DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

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DON HOWELL

STEPHANIE MILLER

JOE CUSICK

GARY RICHARDSON

WORKING FILE

FROM:BEVERLY BARKER

DATE:DECEMBER 11, 1996

RE:CASE NO. USW-T-96-9

U S WEST COMMUNICATIONS ADVICE NO.  96-07-N

CABLE, WIRE AND SERVICE TERMINATION POLICY

BACKGROUND

In this filing, USW proposes to change its policy with respect to termination of facilities in new buildings, multi-tenant or campus arrangements.  In addition to new construction, the proposed policy will apply “when there is a complete reinforcement of existing entrance facilities”. (Section 2.8, Page 56, Exchange and Network Services Tariff)  According to USW, this will provide building and land owners with additional options in determining where the demarcation point between regulated cable and deregulated premises wiring should be placed.  The new policy will offer the additional alternative of extending terminations to multiple points within a building or on the building or land owner’s property.

The Company filed this same proposal (96-13-SC) with respect to southern Idaho.  Jim Long reviewed that submission, and it was accepted for filing in USW’s service catalog on September 3, 1996.

STAFF ANALYSIS AND RECOMMENDATION

Staff’s analysis was presented in a previous decision memo (attached).  The Commission posed two questions, one of which concerned the fact that USW represented that this change was being made in response to customers’ dissatisfaction with the lack of options under the current policy.  Staff is not aware of complaints made to the Commission about the existing policy, and USW could not identify any particular request from an Idaho customer.  According to Ron Lightfoot, the Company was making a general assertion based on customer comments within it 14-state service territory, and did not intend to imply that specific Idaho customers were prompting this policy change.

Another question posed by the Commission related to the formal complaint filed by Rocky Mountain Communications (USW-T-96-12) concerning installation of service.  Changing this cable, wire and service termination policy will increase any applicable construction costs to the extent that customers choose a termination point that extends beyond the nearest point on the property line or building, which is the only option now available.  However, the location of the termination of USW facilities is not an issue in the RMC case.  Rather, the question raised concerning construction (apart from the question of whether there has been undue delay in providing service) is whether it is appropriate to charge RMC for the construction cost associated with the additional lines requested.  The language contained in the proposed tariff can be construed as providing additional justification for charging for construction in situations where inadequate facilties exist and complete reinforcement is necessary. USW interprets its existing tariff section directly related to construction charges as allowing it to recover its costs under such circumstances, however.  Although this policy is primarily aimed at new construction, USW is not willing to amend its filing to remove language that might be construed as relating to repair or replacement of existing facilities.

Staff’s conclusion is that the benefit of providing customers with additional choices that better meets customers’ needs outweighs other considerations at this time.  Any disputes that arise in the future regarding repair or replacement of USW facilities can be addressed on a case-by-case basis.  It is Staff’s position that any repair or replacement necessitated by deterioration of USW facilities must be done at USW’s expense.

COMMISSION DECISION

Does the Commission have additional questions of USW?  Does it approve the proposed policy?  Does it wish to make a statement on the repair/replacement issue?  If the Commission denies USW’s application for northern Idaho, what steps, if any, should be taken with respect to the policy now in effect in southern Idaho?

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