COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

U.S. DEPARTMENT OF	DEFENSE COMPLAINANT)
Vs.) CASE NO. 9608
SOUTH CENTRAL BELL COMPANY	TELEPHONE	\
COMPANI	DEFENDANT)

ORDER TO SATISFY OR ANSWER

South Central Bell Telephone Company ("SCB") is hereby notified that it has been named as Defendant in a formal complaint filed on June 9, 1986, a copy of which is attached hereto.

Pursuant to 807 KAR 5:001, Section 12, SCB is HEREBY ORDERED to satisfy the matters complained of or to file a written answer to the complaint. An adequate answer to this complaint must address (1) SCB's achieved rate of return in detail considering normal rate-making adjustments for a 12-month period ending not earlier than 90 days from the date of this Order and (2) SCB's allowed rate of return in its last general rate case and its current capital costs.

Since the response to satisfy this Order may require substantial analysis, the Commission grants SCB 30 days from the date of this Order to file its response.

Done at Frankfort, Kentucky, this 7th day of July, 1986.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

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ATTEST:

Secretary