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PSC SCHEDULES HEARING ON EXPANDED LOCAL PHONE CALLING AREAS

The Public Service Commission will conduct a hearing beginning Wednesday, September 11, on proposals to create several "extended area telephone service" regions in the state in which phone calls between towns in each region would be local calls instead of long-distance ones. The hearing will begin at 9 a.m. in the Bollinger Room at the PSC, 1701 Prospect Avenue in Helena.

Extended area service (EAS) expands local calling areas. With EAS, all customers' phone calls within their EAS region are local calls, not long-distance calls. However, EAS customers' local phone rates must be increased to recover EAS costs. The PSC will consider three rate alternatives proposed by U S West Communications under which extended area telephone service, or EAS, could be provided in several regions in Montana. Also under consideration is a proposed EAS arrangement between US West's West Glacier exchange and PTI Communications' Flathead Valley calling area. For the West Glacier to Flathead Valley EAS proposal, PTI proposes to increase local rates to its customers by 14 cents per month. One of US West's rate alternatives described below would apply to West Glacier customers.

The rate alternatives are being considered for the following proposed EAS regions served by US West:

Billings - including the existing Billings calling area, plus Bridger, Columbus, Fromberg, Hardin, Joliet, Laurel, Park City and Red Lodge.  
 Bozeman - including the existing Bozeman calling area, plus Livingston, Clyde Park and Wilsall.  
 Butte - including the existing Butte calling area, plus Anaconda, Warm Springs, Deer Lodge and Whitehall.  
 Great Falls - including the existing Great Falls calling area, plus Cascade and Dutton.  
 Helena - including the existing Helena calling area, plus Boulder, Townsend and Wolf Creek.  
 Missoula - including the existing Missoula calling area, plus Darby, Hamilton, Stevensville and Victor.  
 Yellowstone - including Gardiner, West Yellowstone, Lake and Old Faithful.

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US West's EAS rate proposals are as follows:

Increase local rates by the same amount for all customers in all US West

exchanges in which EAS is approved. Under this option, customers in EAS exchanges would pay an extra \$2.62 per month.

Increase local rates by different amounts in each individual EAS region based on the total number of lines EAS makes available for local calling. Under this proposal, local rates in EAS regions with up to 20,000 lines would increase by \$1.20 per month; in EAS regions with 20,001 to 45,000 lines, \$2.10 per month; and in EAS regions with more than 45,000 lines, \$3.22 per month.

The proposed Yellowstone EAS region would have less than 20,000 lines, which means customers in that region would pay an extra \$1.20 per month for EAS. The proposed Bozeman, Butte, Great Falls and Helena EAS regions are expected to have 20,001 to 45,000 total lines, which means customers in those regions would pay an extra \$2.10 per month for EAS. The proposed Missoula and Billings EAS regions would each have more than 45,000 lines, which means customers in those regions would pay an extra \$3.22 per month for EAS.

Increase local rates by different amounts based on the number of additional lines made available by EAS to each individual exchange for local calling. US West offered four variations of this proposal, as follows:

- a. Customers in exchanges with up to 20,000 additional lines made available for local calling by EAS would pay an extra \$2.36 per month. Customers in exchanges with more than 20,000 additional lines made available for local calling by EAS would pay an extra \$4 per month.
- b. Customers in exchanges with up to 20,000 additional lines made available for local calling by EAS would pay an extra \$2 per month. Customers in exchanges with more than 20,000 additional lines made available for local calling by EAS would pay an extra \$5.65 per month.
- c. Customers in exchanges with up to 20,000 additional lines made available for local calling by EAS would pay an extra \$1.50 per month. Customers in exchanges with more than 20,000 additional lines made available for local calling by EAS would pay an extra \$7.93 per month.

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- d. Customers in exchanges with up to 20,000 additional lines made available for local calling by EAS would pay an extra \$1 per month. Customers in exchanges with more than 20,000 additional lines made available for local

calling by EAS would pay an extra \$10.19 per month.

The following proposed EAS exchanges are expected to obtain less than 20,000 additional lines for local calling: Billings, Butte, Bozeman, Great Falls, Helena, Missoula, and all exchanges in the proposed Yellowstone region. All the other communities in the proposed EAS regions would obtain more than 20,000 lines for local calling.

After considering the three rate alternatives, the PSC may choose one of them or use the costs underlying them in developing other EAS rate plans. Once implemented, EAS, and the EAS rate increase, are mandatory (not optional) for all customers within an approved EAS region.

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