

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: VERIZON RHODE ISLAND :  
TARIFF FILING TO INCLUDE A NEW : DOCKET NO. 4240  
LINE ITEM TO SEPARATELY COLLECT :  
GROSS RECEIPTS TAX :

ORDER

WHEREAS, On April 26, 2011, Verizon Rhode Island (“VZ-RI”) filed with the Public Utilities Commission (“Commission”) a Tariff filing seeking to add a surcharge to recover the Gross Receipts Tax imposed on VZ-RI by R.I.G.L. Sec. 44-13-4; and

WHEREAS, On May 17, 2011, the Division of Public Utilities and Carriers (“Division”) requested that the Commission suspend the effective date of the Tariff in order to allow an exchange of discovery, which request was granted at the Commission’s Open Meeting on May 18, 2011; and

WHEREAS, The Division propounded and VZ-RI responded to two sets of data requests; and

WHEREAS, On June 14, 2011, Commission staff conducted a pre-hearing conference to set a deadline for the submission of comments and reply comments by the parties; and

WHEREAS, On June 24, 2011, the Division submitted a letter from its legal counsel concluding that the filing was within Verizon’s authority to raise rates under its present form of regulation and therefore, the Division sought no further suspension of the tariff;<sup>1</sup> and

WHEREAS, The Division did express concern that the initial filing was misleading because it could lead a ratepayer to either believe this was a new tax imposed

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<sup>1</sup> Division’s Letter 6/24/11 at 2.

on VZ-RI or that it would result in a decrease in other rates charged by VZ-RI. The Division noted that neither of these options was correct and that the Division viewed the tariff filing to be “a rate increase of 5% disguised as a pass-through of a recently enacted state tax.”<sup>2</sup>

WHEREAS, On June 27, 2011, VZ-RI filed a response to the Division’s comments, arguing that there was no valid basis for its assertions that the tariff filing was unclear or that there would be a reduction to retail rates as a result of the proposed surcharge, citing its customer notification which stated, “you will see an increase in the tax surcharge” and “the tax surcharge will appear on some customers’ bills for the first time.”<sup>3</sup>

WHEREAS, On June 29, 2011, at an Open Meeting, the Commission considered the parties’ filings and approved VZ-RI’s Tariff Filing noting that, while the Division’s request for a suspension was reasonable, it is clear that the Tariff Filing is authorized under VZ-RI’s current form of regulation and that the customer notification made it clear that the surcharge would be in addition to VZ-RI’s current charges.

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<sup>2</sup> Division’s Letter, 6/24/11 at 2.

<sup>3</sup> VZ-RI Letter, 6/27/11 at 1-2.

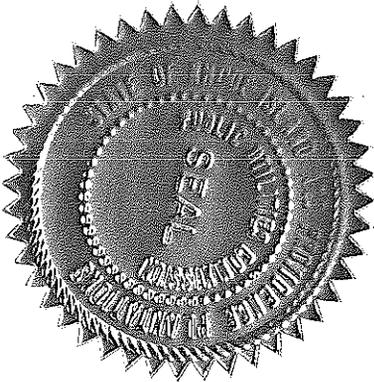
Accordingly, it is hereby

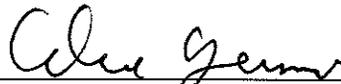
(20438) ORDERED:

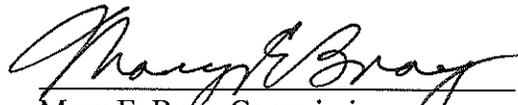
1. Verizon Rhode Island's Amendment to Tariff RI PUC No. 15, TOC, page 1 and Part A Section 1, page 23, is hereby approved.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING ON JUNE 29, 2011. WRITTEN ORDER ISSUED AUGUST 5, 2011.

PUBLIC UTILITIES COMMISSION



  
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Elia Germani, Chairman

  
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Mary E. Bray, Commissioner

  
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Paul J. Roberti, Commissioner

**NOTICE OF RIGHT OF APPEAL PURSUANT TO R.I.G.L. SECTION 39-5-1, ANY PERSON AGGRIEVED BY A DECISION OR ORDER OF THE COMMISSION MAY, WITHIN SEVEN DAYS (7) DAYS FROM THE DATE OF THE ORDER, PETITION THE SUPREME COURT FOR A WRIT OF CERTIORARI TO REVIEW THE LEGALITY AND REASONABLENESS OF THE DECISION OR ORDER.**