

ARKANSAS PUBLIC SERVICE COMMISSION

ARK. PUBLIC SERVICE COM.
DEPT. OF REVENUE
SECRETARY OF COM.

DEC 5 12 04 PM '06

FILED

IN THE MATTER OF THE JOINT )
APPLICATION FOR AUTHORITY TO )
INCREASE THE SIZE OF EXCHANGES IN )
WHICH THE RURAL SAVER OPTIONAL )
CALLING PLAN ("RSOCP") IS AVAILABLE )
AND TO INCREASE THE NUMBER OF )
MINUTES INCLUDED IN THE PLAN, AND )
REQUEST FOR EXPEDITED RULING )

DOCKET NO. 06-140-U
ORDER NO. 1

ORDER

On October 23, 2006 a Joint Application ("the Application") for authority to increase the size of exchanges in which the Rural Saver Optional Calling Plan ("RSOCP") is available and to increase the number of minutes in the plan was filed by a group of incumbent local exchange carriers, which includes: Arkansas Telephone Company, Inc.; ArkWest Communications; Central Arkansas Telephone Cooperative, Inc.; Madison County Telephone Company; Magazine Telephone Company; Mountain View Telephone Company; CenturyTel, Inc.; Pinnacle Communications; Prairie Grove Telephone Company; Rice Belt Telephone Company; Northern Arkansas Telephone Company; Scott County Telephone Company; South Arkansas Telephone Company; Southwest Arkansas Telephone Cooperative, Inc.; Ritter Telephone Company; TDS Telecom; Cleveland County Telephone Company; Decatur Telephone Company; Tri-County Telephone Company; Southwestern Bell Telephone, L.P. d/b/a/ AT&T Arkansas; Yelcot Telephone Company; Walnut Hill Telephone Company; and Windstream Arkansas, Inc. (hereinafter collectively referred to as "the ILECs").

The Application states that the ILECs formed a task force to monitor and analyze the effects of implementing the RSOCP to ensure that the RSOCP remains a viable intraLATA calling plan. The data reviewed by the task force has revealed that the use of the RSOCP has been less than expected when the parameters were established by the Commission and reviewed in Dockets No. 03-082-U and No. 05-049-U. Therefore, the ILECs recommend that the Commission exercise its authority to increase the size of exchanges in which the RSOCP is available pursuant to Telecommunications Provider Rule 14.02.A and grant a waiver to increase the number of minutes included in the plan pursuant to Telecommunications Provider Rule 14.01.B. The ILECs also request authorization to recover the one-time costs of implementing the suggested changes from the Arkansas Calling Plan Fund in accordance with Commission precedent in Dockets No. 03-082-U and No. 05-049-U. The ILECs state that the recommended changes will make the RSOCP more available and that the recommended changes are in the public interest.

The one-time costs of implementing the suggested modifications to the RSOCP include the cost of making programming changes to the ILECs' billing systems; the cost of printing and distributing bill inserts to the ILECs' customers to notify them of the beneficial changes; and the cost of advertising and promoting the inclusion of more eligible exchanges and increased number of minutes included in the plan. The ILECs estimate that the one-time implementation costs will be in the same range as the one-time costs from the previous approved enhancements to the RSOCP, which was less than \$227,000.00. Each individual ILEC request for cost recovery will be submitted for review by the Fund Administrator prior to payment.

On November 30, 2006 the General Staff of the Arkansas Public Service Commission ("Staff") filed a Response to the ILECs' Application stating that the Commission's Telecommunications Provider Rules authorize the Commission to make the determinations requested in the Application. Staff supports the Application and notes that the current surplus of funds allows the plan to accommodate more customers and an increase in usage. Staff also notes that Ark. Code Ann §23-17-120(g)(2) authorizes recovery of the costs associated with the requests in the Application.

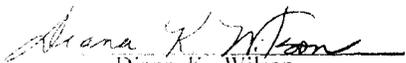
Based on the representations made in the Application and Staff's Response, it is found to be in the public interest to grant the Application to change the exchange size for the RSOCP to 5,600 access lines or less, increase the usage to 240 minutes and to allow recovery of the one-time costs of implementing the changes.

There being no further action to be taken in this matter at this time, the Secretary of the Arkansas Public Service Commission is hereby authorized and directed to close this docket.

BY ORDER OF THE COMMISSION.

This 5<sup>th</sup> day of December, 2006.

I hereby certify that the following order issued by the Arkansas Public Service Commission has been served on all parties of record this date by U.S. mail with postage prepaid, using the address of each party as indicated in the official docket file.

  
Diana K. Wilson  
Secretary of the Commission  
Date 12-5-06 JS

  
Diana K. Wilson  
Secretary of the Commission

  
Sandra L. Hochstetter, Chairman

  
Daryl E. Bassett, Commissioner

  
Randy Bynum, Commissioner