

B ✓
PGB
RO

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 23rd
day of July, 1998.

In the Matter of GTE Midwest Incorporated's)
Tariff Revision Designed to Provide) CASE NO. TT-96-398
IntraLATA Equal Access Conversion in)
GTE End Offices.)

ORDER DENYING REHEARING AND GRANTING CLARIFICATION

The Commission issued its Report And Order on June 20, 1997. That order approved a proposed service to introduce intraLATA equal access in GTE Midwest Incorporated (GTE) end offices. The Commission approved the proposed tariff sheets with the exception of Community Optional Service (COS) target exchanges. On July 7, MCI Telecommunications Corporation (MCI), an intervenor, filed an Application For Rehearing and on July 10 GTE filed a Motion For Clarification.

MCI based its application for rehearing on its objection to the cost recovery methodology approved by the Commission. MCI alleged that the cost recovery methodology allowed GTE to recover its costs of implementing intraLATA toll dialing parity by placing assessments on interLATA interexchange carriers who may or may not benefit from intraLATA dialing parity. The amount of cost assessed on the intrastate interLATA jurisdiction relative to the intrastate intraLATA jurisdiction is directly proportional to the number of minutes in each jurisdiction. GTE's proposal is competitively neutral in that all toll providers in the state will be assessed the same level of access charges. In other words, all competitors will be treated the same. MCI's Application for rehearing will be denied.

GTE's motion asked for clarification as to whether the Commission's order intended to allow GTE to charge both PIC charges when both changes

occur simultaneously. On July 15 the telecommunications department staff (Staff) filed its Memorandum in which it recommended approval of the tariff filing to introduce intraLATA equal access. Staff stated in its Memorandum that:

The tariff revisions GTE originally filed on May 13, 1996, explicitly did not allow for two PIC charges when both the intraLATA and the interLATA PIC changed at the same time. The current tariff revisions filed in compliance with the Commission also explicitly does not allow for two PIC charges. GTE desires that the consideration of its Motion for Clarification not delay the approval of this tariff as filed.

Although Staff has asserted that the provision for PIC charges is either absent or unclear in both tariff filings, the Commission finds the request for these charges clear in the testimony and the evidence presented at the hearing. In response to questions from the bench, GTE witness Munsell explained that in the event a customer changes both the interLATA PIC and the intraLATA PIC at the same time, GTE proposed to impose two PIC charges, one for each jurisdiction. GTE witness Munsell demonstrated that virtually the same work has to be repeated for both the establishment of the interLATA PIC and the intraLATA PIC whether those PICs are made at the same time or at different times. Therefore, the application of two PIC change charges is appropriate. The Commission, in its Report And Order, found GTE's proposal to recover its cost reasonable and it was approved. This included the provision for two separate PIC charges as set out by GTE in its testimony.

The Commission will grant GTE's motion for clarification by making clear that the Report and Order did approve two separate PIC charges for a customer who makes both PIC changes at the same time.

The Commission delayed implementation of presubscription for community optional service (COS) target exchanges and their associated

extended area service (EAS) exchanges pending the outcome of Case No. TW-97-333. In re Investigation into the Provision of Community Optional Calling Service in Missouri. Subsequent to the Commission's Order Approving Tariff, the Commission resolved Case No. TW-97-333 and in accordance therewith GTE was directed to begin the phase out of its COS routes on or after June 1, 1998. The disposition of these pending motions should facilitate that phase out process.

IT IS THEREFORE ORDERED:

1. That MCI Telecommunications Corporation's Motion For Rehearing is denied.
2. That GTE Midwest Incorporated's Motion For Clarification is granted. The Commission approved the cost recovery method proposed, including the request to assess separate charges to a customer who changes both interLATA and intraLATA carrier at the same time. The Commission has granted that authority.
3. That this order will be effective on August 3, 1998.
4. That this case may be closed on August 4, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Murray, Schemenauer,
and Drainer, CC., Concur.
Crumpton, C., Absent.

Roberts, Chief Regulatory Law Judge