

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 ADJUST-) CASE NO. 8847
MENT IN ITS INTRASTATE RATES)
AND CHARGES)

and

In the Matter of:

THE VOLUME USAGE MEASURED RATE)
SERVICE AND MULTILINE SERVICE) CASE NO. 8879
TARIFF FILING OF SOUTH CENTRAL)
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 November 18, 1983. Each copy of the data requested should be placed in a bound volume with each Item tabbed. When a number of sheets is 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.

The Commission is requesting this information in order to clarify previous responses and exhibits which are insufficient in scope and/or detail to allow adequate preparation for the hearing.

1. With reference to Ballard Revised Exhibit 3, Part 2, provide Column "P" on an intrastate basis with an explanation of separation factors and any direct assignment used in its determination.

2. Provide a schedule of depreciation and amortization expense on an end-of-period basis for intrastate operations both on an pre- and post-divestiture basis.

3. Provide Item 18c, page 2, Staff Request No. 1 on an intrastate basis.

4. Provide on an end-of-period (4/30/83) basis, a schedule of salaries and wages in the format in question 3 above. Furthermore, provide an explanation and/or reconciliation of the end-of-period schedule of wages and salaries with the revised level of expenses, salaries and wages provided in response to Staff Request No. 3, Item 10 Supplemental. What assumptions were used in the determi-

nation of the projected 1984 amount (i.e., number of employees expected at 12/31/83, number of employees at the date of response, average wages expected at 12/31/83, average wages at the date of response - per FCC account, etc.).

5. Provide a schedule of employee benefits in comparative form for the test period and on an end-of-period basis for intrastate operations. Furthermore, identify the respective amounts expensed.

6. Provide the amount of CWIP eligible for computation of IDC on an end-of-period basis for both pre- and post-divestiture.

7. Provide a schedule showing the salaries, wages and other expenses of the Corporate and Community Affairs Department for the test period and the calendar years 1980, 1981, and 1982 on an intrastate basis. Provide the corresponding amount post-divestiture.

8. Provide a reconciliation of Ballard's Exhibit 3, Part 2, intrastate toll and intrastate toll after divestiture (Column Q) to the response to Staff Request No. 3, Item 55, Sheet 3 of 4. Further, update Ballard's Exhibit 3 and the response to Item 55 to reflect changes in the three lata configuration and the Ashland changes.

9. With reference to Matheson's testimony, page 41, provide a schedule identifying the loss in revenues, the reduction in expenses, income tax effect and the capital costs used in the determination of the \$24 million CPE contribution. In addition provide a similar schedule for the

toll contribution of \$38 million (update the \$38 million to reflect changes). Reference these changes to Ballard Exhibit 3, Part 2, Column Q.

10. With reference to Staff Request 2, Item 9 Supplemental, each retention ratio is determined inclusive of an amount labeled "contract charging." Provide an explanation of these amounts and their sources in full detail.

11. Provide the assumptions and all calculations used to develop pre- and post-divestiture amounts determined in the 1984 forecasts submitted in Item 9 Supplemental. What level of overheads was used and how does this level compare to actual overhead leads during the test period. How was the 1984 level of salaries and wages determined, on an average basis, an individual basis or by some other method?

12. Provide South Central Bell of Kentucky intrastate capital using the balances at April 30, 1983, on a post-divestiture basis. (This was not supplied in your response to Staff Request No. 2, Item 12.)

13. Why was \$821,560,000, the intrastate capital at April 30, 1983, used in Matheson's determination of revenue requirements on a post-divestiture basis?

14. Provide a billing analysis and price-out of all customer premises equipment and associated rate elements that will be detariffed and transferred to ATTIS on January 1, 1984.

15. Provide a billing analysis and price-out of all rate elements in the General Subscriber Services Tariff, Customer Premises Products Tariff, Private Line Service Tariff, and Dataphone Digital Service Tariff that are not to be detariffed and transferred to ATTIS on January 1, 1984, and that are not proposed to be increased in Case Number 8847.

16. Describe the manner in which recording of local messages for LMS is done in central offices with #5 crossbar, step by step, and any other type of electromechanical switching equipment. Specifically address the following:

A. What type of equipment is required at the central office (step by step or crossbar) that will provide LMS, what specifically is it's function, and basically how does it operate?

B. What type of trunks are required, if any, between the central office and the recording equipment; also how many?

C. What type of recording equipment is needed to record local calls and basically, how does this operate in connection with the equipment added to the central office?

17. Is the recording of local messages done at that office in central offices with analog electronic switching equipment such as 1ESS, 1AESS, 2ESS, and 3ESS? Please describe how this recording is accomplished.

18. Please supply a traffic report for the Frankfort East and Main offices, similar to that provided in Item 11, Attachment 3 in Staff Request dated October 7, 1983, which shows the 10 high days of the year in terms of CCS/MS and time of day. Please provide this for the 2 years prior to the institution of LMS in Frankfort and the 2 most recent years.

Done this 10th day of November, 1983, at Frankfort, Kentucky.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary