(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE PETITIONS FROM CITIZENS IN PRESTON, IDAHO AND MONT­PELIER, IDAHO REQUESTING EXTENDED AREA SERVICE (EAS) BETWEEN THEIR COMMUNITIES AND POCATELLO AND IDAHO FALLS. | )  )  )  )  )  ) | CASE NO. USW-T-96-13  ORDER NO.  26761 |

This case was initiated to consider whether the U S WEST southeast Idaho telephone exchanges of Montpelier and Preston should be included within an extended area service (EAS) region.   Recently in Case No. USW-S-96-4 the Commission approved three regional local calling areas for most of U S WEST’s southern Idaho exchanges as proposed by the Company and Staff.  Even before the Commission issued its final Order in Case No. USW-S-96-4, residents from Preston and Montpelier began contacting the Commission to request inclusion in the regional EAS calling areas.  The Commission thereafter issued a Notice of Petition, Notice of Hearing and Order No. 26663 to consider whether a community-of-interest exists between the two exchanges and the EAS hub cities of Pocatello and Idaho Falls.  The Commission Staff and U S WEST were directed to assess the community-of-interest issues and file written comments.  Petitions to Intervene were filed by Westel, Inc. and Lakeside Communications, Inc., two independent local telecommunications providers, but neither company filed comments or otherwise participated in the case.

U S WEST and Staff filed separate comments on December 2, 1996, and Staff filed supplemental comments on December 5, 1996.  U S WEST’s comments focused on the calling data between the Preston and Montpelier exchanges and Pocatello and Idaho Falls.  U S WEST noted that the calling volume for these routes is less than half the per line calls in the previously approved EAS regions.  U S WEST also stated that, if the rate formula approved in Case No. USW-S-96-4 were used, the residential customers in these exchanges would experience a monthly rate increase of $5.51, and business rates would increase by $5.08 per month.  U S WEST stated that the Commission could “offset the EAS related monthly increase to residents’ lines with revenue sharing plan credits,” as the Commission did in the earlier case, until those funds are exhausted.  No other information regarding rates or the costs associated with including these exchanges in the EAS region was filed in this case.

In addition to calling data, the Staff comments addressed the community-of-interest standards identified by the Commission in Order No. 26311 issued in an earlier, general EAS case.  According to Staff’s comments, the Preston and Montpelier exchanges, in relation to Pocatello and Idaho Falls, do not meet the community-of-interest criteria established by the Commission for approval of EAS.  Staff therefore recommended that the requests to include Preston and Montpelier in the eastern Idaho EAS region be denied.  In its supplemental comments, Staff did recognize “that a community-of-interest exists between Preston and Montpelier and their surrounding exchanges.”  Staff also recognized that “the 330 letters received in such a short period of time represents a significant show of interest for communities of this size.”

Public hearings in this case were convened on December 9, 1996, in Montpelier and Preston.  Approximately 80 witnesses testified during the two hearings, and many more were in attendance.  The overwhelming weight of the testimony, including testimony from State Representatives Robert C. Geddes and John H. Tippetts and State Senator Robert L. Geddes, supported the expanded calling area for these exchanges.  Many witnesses identified specific considerations demonstrating the existence of a community-of-interest between Preston and Montpelier and the exchanges in the EAS region.

Witnesses at the Montpelier hearing testified that students from the area attend college classes in Pocatello and Rexburg.  Tr. pp. 11, 19-20, 22-23, 50, 55, 60-61, 96, 108, 128, 137, 151.  Residents of Montpelier obtain both emergency and non-emergency medical services in Pocatello or Idaho Falls.  Tr. pp. 36-37, 46, 70, 87, 103, 115, 117, 133, 141, 154.  Representatives of local school districts testified of the long distance calls made by teachers, administrators and parents within school district boundaries.  Tr. pp. 30-31, 60, 107, 114, 148-49.  Local access for connection to the Internet was identified as a significant consideration.  Tr. pp. 23, 31, 38, 62, 114, 125-26.  Witnesses testified that access to government services, including county and judicial services, often require toll calls for Montpelier residents.  Tr. pp. 69-70, 73, 74, 100, 136, 144, 151.  Many families have members that reside within the region that would benefit by the ability to contact them by toll free calls.  Tr. pp. 23, 43, 46, 48, 50-51, 67, 76, 78, 92, 102, 111, 119, 122.  Finally, witnesses indicated a willingness to pay the increased rate to obtain the extended calling area.  In fact, only one witness at the Montpelier hearing testified against including the exchange in the EAS region, on the basis that customers desiring to make long distance calls should pay the cost.  Tr. p. 7.

The Preston hearing produced similar testimony.  Witnesses testified that government services, including postal service and contact with county commissioners, are available to some customers only by toll calls.  Tr. pp. 165-67, 171, 195, 204, 225-26, 231, 238, 246-47, 278-79, 286-88.  The Mayor of Preston testified that the city must often contact offices for Health and Welfare, Probation and Parole, and other state offices in Pocatello.  Tr. p. 184.  Although some Preston area residents obtain medical services in Logan, Utah, testimony was presented that many residents obtain medical care in the Pocatello area.  Tr. pp. 206, 209, 223-24, 280-81, 311-12.  Educators and school administrators testified regarding the connections between local schools and Idaho State University in Pocatello and Ricks College in Rexburg.  Tr. pp. 171, 187, 201, 204, 221, 261, 279, 302.  For many parents and students, Internet access was identified as an educational tool that should be available by local call to customers.  Tr. pp. 193-94, 201, 205.  Testimony was presented by business representatives, including employers and representatives from the Pocatello Chamber of Commerce.  Tr. pp. 183, 187-88, 201, 208.  A representative of Monsanto, located in Soda Springs, testified that 30% of Monsanto’s employees live in Franklin and Bear Lake counties.  Tr. p. 220.  Other business witnesses testified that the Preston area businesses make frequent calls to the Pocatello area to order supplies, and to advertise for customers.  Tr. pp. 227, 230-31, 240, 242, 249, 263, 292-93, 308.  Many witnesses testified regarding the existence of family members within the Pocatello area and other communities in the regional EAS.  Tr. pp. 217, 231, 237, 243-45, 260, 267-68, 308, 310.  Testimony was also presented regarding the willingness of customers to pay rate increases associated with the EAS.  Tr. pp. 172-73, 184, 228, 299-300.  Three witnesses testified at the Preston hearing against the proposal to include the Preston exchange in the regional EAS.  Tr. pp. 180, 198, 273.

In addition to the overwhelming support presented at the hearings, the Commission received in excess of 400 letters and E-mail communications.  As at the hearings, a vast majority wrote in support of the proposal to include the Preston and Montpelier exchanges in the regional EAS.  This strong show of support demonstrates a community-of-interest to include these exchanges in the regional EAS, as well as demonstrating a willingness by the customers to pay the associated rate increases.  Several witnesses referred to “an island of isolation” that would be created by excluding these exchanges from the EAS region. Tr. p. 210. The Preston and Montpelier exchanges are situated adjacent to neighboring states and thus would be isolated from the local calling area established in U S WEST’s eastern Idaho service area.  On this record, we find that it is appropriate to include the Preston and Montpelier local exchanges within the southeastern Idaho EAS.

The Commission appreciates the interest shown in this case by local community leaders and representatives to the state Legislature.  Representatives Geddes and Tippetts and Senator Geddes were instrumental in informing the residents of the Montpelier and Preston exchanges of the necessity to demonstrate a community-of-interest between these exchanges and the other EAS exchanges.  The Commission appreciates the efforts of all who participated.

O R D E R

IT IS HEREBY ORDERED that the telephone exchanges of Preston and Montpelier be included in the EAS region for eastern Idaho approved in Case No. USW-S-96-4.  U S WEST is directed to provide to the Commission within 30 days of the date of this Order a schedule for implementing EAS in these exchanges.

THIS IS A FINAL ORDER.  Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. USW-T-96-13  may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this Case No. USW-T-96-13.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of January 1997.

                                                                                                                                      RALPH NELSON, PRESIDENT

                                                                                           MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

January 17, 1997