

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: August 3, 2006

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Competitive Markets & Enforcement (Simmons, King, Bates) *SAS JK*
Office of the General Counsel (Scott) *KS RA for PKW* *OB*

RE: Docket No. 060499-TL – Implementation of Statutory Option for Price Regulated Local Exchange Telecommunications Companies to Publicly Publish Rates, Terms, and Conditions for Nonbasic Services, Pursuant to Section 364.051(5)(a), F.S.

AGENDA: 08/15/06 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\CMP\WP\060499.RCM.DOC

Case Background

Recent revisions to Section 364.051(5)(a), Florida Statutes, allow price regulated¹ incumbent local exchange companies (ILECs), at their option, to either maintain tariffs with the Florida Public Service Commission (Commission) or otherwise publicly publish the terms, conditions, and rates for each of its nonbasic services, and to set or change, on 1 day's notice, the rate for each of their nonbasic services.² In addition, the law states that the Commission may

¹ Except for Frontier Communications of the South, Inc. all ILECs in Florida have elected price regulation.

² The changes to Section 364.051(5)(a) came about as a result of SB 142 which was signed into law on June 7, 2006, by Governor Bush.

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establish guidelines for the publication, but the guidelines may not require more information than what is required to be filed with a tariff. Staff believes that while this change in law provides price regulated ILECs with an option for disseminating information on their nonbasic service offerings, it does not change the Commission's jurisdiction or oversight in any way.

Staff began drafting guidelines in June and provided copies of its draft to each price regulated ILEC on July 18, 2006. The ILECs were asked to review the guidelines and be prepared to discuss them at an informal meeting scheduled for July 26, 2006. Representatives from BellSouth, Embarq, GTCom, Northeast Telephone, TDS Telecom, and Verizon attended the meeting.³ In general, those in attendance agreed with staff's approach and suggested only minor modifications to the draft. After meeting with the parties, it is staff's understanding that BellSouth is the only company planning to publicly publish its nonbasic service offerings at this time.

Discussion of Issues

Issue 1: Should the Commission establish guidelines for the publication of nonbasic service offerings by price regulated ILECs that no longer elect to maintain tariffs for such services with the Commission?

Recommendation: Yes, the Commission should adopt the guidelines in Attachment A. (Simmons, King, Bates)

Staff Analysis: The recent changes to Section 364.051(5)(a), Florida Statutes, allow price regulated ILECs to choose whether to maintain tariffs with the Commission or otherwise publicly publish the terms, conditions, and rates for each of its nonbasic services, and to set or change, on 1 day's notice, the rate for each of their nonbasic services. For the ILECs electing to publicly publish, the Commission may establish guidelines for the publication; however, the guidelines can not require more information than what is required to be filed with a tariff.

Staff began drafting guidelines in June. Staff's goal was to develop guidelines which:

- capture the intent of the new law,
- provide the Commission the information it needs to monitor nonbasic service offerings and resolve consumer complaints,
- are efficient to implement and not overly burdensome,

³ Alltel, ITS, and Smart City did not participate in the meeting. Staff did contact these companies after the meeting to solicit their feedback; Smart City responded that it had no issues with the draft.

- incorporate input from interested parties.

Under staff's proposal, price regulated ILECs that opt to publicly publish may do so either via the Internet or in a paper format. Staff has developed guidelines which address both publishing methods but believes most companies that publicly publish will do so over the Internet. The guidelines fall into three general categories:

1. the minimum information that must appear in the actual publication;
2. the minimum information that must be provided to the Commission;
3. the minimum historical data available to the Commission for use in investigating and resolving consumer complaints.

First, the minimum information that must appear in the actual publication (whether published in paper format or via the Internet) includes the name used to market the service; a description of the service; the current rate(s) for the service; the service specific terms and conditions, and the effective date for the current rates, terms, and conditions. Also, staff proposes some minimal requirements that we believe will make the publication(s) user friendly for the consumer.

The second category addresses the minimum information to be provided to the Commission when a company revises, establishes, or deletes any rate, term, or condition. If a company publishes via the Internet, it must send the Commission notification of changes via electronic mail. The notification must include a brief description of the change(s) in the body of the e-mail, a PDF text + image format attachment with an executive summary which includes specific information on the rate change (i.e., effective date, percentage change in revenue for each affected nonbasic service category etc.) or a synopsis of the changes to a term or condition, and provide, as part of the attachment, the page number references for the complete service offering(s) as it(they) will appear on the company's web page, or the applicable page(s). If paper publishing, the minimum information to be provided is generally the same with two exceptions: 1) the company may file the Commission notification either by electronic mail or hard copy; and 2) the company must provide (or attach to its e-mail notice) the applicable pages for the complete service offering(s) as it(they) will appear in the company's paper publication.

The third category addresses Commission access to historical data on the rates, terms, and conditions for the nonbasic service offerings so that the Commission may investigate and resolve consumer complaints. This proposed guideline provides the company with options as to how the Commission will access this data. In addition, this guideline only applies to companies that publish via the Internet and do not attach applicable pages but instead only provide the page number references for the complete service offering(s) as it(they) will appear on the company's web page.

Staff believes its proposed guidelines are appropriate. In sum, staff recommends the proposed guidelines for publicly publishing nonbasic service offerings be adopted because they

- consider the interests of the companies, consumers, and the Commission;

- were developed with input from the ILECs;
- require no more information than that which is required to be filed with a tariff;
and
- ensure the Commission has the information it needs to continue resolving consumer complaints and monitoring rates for nonbasic service offerings.

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person, whose substantial interests are affected by the proposed agency action files a protest of the Commission's decision on Issue 1 within the 21-day protest period, the Commission's Order will become final upon issuance of a Consummating Order. If, however, a timely protest is received, this docket should remain open. (Scott)

Staff Analysis: If no person, whose substantial interests are affected by the proposed agency action files a protest of the Commission's decision on Issue 1 within the 21-day protest period, the Commission's Order will become final upon issuance of a Consummating Order and the docket should be closed. If, however, a timely protest is received, this docket should remain open.

PROPOSED GUIDELINES FOR PUBLICLY PUBLISHING NONBASIC SERVICES

These guidelines were developed based on recent changes to Section 364.051(5)(a), Florida Statutes, which provide a price-regulated ILEC the option to publicly publish its terms, conditions and rates for each of its nonbasic service offerings. Staff envisions a company could either publicly publish its nonbasic service offerings via its corporate web site or in paper format.

WEB PUBLISHING GUIDELINES

1. The company's corporate homepage shall have a highly visible hyperlink or similar device (web button, icon, etc.), which leads to a user-friendly listing of all nonbasic services and the general terms and conditions. The listing shall be maintained in a consistent format over time. At a minimum, for each nonbasic service offering, the company shall publish
 - a. The name(s) used to market the service,
 - b. A description of the service,
 - c. The current rate(s) for the service,
 - d. The service specific terms and conditions, and
 - e. The effective date(s) for the web page or pages containing the current rates, terms, and conditions.

2. The company shall notify the Commission, via electronic mail, on one day's notice, of any changes to its nonbasic service offerings that revise, establish, or delete a rate. The electronic mail notification shall
 - a. Be addressed to (telephone.tariffs@psc.state.fl.us),
 - b. Contain a brief description of the change(s) in the body of the e-mail,
 - c. Attach, in PDF text + image format, an executive summary containing the old rate(s) and effective date(s), the new rate(s) and effective dates(s), and the percentage change in revenue for each affected nonbasic service category, and
 - d. Provide, as part of the attachment, the page number references for the complete service offering(s) as it(they) will appear on the company's web page, or the applicable page(s).

3. The company shall notify the Commission, via electronic mail, on one day's notice, of any changes to its nonbasic service offerings that revise, establish, or delete a term or condition. The electronic mail notification shall
 - a. Be addressed to (telephone.tariffs@psc.state.fl.us),
 - b. Contain a brief description of the change(s) in the body of the e-mail,
 - c. Attach, in PDF text + image format, an executive summary containing the old effective date(s), the new effective date(s), and a synopsis of the change(s), and

- d. Provide, as part of the attachment, the page number references for the complete service offering(s) as it(they) will appear on the company's web page, or the applicable page(s).

4. A company electing to provide page number references under 2.d and 3.d shall provide the Commission with access to historical data of the rates, terms, and conditions for its nonbasic service offerings so that the Commission may investigate and resolve consumer complaints, or other matters. For companies with more than 100,000 access lines in service on July 1, 1995, the historical data shall be maintained in an electronic database. Archived data shall be maintained for no less than 3 years from the effective date of each change.

PAPER FORMAT PUBLISHING

1. The guidelines below shall only apply to nonbasic service offerings publicly published in paper format.

- a. A copy of the publication shall be maintained in each of the company's business offices and Commission-approved locations (if applicable).

- b. The publication shall contain current information on all nonbasic services and the general terms and conditions. The publication shall be printed on 8 1/2" X 11" paper in a readable type of sufficient size to be clearly legible, and be maintained in a consistent format over time. At a minimum, for each nonbasic service offering, the company shall publish

- (1) the name(s) used to market the service,
- (2) a description of the service,
- (3) the current rate(s) for the service,
- (4) the service specific terms and conditions, and
- (5) the effective date(s) for the page or pages containing the current rates, terms, and conditions.

2. The company shall notify the Commission, via electronic mail or hard copy filing, on one day's notice, of any changes to its nonbasic service offerings that revise, establish, or delete a rate.

- a. The notification sent via electronic mail shall

- (1) be addressed to (telephone.tariffs@psc.state.fl.us),
- (2) contain a brief description of the change(s) in the body of the e-mail,
- (3) attach, in PDF text + image format, an executive summary containing the old rate(s) and effective date(s), the new rate(s) and effective dates(s), and the percentage change in revenue for each affected nonbasic service category, and
- (4) include, as part of the attachment, the applicable pages for the complete service offering(s) as it(they) will appear in the publication.

- b. The notification made by hard copy filing shall
 - (1) be addressed to the Division of Competitive Markets and Enforcement,
 - (2) contain a brief description of the change(s) in the body of the letter,
 - (3) include an executive summary containing the old rate(s) and effective date(s), the new rate(s) and effective dates(s), and the percentage change in revenue for each affected nonbasic service category, and
 - (4) include the applicable pages for the complete service offering(s) as it(they) will appear in the publication.

3. The company shall notify the Commission, via electronic mail or hard copy filing, on one day's notice, of any changes to its nonbasic service offerings that revise, establish, or delete a term or condition.
 - a. The notification sent via electronic mail shall
 - (1) be addressed to (telephone.tariffs@psc.state.fl.us),
 - (2) contain a brief description of the change(s) in the body of the e-mail,
 - (3) attach, in PDF text + image format, an executive summary containing the old effective date(s), the new effective date(s), and a synopsis of the change(s), and
 - (4) include, as part of the attachment, the applicable pages for the complete service offering(s) as it(they) will appear in the publication.

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 - (4) include the applicable pages for the complete service offering(s) as it(they) will appear in the publication.