

P-404, 405, 407, 421, 426, 430, 520/CP-89-1039 ORDER APPROVING ONE-TIME CHARGE
TO RECOVER POLLING COSTS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm
Tom Burton
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Chair
Commissioner
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Commissioner

In the Matter of a Petition for Extended Area Service Between the Monticello Exchange and the Minneapolis/St. Paul Metropolitan Calling Area

ISSUE DATE: December 21, 1994

DOCKET NO. P-404, 405, 407, 421, 426, 430, 520/CP-89-1039

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PROCEDURAL HISTORY

From April 28 through June 13, 1994, the Commission conducted an EAS poll in the Monticello exchange, which is served by Bridge Water Telephone Company (Bridge Water). Monticello subscribers voted in favor of EAS to the Minneapolis/St. Paul metro calling area (MCA).

On July 11, 1994, the Commission issued its Order Certifying Polling Results for the Monticello exchange.

On October 5, 1994, Bridge Water filed a request to recover balloting costs from its subscribers in the Monticello exchange.

On October 17, 1994, Bridge Water requested a specific charge of \$1.45 per subscriber.

On October 20, 1994, Bridge Water verbally amended its request to a one-time charge of \$1.53 per access line. Bridge Water made this request through its accounting firm, Olsen, Thielen & Co., Ltd. Olsen, Thielen committed to filing a written amendment to complete the case record.

On November 9, 1994, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

Minnesota Laws 1990, Chapter 513, in section 2, which addresses Metropolitan EAS states:

The commission, in cooperation with each affected telephone company, shall determine the rates that would be charged to the customers in each metropolitan exchange that is not currently included in the metropolitan local calling area if that exchange were to be included. The commission shall then conduct a poll of the customers in each exchange. The ballot or questionnaire sent to each

customer must clearly identify the rate that would be charged to customers in that exchange if the exchange becomes part of the metropolitan extended service area and must be returnable to the commission, *at no cost to the customers*, within 60 days of the date the ballot or questionnaire was mailed. (emphasis supplied)

The EAS statute also requires that EAS rate additives be income neutral for the telephone companies serving the EAS route.

In a January 25, 1991 Order regarding four metropolitan exchanges, the Commission balanced the section quoted above with the income neutrality section of the law.¹ The Order stated:

[t]he Commission, therefore, will permit the companies to recover all their non-recurring EAS costs, except the postage necessary to return the EAS ballots to the Commission, through a one month surcharge. Order at page 14.

Consistent with this decision, the Commission will authorize Bridge Water to recover a properly calculated amount of its non-recurring balloting costs.

Bridge Water's first request of \$1.45 per subscriber was miscalculated. From the total amount billed for the balloting, Bridge Water deducted return postage for all ballots mailed, rather than only for all ballots returned. Only 3,178 of the 4,429 ballots mailed were returned. The return postage for all ballots returned is less than that for all ballots mailed, and consequently, the total amount to be recovered increases.

Bridge Water also clarified that its request should be based on access lines, rather than subscribers, because a ballot was mailed to each access line. Some subscribers have more than one access line. Bridge Water's final request to the Commission was to allow a one time charge of \$1.53 per access line.

Bridge Water's request will be approved. The Company has used the proper formula to calculate the recovery² and has calculated accurately.

¹ In the Matter of the Petition of Certain Subscribers in the Belle Plaine Exchange for Extended Area Service to the Minneapolis/St. Paul Metropolitan Calling Area, et al., Docket Nos. P-405,421/CP-83-55; P-520,421/CP-86-537; and P-421,407/CP-87-536, ORDER ADOPTING GUIDELINES FOR EXTENDED AREA SERVICE RATES FOR THE BELLE PLAINE, NEW PRAGUE, WATERTOWN AND NEW GERMANY EXCHANGES (January 25, 1991).

² Bridge Water calculated the recovery amount as follows: multiplied the number of returned ballots times \$0.31 return postage, subtracted that amount from the PUC billed balloting costs, and divided the result by the number of access lines.

ORDER

1. Bridge Water's request to assess a one-time charge of \$1.53 per access line in the Monticello exchange is approved.
2. At least 30 days prior to distribution, Bridge Water shall submit to Commission Staff for approval a proposed customer notice explaining the charge and thereafter shall include the approved customer notice in the next available customer billing.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)