

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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

O R D E R

IT IS ORDERED that South Central Bell Telephone Company ("South Central") shall file an original and 12 copies of the information requested in this Order with the Commission by March 4, 1985, with a copy to all parties of record. 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

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.

Directory Assistance and Operator Services

1. In the case of the Residence Directory Assistance Plan:

A) Provide a narrative description of the procedures used to develop the price-out, including an explanation of all assumptions.

B) Provide an itemized explanation of call volume development under the current and proposed plans.

C) Provide an itemized explanation of revenue computations under the current and proposed plans.

D) Provide an itemized explanation of cost savings under the proposed plan.

E) Provide an itemized explanation of increased costs under the proposed plan.

F) Itemize all exemptions and allowances under the current and proposed plans.

G) Itemize the incremental revenue impact of each exemption and allowance elimination under the proposed plan, including related cost savings and increased costs.

H) Provide cost of service analyses under the current and proposed plans, including an explanation of study methodology and assumptions.

I) Provide revised price-out allowing exemptions for handicapped subscribers, unlisted numbers, and incorrect listings. Explain all assumptions used to develop the revised price-out and the incremental revenue impact of each exemption, including related cost savings and increased costs.

2. In the case of the Business Directory Assistance Plan:

A) Provide a narrative description of the procedures used to develop the price-out, including an explanation of all assumptions.

R) Provide an itemized explanation of call volume development under the current and proposed plans.

C) Provide an itemized explanation of revenue computations under the current and proposed plans.

D) Provide an itemized explanation of cost savings under the proposed plan.

E) Provide an itemized explanation of increased costs under the proposed plan.

F) Itemize all exemptions and allowances under the current and proposed plans.

G) Itemize the incremental revenue impact of each exemption and allowance elimination under the proposed plan, including related cost savings and increased costs.

H) Provide cost of service analyses under the current and proposed plans, including an explanation of study methodology and assumptions.

I) Provide revised price-outs allowing exemptions for handicapped subscribers, unlisted numbers, and incorrect listings. Explain all assumptions used to develop the revised price-out and the incremental revenue impact of each exemption, including related cost savings and increased costs.

3. In the case of Local Operator and Calling Card Services:

A) Provide a narrative description of the procedures used to develop the price-out, including an explanation of all assumptions.

B) Provide an itemized explanation of call volume development under the current and proposed plans.

C) Provide an itemized explanation of revenue computations under the current and proposed plans.

D) Provide an itemized explanation of cost savings under the proposed plan.

E) Itemize all exemptions and allowances under the current and proposed plans.

F) Itemize the incremental revenue impact of each exemption and allowance elimination under the proposed plan, including related cost savings.

G) Provide cost of service analyses under the current and proposed plans, including an explanation of study methodology and assumptions.

H) Explain the revenue requirement impact of the elimination of the official calls exemption in this case and in Case No. 8838. Cross reference revenue requirement and price-out adjustments in this case and in Case No. 8838 as necessary.

I) Provide an itemized explanation of station to station automated calling card rate development.

J) Provide a station to station automated calling card cost of service analysis, including an explanation of study methodology and assumptions.

K) Provide an itemized explanation of station to station operator assisted calling card rate development.

L) Provide a station to station operator assisted calling card cost of service analysis, including an explanation of study methodology and assumptions.

M) Explain why automated and operator assisted calling card services are not rated separately.

N) Provide an itemized explanation of station to station operator assisted calling rate development.

O) Provide a station to station operator assisted calling cost of service analysis, including an explanation of study methodology and assumptions.

P) Provide an itemized explanation of person to person operator assisted calling rate development.

Q) Provide a person to person operator assisted calling cost of service analysis, including an explanation of study methodology and assumptions.

R) Explain the rationale for restructuring local operator and calling card services rates.

4. In the case of Local and Intra-LATA Long Distance Verification/Interruption Service:

A) Provide a narrative description of the procedures used to develop the price-out, including an explanation of all assumptions.

B) Provide an itemized explanation of call volume development under the current and proposed plans.

C) Provide an itemized explanation of revenue computations under the current and proposed plans.

D) Provide an itemized explanation of cost savings under the proposed plan.

E) Itemize all exemptions and allowances under the current and proposed plans.

F) Itemize the incremental revenue impact of each exemption and allowance elimination under the proposed plan, including related cost savings.

H) Provide cost of service analyses under the current and proposed plans, including an explanation of study methodology and assumptions.

#### Repression

1. Itemize all repression adjustments reflected in the price-outs filed in the case.

2. Itemize all repression adjustments reflected in revenue requirement exhibits filed in the case.

#### Stimulation

1. Itemize all instances where rate proposals made in the case might be expected to have a stimulation effect (e.g., touch tone service).

2. In the case of each service category where a stimulation effect may be expected, provide a detailed stimulation analysis, including all assumptions and the impact of stimulation on revenue requirement.

Zone Charges

1. Provide the number of residence and business access lines in each band (A.3.3.1) and geographic (A.3.3.2) zone by rate group under the current and proposed rate group structure.

2. Provide average monthly residence and business band (A.3.3.1) and geographic (A.3.3.2) zone billing by rate group under the current and proposed rate group structure.

3. Explain the difference between band and geographic zone charges, and the rationale for these separate zone charge structures.

4. Explain the basis on which band zone exemptions are now or have been granted.

5. Provide an cost of service analysis for band zone charges, including an explanation of study methodology and assumptions.

6. Provide an cost of service analysis for geographic zone charges, including an explanation of study methodology and assumptions.

7. Provide an analysis of the price-out and revenue requirement impact of consolidating band and geographic zone charges (i.e., (a) consolidating band zone with geographic zone charges and (b) consolidating geographic zone charges with band zone charges).

8. Provide any available task force reports involving hand and geographic zone charges.

Revenue Requirement

1. Reconcile end-of-period price-out revenue with end-of-period revenue as shown in Mr. Latham's exhibits, by revenue category.

Local Exchange Service

1. Provide average residence and business (a) exchange access and (b) other local service billing by rate group under the current and proposed rate group structure. List items included in other local service billing.

Grouping

1. Itemize all exchange access services to which grouping charges do not apply under current and proposed tariffs.

2. In each case where grouping charges do not apply, explain the rationale for exemption.

3. In each case where grouping charges do not apply, provide price-outs showing grouping revenue under the current and proposed rate group structure.

4. Explain the rationale for restructuring grouping rates.

Service Charges

1. In the case of Maintenance Charges:

A) Provide a narrative description of the procedures used to develop the maintenance of customer premises inside wire and trouble isolation plan price-out, including an explanation of all assumptions.



B) Provide an itemized explanation of maintenance of customer premises inside wire rate development.

C) Provide a maintenance of customer premises inside wire cost of service analysis, including an explanation of study methodology and assumptions.

D) Provide an itemized explanation of trouble isolation plan rate development.

E) Provide a trouble isolation plan cost of service analysis, including an explanation of study methodology and assumptions.

F) Provide an explanation of the difference between maintenance of customer premises inside wire and trouble isolation plan rate development and the proposed monthly rate.

G) Provide an itemized explanation of adjustments to the maintenance of customer premises inside wire and trouble isolation plan price-out: i.e., trouble isolation plan cost increases, lost maintenance of service revenues, and simple and complex maintenance cost savings.

H) Provide a narrative description of the procedure through which customers will select maintenance of customer premises inside wire and trouble isolation plan options 1 or 2. If selection of option 1 is assumed in the absence of a negative indication from a customer, then provide a revised price-out(s) assuming the selection of option 2 in the absence of a positive indication from a customer.

2. In the case of the Expedited Service Charge:

A) Provide a narrative description of the procedures used to develop the price-out, including an explanation of all assumptions.

B) Provide an itemized explanation of potential expedited requests.

C) Provide an itemized explanation of destimulation adjustments to potential expedited requests.

D) Provide an itemized explanation of expedited requests revenue computations.

E) Provide an itemized explanation of expedited requests cost savings.

F) Define the "normal service intervals" referred to in the expedited service charge tariff.

G) Provide an itemized explanation of expedited service charge rate development.

H) Provide an expedited service charge cost of service analysis, including an explanation of study methodology and assumptions.

3. In the case of the Special Number Acquisition Charge:

A) Provide a narrative description of the procedures used to develop the price-out, including an explanation of all assumptions.

B) Provide an itemized explanation of potential special number requests.

C) Provide an itemized explanation of adjustments to potential special number requests.

D) Provide an itemized explanation of potential special number requests revenue computations.

E) Provide an itemized explanation of potential special number requests cost savings.

F) Provide an itemized explanation of special number acquisition rate development.

F) Provide a special number acquisition cost of service analysis, including an explanation of study methodology and assumptions.

4. In the case of Drop/Protector Rearrangements:

A) Provide a narrative description of the procedures used to develop the price-out, including an explanation of all assumptions.

B) Provide a narrative description of drop/protector rearrangement revenue effects.

Directory Listings

1. Provide directory listings cost of service analyses, including an explanation of study methodology and assumptions.

Telephone Answering Service

1. Explain the rationale for reducing telephone answering service facilities rates and charges.

2. Provide a telephone answering service cost of service analysis, including an explanation of study methodology and assumptions. (Insofar as cost of service studies exist for individual TAS rates and charges, these too should be filed).

### LATA Calling Plans

1. Provide a narrative description of the procedures used to develop the price-out, including an explanation of all assumptions.

2. Provide an itemized explanation of LATA calling plans revenue computations, including the adjustment for independent company settlements.

3. Explain the revenue requirement impact of LATA calling plans in this case and in Case No. 8838. Cross reference revenue requirement and price-out adjustments in this case and in Case No. 8838 as necessary.

4. Provide an analysis of LATA calling plans revenues and revenue requirement impact over at least a 5 year planning period. (The analysis should reflect not only SCB revenues and revenue requirement, but also intraLATA pool revenues and revenue requirement).

### Touch Tone

1. Explain the rationale for eliminating the touch tone installation charge.

2. Provide a touch tone installation cost of service analysis, including an explanation of study methodology and assumptions.

### Direct Inward Dialing

1. Explain the rationale for restructuring DID rates.

2. Compare the restructured DID rates in this case with the DID restructure disallowed in Case No. 8847.

3. Provide a itemized explanation of DID rate development.

4. Provide a DID cost of service analysis, including an explanation of study methodology and assumptions.

Long Distance Service

1. Provide a narrative description of the procedures used to develop the price-out, including an explanation of all assumptions.

2. Explain the difference between and reconcile the price-out "base revenue" number of \$99,348,000 and the intraLATA toll revenue number of \$115,031,000 in South Central Bell's response to the Commission's Order of November 20, 1984, in Case No. 8838.

3. Provide an itemized explanation of long distance service revenue computations, including the adjustments for stimulation and independent company settlements.

4. Explain the revenue requirement impact of long distance service adjustments in this case and in Case No. 8838. Cross reference revenue requirement and price-out adjustments in this case and in Case No. 8838 as necessary.

Centrex

1. Explain the rationale for Centrex tie line elimination.

RAPCO

1. Provide a copy of the directory subsidiary team's recommendation and report to the Corporate Policy Council on RAPCO.

2. Provide a list of Council members.

3. Provide a list of the team members.

4. Provide an analysis of actual "yellow page" revenue and expense for the test period by month. (4 months of South Central Bell and 8 months of Kentucky's portion of BAPCO).

5. Provide the same information in "d" for the remainder of 1984.

6. Provide Kentucky's portion of "yellow page" asset and liabilities (balance sheet) by month of the test period and the remainder of 1984 by month identifying, as a minimum, prepaid directory expenses and other assets related to Kentucky's operations and Kentucky's share of equity, deferred taxes, current liabilities and other liabilities.

7. Please provide documentation in support of the return component of 46.68 percent reflected in the contract with BAPCO.

8. What was BAPCO's actual return on equity for 1984 on a combined basis, for Kentucky operations.

9. Provide 1985 projected financial information for BAPCO on a combined basis, for Kentucky operations.

10. What is the projected 1985 return on equity for Kentucky operations?

11. What additional revenue would accrue to Kentucky if the allowed Kentucky return on equity was used for projected 1985 Kentucky operations.

Done at Frankfort, Kentucky, this 22nd day of February, 1985.

PUBLIC SERVICE COMMISSION

ATTEST:

  
For the Commission

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Secretary