

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HAROLD TELEPHONE COMPANY'S PROPOSED )  
TARIFF FILING TO ESTABLISH NON-RECURRING ) CASE NO. 10139  
AND RECURRING CHARGES )

O R D E R

On September 14, 1987, Harold Telephone Company ("Harold") filed a proposed tariff with the Commission to establish a late payment charge and rates and charges for touch tone service and custom calling features.

DISCUSSION

Harold proposed a late payment charge of \$2 that would apply to those customers who pay their telephone bills after 10 days from the date the bills are issued. Harold states that the establishment of a late payment charge would help insure that customer payments are made on a timely basis, thus improving its cash flow and insuring that current expenses would be paid with current revenues.

Presently the cost incurred by Harold as a result of late payments is included in the local exchange rates. The Commission is of the opinion that an absorption test, possible disaggregation of the basic local exchange rates, and other information required by 807 KAR 5:011, Section 10 are necessary to determine the reasonableness of the proposed late payment charge.

Harold has proposed that the Commission accept the rates and charges it presently applies for touch tone service and other custom calling features and proposed an effective date of October 1, 1987. In a cover letter to the proposed tariff, Harold stated that:

The rates and charges for touchtone and custom calling features have been used since digital equipment was installed in 1983. As such, these charges will not generate any additional revenue.

Based on this letter, the Commission finds that the issues associated with the rates and charges for touch tone service and other custom calling features which the company has allegedly been charging since 1983 should be addressed in a separate proceeding, Case No. 10170.<sup>1</sup>

On October 15, 1987, the Commission, by letter, responded to Harold concerning its filing. In its letter, the Commission advised Harold that, pursuant to KRS 278.180, 30 days notice is required before a tariff can be placed into effect, and that the effective date could not be approved. Furthermore, it was stressed that the rates should not be applied until Commission approval had been granted.

The Commission is of the opinion and finds that pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of the proposed rates and charges.

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<sup>1</sup> Investigation Into Harold Telephone Company's Proposed Tariff Filing to Establish Non-Recurring And Recurring Charges Including an Alleged Failure To Comply With KRS 278.160

IT IS THEREFORE ORDERED that:

1. The proposed rates and charges should be suspended for 5 months on and after the date of this Order. The sections of the tariff hereby suspended are:

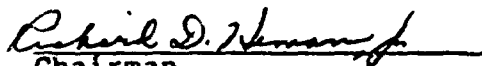
1st Revised Page No. 5, Section D.4.15  
1st Revised Page No. 6, Section M.5.2  
2nd Revised Page No. 1, Section M.6  
1st Revised Page No. 6, Section M.6.1  
Original Page No. 7, Section M.6.2  
1st Revised Page No. 3, Section A  
1st Revised Page No. 19, Section A

2. Harold shall provide public notice of the proposed rates in accordance with the provision set out in 807 KAR 5:011, Section 8(2) and (3).

3. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 1st day of March, 1988.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director