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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1061

In the Matter of)	
)	
EXTENDED AREA SERVICE)	ORDER
)	
Investigation to Southern Oregon EAS)	
Region.)	

- DISPOSITION:
- (1) COMMUNITY OF INTEREST FOUND;
 - (2) RECOMMENDATIONS OF ADVISORY TASK FORCE ADOPTED;
 - (3) ADVISORY TASK FORCE DESIGNATED AS PARTY

In this docket, the Public Utility Commission of Oregon (Commission) is investigating a request to create a unified toll-free calling area in southern Oregon. To help determine the boundaries for this possible extended service area (EAS) region, the Commission appointed an Advisory Task Force comprised of local officials and citizens from Jackson and Josephine Counties.

On January 21, 2003, the Advisory Task Force submitted its boundary recommendations. It proposes the creation of a Southern Oregon EAS region comprising eighteen exchanges, 306 EAS routes between the eighteen exchanges, connecting together 161,678 customer access lines, and served by four connecting telephone companies. The exchanges were chosen based upon letters of support from county governments, city councils and comments made by residents in Jackson and Josephine Counties.

The eighteen exchanges served by the four connecting local telephone companies shows a clear pattern of community interest based upon existing and proposed EAS routes, as well as other supporting information. Staff's public meeting memo describing the Advisory Task Force's recommendations is attached as Appendix A and incorporated by reference.

At its February 18, 2003 public meeting, the Commission adopted Staff's recommendation to accept the Advisory Task Force's recommendation with respect to the boundaries for the Southern Oregon EAS Region. The Commission found that a community of interest exists between the 18 exchanges selected for the proposed EAS

Region, and concluded that the investigation should proceed to an examination of proposed EAS costs and rates.

The Commission takes this opportunity to recognize the work and effort of the Advisory Task Force in helping determine boundaries for the proposed Southern Oregon EAS Region. The assistance and insight of these local community leaders helps ensure that the proposed EAS Region is designed to benefit the customers of these 18 telephone exchanges.

While the mission of the Advisory Task Force has been completed, the Commission finds that the representatives of the Task Force have special knowledge and expertise that would assist the Commission in resolving other issues in this investigation. Accordingly, the Commission hereby designates the Advisory Task Force as an official party to this proceeding pursuant to OAR 860-013-0021.

ORDER

IT IS ORDERED that:

- (1) The Advisory Task Force boundary recommendation for the proposed Southern Oregon EAS Region is adopted.
- (2) A Community of Interest exists among the identified exchanges.
- (3) The Advisory Task Force is designated as a party.

Made, entered, and effective _____.

Roy Hemmingway
Chairman

Lee Beyer
Commissioner

Joan H. Smith
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 18, 2003**

REGULAR X **CONSENT** **EFFECTIVE DATE** **Not Applicable**

DATE: January 30, 2003

TO: John Savage through Phil Nyegaard

FROM: Lance Ball

SUBJECT: EXTENDED AREA SERVICE (EAS): (Docket No. UM 1061 Recommended from the Advisory Task Force on a Southern Oregon EAS Region to include eighteen exchanges in the proposed Southern Oregon EAS Region.

STAFF RECOMMENDATION:

Staff recommends that the Commission accept the boundary recommendations from the Advisory Task Force on a Southern Oregon EAS region.

DISCUSSION:

During its August 20, 2002 public meeting, the Commission opened Docket No. UM 1061, which is an investigation into a request for a Southern Oregon EAS Region. Staff brought the request to the Commission based upon a groundswell of support in Jackson and Josephine Counties for an investigation concerning a possible unified toll-free calling area in southern Oregon.¹

In the August 20, 2002 public meeting, the Commission approved the concept of an advisory panel of local citizens in Jackson and Josephine Counties, the *Advisory Task Force on a Southern Oregon EAS Region*, to recommend EAS region boundaries based on community of interest considerations. The Commission’s decision reflected its belief that EAS region boundaries are best formulated and debated at a local level.

APPENDIX A
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¹ Community support for a unified EAS region was documented in the staff report to the Commission. See EXTENDED AREA SERVICE (EAS): Request from staff to open a Southern Oregon EAS Region investigation, August 20, 2002 Public Meeting. See also PUC Order No. 02-666, in docket UM 1061, dated September 25, 2002.

To this end, the task force was established. The Commission appointed task force members during the October 1, 2002 public meeting.² The task force was designed to allow local citizens to make proposals about the size and shape of an EAS region that best fits the needs of Oregonians in Jackson and Josephine Counties. It has served as an advisory panel to the Commission and has forwarded community of interest recommendations to the Commission to accept.³ Please see Attachment 1, page 1.

The task force's recommendation is to create a Southern Oregon EAS region comprising eighteen exchanges, 306 EAS routes between the eighteen exchanges, connecting together 161,678 customer access lines, and served by four connecting telephone companies.⁴ The exchanges were chosen based on letters of support from county governments, city councils, and comments made by residents in Jackson and Josephine Counties. Also, due consideration was taken of present EAS routes and existing community of interest patterns. The task force met and deliberated over its findings for a period of approximately four months. Attachment 1, page 3 shows the EAS region boundaries. Attachment 2 shows existing EAS arrangements of the eighteen exchanges.

Staff agrees with the recommendation of the task force. The eighteen exchanges served by the four connecting local telephone companies shows a clear pattern of community of interest based on existing and proposed EAS routes.⁵

The task force's investigation and recommendation and the Commission's decision with respect to the boundary of the Southern Oregon EAS region will

² See EXTENDED AREA SERVICE (EAS): (Docket No. UM 1061) Appointment of members to the *Advisory Task Force on a Southern Oregon EAS Region*, October 1, 2002 Public Meeting. See also PUC Order No. 02-682 in docket UM 1061, dated October 7, 2002.

³ See Letter from the *Advisory Task Force on a Southern Oregon EAS Region* to the Oregon PUC, dated January 21, 2003.

⁴ See Attachment 1, page 2. The exchanges are: Ashland, Butte Falls, Cave Junction, Central Point, Glendale, Gold Hill, Grants Pass, Jacksonville, Medford, Murphy-Provolt, O'Brien, Phoenix-Talent, Prospect, Rogue River, Selma, Shady Cove, White City, and Wolf Creek. Citizens Communications aka Frontier serves five of the exchanges (Cave Junction, Glendale, O'Brien, Selma, and Wolf Creek). United Telephone Company of the Northwest aka Sprint serves four of the exchanges (Butte Falls, Prospect, Shady Cove, and White City). Qwest serves eight of the exchanges (Ashland, Central Point, Gold Hill, Grants Pass, Jacksonville, Medford, Phoenix-Talent, and Rogue River). Verizon serves one exchange (Murphy-Provolt).

⁵ In PUC Order No. 02-465 in docket UM 1052, dated July 8, 2002, the Commission found a community of interest between the Rogue River exchange and the Central Point, Gold Hill, and Medford exchanges. A final order is pending before the Commission. This is an example of the continuing interest in widening EAS areas in Southern Oregon.

constitute Phase I of the two-phase EAS process. Phase II would commence immediately upon a Commission determination regarding the EAS Region boundary and would include investigation of proposed EAS costs and rates.⁶

Staff will work with the Administrative Hearings Division to seek an early date for a pre-hearing conference in Phase II of this Region investigation.⁷ At the pre-hearing conference, staff and parties will discuss a procedural schedule that will allow sufficient flexibility for parties to address issues of particular concern.⁸

PROPOSED COMMISSION MOTION:

That the Commission exercise its authority under ORS 756.040 to accept the Southern Oregon EAS region boundaries proposed by the *Advisory Task Force on a Southern Oregon EAS Region*.

Attachment 1 consisting of three pages.
Attachment 2 consisting of one page.

⁶ EAS Region investigations take greater time than simpler EAS expansions involving one originating exchange. PUC Order No. 89-815 in docket UM 189, dated June 19, 1989, anticipated EAS region investigations of two years—one year each for community of interest and rate investigations. The greater time requirement is based on a greater degree of cost and rate complexity, possibly involving the wholesale revision of some companies' EAS rate structures, and customer challenges in the form of complaints, requests for reconsideration, requests for hearings, and the possible use of customer advisory surveys (ballots). The plain fact is that we will not know customer reaction to the proposed Southern Oregon EAS region until the serving telephone companies propose rates. The Commission is advised that the proposed region boundaries may shrink as staff compiles its cost and rate findings and reacts to customers possibly desiring exclusion from the proposed region. If this occurs, the boundaries will be shortened and new cost and rate studies will be required to estimate second-order cost and rate effects.

⁷ The Commission and staff have been invited to a meeting of the task force on February 24, 2003, to discuss procedural issues.

⁸ A primary issue raised by the *Advisory Task Force on a Southern Oregon EAS Region* is a unified, or average, rate for all subscribers in the Southern Oregon EAS region.