

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THOMAS A. HUGO, KENNETH P. CRAWFORD,	)	
KATHLEEN C. STONE, ANTHONY J. ELPERS,	)	
MINA SUE DAVIS, MARK A. SIPEK,	)	
THERESA CHAMPION, REBECCA A. HAYDEN	)	
	)	
COMPLAINANTS	)	
	)	
vs.	)	CASE NO. 9404
	)	
SOUTH CENTRAL BELL TELEPHONE COMPANY	)	
	)	
DEFENDANT	)	

O R D E R

Complainants filed a formal complaint under KRS 278.260 on August 19, 1985, voicing their objections to the Customer Premises Inside Wire and Trouble Isolation Plan ("Plan") of the Defendant ("Bell") which was approved by the Commission in Case No. 9160, on May 2, 1985, and then amended and reaffirmed on May 9, 1985. Complainants alleged that the Plan itself and Bell's administration of the plan were unfair and unreasonable, specifying a number of grounds.

The Commission ordered Bell to satisfy the matters therein complained of or to answer said complaint in writing within 10 days. On September 4, 1985, Bell filed its answer to

the complaint. By motion dated September 13, 1985, Complainants requested that the Commission set the complaint for formal hearing. Bell responded to the motion on September 23, 1985, alleging that there were no grounds to justify a hearing.

Complainants assert that Bell's notice in Case No. 9160 was inadequate, in that it did not fully describe the features of the plan sufficiently for Bell customers who might oppose such a plan, that Bell has not complied with the Commission's Order in instituting the plan because the charge for the plan was "buried" in the other charges on customers' bills, that Bell charged for a period not authorized by the Commission Order, that the descriptive material mailed with the bills did not make clear that the service was optional, and that the plan itself violates state and federal laws against unfair business practices. Bell's Answer and Response discussed the complaint in detail.

The Commission finds that the complaint should be dismissed for the following reasons:

(1) Questions concerning the adequacy of the notice in Case No. 9160 were resolved in that proceeding and not appealed from. They are res judicata, and may not be relitigated now.

(2) The record discloses that Bell's customers were clearly advised that the plan was an integral part of the upcoming rate case. Further, when customers received their first bills after the plan was approved, bill inserts, in accordance with the Amended Order, fully explained the nature of the plan and the options available to the customers. Allegations that Bell "buried" the plan charge in customers' bills, that the plan was

instituted on the wrong date, and that the insert provided by Bell did not make it clear that the service was optional are frivolous and readily resolved by reference to the Commission's Order and the documents complained of. No additional evidentiary material is considered necessary by the Commission to find these allegations insubstantial.

(3) Complainants' allegations that the plan violates KRS 367.170 and 367.575, as unfair trade practices are not within the regulatory jurisdiction of the Commission, and must be addressed to the courts. In approving the plan as a fair, just and reasonable component of Bell's revenue and rate structure, the Commission has determined that this plan does not violate state law. The Commission remains of this opinion.

(4) The allegation of violation of postal service regulations does not come within the regulatory jurisdiction of this Commission.

(5) It appears that Complainants have overlooked the essential feature of Bell's plan: the disaggregation of wiring maintenance charges from the basic service charge, which all customers were formerly paying, allows the charges to be borne only by those who want such service. If the former arrangement had continued, it would have been necessary for basic rates to have been greater, to cover the increments of cost attributable to wiring maintenance for all.

Under the present arrangement customers now have the option of paying the monthly charge for Bell to provide inside wiring maintenance, or contracting with Bell or any other party


to provide such service when necessary. This choice, of using Bell or someone else when maintenance is required, would not have been available if these revenues associated with inside wiring maintenance had been included in the basic rates.

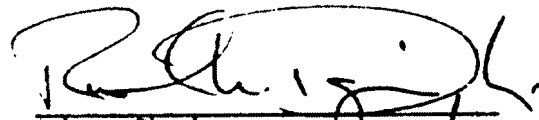
The revenues anticipated to be generated by the plan on and after the effective date of the order were included in the overall revenue requirement of Bell, and determined to be necessary for fair, just and reasonable rates in Case No. 9160. Therefore, Complainants' objection of excessive profits is without substance.


THEREFORE, the Commission, having considered this matter, and being advised, ORDERS that this Complaint be dismissed.

Done at Frankfort, Kentucky, this 21st day of January, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

COMMONWEALTH OF KENTUCKY  
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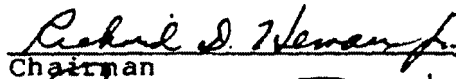
PROPOSED AMENDMENTS TO ) ADMINISTRATIVE  
REGULATION 807 KAR 5:002 ) CASE NO. 300

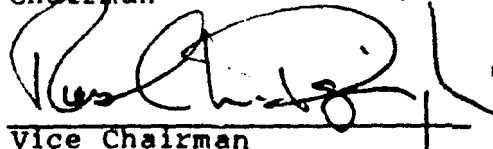
O R D E R

On December 23, 1985, the Commission held a public hearing on proposed revisions to its own regulations, 807 KAR 5:002. No public comments were entered into the record. The Legislative Research Commission's Regulation Review Committee approved the revised regulations on January 3, 1986 and they are now effective. The Commission HEREBY ORDERS this case closed.

Done at Frankfort, Kentucky, this 22nd day of January, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

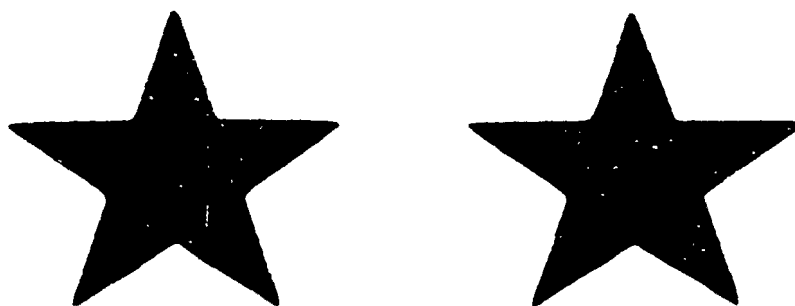
  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary

# **CORRECTION**



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CORRECT A POSSIBLE ERROR***