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JAN 13 2003

Missouri Public  
Service Commission

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Office of the Public Counsel's )  
Petition for Promulgation of Rules Relating to )  
Disclosure of Information and Customer Notices )  
Relating to Changes in Rate Schedules and )  
Terms and Conditions of Service for )  
Telecommunication Companies. )

Case No. \_\_\_\_\_

**PETITION OF THE OFFICE OF THE PUBLIC COUNSEL FOR THE  
PROMULGATION OF RULES RELATING TO THE DISCLOSURE OF  
INFORMATION AND CUSTOMER NOTICES RELATING TO CHANGES IN  
TELECOMMUNICATIONS TARIFFS 4 CSR 240-30.010 (25)**

The Office of the Public Counsel ("Public Counsel"), pursuant to its statutory authority under Section 386.700 and .710, RSMo 2000, and pursuant to the Administrative Procedure Act, Section 536.010, et seq., RSMo. 2000 and Missouri Public Service Commission ("Commission") Rule 4 CSR 240-2.180, respectfully requests the Commission to promulgate rule related to the disclosure of information and the customer notices required to be filed by a telecommunications company at the time it files its tariffs that change its rates, charges, or rental or the terms and conditions of service as provided in 4 CSR 240-30.010 (25)

Public Counsel has attached hereto and incorporated herein by reference as Exhibit A to this Petition, the full text of the rule which Public Counsel desires to be promulgated.

1. Public Counsel, Post Office Box 7800, 200 Madison Street, Suite 650, Governor Office Building, Jefferson City, MO 65102, is the statutory representative of the utility consumer and represents and protects the interests of the public in any proceeding before or appeal from the public service commission. Section 386.710(2)

2. Public Counsel believes the proposed rule is necessary and in the public interest because it provides for meaningful disclosure of relevant and material information needed by the Commission, its Staff and the Office of the Public Counsel and the public at the time the tariff changes are filed. It requires companies to use the summary currently required under the present rule to specify the changes and the effect on customers. The proposed rule also requires that the company file with that summary of the changes and customer effects a copy of the customer notices the company has or will send to customers as required by any rule or statute.

3. The current rule provides as follows:

4 CSR 240-30.010 Rate Schedules (25)

All changes in rates, charges or rentals or in rules that affect rates, charges or rentals, shall be filed with the commission at least thirty (30) days before the date upon which they are to become effective. The title page of every rate schedule or supplement and the reissue of any page or sheet must show thirty (30) days' notice except as otherwise provided in this rule. The proposed changes shall be accompanied by a brief summary, approximately one hundred (100) words or less, of the effect of the change on the company's customers. A copy of any proposed change and summary also shall be served on the public counsel and be available for public inspection and reproduction during regular office hours at a public business office of the utility in each exchange or group of exchanges affected by the proposed change.

4. Public Counsel asks the PSC to rescind **Public Service Commission Rule 4 CSR 240-30.010 (25)** and to adopt in lieu of that provision one new subsection to 4 CSR 240-30-30.010 to be known as subsection (25) and to read as follows:

(25) All changes in rates, charges or rentals or in rules that affect rates, charges or rentals, shall be filed with the commission at least thirty (30) days before the date upon which they are to become effective. The title page of every rate schedule or supplement and the reissue of any page or

sheet must show thirty (30) days' notice except as otherwise provided in this rule. The proposed changes shall be accompanied by a brief summary, approximately one hundred (100) words or less, of the effect of the change on the company's customers. The summary shall identify each product or service that will be affected by the proposed change and shall identify the change in the terms and conditions that the company proposes for that product or service, including any change or adjustment in the price or fee for that product or service. For each change or adjustment in prices or fees, the summary shall identify (1) the current price or fee, (2) the proposed price or fee, (3) whether the change or adjustment results in an increase or decrease in price and (4) the percentage change in price. The company shall also attach a copy of any customer notice sent or required to be sent under any rule or statute as part of this proposed changes in rates, charges, or rentals. A copy of any proposed change and required summary and copies of customer notices also shall be served on the public counsel and be available for public inspection and reproduction during regular office hours at a public business office of the utility in each exchange or group of exchanges affected by the proposed change.

5. The Office of the Public Counsel proposes this amendment to provide meaningful notice of the changes in rates, charges, rentals and terms and conditions for telecommunications products and service offered by local exchange companies and interexchange companies doing business in the State of Missouri. At present, the current

rule requires a summary of the affect of the proposed tariff amendment would have on customers. But in actual practice, the accompanying summary (usually contained in a single sentence in the company's filing cover letter) gives only a general and vague description of the impact that imparts little useful information. Often it does not provide adequate or reasonable information that would allow the customer to identify (1) the specific telecommunications product or service that is affected, (2) the specific changes in the terms and conditions proposed, (3) the specific amount in dollars and cents of the change in price, (4) whether the change is an increase or decrease in price, and (5) the percentage change (+/-) in price. Without that information in the summary, the disclosure and notice that the summary is designed to provide to the Commission, its Staff, the Office of the Public Counsel, and to the public is diluted, if not negated. It does not impart meaningful information at a meaningful time, that is, at the time of the tariff change filing that is usually only 30 days before the scheduled effective date. In absence of that meaningful information, a technical search of the company's tariffs and the proposed tariff changes must be conducted just to identify the proposed specific changes and the nature and extent of those changes in terms, conditions, and prices.

6. A recent example of the lack of relevant information in the filing letter /summary occurred with a tariff proposed by Z-tel Communications, Inc. (Case No. LT-2003-0172, Tariff No. JL-2003-1054). The filing letter did not identify the tariff as applicable only to switched access; the text of the amendment referred to "customers" without indicating that it was a telecommunications company as the customer. Another example of the lack in relevant information occurred in Sprint's recent price cap tariff revisions. (Case No. IT-2003-0167 et seq.) There was no statement of the nature or

amount of the tariff price changes or the prior and proposed “maximum allowable rates” or how the rebalancing proposed in the tariffs affected customers (whether switched access or local basic service.) There was no summary that even identified the very services that would receive a price adjustment or whether it was an increase or decrease. Again, the same lack of information and disclosure of the scope and impact of the tariff amendments occurred when SWBT filed its price cap price adjustments in Tariff No. 200200843. The filing letter did not specify the services affected or the adjustments proposed either by amount or percentage.

7. As the number of telecommunications providers have increased, the number of tariff filings have ballooned. In order to effectively review the filings, the Commission’s current rule providing for an accompanying customer impact summary should be strengthened and made more specific to assure that the meaningful information needed to review and evaluate the tariff filings is provided by the companies.

8. The companies are in the best position to provide those summaries. As the moving party, the company already has an obligation to provide the proposed tariff and the summary. It also already has the burden of going forward with information to demonstrate to the PSC that its proposed tariff changes are just and reasonable and are lawful. Providing the specific information should pose little, if any, burden on the companies. Prior to submitting its tariff changes the company would necessarily have to had identified and compiled all the specific information requested in Public Counsel’s proposed amendment. It would be very difficult for the company to prepare the tariff changes and make an informed business decision on whether or not to propose the tariff changes without having this information immediately at hand prior to filing with the PSC.

9. The Commission has recently said in various orders approving tariffs opposed by Public Counsel that the consumer can change telecommunications providers if the consumer is not satisfied with either price or service, or both. The underpinning of that comment on the value of competition and the protection it provides the consumer is knowledge. The customer must know the price and terms and conditions of the present service and must be able to make informed and meaningful comparisons when the company proposes changes in those terms, conditions, and prices. Also, if the customer wants to make an informed and meaningful comparison of the terms, conditions and prices for those same services with other companies, then that information must be adequately and reasonably available.

10. Public Counsel's proposed rule amendment advances the cause of meaningful public disclosure of proposed changes in telecommunications service terms, conditions and prices and, therefore, advances the benefits of consumer information, knowledge, and informed customer choice. In a way, it advances the cause of effective competition by improving the body of readily available market information about services—an essential element for effective competition.

11. The proposed rule offers increased ratepayer protection with minimal additional cost and administrative burden on the companies. As discussed above, the companies should have already complied and identified the information required under this rule amendment. (If the true spirit of the current rule would have been followed and meaningful information included with the summary, the need for this rule might not be required.)

12. The amendment gives the Commission, its Staff, and the Office of the Public Counsel faster and meaningful access to and identification of the key factors needed to evaluate the tariff proposals, including the text of the customer notice. This should then improve the efficiency of the regulatory process, minimize administrative delay, and reduce the cost of government. The ratepayer and taxpayer is better served with the adoption of this proposed rule amendment.

13. A meaningful summary and the disclosure of the effect of the changes as an essential part of the tariff filing provides the ratepayer with the very information the customer needs to make decisions on the terms, conditions and prices of telecommunications service. At a minimum, the ratepayer should be advised of the name of the service (as billed so it can be identified), the amount and degree of the proposed change, both in dollars and cents and percentage, and the specific change in the terms and conditions of the service as it affects the customer.

14. The amendment also requires a sample or exhibit copy of the notice the company has sent to customers about the tariff change. In some case, the specific notice may be required by PSC rule or statute. By including the notice with the summary, the Commission, Staff, and Public Counsel with the initial filing can review the text and the information presented in the notice to evaluate the reasonableness of the notice and the compliance with applicable rules and statutes concerning notice.

15. In summary, the proposed amendment is in the public interest. It promotes meaningful and timely disclosure of the proposed tariff changes and the effect on the customers so that the Commission, its Staff, Public Counsel, and the public can make accurate and informed decisions in a timely manner. It advances the cause of

notice of the specific changes proposed and the specific effect on customers in price and in the terms and conditions of the service. It furthers Commission's statutory duty under Section 392.185, RSMo 2000 to protect the ratepayer without adversely effecting the efficiency of the regulatory process and without imposing an undue administrative burden or cost for the companies

For these reasons, the Office of the Public Counsel respectfully asks the Commission to adopt the proposed rule amendment and requests that the Commission promulgate this rule.

Respectfully submitted,

**OFFICE OF THE PUBLIC COUNSEL**

/s/ **Michael F. Dandino**

**BY:**



Michael F. Dandino (Bar No. 24590)

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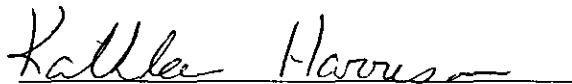
**CERTIFICATION OF VERIFICATION**

**COMES NOW** Michael F. Dandino, Senior Public Counsel, and being of lawful age and first having been duly sworn states that the facts set forth in this Petition for Rulemaking are true and correct to the best of his information, knowledge, and belief.



Michael F. Dandino

Sworn to and subscribed by me a notary public this 13<sup>th</sup> day of January, 2003



Kathleen Harrison

My Commission expires January 31, 2006.

## Exhibit A

Public Service Commission Rule 4 CSR 240-30.010 (25) Rate Schedules is hereby rescinded and in lieu thereof one new subsection to 4 CSR 240-30-30.010 to be known as subsection (25) and to read as follows:

(25) All changes in rates, charges or rentals or in rules that affect rates, charges or rentals, shall be filed with the commission at least thirty (30) days before the date upon which they are to become effective. The title page of every rate schedule or supplement and the reissue of any page or sheet must show thirty (30) days' notice except as otherwise provided in this rule. The proposed changes shall be accompanied by a brief summary, approximately one hundred (100) words or less, of the effect of the change on the company's customers. The summary shall identify each product or service that will be affected by the proposed change and shall identify the change in the terms and conditions that the company proposes for that product or service, including any change or adjustment in the price or fee for that product or service. For each change or adjustment in prices or fees, the summary shall identify (1) the current price or fee, (2) the proposed price or fee, (3) whether the change or adjustment results in an increase or decrease in price and (4) the percentage change in price. The company shall also attach a copy of any customer notice sent or required to be sent under any rule or statute as part of this proposed changes in rates, charges, or rentals. A copy of any proposed change and required summary and copies of customer notices also shall be served on the public counsel and be available for public inspection and reproduction during regular office hours at a public business office of the utility in each exchange or group of exchanges affected by the proposed change.