

COMMONWEALTH OF KENTUCKY
BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of

ADJUSTMENT OF RATES OF)
MAYFIELD ANSWERING) CASE NO. 7429
SERVICE, INC.)

O R D E R

On April 16, 1979, Mayfield Answering Service, Inc., (Mayfield) filed its Application with the Commission proposing to increase annual revenues by \$1,565 or approximately 10.5% based on average test-year billings.

The primary activity of Mayfield Answering Service, Inc., is the non-regulated business of the telephone answering service. However, Mayfield is also engaged in the regulated business of the radio-telephone service providing one-way and two-way radio communication to the general public in and around Mayfield, Kentucky, and its environs. The rate application pertains only to the radio-telephone service portion of Mayfield Answering Service, Inc.

The Commission set a public hearing on this matter for June 27, 1979, and directed the Applicant to provide notice of such hearing as prescribed by Kentucky law and the rules and regulations of this Commission. Mayfield, through a misunderstanding, failed to appear at the hearing.

By Order dated October 10, 1979, the Commission, having determined that substantial additional information would be required to proceed with this matter, dismissed Mayfield's case without prejudice.

Mayfield, after attending an informal conference with the Commission staff, provided additional information and the Commission, on its own Motion, set aside its Order dated October 10, 1979. The Commission further ordered Mayfield's case set for hearing on December 19, 1979, and again directed Mayfield to provide notice of such hearing.

The hearing was held as scheduled in the Commission's offices at Frankfort, Kentucky. All parties of interest were properly notified and no protests were entered. The matter was then submitted to the Commission for final determination. All requested information has been submitted and made a part of the record.

TEST PERIOD

The Commission, for the purpose of testing the reasonableness of the proposed rates, has adopted the twelve-month period ending December 31, 1978.

RATE BASE

Net Investment

The Commission has determined from the record that Mayfield's Net Investment in utility plant devoted to public service at the end of the test period is as follows:

Utility Plant in Service	\$26,218 ⁽¹⁾
Cash Working Capital	<u>1,802⁽²⁾</u>
Subtotal	\$28,020
Less:	
Accumulated Depreciation	<u>\$16,521⁽¹⁾</u>
Net Investment	<u>\$11,499</u>

REVENUES AND EXPENSES

Mayfield's Income Statement for the test period shows actual operating expenses of \$17,260, an operating income deficit of \$2,339 and a net income deficit of \$3,249. The Commission finds three adjustments to Mayfield's Income Statement to be known and measurable. Maintenance Expense should be increased \$295 to reflect renewal of the maintenance agreement with Motorola, Inc. Due to the increase in minimum wage effective January 1, 1980, Mayfield's expense for salaries and wages should be increased \$555. The final adjustment is a below-the-line adjustment to interest expense of \$1,305.

(1) Applicant's 1978 Annual Report

(2) One-eighth (1/8) of adjusted operation and maintenance expenses

SUMMARY

The Commission, after considering all evidence of record and being advised is of the opinion and FINDS:

(1) That Mayfield's proposed rates as set out in Appendix "A" attached hereto and made a part hereof will produce annual revenues in the amount of approximately \$16,490, an annual increase of \$1,565, and are the fair, just, and reasonable rates for Mayfield.

(2) That, on a pro forma basis, Mayfield will realize an operating deficit of \$1,624.

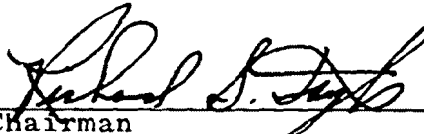
(3) That these rates are necessary and essential to allow Mayfield to improve its financial position.

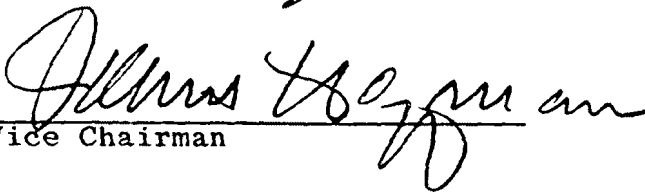
IT IS THEREFORE ORDERED, that the rates sought by Mayfield Answering Service, Inc., as set out in Appendix "A" attached hereto and made a part hereof are fair, just, and reasonable and are approved for service rendered on and after the date of this Order.

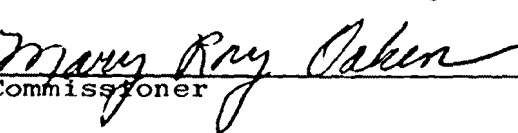
IT IS FURTHER ORDERED, that Mayfield Answering Service, Inc., shall file with this Commission within thirty (30) days from the date of this Order its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this the 24th day of January, 1980.

UTILITY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE UTILITY REGULATORY
COMMISSION IN CASE NO. 7429, DATED JANUARY 24, 1980

SCHEDULE OF CHARGES

ONE WAY

- 1) For rental of selective calling portable receiver, \$31.00/month. This will entitle the subscriber to 100 calls per month per unit; for all calls in excess of 100 per month per unit, 15 cents per call.
- 2) There will be a maintenance charge of \$6.00 per unit per month.

TWO WAY

One Minute Calls: For first 60 calls or portion thereof per month, \$25.00; for each call over 60 calls per month, 25 cents.

Rental of Mobile Equipment: Subscribers shall have option to use their own mobile units or rent them from applicant. If applicant furnishes mobile unit, rental charge will be \$30.00 per month per unit.

Rental of Portable Radio (Handie-Talkie Selective Call FM): Subscribers shall have option to use their own units or rent them from applicant. If applicant furnishes unit, rental charge will be \$18.50 per month per unit.

Maintenance of Mobile Equipment: \$12.50 per month per unit, including parts.

Maintenance of Portable Radio (Handie-Talkie Selective Call FM): \$10.00 per month per unit, including parts.

Installation Charges: Applicant will charge \$60.00 for normal installation of mobile equipment rented to subscriber and for installation of mobile equipment owned by subscriber, if subscriber's mobile equipment is installed by applicant at request of subscriber. This installation charge will apply also when mobile equipment is changed or moved from one mobile unit of a subscriber to another, if the change or move is made at the request of subscriber.