

June 2, 1995

DOCKET NO. P-430, 421, 407, 405, 426, 520, 427, 404/CP-92-1131

ORDER APPROVING RATES AND NON-RECURRING CHARGE AND REQUIRING  
NOTICES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm  
Tom Burton  
Joel Jacobs  
Marshall Johnson  
Dee Knaak

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of a Petition for Extended Area  
Service from Norwood to the Twin Cities  
Metropolitan Calling Area

ISSUE DATE: June 2, 1995

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427, 404/CP-92-1131

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**PROCEDURAL HISTORY**

On September 22, 1992, customers in the Norwood exchange petitioned for extended area service (EAS) to the Minneapolis/St. Paul Metropolitan Calling Area (MCA). Norwood is served by United Telephone Company (United). The Norwood EAS petition was assigned to the current docket, P-430, 421, 407, 405, 426, 520/CP-92-1131.

On September 13, 1994, the Commission issued its ORDER ADOPTING RATES FOR POLLING in this matter. The Order specified that rates for the MCA should be refiled and should include Norwood, Lindstrom, Delano, Zimmerman, and Monticello.

Between November 15 and December 30, 1994, the Commission conducted a poll of Norwood subscribers to determine if a majority of those voting favored EAS to the MCA.

On February 1, 1995, the Commission issued its ORDER CERTIFYING POLLING RESULTS AND ORDERING INSTALLATION. This Order required the affected companies to install EAS between Norwood and the MCA because a majority of subscribers voting favored EAS.

On March 27, 1995, United filed a proposal to implement EAS between Norwood and the MCA on October 16, 1995 at 4:00 a.m.

On April 13, 1995, United filed a proposal for recovery of its nonrecurring EAS balloting costs.

On April 18, 1995, the Department filed its report on United's proposed EAS balloting cost recovery plan.

On May 17, 1995, United faxed its calculation of the revised nonrecurring EAS balloting charge to the Commission.

On May 30, 1995, the Commission met to consider this matter.

## **FINDINGS AND CONCLUSIONS**

### **A. Rate Additives**

Determination of EAS rate additives for MCA exchanges due to Norwood's inclusion was postponed until after it was determined whether the results of Norwood's balloting would merit the establishment of EAS between Norwood and the MCA. With the confirmation that Norwood will, in fact, join the MCA as a result of polling conducted in that exchange, it is appropriate to determine what rate additives will consequently apply to the existing MCA exchanges.

The Commission has reviewed the EAS rate additives proposed by the companies and will approve them. The EAS rate additives will be as set forth in Ordering Paragraph 1 of this Order.

### **B. Balloting Costs**

Consistent with the income neutrality requirement of the EAS statute, Minn. Stat. § 237.161 (1994), the Commission has allowed companies to recover the cost of balloting, less return postage costs. In this case, the Commission will authorize United to recover these costs from its residential and business subscribers based on a 1:1 ratio, i.e. charging neither class of customer more (or less) than it charges the other. Based on that approach, the non-recurring charge is calculated to be \$1.33 per access line.

### **C. Notices**

In its previous Order in this matter dated February 1, 1995, the Commission adopted requirements regarding the notification of the subscribers to be affected by the EAS rate additives established in this Order. Those requirements were as follows:

- United, GTE, USWC, Scott-Rice, Frontier, Eckles, Bridge Water and Sherburne shall send a bill insert to their customers in the billing cycle that concludes one month before the EAS implementation date. This notice will be the second regarding the EAS for Norwood exchange subscribers. This notice shall describe the service, instruct subscribers on dialing, list the additional rates to be paid (if any), and the date of implementation.

- The notice that United sends to its Norwood subscribers pursuant to this Order shall include information on the lower-priced alternative and clear instructions on how the customer may subscribe to the lower-priced alternative. The notice must also include any deadline the customer will have to meet to have the lower-priced alternative in place by the EAS implementation date.

The Commission will require the affected telephone companies to file their proposed customer notices with the Commission for approval.

In addition, the companies will be required to file tariff sheets reflecting, for all the exchanges added to the MCA to date, the rates and terms established for EAS in each of the exchanges affected by the Norwood EAS installation.

### **ORDER**

1. EAS additives established in response to the addition of the Norwood exchange to the MCA are as follows:

***Eckles Telephone Company***

|                         |         |
|-------------------------|---------|
| Res. Access - Town      | \$0.011 |
| Res. Access - Rural     | 0.013   |
| Res. Multiparty - Rural | 0.010   |
|                         |         |
| Bus. Access - Town      | 0.022   |
| Bus. Access - Rural     | 0.024   |
| Key - Town              | 0.026   |
| Key - Rural             | 0.028   |
| PBX                     | 0.035   |
| Direct Dial Trunks      | 0.039   |
| Payphones               | 0.037   |

***United Telephone Company***

|              |         |
|--------------|---------|
| (Chaska)     |         |
| 1-party Res. | \$0.247 |
| 1-party Bus. | 0.494   |
| Semi-Public  | 0.494   |
| Trunk        | 0.618   |
| School       | 0.494   |

|                       |         |
|-----------------------|---------|
| (Cologne)             |         |
| 1-party Res.          | -0-     |
| 1-party Bus.          | -0-     |
| Semi-Public           | -0-     |
| Trunk                 | -0-     |
| School                | -0-     |
| (Hastings)            |         |
| 1-party Res.          | \$0.004 |
| 1-party Bus.          | 0.008   |
| Semi-Public           | 0.008   |
| Trunk                 | 0.010   |
| School                | 0.008   |
| (Osseo)               |         |
| 1-party Res.          | \$0.005 |
| 1-party Bus.          | 0.010   |
| Semi-Public           | 0.010   |
| Trunk                 | 0.013   |
| School                | 0.010   |
| (Rogers) 1-party Res. |         |
| 1-party Res.          | \$0.011 |
| 1-party Bus.          | 0.022   |
| Semi-Public           | 0.022   |
| Trunk                 | 0.028   |
| School                | 0.022   |
| (St. Michael)         |         |
| 1-party Res.          | \$0.009 |
| 1-party Bus.          | 0.018   |
| Semi-Public           | 0.018   |
| Trunk                 | 0.023   |
| School                | 0.018   |
| (Victoria)            |         |
| 1-party Res.          | \$0.255 |
| 1-party Bus.          | 0.510   |
| Semi-Public           | 0.510   |
| Trunk                 | 0.638   |
| School                | 0.510   |
| (Waconia)             |         |
| 1-party Res.          | -0-     |
| 1-party Bus.          | -0-     |

|             |     |
|-------------|-----|
| Semi-Public | -0- |
| Trunk       | -0- |
| School      | -0- |

***Frontier***

(Apple Valley, Burnsville, Farmington, Jordan, Lakeville, Rosemount)

|                     |         |
|---------------------|---------|
| 1-Party Res.        | \$0.010 |
| 2-Party Res.        | 0.009   |
| Rural Four-Party    | -0-     |
| 1-Party Bus.        | 0.028   |
| Rural 4-party Bus.  | -0-     |
| Key Trunk           | 0.033   |
| PBX Trunk           | 0.043   |
| Semi-Public         | 0.036   |
| Customer-Owned Coin | 0.036   |
| 1-Party School      | 0.021   |
| Key Trunk-School    | 0.025   |
| PBX Trunk-School    | 0.032   |

***Scott Rice Telephone Company***

|                         | <u>Prior Lake</u> | <u>New Market</u> |
|-------------------------|-------------------|-------------------|
| 1-party Residential     | \$0.019           | \$0.019           |
| 2-party Residential     | 0.015             | 0.015             |
| 1-party Business        | 0.046             | 0.046             |
| Semi-Public Paystation  | 0.068             | 0.068             |
| Customer-Owned Payphone | 0.068             | 0.068             |

***GTE***

(Delano, Lindstrom, Mound, Maple Plain, Scandia, Wyoming, St. Bonifacius)

|             |         |
|-------------|---------|
| Residential | \$0.036 |
| Business    | 0.072   |

***USWC***

|                        |         |
|------------------------|---------|
| 1-party Res.           | \$0.003 |
| 2-party Res.           | 0.002   |
| 2-party Res. (Message) | 0.002   |

|                        |       |
|------------------------|-------|
| 1-party Bus.           | 0.011 |
| Trunk                  | 0.013 |
| 1-party Bus. (Message) | 0.007 |
| Semi-Public            | 0.011 |

***Sherburne County Rural Telephone Company*** (Zimmerman)

|             |         |
|-------------|---------|
| Business    | \$0.011 |
| Residential | 0.006   |

***Bridge Water Telephone Company*** (Monticello)

No rate change in the Monticello exchange.

2. United is hereby authorized to impose a nonrecurring EAS balloting charge of \$1.33 per Norwood access line.
3. The pertinent notification requirements set out in the Commission's February 1, 1995 Order in this matter are reaffirmed, as follows:
  - a. United, GTE, USWC, Scott-Rice, Frontier, Eckles, Bridge Water and Sherburne shall send a bill insert (the second regarding the EAS for Norwood exchange subscribers) to their customers in the billing cycle that concludes one month before the EAS implementation date, describing the service, instructing subscribers on dialing, listing the additional rates to be paid (if any), and the date of implementation; and
  - b. the notice that United sends to its Norwood subscribers pursuant to the foregoing paragraph (a) shall 1) include information on the lower-priced alternative and clear instructions on how the customer may subscribe to the lower-priced alternative and 2) include any deadline the customer will have to meet to have the lower-priced alternative in place by the EAS implementation date;
4. United's Norwood notice (described in Ordering Paragraph 3b above) shall contain information explaining to subscribers the one-time, nonrecurring EAS balloting charge approved by the Commission.
5. At least 90 days before the implementation date, United, GTE, USWC, Scott-Rice, Frontier, Eckles, Bridge Water and Sherburne shall file with Commission Staff their proposed notices described in Ordering Paragraph 2a above.
6. Thirty days before implementation, United, GTE, USWC, Scott-Rice, Frontier, Eckles, Bridge Water and Sherburne shall file with the Commission and the Department tariff

sheets reflecting prior Commission Orders establishing the rates and terms for EAS in each of the exchanges affected by the Norwood EAS installation.

7. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

(S E A L)