

(Decision No. R89-126)

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

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IN RE THE APPLICATION OF MCI	)	
TELECOMMUNICATIONS CORPORATION FOR	)	APPLICATION NO. 39225
RELAXED REGULATION OF CERTAIN	)	
EMERGING COMPETITIVE TELECOMMUNI-	)	RECOMMENDED DECISION OF
CATIONS SERVICES.	)	EXAMINER KEN F. KIRKPATRICK

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February 8, 1989  
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Appearances: Mark N. Jason, Esq., Denver, Colorado, and  
Robert Nichols, Esq., for the Applicant;

William Ettinger, Esq., Denver, Colorado,  
for AT&T Communications of the Mountain  
States, Inc.,

Paul Wolff, Esq., Denver, Colorado,  
for U S WEST Communications, Inc;

Anthony Marquez, Assistant Attorney General,  
Denver, Colorado,  
for the Office of Consumer Counsel.

Mark W. Gerganoff, Assistant Attorney General,  
Denver, Colorado,  
for the Staff of The Commission.

STATEMENT

This Application was filed on October 6, 1988, by MCI Telecommunications Corporation (MCI). The Application seeks to relax regulatory treatment for all of the intrastate telecommunications services that MCI provides in Colorado.

The Commission gave Notice of the Application on October 11, 1988.

Interventions to the Application were filed by the Staff of the Commission on October 12, 1988; by the Office of Consumer Counsel (OCC) on October 21, 1988; by Haxtun Telephone Company on October 26, 1988; by AT&T Communications of the Mountain States, Inc. (AT&T), on October 28, 1988; and by U S WEST Communications, Inc. (U S WEST), on November 7, 1988.

MCI filed proof of notice given to all Colorado providers of telecommunication services on October 20, 1988. On November 15, 1988, MCI filed publishers' affidavits indicating that notice of this application had been given in The Rocky Mountain News and The Denver Post. This notice appeared October 21, 1988.

On October 21, 1988, the Commission entered Decision No. C88-1423 in this Application. That Order established certain procedural guidelines, set forth hearing dates, and incorporated a protective order for the handling of confidential information. A hearing in this matter was originally established for December 27, 1988. By Decision No. R88-1615-I, December 2, 1988, the hearing was rescheduled to commence January 11, 1989, and certain deadlines for the filing of testimony and serving of discovery requests were also modified.

At the assigned place and time the undersigned Examiner called the matter for hearing. Upon request of all parties present the Examiner recessed the hearing on January 11 to allow settlement negotiations to take place. All parties represented to the Examiner that an agreement in principle was reached on January 11, 1989, and a signed stipulation would be available January 12, 1989. On January 12, 1989, the matter was called for hearing. As a preliminary matter, the intervention of Haxtun Telephone Company was dismissed. A rough draft of the stipulation and settlement agreement was proffered as Exhibit 1, and a final, signed version which essentially duplicates Exhibit 1 was given to the Examiner and marked for identification as Exhibit 4.

The stipulation, among other things, eliminates traditional rate base, rate-of-return regulation for MCI. It detariffs the services provided by MCI, although MCI retains the burden of going forward and the burden of persuasion in any proceeding before the Commission to establish that any prices it charges are just, reasonable, and not discriminatory. All prices are subject to the averaging requirements contained in § 40-15-109, C.R.S. MCI is further obligated to file certain informational reports, maintain accounts consistent with generally accepted accounting principles, and file an accounting plan in Case No. 6692 dealing with segregation of assets, revenues, and expenses of Class D telecommunications providers. Finally, it is specifically stipulated that the reduced regulatory treatment granted by this application does not apply to one-plus intraLATA calling, which is not currently available to MCI but may be offered in the future. Any reduced regulatory treatment granted in this application would apply to incidental intraLATA toll, which includes 10XXX and 950 dialing by MCI's customers.

MCI presented direct testimony in support of the proposed stipulation. No other parties presented any evidence.

In accordance with § 40-6-109, C.R.S., the undersigned Examiner now transmits to the Commission the record and exhibits of this proceeding along with a written recommended decision.

## FINDINGS OF FACT AND CONCLUSIONS THEREON

1. The intrastate interLATA telecommunications products and services offered by MCI in the State of Colorado are subject to emerging competition within the meaning of Rule 2 of the Commission's Rules under § 40-15-302(1), C.R.S., Emerging Competitive Telecommunications Service and Title 40, Article 15, C.R.S. The relaxed regulation set forth in the stipulation, which is incorporated into this Order, will foster the continuing emergence of a competitive telecommunications market and will promote the public interest and the provision of adequate, reliable service at a just and reasonable rate.

2. The stipulation in this matter tendered by all parties is in the public interest and it should be accepted.

3. The notice given by MCI to its customers of this application is sufficient under Rule 1.2 of the Rules Under § 40-15-302(1), C.R.S., Emerging Competitive Telecommunications Service.

4. In accordance with § 40-6-109, C.R.S., it is recommended that the Commission enter the following Order.

### ORDER

#### THE COMMISSION ORDERS THAT:

1. The Intervention of Haxtun Telephone Company in this Application is dismissed.

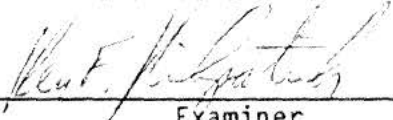
2. Application No. 39225, being an application of MCI Telecommunications Corporation for relaxed regulation of certain emerging competitive telecommunications services, is granted in accordance with the terms of a stipulation signed by all parties to this Application and filed with the Commission on January 12, 1989. The Stipulation is incorporated into this Order as if fully set forth.

3. This Recommended Decision shall be effective on the day it becomes the Decision of the Commission, if such be the case, and is entered as of the date hereinabove set out.

4. As provided by § 40-6-109, C.R.S., copies of this Recommended Decision shall be served upon the parties, who may file exceptions thereto; but if no exceptions are filed within 20 days after service upon the parties or within such extended period of time as the Commission may authorize in writing (copies of any such extension to be served upon the parties), or unless such Decision is stayed within such time by the Commission upon its own motion, such Recommended Decision shall become the Decision of the Commission and subject to the provisions of § 40-6-114, C.R.S.

5. If exceptions to this Decision are filed, they shall not exceed 30 pages in length, unless the Commission for good cause shown permits this limit to be exceeded.

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

  
Examiner

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