

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott
Edward A. Garvey
Marshall Johnson
LeRoy Koppendraye
Phyllis A. Reha

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for Extended Area
Service from the Altura Exchange to the
St. Charles, Rochester, Eyota, and Winona
Exchanges

ISSUE DATE: October 12, 2001

DOCKET NO. P-430, 421/CP-99-1757

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

PROCEDURAL HISTORY

On December 15, 1999, subscribers in the Altura telephone exchange filed a petition with the Commission requesting extended area service (EAS) to the St. Charles, Rochester, Eyota and Winona exchanges.¹ The St. Charles, Rochester, and Eyota exchanges are west of Altura, while Winona is east of Altura. The Altura and Eyota exchanges are served by Sprint Minnesota (Sprint) and the Rochester, St. Charles and Winona exchanges are served by Qwest Communications, Inc. (Qwest).

On September 5, 2000, Sprint filed a traffic study and on February 6, 2001 filed additional information on its traffic studies.

On February 14, 2001, the Minnesota Department of Commerce (the Department) filed comments. The Department verified that more than 15 percent of subscribers in the Altura exchange had signed the petition and that there was no protest concerning the validity of the petition. The Department recommended that the Commission direct the affected telephone companies to file cost studies and proposed rates.

The Commission met on September 13, 2001 to consider this matter.

¹ For a schematic diagram showing the geographic relationship between these exchanges, see Attachment A.

FINDINGS AND CONCLUSIONS

I. LEGAL STANDARD

In its February 23, 1996 Order in Docket No. P-999/CI-94-296, the Commission established that a requested EAS route will be installed if three criteria are met. These criteria are:

1. The petitioning exchange is adjacent to an exchange or local calling area (LCA) 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. ANALYSIS AND ACTION

The four petitioned exchanges (Winona, St. Charles, Eyota, and Rochester) do not constitute a local calling area because they do not all have EAS to each other. (See diagram showing the geographic relationship of these exchanges: Attachment A.) Therefore, Altura's petition naming the four exchanges as petitioned exchanges will first be analyzed and treated as requesting four separate EAS routes: Altura to Rochester; Altura to St. Charles; Altura to Eyota; and Altura to Rochester.

Then, the petition will be analyzed for three additional routes raised by the petition (LCA routes): Altura to the Rollingstone-Winona LCA; Altura to the St. Charles-Rochester LCA; and Altura to the Rochester-Eyota LCA.²

A. Exchange to Exchange Routes

1. Altura to Winona Route
Altura to Eyota Route
Altura to Rochester Route

² Although the St. Charles and Rochester exchanges are not adjacent to each other and therefore would not qualify for EAS to each other under the current EAS requirements, a petition for EAS between the two exchanges was received and approved by the Commission at a time when adjacency was not a criterion for EAS. Since the exchanges have EAS to each other, however, they form an LCA, as the Commission has defined that term and Altura's relationship to these exchanges will be analyzed in this light.

The official exchange maps on file with the Department show that the Altura exchange is not adjacent to the Winona, Eyota or Rochester exchanges. These routes, therefore, do not meet the first criterion: adjacency. No further analysis of these routes is necessary.

2. Altura to St. Charles Proposed EAS Route

The official exchange maps on file with the Department show that the Altura exchange is adjacent to the St. Charles exchange. This route, therefore, meets the first criterion: adjacency.

Sprint's traffic study, however, shows that only 27 percent of Altura customers make three or more calls per month to the St. Charles exchange. Therefore, this route does not meet the second criterion: adequate traffic. Since failure to meet any of the three criteria results in denial of the requested route, this route, which meets the first criterion (adjacency) but not the second criterion (adequate traffic) will be denied.

B. Exchange to LCA Routes

1. Altura to the Rollingstone-Winona LCA

The Rollingstone and Winona exchanges have EAS to each other and therefore constitute an LCA. Altura is adjacent to the Rollingstone exchange and, therefore, is adjacent to the Rollingstone-Winona LCA, thereby meeting the first criterion, adjacency.

Sprint's traffic study showed that over 70 percent of Altura subscribers made three or more calls per month to the Rollingstone-Winona LCA, thereby meeting the second criterion, adequate traffic.

Since the first two EAS criteria have been met with respect to the Altura to Rollingstone-Winona LCA route, the Commission will proceed to poll Altura customers to see if the third and final criterion will also be met for this route: adequate customer support. Before doing so, however, the Commission will establish the EAS rates that would apply to this route so that this information may be made known to Altura customers before they vote on that proposed EAS route. To assist the Commission in establishing these rates, the Commission will direct the affected companies (Sprint and Qwest) to file cost studies and propose rates.

2. Altura to the St. Charles-Rochester LCA

The St. Charles and Rochester exchanges have EAS to each other and therefore constitute an LCA. Altura is adjacent to the St. Charles exchange and, therefore, is adjacent to the St. Charles-Rochester LCA. The Altura to St. Charles-Rochester LCA route, therefore, meets the first criterion, adjacency.

Sprint's traffic study showed that over 56 percent of Altura subscribers made three or more calls per month to the St Charles-Rochester LCA. This route, therefore, also meets the second criterion, adequate traffic.

Since the first two EAS criteria have been met with respect to Altura to the St. Charles-Rochester LCA route, the Commission will proceed to poll Altura customers to see if the third and final criterion will also be met: adequate customer support for that route.

Before doing so, however, the Commission will establish the EAS rates that would apply to this route so that this information may be made known to Altura customers before they vote on that route. To assist the Commission in establishing these rates, the Commission will direct the affected companies (Sprint and Qwest) to file cost studies and propose rates.

3. Eyota

Eyota has EAS to Rochester, but is part of no LCA that is adjacent to Altura. No route between Altura and Eyota meets the adjacency requirement, therefore, and will not be considered further in this matter.

III. NEXT STEPS

A. Routes Meeting the First Two EAS Criteria (Adjacency and Traffic)

As indicated above, the following routes meet the first two EAS criteria (adjacency and traffic): 1) Altura to the Rollingstone-Winona LCA; 2) Altura to the St. Charles-Rochester LCA. The Commission will proceed, therefore, to poll Altura customers to determine whether the third and final criterion (adequate customer support) is met for any of these routes.

Before doing so, however, the Commission will establish the EAS rates that would be required for these routes, so that Altura customers can be informed about the cost of their choices. To assist the Commission in setting the EAS rate for these routes, the Commission will establish the EAS rates that would be required for these routes, so that Altura customers can be informed about the cost of their choices before they cast their ballots.

To assist the Commission in setting the EAS rates for these routes, the Commission will require the affected telephone companies to file cost studies and proposed rates for each of these two routes.

B. Routes Not Warranting Further Consideration

The foregoing analysis also indicated that the following routes do not meet the adjacency criterion and therefore, do not warrant further consideration by the Commission: Altura to Winona, Altura to Eyota, Altura to Rochester, Altura to the Rochester-Eyota LCA.

Further, the foregoing analysis also indicates that the Altura to St. Charles route, which does meet the adjacency criterion, does not meet the traffic criterion and, therefore, does not warrant further consideration.

Finally, as previously indicated, no route involving Eyota meets the adjacency criterion and, therefore, must be rejected.

ORDER

1. The Commission hereby denies the petition in part, i.e. as pertains to the following routes: Altura to Winona (lack of adjacency); Altura to St. Charles (insufficient traffic); Altura to Rochester (adjacency); Altura to Eyota (lack of adjacency and Altura to the Rochester-Eyota LCA (lack of adjacency).

2. Within 90 days of this Order, Sprint and Qwest (the affected telephone companies) shall file cost studies and proposed EAS rates for
 - 1) the Altura and Winona exchanges involved in the Altura to the Rollingstone-Winona LCA route;³ and
 - 2) the Altura, St. Charles, and Rochester exchanges involved in the St. Charles-Rochester LCA route.
3. Within 60 days following the filing of cost studies and proposed EAS rates by the companies pursuant to Ordering Paragraph 2 (above), the Department shall file a report and recommendation regarding proposed rates.
4. Parties shall have 20 days to respond to the Department's report.
5. The Executive Secretary shall have authority to vary the above deadlines if the Executive Secretary deems necessary.
6. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

This document can be made available in alternative formats (i.e., large print or audio tape) by calling (651) 297-4596 (voice), (651) 297-1200 (TTY), or 1-800-627-3529 (TTY relay service).

³ Since Altura already has EAS to Rollingstone and Rollingstone has EAS to Rochester, EAS rates for the Rollingstone exchange would not be affected by any extension of EAS from Altura through Rollingstone to Winona. Hence, no cost studies and proposed rates for Rollingstone exchange are implicated in this matter and will not be required.