

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION
NASHVILLE, TENNESSEE
September 20, 1995

IN RE: APPLICATION OF UNITED TELEPHONE-SOUTHEAST, INC.
FOR APPROVAL TO IMPLEMENT PRICE REGULATION

DOCKET NO: 95-02615

ORDER

This matter is before the Commission upon application by United Telephone-Southeast, Inc. (hereafter "United") for implementation of price regulation pursuant to T.C.A. 65-5-209.

This application was filed with the Commission on June 19, 1995. United elected October 1, 1995 as the date for price regulation to be effective.

In accordance with T.C.A. 65-5-209(c), the Commission staff has audited the company's March 1995 TPSC 3.01 report, that being the "most recent" report at the time of the United application. The audited report was submitted to the Commission on Friday, September 15. This report reflects that the audit was done in accord with the requirements of Section 65-5-209(j) and that it

accurately reflect(s)...in all material respects, the Incumbent Local Exchange Company's achieved results in accordance with Generally Accepted Accounting Principles as adopted in Part 32 of the Uniform System of Accounts, and the ratemaking adjustments to operating revenues, expenses and rate base used in the Commission's most recent order applicable to the Incumbent Local Exchange Company

This report, based upon the above, states that United's rate of return for the twelve months ended March 31, 1995 is 8.69%, which is slightly below its authorized rate of return range: that range set in December, 1994 in Docket No. 93-04818 as 8.85-10.05%.

Public Chapter 408 at Section 65-5-209(c) provides that if a company was earning below its authorized rate of return range, it may request the Commission convene a contested case for the purpose of establishing initial rates.

The submission and acceptance of the audit report completes the threshold requirements set out in Section 65-5-209(c). With the authority granted to it by law, the Commission hereby receives and accepts this report. In order to complete the statutory process set out in Title 65,


IT IS THEREFORE ORDERED THAT,

1. Unless United files with the Commission a written request for a contested evidentiary proceeding within ten (10) days of this Order's entry, the rates in effect as of June 6, 1995 for all Basic Local Exchange Telephone Services and Non-Basic Services as defined in Section 65-5-208 will be deemed affordable pursuant to Section 65-5-209(c),
2. In the absence of a request for the contested evidentiary proceeding set forth in Section 65-5-209(c), the effective date of United's price regulation shall be October 15, 1995, there being no good cause shown nor any legal requirement that the date selected by United should be ultimately chosen by this Commission,
3. A final Order shall be entered in this docket by October 15, barring a request by United to set initial rates by a contested proceeding, and the Commission shall, by this Order, direct United to comply with the remainder of the statutory requirements of Title 65, and

IT IS FURTHER ORDERED THAT

4. As the threshold requirement, concluded by this Order, was not a contested case, nor was it within the authority of the Commission to require a contested case, the Petition for Information filed by the Consumer Advocate on August 30, is hereby denied.


CHAIRMAN


COMMISSIONER


COMMISSIONER

ATTEST:


EXECUTIVE DIRECTOR