DECISION MEMORANDUM

TO: **COMMISSIONER KJELLANDER**
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: **CAROLEE HALL**

DATE: **JUNE 7, 2013**

RE: **FREMONT TELECOM'S TARIFF ADVICE NO. 13-03 REQUESTING COMMISSION APPROVAL TO CORRECT BILLING DISCREPANCIES BETWEEN NUMBER RESERVE AND SEASONAL/VACATION SERVICE OFFERINGS. ALSO REQUESTING TO ELIMINATE NUMBER RESERVE SERVICE. THE COMPANY REQUESTS A JULY 1, 2013 EFFECTIVE DATE.**

BACKGROUND AND DISCUSSION

Blackfoot Telecommunications Group ("BTG") recently acquired Fremont from FairPoint Communications. See Case No. FRE-T-12-01. As a result of the acquisition, BTG is actively working toward a conversion in billing and other systems from FairPoint to Blackfoot. In this process, Blackfoot has identified a number of billing problems. One such problem identified with this filing is that of Number Reserve and Seasonal/Vacation Service.

Currently Fremont offers a Number Reserve service at a monthly rate of $6.44 for residential and $10.20 for businesses. As tariffed, Number Reserve is a product that was to reserve a customer's telephone number for future use when the customer was away from their vacation home. This product was not to have any dial tone or call features associated with it. Unfortunately, this service was confused with seasonal/vacation service and some of the customer accounts were provisioned incorrectly. Seasonal/Vacation service, as tariffed, is offered at a 50% discount on the customer's flat monthly local service rate. The discounted rate is currently $12.90 and $21.00 for residential and business, respectively.

With this filing, the Company is attempting to correct the provisioning problems and to migrate the Fremont customers over to the Blackfoot Telecommunication's billing network. As part of the migration, the Company is seeking Commission approval to eliminate the number

reserve service. This is due in part with the Numbering Orders at the FCC that do not allow for reserving numbers for extended periods of time. Therefore, the Company proposes that at the end of this vacation season all customers will be migrated to Seasonal/Vacation service.

As part of the migration the monthly local residential rate must increase to $14.00 and the monthly business rates will remain at $21.00. This increase in the residential rate is necessary in order for the Company to comply with the FCC's floor rates as prescribed in 47 CFR § 54.318. Moreover, the residential rate will now comport with the NECA and USAC requirements thereby eliminating any penalties the company would have been subject to.

The Company provided Staff with detailed cost studies for the proposed transitions. As proposed, the revenue impact for the Company will be *de minimis*. Moreover, the Company will avoid imputation costs now that it is in compliance with the FCC's price floor requirement.

STAFF RECOMMENDATION

Staff has reviewed this filing and finds the proposal offered by the Company to eliminate Number Reserve and transfer customers over to Vacation Service is a reasonable solution to the mis-provisioned and questionable business practices of Number Reserve.

Staff understands that the small residential rate increase is needed to comply with the FCC's rate flooring as well as NECA and USAC guidelines. This small rate increase will only affect a small number of seasonal vacation customer's in the Island Park area.

Staff appreciates the Companies efforts to minimize the transition effects on the Fremont customers and recommends approval of this filing with an effective date of July 1, 2013.

Does the Commission agree?

Carolee Hall

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