

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL
TEN FRANKLIN SQUARE
NEW BRITAIN, CT 06051

**DOCKET NO. 02-04-22 DPUC EVALUATION OF THE TRANSITION OF THE
CONNECTICUT TELECOMMUNICATIONS MARKET TO
COMPETITION - PROMOTIONAL CAMPAIGNS**

April 14, 2004

By the following Commissioners:

Jack R. Goldberg
John W. Betkoski, III
Donald W. Downes

DRAFT DECISION

The Department of Public Utility Control (Department) acknowledges receipt of the Southern New England Telephone Company's d/b/a SBC Connecticut (Telco or Company) March 18, 2004 letters notifying the Department of its intent to conduct promotional campaigns for its non-recurring access line charges. Specifically, the Company's proposal to waive the non-recurring access line charges associated with its residential and home office exchange services for those customers changing to the Telco from another local service provider (Residential Win Back Promotion). The Telco proposed that this promotion would begin on April 1, 2004, and conclude on September 30, 2004.¹ The Company also proposed to waive the non-recurring access line charge associated with its business exchange service for those customers who previously had local service with the Telco and return to the Company from another service provider

¹ Telco March 18, 2004 Residential Win Back Promotion Letter, p. 1.

(Business Win Back Promotion). The Company proposed that this promotional campaign be conducted for 90 days, also beginning on April 1, 2004.²

The Department is also in receipt of the March 25, 2004 letters submitted by Cox Connecticut Telcom, L.L.C. (Cox) opposing the Residential Win Back Promotion and Business Win Back Promotion (Cox Objections).³ Cox objected to these promotions because they relate to non-competitive services and the fact that the Telco would not be making them available to all of its customers. Therefore, Cox recommended that the Department deny the Company's proposal to conduct these promotions. In the event that these promotions were not denied, Cox recommended that they be suspended until such time as the anti-competitive impact of these promotions could be fully explored. Cox suggested that Docket No. 02-04-22 may be the appropriate forum for such an investigation.⁴

Lastly, the Department acknowledges receipt of the Telco's March 29, 2004 response (Telco Response) to the Cox Objections.

The Department has reviewed the Residential Win Back Promotion and Business Win Back Promotion, the Cox Objections and Telco Response and notes that this is the first time an objection has been filed opposing win back promotions involving the waiver of non-recurring charges for residential and business local exchange services. The Department also notes that while these promotions will be directed to subscribers of these services, neither §16-247f of the General Statutes of Connecticut nor the Decisions in Docket No. 95-03-01 Application of The Southern New England Telephone Company for Financial Review and Proposed Framework for Alternative Regulation, and Docket No. 00-07-17, DPUC Investigation of The Southern New England Telephone Company's Alternative Regulation Plan, prohibit such an offering.⁵ In addition, in the case of the Residential Win Back Promotion, the Telco will be offering this promotion to its wholesale customers pursuant to the Telecommunications Act of 1996 and the March 13, 1996 Decision in Docket No. 95-03-01. Accordingly, the Department will permit the Telco to conduct its promotional campaigns as proposed.

Nevertheless, the Department is of the opinion that data derived by the Telco and Cox during these promotions would provide value to its investigation of telecommunications competition in Connecticut in this proceeding. Therefore, the Department will require the Telco and Cox to separately track end user participation in each promotion, effective April 1, 2004, and provide such information during the pendency of this docket. The Department will also require the remaining local exchange companies (LEC) operating in Connecticut, by separate data request, to separately track end user participation in any win or win back promotional campaigns that they may conduct during the pendency of this proceeding, effective April 1, 2004.

² Telco March 18, 2004 Business Win Back Promotion Letter, p. 1.

³ By letters dated March 25, 2004, Cox separately objected to the Residential Win Back Promotion and the Business Win Back Promotion. For ease of clarity, the Department will refer to these letters as the Cox Objections.

⁴ Cox Objections, p. 2.

⁵ Cox has been conducting similar promotions since May 1, 2003. Telco Response, p. 2.

Orders

For the following Orders, please submit an original and 10 copies of the requested material identified by Docket Number, Title and Order Number to the Executive Secretary.

1. Effective April 1, 2004, the Telco shall track end user participation in its Residential Win Back Promotion and Business Win Back Promotion and any other win and win-back promotions. No later than July 31, 2004, and quarterly thereafter, the Telco shall provide the following:
 - a. separately list and provide a description of all promotions directed to residential, home office and business local exchange customers, identifying all charges to be waived and any customer options;
 - b. separately state, by promotion and any promotional option, the number of residential, home office and business customers (or billing telephone numbers (BTN)) participating in any promotional campaign identified in 1a;
 - c. separately provide the number of residential, home office and business access lines associated with the Telco's response to 1b;
 - d. separately provide the number of residential, home office and business local exchange customers to which the promotion(s) was (were) not offered;
 - e. separately provide the number of residential, home office and business access lines (or working telephone numbers) associated with the Telco's response to 1d;
 - f. separately provide the number of Telco wholesale customers separately participating in the promotions identified in 1a; and
 - g. the number of Telco participating wholesale customers' end user access lines associated with the Telco's response to 1f.
2. Effective April 1, 2004, Cox shall track end user participation in its win and win-back promotions. No later than July 31, 2004, and quarterly thereafter, Cox shall provide the following:
 - a. separately list and provide a description of all promotions directed to residential, home office and business local exchange customers, identifying all charges to be waived and any customer options;
 - b. separately state, by promotion and any promotional option, the number of residential, home office and business customers (or BTNs) participating in any promotional campaign identified in 2a;

- c. separately provide the number of residential, home office and business access lines (working telephone numbers) associated with the response to 2b;
- d. separately provide the number of new residential, home office and business local exchange customers to which none of the promotion(s) identified in 2a were offered;
- e. separately provide the number of new residential, home office and business local exchange access lines (working telephone numbers) associated with the response to 2d;
- f. if applicable, separately provide the number of wholesale customers participating in the promotion(s) identified in 2a;
- g. if applicable, separately provide the number of wholesale customers' end user lines associated with the response to 2f.

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This Decision is adopted by the following Commissioners:

Jack R. Goldberg

John W. Betkoski, III

Donald W. Downes

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Department of Public Utility Control, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.

Louise E. Rickard

Louise E. Rickard
Acting Executive Secretary
Department of Public Utility Control

April 15, 2004

Date