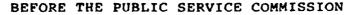
## COMMONWEALTH OF KENTUCKY



In the Matter of:

NOTICE OF CONTINENTAL TELEPHONE ) COMPANY OF KENTUCKY OF AN ) CASE NO. 9230 ADJUSTMENT IN ITS RATES )

## ORDER

Based on the prefiled testimony and the responses to data requests, the Commission has determined that the following items are issues under review in this case:

- 1. Affiliated expenses;
- 2. Depreciation reserve;
- 3. Capital including JDIC;
- 4. Unregulated Sales Program;
- 5. Toll Revenue Access Charges;
- 6. Attrition (Rate Base and Operating Income);
- 7. Erosion;
- 8. Advertising;
- 9. Concessions;
- 10. CMDS and CABS expenses;
- 11. Property Tax;

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- 12. Excess Deferred Tax;
- 13. Wage Adjustment (Current level and Expected Increases);
- 14. Depreciation Expense (Amortization of Embedded CPE);

- 15. Relief and Pensions;
- Official toll adjustment; 16.
- Appropriate rate of return on equity; 17.
- Rate group consolidation; 18.
- 19. Allocation of revenue to exchange groups;
- Construction program how formulated and carried out; 20.
- Premature retirements; and 21.
- Relationship between current construction and rate 22. design.

Done at Frankfort, Kentucky, this 2nd day of April, 1985.

PUBLIC SERVICE COMMISSION

Chairman Chairman

Commissioner

ATTEST:

Secretary