

# LOUISIANA PUBLIC SERVICE COMMISSION

## ORDER NO. U-24802

### LOUISIANA PUBLIC SERVICE COMMISSION EX PARTE

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Docket No. U-24802 - In re: Extension of BellSouth's Consumer Price Protection Plan to and through April 1, 2004 with additional requirements.

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(Decided at Business and Executive Session held April 19, 2000)

At the Commission's March 22, 2000 Business and Executive Session, Commissioner Sittig directed the Staff to look into the following items: First, Staff was to determine whether the current price caps applicable to BellSouth under the existing Consumer Price Protection Plan should be extended in order to protect rural ratepayers. Second, Staff was asked to consider implementing requirements that would insure BellSouth maintain the status quo as relates to customer service, particularly customer complaints. Finally, Staff was asked to consider halting docket U-20883 (Subdocket C), which docket would create a state universal service fund for non-rural carriers.

Pursuant to the above request, Staff published this docket in the Commission's March 31, 2000 bulletin. In an attempt to address the stated concerns, a proposed set of regulations was placed in the bulletin. These proposed regulations, among other things, would extend the effective date of the existing Consumer Price Protection Plan for an additional three years. These regulations would also provide a mechanism to ensure service quality through the implementation of service quality reporting requirements. Comments were taken on these proposal for 15 days.

During the comment period only BellSouth filed written comments with the Commission.<sup>1</sup>

Subsequent to receiving BellSouth's written comments, the Staff received a memorandum directed to Commissioner Sittig from BellSouth's Vice President of Regulatory Affairs, Mr. William Oliver. In this memorandum, Mr. Oliver stated the company's position on the docket. While the company had concerns with the proposed regulations, it would not appeal the adoption of the proposed regulations as they appeared in the March 31, 2000 Bulletin. The Company reserved its right to appeal should the Commission's order deviate from the proposed regulations listed in the bulletin.

A proposed order, adopting the regulations contained in the March 31, 2000 Commission Bulletin, was placed on the agenda for the Commission's vote at the April 19, 2000 Business and Executive Session. Staff recommended the proposed regulations be adopted. On the motion of Commissioner Sittig, seconded by Commissioner Blossman, and unanimously adopted, the Commission voted to accept the Staff Recommendation.

#### **IT IS THEREFORE ORDERED THAT:**

(1) BellSouth shall not increase any basic local exchange rates pursuant to any rate rebalancing effort either under its consumer price protection plan or through any other mechanism for a minimum period of three years from the effective date of this order. All terms, conditions, and requirements of the consumer price protection plan are extended for a period of three years from the effective date of this order, including specifically the cap on basic services, which is currently set to expire on April 1, 2001. In other words, the effect of this extension is that the consumer price protection plan shall in all respects be considered as if the sixth year of the plan ended in April 2004. At the conclusion of that three year period, the Commission may initiate a docket to determine whether or not rate rebalancing is in the public interest or whether any

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<sup>1</sup>Several other parties, namely Cox Communications, AT&T, MCI World Com, the Small Company Committee and KMC, filed interventions but did not file any comments.

other actions are necessary to assure high quality and affordable universal service.

(2) BellSouth shall continue to comply with all service quality reporting requirements pursuant to the Commission's established measures. In addition, Staff is directed to prepare a proposal for retail service objectives associated with the Commission's established measures, and penalties for not meeting those objectives. This proposal is to be submitted to the Commission within 60 days from the effective date of this order, and implemented no later than 120 days from the effective date of this order. The objectives and penalties shall remain in effect for a period of three years from the date of this order. At the conclusion of the three year period, the Commission may initiate an investigation into whether the service quality standards and penalties should be modified, enhanced, or eliminated.

(3) BellSouth shall continue to maintain its present level of staffing located in Louisiana whose primary responsibility is to handle Commission customer complaints in Louisiana, and shall in no event transfer responsibility for handling Commission customer complaints outside of Louisiana for a period of three years from the effective date of this order.

(4) BellSouth shall deploy not less than \$1 billion in network capital for the period of January 1, 2000 to December 31, 2003. This shall include an amount of not less than \$140 million over this period on the deployment of advanced technology to include broadband initiatives (e.g., ADSL and fiber to the home) and improvements in the reliability of the network in rural as well as urban areas.

(5) To prevent any additional end user charges, all proceedings in Docket No. U-20883 (Subdocket-C) involving a state universal service fund for non-rural carriers shall be stayed and deferred for three years from the effective date of this order or until the Commission orders that they be re-opened, whichever shall occur earlier. BellSouth shall continue to serve as an Essential Telecommunications Carrier under Section 601 of the Local Regulations.

**BY ORDER OF THE COMMISSION  
BATON ROUGE, LOUISIANA**

May 2, 2000

/S/ IRMA MUSE DIXON

DISTRICT III

CHAIRMAN IRMA MUSE DIXON

/S/ JAMES M. FIELD

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VICE CHAIRMAN JAMES M. FIELD

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COMMISSIONER DON OWEN

/S/ C. DALE SITTIG

DISTRICT IV

COMMISSIONER C. DALE SITTIG

/S/ LAWRENCE C. ST. BLANC

SECRETARY

LAWRENCE C. ST. BLANC

/S/ JACK "JAY" A. BLOSSMAN

DISTRICT I

COMMISSIONER JACK "JAY" A. BLOSSMAN

Service List  
Docket No. U-24802

All Commissioners

Brandon Frey - LPSC Staff Attorney

Arnold Chauviere - LPSC Utilities Division

Farhad Niami, Economics Division

Ed Jordan - LPSC Economics Division

Stanley Perkins - LPSC Auditing Division

I - Michael Lamers, Gordon, Arata, McCollam, Duplantis & Eagan, 1400 One American Place,  
Baton Rouge, Louisiana 70825-0004 (P-381-9643) (Fax-336-9763) (Rep. Cox Commun.)

I - David L .Guerry, Long Law Firm, One United Plaza, Suite 500, 4041 Essen Lane, Baton  
Rouge, LA 70809 (Fax - 922-5105) (P - 922-5110) (Rep. AT&T)

I - Katherine W. King, Kean, Miller, Hawthorne, D'Armond, McCowan & Jarman, P.O. Box  
3513, Baton Rouge, LA 70821 (P-387-0999) (Fax-388-9133) (Rep. MCI & KMC)

I - Janet Boles, Boles, Boles & Ryan, 7809 Jefferson Highway, Suite D3, Baton Rouge, LA  
70809 (P-924-2686)(Fax-926-5425) (Rep. Small Company Committee)

I - Victoria McHenry, BellSouth Telecommunications, 365 Canal St., Suite 3060, New Orleans,  
LA 70130 (P-504-528-2050)(FAX-504-528-2948)

I - Benjamin Fincher, Sprint, 3100 Cumberland Circle, Atlanta, GA 30339  
(Phone- 404-649-6221) (Fax - 404-649-5174)

IP - Janet S. Britton, EATEL, 913 South Burnside Ave., Gonzales, LA 70737-4258  
(P-225-621-4200) janet@eatel.com