

## CHAPTER 237

## TELEPHONE AND TELEGRAPH COMPANIES

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**237.01 DEFINITIONS.**

Subdivision 1. **Generally.** As used in this chapter, the following terms have the meanings given.

Subd. 2. **Telephone company.** "Telephone company," means and applies to any person, firm, association or any corporation, private or municipal, owning or operating any telephone line or telephone exchange for hire, wholly or partly within this state, or furnishing any telephone service to the public.

Subd. 3. **Independent telephone company.** "Independent telephone company" means a telephone company organized and operating under chapter 301 and providing service to less than 2,500 subscribers within the state.

**History:** 1981 c 248 s 1

**237.075 RATE CHANGES.**

*[For text of subd 1, see M.S.1980]*

Subd. 1a. When a telephone company proposes changes in general rates that would increase general rates paid by consumers more than \$500,000, the commission shall not approve the change until after requiring the office of administrative hearings to conduct a contested case hearing on, at a minimum, the appropriate rate base, expense and revenue levels for the test year, and the rate of return. If the formal parties to the contested case choose not to cross-examine the testimony presented, it shall be the duty of the commission and its staff to make inquiry of the witnesses presented to ensure that the testimony is well reasoned and constitutes substantial evidence. After a report of the examiner has been issued, the commission may proceed to take action on the proposed rates consistent with the provisions of this section. The commission shall not accept any stipulation that is not agreed to by all intervening parties.

*[For text of subs 2 to 8, see M.S.1980]*

Subd. 9. For the purposes of this section, "telephone company" shall not include a cooperative telephone association organized under the provisions of chapter 308, an independent telephone company, or a municipal, unless the cooperative telephone association, independent telephone company, or municipal makes the election provided in this subdivision.

A cooperative telephone association may elect to become subject to rate regulation by the commission pursuant to this section. The election shall be (a) approved by the board of directors of the association in accordance with the procedures for amending the articles of incorporation contained in section 308.15, subdivision 1, excluding the filing requirements; or (b) approved by a majority of members or stockholders voting by mail ballot initiated by petition of no fewer than five percent of the members or stockholders of the association. The ballot to be used for the election shall be approved by the board of directors and the

department of public service. The department shall mail the ballots to the association's members who shall return the ballots to the department. The department will keep the ballots sealed until a date agreed upon by the department and the board of directors. On this date, representatives of the department and the association shall count the ballots. If a majority of the association's members who vote elect to become subject to rate regulation by the commission, the election shall be effective 30 days after the date the ballots are counted. For purposes of this section, the term "member or stockholder" shall mean either the member or stockholder of record or the spouse of the member or stockholder unless the association has been notified otherwise in writing.

A municipal may elect to become subject to rate regulation by the commission pursuant to this section. The election shall be (a) approved by resolution of the governing body of the municipality; or (b) approved by a majority of the customers of the municipal voting by mail ballot initiated by petition of no fewer than 20 percent of the customers of the municipal. The ballot to be used for the election shall be approved by the governing body of the municipality and the department of public service. The department shall mail the ballots to the municipal's customers who shall return the ballots to the department. The department will keep the ballots sealed until a date agreed upon by the department and the governing body of the municipality. On this date, representatives of the department and the municipal shall count the ballots. If a majority of the customers of the municipal who vote elect to become subject to rate regulation by the commission, the election shall be effective 30 days after the date the ballots are counted. For purposes of this section, the term "customer" shall mean either the person in whose name the telephone service is registered or the spouse of the person unless the municipal utility has been notified otherwise in writing.

An independent telephone company may elect to become subject to rate regulation by the commission pursuant to this section. The election shall be (a) approved by the board of directors of the company in accordance with the procedures for amending the articles of incorporation contained in section 301.37, excluding the filing requirements; or (b) approved by a majority of subscribers voting by mail ballot initiated by petition of no fewer than five percent of the subscribers of the company. The ballot to be used for the election shall be approved by the board of directors and the department of public service. The department shall mail the ballots to the company's subscribers who shall return the ballots to the department. The department will keep the ballots sealed until a date agreed upon by the department and the board of directors. On this date, representatives of the department and the company shall count the ballots. If a majority of the company's subscribers who vote elect to become subject to rate regulation by the commission, the election shall be effective 30 days after the date the ballots are counted. For purposes of this section the term "subscriber" shall mean either the person in whose name the telephone service is registered or the spouse of the person unless the independent telephone company has been notified otherwise in writing.

**History:** 1981 c 248 s 2; 1981 c 357 s 73; 1Sp1981 c 4 art 4 s 17

### **237.081 SUMMARY INVESTIGATIONS OF INADEQUATE SERVICE.**

*[For text of subd 1, see M.S.1980]*

Subd. 1a. Upon a complaint made against any cooperative telephone association, independent telephone company, or a municipal telephone utility by the governing body of any political subdivision, or by no fewer than five percent of

the subscribers or spouses of subscribers of the particular cooperative telephone association, independent telephone company, or municipal telephone utility, that any of the rates, tolls, tariffs, charges or schedules or any regulation, measurement, practice, act or omission affecting or relating to the production, transmission, delivery or furnishing of telephone service or any service in connection therewith is in any respect unreasonable, insufficient or unjustly discriminatory, or that any service is inadequate or cannot be obtained, the commission shall proceed to make an investigation as it may deem necessary. The commission may dismiss any complaint without a hearing if in its opinion a hearing is not in the public interest.

*[For text of subs 2 to 5, see M.S.1980]*

**History:** 1981 c 248 s 3

**237.295 COST OF EXAMINATION; ASSESSMENT OF EXPENSES; LIMITATION; OBJECTIONS.**

*[For text of subd 1, see M.S.1980]*

Subd. 2. The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of its expenditures in the performance of its duties relating to telephone companies, other than amounts chargeable to telephone companies under subdivision 1 or 5. The remainder shall be assessed by the department to the several telephone companies in proportion to their respective gross jurisdictional operating revenues during the last calendar year. The assessment shall be paid into the state treasury within 30 days after the bill has been mailed to the several telephone companies, which shall constitute notice of the assessment and demand of payment thereof. The total amount which may be assessed to the telephone companies, under authority of this subdivision, shall not exceed one-eighth of one percent of the total gross jurisdictional operating revenues during the calendar year. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

*[For text of subs 3 and 4, see M.S.1980]*

Subd. 5. **Administrative hearing costs.** Any amounts billed to the commission or the department by the office of administrative hearings for telephone contested case hearings shall be assessed by the commissioner or the department against the telephone company. The assessment shall be paid into the state treasury within 30 days after a bill, which constitutes notice of the assessment and demand for payment of it, has been mailed to the telephone company. Money received shall be credited to a special account and is appropriated to the commissioner or the department for payment to the office of administrative hearings.

**History:** 1981 c 357 s 74,75

**237.30 TELEPHONE INVESTIGATION REVOLVING FUND.**

The sum of \$25,000 is hereby appropriated out of any moneys in the state treasury not otherwise appropriated, to establish and provide a revolving fund to be known as the Minnesota Telephone Investigation Fund for the use of the department of public service and of the Attorney General in investigations, valuations, and revaluations under section 237.295. All sums paid by the telephone companies pursuant to section 237.295 shall be credited to the revolving

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fund and shall be deposited in a separate bank account and not commingled with any other state funds or moneys, but any balance in excess of \$25,000 in the revolving fund at the end of each fiscal year shall be paid into the state treasury and credited to the general fund. The sum of \$25,000 herein appropriated and all subsequent credits to said revolving fund shall be paid upon the warrant of the commissioner of finance upon application of the department or of the attorney general to an aggregate amount of not more than one-half of such sums to each of them, which proportion shall be constantly maintained in all credits and withdrawals from the revolving fund.

**History:** *1Sp1981 c 4 art 1 s 96*