

P-430/EM-94-672 ORDER EXTENDING DEADLINE TO PROVIDE CLASS SERVICES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of a Proposal by United  
Telephone Company of Minnesota to Offer  
CLASS Services

ISSUE DATE: October 25, 1994

DOCKET NO. P-430/EM-94-672

ORDER EXTENDING DEADLINE TO  
PROVIDE CLASS SERVICES

**PROCEDURAL HISTORY**

On July 20, 1994 United Telephone Company of Minnesota (United or the Company) filed a proposal to offer CLASS services in fourteen of its Minnesota exchanges. At the same time the Company filed a request under Minn. Stat. § 237.75, subd. 3 (Supp. 1993) to extend the statutory deadline for offering CLASS services for 25 of its customers. The Company stated the costs of meeting the deadline for those customers would be exorbitant.

The Department of Public Service (the Department) recommended granting the extension.

The request came before the Commission on October 11, 1994.

**FINDINGS AND CONCLUSIONS**

Minn. Stat. § 237.75, subd. 3 (Supp. 1993) requires telephone companies providing service in the seven-county metro area to offer CLASS services in that area by January 1, 1995, unless the Commission grants an extension to a date certain. United plans to meet the January 1 deadline for all but 25 metro area customers.

The Company explains that two of these 25 customers are served by the Company's Lester Prairie exchange; the other 23 are served by its Plato exchange. Both exchanges are predominantly rural and lack the digital switches necessary to provide CLASS services. Plato is scheduled for digital conversion in August 1996, Lester Prairie in August 1998. Digital conversion requires a major capital outlay.

The Commission agrees with the Company and the Department that the public interest does not require accelerating the Company's switch replacement schedule for these 25 customers. Although the delay is significant, the number of customers is small, and the number likely to subscribe to CLASS services even smaller. Experience so far suggests an average "take rate" of 4% to 5%. Under these circumstances it would be unreasonable to force the Company and its ratepayers to bear the costs of retiring the Lester Prairie and Plato switches early. The Commission will grant the requested extension.

To comply with the statutory requirement to set a "date certain" while allowing time for the community contacts and customer education that must precede CLASS deployment, the

Commission will set December 31, 1996 and December 31, 1998 as the deadlines for offering CLASS services to metro customers in these two exchanges.

**ORDER**

1. United Telephone Company of Minnesota is granted an extension of time under Minn. Stat. § 237.75, subd. 3 (Supp. 1993) to begin offering CLASS services to customers residing in the seven-county metro area who are served by its Lester Prairie or Plato exchanges.
2. CLASS services shall be offered to customers in the seven-county metro area served by the Lester Prairie exchange on or before December 31, 1996.
3. CLASS services shall be offered to customers in the seven-county metro area served by the Plato exchange on or before December 31, 1998.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

(S E A L)