

P-541/ES-91-626 ORDER APPROVING CERTIFIED 911 SYSTEM COST

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner
Norma McKanna	Commissioner
Patrice M. Vick	Commissioner

In the Matter of **Lismore
Cooperative Telephone Company's**
Request for Approval of
Certified Actual Costs
Associated with the **Nobles
County** 911 Emergency Telephone
Services System

ISSUE DATE: SEPTEMBER 5, 1991

DOCKET NO. **P-541/ES-91-626**

ORDER APPROVING CERTIFIED 911
SYSTEM COSTS

PROCEDURAL HISTORY

On April 28, 1981, the Minnesota Public Utilities Commission (the Commission) approved Nobles County's final plan for the establishment of a 911 Emergency Telephone Services System.

On February 10, 1983, Lismore Cooperative Telephone Company (the Company) placed a portion of a 911 Emergency Telephone System into service in Nobles County.

On February 6, 1991, the Company certified the actual costs it incurred for the provision of 911 Emergency Telephone Service in Nobles County.

Lismore is now requesting Commission approval of actual 911 system costs. Commission approval is necessary before the Department of Administration (DOA) will make payments for 911 system costs.

FINDINGS AND CONCLUSIONS

Minn. Stat. Section 403.11, subd. 3 states:

Subd. 3 (METHOD OF PAYMENT; CERTIFICATION.) A public utility incurring reimbursable costs under subdivision 1 or 2 shall certify those costs to the commissioner of administration. The certification shall be in a form as prescribed by the commissioner after consultation with the public service commission. If the commissioner and the

commission approve the certified costs as appropriate and accurate, the commissioner shall pay the certified costs from money appropriated for that purpose within 90 days following receipt by the commissioner of the certified costs. The commissioner of administration shall estimate the amount required to reimburse public utilities for the state's obligations under subdivisions 1 and 2 of this section and the governor shall include the estimated amount in the biennial budget request.

Lismore has certified, in writing, that the elements of 911 services and associated costs indicated on Attachment A reflect only charges for services actually rendered in the direct provision of 911 service in Nobles County.

The amount appearing on line 1b is the actual capital cost the Company incurred to install central office equipment necessary to switch calls to 911 trunks. The amount appearing on line 1c is the actual cost associated with moving or rearranging existing central office equipment because of 911 installation. The amounts appearing on lines 1b and 1c are traceable to specific telephone company job orders which will be retained in the Company's records. These amounts are one-time costs which will be reimbursed by the State of Minnesota and which will be excluded from the Company's rate base.

The amount appearing on line 2 is the annual recurring cost associated with the 911 central office equipment. This amount reflects maintenance, administration and gross earnings tax factors. Depreciation is not reflected in this amount since the Company will be reimbursed for 100% of its capital cost. Income taxes are not reflected in this amount because only expenses are recovered and consequently there are no taxable profits.

All other charges listed on Attachment A are in accordance with the Company's tariffs.

The Commission finds that the costs for 911 Emergency Telephone Service in Nobles County which have been certified by the Company are appropriate and accurate.

911 system costs will be recertified on an annual basis to reflect revised maintenance and administration expense factors.

Policy References:

Minn. Stat. Section 403.11 System Costs

Minn. Rules, pt. 1215.1400 Funding Eligibility/Payment of Recurring Costs

Minn. Rules, pt. 1215.1500 Funding Eligibility/Payment of Central Office Modification Costs

ORDER

1. The costs identified on Attachment A accompanying this Order are approved as appropriate and accurate.
2. The Company shall certify 911 system costs annually based on the Company's most recent annual report on file with the Commission.
3. This Order does not approve payment of any 911 system costs. Any possible future approval of payment for system costs shall be granted by the Commissioner of the Department of Administration in accordance with the provisions of Minn. Stat. Section 403.11.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)