

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOGAN TELEPHONE COOPERATIVE)
CORPORATIONS PROPOSED TARIFF)
FILING TO ESTABLISH NON-RECURRING) CASE NO. 10284
CHARGES)

O R D E R

On May 20, 1988, Logan Telephone Cooperative Corporation ("Logan") filed a proposed tariff with the Commission to establish charges for directory assistance and call tracing. On June 13, 1988, the Commission issued an Order suspending the proposed tariff for 5 months or until November 11, 1988. The Commission also ordered that Logan provide notice of the proposed rates in accordance with the provisions of 807 KAR 5:011, Section 8(2) and (3).

On July 21, 1988, the Commission issued an additional Order requesting that Logan provide an absorption test. On July 26, 1988, Logan filed the information requested.

Because proper notice of the proposed charges had not been filed, the Commission issued a letter dated August 3, 1988, directing Logan to comply with the June 13, 1988 Order. The Commission further required that Logan request an extension of time if it could not file the information within 10 days. On August 9, 1988, Logan filed a request for an extension of time for at least 30 days, and on August 11, 1988, filed the newspaper notice it planned to publish in the local newspaper. On August

16, 1988, Logan filed a copy of its first notice as it appeared on August 15, 1988, in the Logan Leader. On this same day, the Commission issued a letter in response to Logan's August 8 and 11, 1988 letters indicating that: (1) some of the language in the notice was incorrect, (2) the notice should be published 2 more times; and (3) an affidavit stating that the notice had been published for 3 consecutive weeks was necessary. On September 7, 1988, Logan filed the required information.

Discussion

The financial information submitted by Logan in its absorption test consisted of revenues, expenses, and net investment for the 12-month period ending December 31, 1987. An analysis of the financial information revealed that the actual realized rate of return at December 31, 1987 was 8.2 percent, slightly less than the 8.4 percent return authorized in Case No. 8781, Logan Telephone Cooperative Corporation, Inc., for Order Authorizing Adjustment of Rates and Charges. Inclusion of revenue to be realized from directory assistance would result in a rate of return of approximately 8.3 percent, also below the authorized rate.

The Commission being advised, is of the opinion and finds that Logan will not exceed its authorized rate of return with the addition of this proposed charge. Therefore, the proposed charge for directory assistance should be approved.

Logan also proposed the establishment of a charge for tracing of harassing calls. Included in the original tariff filing was a

breakdown of the cost involved in providing this charge. A review of this information shows that the proposed charge is equal to the expense of the charge and the expense is reasonable. Therefore, the Commission is of the opinion that the charge for tracing of harassing calls should be approved.

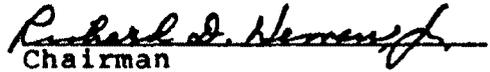
IT IS THEREFORE ORDERED that:

1. Logan's charge for directory assistance and tracing of harassing calls as set out in Appendix A shall be approved for services rendered on and after the date of this Order.

2. Within 30 days from the date of this Order, Logan shall file its tariff sheets setting out the rates and charges approved herein.

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

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10284 DATED 9/29/88

The following rates and charges are prescribed for the customers in the area served by Logan Telephone Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>SERVICE</u>	<u>CHARGE</u>
Directory Assistance	\$.30
Call Tracing	
A. Installation of Equipment	\$28.00
B. Tracing Charge	22.00