

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF DUO COUNTY )  
TELEPHONE COOPERATIVE )  
CORPORATION, INC. TO PROVIDE ) CASE NO. 2001-008  
AN OPTIONAL AREA CALLING PLAN )

O R D E R

On December 28, 2000, Duo County Telephone Cooperative Corporation, Inc. ("Duo County") filed new pages in its General Subscriber Services Tariff. The purpose of the filing is to seek approval of the provision of two extended local calling services. The Community Calling Plan enables customers a cost-effective solution for county seat calling. The customers selecting this option will pay \$4.95 per month and \$0.04 per minute for calls made within the extended area. The Area Wide Calling Plan provides a wider scope of calling to the contiguous counties surrounding the calling exchange. The customers selecting this option will pay \$8.95 per month and \$0.04 per minute for calls made within the extended area. Customers not selecting either of these plans will continue to have their present local exchange service, and long-distance charges will continue to apply to the extended areas.

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.<sup>1</sup>

Duo County states that the expanded calling area in the affected exchanges reflects their communities of interest and that there is significant demand from those customers. Duo County's proposed tariff for the calling plans contains rates that are projected to reduce its annual revenues by \$4,210.

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 finds that Duo County's December 28 proposal, with an effective date of February 1, 2001, should be approved. In addition, the Commission finds that Duo County should adhere to the guidelines discussed in Case No. 91-250.<sup>2</sup>

IT IS THEREFORE ORDERED that:

1. Duo County's proposed tariff is approved.

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<sup>1</sup> Administrative Case No. 285, An Investigation Into the Economic Feasibility of Providing Local Measured Service Telephone Rates in Kentucky, Order Issued October 25, 1990.


<sup>2</sup> Case No. 91-250, South Central Bell Telephone Company's Proposed Area Calling Service Tariff, Order Issued April 9, 1992.

2. Based on a review of the financial impacts of the plan on Duo County, the company is not required to gather 12 months of company-specific data as necessary to demonstrate the reasonableness and accuracy of its forecasts for its calling plans.

Done at Frankfort, Kentucky, this 16<sup>th</sup> day of January, 2001.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas McDevitt", written over a horizontal line.

Executive Director