

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**Gregory Scott  
Edward A. Garvey  
Phyllis A. Reha  
Marshall Johnson  
LeRoy Koppendray**

**Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner**

**In the Matter of a Petition for Extended Area Service from the Elrosa Exchange to the Greenwald, Melrose, Sauk Centre, Brooten, and Paynesville Exchanges**

**ISSUE DATE: May 22, 2001**

**DOCKET NO. P-407, 413, 415, 418, 421/CP-00-1662**

**ORDER DENYING PETITION IN PART AND REQUIRING COST STUDIES AND PROPOSED RATES**

**PROCEDURAL HISTORY**

**On December 12, 2000, telephone subscribers in the Elrosa exchange filed a petition seeking extended area service (EAS) to the neighboring exchanges of Greenwald, Melrose, Sauk Centre, Brooten, and Paynesville.**

**The Elrosa exchange is served by Citizens Telecommunications of Minnesota (Citizens). The Greenwald and Melrose exchanges are served by Melrose Telephone Company. The Sauk Centre exchange is served by Qwest Corporation. The Brooten exchange is served by Mid-State Telephone Company, and the Paynesville exchange is served by Lakedale Telephone Company.**

**On March 8 and 29, 2001, Citizens filed traffic studies showing that an average of more than 50% of Elrosa subscribers made at least three calls per month to the Sauk Centre exchange and to the Greenwald/Melrose local calling area, while fewer than 50% made that number of calls to the Brooten and Paynesville exchanges.**

**On April 2, 2001, the Department of Commerce filed comments recommending that the Commission deny the petition as to the Brooten and Paynesville exchanges and order the affected telephone companies to file cost studies and proposed rates for the Elrosa to Sauk Centre and Elrosa to Greenwald/Melrose routes.**

**On May 15, 2001, the matter came before the Commission.**

## FINDINGS AND CONCLUSIONS

### I. The Legal Standard

Extended area service is a service arrangement permitting neighboring telephone exchanges to become a single local calling area with toll-free calling. The criteria for establishing EAS routes and the procedures for determining EAS costs were set by Commission Orders following an industry-wide fact-finding and policymaking proceeding.<sup>1</sup> Briefly, these criteria and procedures are as follows.

- (1) A petitioning exchange must be adjacent to the exchange or local calling area to which it seeks EAS.
- (2) At least 50% of subscribers in the petitioning exchange must make at least three calls per month to the exchange or local calling area to which EAS is sought.
- (3) The companies serving the two exchanges or local calling areas must determine the cost of installing and operating the proposed EAS route, using Commission-approved costing methods, and file proposed rate additives to recover these costs.
- (4) If 50% of subscribers responding to the poll vote yes, the EAS route must be installed.

### II. Commission Action

The proposed Elrosa-Brooten and Elrosa-Paynesville EAS routes do not meet the threshold traffic requirement that 50% of subscribers in the petitioning exchange make three or more calls per month to the petitioned exchange. The Commission will therefore deny the request for EAS between Elrosa and Brooten and the request for EAS between Elrosa and Paynesville.

The remaining routes, however, do meet threshold requirements of adjacency and traffic volume. The Elrosa exchange is adjacent to the Sauk Centre exchange and to the Greenwald-Melrose local calling area. The traffic studies filed by Citizens show that over 50% of Elrosa subscribers make three or more calls per month to Sauk Centre and to the Greenwald-Melrose calling area. The Commission will therefore require the cost and rate information necessary to poll Elrosa subscribers on whether they want EAS to Sauk Centre and to the Greenwald-Melrose calling area.

Finally, the Commission will establish a 60-day comment period on the companies' filings, followed by a 20-day reply comment period. When the record is complete, the Commission will establish rates for the proposed route and poll Elrosa subscribers on whether they

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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).

want EAS at those rates.

**ORDER**

1. **The request for extended area service to the Brooten exchange and the request for extended area service to the Paynesville exchange are denied.**
2. **Within 90 days of the date of this Order, Citizens Telecommunications of Minnesota, Melrose Telephone Company, and Qwest Corporation shall file cost studies on the cost of installing and operating the proposed EAS route.**
3. **Within 90 days of the date of this Order, Citizens Telecommunications of Minnesota, Melrose Telephone Company, and Qwest Corporation shall file proposed rates for the proposed EAS route, with each company recovering its own costs.**
4. **Citizens Telecommunications of Minnesota, Melrose Telephone Company, and Qwest Corporation shall provide any supporting information requested by Commission staff or Department of Commerce staff.**
5. **The comment period on the companies' filings shall be 60 days from the date of the last company's filing.**
6. **The reply comment period shall be 20 days from the last day of the comment period established in paragraph 5.**
7. **The Commission delegates to the Executive Secretary the authority to vary the time periods established in this Order.**
8. **This Order shall become effective immediately.**

**BY ORDER OF THE COMMISSION**

**Burl W. Haar  
Executive Secretary**

**(S E A L)**

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