

P-439/C-89-769 REQUIRING MODIFIED PROMOTIONAL MATERIALS AND CLOSING COMPLAINT DOCKET

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of a Complaint against  
American Sharecom Inc.

ISSUE DATE: February 2, 1990

DOCKET NO. P-439/C-89-769

ORDER REQUIRING MODIFIED  
PROMOTIONAL MATERIALS AND  
CLOSING COMPLAINT DOCKET

PROCEDURAL HISTORY

On September 8, 1989, the Department of Public Service (the Department) received a complaint against American Sharecom Inc. (ASI or the Company). ASI is a telephone company doing business within the state of Minnesota. The complaint alleged that the Company was charging untariffed rates for a special discount promotion.

ASI's promotion was aimed at new customers. Under the plan, a 25% discount was offered off the first month's bill and the thirteenth month of service was offered free of charge.

The 25% discount was calculated on the entire first month's bill, both intrastate and interstate charges. The discount was only applied, however, against the interstate portion of the bill. If the discount exceeded the first month's interstate charges, any excess amount was applied to future interstate charges until the 25% discount was fully credited.

The other portion of the promotional discount consisted of free usage in the new customer's thirteenth month of service. A credit was given for the entire month's bill, both interstate and intrastate usage. This credit was only applied against interstate charges. If necessary, excess credit was applied to interstate charges in months following the thirteenth, until the entire credit had been applied.

After review of the Company's promotional plan and the ensuing complaint, the Department recommended that no action be taken against ASI and that the complaint docket be closed. The Department further recommended that the Commission require the Company to modify its advertising and promotional materials to state clearly that the promotional discounts will only be applied to customers' interstate charges.

The matter came before the Commission on January 23, 1990.

### FINDINGS AND CONCLUSIONS

The Commission finds that Sharecom's promotional discount is interstate in nature. No credits are applied against intrastate charges and thus the Company's intrastate tariffs filed with the Commission are not affected.

Accurate and complete tariff filings enable customers and service providers to understand the services offered by all companies in the marketplace. Because the Company's proposed discount plan is interstate in nature and does not require a tariff filing, it is important that customers understand how the discounts will be applied. It is essential that the Company's advertising and promotional materials make clear that the promotional discount will be applied toward interstate and not intrastate charges. The Commission finds that the Company's materials are not sufficiently clear at this point, and the Commission will require that clarified materials be distributed.

### ORDER

1. Within 30 days of the date of this Order, American Sharecom Inc. shall modify its advertising and promotional materials to inform customers that its promotional discount will only be applied to reduce interstate charges, and shall submit said modified materials to the Department for review and further recommendations if necessary.
2. Docket No. P-439/C-89-769 is herewith closed.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Lee Larson  
Acting Executive Secretary

(S E A L)