

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

Public Meeting held June 18, 2025

Commissioners Present:

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

Consolidated Communications of Pennsylvania Company, LLC R-2025-3054669
2025 Annual Price Stability Index / Service Price Index Filing

Consolidated Communications of Pennsylvania Company, LLC
Supplement No. 236 to Tariff - Telephone PA P.U.C. No. 11

Consolidated Communications of Pennsylvania Company, LLC R-2025-3055556
Supplement No. 237 to Tariff - Telephone PA P.U.C. No. 11

Consolidated Communications of Pennsylvania Company, LLC
(Bentleyville) Supplement No. 130 to Tariff - Telephone PA
P.U.C. No. 6

Consolidated Communications of Pennsylvania Company, LLC R-2025-3055604
(Bentleyville) Supplement No. 131 to Tariff - Telephone PA
P.U.C. No. 6

Consolidated Communications of Pennsylvania Company, LLC
(Marianna and Scenery Hill) Supplement No. 147 to Tariff -
Telephone PA P.U.C. No. 6

Consolidated Communications of Pennsylvania Company, LLC R-2025-3055596
(Marianna and Scenery Hill) Supplement No. 148 to Tariff -
Telephone PA P.U.C. No. 6

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

Office of Small Business Advocate v. Consolidated C-2025-3055185
Communications of Pennsylvania Company, LLC

ORDER

BY THE COMMISSION:

I. BACKGROUND

Before us for disposition is Consolidated Communications of Pennsylvania Company, LLC's ("Consolidated" or "Company") 2025 Price Stability Index (PSI)/Service Price Index (SPI) Report and accompanying Supplement No. 236 to Tariff - Telephone PA P.U.C. No. 11 for Consolidated Communications of Pennsylvania Company, LLC (Consolidated legacy service territory), Supplement No. 130 to Tariff - Telephone PA P.U.C. No. 6 Consolidated Communications of Pennsylvania Company, LLC (Consolidated Bentleyville), Supplement No. 147 to Tariff - Telephone PA P.U.C. No. 6 Consolidated Communications of Pennsylvania Company, LLC (Consolidated Marianna and Scenery Hill), Supplement No. 237 to Tariff - Telephone PA P.U.C. No. 11 for Consolidated Communications of Pennsylvania Company, LLC (Consolidated legacy service territory), Supplement No. 131 to Tariff - Telephone PA P.U.C. No. 6 Consolidated Communications of Pennsylvania Company, LLC (Consolidated Bentleyville) and Supplement No. 148 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 (Amended 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 Amended 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" or "Plan"), included within the Company's Amended Chapter 30 Plan, the PSI

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).

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 is a complete substitution of the rate base/rate of return regulation. Further, the Company's Amended Chapter 30 Plan acknowledges that nothing in its 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 Amended Chapter 30 Plan, Advance Notice was issued on April 11, 2025, informing the Commission of the forthcoming filing. On April 30, 2025, the Company filed its annual PSI/SPI Report which included Supplement No. 236 to Tariff - Telephone PA P.U.C. No. 11 for Consolidated Communications of Pennsylvania Company, LLC (Consolidated legacy service territory), Supplement No. 130 to Tariff - Telephone PA P.U.C. No. 6 Consolidated Communications of Pennsylvania Company, LLC (Consolidated Bentleyville), and Supplement No. 147 to Tariff - Telephone PA P.U.C. No. 6 Consolidated Communications of Pennsylvania Company, LLC (Consolidated Marianna and Scenery Hill) (Original Filing). On June 3, 2025, the Company filed Supplement No. 237 to Tariff - Telephone PA P.U.C. No. 11 for Consolidated Communications of Pennsylvania Company, LLC (Consolidated legacy service territory) lowering the originally filed proposed rates for some but not all rate elements (Amended Filing). On June 6, 2025, the Company filed Supplement No. 131 to Tariff - Telephone PA P.U.C. No. 6 Consolidated Communications of Pennsylvania Company, LLC (Consolidated Bentleyville) and Supplement No. 148 to Tariff - Telephone PA P.U.C. No. 6 Consolidated Communications of Pennsylvania Company, LLC (Consolidated Marianna and Scenery Hill) mirroring the originally filed proposed rates.

The Company calculated the change in 2023 and 2024 third-quarter GDP-PI that equates to a 2.25% increase in the PSI. When applied to the combined PSI of 1.5753, this produces a new PSI of 1.6107. Applying this change to current noncompetitive revenues of \$6,232,490 yields a 2025 maximum allowed noncompetitive revenue increase of \$139,994.

In its Original Filing, the Company proposes to implement a total of \$412,474 in actual rate increases. The Amended Filing changes the amount of proposed rate increases to \$66,375. We will use the \$66,375 as the final amount removed from the Company's bank. 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 combined SPI of 1.2093, the Company's proposed rate changes produce a new SPI of 1.2222.²

As noted in more detail in the following tables, in its Original Filing and subsequent Amended Filing, the Company proposes to increase business access line rates and various calling features and bundles across all service areas.

Consolidated Communications of Pennsylvania, LLC			
<u>Consolidated Legacy Territory- Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Increase</u>
Business 1 Party – Group C	\$30.94	\$34.44	\$3.50
Business 1 Party – Group D	\$35.24	\$38.74	\$3.50
Pay Telephone – Group C	\$30.94	\$34.44	\$3.50
Pay Telephone – Group D	\$35.24	\$38.74	\$3.50
<u>Bentleyville Territory- Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Increase</u>
Business Access Line	\$23.15	\$26.65	\$3.50
<u>Business Bundles</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Impact</u>
Small Business Bundle w/HSI Month-to-Month	\$105.65	\$109.15	\$3.50
Small Business Bundle w/HSI 1 year term	\$99.45	\$102.95	\$3.50
Small Business Bundle w/HSI 2 year term	\$94.45	\$97.95	\$3.50
Small Business Bundle w/HSI 3 year term	\$89.45	\$92.95	\$3.50
Small Business Bundle w/Custom Calling and HSI Month to Month	\$110.65	\$114.15	\$3.50

² The Amended Filing did not contain calculations or adjustments to the Company's banked revenues or SPI. Therefore, Staff adjusted the Company's original calculations to accommodate the Amended Filing, which adjusted calculations are described further in the Order.

Small Business Bundle w/Custom Calling and HSI 1 year term	\$104.45	\$107.95	\$3.50
Small Business Bundle w/Custom Calling and HSI 2 year term	\$99.45	\$102.95	\$3.50
Small Business Bundle w/Custom Calling and HSI 3 year term	\$94.45	\$97.95	\$3.50
Basic Unlimited Package- One Year Term	\$28.15	\$31.65	\$3.50
Basic Unlimited Package- Two Year Term	\$25.15	\$28.65	\$3.50
Basic Unlimited Package- Three Year Term	\$17.15	\$20.65	\$3.50
Expansion Line with Unlimited Calling Month to Month	\$28.15	\$31.65	\$3.50
Expansion Line with Unlimited Calling 1 year term	\$28.15	\$31.65	\$3.50
Expansion Line with Unlimited Calling 2 year term	\$25.15	\$28.65	\$3.50
Expansion Line with Unlimited Calling 3 year term	\$17.15	\$20.65	\$3.50
<u>Marianna and Scenery Hill Territory- Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Increase</u>
Business Access Line	\$27.70	\$31.20	\$3.50
<u>Business Bundles</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Impact</u>
Basic Unlimited Package- One Year Term	\$32.70	\$36.20	\$3.50
Basic Unlimited Package- Two Year Term	\$29.70	\$33.20	\$3.50
Basic Unlimited Package- Three Year Term	\$21.70	\$25.20	\$3.50
Expansion Line with Unlimited Calling Month to Month	\$32.70	\$36.20	\$3.50
Expansion Line with Unlimited Calling 1 year term	\$32.70	\$36.20	\$3.50
Expansion Line with Unlimited Calling 2 year term	\$29.70	\$33.20	\$3.50
Expansion Line with Unlimited Calling 3 year term	\$21.70	\$25.20	\$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 30, 2025, 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.

On May 13, 2025, before the Company amended its filing, OSBA filed a Formal Complaint at Docket No. C-2025-3055185. OSBA contends that the rate increases of 93.92% (Rate C Group) and 70.26% (Rate D Group) are unjust and unreasonable and violate the requirements of Section 1301 of the Public Utility Code, 66 Pa. C.S. Section 1301.

As noted above, the Company amended its filing on June 3, 2025 and June 6, 2025.

III. DISCUSSION

1. Plan Provisions

Part 3.A.8 - 10 of the Company's Amended 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 Amended 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 PSP formula approved in its Amended Chapter 30 Plan.

3. Banked Revenues

The banking methods the Company uses in its Original Filing are also procedurally consistent with its Amended Chapter 30 Plan. The Company will bank the entire \$139,994 available in its current filing for future use.

The Company's banked revenue was reduced by \$173,956 as part of the Company's 2024 State Tax Adjustment Surcharge (STAS) filing.³ The Company's Original Filing reduced the bank by \$412,274. However, we note the new bank reduction for the rate increases after the Company's Amended Filing is \$66,375.

Previously, the Company's combined cumulative banked revenues totaled \$760,167. After the reduction for the 2024 STAS recalculation, the reduction for the proposed rate increases, and the addition of the 2025 banked revenue amount, the Company has a new cumulative banked revenue amount of \$659,830. The Company's filing differs from the bank in the PSI Order from 2024.⁴ Therefore, we have used the previously approved bank amounts in the table below. We note that in accordance with

³ See Docket No. R-2024-3050936.

⁴ See Docket No. R-2024-3048652.

the Company’s Amended 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				
Year of Bank	Amount in Bank	Withdrawn with this Filing	Retired Bank	Remaining Banked Amount
2022	\$0	\$0	\$0	\$0
2023	\$517,808	\$240,331	\$0	\$277,477
2024	\$242,359	\$0	\$0	\$242,359
2025	\$139,994	\$0	\$0	\$139,994
Totals	\$900,161.00	\$240,331.00	\$ 0.00	\$659,830.00

IV. CONCLUSION

Our review of the Company’s 2025 PSI/SPI Report indicates the PSI/SPI calculations, the banked revenue calculations, and the proposed rate increases, as modified herein, are procedurally consistent with the terms of its Amended Chapter 30 Plan. We shall accept the PSI/SPI Report, as modified herein, subject to the final adjudication of the outstanding OSBA Formal Complaint pending before our Office of the Administrative Law Judge and further disposition by the Commission;

THEREFORE,

IT IS ORDERED:

1. That Consolidated Communications of Pennsylvania Company, LLC’s 2025 PSI/SPI Report is accepted, as modified herein, as being procedurally consistent with its Commission-approved Amended Chapter 30 Plan.

2. That the cases be assigned to the Office of Administrative Law Judge for adjudication of the Formal Complaint of the Office of Small Business Advocate, the issuance of a corresponding recommended decision and for the consideration of any

potential rate effects and accounting adjustments that may be or are subject to appropriate rate refunds.

3. That Consolidated Communications of Pennsylvania Company, LLC's Supplement No. 236 to Tariff - Telephone PA P.U.C. No. 11 shall be permitted to go into effect on August 1, 2025, subject to the adjudication of the Formal Complaint of the Office of Small Business Advocate before the Office of Administrative Law Judge and further Orders of the Commission as necessary.

4. That Consolidated Communications of Pennsylvania Company, LLC's Supplement No. 237 to Tariff - Telephone PA P.U.C. No. 11 shall be permitted to go into effect on August 1, 2025, subject to the adjudication of the Formal Complaint of the Office of Small Business Advocate before the Office of Administrative Law Judge and further Orders of the Commission as necessary.

5. That Consolidated Communications of Pennsylvania Company, LLC's (Bentleyville) Supplement No. 130 to Tariff - Telephone PA P.U.C. No. 6 shall be permitted to go into effect on August 7, 2025, subject to the adjudication of the Formal Complaint of the Office of Small Business Advocate before the Office of Administrative Law Judge and further Orders of the Commission as necessary.


6. That Consolidated Communications of Pennsylvania Company, LLC's (Bentleyville) Supplement No. 131 to Tariff - Telephone PA P.U.C. No. 6 shall be permitted to go into effect on August 7, 2025, subject to the adjudication of the Formal Complaint of the Office of Small Business Advocate before the Office of Administrative Law Judge and further Orders of the Commission as necessary.

7. That Consolidated Communications of Pennsylvania Company, LLC's (Marianna and Scenery Hill) Supplement No. 147 to Tariff - Telephone PA P.U.C. No. 6 shall be permitted to go into effect on August 5, 2025, subject to the adjudication of the Formal Complaint of the Office of Small Business Advocate before the Office of Administrative Law Judge and further Orders of the Commission as necessary.

8. That Consolidated Communications of Pennsylvania Company, LLC's (Marianna and Scenery Hill) Supplement No. 148 to Tariff - Telephone PA P.U.C. No. 6 shall be permitted to go into effect on August 5, 2025, subject to the adjudication of the Formal Complaint of the Office of Small Business Advocate before the Office of Administrative Law Judge and further Orders of the Commission as necessary.

9. 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.

BY THE COMMISSION,



Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: June 18, 2025

ORDER ENTERED: June 18, 2025