

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IOWA TELECOMMUNICATIONS SERVICES, INC., d/b/a IOWA TELECOM	DOCKET NO. TF-05-182 (RMU-05-6)
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ORDER DOCKETING TARIFF

(Issued June 20, 2005)

On June 1, 2005, Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom (Iowa Telecom), filed with the Utilities Board (Board) a proposed local exchange tariff to replace its current tariff on file with the Board. Iowa Telecom filed the proposed tariff in response to Iowa Code § 476.1D as amended by 2005 Iowa Acts, House File 277 (HF 277), which becomes effective July 1, 2005. The proposed tariff has been identified as Docket No. TF-05-182.

HF 277 deregulates the retail rates for business and residential local exchange services in Iowa with the exception of single line, flat-rated residential and business service rates. Iowa Telecom states that its proposed tariff conforms to the Board's reduced jurisdiction over local exchange rates pursuant to HF 277.

Iowa Telecom's proposed replacement tariff represents a substantial reduction in size from its current tariff on file with the Board. Iowa Telecom's current tariff consists of approximately 500 pages while the proposed replacement tariff consists of 57 pages. Iowa Telecom states that the services retained in the proposed tariff represent what it believes will remain under the Board's jurisdiction when HF 277

becomes effective. Iowa Telecom states that all deregulated services will be moved to the company's catalogs and obsolete services, such as party lines, are not retained in the proposed tariff and will not be moved to the company's catalogs.

Thus, it appears that Iowa Telecom may have removed more from its tariff than the retail rates that are soon to be deregulated. Iowa Telecom appears to have used this opportunity to generally update its tariff and eliminate services Iowa Telecom believes to be obsolete. If this is the case, the Board generally approves of Iowa Telecom's desire to update and clarify its tariff. However, some of these proposed changes appear to be beyond the scope of HF 277 and it may be premature to approve them, particularly in light of another ongoing Board docket.

On April 22, 2005, the Board initiated a rule making identified as Docket No. RMU-05-6, In re: Revised Rules for Telecommunications Providers [199 IAC 22], proposing to amend portions of the Board's rules in 199 IAC 22, including those rules relating to the contents of tariff pages, to reflect the changes that will result from the enactment of HF 277. The Board notes that while HF 277 will become effective on July 1, 2005, the rule changes in Docket No. RMU-05-6 will not be effective until a later date. Therefore, it would be premature to approve Iowa Telecom's proposed replacement tariff prior to having rules in place that clarify the Board's revised jurisdiction.

In addition, upon initial review of the proposed tariff, it appears that Iowa Telecom may be taking an unduly restrictive view of what will remain under the Board's jurisdiction. The statutory changes in HF 277 preserve the Board's retail rate

authority over flat-rated residential and business services rates, yet Iowa Telecom has proposed to remove ancillary services that may be associated with those flat-rated services, such as construction charges. This could result in the Board having authority to protect consumers from excessive rates for flat-rated services, but no authority to protect consumers against excessive construction charges to install those services. It could be argued that such a result would be contrary to the legislative intent that flat-rated services continue to be available at regulated prices for the next three to five years.

Therefore, the Board will docket Iowa Telecom's proposed replacement tariff for further investigation. By docketing the proposed tariff, the Board will have adequate time to finalize new tariff rules in 199 IAC 22 through the completion of Docket No. RMU-05-6 and to consider the appropriate tariff contents for both rate regulated and non-rate regulated local exchange carriers.

However, Iowa Telecom should have the benefits of retail rate deregulation pursuant to HF 277 as soon as the statute is effective. Therefore, the Board finds that beginning July 1, 2005, it will lack the authority to enforce any retail rate in Iowa Telecom's existing tariff unless the rate is associated with single line, flat-rated residential or business service. This will give full effect to the new retail rate deregulation statute in a timely manner.

Finally, the Board recognizes that there may be items in Iowa Telecom's proposed tariff that do not relate to the changes made by HF 277, but that Iowa Telecom believes to be appropriate for quicker review. If this is the case, Iowa

Telecom may request that the Board allow specified portions of the proposed tariff that are not related to the changes implemented by HF277 to become effective at any time and the Board will expedite its review of those provisions. However, any such expedited reviews are likely to delay processing of the remaining provisions, so Iowa Telecom should weigh its requests carefully.

IT IS THEREFORE ORDERED:

1. The proposed tariff filed by Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom, on June 1, 2005, and identified as Docket No. TF-05-182, is docketed for further investigation as described in this order. The Board will issue a further order after new rules have been adopted in Docket No. RMU-05-6.

2. Beginning July 1, 2005, the Board will only enforce the retail rates specified in Iowa Telecom's existing tariffs to the extent those rates are associated with single line, flat-rated residential or business service.

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 20th day of June, 2005.