

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF BLACKFOOT**                    )  
**TELECOMMUNICATIONS GROUP’S**            )  
**APPLICATION TO MODIFY ITS NUMBER**       )  
**RESERVE AND SEASONAL SERVICE**         )  
**TARIFFS**    )  


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**CASE NO. FRE-T-13-01**  
**ORDER NO. 32911**

Blackfoot Telecommunications Group (“BTG”), after acquiring Fremont Telcom (“Fremont”) from FairPoint Communications, is updating its tariffs and billing systems and transitioning customers to upgraded services. The Company filed revised tariffs and seeks Commission approval to eliminate Number Reserve service, clarify its current seasonal service charges, and adjust the residential customer rate to comply with the rate floor guidelines established by the Federal Communications Commission. 47 C.F.R. § 54.318. The Company also asks the Commission to approve a \$25.00 non-recurring charge for the second and subsequent activations of seasonal service, a charge to discourage customers from disconnecting and reconnecting service numerous times throughout a calendar year.

The Commission issued a Notice of Application and Notice of Modified Procedure on October 2, 2013, to process BTG’s Application. Written comments were filed only by the Commission Staff.

**Number Reserve**

In 1998, Fremont began offering Number Reserve service at a rate of 25% of the flat rate local service charge, or \$6.44 for residential and \$10.20 for business customers. Number Reserve service retained a customer’s telephone number when the customer left the area for an extended period of time, and disconnected dial tone and all other switch-based services associated with it. BTG discovered that on occasion the Number Reserve service was incorrectly provisioned as seasonal or vacation service, enabling customers to receive calls and make outbound calls. BTG proposes to discontinue the Number Reserve service and migrate those customers to its Seasonal Service, preserving the customer’s phone number and line. The Company is setting a monthly rate of \$14.00 and \$21.00, for residential and business customers, respectively. The old Seasonal Service residential rate was \$12.90 per month. As reflected in the Company’s cost analysis, some customers are choosing to discontinue their service instead of

migrating. Overall, the number of disconnects have not had a significant impact on revenues. Staff Comments, p. 2.

### **Rate Change to Comply With the FCC**

The proposed monthly increase in the residential Seasonal Service rate from \$12.90 to \$14.00 is to comply with the FCC's Connect America Fund Order.<sup>1</sup> The monthly business rate of \$21.00 complies with the FCC's Order and does not need to be adjusted. See FCC 47 CFR § 54.318. The Company presented a cost analysis with its filing indicating the rate adjustment will be revenue neutral. Although it is difficult to calculate the revenue impact on an optional service for seasonal customers, Staff believes the submitted rate analysis is reasonable. Staff Comments, p. 2.

The Company also provided a copy of the customer notices that were published in the local newspaper on September 24 and 27. The Company indicated many customers are simply opting to disconnect their service instead of paying the monthly rate increase, which was reflected in the Company's cost analysis. Staff Comments, p. 2.

### **Non-Recurring Service Order Charge**

BTG proposes to implement a \$25.00 service activation fee. Customers placing their service on seasonal status will not be charged the \$25.00 non-recurring fee for a one-time activation in a 12-month period. The charge will be assessed, however, each time Seasonal Service is activated during a 12-month period following the initial activation/termination. The fee is meant to deter repeated activations/terminations during a single year. The fee will be waived if the customer selects the Company's regular local exchange service. Staff stated the proposal is reasonable and is similar to many service activation charges for the industry as a whole. Staff Comments, p. 2.

On the record presented, the Commission finds the tariff adjustments submitted by BTG to (1) eliminate Number Reserve service, (2) implement a \$25 charge for multiple activations of Seasonal Service, and (3) increase the residential Seasonal service rate from \$12.90 to \$14.00 are fair, just and reasonable. The modest increase in the Seasonal Service rate

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<sup>1</sup> See *In the Matter of Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*, WC Docket Nos. 10-92, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 86-45, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rule Making, FCC 11-161, pp. 234-241 (rel. Nov. 18, 2011)

is prompted by FCC requirements, and the Company projects the rate change will be revenue neutral. The Commission approves the adjustments to BTG's tariffs submitted with its Application, effective November 1, 2013.

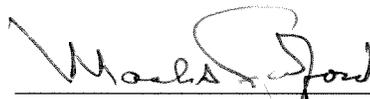
**ORDER**

IT IS HEREBY ORDERED that the tariff adjustments submitted by Blackfoot Telecommunications Group to (1) eliminate Number Reserve service, (2) implement a \$25 charge for multiple activations of Seasonal Service, and (3) increase the residential Seasonal Service rate from \$12.90 to \$14.00 are fair, just and reasonable. These changes are effective November 1, 2013.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

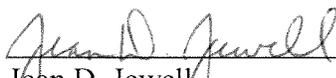
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24<sup>th</sup> day of October 2013.

  
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PAUL KJELLANDER, PRESIDENT

  
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MACK A. REDFORD, COMMISSIONER

  
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MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

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