

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter on the Commission's own motion,)	
to implement the provisions of Section 304 of)	Case No. U-14731
2005 PA 235.)	
_____)	

At the December 20, 2005 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Laura Chappelle, Commissioner
Hon. Monica Martinez, Commissioner

ORDER

On November 21, 2005, Governor Jennifer M. Granholm signed 205 PA 235, amending the Michigan Telecommunications Act, MCL 484.2101 *et seq.* (the Act). Among other things, the new law amended Section 304(1) of the Act to read as follows:

The rates for primary basic local exchange service shall be just and reasonable. Each provider shall set the initial rates for primary basic local exchange service to be effective no later than April 1, 2006. Except as provided under section 310a or a higher rate approved by the commission under subsection (2)(d), the initial rates may not exceed the rates for the lowest cost calling plan that includes a limited number of outgoing calls of the provider in place before the rates are set under this subsection. If a provider does not offer a calling plan with a limited number of outgoing calls, the provider shall set the initial rate for primary basic local exchange service which shall be just and reasonable and may be subject to commission review.

484.2304(1).

Primary basic local exchange service is defined in MCL 484.2102(y) as:

“ . . . the provision of 1 primary line to a residential customer for voice communication and shall include all of the following:

- (i) Not fewer than 100 outgoing calls per month.
- (ii) Not less than 12,000 outgoing minutes per month.
- (iii) Unlimited incoming calls.

Further, MCL 484.2301a provides:

A provider licensed under this act shall offer primary basic local exchange service to each residential customer within the provider’s service area where the provider is offering residential basic local exchange service.

Thus, each licensed provider of residential basic local exchange services in this state must provide primary basic local exchange service and must have a tariff for that service to be effective no later than April 1, 2006. In order to implement this statutory section in an expeditious manner, while exercising the review that the statute provides the Commission, it is necessary that all providers of residential basic local exchange service file tariffs for primary basic local exchange service no later than January 19, 2006. The tariffs will be filed in the normal manner of filing tariffs, and must reflect an effective date no later than April 1, 2006. Each provider must indicate which of the statutory provisions it used to set its primary basic local exchange rate and provide an evidentiary basis for a finding that the rate is just and reasonable. Finally, each filing should be conspicuously identified as being in response to this order (including the date and case number).

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1991 PA 179, as amended, MCL 484.2101 *et seq.*; 1969 PA 306, as amended, MCL 24.201 *et seq.*; and the Commission’s Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 *et seq.*
- b. Each provider of primary basic local exchange in Michigan should file the tariff upon which it intends to rely to comply with MCL 484.2304, as amended, no later than January 19, 2006.

THEREFORE, IT IS ORDERED that each provider of primary basic local exchange service must file the tariff upon which it intends to rely to comply with MCL 484.2304, as amended.

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.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark

Chairman

(S E A L)

/s/ Laura Chappelle

Commissioner

/s/ Monica Martinez

Commissioner

By its action of December 20, 2005.

/s/ Mary Jo Kunkle

Its Executive Secretary

THEREFORE, IT IS ORDERED that each provider of primary basic local exchange service must file the tariff upon which it intends to rely to comply with MCL 484.2304, as amended.

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of December 20, 2005.

Its Executive Secretary