ATTACHMENT to DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

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JOE CUSICK

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WORKING FILE

FROM:SUSAN HAMLIN

DATE:DECEMBER 13, 1996

RE:ATTACHMENT to MEMO FOR CASE NO. GNR-T-96-4;

PETITION FOR CLARIFICATION OR RECONSIDERATION OF PROCEDURAL ORDER NO. 26665

Staff offers the following language changes to clarify Procedural Order No. 26665 in leu of the language suggested in the December 11 memorandum.   The Idaho Telephone Association (ITA)  agrees with these changes.

Idaho Code § 61-302 provides that Title 61 services be offered at just and reasonable rates.  It is the Commission’s dutyunder Idaho Code § 61-502  to ensure that such rates are just and reasonable. All providers of Title 61services, including new entrants, carry the burden of demonstrating that proposed rated are just, reasonable, and nondiscriminatory. Typically, service providers have submitted cost data to support the proposed rates. We believe that in light of developing competition of local telecommunications service that detailed cost of service studies are not necessary. may not be necessary in some instances.  For example, new local exchange providers that resell an incumbent’s services or sell unbundled service elements may not need to provide cost of service studies if end user rates bear a reasonable relationship to the cost of such services or unbundled elements. But, until Idaho law is changed, local service providers must comply with relevant substantive and procedural requirements when changing Title 61 rates. See Rules 121-130,  IDAPA 31.01.01.121-130.

Idaho Code § 61-305 provides that public utilities shall file schedules showing rates and charges with the Commission.  Rule 133, IDAPA 31.01.01.133, also provides that the Commission may order public utilities to file tariffs showing rates and charges with the Commission. The requirement for filing anticipated rates and charges is also contained in Rule 111.06 .  The electronic format is a further clarification for ease of administration. We find the above requirements to be fair, just and reasonable.