

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF SOUTH CENTRAL BELL)
TELEPHONE COMPANY OF AN) CASE NO.
ADJUSTMENT IN ITS INTRASTATE) 8847
RATES AND CHARGES)

and

THE VOLUME USAGE MEASURED RATE)
SERVICE AND MULTILINE SERVICE) CASE NO.
TARIFF FILING OF SOUTH CENTRAL) 8879
BELL TELEPHONE COMPANY)

O R D E R

IT IS ORDERED that South Central Bell Telephone Company ("SCB") shall file an original and 15 copies of the following information with the Commission on or before September 26, 1983. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said

information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and Kentucky jurisdictional operations, separately. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

UNLESS OTHERWISE STATED, REFERENCES ARE TO THE COMMISSION'S ORDER DATED AUGUST 12, 1983.

1. Please provide a breakdown of the expense accounts listed in the Company's response to Question No. 9, by Functional Sub-account ("FSUB"). For each FSUB, identify:

- (a) Actual test year operating expenses;
- (b) The Company's proposed retention ratio for the FSUB;
- (c) Proposed pro forma adjustments to the FSUB;
- (d) Adjusted retained amounts.

2. Provide a detailed description, including all background notes, workpapers, methodologies, and guidelines, explaining how the retention ratios listed in response to the previous request were developed.

3. Provide detailed support and justification, including all associated workpapers, memoranda, guidelines, and other documentation, for the proposed pro forma adjustments listed in response to Question #1 above.

4. Provide a detailed description of all job functions and budget items included in each Expense FSUB listed in response to Question #1 of this request.

5. Provide a complete breakdown of test year expenses in each FSUB according to individual expense classifications. These classifications should include management and non-management wages and salaries, materials and equipment, overhead, and other direct and indirect costs (itemized).

6. Please provide an item-by-item listing of all test year expenses charged to FSUB 230M, Other Expense Overheads. Include a description of each expense item, the amount paid, and, where possible, the date the expense was incurred and by whom it was authorized.

7. If the information requested in Question #1 above is not available in the form requested (i.e., by FSUB), please provide a detailed description, including all associated workpapers and other documentation, of the forecasting process applied in developing retained expense levels, as discussed in Mr. Ballard's testimony at page 18, item 2.

8. Explain in detail how the adjustment to General Expense in Mr. Ballard's Exhibit 3, Column Q was developed. Specifically identify how test year costs for Business Information Systems, discussed in Mr. Ballard's testimony at page 8, were treated in the development of this adjustment.

9. Describe how the 1984 costs for the provision of centralized services were developed and disaggregated into the subdivisions (e.g., Treasury, Legal) presented on sheets 3 and 4 of the Company's response.

10. Identify the components of the "All Other" category listed under the License Contract category for which \$8.5 million in expenses to be incurred by the CSO will be allocated to SCB.

11. Describe how the Activity Description Sheets ("ADS") presented as part of the Company response to Question No. 19 were developed.

12. Identify those persons who developed the ADS and the entity they are associated with.

13. Of the services/activities associated with the ADS, identify which correspond to core projects and which correspond to non-core projects to be provided by the CSO.

14. Provide the estimated 1984 CSO costs by service/activity identified on the ADS.

15. Describe in detail the "every effort...being made to actually reduce the Region's personnel requirements" that is referred to in the Company response to Question No. 20-B.

16. Provide as soon as available "refined estimates" of additional revenue from official and concession services which SCB will be receiving.

17. Provide the basis of the Company's preliminary estimates of \$293,000 and \$172,718 for official and concession services, respectively. Provide any workpapers or other documents which support these estimates.

18. Describe in detail how the investment figures presented by the Company in response to Question No. 52 were derived.

19. Explain why outward movement for intrastate private line service is not available.

Done at Frankfort, Kentucky, this 15th day of September,
1983.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary