

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott	Chair
Edward A. Garvey	Commissioner
Marshall Johnson	Commissioner
LeRoy Koppendrayner	Commissioner
Phyllis A. Reha	Commissioner

In the Matter of a Petition for Extended Area
Service From Osakis to Alexandria

ISSUE DATE: December 21, 2001

DOCKET NO. P-552,430/CP-98-1148

ORDER DENYING PETITION AND
REQUIRING NOTICES

PROCEDURAL HISTORY

On August 13, 1998, telephone subscribers in the Osakis exchange filed a petition for Extended Area Service (EAS) to the neighboring Alexandria exchange. Osakis is served by Osakis Telephone Company (Osakis T.C.). Alexandria is served by Sprint Minnesota, Inc.(Sprint).

On November 6, 2000, the Commission issued its ORDER ESTABLISHING RATE ADDITIVES AND REQUIRING FURTHER FILING which prohibited the companies from including lost access charges in EAS rate additives and eliminated transfer payments. The Order required each company to bear its own EAS costs and file rate additives to reflect this decision. Osakis T.C. and Sprint were ordered to propose rate increases for non-EAS services, if any, to recover lost access revenues excluded from EAS rate additives.

On November 16, 2000, Osakis T.C. and the Minnesota Independent Coalition (MIC) jointly filed a petition for reconsideration of the portion of the November 6, 2000 Order prohibiting Osakis T.C. from including lost access revenues in the EAS rate additives for the Osakis exchange. On November 20, 2000, Sprint filed a petition for reconsideration of the Commission's Order excluding recovery of lost access revenue from the EAS rate additives.

On December 18, 2000, the Department of Commerce (the Department) filed comments opposing reconsideration.

On April 20, 2001, the Commission issued its ORDER GRANTING RECONSIDERATION AND REQUIRING FURTHER FILINGS. The Order directed Sprint and Osakis T.C. to include lost access revenue in the EAS rate additives. Each affected telephone company was to recover from

its own customers in the affected exchanges both the facilities costs and lost access revenue. Each telephone company was directed to file new EAS rate additives, including each company's direct facilities costs and each company's own lost access revenues, within 21 days of the issuance of the Order.

On May 4, 2001, Sprint filed its proposed rates and Osakis T.C. filed its proposed rates on May 10, 2001.

On May 29, 2001, the Department filed its comments. The Department recommended that the affected telephone companies separate the total EAS rate to reflect the facilities-related component and the lost-access component.

On June 5, 2001, the MIC and Osakis T.C. filed their opposition to the Department's recommendation and Sprint filed its opposition on June 8, 2001.

On August 3, 2001, the Commission issued its ORDER SETTING RATES AND REQUIRING POLLING AND ITEMIZATION OF EAS RATES ON BALLOT MATERIALS AND IN TARIFFS.

Polling of telephone subscribers in the Osakis exchange took place between September 12 and October 29, 2001.

The Commission met on November 20, 2001 to consider this matter.

FINDINGS AND CONCLUSIONS

The third and final EAS standard that the Osakis petition had to meet was subscriber support, i.e. it was necessary that more than half of the polled subscribers returning their ballots favor implementation of the proposed EAS.

The polling results for Osakis were as follows:

Voting Exchange	Petitioned Exchange(s)	Res. EAS Rate	Bus. EAS Rate	% Voting	Yes		No	
					#	%	#	%
Osakis	Alexandria	\$6.03	\$8.16	69.0	623	44.85	766	55.15

Since less than a majority of those returning their ballots favored the proposed EAS route, the petition fails and will be dismissed and Osakis T.C. (the Company serving the petitioning exchange) will notify its subscribers.

ORDER

1. The Commission denies the Osakis petition the for EAS between Osakis and Alexandria.
2. Within 10 days of the date of this Order, Osakis Telephone Company shall file proposed customer notices for approval by Commission staff. The notices shall show the results of the polling. After Commission staff has approved the notices, the Company shall serve the notices in the first possible billing cycle, whereupon Docket No. P552, 430/CP-98-1148 will be closed.
3. 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).