(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE IMPLEMENTATION OF LOCAL CALLING PLANS IN CERTAIN CALLING AREAS OF GTE NORTHWEST INCORPORATED IN IDAHO. | )))))) | CASE NO. GTE-T-97-2ORDER NO. 26832 |

On February 22, 1996, the Commission issued Order No. 26330 in Case No. GTE-T-95-3 approving the implementation of local calling plans (LCP) in 34 of GTE Northwest Incorporated’s local telephone exchanges in northern Idaho.  LCP provides customers with options for their local calling area size and corresponding rate.  The Commission in Order No. 26330 directed GTE to consider additional routes for LCP in some of its exchanges.

GTE subsequently proposed to implement LCP in four additional routes.  The proposed routes and rates are as follows:

1.Bonners Ferry-Sandpoint.  Each is added to the other’s Community Plus Option.  In Bonners Ferry the Community Plus Option is added and costs $15.25 for residence and $36.00 for business.  In Sandpoint, the existing Community Plus Option now costs $16.20 ($.95 more) for residence and $38.30 ($2.30 more) for business.

2.Kellogg/Pinehurst-Coeur d’Alene.  In Kellogg, Coeur d’Alene is added to the Community Plus Option for $16.20 (an additional $3.45) for residence and $38.30 (an additional $11.30) for business.  In Coeur d’Alene, Kellogg is added to the Premium Option with no change in existing rates of $25.82 for residence and $61.28 for business.

3.Bayview-Post Falls.  Each is added to the other’s Premium Option with no change in rates from the existing $25.82 for residence and $61.28 for business.

4.Kellogg/Pinehurst-Harrison.  Each is added to the other’s Premium Option.  For Harrison this requires no change in rates from the existing $25.82 for residence and $61.28 for business.  For Kellogg, the Premium Option is added for $25.82 (an additional $9.62) for residence and $61.28 (an additional $22.98) for business.

The Commission initiated this docket to consider the four additional LCP routes proposed by GTE and determined to process it by Modified Procedure.  See Commission Rules of Procedure 201-204, IDAPA 31.01.01.201-204.  A Notice of Modified Procedure was issued January 29, 1997 establishing a comment period that ended February 18, 1997.  Comments were filed by the Commission Staff; several customers also filed comments with the Commission.

Staff in its comments supported implementation of the proposed LCP routes, but recommended an adjustment to the proposed rates for the route from the Kellogg\Pinehurst exchange to Harrison.  As proposed by GTE, Harrison customers would have the Kellogg exchange added as part of the existing Premium Option.  There would be no increase in the Premium Option rates for Harrison customers by the addition of Kellogg to that option.  Kellogg\Pinehurst customers, on the other hand, could elect a new Premium Option in order to add Harrison calls at toll-free rates.  Although this new option for Kellogg\Pinehurst customers would match the Premium Option rates for Harrison customers, the Kellogg\Pinehurst residential customers would see an increase of $9.62 to add the Premium Option required to get Harrison in their calling plan.  Staff recommended adjusting the proposed LCP by adding the Harrison route to the Community Plus Option for the Kellogg\Pinehurst exchange at the already existing rates of $16.20 per month for residences and $38.30 per month for businesses.

Most of the comments received from customers supported the additional LCP options.  Many of the comments opposed to the new options were filed by customers who apparently misunderstood the proposal and did not realize that the proposed additional routes and rates are optional.

Based on the record in this case, we find that the additional LCP options should be implemented by GTE.  The implementation of LCP has allowed customers to choose local calling areas that best suit their needs.  The routes proposed in this case extend additional options to more customers.  However, we find that the Kellogg\Pinehurst to Harrison option should be adjusted as recommended by Staff.  We find it inequitable to add Kellogg calls to a Harrison Premium Option at existing rates while adding a new premium option for calls to Harrison from Kellogg/Pinehurst with a significant increase in rates.  Although the adjustment recommended by Staff results in asymmetrical rates for the LCP options for calls between the exchanges, we find this adjustment preferable to the rates proposed by the Company.  We also note that a similar asymetry exists between Kellogg and Coeur d’Alene.  With this adjustment, we find the proposed LCP options to be fair, just and reasonable and in the public interest.

O R D E R

IT IS HEREBY ORDERED that the additional LCP options proposed by GTE and identified above, as modified by this Order, are approved.  GTE shall notify the Commission within seven days of this Order the date for implementing the LCP options approved in this case.

THIS IS A FINAL ORDER.  Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. GTE-T-97-2  may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this Case No. GTE-T-97-2 .  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of March 1997.

                                                                                                                                       RALPH NELSON, PRESIDENT

                                                                                            MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

CM/O:GTE-T-97-2.ws

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

March 10, 1997