

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

PETITION OF SOUTH CENTRAL BELL)
TELEPHONE COMPANY TO CHANGE)
AND INCREASE CERTAIN RATES) CASE NO. 9160
CHARGES FOR INTRASTATE TELEPHONE)
SERVICE)

O R D E R

On December 17, 1984, Assistant Chief Accountant C. J. Lathram, witness for South Central Bell Telephone Company ("Bell"), filed accounting exhibits reconciling actual operations for the 12-month test period ending August 31, 1984, to its proposed adjusted end-of-period operations. This reconciliation consisted of annualizing test period revenues and expenses based either on an 8-month or 1-month period of time. In neither his written explanation nor accompanying work papers has Mr. Lathram provided sufficient supporting documentation showing how the adjustments were determined as reasonable or demonstrating the underlying assumptions made to justify the proposed ongoing level of operations resulting from the adjusted data. This requires the staff to make numerous additional requests for information and documentation, increasing the time required to review the case. In essence, the Commission has been expected to accept unsubstantiated adjustments upon which Bell has based its projected revenue requirements. The Commission reminds Bell that the burden of

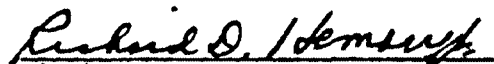
proof rests with it to show the validity of its proposed operations, whether adjusted or actual. Further, it is Bell's burden to demonstrate that these operations have been properly utilized in determining a fair, just and reasonable revenue requirement. Therefore, the Commission hereby notifies Bell that all aspects of this proceeding filed without reasonably detailed supporting documentation and also supplemented by an adequate narrative "executive" summary of the results will not be accepted as adequate by this Commission.

The Commission will give Bell until January 23, 1985, to provide the necessary detailed supporting documentation for the financial exhibits previously filed in this proceeding.

IT IS THEREFORE ORDERED that Bell be and it hereby is required to comply with the instructions set forth herein.

Done at Frankfort, Kentucky, this 15th day of January, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary