

# COOPER & SHEARER

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RECEIVED

February 20, 2006

FEB 20 2006

PUBLIC SERVICE  
COMMISSION

Ms. Elizabeth O'Donnell, Executive Director  
Kentucky Public Service Commission  
P. O. Box 615  
Frankfort, KY 40602-0615

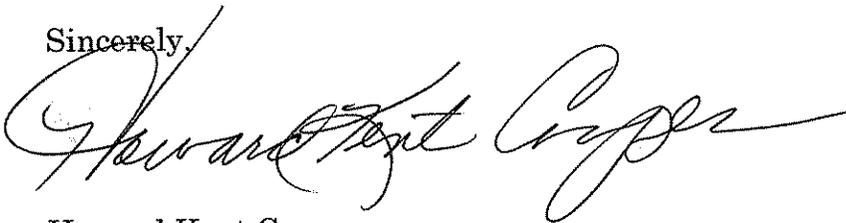
Case No. 2006-00076

RE: Petition to Amend Presubscribed Interexchange Carrier (PIC) Change  
Charges

Please find enclosed the original and four (4) copies of our petition requesting the  
Commission to amend the presubscribed interexchange carrier (PIC) change  
charges found in the Intrastate Access Service Tariff, PSC KY No. 2A.

Should you have any questions regarding our filing, please don't hesitate to contact  
me.

Sincerely,



Howard Kent Cooper  
Counsel for Duo County Telephone Coop. Corp., Inc.

HKC:spe  
Enclosures

Case No. 2006-00076  
COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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**PETITION OF DUO COUNTY TELEPHONE COOPERATIVE CORPORATION, INC.  
TO AMEND PRESUBSCRIBED INTEREXCHANGE  
CARRIER (PIC) CHANGE CHARGES**

Duo County Telephone Cooperative Corporation, Inc. (Duo County), by its attorney, hereby petitions the Public Service Commission ("PSC") to amend the presubscribed interexchange carrier (PIC) change charges found in the Intrastate Access Service Tariff, PSC KY No. 2A.

Duo County is filing this Petition on behalf of the issuing carriers of PSC KY No. 2A. Attachment I of this Petition includes a list of the issuing carriers.

Introduction

On December 28, 2005, Duo County made a tariff filing at the PSC to revise the intrastate PIC change charges found in PSC KY No 2A<sup>1</sup>. In the filing, Duo County requested that the intrastate PIC change charges mirror the approved PIC change safe harbor rates in the National Exchange Carrier Association (NECA) Interstate Access Service Tariff F.C.C. No. 5 (NECA Tariff). The issuing carriers of PSC KY No 2A are also issuing carriers of the NECA Tariff.

The proposed tariffed rates represented a rate reduction when electronic methods are used for PIC changes. If manual methods are used, the proposed tariffed rates would constitute a \$0.50 increase to customers (an increase from \$5.00 to \$5.50). Duo County did not provide cost documentation in the filing because the proposed rates mirrored the NECA rates, which have been recently reviewed and approved by the FCC.

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<sup>1</sup> Duo County's tariff filing was assigned Filing No. TFS2005-02160.

On February 6, 2006, the PSC issued a decision rejecting Duo County's application. In rejecting the application, the PSC cited a December 1994 PSC Order that capped the PIC change charge at \$5.00<sup>2</sup>.

Duo County respectfully request that the PSC reconsider its decision in light of the information provided in this Petition and allow Duo County to adopt the higher rate.

Discussion

There are important changes that took place at the federal level since the release of the December 1994 Order by the PSC.

1. On February 10, 2005, the FCC released a Report and Order requiring ILECs to have separate PIC change charges for changes that are processed manually and electronically. The FCC adopted new safe harbor rates of \$1.25 for electronically processed PIC changes and \$5.50 for manually processed PIC changes<sup>3</sup>. The FCC's action was a result of significant industry and market changes that have occurred since the implementation of the \$5.00 safe harbor rate.

2. On October 17, 2005, NECA filed revised interstate PIC change charges to comply with the FCC's February 2005 Report and Order. Because NECA's revised rates fall within the safe harbor levels established by the FCC in its February 2005 Report and Order, NECA did not file cost support for the new rates. The new rates became effective November 1, 2005.

The NECA tariff now includes the following four separate PIC change charges, which will apply based on whether the change request is submitted using manual or electronic methods:

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<sup>2</sup> Administrative Case No. 323: An Inquiry into IntraLATA Toll Competition, an Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality

<sup>3</sup> Report and Order In the Matter of Presubscribed Interexchange Carrier Charges, CC Docket No. 02-53 (FCC 05-32) released February 17, 2005.

Submitted using manual methods	\$5.50
Submitted using electronic methods	\$1.25
Submitted using manual methods when both interLATA and IntraLATA PIC selections are changed simultaneously	\$2.75
Submitted using electronic methods when both interLATA and IntraLATA PIC selections are changed simultaneously	\$0.63

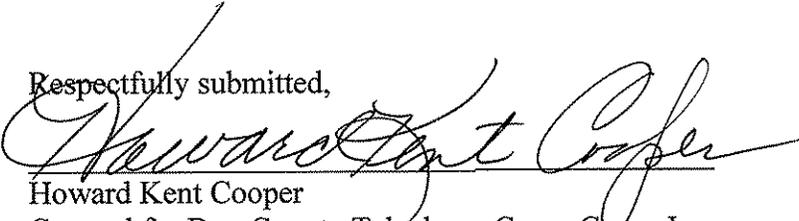
Conclusion:

Duo County would like to mirror the NECA interLATA PIC change charges in the Kentucky IntraLATA Access Service Tariff (PSC KY No. 2A) where intraLATA PIC change charges are tariffed. Duo County's request is consistent with the PSC's 1994 Order. In fact, Duo County contends that its request to mirror the current NECA InterLATA PIC change rate is in keeping with the intent of the PSC's 1994 Order, which was that Duo County's intrastate PIC change rate mirror the existing NECA rate. Paragraph 20 of the 1994 PSC Order states, "the maximum charge for an interLATA PIC change shall be \$5.00 based on NECA's interstate access services tariff . . . Duo County shall revise its intrastate access services tariff . . . to refer to the NECA tariff instead." Duo County believes that the intent of this Order was that the intrastate rate should mirror the interstate rate.

While Paragraph 21 of the 1994 PSC Order states "*The maximum charge for an intraLATA PIC change shall not exceed the charge for interLATA PIC changes,*" Duo County contends that the intent of this paragraph is also that the interstate and intrastate PIC change rates should be the same. Now that the FCC has approved new rates for the NECA tariff, the intrastate rates no longer mirror the interstate rates. Duo County respectfully contends that this result is not in keeping with the intent of the PSC's 1994 order, and as a result, Duo County requests approval to mirror the NECA PIC change rates.

In light of the information provided in this Petition, Duo County respectfully request that the PSC approve its proposed tariff pages included in Attachment II of this filing.

Respectfully submitted,

A handwritten signature in cursive script, reading "Howard Kent Cooper". The signature is written in black ink and is positioned above a horizontal line.

Howard Kent Cooper  
Counsel for Duo County Telephone Coop. Corp., Inc.  
Cooper & Shearer Law Office  
Monument Square, P. O. Box 410  
Jamestown, Kentucky 42629

**PSC KY No. 2A  
Access Service  
Issuing Carriers**

Ballard Rural Telephone Cooperative Corporation, Inc.  
Brandenburg Telephone Company, Inc.  
Duo County Telephone Cooperative Corporation, Inc.  
Foothills Rural Telephone Cooperative Corporation, Inc.  
Gearheart Communications Company, Inc., dba Coalfields Telephone Company, Inc.  
Highland Telephone Cooperative, Inc.  
Logan Telephone Cooperative, Inc.  
Mountain Rural Telephone Cooperative, Inc.  
North Central Telephone Cooperative, Inc.  
Peoples Rural Tel. Cooperative Corporation, Inc.  
South Central Rural Telephone Cooperative Corporation, Inc.  
Thacker-Grigsby Telephone Company, Inc.  
West Kentucky Rural Telephone Cooperative Corporation, Inc.

**PSC KY No. 2A  
Access Service  
Proposed Tariff Pages**

<b><u>Section</u></b>	<b><u>Page</u></b>
13	1st Revised Page 13-15.1
13	Original Page 13-15.1a
17	1st Revised Page 17-37
17	Original Page 17-37.1



## ACCESS SERVICE

13. Additional Engineering, Additional Labor and Miscellaneous Services  
(Cont'd)13.4 Presubscription (Cont'd)13.4.2 IntraLATA Presubscription (Cont'd)

## (F) (Cont'd)

- A nonrecurring charge, as set forth in Section 17.4.4(I)(3) applies to the PIC change when a request submitted to the Telephone Company through manual methods request a simultaneous change to both the interLATA PIC and intraLATA PIC selections.
- A nonrecurring charge, as set forth in Section 17.4.4(I)(4) preceding, applies to the PIC change when a request submitted to the Telephone Company through electronic methods requests a simultaneous change to both the interLATA PIC and intraLATA PIC selections.

(G) Manual methods are (i) all personal interaction between an end user, or a person acting on behalf of the end user, and a Telephone Company employee and (ii) any facsimile or written submissions from an end user, and a Telephone Company service center. Electronic methods shall include all other methods. If a PIC change request utilizing an electronic method results in manual processing, the electronic nonrecurring charge shall apply upon completion of the request.

13.5 Verification of Orders for Long Distance Telemarketing

No IC shall submit to the Telephone Company a Primary Interexchange Carrier (PIC) change order generated by telemarketing unless and until the order has first been confirmed in accordance with one of the following procedures:

- (A) The IC obtains the billed party's (e.g., an end user or the designator of the PIC for a pay telephone) written authorization to submit the PIC change order. The written authorization shall take the form of a letter of agency which:
- shall be a separate document whose sole purpose is to authorize an interexchange carrier to initiate a primary interexchange carrier change.

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Issued:  
By: W.W. Magruder, Executive Vice President

Effective:

ACCESS SERVICE

17. Rates and Charges (Cont'd)

17.4 Other Services (Cont'd)

17.4.4 Miscellaneous Services (Cont'd)

(G)	<u>Telecommunications Service Priority</u>		Tariff Section Reference
		<u>Nonrecurring Charge</u>	
	Per service arranged	\$54.63	13.3.3
(H)	<u>Controller Arrangement</u>		
		<u>Monthly Rate</u>	
	Per Arrangement	\$100.00	13.3.4(A)
(I)	<u>Presubscription</u>		
		<u>Nonrecurring Charge*</u>	
	InterLATA PIC Change Per Telephone Exchange Service Line or trunk	NECA Tariff F.C.C. No.5 17.4.4	13.4
	IntraLATA PIC Change Per Telephone Exchange Service Line or trunk		
	(1) Submitted using manual methods	\$5.50	13.4
	(2) Submitted using electronic methods	\$1.25	13.4

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\* InterLATA PIC Change charge is billed from the Telephone Company's Interstate Access Service Tariff. This charge is generally billed to the end user who is the subscriber to the Telephone Exchange Service. In those instances where the IC both requests the presubscription change, and requests the associated charge be billed to it, the Telephone Company will bill the IC. In the event an end user is incorrectly presubscribed due to misassignment on the part of the Telephone Company, no charge shall apply. In the event an end user is incorrectly presubscribed due to misassignment on the part of the IC, and the IC is unable to document such an assignment, the Telephone Company will apply the charge to the IC responsible for the misassignment of the end user and assign the end user to an IC of the end user's choice.

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D

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Issued: \_\_\_\_\_ Effective: \_\_\_\_\_  
 By: W.W. Magruder, Executive Vice President

## ACCESS SERVICE

17. Rates and Charges (Cont'd)17.4 Other Services (Cont'd)17.4.4 Miscellaneous Services (Cont'd)(I) Presubscription

	<u>Nonrecurring Charge*</u>	<u>Tariff Section Reference</u>
(3) Submitted using manual methods when both the interLATA PIC and intraLATA PIC selections are changed simultaneously	\$2.75	13.4
(4) Submitted using electronic methods when both the interLATA PIC and intraLATA PIC selections are changed simultaneously	\$0.63	13.4

	<u>Nonrecurring Charge</u>	<u>Tariff Section Reference</u>
(J) <u>Unauthorized PIC Change</u>		
- Residence/Business Per Telephone Exchange Service line or trunk	\$35.65	13.6
- Per Pay Telephone Exchange Service line or trunk	\$57.57	13.6

\* InterLATA PIC Change charge is billed from the Telephone Company's Interstate Access Service Tariff. This charge is generally billed to the end user who is the subscriber to the Telephone Exchange Service. In those instances where the IC both requests the presubscription change, and requests the associated charge be billed to it, the Telephone Company will bill the IC. In the event an end user is incorrectly presubscribed due to misassignment on the part of the Telephone Company, no charge shall apply. In the event an end user is incorrectly presubscribed due to misassignment on the part of the IC, and the IC is unable to document such an assignment, the Telephone Company will apply the charge to the IC responsible for the misassignment of the end user and assign the end user to an IC of the end user's choice.

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Issued: \_\_\_\_\_ Effective: \_\_\_\_\_  
By: W.W. Magruder, Executive Vice President