

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Joint Petition of Citizens
Utilities Company and GTE Corporation for
Approval of Citizen's Acquisition of GTE
Telephone Properties

ISSUE DATE: August 1, 2001

DOCKET NO. P-5316,407/PA-99-1239

ORDER MODIFYING PRIOR COMMISSION
ORDER

PROCEDURAL HISTORY

On July 24, 2000 the Commission approved the Joint Application of GTE Corporation (GTE) and Citizens Utilities Company¹ (Citizens²) to sell GTE's local telephone operation and associated assets in Minnesota to Citizens, as modified and conditioned by a Joint Stipulation and Agreement between the parties.³ The Joint Stipulation and Agreement addressed, among other things, the interaction of Citizens with interconnecting competitive local exchange carriers (CLECs) and specifically addressed Citizens provision of Unbundled Operating Support Systems to CLECs.

On March 30, 2001, Citizens filed an Application for Modification of the July 24, 2000 Order. Citizens requested that it not be required to meet the provision of the Stipulation requiring an automated interface for providing dispatch/repair orders.

On May 1, 2001, the Department of Commerce (DOC) filed comments opposing Citizens request.

On May 1, 2001, a group of CLECs (CLEC Consortium)⁴ filed comments stating they had no objection to Citizen's request.

On July 10, 2001, this matter came before the Commission.

¹ Now Citizens Communications Company.

² Citizens is used hereafter to refer to either Citizens Communications Company, its subsidiary Citizens Telecommunications Company of Minnesota, Inc. or both.

³ ORDER APPROVING SALE, GRANTING ETC STATUS, AND ISSUING CERTIFICATE OF AUTHORITY AND REQUIRING FILINGS, July 24, 2000.

⁴ En-Tel Communications, LLC; Hutchinson Telecommunications, Inc.; Integra Telecom of Minnesota, Inc; Otter Tail Telecom, LLC; Paul Bunyan Rural Telephone Cooperative; Tekstar Communications, Inc., d/b/a Arvig Communications Systems; and USLink, Inc.

FINDINGS AND CONCLUSIONS

I. The Joint Stipulation and Agreement

Citizens entered into the Joint Stipulation and Agreement in conjunction with its obtaining Commission approval to acquire GTE's local exchanges. This commitment was made by Citizens to promote competitive access by CLECs to Citizens' Operational Support System (OSS).

The Joint Stipulation and Agreement that was approved by the Commission provides, in part:

CTC-Minnesota will provide the ability for CLECs to directly place service and dispatch/repair orders to CTC-Minnesota's systems, such that orders "flow through" and re-keying the order is not required.

Joint Stipulation and Agreement, Exhibit 1, Paragraph 5.

II. Citizens' Request

Citizens, in its filing with the Commission, requested that it be excused from providing an electronic interface for the placement of dispatch/repair orders. At the hearing before the Commission, Citizen's stated it would be agreeable to a time extension to meet this requirement with the ability to return to the Commission at a later time if Citizens continued to see no need to proceed.

Citizens stated that it has implemented the "front end" system that allows CLECs to forward local service requests to Citizens via the internet and that it is presently working to complete the portion of the system that will allow CLECs to directly place service orders into the Citizens' OSS. It stated this is scheduled to be available September 1, 2001, as required.

Citizens argued, however, that there were a number of reasons that it should not be required to develop its OSS to allow for direct placement of dispatch/repair orders. First, the cost to develop this would be exceed \$5 million, far more than earlier anticipated. Citizens argued that the cost far exceeds the benefit of such a system. Citizens stated that the system currently in place which provides for 24 hour customer service for repair orders and authorizes customer service personnel to schedule the service or repair during the phone call was adequate.

Second, Citizens indicated that from its conversations with CLECs it has been led to believe that there is no pressing need for an electronic interface for dispatch/repair orders. It would be unwise for Citizens to spend the money on developing this system rather than in more productive areas.

Third, Citizens does not have an electronic interface system for its own dispatch/repair orders but handles its own repair order and dispatching system in the same manner as it handles the CLECs'.

III. Comments of the DOC

The DOC argued that Citizens should be held to the commitment that Citizens made to ensure that competition would not be harmed when Citizens purchased GTE's Minnesota exchanges.

The DOC agreed that there were many CLECs who do not need an electronic interface with Citizens for dispatch/repair service because many CLECs do not use Citizens to make repairs to their facilities. However, the DOC is aware of at least one CLEC that currently resells the services of incumbent local exchange companies and plans to use an electronic interface to submit repair/dispatch orders. This CLEC would like this to be provided within a reasonable period of time. Further, it is possible that other CLECs will desire to compete in Citizens' exchanges and eliminating the requirement to provide an electronic interface for placing dispatch/repair orders could deter a CLEC's plans to provide service in Citizens' exchanges.

The DOC further argued that one of the purposes of an automated system for interfacing with competitive carriers was to eliminate or reduce the potential for discriminatory treatment of a CLEC's request for service support. Automation, by removing manual intervention, removes the potential for discrimination in favor of an incumbent's retail operation at the expense of the competitor's retail needs.

IV. CLEC Comments

A. The CLEC Consortium

The CLEC Consortium was a party to the Joint Stipulation and Agreement and stated that it had no objection to Citizens' proposal.

B. Sound Choice

At the hearing before the Commission, Sound Choice, a CLEC planning to enter the market in Citizens' exchanges, indicated that it will need this interface in a timely manner.

V. Comments of the Office of the Attorney General's Residential and Small Business Utilities Division (OAG-RUD)

At the hearing the OAG-RUD took the position that the requirement that Citizens provide an electronic interface for dispatch/repair orders should not be eliminated.

VI. Commission Action

The Commission recognizes that in order to encourage competition by CLECs in Citizens' exchanges an electronic interface for dispatch/repairs may well be necessary. Although the CLEC Consortium did not object to eliminating this requirement, at least one CLEC (not part of the Consortium) indicated that not having such an electronic interface could bar its entrance. Further, for CLECs reselling services using the wholesale discount rate or those who will use a UNE-P platform, it may be necessary to have access to a fully automated process to place dispatch/repair orders to ensure non-discriminatory treatment. Although the electronic interface may not be used in the near future, eliminating the requirement that it be made available could harm competition in the future. For these reasons the Commission will not eliminate the requirement that Citizens provide an electronic interface for dispatch/repairs.

The Commission, acknowledging the cost and development issues stated by Citizens and the fact that there does not appear to be an immediate demand for automated dispatch/repair service, will extend the deadline for Citizens to automate the dispatch/repair order processing until December 31, 2002. However, the Commission, recognizing that there could be a CLEC requiring the electronic interface for dispatch/repair orders before the deadline date, will also require that Citizens provide such electronic interface within 90 days of a bona fide request by a CLEC.

ORDER

1. The Commission's July 24, 2000 Order is hereby modified to extend the deadline for automating the dispatch/repair order processing until December 31, 2002, or within 90 days of a bona fide request by a CLEC.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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