

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION

Nashville, Tennessee

April 8, 1996

IN RE: METRO AREA CALLING FOR FRINGE AREAS

DOCKET NO. 93-07798

ORDER

This matter is before the Commission upon its own motion. The Commission had been receiving numerous complaints from residents of counties adjacent to the metropolitan counties of Knox, Davidson, and Shelby who were not included in the 1990 Metro Area Calling (MAC) Plan. Though residents of adjacent counties, their telephone service is provided from exchanges located in counties not contiguous to the metropolitan counties, such as Cheatham County residents served by exchanges located in Montgomery County. These residents were considered as being served from " fringe areas." They were excluded from MAC due to a shortage of NXXs or telephone prefixes. The only choice of these residents, to receive MAC , was to have their telephones reoriented to exchanges in their county of residence. This was an expensive proposition and would cause the telephone subscribers to lose their then current toll free calling scope in order to gain MAC. When polled, these residents rejected the proposal.

With the introduction of "dialing the area code" before each long distance call, 152 more NXXs became available. After reviewing the matter and consulting with BellSouth, the Staff made a recommendation on September 30, 1993, that the Commission require BellSouth to utilize some of the NXXs to provide MAC to these residents. By assigning new NXXs to these residents, their telephone numbers would change, but they would keep their normal toll free calling areas and add toll free calling to the adjacent metropolitan county. The telephone subscribers who received increased toll free calling into the metropolitan county would be required to pay the metropolitan rate.


After considering the Staff 's recommendation and BellSouth's position expressed in a letter of September 3, 1993, from Mr. Jim Spears , Operations Manager, to Mr. Eddie Roberson, Director, Utility Service Division, the Commission decided on October 5,

1993, that fringe areas of more than fifty (50) telephone subscribers should be assigned new NXXs. BellSouth filed tariffs on February 14, 1994, to establish theoretical exchanges of South Cunningham, South Fredonia, Spencer Mill, East Sango and North Spring Hill to accommodate metropolitan calling into Davidson County. The tariffs became effective on March 11, 1994. On March 30, 1994, BellSouth filed tariffs to establish theoretical exchanges of Bent Creek, Chestnut Hill, and West Sweetwater to accommodate metropolitan calling into Knox County. Also a tariff was filed to establish metropolitan calling into Shelby County from the theoretical exchange of West Whiteville. These tariffs became effective on April 29, 1994. Due to an oversight, no order was issued memorializing the Commission's decision or approving the tariffs.

IT IS THEREFORE ORDERED THAT:

1. Fringe areas established as theoretical exchanges as set forth above are to receive new NXXs and metropolitan area calling ; and
2. The tariffs filed by BellSouth on February 14, 1994 and March 30, 1994, to become effective on March 11, 1994 and April 29, 1994, respectively to accommodate metropolitan area calling from these theoretical exchanges are approved as filed; and
3. Any party aggrieved with the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within ten (10) days from and after the date of this order; and
4. Any party aggrieved with the Commission's decision in this matter has a right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this order.


Chairman


Commissioner

ATTEST:


Executive Director

Commissioner

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION

Nashville, Tennessee

April 12, 1996

**IN RE: APPLICATION OF CITIZENS TELECOMMUNICATIONS
COMPANY OF TENNESSEE L.L.C. FOR A PRICE REGULATION
PLAN**

DOCKET NO. 96-00010

ORDER

This matter is before the Commission upon application by Citizens Telecommunications Company of Tennessee L.L.C. (hereafter "Citizens"), for implementation of price regulation pursuant to T.C.A. 65-5-209. This application was filed with the Commission on December 28, 1995.

In accordance with T.C.A. 65-5-209(c), the Commission Staff has audited the Company's September, 1995 TPSC 3.01 Report, that being the "most recent" report required to be on file at the Commission at the time of Citizens' application. The audited report was submitted to the Commission on March 13, 1996. This report reflects that the audit was done in accordance with the requirements of Section 65-5-209(j) and that it:

"accurately reflect(s)...in all material respects, the Incumbent Local Exchange Company's achieved results in accordance with Generally Accepted Accounting Principles as adopted in Part 32 of the Uniform System of Accounts, and the ratemaking adjustments to operating revenues, expenses and rate base used in the Commission's most recent order applicable to the Incumbent Local Exchange Company."

This report, based on the above, states that Citizens' rate of return for the twelve months ended September 30, 1995 is 10.72%. This is within the 10.25% - 11.45% authorized rate of return range set in September, 1991 in Docket 91-05738.

Public Chapter 408 at section 65-5-209(c) provides that a company's rates are deemed affordable if the earned rate of return on its most recent TPSC 3.01 Report as audited by the Commission Staff is equal to or less than the Company's Current Authorized Rate of Return existing at the time of the Company's application.

The Commission considered, and accepted, the Staff's audit report of Citizens' September, 1995 TPSC 3.01 Report at the March 20, 1996 Commission Conference. Thus, the requirements set out in 65-5-209(c) have been met.

IT IS THEREFORE ORDERED THAT:

1. The rates in effect as of June 6, 1995 for all Basic Local Exchange Telephone Services (Basic Services) and Non-Basic Services as defined in T.C.A. 65-5-208 are affordable and, for these initial rates, price regulation is effective for these purposes upon entry of this Order;
2. Citizens shall charge and collect for Basic and Non-Basic Services only such rates that are equal to or less than the maximum permitted by T.C.A. 65, Chapter 5 (the "Act");
3. Effective with the date of this Order, Citizens shall adhere to a price floor for its competitive services subject to such determination as the Commission shall make pursuant to T.C.A. 65-5-207;
4. Citizens shall adhere to the safeguards set forth in T.C.A. 65-5-208 (c) and (d) and all non-discrimination provisions of Title 65;
5. Citizens shall comply with all Competitive and Administrative Rules and such Orders as are issued by the Commission regarding support of universal service and such additional rules issued by the Commission under Title 65, Chapter 5, including interconnection, resale, interLATA equal access, unbundling, number portability and packaging of Basic Services;
6. Notwithstanding the annual adjustments permitted by T.C.A. 65-5-209(e) the initial Basic Service rates for Citizens shall not increase for a period of four years from the date of entry of this Order. At the end of this four year period, Citizens shall only be permitted to adjust annually its rates for Basic Services in accordance with the method set forth in T.C.A. 65-5-209(e) provided that the limitations and safeguards set forth in the "Act" are followed with regard to any increase in rates;
7. Citizens' rates for Non-Basic Services shall be set as the company deems appropriate, subject to the limitations set forth in T.C.A. 65-5-209(e) and (g), the non-discrimination provisions of this Title, any rules or orders issued by the Commission pursuant to Section 65-5-208(c) and upon requisite prior notice to all affected customers;

8. Citizens shall maintain its commitment to the FYI Tennessee Master Plan to the completion of the funded requirements. Any adjustments to the plan to be approved by the Commission.
9. Citizens shall comply with their business participation plan submitted on July 31, 1995.
10. Any party aggrieved with the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within ten (10) days from and after the date of this Order;
11. Any party aggrieved with the Commission's decision in this matter has a right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.


CHAIRMAN


COMMISSIONER


COMMISSIONER

ATTEST:


EXECUTIVE DIRECTOR