

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: REVISED RULES FOR TELECOMMUNICATIONS PROVIDERS [199 IAC 22]	DOCKET NO. RMU-05-6
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ORDER COMMENCING RULE MAKING

(Issued April 22, 2005)

Pursuant to the authority of Iowa Code § 17A.4 and 476.2 and 2005 Iowa Acts, House File 277, the Utilities Board (Board) proposes to adopt the amendments attached hereto and incorporated herein by reference. These proposed amendments to 199 IAC 22 are intended to implement changes that were made to Iowa Code § 476.1D, subsections 1, 2, and 3 pursuant to the amended statute, 2005 Iowa Acts, House File 277, which becomes effective on July 1, 2005, and to update and clarify the Board's rules relating to the provision of telecommunications service.

The amendment of Iowa Code § 476.1D deregulates rates of all business and residential local exchange services in Iowa with the exception of single line, flat-rated residential and business service rates. Chapter 22 of the Board's administrative rules relates to the rates charged and services supplied by telephone utilities. With the enactment of House File 277, several of the Board's rules that describe or relate to rate-regulated telecommunications carriers are no longer applicable. Therefore, the Board proposes in this rule making to make the necessary revisions to 199 IAC 22 to

appropriately reflect the statutory amendments. For example, the Board proposes to clarify that the only rates to be filed in tariffs required by 199 IAC 22.2(3) are regulated rates pursuant to House File 277 and alternative operator services rates.

In addition, the Board has reviewed Chapter 22 in its entirety and has found some rules that are no longer used, are irrelevant, or are in need of clarification. Therefore, the Board also proposes to make other necessary changes to Chapter 22 in this rule making. Minor clarifications are numerous and will not be separately described. The more significant changes can be described as follows.

In recent years, the Board has routinely granted waivers of 199 IAC 22.3(1), which requires each local exchange carrier (LEC) to publish a directory. The Board proposes to change the language in this rule that will exempt competitive local exchange carriers (CLECs) from this requirement if the CLEC makes all necessary arrangements for its customer information to be included in the directory published by the incumbent LEC. This will make the waivers unnecessary and encourage LECs to consolidate information in a single directory.

Directory assistance is a deregulated service and the Board no longer has jurisdiction over this service. Therefore, the Board proposes to eliminate subrule 199 IAC 22.3(9) that addresses directory assistance.

The Board's current rules regarding customer deposits in 199 IAC 22.4(2) specify deposit amounts for both regulated and unregulated services. The Board proposes to change 199 IAC 22.4(2) to specify the terms and conditions only for deposits for regulated local exchange services.

Board subrule 22.4(6) prohibits the immediate disconnection of telephone service when a medical emergency exists. The Board proposes to change this rule to make it consistent with the medical emergency rule for energy utilities.

Board rule 22.23 relates to unauthorized changes in telephone service. The Board proposes to clarify the current rule in response to recent developments in the telecommunications marketplace.

IT IS THEREFORE ORDERED:

1. A rule making proceeding, identified as Docket No. RMU-05-6, is commenced for purposes of receiving comments upon the proposed rule attached to this order.
2. The Executive Secretary is directed to submit for publication in the Administrative Bulletin, a notice in the form attached to and incorporated by reference in this order.

UTILITIES BOARD

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 22nd day of April, 2005.

UTILITIES DIVISION [199]

Notice of Intended Action

Pursuant to Iowa Code sections 17A.4 and 476.2 and 2005 Iowa Acts, House File 277, the Utilities Board gives notice that on April 22, 2005, the Board issued an order in Docket No. RMU-05-6, In re: Revised Rules for Telecommunications Providers [199 IAC 22], "Order Commencing Rule Making," to receive public comment on new proposed rules that implement changes to Iowa Code § 476.1D, subsections 1, 2, and 3 pursuant to the amended statute, 2005 Iowa Acts, House File 277, which becomes effective on July 1, 2005, and to update and clarify the Board's rules relating to the provision of telecommunications service.

With the enactment of the amended statute, several of the Board's rules that describe or relate to rate-regulated telecommunications carriers are no longer applicable. Therefore, the Board proposes in this rule making to make the necessary corrections to 199 IAC 22 to appropriately reflect the statutory amendments.

In addition, the Board has reviewed Chapter 22 in its entirety and has found some rules that are no longer used, are irrelevant, or are in need of clarification. Therefore, the Board also proposes to make other appropriate changes to Chapter 22 in this rule making.

The order commencing rule making contains a more thorough discussion of the reasons for the proposed rule making. The order is available on the Board's web site at www.state.ia.us/iub.

Pursuant to Iowa Code sections 17A.4(1)"a" and "b," any interested person may file a written statement of position pertaining to a proposed rule. The statement must be filed on or before June 6, 2005, by filing an original and ten copies in a form substantially complying with 199 IAC 2.2(2). All written statements should clearly state the author's name and address and should make specific reference to this docket. All communications should be directed to the Executive Secretary, Iowa Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

A public hearing to receive comments on the proposed rules will be held at 9 a.m. on Friday, June 24, 2005, in the Board's hearing room at the address listed above. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Board at (515)281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

The proposed amendments are intended to implement Iowa Code chapter 476.1D subsections 1, 2, and 3 pursuant to 2005 Iowa Acts, House File 277, and to update and clarify the Board's rules relating to the provision of telecommunications service.

The following amendments are proposed:

ITEM 1. Amend rule 22.1 to read as follows:

199—22.1(1) Application and purpose of rules. The rules shall apply to any telephone utility operating within the state of Iowa subject to Iowa Code chapter 476, and shall supersede all conflicting rules of any telephone utility which were in force and effect prior to the adoption of their superseding rules. Unless otherwise indicated “telephone utility” or “utility” shall mean both local exchange utility and ~~interexchange utility~~ alternative operator services company. These rules shall be construed in a manner consistent with their intent:

a. To allow fair competition in the public interest while assuring the availability of safe and adequate communications service to the public.

b. To provide uniform, reasonable standards for communications service provided by telephone utilities.

c. To assure that the regulated rates of local exchange utilities and the charges of ~~rate-regulated telephone utilities~~ alternative operator services companies for communications service, and regulated services rendered in connection therewith, will be reasonable and just.

d. To assure that no telephone utility shall unreasonably discriminate among different customers or service categories, ~~or on the basis of source or ownership of terminal equipment or existing or new inside station wiring.~~

ITEM 2. Amend subrule 22.1(3) as follows:

199—22.1(3) Definitions.

Amend the following definitions:

"Demarcation point" means the point of connection provided and maintained by the telephone utility to which ~~existing or new~~ inside station wiring becomes

dedicated to an individual building or facility. For an individual dwelling, this point of connection will generally be immediately adjacent to, or within 12 inches of, the protector or the dwelling side of the protector. The drop and block, including the protector, will continue to be provided by and remain the property of the telephone utility. In the instance where a physical protector does not exist at the point of cable entrance into the building or facility, the demarcation point is defined as the entrance point of the cable into the building or facility.

"Local exchange utility" means a telephone utility that provides local exchange service under tariff filed with the board. The utility may also provide other services and facilities such as access service.

"Local exchange service" means telephone service furnished between customers or users located within an exchange area.

"Rates" shall mean ~~recurring~~ amounts billed to customers for ~~regulated~~ local exchange services and ~~equipment~~ alternative operator services.

"Tariff" means the entire body of regulated rates, alternative operator services ~~rates, tolls, rentals, charges,~~ classifications, rules, procedures, policies, etc., adopted and filed with the board by a telephone utility in fulfilling its role of furnishing communications services.

"Toll rate" means the ~~tariff~~ charge prescribed for toll messages, usually based upon the duration of the message, the distance between the exchanges, the day and time of the message and the degree of operator assistance.

Adopt the following new definition:

"Regulated rates" means single line flat-rated residential and business service rates billed to customers pursuant to Iowa Code section 476.1D(1)"c."

Rescind the definitions for the following terms: "Charges"; "Existing inside station wiring"; "Flat rate service"; "Grade of service"; "Multiparty service"; "New inside station wiring"; "Official company station equipment"; "Other supplier"; "Toll station"; "Toll station service"; and "Transition date."

ITEM 3. Amend subrule 22.1(4) as follows:

199—22.1(4) Abbreviations

Rescind the following abbreviations:

~~AMA—Automatic Message Accounting~~

~~ANC—All Number Calling~~

~~ANI—Automatic Number Identification~~

~~CAMA—Centralized Automatic Message Accounting~~

~~CATV—Community Antenna Television~~

~~CB—Common Battery~~

~~CDO—Community Dial Office~~

~~COE—Central Office Equipment~~

~~DDD—Direct Distance Dialing~~

~~D-TPL—Dial Terminal Per Line~~

~~D-TPS—Dial Terminal Per Station~~

~~IMTS—Improved Mobile Telephone Service~~

~~INWATS—Inward Wide Area Telephone Service~~

~~MG—Magnet~~

~~MMM—Message Minute Miles~~

~~NFPA—National Fire Protection Association~~

~~PABX—Private Automatic Branch Exchange~~

~~SLU—Subscriber Line Usage~~

~~TSP—Traffic Service Position~~

~~TSPS—Traffic Service Position System~~

~~TWX—Teletypewriter Exchange Service~~

~~WATS—Outward Wide Area Telephone Service~~

ITEM 4. Amend subrule 22.1(6) as follows:

199—22.1(6) Interutility services. Reserved. ~~If a telephone utility chooses to provide regulated services to its endusers through another rate-regulated telephone utility, rather than providing the services itself, the rates, terms, and conditions of the interutility agreement to provide the regulated service shall be prescribed in board-approved tariffs. Examples of such services include, but are not limited to, directory assistance, operator services, and equal access.~~

ITEM 5. Amend subrule 22.2(3) as follows:

199—22.2(3) Tariffs to be filed with the board. The utility shall file its tariff with the board, and shall maintain such tariff filing in a current status. A copy of the same tariff shall also be on file in all business offices of the telephone utility and shall be available for inspection by the public.

The schedules of ~~rates of rate-regulated~~ rates and alternative operator services rates ~~utilities and rules of all utilities~~ shall be filed with the board and shall be classified, designated, arranged and submitted so as to conform to the

requirements of current tariff or rate schedule circulars and special instructions which have been or may from time to time be issued by the board. Provisions of the schedules shall be definite and so stated as to minimize ambiguity or the possibility of misinterpretation. The form, identification and content of tariffs shall be in accordance with these rules unless otherwise provided in rule 22.14(476).

Utilities which are not subject to the rate regulation provided for by Iowa Code chapter 476, shall not be required to file schedules of rates, or contracts primarily concerned with a rate schedule, with the board but Nothing contained in these rules shall be deemed to relieve any utility of the requirement of furnishing any of these same schedules or contracts which are needed by the board in the performance of the board's duties upon request to do so by the board. All telephone utilities shall make the schedules of their rates readily available to their customers on their Web site, if they have one, or by mail, upon request.

ITEM 6. Amend subrule 22.2(5) as follows:

199—22.2(5) Content of tariffs.

a. A table of contents containing a list of regulated exchange rates or alternative operator services rates schedules and other sections in the order in which they appear showing the sheet number of the first page of each rate schedule or other section. In the event the utility filing the tariff elects to segregate a section such as general rules from the section containing ~~the rates, schedules~~ regulated rates, alternative operator services rates, or other sections,

it may at its option prepare a separate table of contents or index for each such segregated section.

b. All regulated rates and alternative operator services rates shall be included in tariffs. ~~of rate regulated utilities for service defining the classes and grades of service that are available to the customers and to which each rate applies as well as the rate to be charged to the customer for directory assistance calls in excess of the limit established by the board under which no charge shall be assessed. With these rate schedules, Local exchange utilities shall file a map which shall clearly define the base rate boundary and any rural or special zones that are set forth in the tariff. The boundary line location on such maps shall be delineated from fixed reference points.~~

f. The list of exchange areas served. ~~and the standard rates associated therewith, where rate control is authorized by law, shall be filed in such form as to facilitate ready determination of the rates available. If the utility has mileage extension charges, the areas where mileage rates apply shall be indicated.~~

m. Rules covering temporary, ~~emergency, auxiliary and standby service.~~

t. A copy of each standard type of customer bill form in current use. ~~Prior to implementation, the location of all information relating to network design, technical standards, interface specifications or changes to the telecommunications network, which would affect either intercarrier interconnection or the manner in which terminal equipment and existing or new inside station wiring is attached to the network.~~

~~u. Separate rates or charges for transmission services and ancillary services and equipment.~~

~~v. Separate rates or charges for basic local service, including the company's rate, which shall not exceed the rate applicable to local service, and provisions for alerting all existing and new residential customers of the basic local service option and informing them that this choice may be reversed once within 60 days after the initial election without a service fee, and that there is no service charge for the initial election of this service by a customer.~~

Item 7. Amend subrule 22.2(6) as follows:

199—22.2(6) Annual, periodic and other reports to be filed with the board.

~~a. Exchange area boundary maps. The utility shall file annually a verification that it has a currently correct set of exchange area boundary maps on file with the board in accordance with 22.20(3).~~

~~b. The utility shall file annually a report of all important additions to the telephone plant by exchange or location, the construction or acquisition of which was completed by the utility during the preceding year and that which is planned for the current year. For the purpose of this rule an important addition to plant shall mean a single project involving the expenditure of more than \$50,000 or an amount equivalent to more than 25 percent of the total telephone plant in service, whichever is less.~~

~~ε a. Each local exchange utility shall compile a monthly record, by exchange central office, and of outside trouble reports and held orders. Each call or written statement received shall be considered a separate report, even though it may~~

duplicate a previous report or merely involve an inquiry concerning progress on a previous report. This information shall be supplied on forms approved by the board. The records shall be compiled not later than 30 days after the end of the month covered and shall, upon and after compilation, be kept available for inspection by the board or its staff. ~~A summary of the 12 monthly records shall be attached to and submitted with the utility's annual report to the board.~~

~~d. The utility shall keep the board informed currently by written notice as to the location at which the utility keeps the various classes of records required by these rules.~~

~~e. A copy of each standard type of customer bill form in current use shall be filed with the board.~~

f. b. The name, title, address and telephone number of the person who is authorized to receive, act upon and respond to communications from the board in connection with the following:

- (1) General management duties.
- (2) Customer relations (complaints).
- (3) Engineering operations.
- (4) Emergencies during non-office hours.

~~g.c.~~ A copy of a new directory being distributed to customers.

~~h. A copy of any application for waiver, modification or clarification (however denominated) the utility files with the Federal Communications Commission with respect to its decision in Docket No. 20828.~~

~~i. Any index of list which comprehensively catalogs or cross-references tariffed offerings for internal management or sales purposes. This rule is intended to implement Iowa Code section 476.2.~~

ITEM 8. Amend subrule 22.3(1) as follows:

199—22.3(1) Directories. All directories published after the effective date of these rules shall conform to the following:

a. Telephone directories shall be published not less than annually except for good cause shown, listing the name, address and telephone number of all customers unless otherwise requested by the customer. A local exchange carrier serving an exchange may choose not to publish a telephone directory if it makes arrangements for publication in a directory that is commonly available in the local exchange in question.

b. Upon issuance, a copy of each directory shall be distributed without charge to all customers locally served by that directory and at a nominal charge for other persons.

c. The year of issue or effective dates shall appear on the front cover and, if space permits, on the ~~back~~ binding. Information pertaining to emergency calls, such as for the police and fire departments, for each exchange listed in the directory shall appear conspicuously on the front side of the first page of the directory. The directory shall also show a summary of the names of listed exchanges. ~~with the name of each serving telephone utility next to the exchanges it serves.~~

d. The directory shall contain such instructions concerning placing local and long distance calls, calls to repair and information services, and location of telephone company business offices as may be appropriate to the area served by the directory. A statement shall be included that the company will verify the condition of a line if requested by a customer and whether any charge will apply. Rates for basic transmission service for residential and business customers available from the utility shall also be included.

e. Directory assistance or intercept operators shall maintain records of all telephone numbers (except telephone numbers not listed or published at customer request) in the area for which they are responsible for furnishing information service.

f. In the event of an error or omission, in the name or number listing of a customer, that customer's correct name and telephone number shall be furnished to the calling party either upon request to or interception by the telephone company.

~~g. Placed under the prominent heading "Customers' Rights To Own And Provide Their Own Telephones, Other Terminal Equipment And New Inside Station Wiring," each directory shall provide the following information:~~

~~(1) A customer has the right to provide and own terminal equipment and new inside station wiring.~~

~~(2) A customer is not required to buy or lease terminal equipment from the telephone utility in order to receive service.~~

~~(3) A customer is not required to use the services of the telephone utility for the installation or repair of new inside station wiring, telephone utility cable within or between two or more buildings on the same premises, or terminal equipment. Upon request, the telephone utility will provide limited technical information for the services and facilities listed above.~~

~~(4) The charges for transmission services, connections, disconnections or service checks shall not be preferential due to the fact that telephones, or other terminal equipment or new inside station wiring are provided by the telephone utility or other suppliers.~~

~~(5) A definition of terminal equipment.~~

~~h. g.~~ When additions or changes in plant, records or operations which will necessitate a large group of number changes are scheduled, reasonable notice shall be given to all customers so affected even though the additions or changes may be coincident with a directory issue.

~~i. h.~~ For any exchange in which an extended area call can terminate, the terminating exchange telephone utility shall provide all recently compiled directory listings, except listings for nonpublished or nonlisted customers, to the utility from which the extended area call originates. The telephone utility shall provide the directory listing without charge, within 30 days of receipt of a written request for those listings.

~~j. i.~~ In addition to the serving exchange directory listing required under 22.3(1) "a," upon the customer's request, an Iowa customer served by an out-of-state exchange shall be included in the directory list of one contiguous Iowa

exchange of the customer's choice. Any charge for such Iowa listing shall be paid by the serving exchange.

ITEM 9. Amend subrule 22.3(2) as follows:

199—22.3(2) Reserved Grade of Service

~~a. No utility shall connect more customers on any line than are contemplated under the grade of service charged the customer on such line.~~

~~b. All residential subscriber telephone service shall be a grade of one or two party service. Not more than two residential parties shall be connected to any line. Upon completion in the meeting of this requirement, a report to that effect shall be filed with the board.~~

~~c. All business subscriber telephone service shall be a grade of one or two party service. Not more than two business parties shall be connected to any line outside the base rate area, and not more than one business party shall be connected to any line within the base rate area. It shall also be the objective of telephone companies to ultimately provide one party service to all business customers.~~

ITEM 10. Amend subrule 22.3(3) as follows:

199—22.3(3) Reserved. Class of Service. ~~No utility shall serve business and residential subscribers on the same subscriber line. The one exception to this rule is where the owner or employee of a business subscribes to bridged or combination service to his own residential service in accordance with the utility's filed tariff.~~

ITEM 11. Amend subrule 22.3(4) as follows:

~~199—22.3(4) **Reserved. Compliance.** All telephone utilities shall comply with board subrules 22.3(2) and 22.3(3) by January 1, 1992, except that, when investment is necessary to comply with the grade and class of service requirements of subrules 22.3(2) and 22.3(3), no utility shall be required to add more than 10 percent of its net plant in service per year nor shall any utility be permitted to add less than 5 percent of its net plant in service per year.~~

ITEM 12. Amend subrule 22.3(8) as follows:

~~199—22.3(8) **Reserved. Traffic Rules.**~~

~~a. Suitable practices shall be adopted by each telephone utility concerning the operating methods to be employed by operators with the objective of providing efficient and pleasing service to the customers.~~

~~b. Telephone operators shall be instructed to be courteous, considerate and efficient in the handling of all calls, and to comply with the provisions of the Communications Act of 1934 in maintaining the secrecy of communications.~~

~~c. All operator handled calls shall be carefully supervised and disconnects made promptly.~~

~~d. When an operator is notified by a customer that he has reached a wrong number on a direct dialed call, the customer shall be given credit on his bill when the claim has been substantiated.~~

ITEM 13. Amend subrule 22.3(9) as follows:

~~199—22.3(9) **Reserved. Directory assistance.** A telephone utility may charge a customer of a telephone exchange or service for directory assistance calls.~~

~~This charge must be included in the telephone utility's tariff and approved by the board subject to the following limitations:~~

~~a. An application for new or changed rates, charges, schedules, or regulations filed on or after July 1, 1984, shall include in its schedule of directory assistance charges a provision that residential customers be provided a record of the date and time of each directory assistance call made from their residence.~~

~~b. A customer shall not be charged for the first seven directory assistance calls from a customer's station each month for the first 12 months that the tariff is in effect. After the first 12 months of directory assistance charges, the number of directory assistance calls from the customer's station for which no charge shall be assessed shall be reduced to two per month.~~

~~c. There shall be no charge for telephone directory assistance calls originating from hotels and motels, or hospitals.~~

~~d. Any customer who is visually, physically or mentally handicapped in a way that makes the customer unable to use a telephone directory shall be exempt from charges for directory assistance at both the customer's residence and place of employment. Each telephone utility shall, in its tariff filing, outline its method for certifying those persons eligible for the exemption.~~

~~e. Telephone directories shall be made available without charge to customers of a telephone utility and at a nominal charge for non-customers.~~

ITEM 14. Amend subrule 22.3(13) as follows:

22.3(13) Reserved. Basic local service. Telephone utilities shall make available, at such time as the board may implement rules concerning end user

~~toll network access charges, basic local service to all residential customers in exchanges technically capable of blocking access to the toll network on a reasonably economical basis. Telephone utilities shall not assess any access charge to the long-distance network for the provision of basic local service.~~

ITEM 15. Amend subrule 22.4(1) as follows:

199—22.4(1) Customer information.

a. Each utility shall:

(1) Maintain up-to-date maps, plans, or records of its entire exchange systems, together with such other information as may be needed to enable the utility to advise prospective customers, and others entitled to the information, as to the facilities available for serving prospective customers in its service territory. Maps shall show the physical location of central offices, all telephone lines showing size of cable, and other facilities in the utility's service territories. The maps shall include, at a minimum, service locations, any zones or corporate limits, ~~which affect tariffed rates~~, roads, and county boundaries, and shall show county names. These maps shall be available for board examination at a location within Iowa during regular office hours and will be provided to the board upon request. These are not the same maps as the boundary maps described in subrule 22.20(3).

(2) Whenever a residential customer or prospective residential customer requests transmission service, the local exchange utility shall ask the residential customer or prospective residential customer if the customer desires to be informed of the lowest priced service alternatives available and upon an

affirmative response shall inform that customer of the lowest priced single and multiparty service alternative available at the relevant location.

~~(3) Prior to processing a request for new inside station wiring or new or additional terminal equipment, inform the requesting party of all of the following information: the customer's right to provide and own terminal equipment and new inside station wiring, the availability of information on new inside station wiring and the rate for transmission service and all other rates or charges that will be incurred after processing the request, both initially and on a continuing basis. The telephone utility shall also inform the party that the rate for transmission service is the same whether or not terminal equipment is provided by the customer~~

(3 4) Notify customers affected by a change in regulated rates or schedule classification.

(4 5) Post notices in a conspicuous place in each office of the utility where applications for service are received, informing the public that copies of the rate schedules and rules relating to the service of the utility are available for inspection. ~~And that customers have the right to own their own terminal equipment and that this will not affect the rate for transmission service.~~ If the utility provides access to its rates schedules and rules on its Web site, the notices should include the Web site address.

(5 6) Furnish such additional information as the customer may reasonably request.

b. Inquiries for information or complaints to a utility shall be resolved promptly and courteously. Employees who receive customer telephone calls and office visits shall be qualified and trained in screening and resolving complaints, to avoid a preliminary recitation of the entire complaint to employees without ability and authority to act. The employee shall provide identification to the customer which will enable the customer to reach that employee again if needed.

All local exchange ~~telephone utilities and other telephone utilities that do their own billing,~~ shall notify their customers, by bill insert or notice on the bill form, of the address and telephone number where a utility representative qualified to assist in resolving the complaint can be reached. The bill insert or notice shall also include the following statement: "If (utility name) does not resolve your complaint, the service may be subject to state regulation. ~~you~~You may request assistance from the Iowa Utilities Division Board, 350 Maple Street, Des Moines, Iowa 50319-0069, (515)281-3839 or toll-free (877)565-4450 or e-mail iubcustomer@iub.state.ia.us."

~~The bill insert or notice for nonrate regulated telephone utilities shall also include the following statement: "If (utility name) does not resolve your complaint, the service may be subject to state regulation. You may contact the Utilities Division, Department of Commerce, 350 Maple Street, Des Moines, Iowa 50319, (515)281-3839 or toll free (877)565-4450.~~

The bill insert or notice on the bill will be provided no less than annually. Any utility which does not use the standard form contained herein shall file its proposed form in its tariff for approval. A telephone utility which provides local

exchange service and issues an annual directory shall publish the information set forth above in its directory in addition to a mailing.

ITEM 16. Amend subrule 22.4(2), paragraphs "a," "b," "h," and "i" as follows

199—22.4(2) Customer deposits. Each utility may require from any customer or prospective customer a deposit intended to guarantee payment of bills for service. ~~No deposit shall be required as a condition for service other than determined by application of either credit rating or deposit calculation criteria, or both, of the filed tariff.~~ The deposit required shall be confirmed in writing to the customer not later than the time of the next billing. The confirmation shall, in separate columns, itemize deposits for ~~toll and regulated~~ local exchange services and identify deposits for other unregulated services. The confirmation shall state that no deposit other than for ~~regulated~~ local exchange service is required to obtain ~~basic~~ local exchange service. The confirmation must also reflect the limits as to low-income customers in 199—subparagraph 39.3(2)"b"(4). ~~Toll service does not include information service not regulated by the board.~~

a. ~~Such deposits~~ Deposits for local exchange service shall not be more in amount than the maximum charge for two months local exchange service ~~plus two months regulated toll service estimated from either past toll usage or customer estimated anticipated usage or exchange average toll usage for the same class and grade of service,~~ or as may reasonably be required by the utility in cases involving service for short periods of time or special occasions. The deposit amounts must also reflect the limits as to low-income customers in 199-subparagraph 39.3(2)"b"(4).

b. Interest on customer deposits. Interest shall be paid ~~by the rate-regulated utility to each customer required to make a~~ on deposits associated with regulated rates. ~~On or after April 21, 1994, rate-regulated utilities~~ Utilities shall compute interest on ~~customer~~ such deposits at 7.5 percent per annum, compounded annually. ~~Interest for prior periods shall be computed at the rate specified by the rule in effect for the period in question.~~ Interest shall be paid for the period beginning with the date of deposit to the date of refund or to the date that the deposit is applied to the customer's account, or to the date the customer's bill becomes permanently delinquent. The date of refund is that date on which the refund or the notice of deposit refund is forwarded to the customer's last-known address. The date a customer's bill becomes permanently delinquent, relative to an account treated as an uncollectible account, is the most recent date the account became delinquent.

h. A new or additional deposit for local exchange service may be required to cover the amount provided in "a" above when a deposit has been refunded or ~~is found to be inadequate by virtue of increased toll or nonpayment~~ the customer's payment history demonstrates a deposit is or continues to be appropriate.

Written notice shall be mailed advising the customer of any new or additional deposit requirement. The customer shall have no less than 12 days from the date of mailing to comply. The new or additional deposit shall be payable at any of the utility's business offices or local authorized agents. An appropriate receipt shall be provided. ~~No written notice is required to be given of a deposit required as a prerequisite for commencing initial service.~~

~~If toll usage is abnormal, the tariff may provide for a new deposit or an increase in the deposit to guarantee payment of bill.~~

~~For customers with at least six consecutive months of service, abnormal usage of toll service is at least a 25 percent increase in monthly toll charges which amounts to at least \$20. To determine the increase, comparison shall be to the customer's average monthly toll during not less than the prior three months.~~

~~For customers with less than six consecutive months of service, abnormal usage of toll service is when one month's toll charges exceeds the deposit attributable to toll by at least 25 percent and this excess amounts to at least \$20.~~

~~In no instance will the utility demand a new or additional deposit in anticipation of increased toll usage.~~

i. A customer who fails to comply with the pay an initial deposit or a new or additional deposit requirements for local exchange service may be disconnected under the provisions of the written notice and 22.4(5).

ITEM 17. Amend subparagraph 22.4(3)"c"(4) as follows:

199—22.4(3)"c"(4). Each disconnection notice shall state that access to regulated local exchange service shall not be denied for failure to pay for information service charges, or for deregulated services ~~toll charges~~.

ITEM 18. Amend paragraph 22.4(3)"d" as follows:

199—22.4(3)"d." Late payment charges ~~by rate regulated utilities~~ for services associated with regulated rates. Where net and gross amounts are billed customers, difference between net and gross is a late payment charge and is

valid only when part of a delinquent bill payment. A late payment charge shall not exceed 1.5 percent per month of the past-due amount. No collection fee may be levied in addition to this late payment charge. This does not prohibit cost-justified charges for disconnection and reconnection of service.

ITEM 19. Amend paragraph 22.4(3)"i" as follows:

199—22.4(3)"i" Overcharges. The time period for which the utility is required to refund or credit the customer's bill shall not exceed five years unless otherwise ordered by the board. Refunds of \$25 or more shall be in the form of checks to current customers. Checks are to be issued to former customers where the refund exceeds \$10. Refunds to current customers less than \$25 may be in the form of a bill credit. Refunds for ~~regulated~~ local exchange services may not be applied to unpaid amounts for unregulated services.

ITEM 20. Amend subrule 22.4(6) as follows:

199—22.4(6) Medical emergency. ~~Notwithstanding any other provision of these rules, a telephone utility shall postpone the disconnection of service to a residential customer for a reasonable time, not in excess of 30 days, if the customer produces verification from a physician, or a public health or social services official, which states that telephone service is essential due to an existing medical emergency of the customer, a member of the customer's family or any permanent resident of the premises where service is rendered. This written verification shall identify the medical emergency and specify the circumstances. Initial verification may be by telephone if written verification is forwarded to the utility within five days.~~ Disconnection of a residential customer

shall be postponed 30 days, if an existing medical emergency of the customer, a member of the customer's family, or any permanent resident of the premises where service is rendered would present an especial danger to the health of any permanent resident of the premises. Indicators of an especial danger to health include, but are not limited to: age; infirmity; mental incapacitation; serious illness; physical disability, including blindness and limited mobility, and any other factual circumstance which may indicate a severe or hazardous health situation. The telephone utility may require written verification of the especial danger to health by a physician or a public health official, including the name of the person endangered, and a statement that the person is a resident of the premises in question. Initial verification may be by telephone, within five days but the telephone utility may require a written verification within five days of the special health danger by the physician or a public health official, including the name of the person endangered and a statement that the person is a resident of the premises in question. If the service has been disconnected within 14 days prior to verification of illness for a qualifying resident, service shall be restored to that residence if a proper verification is thereafter made in accordance with the foregoing provisions. If the customer does not make payment during the 30-day period, the service is then subject to disconnection pursuant to subrule 22.4(5).

ITEM 21. Amend paragraphs 22.4(7)"b" and "i" as follows:

199—22.4(7) Insufficient reasons for refusal, suspension or discontinuance of service.

b. Failure to pay for terminal equipment, ~~new~~ inside station wiring or other merchandise purchased from the utility.

- i. Failure to pay for deregulated toll charges services.

ITEM 22. Amend subrule 22.5(13) as follows:

199—22.5(13) Terminating access blocking.

- a. No ~~rate-regulated or non-rate-regulated~~ local exchange utility or interexchange utility shall block terminating access to an individual number of a current residential or business subscriber, except as allowed in subrule 22.5(13).

This subrule shall apply only to Iowa intrastate telephone service.

ITEM 23. Add paragraph 22.6(1)"c" as follows:

199—22.6(1) Service connection.

- c. Ninety-nine percent of all customers provided service within 30 business days of the request or the customer-requested date, whichever is later.

Compliance will be measured based on a three-month rolling average.

ITEM 24. Amend paragraphs 22.6(2)"a," "c," and "d" as follows:

199—22.6(2) Held orders.

- a. During such period of time as a local exchange utility using its facilities to provide service may not be able to supply primary telephone service to prospective customers within five business days after the date applicant desires service, the telephone utility shall keep a record, by exchanges, showing the name and address of each applicant for service, the date of application, the date that service was requested, the class ~~and grade~~ of service applied for, together with the reason for the inability to provide new service to the applicant.

- c. When the local exchange utility using its facilities to provide service fails to provide primary local exchange service to any customer requesting service within

15 business days, it shall provide the customer with an alternative form of service until primary local exchange service can be provided. The alternative form of service provided shall be ~~that alternative that most closely equates to the capabilities of primary local exchange service~~ wireless telephone service unless the customer agrees otherwise.

d. If an alternative form of primary service is provided, the local exchange utility is authorized to charge the customer the regular tariff rates (if applicable) for the alternative primary service ordered, if such tariff rates are less than the ~~tariff~~ regulated rate for primary local exchange service. Otherwise, the customer will be charged the ~~tariff~~ regulated rate for primary local exchange service.

Where an alternative form of service is impossible to provide, the facilities-based local exchange utility shall waive all usual installation charges and, once primary local exchange service is provided, shall credit the customer's account in an amount equal to the pro-rata monthly primary local exchange charge for each day service was not provided.

ITEM 25. Amend rule 22.10 as follows:

199—22.10(476) Treatment of terminal equipment and inside station wiring.

~~**Standards of competition.** In areas of telephone service where customer provision of terminal equipment or new inside station wiring is permissible or required, a telephone utility's practices and actions shall be fair.~~

~~(1) In order to promote fair treatment of customers, the telephone utility shall observe the following practices:~~

~~A telephone utility shall inform, in writing, all employees who may handle customer complaints, requests for information and communication services or equipment items which may be provided by customers, of the provisions of 22.3(5), 22.3(12), 22.4(1)"a"(2), 22.9(476), and 22.11(476).~~

~~b. Telephone utility personnel shall provide applicable rates and charges or any other information contained in the utility tariff to answer inquiries as to the absence or presence of telephone utility equipment or services at a specified location, and to provide specifications which will permit customer provided terminal equipment and new inside station wiring to gain access to the telephone network.~~

~~**22.10(1)c.** Upon the individual customer's request, each telephone utility shall perform a service check up to the demarcation point, without charge to the customer, and all costs for the service check up to the demarcation point will be assigned to the regulated services of the utility. However, as an exception, if the customer requests that the utility locate or repair any difficulty on the customer's side of the demarcation point, all costs and charges, if any, associated with the service on both the customer's side and the utility's side of the demarcation point will be assigned to the deregulated services of the utility.~~

ITEM 26. Amend rule 22.11(476) as follows:

199—22.11(476) Existing and new inside Inside station wiring standards.

~~1. Treatment of existing and new inside station wiring.~~

~~a. On and after the transition date, all telephone utilities shall, if new inside station wiring is offered, provide, sell or lease the new inside station wiring as~~

~~nonutility functions. The repair and maintenance of existing and new inside station wiring shall be nonutility functions on and after the transition date. No telephone utility shall on and after the transition date be required to provide, sell, lease, install, maintain or repair new inside station wiring or maintain or repair existing inside station wiring. The costs and revenues associated therewith shall not be included in a telephone utility's revenue requirement for ratemaking purposes.~~

~~b. Each telephone utility shall be responsible for making all connections at the protector or providing a facility to permit connection with new inside station wiring at the demarcation point. Nothing contained in these rules shall require or necessitate changes or modifications to telephone utility connections with existing inside station wiring.~~

~~c. Each telephone utility shall maintain its accounting records to separately account for those costs and revenues associated with utility functions and those costs and revenues associated with non-utility functions. Identifiable costs and associated overheads will be directly assigned; common and joint costs will be allocated on a consistent basis between utility and nonutility functions. Each telephone utility shall have the burden of proof to establish that directly assigned and allocated costs are recorded in the appropriate accounts.~~

~~d. Each telephone utility shall within 120 days after the effective date of these rules file a revised tariff which provides the utility will not be responsible for providing, repairing and maintaining new inside station wiring and repairing and maintaining existing inside station wiring.~~

~~2. Suppliers. New inside station wiring may be secured from a telephone utility if new inside station wiring is offered, or from any other supplier. Repair or maintenance for existing or new inside station wiring may be secured from a telephone utility, if repair or maintenance is offered, or from any other supplier.~~

~~3. Amortization of existing inside station wiring. Complete expensing of subaccounts 233:1 and 233:2 shall be accomplished through use of an amortization period commencing from the effective date of these rules. The amortization period shall be the depreciation period established in the last rate proceeding completed prior to January 1, 1982, for each telephone utility, or ten years, whichever is less. Existing inside station wiring, upon expiration of the amortization period for the respective subaccounts, shall be excluded from the utility's regulated books of account. No telephone utility shall be permitted to sell existing inside station wiring during the amortization period for the respective subaccounts, or at any time thereafter. No telephone utility shall be permitted to lease existing inside station wiring after the expiration of the amortization period.~~

~~4. Amortization of existing telephone utility cable within or between two or more buildings on the same premises. That portion of existing outside plant which represents the undepreciated investment of the utility in telephone utility cable within or between two or more buildings on the same premises shall be amortized over the remaining life of the amortization period established by subrule 22.11(3), commencing from the effective date of these rules. Each telephone utility shall transfer the dollar amount which is to be amortized from the outside plant account 242.1 to the inside station wiring account 233 on the~~

~~utility's transition date. Existing users of telephone utility cable within or between two or more buildings on the same premises on the transition date shall not be denied use in the future equal to their use on the transition date, unless that user requests a decrease in service after the transition date. Existing telephone utility cable within or between buildings on the same premises, upon expiration of the amortization period for the respective subaccounts, shall be excluded from the utility's regulated books of account.~~

5 1. Construction by user limitation. A user shall not be allowed to construct inside station wiring from a demarcation point or between two or more buildings on the same premises to obtain service from an exchange other than that by which they would normally be served, excluding users being provided adjacent exchange service or foreign exchange service as provided in a company's tariff. Existing inside wiring obtaining local exchange service within another exchange boundary shall be disconnected by the user within ten days after receipt of written notification from the local exchange company.

6 2. Standards applicable to ~~existing and new~~ inside station wiring. The following technical standards must be complied with:

a. Intrasystem wiring in customer-provided PBX and key telephone systems shall be in compliance with applicable registration standards promulgated by the federal communications commission.

b. For use with telephone transmission service where only nonbutton or single button telephone stations and associated ancillary devices are utilized, ~~new~~ inside station wiring shall be in compliance with 47 CFR Part 68.

c. All ~~existing and new~~ inside station wiring must comply with applicable national, state or local building and electrical codes, including, National Electrical Code, as defined in IAC [199] 25.2(5) ~~NFPA No. 70-1978 (Article 800, Communications Circuits)~~; and accepted good engineering practice in the communication industry to ensure, as far as reasonably possible, continuity of service, uniformity in the quality of service furnished, and safety of persons and property.

d. ~~Telephone utility shall generally endeavor to answer any questions concerning the installation, repair, and maintenance of new inside station wiring and the repair and maintenance of existing inside station wiring. Upon request, telephone utilities shall distribute to their customers or other interested parties, explanatory printed materials on new inside station wiring, including an explanation of how compliance with the above standards can be accomplished.~~

ITEM 27. Amend subrule 22.12(1) as follows:

199—22.12(1) Construction of rule. This rule shall be construed in a manner consistent with its purpose to expedite informed consideration of tariff filings proposing rates by assuring the availability of relevant information on a standardized basis. Unless a waiver is granted prior to filing, this rule shall apply to all tariff filings by rate-regulated telephone utilities proposing rates, except the following:

a. ~~Tariff filings of interexchange carriers not providing basic local service proposing new or changed intraLATA rates certified by an officer or employee with personal knowledge to be the same as the rates charged for the same~~

~~deregulated services in the competitive interLATA market. These intraLATA tariff filings shall not be subject to the 20-day objection or request for docketing period in subrule 7.4(4) and shall be approved and made effective, subject to investigation or complaint, on an expedited basis by the board upon filing.~~

b a. Tariff filings of AOS utilities that propose rates at or below the corresponding rates for similar services of utilities whose rates have been approved by the board in a rate case or set in a market determined by the board to be competitive.

ITEM 28. Rescind paragraphs 22.13(1)"a" and "b" as follows:

199—22.13(1) Construction of rule.

a. ~~Tariff filings of interexchange carriers not providing basic local service proposing new or changed intraLATA rates certified by an officer or employee with personal knowledge to be the same as the rates charged for the same deregulated services in the competitive interLATA market. These intraLATA tariff filings shall not be subject to the 20-day objection or request for docketing period in subrule 7.4(4) and shall be approved and made effective, subject to investigation or complaint, on an expedited basis by the board upon filing.~~

b. ~~Tariff filings of AOS utilities that propose rates at or below the corresponding rates for similar services of utilities whose rates have been approved by the board in a rate case or set in a market determined by the board to be competitive.~~

ITEM 29. Amend rule 22.21(476) as follows:

199—22.21(476) Toll dialing patterns. All local exchange utilities ~~may, and~~ after June 19, 1994, shall use the dialing pattern, 0 or 1 plus ten digits, for all toll calls either within a single numbering plan area or from one numbering plan area to another.

ITEM 30. Amend subrule 22.23(2) as follows:

199—22.23(2) Prohibition of unauthorized changes in telecommunications service. Unauthorized changes in telecommunications service, including but limited to cramming and slamming, are prohibited.

ITEM 31. Add new subparagraph 22.23(2)"a"(5):

199—22.23(2)"a"(5) For other changes in service resulting in additional charges to existing accounts only, through maintenance of sufficient internal records to establish a valid customer request for the change in service. At a minimum, any such internal records must include the date and time of the customer's request and adequate verification under the circumstances of the identification of the person requesting the change in service. Any of the above three verification methods will also be acceptable. The burden will be on the telecommunications carrier to show that its internal records are adequate to verify the customer's request for the change in service.

April 22, 2005

/s/ John R. Norris

John R. Norris
Chairman