COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE EFFECTS OF THE FEDERAL TAX) REFORM ACT OF 1986 ON THE RATES OF) CASE NO. 9796 ALLTEL KENTUCKY, INC.)

ORDER

On April 29, 1987, ALLTEL Kentucky, Inc., ("ALLTEL") filed rebuttal testimony of David A. Gatewood, Regional Accounting Manager for the Southwest Region of ALLTEL Service Corporation. Therein, Mr. Gatewood responded to the testimony filed by David H. Kinlock on behalf of the Utility Ratecutters of Kentucky ("URK") and the testimony filed by Thomas C. DeWard on behalf of the Attorney General of the Commonwealth of Kentucky ("AG"), the intervenors in this case.

Mr. Gatewood addressed the issues raised in the intervenors' testimony and determined ALLTEL's total reduction to its revenue requirement to be \$282,125. This compares with Mr. Gatewood's original reduction of \$266,088 and Mr. DeWard's reduction of \$259,223. Mr. Kinlock did not calculate a reduction.

The hearing in this case was scheduled for the stated purpose to hear testimony and consider other evidence of the effects of the Federal Tax Reform Act of 1986. The submission of Mr. Gatewood's rebuttal testimony together with the consent of the URK and the AG to forgo cross-examination of Mr. Gatewood, or other ALLTEL witnesses, effectively precludes the need for a hearing in this matter. The AG and the URK may file written comments to ALLTEL's testimony by May 8, 1987, should they so choose.

The Commission therefore, on its own motion, HEREBY ORDERS that the hearing scheduled for May 4, 1987, at 1:30 p.m., be and it hereby is cancelled.

Done at Frankfort, Kentucky, this 1st day of May, 1987.

PUBLIC SERVICE COMMISSION

For the Commission

ATTEST:

Executive Director