

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

Public Meeting held July 11, 2024

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Ralph V. Yanora
Kathryn L. Zerfuss
John F. Coleman, Jr.

Consolidated Communications of Pennsylvania Company, R-2024-3048652
LLC 2024 Annual Price Stability Index / Service Price Index
Filing

Consolidated Communications of Pennsylvania Company, R-2024-3049328
LLC Supplement No. 235 to Tariff - Telephone PA P.U.C.
No. 11

Consolidated Communications of Pennsylvania Company, R-2024-3049466
LLC (Bentleyville) Supplement No. 128 to Tariff - Telephone
PA P.U.C. No. 6

Consolidated Communications of Pennsylvania Company, R-2024-3049419
LLC (Marianna and Scenery Hill) Supplement No. 145 to
Tariff - Telephone PA P.U.C. No. 6

Consolidated Communications of Pennsylvania Company, P-2021-3027005
LLC Second Amended Alternative Regulation and Network
Modernization Plan

ORDER

BY THE COMMISSION:

I. BACKGROUND

Before us for disposition is Consolidated Communications of Pennsylvania Company, LLC's (Consolidated or Company) 2024 Price Stability Index (PSI) / Service

Price Index (SPI) Report and accompanying Supplement No. 235 to Tariff - Telephone PA P.U.C. No. 11 for Consolidated Communications of Pennsylvania Company, LLC (Consolidated legacy service territory), Supplement No. 128 to Tariff - Telephone PA P.U.C. No. 6 Consolidated Communications of Pennsylvania Company, LLC (Consolidated Bentleyville), and Supplement No. 145 to Tariff - Telephone PA P.U.C. No. 6 Consolidated Communications of Pennsylvania Company, LLC (Consolidated Marianna and Scenery Hill). The Company's annual PSI/SPI Report was filed under the provisions of Act 183 of 2004, P.L. 1398 (66 Pa.C.S. §§ 3011-3019) (Chapter 30) and pursuant to the Company's Second Amended Alternative Regulation and Network Modernization Plan (Chapter 30 Plan) that this Commission approved at Docket Number P-2021-3027005.¹

The Company possesses the statutory right under 66 Pa.C.S. § 3015(a)(1)(iii) and its approved Chapter 30 Plan to seek and obtain an automatic revenue and rate increase as contemplated by Chapter 30. Under the Company's Price Stability Plan (PSP), the PSI 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 PSI. The PSP also contains special provisions for protected services and addresses revenue neutral rate adjustments for noncompetitive services. The PSP set forth in the Company's Chapter 30 Plan is a complete substitution of the rate base/rate of return regulation. Further, the Company's Chapter 30 Plan acknowledges that nothing in its Chapter 30 Plan shall be construed to limit the requirement under 66 Pa.C.S. § 1301 that rates shall be just and reasonable.

II. COMPANY'S FILING

Pursuant to the Company's Chapter 30 Plan, Advance Notice was issued on April 12, 2024, informing the Commission of the forthcoming filing. On April 29, 2024, the Company filed its annual PSI/SPI Report.

¹*Petition of Consolidated Communications of Pennsylvania, LLC to Amend its Chapter 30 Alternative Regulation Plan*, Docket No. P-2021-3027005 (Order entered August 26, 2021).

The Company calculated the change in 2022 and 2023 third-quarter GDP-PI that equates to a 3.20% increase in the PSI. When applied to the combined PSI of 1.5264, this produces a new PSI of 1.5753. Applying this change to current noncompetitive revenues of \$7,564,508 yields a 2024 maximum allowed noncompetitive revenue increase of \$242,359.

In its 2024 filing, the Company proposes to implement a total of \$527,821 in actual rate increases. The SPI indicates the cumulative price changes from current and prior years and tracks the actual total price changes for noncompetitive services. Applied to the newly-calculated combined SPI of 1.1304, the Company’s proposed rate changes produce a new SPI of 1.2093.

As noted in more detail in the following tables, in its 2024 filing, the Company proposes to increase residential access line rates, business access line rates, and various calling features and bundles across all service areas. The rate increases range from \$1.50 to \$5.00. The Company’s proposed rate increases will be implemented through Supplement No. 235 to Tariff - Telephone PA P.U.C. No. 11 Effective August 1, 2024, Supplement No. 128 to Tariff - Telephone PA P.U.C. No. 6 Effective August 7, 2024, and Supplement No. 145 to Tariff - Telephone PA P.U.C. No. 6 Effective August 5, 2024.

Consolidated Communications of Pennsylvania, LLC 2024 Summary of Rate Changes			
<u>Consolidated Legacy Territory- Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Increase</u>
Residential Access Line – Group A	\$24.14	\$26.14	\$2.00
Residential Access Line – Group B	\$25.74	\$27.74	\$2.00
Residential Access Line – Group C	\$27.29	\$29.29	\$2.00
Residential Access Line – Group D	\$28.84	\$30.84	\$2.00
Residential Access Line – Group E	\$30.39	\$32.39	\$2.00
Business 1 Party – Group C	\$27.44	\$30.94	\$3.50
Business 1 Party – Group D	\$31.74	\$35.24	\$3.50
Pay Telephone – Group C	\$27.44	\$30.94	\$3.50
Pay Telephone – Group D	\$31.74	\$35.24	\$3.50
		<u>Proposed</u>	
<u>Residential Features</u>	<u>Current Rate</u>	<u>Rate</u>	<u>Rate Impact</u>
Calling Feature – Call Waiting	\$2.50	\$4.00	\$1.50

Calling Feature – Call Forward	\$2.50	\$4.00	\$1.50
Calling Feature – Three-Way Calling	\$2.50	\$4.00	\$1.50
Calling Feature – Distinctive Ring	\$2.50	\$4.00	\$1.50
Calling Feature – Repeat Call, per line	\$2.50	\$4.00	\$1.50
Calling Feature – Return Call, per line	\$2.50	\$4.00	\$1.50
Calling Feature – Call Block, per line	\$2.50	\$4.00	\$1.50
Calling Feature – Caller Waiting ID, per line	\$1.00	\$2.50	\$1.50
Calling Feature – Caller ID, per line	\$3.50	\$5.00	\$1.50
Calling Feature – Caller ID Deluxe, per line	\$6.00	\$7.50	\$1.50
Calling Feature – Repeat Call, each activation	\$.50	\$2.00	\$1.50
Calling Feature – Return Call, each activation	\$.50	\$2.00	\$1.50

<u>Bentleyville Territory- Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Increase</u>
Residential Access Line	\$21.95	\$23.95	\$2.00
Business Access Line	\$19.65	\$23.15	\$3.50

<u>Residential Features</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Impact</u>
Calling Feature – Non-Published number, each listing	\$2.00	\$3.50	\$1.50
Calling Feature – Call Waiting	\$3.00	\$4.50	\$1.50
Calling Feature – Caller ID on Call Waiting	\$1.00	\$2.50	\$1.50
Calling Feature – Caller ID Service	\$6.50	\$8.00	\$1.50
Calling Feature – Voice Advantage Basic	\$22.95	\$24.95	\$2.00
Calling Feature – Voice Advantage 600	\$22.95	\$24.95	\$2.00
Calling Feature – Voice Advantage Unlimited	\$22.95	\$24.95	\$2.00
Calling Feature – Voice Advantage II Basic	\$21.95	\$23.95	\$2.00
Calling Feature – Voice Advantage II 600	\$21.95	\$23.95	\$2.00
Calling Feature – Voice Advantage II Unlimited	\$21.95	\$23.95	\$2.00
Calling Feature – Voice Advantage II Additional	\$5.00	\$6.50	\$1.50
Calling Features upgrade			

<u>Business Bundles</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Impact</u>
Small Business Bundle w/HSI Month to Month	\$100.65	\$105.65	\$5.00
Small Business Bundle w/HSI 1 year term	\$94.45	\$99.45	\$5.00
Small Business Bundle w/HSI 2 year term	\$89.45	\$94.45	\$5.00
Small Business Bundle w/HSI 3 year term	\$84.45	\$89.45	\$5.00
Small Business Bundle w/Custom Calling and HSI Month to Month	\$105.65	\$110.65	\$5.00
Small Business Bundle w/Custom Calling and HSI 1 year term	\$99.45	\$104.45	\$5.00
Small Business Bundle w/Custom Calling and HSI 2 year term	\$94.45	\$99.45	\$5.00
Small Business Bundle w/Custom Calling and HSI 3 year term	\$89.45	\$94.45	\$5.00

Basic Unlimited Package- One Year Term	\$24.65	\$28.15	\$3.50
Basic Unlimited Package- Two Year Term	\$21.65	\$25.15	\$3.50
Basic Unlimited Package- Three Year Term	\$13.65	\$17.15	\$3.50
Expansion Line with Unlimited Calling Month to Month	\$24.65	\$28.15	\$3.50
Expansion Line with Unlimited Calling 1 year term	\$24.65	\$28.15	\$3.50
Expansion Line with Unlimited Calling 2 year term	\$21.65	\$25.15	\$3.50
Expansion Line with Unlimited Calling 3 year term	\$13.65	\$17.15	\$3.50
<u>Marianna and Scenery Hill Territory- Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Increase</u>
Residential Access Line	\$24.00	\$26.00	\$2.00
Business Access Line	\$24.20	\$27.70	\$3.50
<u>Residential Features</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Impact</u>
Calling Feature – Non-Published number, each listing	\$1.75	\$3.25	\$1.50
Calling Feature – Call Waiting	\$3.00	\$4.50	\$1.50
Calling Feature – Caller ID Deluxe	\$6.95	\$8.45	\$1.50
Calling Feature – Caller ID Service	\$4.50	\$6.00	\$1.50
Calling Feature – Voice Advantage Basic	\$23.74	\$25.74	\$2.00
Calling Feature – Voice Advantage 600	\$23.74	\$25.74	\$2.00
Calling Feature – Voice Advantage Unlimited	\$23.74	\$25.74	\$2.00
Calling Feature – Voice Advantage II Basic	\$22.99	\$24.99	\$2.00
Calling Feature – Voice Advantage II 600	\$22.99	\$24.99	\$2.00
Calling Feature – Voice Advantage II Unlimited	\$22.99	\$24.99	\$2.00
Calling Feature – Voice Advantage II Additional	\$5.00	\$6.50	\$1.50
Calling Features upgrade			
<u>Business Bundles</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Impact</u>
Basic Unlimited Package- One Year Term	\$29.20	\$32.70	\$3.50
Basic Unlimited Package- Two Year Term	\$26.20	\$29.70	\$3.50
Basic Unlimited Package- Three Year Term	\$18.20	\$21.70	\$3.50
Expansion Line with Unlimited Calling Month to Month	\$29.20	\$32.70	\$3.50
Expansion Line with Unlimited Calling 1 year term	\$29.20	\$32.70	\$3.50
Expansion Line with Unlimited Calling 2 year term	\$26.20	\$29.70	\$3.50
Expansion Line with Unlimited Calling 3 year term	\$18.20	\$21.70	\$3.50

Consistent with the Commission-approved Protective Order entered June 27, 2008, at Docket No. P-2008-2041508 and pursuant to 52 Pa. Code § 5.365, the Company has marked specific information in its PSI/SPI Report as proprietary.

On April 29, 2024, the Company served a copy of its PSI/SPI Report on the Office of Small Business Advocate (OSBA), the Office of Consumer Advocate (OCA), and the Commission's Bureau of Investigation and Enforcement. No protests were filed and no hearings were held.

III. DISCUSSION

1. Plan Provisions

Part 3.A.8 - 10 of the Company's Chapter 30 Plan states the following regarding its annual PSI/SPI filings:

On or before the anniversary date of the Plan (or the closest Commission working day thereafter) and annually thereafter, the Company shall file with the Commission a PSI and SPI Report. Each such annual filing may be accompanied by tariffs to implement any required or authorized rate changes.... Any and all interventions or complaints shall be due within fifteen (15) days after the initial filing.... A Commission Order must be entered within sixty (60) days of the filing (or such other time as may be otherwise provided herein), otherwise the tariff(s) shall become effective as filed.... Such rates shall be deemed Commission-made.

Further, part 3.A.7 of the Company's Chapter 30 plan contains the following provision regarding banking:

If the Company elects not to increase its rates by the full amount allowed under the terms of the Plan, including exogenous events in a given year, the Company may increase its rates in future years to reflect the full amount of the allowable increase previously deferred. The Company may bank increases for a period not to exceed four (4) consecutive years. The Company may not bank decreases, but may offset increases with decreases for banking purposes. The Company will not, however, attempt to recover any revenues foregone as a result of deferring the increase in prices.

2. PSI/SPI Calculations

The Company's annual PSI/SPI filing submissions under Chapter 30 laws must conform to its Commission-approved Amended Chapter 30 Plan. Our review of the calculations submitted by Consolidated indicates that they are procedurally consistent with the terms of the Company's Price Stability Plan formula approved in its Chapter 30 Plan.

3. Banked Revenues

The banking methods the Company uses in its 2024 PSI/SPI Report are also procedurally consistent with its Chapter 30 Plan. The Company will bank the entire \$242,359 available in its current filing for future use. Pursuant to the provisions of its Chapter 30 Plan, the Company must retire the 2020 banked revenue amount in the instant filing.

The Company's banked revenue was reduced by \$167,371 as part of the Company's 2023 State Tax Adjustment Surcharge (STAS) filing.²

Previously, the Company's combined cumulative banked revenues totaled \$1,348,229. After the reduction for the 2023 STAS recalculation, the reduction for the proposed rate increases, and the addition of the 2024 banked revenue amount, the Company has a new cumulative banked revenue amount of \$760,167. We note that in

² See Docket No. R-2023-3042388.

accordance with the Company's Chapter 30 Plan, deferred increases shall carry no interest. The following table shows the breakdown of the Company's cumulative bank:

Consolidated Communications of Pennsylvania Company, LLC Banking Summary	
Banked annual revenue increase from 2021 PSI/SPI Report	\$ 0
Banked annual revenue increase from 2022 PSI/SPI Report	\$ 0
Banked annual revenue increase from 2023 PSI/SPI Report	\$ 517,808
Banked annual revenue increase from 2024 PSI/SPI Report	\$ 242,359
Total:	\$ 760,167

IV. CONCLUSION

Our review of the Company's 2024 PSI/SPI Report indicates the PSI/SPI calculations, the banked revenue calculations, and the proposed rate increases are procedurally consistent with the terms of its Chapter 30 Plan. Accordingly, we shall accept the PSI/SPI Report as being procedurally consistent with the terms of their Commission-approved Amended Chapter 30 Plan; **THEREFORE,**

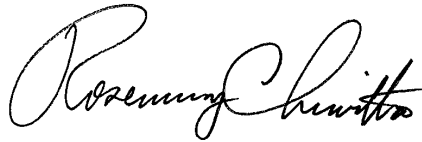
IT IS ORDERED:

1. That Consolidated Communications of Pennsylvania Company, LLC's 2024 PSI/SPI Report is accepted as being procedurally consistent with its Commission-approved Amended Chapter 30 Plan.
2. That Consolidated Communications of Pennsylvania Company, LLC's Supplement No. 235 to Tariff - Telephone PA P.U.C. No. 11 shall be permitted to go into effect on August 1, 2024.
3. That Consolidated Communications of Pennsylvania Company, LLC's (Bentleyville) Supplement No. 128 to Tariff - Telephone PA P.U.C. No. 6 shall be permitted to go into effect on August 7, 2024.
4. That Consolidated Communications of Pennsylvania Company, LLC's (Marianna and Scenery Hill) Supplement No. 145 to Tariff - Telephone PA P.U.C. No. 6 shall be permitted to go into effect on August 5, 2024.

5. That a copy of this Order be served on Consolidated Communications of Pennsylvania Company, LLC, the Office of Consumer Advocate, the Office of Small Business Advocate, and the Bureau of Investigation and Enforcement.

6. That the case be marked closed.

BY THE COMMISSION,

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is written in a cursive, flowing style.

Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: July 11, 2024

ORDER ENTERED: July 11, 2024