

**ISSUE DATE: November 16, 2000**

**DOCKET NO. P-551, 570/CP-97-1797**

**ORDER SETTING EAS RATE ADDITIVES AND REQUIRING FURTHER FILINGS**

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**Gregory Scott  
Edward A. Garvey  
Joel Jacobs  
Marshall Johnson  
LeRoy Koppendrayer**

**Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner**

**In the Matter of a School District Extended  
Area Service Petition Among the Exchanges  
of Jeffers, Lamberton, Sanborn, and  
Storden**

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**PROCEDURAL HISTORY**

**On December 18, 1997, telephone subscribers in the Jeffers, Lamberton, Sanborn, and Storden exchanges filed a petition for School District Extended Area Service (EAS) between these four exchanges. These exchanges make up the Red Rock Central School District, Independent School District No. 2884. The Sanborn exchange is served by Western Telephone Company (Western); the other three exchanges are served by CenturyTel of Minnesota, Inc. (CenturyTel).**

**On November 16, 1998, the Commission issued its Order Requiring the Filing of Cost Studies and Proposed Rates. Among other things, that Order found that the petition met threshold requirements of adjacency and school district residency. The Order required the incumbent local exchange carriers serving the four exchanges to determine the costs of installing and operating the proposed EAS route and to file proposed rate additives that would recover these costs. The Commission would then poll the exchanges' subscribers to determine whether they wanted EAS at those rates.**

**The companies duly filed their cost studies and proposed rate additives. On December 17, 1999 the Department of Commerce (the Department) filed comments on the companies' filings. In brief, the Department recommended the following action:**

- (1) accepting the companies' cost calculations as mathematically accurate;**
- (2) clarifying that no EAS rate additive should be applied to CenturyTel's measured service rate;**
- (3) clarifying that, if the voters approve the proposed School District EAS**

- route, the existing Lamberton/Sanborn and Jeffers/Storden EAS routes should be eliminated, together with their EAS rate additives;
- (4) apportioning the costs of the proposed EAS route equally among all affected customers, except to the extent necessary to preserve existing ratios between customer classes;
  - (5) excluding lost access charges from the cost calculations and rate additives adopted in this case.

Western and CenturyTel filed reply comments opposing the exclusion of lost access charges.

On September 28, 2000, the matter came before the Commission.

## FINDINGS AND CONCLUSIONS

### I. Factual and Legal Background

Extended area service (EAS) is a service arrangement permitting neighboring telephone exchanges to become a single local calling area with toll-free calling. In non-school district cases, the criteria for installing EAS and the procedures for determining and allocating EAS costs are set forth in Commission Orders<sup>1</sup> issued after an industry-wide fact-finding and policy-making proceeding mandated by the Minnesota Legislature.<sup>2</sup>

In 1997, the Legislature established separate criteria and procedures for installing EAS between exchanges in the same school district.<sup>3</sup> School District EAS petitions are subject to less stringent traffic requirements and broader public support requirements than conventional EAS petitions. Briefly, School District EAS criteria and procedures are as follows.

#### A. School District EAS Installation Criteria

- (1) A petition for School District EAS must be signed by at least 15% of the subscribers in each exchange, or 600 subscribers in each exchange, whichever is less;

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<sup>1</sup> In the Matter of an Investigation into the Appropriate Local Calling Scope, in Accordance with Minn. Stat. 237.161 (1994), Docket No. P-999/CI-94-296, ORDER REACTIVATING THE PROCESSING OF EAS PETITIONS (October 24, 1995) and ORDER AFTER RECONSIDERATION (February 23, 1996).

<sup>2</sup> Laws 1994, c. 534, art. 1, § 1.

<sup>3</sup> Laws, 1997, c. 59, § 1, as amended by Laws 1998, c. 326, § 1, subd. 2.

- (2) at least 10% of the subscribers in each exchange must be residents of the school district for which EAS is sought;
- (3) each exchange must be contiguous to at least one of the other exchanges for which EAS is sought;
- (4) a majority of the subscribers in each exchange who return their EAS ballots must vote in favor of the proposed route.

## **B. School District EAS Costs and Rates**

**The School District EAS statute requires rates to be based on the costs set forth below:**

*For a proposal to install extended area service under this section, proposed rates must be based on specific additional cost incurred, operating expenses, actual cost for new facilities constructed specifically to provide for extended area service, net book value of existing facilities transferred from another service to extended area service, and appropriate contributions to common overheads.*

**Laws 1997, c. 59, subd. 5.**

**The statute also requires the Commission to use its ratemaking authority to hold local exchange carriers harmless at the same time that it sets EAS rates:**

*The commission shall establish rates that are income neutral for each affected telephone company at the time at which the commission determines the extended area service rates.*

**Laws 1997, c. 59, subd. 6.**

**These statutory standards on costs and rates are identical to those in the Commission Orders governing conventional EAS petitions, with one exception. Unlike the Orders, the statute does not include in its list of allowable costs “a return on the capital investment associated with installing and providing the extended area service.”**

## **II. The Issue**

### **A. Historical Background**

**Setting fair and reasonable rates for extended area service – School District or conventional – has long been a conundrum, mainly because converting a “premium” service (long distance) to a basic service (local service) disturbs the complex web of subsidies by which traditional rate-of-return regulation has promoted universal service. To keep local service rates as low as possible – and thereby promote universal service – this and other state commissions have permitted local exchange carriers to charge long distance carriers “access charges” which arguably exceed the actual costs of providing access to the local network.**

When long distance routes become local service routes, companies lose these access charges. To keep these companies whole, the Commission has generally built recovery of lost access charges into both conventional and School District EAS rate additives.

The main advantage of including these charges in EAS rates has been administrative efficiency. Under traditional, rate-of-return regulation the Commission must set rates high enough to give the carrier a reasonable opportunity to earn its revenue requirement, including its authorized rate of return. If the Commission reduces a particular rate or revenue stream, it must increase another rate or revenue stream, or it must initiate a rate case to determine a new revenue requirement and set new rates. This regulatory compact is the source of the “income neutrality” requirement in the School District EAS statute and in the Commission’s EAS Orders.

Adding lost access charges to EAS rate additives has been a workable approach for two reasons: (1) it has satisfied the income neutrality requirement (and the commitment to fairness to shareholders which that concept represents under rate-of-return regulation) without the expense and delay of a rate case; and (2) it has provided a kind of “rough justice,” since the customers causing the loss of the access charges are the same customers paying the EAS rate additives.

Often, however, including lost access charges in EAS rate additives dramatically increases rates. In this case, for example, EAS rate additives including lost access revenues are twice as high as EAS rate additives including only actual costs.

#### **B. Emerging Concerns, Positions of the Parties**

As the Department of Commerce points out, including lost access charges in EAS rate additives has always carried with it significant inequities. Local service rates are rarely set for a single exchange, but reflect averaged company-wide or area-wide costs. To the extent that they exceed cost, access charges therefore subsidize local rates company-wide. Building lost access charges into EAS rate additives for a specific exchange forces those customers to subsidize local rates company-wide.

Similarly, since the School District EAS statute requires that the total costs of all affected carriers be spread equally among the exchanges, including lost access charges as costs can force customers to subsidize not just the local rates of customers in other exchanges served by their own companies, but the local rates of customers in other exchanges served by other companies. (Costs are equalized by “transfer payments” between the affected carriers.)

As discussed above, the high cost of eliminating these inequities (essentially, the cost of a rate case) has generally led to their toleration, and the Commission has generally met the need for income neutrality by building lost access charges into both School District and conventional EAS rate additives. Neither the EAS Orders nor the School District EAS statute specifies how the Commission is to achieve income neutrality, however, and the Commission has sometimes used other methods to reach that goal.

There have been earnings investigations, for example, in which the Commission has permitted a company to reduce EAS rate additives in specific exchanges, as opposed to ordering larger company-wide rate reductions.<sup>4</sup> And in at least one Alternative Form of Regulation case, the Commission has permitted a company to reduce EAS rate additives as part of the rate re-balancing required to ensure just and reasonable rates at the beginning of the Plan.<sup>5</sup>

The Department of Commerce argued that in this case the traditional inequities associated with including lost access charges in EAS rate additives are exacerbated by the emerging presence of local competition and the diminishing importance of rate-of-return regulation. The Department also argued that including lost access charges in EAS rate additives in this case would undermine local competition, which the Commission has a statutory duty to nurture and promote.<sup>6</sup> The Department therefore urged the Commission to use a different method for ensuring income neutrality.

The positions of the parties on this issue are summarized below.

**1. The Department of Commerce**

The Department of Commerce (the Department) argued that two factors – the emergence of local competition as a central goal of state and federal telecommunications policy and the fact that only one of these two carriers is subject to rate-of-return regulation – both require and make possible a more equitable approach to income neutrality in this case.

**2. CenturyTel of Minnesota, Inc.**

CenturyTel emphasized that it is still a rate-of-return regulated carrier and that access charges are essential to its ability to earn its authorized rate of return. The carrier argued that the regulatory compact obligates the Commission to permit it to recover lost access charges as part of its EAS rate additives.

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<sup>4</sup> In the Matter of the Petition of the Department of Public Service for a Commission Investigation of the Level of Rates Charged by Contel of Minnesota, Inc. d/b/a GTE Minnesota, Docket No. P-407/CI-96-216, ORDER APPROVING SETTLEMENT AS MODIFIED (August 29, 1996); In the Matter of the Commission Investigation of the Level of Rates Charged by GTE Minnesota, Docket No. P-407/CI-00-270, ORDER ACCEPTING SETTLEMENT AGREEMENT (May 11, 2000).

<sup>5</sup> In the Matter of a Petition by United Telephone Company of Minnesota Requesting Adoption of an Alternative Regulation Plan, Docket No. P-430/AR-95-1049, ORDER APPROVING UNITED'S ALTERNATIVE REGULATION PLAN (July 12, 1996).

<sup>6</sup> Minn. Stat. §§ 237.011, 237.16.

### **3. Western Telephone Company**

**Western argued that excluding lost access revenues from EAS rate additives and requiring their recovery elsewhere is unsound as a matter of policy and improper as a matter of law. The company argued that excluding these revenues from EAS rate additives violates the Alternative Form of Regulation statute under which the company operates. Finally, the company claimed that the Commission lacked the authority to exclude access revenues outside of a rulemaking or other industry-wide proceeding.**

#### **III. Lost Access Charges Excluded from EAS Rate Additives**

**The Commission agrees with the Department that in this case justice and sound public policy require that School District EAS rate additives recover only EAS costs and that the income neutrality requirement inherent in the regulatory compact (and explicit in the School District EAS statute) be satisfied by other means. This decision is grounded in two concerns.**

**(1) Only one of the companies involved in this case operates under traditional, rate-of-return regulation, permitting more creative and equitable approaches to income neutrality;**

**(2) The perpetual revenue streams and inter-exchange and inter-company subsidies that result from including lost access charges in School District EAS rates undermine state and federal policies promoting competition in local telecommunications markets.**

**The Commission finds that neither the School District EAS statute nor the Alternative Form of Regulation (AFOR) statute requires the inclusion of these costs in EAS rate additives. The Commission rejects the claim that it is inequitable to recover lost access revenues from the general body of ratepayers rather than from the ratepayers in the exchanges seeking EAS.**

**The Commission rejects the claim that it must conduct a rulemaking or a generic industry-wide proceeding before using any means other than EAS rate additives to achieve income neutrality. Finally, the Commission will require additional filings to ensure that subscribers are fully informed, prior to polling, about the rate effects of installing the proposed EAS route.**

**These issues will be addressed in turn.**

#### **A. The Diminishing Relevance of Rate-of-Return Regulation**

**Under traditional, rate-of-return regulation, a carrier's rates are set by the Commission at amounts designed to provide a reasonable opportunity for the carrier to recover its prudently incurred costs and earn its authorized rate of return. Since carriers are powerless**

to raise their rates, simple justice requires that the Commission adjust their rates when it takes actions (such as requiring EAS routes) that raise the carrier's costs or reduce its revenues.

In this case, however, only one of the carriers, CenturyTel, is subject to traditional, rate-of-return regulation. The other carrier, Western, operates under an Alternative Form of Regulation plan, which allows it to raise rates for all but a handful of price-regulated services without Commission approval.<sup>7</sup> With only one carrier under traditional regulation, the logistics of relying on an individual, carrier-specific plan to achieve income neutrality – always the sounder approach from a public policy perspective – are no longer unmanageable.

In short, in this case the regulatory compact does not force the Commission to make a choice between building lost access charges into EAS rate additives or initiating two expensive and time-consuming rate cases to make the companies whole. Western has a broad range of revenue-raising methods available for recovering lost access charges. Of all these methods, surcharging the local service rates of a particular exchange to subsidize the rates of other exchanges (potentially including the exchanges of other companies) is probably one of the worst.

The Commission is confident that Western can find a better way and will support the company as it explores other options. Similarly, the Commission will expedite any CenturyTel filing to recover lost access revenues attributable to this School District EAS route.

## **B. Competition in Local Telecommunications Markets**

The Commission has a duty and a commitment to nurture and promote competition in telecommunications. Both Congress and the Minnesota Legislature have found that the public interest requires transforming the telecommunications sector of the economy from the monopoly of the past to a fully functioning competitive market.<sup>8</sup> The Commission agrees with the Department that the perpetual subsidies and revenue streams created by including lost access charges in School District EAS rates undermine state and federal policies opening local telecommunications markets to competition.

First, granting a carrier a permanent right to lost access charges assumes that the company is a monopoly with a stable customer base and a fixed revenue requirement that must continue to be met to serve that customer base. In a competitive market this is no longer true. In a competitive market, a carrier's customer base can shrink or grow, changing its costs and revenues significantly.

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<sup>7</sup> Minn. Stat. § 237.76 *et seq.*

<sup>8</sup> Minn. Stat. §§ 237.011, 237.16; Pub. L. No. 104-104, 110 Stat. 56 (codified as amended in scattered sections of title 47, United States Code).

**In fact, these changes in costs and revenues are one of the engines of competition; competition lowers prices in part because companies react to these changes by becoming more efficient. Maintaining a steady stream of revenue to offset losses sustained under circumstances that no longer apply impairs one of competition's most important functions.**

**Competition is undermined even more effectively by including lost access charges in the transfer payments required to satisfy the statutory requirement to apportion School District EAS costs equally between the exchanges. While there are sound policy reasons for requiring all exchanges in a school district to share the actual costs of establishing a district-wide toll-free calling area, none of these policy reasons apply to recovering lost access charges, which are largely subsidies to reduce the cost of local service company-wide.**

**There is no policy justification for requiring a carrier's potential competitors to subsidize its company-wide prices, and such a requirement clearly harms competition to the detriment of consumers. It gives unearned competitive advantages both to the incumbents receiving the subsidies and to new entrants competing with the incumbents paying the subsidies.**

**In short, using School District EAS rate additives to preserve lost revenue streams in competitive markets is unsustainable and inequitable in the long run. It disrupts the cost/price relationship on which competition depends. In its place, it substitutes arcane subsidies that were originally devised to address practical impediments that no longer exist. It distributes unearned advantages and disadvantages to competing carriers based on historical accidents, such as when specific exchanges outgrew their toll-free calling areas and how much a particular company's access charges and toll rates subsidized local service rates.**

**Competition benefits consumers by driving price to cost and by driving cost to its most efficient level, as firms adopt operating efficiencies to compete more effectively. Much of the work required to move telecommunications from a monopoly environment to a competitive one lies in dealing with the subsidies that break this cost/price link.<sup>9</sup> Including access charges in the School District EAS rate additives in this case would complicate these efforts by embedding in local rates additional subsidies that the Commission would have to undo at a later date.**

**For all these reasons, the Commission concludes that, in this case, including lost access charges in the EAS rate additives would violate the Commission's duty to promote competition in local telecommunications markets and to ensure that rates for telecommunications services are just and reasonable.<sup>10</sup>**

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<sup>9</sup> Some examples of common, but not universal subsidies, are toll service/local service, high density service area/low density service area, business service/residential service.

<sup>10</sup> Minn. Stat. §§ 237.011, 237.06.

### **C. Fairness to Customers in Other Exchanges**

Western argued that it is unfair to recover lost access revenues from its general body of ratepayers rather than the ratepayers in the exchanges seeking School District EAS. The Commission disagrees.

Access charges subsidize the basic rates of all ratepayers, on the theory that long distance is a largely discretionary service which can and should be priced to help keep essential local service affordable.<sup>11</sup> This approach rests on the assumption that local service is in fact just that – local – and that every exchange has a local calling area that meets the everyday calling needs of its subscribers.

When this assumption no longer holds true, when everyday calling patterns change to the point that a local calling area must be expanded through extended area service, the new local calling area remains a *local* calling area, and it should not be subject to local rates dramatically higher than the rates of customers in other exchanges, who presumably also enjoy a local calling area that meets their needs.

Furthermore, from a broader perspective, the practice of including lost access charges in EAS rate additives has the perverse effect of penalizing the customers who most need EAS – the more inter-exchange calling being done, the more pressing the need for EAS, the higher the lost access charges, and the higher the EAS rate additives.

Clearly, the equities in this case cut in favor of spreading recovery of lost access charges over the general body of ratepayers.

### **D. Rulemaking/Generic Proceeding Issue**

Western argued that a rulemaking or industry-wide generic proceeding was required in this case for two reasons:

- (1) adding lost access charges to EAS rate additives has become so closely linked with the EAS process and so much a part of companies' settled expectations that it can only be changed by rule or generic proceeding;**
- (2) it is imprudent and ill-advised for the Commission to depart from its much-used practice of adding lost access charges to EAS rate additives without the broad public participation of a rulemaking or generic, industry-wide proceeding.**

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<sup>11</sup> Of course, one of the long term goals of state and federal regulators is to make implicit subsidies, such as the access charge subsidy, explicit, and to fund these subsidies in a manner consistent with competitive markets, such as the Universal Service Fund. In the mean time, however, the Commission has to work within the existing paradigm.

**The Commission disagrees.**

**First, the Commission rejects the notion that adding lost access charges to EAS rate additives has become so closely linked with the EAS process and so much a part of companies' settled expectations that it can only be changed by rule or generic proceeding. It is true that the practice has been much-used. It has not been universally used, however, and it has never been required by statute or rule. It grew up in response to practical constraints in the course of the Commission's handling of individual EAS petitions.**

**Like all quasi-judicial bodies, the Commission has the right and the duty to depart from precedent when the facts of the case make following that precedent unjust, inequitable, or otherwise at odds with its statutory responsibilities. After thorough briefing and deliberation, the Commission has concluded that that is the case here.**

**The Commission also rejects the claim that whether or not it has the legal authority to depart from past practice, it would be imprudent to do so here without the extensive notice and broad public participation of a rulemaking or generic proceeding. The Commission rejects this claim for several reasons.**

**First, although the Commission has reached the same decision on lost access charges in several recent cases – and is aware that these decisions may signal an evolution in its approach to EAS rate-setting – in all these cases the Commission has been acting in its quasi-judicial capacity, resolving the case before it on the basis of the facts and the law before it. The Commission has made a considered decision that that is the fairest and most productive way to proceed at this point.**

**Without the context of a discrete factual situation, the discipline of an actual case, and the focused advocacy of affected parties, EAS issues, always difficult, can become nearly impenetrable. Acting on a case-by-case basis provides the factual groundwork necessary for informed decision-making in this fact-intensive area.**

**Further, the telecommunications industry is undergoing such rapid change that any global solutions reached in a rulemaking or other lengthy generic proceeding could well be obsolete by the time they are adopted. Meanwhile, individual cases would have been wrongly decided while awaiting a comprehensive resolution of EAS issues.**

**Finally, the Commission believes that the procedural approach it has taken to recent EAS cases, including this one, combines the most helpful features of generic/rulemaking proceedings with those of traditional case-by-case adjudications. While examining each case on its own facts and merits, the Commission has served notice of these cases on the broadest possible audience and has invited all interested persons to file comments or to become parties.**

**When the Commission received the Department's first recommendation to exclude lost access charges from EAS rate additives, it was obvious that taking that recommendation could have a precedential effect on future EAS cases. The Commission therefore served notice of the**

Department's comments on all carriers authorized to provide local or long distance service within the state. (That first case was the Almelund petition for conventional EAS to the metropolitan calling area.<sup>12</sup>)

Also, before this School District case was heard, the Commission served copies of its staff's briefing papers for this and three related EAS cases (including Almelund) on all persons on the service lists of all four cases. In the same mailing, the Commission served these persons with copies of a staff discussion paper on EAS policy and a legal memorandum on EAS issues from Commission counsel.

These notice procedures have ensured the broadest possible participation in this case and the fullest development of its issues, while retaining the advantages inherent in focusing on its individual facts and equities. The Commission is convinced that these procedures have produced the well-developed and closely-argued record necessary for informed decision-making. And the Commission remains convinced that this problem-solving, quasi-judicial approach is the most effective and appropriate procedural vehicle for this case.

For all these reasons, the Commission concludes that it is not legally required to conduct a rulemaking or an industry-wide generic proceeding to exclude lost access charges from the EAS rate additives in this case.

#### F. The AFOR Statute and Legislative Intent

The Commission also rejects Western's claims that the Alternative Form of Regulation (AFOR) statutes require the inclusion of lost access charges in EAS rate additives. First, the language in these statutes is permissive, not mandatory. It permits but does not require local rate increases to cover EAS costs and achieve income-neutrality in EAS cases.<sup>13</sup>

Second, the income neutrality language in the AFOR statutes does not require a specific method of achieving that goal. Like the School District EAS statute, it speaks only to income neutrality, not to how income neutrality is to be achieved. As discussed above, the Commission is not abandoning income neutrality; it is merely declining to use one traditional method of achieving it in this case.

Nor does eliminating lost access charges from EAS rate additives violate the *intent* of the AFOR statutes. The language of the statutes follows.

**Other than as authorized in this subdivision, an initial alternative regulation plan must not permit income-neutral rate changes for price-regulated services**

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<sup>12</sup> In the Matter of a Petition for Extended Area Service from the Almelund Exchange to the Metropolitan Calling Area, Docket No. P-407, 405, 413, 520, 426, 427, 430, 421/CP-97-1237.

<sup>13</sup> Minn. Stat. §§ 237.762, subd. 5; 237.773, subd. 3.

during the plan except as is necessary to implement extended area service or any successor to that service.

Minn. Stat. § 237.762, subd. 5.

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A small telephone company may change rates for local services listed in section 237.761, subd. 3 [listed services include both extended area service and local service], at any time, to implement extended area service or any successor to that service on an income neutral basis.

Minn. Stat. § 237.773, subd. 3.

It strains credulity to read this language as requiring the inclusion of lost access charges in EAS rate additives. Not only does the Legislature fail to endorse or otherwise refer to existing EAS procedures – it explicitly acknowledges that EAS may, before the statute sunsets on January 1, 2006, be replaced by another service. The Commission sees no basis for concluding that the Legislature intended to bind the Commission to continue its much-used practice of including lost access charges in EAS rate additives.

**G. Conclusion**

For all the reasons explained above, the Commission finds that it cannot, consistent with its statutory duties to ensure fair and reasonable rates and to promote competition, permit these companies to include lost access charges in their EAS rate additives.

**IV. Further Filings Required**

Western and CenturyTel pointed out that rate increases other than the EAS rate additives might be required to recoup the lost access charges in this case. It is important that customers voting on this EAS proposal know the amount of those increases before they vote. Further, the School District EAS statute requires the Commission to make any rate adjustment required to maintain income neutrality at the same time that it sets EAS rates.<sup>14</sup>

The Commission will therefore require both companies to make filings showing which rates they propose to raise to recover lost access revenues. If approved, these rates will be disclosed on the ballot.

The Commission will so order.

**ORDER**

- 1. The Commission adopts for polling and implementation the School District EAS rate additives proposed by the Department of Commerce, which are set forth below:**

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<sup>14</sup> Laws 1997, c. 59, § 1, subd. 6.

<u>CenturyTel Exchanges</u>	<u>Class of Service</u>	<u>Monthly Rate</u>
Jeffers	1FR	\$ 0.77
	1FB	1.89
	PAL	1.89
Lamberton	1FR	\$ 0.77
	1FB	1.89
	PAL	1.89
Storden	1FR	\$ 0.77
	1FB	1.89
	PAL	1.89
<u>Western Exchange</u>		
Sanborn	1FR	\$ 0.77
	1FB	0.77
	PAL	0.77
	PBX	1.31

2. To facilitate polling, Western Telephone Company and CenturyTel of Minnesota, Inc. shall promptly make individual filings detailing which other rates they propose to change to recover lost access revenues. No such rate change shall be made without Commission approval.
3. No EAS rate additive shall be applied to CenturyTel's measured service rate.
4. If the voters approve the proposed School District EAS route, the existing EAS routes between Lamberton and Sanborn and between Jeffers and Storden shall be eliminated, together with their EAS rate additives.
5. This Order shall become effective immediately.

**BY ORDER OF THE COMMISSION**

**Burl W. Haar  
Executive Secretary**

**(S E A L)**

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