

P-421/EM-92-177 ORDER APPROVING TARIFF CHANGES AND REQUIRING  
FURTHER FILING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm	Chair
Tom Burton	Commissioner
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner
Norma McKanna	Commissioner

In the Matter of a Request by  
US WEST Communications, Inc. to  
Eliminate Key Line Surcharges,  
Establish Hunting Rates, and  
Reprice Central Office Trunks

ISSUE DATE: January 20, 1993

DOCKET NO. P-421/EM-92-177

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**PROCEDURAL HISTORY**

On March 2, 1992, US WEST Communications, Inc. (US WEST or the Company) filed a petition requesting Commission approval of certain tariff changes. The Company proposed eliminating surcharges for access lines terminating in multiline key customer premise equipment, establishing product-specific hunting rates for residence, business and private branch exchange services, and repricing central office trunks.

On June 8, 1992, the Department of Public Service (the Department) filed comments in support of the Company's proposal. On September 21, 1992, US WEST filed additional information. The Department filed an addendum to its comments on October 16, 1992.

The matter came before the Commission for consideration on December 29, 1992.

**FINDINGS AND CONCLUSIONS**

Elimination of Key Line Surcharges

Under the Company's current tariff, a surcharge is applied when a residential or business basic exchange line terminates in key equipment.<sup>1</sup> The proposed elimination of key line surcharges would prevent possible billing inconsistencies as lines terminate

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<sup>1</sup> Key equipment is multi-button telephone equipment which allows intercommunication calls and other minor functions.

in different types of equipment. The elimination of the surcharge would also result in a revenue contribution decrease; this would offset the revenue contribution increase from the tariff change regarding hunting service (discussed below).

The Department stated that the overall revenue effect of these changes would be negligible. The Commission agrees with the Department that the Company's proposed elimination of key line surcharges results in reasonable and consistent rates and should be approved.

#### Establishment of Hunting Rates

Hunting is a telephone service which allows an automatic search for an open line when a line called is busy. US WEST offers Basic Hunting Service, Circular Hunting Service and Preferential Hunting Service, which differ according to the sophistication of the search. For many customers, especially businesses with numerous lines, hunting is an essential service.

Under the Company's current tariff, there is no surcharge for the provision of hunting service. Under US WEST's proposal, the Company would establish rates for hunting service. The proposed rate structure would be consistent with the rate structure for "call forwarding busy line" service, which is functionally similar to hunting service.

The Commission agrees with the Department that it is appropriate to develop a rate structure which is consistent for customer calling services such as hunting and call forwarding. The change will allow customers of a given class to be charged similar rates for similar services. The Commission finds that the Company's proposed rates for hunting service are reasonable and should be approved.

#### Repricing of Central Office Trunks

Under the Company's proposal, central office trunk rates would be repriced to include basic hunting rates and to obtain revenue neutrality. The rates would be set on a residual basis, so as to offset the increase in contribution resulting from the establishment of hunting rates.

The Commission agrees with the Department that the Company's proposed repricing of central office trunks is reasonable and consistent with the other proposed pricing changes. The Commission will approve the proposed repricing.

### Customer Notification

Under US WEST's proposal, the Company would use a "negative checkoff" for customers to subscribe to hunting service. Customers would be notified that in the future there will be a charge imposed for hunting service. Customers already receiving hunting service would continue to do so, under the new rates, unless they contacted the Company and requested termination of the service. The Company would allow customers up to 3 months after the charge is imposed to cancel hunting service, with a refund of any charges imposed for the service in the meantime. Any customers who did not receive notice of the imposition of charges would be allowed a 6 month period for cancellation without charge.

The Company proposed a negative checkoff system for two reasons. First, requiring the 52,000 customers currently receiving hunting service to call the Company to request further service would create a "telephone traffic jam" which would tie up the system. Second, customers for whom hunting service is essential might face a disruption of the service if they failed to request service continuance for any reason.

The Commission finds the Company's reasons behind the negative checkoff system reasonable. The grace periods of 3 or 6 months will ensure that customers who wish to continue receiving the service are able to do so without disruption or economic loss. The Commission will approve the Company's proposed customer notification system.

### ORDER

1. US WEST's proposed tariff changes are approved, effective February 15, 1993.
2. US WEST's proposed customer notification method is approved.
3. Within 10 days of the date of this Order, US WEST shall file revised tariff pages reflecting the terms of this Order.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster  
Executive Secretary

(S E A L)