

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 the Altura Exchange to the St. Charles, Rochester, Eyota and Winona Exchanges

ISSUE DATE: June 13, 2002

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

ORDER ESTABLISHING RATES FOR POLLING

PROCEDURAL HISTORY

On December 15, 1999, telephone subscribers in the Altura exchange filed a petition seeking extended area service (EAS) to the St. Charles, Rochester, Eyota and Winona exchanges. The Altura and Eyota exchanges are served by Sprint Minnesota (Sprint), while the Rochester, St. Charles and Winona exchanges are served by Qwest Corporation (Qwest).

On October 12, 2001, the Commission issued its ORDER DENYING PETITION IN PART AND REQUIRING COST STUDIES AND PROPOSED RATES. In that Order, the Commission denied several routes petitioned by the subscribers and ordered the cost studies and proposed rates for *only* the Altura-Winona and Altura-Rochester/St. Charles portion of the petition.

On January 11, 2002, Sprint filed its cost studies and proposed rates.

On March 11, 2002, Qwest filed its cost study and proposed rates. Qwest filed revised studies and rates on April 2 and 10.

On April 22, 2002, the Minnesota Department of Commerce (the Department) filed its comments. The Department recommended adopting Sprint's proposed EAS rate additives for polling subscribers in the Altura exchange. The Department also recommended adopting the revised EAS rate additives filed by Qwest on April 10, 2002 for Winona and Rochester/St. Charles calling area.

On May 10, 2002, Qwest confirmed in a telephone call that it agreed with the Department's recommendation.

The Commission met on May 30, 2002 to consider this matter.

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 and the procedures for determining EAS costs were set by Commission Orders (the EAS Orders) following an industry-wide fact-finding and policymaking proceeding.¹ 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) The Commission must poll subscribers in the petitioning exchange on whether they want EAS at the rates adopted by the Commission.
- (5) If 50% of the subscribers responding to the poll vote yes, the EAS route must be installed.

In this case the Commission has determined that the petitioning exchange meets the threshold adjacency and traffic volume requirements. What remains is to determine the cost of the proposed routes, to set rates reflecting those costs, and to poll subscribers in the petitioning exchange.

II. Rates for the Petitioning Exchange

Sprint proposed EAS rates as follows:

¹ 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).

EAS Rates for Polling Altura Exchange			
EAS from Altura to Winona			
Service	Facilities-Based EAS Rate	Lost Access Recovery	Monthly EAS Rate
Residence	\$1.35	\$1.78	\$3.13
Business	\$2.70	\$3.57	\$6.27
Key/Trunk	\$3.14	\$4.16	\$7.30
Pay	\$2.70	\$3.57	\$6.27
EAS from Altura to Rochester/St. Charles Calling Area			
Residence	\$1.49	\$2.23	\$3.72
Business	\$2.98	\$4.46	\$7.44
Key/Trunk	\$3.46	\$5.20	\$8.66
Pay	\$2.98	\$4.46	\$7.44

Sprint and the Department agreed that Sprint’s cost studies and proposed EAS rates are in compliance with the various Commission directives. The Commission has also reviewed the cost studies and proposed EAS rates and finds them acceptable.

III. Rates for the Petitioned Exchanges

Qwest proposed rate additives for Winona and Rochester/St. Charles as follows:

EAS Rates for Winona Exchange			
Service	Facilities-Based EAS Rate	Lost Access Recovery	Monthly EAS Rate
Residence	\$0.0182	\$0.0018	\$0.02
Business	\$0.0546	\$0.0054	\$0.06
Trunk/Centron/ Centrex	\$0.0637	\$0.0063	\$0.07
Coin	\$0.0546	\$0.0054	\$0.06

EAS Rates for Rochester/St. Charles Calling Area			
Service	Facilities-Based EAS Rate	Lost Access Recovery	Monthly EAS Rate
Residence	\$0.0172	\$0.0028	\$0.02
Business	\$0.0344	\$0.0056	\$0.04
Trunk/Centron/ Centrex	\$0.0344	\$0.0056	\$0.04
Coin	\$0.0344	\$0.0056	\$0.04

Qwest and the Department agreed that Qwest's cost studies and proposed EAS rates are in compliance with the various Commission directives. The Commission has also reviewed the cost studies and proposed EAS rates and finds them acceptable.

IV. Commission Action

Accordingly, the Commission will adopt the proposed rates and impose other customary requirements as set forth in the Ordering Paragraphs.

ORDER

1. The Commission hereby adopts the following EAS rates for polling Altura subscribers:

EAS Rates for Polling Altura Exchange			
EAS from Altura to Winona			
Service	Facilities-Based EAS Rate	Lost Access Recovery	Monthly EAS Rate
Residence	\$1.35	\$1.78	\$3.13
Business	\$2.70	\$3.57	\$6.27
Key/Trunk	\$3.14	\$4.16	\$7.30
Pay	\$2.70	\$3.57	\$6.27
EAS from Altura to Rochester/St. Charles Calling Area			
Residence	\$1.49	\$2.23	\$3.72
Business	\$2.98	\$4.46	\$7.44
Key/Trunk	\$3.46	\$5.20	\$8.66
Pay	\$2.98	\$4.46	\$7.44

2. The Commission hereby adopts the following EAS rates for the petitioned exchanges, Winona and Rochester/St. Charles:

EAS Rates for Winona Exchange			
Service	Facilities-Based EAS Rate	Lost Access Recovery	Monthly EAS Rate
Residence	\$0.0182	\$0.0018	\$0.02
Business	\$0.0546	\$0.0054	\$0.06
Trunk/Center/ Centrex	\$0.0637	\$0.0063	\$0.07
Coin	\$0.0546	\$0.0054	\$0.06
EAS Rates for Rochester/St. Charles Calling Area			
Residence	\$0.0172	\$0.0028	\$0.02
Business	\$0.0344	\$0.0056	\$0.04
Trunk/Center/ Centrex	\$0.0344	\$0.0056	\$0.04
Coin	\$0.0344	\$0.0056	\$0.04

3. The affected telephone companies shall provide a single EAS number which reflects both the facilities cost and lost access and EAS revenues in customers' monthly bills, if the proposed EAS is implemented.
4. The balloting materials and the affected telephone companies' tariffs shall itemize EAS rate additives so as to indicate the portion of the EAS rate additive that recovers facilities cost and the portion that recovers lost access revenue and/or lost toll contribution.
5. The affected telephone companies shall provide cooperation and assistance to the Commission staff and Commission contractors during the polling process by providing usable, deliverable addresses for all access lines in a format and under time frames set by the Commission staff. In addition, the affected telephone companies shall provide proof of the accuracy of customer lists as requested by the Commission staff.

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).