

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE TARIFF FILING )

BY BELL ATLANTIC-DELAWARE, INC. TO )

MAKE USAGE RATE GROUP AND DENSITY ) PSC DOCKET NO. 99-020T

CELL RECLASSIFICATIONS )

(FILED SEPTEMBER 1, 1999) )

**ORDER NO. 5481**

This 20th day of June, 2000, the Commission finds, determines, and Orders the following:

**I. BACKGROUND**

1. On September 1, 1999, Bell Atlantic-Delaware, Inc. ("BA-Del" or the "Company") filed proposed modifications to Sheet 4B of its P.S.C.-Del. No. 3A tariff, which would reclassify certain of its telephone exchange areas for density cell and local usage rate group purposes. The proposed modifications would change the density cell assignments for five exchanges in the State and the local usage rate group classifications for eight exchanges in Sussex County. Because the charge for certain optional services, such as special access and private line, are keyed to the particular exchange's density cell category, the reclassification of the five exchanges will mean that subscribers in those exchanges will pay lower rates for those services. The reclassification of eight exchanges for local usage rate group purposes will have the opposite effect: the reassignment of the exchanges from Rate Group "X" to Rate Group "Z" will mean subscribers in those exchanges will pay an increased charge for unlimited local usage. Thus, if the local usage rate group reclassifications are implemented, the monthly charges for unlimited local usage from those exchanges would move as follows:

Present After Reclassification

Residential \$1.56 per \$2.22 per

(Unlimited Usage line line

Package)

Business \$7.39 per \$9.74 per

(Unlimited Usage trunk trunk

Package - Trunk)

Business \$4.35 per \$4.55 per

(Unlimited Usage line line

Package - Line)

2. BA-Del published notice of its reclassification proposals in two newspapers on September 24, 1999. The notices called for persons to file requests for a hearing if they objected to the proposed modifications. No person submitted such a request. However, the Commission chose not to immediately act on either of the reclassification requests. Rather, the Commission directed BA-Del, if it desired, to re-present the reclassifications at the time it filed its annual price-cap Price Index Report in March, 2000. See PSC Order No. 5316 (Jan. 11, 2000). BA-Del did so, requesting in a letter of March 31, 2000, that the Commission return to the reclassification proposals. On May 2, 2000, BA-Del once again provided public notice (by publication in two newspapers) of its proposed exchange modifications. That notice announced that the Commission would revisit the reclassifications at its June 6, 2000 meeting and again called for interested persons to file requests for hearings. No person filed any such request nor any other comments concerning the proposed reclassifications.

3. Staff submitted a memorandum noting that the reclassifications were supported by studies conducted by BA-Del in 1998. Staff recommended that the Commission approve the reassignment of the particular exchanges for density cell or local usage rate group purposes. At its meeting on June 6, 2000, after deliberations, the Commission (with Vice-Chairman Twilley absent) approved the reclassifications of the exchanges as reflected in the proposed Sheet 4B to BA-Del's 3A Tariff.

II.

### III. FINDINGS AND OPINION

4. The Commission accepts both the reclassification of the five exchanges for density cell purposes and the reclassification of the eight Sussex County exchanges for local usage rate group purposes. In doing so, the Commission believes that the operative principle in this matter is consistency. The criteria used to assign exchanges to a particular density cell category or to a particular local usage rate group have been utilized by BA-Del for years. Indeed, rate group classifications derived from applying that criteria have been carried through the implementation of regional local calling areas ("one county calling") and BA-Del's election of price-cap rate regulation. Given such history, consistency favors granting these reclassifications. Here, BA-Del's proposed reclassifications - derived from applying the traditional density cell and local usage rate group assignment criteria - are, by definition, consistent with what has gone before, and what is now in place. For that reason, the Commission approves the reclassifications even though such approval will mean that subscribers in the eight exchanges in Sussex County will see an increase in their bills due to increased charges for unlimited local usage.

Now, therefore, **IT IS ORDERED:**

1. That the reclassification of particular local exchanges for density cell

purposes and local usage rate group purposes as described in the application filed by Bell Atlantic-Delaware, Inc., on September 1, 1999, are hereby accepted. The Commission approves the proposed revised Sheet 4B of P.S.C.-Del. No. 3A tariff, filed on September 1, 1999, which reflects the reclassification of the following local exchanges:

Density Cell Local Usage

(All Group X to Group Z)

Hockessin (Cell 2 to Cell 1) Angola

Milford (Cell 3 to Cell 2) Dagsboro

Rehoboth (Cell 2 to Cell 1) Georgetown

Seaford (Cell 3 to Cell 2) Lewes

Selbyville (Cell 3 to Cell 2) Millsboro

Milton

Ocean View

Rehoboth

Bell Atlantic-Delaware, Inc., may charge the differing rates resulting from the above reclassifications for services provided to subscribers within the affected exchanges after July 1, 2000.

2. That Bell Atlantic-Delaware, Inc., shall provide an explanation to subscribers within the affected exchanges indicating that the reclassification of the exchange has resulted in a change in charges for certain services. Such explanation should indicate which services will be affected and, in the case of unlimited local usage packages, list the charges for such services after July 1, 2000.

3. That the Secretary shall serve a copy of this Order on all the parties in PSC Docket No. 96-324 who participated in the proceedings concerning geographically deaveraged unbundled network elements culminating in the entry of PSC Order No. 5208 (Aug. 31, 1999).

4. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chairman

/s/ Joshua M. Twilley

Vice Chairman (Not Participating)

/s/ Arnetta McRae

Commissioner

/s/ Donald J. Puglisi

Commissioner

/s/ John R. McClelland

Commissioner

ATTEST:

/s/ Karen J. Nickerson

Secretary