

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott  
Joel Jacobs  
Marshall Johnson  
Edward Garvey  
LeRoy Koppendrayer

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of **Arrowhead  
Communications Corporations's** Request for  
Approval of Certified Actual Costs Associated  
with the **Cass County** 911 Emergency  
Telephone Services System

ISSUE DATE: August 22, 2000

DOCKET NO. **P501/ES-99-1698**

ORDER APPROVING CERTIFIED 911  
SYSTEM COSTS

**BACKGROUND**

On October 13, 1981, the Minnesota Public Utilities Commission (the Commission) approved Cass County's final plan for the establishment of a 911 Emergency Telephone Service.

On November 10, 1988, the Commission approved the actual costs U S West Communications incurred for placing a portion of a 911 Emergency Telephone Service System in Cass County.

On September 20, 1989, the Commission approved the actual cost Arvig Telephone Company incurred for placing a portion of a 911 Emergency Service System in Cass County.

On November 27, 1991, the Commission approved the actual costs Otter Tail Telephone Company incurred for placing a portion of a 911 Emergency Service in Cass County.

On December 9, 1998, the Commission approved the actual costs incurred by IES, LLC for a portion of Automatic Number Identification (ANI) services in Cass County's 911 Emergency Services system.

On August 8, 2000, the Commission approved the actual costs incurred by Hutchinson Telephone Company for placing a portion of Automatic Location Identification (ALI) services in Cass County's 911 Emergency Services system.

On August 10, 2000, the Commission approved that actual costs incurred by Consolidated Telephone Company for tandem based ANI and ALI with two circuits to the Outing, Leader, Pillager, and Motley exchanges in Cass County's 911 Emergency Services system.

**CURRENT FILING**

On April 4, 1988, Arrowhead Communications Corporation (the Corporation) installed basic 911 service with one direct trunk ANI to the Bena Exchange.

On June 11, 1991, the Corporation converted their central office to digital.

On May 13, 1998, the Corporation incurred costs for tandem based ANI service to the Bena Exchange.

On November 4, 1999, the Corporation certified actual costs for the capital costs of 911 Central Office (CO) equipment, CO rearrangement cost, and CO annual recurring costs (lump sum) through June 11, 1991. They also certified monthly actual costs incurred in operating basic 911 service from April 4, 1988 to May 13, 1998.

The amounts appearing on line 1. b, and c. on Attachment A are the actual capital costs the Corporation incurred to install central office equipment necessary to switch calls to 911 trunks. These two amounts are a one-time investment which will be reimbursed by the State of Minnesota and should continue to be excluded from the Corporation's rate base.

The amount appearing on line 2 is a lump sum amount of the annual recurring costs associated with the 911 Central Office Equipment from April, 1988 to June 1991, at which time Central Office Equipment was converted to digital. This amount reflects maintenance, administration, and gross earnings tax factors. Depreciation is not reflected in this amount since the Corporation will be reimbursed for 100% of its capital costs.

The amounts appearing on lines 3., 4., and 5. are monthly recurring costs to provide 911 Emergency Services from April 4, 1988 to May 12, 1998, at which time, the Corporation converted to a tandem based ANI.

On Attachment B, The Corporation certified actual costs incurred when installing tandem based ANI service to the Bena Exchanges which covers costs from May 13, 1998 to the present.

The Corporation is now requesting Commission approval of the actual capital costs incurred to install central office equipment and monthly recurring costs in providing basic 911 service from April 4, 1988 to May 12, 1998. The Corporation is also requesting Commission approval of actual costs incurred in providing tandem based ANI service for the Cass County 911 Emergency Services system from May 13, 1998 to the present. Commission approval is necessary before the Department of Administration (DOA) will make payments for 911 system costs.

### **FINDINGS AND CONCLUSIONS**

Minn. Stat. Section 403.11, subd. 3 states:

Subd. 3 (METHOD OF PAYMENT; CERTIFICATION.) A public utility incurring reimbursable costs under subdivision 1 or 2 shall certify those costs to the commissioner of administration. The certification shall be in a form as prescribed by the commissioner after consultation with the public utilities commission. If the commissioner and the commission approve the certified costs as appropriate and accurate, the commissioner shall pay the certified costs from money appropriated for that purpose within 90 days following receipt by the commissioner of the certified costs. The commissioner of administration shall estimate the amount required to reimburse public utilities for the state's obligations under subdivisions 1 and 2 of this section and the governor shall include the estimated amount in the biennial budget request.

Arrowhead Communications Corporation has certified, in writing, that the elements of 911 services and associated costs indicated on Attachments A and B, reflect only charges for services actually rendered in the direct provision of 911 service in Cass County.

All charges listed on Attachment A and B are in accordance with the Company's tariffs.

The Commission finds that the costs for 911 Emergency Telephone Service in Cass County which have been certified by the Company are appropriate and accurate.

Policy References:

Minn. Stat. Section 403.11 System Costs

Minn. Rules, pt. 1215.1400 Funding Eligibility/Payment of Recurring Costs

Minn. Rules, pt. 1215.1500 Funding Eligibility/Payment of Central Office Modification Costs

**ORDER**

1. The costs identified on Attachment A and B accompanying this Order are approved as appropriate and accurate pursuant to the Commission's March 21, 2000 Standing Order Designating Filings Requesting Certification of 911 Costs As Filings Subject to Approval Under Minn. Stat. § 216A.03, Subd. 7, Docket No. P-999/CI-99-1723.
2. This Order does not approve payment of any 911 system costs. Any possible future approval of payment for system costs shall be granted by the Commissioner of the Department of Administration in accordance with the provisions of Minn. Stat. Section 403.11.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

(S E A L)

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STATE OF MINNESOTA)  
 )SS  
COUNTY OF RAMSEY )

AFFIDAVIT OF SERVICE

I \_\_\_\_\_, being first duly sworn, deposes and says:

That on the \_\_\_\_ day of \_\_\_\_\_, 2000 (s)he served the attached **Order Approving Certified 911 System Costs for Cass County 911 Emergency Telephone Service Docket No. P501/ES-99-1698.**

XX By depositing in the United States Mail at the City of St. Paul, a true and correct copy thereof, properly enveloped with postage prepaid

XX By personal service

XX By inter-office mail

to all persons at the addresses indicated below or on the attached list:

MR BILL SCHNELLMAN  
TELECOMMUNICATIONS DIVISION  
DEPARTMENT OF ADMINISTRATION  
500 CENTENNIAL OFFICE BUILDING  
658 CEDAR STREET  
ST PAUL MN 55155

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JAMES R BEUTELSPACHER  
STATE 9-1-1 PROJECT MANAGER  
BUSINESS TECHNOLOGIES DIVISION  
DEPARTMENT OF ADMINISTRATION  
500 CENTENNIAL OFFICE BUILDING  
658 CEDAR STREET  
ST PAUL MN 55155

Subscribed and sworn to before me, \_\_\_\_\_

a notary public, this \_\_\_\_\_ day of

\_\_\_\_\_, 2000.

\_\_\_\_\_  
Notary Public