

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of Four Northwestern Bell
Telephone Company Proposals to Expand its
Four Element Measured Service Offering

ISSUE DATE: March 14, 1988

DOCKET NO. P-421/M-87-561

P-421/M-87-597

P-421/M-87-619

P-421/M-87-674

ORDER CONDITIONALLY APPROVING
OPTIONAL MEASURED SERVICE
EXPANSION

PROCEDURAL HISTORY

Northwestern Bell Telephone Company (NWB or the Company) filed four proposals with the Minnesota Public Utilities Commission (the Commission) to expand the coverage of its Optional Measured Service (OMS) tariff to its Burnesville (metro), Bemidji, East Grand Forks, Fergus Falls (August 28, 1987), Wadena (September 18, 1987), Windom (September 25, 1987), and Cold Spring exchanges (October 19, 1987).

The Minnesota Department of Public Service (DPS) completed its Report of Investigation and Recommendation on December 28, 1987. In that report, the DPS recommended that the Commission conditionally approve the proposed OMS expansion and require NWB to file a report on the OMS service trial to date.

FINDINGS AND CONCLUSIONS

OMS is local exchange service furnished with rates for an exchange access line and usage. The rates for usage vary based on the number of call placed, the duration, distance and time of day of each call.

The Company established a 30-month trial of OMS to comply with the Commissions Order in In the

Matter of the Petition of Northwestern Bell Telephone Company, Minneapolis, Minnesota, for Authority to Change its Schedule of Telephone Rates for Customers within the State of Minnesota, Docket No. P-421/GR-80-911 (December 29, 1981). The trial originally incorporated the exchanges of Brainerd, Rochester and all electronic central offices in the Minneapolis-St. Paul metropolitan area.

The Commission has approved expansion of the OMS trial to fourteen metro and seven outstate exchanges in separate filings.

The Commission finds that the current requests expand the trial to an additional metropolitan office and six outstate offices. NWB projects that approximately 8673 residential and 154 business customers in these exchanges will switch to OMS from their current service. The Company also estimates that it will lose approximately \$284,600 during the first year, assuming that customers switching to OMS currently subscribe to one-party flat rate service.

Because the Commission is concerned about the impact of OMS on telephone services and rates, it has initiated a summary investigation of NWB's provision of OMS. In the Matter of an Investigation into Northwestern Bell Telephone Company's Optional Measured Service Trial Offerings, Docket No. P-421/CI-88-152.

The Commission finds OMS may provide more economical service to customers. The Commission further finds that it is reasonable to approve the requested expansion of the OMS trial pending the outcome of its investigation. The investigation will include information from this expansion. Finally, the Commission will order that the terms and conditions that were applied to earlier OMS tariff offerings be applied here. The Commission concludes that it will approve the Company's request.

ORDER

1. The Company's request to expand the coverage of its OMS tariff to its Burnesville (Metro), Bemidji, East Grand Forks, Fergus Falls, Wadena, Windom and Cold Spring exchanges is approved subject to the decisions made in NWB, P-421/CI-88-152.
2. The Company must provide a written notice to each of its customers in the affected exchanges. The notice shall explain: 1) that OMS is available; 2) how OMS works and may benefit the customer; 3) that there is no charge for conversion to or from OMS; and 4) that both the access and usage portions of the current OMS rates may change as a result of the pending investigation of OMS or Company's next general rate case.

3. This approval is contingent upon the Company filing revised tariff pages within 10 days of the issue date of this Order. The Company shall include the approved changes, the proper revision number of the page, the docket number as stated above, the date the proposal was submitted, and the effective date which is the issue date of this Order.
4. The Company shall include, in its report on OMS required by Docket No. P-421/CI-88-152, information on the exchanges approved herein for inclusion in the OMS trial.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)