

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
VERIZON HAWAII INC.)
For Approval of Changes to its)
Tariff. Transmittal No. 02-50.)
_____)

DOCKET NO. 02-0399

DECISION AND ORDER NO. 19776

Filed Nov. 15, 2002
At 11:00 o'clock A .M.

Karen Higashi
Chief Clerk of the Commission

DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

2002 NOV 15 P 4: 15

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ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

K. Higashi

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DECISION AND ORDER

I.

By transmittal number 02-50, filed on August 23, 2002, VERIZON HAWAII INC. seeks commission approval of certain changes to section 24 of its tariff. The proposed effective date of the tariff changes is November 25, 2002.

Copies of the transmittal were served on the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (Consumer Advocate).

On September 19, 2002, Verizon Hawaii Inc. submitted its responses to the Consumer Advocate's information requests, issued on September 10, 2002. On October 21, 2002, the Consumer Advocate filed its position statement, stating that it does not object to Verizon Hawaii Inc.'s transmittal.

II.

Three service features are the subject of the instant transmittal: (1) automatic busy redial (*66); (2) automatic call return (*69); and (3) three-way calling. Under Verizon Hawaii

Inc.'s tariff, customers have the option of subscribing to these three service features in one of two manners: (1) per line; or (2) on a per usage within a single month basis, aka per occurrence.¹ Verizon Hawaii Inc. does not propose any changes to the monthly per line charge for these service features.

The current charge on a per occurrence basis for each of these separate service features is \$0.75, with a "maximum number of chargeable occurrences" at 12 per month, thereby effectively capping the monthly charge for 12 or more uses within a single month at \$9.00. The maximum number of chargeable occurrences applies separately to each different service feature. Thus, a customer's use of two or more service features is not combined to reach the maximum number of chargeable occurrences.

By its transmittal, Verizon Hawaii Inc. seeks to increase the "maximum number of chargeable occurrences" from 12 to 19 per month, for each of the three service features. It does not propose any changes to the existing charge of \$0.75 per occurrence. Accordingly, under Verizon Hawaii Inc.'s proposal, the cap on the monthly charge for 19 or more uses within a single month will increase from \$9.00 to \$14.25.²

¹This second manner is described in Verizon Hawaii Inc.'s tariff as "per occurrence."

²\$0.75 x 19 = \$14.25.

III.

A.

In support of its proposed tariff changes, Verizon Hawaii Inc. states:

1. Since less than 1% of its customers currently exceed the existing twelve occurrences per month maximum, the impact of this change on customers should be minimal.
2. It seeks to increase the maximum monthly charge to \$14.25, "to make it comparable with the tariffs of other jurisdictions with a similar rate structure."
3. The regulatory commissions in Florida, Michigan, Texas, and Wisconsin have approved the \$14.25 maximum monthly charge.
4. It "seeks to strike a balance between charging customers a premium for the convenience of using features on a per occurrence basis without any prearrangement and still enjoy the protection of a maximum charge per month for use of the services."

Verizon Hawaii Inc. estimates that the increase in the maximum monthly charge will generate additional revenues of approximately \$3,080 per month.³

B.

The Consumer Advocate expresses its general concern with the \$.075 per occurrence charge, noting that as a non-fully competitive service, this charge should be cost-based. That said, the Consumer Advocate does not object to Verizon Hawaii Inc.'s transmittal, stating that:

1. The transmittal affects optional, not basic telecommunications services.

³In response, the Consumer Advocate estimates that the proposed tariff changes may generate additional monthly revenues of \$5,070 to \$15,017.

2. Verizon Hawaii Inc. will notify its affected customers of the change in the maximum monthly charge, thus "allow[ing] the customer to determine which service option is appropriate based on their usage." As long as the affected customers are notified of the two payment options, "they can choose the option that best serves their usage."
3. The general ratepayers will not be adversely affected.

IV.

THE COMMISSION ORDERS:

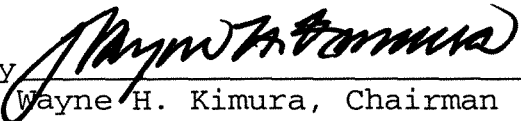
1. Verizon Hawaii Inc.'s transmittal number 02-50, filed on August 23, 2002, will be allowed to take effect, effective from November 25, 2002. Verizon Hawaii Inc. shall file its tariff sheets, incorporating the applicable issued and effective dates, with two copies served upon the Consumer Advocate.

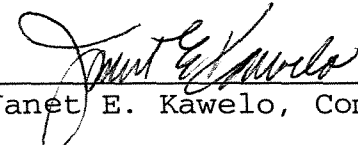
2. Verizon Hawaii Inc. shall submit copies of its customer notification form, with two copies served upon the Consumer Advocate.

3. Order No. 19767, filed on November 13, 2002, which suspended Verizon Hawaii Inc.'s transmittal pending further review, is rescinded.

DONE at Honolulu, Hawaii this 15th day of November,
2002.


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Wayne H. Kimura, Chairman

By 
Janet E. Kawelo, Commissioner

By (RECUSED)
Gregg J. Kinkley, Commissioner

APPROVED AS TO FORM:


Michael Azama
Commission Counsel

02-0399sl

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No.19776 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809

JOEL K. MATSUNAGA
VICE PRESIDENT-EXTERNAL AFFAIRS
VERIZON HAWAII INC.
P. O. Box 2200, A-17
Honolulu, HI 96841



Karen Higashi

DATED: November 15, 2002