

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

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

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

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

PUBLIC SERVICE COMMISSION

Richard D. Wemmer
Chairman

Paul W. Lutz
Vice Chairman

Sam Shull
Commissioner

ATTEST:

Secretary