

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LESLIE COUNTY TELEPHONE	)	
COMPANY, INC.	)	
_____	)	CASE NO. 95-517
INVESTIGATION INTO THE ALLEGED	)	
VIOLATION OF KRS 278.160	)	

O R D E R

During July and August 1995, Telephone and Data Systems ("TDS") performed a billing audit for Leslie County Telephone Company, Inc. ("Leslie") and discovered it had underbilled customers in the Dwarf exchange \$.10 per month for an undetermined amount of time. Additional investigations by TDS revealed that Leslie was charging some rates that were not contained in Leslie's tariff. These rates included \$1.50 per month for touchtone, \$0.50 per month for Directory Listings, and \$3.50 for the first quarter mile and \$1.20 for each additional quarter mile for extension and tie line mileage.

TDS informed Commission Staff of the tariff discrepancies and an informal conference was held on August 23, 1995. On September 15, 1995, Leslie filed a letter, attached hereto and incorporated herein, detailing the untariffed charges. On September 18, 1995, Leslie filed tariffs for these services. These tariffs were approved on October 18, 1995.

Accordingly, the Commission finds a prima facie showing has been made that Leslie failed to file schedules for certain rates prior to collecting compensation for those services and failed to charge a certain tariffed rate in violation of KRS 278.160.

IT IS THEREFORE ORDERED that:

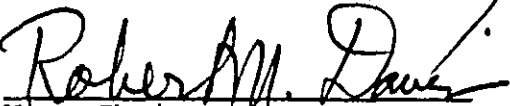
1. Leslie shall appear at a hearing scheduled for December 21, 1995, at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, to present evidence on the alleged violation of KRS 278.160, and to show cause why Leslie should not be required to make refunds of compensation collected prior to filing tariffs for those services and collect amounts owed to the company due to the underbilling.

2. Any motion requesting any informal conference with Commission Staff to consider any matter which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 17th day of November, 1995.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

ATTEST:

  
Executive Director

  
Commissioner

September 15, 1995

Mr. Don R. Mills, Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

Dear Mr. Mills:

An internal review of Leslie County Telephone Company's billing records revealed that the following services were being billed without approved tariffs:

- Touch-Tone - \$1.50 per month
- Additional Directory Listing - \$0.50 per month
- Extension and Tie Line Mileage - \$3.50 1st quarter mile, \$1.20 additional quarter mile

The Company began billing the above rates, prior to its acquisition by TDS in December, 1988.

A schedule detailing existing and proposed rates was filed in Case Number 9002. This schedule which shows an existing Touch-Tone rate of \$1.50, was never approved by the Commission (Exhibit 1). However, other services on the same tariff sheet were approved. This implies that Touch-Tone was approved in a prior tariff filing. However, the Company has been unable to locate tariff sheets stamped with the Commission's approval.

Tariff sheets which included Touch-Tone service were filed again with an effective date of January 2, 1986, in Case Number 9430 (Exhibit 2). This proposed tariff was never approved by the Commission.

The Company refiled tariff sheets which included Touch-Tone, Directory Listing, Directory Assistance and Extension Tie Line Mileage in January, 1991. The Commission Staff requested cost support for the proposed tariff sheets which was never supplied by the Company. The Staff rejected the proposed tariff sheets in July, 1991. The Company has included new tariff sheets with this correspondence under a separate letter.

Exhibits 3, 4 and 5 detail the amounts billed for Touch-Tone, Additional Directory Listing, and Extension Mileage the past 18 months.

September 7, 1995

Mr. Don R. Mills

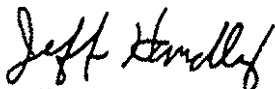
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The Company believes it should be allowed to retain the revenues billed without approved tariffs. The rates billed are reasonable and comparable to those billed by other companies for the same services.

The Company also discovered a billing error affecting the Dwarf exchange. The customers have been billed \$10.65 per month instead of the approved rate of \$10.75. Exhibit 6 details the amount underbilled for the past 18 months. The Company proposes to begin billing the correct rate and not "backbill" the customers for the additional \$0.10 per month.

Please advise the Company as to the proper resolution of these matters. If you have any questions please call me at 615-671-4750.

Sincerely,



Jeffrey S. Handley  
Manager - State Regulatory Affairs

JSH:as

cc: Bruce Mottern - SE Region  
Bob Daino - SE Region  
Don Roark - Leslie County  
Amy Daughtery - KY PSC  
Larry Harley - KY PSC  
Jim Stevens - KY PSC