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August 29, 2001

Ms. Blanca Bayo, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: **Docket 010774-TP**
Comments on Proposed Customer Notice Requirements


Dear Ms. Bayo:

Attached please find Time Warner Telecom of Florida, L.P.'s responses to staff's questions regarding the proposed rule requiring all telecommunications companies to give customers written notice before implementing any changes in rates or other terms and conditions of service.

Please contact me at your convenience if you have any questions or concerns with the attached responses.

Respectfully,

PENNINGTON, MOORE, WILKINSON,
BELL & DUNBAR, P.A.


Karen M. Camechis

KMC/ks

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Responses of Time Warner Telecom of Florida, L.P., to Questions Regarding the Proposed Rule on Customer Notice Requirements

1. What is the problem that this rule is intended to correct?

ANSWER: It is uncertain that an actual problem has been identified to necessitate this rule. It would be helpful to have some data or statistics to demonstrate that a problem exists and that this rule is needed. If this rule is adopted, it should apply to an **increase in residential** rates only.

2. Does this rule accomplish what it is intended to accomplish?

ANSWER: Since a problem has not been identified, it is difficult to evaluate if this is the proper solution.

3. Are there any other Commission rules that already address the problems this rule is intended to address?

ANSWER: Again, since a problem has not been identified, it is difficult to determine if there are alternative solutions already available.

4. Are there any other laws (i.e. federal rules, statutes, etc.) which already address the problems this rule is intended to address?

ANSWER: See response to Question 3 above.

5. What are the costs involved if this rule is adopted?

ANSWER: While Time Warner Telecom has not quantified the actual costs of implementing this rule, there would be the costs of developing the notices, administrative costs, mailing costs, and delayed revenues. ALECs can only increase their prices if they think they can offer services to satisfy customers while remaining competitive. If the marketplace will bear higher prices, than ALECs should be able to increase prices without increased regulatory burdens and costs.

6. Are there other noticing mechanisms that would accomplish the same goal at less cost?

ANSWER: Any additional noticing requirements will increase costs and time to offer services to the marketplace. Reducing the notice interval would at least speed the time to offer services.

7. Are companies already providing notice to customers in regard to changes in rates? If so, how?

ANSWER: Not applicable. Time Warner Telecom sells to business customers who sign contracts with stated rates. These rates do not change until the contract expires.

8. Should customers be notified of a rate decrease?

ANSWER: No.

9. How many complaints has your company received from customers when rates are changed without notice?

ANSWER: None.

10. What changes in “terms and conditions” should be subject to the noticing requirement?

ANSWER: None. Time Warner Telecom sells to business customers who sign contracts with stated terms and conditions. These terms and conditions do not change until the contract expires.

11. Does “customer” include wholesale customers?

ANSWER: No. As stated in the response to Question 1 above, if adopted, this rule should apply to an increase in residential rates only. Wholesale customers are engaged in business-to-business transactions. Most of these transactions are captured under contracts. One party may not unilaterally change the terms and conditions of the contract.

12. What is meant by “cost of service” and why is that phrase used when the rest of the rules refers to a “price increase”?

ANSWER: It is assumed that the intent was meant to be a “price increase” throughout. It is doubtful that any customer wants to get a notice stating that a supplier’s costs have gone up particularly since it does not necessarily mean that there will be an associated price increase.

13. Should companies be required to provide a copy of their notices to the Commission?

ANSWER: No. Companies should not be required to provide copies as this additional requirement would add even more costs.