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October 3, 2018

Mr. Will Rosquist
Montana Public Service Commission
Regulatory Division
P.O. Box 202601
Helena, MT 59620-2601

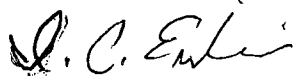
RE: Hot Springs Telephone Company: Petition for Detariffing

Dear Will:

Enclosed are an original and four (4) copies of Hot Springs Telephone Company's (HSTC) Petition for Detariffing of its optional local service calling features, and Exhibit A, with a list of the calling features. This filing is made pursuant to Sections 69-3-805(2) and 69-3-802, MCA; and ARM 38.2.305. This Petition is also based on prior PSC Orders granting detariffing: Order No. 7324f (Qwest/CenturyLink, Docket D2013.11.78); Order No. 7582 (Citizens/Frontier, Docket No. D2017.9.75); and Notice of Commission Action dated June 25, 2018 (Southern Montana Telephone, Docket N2018.2.9). Please note that HSTC is only requesting detariffing of rates, and prefers that the terms and conditions for these services remain in the Tariff.

Hot Springs Telephone Company respectfully requests approval of this Petition. Thank you, and please call if there are any questions.

Sincerely,



Ivan (Chuck) Evilsizer
Attorney for Hot Springs Telephone Company

Enclosures

**DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA**

IN THE MATTER OF the Petition of)	REGULATORY DIVISION
Hot Springs Telephone Company)	
for Waiver of MCA § 69-3-805(1), MCA)	
)	DOCKET NO. _____
)	

HOT SPRINGS TELEPHONE COMPANY PETITION FOR DETARIFFING

Hot Springs Telephone Company (HSTC) hereby files this Petition for Detariffing pursuant to Section 69-3-807, MCA. In particular, HSTC is requesting rate detariffing of its non-basic ancillary/optional local telecommunications services, found in its Montana PSC “General Exchange Tariff”.

HSTC provides local telecommunications services, exchange access, internet (DSL) and other services in the Hot Springs’ exchange area, serving approximately 706 customers. HSTC is a rural ILEC local telephone company pursuant to Section 69-3-803(12), MCA; and a “small telecommunications provider” pursuant to Section 69-3-901, MCA.

HSTC requests that the PSC grant the following:

1. A waiver of the tariffing requirements of §§69-3-805(1)(e) and 69-2-301, MCA, pursuant to §69-3-805(2), MCA;

2. A waiver of the competitive criteria in ARM 38.5.2711, pursuant to the “good cause” rule, ARM 38.2.305; and/or,

3. Detariff the rates for optional local services, pursuant to the public policy and public interest standards in §69-3-802, MCA, without specific detailed competitive findings, as permitted by §69-3-807(4), MCA. See also, §69-3-807(2), MCA (The Commission may authorize the provision of regulated telecommunications service under terms and conditions that best serve the declared policy of this state).

The basis for this filing, is to allow HSTC pricing flexibility in its optional local calling features (“CLASS” or “Custom Calling” features), to allow flexibility in bundling regulated and unregulated services (principally, with HSTC’s broadband DSL internet services); to enable HSTC to quickly respond to its customers needs and competitive pressures. Although a detailed competitive analysis is not being presented here, HSTC currently faces competition from two cellular providers (AT&T and T-Mobile), and at least two facility-based providers with fiber optics in the Hot Springs area, in addition to internet-based “over-the-top” VoIP companies, and satellite based services. In fact, three or four businesses and/or government offices in Hot Springs are currently served by a competitive fiber facility-based carrier. Various intermodal competitors are continuing to grow, as new technologies are introduced allowing cost-efficient deployment deeper into rural markets. Accordingly, this Petition is consistent with the statutory telecommunications policy of Montana, namely:

To the extent that it is consistent with maintaining universal service, it is further the policy of this state to encourage competition in the telecommunications industry, thereby allowing access by the public to resulting rapid advances in telecommunications technology. It is the purpose of this part to provide a regulatory framework that will allow an orderly transition from a regulated

telecommunications industry to a competitive market environment, and it is further the purpose of this part to clarify that the commission has authority to implement alternative forms of regulation for providers of regulated telecommunications services.

Section 69-3-802, MCA

Attached hereto as Exhibit A, is a full list of the currently tariffed optional local calling services, for which detariffing is requested (with descriptions and tariff references). These services are often referred to as "CLASS" or "Custom Calling" services. For example, these include services such as Call Waiting, Call Forwarding, Caller ID, Speed Calling, Three-Way Calling, and others. Competitive providers all provide these services, usually, if not always, at no additional charge.

The Commission has previously granted similar petitions authorizing detariffing of optional local services by other Montana LECs:

- A. CenturyLink (including the former Qwest and CenturyTel exchanges), in Order No. 7324f, Docket D2013.11.78. (Cf. Order No. 6736e, Docket No. D2006.3.39 (complete deregulation denied for some optional services);
- B. Citizens/Frontier Telecommunications, Order No. 7582, Docket No. D2017.9.75; and most recently;
- C. Southern Montana Telephone Company, in Docket No. N2018.2.9, Notice of Commission Action, June 25, 2018.¹

¹ In addition, the PSC granted complete detariffing to Competitive CLECs in 2000. The CLEC Waiver Order states, "CLECs may withdraw any tariffs or price lists on file with the Commission." PSC Notice of Commission Action, Docket N2000.3.36 (August 17, 2000).

HSTC is now receiving funds from the Federal Communications Commission's Connect America Fund, pursuant to the FCC's "A-CAM Model" for broadband infrastructure and deployment. HSTC is committed to being a preferred provider of communications services and an active business partner in the community of Hot Springs, and the surrounding rural region. However, HSTC faces a variety of challenges to its ability to continue to provide high quality telecommunications services at affordable rates within its exchange. The Hot Springs area has a low per capita income, high unemployment, and a high percentage of elderly, fixed income customers. It serves entirely within the Flathead Indian Reservation. HSTC has been unprofitable in recent years, as a result of regulatory reforms, including notably FCC preemption of state access charges, significant declines in switched access minutes, and competitive impacts.²

In summary, the Commission is authorized to waive tariff requirements, to recognize the impacts of technological growth and competition on the telecommunications industry, and to allow incumbent regulated companies to better respond in the market to their unregulated competitors. As set forth in Section 69-3-802, MCA, it is the policy of this state to encourage competition, while maintaining the universal availability of basic telecommunications service at affordable rates.

HSTC is only requesting detariffing of the rates for its optional (and competitive) non-basic local calling features. Basic voice service offerings will remain fully regulated and tariffed.

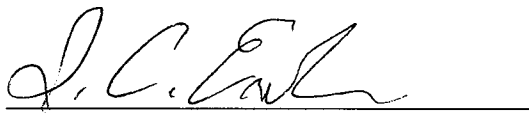
² HSTC's Annual Reports, filed with the Commission, show that the Company has realized a net positive income in only one of the past five years.

Further, HSTC will remain obligated to comply with the Commission's telecommunications service rules for these services. Universal service will not be affected.

HSTC requests that it be permitted to withdraw its rate tariff sheets for the services listed on Exhibit A, but maintain the tariffs containing the terms and conditions of these services.

HSTC respectfully requests that the Commission grant this Petition so it can withdraw its currently filed rate tariffs, and be relieved of the obligation to file them in the future, for other optional services.

DATED this 3rd day of October, 2018.



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EXHIBIT A

**HSTC Petition for Detariffing
General Exchange Tariff**

Table of Custom Calling and Optional Features

Name of Service	Description of Service	Tariff Schedule No.	Tariff Sheet No.
Automatic Wake Up Service	Enables the customer to program his telephone to make a call to his telephone number at a specific time selected by the customer. When the call is answered at the specified time, an announcement is generated stating that the call is a "wake-up/reminder".	D4	2, 7, 8
Call Forwarding	Automatically forwards incoming calls to a pre-determined number when the called number is busy or there is no answer in a certain time interval. This service includes: Call Forwarding Variable (all calls), Call Forwarding Busy Line (busy calls only) and Call Forwarding Don't Answer (only when no answer)	D4	2, 7, 8
Call Return	Allows the customer to automatically redial the telephone number of the most recent incoming call. The Company's equipment will make repeated attempts to establish the call, for a thirty (30) minute period beginning with the customer's activation of Call Return, if the telephone number for the most recent incoming call can be identified. The feature cannot be activated for calls originating from a line that is forwarded or from a line not associated with a telephone number, e.g., multi-line hunt groups.	D4	2, 7, 8
Call Screening	Allows the customer to block the last incoming call or calls from a maximum of six (6) specified telephone numbers. To block specified telephone number, the customer may construct or modify a telephone number screening list by dialing a unique code. The Company equipment will screen incoming calls against the customer's list and block those on the list. If facilities are unavailable to provide incoming call screening via the customer's list, standard call completion will occur. To block unknown telephone numbers, a customer can dial a special code after an unwanted call and block the number. Callers whose numbers are blocked are directed to a Company recorded announcement.	D4	4, 7, 8
Call Trace	Allows the customer to initiate a trace of the last incoming call completed by dialing an activation code immediately after terminating the call. If a trace is successful, the Company's equipment will record the telephone directory number, date, and time of the call. The results of the trace will not be provided to the customer directly. For further action to be taken, the customer is required to contact the Company's Business Office during normal working hours and work days. Call Trace detail will be retained by the Company and	D4	3, 7, 8

Exhibit A – HSTC Petition for Detariffing

Name of Service	Description of Service	Tariff Schedule No.	Tariff Sheet No.
	made available for ten (10) business days after the trace has been initiated.		
Call Transfer	Service enables the customer to transfer an incoming call to a third party/number and then hang up without disconnecting the connection to the third party/number. A customer must also be subscribed to Three Way Calling to be able to implement this service. This service functions for both local and long distance calls.	D4	3, 7, 8
Call Waiting	Enables a customer to receive an incoming call when his central office line is in use. The called party hears a tone indicating an incoming call is waiting. The customer can then put the current call on hold or disconnect, and then receive the incoming call. This feature is not available on central office lines arranged for trunk hunting.	D4	3, 7, 8
Caller ID / Caller ID Blocking	<p>Allows the customer to receive the calling party's directory number on incoming calls. The calling number will be delivered to he called party's Customer Premise Equipment (CPE). The directory number is transmitted during the silent interval between the first and second ring of the called party's line. A Caller ID Display Device (unregulated premise equipment, provided separately) is required to display the calling party's telephone number. Caller ID subscribers must provide and connect their own compatible premises equipment.</p> <p>1. Customers (both those subscribing to Caller ID and those not subscribing to Caller ID) may prevent the display of their directory number of activating Caller ID Blocking immediately prior to making a call. Caller ID Blocking is available to all customers on a pe4 call basis at No Recurring Charge and is activated by dialing a specific access code.</p>	D4	5, 6, 7, 8
Distinctive Ring (Or Teen) Service	Distinctive Ring (which may also be referred to as Teen Service) provides an alternative ring pattern (distinctive ring code) for incoming calls on an individual single party access line. The alternative ring pattern is provided by assigning an additional telephone number to the access line. The alternative ring pattern will consist of a "two ring" pattern on the "tip" side of the line. .	D1	1, 2
Installation Charges	Installation charges for all custom calling services	D4	9
Preferred Call Forwarding	Enables the customer to forward incoming calls from a maximum of six (6) specified telephone numbers to another telephone number. The customer can construct or modify a telephone number screening list by dialing an activation code. The Company equipment will screen incoming calls against the customer's list and	D4	4, 7, 8

Exhibit A – HSTC Petition for Detariffing

Name of Service	Description of Service	Tariff Schedule No.	Tariff Sheet No.
	forward only calls from telephone numbers included on the list. Calls forwarded by this feature are subject to all applicable local and long distance charges. These calls are also subject to transmission limitations.		
Priority Ringing	Provides the customer with a distinctive alerting signal, ring or call waiting tone (if the customer has subscribed to Call Waiting), when the customer is called from a maximum of six (6) preselected telephone numbers. The customer can construct or modify a telephone number screening list by dialing a unique code. The Company equipment will screen incoming calls against the customer's list and provide a distinctive ringing pattern for telephone numbers on the customer's list.	D4	3, 7, 8
Repeat Dialing	Enables the customer to automatically redial the last outgoing telephone number dialed. When the recalled telephone number is busy, the Company's equipment will make repeated attempts to establish the call for a thirty (30) minute period beginning with the customer's activation.	D4	2, 7, 8
Special Call Acceptance	Allows a customer to designate a maximum of six (6) telephone numbers from which calls will be accepted. The customer can construct or modify a telephone number screening list by dialing a unique code. The Company equipment will screen incoming calls against the customer's list and complete calls from numbers on the customer's list. Calls from all other numbers will be routed to a recorded announcement.	D4	4, 7, 8
Speed Calling	Permits a customer to place calls by dialing an abbreviated code instead of the normal full directory number. The customer may customize his menu of memorized speed call numbers. Speed Calling is available with either eight number capacity or 30 number capacity.	D4	4, 7, 8
Three Way Calling	Provides for holding an existing call and by dialing a prefix code and the telephone number of a third telephone, extending the call to that telephone. This feature only allows one of the three telephones to be outside the local service area of the telephone establishing the three way call.	D4	5, 7, 8
Toll Control with PIN	Toll Control with PIN (Personal Identification Number) allows controlled access to long distance calling from any access line with this feature. Any attempts to dial a long distance call will receive a tone request for the PIN number assigned to the access line. Only upon entry of the correct PIN number will the call be completed.	D4	5, 7, 8