

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LEWISPORT TELEPHONE COMPANY S)
PROPOSED EXTENDED LOCAL)
CALLING SERVICE) CASE NO. 99-027

O R D E R

On January 15, 1999, Lewisport Telephone Company (Lewisport) filed revised pages in Section C of its General Subscriber Services tariff. Lewisport seeks approval for the expansion of Extended Local Calling Service and the reduction of the rates. The proposal is an optional, measured rate plan for all classes of business and residential service to allow local calling to the Cloverport, Ensor, Maceo, and Whitesville exchanges of BellSouth Telecommunications, Inc. (BellSouth).

Lewisport currently concurs in BellSouth's toll rates with the exception of Extended Local Calling Service to Owensboro. The rates proposed to the Owensboro exchange and those exchanges proposed herein for Extended Local Calling Service are as follows: Day calling (8 am - 5 pm) \$.08, Evening calling (5 pm - 11 pm) \$.04, and Night calling (11 pm - 8 am) \$.02. The Night calling rate will apply for holidays and weekends. Under the proposal, rates for basic service will not be changed.

In the past, the Commission has approved expanded calling plans 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

Lewisport provided data demonstrating that communities of interest exist between the affected exchanges. Lewisport's proposed tariff contains rates that are projected to reduce its annual revenues by \$48,746. The Commission has determined that currently a revenue sufficiency exists for Lewisport and the proposed reduction of revenues is appropriate.

Thus, the Commission approves Lewisport's January 15th proposal with an effective date of March 16, 1999. Moreover, the Commission will require Lewisport to file a report on its actual results for the first 12 months following the date of this Order. Following a review of the report, the proposed rates may be modified to achieve the desired revenue results. In addition, the Commission finds that Lewisport should adhere to the guidelines discussed in Case No. 91-250.²

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

1. Lewisport's proposed tariff is approved.
2. Lewisport shall gather 12 months of company-specific data as necessary

to demonstrate the reasonableness and accuracy of its forecasts for its Optional EAS. Lewisport shall file this information with the Commission by May 31, 2000.

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.

Done at Frankfort, Kentucky, this 12th day of March, 1999.

By the Commission

ATTEST:

Executive Director