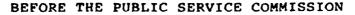
COMMONWEALTH OF KENTUCKY



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;

- 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