

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120**

Public Meeting held August 3, 2023

Commissioners Present:

Gladys Brown Dutrieuille, Chairman
Stephen M. DeFrank, Vice Chairman
Ralph V. Yanora
Kathryn L. Zerfuss
John F. Coleman, Jr.

TDS Telecom/Mahanoy & Mahantango Telephone Company 2023 Price Index / Service Price Index and Banking Report Filing	R-2023-3038737
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TDS Telecom/Sugar Valley Telephone Company 2023 Price Index / Service Price Index and Banking Report Filing	R-2023-3038738
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Petition for Streamlined Form of Regulation and Network Modernization Plan of TDS Telecom/Mahanoy & Mahantango Telephone Company and TDS Telecom/Sugar Valley Telephone Company	P-00961115F1000 P-00961116F1000
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ORDER

BY THE COMMISSION:

I. Background

Before us for disposition is the TDS Telecom/Mahanoy & Mahantango Telephone Company (TDS M&M) and TDS Telecom/Sugar Valley Telephone Company (TDS Sugar Valley) (collectively “the Companies”) combined 2023 Price Index (PI) and Service Price Index (SPI) Report. The Companies’ combined annual PI/SPI Report was made under the provisions of Act 183 of 2004, P.L. 1398 (66 Pa.C.S. §§ 3011-3019) (Chapter 30) and pursuant to the Companies’ Amended Joint Streamlined Regulation and Network Modernization Plan (Amended

Chapter 30 Plan) that this Commission approved at Docket Nos. P-00961115F1000 and P-00961116F1000.¹

The Companies possess the statutory right under 66 Pa.C.S. § 3015(a)(1)(iii) and their approved Amended Chapter 30 Plan to seek an annual revenue and rate increase as contemplated by Chapter 30. Under the Companies' Price Stability Plan (PSP), the PI calculates the allowable change in noncompetitive rates based, in part, on the annual change in the Gross Domestic Product Price Index (GDP-PI). The SPI tracks the prior rate changes for noncompetitive services related to the PI. The PSP also addresses revenue neutral rate rebalancing/restructuring. The PSP set forth in the Companies' Amended Chapter 30 Plan is a complete substitution of the rate base/rate of return regulation. Further, the Companies' Amended Chapter 30 Plan acknowledges that nothing in their Plan shall be construed to limit the requirement under 66 Pa.C.S. § 1301 that rates shall be just and reasonable.

II. Companies' Filing

On March 2, 2023, the Companies filed their annual combined PI/SPI Report using the change in 2021 and 2022 third quarter GDP-PI that produced a 7.56% increase in the GDP-PI, which equates to a 7.56% increase in the PI. When applied to the previous PI of 146.785, this produces a new PI of 157.883. Applying this change to the Companies' current annual aggregate noncompetitive revenues of \$870,359 yields a maximum allowed revenue increase of \$65,799.

The following table shows the breakdown of the aggregate noncompetitive revenues and 2023 maximum allowed increase amounts by Company. It should be noted that each individual Company's annual noncompetitive revenues and maximum allowed revenue increase amount may not be shared among the Companies.

TDS Companies - Current Noncompetitive Revenues and Allowable Increases			
Company	Current Annual Revenues	%ΔGDP-PI	Maximum Allowed Revenue Increase
Mahanoy & Mahantango	\$670,883	7.56%	\$50,719
Sugar Valley	\$199,476	7.56%	\$15,080
Total:	\$870,359		\$65,799

¹ See *Petition for Amended Alternative Regulation and Network Modernization Plan of Mahanoy & Mahantango Telephone Company and Sugar Valley Telephone Company*, Docket Nos. P-00961115F1000 and P-00961116F1000 (Order entered June 3, 2005).

Because the Companies did not file for any rate changes, neither Company's SPI changed in their 2023 filing. The SPI for TDS M&M remains at 101.98 and the SPI for TDS Sugar Valley remains at 102.69.

On August 20, 2022, the Companies filed updated banking reports to reflect any necessary adjustments to each Company's respective bank as a result of State Tax Adjustment Surcharge (STAS) recalculations. Secretarial Letters were previously issued permitting the Companies' STAS recalculations to go into effect.² For TDS Sugar Valley, no adjustment to its bank was necessary as the STAS recalculation resulted in a positive number. For TDS M&M, the STAS recalculation amount of negative \$6,485 was drawn from the Company's 2018 banked revenue amount.

Consistent with the Commission-approved Protective Order entered March 31, 2008, at Docket Nos. P-2008-2028290 and P-2008-2028336 and pursuant to 52 Pa. Code § 5.365, the Companies have marked specific information in their filing as proprietary.

On March 2, 2023, the Companies served a copy of their combined PI/SPI Report on the Office of Small Business Advocate (OSBA), the Office of Consumer Advocate (OCA), and the Bureau of Investigation and Enforcement. No comments were filed and no hearings were held.³

III. Discussion

The Companies' annual PI/SPI Report must conform to Chapter 30 and the Companies' Commission-approved Amended Chapter 30 Plan. Our review of the calculations submitted by the Companies indicates that they are accurate and procedurally consistent with Chapter 30 and the terms of the Companies' Commission-approved Amended Chapter 30 Plan at Docket Nos. P-00961115F1000 and P-00961116F1000.

Part 1.A.8 of the Companies' Amended Chapter 30 Plan states that in the event of rate changes, "A Commission Order must be entered within thirty (30) days of the filing, otherwise

² See Docket Nos. R-2022-3034589 (M&M) and R-2022-3034590 (Sugar Valley).

³ On March 29, 2023, the OCA filed a Certificate of Satisfaction on its complaints against the Companies' 2019 PI/SPI filing. See *Office of Consumer Advocate v. TDS Telecom/Mahanoy & Mahantango Telephone Company*, Docket Nos. R-2019-3007949 and C-2019-3008487; and *Office of Consumer Advocate v. TDS Telecom/Sugar Valley Telephone Company*, Docket Nos. R-2019-3007948 and C-2019-3008478.

the tariff(s) shall become effective as filed.”⁴ In their 2023 filing, the Companies did not file for any rate increases. Pursuant to the Companies’ Amended Chapter 30 Plan, the \$65,799 increase authorized under the PI will be added to the Companies’ cumulative banked revenues.

Further, part 1.A.9 of the Companies’ Amended Chapter 30 Plan states, “... the Companies will be allowed to defer any increases ... for a period not to exceed four years.”⁵ Accordingly, the Companies retired all remaining 2018 banked revenue amounts in their 2023 filing.

Previously, the Companies had an aggregate cumulative bank of \$94,643. After the retirement of the remaining 2018 banked amount of \$23,864 and the addition of the \$65,799 from the instant filing, the Companies now have an aggregate cumulative banked revenue amount totaling \$136,578 to be carried forward for future use. It should be noted that each individual Company’s banked revenue amounts may not be shared among the Companies. In accordance with the Companies’ Amended Chapter 30 Plan, deferred rate increases shall accrue no interest. The table below shows the breakdown of these banked amounts by Company.

Banking Summary for each TDS Company⁶					
Company	2022 Banked	2021 Banked	2020 Banked	2019 Banked	Total
Mahanoy & Mahantango	\$50,719	\$33,061	\$7,536	\$13,412	\$104,728
Sugar Valley	\$15,080	\$10,178	\$2,357	\$4,235	\$31,850
Total:	\$65,799	\$43,239	\$9,893	\$17,647	\$136,578

IV. Conclusion

Our review of the Companies’ 2023 PI/SPI Report indicates the PI/SPI calculations and the banked revenue calculations are procedurally consistent with the terms of their Commission-approved Amended Chapter 30 Plan. Accordingly, we shall accept the PI/SPI Report as being procedurally consistent with the terms of their Commission-approved Amended Chapter 30 Plan; **THEREFORE,**

⁴ See Amended Final Streamlined Regulation Plan of TDS TELECOM/Mahanoy & Mahantango Telephone Company and TDS TELECOM/Sugar Valley Telephone Company, Docket Nos. P-00961115F1000 and P-00961116F1000, at 6 (Revised June 30, 2005).

⁵ *Id.*

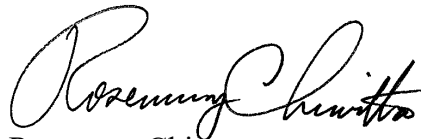
⁶ The Companies’ banked amounts are labeled with the year the revenues from which each banked amount is derived were earned, rather than the year of the annual PI/SPI filing (i.e., the amounts shown under “2022 Banked” are from the Companies’ 2023 PI/SPI filing).

IT IS ORDERED:

1. That the TDS Telecom/Mahanoy & Mahantango Telephone Company and TDS Telecom/Sugar Valley Telephone Company combined 2023 PI/SPI Report is accepted as being procedurally consistent with their Commission-approved Amended Chapter 30 Plan.

2. That a copy of this Order be served on TDS Telecom/Mahanoy & Mahantango Telephone Company, TDS Telecom/Sugar Valley Telephone Company, the Office of Consumer Advocate, the Office of Small Business Advocate, and the Bureau of Investigation and Enforcement.

BY THE COMMISSION,



Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: August 3, 2023

ORDER ENTERED: August 3, 2023