

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Uniform Cover and Calendar Sheet

28

1. REPORT DATE: Sept. 8, 1998	2. BUREAU AGENDA NO.:
3. BUREAU: Office of Special Assistants	SEP-98-OSA-357*
4. SECTION(S):	5. PUBLIC MEETING DATE:
6. APPROVED BY: Director: C.W. Davis 7-1827 Supervisor: R.H. Albert 7-8108	September 17, 1998
7. PERSONS IN CHARGE: L. F. Smith 7-8866	
8. DOCKET NO.: A-310651	

KJR

9. (a) **CAPTION:** Application of Service Electric Telephone, Inc., for Authority to Begin to Offer, Render, Furnish, or Supply Competitive Local Exchange Carrier Services to the Public in the Bell Atlantic - PA, Inc., and GTE North, Inc., service territories

(b) **SUMMARY:** On September 12, 1997, the Applicant filed the subject Application. No hearings were held.

(c) **RECOMMENDATION:** The Office of Special Assistants recommends that the Commission adopt the proposed draft Opinion and Order approving the Application, consistent with the Opinion and Order.

DOCKETED

SEP 28 1998

(96438)

10. MOTION BY: Commissioner Chm. Quain

Commissioner Rolka - Yes

Commissioner Brownell - Yes

SECONDED: Commissioner Bloom

Commissioner Wilson - Yes

CONTENT OF MOTION: Staff recommendation adopted.

DOCUMENT  
FOLDER



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

REFER TO OUR FILE

SEPTEMBER 22, 1998

A-310651

JAMES TROUP ESQUIRE  
BRIAN ROBINSON ESQUIRE  
ARTER & HADDEN LLP  
1801 K STREET NW STE 400K  
WASHINGTON DC 20006-1301

DOCKETED

SEP 25 1998

Application of Service Electric Telephone, Inc., for authority to begin to offer, render, furnish or supply Competitive Local Exchange Telecommunication Services to the Public.

DOCUMENT  
FOLDER

To Whom It May Concern:

This is to advise you that an Opinion and Order has been adopted by the Commission in Public Meeting on September 17, 1998, in the above entitled proceeding.

An Opinion and Order has been enclosed for your records.

Very truly yours,

James J. McNulty,  
Secretary

smk

Encls.

Cert.Mail

JOHN O DUDLEY DIRECTOR  
GTE NORTH INC  
PO BOX 12060  
HARRISBURG PA 17108-2060

CHRISTOPHER M ARFAA ESQUIRE  
BELL ATLANTIC-PENNSYLVANIA INC  
1717 ARCH STREET 32ND FLOOR  
PHILADELPHIA PA 19103

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265

Public Meeting held September 17, 1998

**Commissioners Present:**

John M. Quain, Chairman  
Robert K. Bloom, Vice Chairman  
David W. Rolka  
Nora Mead Brownell  
Aaron Wilson, Jr.

DOCKETED

SEP 25 1998

Application of Service Electric Telephone, Inc., for Authority  
to Begin to Offer, Render, Furnish, or Supply Competitive  
Local Exchange Telecommunication Services to the Public

A-310651

**OPINION AND ORDER**

DOCUMENT  
FOLDER

**BY THE COMMISSION:**

On September 12, 1997, Service Electric Telephone, Inc., (Applicant), requested authority to offer competitive local exchange carrier (CLEC) services pursuant to the Telecommunications Act of 1996, 47 U.S.C. §§201, *et seq.*, (TA-96)<sup>1</sup> and to Chapters 11 and 30 of the Public Utility Code (Code) (66 Pa. C.S. §§1101, *et seq.*, and §§3001, *et seq.*) The Applicant complied with this Commission's requirements relating to notice. No protests were filed. No hearings were held.

The Applicant requested CLEC authority throughout the service territories of Bell Atlantic -- Pennsylvania, Inc., (Bell), and GTE North, Inc., (GTE). The Applicant intends to market its services to residential and business customers. The Applicant filed a proposed CLEC tariff with rates. The Applicant has not indicated whether it will provide

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<sup>1</sup> Market entry requirements, in light of the policy objectives of the TA-96, for telecommunication service providers are set out in *In Re: Implementation of the Telecommunications Act of 1996*, Docket No. M-00960799 (Implementation Order: June 3, 1996; and Implementation Reconsideration Order: September 9, 1996).

CLEC services as reseller or as a facilities-based carrier, but it has filed a switched access tariff which is required of facilities-based CLECs.

The Applicant is a Pennsylvania corporation with its principal place of business at 4242 Mauch Chuck Road, Coplay, PA 18037. Correspondence to resolve complaints may be directed to William D. George, II, or Patricia Stewart, at the principal place of business. The Applicant is an affiliate of Ironton Telephone Company (a rural incumbent local exchange company with a CLEC application pending at Docket No. A-311650), Ironton Long Distance Company (interexchange reseller at Docket No. A-310194), Service Electric Television, Inc., Service Electric Cable TV, Inc., and Service Electric Cable TV of Hunterdon, Inc.

Issues affecting CLECs have been addressed and are being addressed in a number of Commission proceedings.<sup>2</sup> A CLEC applicant is expected to adhere to the requirements relative to universal service and life line programs, as initially set forth or as subsequently enlarged or modified.<sup>3</sup> Further, Section 253(b) of the TA-96 permits a state commission to impose, on a competitively neutral basis and consistent with the Universal Service Section, requirements necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunication services, and safeguard the rights of consumers. In response, we articulated explicit concerns relative to an applicant's financial fitness, tariff compliance, and rates.<sup>4</sup>

The Applicant has provided financial information to support its Application. We, therefore, conclude that the Applicant has demonstrated that it is financially capable of providing CLEC services to the public.

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<sup>2</sup> See, e.g., *MFS*, Docket Nos. A-310203, F0002, *et al.*, (Oct. 4, 1995; July 31, 1996; and Aug. 7, 1997); *Pa. PUC v. Bell*, Docket No. R-00963578; *Pa. PUC v. GTE*, Docket No. R-00963666, as well as other CLEC proceedings.

<sup>3</sup> *Universal Service Invest.*, Docket No. I-00940035 (Jan. 28, 1997).

<sup>4</sup> *Blue Ribbon*, Docket No. A-310442 (April 25 and Aug. 4, 1997).

Premised upon our review of the Application and the proposed tariff, and consistent with our Orders, the Code, our Regulations, and the TA-96, we conclude that the Applicant's proposed services do not raise concerns at this time regarding safety, adequacy, reliability, or privacy as contemplated by Section 3009(b)(4) of the Code. We further conclude that the Applicant has met the requirements for certification as a CLEC, consistent with this Opinion and Order.

We note, however, several deficiencies in the proposed tariffs.<sup>5</sup> We shall direct the Applicant to contact the Commission's Bureau of Consumer Services (BCS) and Bureau of Fixed Utility Services -- Telecommunication Group (FUS) to resolve these deficiencies.<sup>6</sup> The Applicant shall thereafter file its Initial CLEC Tariff and its Initial Switched Access Tariff, consistent with the resolution reached with Commission Staff. Copies of the Initial Tariffs shall also be served upon the same entities receiving service of the original Application, including the ILECs. If the time required for such resolution and filing exceeds sixty (60) days, the Applicant shall file monthly status letters with the Commission's Secretary indicating a projected filing date for the Initial Tariffs. Because the proposed tariffs contain rates, the Initial Tariffs may become effective on one (1) day's notice from the date upon which they are filed and served.

### Conclusion

Accordingly, we shall grant the Application. The Applicant has had provisional authority under our Implementation Order (p. 7, ¶ B.1.c.4) and our Implementation Reconsideration Order (p. 5) to provide the proposed CLEC services pursuant to its proposed tariffs during the pendency of the application process. Upon the establishment of filed rates and the approval of Initial Tariffs, a certificate of public

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<sup>5</sup> The deficiencies include but are not limited to: Omission of local exchange maps; incomplete compliance with various provisions of 52 Pa. Code Chapter 64; and omission of two free Directory Assistance calls per month.

<sup>6</sup> Janice Ragonese, 717-772-4835, is the BCS contact. Jim Strausbaugh, 717-787-4700, is the FUS contact. Regardless of the review process, any tariff provision(s) inconsistent with the provisions of the Code, the TA-96, or our Regulations or Orders will be deemed inoperative and superseded. (52 Pa. Code §64.213.)

convenience shall be issued evidencing the Applicant's authority to provide services as a CLEC in the service territories of Bell and GTE, consistent with this Opinion and Order and our decisions in the *MFS* and such other proceedings; **THEREFORE,**

**IT IS ORDERED:**

1. That the Application of Service Electric Telephone, Inc., at Docket No. A-310651, for authority to operate as a Competitive Local Exchange Carrier within the service territories of Bell Atlantic-Pennsylvania, Inc., and GTE North, Inc., is granted, consistent with this Opinion and Order.

2. That a Certificate of Public Convenience be issued authorizing Service Electric Telephone, Inc., to furnish services as a Competitive Local Exchange Carrier within the service territories of Bell Atlantic-Pennsylvania, Inc., and GTE North, Inc., consistent with this Opinion and Order.

3. That Service Electric Telephone, Inc., contact the Commission's Bureau of Consumer Services and Bureau of Fixed Utility Services -- Telecommunication Group to resolve any issues pertaining to its Initial Competitive Local Exchange Carrier and Initial Switched Access Tariff.

4. That Service Electric Telephone, Inc., file its Initial Competitive Local Exchange Carrier Tariff and its Initial Switched Access Tariff, consistent with the resolution reached between the Applicant and Commission staff, with the Commission's Tariff Section and serve a copy on each entity receiving a copy of the original Application, including Bell Atlantic-Pennsylvania, Inc., and GTE North, Inc. The Initial Tariffs may become effective on one (1) day's notice from the date upon which it is filed and served. The Initial Competitive Local Exchange Carrier Tariff(s) shall be labeled "Competitive Local Exchange Carrier Tariff." The Initial Switched Access Tariff shall be labeled "Switched Access Tariff."

5. That Service Electric Telephone, Inc., comply with all the provisions of the Public Utility Code, as now exist or as may be hereafter amended, and with all

pertinent rules, regulations, and Orders of the Pennsylvania Public Utility Commission, now in effect or as may be prescribed by the Pennsylvania Public Utility Commission, including but not limited to: *MFS Intelenet, et al.*, Docket Nos. A-310203, F0002, *et al.*; and *Universal Service Investigation*, Docket No. I-00940035.

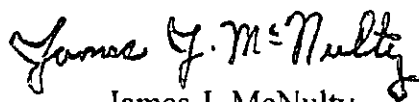
6. That the authority granted herein, to the extent that it duplicates authority now held by or subsequently granted to Service Electric Telephone, Inc., shall not be construed as conferring more than one operating right to the Applicant .

7. That Service Electric Telephone, Inc., file its life line plan within sixty (60) days of the date of entry of this Opinion and Order.

8. That Service Electric Telephone, Inc., file such affiliated interest agreements as may be necessary relative to any transactions with affiliates.

9. That, if Service Electric Telephone, Inc., has not, within sixty (60) days from the date of entry of this Opinion and Order, complied with the requirements set forth herein or if Service Electric Telephone, Inc., fails to file monthly status letters to extend the time for compliance, the Application at Docket No. A-310651 shall be dismissed, and the authority granted herein shall be canceled without any further proceeding.

**BY THE COMMISSION,**

  
James J. McNulty  
Secretary

(SEAL)

ORDER ADOPTED: September 17, 1998

ORDER ENTERED: **SEP 22 1998**