DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVID SCHUNKE

JOE CUSICK

BILL EASTLAKE

BIRDELLE BROWN

JIM LONG

BEVERLY BARKER

DAVID SCOTT

WORKING FILE

FROM:WELDON STUTZMAN

DATE:FEBRUARY 25, 1997

RE:GTE-T-95-3; IMPLEMENTATION OF ADDITIONAL LCP ROUTES BY GTE

Order No. 26330 of January 22, 1996, implemented GTE’s Local Calling Plan (LCP) in 34 local calling areas and ordered a review of additional inter- and intraLATA routes within 180 days.  In the Order, the Commission noted that comments and evidence received in the case indicated other routes should be included and therefore directed review of seven specific routes.

 The Company’s response to the Order  recommended adding three of the seven routes:  Bonners Ferry-Sandpoint, Kellogg/Pinehurst-Coeur d’Alene, and Bayview-Post Falls.   For Bonners Ferry, the expansion was in the Community Plan and new rates would be $1.50 higher for residences and $2.50 higher for business.  In Sandpoint, the expansion would be in the Community Plus Plan and rates would rise $.95 for residences and $2.30 for small business, $4.00 for large business.  For Kellogg/Pinehurst, Community rates would rise the same as for Bonners Ferry, but for Community Plus the increase would be $3.45 for residences and $11.30 for small business, $13.00 for large business.

On January 29, 1997, the Commission issued a Notice of Modified Procedure, establishing a comment period that ended February 18, 1997.  Staff filed comments supporting the new LCP routes, but also recommending an alternative to the GTE rate proposal for the Harrison/Kellogg-Pinehurst route.

Staff noted one apparent difference in treatment of customers between Harrison and Kellogg-Pinehurst.  Harrison customers essentially get the addition at no cost within the existing Premium option.  Kellogg customers, on the other hand, must move to the new Premium option to add Harrison.  This option changes the monthly charge from $16.20 to $25.82 for a residential customer, from $38.30 to $61.28 for a single line business.  To correct that difference in treatment, Staff suggested that Harrison be added to the Community Plus option for the Kellogg-Pinehurst exchange.

Written comments were also filed by customers in the affected routes.  Comments supporting and comments objecting were received, although many customer comments in opposition apparently resulted from confusion by customers regarding rate impacts.  Some customers apparently did not realize that the proposed additional routes and rates are optional.

Commission Decision

Should the additional LCP routes be approved?

Should the Harrison/Kellogg-Pinehurst rate structure be approved as proposed by GTE or as adjusted by Staff’s recommendation?

Weldon Stutzman

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