

P-421, 567/CP-92-322 ORDER SETTING RATE ADDITIVES AND REQUIRING POLLING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for Extended Area
Service from Beardsley to Ortonville,
Graceville, and Browns Valley

ISSUE DATE: July 20, 1994

DOCKET NO. P-421, 567/CP-92-322

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REQUIRING POLLING

PROCEDURAL HISTORY

On April 22, 1992 customers in the Beardsley exchange filed a petition for Extended Area Service (EAS) to the Ortonville, Clinton, Graceville, and Browns Valley exchanges. The petition was supplemented on May 29, 1992. The Beardsley, Ortonville, Clinton, and Graceville exchanges are served by U S WEST Communications, Inc. The Browns Valley exchange is served by Browns Valley Telephone Company.

In a series of preliminary Orders the Commission determined that all proposed routes except Beardsley-Clinton met threshold statutory requirements and ordered U S WEST and Browns Valley Telephone Company to develop proposed EAS rate additives for the four exchanges.

On July 5, 1994 the petition again came before the Commission on the issues of what rate additives should be assigned to each exchange and how polling of the Beardsley exchange should be conducted.

FINDINGS AND CONCLUSIONS

I. The Statutory Framework

The EAS statute sets three requirements for granting an EAS petition:

- (1) The petitioning exchange must be contiguous to the exchange or local calling area to which it seeks EAS;

(2) Traffic studies must show that at least 50% of the customers in the petitioning exchange make at least one call each month to the exchange or local calling area to which EAS is sought;

(3) A majority of customers responding to a Commission poll of the petitioning exchange must vote in favor of EAS.

Minn. Stat. § 237.161, subd. 1 (1992).

The Beardsley petition has met the first two requirements, adjacency and traffic volume, for all but the Clinton route. The Commission must now set rate additives for the four remaining exchanges and begin polling in the Beardsley exchange.

II. Rate Additives

The statute requires the Commission to set rate additives before polling customers in the petitioning exchange. For EAS routes outside the seven-county metropolitan area, the Commission is to allocate between 50% and 75% of total EAS costs to the petitioning exchange.

The Department of Public Service recommended allocating costs between Beardsley and the other exchanges on a 75-25 basis. The Department's rationale was that the exchange that requests EAS and votes on whether to install it should pay a higher portion of the costs than exchanges that have no choice in the matter.

Allocating EAS costs between petitioning and petitioned exchanges requires careful consideration of the facts in each case. In this case, the Commission agrees that 75-25 is the most equitable allocation.

Beardsley customers would gain more from the proposed EAS routes than the other customers and should pay more to reflect that difference in value. The number of access lines the petition would add to the Beardsley calling area far exceeds the number it would add to the other calling areas.

Finally, this is not a case in which a minute increase in the EAS additive of one exchange will leverage itself into a large decrease in the EAS additive of another exchange. The Commission is therefore unwilling to assess more than the basic 25% allocation against the three exchanges which have no voice in whether these EAS routes are installed.

ORDER

1. The rate additives for the proposed EAS routes will be as follows:

Beardsley

Route	1FR	2FR	1FB	TRK	Semi-Pub
Ortonville	\$1.21	\$.85	\$ 3.03	\$ 3.19	\$ 3.03
Browns Valley	9.79	7.57	24.50	25.80	24.50
Graceville	1.45	1.12	3.63	3.82	3.63

Ortonville

	1FR	2FR	1FB	TRK	Semi-Pub
	0.05	0.04	0.13	0.13	0.13

Browns Valley

	1FR	2FR	1FB	TRK	Semi-Pub
	1.606	2.391	2.708		

Graceville

	1FR	2FR	1FB	TRK	Semi-Pub
	0.21	0.16	0.53	0.55	0.53

2. U S WEST Communications, Inc. shall cooperate with Commission staff and the Commission's polling contractor and shall comply fully and promptly with all requests for assistance and information, including requests for customer lists.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)