

information detailing the number and locations of personnel who will be providing service to the 32 Iowa exchanges.

e. Citizens shall file a budget of capital improvements it anticipates will be necessary to upgrade the facilities in the 32 exchanges, with estimated starting and completion dates for each capital improvement. A budget shall be filed at least 90 days following closing, and every six months thereafter, until the end of the four years specified in paragraph ten to the partial settlement agreement.

8. The Board will approve a waiver of 199 IAC 18.2.

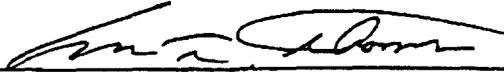
9. No waiver of 199 IAC 22.23 is necessary as discussed in the body of this order.

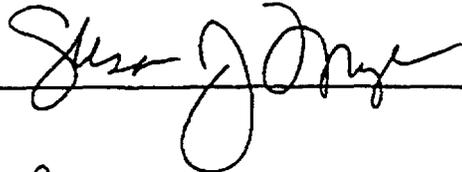
10. Pursuant to 199 IAC 39, Citizens' request that it be designated an Eligible Telecommunications Carrier for purposes of 47 U.S.C. § 214(e) is granted.

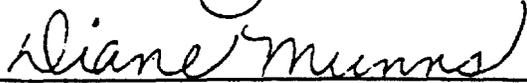
11. Citizens' request to adopt U S WEST's existing price regulation plan, pursuant to Iowa Code § 476.97, beginning with the U S WEST prices in effect as of the date of closing, is granted.

12. The Board does not object to the request by Applicants that a study area waiver be granted by the FCC.

UTILITIES BOARD







ATTEST:


Executive Secretary

Dated at Des Moines, Iowa, this 5th day of May, 2000.

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott
Edward A. Garvey
Joel Jacobs
Marshall Johnson
LeRoy Koppendraye

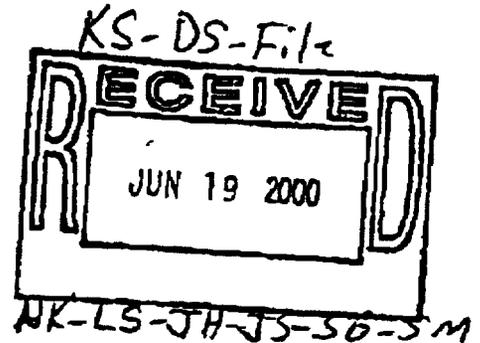
Chair
Commissioner
Commissioner
Commissioner
Commissioner

Scott Bremer
US WEST Communications, Inc.
200 South Fifth Street, Room 395
Minneapolis, MN 55402

SERVICE DATE: JUN 15 2000

DOCKET NO. P-5316, 421/M-00-290

Aloa J. Stevens, Director-Integration
Regulatory and Government Affairs
Citizens Communications
137 Harrison Street, PO Box 609
Johnstown, New York 12095



In the Matter of a Request by Citizens Utilities Company for Approval of a Petition Asking the Commission to Issue an Order Indicating No Objection to a Change in a Study Area

The above entitled matter has been considered by the Commission and the following disposition made:

Approved

The Commission agrees with and adopts the recommendations of the Department of Commerce which are attached and hereby incorporated in the Order.

BY ORDER OF THE COMMISSION


Burl W. Haar
Executive Secretary

(S E A L)

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MINNESOTA DEPARTMENT OF COMMERCE

May 12, 2000

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RECEIVED

MAY 12 2000

MN PUBLIC UTILITIES COMMISSION

RE: **Comments of the Minnesota Department of Commerce**
Docket No. P5316,421/M-00-290

Dear Dr. Haar:

Attached are the comments of the Department of Commerce in the following matter:

A Petition by Citizens Utilities Company ("Citizens") Asking the Commission to Issue an Order Indicating No Objection to a Change in a Study Area

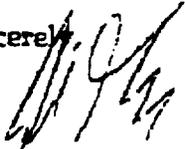
The petition was filed on March 10, 2000. The petitioners are:

Scott Brenner
U S WEST Communications, Inc.
200 South 5th Street, Room 395
Minneapolis, Minnesota 55402

Aloa J. Stevens, Director-Integration
Regulatory and Government Affairs
Citizens Communications
137 Harrison Street, PO Box 609
Johnstown, New York 12095

The Department recommends approval and is available to answer any questions the Commission may have.

Sincerely,


JOHN GRINAGER
PUBLIC UTILITY RATES ANALYST

JFG/jd
Attachment



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE

DOCKET NO. P5316,421/M-00-290

I. BACKGROUND

U S WEST Communications, Inc. (USWC) filed a petition, pursuant to 47 C.F.R. § 63.71, with the Federal Communications Commission (FCC) requesting approval to transfer 32 local exchanges in Iowa to Citizens Telecommunications Company (Citizens). One of these exchanges, the Estherville exchange, serves 3 Minnesota customers. This exchange, as other exchanges which lie on Minnesota's borders with other states, have historically been classified as "Border Exchanges" for regulatory purposes. Typically, any regulatory matters involving border exchanges have been kept under the jurisdiction of the primary state of location. The Minnesota Public Utilities Commission (MPUC) has generally accepted the decisions of other state commissions in these matters, while reserving the right to make its own decisions when the interests of Minnesota customers are affected by the action of other state commissions.

II. STATEMENT OF ISSUES

The issue to be decided is whether the MPUC should issue a statement that it does not object to the FCC granting study area waivers involving study area boundaries affecting the Estherville, Iowa exchange.

III. DEPARTMENT ANALYSIS

A "study area," according to the FCC, is a geographical segment of a carrier's telephone operations. Generally, a study area corresponds to a carrier's entire service territory within a state. Thus, carriers operating in more than one state typically have

one study area for each state, and carriers operating in a single state typically have a single study area. Carriers perform jurisdictional separations at the study area level.

For jurisdictional purposes, the FCC adopted a rule freezing study area boundaries effective November 15, 1984. The FCC took that action, in part, to ensure that LECs do not set up high cost exchanges within their existing service territories as separate study areas to maximize high-cost support. The study area freeze also prevents LECs from transferring exchanges among existing study areas to increase interstate revenue requirements and compensation. A LEC must apply to the Commission for a waiver of that rule if the LEC wishes to transfer an exchange to another carrier, because such a transaction would have the effect of changing the study area boundaries. In this case, the transfer of the Iowa exchanges from US WEST to Citizens is conditioned on the receipt of these waivers from the FCC.

The parties will file with the FCC a petition for study area waivers allowing USWC to delete the Minnesota portion of the Estherville area from the study area, and allow Citizens to reflect this area as part of its study area. In a June 21, 1995 Order the FCC indicated that such a petition will not be accepted unless the "affected" state authority has stated that it does not object to the proposed reconfiguration of study area boundaries. The "affected" state authority in this transaction is primarily the Iowa State Utilities Board. Based on previous exchange sales, however, the parties believe that the FCC will also consider the MPUC to be an "affected" state authority, due to the fact that 3 Minnesota residents are served out of the Estherville, Iowa exchange.

USWC and Citizens request that the MPUC issue a statement that it does not object to the FCC granting study area waivers involving study area boundaries affecting the Estherville, Iowa exchange.

The Department of Commerce (Department) does not object to a reconfiguration of the study area boundaries for the Estherville, Iowa exchange in that inclusion with the Citizens study area coincides with the ownership and operation of these rural exchanges.

II. RECOMMENDATION

The Department of Commerce recommends that the Minnesota Public Utilities Commission issue an Order indicating no objection to the FCC granting study area waivers to U S WEST Communications, Inc. for the Estherville, Iowa exchange.

/jd

P5316,421/M-00-290

Burl W. Haar, Exec Sec
MN Public Utilities Commission
350 Metro Square Bldg
121 7th Place East
St. Paul, MN 55101

Linda Chavez (4)
MN Dept of Commerce
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Aloa J. Stevens, Director-Integration
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to:

address on cover

Nebraska Public Service Commission

300 The Atrium, 1200 N Street

P.O. Box 94927

Lincoln, Nebraska 68509-4927

(402) 471-3101

Nebraska Consumer Hot Line 1-800-526-0017

Fax (402) 471-0255

March 21, 2000



Katherine Schroder
Deputy Chief Accounting Policy Division
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

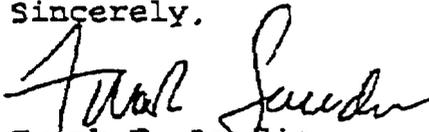
RE: US West Communications, Inc sale of 32 Iowa Exchanges to
Citizens Utilities Company

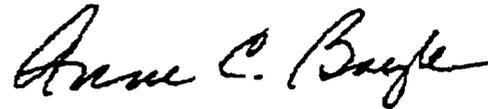
Dear Ms. Schroder:

By this letter, the Nebraska Public Service Commission ("NPSC") notifies the Federal Communications Commission ("FCC") that the NPSC, contingent on the Iowa Utilities Board's approval of the Iowa sale, does not object to the FCC granting study area waivers nor to any configuration of study area boundaries involving the Nebraska portion of the Hamburg, Iowa exchange.

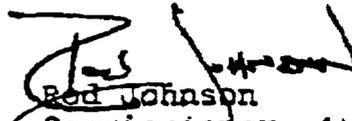
Should the FCC have any further questions concerning this matter, please feel free to contact the Nebraska Public Service Commission.

Sincerely,


Frank E. Landis
Commissioner, 1st District


Anne C. Boyle
Commissioner, 2nd District


Lowell C. Johnson
Commissioner, 3rd District


Rod Johnson
Commissioner, 4th District

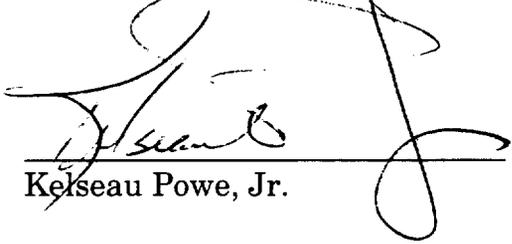
Daniel G. Urwiller
Commissioner, 5th District

COMMISSIONERS
ANNE C. BOYLE
LOWELL C. JOHNSON
ROD JOHNSON
FRANK E. LANDIS
DANIEL G. URWILLER

EXECUTIVE DIRECTOR
ROBERT R. LOGS

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 20th day of June, 2000, I have caused a copy of the foregoing **JOINT PETITION FOR EXPEDITED WAIVERS** to be served, via hand delivery or first class United States mail, postage prepaid, upon the persons listed on the attached service list.



Kelseau Powe, Jr.

*Served via hand delivery

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445 12th Street, S.W.
Washington, DC 20554

*L. Charles Keller
Federal Communications Commission
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Last Update: 6/20/2000