

This rule was filed as 17 NMAC 13.3.

TITLE 17 PUBLIC UTILITIES AND UTILITY SERVICES
CHAPTER 11 TELECOMMUNICATIONS
PART 3 EXTENDED AREA SERVICE

17.11.3.1 ISSUING AGENCY: New Mexico State Corporation Commission [New Mexico Public Regulation Commission], Telecommunications Department, Post Office Box 1269, Santa Fe, NM 87504-1269.
[2-28-97; Recompiled 12/31/01]

17.11.3.2 SCOPE: This rule applies to all EAS proceedings and requests.
[2-28-97; Recompiled 12/31/01]

17.11.3.3 AUTHORITY: Article 11 of the New Mexico Constitution.
[2-28-97; Recompiled 12/31/01]

17.11.3.4 DURATION: Permanent.
[2-28-97; Recompiled 12/31/01]

17.11.3.5 EFFECTIVE DATE: February 28, 1997, unless a later date is cited at the end of a section or paragraph.
[2-28-97; Recompiled 12/31/01]

17.11.3.6 OBJECTIVES: The purpose of this rule is to establish uniform guidelines, standards and procedures for filing, acceptance and processing of petitions or requests for EAS which may be pending on, applied for, or made, subsequent to the effective date of this rule.
[2-28-97; Recompiled 12/31/01]

17.11.3.7 DEFINITIONS: For purposes of this rule:

- A. Access line** means a communications facility extending from a customer's premises to a serving central office comprising a subscriber line.
- B. CCS** means hundred calling seconds, a measure of telephone traffic load obtained by multiplying the number of calls in one hour by the average call duration in seconds and dividing that product by one hundred.
- C. Commission** means the New Mexico State Corporation Commission.
- D. EAS** means extended area service, a switching and trunking arrangement which provides for non-optional, unlimited, two way, flat rate calling service between two or more contiguous exchanges.
- E. Exchange regrouping** means a method of automatically moving an exchange into another rate group (based on the number of access lines available for local calling) if the exchange no longer fits the tariffed definition for its current rate group.
- F. Holding time** means the total duration, in time, of one completed call.
- G. Local exchange company** means a provider of local exchange services.
- H. Rate additive** means the rate, if any, which may be added to subscribers of a local exchange to offset any increased revenue requirement which may be found by the Commission to be due to EAS provision.
- I. Stimulation factor** means the measure of the increase in telephone messages between two exchanges when they are connected by EAS instead of message toll service.
- J. Subscriber** means any person subscribing to a local exchange company for the provision of basic exchange services.

[2-28-97; Recompiled 12/31/01]

17.11.3.8 EAS INQUIRIES: The Commission may, on its own motion, initiate an inquiry into an EAS proposal, may set forth its own proposal, and may otherwise initiate the procedures for EAS described herein. In addition, the Commission may initiate an inquiry and trigger such procedures in response to the following:

- A.** A petition signed by at least twenty-five percent or 1,000 customers, whichever is less, of the subscribers of a local exchange company in the telephone exchange from which the petition originates, containing

the name and telephone number of each petition signatory, and a verification by the local exchange company that the signatories are subscribers of the local exchange company located within the local exchange for which EAS is sought; or

B. A petition filed by the local exchange company who has jurisdiction over an exchange sought to be included in the EAS area.

[2-28-97; Recompiled 12/31/01]

17.11.3.9 FILING REQUIREMENTS: Petitions for EAS shall state the boundary and name of each exchange for which EAS is sought.

[2-28-97; Recompiled 12/31/01]

17.11.3.10 TRAFFIC STUDY: If an EAS inquiry is initiated, the Commission may order that a traffic study be conducted by the affected local exchange company or companies. Traffic study results shall be reported to the Commission in such time frame as the Commission may order. Traffic study data shall be developed from and based upon a three hundred sixty-five day study of representative calling patterns, shall be in such form, detail and content as the Commission may require, and shall include, at a minimum, the following information, except as provided in 17 NMAC 13.3.11.2 [now subsection B of 17.11.3.11 NMAC] of this rule or ordered by the Commission:

A. The number of messages, minutes and revenue per access line per month, over each interexchange route in both directions and in each direction, segregated between business and residential users and combined for both.

B. A detailed analysis of the distribution of calling usage among subscribers, over each route and in each direction, segregated between business and residential users and combined, showing, for each category, the number of customers making each of 0 through 15 calls (*e.g.*, 0-1, 0-2, 0-3, etc.), and 16 or more calls per month.

C. Data showing, by class of service, the number of access lines in service for each of the exchanges being studied.

D. The interexchange toll rates, distance between rate centers, the number and duration of calls and the average revenue per message (ARPM) for the calls studied.

E. The number of Foreign Exchange (FX) lines in service and the average calling volumes carried on these lines expressed as calculated messages per month and in CCS units.

[2-28-97; Recompiled 12/31/01]

17.11.3.11 COMMUNITY OF INTEREST

A. As a guideline for evaluating community of interest, the Commission may consider that a community of interest exists when: (1) the median calling rate over each interexchange route under consideration equals or exceeds five messages per access line per month, and (2) at least fifty-one percent of the residential subscribers in the exchanges affected make at least three calls per month.

B. The above notwithstanding, if on any given route between two exchanges, the exchange of petitioning subscribers has less than one-half the number of access lines as the larger exchange, a traffic study of one-way traffic originating in the smaller exchange may be used, in which case the community of interest guidelines may be met if: (1) a median calling rate of five or more messages per access line per month from the smaller exchange to the larger exchange or exchanges to which the smaller exchange seeks inclusion, and (2) at least fifty-one percent of the residential subscribers in the smaller exchange make three or more calls per month to the larger exchange or exchanges to which the smaller exchange seeks inclusion.

C. Resolutions of the local government body and location of schools, shopping, business offices and medical facilities may be considered as evidence of community of interest.

D. In the event that the interexchange traffic patterns over the areas considered for EAS do not meet community of interest qualifications, the Commission may determine that no further investigation is appropriate and deny the petition; provided however, the Commission may, in its discretion, find that factors, other than traffic patterns, should be considered and may continue the EAS inquiry.

[2-28-97; Recompiled 12/31/01]

17.11.3.12 COST STUDY

A. The affected local exchange company or companies may be ordered by the Commission to initiate a Total Service Long Run Incremental Cost ("TSLRIC") or other appropriate cost study approved for such purpose by

the Commission, to determine changes in rates which may result from the EAS; provided however, that lost toll revenue shall not automatically be considered a cost of providing EAS. Such cost study shall consider and develop, for each route, relevant revenues and costs over a one year period immediately following the potential date for initiation of the EAS, and for a one year period, three years subsequent to the potential initiation of the EAS.

B. The cost study shall include the following information, unless otherwise ordered by the Commission:

(1) Net increases in capital costs resulting from required additions to network capacity, less reduction in required quantities of facilities and equipment utilized for toll services between the exchanges. The added investment will be based upon the additional switching and trunking needs necessary to accommodate the incremental usage at prescribed levels of service, as may be determined from estimates of call stimulation factors and holding time effects due to EAS. Annual charge factors will be applied to the added investment to obtain the additional annual cost attributable to this source.

(2) Analysis of increases and decreases in expenses and the net effect on operating expenses.

(3) A separate schedule showing local revenue increases resulting from exchange regrouping, as applicable.

(4) Analysis, by exchange, of changes in intrastate toll revenues, intrastate access charges, and intrastate access revenues.

C. On or before a date ordered by the Commission, the local exchange company or companies shall file with the Commission a summary of the results of the cost study, together with supporting schedules and such detail as will be sufficient to permit identification of study components and verification of study results.

D. The Commission may also require the local exchange company or companies to submit recommendations for rate additives, by class of service for each affected exchange.
[2-28-97; Recompiled 12/31/01]

17.11.3.13 DIVISION OF COSTS

A. After the annual average incremental revenue requirement created by the new EAS is established by the Commission, the Commission will determine whether a rate additive will be charged to subscribers in the affected exchanges(s), and the amount of such rate additive. The Commission may order costs to be shared by exchanges not included in the EAS area but within the area served by the same local exchange company or companies.

B. In the event that the division of costs indicates that the increment would be more than the Commission determines to be just and reasonable, the Commission may allocate costs in some other fashion, or may determine that no further investigation is warranted, and may deny the EAS petition.
[2-28-97; Recompiled 12/31/01]

17.11.3.14 SUBSCRIBER SURVEYS

A. The Commission may, at any time after initiation of an EAS inquiry, order a subscriber survey by mail to be made of all affected subscribers by the local exchange company or companies.

B. The subscriber survey shall contain an explanatory letter stating all pertinent information that would enable the subscriber to make an informed choice of acceptance or rejection of the proposal. The explanatory letter shall contain at least the following items, along with such other items as the Commission may order:

(1) A clear and brief explanation of the purpose of the subscriber survey.

(2) A tabulation showing, by class of service, any increase in rate, rate additive or other rate change to which subscribers would or might be subject. The explanatory letter shall state separately for each exchange required to be surveyed the amount of local service rate increase, rate additive, or other rate change applicable to that exchange both in the event EAS is granted in all exchanges under consideration, or only the petitioning exchange.

(3) A listing of the exchanges and three-digit telephone number prefixes which would become accessible as a local call if the EAS were approved, as well as the number of access lines currently available to subscribers and the number of access lines which would be available as a local call if the EAS were approved, along with current comparable rates in the exchange (so that a comparison could be made with any resulting rate increase).

(4) A statement that only signed survey ballots will be counted.

(5) The date by which survey ballots must be postmarked to be considered. The return date shall provide, at a minimum, a period of thirty days from the date on which the subscriber survey is mailed to the subscriber, unless such time period is altered by the Commission.

C. The subscriber survey shall include a pre-addressed, return postage-paid survey ballot which shall provide at least the following information:

(1) A brief statement of the service proposal being voted on as more fully described in the subscriber survey explanatory letter.

(2) Spaces for the subscriber to indicate his or her preference for or against the proposal.

(3) Lines for signature, telephone number and date.

(4) A space for subscriber comments.

(5) A statement of the date by which the ballot must be postmarked in order to be considered in the determination of voting results.

D. The subscriber survey shall be a separate mailing, shall contain no additional material or information not contemplated by this rule or ordered and approved by the Commission.

E. Both the subscriber survey explanatory letter and the ballot, as well as the envelope (and any graphic or printed material contained thereon) shall require approval of the Commission prior to mailing.

F. All costs incurred in connection with preparation of all materials, costs of mailing and cost of collection and tabulation shall be borne by the local exchange company or companies and such costs shall be only those costs found by the Commission to have been reasonable, prudent and necessary.

G. The requested EAS may be denied by the Commission upon a finding that:

(1) A simple majority of affirmative votes of those voting was not realized, in the aggregate, from the total votes cast in all exchanges in the subscriber survey;

(2) A simple majority of affirmative votes of those voting was not realized from a given petitioning exchange (denial in this instance may be only as to that exchange);

(3) A simple majority of subscribers of only one exchange vote in favor of the proposal and a simple majority of subscribers of the other affected exchange or exchanges vote against the proposal; or

(4) Granting the EAS would not be in the public interest.

[2-28-97; Recompiled 12/31/01]

17.11.3.15 ALTERNATIVES TO EAS: If interexchange traffic patterns are such that subscriber needs may be adequately served by alternative service offerings, or EAS petitions may not fully meet the requirements of this rule but higher than average interexchange message traffic exists, the Commission may give consideration to alternatives to EAS including, but not limited to, optional two-way EAS, mandatory or optional one-way EAS, discount plans, or variations of flat and measured toll rates.

[2-28-97; Recompiled 12/31/01]

17.11.3.16 SEVERABILITY: If any section of this rule, or the applicability of any section to any person, telecommunications provider, specific EAS proceeding and request, LEC or other circumstance, is for any reason held invalid by a court, the remainder of the rule, or the applicability of such provisions to other persons, telecommunications providers, LECs, EAS proceedings and requests, or circumstances, shall not be affected.

[2-28-97; Recompiled 12/31/01]

History of 17.11.3 NMAC: [RESERVED]