORDER in that proceeding. NWB has filed its combined private line/special access tariff in compliance with the Commission's Orders, to be effective August 1, 1989.

The Task Force filed its Report on September 28, 1988.

AT&T, Centel, and United Telephone Company filed comments supporting the Report on April 5, 1989.

The Commission met on April 12, 1989 to consider the Task Force's Report.

FINDINGS AND CONCLUSIONS

The Task Force made recommendations on four issues: billing, rates, cost recovery, and scheduling. The Commission must decide whether to adopt and implement them.

BILLING

The Task Force reviewed a number of billing alternatives and recommended that the Commission adopt a multiple bill, multiple tariff billing method. This method allows the LECs providing service to bill each customer for their own portion of the jointly provided service and allows the customer to identify the charges for each LEC for individual circuits through a Common Language Circuit Identifier (CLCI) code.

Although the Commission recognizes that most customers prefer a single bill to multiple bills, it will accept this recommendation. While some customers may get more than one bill under the Task Force recommendation, the Commission understands that not all LECs can provide a single bill with each LEC's charges separately identified by rate element. If the LEC has the capability to provide a single bill, the customer is free to ask for and receive a single bill on an individual case basis. Further, the Commission notes that other regulatory jurisdictions have successfully implemented a multiple bill, multiple tariff billing method. The Commission concludes that the current recommendation fairly balances the need of the customer to receive a verifiable bill with the LEC's present billing capabilities and need to recover its costs in jointly providing private line service.

Finally, the Commission notes that there is activity at the interstate level to have LECs provide a single bill with each LEC's charges separately identified by rate element. This may provide a model for this type of billing on an intrastate level. The single bill option should continue to be evaluated by each LEC and pursued at the intrastate level when an automated billing system is in place.

RATES

The Task Force recommended that the rates for intrastate switched access be non-discriminatory. Any customer, whether end users or inter-exchange carriers, should be allowed to purchase special access/private line services from each LEC's individual tariff without regard to customer type.

The Commission agrees. The Commission recently addressed the discriminatory rates issue in

NWB's PLTS filing by approving a combined private line/special access tariff. The Commission concludes that each LEC should have an intrastate special access tariff instead of separate interLATA special access and intraLATA private line tariffs.

COST RECOVERY

In the 582 Docket, the Commission required cost-based independent local exchange carriers (ILECs) with more than 15,000 access lines to establish statewide access tariffs using FCC Part 67 and 69 cost methodologies. Cost-based ILECs with fewer than 15,000 access lines and average schedule ILECs were allowed to mirror their interstate access tariff with a residual Carrier Common Line Charge (CCLC). This continued the Commission's policy of establishing company specific tariffs and eliminating pooling arrangements/concurrence in NWB tariffs.

The Task Force recommended that this policy be continued by requiring cost-based ILECs with more than 15,000 access lines to recalculate their special access rates based on statewide special access billing units and statewide special access revenue requirements. The Task Force recommended that cost-based ILECs with fewer than 15,000 access lines and average schedule ILECs apply their current interLATA special access tariffs, which mirror their interstate access tariffs, to intraLATA private line services. The recommendation would result in intrastate special access tariffs with an adjustment to the residually priced CCLC rates to maintain revenue neutrality.

The Commission will adopt this recommendation. An intrastate special access tariff for ILECs is consistent with the Commission's decision directing NWB to file a combined special access/private line tariff. Further, this reflects the Commission's policy articulated in the 582 Docket that "a unified statewide tariffed system of access is desirable because it provides long distance carriers with equal information on and accessibility to uniform tariffed rates for services each needs to purchase from local carriers." (November 2, 1987 Order at 16.)

SCHEDULING

The Task Force recommended that the ILEC intrastate special access tariffs be effective when NWB's PLTS tariff is effective, August 1, 1989.

The Commission will adopt this recommendation. The Commission recognizes that the current settlement arrangements of the existing private line tariff are not compatible with NWB's new PLTS tariff. Therefore, the Commission will order that the ILECs' intrastate special access tariffs be effective at the same time as NWB's PLTS tariff.

To insure timely implementation of the ILECs' intrastate special access tariffs, the Commission will direct the ILECs to submit them to the Commission for its review and approval by June 1, 1989.

ORDER

1. The recommendations of the Private Line Task Force are adopted as described above.
2. All independent local exchange companies shall submit their intrastate special access tariffs to the Commission for its review and approval no later than June 1, 1989.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

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