

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER OF The Request of Ronan	)	UTILITY DIVISION
Telephone Company to offer Switched 56	)	DOCKET NO. N95.8.119
Kilobit Service on a Detariffed Basis.	)	ORDER NO. 5941a

AMENDED ORDER ON RECONSIDERATION

Introduction and Background

1. Order No. 5941 dated September 16, 1996 on Motion for Reconsideration directed Ronan Telephone Company (RTC) to offer its Switched 56 Kilobit service as a fully tariffed service instead of on a detariffed basis as RTC had requested in its tariff application. The Commission further ordered that RTC provide the service at the rate requested in RTC's tariff application, which was \$35.00 per month.

2. If the service had been approved as detariffed like RTC had requested, the \$35.00 monthly rate would have been a price floor below which RTC could not offer the service. However, RTC would have been able to increase the price without Commission approval upon seven days notice to the Commission. Approval of the service on a fully tariffed basis does not permit that pricing flexibility.

3. RTC was ordered to file compliance tariffs within 15 days of the service date of Order No. 5941 incorporating the decisions set forth in the Order on Motion for Reconsideration. RTC's compliance tariffs incorporated the Commission's decision with one exception. RTC's compliance tariff filing substituted a rate of \$44.00 for the \$35.00 rate which had been ordered by the Commission.

4. RTC explained the reason for the change in its compliance filing, stating that because the Commission had approved the service on a tariffed basis and another tariff filing and Commission action would be necessary for future price changes, RTC needed "a rate appropriate to current local market conditions [to] minimize the administrative costs which a subsequent filing would entail."

### Findings of Fact and Commission Decision

5. The Commission determined in Order No. 5941 in this Docket that RTC's proposed initial price of \$35.00 per month for Switched 56 Kb service was above cost, but did not include additional costs which would be incurred to provide service in its Pablo exchange. The rate was very close to the cost of providing the service.

6. The proposed price of \$44.00 per month appears to be more economically correct because it seems to fully cover costs in both RTC exchanges. Further, PTI's equivalent service is priced at \$44.00. Thus, the Commission concurs with RTC's assertion that the \$44.00 rate is more "appropriate to current local market conditions."

7. The Commission concludes that it is appropriate to amend Order No. 5941 to reflect the higher rate proposed by RTC in its compliance filing.

### Conclusions of Law

1. The Commission has authority to supervise, regulate and control public utilities. Section 69-3-102, MCA. RTC is a public utility offering regulated telecommunications services in the State of Montana. Section 69-3-101, MCA.

2. The Commission properly exercises jurisdiction in this Docket pursuant to Title 69, Chapter 3, MCA.

3. The Commission must ensure that rates for the provision of regulated services to the public are just, reasonable and nondiscriminatory. The proposed rate of \$44.00 per month for the provision of Switched 56 Kb service is just, reasonable and nondiscriminatory.

### Order

THEREFORE, based upon the foregoing, it is ORDERED that Order No. 5941 is amended to change the price for Switched 56 Kb service to \$44.00.

Done and Dated this 4th day of November, 1996 by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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NANCY MCCAFFREE, Chair

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DAVE FISHER, Vice Chair

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BOB ANDERSON, Commissioner

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DANNY OBERG, Commissioner

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BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson  
Commission Secretary

NOTE: You may be entitled to judicial review in this matter. Judicial review may be obtained by filing a petition for review within thirty (30) days of the service of this order. Section 2-4-702, MCA.