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

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| IN THE MATTER OF U S WEST COMMUNICA­TIONS, INC.’S TARIFF ADVICE NO. 96-7-N FOR AUTHORITY TO IMPLEMENT A NEW CABLE, WIRE AND SERVICE DEMARCATION POLICY. | )  )  )  )  )  ) | CASE NO. USW-T-96-9  ORDER NO.  26731 |

On August 1, 1996, U S WEST Communications, Inc. filed Tariff Advice No. 96-7-N to implement a new cable, wire and service demarcation policy.  More specifically, the Company proposed new conditions for terminating its facilities in buildings, multi-tenant or campus arrange­ments.  Instead of providing a single point of demarcation in new buildings or campus arrangements, the Tariff Advice would allow the Company to “extend service terminations to terminal rooms, to utility closets, or to within 12 inches of entering each individually occupied space/unit or as close as practical.”  The Company claimed that this new service demarcation policy will provide building and land owners with additional options when determining exactly where the demarcation point separating regulated telecommunications facilities and deregulated premises hiring.

BACKGROUND

In Order No. 26586 issued August 30, 1996, the Commission suspended the Tariff Advice for a period of 30 days plus five months from the proposed effective date of September 1, 1996.  The suspension was prompted, in part, by three concerns voiced by the Commission Staff.  We encouraged the Staff to discuss its concerns with the Company and, if possible, resolve them. These concerns are discussed in greater detail below.

1.  Rate Base Impact.  The Staff was initially concerned that allowing service terminations at any location within a building or on the owner’s property, would increase the amount of plant-in-service, thereby increasing the Company’s rate base.  Following discussions with the Company, however, the Staff’s concern about this issue have been mitigated.  The Company estimated that its rate base would only increase by approximately $50,000 over the next four years.  Such an amount is not significant over a four-year period.

2.  Access to Company Facilities.  The next issue raised by the Staff was tariff language addressing the accessibility to Company facilities.  If the new service termination policy were approved, the location and number of U S WEST’s minimum points of presence (MPOPs) would no longer be uniform or predictable.  The lack of uniformity might make it more difficult for premise owners, U S WEST competitors, and succeeding customers to maintain, repair and reconstruct facilities, or to change telecommunication service providers.  Following additional discussions with the Company, the Staff was persuaded that language in the tariff restricting access to company facilities was intended only to prevent unauthorized parties from disrupting service or inappropriately using the Company’s facilities.

3.  Preparatory Repair/Replacement Costs.  Finally, the Staff was uncomfortable with one provision of the proposed tariff dealing with preparatory construction work.  This provision states:

When the repair of regulated facilities is required on private property, it is the responsibility of the premise owner to provide suitable working space for repairs by the Company.  This would include, but is not limited to, removing any required concrete or asphalt, the repair or replacement of supporting structure or to provide any required digging to access the damaged area.

Staff was concerned that the language above may be construed as requiring a premise owner to incur the responsibility and expense for preparatory construction work in instances where the Company is attempting to repair its own facilities.  Requiring customers to bear the costs for preparatory construction work in instances relating to the repair or replacement of U S WEST facility, caused by no fault of the customer, is problematic.  The Company was unwilling to amend the language above.  In its final analysis, Staff concluded that the benefits of providing customers with additional demarcation choices outweigh the concerns with this third issue.  Staff suggested that any future dispute regarding the preparatory costs of repair can be addressed on a case-by-case basis.

DISCUSSION

Having reviewed the Tariff Advice and the Staff’s concerns, we agree with Staff that the benefits of providing customers with additional choices of demarcation points outweighs the other considerations at this time.  In general, we find that providing more options for the selection of the demarcation point is reasonable.  However, we share Staff’s concern regarding the third issue.  Given the broad range of possible situations in which preparatory construction may be necessary, we are not inclined to say that such costs are reasonable or unreasonable in all instances.  Any dispute that arises in the future regarding preparatory construction costs will be addressed on a case-by-case basis.

O R D E R

IT IS THEREFORE ORDERED that the Company’s Tariff Advice No. 96-7-N is approved.  Implementation of the Tariff Advice’s provision addressing preparatory construction changes will be subject to future review as necessary.

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. USW-T-96-9   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.  USW-T-96-9 .  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 December 1996.

                                                                                                                                      RALPH NELSON, PRESIDENT

                                                                                           MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:USW-T-96-9.dh2

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

December 19, 1996