



State of Alabama

ALABAMA PUBLIC SERVICE COMMISSION
P. O. BOX 304260
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LUCY BAXLEY, PRESIDENT

JAN COOK, ASSOCIATE COMMISSIONER

SUSAN D. PARKER, PhD, ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.

SECRETARY

Re: GENERIC PROCEEDING TO CONSIDER)
IMPLEMENTATION OF THE)
COMMUNICATIONS REFORM ACT OF 2005) DOCKET 29733

ORDER

BY THE COMMISSION:

I. Introduction/Background

In 2005, Alabama passed the Communications Reform Act of 2005 ('Act') which redefined the Commission's jurisdiction for setting telecommunication utility prices. In accordance with the Act as shown in Section 37-2A-8(b)(2) of the Code of Alabama, the Legislature authorized annual telephone basic service price increases based on the change in the Consumer Price Index for all urban consumers as reported by the U.S. Department of Labor, Bureau of Labor Statistics.

In the Third Implementation Order under this Docket, dated December 4, 2007, the Commission identified the Bureau of Labor Statistics ('BLS') data series to be used and the procedures for calculating the annual change in the Consumer Price Index (CPI). On page 2 of the Order, the Commission selected data series ID CUUROOOOSEED01 (land-line telephone services, local charges) from the telephone services category for all urban consumers as the CPI data series that best correlates to price increases for basic telephone service. On pages 3 and 4 of the Order, the Commission interpreted the annual change in the CPI to mean the change in the monthly index from December of the previous year to the most recent December.

For the 2008 increase in basic service prices authorized by the Act, the change in data series ID CUUROOOOSEED01 from December 2006 (216.800) to December 2007 (225.675) was found to be 4.1 percent. Alabama local exchange carriers were authorized to increase basic service prices during calendar year 2008 by 4.1 percent. The change in data series ID CUUROOOOSEED01 from December 2007 (225.675) to December 2008 (232.527) is 3.0 percent. Therefore in accordance with the Act, Alabama local exchange carriers are authorized to increase basic service prices during calendar 2009 by 3.0 percent.

IT IS, THEREFORE, ORDERED BY THE COMMISSION, that telephone local exchange companies, in accordance with Section 37-2A-8(b)(2) of the Act, are hereby authorized to increase basic service prices during calendar year 2009 by 3.0 percent.

IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DATED at Montgomery, Alabama, this 3rd day of March, 2009.

ALABAMA PUBLIC SERVICE COMMISSION



Lucy Baxley, President



Jan Cook, Commissioner



Susan D. Parker, Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary