

Service Date: July 6, 1990

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

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IN THE MATTER of the Application)	UTILITY DIVISION
of US West Communications for)	
Forbearance of Rate Regulation)	DOCKET NO. 90.6.34
Re: Super Valu Stores, Inc.)	
<hr/>		ORDER NO. 5479

FINAL ORDER

FINDINGS OF FACT

On June 6, 1990 US West Communications (USWC) filed an application with the Montana Public Service Commission (Commission or PSC) requesting forbearance of rate regulation for intraLATA Message Telecommunications Service to Super Valu Stores, Inc. for its King Ave. and Overland St. Billings offices and its Burlington Northern Yards location in Great Falls, pursuant to Section 69-3-808, MCA.

On June 8, 1990, at a duly noticed work session, the Commission GRANTED USWC's forbearance application based solely upon the contents of USWC's application. A Notice of Commission Action was issued on June 12, 1990.

Attached to and referenced in this application was a notarized letter from Super Valu Stores, Inc. to USWC requesting a proposal for its long distance service. The letter noted that bids were being sought from AT&T and Touch America and that bids were due by June 30, 1990.

specific to this docket is USWC alternative use of the forbearance statute. Traditionally, USWC has filed forbearance applications in situations in which the customer for which forbearance was sought was contemplating service from providers other than USWC. In this case, Super Valu Stores, Inc. was using MCI as its long distance provider at the time USWC filed its application and sought a bid from USWC for intraLATA MTS. The Commission finds this use of the forbearance statute reasonable in order that competition in the telecommunications markets is fostered. This use coincides with the intent of the Montana Telecommunications Act to move toward "...an orderly transition from a regulated telecommunications industry to a competitive market environment." (Section 69-3-802, MCA)

Although the forbearance statute (Section 69-3-808, MCA) may not permit analysis of the economic merits of USWC's discounted sales prices in considering the forbearance application itself, the Commission intends to analyze the merits of such discount prices in later dockets. There is absolutely no evidence in the instant or past forbearance applications that prices resulting from a negotiated contract or contracts for the services listed herein or in past applications will cover relevant economic costs. Further, no economic costs studies have been accepted by this Commission for USWC's toll services (see Order Nos. 5354d and 5354e, Docket No. 88.1.2). Therefore, USWC is hereby put on notice that to the extent any such sales prices resulting from a negotiated contract for the services listed herein fall below the Commission's estimate of relevant marginal costs, the resulting shortfall shall be borne by USWC shareholders.

CONCLUSIONS OF LAW

1. USWC provides regulated telecommunications services within the state of Montana and is a public utility under the regulatory jurisdiction of the Montana Public Service Commission, Sections 69-3-101 and 69-3-803(3), MCA.

2. The Commission has authority to supervise, regulate and control public utilities. Section 69-3-102, MCA.

3. USWC's application contained the information required by Section 69-3-808, MCA and ARM 38.5.2715.

4. Similar telecommunications service is being offered to the customer by a party other than the Applicant. Section 69-3-808(3), MCA.

ORDER

1. USWC is GRANTED FORBEARANCE of rate regulation with respect to the provision of intraLATA Message Telecommunications Service to Super Valu Stores, Inc.

2. This docket is closed.

Done and Dated this 25th day of June, 1990 by a 4 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L. ELLIS, Commissioner

DANNY OBERG, Commissioner

JOHN B. DRISCOLL, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

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