

P-421, 430, 407, 405, 520, 427, 426/CP-94-173 ORDER REQUIRING FILING OF COST STUDIES AND PROPOSED RATES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm  
Tom Burton  
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Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Petition of Certain  
Subscribers in the Princeton Exchange for  
Extended Area Service to the Minneapolis/St.  
Paul Metropolitan Calling Area

ISSUE DATE: June 10, 1994

DOCKET NO. P-421, 430, 407, 405, 520, 427,  
426/CP-94-173

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**PROCEDURAL HISTORY**

On February 22, 1994, customers in the Princeton exchange filed a petition requesting extended area service (EAS) to the Minneapolis/St. Paul Metropolitan Calling Area (MCA). The Princeton exchange is served by US WEST Communications, Inc. (US WEST).

On April 7, 1994, US WEST filed its traffic study for the proposed route.

On April 21, 1994, the Department of Public Service (the Department) filed a report recommending that the Commission find the traffic volume sufficient and order cost studies and proposed rates.

The matter came before the Commission on May 31, 1994.

**FINDINGS AND CONCLUSIONS**

**I. Introduction**

Minn. Stat. § 237.161 provides that an EAS petition will be granted when:

1. The petitioning exchange is adjacent to the petitioned exchange or local calling area;
2. At least 50 percent of the customers in the petitioning exchange make one or more calls per month to the petitioned exchange or local calling area; and
3. Polling shows that a majority of the customers responding to the poll in the petitioned exchange favor EAS.

**II. Adjacency**

Commission maps show that the Princeton exchange is adjacent to the MCA. The first statutory criterion has therefore been fulfilled.

**III. Traffic**

US WEST submitted traffic studies for a 12-month period from February, 1993, through January, 1994. In each of the months included, more than 50% of Princeton customers placed one or more calls to the MCA. The second statutory criterion has been met.

### **III. Filing Requirements**

The EAS petition will now proceed toward the polling process. In order that EAS rate additives will be available for the process, the Commission will require telephone companies serving Princeton and the MCA<sup>1</sup> to file cost studies and proposed rates. Companies should meet the following criteria as they submit their required filings:

1. Companies should use 12 months of traffic data in formulating their cost studies and proposed rates. If less than 12 months of data are available, companies should annualize the data they have.
2. US WEST's proposed rates for the Princeton exchange should indicate what percentage of EAS costs will be allocated to the Princeton exchange.
3. The cost studies and proposed rates should include costs for the exchanges recently added, or about to be added, to the MCA. These exchanges include Buffalo, Cambridge, Delano, Lindstrom, North Branch, and Zimmerman.
4. US WEST should file its proposed lower-priced alternative along with its cost studies.
5. Proposed rates for existing MCA subscribers should meet the requirements of Minn. Stat. § 237.161 and should reflect the companies' past practices for establishing EAS rate additives.

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<sup>1</sup> The telephone companies serving the MCA are US WEST, United Telephone Systems of the Midwest, GTE, Vista Telephone, Scott-Rice Telephone Company, and Eckles Telephone Company. Sherburne County Rural Telephone Company serves the Zimmerman exchange, which will be added to the MCA in 1995.

**ORDER**

1. Within 60 days of the date of this Order, telephone companies serving Princeton and the MCA shall file cost studies and proposed rates following the criteria in the body of this Order. US WEST shall file its proposed lower-priced alternative along with its cost studies.
2. Within 45 days of the filing of the above cost studies and proposed rates, the Department shall file its report and recommendation. If the Department recommends changes in the assumptions used in the cost studies, it shall recalculate the rates using its own assumptions.
3. Parties who wish to file comments in response to the Department's report shall do so within 20 days of its filing.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

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