

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF FOOTHILLS )  
RURAL TELEPHONE COOPERATIVE )  
CORPORATION, INC. TO PROVIDE ) CASE NO. 99-138  
A COUNTY SEAT CALLING PLAN )

O R D E R

On March 17, 1999, Foothills Rural Telephone Cooperative Corporation, Inc. ( Foothills RTCC ) filed a new page in its General Subscriber Services Tariff. The purpose of the filing is to seek approval for the provision of a county seat calling plan ( CSCP ).

The CSCP enables customers in certain areas of Foothills RTCC s serving area that are unable to call their county seat via a local call to have a flat rate plan to call their county seat via a local call. There is no additional charge for selecting the CSCP. Customers not selecting the CSCP will continue to have their present local exchange service.

In the past the Commission has approved expanded calling plans of this nature when certain conditions are met. First, the plans must encompass a community of interest and there must be adequate customer demand for the service. Second, the pricing of the service must be such that it is revenue neutral and does not affect the rest

of the general subscribership through revenue shortfalls or excessive profits to the utility.<sup>1</sup>

Foothills RTCC states that the expanded calling area in the affected exchanges reflects their communities of interest and that there is significant demand from those customers. Foothills RTCC's proposed tariff for the CSCP contains rates that are projected to reduce its annual revenues by \$19,937.

The Commission encourages the implementation of expanded area calling plans and will continue to enforce the requirements of Administrative Case No. 285. However, where a company's financial position indicates that it can absorb revenue decreases as the result of implementation of these plans, the company will not be required to accumulate company-specific financial information to substantiate its estimate of revenue reductions. Also, revenue reductions resulting from expanded area calling plans will not be considered in a rate-making proceeding.

Thus, the Commission approves Foothills RTCC's March 17<sup>th</sup> proposal with an effective date of April 17, 1999. In addition, the Commission finds that Foothills RTCC should adhere to the guidelines discussed in Case No. 91-250.<sup>2</sup>

IT IS THEREFORE ORDERED that:

1. Foothills RTCC's proposed tariff is approved.
2. Based on a review of the financial impact to Foothills RTCC, the company will not be required to gather 12 months of company-specific data as

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<sup>1</sup> Administrative Case No. 285, An Investigation Into the Economic Feasibility of Providing Local Measured Service Telephone Rates in Kentucky, Order Issued October 25, 1990.

<sup>2</sup> Case No. 91-250, South Central Bell Telephone Company's Proposed Area Calling Service Tariff, Order Issued April 9, 1992.

necessary to demonstrate the reasonableness and accuracy of its forecasts for its CSCP.

Done at Frankfort, Kentucky, this 15<sup>th</sup> day of April, 1999.

By the Commission

ATTEST:

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Executive Director

