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September 11, 1996

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Rm. 110
Tallahassee, FL 32399-0850

RE: Docket 95[illegible]54-TL
Price Regulation

Dear Mrs. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Brief of the Evidence, which we ask that you file in the captioned matter.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

ACK
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OTH

Sincerely,

J. Phillip Carver

J. Phillip Carver

Enclosures

cc: All Parties of Record
A. M. Lombardo
R. G. Beatty
William J. Ellenberg II

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Notice of Election of Price Regulation By BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company	)	Docket No. 951354-TL
	)	Filed: September 11, 1996

BELLSOUTH TELECOMMUNICATIONS, INC.'S BRIEF OF THE EVIDENCE

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STATEMENT OF THE CASE

Section 364.051, Florida Statutes, allows local exchange companies (LECs) to elect price regulation effective January 1, 1996. Section 364.051, Florida Statutes, also provides that the rates for basic residential and single line business local telecommunications services are "capped at the rates in effect on July 1, 1995, and such rates shall not be increased prior to ... (in the case of BellSouth) January 1, 2001." (Section 364.051(2)(a)). In addition to the basic local telecommunications services being capped, there are caps related to some non-basic services and network access services. Examples of the protected non-basic services include voice-grade, flat-rate, multi-line, business local exchange service, including multiple individual lines, Centrex lines, Private Branch Exchange (PBX) trunks, and any associated hunting services. (Section 364.051(6)(a)). The rates for these protected non-basic services are also capped until January 1, 2001 at the levels that are in effect on July 1, 1995.

Pursuant to Section 364.051(a), Florida Statutes, BellSouth Telecommunications, Inc. ("BellSouth") filed on November 1, 1995, written notification of its election of

price regulation effective January 1, 1996. After July 1, 1995, but prior to the effective date of BellSouth's election of price regulation on January 1, 1996, the Company filed tariffs that would have regrouped the rates for the Jensen Beach exchange (effective on October 20, 1995), the West Palm Beach exchange (effective on October 22, 1995), and the Holley-Navarre exchange (effective November 28, 1995).

The Commission determined in Order No. PSC-96-0036-FOF-TL, issued on January 10, 1996, (Order Acknowledging Election Of Price Regulation And Notice Of Proposed Agency Action Order Requiring Reduction Of Certain Rates) that the Jensen Beach, West Palm Beach, and Holley-Navarre rate regrouping tariffs caused increases in the rates for basic local telecommunications services and in certain protected non-basic services which, under Section 364.051, Florida Statutes, are to be capped at the rates in effect on July 1, 1995. Thus, the Commission ordered BellSouth to revise the rates in the above-listed exchanges "to eliminate the rate increases stemming from the rate regroupings" ... "that have become effective subsequent to July 1, 1995." (Order, p. 6).

On January 31, 1996, BellSouth Telecommunications, Inc. filed its Petition on Proposed Agency Action, to challenge Order No. PSC-96-0036-POF-TL ("Order" or "Proposed Agency Action"). On May 13, 1996, the Commission issued the Order Establishing Procedure (Order No. PSC-96-0664-PCO-TL), which set this matter to be heard on August 14, 1996. BellSouth filed the direct testimony of Alphonso J. Varner on May 28, 1996. No party to this proceeding filed either direct or rebuttal testimony. On June 18, 1996, Central Telephone Company of Florida ("Sprint/Centel") and United Telephone Company of Florida ("Sprint/United") filed a Petition to Intervene in these proceedings. On July 22, 1996, the Commission entered its Order granting Intervention to Sprint-United/Centel (Order No. PSC-96-0952-PCO-TP). No other parties have intervened in this proceeding.

On July 31, 1996, the Commission entered the Order Modifying Procedure (Order No. PSC-96-0981-PCO-TL).

The Order stated the following:

> The parties and staff do not believe that an evidentiary proceeding is necessary. BellSouth proposes that selected portions of Mr. Varner's testimony be placed in the record to lay out the factual basis for this proceeding and that certain stipulations be adopted. BellSouth notes that some of Mr. Varner's testimony is BellSouth's legal position and need not be accepted as fact by the Commission. The Commission is free to draw

> its own legal conclusions. The parties have agreed to BellSouth's proposal and additional stipulations proposed by Sprint/United and Sprint/Centel.

(Order, p. 1) (A copy of the stipulations are attached as "Appendix A")

Based upon those stipulations, the Commission canceled the hearing set for August 14, 1996, and ordered the parties to file briefs on two specific issues, which BellSouth addresses herein.

This brief is submitted in accordance with the Order Modifying Procedure, and the post-hearing procedures of Rule 25-22.056, Florida Administrative Code. The statement of each issue identified in this matter is followed immediately by a summary of BellSouth's position on that issue and a discussion of the basis for that position. Each summary of BellSouth's position is labeled accordingly and marked by an asterisk.

STATEMENT OF BASIC POSITION

The issues involved in this proceeding are not complicated. However, the final determination involving these issues is of extreme importance to BellSouth, and obviously, to other LECs who elect to operate under price regulation pursuant to Section 364.051, Florida Statutes.

Essentially, the Proposed Agency Action reaches the conclusion that when the price a customer pays for local service increases as a result of regrouping, this constitutes a price increase that is prohibited under Chapter 364, Florida Statutes. BellSouth's position is that when a customer moves from a smaller rate group to a larger one, this is not an increase in the price of that customer's service, but rather a change from one (lower priced) service to a different (higher priced, but more valuable) service. This clearly constitutes a change in the nature of the service of an affected customer. Consequently, there is no violation of Section 364.051 because the customer is not paying a higher price for the same local service.

Additionally, BellSouth submits that if rate regrouping is not allowed, this will create a situation in which similarly situated customers are charged different rates for

the same service. Customers in the exchanges that, under the terms of the Commission's Order, are not subject to rate regrouping will pay less for their local service than all or most of the other customers in Florida who have comparable calling scopes. This result constitutes "undue discrimination" in the price charged for service provided to similarly situated customers, and, accordingly, violates Sections 364.08, 364.09, and 364.10, Florida Statutes.

> ISSUE NO. 1: Is reclassification of an exchange (rate grouping) subsequent to the election price regulation by BellSouth, a price increase that is prohibited under Section 364.051, Florida Statutes?
>
> *Position: No. The pricing restrictions in Section 364.051, Florida Statutes, apply to the price of service in an existing exchange rate group. When customers move to a larger rate group, the nature of their service changes. Thus, it is permissible to charge a higher price for the new service.

The central question here can be stated rather simply: When a customer's service changes in nature (i.e. has a greater value because of a larger calling area) and the new (improved) service carriers a higher price than the previous service, does this constitute a price increase under Section 364.051, Florida Statutes? BellSouth submits that this is not a price increase prohibited by the Statute.

The rules of the Commission require BellSouth to reclassify exchanges (regroup) in response to access line increases and decreases. (Rule 25-04.056, F.A.C.) Specifically, the Rule states:

> Whenever the number of access lines in the local calling area of an exchange increases or decreases to the extent that such exchange would fall into a different rate group, the company shall file a revised tariff with the Commission requesting authority to reclassify the exchange to its appropriate group.
>
> Rule No. 25-04.056(1), Florida Administrative Code (emphasis added).

As BellSouth's witness, Mr. Varner, testified "[t]he tariff change associated with the reclassification of an exchange is quickly implemented and virtually automatic. The Commission has routinely approved these tariffed changes in the past". (Varner, Testimony, p. 3, lines 4-6). Mr. Varner further testified that, under this well-established procedure, "[i]f there is a sufficient increase in access lines in the local calling area to trigger a rate group change, subecribers in that exchange would be regrouped into the next highest rate group. As a result, the rate that they are charged for local service would be increased." (Varner, Direct Testimony, p. 3, lines 10-13) On the other hand, "if there is a sufficient decline in access lines to

trigger a rate group change, subscribers in that exchange would be regrouped into a lower rate group. Consequently, the rate charged to subscribers in that exchange would be reduced". (Varner, Direct Testimony, p. 3, lines 13-17).

Each rate group is separately priced and tariffed, with monthly basic exchange rates varying by rate group, consistent with the value of the service provided. Obviously, a customer's service increases in value with a move from a smaller rate group to a larger rate group, which, by definition, has a greater number of access lines that the customer can call in his or her local calling area. Mr. Varner gave the following example:

> The value (and thus the price) of the basic service in a Rate Group 10 exchange service area, such as Boca Raton, is greater than that of a Rate Group 1 exchange service area, such as Cedar Keys. This is because customers in the Rate Group 10 area have access to up to 550,000 exchange access lines (and PBX Trunks) while customers in a Rate Group 1 exchange service area have access to 2000 or less exchange lines (and PBX Trunks).

(Varner Testimony, p. 4, lines 15-21). Thus, again, reclassification is simply a way to acknowledge that with an increase in the number of access lines in a local calling area, the value of the service in that area increases.

Moving customers from one rate group (i.e. with a smaller calling area) to the next rate group (i.e. with a larger calling area) does not constitute a rate increase because the rates for each group are not increased. Instead, the customer through reclassification, is moved from one pre-existing rate group to another. The customer will pay a higher price for service in the larger rate group, but this is merely to recognize that the larger rate group represents a more valuable version of local service.

This pricing differentiation between rate groups is not unlike the pricing differentiation of other products and services. Mr. Varner provided an example of a comparable price difference:

> For example, Caller ID is offered in Florida on a two-tier price level based on the added feature value. Customers may purchase Caller ID-Basic service for $6.00 per month, which permits the customer to view on a display unit the directory number of incoming telephone calls. However, for $7.50 per month, the customer may purchase Caller ID-Deluxe, which permits the customer to view on a display unit the calling party's directory name and directory number on incoming telephone calls. The price difference is commensurate with the greater value of the enhanced version of the service.

(Varner Testimony, p. 5, lines 2-11)

Thus, the concept of a higher price for a more valuable variation of a service is in no way unique to regrouping.

The conclusion that rate regrouping is not a price increase is consistent with this Commission's own rationale, as stated in the past in the context of applications for extended area service. For example, in 1983 this Commission considered an application for extended area service in one of the exchanges currently at issue. The case styled In re: Extended Area Service between Holley-Navarre and Gulf Breeze, Pensacola and Fort Walton Beach, (Docket No. 820112-TP) was initiated in response to a petition from the residents of the Holley-Navarre area seeking implementation of extended area service between Holley-Navarre and the Pensacola, Fort Walton Beach and Gulf Breeze exchanges.

In the Order Requiring Extended Area Service Survey (Order No. 12141, issued June 15, 1983) this Commission authorized an increase in rates as a result of the regrouping. In doing so the Commission stated the following:

> We are authorizing an increase in rates as a result of the regrouping. That is, since the people in Holley-Navarre will be able to call more people, they will move into a higher rate group. We authorize regrouping revenues only because we believe it would be more consistent with statewide rulemaking. The community of interest indicates

> the local calling scope should be enlarged and to require this exchange to be burdened with the entire cost would mean that local rates would be disproportionately higher than other local rates across the state.
>
> In conclusion, we find that an EAS survey should be conducted of the subscribers of Holley-Navarre to determine if a sufficient number of subscribers want EAS to Gulf Breeze, Pensacola and Fort Walton Beach at an increase in rates that results from a change in rate group. No survey of subscribers in Gulf Breeze, Pensacola and Fort Walton Beach is required because the rate group for those exchanges will not change if the EAS is ordered.

(Order, p. 2).

Therefore, the rate increase that applied to the Holley-Navarre exchange was the result of regrouping. It is true that this increase was, in part, designed to offset costs to the local exchange company associated with the EAS plan. The increase was clearly also intended to make the rates for customers in the regrouped exchange consistent with the rates of other subscribers throughout the state. At the same time, there was no price increase to customers in the Gulf Breeze, Pensacola and Fort Walton Beach exchanges, even though they received EAS service also. The rates for these customers were not increased because EAS did not expand their local calling area enough to change their rate group. Clearly, the Commission applied the rationale

now urged by BellSouth -- that a larger calling scope equals a more valuable version of local service, which justifies a higher price.

Other Commissions that have considered this issue have reached the same conclusion. For example, in In Re: Bell Atlantic - Pennsylvania, Inc.'s Petition and Plan for Alternative Form of Regulation Under Chapter 30; (Docket Nos. P-00930715; P-00930715C001; P-0093071C002, 1995 Pa. PUC LEXIS 134), Bell Atlantic went before the Pennsylvania Public Utility Commissions to request a revenue neutral adjustment of all noncompetitive services, notwithstanding the "freeze" on protected service rates (until December 31, 1999) to which it agreed as part of its Alternative Regulation Plan. As a part of this plan, Bell Atlantic proposed to reclassify certain "exchanges into new rate groups which [would] have higher rates" (1995 Pa. PUC LEXIS 134, Order, p. 5).

The Pennsylvania Commission, after consideration of the position of the parties, found for Bell Atlantic. The Pennsylvania Commission first stated that it was inclined to agree with one party that "growth in the number of lines in

a calling area does not represent a change in the service".

(Order , at 15). The Commission then continued,

> However, this observation only addresses the short term. In the long term ... the value of service for those exchanges with greater density is a more valuable quality of service than those with less density. Consequently, a value of service disparity would be created were the protected service classes not subject to reclassification until after December 31, 1999 [when the price freeze ends]. The reclassification of exchanges, through a phenomena which regularly occurs for an LEC, does pose the potential for enhanced service and service which is conformed to the cell density of the exchange.

(Order, at 16).

Although this decision is obviously not binding on this Commission, it does provide an example of how another state dealt with this same issue, i.e., in precisely the manner BellSouth now advocates. BellSouth's position, as demonstrated above, is equally consistent with the prior ruling of this Commission, and with this Commission's rules requiring regrouping. Rate regrouping is not an increase in the price of a service, but rather a charge of one type of service (at a given price) to a different service (at a different price).

> ISSUE NO. 2: If rate regrouping by BellSouth is not allowed, does any resulting disparity in prices constitute undo discrimination in violation of Chapter 364, Florida Statutes?

Position: Yes. If this Commission does not allow BellSouth to continue established regrouping procedures, this will result in prohibited undue discrimination under Florida law.

Again, the Proposed Agency Action requires Jensen Beach, West Palm Beach, and Holley-Navarre to have the rates in effect prior to the subject rate regroupings, even though these exchanges qualify for automatic rate regrouping under the Commission's rules. BellSouth respectfully submits that this action creates a disparity in the prices between similarly situated customers that is not only unfair, but, that also constitutes "undue discrimination" in violation of Section 364.051, Florida Statutes.

Sections 364.08, 364.09, and 364.10, Florida Statutes, generally preclude a telecommunications company from charging different rates to different customers for the same service if the customers are similarly situated. Specifically, Section 364.08, Florida Statutes, provides that a telecommunications company may not, by either direct or indirect action, give any customer a special price for service. In other words, a company may not give a "privilege" to any subscriber that is not "uniformly

extended to all persons under like circumstances for like or substantially similar service (§364.08(1)).

Section 364.09 provides, in part, that for a given service, a company many not charge different rates for "doing a like and contemporaneous service with respect to communication by telephone under the same or substantially the same circumstances and conditions".[1] Section 364.09, Florida Statutes

Likewise, Section 364.10(1) states the following:

> A telecommunications company may not make or give any undue or unreasonable preference or advantage to any person or locality or subject any particular person or locality to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Section 364.10(1), Florida Statutes

Although each of these statutory provisions address a slightly different aspect of the appropriate treatment of customers, all stand for the general proposition that a telecommunications carrier may not unduly discriminate in the rates and services that it charges customers who are similarly situated.

[1] The full text of 364.08 and 364.09 appears in Appendix B.

If BellSouth is not permitted to continue the well-established regrouping procedures that are required by this Commission's Rules, then this will result in BellSouth being required to violate Section 364, Florida Statutes, in that it will be subjecting customers in Florida to "undue or unreasonable prejudice or disadvantage". Specifically, the prices charged for the Jensen Beach, West Palm Beach, and Holley-Navarre exchanges will be different than for similarly situated customers in other exchanges.

BellSouth's witness, Mr. Varner, summarized this improper disparity in his testimony by stating that "customers in an exchange that is not regrouped in response to access line growth will pay less for their local service than all or most of the other customers in Florida who have comparable calling scopes".(Varner, Testimony, p. 7, lines 20-23). This results in unduly discriminatory pricing for a service provided to similarly situated customers.

To be even more specific, under the proposed agency action there would be price discrimination of two sorts. One, similarly situated customers with the same basic local calling scope would be charged different rates in many cases. In other words (assuming that these three exchanges

are not regrouped), subscribers in the rate group to which these exchanges would have been moved will pay more for a given calling scope then will the customers in these three exchanges. Two, in other instances, customers whose calling scopes differ -- and who should, therefore, be in different rate groups with different prices -- will be charged the same price. For example, subscribers in these three exchanges will, absent regrouping, pay rates that are the same as customers in the rate groups to which they have been returned by the Proposed Agency Action, even though their calling scopes are larger. In both of these circumstances, the result is the same -- undue or unreasonable prejudice (i.e. discrimination) in the prices charged to customers and in the treatment of these customers.

Mr. Varner testified as to one specific example of this disparity. BellSouth filed a tariff revision to reclassify the Fort George exchange from Rate Group 8 to Rate Group 9, which became effective on June 30, 1995. Presently, Fort George subscribers have access to approximately 398,400 access lines and trunks. If BellSouth is not allowed to reclassify the subject exchanges, the West Palm Beach subscribers will pay the same rate as those subscribers in

the Fort George exchange, but they will have access to about 87,000 more access lines and trunks (a twenty-two percent greater difference in access) than the subscribers in the Fort George exchange. (Varner Testimony, p. 8, lines 14-21).

Mr. Varner went on to testify that "[t]here is no basis for this disparate treatment (i.e., charging the same price for different service) other than the fact that regrouping of the Fort George exchange took place four months before the regrouping of the West Palm Beach exchange was to occur". (Varner, Direct Testimony, p. 8, lines 21-24). Stated differently, customers in Fort George and West Palm Beach are "similarly situated in that, based on access line growth, both should be regrouped. If regrouping of the West Palm Beach exchange is prohibited" ... as the Commission has ordered, ... "then these two groups of customers will be treated differently based on nothing more than a quirk of timing. Any distinction in the treatment of similarly situated customers based on this type of happenstance is arbitrary and impermissible." (Varner Testimony, p. 8, line 25--p. 9,line 6).

None of the above is to say that all customers must pay the same price for the same service in every situation. As

Mr. Varner testified "[t]here are permissible reasons to charge different prices for the same service. The most obvious example of this is a single line used to provide local service. In this case, the price of the line varies substantially depending on whether the line is used for business or residential service" (Varner, Testimony, p. 8, lines 5-8). Clearly, in this example, the difference in the usage of the line, even though it is the same basic line, provides a reasonable and statutorily permissible basis to support a price difference. Section 364.10(1), Florida Statutes, does not prohibit all discrimination in pricing; rather, it only prohibits "undue" or "unreasonable" discrimination in pricing. This distinction goes to the very heart of the reason that regrouping must continue.

The Proposed Agency Action stated the following:

> We understand that there may be questions of the propriety of having differing rates for similar calling scopes that the Commission has recently implemented regrouping plans to revise the rates for smaller local exchange companies. However, the rate grouping plans are something that have originated from rate of return regulation. With the revisions of Chapter 364 and the encouragement of competition, current rate structures of the local exchange companies ultimately may vary greatly to respond to competitive pressures. As competition develops, particularly price competition, pricing plans such as regrouping will become an historic anachronism.

(Order at p. 4).

Thus, this Commission acknowledged that there "may be questions of the proprietary" of having customers with the same calling scopes pay different rates. In the above quoted section, however, the Order goes on simply to say that in an increasingly competitive environment rate regrouping will, at some point, "become an historic anachronism."

BellSouth agrees that in an increasingly competitive environment, there will be many more instances in which differential pricing will be appropriate. As competition evolves, there will be more instances in which a reasonable basis exists to charge different customers different rates. Put differently, competition likely will create more situations in which customers that in the past may have been viewed as similarly situated, cannot be properly viewed in the same way in the future. As these circumstances evolve, however, there will be a justifiable "reasonable basis" to distinguish between customers who are charged different prices.

In our case, however, the pricing discrimination lacks a reasonable justification. While it may be true that, at

some point, rate regrouping will become an anachronistic, it still exists. By the same token, the prohibition against price discrimination set forth in Sections 364.08, 364.09, and 364.10 still exists as well. Given this, it is not appropriate to deal with the fact that rate groups may, over time, be a less useful concept by immediately terminating all regrouping.

As set forth above, the Proposed Agency Action will create a situation in which nothing more than an accident of timing will result in unjustifiably different treatment of customers with a similar calling scope (and, thus, a service of similar value). This constitutes undue discrimination. Again, this is not to say that there cannot be a reasonable basis for differences in price. To the contrary, BellSouth anticipates that with the evolution of competition, there will be more and more situations in which differential pricing is justified. The instant situation regarding rate grouping, however, is not one of these situations. There is no sustainable justification for charging customers with the same calling scope different rates when they are indistinguishable, except that some were regrouped before

July 1, 1995 and others qualified for regrouping after July 1, 1995.

CONCLUSION

Regrouping constitutes a change in the nature of a customer's service and is not merely a price change for the same service. Section 364.051, Florida Statutes, should properly be read to cap the prices that apply to existing exchange rate groups. The statute should not be interpreted to mean that customers who have a change in service can not also have a change in price that corresponds to the existing tariffed rate for the new service. The customers in the three exchanges that are the subject of the instant proceeding, Jensen Beach, West Palm Beach, and Holley-Navarre, now have access to a larger calling area then they did when their current (non-regrouped) rates were set. Consequently, they now have a different, more valuable, version of local service. Regrouping should be allowed in order to apply the tariffed rate for the respective rate group in which each exchange now belongs.

In addition, to the extent that BellSouth is forced to abruptly terminate the regrouping of exchanges, undue discriminatory in pricing will necessarily result.

Similarly situated customers with the same basic local calling scope will be charged different rates in some cases. In other cases, customers whose calling scopes differ--and who should, therefore, be in different rate groups--will be charged the same price. In both events, the result is undue discrimination in the prices charged to customers and in the treatment of customers, which violates Section 364.051, Florida Statutes.

Based on the foregoing, this Commission should enter an Order (1) finding that rate regrouping is not a price increase in violation of Section 364.051, Florida Statutes, and (2) authorizing BellSouth to both regroup the subject exchanges and to continue the practice of regrouping in the future.

Respectfully submitted this 11th day of September, 1996.

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APPENDIX A

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Notice of election of price regulation by BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company.	)	Docket No. 951354-TL
	)	Filed:

BELLSOUTH'S PROPOSED STIPULATION

The portions of the testimony of Alfonso J. Varner identified below contain the witnesses' statement of BellSouth's Legal position. Although Mr. Varner is the only witness to submit testimony in this proceeding, the parties agree that the identified portions of his testimony do not contain uncontroverted facts:

Page 2, lines 4-7

Page 3, lines 19-25

Page 4, lines 1, 2 and the first ten words of line 3

Page 6, lines 17-23

Page 7, lines 1-18

Page 7, line 23 (beginning with the second word) through line 25

Page 9, line 11 (beginning with the word "Section") through line 16

APPENDIX A

BellSouth Rate Regrouping
Additional Facts to be Stipulated

- The current prices for the various BellSouth rate groups were established prior to and were in effect on July 1, 1995.

- The process of rate regrouping, that is moving a community from one rate group to another because of a change in the number of access lines accessible by the customers in the community, does not alter the prices for the individual rate groups.

- A BellSouth residential local exchange customer on January 1, 1996, physically moving from a BellSouth-served community in rate group 3 to a BellSouth-served community in rate group 4 or higher will, on January 3, 1996, pay more for his or her basic residential local exchange service than he or she was paying while a resident of the rate group 3 community.

- The basis for different flat-rate local exchange service prices for the different rate groups is to reflect the value and benefit to the customer from the number of other customers that can be reached without having to pay a toll charge for the call.

APPENDIX B

Section 364.08(1) and (2):

(1) A telecommunications company may not charge, demand, collect, or receive for any service rendered or to be rendered any compensation other than the charge applicable to such service as specified in its schedule on file and in effect at that time. A telecommunications company may not refund or remit, directly or indirectly, any portion of the rate or charge so specified or extend to any person any advantage of contract or agreement or the benefit of any rule or regulation or any privilege or facility not regularly and uniformly extended to all persons under like circumstances for like or substantially similar service.

(2) A telecommunications company subject to this chapter may not, directly or indirectly, give any free or reduced service between points within this state. However, it shall be lawful for the commission to authorize employee concessions if in the public interest.

Section 364.09

A telecommunications company may not, directly or indirectly, or by any special rate, rebate, drawback, or other device or method, charge, demand, collect, or receive from any person a greater or lesser compensation for any service rendered or to be rendered with respect to communication by telephone or in connection therewith, except as authorized in this chapter, that it charges, demands, collects, or receives from any other person for doing a like and contemporaneous service with respect to communication by telephone under the same or substantially the same circumstances and conditions.

CERTIFICATE OF SERVICE
DOCKET NO. 951354-TL

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by U.S. Mail this 11th day of Sept 1996 to the following:

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