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August 30, 2001

BY HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 010774-TP

Dear Ms. Bayo:

Enclosed for filing in the above docket are the original and fifteen (15) copies of Comments of ALLTEL Florida, Inc.'s Comments on Proposed Rule

We are also submitting the Comments on a 3.5" high-density diskette using Microsoft Word 97 format, Rich Text.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,


J. Jeffrey Wahlen

Enclosures

cc: All parties of record

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re:)
)
Petition of the Citizens of the State of Florida) Docket No. 010774-TP
to Initiate Rulemaking Which Will Require) Filed: August 30, 2001
Telephone Companies to Give Customers)
Reasonable Notice Before Customers Incur)
Higher Charges or Change in Services, and)
Allow Them to Evaluate Offers for Service)
From Competing Alternative Providers)
_____)

ALLTEL FLORIDA, INC.'S COMMENTS ON PROPOSED RULE

ALLTEL Florida, Inc. ("ALLTEL") files the following comments in accordance with the Notice of Proposed Rule Development dated July 2, 2001 ("Notice"):

Q1. What is the problem this rule is intended to correct?

A1. The Office of Public Counsel ("OPC") asserts that customers have been complaining that they are not receiving adequate notice of rate increases. ALLTEL is not aware of any complaints of this nature in its service areas. ALLTEL ILEC notifies customers of each rate increase via bill message. Instead of going to the extreme that the OPC proposes, perhaps we could adjust the language in our bill messages and format to draw more attention.

Q2. Does this rule accomplish what it is intended to accomplish?

A2. No. As it is written, the rule requires a substantial increase in costs that the customer will eventually have to bear. Such additional costs do not provide the intended additional benefits. Most of the ILECs in Florida, including ALLTEL, have

elected price regulation under §364.051 F.S., and by making that election were exempted from certain requirements associated with rate base, rate of return regulation. The price regulation mechanism places restrictions on the level of increases an ILEC can make to basic local telecommunications services and nonbasic services and also limits the number of increases the company can make to a particular service in a 12-month period of time. The statute does not require advance notice to customers when the price regulated company does increase rates; however, ALLTEL ILEC has continued the policy to provide some advance notice. Instead of the substantial new requirements in the rule, ALLTEL suggest revisions in current customer notice material to draw attention. ALLTEL also has its local service and access tariffs on its website, available for customer viewing. Additionally, the FCC, in Docket No. 96-61, has detariffed interstate interexchange services, requiring carriers to instead place rates and terms & conditions on company websites. Customers may also view this information at any time.

Q3. Are there any other Commission rules that already address the problems this rule is intended to address?

A3. ALLTEL is not aware of any current Commission rules regarding customer notices, but again points out that most carriers have policies in place regarding customer notification of changes impacting services and associated rates which preclude the necessity of such rules.

Q4. Are there any other laws (i.e. federal rules, statues, etc.) which already address the problems this rule is intended to address?

A4. ALLTEL is not aware of any other laws that specifically address customer notice issues. However, there are numerous state and federal regulations regarding customer protection issues.

Q5. What are the costs involved if this rule is adopted?

A5. Bill inserts cost approx. 5 cents each (depending on quantity printed), and we would have to print approximately 100,000 inserts each time we raised rates across our Florida wireline base. It's easy to see that this would present an astronomical expense to ALLTEL. In addition, sending bill inserts each time instead of bill messages would delay the implementation of rate increases by up to two weeks, as it takes longer to produce an insert and therefore longer to notify the customer.

There is no cost at this time for one-color, on-envelope messages; however, due to the way ALLTEL processes monthly billing data, the process takes approximately 3 months to implement. If we choose to target an on-envelope message only to the state of Florida, ALLTEL must separate Florida's data from its regional file and create a new file, which takes several weeks. Total production time – from design/approval/printing of envelope artwork to the separation of the data files – would be approximately 3 months under ideal circumstances. Because ALLTEL would have to split the Florida data apart from other states, there is a margin for error in that customers from other states might incorrectly receive the “notice of price increase” message on their billing envelope.

In addition, we must target an entire exchange with an on-envelope message, which would prevent us from running these messages for product-specific rate increases. For example, we could not run an on-envelope message for customers with caller ID only, since ALLTEL cannot target the on-envelope message by billing code.

Q6. Are there other noticing mechanisms that would accomplish the same goal at less cost?

A6. Absolutely. Bill messages accomplish the same objective of informing the customer of price increases, and they are cost-free to ALLTEL. Customers should make it a habit to check the customer message section on their bill each month for any information about changes in their rates or service. For competitive services such as toll, competitive marketing strategies are sufficient notification to customers of new or changed rate plans.

Q7. Are companies already providing notice to customers in regard to changes in rates? If so, how?

A7. Yes. ALLTEL's ILEC customers are notified of rate increases via bill messages.

Q8. Should customers be notified of a rate decrease?

A8. Notification of rate decreases should be at the option of the carrier. If notice is given, the carrier should be allowed to notice the customer via a bill message on the first bill that the decreased rate appears on. Since rate decreases are positive news for

customers, ALLTEL is not opposed to the idea of informing customers of significant rate decreases via bill messages.

Q9. How many complaints has your company received from customers when rates are changed without notice?

A9. ALLTEL has a policy of notifying customers of rate changes, so there are no rate changes that go into effect without the customer being notified.

Q10. What changes in “terms and conditions” should be subject to the noticing requirements?

A10. ALLTEL already has a standard practice of notifying its customer base of any rate changes, changes in service offerings or new service offerings via bill message. ALLTEL will sometimes market new service offerings through bill inserts. This practice works well in letting customers know about changes to their current services or the availability of new service offerings. ALLTEL believes our current practice accomplishes what the proposed rule seeks.

Q11. Does “customer” include wholesale customers?

A11. Customers who receive notice of rate changes include retail endusers and resellers of ALLTEL's local exchange service. Customers billed by contract rates or via the access tariff would not receive these notifications.


Q12. What is meant by “cost of service” and why is that phrase used when the rest of the rule refers to a “price increase”?

A12. ALLTEL assumes the phrases “cost of service” and “price increase” would be synonymous.

Q13. Should companies be required to provide a copy of their notices to the Commission?

A13. In most cases, no, unless, the copies are sent to the Commission for informational purposes only and not submitted seeking the Commission’s approval. The Commission will have already approved any increases, and decreases will rarely, if ever cause a customer to complain.

Respectfully submitted this 30th day of August, 2001.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by U. S. Mail or hand delivery (*) this 30th day of August, 2001, to the following:

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