

DT 01-055

**VERIZON NEW HAMPSHIRE**

**Tariff Filing to Introduce Changes to ISDN PRI Service**

**Order Extending Time for Review**

**O R D E R N O. 23,679**

**April 13, 2001**

On March 15, 2001, Verizon New Hampshire (VZ-NH) submitted a tariff filing to introduce changes to the Integrated Services Digital Network (ISDN) Primary Rate Interface (PRI) tariff, as follows:

- (1) Introduce a 100% discount applicable to the Service and Equipment (S&E) charges and Nonrecurring Charges (NRCs) when a customer subscribes to a PRI port and/or any of the following optional features (i.e., Calling Line Identification with Name, Two B channel Transfer, Redirecting Number, Modified Redirecting Number, Optional Feature Package, Intercom Capability Package) under a 36-month or 60-month Optional Payment Plan (OPP);
  - (2) Introduce a new Intercom Capability Package which is a billing arrangement that provides 10 or more up to a maximum of 23, Intercom Capability features on a single PRI for a single rate;
  - (3) Remove ISDN PRI USOCs from Part M of the Tariff;
- and,
- (4) Make administrative tariff changes to the minimum service period and termination liability language resulting from the elimination of NRCs for long term agreements. (For example, if a customer terminates service prior to the initial 12-month minimum service period, the normal NRC and service establishment charges will be included with the Termination Liability.)

Verizon estimates the first year revenue effect associated with these tariff changes is approximately \$173,000. Verizon identifies business customers as the target market for these services. Verizon further states that the proposed rates for these options are set at levels that would encourage customers to select long-term agreements for their ISDN Primary Service. ISDN Primary Service, it should be noted, is available for resale.

Pursuant to RSA 378:6, IV, the Commission must conclude its review of the tariff within 30 days of filing, unless it amends or rejects the filing within the 30-day period. The Commission may also, in its discretion, extend the time for its determination by up to 30 days if it explains the likely areas of its disagreement with the tariff. Based on our review of the filing and Staff's recommendation, we extend the 30-day review period by an additional 30 days to allow Verizon to submit additional information. The Commission has questions regarding the merits of encouraging customers to sign long-term service contracts where technology may be changing. Verizon did not address this question in its filing, but further information on this issue would be helpful.

Also while the company, in its cover letter

accompanying the tariff filing, estimates a first year revenue effect of \$173,000, the company offers no underlying supporting materials demonstrating how that figure was reached. Based upon the materials filed for review, this Commission is unable to estimate what the demand impact on ISDN PRI service will be as a result of these changes and therefore cannot agree with this filing. The company did not provide underlying cost support information relating to the development of its reported "average recurring rate", "recurring cost", and "non-recurring cost foregone" inputs to the company's price floor demonstration. Without an understanding of how these costs were developed, the Commission believes it cannot determine whether or not the resulting price floor demonstration is legitimate. For this additional reason, the Commission cannot agree with this filing.

**Based upon the foregoing, it is hereby**

**ORDERED**, that an additional 30 days be allowed to review the filing and additional supplemental information; and it is

**FURTHER ORDERED**, that Verizon submit to this Commission additional information relating to its first-year revenue effect estimate; and it is

**FURTHER ORDERED**, that Verizon submit additional information to this Commission relating to the demand impact on ISDN PRI service and the merits of using long-term commitment requirements in the provisioning of their service; and it is

**FURTHER ORDERED**, that Verizon provide underlying cost support information relating to the development of its reported "average recurring rate", "recurring cost", and "non-recurring cost foregone" inputs to the company's price floor demonstration.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of April, 2001.

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Douglas L. Patch  
Chairman

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Susan S. Geiger  
Commissioner

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Nancy Brockway  
Commissioner

Attested by:

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Kimberly Nolin Smith  
Assistant Secretary