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September 13, 2017

Dan Wolf, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re. Melrose Telephone Company, Docket No. P-415/AM-17-65

Dear Mr. Wolf

The Minnesota Telecom Alliance ("MTA") submits these Comments in response to the Commission's August 20, 2017 Notice of Comment Period in this docket. For the following reasons, the MTA recommends that the Commission choose "Alternative 1, Take no action" in this docket.

No Misleading Information: The MTA appreciates the Department's concern that customers have accurate information, but the information provided by the Melrose Telephone Company ("Melrose") notice was completely accurate both when it was provided and when the rate increase was implemented. Specifically, at the time of the notice and implementation of the rate increase by Melrose, the then effective order of the Federal Communications Commission ("FCC") did call for an increase in the minimum rate floor to $20.00. It was only later (on May 19, 2017) that the FCC reversed its previous position and suspended any further rate increase. Thus, it is clear that Melrose did not provide any misleading information.

No Other Company Has Reversed a Fully Implemented Rate Increase: The Department states that:

> While many small telephone companies in Minnesota chose to rescind their proposed rate increases as to not exceed the FCC rates floor, Arvig chose to retain the higher rates that it already implemented.

This statement is completely accurate, but does not reflect the difference between stopping a rate increase before implementation ("to rescind their proposed rate increases") and reversing a fully implemented rate increase. Melrose is not acting in a way that is contrary to other small companies. Melrose is simply facing very different facts that would greatly compound the confusion for Melrose's customers if a some type of subsequent notice was sent for which there is no pattern in Minnesota Statutes or in any prior Commission decision of which MTA is aware. There is no doubt that the Department's recommendation will impose significant burdens on Melrose and the high probability of significant confusion for Melrose customers.

Not a reasonable interpretation: The MTA does not agree that the Department's recommended solution is supported by the existing terms of Minnesota Statute Section 237.773, subd.2. Rather, there seem to be no provisions in existing Minnesota Statute Section 237.773, subd.2 that address, in any way, what should happen if facts that are correct at the time of the rate increase later change.

Generally, an action that is valid when taken does not become retroactively invalid by a later change in facts. The Department's position may reflect what Minnesota Statute Section 237.773 could have provided (if this unusual situation had been anticipated), but it does not reflect what the statute actually provides.

Detriments of confusion vs. benefits of clarification to reflect changed facts: Finally, the undeniable confusion for customers that will certainly result must be balanced against the advantage of retroactively providing a correction of information that would have been disclosed if it had been known (which it could not since the facts were not known). MTA believes that the

disadvantages outweigh any advantage, and that the absence of authority for the Department recommendation also weighs against it. Accordingly, the MTA recommends that the Commission take no action.

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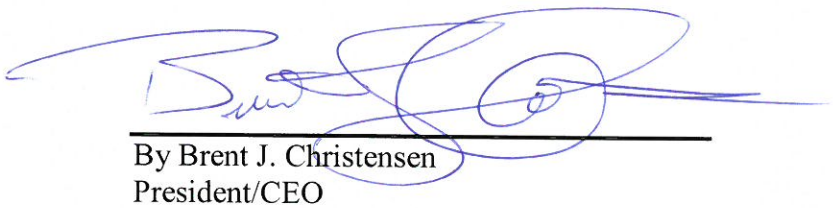

By Brent J. Christensen
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