

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 28th day of December, 2001.

CASE NO. 00-0318-T-GI (REOPENED)

General Investigation Regarding Possible Reductions in
BA-WV's Intrastate Access Charges.

and

CASE NO. 00-0705-T-PC (REOPENED)

BELL ATLANTIC - WEST VIRGINIA, INC.
Petition for consent and approval of a new
Incentive Regulation Plan to become effective
on or after January 1, 2001.

and

CASE NO. 01-0364-T-PC (REOPENED)

VERIZON WEST VIRGINIA INC.
Petition of the Consumer Advocate Division
requesting the Commission to initiate proceedings
to require Verizon West Virginia Inc. to show
cause why its rates for telecommunications
services should not be lowered.

and

CASE NO. 01-0482-T-P (REOPENED)

VERIZON WEST VIRGINIA INC.
Petition to cease rate regulation of certain
long distance, private line, WATS, directory
assistance, and centrex services.

COMMISSION ORDER

On October 3, 2001, the Commission issued an order in the above referenced cases. Therein, the Commission ordered the following:

IT IS THEREFORE ORDERED that the "Joint Stipulation and Agreement for Settlement" filed August 9, 2001, by Verizon West Virginia, Inc., the Consumer Advocate Division, and Commission Staff is hereby adopted in resolution of Case Nos. 00-0318-T-GI, 00-0705-T-PC, 01-0364-T- PC, and

IT IS FURTHER ORDERED that submission of revised tariffs by Verizon-WV shall be made within twenty (20) days of the date of this order. Facilities based carriers shall submit rate reduction plans and tariffs forty (40) days from the date of this order. Resellers shall file rate reduction plans and tariffs sixty (60) days from the date of this order. For those IXCs arguing pre-existing conformance to access reduction levels, and/or existing pricing structures and contractual arrangements that preclude the need for rate reductions, a filing containing such arguments, or referencing previously filed arguments, should be made within forty (40) days of the date of this order.

By an inter-office memorandum dated November 14, 2001, the Commission's Executive Secretary made note that Verizon filed its response on November 1, 2001, and that during the period of November 13 and 14, 2001, responsive filings were made by Hardy Telecommunications, Inc.; Citizens Telecommunications Company; AT&T Communications of West Virginia, Inc.; Qwest Communications Company; Excel Telecommunications Company, Inc.; eMeritus Communications, Inc.; MCI WorldCom Communications, Inc.; and Sprint Communications Company, L.P.

Sprint also filed a motion to keep its entire responsive filing proprietary.

On December 3, 2001, the Commission received the response of Touch 1 Communications, Inc., wherein Touch 1 stated it will reduce its intrastate toll charges in the state of West Virginia in relation to the rate reduction plans as filed by AT&T, MCI, and Sprint, matching the lowest of the basic rates of the three major carriers. Touch 1 Communications, Inc., stated that it would file its reduced tariff rates as soon as the three carriers' rate reductions were available.

On December 11, 2001, the Commission received a letter from TON Services, Inc. noting that as a reseller, it does not purchase access directly from local exchange carriers in West Virginia at this time. TON stated that if and when it received a reduction in the toll

rates it pays in connection with the switched access reductions filed by Verizon, it will submit tariff revisions to flow through the applicable decrease.

On December 27, 2001, Commission Staff filed its "Utilities Division Final Staff Memorandum." Therein Staff noted that on November 9, 2001, Verizon West Virginia Inc., filed changes in its access tariff to reflect reductions approved by the Commission in the Commission Order of October 3, 2001. Staff noted that it had reviewed those changes and recommended approval effective January 1, 2002. Staff also recommended approval of the November 13, 2001, revised tariff sheets filed by AT&T Communications of West Virginia. Staff noted donations made by AT&T Communications of West Virginia to flood victims and to state, county, and local agencies working to provide flood relief. Staff recommended that AT&T Communications of West Virginia, Staff, and CAD investigate the actual value of such donations and make further recommendations on that issue.

Staff next noted that on November 13, 2001, Sprint Communications Company, L.P., filed a compliance response stating that its access cost will actually increase as a result of Verizon's restructured switched access charges and that Sprint had filed a motion for confidential treatment of its filed information. Staff stated it would review the data in the future after ruling by the Commission on the motion for proprietary treatment.

Staff recommended that the November 14, 2001, filing by MCI WorldCom Communications, Inc., containing revisions to its W.V.P.S.C. Tariff Nos. 1 and 2 to reduce rates in this proceeding effective

January 1, 2002, be approved.

Finally, Staff noted that several compliance pass through tariffs were approved under separate case numbers.

On December 28, 2001, the CAD filed its "Response of the Consumer Advocate Division to AT&T's Tariff Filing to Flow Through Access Reductions." Therein, the CAD presented several allegations regarding what it believes to be inadequate access charge adjustments made by AT&T. The CAD, at the end of its filing, stated the following:

Because the CAD does not wish to delay the effect of the tariff reductions already proposed by AT&T, the CAD recommends the Commission allow the tariff changes to go into effect. However, the Commission should order AT&T to immediately meet with Staff and CAD to determine how the additional required rate reductions for residential customers should be implemented. [Footnote omitted.] In addition, the Commission should order the parties to determine how all residential customers will be assured of receiving benefits of the required access charge reductions.

DISCUSSION

The Commission shall approve the tariff changes filed by Verizon West Virginia Inc., as such filings have been made pursuant to the October 3, 2001, order in Case No. 00-0318- T-GI. Likewise, the Commission shall approve the tariff modifications of AT&T Communications of West Virginia, and MCI WorldCom Communications, Inc.

The Commission shall address the additional filings of other carriers as well as the motion for protective treatment by a separate order.

The Commission shall adopt the CAD recommendation to direct Staff, the CAD, and AT&T, to meet within thirty (30) days of the date of this order in order to determine how additional required rate reductions for residential customers should be implemented and how all residential customers will be assured of receiving the benefits of the required access charge reductions. The parties shall file a report with the Commission within two (2) months of the date of this order on the results of their negotiations.

FINDINGS OF FACT

1. The Commission has recently received several tariff modifications pursuant to its order of October 3, 2001, in Case No. 00-318-T-GI.

2. By a "Utilities Division Final Staff Memorandum" filed on December 27, 2001, Commission Staff recommended approval of the November 9, 2001, tariff change filed by Verizon West Virginia Inc.; the November 13, 2001, tariff filing by AT&T Communications of West Virginia; and the November 14, 2001, filing by MCI WorldCom Communications, Inc.

3. By a "Response of the Consumer Advocate Division to AT&T's Tariff Filing to Flow Through Access Reductions" the CAD recommended the AT&T proposed tariff changes go into effect but that the Staff, the CAD, and AT&T be required to meet to discuss rate reductions for residential customers and the implementation thereof.

CONCLUSIONS OF LAW

1. As the filings by Verizon West Virginia Inc., AT&T Communications of West Virginia, and MCI WorldCom Communications, Inc., have been made pursuant to the Commission Order entered October 3, 2001, it is reasonable to approve the responsive tariffs without the need for publication or hearing.

2. It is reasonable to require AT&T, Staff, and CAD to meet within thirty (30) days of the date of this order to determine how the additional required rate reductions for residential customers should be implemented and how all residential customers will be assured of receiving the benefits of the required access charge reductions.

ORDER

IT IS THEREFORE ORDERED that the November 9, 2001, access tariff modifications filed by Verizon West Virginia Inc. are hereby approved, effective January 1, 2002.

IT IS FURTHER ORDERED that the November 13, 2001, AT&T Communications of West Virginia, Inc., revised tariff sheet filings are hereby approved, effective January 1, 2002.

IT IS FURTHER ORDERED that the November 14, 2001, filing by MCI WorldCom Communications, Inc., to revise its W.V.P.S.C. Tariff Nos. 1 and 2 is hereby approved, effective January 1, 2002.

IT IS FURTHER ORDERED that Verizon West Virginia Inc., AT&T Communications of West Virginia, Inc., and MCI WorldCom Communications, Inc., submit their respective revised tariff sheets within thirty (30) days of the date of this order.

IT IS FURTHER ORDERED that within thirty (30) days of the date of this order Staff, the CAD, and AT&T shall meet to determine how the additional required rate reductions for residential customers should be implemented and how all residential customers will be assured of receiving the benefits of the required access charge reductions. The Staff, the CAD, and AT&T shall submit a report to the Commission within sixty (60) days of the date of this order on the results of their negotiations.

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

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