

P-565,430,421/CP-91-167

ORDER APPROVING RECOVERY OF NON-RECURRING COSTS

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 among the Starbuck, Glenwood, and Villard Telephone Exchanges

ISSUE DATE: January 23, 1996

DOCKET NO. P-565,430,421/CP-91-167

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PROCEDURAL HISTORY

On March 8, 1991, subscribers in the Starbuck, Glenwood, and Villard exchanges filed a petition for extended area service (EAS) among the three exchanges.

After subscribers were polled regarding the proposed EAS routes, the Commission issued its ORDER CERTIFYING POLLING RESULTS on November 7, 1995. In that Order the Commission certified that Villard customers had voted in favor of EAS to Glenwood. The Commission ordered United Telephone Company (United), which serves Villard, to file any request for recovery of non-recurring charges at least 120 days before the date of EAS implementation.

On December 1, 1995, United filed a timely proposal for recovery of non-recurring costs. United proposed a one-time charge of \$1.19 per residential line and \$2.38 per business line, based on United's business/residential rate ratio. Under its proposal, United would recover a total of \$687.79 in polling costs, after subtracting costs of postage.

On December 8, 1995, the Department of Public Service (the Department) filed comments. The Department supported United's proposal, and also offered an alternative: a flat non-recurring charge of \$1.28 per access line.

On January 16, 1996, the matter came before the Commission for consideration.

FINDINGS AND CONCLUSION

In other EAS dockets, the Commission has accepted proposals for recovery of non-recurring costs based on the costs of polling, less postage costs.¹ The Commission will accept United's

¹ See, for example, In the Matter of a Petition for Extended Area Service from Kimball to St. Cloud, Docket No. P-415,421/CP-92-1010, ORDER APPROVING RECOVERY OF NON-RECURRING COSTS (January 18, 1995).

proposal for recovery of non-recurring costs, with some minor adjustments. First, the Company made an error in the calculation of postage expenses. Second, in other Orders the Commission has accepted non-recurring costs divided by the total number of access lines that received a ballot; in this case, United included second ballot requests in the calculation. Finally, recovery of non-recurring costs based on a 1:1 business/residential rate ratio would be consistent with United's recovery of non-recurring costs in other exchanges.

United agreed with each of the aforementioned adjustments to its calculations. United's non-recurring costs would therefore be calculated as follows:

Total polling costs billed to United	\$ 969.77
Less postage and handling for ballots returned--386 x \$0.34	<u>(131.24)</u>
Polling costs less postage	<u>838.53</u>
Net costs per access line balloted (\$838.53/574)	\$ 1.46

The Commission will accept United's proposed recovery of non-recurring costs, as modified.

ORDER

1. The Commission authorizes United to assess a one-time charge of \$1.46 for each Villard customer to recover balloting costs.
2. United may include the non-recurring charge in its first bill which includes EAS charges. United shall also include a notice to its Villard customers explaining the non-recurring charge. The proposed customer notice shall be submitted to Commission Staff for approval within 20 days of the date of this Order.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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