

P-421, 537/CP-90-002 REQUIRING TRAFFIC STUDIES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

In the Matter of Petition for Extended Area Service from the Federal Dam Exchange to the Cass Lake and Bemidji Exchanges

ISSUE DATE: November 19, 1990

DOCKET NO. P-421, 537/CP-90-002

ORDER REQUIRING TRAFFIC STUDIES

PROCEDURAL HISTORY

On February 3, 1990, subscribers in the Federal Dam exchange of the Johnson Telephone Company (Johnson) filed for Extended Area Service (EAS) to the Cass Lake and Bemidji exchanges of Northwestern Bell Telephone Company (NWB).

Between February 3, 1990, and April 27, 1990, the Department of Public Service (the Department), NWB, and Johnson made several filings regarding traffic volumes, costs, proposed rates and requests for variances.

The matter came before the Commission on November 7, 1990.

FINDINGS AND CONCLUSIONS

The EAS Statute

The new EAS statute, Minn. Stat. § 237.161, came into effect on April 27, 1990. The EAS statute provides that a request for EAS will be granted when the following three criteria have been met:

1. The petitioning exchange is contiguous to an exchange or local calling area to which extended area service is requested in the petition;
2. At least 50 per cent of the customers in the petitioning exchange make one or more calls per month to the exchange or local calling area to which extended area is requested, as determined by a traffic study; and

3. Polling by the Commission shows that a majority of the customers responding to a poll in the petitioning exchange favor its installation, unless all parties and the Commission agree that no polling is necessary.

Adjacency

The Commission has previously decided that for purposes of EAS the term "local calling area" is defined as "two or more exchanges which all have EAS to each other." In the Matter of a Petition for Extended Area Service from the Sherburn Exchange to the Fairmont Exchange, Docket No. P-405/CP-89-1080, ORDER REQUIRING COST STUDIES AND PROPOSED RATES AND ESTABLISHING COMMENT PERIOD (October 30, 1990) at 3. The Commission used this definition of local calling area in forming the following determination: a petitioning exchange which is not contiguous to A, but is contiguous to B, where A and B have EAS to each other and therefore are a local calling area, is considered to have "adjacency" with regard to A for the purposes of EAS.

In the present case, Federal Dam shares a common border with the Cass Lake Exchange but not with the Bemidji exchange. Cass Lake and Bemidji have EAS to each other. Applying the reasoning of the Commission's October 30 Order, the Commission finds that Federal Dam is adjacent to the Cass Lake/Bemidji local calling area and therefore meets the adjacency requirement of its petition.

Traffic Studies

A petitioning exchange which meets the adjacency requirement must next fulfil the traffic criteria of the EAS statute. In this case, traffic studies for the Federal Dam to Cass Lake and Federal Dam to Bemidji routes were performed from December 17, 1989 to January 16, 1990. The studies showed that less than 50% of Federal Dam subscribers placed one or more calls per month to Cass Lake and less than 50% of Federal Dam subscribers placed one or more calls per month to Bemidji. According to the statute, at least 50% of the customers in the petitioning exchange must place one or more phone calls a month to the exchange or local calling area to which EAS is requested.

If the definition of local calling area were extended from the issue of adjacency to the issue of traffic counts, the Federal Dam traffic studies might satisfy EAS criteria. Considering Cass Lake and Bemidji together as a local calling area, it is possible that more than 50% of Federal Dam subscribers placed calls to it within a chosen month. Only a new, revised traffic study could determine this issue. The Commission will require that such a study be conducted and submitted.

Finally, the Commission notes that the previous traffic study was completed during winter, at a time when schools are adjourned. The Commission will require that further traffic studies reflect traffic volume fluctuation from month to month. If Johnson so chooses, it may meet this requirement by filing its lowest traffic volume study during the past 12 months and its highest traffic volume study during the same period.

ORDER

1. Within 60 days from the date of this Order, Johnson Telephone Company shall file a traffic study that states the number and percentage of Federal Dam subscribers that place one or more phone calls per month to either the Cass Lake or the Bemidji exchange. The information filed by Johnson shall clearly depict monthly traffic volume fluctuation.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)