

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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

and

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

O R D E R

The Commission, having received motions to dismiss this case, is scheduling a hearing on October 31, 1983, at 9:00 a.m., E.S.T., in its offices at Frankfort, Kentucky, for the purpose of permitting South Central Bell Telephone Company ("Bell") and other parties the opportunity to present oral argument on the issues of whether Bell's filings of October 17, 1983, and anticipated future filings, constitute a new rate case filing in the meaning of 807 KAR 5:011 (9:2), or whether this rate proceeding should be dismissed. Memoranda of law filed with the Commission by 12:00 noon, E.D.T., October 28, 1983, will be considered by the Commission in reaching a decision in this matter.

The Commission is scheduling this hearing for the following reasons:

1. Bell's filings of October 17, 1983, amend rates and billing analysis data originally filed on July 29, 1983, including increases in foreign exchange service, Wide Area Telecommunications Service ("WATS"), and Message Telecommunications Service ("MTS") rate levels from those filed on July 29, 1983, in apparent violation of KRS 278.180 and 278.190, detailing procedures for changing rates and periods of suspension; 807 KAR 5:001, detailing Commission rules of procedure; and 807 KAR 5:011, detailing Commission tariff filing requirements, especially Section 9, paragraph 2, which states:

(2) All information and notice required by these rules shall be furnished to the commission at the time of the filing of any proposed revisions in rates or regulations, and the twenty (20) days statutory notice to the commission will not commence to run and will not be computed until such information and notice is filed if the Commission determines that there was a substantial omission, which was prejudicial to full consideration by the Commission or an intervenor [sic].

2. Bell's filings of October 17, 1983, indicate that revised Volume Usage Measured Service, ESSX Multi-Line Service, and Centrex Service tariffs will be filed when its analyses of these services are complete, tentatively in November, 1983, which would appear to place an unreasonable discovery and decision-making burden upon the Commission and all other parties to this proceeding, and also would be in apparent violation of the KRS and KAR provisions noted above.

3. The Federal Communication Commission's ("FCC") Order of October 19, 1983, in CC 83-1145, suspending Bell's interstate

Access Service Tariff until April 3, 1984, will affect implementation of Bell's intrastate Access Service Tariff and thus apparently cause further adjustments to Bell's intrastate General Exchange Service and Private Line Tariffs, as filed in this case.

4. In view of the uncertainties surrounding the FCC's resolution of its suspension of Bell's interstate Access Service Tariff, which Bell has proposed to mirror on an intrastate basis, the Commission may not be able to proceed with any degree of certainty in Case No. 8838, An Investigation of Toll and Access Charge Pricing and Toll Settlement Agreements for Telephone Utilities Pursuant to Charges to be Effective January 1, 1984, and thus may not be able to arrive at decisions concerning issues in that case which will directly affect rate design options in this case before January 20, 1984, which is the end of the suspension period in this case.

5. The Commission has asked Bell to file all specific information and assumptions regarding its financial adjustments related to its post-divestiture operations. This was established as a precondition to the case in Administrative Case No. 264, South Central Bell Telephone Company's Use of a Projected Test Year in Connection with South Central Bell Telephone Company's 1983 Application to Adjust Rates. When Bell failed to meet that precondition, the Commission requested the information in four separate Orders in this case (Orders entered July 25, 1983, August 18, 1983, September 2, 1983, and September 15, 1983.)

At the formal conference held October 10, 1983, regarding the provision of data requested by the Commission, Bell agreed to provide the detailed data documenting specific post-divestiture retention ratios of specific adjustments. This information was filed October 17, 1983. The period of time available for discovery in this case has elapsed. It appears that thorough analysis or effective cross-examination regarding these post-divestiture adjustments cannot be accomplished within the remaining period of time the Commission has to review this case. Thus, the due process rights of all parties to this proceeding appear to be in jeopardy.

6. Bell's filing of October 17, 1983, proposed repression adjustments for residential access, business access, residential MTS and business MTS. The introduction of repression adjustments will require a substantial data request and subsequent analysis, all of which the Commission may not be able to complete within the remaining suspension period.

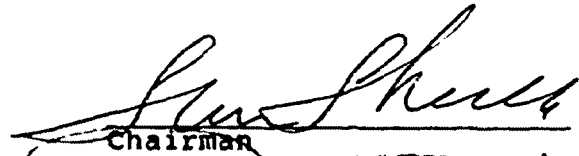
7. The substantive changes proposed in Bell's case appear to seriously impede the Commission in meeting its statutory requirement of setting fair, just and reasonable rates.

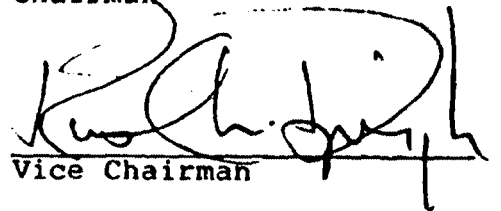
IT IS THEREFORE ORDERED that a hearing be and it hereby is scheduled on October 31, 1983, at 9:00 a.m. E.S.T., for the purpose of permitting Bell and all other parties an opportunity to present oral argument on the issues discussed herein.

IT IS FURTHER ORDERED that memoranda of law shall be filed with the Commission by 12:00 noon, E.D.T., on October 28, 1983, by any party which so elects.

Done at Frankfort, Kentucky, this 24th day of October, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary