

**CHAPTER 10
TELEPHONE**

Authority

N.J.S.A. 48:2-13.

Source and Effective Date

R.1996 d.412, effective August 7, 1996.
See: 28 N.J.R. 2832(a), 28 N.J.R. 4107(a).

Executive Order No. 66(1978) Expiration Date

Chapter 10, Telephone, expires on August 7, 2001.

Chapter Historical Note

Chapter 10, Telephone, was filed and became effective prior to September 1, 1969. Subchapter 4, Regulation for Residential Telephone Underground Extensions, became effective December 31, 1971 as R.1971 d.183. See: 1 N.J.R. 9(a), 3 N.J.R. 227(c). Subchapter 5, Regulation of InterLATA Telecommunications Carriers, became effective September 8, 1986 as R.1986 d.368. See: 17 N.J.R. 2012(a), 18 N.J.R. 1830(b). Subchapter 6, Regulation of Alternative Operator Service (AOS) Providers, was adopted as R.1989 d.463, effective September 5, 1989. See: 20 N.J.R. 3115(a), 21 N.J.R. 2801(d). Pursuant to Executive Order No. 66(1978) Chapter 10, Telephone, was readopted as R.1991 d.489, effective September 6, 1991, with amendments effective October 7, 1991. See: 23 N.J.R. 2270(a), 23 N.J.R. 3035(a). Subchapter 7, Access to Adult-Oriented Information-Access Telephone Service, was adopted as R.1993 d.180, effective May 3, 1993. See: 24 N.J.R. 1238(a), 25 N.J.R. 1882(b). Subchapter 5, Regulation of InterLATA Telecommunications Carriers, was repealed and Subchapter 5, Regulation of Competitive Telecommunication Services, was adopted as R.1993 d.248, effective June 7, 1993. See: 24 N.J.R. 1868(a), 25 N.J.R. 2492(a). Subchapter 10, IntraLATA Toll Competition on a Presubscription Basis, was adopted as R.1996 d.346, effective August 5, 1996. See: 28 N.J.R. 250(a), 28 N.J.R. 3824(b). Pursuant to Executive Order No. 66(1978), Chapter 10, Telephone, was readopted as R.1996 d.412, effective August 7, 1996. See: Source and Effective Date. See, also, section annotations.

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SUBCHAPTER 1. SERVICE

14:10-1.1 Service connections

(a) Each telephone utility shall supply, without cost to the customer, at least 150 feet, or more if no pole or structure is involved, of overhead service connection as measured from the curb line nearest to the customer's property to the nearest point of service connection at the customer's building or other structure. Where the customer desires an underground service connection, such facilities shall be provided, installed and maintained at the customer's sole cost and expense.

(b) If the length of service connection exceeds the requirements specified in (a) above, the customer may be required to pay for the cost of such excess.

(c) The provisions of this regulation do not affect "Service Connection Charges" associated with the establishment of telephone service, as provided for in the utility's filed tariff.

Amended by R.1991 d.489, effective October 7, 1991.
See: 23 N.J.R. 2270(a), 23 N.J.R. 3035(a).
Stylistic revisions.

14:10-1.2 Rate and special charges information

(a) Upon the request of any customer or applicant, each telephone utility shall provide an explanation of the rates, charges and provisions applicable to the service furnished or available to such customer or applicant, and shall take reasonable steps to provide any information and assistance necessary to enable the customer or applicant to obtain the most economical communications service conforming to the needs of such customer or applicant. The customer or applicant shall be advised as to alternative services available to meet the communications requirements of said customer or applicant in accordance with N.J.A.C. 14:11-7.4. Such information may include printed explanations of alternative services and rates. When requested, the telephone utility shall notify the customer or applicant of the minimum installation and service connection charge to be applied to the bill of such customer or applicant prior to undertaking any action and shall inform the customer or applicant of the estimated initial bill for local service.

(b) The customer shall be provided with an estimate of the charges where special charges not specifically set forth in a telephone utility's tariff are levied on the basis of actual cost for such items as extraordinary construction, maintenance or replacement costs or expenses, overtime work at the customer's request and special installations, equipment and assemblies for which the tariff does not prescribe a rate. This estimate need not be furnished if the customer specifically requests that the special equipment and services be provided before the charges for those services and equipment are available.

R.1978 d.89, effective March 10, 1978.
See: 9 N.J.R. 130(a), 10 N.J.R. 171(b).
Amended by R.1996 d.412, effective September 3, 1996.
See: 28 N.J.R. 2832(a), 28 N.J.R. 4107(a).

14:10-1.3 Business offices

(a) Business offices shall be staffed to provide customers and others with convenient access to qualified personnel, including supervisory personnel where warranted, to provide information relating to services and rates, accept and process applications for service, explain charges on customer's bills, adjust charges made in error and to generally act as the representative of the telephone utility. If one business office serves several communities, toll free calling from such communities will be provided.

(b) Business offices will be open during normal working hours of the telephone utility's normal work week in the area being served and at such other times and such other places as may be warranted by circumstances.

(c) Qualified personnel will be instructed to be courteous, considerate, efficient, and available to promptly serve those who contact the business office.

R.1978 d.89, effective March 10, 1978.
See: 9 N.J.R. 130(a), 10 N.J.R. 171(b).

14:10-1.4 Public information

(a) Access to the following information shall be made available at the business office upon request:

1. Maps showing exchange, base rate area and zone boundaries (if applicable) in sufficient size and detail from which most customer locations can be determined and mileage or zone charges quoted.
2. Information concerning plans for major service changes in the area served by the business office.

R.1978 d.89, effective March 10, 1978.
See: 9 N.J.R. 130(a), 10 N.J.R. 171(b).

14:10-1.5 Directories

(a) Telephone directories shall be published regularly, listing the name, location and telephone number of all customers, except telephone service not published at customer's request and public telephones.

(b) Upon issuance, a copy of each directory shall be distributed to all customers within the service area covered by the directory and a copy of each directory shall be furnished to the board.

(c) The name of the telephone utility, the area included in the directory, and the month and year of issue shall appear on the cover.

(d) Data pertaining to emergency numbers shall be conspicuously listed in the front part of the directory pages which shall include space for the customer to list emergency numbers, including those of gas, electric and water companies.

(e) The Board shall monitor the customer service activities of the LECs with regard to new customers and to customers making requests of the LECs to change their intraLATA carrier. LECs shall maintain customer service statistics and records regarding customer change requests and provide such information to Board staff upon request.

(f) Effective with a LEC's intraLATA toll service being classified as competitive under the Telecommunications Act of 1992 (N.J.S.A. 48:2-21.16 et seq.), the LEC shall attribute to the non-competitive, rate-regulated portion of its business, revenue equal to the imputation amount required by the imputation standard set forth in N.J.A.C. 14:10-10.7.

(g) Upon receipt of any complaint alleging a violation of the provisions in (a) through (f) above, the Board shall investigate such complaint and take whatever action it deems necessary to rectify any non-conformance with such rules.

14:10-10.6 Classification of intraLATA toll service as competitive

(a) LEC intraLATA toll services shall be reclassified as competitive as defined in N.J.S.A. 48:2-21.16 et seq., coincident with the effectuation of full Statewide implementation of intraLATA presubscription, as required in N.J.A.C. 14:10-10.3(c), subject to the imputation standard and procedure for attribution of access charges as described in N.J.A.C. 14:10-10.5(a) and (f).

(b) The MTS service of any LEC with a Board approved plan for alternative regulation, as provided by N.J.S.A. 48:2-21.18, shall be included in the standards for determining and monitoring competitiveness of services which may be incorporated in the LECs' plans for alternative regulation. In addition, all LECs' MTS services are subject to the standards for monitoring the competitiveness of services provided for in N.J.S.A. 48:2-21.19 and set out in N.J.A.C. 14:10-5.10. LECs' MTS services shall be included in the quarterly and annual reports for competitive services filed by LECs, which are used by the Board to ensure that such services remain competitive.

(c) Following a review of the quarterly and annual reports, as set out in (b) above, should there be a finding that a LEC's MTS service no longer meets the statutory criteria for a competitive service, the Board may reclassify the service as non-competitive if it determines sufficient competition is no longer present, pursuant to the provisions of N.J.S.A. 48:2-21.19(d).

14:10-10.7 Imputation standard

(a) The rates charged for any LEC toll service (and interexchange private line service) shall equal or exceed the rates set forth in this section:

(b) The switched access rate elements in (b)1 through 6 below shall be multiplied by the applicable access minutes

associated with toll service offered by the LEC. Access minutes shall be determined by converting the LEC billed minutes to conversation minutes and then to access minutes. Where switched access is used on only one end of a service, the LEC billed minutes shall be converted to applicable access minutes.

1. The LEC's zero-mileage band premium local transport rate element;
2. The LEC's premium local switching rate element;
3. The LEC's premium intercept rate element;
4. The LEC's premium line termination rate element;
5. The LEC's lowest message recording rate to any of its billing services customers, stated on a per-access-minute basis; and
6. The LEC's other non-access incremental costs of completing the call, stated on a per-access minute basis.

(c) Notwithstanding the provisions of (b) above and subject to the condition set forth in (c)1 below, for a customer which has entered a customer-specific pricing arrangement with the LEC, the LEC may substitute its FCC tariff rates for special access (using the term discount rate that corresponds to the term of the customer specific pricing arrangement) including applicable non-recurring special access rate elements leveled over the term of the contract, for either originating switched access for WATS and MTS services or terminating switched access for dedicated 800 services. The special access rate to be imputed shall apply to each equivalent circuit (for example, DS1). For every 2,000 hours, or portion thereof, per month of intraLATA toll calling at a location, the LEC must impute the cost of one circuit except where a particular customer's usage demonstrates that more traffic could be completed over the facility. The mileage will be rated at 10 miles. The elements listed in (b)1 through 6 above will apply to the terminating end of WATS and MTS services and the originating end of dedicated 800 services.

1. The LEC's revenues from all customers of a service being provided under a customer-specific pricing arrangement in paragraph (c) above must, in the aggregate, satisfy the requirements set forth in (b) above.

(d) The price charged for each LEC service using special access shall be greater than the sum of (d)1 through 6 below for each special access connection used; for example, twice for a typical private line circuit. For competitive access services such as Hi-Cap, however, imputation is not applicable.

1. The zero-mileage band of the LEC's special transport rate element;
2. The LEC's special access line rate element;

3. The applicable rate elements for optional features and functions;

4. Any applicable LEC special access surcharge rate element;

5. Any applicable non-recurring special access rate elements levelized over a 24-month period; and

6. The LEC's other non-access incremental costs of providing the service.

(e) If the Board orders or approves any changes in the LEC's access rate structure, the LEC shall be required to seek Board approval of appropriate changes in the imputation formulas in (b), (c) and (d) above.

(f) Where the LEC structures a package of services to include discounts and/or packaging of noncompetitive services in addition to interexchange calling, the LEC's price for the package of services must be greater than the amounts described in (b), (c) and (d) above plus: where basic service elements are used to provide the discounts or packages, an amount determined by multiplying the pricing units for the basic service elements used times the LEC's tariff price(s) for those basic service elements; and an amount determined by multiplying the LEC's per unit incremental costs for the discounts or packages, excluding those for the basic service elements, times the applicable number of units. The LEC shall, within 14 calendar days of a request from the IXC's or Board staff, provide information adequate to show compliance with the imputation requirement. The information shall reflect usage data for a one year period, or, if such data is unavailable, for the longest available time period for which the LEC has data. Pursuant to this imputation requirement, the LEC shall retain interexchange usage data for a rolling 24-month period. The LEC shall not be required to respond to any such request more frequently than once annually, except that the LEC shall be required to respond to any such request that is made in conjunction with the LEC proposing changes to an interexchange service or with the LEC proposing a customer-specific pricing arrangement. As part of any such showing, the LEC shall provide all supporting documentation including dates, data sources and calculations. The IXC's and Board staff shall have discovery rights to examine the documentation and computations underlying the LEC's data. To the extent that the LEC's showing includes information it deems proprietary, such information shall be made available subject to the following:

1. Information deemed by a party to be proprietary in nature shall be so marked by stamp or otherwise clearly identified as such. Proprietary information described in its subsection means trade secrets and other confidential, nonpublic, or privileged information, as defined by the LEC submitting the data.

2. Except when proprietary information is in the possession of the Board, exclusive custody of the proprietary information shall remain with the party submitting such information. The sole exception shall be the agreement by the submitting party to furnish each other party with a single copy of the proprietary information, which information shall be kept under seal when not under review.

3. The examination of the proprietary data provided to a party shall be solely by the counsel of record and/or any lawyer employed by or any employee of said counsel, expert consultants retained by a party, Board staff, the Ratepayer Advocate and staff, employees, and any expert consultants which the Ratepayer Advocate may retain, and any employee of a party whose review of the proprietary information is necessary, provided such persons have executed an acknowledgment of the handling of proprietary information in compliance with this subchapter and have provided the submitting party with an executed copy of the acknowledgment. No other disclosure shall be made to any person or entity except with the express written consent of counsel for the submitting party.

4. The proprietary data delivered or otherwise made available to a party pursuant to this subchapter, any photographic or other copies made thereof, as well as notes taken and other information obtained as a result of examination of the proprietary data, shall be disclosed only to persons who have executed the requisite acknowledgment, shall be kept in confidence, shall not be disclosed to anyone involved in competitive decision making for any party, and shall not be opened to public inspection. No person who may be entitled to receive, or which is afforded access to any proprietary information, shall use or disclose such information for the purposes of business or competition, or any purpose other than the preparation for and conduct of any administrative or judicial review thereof. Upon conclusion of the proceedings, all proprietary information which has been submitted pursuant to this subsection shall be returned to the submitting party. This requirement does not apply to the Board or its staff.

5. A party shall have no obligation to preserve the confidential nature of any information that it can demonstrate and document to the submitting party in advance of disclosure that the subject information:

i. Was previously known to the party free of any restriction on use and disclosure;

ii. Is received from a third party without restrictions on use or disclosure and without breach of any terms of this subchapter;

iii. Is disclosed to third parties by the submitting party without restrictions on use and disclosure;

iv. Is or becomes publicly available by authorized disclosure by the submitting party without any restrictions on use or disclosure;

v. Is independently developed by the party;

vi. Is approved for release by written authorization of the submitting party.

6. If documents and materials designated as proprietary in nature are to be included in any papers filed with the Board, such papers shall be labeled "CONFIDENTIAL—SUBJECT TO ORDER OF THE BOARD" and shall be filed under seal until further order of the Board.

7. The review described in this subsection shall not affect the implementation date of any customer specific pricing contract.

(g) Should the data demonstrate that the LEC is not in compliance with the imputation requirement, upon receipt of notice from the IXC's or Board staff, the LEC shall, within 30 days, either increase the price(s) for its interexchange service to bring the LEC into compliance, or petition the Board for a compliance ruling. In any such proceeding, the LEC shall not argue that this imputation requirement should be changed.

Amended by R.1997 d.440, effective October 20, 1997.
See: 28 N.J.R. 4414(a), 29 N.J.R. 4558(a).
Inserted (f).