

P-430/EM-94-672 ORDER REJECTING PLAN AS FILED AND REQUIRING NEW FILING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm
Tom Burton
Marshall Johnson
Cynthia A. Kitlinski
Dee Knaak

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Proposal by United
Telephone Company of Minnesota to Offer
CLASS Services

ISSUE DATE: October 17, 1994

DOCKET NO. P-430/EM-94-672

ORDER REJECTING PLAN AS FILED AND
REQUIRING NEW FILING

PROCEDURAL HISTORY

On July 19, 1994 United Telephone Company of Minnesota (United or the Company) filed a proposal to offer CLASS services. On July 29, 1994 and on August 22, 23, 24, and 26, 1994 the Company made supplementary filings.

On August 30, 1994 the Department of Public Service (the Department) filed a report and recommendation, focusing chiefly on recordkeeping, reporting, and educational issues. The Department also expressed substantive concerns in the following areas:

(1) The software configuration used by the Company could result in Continuous Redial disclosing called parties' names as well as numbers, which could thwart legitimate privacy expectations held by customers with unlisted and unpublished numbers.

(2) The Company intended to engage in the unregulated sale and lease of Caller ID units at prices ranging from \$70 to \$140 for sale and \$3.25 to \$6.50 per month for lease. The Department urged the Commission to establish regulatory controls to ensure that customers were carefully informed that they could buy these units elsewhere.

(3) The Department recommended requiring the Company to make per-call blocking available on pay phones where technically feasible and to revise its pay phone instruction cards to clarify whether or not per-call blocking is available on each phone.

(4) The Company originally proposed to retain numbers captured by Call Trace for only three days. The Department believed this would severely limit the value of the service.

(5) The Company originally proposed to limit Call Trace to customers who requested it. This would effectively make the service unavailable to customers receiving their first or sporadic harassing calls.

(6) The Company originally proposed to charge \$5.00 for each activation of Call Trace, a rate level the Commission had previously rejected as inconsistent with the public safety role of Call Trace.

The Company made a responsive filing on September 9, 1994, and the issues listed above were in various stages of resolution when the proposal came before the Commission on October 11, 1994.

FINDINGS AND CONCLUSIONS

In examining this filing the Commission must balance two competing interests -- its obligation to ensure prompt provision of CLASS services and its obligation to ensure that CLASS services are offered on terms consistent with the long term public interest. In this case the Commission believes the second interest outweighs the first and that the short delay necessary for the Company to refine and clarify its proposal is justified.

At this point the state of the record is confused. At the hearing the Department and the Company changed their positions on some issues and offered new information on others. The Commission does not have full confidence in its ability to make an informed decision on the basis of the existing record.

Although the most worrisome features of the proposal -- high rates and restrictive service conditions for Call Trace -- appear to have been resolved satisfactorily, other issues are still to be worked out. The time lines for retaining numbers captured by Call Trace, for example, are apparently still in flux. The importance of line blocking for pay phones, and the importance of consumer information on this topic, has not been fully developed. It has not been demonstrated that the Company's solution to the privacy problems posed by Continuous Redial -- requiring customers with unlisted numbers to convert to the more expensive and more restrictive nonpublished service -- is the most equitable and workable approach.

In short, although the Commission is accustomed to dealing with CLASS filings that evolve during the review process, this filing requires further development and greater clarity. The Commission rejects the proposal in its present form and urges the Company to work with the Department to resolve remaining issues, to clarify the public interest basis for each resolution, and to refile its CLASS proposal as soon as possible in a more understandable form.

ORDER

1. The Company's CLASS services proposal is rejected, with instructions to consult with the Department to resolve remaining issues, clarify the public interest basis for its resolution of each issue, and refile its CLASS services proposal as soon as possible in a more understandable form.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)