

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Uniform Cover and Calendar Sheet

1. <u>REPORT DATE:</u> July 6, 1999	2. <u>BUREAU AGENDA NO.:</u> JUL99-FUS-0496*
3. <u>BUREAU:</u> Fixed Utility Services	
4. <u>SECTION(S):</u> Telecommunications	5. <u>PUBLIC MEETING DATE:</u> July 15, 1999
6. <u>APPROVED BY:</u> Director: Muth 3-5242 <i>DM</i> Supervisor: Wagner 3-6175 <i>W</i> Legal Review by: Arnold 7-8032 <i>C. C.</i>	
7. <u>PERSONS IN CHARGE:</u> Barrett/Peyton: 7-5155	DOCKETED AUG 1 1999
8. <u>DOCKET NO.:</u> A-310801F0002	

9. (a) **CAPTION** (abbreviate if more than 4 lines)
 (b) **Short summary of history & facts, documents & briefs**
 (c) **Recommendation**

- (a) Application of CoreComm Pennsylvania, Inc. for approval to offer, render, furnish or supply telecommunication services as a Competitive Local Exchange Carrier.
- (b) On March 18, 1999, the subject application was filed. No protest were filed, and no hearings were held.
- (c) The Bureau of Fixed Utility Services recommends that the Commission adopt the proposed draft Order approving the Application, consistent with the Order.

EEF

Order Doc. # 138764

Calendar Doc. # 138726

10. MOTION BY: Commissioner Vice Chm. Bloom

Commissioner Brownell - Yes
Commissioner Wilson - Yes
Commissioner

SECONDED: Commissioner Rolka

CONTENTS OF MOTION: Staff recommendation adopted.

DOCUMENT FOLDER



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

IN REPLY PLEASE
REFER TO OUR FILE

A-310801F0002

JULY 20, 1999

A SHEBA CHACKO ESQUIRE
MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO
701 PENNSYLVANIA AVE NW
WASHINGTON DC 20004-2608

DOCUMENT
FOLDER

Application of CoreComm Pennsylvania, Inc. for approval to offer, render, furnish or supply telecommunication services as a Competitive Local Exchange Carrier to the public in the Commonwealth of Pennsylvania.

DOCKETED
JUL 23 1999

To Whom It May Concern:

This is to advise you that an Order has been adopted by the Commission in Public Meeting on July 15, 1999, in the above entitled proceeding.

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty,
Secretary

smk
Enclosure
cert. mail

EEF

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA. 17105-3265**

Public Meeting held July 15, 1999

Commissioners Present:

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

Application of CoreComm Pennsylvania, Inc. for Approval to Offer, Render, Furnish, or Supply Telecommunication Services as a Competitive Local Exchange Carrier to the Public in the Commonwealth of Pennsylvania.

Docket Number:
A-310801F0002

**DOCUMENT
FOLDER**

OPINION AND ORDER

BY THE COMMISSION:

On March 18, 1999, CoreComm Pennsylvania, Inc. ("Applicant"), filed, an Application seeking a Certificate of Public Convenience pursuant to the Telecommunication Act of 1996, 47 U.S.C. §§201, *et seq.*, (TA-96)¹ and to Chapter 11 and 30 of the Public Utility Code (Code) (66 Pa. C.S. §1101, *et seq.*, and §§3001, *et seq.*) evidencing authority to provide telecommunication services as a Competitive Local Exchange Carrier (CLEC) to residential and business customers in the Commonwealth of Pennsylvania.

JOCKETED
JUL 23 1999

¹ 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).

This application complied with section 5.14 of our regulations, 52 Pa Code §5.14. relating to applications requiring notice. No protests were filed. No hearings were held..

The Applicant requests authority to provide services as a CLEC in the service territory of Bell Atlantic-PA and GTE North, Inc. The Applicant asserts that it will not be a rural telephone company. The Applicant served a copy of the Application upon Bell Atlantic-Pa and GTE North, Inc.

The Applicant is a Delaware corporation with its principal place of business at 9 East Loockerman Street, Dover, DE 19901. Correspondence to resolve complaints may be directed to CoreComm Pennsylvania, Inc., Customer Service Department, 110 East 59th Street, New York, NY 10022.

The Applicant is not currently doing business in Pennsylvania and has no affiliates or predecessors doing business in Pennsylvania.

The Applicant has no affiliates providing services to or receiving services from the Applicant, except that, the Applicant's ultimate corporate parent, CoreComm limited ("CoreComm"), will provide the Applicant with the financial resources necessary to establish the Applicant as a provider of intrastate telecommunications services in Pennsylvania.

The following non-jurisdictional affiliates are rendering public utility service in jurisdictions other than Pennsylvania:

CCPR, Inc.

CoreComm Puerto Rico, Inc.

CCR PR RSA, Inc.

CoreComm Newco, Inc.

Issues affecting CLECs have been addressed and are being addressed in a number of Commission proceedings.² A CLEC applicant is expected to adhere to the requirements relative to universal service and lifeline programs, as initially set forth or as subsequently enlarged or modified.³ 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.⁴

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.

We conclude that the Applicant has met the requirements for certification as a CLEC, constant with this Order. 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 note, however deficiencies in the proposed tariff. See Appendix A.

² See, e.g., *MFS*, Docket Nos. A-310203, F0002, *et al.*, (October 4, 1995; July 31, 1996; and August 7, 1997); *Pa. PUC v. Bell*, Docket No. R-00963578; *Pa. PUC v. GTE*, Docket No. R-0093666, as well as other CLEC proceedings.

³ *Universal Service Invest.*, Docket No. I-00940035 (January 28, 1997).

⁴ *Blue Ribbon*, Docket No. A-310442 (April 25 and August 4, 1997).

We shall direct the Applicant to revise the proposed tariff in accordance with the changes noted in Appendix A of this Order.⁵ The Applicant shall thereafter file its Initial CLEC Tariff reflecting the requested changes on or before sixty (60) days from the date of entry of this Order. Copies of the initial Tariff 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 may request an extension of an additional sixty (60) days with the Commission's Secretary. Thus, if the Initial Tariff is not filed within 60 days (120 days including the extension) of the entry of this Order, the Application will be dismissed and the authority granted herein will be revoked without further Commission Order. To the extent that the proposed tariff contains rates, the Initial Tariff may become effective on one (1) day's notice from the date upon which they are filed and served.

⁵ Leonard Peyton, 717-787-3665, 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 supersede. (52 Pa. Code §64.213).

Conclusion

Accordingly, we shall grant the Application. The Applicant has had provisional authority under our Implementation Order (p.7, para. B.1.c.4) and our Implementation Reconsideration Order (p.5) to provide the proposed CLEC services pursuant to its proposed tariff during the pendency of the application process. Upon the establishment of filed rates and the approval of Initial Tariff, a certificate of public convenience shall be issued evidencing the Applicant's authority to provide services as a CLEC in the Commonwealth, 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 CoreComm Pennsylvania, Inc., at Docket No. A-310801F0002, 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 Order.
2. That the Applicant is directed to revise its proposed tariff to reflect the changes noted in Appendix A of this Order.

3. That the Applicant shall file its Initial Competitive Local Exchange Carrier Tariff, consistent with the requisite changes noted in Appendix A of this Order, within sixty (60) days after the date of entry of this Order.. The Applicant shall serve a copy of its Initial Tariff on each entity receiving a copy of the original Application. To the extent the Initial Tariff contains rates the Initial Tariff may become effective on or after one (1) day's notice from the date upon which it is filed and served. Proposed Tariff which did not contain rates may not become effective prior to sixty (60) days notice. The Initial Competitive Local Exchange Carrier Tariff shall be labeled "Competitive Local Exchange Carrier Tariff."

4. That the Applicant shall comply with all the provisions of the Public Utility Code, as now exist or as may be hereafter amended, and with all pertinent rules, regulation, 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: the *MFS Intelenet, et al.*, Docket Nos. A-310203F0002, *et al.*; and the *Universal Service Investigation*, Docket No. I-00940035.

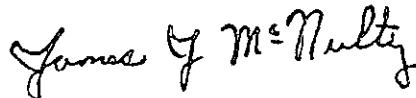
5. That the authority granted herein, to the extent that it duplicates authority now held by or subsequently granted to the Applicant, shall not be construed as conferring more than one operating right to the Applicant.

6. That the Applicant file such affiliated interest agreements as may be necessary relative to any transactions with affiliates.

7. That, in the event that the Applicant has not, on or before sixty (60) days (120 days including an approved extension) from the date of entry of this Order, complied with the requirements set forth herein, or if the Applicant fails to file monthly status letters to extend the time for compliance, the Application at Docket No. A-310801F0002, may be dismissed and the authority granted herein revoked without further Commission Order.

8. That, upon the establishment of filed rates and the approval of an Initial Tariff, a Certificate of Public Convenience shall be issued authorizing the Applicant to furnish services as a Competitive Local Exchange Carrier within the service territories of Bell Atlantic-PA and GTE North, Inc., consistent with this Order.

BY THE COMMISSION,



James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: July 15, 1999

ORDER ENTERED: **JUL 20 1999**

APPENDIX A

CoreComm Pennsylvania, Inc. is seeking a Certificate of Public Convenience to provide telecommunication services as a Competitive Local Exchange Carrier in Pennsylvania. CoreComm Pennsylvania, Inc. has filed a proposed tariff along with its application.

The following issues should be addressed before this tariff is approved:

1. Cover page and all pages of the tariff should identify the service being provided as Competitive Local Exchange Carrier.
2. Map of service area not included in the filing.
3. Original sheet 10 - Explanation of Revision Marks - The following codes should be used.
 - (I) To signify increased rates.
 - (D) To signify decreased rates.
 - (C) To signify all other changes.
4. Original Sheet 23. Section 2.1.3.1 - Minimum Contract - Acceptance of cancellation 5 days after receipt of notice and cancellation effective at end of monthly billing period. §64.53 provides for the customer to give at least 5 days notice, specifying date service to be disconnected.
5. Original Sheet 25. Section 2.1.3.3 - Termination upon 30 days written notice. See §64.54.
6. Original Sheet 42. Section 2.4.1 - Obligation of Customer (D). Tariff requires the customer to obtain, maintain, and have full responsibility for the right-away and conduit necessary for installation of all cable and associated equipment used to provide service from the cable building entrance or property line to the location of the equipment.

7. Original Sheet 46. Section 2.5.1.2 Please clarify whether the required deposit is paid to CoreComm or to the other telephone company. If this section requires the customer to make deposit arrangements with the former company that are suitable to CoreComm, it must be removed from the tariff.
8. The tariff should include Chapter 64 protections for residential customers.
9. Original sheet 51. Section 2.5.2.7.1 - Amount of Deposit. This section provides for 30% of the monthly charge for local services to be included in the deposit. §64.36 provides that the amount of cash deposit required from an applicant may not exceed the estimated average 2 month bill for basic services plus the average 2 month toll charge for existing residential customers in applicants exchange during the immediate preceding 12 month period.
10. Original Sheet 52 2.5.2.7.3 - Interest on Deposits - This section indicates that interest will not be applied to deposits held less than 180 days. This language should be removed. §64.41 provides that interest at the rate of 9% annum shall be payable on deposits without deduction for taxes thereon. §56.57 provides that interest at the rate of the average of 1-year Treasury bill for September, October and November of the previous year is payable on deposits.
11. Original Sheet 53. Section 2.5.2.7.4 Refund or Application of Deposits. §64.37 provides the condition under which refunds shall be made.
12. Original Sheet 56. Section 2.6.2.4 - Return Check Charge. This section provides for a range of \$20 to \$50. The Charge should be the same for all customers. Most companies have a \$35 return check charge.
13. Original Sheet 57. Section 2.6.3.1 - Late Payment Charge. The maximum charge allowable for residential customers is 1.25% per month or 15% annually. This language should be added.
14. Original Sheet 59 & 60. - Termination of Service. §64.53 allows a customer to give 5 days notice (written or oral) to have service disconnected.

15. Original Sheets 62 - 72 Discontinuance of Service, Termination of service for residential customer should follow a two step process, whereby, the carrier shall mail or deliver written notice to the customer at least 7 days before the date of suspension. §64.71. When at least 10 days have passed since the suspension o service, the company may terminate service for failure to pay a reconnection fee and to remedy the original grounds for suspension due to the following reasons: 1) failure to make satisfactory arrangements to pay arrearages, 2) failure to post a deposit, 3) failure to meet the requirements of a payment agreement, 4 failure to give adequate assurance that an unauthorized use or practice will cease. §§56.91, 64.121.
16. Original Sheet 62. Section 2.7.3.1(B) & (D) § 56.82 provides the days termination of service is prohibited.
17. Original Sheet 68. Section 2.7.4 PAPSC should be PA. PUC.
18. Original Sheets 90 - 150 The tariff should include a specific amount for the different service charges listed in the tariff. A minimum and maximum range should not be allowed. The tariff should not be designed to allow the company the opportunity to discriminate against a certain class of customers.
19. Original Sheet 110. Section 4.7 Directory Assistance Service. The carrier should offer it residential customers two free directory assistance calls per month.
20. Original Sheet 163. Section 8.11.1 - Service and Promotional Trials - Promotional offerings are to be filed with the Commission before offered to the customers.