

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE KENTUCKY PUBLIC SERVICE COMMISSION)
)
) VS.) CASE NO. 8779
)
LESLIE COUNTY TELEPHONE COMPANY)

ORDER

Numerous complaints have been received by the Commission from applicants for telephone service from Leslie County Telephone Company ("Leslie County"), in which the applicants have contended that Leslie County has been either unwilling or unable to provide a reasonable date by which telephone service would be installed.

In Case No. 7994 and Case No. 8190 the Commission ordered Leslie County to provide present and future applicants for service with a reasonable date by which they can expect telephone service, and further to provide service by such dates. Continued requests by the Commission have resulted in some applicants being provided dates by which they may expect service, but Leslie County continues to be reluctant to provide such dates to other applicants.

A Show Cause hearing was held on April 21, 1983, in the Commission's offices at Frankfort, Kentucky, to allow Leslie

County to show cause, if any it could, why it should not be subject to the penalties prescribed under KRS 278.990 for failure to comply with the Commission's regulations and Orders. All parties of interest were given the opportunity to be heard.

Preceding this hearing, Leslie County filed with the Commission on March 31, 1983, status reports concerning the 23 applicants listed in the Show Cause Order dated March 16, 1983, and provided dates by which they could expect service. Subsequent to the hearing and as part of the information requested at the hearing Leslie County found it necessary to revise the expected service dates for 16 of the 23 applicants. This revision, summarized in Appendix A, delayed 13 of the expected service dates and advanced 3. The Commission, after consideration of this matter and being advised, is of the opinion and finds that:

- 1) Leslie County has accepted the benefits that a certificate of public convenience and necessity carries with it and should likewise embrace the responsibility to provide telephone service to all applicants within its certified territory;

- 2) Leslie County, as a holder of a certificate of public convenience and necessity to operate exclusively in a certified territory, is subject to the regulations and Orders of the Kentucky Public Service Commission;

3) Leslie County has failed to comply with 807 KAR 5:061, Section 11(5), requiring prompt notice and explanation to be given to applicants for service who cannot be satisfied within specified time limits and further requiring the utility to provide a commitment date based upon the best information available;

4) Leslie County has not responded to complaints forwarded by the Commission in a timely manner and in some instances has failed to make any response whatsoever;

5) Leslie County has failed to comply with the Commission's Orders in Case No. 7994 and Case No. 8190 by not providing the 23 applicants for service a date by which they may reasonably expect service; and

6) KRS 278.990(1) provides for penalties of not less than \$25 nor more than \$1,000 for each offense when a utility fails to obey any lawful requirement or Order of the Public Service Commission.

Leslie County has admitted its failure to comply with the Commission's Orders in Case No. 7994 and Case No. 8190. The Commission is of the opinion and finds that a penalty in the aggregate amount of \$575 is appropriate.¹ The Commission does not allow penalties paid by a utility for violation of the regulations and Orders of the Commission as allowable expenses or part of the rate base for the computation of rates of return or rates to that

¹ \$25 x 23.

utility's customers. Therefore Leslie County should not be allowed to include this penalty in any future computation of rates.

IT IS THEREFORE ORDERED that Leslie County be and it hereby is assessed a penalty in the amount of \$575; that it shall remit same within 30 days of the date of this Order to the Treasurer of the Commonwealth of Kentucky, Frankfort, Kentucky; and that it shall submit proof of payment to the Commission within 30 days of the date of this Order.

IT IS FURTHER ORDERED that Leslie County shall prepare a report which shall outline its progress in completing the construction program for which the Commission approved a \$6,834,000 loan from the Rural Electrification Administration in Case No. 8190. This report shall provide, at a minimum, the following information for each exchange: (1) the amount and type of cable and/or wire placed; (2) the amount and type of central office equipment installed; (3) funds expended for outside plant and central office improvement; (4) percentage of completion, to date, of the entire construction program; and (5) the total funds remaining for the completion of the project. The initial report shall be filed with the Commission within 30 days of the date of this Order and subsequent reports shall be filed each quarter until the program is completed.

Done at Frankfort, Kentucky, this 30th day of June, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 8779 DATED JUNE 30, 1983

The following is a listing of the persons having complaints on file with the Commission requesting service from the Leslie County Telephone Company, Inc., and the Company proposed dates by which service may be expected.

<u>Name</u>	<u>(1) Proposed Date</u>	<u>(2) Revised Date</u>
Ms. Kay Combs	August, 1983	July, 1983
Club 80 (Mr. Fugate)	May, 1983	
Mr. James Deaton	4 th Quarter, 1984	2 nd Quarter, 1985
Mr. Lloyd Stidham	September, 1983	October, 1983
Mr. Charles Morgan	4 th Quarter, 1984	2 nd Quarter, 1985
Mr. Lenden Terry	4 th Quarter, 1984	2 nd Quarter, 1985
Mr. William Belcher	4 th Quarter, 1984	2 nd Quarter, 1985
Mr. Bobby J. Belcher	4 th Quarter, 1984	2 nd Quarter, 1985
Mr. Kenneth Lockhard	4 th Quarter, 1984	2 nd Quarter, 1985
Ms. Annie Wells	4 th Quarter, 1981	2 nd Quarter, 1984
Mrs. Jacqueline Vance	4 th Quarter, 1984	
Mrs. Hazel Stamper	4 th Quarter, 1984	2 nd Quarter, 1985
Mr. Vincent Stamper	4 th Quarter, 1984	2 nd Quarter, 1985
Mr. William B. Mullins	4 th Quarter, 1984	2 nd Quarter, 1985
Mr. Paul Mullins	4 th Quarter, 1984	2 nd Quarter, 1985

(1) This schedule was provided on March 30, 1983.

(2) These revised dates were provided on May 19, 1983.

Mrs. John W. Dixon	October 3, 1984	<u>2nd</u> Quarter, 1984
Mr. Norman Stamper	April, 1983	<u>2nd</u> Quarter, 1983
Mr. Michael L. Combs	<u>4th</u> Quarter, 1984	<u>2nd</u> Quarter, 1985