

(Decision No. R79-1347)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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RE: INVESTIGATION AND SUSPENSION OF)
TARIFF SHEETS ACCOMPANYING ADVICE)
LETTER NO. 10, FILED BY PLAINS)
COOPERATIVE TELEPHONE ASSOCIATION,)
INC., FOR REVISION OF TARIFF COLO.)
PUC NO. 2 - TELEPHONE.)

INVESTIGATION AND SUSPENSION
DOCKET NO. 1307

RECOMMENDED DECISION OF
EXAMINER ARTHUR G. STALIWE

APPROVING TARIFF

August 29, 1979

Appearances: Robert T. James, Esq., Colorado
Springs, for Respondent.

STATEMENT OF THE CASE

By advice letter filed April 9, 1979, Plains Cooperative Telephone Association, Inc., Joes, Colorado 80822, seeks to revise its tariff. The Commission on May 8, 1979 suspended the effective date of the filing, and set the matter for hearing.

The matter was heard on July 16, 1979, by Examiner Arthur G. Staliwe at the district court, Hugo, Colorado.

Pursuant to the provisions of CRS 1973, 40-6-109, Examiner Staliwe now transmits to the Commission the record and exhibits of said hearing, together with a written recommended decision containing findings of fact, conclusions and order.

FINDINGS OF FACT

Based upon all the evidence of record, the following is found as fact:

1. Plains Cooperative Telephone Association, Inc. (Plains), is a cooperative telephone utility providing service in portions of Washington, Yuma, and Kit Carson Counties, State of Colorado.

2. In April 1979, Plains revised its tariff in an effort to modernize its rate structure to reflect such items as customer owned equipment and extra station lines. It is interesting to note that the many of the provisions are really original rates, and in the case of customer owned equipment the rates are all lower than those for company supplied equipment, e.g., the residential individual line remains at \$8.00 per month, but drops to \$7.50 with subscriber owned equipment.

3. The 1978 test year (calendar year) had recurring charge billings of \$136,495; applying the proposed new rates would drop this figure to \$136,493.50, a reduction of \$1.50.

4. In the area of non-recurring charges, such as connection charges, Plains proposes increases, some double the current rate. For example, Plains proposes to increase its new jack and plug initial installation charge from \$7.50 to \$15.00; the actual average service cost is \$20.16. Moves or changes per station will be increased from \$7.50 to \$15.00; the average actual cost is \$17.55 based upon test year data. Similarly, reconnections at the main office are proposed to move from \$5.00 to \$10.00; actual cost per test year is \$11.41.

5. The tariff changes in the non-recurring charges will increase the 1978 billings from \$3,880.00 to \$7,497.50, an increase of \$3,617.50.

DISCUSSION

The proposed changes in the Plains tariff are designed to permit Plains to offer the more modern services its system is capable of handling. Further, it brings non-recurring service charges into line with their actual costs. This is in accord with Commission policy in this area as articulated in Re Mountain States Telephone and Telegraph Co., Decision No. 91379, 22 PUR 4th 516 (1978), wherein the Commission said.

(3) Service charges continue to be a matter of much concern. For the test year, costs associated with installation and removal exceeded revenues directly charged therefor by some \$18.9 million. This translates into a revenue necessity of \$40.3 million needed to offset deficient charges for installation and removal of service. In addition to the restructuring proposed by Mountain Bell to service charges, the Commission has determined to increase several of the services charges showing the largest deficiency between revenues and costs. Mountain Bell has proposed in this proceeding that a residential prewiring charge of \$6 per outlet be ordered. The Commission has determined to increase the charge to \$8.50 per outlet for prewiring to conform it with the proposed charge per outlet for residential postwiring.

22 PUR 4th at 545, 546.

CONCLUSIONS

Based on the foregoing findings of fact, it is concluded that:

1. Plains' existing non-recurring rates do not, and will not, in the foreseeable future, produce a revenue for Respondent which will be just and reasonable, and in the aggregate such rates are unjust and unreasonable.
2. Plains' new initial rates are necessary in order to provide more modern service. CRS 1973, 40-3-103.
3. The rates proposed by Plains with its Advice Letter No. 10 are just, reasonable, and not unduly discriminatory, and the same should be established as the effective rates.

4. Pursuant to 40-6-109, CRS 1973, it is recommended by the Examiner that the following Order be entered.

O R D E R

THE COMMISSION ORDERS THAT:

1. The tariff sheets filed by Plains Cooperative Telephone Association, Inc. on April 9, 1979, under its Advice Letter No. 10, be, and hereby are, established as the effective rates and charges as of the effective date of this Order.

2. Plains Cooperative Telephone Association, Inc. shall, within thirty (30) days from the effective date of this Order, file with the Commission substitute tariff sheets containing the rates, rules and regulations, as proposed under Advice Letter No. 10, but indicating thereon the effective date and the authority of this Decision. Such filing shall be accompanied by a new Advice Letter but is intended solely for record purposes and may be made without further notice, this Order being fully self-executing in all respects.

3. Investigation and Suspension Docket No. 1307 be, and hereby is, closed.

4. This Recommended Decision shall be effective on the day it becomes the Decision of the Commission, if such be the case, and is entered as of the date hereinabove set out.

5. As provided by 40-6-109, CRS 1973, copies of this Recommended Decision shall be served upon the parties, who may file exceptions thereto; but if no exceptions are filed within twenty (20) days after service upon the parties or within such extended period of time as the Commission may authorize in writing (copies of any such extension to be served upon the parties), or unless such Decision is stayed within such time by the Commission upon its own motion, such Recommended Decision shall become the Decision of the Commission and subject to the provisions of 40-6-114, CRS 1973.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Arthur G. Stalwe
Examiner

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