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

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| IN THE MATTER OF THE DAVID HOFFMAN’S PETITION TO CHANGE RATES FOR U S WEST’S NON-PUBLISHED AND NON-LISTED PHONE NUMBERS. | )  )  )  )  ) | CASE NO. USW-S-96-2  ORDER NO.  26488 |

On February 2, 1996, Mr. David Hoffman submitted a Petition signed by 25 people asking the Commission to reduce U S WEST Communication’s monthly rate for non-listed and non-published telephone numbers.  On February 28, 1996, the Commission issued a summons to U S WEST.  On March 20, 1996, U S WEST filed an Answer asking that the complaint be dismissed, or in the alternative, that the issue be taken up in U S WEST’s next general rate case.  This Order stays further proceedings until U S WEST files a rate case this summer.

BACKGROUND

In September 1985, the Commission issued Order No. 19956 establishing U S WEST’s rates for non-listed and non-published telephone numbers at $2.50 and $4.00 per month respectively.  The Order states: “The request for a non-listed or a non-published telephone number does contribute to the need to call Directory Assistance.  The cost of maintaining privacy should be borne by the person who desires it.” Order No. 19956.  This Order also reduced the number of free inquiries to Directory Assistance from five to three and increased the rate for direct-dialed Directory Assistance calls from $.27 to $.30 per call.

As of December 31, 1995, 3,888 residential customers had non-listed numbers and 27,478 residential customers had non-published numbers.  Excluding the one-time installation charge, this equates to $1,435,584 in revenue per year.

A.  The Petition

On February 2, 1996, the Petitioners asked the Commission to change or eliminate the

monthly rate for non-listed and non-published telephone numbers.  In lieu of a monthly charge, they recommend that the Commission establish a one-time fee for the purposes of deleting the requested information from Directory Assistance.  The Petitioners alleged that U S WEST deletes the information from Directory Assistance and the phone book in a quick “one-time” process that does not include any activity on a month-to-month basis.  Petitioners further alleged that a month-to-month charge for this service is unreasonable and unjustified for this one-time process.

B.  U S WEST’s Answer

U S WEST claimed that the rate structure for the non-published service, (i.e., the monthly recurring charge) has been in place in southern Idaho for at least 25 years.  In addition, the Company maintained that the same structure is used by Bell Operating Companies in all 50 states.  U S WEST also claims that most, if not all, independent companies in Idaho charge for this service on a monthly basis.

U S WEST next disagreed with the Petitioners allegations that there are no recurring costs associated with the provisions of non-published/non-listed services.  It stated that a customer’s number and related information are updated frequently, sometimes daily.  The Company is continually updating and verifying its data bases for billing purposes and enhanced 911 service.  Special codes are used for each non-published listing to maintain its protection from release and for Directory Assistance operations.

U S WEST argued that Commission Order No. 19956, which set the current non-published and non-listed services rates, remains valid today.  The Order states that non-published customers increase calls to Directory Assistance, and further, that it is appropriate for customers who request anonymity to pay for it.  U S WEST claimed that if the Commission were to dramatically lower the monthly rate or change to an inexpensive one-time charge for these services, the overall value of the public network for all regularly listed customers would decline due to an increase in the amount of unreachable, non-published customers.

U S WEST admitted that the rates for these services are not based on the cost of providing them on an individual basis.  Rather, the rates were established as part of an overall  rate design approved by the Commission.  This rate design was developed following a determination of the overall revenue requirement of the Company providing a panoply of services.  To the extent that the rate established by the Commission for these particular services may exceed the Company’s revenue requirement associated with that service, the revenue collected serves to subsidize rates for other services offered by the Company, e.g., flat rate basic residence service.

U S WEST asked that the Petition be dismissed.  However, if this complaint goes forward the Company suggested that the Commission wait to address this pricing issue with the pricing of all other Title 61 services in a general rate proceeding.(footnote: 1)

DISCUSSION

On April 17, 1996, U S WEST indicated it will file a rate case no later than September 30, 1996.  See Notice of Stipulation and Settlement filing in Case No. USW-S-96-4.  A general rate case places all the Company’s Title 61 rates at issue and subject to change.  Consequently, we find that the issue of non-published and non-listed service prices are issues that may be raised by the Petitioners in the rate case.   In the meantime, we will place Mr. Hoffman on our interested persons service list and stay further proceedings in this case.

O R D E R

IT IS HEREBY ORDERED U S WEST’s Motion to Dismiss this case is denied.

IT IS  FURTHER ORDERED that this case, Case No. USW-S-96-2, be consolidated with the next general U S WEST rate case expected to be filed no later than September 30, 1996.  Notice of the filing of U S WEST’s rate case will be given to Petitioners and they will be designated as parties to that case.

IT IS  FURTHER ORDERED that further proceedings in this case are stayed pending the filing of the general rate case for U S WEST.  If the general rate case for U S WEST is not filed by September 30, 1996, we will reexamine the procedure set forth in this case.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of June 1996.

RALPH NELSON, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**FOOTNOTES**

1:

The Commission’s traditional regulatory authority is found in Title 61 of the Idaho Code.  The Idaho Telecommunications Act of 1988 added a new chapter to Title 62 of the Idaho Code and created a modified form of regulation for telephone companies providing other than basic local exchange services in Idaho.  Basic local exchange service for residential and small business customers (five or fewer access lines) remains under the Commission’s Title 61 ratesetting authority.  In March 1989, U S WEST elected to remove its non-basic local services from the Commission’s Title 61 ratesetting authority.  U S WEST’s non-basic services provided in southern Idaho are now subject to the Commission’s Title 62 jurisdiction.

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

June 17, 1996