

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

IT IS ORDERED that Harold Telephone Company ("Harold") shall file an original and 10 copies of the following information with a copy to all parties of record. The information requested herein is due no later than April 15, 1988. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such a motion will be considered by the Commission.

1. Provide an absorption test showing the impact on net operating income and return on net investment of the tariff filing. Compare the results to the return on net investment authorized in Harold's last rate case.

2. Provide a modified tariff which specifies the terms and conditions of the late payment charge.

3. Are bills for local service rendered in advance of the provision of service? If so:

a. Provide an explanation of how billing dates, due dates, and service provision are related.

b. Is it not inconsistent to assess a late payment charge when service has not been rendered?

4. Please reference the Cost Justification for Touch-tone and Custom Calling Features.

a. Provide a break-down of the "total investment attributable to touch-tone and custom calling features" amount of \$262,569. Please identify and explain if any of these items have uses other than the provision of touch-tone and custom calling features.

b. Please explain the rationale in using both "Cost of Money" and "Rate of Return" components in the calculation of "Annual Revenue Requirements" since revenue requirements do not usually contain both of these components.

Done at Frankfort, Kentucky, this 30th day of March, 1988.

PUBLIC SERVICE COMMISSION


for the Commission

ATTEST:

Executive Director