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**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 21st
day of September, 1999.

In the Matter of the Petition of Grand River)
Mutual Telephone Corporation for Approval of an)
IntraLATA Dialing Parity Plan)
Case No. TO-99-506

ORDER REGARDING PETITION FOR MODIFICATION

On August 31, 1999, Grand River Mutual Telephone Company (Grand River) filed a petition for modification of its IntraLATA Dialing Parity (ILDP) plan. Grand River stated that it wanted to modify its ILDP plan because the plan it proposed and the Commission approved would assign customers who did not choose a primary interexchange carrier (PIC) for intraLATA toll service to their interLATA carrier, and because AT&T is the interLATA PIC for many of its customers. Grand River stated that, under the plan it proposed, it is concerned that a number of customers might be defaulted to a 101XXXX dialing pattern. Grand River requests that the Commission allow it to modify its plan so that customers who have not chosen a PIC for intraLATA toll service by October 20, 1999, will be assigned to its long distance affiliate (Grand River Communications, Inc. d/b/a Grand River Long Distance) rather than to their interLATA carrier. Grand River also requested that the Commission authorize it to send a notification letter (a copy of which it attached to its petition) explaining the modification to its customers.

A number of secondary carriers (SCs) proposed ILDP plans that assigned customers who did not choose a PIC to a long distance affiliate of the SC, and the Commission approved these plans. (See, e.g., TO-99-514, In the Matter of the Petition of Mark Twain Rural Telephone Company for Approval of an IntraLATA Dialing Parity Plan.) The Commission will allow Grand River to modify its ILDP plan as requested.

However, the Commission is concerned that Grand River's proposed notification letter does not stress the fact that it is a change from the earlier notice. The Commission will direct Grand River to add the following paragraph in large bold type at the beginning of its proposed notice:

THIS NOTICE WILL ALERT YOU OF CHANGES THAT HAVE OCCURRED SINCE THE NOTICE YOU RECEIVED IN LATE JUNE OR EARLY JULY. Contrary to what that notice said, if you do not affirmatively choose (by contacting Grand River Mutual Telephone Company or the long distance company you choose) an intraLATA toll service provider by October 20, 1999, you will be assigned to Grand River Long Distance, an affiliate of Grand River Mutual Telephone Company. The earlier notice stated that you would be assigned to your interLATA long distance carrier if you did not affirmatively choose an intraLATA carrier. That is no longer correct.

The Commission will also direct Grand River to add the following paragraph at the end of its proposed notice:

You will still be able to make toll calls by "dialing around" using a "101XXXX" access number. A list of these "101XXXX" access numbers is available from your local Grand River Mutual Telephone Company business office.

The notice as proposed would charge customers \$9.00 for a PIC change. Grand River apparently arrives at a \$9.00 charge by adding a \$4.00 service order charge (found at 9th Revised Sheet 11 of its tariffs) to the \$5.00 PIC change charge. Because Grand River is a telephone

cooperative, the Commission does not have jurisdiction to disapprove of its imposition of two service charges for one service change. However, it would be inappropriate to allow a local exchange company over which the Commission has jurisdiction to "pancake" two service charges in this manner. The PIC change charge is itself a service charge, and if the Commission had jurisdiction over Grand River's rates and charges, it would not allow Grand River to impose two service charges for the same service. Current Missouri statutes allow the Commission jurisdiction over only the exchange access service rates of a telephone cooperative; furthermore, they do not require the Commission to grant rubber-stamp approval to these cooperatives' rates and charges.

Furthermore, such a high charge may frustrate competition. Under Grand River's ILDP plan, customers will be assigned to Grand River's long distance affiliate if they do not affirmatively choose an intraLATA PIC. If those customers are dissatisfied with the service, they will (after January 20, 2000) be required to pay \$9.00 to choose an intraLATA PIC. Customers will be less likely to change carriers if they will incur a significant charge to do so.

However, since the Commission is without statutory authority to prevent Grand River from imposing these charges on its customers, it will allow it to send the notice submitted with its petition on August 31, with the modifications discussed herein. The notice does accurately reflect the choices that Grand River's customers have, and the charges they will incur to exercise those choices.

IT IS THEREFORE ORDERED:

1. That the petition to modify its IntraLATA Dialing Parity plan filed by Grand River Mutual Telephone Company on September 7, 1999 is granted.
2. That Grand River Mutual Telephone Company shall provide notice to its customers as discussed herein.
3. That this order shall become effective on October 1, 1999.

BY THE COMMISSION

Dale Hardy Roberts

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Crompton, Murray, Schemenauer,
and Drainer, CC., concur
Lumpe, Ch., absent

Mills, Deputy Chief Regulatory Law Judge

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION