

ORDER NO. 00-251

ENTERED MAY 15 2000

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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 934

In the Matter of the Petition for Extended       )  
Area Service by the RICHLAND                       )  
TELEPHONE EXCHANGE.                               )                       ORDER

DISPOSITION: PETITION DISMISSED; DOCKET CLOSED

**Introduction**

On April 14, 1999, the customers of the Richland telephone exchange filed a request for extended area service (EAS) to the Baker telephone exchange. After a review of calling pattern data, the Commission Staff concluded that a community of interest existed between the exchanges. On June 29, 1999, Michael Grant, an Administrative Law Judge (ALJ), issued a ruling adopting Staff's findings and indicating that the docket should proceed to the consolidated Phase II proceeding for rate and tariff analysis.

In preparation for Phase II proceedings, the Eagle Telephone Systems, Inc. (Eagle), which serves the Richland exchange, began to evaluate the cost of deploying EAS. Eagle calculated that the costs—primarily lost access revenues from toll—would be significant. Consequently, Eagle reported that the EAS rate additive to recover these costs would be very high. In order to provide customers a measured EAS option at a rate of \$0.08 per minute, Eagle calculated that it would be required to charge residential customers desiring unlimited EAS calling a flat rate of \$24.90 per month. Business customers would be required to pay a flat rate of \$36.40 per month.

Due to these proposed rates, the Commission decided to seek additional customer input before continuing the investigation. In March 2000, the Commission mailed informational surveys to all customers of the Richland exchange to determine continued support for the EAS petition at the projected rates. To help further explain the EAS costs and customer choices, ALJ Allan Arlow held a public comment hearing in Richland on April 13, 2000. Jim Stanage and Bernard Somdah, members of the Commission Staff, appeared and provided additional information and answered customer questions. Patrick Lattin appeared on behalf of Eagle.

**Survey Results**

Of the approximately 400 ballots that were mailed to the customers of the Richland exchange, 147 were returned. A total of just 15 customers indicated continued support

for the EAS petition. The other 132 customers responding asked that the Commission close the investigation for EAS between Richland and Baker exchanges.

Based upon the survey results, the Commission concludes that this docket should be closed on the ground that there is inadequate customer support for EAS between Richland and Baker at the projected costs. The EAS investigation should be closed.

**ORDER**

IT IS ORDERED that the petition for extended area service between the Richland and Baker telephone exchanges is dismissed. Docket UM 934 is closed.

Made, entered, and effective \_\_\_\_\_.

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**Ron Eachus**  
Chairman

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**Roger Hamilton**  
Commissioner

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**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.