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BEFORE  THE  IDAHO  PUBLIC  UTILITIES  COMMISSION

IN THE MATTER OF GTE NORTHWEST,)

INCORPORATED’S TARIFF ADVICE)

NO. 97-06 REQUESTING APPROVAL TO)CASE NO.  GTE-T- 97-9

MODIFY ITS SERVICE PERFORMANCE)

GUARANTEE.)COMMENTS OF THE

)COMMISSION STAFF

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COMES  NOW  the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Donald L. Howell, Deputy Attorney General, and submits the following comments in the above referenced case.

BACKGROUND

On June 12, 1997, GTE Northwest, Incorporated (GTE) filed Tariff Advice No. 97-06 requesting approval to expand its Service Performance Guarantee program to provide its customers an additional option to the current program.  Currently GTE offers its customers a credit on their phone bill if GTE fails to meet service commitments for installation of new service or repair of existing service.  GTE is requesting that the Commission approve the additional option of a prepaid toll calling card, thereby giving its customers a choice.  Each option is valued at $25.00 for residential and $100.00 for business customers.  Staff recommended approval, however AT&T and MCI wrote letters opposing the tariff and expressed their concerns at the Decision Meeting on June 23, 1997.

On July 1, 1997, the Commission issued Order No. 27025 soliciting public comment on GTE’s tariff advice to add the new credit option under the service performance guarantee program.  The Commission directed that interested persons file written comments no later

than July 15 and permitted GTE to file a written response to any comments no later than

July 29, 1997.  The Commission also suspended the effective date of the tariff advice for 90 days.  Order No. 27025 at 3.

DISCUSSION

Staff has determined that the per-minute rate for the GTE calling card is $.33.  This equates to approximately 76 minutes of calling for residential customers and about five hours of calling for business customers.  The prepaid calling card may be of greater value for certain customers that may prefer the calling card for a child at school or when traveling as opposed to the credit on their bill.  No matter what the circumstances are, customers can choose between the two options.  Staff believes that with competition, consumers will be making many choices and GTE is proposing to offer customers exactly that—a choice.

Based upon data provided by GTE, the Company gave 26 business and 79 residential Service Performance Guarantee (SPG) credits.  This equates to $4,575 in total credits to GTE customers.  Staff views this as a small amount considering the overall size of GTE’s customer base (120,114 lines) in northern Idaho.  Staff believes that offering the calling card will not harm customers and that the additional calling-card option is insignificant, if  anti-competitive at all.

When AT&T enters the marketplace, it too will enter with marketing tools to serve customers and acquire market share.  Competition will be created and customers will have a choice.  Staff feels that GTE currently has the ability to offer its customers a choice and the prepaid calling card does not necessarily “lock” the customer into GTE’s service.  Staff considers the prepaid calling card to be an option offered by GTE for its commitment to quality service.

STAFF RECOMMENDATION

Staff has reviewed the anti-competitive potential of this filing and does not believe it to be significantly harmful to other providers.  Because it is a program that allows customers a choice, Staff recommends approval of Tariff Advice No. 97-6.

Respectfully submitted this                  day of July 1997.

                                                Don Howell

Deputy Attorney General

Carolee Hall

Telecommunications Analyst

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