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Decision 97-08-015 August 1, 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application and Request for Immediate Ex Parte Authority for INTERPRISE AMERICA, INC., (U-5619-C) a Colorado corporation, for authority to expand its Certificate of Public Convenience and Necessity to operate as a reseller of local exchange communications services.

Application 97-03-047
(Filed March 27, 1997;
Amended May 23, 1997)

ORIGINAL

INTERIM OPINION

I. Summary

US WEST Interprise America, Inc., d/b/a Interprise America, Inc. (Interprise or applicant), seeks a certificate of public convenience and necessity (CPCN) under Public Utilities (PU) Code § 1001 for authority to provide both facilities-based and resold local exchange telecommunications services as a competitive local carrier (CLC).¹ By this decision, we grant applicant authority to resell local exchange services in the service territories of Pacific Bell (Pacific) and GTE California Incorporated (GTEC), including the service territory acquired by GTEC through its merger with Contel of California (Contel).² Consistent with our policy established in Decision (D.) 96-12-020, we shall address applicant's request to provide facilities-based local exchange services in Rulemaking 95-04-043/Investigation 95-04-044 (R.95-04-043).³ We shall, accordingly,

¹ A CLC is a common carrier that is issued a CPCN to provide local exchange telecommunications service for a geographic area specified by such carrier.

² In D.96-04-053 the Commission granted final approval of the merger between GTEC and Contel.

³ To streamline the approval process for CLCs seeking authority to provide facilities-based services, in D.96-12-020 we instituted a procedure wherein each request by a CLC for facilities-based authority would be assigned a separate petition number in R.95-04-043, and all such requests would be reviewed collectively on quarterly basis in R.95-04-043.

re-docket the application as a petition in R.95-04-043 so that we may consider applicant's request for facilities-based authority in that proceeding.

II. Regulatory Background

In D.95-07-054 and D.95-12-056, we established procedures to govern applications for authority to offer competitive local exchange service within the service territories of Pacific and GTEC. Applicants who are granted authority to provide competitive local exchange service must comply with various rules established by the Commission, including: (1) the consumer protection rules set forth in Appendix B of D.95-07-054; (2) the rules for local exchange competition set forth in Appendix C of D.96-12-056; and (3) the customer notification and education rules adopted in D.96-04-049.

III. Overview of Application and Procedural Background

Applicant, a Colorado corporation qualified to transact business in California, filed its application on March 27, 1997. Applicant is a subsidiary of US WEST Communications Group, Inc. (US WEST), one of the "baby bells." Applicant was previously authorized by D.96-05-017 to provide high-speed digital private line service in California.

In its application, Interprise requests authority to resell local exchange services within Pacific's and GTEC's service territories, including the service territory GTEC acquired through its recent merger with Contel. On May 23, 1997, Interprise filed an amendment to its application in which Interprise requested authority to provide facilities-based local exchange service⁴ in addition to the resale authority originally requested. Applicant also submitted a motion requesting leave to forgo service of the amendment upon competitors, cities, and counties. Assigned Administrative Law Judge

⁴In its amendment, applicant requests authority to install switching equipment in existing buildings at locations yet to be determined. Applicant does not propose any construction outside of these buildings.

(ALJ) Kenney denied applicant's motion to forgo service of its amendment on competitors, but granted applicant's motion to forgo service on cities and counties.⁵

On June 24, 1997, a protest was filed by Covad Communications Company (U-5752-C)(Covad). In its protest, Covad alleges that US WEST has used its monopoly power to thwart local exchange competition in other states where US WEST is the incumbent local exchange carrier (ILEC). In order to facilitate local exchange competition in these states, Covad recommends that the application be granted only on the condition that US WEST, in areas where it is the ILEC, provide CLCs with the same interconnection, resale, and access to unbundled network elements (UNEs) that are available to US WEST in California under Section 252 of the Telecommunications Act of 1996 (Act). Covad also suggests that a hearing be held, if necessary, to provide a factual basis for the condition it seeks to impose.

Applicant filed a response to Covad's protest on July 3, 1997. In its response, applicant denies Covad's allegation that US WEST has sought to thwart local exchange competition in states where US WEST is the ILEC. Applicant also contends that the Commission lacks the necessary jurisdiction to impose the condition sought by Covad. Finally, applicant states that the Commission has approved other baby bells' applications to provide telecommunications services in California without the condition sought by Covad, and that applicant should be treated no differently.

In previous decisions we established criteria that applicants would have to meet in order to be granted a certificate to provide local exchange services. As stated elsewhere in this decision, applicant has satisfied our criteria for a CPCN to resell local exchange services. Consequently, we do not need to reach any conclusions regarding our jurisdiction to impose the condition sought by Covad; and nor do we need to convene a hearing regarding Covad's allegation that applicant's parent company, US

⁵ Notice of applicant's proposed facilities will be available to local governments through the Commission's environmental review process conducted in accordance with the California Environmental Quality Act (CEQA).

WEST, has thwarted local exchange competition in other states.⁶ However, if applicant, once having been granted a CPCN, ever engages in conduct that harms competition in California, we will not hesitate to take such actions as we deem appropriate, including the revocation of applicant's CPCN.⁷

On June 9, 1996, applicant filed a motion requesting that the Commission bifurcate its consideration of the amended application and issue an interim decision regarding applicant's request for resale authority followed by a later decision on applicant's request for facilities-based authority. Covad filed a response opposing applicant's motion on June 24, 1997. Applicant's motion for bifurcation was granted by the assigned ALJ in a ruling dated July 9, 1997. Accordingly, this decision addresses applicant's request for resale authority while a subsequent decision in this proceeding will address applicant's request for facilities-based authority.

IV. Financial Qualifications of Applicant

To be granted a CPCN for authority to resell local exchange service, an applicant must demonstrate that it has \$25,000 of cash or cash equivalent to meet the firm's start-up expenses. The applicant must also demonstrate that it has sufficient additional resources to cover all deposits required by local exchange carriers (LECs) and/or interexchange carriers (IECs).⁸

⁶ Rule 44.4 of the Commission's Rules of Practice and Procedure states that "[t]he filing of a protest does not insure that an evidentiary hearing will be held. The decision whether or not to hold an evidentiary hearing will be based on the content of the protest."

⁷ Covad's protest also alleged that it was not served a copy of the application; and that applicant's CPCN granted in D.96-05-017 has lapsed since applicant has not exercised its authority as required by that decision. Neither of these allegations has merit. At the time applicant served its application upon competitors, Covad had not yet been certified as a CLC. In addition, applicant has had tariffs on file since July 11, 1996, which is all that is necessary to prevent the authority granted to applicant in D.96-05-017 from lapsing.

⁸ The financial standards for certification to operate as a CLC are set forth in D.95-12-056, Appendix C, Rule 4.B.

To demonstrate that it is financially qualified to be granted a CPCN, applicant provided a letter from the Treasurer of US WEST stating that US WEST is the ultimate parent corporation of applicant and that US WEST irrevocably guarantees that \$100,000 of unencumbered cash, plus any deposits paid by applicant to other telecommunications carriers, will be available to applicant for a period of 12 months following applicant's receipt of a CPCN.⁹

We find that applicant has met our requirement that it possess sufficient financial resources to undertake its proposed operations.

V. Technical Qualifications of Applicant

To be granted a CPCN for authority to resell local exchange service, an applicant must make a reasonable showing of technical expertise in telecommunications or a related business. To meet this requirement, applicant submitted the following biographical information on two of its key employees:

Joseph R. Zell, President, assumed his current position in March 1997. Zell was previously the President of the US WEST Communications, Inc., Carrier Division which generates \$2.3 billion in annual revenues by providing product marketing, sales, and service support to long distance, wireless, and local exchange customers. Zell has 12 years of experience in the telecommunications industry consisting of six years at US WEST and US WEST affiliates; and six years with WilTel (now WorldCom) where he held a variety of marketing and product development positions. Zell has a bachelor's degree in marketing from the Southwest Missouri State University.

Michael T. Sapien, Vice President, has 11 years of experience in the telecommunications industry. This experience includes 8 years at Pacific Bell where Sapien held increasingly responsible positions in product management and sales. Sapien joined applicant in 1995 and is currently responsible for expanding applicant's presence nationally. Sapien has a Bachelor's degree in marketing from Loyola University and attended the Sales Executive Program at Columbia University.

⁹ To demonstrate that US WEST possesses financial resources that are sufficient to support its guarantee, applicant provided a copy of US WEST's 10-K for the period ending December 31, 1996.

To further demonstrate its technical expertise and fitness to serve, applicant represented no one associated with or employed by applicant was previously associated with an NDIEC that filed for bankruptcy or went out of business.

As an additional check on the applicant's technical qualifications, the names of the applicant and its two key employees were searched in the ALLPUC file of the STATES library and in the FCC file of the FEDCOM library of the Lexis database. No information was uncovered that would indicate applicant is unfit to provide public utility service.

We find that applicant has met our requirement that it possess adequate technical expertise to operate as a CLC.

Commission staff also reviewed applicant's draft tariffs for compliance with Commission rules and regulations. This review identified several deficiencies which are listed in Attachment B to this decision. We shall approve the application on the condition that the deficiencies identified by our staff are corrected by applicant in its compliance tariff filing ordered herein.

VI. Conclusion

We conclude that the application conforms to our rules for certification as a CLC. Accordingly, we shall grant applicant a CPCN to resell local exchange service in the service territories of Pacific and GTEC, including the service territory of Contel which was recently merged into GTEC's service territory, subject to compliance with the terms and conditions set forth herein.

Findings of Fact

1. Application (A.) 97-03-047 was filed on March 27, 1997.
2. Notice of the filing of the application appeared in the Commission's Daily Calendar on April 14, 1997.
3. An amendment to the application was filed on May 23, 1997.
4. Notice of the amendment appeared in the Commission's Daily Calendar on May 29, 1997.

5. By D.97-06-107, applicants for non-dominant CLC authority are exempt from Rule 18(b) of the Commission's Rules of Practice and Procedure (Rule 18(b)).

6. A protest to the application was filed by Covad on June 24, 1997. Covad's protest alleged that applicant's parent corporation, US WEST, has thwarted local exchange competition in other states where US WEST is the ILEC.

7. To facilitate competition in other states where US WEST is the ILEC, COVAD recommended that the application be granted only on the condition that US WEST provide CLCs with same interconnection, resale, and access to UNEs that are available to US WEST in California under the Act.

8. A response to Covad's protest was filed by applicant on July 3, 1997. In its response, applicant denied Covad's allegation that applicant's parent company, US WEST, has sought to thwart competition in the local exchange markets of other states.

9. By D.95-07-054, D.95-12-056, D.95-12-057, and D.96-02-072, the Commission authorized CLCs meeting specified criteria to provide facilities-based local exchange services beginning January 1, 1996, and resold local exchange services beginning March 31, 1996.

10. A hearing is not required.

11. In D.96-05-017 applicant was granted a CPCN to provide high-speed digital private line service in California.

12. On June 9, 1996, applicant filed a motion requesting that the Commission bifurcate its consideration of the amended application and issue an interim decision regarding applicant's request for resale authority followed by a later decision on applicant's request for facilities-based authority. Covad filed a response opposing the motion on June 24, 1997.

13. Applicant's motion for bifurcation was granted by the assigned ALJ in a ruling dated July 9, 1997.

14. In prior decisions the Commission authorized competition in providing local exchange telecommunications services within the service territories of Pacific and GTEC.

15. In D.96-04-053 the Commission provided final approval for the merger of GTEC with Contel.

16. Applicant has demonstrated that it has a minimum of \$100,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.

17. Applicant represented that it has additional financial resources that are readily available to fund any deposits required by LECs or IECs in order for applicant to provide the proposed services.

18. Applicant demonstrated that its management possesses the requisite technical expertise to provide resold local exchange services to the public.

19. Applicant represented that no one associated with or employed by applicant was previously associated with or employed by an NDIEC that filed for bankruptcy or went out of business.

20. As part of its application, applicant submitted a draft of its initial tariff which contained the deficiencies identified in Attachment B to this decision. Except for these deficiencies, applicant's draft tariffs complied with the requirements established by the Commission

21. A search of the ALLPUC file of the STATES library and the FCC file of the FEDCOM library of the Lexis database did not reveal anything to indicate that the applicant is unfit to provide public utility service.

22. Since applicant does not propose to construct any facilities in order to provide resold local exchange services, it can be seen with certainty that granting applicant authority to provide resold local exchange services will not have a significant adverse effect upon the environment.

23. Exemptions from the provisions of PU Code §§ 816-830 have been granted to other resellers of competitive local exchange services (e.g., D.97-04-059 and D.97-02-038).

24. The transfer or encumbrance of the property of nondominant carriers has been exempted from the requirements of PU Code § 851 whenever such transfer or

encumbrance serves to secure debt. (See D.85-11-044 and D.96-05-060, Ordering Paragraph 15.)

25. D.96-12-020 established a procedure whereby all requests by CLCs for facilities-based authority would be docketed as petitions in R.95-04-043 and reviewed collectively on a quarterly basis in that proceeding.

Conclusions of Law

1. Applicant has the financial ability to provide the proposed service.
2. Applicant has made a reasonable showing of technical expertise in telecommunications.
3. Public convenience and necessity require the competitive local exchange services to be offered by applicant, subject to the terms and conditions set forth herein.
4. Applicant is subject to:
 - a. The current 3.2% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the Universal Lifeline Telephone Service (PU Code § 879; Resolution T-15799, November 21, 1995);
 - b. The current 0.36% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Relay Service and Communications Devices Fund (PU Code § 2881; Resolution T-16017, April 9, 1997);
 - c. The user fee provided in PU Code §§ 431-435, which is 0.11% of gross intrastate revenue for the 1997-1998 fiscal year (Resolution M-4786);
 - d. The current surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-A (PU Code § 739.30; D.96-10-066, pp. 3-4, App. B, Rule 1.C., set by Resolution T-15987 at 0.0% for 1997, effective February 1, 1997);
 - e. The current 2.87% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-B (D.96-10-066, p. 191, App. B, Rule 6.F.); and

- f. The current 0.41% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Teleconnect Fund (D.96-10-066, p. 88, App. B, Rule 8.G).
4. Applicant is exempt from Rule 18(b) pursuant to D.97-06-107.
5. Applicant should be exempted from PU Code §§ 816-830.
6. Applicant should be exempted from PU Code § 851 when the transfer or encumbrance serves to secure debt.
7. The application should be granted to the extent set forth below.
8. Applicant, once granted a CPCN to operate as a CLC, should be subject to the Commission's rules and regulations regarding the operations of CLCs as set forth in D.95-07-054, D.95-12-056, and other Commission decisions.
9. Any CLC which does not comply with our rules for local exchange competition adopted in R.95-04-043 shall be subject to sanctions including, but not limited to, revocation of its CLC certificate.
10. Because of the public interest in competitive local exchange services, the following order should be effective immediately.
11. Covad's protest should be denied.
12. A.97-03-047 should be re-docketed as a petition in R.95-04-043.

INTERIM ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to US WEST Interprise America, Inc., d/b/a Interprise America, Inc. (applicant), to operate as a reseller of competitive local exchange services, subject to the terms and conditions set forth below.

2. Applicant shall file a written acceptance of the certificate granted in this proceeding.

3. Applicant is authorized to file with this Commission tariff schedules for the provision of competitive local exchange services. Applicant may not offer competitive local exchange services until tariffs are on file. Applicant's initial filing shall be made in accordance with General Order (GO) 96-A, excluding §§ IV, V, and VI. The tariff shall be effective not less than one day after tariff approval by the Commission's Telecommunications Division. Applicant shall comply with the provisions in its tariffs.

4. Applicant is a competitive local exchange carrier (CLC). The effectiveness of its future CLC tariffs is subject to the schedules set forth in Appendix C, Section 4.E of Decision (D.) 95-12-056:

"E. CLCs shall be subject to the following tariff and contract filing, revision and service pricing standards:

"(1) Uniform rate reductions for existing tariff services shall become effective on five (5) working days' notice. Customer notification is not required for rate decreases.

"(2) Uniform major rate increases for existing tariff services shall become effective on thirty (30) days' notice to the Commission, and shall require bill inserts, or first class mail notice to customers at least 30 days in advance of the pending rate increase.

"(3) Uniform minor rate increases, as defined in D.90-11-029, shall become effective on not less than (5) working days' notice to the

Commission. Customer notification is not required for such minor rate increases.

"(4) Advice letter filings for new services and for all other types of tariff revisions, except changes in text not affecting rates or relocations of text in the tariff schedules, shall become effective on forty (40) days' notice.

"(5) Advice letter filings revising the text or location of text material which do not result in an increase in any rate or charge shall become effective on not less than five (5) days' notice to the Commission."

"(6) Contracts shall be subject to GO 96-A rules for NDIECS, except interconnection contracts.

"(7) CLCs shall file tariffs in accordance with PU Code § 876."

5. Applicant may deviate from the following provisions of GO 96-A: (a) paragraph II.C.(1)(b), which requires consecutive sheet numbering and prohibits the reuse of sheet numbers; and (b) paragraph II.C.(4), which requires that "a separate sheet or series of sheets should be used for each rule." Tariff filings incorporating these deviations shall be subject to the approval of the Commission's Telecommunications Division. Tariff filings shall reflect all fees and surcharges to which applicant is subject, as reflected in Conclusion of Law 4. Applicant is also exempt from GO 96-A, paragraph III.G.(1) and (2) which requires service of advice letters on competing and adjacent utilities, unless such utilities have specifically requested such service.

6. Applicant shall file as part of its initial tariff, after the effective date of this order and consistent with Ordering Paragraph 3, a service area map.

7. Applicant's initial tariff shall correct the deficiencies identified in Attachment B to this order.

8. Prior to initiating service, applicant shall provide the Commission's Consumer Services Division with the applicant's designated contact person(s) for purposes of resolving consumer complaints and the corresponding telephone number. This

information shall be updated if the name or telephone number changes, or at least annually.

9. Applicant shall notify this Commission in writing of the date that local exchange service is first rendered to the public. This notice shall be provided no later than five days after local exchange service first begins.

10. Applicant shall keep its books and records in accordance with the Uniform System of Accounts specified in Title 47, Code of Federal Regulations, Part 32.

11. In the event the books and records of the applicant are required for inspection by the Commission or its staff, applicant shall either produce such records at the Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to applicant's office.

12. Applicant shall file an annual report, in compliance with GO 104-A, on a calendar-year basis using the information request form developed by Commission staff contained in Attachment A to this decision.

13. Applicant shall ensure that its employees comply with the provisions of PU Code § 2889.5 regarding solicitation of customers.

14. The certificate granted and the authority to render service under the rates, charges, and rules authorized herein will expire if not exercised within 12 months after the effective date of this order.

15. The corporate identification number assigned to applicant is U-5619-C which shall be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

16. Within 60 days of the effective date of this order, applicant shall comply with PU Code § 708, Employee Identification Cards, and notify the Director of the Telecommunications Division in writing of its compliance.

17. Applicant is exempted from the provisions of PU Code §§ 816-830.

18. Applicant is exempted from PU Code § 851 for the transfer or encumbrance of property, whenever such transfer or encumbrance serves to secure debt.

19. If applicant is 90 days or more late in filing an annual report or in remitting the fees listed in Conclusion of Law 4, the Commission's Telecommunications Division shall prepare for Commission consideration a resolution that revokes the applicant's certificate of public convenience and necessity, unless the applicant has received the written permission of the Commission's Telecommunications Division to file or remit late.

20. Applicant shall comply with the consumer protection set forth in Appendix B of D.95-07-054.

21. Applicant shall comply with the Commission's rules for local exchange competition in California that are set forth in Appendix C of D.95-12-056, including the requirement that CLCs shall place customer deposits in a protected, segregated, interest-bearing escrow account subject to Commission oversight.

22. Applicant shall comply with the customer notification and education rules adopted in D.96-04-049 regarding the passage of calling party number.

23. The application is granted, as set forth above.

24. Applicant's request to provide facilities-based local exchange services shall be addressed by a subsequent decision in this proceeding.

25. The protest of Covad Communications Company is denied.

26. The Commission's Docket Office shall re-docket Application 97-03-047 as a petition in Rulemaking 95-04-043/Investigation 95-04-044 (R.95-04-043). Once docketed as a petition in that proceeding, applicant's request for a certificate to provide facilities-based local exchange services shall be processed on a collective basis with other petitions for certificates to provide facilities-based local exchange services filed in R.95-04-043 during the second quarter of 1997.

27. This proceeding is closed.

This order is effective today.

Dated August 1, 1997, at San Francisco, California.

P. GREGORY CONLON

President

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

RICHARD A. BILAS

Commissioners

TO: ALL COMPETITIVE LOCAL CARRIERS

Article 5 of the Public Utilities Code grants authority to the California Public Utilities Commission to require all public utilities doing business in California to file reports as specified by the Commission on the utilities' California operations.

A specific annual report form has not yet been prescribed for California Competitive Local Carriers. However, you are hereby directed to submit an original and two copies of the information requested in Attachment A no later than March 31st of the year following the calendar year for which the annual report is submitted.

Address your report to:

California Public Utilities Commission
Financial Reports, Room 3251
505 Van Ness Avenue
San Francisco, CA 94102-3298

Failure to file this information on time may result in a penalty as provided for in §§ 2107 and 2108 of the Public Utilities Code.

If you have any question concerning this matter, please call (415) 703-1961.

ATTACHMENT A

Information Requested of California Interexchange Telephone Utilities and Competitive Local Carriers.

To be filed with the California Public Utilities Commission, 505 Van Ness Avenue, Room 3251, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

1. Exact legal name and U # of reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (e.g., corporation, partnership, sole proprietorship, etc.).
If incorporated, specify:
 - a. Date of filing articles of incorporation with the Secretary of State.
 - b. State in which incorporated.
6. Commission decision number granting operating authority and the date of that decision.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. A list of all affiliated companies and their relationship to the utility. State if affiliate is a:
 - a. Regulated public utility.
 - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.
11. Income statement for California operations for the calendar year for which information is submitted.

(END OF ATTACHMENT A)

ATTACHMENT B

**LIST OF DEFICIENCIES IN TARIFFS FILED BY INTERPRISE AMERICA, INC.,
IN A. 97-03-047 TO BE CORRECTED IN TARIFF COMPLIANCE FILING.**

1. Sample forms must be included with tariffs.
2. Decision No. 96-05-017 on each sheet of your local tariff should be changed to reflect the Decision number granting the CPCN requested in this application. Also the Advice Letter number will not be No.1, but the next unused number.
3. 1-T, Original Title Sheet: indicate that the company intends to provide resale service.
4. 1-T, Page 9: Modify Rule 8.2(a) to allow 7 days notice period prior to disconnection. Also rule 8.2(b) needs to be deleted, because you cannot immediately discontinue service for a bad check. However, you can tariff a return check charge.
5. 1-T, Page 9.1, Rule 8.2 (c) conflicts with rule 10 in Appendix B. Only in case of fraud can the company discontinue service on less than required 7 days written notice. Also, services may be discontinued for non-payment of bills and fraud not for violation of the tariff.
6. 1-T, Page 10, rule 10: A minimum service period of one month violates customer's right to give notice of discontinuance on or before the date of disconnection and recurring charges are subject to proration.
7. 1-T, Page 11, Rule 11: Need to clarify exactly when bills are due, sheet 23 indicates payment is due in 30 days. 15 days is the minimum.
8. 1-T, Page 12, Claims and Disputes: You cannot limit customers to 60 days to initiate a billing dispute; the minimum is 2 years.
9. 1-T, Page 13: The proposed tariff Rule 13.2 regarding amount of deposits does not accurately reflect D. 95-07-054, Appendix B, rule 5 requirement that deposits should be no greater than twice the estimated average monthly bill for the class of service applied for. Also, you cannot require customers to submit a claim in the case of a carrier discovered error. Change "and" to "or" in Rule 13.5 covering overpayment.

ATTACHMENT B

10. 1-T, Sheet 15: rule 15 is more appropriate for a facilities based carrier than a reseller.
11. 1-T, Page 21: Modify Rule 22, to state that subscriber's verbal notice to discontinue service will be accepted, notice does not have to be written and sent through the mail per Rule 6 of Appendix B.
12. 2-T, Page 3.2: Describe the pricing zones in more detail. What specific geographic areas apply to each?
13. 2-T, Page 3, section 1: Delete the last line on facilities which is not applicable to resellers.
14. 2-T, Page 4, Individual Case Basis (ICB) Arrangements: ICB arrangements are subject to G.O. 96-A rules and submitted by Advice Letter on a case by case basis. There is no blanket authority for ICB arrangements.
15. Per D.95-12-057, the tariff must be revised to state which provider the company will use to administer the Deaf and Disabled Equipment Distribution Program.

(END OF ATTACHMENT B)