

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>COMMUNICATIONS CORPORATION OF</b>	)	
<b>MICHIGAN</b> for approval of its expanded local	)	Case No. U-15079
calling plan and to adjust rates for primary basic	)	
local exchange service pursuant to Section 304	)	
of the Michigan Telecommunications Act.	)	
_____	)	

At the December 21, 2006 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chairman  
Hon. Laura Chappelle, Commissioner  
Hon. Monica Martinez, Commissioner

**OPINION AND ORDER**

This order grants a request by Communications Corporation of Michigan (CCM) to implement an expanded local calling plan and adjust its primary basic local exchange service (PBLES) rate under Sections 203 and 304 of the Michigan Telecommunications Act (MTA), MCL 484.2101 *et seq.*

**History of Proceedings**

On September 29, 2006, CCM applied for approval to implement expanded local calling and to adjust its PBLES rate for its Augusta and Clayton exchanges, block “1+” calling to the expanded exchanges, and pay local termination rates for calls that originate and terminate within the expanded local calling area. Table 1 shows the present local calling areas (column 2) for the

company's three home exchanges (column 1) and the proposed areas to be added to the local calling areas under the company's PBLES rate (column 3).

Home Exchange (Column 1)	Present Local Calling Area (Column 2)	Proposed Additional Adjacent Calling Areas (Column 3)
Augusta	Augusta Battle Creek Galesburg Hickory Corners Kalamazoo Richland	Banfield Climax
Clayton	Clayton Sand Creek	Addison Adrian Hudson Morenci
Hickory Corners	Augusta Banfield Battle Creek Delton Hickory Corners Kalamazoo Richland	(n/a)

Currently, customers in certain adjacent exchanges served by Barry County Telephone Company (Banfield exchange), the Climax Telephone Company (Climax exchange), and Verizon North, Inc. (Addison, Adrian, Hudson, and Morenci exchanges) can make local calls into the adjacent CCM exchanges; however, calls from CCM PBLES customers to the adjacent exchanges are currently toll calls.

CCM's application and analysis indicated that the loss of revenue from the proposed change would require an increase in its residential PBLES rate for customers in the expanded exchanges by \$3.03 (from \$16.17 to \$19.20 per month in Clayton and from \$18.23 to \$21.26 per month in Augusta) for flat-rate monthly local calling for up to 100 monthly outgoing voice calls per line and up to 12,000 outgoing minutes of use (MOU) within the expanded local calling area.

CCM used a bill insert to notify customers of the proposed change and solicit customer comment. No comments were filed with the Commission.

The Commission Staff (Staff) reviewed CCM's application and recommends approval. The Staff notes that the application is consistent with other expanded local calling proposals approved by the Commission and that "CCM is proposing to expand local calling to exchanges adjacent to its own Augusta and Clayton exchanges at proposed PBLES rates that compare favorably with PBLES rates charged by similarly situated ILECs in this state." Staff comments, p. 4.

The cost benefit analysis of the tradeoff between a higher PBLES rate and the expanded local calling area weighs in favor of approval of the CCM proposal, and the Commission therefore finds that the proposed expansion to adjacent exchanges should be approved.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1991 PA 179, as amended, MCL 484.2101 *et seq.*; 1969 PA 306, as amended, MCL 24.201 *et seq.*; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 *et seq.*

b. The proposed CCM expanded calling plan and adjusted PBLES rates should be approved.

THEREFORE, IT IS ORDERED that:

A. The September 29, 2006 application filed by Communications Corporation of Michigan for authority to offer expanded local calling from its Augusta and Clayton exchanges, block "1+" dialing to the new local calling areas, and pay local termination rates for calls that originate and terminate within the expanded calling areas is approved.

B. The proposed primary basic local exchanges service rate increase of \$3.03 per month to customers in the Augusta and Clayton exchanges is approved.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days of the issuance of this order, pursuant to MCL 484.2203(12).

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark

Chairman

( S E A L )

/s/ Laura Chappelle

Commissioner

/s/Monica Martinez

Commissioner

By its action of December 21, 2006.

/s/ Mary Jo Kunkle

Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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Chairman

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Commissioner

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Commissioner

By its action of December 21, 2006.

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Its Executive Secretary