

court may order the officer appealing and the board to submit briefs or other memoranda and may dispose of the appeal on ~~such~~ those writings. If the court ~~shall find~~ finds that the board acted in an arbitrary, capricious, oppressive, or unreasonable manner, or without sufficiently taking into account the responsibilities and duties of the office of the court administrator, and the court administrator's experience, qualifications, and performance, it shall make ~~such~~ an order to take the place of the order appealed from as is justified by the record and shall remand the matter to the county board for further action consistent with the court's findings. It is prima facie evidence that the board did not act in an arbitrary, capricious, oppressive, or unreasonable manner or without taking into account the responsibilities and duties of the office of the court administrator, and the court administrator's experience, qualifications, and performance, if the board's action was in accordance with a job evaluation system under section 471.994. After determination of the appeal the county board shall proceed in conformity ~~therewith~~ with the court's order. This subdivision is not in effect from July 1, 1989, to July 1, 1991, with respect to the amount of the budget of the office of court administrator of district court.

Sec. 13. **REPEALER.**

Minnesota Statutes 1988, sections 471.992, subdivision 3; 471.996; and 471.9981, subdivisions 2, 3, 4, and 5, are repealed.

Presented to the governor April 24, 1990

Signed by the governor April 26, 1990, 11:22 p.m.

CHAPTER 513—S.F.No. 1743

An act relating to telephone service; regulating the installation of extended area service in exchanges; requiring the expansion of the metropolitan extended area telephone service, under some circumstances; proposing coding for new law in Minnesota Statutes, chapter 237.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[237.161] EXTENDED AREA SERVICE.**

Subdivision 1. CRITERIA. (a) The commission shall grant a petition for installation of extended area service only when each of the following criteria has been met:

(1) the petitioning exchange is contiguous to an exchange or local calling area to which extended area service is requested in the petition;

(2) polling by the commission shows that a majority of the customers responding to a poll in the petitioning exchange favor its installation, unless all parties and the commission agree that no polling is necessary; and

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(3) at least 50 percent of the customers in the petitioning exchange make one or more calls per month to the exchange or local calling area to which extended area service is requested, as determined by a traffic study.

The rate to the polled exchange must be available to its customers before the commission determines what proportion of them favor the installation of extended area service.

(b) For the purpose of clause (3), the commission shall include as a customer an FX telephone service subscriber in the petitioning exchange whose FX service is provided through the exchange or an exchange within the local calling area to which extended area service is sought. For the purposes of this subdivision, "FX" means tariffed telephone toll service provided by placing a telephone line from another telephone exchange area in the telephone customer's exchange area.

(c) When the local calling area to which extended service is sought is the metropolitan local calling area in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties and the petitioning exchange meets the criteria in paragraph (a), the telephone company serving the petitioning exchange shall make local measured service or another lower cost alternative to basic flat-rate service available to customers in the petitioning exchange.

Subd. 2. BASIS OF RATES; COSTS. For a proposal to install extended area service, proposed rates must be based on specific additional cost incurred, operating expenses, actual cost for new facilities constructed specifically to provide for extended area service, net book value of existing facilities transferred from another service to extended area service, a return on the capital investment associated with installing and providing the extended area service, and appropriate contributions to common overheads.

Subd. 3. RATES. (a) When the local calling area to which extended service is sought is the metropolitan local calling area in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties, 75 percent of the costs of providing extended area service, as identified in subdivision 2, must be apportioned to the petitioning exchange and the remaining 25 percent apportioned to the exchange or exchanges to which extended area service is requested. When the proposed extended service area is not the metropolitan local calling area, the commission shall determine the apportionment of costs, provided that between 50 and 75 percent of the costs must be allocated to the petitioning exchange. The costs must be apportioned among the customers in an exchange so that the relationship between the rates for classes of basic local service remains the same. Rates within the existing metropolitan local calling area may not be raised as a result of the addition of a local exchange under this subdivision until the rates in the added exchange are at least equal to the highest rates in an adjacent exchange within the metropolitan local calling area, provided that the rates in the added exchange may not exceed the amount necessary to recover 100 percent of the costs and ensure that the rates are income neutral for the telephone company serving the added exchange.

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(b) The commission shall establish rates that are income neutral for each affected telephone company at the time at which the commission determines the extended area service rates. The commission shall consider the interests of all parties when determining a fair and equitable extended area service rate for a local telephone exchange that is newly included in the extended area service.

(c) A telephone company that provides local telephone service in an exchange that is included in an extended service area shall include the extended area service rate in the basic rate for the purpose of billing customers so that only one line item charge appears on customers' bills for both rates.

Subd. 4. LATA BOUNDARIES. When the commission has determined that a petition for inclusion of a local exchange in an extended service area should be granted under this section, but the inclusion of that local exchange would place a telephone company in violation of the federal prohibition on providing telephone service across a local access and transport area (LATA) line, as defined in section 237.57, subdivision 5, the commission shall order the affected telephone company to seek a waiver of the prohibition on the provision of service across the LATA line to the extent necessary to include the exchange in the extended service area.

Subd. 5. INTERSTATE EXTENDED AREA SERVICE. No state boundary may be crossed to establish extended area service under this section, but an exchange may be added to an interstate extended service area in existence on the effective date of this section.

Sec. 2. METROPOLITAN EXTENDED AREA TELEPHONE SERVICE.

Subdivision 1. DEFINITION. For the purposes of this section, "metropolitan" or "metropolitan area" means all of the area within the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Subd. 2. REQUIRED EXPANSION OF METROPOLITAN EXTENDED AREA SERVICE. Notwithstanding section 1, by July 1, 1991, the public utilities commission shall expand the metropolitan extended area service local calling area to include each local service telephone exchange served by a central office or wire center located within the metropolitan area if a majority of the consumers in the exchange that respond to polling by the commission favor including that exchange in the metropolitan local calling area as determined under subdivisions 3 and 4.

Subd. 3. COMMISSION DUTIES; PROJECT. The commission, in cooperation with each affected telephone company, shall determine the rates that would be charged to the customers in each metropolitan exchange that is not currently included in the metropolitan local calling area if that exchange were to be included. The commission shall then conduct a poll of the customers in each exchange. The ballot or questionnaire sent to each customer must clearly identify the rate that would be charged to customers in that exchange if the exchange

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becomes part of the metropolitan extended service area and must be returnable to the commission, at no cost to the customers, within 60 days of the date the ballot or questionnaire was mailed. If a majority of the customers in an exchange who respond to the commission's poll indicate that they favor inclusion, the commission shall include that exchange in the metropolitan local calling area.

Subd. 4. COSTS; RATES. The commission shall determine the costs and rates for each exchange subject to subdivision 3 in accordance with section 1, subdivisions 2 and 3, and commission rules.

Subd. 5. FUTURE EXPANSION. Customers in metropolitan exchanges that are not included in the metropolitan local calling area under subdivision 3 and customers in nonmetropolitan exchanges that want to be included in the metropolitan local calling area may petition the commission for inclusion under section 1 and commission rules, provided that no state boundary may be crossed in expanding the metropolitan local calling area.

Subd. 6. DUTIES; TELEPHONE COMPANIES. Each telephone company that is potentially affected by the activities of the commission in implementing subdivision 3 shall cooperate with the commission in determining costs and rates and any other activity or determination necessary to implement that subdivision.

Sec. 3. REPEALER.

Section 1 is repealed effective June 1, 1994.

Sec. 4. EFFECTIVE DATE; APPLICATION.

Sections 1 and 2 are effective the day following final enactment. Section 1 applies to all petitions pending before the public utilities commission on that date and to bills sent to customers in exchanges that become part of an extended service area after that date. Section 2 applies to local exchanges whose central offices or wire centers are located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. The public utilities commission shall suspend further action on any pending extended area service petition from an exchange governed by section 2 until the public utilities commission has implemented that section.

Presented to the governor April 24, 1990

Signed by the governor April 26, 1990, 10:50 p.m.

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