

P-442/EM-88-662 DESIGNATING MARKET TEST EXCHANGES AND APPROVING
WORDING OF CUSTOMER NOTICE

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 AT&T's Proposal to Introduce Reach Out Minnesota Plan and Eliminate Community Calling Plan and Circle Calling Rate Break

ISSUE DATE: April 24, 1990

DOCKET NO. P-442/EM-88-662

ORDER DESIGNATING MARKET TEST EXCHANGES AND APPROVING WORDING OF CUSTOMER NOTICE

PROCEDURAL HISTORY

On September 30, 1988, AT&T Communications of the Midwest, Inc. (AT&T or the Company) made a tariff change filing proposing to eliminate two optional calling plans, the Community Calling Plan (CCP) and the Circle Calling Rate Break (CCRB), and to offer a new calling plan, Reach Out Minnesota. The Minnesota Department of Public Service (the Department) and the Residential Utilities Division of the Office of the Attorney General (RUD-OAG) objected to the elimination of the two optional plans but did not object to the Company offering the new plan provided the Company continued to provide the two existing plans.

On October 28, 1988, the Commission suspended the elimination of the two optional plans (CCP and the CCRB) pending further development of the issues surrounding their proposed elimination. The Company acquiesced in the suspension.

On May 31, 1989, the Company filed a new calling plan proposal which was supported by the Department and RUD-OAG. The Company proposed to eliminate the CCP and to continue offering the CCRB for at least one year under certain conditions, including that the Company would conduct a market test to assess the market demand for the CCRB service in accordance with a market test design approved by the Commission and report its findings to Commission. The Company's proposal was supported by the Department and the RUD-OAG.

On August 16, 1989, the Commission issued an order approving the Company's proposal.

On October 17, 1989, the Company filed a description of the proposed market test for the CCRB service offering and on December 6, 1989 filed amendments to its proposed market test.

On January 4, 1990, the Department filed comments regarding the Company's proposed market test for the CCRB service. The Department agreed to limit the test to five exchanges but objected to three of the Company's five selected exchanges and proposed three alternate exchanges. The Department also suggested additions to the bill inserts that the Company proposed to issue as part of its market test.

On March 23, 1990, the Company filed a letter with the Commission accepting the Department's recommendations.

On April 10, 1990, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

In its August 6, 1989 Order in this matter, the Commission approved the Company's Proposal Regarding Minnesota Optional Calling Plans which provided in pertinent part:

AT&T will advertise the existing CCRB OCP in five non-equal access exchanges to determine if the public is aware of and interested in using the service. The promotion will use the same methodology that has traditionally been used by AT&T to announce new services or changes in existing services, i.e., print ads and bill inserts. The specific exchanges selected and the promotional copy will be submitted to the Commission for their (sic) approval within 60 days of acceptance of this proposal.

The Commission must determine whether the Company's proposed market test, modified to be consistent with the Department's comments, is acceptable.

With the Company's acceptance of the only proposed changes to its market test as originally filed, there is no dispute between the parties regarding the five exchanges targeted for this market test or regarding the wording of the promotional materials to be distributed regarding CCRB to the Company's customers in these exchanges.

The agreed upon exchanges are: Cokato, Becker, Goodhue, Northfield and LeSueur. Also, agreed upon additions to the billing insert would provide more specific information on eligible interlata calling area by adding reference to the first three digits of the exchanges in which the CCRB will apply and add the following sentence:

In other words, the plan is available at all times except for calling between 8:00 and 12:00 noon weekdays, and all day on certain holidays.

The Commission finds that the proposed market test, as modified, has good potential for evaluating the demand for CCRB and that the language of the billing insert, as modified, is clear and comprehensive. Accordingly, the Commission finds that the Company's market test design is acceptable as modified and will approve it.

ORDER

1. AT&T's proposed market test, modified to be consistent with the Department's recommendations, is approved.
2. AT&T shall file a report regarding the results of the market test with the Commission and the Department within six months from the issue date of this Order.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Lee Larson
Acting Executive Secretary

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