

P-421/CP-91-185; P-421/CP-91-186; P-421/CP-91-187

P-421/CP-91-249

P-421/CP-91-487

ORDER APPROVING REVISED RATES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Joel Jacobs
Tom Burton
Marshall Johnson
Dee Knaak
Don Storm

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for Extended Area Service from the Hinckley Exchange to the Pine City, Mora, and Sandstone Exchanges

ISSUE DATE: October 18, 1995

DOCKET NO. P-421/CP-91-185; P-421/CP-91-186; P-421/CP-91-187

In the Matter of a Petition for Extended Area Service from the Sandstone Exchange to the Hinckley Exchange

DOCKET NO. P-421/CP-91-249

In the Matter of a Petition for Extended Area Service from the Braham Exchange to the Mora Exchange

DOCKET NO. P-421/CP-91-487

ORDER APPROVING REVISED RATES

PROCEDURAL HISTORY

On September 29 and November 24, 1992, the Commission issued an ORDER ADOPTING RATES FOR POLLING in the Hinckley and the Braham dockets.

In those Orders the Commission approved a joint agreement of the Department of Public Service (the Department) and US WEST Communications, Inc. (US WEST) under which US WEST would submit recalculated extended area service (EAS) rate additives one year after EAS was implemented.

On May 5, 1993, the Commission issued an ORDER CERTIFYING POLLING RESULTS in each of the dockets. The EAS routes which won subscriber acceptance were: Hinckley to Pine City, Mora and Sandstone; and Braham to Mora.

On December 1, 1993, US WEST implemented the four EAS routes.

On December 23, 1994, US WEST filed recalculated EAS rate additives for the five affected exchanges. Under the new proposal, the EAS rate additives approved in 1992 would be reduced.

On March 6 and 7, 1995, the Department filed comments recommending that the Commission approve the revised rates and require US WEST to refund the difference between the original and recalculated rates over the last year.

On March 27, 1995, US WEST filed comments opposing the Department's recommended

refund requirement.

On September 29, 1995, the Department filed supplemental comments recommending that the Commission accept the revised rates on a going-forward basis, that is, without requiring refunds.

On October 3, 1995, the matter came before the Commission for consideration.

FINDINGS AND CONCLUSIONS

In its September 29 and November 24, 1992, Orders, the Commission noted the uncertain circumstances of US WEST's implementation of EAS in the four routes. Various combinations of host/remote central office configurations were possible; until US WEST decided upon the most favorable plan, the level of new facilities necessary to carry the EAS traffic was uncertain. The one-year recalculation was an attempt to allow the Company to move ahead with EAS implementation, with the proviso that rates would be recalculated, and if necessary adjusted, in one year.

The Commission's September 29 and November 24 Orders did not establish a requirement that US WEST refund its ratepayers at the time of recalculating its rates; nothing in the record since that time indicates that such a requirement should be imposed. There is no indication that US WEST overestimated its facilities requirements at the time of its original cost studies, or that it charged anything but fair and reasonable rates at that time or at the present time.

For these reasons, the Commission will approve US WEST's revised EAS rate additives on a going-forward basis, without any requirement of a refund.

ORDER

1. Within 30 days of the date of this Order, US WEST shall implement its new revised rates (shown at Attachment A). If the Company is unable to implement the new rates within the 30 day period, it shall refund any rate difference from the 30 day period to the date of implementation.
2. US WEST shall notify its Hinckley, Pine City, Sandstone, Mora, and Braham customers of the rate revision by means of a bill insert or a printed bill message. After receiving approval of the bill insert or printed bill message from Commission Staff approval, the Company must provide the information to customers during the billing cycle in which the rate reductions first take effect.

3. Within 30 days of the implementation of the revised rates, US WEST shall file tariff revisions.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

This document can be made available in alternative formats (i.e., large print or audio tape) by calling (612) 297-1200 (TDD/TTY) or 1 (800) 657-3782.