

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
**PUBLIC UTILITIES COMMISSION**

IN RE: VERIZON RHODE ISLAND  
PRICE REGULATION SUCCESSOR PLAN

DOCKET NO. 3179

Report and Order

On November 8, 2000, Verizon New England d/b/a Verizon Rhode Island ("VRI" or "Verizon") made its first annual Price Regulation Successor Plan ("PRSP") filing with the Public Utilities Commission ("Commission"). The PRSP, a successor and continuation of the regulatory methodology through which VRI's tariffs and revenues were established in the Price Regulation Plan,<sup>1</sup> was adopted in Order No. 16390 (issued on September 14, 2000). The PRSP provides the company with pricing flexibility pursuant to several formulae. There are consumer protections included at each service group level, through the implementation of individual Price Regulation Indices and rate element caps.

The instant PRSP filing results in a net annual revenue reduction of \$3.67 million to Verizon. The filing included the following reductions to rates in Service Group 1 and Service Group 3, and a net increase to rates in Service Group 4:

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<sup>1</sup> Successor to Price Regulation Trial initially adopted in Order No. 15020 (issued June 25, 1996).

- In Service Group 1, VRI proposed a reduction to the Business Measured Local Usage rate from \$0.035 to \$0.027.
- In Service Group 3, VRI incorporated revenue reductions of \$2.88 million associated with the switched access rate reduction in compliance with Commission's Order No. 16240 (issued May 4, 2000).
- In Service Group 4, VRI proposed several reductions and increases to other tariffed services elements. These included a reduction to the Directory Assistance call allowance for business from 5 to 3 calls per month and proportional reduction to Centrex call allowance from .5 calls to .3 calls, and an increase in the Directory Assistance charge for residential<sup>2</sup> and business customers from 35¢ to 50¢ in excess of the current call allowance. Additionally, VRI proposed a reduction to the rates for Statewide Unlimited Optional Calling Plan, elimination of the two-hour calling option for Statewide Calling Plan, and reduction to the overtime minute charge in the one-hour Statewide Calling Plan from 7¢ to 6¢. Finally, VRI proposed increases to certain analog and digital private line services.

On November 30, 2000, the Division of Public Utilities and Carriers ("Division"), through its telecommunications specialist, Brian Kent, filed a recommendation that the first annual PRSP filing be approved.

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<sup>2</sup> Residential call allowance will stay at the current 5-call allowance.

At an open meeting on December 6, 2000, the Commission considered the PRSP filing and the Division's recommendation, and unanimously voted to approve the filing.

Accordingly, it is

(16526) ORDERED:

The first Price Regulation Successor Plan filing by Verizon Rhode Island is hereby approved for effect January 15, 2001.

EFFECTIVE AT PROVIDENCE, RHODE ISLAND PURSUANT TO OPEN MEETING DECISION ON DECEMBER 6, 2000. WRITTEN ORDER ISSUED FEBRUARY 9, 2001.

PUBLIC UTILITIES COMMISSION

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Elia Germani, Chairman

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Kate F. Racine, Commissioner

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Brenda K. Gaynor, Commissioner