

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RESIDENTS OF HEGIRA COMMUNITY,)
CLINTON COUNTY, KENTUCKY)
) CASE NO. 9853
VS.)
)
GENERAL TELEPHONE COMPANY)

O R D E R

On January 28, 1987, a formal complaint was filed on behalf of certain residents of the Hegira Community of Clinton County, Kentucky, ("Petitioners") against General Telephone Company of the South ("GT"). Petitioners live in a remote area around Cumberland Lake which is located within GT's Albany exchange. Individually, Petitioners have over the past several years requested telephone service, and were informed that pursuant to GT's Construction Tariff (S5, Charges Applicable Under Special Conditions), they would be liable for construction charges to receive the service. A public hearing was held on April 16, 1987.

DISCUSSION

This matter has been the subject of an inquiry by the Commission prior to the filing of the formal complaint. Originally GT proposed a route around Lake Cumberland, at an estimated total cost of \$205,169, with the applicants for service being responsible for "excess construction costs" of \$81,764, or \$9,085 per applicant, based upon nine potential customers.

During the inquiry, GT and the Commission staff explored several other alternatives, including an aerial crossing of Cumberland Lake. Under this alternative, GT's total estimated cost of construction would be \$118,735, and the nine applicants would be responsible for \$43,735 of the total, or \$4,859 each. In a January 26, 1987, filing with the Commission, GT offered to allow payment over a 5-year period with no interest charges.

At the hearing another route was suggested by Petitioners, utilizing private property and an aerial lake crossing. GT investigated this alternative and filed its results on April 30, 1987. The total cost of the project would be slightly reduced, to approximately \$112,000, but applicants would still be liable for about \$42,000 of the total, or \$4,670 per applicant based upon service being provided to nine households. All other alternatives considered resulted in higher total costs, and higher construction charges per applicant.

Several of the Petitioners testified at the public hearing relative to their need for telephone service. Their testimony demonstrated that both individual and community hardship have resulted from the lack of telephone service in the area. Additionally, the testimony revealed that the area is economically distressed, and unlikely to develop without the availability of telephone service. The attorney for the Petitioners was asked at the hearing to provide a list of prospective telephone service applicants in the area, and by filing dated May 1, 1987, listed nine such prospective applicants.

CONCLUSIONS

Although GT has appropriately applied its S5 Construction Tariff in this matter, the unique circumstances involved must be considered in reaching a final decision relative to Petitioners' complaint. This is not a case of one or two applicants living in remote locations, but rather an entire rural community, consisting of some 27 property owners, as described in Petitioners' Attorney's filing of May 1, 1987, with a current total of nine prospective telephone service applicants. The area is economically distressed, and community development appears unlikely without the provision of telephone service. Several of the Petitioners testified that they would not be able to pay special construction charges to obtain service.

The Commission's regulations, 807 KAR 5:061, Section 9, specify the minimum extension which telephone utilities must provide without charge to applicants outside the base rate area. Paragraph (5) of this section states that the Commission, after investigation, may require the utility to make extensions greater than the specified minimum.

In accordance with 807 KAR 5:061, Section 9(6), GT's special construction tariff provides for extensions under conditions which are structured differently than the minimum required by the regulation. However, Paragraph (5) would still be applicable to GT's tariff. Because of the special circumstances involving this complaint, and the public need for telephone service in this area, GT should provide telephone service to Petitioners without special construction charges.

Although GT will be required to deviate from its approved special construction tariff in this particular instance, the subject tariff will otherwise remain in full force and effect. The purpose of that tariff is to ensure that ratepayers in general are not burdened with excessive construction costs. A deviation from that tariff should only be required when the public interest clearly requires such deviation, as demonstrated in this singular instance.

FINDINGS AND ORDERS

The Commission, having considered this matter including all evidence of record and being advised, is of the opinion and finds that:

1. The public interest requires that the Hegira Community of Clinton County have telephone service available in the area.
2. Pursuant to 807 KAR 5:061, Section 9(5), GT should be required to provide telephone line extensions in excess of those specified in its S5 special construction tariff in order to provide service to Petitioners in the Hegira Community without the imposition of excess construction costs on those Petitioners.
3. GT should be given a period of six months to provide such service, because of the amount and difficulty of construction required.
4. GT's approved special construction tariff should otherwise remain in full force and effect.

IT IS THEREFORE ORDERED that:

1. GT shall deviate from its approved special construction tariff in this particular instance and provide telephone service

to Petitioners in the Hegira Community of Clinton County without the application of special construction charges.

2. GT shall provide this service within six months of the date of this Order.

3. GT's approved special construction tariff shall remain in full force and effect.

Done at Frankfort, Kentucky, this 29th day of June, 1987.

PUBLIC SERVICE COMMISSION

Richard D. Neiman
Chairman

Kirk D. Johnson
Vice Chairman

Seward J. Wellesay
Commissioner

ATTEST:

Executive Director