COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOGAN TELEPHONE COOPERATIVE'S PROPOSED OPTIONAL EXPANDED EXTENDED AREA CALLING SERVICE	)))	CASE NO. 97-405

O R D E R

On September 8, 1997, Logan Telephone Cooperative ("Logan") filed revised pages in Sections A and C of its General Subscriber Services tariff. Logan seeks approval for the provision of Optional Extended Area Calling Service Plan ("Optional EACS"). Under the Optional EACS, Logan's full local calling area will consist of its existing local calling area plus the expanded calling area as described in its tariff. It plans to implement the new calling areas on October 8, 1997.

The Optional EACS enables customers to call any location in the expanded local calling area for a flat rate per month in addition to the basic local exchange rate. Residential customers will pay $32 (an addition of $15.50) and business customers will pay $72 (an addition of $45.20). Customers not selecting the Optional EACS will continue to be charged for calls to that area at tariffed toll rates.

The Commission has approved expanded calling plans of this nature when certain conditions are met. First, the plans must encompass a community of interest and there must be adequate customer demand for the service. Second, the pricing of the service must produce revenue neutrality and not affect the rest of the general subscribership through revenue shortfalls or excessive profits of the utility.[1]

Logan states that the expanded calling area in the affected exchanges reflects their communities of interest, supports the goal of universal service, and allows calling to the county seat. Logan's proposed tariff for the Optional EAS contains rates that are projected to reduce Logan's revenues by $49,745. Therefore, the Commission will require Logan to file a report on its actual results for the first 12 months and, if necessary, the Optional EACS rates may be modified to be revenue neutral. In addition, the Commission finds that Logan should adhere to the guidelines discussed in Case No. 91-250.[2] The Commission, therefore, finds that the proposed tariff should be approved.

The Commission, having considered Logan's proposed tariff and having been otherwise sufficiently advised, HEREBY ORDERS that:

1. Logan's proposed tariff to implement its Optional EAS on a flat-rate basis is approved for service rendered on and after October 8, 1997.

2. Logan shall gather 12 months of company-specific data as necessary to demonstrate the reasonableness and accuracy of its forecasts for its Optional EAS. Logan shall file this information with the Commission by January 31, 1999. Logan shall submit

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[1] Administrative Case No. 285, An Investigation Into the Economic Feasibility of Providing Local Measured Service Telephone Rates in Kentucky. Order issued October 25, 1990.

[2] Case No. 91-250, South Central Bell Telephone Company's Proposed Area Calling Service Tariff. Order issued April 9, 1992.

any proposed changes to the Optional EAS rates to bring the revenue impact into compliance with the Commission objective of revenue neutrality.

Done at Frankfort, Kentucky, this 6th day of October, 1997.

PUBLIC SERVICE COMMISSION

Linda K Breathitt
Chairman

Ed J Holmes
Vice Chairman

B. J. Helton
Commissioner

ATTEST:

Don Mills
Executive Director