

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Edward A. Garvey
Joel Jacobs
Marshall Johnson
LeRoy Koppendrayner
Gregory Scott

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for Extended Area
Service from the Raymond Exchange to the
Clara City and Willmar Exchanges

ISSUE DATE: March 18, 1999

DOCKET NO. P-407,421,511/CP-97-766

ORDER ACCEPTING COST STUDIES AND
ESTABLISHING RATES FOR POLLING

PROCEDURAL HISTORY

On May 21, 1997, subscribers in the Raymond exchange filed a petition seeking extended area service (EAS) to the Clara City and Willmar exchanges. GTE-Minnesota (GTE) serves the Raymond exchange; Clara City Telephone Company serves the Clara City exchange; US WEST Communications, Inc. (US WEST) serves the Willmar exchange.

On October 2, 1997, the Commission issued its ORDER FINDING ADJACENCY AND TRAFFIC VOLUME AND REQUIRING THE FILING OF COST STUDIES AND PROPOSED RATES. In that Order, the Commission found that Raymond is adjacent to both Clara City and Willmar, and that only the proposed Raymond/Willmar EAS route met the traffic volume criterion. The Commission denied the Raymond/Clara City portion of the petition, and ordered the relevant companies to file cost studies regarding the proposed Raymond/Willmar EAS route.

Between January 30 and March 3, 1998, US WEST and GTE filed cost studies and proposed rates.

On May 18 and 26, 1998, the Department of Public Service (the Department) filed comments recommending acceptance of the filed cost studies, with certain corrections and adjustments. No party objected to the adjustments.

The Department recommended allocation of 50% of the revenue requirement to the Raymond exchange. The Department reasoned that Raymond should be allocated 50%--rather than the 75% the Department usually recommends allocating to the petitioning exchange--because the shift in allocation from 75%/25% to 50%/50% would decrease Raymond's residential rate additive significantly while only slightly increasing Willmar's EAS residential rate additive.

On March 9, 1999, the matter came before the Commission for consideration.

FINDINGS AND CONCLUSIONS

I. THE EAS CRITERIA

The Commission's February 23, 1996 Order in Docket No. P-999/CI-94-296¹ established three criteria for a successful EAS petition:

1. The petitioning exchange is adjacent to an exchange or local calling area to which EAS is requested in the petition.
2. At least 50 percent of the customers in the petitioning exchange make three or more calls per month to the exchange or local calling area to which EAS is requested, as determined by a traffic study.
3. Polling by the Commission shows that a majority of the customers responding to a poll in the petitioning exchange favor the installation, unless all parties and the Commission agree that no polling is necessary.

II. COMMISSION ACTION

In its October 2, 1997 Order, the Commission found that the proposed Raymond/Willmar EAS route meets the first two criteria for a successful EAS petition. The petition must now proceed to polling to determine if a majority of responding customers in the petitioning exchange support EAS to the petitioned exchange. To make an informed decision in the polling process, the subscribers must know the EAS additive that will be assessed if the petition succeeds. The Commission must determine the revenue allocation in order to determine the appropriate EAS additive.

In this case, the Commission accepts the Department's recommended 50%/50% revenue allocation between the Raymond exchange and the Willmar exchange. The allocation is consistent with previous Commission decisions in similar sets of facts. The allocation properly balances the burdens and benefits between the petitioning and the petitioned exchange. The Commission will accept the rate additives developed by the Department, based upon the 50%/50% revenue allocation.

The rate additives are as follows:

EAS Rates for Raymond:

Class of Service	Base Rate	50%
One Party Residential	\$14.90	\$1.51
One Party Business/Key/PBX	\$29.80	\$3.02

*The Base Rate includes EAS to Prinsburg.

¹ In the Matter of an Investigation into the Appropriate Local Calling Scope, in Accordance with Minn. Stat. § 237.161 (1994).

EAS Rates for Willmar:

Class of Service	Base Rate*	50%
One Party Residential	\$14.61	\$0.05
One Party Business	\$36.17	\$0.12
Trunk	\$38.58	\$0.13
Payphone	\$36.17	\$0.12

*The Base Rate includes EAS to Atwater, Kandiyohi, New London, Pennock, Spicer, and Svea.

ORDER

1. The Commission accepts US WEST's cost studies of February 27, 1998 and GTE's cost studies of March 3, 1998.
2. The Commission approves a 50%/50% revenue allocation between the Raymond and Willmar exchanges, resulting in EAS rate additives as shown in the body of this Order.
3. The Commission orders GTE to cooperate fully with Commission Staff and contractors to conduct a poll of telephone subscribers in the Raymond exchange. In doing so, GTE must abide by the following directives:
 - provide usable, deliverable addresses for all access lines in a format and according to a schedule established by Commission Staff
 - provide proof of the accuracy of the customer list as requested by Commission Staff
 - provide a list of Raymond subscribers as of the date specified by Commission Staff for polling the Raymond exchange
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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