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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 17th  
day of September, 1998.

In Re Max-Tel Communications, Inc. Increase	)	
Rate for Caller Identification, Service	)	<u>CASE NO. TT-99-111</u>
Restoration Charge, and to Implement Call	)	<u>Tariff File No. 9900141</u>
Trace Service.	)	

**ORDER SUSPENDING TARIFF**

On August 19, 1998, Max-Tel Communications, Inc. (Max-Tel) submitted proposed tariff sheets to increase two local service rate elements and to implement the call trace feature as a new service for Max-Tel. Max-Tel is a competitive provider of prepaid basic local exchange telecommunications service. The proposed tariff sheets reflect an effective date of September 21, 1998, and were assigned Tariff File No. 9900141.

The Telecommunications Department Staff (Staff) submitted a memorandum in which it recommended approval of the proposed tariff sheets. The Staff Memorandum addressed the proposals under three categories. First, Max-Tel requested an increase for the rate charged for caller identification (Caller I.D.) service. Max-Tel currently charges \$10 per month for Caller I.D. and proposed to increase that rate to \$12 monthly. Second, Max-Tel proposed to increase the rate for service restoration from a one-time charge of \$25 to \$28.50. This charge is applied to a customer whose service is temporarily suspended, for nonpayment, but who restores that service within ten days following the suspension. Third, Max-Tel proposed to implement a new service commonly referred to as Call Trace Service. Call Trace may be used by subscribers on a per-activation basis and allows the subscriber to dial an activation code when the subscriber receives an annoying call. If the central office equipment is able to

successfully capture the originating telephone number, the subscriber, with the assistance of Max-Tel, may then work with local authorities to pursue prosecution of the offending caller. Max-Tel proposed to implement this service with a charge of \$12 per successful activation. The Staff Memorandum has noted that with a 13.2 percent wholesale discount which applies by virtue of Max-Tel's interconnection agreement with Southwestern Bell Telephone Company (SWBT), Max-Tel would pay SWBT approximately \$5.21 to successfully activate the call trace feature.

The Commission has reviewed the proposed provisions and has determined that the extent of the increases or, in the alternative, the extent of the charge for the services is too great to be approved without further review. The Commission has determined it appropriate to suspend the tariff and allow the Office of the Public Counsel, as well as any potential intervenor, to comment on the proposed rates for these services.

In Case No. TA-97-342 the Commission issued a Report and Order on December 2, 1997, in which it granted Max-Tel a certificate to provide basic local telecommunications service and classified said services and the company as competitive. Within that order, the Commission made the following finding:

"The Commission finds that Max-Tel's rates may be higher than those of SWBT because they reflect a premium for providing service to individuals who pose credit risks. Although prepayment should serve to eliminate some of those risks, Max-Tel may be more likely than SWBT to incur disconnection costs. Moreover, Max-Tel experiences unusual costs due to the high customer attrition rate for prepaid services. While Max-Tel may not have complete detailed cost studies or otherwise justified its rates from a cost standpoint, competition is likely to cause Max-Tel to lower its rates in the future. When, at the hearing, Max-Tel was made aware of the fact that at least one competitor will be providing prepaid services at approximately \$10.00 less per month than Max-Tel, Max-Tel responded by lowering its rates by \$10.00 per month. This is a sign that the market is at the door of competition."

The Commission is concerned that, at this time, Max-Tel is increasing, not lowering, its rates.

Therefore, the Commission has established Case No. TT-99-111 for the purpose of reviewing these proposed tariff sheets.

**IT IS THEREFORE ORDERED:**

1. That Tariff File No. 9900141, as filed by Max-Tel Communications, Incorporated, with an effective date of September 21, 1998, is suspended for a period of 120 days to January 19, 1999.

2. That any party wishing to intervene shall file an application for intervention not later than October 19, 1998, to the Secretary of the Missouri Public Service Commission, P.O. Box 360, Jefferson City, Missouri 65101 with a copy to William M. Shansey, Attorney at Law, Stewart & Keevil, L.L.C., 1001 Cherry Street, Suite 302, Columbia, Missouri 65201-7931.

3. That a prehearing conference is scheduled for October 29, 1998, at 10:00 a.m. in Room 530 of the Harry S Truman State Office Building.

4. Anyone with special needs as addressed by the Americans With Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one of the following numbers: Consumer Services Hotline -- 1-800-392-4211, or TDD Hotline -- 1-800-829-7541.

5. That this order shall be effective on September 20, 1998.

**BY THE COMMISSION**



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

(S E A L)

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

Roberts, Chief Regulatory Law Judge

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COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION