

P-415, 421/CP-93-666 ORDER REQUIRING COST STUDIES AND PROPOSED RATES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm	Chair
Tom Burton	Commissioner
Marshall Johnson	Commissioner
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner

In the Matter of a Petition for
Extended Area Service From
Richmond to the Local Calling
Area of Cold Spring/St. Cloud

ISSUE DATE: October 22, 1993

DOCKET NO. P-415, 421/CP-93-666

ORDER REQUIRING COST STUDIES AND
PROPOSED RATES

PROCEDURAL HISTORY

On July 20, 1993, the Commission received a petition for extended area service (EAS) from the Richmond exchange of Melrose Telephone Company (Melrose) to Cold Spring and St. Cloud exchanges of US West Communications, Inc. (USWC).

The Minnesota Department of Public Service (the Department) requested traffic information on July 22, 1993.

On August 19, 1993, Melrose filed a traffic study with the Commission.

On September 7, 1993, Melrose filed a second traffic study at the request of the Department of Public Service.

On September 24, 1993, the Department submitted a letter.

On October 12, 1993, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

Statutory Findings

The EAS statute provides that the Commission shall grant a request to install EAS 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 percent 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 service 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. Minn. Stat. § 237.161, subd. 1(a)(1-3) (1992).

Based on the official exchange boundary maps on file with the Department, the Commission finds that the Richmond exchange is contiguous or adjacent to the Cold Spring/St. Cloud local calling area. The Commission further finds that Richmond also meets the second statutory criterion: adequate traffic. The traffic studies filed by Melrose show that more than 50 percent of Richmond subscribers made one or more calls per month to the petitioned area.

Cost Studies and Proposed Rates

Before proceeding to poll Richmond subscribers to determine whether the third criterion (subscriber support) will be met, the Commission will adopt EAS rates for the proposed route to give Richmond subscribers a clearer picture regarding the rate impact of implementing EAS before the poll is taken. To assist the Commission in establishing fair EAS rates for polling purposes, the Commission will require Melrose, the telephone company serving the petitioning exchange and USWC, the telephone company serving the exchanges comprising the Cold Spring/St. Cloud LCA to file sound cost studies and proposed rates as specified in the Ordering Paragraphs of this Order.

Comments

Following the filing of these cost studies and proposed rates, the Department will file its report and recommendations. Thereafter, other interested parties will have an opportunity to comment, as provided in the Ordering Paragraphs.

ORDER

1. Within 60 days of the Commission Order, Melrose Telephone Company (Melrose) and U S West Communications, Inc. (USWC) shall file cost studies and proposed rates with the Commission for the proposed EAS route between Richmond and the Cold Spring/St. Cloud local calling area.

2. The cost study methodologies used by the companies in filing the cost studies and proposed rates pursuant to Ordering Paragraph 1 shall be consistent with previous Commission decisions for non-metropolitan area EAS routes. The proposed rates shall show the petitioning exchange bearing 75 percent, 60 percent and 50 percent of the EAS revenue requirement.
3. Within 45 days following the filing of cost studies and proposed rates by the companies, the Minnesota Department of Public Service (the Department) shall file a report and recommendation concerning the proposed rates . If the Department recommends any changes to the cost studies or proposed rates, the Department shall file the new proposed rates assuming a 75 percent, 60 percent, and a 50 percent allocation to the petitioning exchange.
4. Parties shall have 20 days from the filing of the Department's report to file comments on it.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Susan Mackenzie
Acting Executive Secretary

(S E A L)