

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 to Introduce SoundDeal.)
_____)

DOCKET NO. 01-0440

ORDER NO. 20137

Filed April 21, 2003
At 10:00 o'clock A.M.

Karen Higashi.
Chief Clerk of the Commission

DIV. OF CONSUMER AFFAIRS
DEPT. OF COMMERCE
CONSUMER AFFAIRS
515 E. BISHOP ST.
HONOLULU, HI 96813

2003 APR 21 P 6:23

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

K. Higashi.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
VERIZON HAWAII INC.) Docket No. 01-0440
For Approval of Changes to its) Order No. 20137
Tariff to Introduce SoundDeal.)

ORDER

I.

By Decision and Order No. 19221, filed on February 26, 2002, as modified by Order No. 19295, filed on April 10, 2002, the commission:

1. Approved VERIZON HAWAII INC.'s SoundDeal package, nka the Local and Toll Package, for a one-year promotional period, from April 22, 2002 to April 21, 2003; and

2. Instructed Verizon Hawaii Inc. to file, no later than 30 days prior to the expiration of the one-year promotional period, "a report of aggregate inter-island toll minutes of use data for its SoundDeal customers, on a month-to-month basis."

On December 6, 2002, Verizon Hawaii Inc. filed: (1) its preliminary usage report, covering the period from April through November 2002; and (2) transmittal number 02-82.

By transmittal number 02-82, Verizon Hawaii Inc. requested approval to grandfather its Local and Toll Package, "such that the package will no longer be available to new customers" after January 6, 2003. Based on its monitoring of the

inter-island toll usage, Verizon Hawaii Inc. found that "the per customer usage has grown to a level significantly higher than what the Company had originally anticipated." Thus, it was necessary to discontinue the offering of Local and Toll Package to new customers.

At the same time, Verizon Hawaii Inc. proposed to allow the existing customers to continue subscribing to the Local and Toll Package, beyond April 21, 2003, if the customer so chooses. Once the existing customers transition off of the Local and Toll Package, Verizon Hawaii Inc. proposed to discontinue this package in toto.

By Order No. 19946, filed on January 3, 2003, the commission approved transmittal number 02-82, thereby allowing Verizon Hawaii Inc. to grandfather the Local and Toll Package, effective January 6, 2003. Concomitantly, the commission instructed Verizon Hawaii Inc. to file: (1) a plan to phase-out the existing subscribers from the Local and Toll Package; or (2) a position statement justifying why, based on the data set forth in its preliminary usage report, the existing subscribers should be allowed to continue with this promotional program, on a permanent basis.

On January 23, 2003, Verizon Hawaii Inc. filed its phase-out plan for the commission's review. In addition, Verizon Hawaii Inc. requests an extension of time, from May 1 to May 15, 2003, to file its final toll usage report.

Upon review, Verizon Hawaii Inc.'s proposed plan is based on certain assumptions that have not materialized.¹ Furthermore, the commission rejects as inconsistent Verizon Hawaii Inc.'s proposal to allow certain remaining subscribers "to continue subscribing to LTP on a permanent basis[.]" Accordingly, no later than May 30, 2003, Verizon Hawaii Inc. shall re-file its updated phase-out plan, which includes a date certain as to when its subscribers to the Local and Toll Package are transitioned off this package.

At the same time, the commission finds good cause to approve Verizon Hawaii Inc.'s request to change the due date of its final toll usage report, to May 15, 2003. As noted by Verizon Hawaii Inc., it seeks to "file its final toll usage report by May 15, 2003 so that its report can reflect a full month of usage for April 2003."

II.

THE COMMISSION ORDERS:

1. No later than May 30, 2003, Verizon Hawaii Inc. shall file its updated phase-out plan, consistent with the terms of this order.

2. Verizon Hawaii Inc.'s request for an extension of time, from May 1 to May 15, 2003, to file its final toll usage report, is approved.

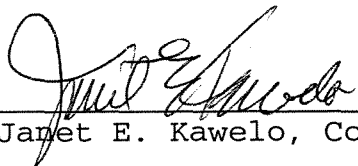
¹See Docket No. 02-0415, Verizon Hawaii Inc.'s proposed Local Package Plus.

3. Two copies each of the updated plan and final report, respectively, shall be served upon the Division of Consumer Advocacy.

DONE at Honolulu, Hawaii this 21st day of April, 2003.


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

01-0440.s1

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 20137 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: April 21, 2003