

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

News Release

For Release: August 21, 1992

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UTILITIES COMMISSION GRANTS ELLERBE TELEPHONE COMPANY  
A PARTIAL RATE INCREASE

After investigation and following public hearings, the North Carolina Utilities Commission today entered an Order allowing Ellerbe Telephone Company an increase in its local service rates and charges of \$168 thousand or 59% annually.

The Company's application for rate relief was filed with the Commission on January 31, 1992. The Company initially requested an increase of \$240 thousand or 84% annually in its local service revenues. The Company and the Public Staff of the Utilities Commission entered into an agreement regarding the appropriate overall increase in annual revenues.

Underlying the increase in rates were increases in costs since the Company's last general rate case in December 1979. These greater costs include increased investment in plant and facilities for the purpose of increasing and improving service to the public and other overall cost increases.

The approved increase of \$168 thousand in local service revenues will have an impact on the rates and charges for virtually all local exchange services provided by the Company.

The Commission's Order approved a monthly rate of \$14.74 for the one-party residential access line rate, an increase of \$4.67 per month and \$36.85 for the business one-party access line rate, an increase of \$17.06 per month. The Company had proposed a basic local residential one-party access line rate of \$17.10, an increase of \$7.03 over the present monthly rate while the business rate for the local access line would have increased to \$42.75, an increase of \$22.96 over the present rate.

In allowing the increase in local service revenues, the Commission found that the approved rates will provide Ellerbe Telephone Company under efficient management an opportunity to earn an overall rate of return of 8.56% on its investment in telephone plant and facilities. The Commission found the rate increase to be the minimum that could be granted and still allow the Company to maintain good service and to meet growth in customer demand for telephone service.

Ellerbe Telephone Company provides service in Richmond County, North Carolina.