

Service Date: May 18, 1984

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER of the Application of)	UTILITY DIVISION
AT&T COMMUNICATIONS OF THE)	
MOUNTAIN STATES, INC. For interim)	DOCKET NO. 83.11.80
and final approval in interim and final)	
intrastate Tariffs.)	ORDER NO. 5044b

ORDER FURTHER MODIFYING INTERIM RATE STRUCTURE

In Order No. 5046a the Commission authorized Mountain Bell to increase its "bulk billing" charge to AT&T Communications in the amount of \$293,954 annually. In recognition of this increased cost of service to AT&T Communications, the Commission, in Order No. 5044a, also authorized that company to increase its revenues in the same amount by increasing its charges for operator assistance charges. To date, AT&T Communications has not yet increased rates to generate the authorized increase.

On April 23, 1984, AT&T filed a proposal to revise this pricing provision. AT&T states that the resulting operator handled charges would be unreasonably high. AT&T proposes to increase operator handled charges to the Mountain Bell level and to recover the remainder (\$230,000) through increased Foreign Exchange and Private Line Charges (letter of Application, p.1)

Operator handled charges were established at a cost-based level for Mountain Bell in Docket No. 83.3.18. AT&T cost of service for FX and PL is predominantly a result of access charge payments to Mountain Bell. As such, FX and PL are priced below cost. Therefore, AT&T proposal is approved -- it moves operator handled charges to a level in parity with Mountain Bell's (which, presumably, are cost-based) while moving FX and PL towards the access-charge cost level.

The Commission finds that the price proposed by AT&T Communications In Advice No. 5 more accurately reflects actual cost of service than would generating the entire increase solely from operator handled charges. The proposed price is appropriate for interim ratemaking purposes.

NOW THEREFORE IT IS ORDERED THAT:

1. AT&T Communications generate the \$293,954 increased revenues authorized in Order No. 5044a by increasing operator handled charges Foreign Exchange open end rates, and Foreign Exchange and Private Line closed end rates as proposed in Advice No. 5.

2. The rates approved herein are done so on an interim basis. They remain subject to the rebate provisions described in Order No. 5044 should the final order in this docket disapprove any of the revenues granted herein.

DONE IN OPEN SESSION at Helena, Montana this 7th day of May, 1984 by a 4-0 vote.

ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

THOMAS J. SCHNEIDER, Chairman

HOWARD L. ELLIS, Commissioner

CLYDE JARVIS, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Madeline L. Cottrill
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.