

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)
INTRASTATE TELEPHONE SERVICE)

O R D E R

Introduction

On May 22, 1985, the Attorney General ("AG") and South Central Bell Telephone Company ("SCB") filed petitions for rehearing in this case.

Discussion

SCB's petition for rehearing concerned the Commission's treatment of SCB's proposed customers name and address ("CNA") service in the Commission's Order of May 2, 1985. Specifically, SCB alleges that (1) it cannot implement separate call allowances for CNA service and ordinary directory assistance service, as ordered by the Commission,¹ without a delay of about four months, which will cause a "revenue lag" not recognized in the Commission's Order in the amount of \$246,000; (2) it cannot implement separate call allowances for CNA services and ordinary

¹ SCB had proposed 0 call allowances for both CNA service and ordinary directory assistance service. The Commission ordered 3 call allowances in the case of ordinary directory assistance service and 0 call allowances in the case of CNA service.

directory assistance service without unanticipated software and operator training expenses in the amount of \$242,000; (3) the Commission erred in its assignment of CNA billing units with a revenue impact in the amount of \$30,000; and (4) the Commission erred in recognizing CNA revenues in the amount of \$767,000 while not recognizing CNA expenses in the amount of \$829,000. The Commission is of the opinion that SCB's petition for rehearing on CNA service should be granted.

The A.G. requested that the Commission reconsider the methodology used to determine the revenue requirement associated with depreciation represcription. The Commission after considering this request and reviewing its determination of the depreciation represcription revenue requirement is of the opinion that the treatment afforded depreciation prescription revenue requirement in its Order of May 2, 1985, is reasonable, that the AG's petition raises no questions not heretofore considered by the Commission and therefore the A.G.'s request for rehearing on this issue should be denied.

Findings and Orders

The Commission is of the opinion and finds that:

(1) SCB's petition for rehearing concerning CNA service raises substantial issues and rehearing should be granted.

(2) The AG's petition for rehearing on depreciation represcription should be denied.

IT IS THEREFORE ORDERED that SCB's petition for rehearing concerning CNA service be and it hereby is granted.

IT IS FURTHER ORDERED that the AG's petition for rehearing on the issue of depreciation reprecryption be and it hereby is denied.

Done at Frankfort, Kentucky, this 11th day of June, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary