

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF MOUNTAIN)
RURAL TELEPHONE COOPERATIVE)
CORPORATION, INC. TO PROVIDE) CASE NO. 2000-026
AN OPTIONAL AREA CALLING PLAN)

O R D E R

On January 6, 2000, Mountain Rural Telephone Cooperative Corporation, Inc. ("Mountain RTCC") filed a new page in its General Subscriber Services Tariff. The purpose of the filing is to seek approval for the provision of an area calling plan ("ACP").

The ACP enables customers in Bath County of Mountain RTCC's serving area that are unable to call their county seat via a local call to have a flat rate plan to call their county seat via a local call. The customers selecting this option will receive 100 minutes of toll free calling to other exchanges in Bath County for \$1.00 per month. There will be a charge of \$0.03 per minute for all minutes in excess of 100 minutes. Customers not selecting the ACP will continue to have their present local exchange service.

In the past 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 be such that it is revenue neutral and does not affect the rest

of the general subscribership through revenue shortfalls or excessive profits to the utility.¹

Mountain RTCC states that the expanded calling area in the affected exchanges reflects their communities of interest and that there is significant demand from those customers. Mountain RTCC's proposed tariff for the ACP contains rates that are projected to reduce its annual revenues by \$14,875.

The Commission encourages the implementation of expanded area calling plans and will continue to enforce the requirements of Administrative Case No. 285. However, where a company's financial position indicates that it can absorb revenue decreases as the result of implementation of these plans, the company will not be required to accumulate company-specific financial information to substantiate its estimate of revenue reductions. Also, revenue reductions resulting from expanded area calling plans will not be considered in a rate-making proceeding.

Thus, the Commission approves Mountain RTCC's proposal with an effective date of February 1, 2000. In addition, the Commission finds that Mountain RTCC should adhere to the guidelines discussed in Case No. 91-250.²

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.

IT IS THEREFORE ORDERED that:

1. Mountain RTCC's proposed tariff is approved.
2. Based on a review of the financial impacts of the plan on Mountain RTCC, the company will not be required to gather 12 months of company-specific data as necessary to demonstrate the reasonableness and accuracy of its forecasts for its ACP.

Done at Frankfort, Kentucky, this 28th day of January, 2000.

By the Commission

ATTEST:

Executive Director