

LOCAL CALLING IN WISCONSIN

Intraexchange Calling

The basic building block of telephone service is the exchange. Local service facilities in an exchange radiate from the central office—the wire center—over feeder plant and distribution plant to homes and businesses in the urban area and outlying rural areas. Calling within the exchange is local service.

Extended Area Service (EAS)

EAS has existed for decades, and is an arrangement whereby calls between two exchanges are considered to be part of the local service offering. EAS developed in the 1940's, 1950's, and 1960's to recognize growing communities of interest between exchanges. EAS was also implemented in many cases to improve the economics of providing service at a time when long distance calls between nearby towns had relatively low rates, but labor intensive and high costs because each long distance call had to be manually placed, recorded, rated, and billed. Consequently, in many instances, it was economically advantageous to the telephone companies to establish EAS and make those calls "free" and a part of local service.

Starting in the 1970's, following the increasing use of computers for call processing and billing, the economics of EAS changed, and the telecommunications industry and regulators became more concerned about the costs of new EAS. *[When EAS is established and calls that once were subject to per-minute toll charges become free (or available at a lower per call rate), the volume of calls increases substantially. It becomes necessary therefore to install additional facilities to handle the increased traffic. Those new facilities create costs that must be recovered.]* In this state, as EAS petitions were examined, it became evident that the continued expansion of EAS was not reasonable. In case after case, the Commission found that the costs of EAS additions, and the resultant impacts on rates, were higher than the expected benefits to the majority of customers involved. Virtually all EAS petitions were denied in the 1970s.

The Commission adopted rules on EAS in 1983 in Wis. Admin. Code ch. PSC 167. Those rules specify a step-by-step process for the consideration of new EAS:

- First, at least 10% of consumers in an exchange must sign a petition for EAS. A telephone company can also petition to create EAS, but the remainder of the process continues pursuant to the steps in the rules.
- Second, a traffic study is conducted. Only if call volumes reach threshold levels set in the rules does the case go to the next step. These thresholds are that, in at least one of the exchanges, 1) 50% of the customers place not fewer than 3 messages per month to the exchange with which EAS is requested and 2) overall, the customers place an average of not fewer than 5 messages per month to the exchange with which EAS is requested.

- The next step is a cost study by the involved companies of adding new EAS and the determination of the resultant rate impact that would accompany the introduction of the EAS. [*The rules include provisions for allocating the cost and rate effects between the involved exchanges.*]
- After that rate impact is calculated, customers are balloted as to their willingness to pay the added rate. [*The telephone company prepares a ballot that is mailed to customers. The ballots are returned to the Commission for tabulation.*] Only if a majority of customers in an exchange return ballots supporting the service at the specified rates, does the Commission further proceed with the consideration of the new EAS. [*This is a majority of the exchange customers, not just a majority of those who actually vote.*]

Since these rules have existed, many EAS cases have proceeded through these steps. Although three new EAS arrangements have been implemented through this process, the operation of the rules has resulted in most EAS requests being denied.

Most exchanges, but not all, have some EAS arrangements; although the extent varies considerably. [*Of 591 exchanges in Wisconsin, 18 have no EAS.*] For instance, Madison has EAS with 19 exchanges; Stoughton has EAS with Madison only. These differences in EAS coverage generally result from community of interest circumstances and historical relationships among exchanges.

From a rates perspective, EAS is a part of local service. It is priced in different ways:

- EAS may simply be part of the monthly flat rate for local service. EAS calls, like intraexchange calls, may be made without any per-call or per-minute price.
- Although EAS is part of local service, some companies have a separate, flat monthly EAS charge. EAS, in such instances, although it has a separate rate, is a mandatory part of the customer's local service. In this instance also, EAS calls may be made without additional per-minute or per-call prices.
- Some companies charge for EAS calls on a usage basis. For Ameritech, all EAS calls are priced on a per-message basis at the same rates as intraexchange calls. For GTE North, a flat-rate option for local service is available to residential customers, but not to business customers. For those GTE customers who do not have the flat rate, intraexchange calls are priced at six cents per call; EAS calls are priced at 12 cents per call. At least one small telecommunications utility charges for a pre-existing EAS arrangement at the same price as ECC (see below) - 5 cents per minute.
- A few companies offer EAS as a flat-rate option. Customers who do not choose that option pay for EAS calls by the call or by the minute depending on the plan offered.

Extended Community Calling (ECC)

ECC is a service established and authorized by the Public Service Commission in 1993 to promote more comparability of local calling areas. With ECC, certain calls that were previously considered long distance became local. ECC is provided between exchanges that are either adjacent to each other or are within 15 miles of each other as measured for long distance purposes. [*The Commission has authorized a few exceptions to this general rule on ECC coverage.*] Mileage is based on the location of the rate center for each exchange; for most exchanges this is the location of the central office switch. ECC did not affect existing EAS arrangements. If EAS existed between two exchanges, that arrangement remains and was not converted to ECC. ECC was authorized to be applicable only within LATAs, and calling across LATA lines was not affected by ECC. Recently, in a specific petitioned case, the Commission did authorize ECC to be established across a LATA boundary to meet identified needs. [*There are four exchanges with no ECC because of their location near LATA boundaries and the existence of EAS to neighboring exchanges.*]

The purpose of ECC was to make local calling coverage more uniform throughout the state. With ECC, the vast majority of customers now have local calling service that includes calling to their county seat and calling to their schools. Prior to ECC's introduction, this calling was frequently not covered by local service in the rural areas of many exchanges.

Although ECC calls are considered part of local service, the rate for ECC is a per-minute charge. Generally, the ECC charge is much lower than standard long distance charges. The rate that the Commission adopted for ECC calls is 5 cents per minute, although a few small telephone companies charge higher rates of 6, 7, or 8 cents per minute. These rates are subject to change the same way other local rates may be changed.

This is anticipated for
Publication (10-30-99)
soon!

1002 HARDING ST.
NIAGARA, WI 54151
(715) 251-1759

Letter to the editor,

Two and one half years ago my Wife and I moved to Niagara, WI and, like many area residents occasionally pay a hefty price (or penalty) for calling the Iron Mountain/Kingsford, MI area.

Nineteen months ago (with some local prodding) I accepted the challenge of trying to initiate a legal plan to change our calling scenerio. Subsequently, a valid petition was filed with the Wisconsin Public Service Commission (PSC) seeking toll free calling into the Iron Mountain/Kingsford area exchanges. As required, The Niagara Telephone Company submitted a financial conversion plan to the PSC and, estimated that it would cost the Niagara telephone subscribers \$381,682 a year to call the Iron Mountain/Kingsford exchanges. Recently, an ongoing election ballot has individualized those costs for each phone subscriber. The proposed flat rate increase of \$6.35, and the .12 cent call aren't what we petitioners had in mind when we filed the petition. Nevertheless, according to many it's saner that what's in existence now.

Currently, our ongoing election is causing a lot of undue aggravation, (thanks to the PSC.) Many are upset because the PSC has extended the balloting process. The PSC decided to extend balloting time because the election was virtually a dead heat. (even though the collection of ballots by them showed that 621 voted yes, and 275 voted no.) Keep in mind the other two factors. First, the people favoring the ballot had to physically send the PSC 51%, or 639 ballots. Secondly, the people who didn't agree with the ballot could essentially throw their ballots in the trash container and still be counted as a no vote. This is the dark path our bureaucrats in Madison laid before us to trudge.

On Friday October 22, 1999 petitioners had (according to the PSC) 623 ballots in their possession in favor of the proposition. On Saturday 10/23/99 and Sunday 10/24/99 17 ballots were collected and sent to the PSC in Madison. On Thursday, 10/28/99 a local media person contacted the PSC in Madison inquiring about election totals. The PSC remarked that he had 639 yes ballots in his possession. I was called and told the news. Mathematically, it seemed the election was over. However, on Friday 10/29/99 at 8:30 a.m. I received a call from the PSC and was told that "I have bad news". I was advised that (after their 8 week gathering of ballots) they discovered 17 no ballots mixed in with the 600+ yes ballots and we were now 20 short of the 639 needed. I'll cut to the quick and say that this whole fiasco is under legislative review, and we petitioners are demanding that a new election with sane procedures be conducted by an honorable, and responsible third party in a reasonable, and timely manner. Also, I urge all discontented voters to call one or all of the following toll free telephone numbers with your concerns:

1.) Mr. Tom Gross, (rate analyst) WI Public Service Commission 1-800-2257729

2.) Representative Lorraine Seratti, 1-888-534-0036

Roger H. Newhouse
1002 Harding Street
Niagara, WI 54151
January 17, 2000

The Honorable Lorraine M. Serattti
The State Assembly
State Capitol, Room 18 North
P.O. Box 8953
Madison, WI 53708-8953

Dear Representative Seratti,

Please find enclosed a copy of my most recent letter to Senator Roger Breske, and my letter to the Wisconsin Public Service Commission, (PSC) seeking alternative actions pertaining to the PSC's ruling on our most recent Extended Area Telephone Service (EAS) initiative.

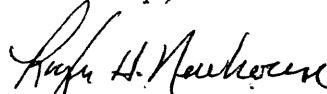
I'm appealing to you on behalf of the 600 plus petitioners that are supportative of EAS calling to start the legislative process of changing a few of the PSC's unjust rules. The two rules that we want changed before we re-petition are:

- 1.) The existing rule that you don't have to vote to be counted. Everyone in our surrounding area find it hard to believe that there is such a voting rule.
- 2.) Pro petitioners are required to garner 50% or more of the 251 telephone exchange customers by an affirmative vote in order to win the election.

As you are probably aware there is a double standard here, and it only applies to the YES voters.

Please seek to change these rules so we can ultimately petition again for EAS. Thank you.

Sincerely,


Roger H. Newhouse

MAR 29 2000

MAR 02 2000

Roger H. Newhouse
1002 Harding Street
Niagara, WI 54151
February 28, 2000

The Honorable Lorraine M. Seratti
The State Assembly
State Capitol, Room 18 North
Madison, WI 53708-8953

Dear Representative Seratti,

I'm sure that you're aware that We, the citizens of Niagara, WI who support local calling from our community to the Iron Mountain, MI area are currently circulating another petition here seeking support for Extended Area Telephone Service (EAS).

Although our petition drive is in its infancy many signatures have been collected. Questions in addition to signatures are arising that we would like answered prior to submitting our valid petition. Inquiries such as:

- 1.) What person(s) from the Wisconsin Public Service Commission (PSC) will be handling our proposition? Many skeptical citizens request that PSC officials less prone to error(s) be appointed to oversee our forthcoming petition effort(s)/election.
- 2.) Exactly how many 251 Niagara exchange customers are eligible to vote, and what percent (or number) will supporters of EAS need to achieve a ballot victory?
- 3.) Why will local telephone customers who pay for two separate residential phone lines in their homes receive only one ballot but see their phone bill double if EAS is approved? Whereas, other phone customers who currently have two separate phone lines will receive two votes if one of their separate home lines is a business phone. Please clarify.
- 4.) Why can Niagara Telephone Company employees be part of Eas balloting when they have company perks that parallel balloting proposals. It's clear that their lack of interest or indifference could unfavorably affect the outcome of our future EAS balloting.

In addition to the mentioned interrogatories we, the supporters of EAS request that future ballots be mailed in a postage paid first class envelope devoid of any other marriage mail, and be mailed to eligible voters between regular monthly telephone bills. This would eliminate the likelihood of eligible ballots getting mailed back to the Niagara Telephone Company by mistake or inadvertently being trashed along with other phone bill paraphernalia.

Sincerely,

Roger H. Newhouse

Roger H. Newhouse

FEB 16 2000

Mr. Roger Newhouse
1002 Harding Street
Niagara, WI 54151
Feb. 11, 2000

The Honorable Lorraine M. Seratti
The State Assembly
State Capitol, Room 18 North
P.O. Box 8953
Madison, WI 53708-8953

Dear Representative Seratti,

On December 30, 1999 I received a letter from the Wisconsin Public Service Commission (PSC) denying our petition for Extended Area Telephone Service (EAS) from our Niagara, WI Community to the Iron Mountain, MI Ameritech exchanges. According to their letter any person(s) disagreeing with their decision could appeal the matter, and had thirty (30) days to do so from the date of their letter.

The appeal process as outlined on the back of their decision letter was at best vague so I telephoned the PSC shortly after the new year had begun requesting assistance on filing all necessary appeal forms. I explained my intentions to the telephone spokesperson, and was assured that a PSC representative would return my call with the answers. However, my inquiry went unanswered. Subsequently, (as you are aware) I wrote the PSC commission a letter appealing their decision on January 17, 2000 unaware of any wrongdoing or shortsightedness. However, I've just received (letter enclosed) this most recent PSC decision denying our appeal rights.

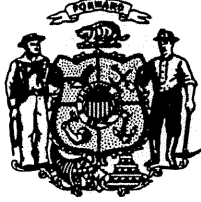
Their reasoning implies that we intentionally failed to hitch our appeal rights to the correct train of phantom PSC rules. Consequently, we forfeit all appeal rights. There's something rotten in Madison, and it smells like utility graft. We petitioners feel betrayed because our officials who had prior knowledge of our appeal attempt failed to help or alert us about correct procedures. Especially, when we were assured that they would look after our best interests.

It's clear to us that the PSC has had their way with us, and has succeeded thus far in prohibiting us access to local calling. First, by sabotaging our election, and by halting our appealing rights. Therefore, our communities perception that the Wisconsin Public Service Commission (PSC) is in fact the "Public Disservice Commission" makes good sense because of their example.

We are confident that fairplay from Madison regarding our situation isn't likely. Therefore, I'm forwarding our case history to the American Civil Liberties Union for their review, and future action.

Sincerely,

Regis Newhouse



Public Service Commission of Wisconsin

Ave M. Bie, Chairperson
Joseph P. Mettner, Commissioner
John H. Farrow, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

February 9, 2000

Mr. Roger Newhouse
1002 Harding Street
Niagara, Wisconsin 54151

Ms. Darla Nearingth
HC 1 Box 502
Florence, Wisconsin 54121

Re: Petition of Customers of the Niagara Exchange of Niagara Telephone
Company for Extended Area Service With the Iron Mountain Exchange of Ameritech Michigan 4160-TV-100
Petition of Customers of the Florence Exchange of Niagara Telephone
Company for Extended Area Service With the Iron Mountain Exchange of Ameritech Michigan 4160-TV-101

Dear Mr. Newhouse and Ms. Nearingth:

I am writing in response to your recent letters to the Commission, in which you state that you are filing for "judicial review" as provided in Wis. Stat. § 227.53.

A proceeding to obtain judicial review of a Commission action is "instituted by serving a petition therefor personally or by certified mail upon the agency or one of its officials, and filing the petition in the office of the clerk of the circuit court for the county where the judicial review proceedings be held" (emphasis added). If you have in fact filed in circuit court, you have not served the Commission with the appropriate documents as required by law.

If your letters to the Commission were intended to initiate that judicial review, that action was not proper nor sufficient to commence an action for judicial review at this point. The Public Service Commission cannot file such a petition for you because it is a Commission action you would be appealing.

It is my understanding that (unless you already have done so) any attempt to now file such an action in court would be untimely. Such an appeal should have been filed within 30 days of the Commission's order.

As volunteer contacts for citizens in Niagara and Florence, I know this process can be confusing. The Commission is aware that you have devoted much time and effort to your cause, and that those efforts did not yield the results you wanted.

Mr. Roger Newhouse
Ms. Darla Nearing
Dockets 4160-TV-100/4160-TV-101
Page 2

When the Commission denied the Extended Area Service (EAS) petition for Niagara and Florence, it did so as required by Commission rules. There was no leeway to ignore the ballot results. The Commission did acknowledge in the order that "although the rules do not require the Commission to consider another petition involving the same exchanges for a period of two years, any further EAS petition, from either Niagara Telephone Company or its customers will receive due consideration on its merits if submitted during this period."

Given your continued interest in calling to Iron Mountain, Michigan, the best course of action for you at this time may be restarting the process with another EAS petition under the EAS rules in Wis. Admin. Code ch. PSC 167. We, of course, cannot offer any guarantee of outcomes if you take such action; however, this may yield more progress toward your goals than further appeals, given the specific requirements that exist for the filing of appeals and for the EAS balloting itself.

If the Commission staff can be of assistance in helping you understand the rules and the procedures we use for EAS, please let me know.

Sincerely,



Gary A. Evenson
Assistant Administrator
Telecommunications Division

GAE:tmg:t:\ss\letter\Newhouse and Nearing judicial reviews 2-8-00

cc: Mary Stevens, Assistant General Counsel

W&P 1 d 0000

1000 Harding Street
Niagara, WI 54151
March 18, 2000

The Honorable Lorraine M. Seratti
The State Assembly
State Capitol, Room 18 North
Madison, WI 53708-8959

Dear Representative Seratti,

As you are aware probably aware the Niagara, WI citizens who support extended area telephone service (EAS) have again (March 18, 2000) filed a petition with the Wisconsin Public Commission seeking such changes according to PSC rule 167. Our petition efforts collected approximately 600 eligible signatures in our 251 exchange. Let me remind you that this huge success was accomplished in a very static environment that was recently created by the PSC.

Ordinarily, it wouldn't be necessary for us to appeal to you for your help. However, community apprehension resulting from our recent dealings with the PSC make your involvement vital. Please understand that we petitioners aren't asking you to ally yourself with any one of the three sides in this affair. Instead, represent us all by seeing that all concerned subjects are treated fairly according to established PSC rule(s) 167. Your legislative monitoring of this active situation will certainly lessen the likelihood of any re-occurring blunders of the past.

Thank you.

Signature
Robert M. Hathhouse

Niagara petition seeks toll-free calls to Iron Mountain

By JIM ANDERSON
News Editor

NIAGARA, Wis. — A petition is being circulated in Niagara to request a rate study on the possibility of having toll-free calling between Niagara and the Iron Mountain-Kingsford area.

Roger Newhouse, a Niagara resident who is leading the petition drive, said more than 500 signatures have been collected in both the city and town of Niagara. This is already far more than the number required by the Wisconsin Public Service Commission, he said.

The petitioners want to establish Extended Area Service (EAS) between the 251 Niagara Telephone Co. exchange in the Niagara area and the 774, 779, and 776 Ameritech exchanges in Dickinson County.

Normally, when such a petition is received, a cost study is ordered, said Tom Gross, a rate analyst with the Wisconsin Public Service Commission.

The study would determine how much customers would have to pay on their monthly phone bills to eliminate the existing long distance charges, he said.

In this case, because the petition involves Ameritech (Michigan Bell Telephone Co.), the Michigan Public Service Commission would also come into play, Gross said.

In the 1970s, two similar attempts to establish Extended Area Service between Niagara and Iron Mountain-Kingsford failed.

The first time, customers of the Niagara Telephone Co. voted it down, rather than have their monthly rates increased by \$2 to

\$3.

Later, a second request ran into a Michigan Bell policy opposing all new requests for EAS. Michigan Bell's opposition sent the proposal to defeat at both state public service commissions.

If the newest effort leads to a vote, Niagara Telephone Co. customers would receive ballots through the mail, Gross said.

He declined to speculate on how much more customers might be asked to pay.

In Aurora and Spread Eagle, Wis., Extended Area Service to the Iron Mountain-Kingsford area has long been in place. In these areas, Niagara Telephone Co. residential customers pay \$6.20 more per month than Niagara customers.

Newhouse said the response from Niagara residents to the petition drive has been overwhelmingly positive. The commission requires 135 signatures (or 10 percent of the customer base), but Newhouse said he is gathering more to send a strong message.

"This is the process and we're going through it," he said.

Syd Peterson, manager of Niagara Telephone Co., said the company has no quarrel with a request for EAS. "Whatever the commissions decide, we will cooperate," he said.

However, Peterson is skeptical about the chances for approval — unless there is a significant demand from the Michigan side of the border. "We can't do anything unless Michigan will cooperate," he said.

Peterson said he inquired about establishing EAS as recently as 1993 but made no real progress.

waning century. If there's something your community should commemorate, if you have old photos or memorabilia to donate, or if you want to join, contact society president Frank Lauerman at 732-2934 or write Marinette County Historical Society, P.O. Box 262, Marinette, WI. 54143. The past isn't getting any closer, you know.

The Peshtigo Times also welcomes any new information on our area history, and would love to share some old photos, especially

potatoes. You can add sliced potatoes to a stew, or leave out the tomatoes and bouillon instead. Either way, it's delicious. Till next week. Your Country Cousin
THOUGHT FOR THE DAY: Success is much by the position that one has reached, but more by the position that one has overcome while trying to succeed.

Seratti Seeks New Niagara Phone Vote

The Wisconsin Public Service Commission (WPSC) has been asked to hold a new election on a proposal to alter long distance charges from Niagara to the Iron Mountain/Kingsford, Mich. area. The request was made by

State Rep. Lorraine Seratti (R-Florence) in a letter. She feels another election will restore the faith of the public in the interest of having an effective, properly run election. "I would like to seek the results put aside and a second election for the citizens of Niagara conducted."

Seratti feels the public's trust was broken in the last election by mail because the time frame was changed during the process. Also, ballots were miscounted and made public, indicating petitioners had obtained the required 50 percent vote. She feels the Commission could conduct a one-day election at polling stations to bring clarity and finality to the issue.

Customers of Niagara Telephone received ballots with their phone bills in September to cast their vote on a rate change proposed by WPSC with an Oct. 8 deadline. On Oct. 14 the deadline was extended and by early November the proposal had failed to gain the required 50 percent support. During the interval, petition supporters were informed that an earlier count of ballots received, indicating the issue had passed, was in error. Ballots not returned to the WPSC were counted as a

"No" vote.

The proposed rate change would have calls from 251 and 528 exchanges in Wisconsin to 774, 779 and 776 Ameritech exchanges in Iron Mountain/Kingsford billed at a flat rate of 12 cents per call, with no minute charge. This would have increased Niagara telephone bills by \$6.35 per month.

Photo Workshop Set

A workshop on hand coloring black and white photographs will be held Thursday, Dec. 9 from 5:30-8:30 p.m. Sponsored by UW-Marquette Continuing Education, the class will be taught by Katie Harpt, award-winning photographer and noted artist. The class will focus on techniques for hand coloring black and white photographs with media, including oil paint and colored pencils. For information, call Jane Jones at 735-735-4343 or instructor Harpt at 735-9781.

Holy Cross Nuns Get \$22,505 Grant

The Catholic Diocese of Green Bay will join dioceses across the U.S. in asking people to give to the Retirement Fund for Religious on Dec. 11-12. This special collection helps support the nation's estimated 45,000 religious order sisters, brothers and priests who are over the age of 70. Last year the Diocese of Green Bay collected \$369,473, a 5.4% increase from the 1998 collection of \$350,450.

The 1998 collection benefited 498 institutes, including one in Northeastern Wisconsin. The Sisters of St. Francis of the Holy Cross in Green Bay received a grant for \$22,505.95 and the Franciscan Friars in Pulaski received \$84,762.63. Grant eligibility was based on unfunded retirement liability, which was determined, in part, by the age of members, availability of support and how they compared to the national average.

IN LOVING MEMOR *Lucille Aub*

who died 2 years ago November

The month of November comes with

It brings back a day we will never

The tears in our eyes we can wipe

But the ache in our hearts will always

So many things to share with you, had been

Life goes on, we know that's true

But nothing is the same since we lost

Lovingly missed by

husband, children, brothers, sisters

grandchildren & great-grandchildren

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Niagara phone vote extended by commission

By JIM ANDERSON
News Editor

MADISON, Wis. — Niagara Telephone Co. customers still have a chance to vote on a plan to alter long distance calling fees to the Iron Mountain-Kingsford area, a Wisconsin Public Service Commission official said Thursday.

As of Thursday, 621 customers in Niagara had voted in favor of the plan. That's 18 short of the number needed to approve it, said Tom Gross, a rate analyst with the commission in Madison.

"It's so close that we're leaving the door open," Gross said.

Meanwhile, only 382 customers in Florence have voted in favor of the plan, which is 190 votes short of the needed majority, Gross said.

Customers in Niagara and Florence received ballots with their phone bills in September, seeking their preference on a rate change proposed by the commission.

The ballots indicated an Oct. 8 deadline for responding, but there is nothing in the law that prevents an extension, Gross said.

"I'll guess we'll wait and see," he said of the outcome.

Under the proposal, calls from the 251 and 528 Wisconsin exchanges to the 774, 779 and 776 Ameritech exchanges in Michigan would be billed at a flat rate of 12 cents per call. There would be no per minute charge.

To compensate for the change, customers in Niagara would see an increase in their monthly bills of \$6.35.

In Florence, the proposed increase is \$4.04.

Calls originating from Michigan would be unaffected.

The balloting stems from petitions filed last year by customers in both Niagara and Florence. The proposed rate change was drafted by the commission after a cost study was prepared by Niagara Telephone Co.

If a rate change is approved in either Niagara or Florence, a public hearing would be held before a plan is put into place, according to the commission.

Niagara phone ballots due

MADISON, Wis. — Ballots from Niagara Telephone Co. customers on long distance calling fees to the Iron Mountain-Kingsford area are due Friday, according to the Wisconsin Public Service Commission.

The ballots, in the form of a postage-paid card addressed to the commission, were enclosed in phone bills mailed in early September to customers in the 251 Niagara exchange and the 521 Florence exchange.

Customers are being polled regarding their willingness to pay a monthly rate to have one-way Extended Area Service (EAS) to Iron Mountain-Kingsford exchanges. Failure to respond will be considered a "no" vote, according to the commission.

The DAILY NEWS Wed. 10-6-99

Niagara, Ill. - Jim Anderson Reporter

MARIE YADROW Reporter 1715-646-3724 P. 4 - Wednesday October 13, 1999

The Niagara Journal

The votes are in... what will happen next!

Time will tell as the decision to pass or reject a proposal to offer the 774, 776, and 779 telephone exchanges to the 251 exchange as an extended community call comes up for decision at a soon to be announced Wisconsin Public Service Commission meeting.

The petition for EAS from Niagara to iron Mountain, Michigan received—

YES votes: 613
NO votes: 275

THE DAILY NEWS

Phone vote fiasco

EDITOR:

Two and one half years ago my lovely wife (Jean) and I moved to Niagara, Wis., from the Iron Mountain-Kingsford area.

It didn't take long before we began suffering the pangs of paying high priced long distance telephone bills. We didn't realize then that we might be better off without a telephone since we were strangers to most and phone bill illiterate in regards to paying a mandatory expensive long distance fee in all directions from here.

Nineteen months ago I got tired of listening to my own repetitious grumbling about this problem, and initiated a personal challenge of trying to find a way to expand our calling area to include the three Iron Mountain-Kingsford exchanges since the destination of a lot of our phone traffic ends there.

As a result of conforming to a number of Wisconsin Public Service Commission (PSC) rules a recent ongoing election was conducted seeking Extended Area Telephone Service (EAS) into the Iron Mountain-Kingsford area exchanges.

A part of this initiative required the Niagara Telephone Company (NTC) to submit a financial conversion plan to the PSC for approval.

NTC estimated that it would cost Niagara exchange phone subscribers \$381,682 yearly to call the Iron Mountain-Kingsford exchanges.

These costs were individualized for each Niagara exchange phone customer, and appeared on their personal ballot that accompanied their September phone bill.

The flat rate increase of \$6.35, and the 12 cent for each completed call didn't appear on our petition. Nevertheless, many supporters of EAS felt that a little less something is better than a lot of nothing.

Currently, our ongoing election has caused much needless aggravation, thanks to the PSC's election rules.

Many are upset that the balloting process has been extended by the PSC beyond the date set on

Letters

ballot, and voting hasn't been officially terminated.

According to recent PSC statements nothing prevents them from extending the balloting process indefinitely.

Returned ballots have been received by the PSC in Madison favoring EAS calling by a two to one margin in favor of the proposition.

A recent PSC tabulation showed 619 Yes to 275 No.

However, the Yes balloters will lose if another 20 votes fail to reach the PSC in Madison before they decide to call a halt to the election process.

Other balloters are at odds with another pair of PSC (concepts) or rules. Telephone subscribers who favor local calling feel it's unfair to have to physically send a majority 51 percent or 639 ballots to the PSC in Madison to win their initiative, while the 49 percent who oppose EAS or are indifferent to EAS (or local calling) need only deposit their postage paid ballots in the nearest trash receptacle to be counted as a No vote.

Believe it or not, this is the path our bureaucrats in Madison laid before us to trudge.

On Friday, Oct. 22, the petitioners were advised by PSC that they had collected 623 Yes ballots favoring EAS but needed 16 more before a favorable majority could be declared.

During the following weekend petitioners collected an additional 17 ballots supporting EAS and mailed them to the PSC in Madison.

The PSC's tabulation verified that 16 were valid. Mathematically, it appeared that the election would be terminated since the set total of 639 Yes ballots were collected.

On the following Thursday, Oct. 28, 1999, (one of many) inquiring news reporters tracking our election telephoned the PSC, and inquired as to the latest balloting totals.

The PSC remarked that 639

Yes votes were in their possession and harrang any duplicates it appeared to him that the Yes supporters appeared to have achieved their goal.

Shortly thereafter, the reporter called me with the news but I withheld the fireworks.

On Friday, Oct. 29, at about 8:30 a.m. I received a telephone call from the PSC's Tom Gross.

Mr. Gross is a rate analyst for the commission and has been involved in our case during the last 19 months. Recently, he's been responsible for the collection and counting of the ballots.

Mr. Gross' phone call informed me that he had "bad news."

I was advised that his eight week collection of ballots were revised and a new ballot objective faced us.

He declared that 17 No ballots had mysteriously infected his 639 stack of Yes ballots.

Consequently, this new and revised counting oversight revealed that a new challenge for those still favoring EAS would now have to be met.

His latest election results now showed that Yes ballots now totaled 619, or 20 short of the majority needed by positive voters.

Trying to effectively deal with this overall proposition has been from the beginning like trying to push a slippery worm uphill.

Consequently, this whole endeavor is beginning to take a negative toll on my personal health.

Therefore, the uncertain fate of this proposition will now need much community interference and involvement.

Balloters who feel inclined to bring a positive end to this fiasco and feel that outside help is required are urged to contact one or all of the following with their justifiable complaints:

- 1.) Tom Gross, Wisconsin Public Service Commission, 1-800-225-7729.
- 2.) Representative Lorraine M. Seratti, 1-888-534-0036.
- 3.) State Senator Roger Breske, 1-800-334-8773.

Roger Newhouse
Niagara, Wis.

OPINION

4-A — The Daily News, Iron Mountain-Kingsford, Michigan Friday, November 5, 1999

The Daily News

Established April 11, 1921

Robert Johnson
Publishing Director

Publisher
F. Chiro

FROM: ROGER NEWHOUSE - Contact Rep. Gov petitioners
1002 HARDING ST.
NIAGARA, WI 54151
715-251-1759

Dear Representative Sewell,

No news releases from Wisconsin Public Service Commission were to be made until after our November 9, 1999 9:00 a.m. conference call.

Roger Newhouse

FRIDAY NOVEMBER 5, 1999

www.jrpgroup.com/news

AREA NEWS AND LOCAL VIEWS SINCE 1921

Iron Mountain-Kingsford, Michigan

Niagara phone rate support rings short

By JIM ANDERSON
News Editor

MADISON, Wis. — A proposal to alter long distance calling fees from Niagara, Wis. to the Iron Mountain-Kingsford area has so far failed to gain the votes needed to approve it, according to a Wisconsin Public Service Commission official.

A report to the commission will be prepared within the next month, showing the outcome of the balloting, said Gary Evenson, a commission staff member in Madison.

Customers in Niagara received ballots with their phone bills in September, seeking their preference on a rate change proposed by the commission.

The ballots indicated an Oct. 8 deadline for responding by mail.

On Oct. 14, commission rate analyst Tom Gross told The Daily News that a preliminary count showed 621 customers voting in favor of the plan — 18 short of the number needed to approve it.

Gross said the commission would continue to accept ballots, saying there was nothing in the law to prevent an extension.

Evenson didn't dispute that Thursday, but said the report to the commission would indicate

when the ballots were received. He declined to reveal the procedure, but said the number of yes ballots was less than the required 639.

The balloting is the result of petitions filed last year by customers. Proposed rate changes were drafted by the commission after a cost study was prepared by Niagara Telephone Co.

A similar process took place for Florence customers. As of Oct. 14, the number of yes votes from Florence was about 190 short of the needed majority, according to Gross.

Under the proposed rate change, calls from the 251 and 528 exchanges in Wisconsin to the 774, 779 and 776 Ameritech exchanges in Michigan were to be billed at a flat rate of 12 cents per call. There was to be no per minute charge.

To compensate for the change, customers in Niagara were asked to approve an increase in their monthly bills of \$6.35.

In Florence, the proposed increase was set at \$4.04.

Under the balloting procedure, customers failing to respond were counted as voting no.

Calls originating from Michigan were unaffected by the proposal.

The Daily News

FRONT PAGE

ATTN: TIM

Niagara and Florence EAS Petitions: 4160-TV-100 and 4160-TV-101

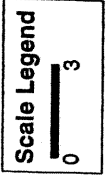
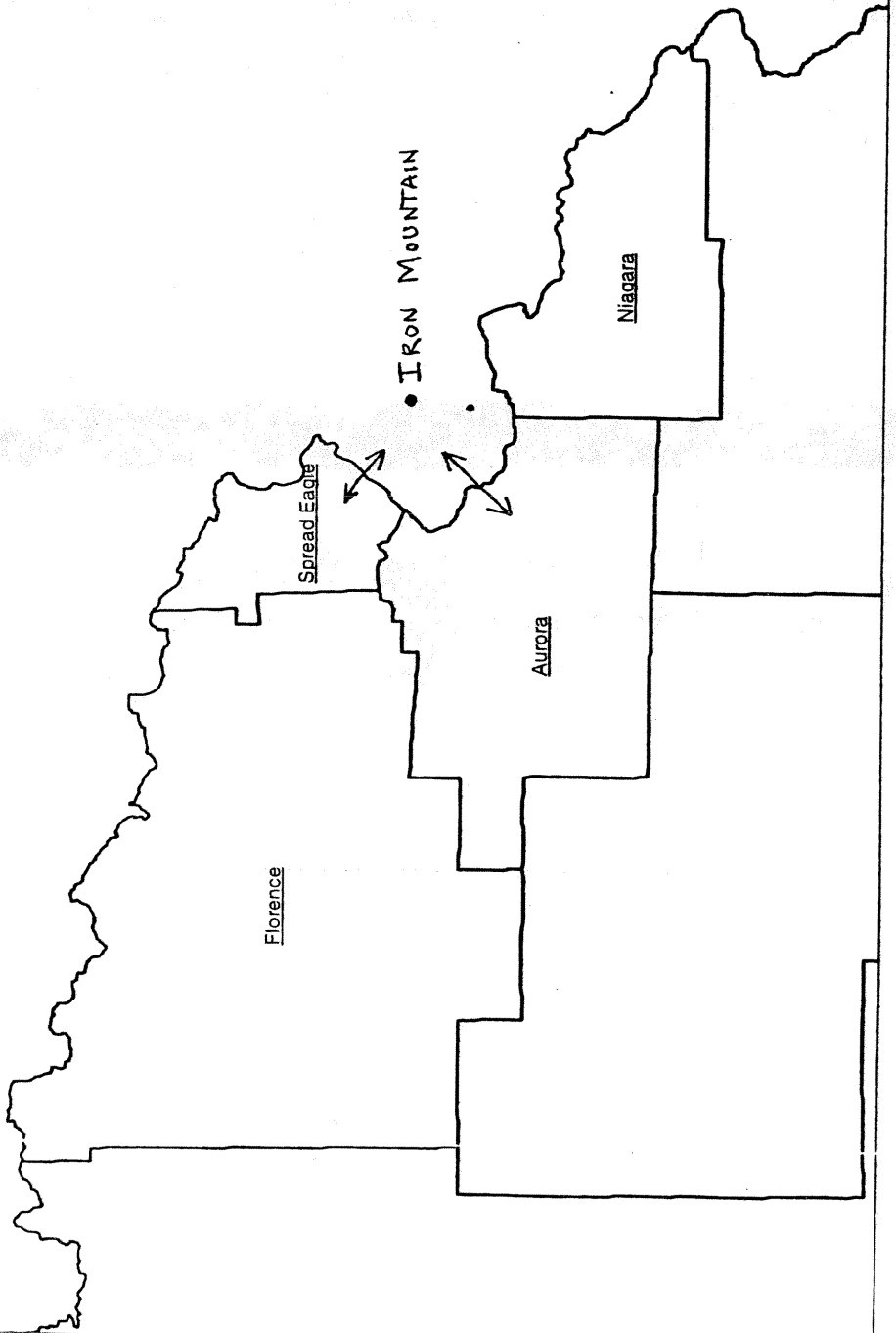
Requests for extended area service (EAS) to Iron Mountain, MI

Date	Occurrence	Comments
4-8-98	Petition received from Niagara customers	591 signatures, which exceeds the 10% required by the rules
4-16-98	Staff requested NTC to conduct traffic studies of Niagara - Iron Mountain calling	
5-20-98	Petition received from Florence customers	281 signatures, which exceeds the 10% required by the rules
5-98 (by phone)	Staff requested NTC to have the traffic studies also cover Florence - Iron Mountain	
7-27-98	Calling data submitted	Exceeded the calling threshold in the EAS rules at both exchanges.
12-11-98 *	PSC directed NTC to conduct cost studies for the establishment of EAS	
5-10-99	Cost information on EAS establishment received from NTC with flat rate and message rate (12 cent per call) options.	
7-27-99	PSC determines rate increments and directs NTC to ballot customers	After consulting with petitioners, PSC determines that callers would be balloted on an EAS plan that would include a rate of 12 cents per call to Iron Mountain. Rate increments are: Florence -\$4.04, Niagara -\$6.35. This is one-way EAS; calling from Iron Mountain remains toll.
9-10-99	NTC mails EAS ballots to customers at Niagara and Florence	

* Some delay in the process was caused by attempts to coordinate with the Michigan Public Service Commission (MPSC) on this interstate matter and to get some input from the Federal Communications Commission. In general, the MPSC is not supportive of new EAS, but has indicated that it would not oppose a plan that did not affect calling from Iron Mountain and did not economically impact Michigan customers. Costs used in calculating rates included reimbursement of Ameritech-Michigan for lost revenues.

Ameritech Michigan also has not been extremely responsive to the investigation.

Niagara Telephone Company





WISCONSIN STATE LEGISLATURE

Post Office Box 7882 · Madison, Wisconsin 53707-7882

January 24, 2000

The Honorable Senator Judy Robson
Co-Chair, Joint Committee for Review of Administrative Rules
Room 15 South
Madison, Wisconsin 53707

The Honorable Representative Glen Grothman
Co-Chair, Joint Committee for Review of Administrative Rules
Room 15 North
Madison, Wisconsin 53707

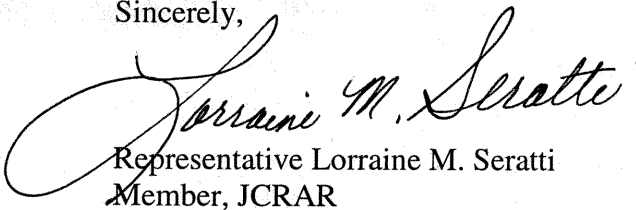
Pursuant to an incident in our mutual district, we hereby request that the Joint Committee for Review of Administrative Rules review PSC 167.

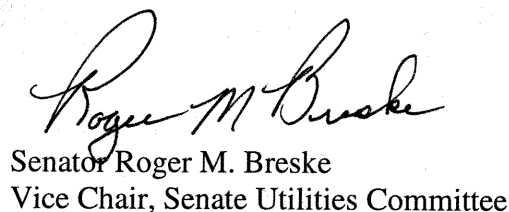
Specifically, we are concerned about 1) the ballot distribution process 2) the timeframe for the voting process and 3) the timeframe for reconsideration of a petition.

Enclosed is information pertaining to the specifics of the events following the petition for extended area service from Niagara Wisconsin to Iron Mountain Michigan.

We appreciate your consideration of this matter.

Sincerely,


Representative Lorraine M. Seratti
Member, JCRAR


Senator Roger M. Breske
Vice Chair, Senate Utilities Committee

Niagara and Florence EAS Petitions: 4160-TV-100 and 4160-TV-101

Requests for extended area service (EAS) to Iron Mountain, MI

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Ameritech Michigan also has not been extremely responsive to the investigation.

MMA

16

PUBLIC SERVICE COMMISSION OF WISCONSIN

Memorandum

November 16, 1999

Diane
282 3636

FOR COMMISSION AGENDA

TO: The Commission

FROM: Scot Cullen, Administrator *SC*
Thomas A. Gross, Principal Telecommunications Analyst *AGG*
Telecommunications Division

RE: Petition of Customers of the Niagara Exchange of Niagara Telephone Company for Extended Area Service With the Iron Mountain Exchange of Ameritech Michigan 4160-TV-100

Petition of Customers of the Florence Exchange of Niagara Telephone Company for Extended Area Service With the Iron Mountain Exchange of Ameritech Michigan 4160-TV-101

Results of Customer Balloting

Suggested Minute: The Commission considered the results of balloting at the Florence and Niagara exchanges for extended area service to Iron Mountain, Michigan, and directed that orders be drafted to reflect the Commission's findings.

Background

On April 8, 1998, the Commission received a petition from customers of the Niagara exchange of Niagara Telephone Company (NTC) requesting extended area service (EAS) with the Iron Mountain, Michigan, exchange. On May 20, 1998, the Commission received a similar petition from customers of NTC's Florence exchange. By letter dated April 16, 1998, staff notified NTC of the first petition and requested traffic data as provided in the EAS rules, Wis. Admin. Code ch. PSC 167. This was later amended to include the Florence exchange.

Calling data was submitted and found to be sufficient under the rules. The Commission directed that cost information about establishing EAS be submitted. When that data was received, the Commission, at its open meeting of July 27, 1999, directed NTC to survey

customers in its Florence and Niagara exchanges regarding their willingness to pay higher monthly rates in order to have one-way, message rate extended area service (EAS) with the Iron Mountain, Michigan, exchange; customers would pay an increased monthly rate and calls to Iron Mountain would be priced at 12 cents each. The balloting has been completed and these cases are now ready for further Commission action.

Ballot Results

NTC prepared and sent the required ballots to customers in the monthly bills mailed September 10, 1999. The NTC ballots indicated that "these ballots must be returned to the Commission by October 9, 1999." October 9 was a Saturday and Monday, October 11, was a postal holiday. Staff consequently and initially viewed ballots received by October 12 as timely. As is discussed further below, this issue of timeliness has been raised as an issue on this vote.

Wis. Admin. Code § PSC 167.08(2) requires that unless 50 percent of the customers of an exchange respond favorably the petition shall be denied. As shown below, for neither the Florence exchange nor the Niagara exchange was the count of "Yes" ballots sufficient to meet the 50-percent threshold.

The results are:

	<u>Florence (%)</u>	<u>Niagara (%)</u>
Yes - Timely	380 (33.2)	597 (46.7)
Yes - Untimely	7 (0.6)	24 (1.9)
No - Total	369 (32.3)	294 (23.0)
Unmarked	4 (0.3)	9 ¹ (0.7)
Yes - Foreign Exchange	-	2 (0.2)
Not Returned	<u>383 (33.5)</u>	<u>352 (27.5)</u>
Total	1143 (100.0)	1278 (100.0)
50% threshold required by rules	572	639

¹ Unmarked Niagara ballots included one indicating that the customer is deceased.

Ballot Issues

As is evident, the returns at Niagara in favor of the EAS are very close to 50 percent of the total exchange customers. This close vote has raised the issue of timing (and other matters) in the Niagara exchange balloting.

Timely ballots. When ballots were being returned, staff reviewed the rules and noted that there is no time period or deadline specified in the rules for responses. Because the ballot is to determine interest by the exchange customers, staff believes it appropriate to include late ballots in the vote totals as an accurate indication of customer wishes. This was discussed with representatives in support of the proposal, who frequently were checking progress of this case. Subsequently, they pursued efforts in Niagara to get more customers to vote. Additional ballots arrived; in some cases, they were copies of the ballot form mailed by NTC. Staff checked the copies against the regular ballots; four duplicates were discovered and not included in the results. Customers opposed to the EAS proposal have expressed their views that the deadline specified on the ballots should be upheld and to ignore it is not fair to their position.

Ultimately, the question of timely versus not timely "Yes" votes at Niagara is not decisive in this case, as the number of "Yes" votes is short of 50-percent favorable response threshold required by the rules in either case. (A "Yes" vote from 639 Niagara customers would be needed. Timely "Yes" votes total 597, and, even when the 24 received after October 12 are counted, the "Yes" total is 621.) For future balloting the Commission may wish to establish a policy regarding firm deadlines for returning ballots.

Because the Niagara ballot result was so close, other procedural questions have been raised.

Unreturned ballots. Wis. Admin. Code § PSC 167.09(1) requires that 50 percent of the customers of an exchange respond favorably before a hearing is held. This recognizes the fact that all customers would experience a rate increase, so a majority of impacted customers should accept that result for the EAS to be considered further. This rule means that ballots not returned are effectively "No" votes. Advocates for the EAS in this case point out that no other election is held this way. In most cases, a majority of those voting determines the outcome. Some would like this matter to be re-balloted, on-site, with only ballots that are cast being considered in the determination of this EAS case. In this instance, the balloting was undertaken pursuant to existing rules, and there is no identified process for a re-ballot as requested. A change in the treatment of unreturned ballots would require a change in the rules.

Unmarked ballots. As shown above, a handful of ballots were mailed back to the Commission on which the customers did not mark their preference for or against the EAS proposal, even though they filled in their name and telephone numbers. Under current procedures, these are considered "No" votes. Even were they considered "Yes" votes, the "Yes" ballots in these exchanges would not be sufficient to meet the 50-percent threshold. Whether some follow-up with such customers is needed is a matter the Commission may wish to address before future EAS balloting.

Employee ballots. Finally, some customers, in calls to staff, have expressed a concern that employees of NTC that reside in Niagara received ballots and were allowed to vote, even though NTC does not bill these customers for local service.² Consequently, some callers suggest that these customers not be included in the total customer count. Wis. Admin. Code § PSC 167.08(1) states that ballots should be sent to all customers who would experience a rate

² NTC has informed staff that employees have free local service but pay for long distance calls.

increase, but the employees would see a rate decrease since their toll bills would drop while their local service would continue to be free.

If the nine ballots sent to employees residing in the Niagara exchange were invalidated, this would reduce the 50-percent threshold number by five at the Niagara exchange. However, invalidating these ballots would likely also reduce the number of "Yes" votes since these customers were most likely to vote "Yes." Even when combined with the effect of all other controversial items, the number of "Yes" votes in the Niagara exchange is below the 50-percent threshold required by the rules.

Conclusion

The ballot results on page 2 show that a majority of the Niagara and Florence exchange customers do not support the EAS proposal. Wis. Admin. Code § PSC 167.08(2) states:

Unless at least 50% of the customers in one of the surveyed exchanges respond favorably to the requested service, or to a variation of the requested service, the petition shall be denied, and the commission need not consider any petition for extended area telephone service between those exchanges for two years.

The Commission staff will prepare orders noting the Commission's determinations on these petitions based on the Commission's review of the ballot results as discussed above.

RSC:TAG;lsp:slg:ss\cmemo\4160-tv-100 & 4160-tv-101 11-16-99



Public Service Commission of Wisconsin

Joseph P. Mettner, Chairman

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

July 7, 1998

Mr. William Celio
Michigan Public Service Commission
P.O. Box 30221
Lansing, MI 48909-7721

Re: Petition of Customers of the Niagara Exchange of Niagara Telephone
Company for Extended Area Service With the Iron Mountain Exchange of Ameritech Michigan 4160-TV-100

Petition of Customers of the Florence Exchange of Niagara Telephone
Company for Extended Area Service With the Iron Mountain Exchange of Ameritech Michigan 4160-TV-101

Request for Coordination

Dear Mr. Celio:

As you are aware, this Commission has received two petitions from Wisconsin customers requesting extended area service (EAS) with the Iron Mountain, Michigan exchange. By telephone you had indicated that the Michigan Commission was not likely to approve any new EAS routes. Our staff also spoke with Liz Durbin on this matter. I am writing in hopes of exploring options to regular two-way EAS that your Commission might consider.

The traffic study indicates very high volumes of calls from both Florence and Niagara to Iron Mountain. Ameritech is the primary carrier for these interstate, intraLATA calls; callers may select a different carrier by dialing an access code. Under our rules (copy enclosed) we would proceed to a survey of customers regarding their willingness to pay higher monthly rates in order to have toll-free calling to Iron Mountain once we gather cost data and determine rates. Two-way EAS is not the only option we are willing to consider; given our understanding of your Commission's views, it seems unproductive to consider that option further. However, there appear to be alternatives that may satisfy customers needs, and it would help to know whether the Michigan Commission is willing to consider any or all of these. Our experience¹ has shown that the Federal Communications Commission (FCC) considers this a local matter in which it has indicated no interest; agreement between our two Commissions seems all that would be required.

¹ In 1994, the Minnesota and Wisconsin Commissions approved toll-free calling between Hokah, Minnesota and La Crosse, Wisconsin. I believe Hokah customers have unlimited, flat-rate service, but La Crosse customers pay 5 cents per minute to call Hokah. The FCC expressed no interest in this interstate, interLATA matter.