

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission’s own motion,)
to enforce the provisions of 2000 PA 295)
regarding the imposition of intrastate subscriber)
line charges and end-user line charges.)
_____)

Case No. U-12580

At the September 18, 2000 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

ORDER

On July 17, 2000, Governor John Engler signed into law 2000 PA 295, which amended the Michigan Telecommunication Act (the Act), MCL 484.2101 et seq.; MSA 22.1469(101) et seq. The amendments were to be given immediate effect. As amended, Section 310(7) of the Act provides: “A provider of basic local exchange service shall not assess or impose on end-users an intrastate subscriber line charge or end-user line charge.” MCL 484.2310(7); MSA 22.1469(310)(7). Pursuant to MCL 484.2310(8); MSA 22.1469(310)(8), this section applies only to providers with more than 250,000 customers. Thus, Verizon North Incorporated, f/k/a GTE North Incorporated, (Verizon) must comply with this section of the amended law.

Following passage of the amendment, Verizon sought an injunction against its enforcement. On September 14, 2000, U.S. District Court Judge Paul D. Borman issued an opinion that, among

other things, denied Verizon's request for a preliminary injunction with respect to Section 310(7) of the Act.

The Commission finds that, consistent with the provisions mentioned above, it should order Verizon to cease billing any subscriber line charge and end-user line charge no later than October 1, 2000. Additionally, the company must refund to its customers or credit to their bills those charges that were included on bills after the effective date of 2000 PA 295. That credit or refund should occur with the first billing rendered on or after October 1, 2000 and must include interest at the rate set in R 484.373(5).

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1991 PA 179, as amended, MCL 484.2101 et seq.; MSA 22.1469(101) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACRS, R 460.17101 et seq.
- b. Verizon should cease billing any intrastate subscriber line charge and intrastate end-user line charge no later than October 1, 2000.
- c. Verizon should refund to its customers any intrastate subscriber line charge and end-user line charges that were included in billings after the effective date of 2000 PA 295, together with interest at the rate set in R 484.373(5).

THEREFORE, IT IS ORDERED that:

- A. Verizon North Incorporated shall cease billing and shall remove any intrastate subscriber line charge and end-user line charge no later than October 1, 2000.

B. In the first billing rendered on or after October 1, 2000, Verizon North Incorporated shall refund to customers, either by a credit to their bills or by check, any intrastate subscriber line charges and end-user line charges imposed after the effective date of 2000 PA 295, with interest at the rate required pursuant to R 484.373(5).

C. By December 1, 2000, Verizon North Incorporated shall file a report detailing compliance with this order.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ John G. Strand
Chairman

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of September 18, 2000.

/s/ Dorothy Wideman
Its Executive Secretary

B. In the first billing rendered on or after October 1, 2000, Verizon North Incorporated shall refund to customers, either by a credit to their bills or by check, any intrastate subscriber line charges and end-user line charges imposed after the effective date of 2000 PA 295, with interest at the rate required pursuant to R 484.373(5).

C. By December 1, 2000, Verizon North Incorporated shall file a report detailing compliance with this order.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

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Suggested Minute:

“Adopt and issue order dated September 18, 2000 directing Verizon North Incorporated, f/k/a GTE North Incorporated, to remove from customers’ bills any subscriber line charge or end-user line charge and to refund to customers or credit to their bills such charges imposed after the effective date of 2000 PA 295, as set forth in the order.”