

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 ADOPTING RULES

(Issued November 29, 2005)

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

A "Notice of Intended Action" was published in IAB Vol. XXVII, No. 23 (5/11/05) p. 1472, ARC 4157B. Written comments were filed on or before June 6, 2005, by the following seven participants: Iowa Telecommunications Association (ITA), Qwest Corporation (Qwest), LTDS Corporation (LTDS), Iowa Association of Municipal Utilities (IAMU), MCI Communications, Inc. (MCI), Frontier Communications of Iowa (Frontier), and the Consumer Advocate Division of the

Department of Justice (Consumer Advocate). A public hearing to receive oral comments on the proposed amendments was held on June 24, 2005.

HF 277 deregulated rates of all business and residential local exchange services in Iowa with the exception of single line flat-rated residential and business service prices. Chapter 22 of the Board's administrative rules relates to the charges and services supplied by telephone utilities. With the enactment of HF 277, several of the Board's rules that describe or relate to rate-regulated telecommunications carriers are no longer applicable. Therefore, the Board proposed to amend Chapter 22 to appropriately reflect the statutory amendment.

At the same time, the Board reviewed Chapter 22 in its entirety and determined that some rules are no longer used, irrelevant, or in need of clarification. As such, the Board proposed to make other appropriate changes to Chapter 22 in this rule making.

The Board received numerous comments from the participants suggesting minor clarifications to the proposed rules. The Board has adopted several of those suggestions and the changes are reflected in these adopted rules. Many other comments however, recommended changes and clarifications to rules that were not included in, or logically related to, the proposed rules. With respect to suggestions relating to rules that were not included in the notice and were not logically expected to be amended in this docket, the Board will not adopt any of the proposed changes at this time. Rather, the Board will consider initiating a subsequent rule making to

address the comments and suggestions received regarding rules that were not properly the subject of this proceeding.

The Board is generally adopting the amendments that it proposed, subject to revisions based on the comments received. The Board will describe the more substantive changes in this order.

For example, in noticed Item 2, the Board proposed to 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 service" means telephone service furnished between customers or users located within an exchange area.

"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.

"Rates" shall mean ~~recurring~~ amounts billed to customers for ~~regulated services~~ local exchange service 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.

The Board also proposed to adopt the following new definition in alphabetical order:

"Regulated rates" means single line flat-rated residential and business service rates billed to customers pursuant to Iowa Code section 476.1D(1) as amended by 2005 Iowa Acts, House File 277, section 1.

The Board also proposed to rescind the following definitions: "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."

In its comments, Qwest recommended deleting the following four additional definitions: "adjacent exchange service," "ancillary service," "basic local service," and "transmission service." Qwest also recommended deleting the adjective "new," which modifies inside station wiring in the definition of "customer provision." ITA, however, argued that the definition of "transmission service" should be retained and "flat rate service" should be changed to "flat-rated service."

The Board will retain the definition of "adjacent exchange service" and the adjacent exchange rules under 199 IAC 22.3(14), as there may be service quality issues related to these rules that remain within the Board's authority. With respect to the other changes to terms and definitions suggested by Qwest and ITA, the Board

agrees that the terms "ancillary service," "basic local service," and "transmission service" can be rescinded as they are no longer regulated or relevant. In addition, the Board will also rescind the term "flat rate service" because the proposed definition for "regulated rates" is intended to replace the definition.

In Item 5 of the noticed rules, the Board proposed to amend subrule 22.2(3) as follows:

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.~~ 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. Every telephone utility shall make the schedule of its rates readily available to customers on the utility's Web site, if the utility has one, or by mail, upon request.

ITA suggested retaining the words "and rules of all utilities" in the second paragraph of 22.2(3). In addition, ITA requested the inclusion of new language in the third paragraph of 22.2(3) to allow non-rate regulated utilities authority to file schedules of rates in tariffs if they choose to do so.

The Board agrees that ITA's first suggestion will improve the rule, but disagrees with the second suggestion. The Board's policy in recent years has been to de-tariff rates and services that are not regulated. The rates of the independent phone companies are not subject to the Board's jurisdiction and retaining them in tariffs is inconsistent with the ongoing deregulation of the telephone industry.

In Item 6 of the noticed rules, the Board proposed to amend subrule 22.2(5), regarding the contents of tariffs, by amending paragraphs "a," "b," "f," "m," and "t" as follows:

a. A table of contents containing a list of ~~exchange rate schedules~~ regulated rates or alternative operator services rates 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 rate 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 shall be filed 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.~~

Qwest recommended deleting paragraphs "h" and "i," which involve the requirement that tariffs contain rules addressing service extensions and customer requirements for special construction. Qwest also recommended rescinding paragraph "p" because it pertains to non-recurring charges, which are deregulated. Qwest recommended adding the term "regulated" before the word "service," and deleting the words "and equipment." Finally, both Qwest and Frontier recommended deleting paragraph "t," which requires that tariffs include a copy of each standard type of bill form in current use, because companies no longer use pre-set formats for customer billing.

The Board will not act on Qwest's proposal to delete paragraphs "h" and "i," at this time as the Board may still retain authority pertaining to service extensions and

special construction in connection with regulated rates. The Board will adopt Qwest's and Frontier's suggestions for paragraphs "p," "s," and "t."

In Item 7 of the noticed rules, the Board proposed to amend subrule 22.2(6) as follows:

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.~~

~~c. Each local exchange utility shall compile a monthly record, by exchange central office, and of outside trouble reports and of 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 nonoffice 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.~~

Qwest recommended not adopting proposed new paragraph "a," which requires utilities to keep records of trouble reports and held orders. Qwest stated the requirement is an outdated carry-over from the old annual report form and it requires that reports be available for inspection, but it does not say for what period of time. Qwest also noted that the performance standards and recording of held orders and trouble reports is already required by rule 22.6, which requires that such records be retained by the utility for two years.

The Board agrees with Qwest that the requirement identified in paragraph "a" is duplicative of 199 IAC 22.6 and it should be deleted.

In Item 8 of the noticed rules, the Board proposed to amend subrule 22.3(1) as follows:

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 the local exchange carrier 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. to f. No change.

~~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.

Qwest recommended adding language to paragraph "b" clarifying that directories must be distributed without charge to all of the utility's customers locally

served by the directory. Qwest also recommended striking the requirement that directories be provided at a nominal charge for other persons, since this implies rate jurisdiction over directories.

MCI stated that the terms for the delivery of directories to the customers of competitive local exchange carriers (CLECs) are spelled out in interconnection agreements between companies. MCI stated a concern that a change in this rule could trigger a change of law provision in some of these interconnection agreements. MCI also objected to the Board's proposal to strike the requirement in paragraph "c," which provides that each serving telephone utility must be listed next to the exchange it serves.

The Board agrees with both Qwest and MCI with respect to changes to paragraphs "b" and "c." Specifically regarding paragraph "c," the Board finds that it is likely that a listing of each LEC and the exchanges it serves, as required by this paragraph would be subject to inaccuracy as service areas are changed and could therefore create customer confusion. The Board will adopt the changes to paragraphs "b" and "c" as suggested by Qwest and MCI.

Another directory issue raised by Qwest concerns paragraph 22.3(1)"i." Qwest recommended deleting the paragraph because it requires the service exchange for towns on the state border to provide a free foreign directory listing when an Iowa customer is served by an exchange in another state, but wants to be listed in a contiguous Iowa exchange directory. Qwest stated that foreign directory listings

are no longer regulated and, therefore, the mandate for a free deregulated service should be removed from the rules.

Consumer Advocate challenged Qwest's interpretation of the rule and stated that Qwest's proposal could cause Iowa customers in Carter Lake, Iowa, who are served by the Omaha, Nebraska, exchange, to be required to pay for directory listings in Iowa.

The Board finds that Qwest did not sufficiently rebut the Consumer Advocate's scenario regarding a Carter Lake customer and finds that it is best not to act on paragraph "i" at this time. The Board may elect to notice this rule in a subsequent rule making and receive additional public comment on the issue.

In Item 11 of the noticed rules, the Board proposed to amend the introductory paragraph to subrule 22.4(2), and paragraphs "a," "b," and "h" as follows:

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 services~~ local exchange service 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 deposit~~ Deposits for local exchange service shall not be more in amount than the maximum charge for two

~~months of 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 deposit 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).~~

Qwest, Frontier, and ITA recommended changing the 7.5 percent interest rate for deposits, identified in paragraph "b," to reflect current market conditions. ITA also proposed language to better clarify that the 7.5 percent rate does not apply to non-rate regulated utilities. Qwest suggested language that would tie the rate to the interest customers earn in typical savings accounts or money market funds. Consumer Advocate, however, stated that the interest rate should be high enough to prevent utilities from forcing customers who are required to make deposits to subsidize the utility.

The Board notes that the 7.5 percent rate was not specifically included in the notice of proposed rule making in this proceeding and therefore it may be outside the

scope of this docket. In addition, this was an issue that, while addressed in this proceeding, was not adequately resolved, in the Board's opinion. The Board finds that the interest rate on deposits should be included in subsequent rule making to allow for additional public comment.

In addition, Qwest objected to the Board proposal to strike the following language in paragraph "h": "No written notice is required to be given of a deposit required as a prerequisite for commencing initial service." Qwest argued that if it is required to give written notice of a deposit requirement to customers seeking initial service, the result would be delayed processing of applications for new service. The Board agrees with Qwest's objection and will not delete the quoted sentence. Similarly, the Board notes that the proposed language referencing the failure to pay an initial deposit found in paragraph "i" should also be deleted, as a customer would not have telephone service if the initial deposit were not paid.

In Item 18 of the noticed rules, the Board proposed to amend subrule 22.6(1) by adding new paragraph "c" as follows:

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.

Qwest objected to the new proposed requirement that 99 percent of all customers be provided service within 30 days. Qwest reasoned that in a competitive marketplace, utilities will have to provide service quickly or lose those customers to another provider. Thus, Qwest argued, the Board can rely on the marketplace to ensure customers are served in a timely manner.

The Board notes that the current rules prescribe how quickly phone companies must provide retail service to 95 percent of customers. The rules are silent regarding how quickly phone companies must provide retail service in the final 5 percent of customers. The lack of a rule addressing these situations has been a problem for Iowa consumers in years past. Qwest may be right that where it faces vigorous competition it has ample incentive to perform. However, the current rules do not offer much protection to consumers who request service in areas of Iowa that are difficult to serve or that are served by only one provider. The proposed rule would provide these consumers with additional protection, while at the same time recognizing that there will always be instances where service cannot be readily provided. The Board will adopt the proposed rule as noticed.

In Item 19 of the noticed rules, the Board proposed to amend subrule 22.6(2), paragraphs "a," "c," and "d" as follows:

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, and 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 the local exchange utility 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 ~~tariff~~ regular 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.

Qwest objected to the Board's proposal to better define "alternative form of service" as a wireless phone. Qwest stated that the wireless phone definition precludes the use of emerging technologies such as Voice over Internet Protocol (VoIP) service.

The Board's proposal in paragraph "c" simply defines the minimum level of alternative service that telephone companies are required to provide. The definition protects consumers who are subject to held orders from being given an alternative form of service that may not be acceptable, such as a call-in voice mailbox. The lack of such a definition in paragraph "c" has presented problems for some Iowa consumers in the past. Moreover, the company is always free to offer other alternatives for the customer to consider, so long as a wireless phone is one of the alternatives. The Board will adopt the rule as noticed.

In Item 26 of the noticed rules, the Board proposed to adopt new subparagraph 22.23(2)"a"(5), relating to unauthorized changes in service, as follows:

(5) For other changes in service resulting in additional charges to existing accounts only, a service provider shall establish a valid customer request for the change in service through maintenance of sufficient internal records. 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 three verification methods in 22.23(2)"a"(1) to (3) 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.

MCI proposed to add a definition of "unauthorized change" as a change that was not made in accordance with verification procedures. MCI's proposed definition would exclude services requested or initiated by the customer or by customer equipment such as a computer modem. MCI also proposed to add a statement that changes in service requested or initiated by the customer or customer equipment are not subject to verification procedures.

In oral comments, MCI expanded on its suggestion, arguing that complaints involving modem hijacking should be handled informally, either between the customer and company or with the assistance of Board staff in an informal proceeding, rather than by means of a formal complaint proceeding. (Tr. 20-21.) MCI stated that because companies are motivated by competition and the desire to provide good customer service, they would credit customer accounts for disputed charges regardless of their statutory obligations. (Tr. 21.) MCI objected to the cost

and stigma of escalating these particular types of complaints to formal proceedings.
(Tr. 21, 26, 114.)

Consumer Advocate stated this rule making is not the proper proceeding in which to consider MCI's proposal to define acts that do not constitute unauthorized changes in service. Consumer Advocate demonstrated concern that adopting MCI's proposal would effectively reverse recent Board decisions. (Tr. 95.)

The Board agrees with Consumer Advocate's comments that MCI's proposals are contrary to recent Board decisions. The Board concludes that MCI's proposals are outside the scope of the changes proposed in this proceeding, as the notice of intended action did not suggest that the Board would be revisiting its recent decisions. Instead, the proposed change to this rule was meant to codify current Board policy by clarifying the current rule. The Board will adopt the changes to subparagraph 22.23(2)"a"(5) as noticed.

The rest of the suggested revisions to the proposed rules were either (a) adopted because they were non-controversial or non-substantive and within the scope of the notice, or (b) reserved to a future rule making where they can be properly included in the proposed changes and thereby be the subject of more public comment.

IT IS THEREFORE ORDERED:

1. A rule making proceeding, identified as Docket No. RMU-05-6, is adopted.

2. The Executive Secretary is directed to submit for publication in the Administrative Bulletin an "Adopted and Filed" 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

Dated at Des Moines, Iowa, this 29th day of November, 2005.

UTILITIES DIVISION [199]

Adopted and Filed

Pursuant to Iowa Code sections 17A.4 and 476.2 and 2005 Iowa Acts, House File 277, the Utilities Board (Board) gives notice that on November 29, 2005, the Board issued an order in Docket No. RMU-05-6, In re: Revised Rules for Telecommunications Providers [199 IAC 22], "Order Adopting Rules," by which the Board adopted amendments to 199 IAC 22. The adopted rules implement changes that were made to Iowa Code § 476.1D, subsections 1, 2, and 3 pursuant to 2005 Iowa Acts, House File 277, which became effective on July 1, 2005, and to update and clarify the Board's rules relating to the provision of telecommunications service.

Notice of Intended Action was published in IAB Vol. XXVII, No. 23 (5/11/05) p. 1472, as ARC 4157B. Written comments were filed on or before June 6, 2005. A public hearing to receive oral comments on the proposed amendments was held on June 24, 2005.

Written comments were filed by the following seven parties: Iowa Telecommunications Association (ITA), Qwest Corporation (Qwest), LTDS Corporation (LTDS), Iowa Association of Municipal Utilities (IAMU), MCI Communications, Inc. (MCI), Frontier Communications of Iowa (Frontier), and the Consumer Advocate Division of the Department of Justice (Consumer Advocate). A summary of the comments filed and the amendments adopted can be found in

the Board's order located on the Board's Web site, www.state.ia.us/iub, or in hard copy in the Board's Records Center, 350 Maple Street, Des Moines, Iowa 50319-0069. Based on the submitted comments, the Board determined that the proposed amendments to 199 IAC 22 should be adopted with some modifications.

These amendments are intended to implement Iowa Code section 476.1D, subsections 1, 2, and 3, as amended by 2005 Iowa Acts, House File 277.

These amendments will become effective January 25, 2006.

The following amendments are adopted.

ITEM 1. Amend subrule 22.1(1) as follows:

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~~ ensuring 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~~ ensure 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~~ ensure 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:

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

"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.

"Rates" shall mean ~~recurring~~ amounts billed to customers for ~~regulated services~~ local exchange service 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 in alphabetical order:

"Regulated rates" means single line flat-rated residential and business service rates billed to customers pursuant to Iowa Code section 476.1D(1) as amended by 2005 Iowa Acts, House File 277, section 1.

Rescind the following definitions: "ancillary service," "basic local service," "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"; "transition date," and "transmission service."

ITEM 3. Amend subrule **22.1(4)** by rescinding 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 – Magneto
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. Rescind and reserve subrule **22.1(6)**.

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

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.~~ 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. Every telephone utility shall make the schedule of its rates readily available to customers on the utility's Web site, if the utility has one, or by mail, upon request.

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

Amend paragraphs "a," "b," "f," "m," and "s" as follows:

a. A table of contents containing a list of ~~exchange rate schedules~~ regulated rates or alternative operator services rates 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 rate 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 shall be filed 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.

s. A general explanation of each regulated service and equipment offering available from the utility.

Rescind and reserve paragraphs "p," "t," "u," and "v."

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

22.2(6) ~~Annual, periodic and other reports~~ Information 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.~~

c. ~~Each utility shall compile a monthly record, by exchange central office, and 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. a. Each utility shall file with the board 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 nonoffice hours.

~~g b. 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:

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 the local exchange carrier 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 of the utility's customers locally served by that directory.

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. to f. No change.

~~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:

22.3(2) ~~Grade of Service~~ Service Check.

~~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 within the base rate area. It shall also be the objective of telephone companies to ultimately provide one party service to all business customers.~~

Upon the individual customer's request, each telephone utility shall perform a service check up to the demarcation point, without charge to the customer.

ITEM 10. Rescind and reserve subrules **22.3(2)** to **22.3(4)**, **22.3(8)**, **22.3(9)** and **22.3(13)**.

ITEM 11. Amend subrule 22.4(1) as follows:

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~~ local exchange service from a utility, the local exchange utility shall ask the residential customer or prospective residential customer if and the customer indicates a desire desires to be informed of the

lowest priced service alternatives available for local exchange service, and upon an affirmative response the utility shall inform that customer of the lowest priced single and multiparty service alternative available from that utility, based only on monthly recurring rates for flat-rated services, 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.~~

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

~~(5.4) 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 as filed with the board, 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.~~

(6.5) 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 12. Amend subrule 22.4(2), introductory paragraph and paragraphs "a," "b," and "h" as follows:

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 services~~ local exchange service 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 deposit~~ Deposits for local exchange service shall not be more in amount than the maximum charge for two months of 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 deposit~~ on deposits associated with regulated rates. Interest on such deposits shall be computed ~~On or after April 21, 1994, rate-regulated utilities shall compute interest on customer 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 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 13. Amend subparagraph **22.4(3)"c"(4)** as follows:

(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 toll charges~~ services.

ITEM 14. Amend paragraph **22.4(3)"d"** as follows:

d. Late payment charges ~~by rate-regulated utilities~~ for services associated with regulated rates. Where net and gross amounts are billed to customers, the difference between net and gross is a late payment charge and is valid only when it is 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 15. Amend paragraph **22.4(3)"I"** as follows:

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 of less than \$25 may be in the form of a bill credit. Refunds for ~~regulated services~~ local exchange service may not be applied to unpaid amounts for unregulated services.

ITEM 16. Amend subrule 22.4(6) as follows:

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, but the telephone utility may require a written verification within 5 days of the verification of the especial 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 17. Amend subrule **22.4(7)** paragraphs "b" and "i," as follows:

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 18. Rescind and reserve subrule **22.5(13)**.

ITEM 19. Amend subrule **22.6(1)** by adding new paragraph "c" as follows:

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 20. Amend subrule **22.6(2)**, paragraphs "a," "c," and "d," as follows:

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, and 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~~ the local exchange utility 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 ~~tariff~~ regular 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 21. Amend rule 199—22.10(476) as follows:

~~199—22.10(476) Standards of competition. Unfair practices. 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.~~

~~**22.10(1)** In order to promote fair treatment of customers, the telephone utility shall observe the following practices:~~

~~a. 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(6), 22.3(13), 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.~~

~~c. Upon the individual customer's request, each telephone utility shall perform a service checkup 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.~~

22.10(2) a. All unfair or deceptive practices related to customer provision of equipment are prohibited. Any failure to provide information to customers or to deal with customers who provide their own terminal equipment or ~~new~~ inside station wiring or an alteration of the charges for or availability of equipment or services on that ground, unless specifically authorized by board order or rule and by the utility's tariff, shall constitute unfair or deceptive practices. In cases of equipment in compliance with Federal Communications Commission registration requirements, telephone utility personnel are prohibited from making any statement, express or implied, to, or which will reach, a customer or prospective customer that terminal equipment in compliance with Federal Communications

Commission registration requirements cannot properly be attached to the telephone network. This does not apply to good faith efforts to amend the Federal Communications Commission requirements.

The listing of unfair practices in this rule shall not limit the types of acts which may be found to be unfair nor shall those listed be used to establish decisional criteria operating to exempt any act otherwise unfair from the intent of this rule.

ITEM 22. Amend rule 199—22.11(476) as follows:

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

~~22.11 (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.~~

~~**22.11(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.~~

~~**22.11(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.~~

~~**22.11(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.~~

~~**22.11(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~~ the user 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.

22-11(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 a~~ 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.~~ b. 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 NFPA No. 70-978 (Article 800, Communications Circuits 199—subrule 25.2(5)); 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 utilities 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 23. Amend subrule 22.12(1) as follows:

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~~ ensuring 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. Tariff 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 24. Rescind and reserve subrule **22.13(1)** paragraphs "a" and "b."

ITEM 25. Amend rule 199—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 26. Amend subrule 22.23(2) introductory paragraph, as follows:

22.23(2) Prohibition of unauthorized changes in telecommunications service. Unauthorized changes in telecommunications service, including but not limited to
cramming and slamming, are prohibited.

ITEM 27. Adopt new subparagraph **22.23(2)"a"(5)** as follows:

(5) For other changes in service resulting in additional charges to existing
accounts only, a service provider shall establish a valid customer request for the
change in service through maintenance of sufficient internal records. 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 three
verification methods in 22.23(2)"a"(1) to (3) 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.

November 29, 2005

/s/ John R. Norris

John R. Norris
Chairman