

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BALLARD RURAL TELEPHONE)
COOPERATIVE CORPORATIONS PROPOSED)
TARIFF FILINGS TO ESTABLISH) CASE NO. 10138
NON-RECURRING AND RECURRING CHARGES)

O R D E R

On September 4, 1987, Ballard Rural Telephone Cooperative Corporation ("Ballard") filed a proposed tariff to establish charges for late payment, recording for number changes, directory assistance, rotary line service, and call tracing.

DISCUSSION

Ballard proposed a late payment charge of \$2 that would apply to those customers who pay their telephone bills after 10 days from the date bills are issued. Ballard states that the establishment of a late payment charge would help insure that customer payments are made on a timely basis, thus improving its cash flow and insuring that current expenses would be paid with current revenues.

Ballard has proposed to implement a charge for providing a recording for number changes. Ballard presently provides a recording that will announce the number change of a customer beginning on the date the number is changed. This service extends for a 90 day period at no cost to the customer requesting the service.

Because several customers have requested that the period be extended beyond 90 days, Ballard has proposed to charge the monthly residential network access charge to its customers for the length of time beyond the presently allowed 90 days. Ballard contends that the purpose of this charge is to compensate the utility for the access lines that are tied up in an exchange during the recording for number changes in excess of the 90 day period.

Another charge proposed by Ballard is a charge for directory assistance. Presently, Ballard does not charge its customers for directory assistance service and for this reason it believes that customers have no incentive to use the local directory provided. In addition, those that abuse the service are being subsidized by other ratepayers.

The proposed charge will consist of a fee of \$.30 per directory assistance call with a call allowance of 3 calls per access line per month. Ballard indicates that with the implementation of this charge, any cost savings incurred will benefit all customers while the additional cost to customers will effect only those customers who exceed their allowance.

Rotary Line Service is another service presently provided by Ballard at no additional cost to its customers. Rotary Line Service is an arrangement that allows an incoming call to a line to be completed over another line by means of central office equipment. Ballard has proposed to charge its customers for rotary service at a rate of \$2 per month per rotary line.

Finally, Ballard has proposed a charge of \$35 for tracing harassing calls. Presently, this service is provided at no additional cost to its customers; however, it is the opinion of Ballard that customers who utilize this service should bear the cost of providing it.

Insofar that the costs of providing the proposed services set out in this Order have been included in the basic local exchange rates, the Commission is of the opinion that an absorption test and possible disaggregation of the basic local exchange rates is necessary to determine their reasonableness and the revenue effect the proposed rates would have upon Ballard.

Ballard proposed September 1, 1987, as the effective date for the proposed rates. On October 4, 1987, the Commission, by letter, responded to Ballard concerning its filing. In its letter, the Commission advised Ballard that pursuant to KRS 278.180, 30 days notice is required before a tariff can be placed into effect, and that the proposed effective date could not be approved. Furthermore, it was stressed that the rates should not be applied until Commission approval had been granted.

The Commission therefore, finds that, pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of the proposed rates and charges.

IT IS THEREFORE ORDERED that:

1. The proposed rates and charges be and they hereby are suspended for 5 months on and after the date of this Order. The sections of the tariff hereby suspended are:

1st Revised Page No. 5, Section D4.14
1st Revised Page No. 7, Section F.4.2(7)
2nd Revised Page No. 8, Section F.5.14
1st Revised Page No. 1, Section M.1
1st Revised Page No. 2, Section M.1.1
1st Revised Page No. 4, Section M.4.2
1st Revised Page No. 6, Section M.7.1
1st Revised Page No. 6, Section M.7.2

2. Ballard shall provide notice of the proposed rates in accordance with the provisions set out in 807 KAR 5:011, Section 8(2) and (3).

3. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 29th day of January, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director