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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE PETITION OF CUSTOMERS OF THE FREMONT TELCOM COMPANY REQUESTING EXTENDED AREA SERVICE (EAS) TO THE U S WEST COMMUNICATIONS’ EASTERN IDAHO CALLING REGION. | )  )  )  )  )  )  ) | CASE NO. GNR-T-97-14  JOINT MOTION TO ADOPT A STIPULATION AND SETTLE­MENT AGREEMENT |

COMES now the Commission Staff, U S WEST Communications, and Fremont Telcom Company by and through their respective attorneys of record and requests that the Commission adopt the attached Stipulation and Settlement agreement executed by the parties in the above-referenced case.  This matter is before the Commission as a result of a Petition for EAS from Fremont’s customers in the Ashton, Island Park and St. Anthony exchanges.  The Petition generally requests EAS local calling to the U S WEST eastern Idaho calling region.  By this Stipulation and Settlement, the parties recommend that the Commission initiate a proceeding in this matter in conformance with the settled issues contained in the agreement.

THE STIPULATION AND SETTLEMENT

In an effort to expeditiously and efficiently process this EAS Petition, the parties have entered into a Stipulation and Settlement agreement.  The Stipulation and Settlement resolves many of the issues typically raised in EAS cases.  Fremont and the Staff are prepared to testify that EAS is warranted from the three affected exchanges to the U S WEST calling region.  Under the terms of the agreement, customers in the affected exchanges would receive toll-free calling to the entire U S WEST eastern Idaho calling region including those independent exchanges that have been or may be added to the calling region.

The parties propose that residential monthly rates be set at $24.10 and monthly business rates be set at $42.00.  To mitigate the residential rate increase, Fremont will offer its residential customers local measured service at a rate of $16.00 per month, including 90 free minutes of local use, plus $.03 per minute for all usage in excess of 90 free minutes.  Residential customers subscribing to local measured service would reach the “break-even point” with the unlimited local service rate after making six hours of local calling ($.03/min. x 4.5 hours + 90 min. free).  In addition, low-income customers eligible to participate in the Idaho Telecommunictions Assistance Program may receive a $10.50 credit toward monthly local service when the program is implemented this summer.

The Stipulation and Settlement also contemplates that Fremont will not seek further rate relief or disbursements from the Idaho Universal Service Fund (USF) until such time as either: the Staff completes an audit of the Company’s 1997 annual report; or when the Company has 1998 financial information available for review, whatever occurs first.  At that time, Fremont may seek an annual disbursement of at least $108,000 from the existing Idaho USF or other rate relief.

The parties also acknowledge that the Commission has recently instituted Case No. USW-T-98-3 to determine U S WEST’s EAS costs.  The parties have stipulated that U S WEST will not be required to implement EAS in connection with this case until the Commission enters its final Order in the 98-3 case.  However, the parties recommend that the Commission convene a public hearing on June 2, 1998, for the purpose of obtaining public comment regarding the implementation of EAS.

RESPECTFULLY submitted this                  day of May 1998.

Donald L. Howell, II

Deputy Attorney General

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