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BEFORE  THE  IDAHO  PUBLIC  UTILITIES  COMMISSION

IN THE MATTER OF THE PETITIONS FROM)

CITIZENS IN PRESTON, IDAHO AND MONT-)CASE  NO.  USW-T-96-13

PELIER, IDAHO REQUESTING EXTENDED )

AREA SERVICE (EAS) BETWEEN THEIR)

COMMUNITIES AND POCATELLO AND)COMMENTS OF THE

IDAHO FALLS.)COMMISSION STAFF

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COMES  NOW  the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Weldon B. Stutzman, Deputy Attorney General, and submits the following comments.

The Commission has received 330 letters and two petitions containing approximately 70 signatures from customers in the Preston and Montpelier exchanges requesting that they be included in the eastern Idaho local calling region created by the Commission in Order No. 26672.  On October 31, the Commission issued a Notice of Petition and a Notice of Hearing in Order No. 26663 and set a date of December 1 for comments on these letters and petitions.  Staff submits these comments in response to that order.

Staff has reviewed these requests in light of the standards for granting EAS set by the Commission in Order No. 26311.  In that order, the Commission found that calling volume data should be used in conjunction with other community of interest standards.  The other factors set out in that order are:

1)Geographical proximity

2)Geographical or other physical barriers

3)County seat relationship

4)Relationship to school district

5)Proximity to medical facilities

6)Willingness of customers to pay increased rates

Staff's comments and analysis on these petitions are based on the community of interest between the proposed spoke and hub exchanges, that is, Preston and Montpelier and Pocatello.  This is the same criteria that was used in the evaluation of the other exchanges in the regions.  Staff did not do an analysis of community of interest between spoke exchanges.

In its analysis, Staff first looked at the six factors identified above in evaluating these petitions to determine how the petitioning exchanges comport with these standards.

Geographic Proximity

Preston is located sixty-one miles from Pocatello, Montpelier is seventy miles away.  Of the exchanges included in the EAS regions all are closer to their hub exchange.  In fact, Preston is fifteen miles further away from its hub exchange than any other exchange and Montpelier is twenty-four miles further away.

Geographical or Physical Barriers

As to geographical barriers, the distance between these exchanges includes mountains and rivers.  However, travel between these exchanges and Pocatello is more a function of distance than geographical barriers.

County Seat and School District Relationship

The Preston exchange is located primarily in Franklin county, Montpelier in Bear Lake county.  Pocatello is located in Bannock county.  There is no county seat relationship between Preston and Pocatello or Montpelier and Pocatello.  In fact, Bear Lake and Bannock counties are not even contiguous, being separated by Caribou county.  Likewise with school districts, Preston, Montpelier, and Pocatello are all located in different school districts.

Proximity to Medical Facilities

The residents of Preston and Montpelier have historically demonstrated a greater community of interest with Utah than with Pocatello or Idaho Falls, including the use of medical facilities.  Clearly this is a function of proximity.  Medical services in Utah are closer and more readily available, particularly in winter.

Willingness to Pay

The letters received by the Commission tend to show that there is a willingness on the part of the customers to pay extra for EAS.  However, as mentioned earlier, the Commission has received approximately 330 letters and 70 signatures and there are 5800 customers in these two exchanges, therefore there are many customers who have not yet been heard.  In addition, the letters were based on the belief that the customers would be paying an additional $1.89 for EAS calling.  That rate was based on circumstances present in Case No. USW-S-96-4 and that situation may not apply in this case.

Calling Volumes

Staff's investigation into calling volumes is particularly revealing.  There are 10

U S WEST exchanges that are not included in an EAS calling region: Payette, Weiser, New Plymouth, Mountain Home, Glenns Ferry, Ketchum, Hailey, Burley, Preston, and Montpelier.

Of those ten exchanges, Preston and Montpelier have fewer calls per line to the Pocatello exchange than all other routes except for Ketchum to Twin Falls.  Not surprisingly, Ketchum averages more calls per line to Boise.  In fact, its call-per-line average to Boise exceeds the call rate of Preston to Pocatello.

The difference on some routes is quite significant.  The calling rate for New Plymouth or Glenns Ferry to Boise is over 200% greater than that of Preston to Pocatello.  Calling from Mountain Home to Boise is 200% greater than Montpelier and 300% greater than Preston.

The Commission is then faced with a question of fairness.  Can the Commission find that a community of interest exists between Preston and Montpelier and Pocatello and not recognize the other spoke and hub relationships which were not included in the regional plan?

The Commission chose to approve the stipulation in Case No. USW-S-96-4 based upon its finding that the exchanges met the community of interest standards for each region.  Clearly, leaving some exchanges out of the regions was not an easy choice.  However, of the exchanges omitted, Preston and Montpelier seem to have less community of interest with their hub exchange than any of the other non-region exchanges.

One of the arguments advanced in these letters is that inclusion in the eastern Idaho calling region would help promote a community of interest with Pocatello and therefore move people away from a reliance with services in Utah.  While there is a certain appeal to promoting a greater community of interest within the state, the fact is that EAS is not intended to promote community of interest.  The Commission’s stated intent is to grant EAS to those communities that have a demonstrated community of interest.

In summary, while it is understandable that Preston and Montpelier want to be included in the eastern Idaho region, these two exchanges fall far short of demonstrating compliance with the community of interest standards the Commission has established for granting this service.  Their request should therefore be denied.

DATED  at Boise, Idaho, this            day of December, 1996.

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Weldon B. Stutzman

Deputy Attorney General

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Telecommunications Section Supervisor

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