

**RULES  
OF  
THE TENNESSEE PUBLIC UTILITY COMMISSION**

**CHAPTER 1220-04-08  
REGULATIONS FOR LOCAL TELECOMMUNICATIONS PROVIDERS**

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**1220-04-08-.01 DEFINITIONS.**

- (1) In the interpretation of the rules in this Chapter, the following definitions shall apply:
- (a) Commission - The Tennessee Public Utility Commission.
  - (b) Automatic Emergency Communications District (ECD) Routing - E-911 call routing to the proper Tandem Central Office where the End Office has subscribers in more than one ECD and the Incumbent Emergency 911 Service provider has different Tandem Central offices serving those ECDs.
  - (c) Basic Local Exchange Service - The telecommunications services comprised of an access line, dial tone, touch tone, and usage provided to the premises of residential customers or business customers for the provision of high quality, two-way switched voice, or data transmission over voice grade facilities, within a local calling area, Lifeline, Link-up Tennessee, 911 Emergency Services, and educational discounts existing on the effective date of Chapter 408 Public Acts of 1995. Said service shall be provided at the same level of quality as was provided on the effective date of Public Chapter 408. This shall include recurring and nonrecurring charges.
  - (d) Bona Fide Request - A request to an Incumbent Local Exchange Telephone Company or a Competing Local Telecommunications Service Provider that demonstrates a good faith showing by the requesting provider that it intends to purchase the services within a reasonable time.
  - (e) Common Channel Signaling - A method of digitally transmitting call set-up and network control data over a special network fully separate from the public switched network that carries the actual call.
  - (f) Competing Telecommunications Service Provider - A company, entity, or an individual that offers or provides any two-way communications service, telephone service, paging service, or communications service similar to such services and telegraph services certificated for such services after June 6, 1995.
  - (g) Emergency Communications District (ECD) - Any Emergency Communications District created pursuant to the provisions of T.C.A. §§ 7-86-101, *et seq.*

(Rule 1220-04-08-.01, continued)

- (h) Enhanced 911/911 Service - An emergency service available to the general public and activated by dialing the digits 911 on the telephone.
- (i) Gross Domestic Product Price Index (GDP-PI) - The final estimate of the chain-weighted Gross Domestic Product Price Index as prepared by the U.S. Department of Commerce and published in the Survey of Current Business or its successor.
- (j) Incumbent Enhanced 911 Emergency Service Provider - A public utility offering Enhanced 911 Service on June 6, 1995 to any ECD or other governing authority referred to in T.C.A. §§ 7-86-101, *et seq.*
- (k) Interconnection - Refers to telecommunication services, including intrastate switched access that allows a Telecommunications Service Provider to interconnect with the networks of other Telecommunications Service Providers.
- (l) Interexchange Access Service - A telecommunications service to provide access between end users and an interexchange carrier and/or private line services between end users.
- (m) Interexchange Carrier - A facilities based telecommunications service provider of intrastate, interLATA telecommunications services.
- (n) IntraLATA Long Distance Service - A long distance service within any LATA.
- (o) Local Calling Area - The geographic area encompassing one (1) or more local exchanges in maps, tariffs, and rate schedules approved by the Commission, including the expanded service area as that term is used in such maps, tariffs, and rate schedules within which toll charges do not apply.
- (p) Local Exchange - A switching center serving a 10,000 line grouping or less that can be uniquely identified by an area code and the first three (3) digits of a telephone number (NXX code).
- (q) Incumbent Local Exchange Telephone Company - A public utility offering and providing basic local exchange service pursuant to tariffs approved by the Commission prior to June 6, 1995, or as designated by the Federal Communications Commission pursuant to 47 U.S.C. § 251(h)(2).
- (r) Local Service - Any service provided within a local calling area.
- (s) Local Telecommunications Service Providers - All providers of local telecommunications services certificated by the Commission after June 6, 1995 and all Incumbent Local Exchange Telephone Companies serving more than 100,000 access lines or which are otherwise subject to this rule chapter.
- (t) Long Run Incremental Cost - The additional forward-looking cost the company would incur in offering an existing or new service, group of services or basic network function for the current or reasonably expected level of service demand, excluding shared expenses and overheads not directly attributable to the service or function.
- (u) Non-Basic Services - Telecommunications services which are not defined as basic local exchange telephone services and which are not otherwise exempted from this category by the provisions of T.C.A. § 65-5-108. Rates for this service shall include recurring and nonrecurring charges.

(Rule 1220-04-08-.01, continued)

- (v) Number Portability - The technical capability to allow a customer to retain his local number, which includes:
  - 1. Service provider portability - the ability to retain one's telephone number within a local telecommunications provider's service area when changing service providers;
  - 2. Geographic portability - the ability to take one's telephone number when moving to a different permanent location within a local calling area (business or residential);
  - 3. Service portability - the ability to retain one's telephone number when changing service types, an example would be when a customer changes from voice grade telephone service to Integrated Services Digital Network (ISDN) and retains the same telephone number; and
  - 4. E911 service portability - the ability to provide and display subscriber numbers (old number and new number) and a designation that this is a remote call forwarding (RCF) call in the ALI database, where RCF is used to accomplish number portability.
- (w) Price List - The prices, or a range of prices, charged for services provided by a local telecommunications service provider on file with the Commission.
- (x) Price Regulation - A method for setting affordable prices through the use of a combination of caps, floors, and indexes or adjustment mechanisms, other than methods which use earnings, rate base and rate of return regulation.
- (y) Rate - The price of a telecommunication service. Whenever the term price is used in this rule chapter it shall be synonymous with rate and vice versa.
- (z) Shared Tenant Service Provider - A basic local exchange service subscriber who shares or resells basic local exchange service, generally occurring under a single owner or common development with a single name identity.
- (aa) Stand-Alone Cost - Those costs that an efficient firm would incur, using least-cost technology, to produce a service or group of services by themselves without reference to the rest of the services produced by the firm.
- (bb) Tariff - The schedule, or a range of prices and regulations for a particular service, which is filed with the Commission and serves as the official published list of charges, terms and conditions governing the provision of the service or facility. Tariffs function in lieu of a contract between an end user and a service provider.
- (cc) Tariff or Price Filing Date - The date on which the new tariff filing or price filing is first published in the Commission's weekly tariff sheet.
- (dd) Telecommunications Resale Service - A service provided by a Telecommunications Service Provider, including Shared Tenant Services Providers, that purchases telecommunications services or functions from another certificated provider for resale to the public.
- (ee) Telecommunications Services - A generic term describing two-way communications services transmitted over communications facilities. These services include voice, data, and video transmissions. These services exclude the transmission of one-way or two-way television and radio communications over traditional cable television and

(Rule 1220-04-08-.01, continued)

broadcast facilities provided exclusively between TV or radio subscribers and the TV or radio service provider.

- (ff) Universal Service - The provision of affordable residential basic local exchange telephone service and carrier-of-last-resort obligations.
- (gg) Usage Based Service - A service for which the rate applies to each additional increment of service usage. Usage based service does not include a message-rated service or any local exchange service for which usage rates do not apply after a maximum dollar amount or level of usage is consumed.

**Authority:** T.C.A. §§ 65-2-102, 65-3-105, 65-4-101, 65-4-104, 65-5-107, 65-5-108, and Chapter 408 of Public Acts of 1995. **Administrative History:** Original rule filed April 15, 1998; effective June 15, 1998. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; "Commission" and references to the "Commission" were changed to "Authority" and references to the "Authority"; effective March 28, 2003. Administrative changes made to this chapter on April 27, 2018 pursuant to Public Chapter 94 of 2017; "Tennessee Regulatory Authority" references were changed to "Tennessee Public Utility Commission," "Authority" references were changed to "Commission," "Authority Director" references were changed to "Commissioner," and "Chief" references were changed to "Director."

#### **1220-04-08-.02 CERTIFICATION POLICY AND REQUIREMENT.**

- (1) The purpose of this rule chapter is to provide specific rules for the Commission to use in certifying additional service providers in local telecommunications markets.
- (2) It is the Commission's policy to ensure that all consumers receive high quality telecommunications services, regardless of the service provider they select and that such providers shall be supervised by the Commission.
- (3) Every provider of telecommunications service, unless otherwise exempted by state or federal law, shall obtain a certificate pursuant to application under this rule before providing local telecommunications service, and shall not provide local telecommunications service without a certificate to provide such service. Any certificate or other Commission approved authority to provide local telecommunications service existing on the effective date of this rule shall remain in effect unless otherwise revoked by the Commission.

**Authority:** T.C.A. §§ 65-2-102 and 65-4-201. **Administrative History:** Original rule filed April 15, 1998, effective June 15, 1998. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; "Commission" and references to the "Commission" were changed to "Authority" and references to the "Authority"; effective March 28, 2003. Administrative changes made to this chapter on April 27, 2018 pursuant to Public Chapter 94 of 2017; "Tennessee Regulatory Authority" references were changed to "Tennessee Public Utility Commission," "Authority" references were changed to "Commission," "Authority Director" references were changed to "Commissioner," and "Chief" references were changed to "Director."

#### **1220-04-08-.03 GENERAL APPLICATION REQUIREMENT PROCEDURES FOR ALL COMPETING TELECOMMUNICATIONS SERVICE PROVIDERS - LOCAL SERVICE.**

- (1) Any individual company or entity applying for a certificate of convenience and necessity under this rule chapter to provide competing local telecommunications services shall file a petition in accordance with the provisions of T.C.A. § 65-2-103 with the Chair of the Commission.
- (2) Falsification or failure to disclose any required information in the petition for certification may be grounds for denial or revocation of any certificate.

(Rule 1220-04-08-.03, continued)

**Authority:** T.C.A. §§ 65-2-102 and 65-4-201. **Administrative History:** Original rule filed April 15, 1998, effective June 15, 1998. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; "Commission" and references to the "Commission" were changed to "Authority" and references to the "Authority"; effective March 28, 2003. Administrative changes made to this chapter on April 27, 2018 pursuant to Public Chapter 94 of 2017; "Tennessee Regulatory Authority" references were changed to "Tennessee Public Utility Commission," "Authority" references were changed to "Commission," "Authority Director" references were changed to "Commissioner," and "Chief" references were changed to "Director."

**1220-04-08-.04 APPLICATION AND CERTIFICATION REQUIREMENTS FOR COMPETING TELECOMMUNICATIONS SERVICE PROVIDERS - LOCAL SERVICE.**

- (1) Petitions to obtain certificates to provide competing local telecommunication services shall include the following:
  - (a) Demonstration of the ability and willingness to adhere to all applicable Commission policies, rules and orders;
  - (b) Documentation of managerial, financial and technical ability to provide such services;
  - (c) The name of the service provider, the address of the corporate headquarters, and the names and addresses of the service provider's principle corporate officers;
  - (d) If different than above, the names and addresses of all officers and corporate officers located in Tennessee and the name(s) and address(es) of employee(s) responsible for Tennessee operations;
  - (e) Information about the structure of the business organization and, where applicable, a copy of any articles of incorporation, partnership agreement or by-laws of the service provider, and a copy of any license to do business in Tennessee;
  - (f) Repair and maintenance information including the name, address and telephone number of a Tennessee contact person responsible for and knowledgeable about the provider's operations;
  - (g) A list of other states where the provider is authorized to operate and a list of those states which have denied any requested authority;
  - (h) Such other information as the Commission may require;
  - (i) A description of the category and types of services to be offered, the facilities and arrangements to be made available to end users and/or carriers, where applicable, and the geographic areas in which the services shall be offered.
- (2) After public notice and hearing, the Commission shall grant a certificate of convenience and necessity to a Competing Local Telecommunications Service Provider if, after examining the evidence presented, the Commission finds:
  - (a) The applicant possesses sufficient managerial, financial and technical abilities to provide the applied for services;
  - (b) The applicant has demonstrated that it will adhere to all applicable Commission policies, rules and orders.
- (3) Conditions of Certification

(Rule 1220-04-08-.04, continued)

- (a) Certificates awarded to Competing Local Telecommunications Service Providers shall designate those incumbent local exchange companies which serve those areas in which the competing provider intends to operate. If the competing provider wishes to expand into areas served by other incumbent providers, the competing provider must file a petition to modify the certificate. The Commission shall act upon that petition within sixty (60) days of filing.
- (b) With entry into the local exchange communications markets in Tennessee comes basic obligations and responsibilities to serve the public interest. Therefore, all Competing Telecommunications Service Providers providing basic local exchange telephone service or its equivalent shall either directly or through arrangements with other carriers or companies:
  - 1. Provide access to 911 and E 911 emergency service.
  - 2. Provide white page directory listings and directory assistance.
  - 3. Provide consumer access to and support for the Tennessee Relay Center in the same manner as incumbent local exchange telephone companies.
  - 4. Provide free blocking service for 900, 976 type services in accordance with Commission policy.
  - 5. Provide Lifeline and Link-up services to qualifying citizens of this state.
  - 6. Provide educational discounts in existence as of June 6, 1995.
- (c) All telecommunications service providers certified pursuant to this rule shall at a minimum be required to:
  - 1. Provide support for universal service in a manner determined by the Commission. This requirement shall not be construed as prohibiting the granting of a certificate before the universal service issues are determined by the Commission.
  - 2. Provide interconnection with other certificated carriers or Commission authorized carriers on a nondiscriminatory basis under reasonable terms and conditions.
  - 3. Comply with Commission basic service standards as defined in any applicable rules and decisions of the Commission;.
  - 4. Provide equal access to authorized inter-and intraLATA long distance providers, unless otherwise exempted by the Commission.

**Authority:** T.C.A. §§ 65-2-102, 65-4-104, 65-4-106, 65-4-201, 65-4-204, 65-5-101, 65-5-102, 65-5-103, 65-5-107, and Chapter 408 of Public Acts of 1995. **Administrative History:** Original rule filed April 15, 1998, effective June 15, 1998. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; “Commission” and references to the “Commission” were changed to “Authority” and references to the “Authority”; effective March 28, 2003. Administrative changes made to this chapter on April 27, 2018 pursuant to Public Chapter 94 of 2017; “Tennessee Regulatory Authority” references were changed to “Tennessee Public Utility Commission,” “Authority” references were changed to “Commission,” “Authority Director” references were changed to “Commissioner,” and “Chief” references were changed to “Director.”

**1220-04-08-.05 ABANDONMENT OR TRANSFER OF A CERTIFICATE.**

- (1) Abandonment of a certificate. Any Local Telecommunications Service Provider, except a telecommunications service provider with carrier of last resort obligations, which plans to discontinue providing all local services under its certificate in any or all local calling areas shall file formal notification with the Commission and all its affected customers by direct mail ninety (90) days in advance of the last anticipated day of service.
- (2) Transfer of a certificate. The transfer of a certificate or any services by any Local Telecommunications Services Provider shall be approved by the Commission so long as the new provider meets the requirements of T.C.A. § 65-4-201(c). The Commission shall render a decision regarding the transfer of the certificate, whether in whole or in part, within sixty (60) days of the filing date of the petition to transfer. If the Commission determines, based on the information presented, that the recipient is financially and technically capable of providing the service, and will adhere to all applicable Commission rules, policies and orders, the Commission shall approve the transfer of the certificate.

**Authority:** T.C.A. §§ 65-4-113, 65-4-114, and 65-4-201. **Administrative History:** Original rule filed April 15, 1998, effective June 15, 1998. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; “Commission” and references to the “Commission” were changed to “Authority” and references to the “Authority”; effective March 28, 2003. Administrative changes made to this chapter on April 27, 2018 pursuant to Public Chapter 94 of 2017; “Tennessee Regulatory Authority” references were changed to “Tennessee Public Utility Commission,” “Authority” references were changed to “Commission,” “Authority Director” references were changed to “Commissioner,” and “Chief” references were changed to “Director.”

**1220-04-08-.06 INSPECTION FEES FOR COMPETING TELECOMMUNICATIONS SERVICE PROVIDERS.**

- (1) All Competing Telecommunications Service Providers shall be subject to the provisions of T.C.A., Title 65, Chapter 4, Part 3, and shall pay any fees required by that part.

**Authority:** T.C.A. § 65-4-301. **Administrative History:** Original rule filed April 15, 1998, effective June 15, 1998. Administrative changes made to this chapter on April 27, 2018 pursuant to Public Chapter 94 of 2017; “Tennessee Regulatory Authority” references were changed to “Tennessee Public Utility Commission,” “Authority” references were changed to “Commission,” “Authority Director” references were changed to “Commissioner,” and “Chief” references were changed to “Director.”

**1220-04-08-.07 REPEALED.**

**Authority:** T.C.A. §§ 65-2-102, 65-5-101, 65-5-102, 65-5-103, and 65-5-104 and Chapter 408 of Public Acts of 1995. **Administrative History:** Original rule filed April 15, 1998, effective June 15, 1998. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; “Commission” and references to the “Commission” were changed to “Authority” and references to the “Authority”; effective March 28, 2003. Administrative changes made to this chapter on April 27, 2018 pursuant to Public Chapter 94 of 2017; “Tennessee Regulatory Authority” references were changed to “Tennessee Public Utility Commission,” “Authority” references were changed to “Commission,” “Authority Director” references were changed to “Commissioner,” and “Chief” references were changed to “Director.” Repeal filed January 15, 2025; effective April 15, 2025.

**1220-04-08-.08 RESERVED.**

**1220-04-08-.09 CONSUMER COMPLAINTS, ANTI-COMPETITIVE COMPLAINTS, AND VIOLATIONS OF APPLICABLE STATE LAW AND COMMISSION RULES.**

- (1) All Competing Telecommunications Service Providers shall comply with Commission Rule 1220-04-02-.09, all applicable statutes, and Commission policies regarding customer complaints and provisions of this rule.
- (2) Anti-competitive provisions.
  - (a) Upon filing of any increase in a non-basic rate or establishment of a new non-basic service by a Incumbent Local Exchange Telephone Company, any interested party may file a complaint with the Commission alleging that this rate is priced below its long run incremental cost in violation of the provisions of these rules. The Commission shall require the Incumbent Local Exchange Telephone Company to file cost support justifying the challenged rate with an opportunity for the party challenging the rate to demonstrate that it violates the price floor requirements. The Commission shall allow the rate to go into effect but shall resolve the complaint within thirty (30) days of its receipt, and may order the adjustment of the rate if found to be in violation of price floor requirements and thus anti-competitive.
  - (b) Upon the complaint of any interested party that any telecommunications service provider has violated any of the anti-competitive or discriminatory rate prohibitions found in applicable rules or statutes, the Commission shall investigate the complaint and may convene a contested case proceeding if such complaint is found to have merit. However, the complaining party must allege with specificity the action by the telecommunications service provider that appears to be in violation of said prohibitions or the complaint is subject to dismissal by the Commission.
  - (c) All Incumbent Local Exchange Telephone Companies subject to price cap regulation shall be required to do the following:
    1. Utilize consistent cost methods so that it does not apply different unit costs to network capabilities that are used to furnish monopoly services than it applies to those used to furnish competitive services.
    2. Impute to its competing service(s) the tariffed rates for essential elements utilized by Competing Telecommunications Service Providers plus the total long run incremental costs of all other elements composing the Incumbent Local Exchange Telephone Company's competing service(s).
    3. Adhere to all other anti-competitive provisions found in this rule chapter pertaining to the provision of nondiscriminatory interconnection with other providers under reasonable terms and conditions, the compliance with price floor and cost imputation restrictions on the pricing of competitive services, and compliance with applicable tariff and special contract provisions.
  - (d) Any party, service provider, or consumer may file a discrimination claim with the Commission regarding any service or rate. Any similarly situated customer (individual or other provider) who is denied upon request the same contractual provisions or rate or service offered to other customers may file a complaint with the Commission for appropriate resolution. Such resolution may include imposition of a fine for willful violations.
- (3) Violation of state law or the Commission's rules applicable to providers certificated pursuant to this rule chapter may result in the imposition of fines or the revocation of the provider's certificate in accordance with the following procedure.



(Rule 1220-04-08-.09, continued)

- (a) If the Commission has cause to believe that any provider certificated pursuant to this rule chapter is in violation of a Commission rule, applicable decision or state law, it shall notify the provider of the alleged violation and include copies of any documents supporting the alleged violation.
- (b) The provider shall have thirty (30) days from receipt of the notice of violation to provide a written response to the Commission.
- (c) If after receipt and review of the response it is found to be unsatisfactory, the Commission may issue a Show Cause Order pursuant to T.C.A. § 65-2-106.
- (d) After hearing and upon determination that a provider is in violation of a statute, Commission rules or applicable decisions, the Commission may impose fines, revoke the provider's certificate or take any other appropriate action as authorized by law.

**Authority:** T.C.A. §§ 65-2-106, 65-3-105, 65-4-114, 65-4-115, 65-4-117, and 65-4-120. **Administrative History:** Original rule filed April 15, 1998; effective June 15, 1998. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; "Commission" and references to the "Commission" were changed to "Authority" and references to the "Authority"; effective March 28, 2003. Administrative changes made to this chapter on April 27, 2018 pursuant to Public Chapter 94 of 2017; "Tennessee Regulatory Authority" references were changed to "Tennessee Public Utility Commission," "Authority" references were changed to "Commission," "Authority Director" references were changed to "Commissioner," and "Chief" references were changed to "Director."

**1220-04-08-.10 RESERVED.**

**1220-04-08-.11 RESERVED.**

**1220-04-08-.12 RESERVED.**

**1220-04-08-.13 REPEALED.**

**Authority:** T.C.A. §§ 65-2-102, 65-3-105, 65-4-101, 65-4-104, 65-4-124, and 65-5-108. **Administrative History:** Original rule filed April 15, 1998, effective June 15, 1998. Editorial changes made by the Secretary of State pursuant to Public Chapter 305 of 1995; "Commission" and references to the "Commission" were changed to "Authority" and references to the "Authority"; effective March 28, 2003. Administrative changes made to this chapter on April 27, 2018 pursuant to Public Chapter 94 of 2017; "Tennessee Regulatory Authority" references were changed to "Tennessee Public Utility Commission," "Authority" references were changed to "Commission," "Authority Director" references were changed to "Commissioner," and "Chief" references were changed to "Director." Repeal filed January 15, 2025; effective April 15, 2025.