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Illinois Telecommunications Association)
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Petition for Waiver Pursuant to)
220 ILCS 13-513)
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Docket No. 08-0023

PROPOSED ORDER

I. Background and Procedural History

On January 8, 2008, the Illinois Telecommunications Association ("ITA" or "Petitioner") filed a petition pursuant to section 13-513 of the Public Utilities Act (220 ILCS 13-513) on behalf of the following companies, all of whom are members of the ITA: Bergen Telephone Company, Cass Telephone Company, Consolidated Communications, Egyptian Telephone Cooperative Association, Egyptian Communication Services, Inc., Gallatin River Communications, Geneseo, Cambridge & Henry County Telephone Companies, Grandview Mutual Telephone Company, Hamilton County Telephone Co-op., Hamilton County Long Distance, Harrisonville Telephone Company, HTC Communications Co., Home Telephone Company, LaHarpe Telephone Company Inc., LaHarpe Networks Company Inc., Leaf River Telephone Company, Madison Telephone Company, Marseilles Telephone Company, McDonough Telephone Cooperative, Metamora Telephone Company, MTCO Communications, Inc., Mid-Century Telephone

Cooperative, Inc., Montrose Mutual Telephone Company, Inc., Montrose Mutual LD Company Inc., Moultrie Independent Telephone Company, New Windsor Telephone Company, Inc., Oneida Telephone Exchange, Inc., Oneida Network Services, Inc., Sharon Telephone Company, Shawnee Telephone Company, Verizon North & Verizon South, Inc. The petition sought a Commission order waiving the operation of subsection 70(b)(1)(G) of 83 Ill. Adm. Code 735, Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Local Exchange Telecommunications Carriers in the State of Illinois. (83 Ill. Adm. Code 735 *et seq.*, hereinafter "Code Part 735").

On January 10, 2008, Petitioner filed an amended petition, seeking the addition of a number of additional companies, all of which are members of the ITA. The additional companies included, Citizens Telecommunications Company of Illinois, Frontier Communications of Illinois, Inc., Frontier Communications-Midland, Inc., Frontier Communications of Lakeside, Inc., Frontier Communications-Prairie, Inc., Frontier Communications of Mt. Pulaski, Inc., Frontier Communications-Schuyler, Inc., Frontier Communications of Orion, Inc., and Frontier Communications of DePue, Inc. The amended petition sought no additional relief than had been requested in the original petition.

The ITA's petition noted that Subsection (b)(1)(G) of Code Part 735 currently places billing requirements on all local exchange carriers in the State of Illinois that

have assumed the responsibility of collecting for toll calls utilizing their networks. These requirements include "itemization of all toll calls charged to [an] account including, but not limited to the date and time of the call, the rate which applied to the call, the length of time of the call in minutes, the destination of the call, the point of origin for collect and/or third party calls." (83 Ill. Adm. Code 735.70(b)(1)(G)).

The petition further alleged that all of the Companies currently comply with this rule and that the Companies currently offer a number of services that have made compliance with the rule unwieldy for them and their customers. For example, some plans offered by the Companies include unlimited intrastate intraLATA toll and/or unlimited interLATA toll calling. Under these service plans customers are not charged on a per-call basis and the Companies state that there are no per-call or timed charges under these plans. In addition, some of the Companies offer optional intraLATA toll plans in which end users purchase blocks of intraLATA toll time for a flat rate, again making per call itemization impractical and per call calculations meaningless so long as the customer does not exceed the call allowance. The companies maintain that compliance with the rule requiring the display of the details of each toll call imposes additional expenses upon the Companies with no commensurate benefit.

The petition went on to note that, in addition to the problems that continued compliance with the rule was causing, continued compliance also caused customer confusion in that the presence of so many calls on individual bills rated at \$0.00

could lead some consumers to believe that they had been misbilled, as the services are purchased with the understanding that calling is unlimited. Bulky customer bills were also seen as a source of confusion in that they were difficult to read and understand.

Finally, the petition alleged that reducing the Companies' expenses and increasing customer convenience would: allow the Companies to streamline their billing process by dispensing with the necessity of itemizing per call detail and charges and ultimately benefit competition in Illinois by making flat rated offerings less expensive and more appealing to consumers.

On January 25, 2008, the ITA filed a Motion indicating that the ITA had been informed of two additional matters. First, two additional companies, Flat Rock Telephone Co-op and Flat Rock Communications ("Flat Rock Companies"), sought ITA representation in this matter. Accordingly, the ITA moved the Commission to consider those companies as subject to any final order emanating from this proceeding. Second, the ITA had discovered that its Original Petition contained a scrivener's error in that it referred to an entity identified as "Consolidated Communications," whereas the appropriate regulatory reference should have been to "Illinois Consolidated Telephone Company" and "Consolidated Communications Network Services, Inc." Accordingly, the ITA moved that these companies be considered the Companies of record in this proceeding and that the reference to "Consolidated Communications" in the original petition be ignored. For purposes of

this Order, the companies named in the original petition, as amended by the amended petition and the subsequent ITA motion are referred to hereafter as "the Companies."

Two additional filings were also made on January 25, 2008. The Office of the Attorney General of the State of Illinois (the "AG") filed a Petition to Intervene and Staff of the Illinois Commerce Commission filed a Request for Commission Investigation.

Status hearings in this matter were scheduled for February 13, 2008, February 28, 2008, March 13, 2008 and March 31, 2008. Throughout the pendency of these proceedings the parties continued to work toward an agreed upon resolution to the ITA's request and, on April 8, 2008, an agreed on Draft Order was filed granting the relief requested by the ITA upon the imposition of a number of conditions, which are discussed more fully below.

II. Statutory Authority and party concerns

The ITA's petition relied upon Section 13-513 of the Illinois Public Utilities Act, which provides, in pertinent part, as follows:

220 ILCS 5/13-513 Waiver of Rules

A telecommunications carrier may petition for waiver of the application of a rule issued pursuant to this Act. The burden of proof in establishing the right to a waiver shall be upon the petitioner. The petition shall include a demonstration that the waiver would not harm consumers and would not impede the development or operation of a competitive market. Upon such demonstration, the Commission may waive the application of the rule, but not the application of a provision of this Act. The Commission may conduct an investigation of the petition on its own motion or at the request of a potentially affected

person. If no investigation is conducted, the waiver shall be granted 30 days after the petition is filed.

The ITA's petition asserted that granting a waiver from the itemization requirements in bills submitted by the Companies for flat rated or unlimited inter and/or intraLATA usage services, would neither harm consumers nor impede the development or operation of a competitive market, but would, in fact, enhance those situations by reducing the bulkiness and confusion caused by itemizing \$0.00 rated calls and making the Companies' operations more efficient.

Both the AG and Commission staff expressed some concerns over the possibility of customer confusion and concerns about the absence of information consumers may need to inform their purchasing decisions if detailed billing information were redacted from customer bills. To that end the parties proposed certain conditions that they suggested should be imposed upon any relief granted in this matter. Through negotiations, the parties arrived at five conditions that should be imposed as conditions upon the relief requested by the ITA.

First, the ITA companies should and would maintain detailed individual billing information for each customer, including the telephone numbers called, the time of the calls, and the duration of the calls, for a running period of twelve months so that each customer could, upon request, review its past twelve months usage to determine whether or not unlimited toll and long distance were cost effective services for their usage patterns. Second, the ITA companies should and would supply twelve months detailed usage information free of charge upon the request of

any customer. Third, redacted customer bills would bear a message indicating the availability of the twelve months detailed usage information and would provide a toll free number to request it. Fourth, the ITA companies would include a notice, either printed upon or as a bill insert with the first customer bill utilizing the new billing format stating, in substantially similar language, the following:

- 1) Your toll service is billed without regard to the number of toll calls you make or the duration of those calls.
- 2) To increase our efficiency and reduce customer confusion associated with this type of toll service, we will no longer be sending you itemized billing showing the number and duration of unbilled toll calls made during the billing period.
- 3) You may obtain itemized toll billing records for a period of up to one year prior to your current bill by contacting a customer service representative at _____.
- 4) You may also discuss your current service selection with a customer service representative at the above number to obtain assistance in identifying the most economical toll service option for you based upon your toll usage patterns.

Finally, the ITA companies would commit to training their customer service representatives to address customer inquiries for detailed billing information as well as training them to aid customers in determining whether the service they were taking was economical in light of their past usage patterns.

III. Commission analysis and conclusion

The Commission has reviewed the ITA's Petition, Amended Petition and Motion as well as the Petition to Intervene of the Office of the Attorney General of

the State of Illinois, Staff's Request for Investigation and the Draft Order filed in this docket. The Commission grants the ITA's Motion as well as the Petition to Intervene of the Illinois Attorney General and notes that the filing of the Draft Order moots Staff's request for investigation so takes no action on it. In addition, the Commission finds that the request for relief in the ITA's Petition, in light of the conditions proposed by the AG and Staff and agreed to by the ITA, "would not harm consumers and would not impede the development or operation of a competitive market," which are the statutory hallmarks necessary for approval of a request for waiver under Section 13-513 of the Illinois Public Utilities Act ("220 ILCS 5/13-513 Waiver of Rules"). In addition, the Commission finds that the requirements of 83 Ill. Adm. Code 735.70(b)(1)(G) are not statutorily mandated and thus may be waived pursuant to Section 13-513. Accordingly the request for relief, as conditioned ought to be and hereby is granted.

IV. Findings and Ordering Paragraphs

The Commission, having considered the entire record herein and being fully advised in the premises, is of the opinion and finds that:

- (1) The companies named in the ITA petition, amended petition and subsequent motion are engaged in the business of rendering telecommunications service and are telecommunications carriers as defined in Section 13-202 of the Public Utilities Act;
- (2) the Commission has jurisdiction over the Companies and the subject matter of this proceeding;
- (3) the recitals of fact set forth in the prefatory portion of this order are supported by the evidence of record and are hereby adopted as findings of fact;
- (4) the provisions in 83 Ill. Adm. Code 735.70(b)(1)(G) are not statutorily mandated and may be waived upon the requisite showing, pursuant to Section 13-513 of the Public Utilities Act (220 ILCS 5/13-513);

- (5) granting the waiver requested herein subject to the five conditions described herein will not harm consumers and will not impede the development or operation of a competitive market, as contemplated by 220 ILCS 5/13-513
- (6) the continued application of 83 Ill. Adm. Code 735.70(b)(1)(G) to the Companies would be unreasonable and unnecessarily burdensome in this particular situation;
- (7) the granting of a waiver to allow the Companies to bill customers without itemizing \$0.00 or flat rated calls is reasonable and consistent with the public interest, when conditioned by the following requirements:
 - (1) the ITA companies subject to this petition shall maintain detailed individual billing information for each customer for a running period of twelve months so that each customer can, upon request, review its past twelve months usage to determine whether or not unlimited toll and long distance are cost effective services for their usage patterns;
 - (2) the ITA companies subject to this petition shall supply twelve months detailed usage information free of charge upon the request of any customer;
 - (3) redacted customer bills transmitted by the ITA companies subject to this petition shall bear a message indicating the availability of the twelve months detailed usage information and shall provide a toll free number to request said information;
 - (4) the ITA companies shall issue a notice to customers in the first billing utilizing the new billing format that includes the following information:
 - (a) Your toll service is billed without regard to the number of toll calls you make or the duration of those calls.
 - (b) To increase our efficiency and reduce customer confusion associated with this type of toll service, we will no longer be sending you itemized billing showing the number and duration of unbilled toll calls made during the billing period.

(c) You may obtain itemized toll billing records for a period of up to one year prior to your current bill by contacting a customer service representative at _____.

(d) You may also discuss your current service selection with a customer service representative at the above number to obtain assistance in identifying the most economical toll service option for you based upon your toll usage patterns.

(5) the ITA companies subject to this petition commit to training their customer service representatives to address customer inquiries for detailed billing information as well as training them to aid customers in determining whether the service they are taking is economical in light of their past usage patterns.

IT IS THEREFORE ORDERED that the relief requested by the ITA in its Petition for Waiver is granted and the application of the provisions 83 Ill. Adm. Code 735.70(b)(1)(G) to the Companies is hereby waived, subject to the conditions reiterated in finding 7 above.

IT IS FURTHER ORDERED that the waiver is granted on a permanent basis, to remain in effect until the Commission ceases or suspends authority for the waiver in a docket initiated on its own motion or pursuant to a complaint.

IT IS FURTHER ORDERED that any objections, motions, or petitions not previously disposed of are hereby disposed of consistent with the findings of this Order.

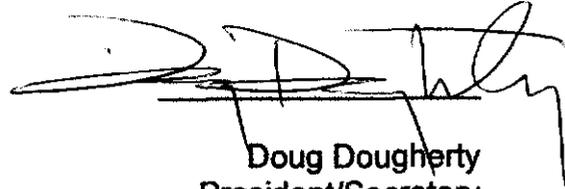
IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this day of , 2008.

Chairman

VERIFICATION

I, Doug Dougherty, being duly sworn on my oath, state that: I am the President and Secretary of The Illinois Telecommunications Association ("ITA"); I have read the foregoing Motion and Proposed Order filed by the ITA in Docket No. 08-0023; that I know the contents therein and; the statements of facts are true, correct and complete to the best of my knowledge, information and belief.



Doug Dougherty
President/Secretary
Illinois Telecommunications Association

Subscribed and sworn to
before me this 08th Day of April, 2008

Linda M. Caupert
My Commission Expires: 04/05/09



STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Telecommunications Association)
Request for Waiver pursuant to) Docket No. 08-0023
220 ILCS 13-513)

NOTICE OF FILING

PLEASE TAKE NOTICE that we have on this 8th day of April, 2008, filed with the Chief Clerk of the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois, the Verified Motion of the Illinois Telecommunications Association and Proposed Order, copies of which are hereby served upon you.

Is/ Donald L. Woods
lme

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the above Notice, together with copies of the documents referred to therein, have been served upon the parties to whom the Notice is directed by first-class mail, proper postage prepaid, from Springfield, Illinois, or by e-mail on the 8th day of April, 2008.

Is/ Donald L. Woods
lme

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