

## DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE**

**FROM: DOUG COOLEY**

**DATE: SEPTEMBER 29, 2004**

**RE: PETITION FROM RESIDENTS OF THE SHOUP AREA REQUESTING  
EAS INTO SALMON IDAHO; CASE NO. GNR-T-01-03.**

On February 21, 2001, the Commission received a petition from approximately twenty-six residents of the Shoup area requesting extended area service (EAS) into the Salmon area. The Shoup exchange is located in northern Lemhi County and is served by Rural Telephone Company. The exchange has approximately forty-two residential and fifteen business telephone customers. There is presently local calling only within the exchange.

Salmon is the county seat of Lemhi County and is served by CenturyTel of Idaho. CenturyTel operates three adjoining exchanges in Lemhi County: Salmon, Leadore and North Fork with approximately 4,200 total customers combined. The petitioners have requested local calling into the North Fork and Salmon exchanges.

### STAFF REVIEW

Shoup is a community with many seasonal cabins and recreational businesses related to fishing and floating the adjacent Salmon River. Shoup has a small café which includes a post office as well as two other small convenience stores that Staff is aware of. For services such as health care, government agencies, schools, churches, businesses and almost all shopping, Shoup residents must travel approximately 35 miles to Salmon. Unlike Shoup, Salmon has at least one Internet Service Provider.

Staff has received responses to production requests from both Rural Telephone Company and CenturyTel of Idaho regarding the costs associated with the proposed EAS. If

EAS is approved, Staff proposes that Rural Telephone customers would experience a rate increase from \$21.63 per month to \$24.10 for residential service and from \$40.68 to \$42.00 for business service. In addition, Rural Telephone would increase its Idaho USF draw by approximately \$5,400 (1.7%) annually to cover its remaining EAS costs. CenturyTel customers in Salmon and North Fork would experience an increase from \$21.75 per month to \$21.84 for residential service and from \$39.77 per month to \$39.86 for business service.

The most recent Shoup calling data collected in July 2004 indicates that most business customers and many residential customers call into Salmon frequently. For example, 86% of Shoup's business customers made at least one phone call to Salmon during the month while over 60% of residential customers made at least one phone call to Salmon.

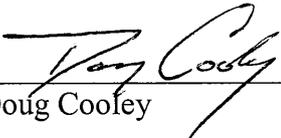
#### **STAFF RECOMMENDATION**

Staff supports EAS between the Shoup exchange and the exchanges of North Fork and Salmon. Staff recommends that the Commission gather public input regarding this case and the associated costs to customers. Staff believes this can be accomplished by a public workshop and/or hearing in Salmon along with an open comment period.

#### **COMMISSION DECISION**

Does the Commission wish to gather public input via a public hearing, a public workshop, or an open comment period regarding EAS between the Rural Telephone exchange of Shoup and the CenturyTel exchanges of Salmon and North Fork?

Does the Commission wish to proceed in some other way?

  
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Doug Cooley

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