

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF SOUTH CENTRAL)
BELL TELEPHONE COMPANY TO)
RESTRUCTURE ITS LIGHTGATE SERVICE) CASE NO. 10403
TARIFF)

O R D E R

IT IS ORDERED that South Central Bell Telephone Company ("SCB") shall file an original and 12 copies of the following information with the Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible.

The information requested is due no later than January 13, 1989. If the information cannot be provided by this date, a motion for an extension of time must be submitted stating the reason for the delay and the date by which the information can be furnished. The Commission will give due consideration to such motions.

1. Provide a pictorial representation of the proposed and existing LightGate Service rate elements.

2. Please reference the cost study. Provide a complete, detailed itemization of all investment amounts.

3. Please reference Attachment 2 of the September 8, 1988 transmittal letter filed with the proposed LightGate tariff.

a. Provide a complete explanation of the methods used in conducting a "resource cost study."

b. Please explain what is meant by "forward-looking" costs.

c. Please explain why it is not appropriate to include any "arbitrary allocation of costs" and identify the services for which recovery of overhead costs is appropriate.

d. Please identify whether embedded or current costs were used in the cost study and provide justification for the choice.

4. Provide an estimated annual revenue impact analysis which assumes that all existing customers of LightGate Multiline Local Exchange Service convert to the proposed LightGate Service rate structure.

5. Please identify all services in which the proposed feature activation rates are already applicable, or are being proposed in other tariff filings (MegaLink Service is one such service).

a. Are the costs for these feature activations identical to the LightGate feature activation costs?

b. Are the rates for these feature activations identical to the LightGate feature activation rates?

6. The tariff indicates that DS1 capability is only available in groups of four DS1 interfaces.

a. Because it would appear to be less confusing if the rate was quoted in terms of four DS1 interfaces, is there a specific reason why it is necessary to have a "per DS1" rate?

b. Is the nonrecurring charge for the required four DS1 interfaces \$250 or \$1000 (4 x \$250)?

c. Does the DS1 automatic protection rate element provide back-up for one DS1 interface or four DS1 interfaces?

7. Please reference section B7.4.4.I, of the proposed tariff which states that "Customer rates and charges for physical route diversity will be negotiated on an individual case basis." Please explain what is meant by this, such as what is meant by the term "physical route diversity" and upon what terms and conditions this will be negotiated.

8. Is the LightGate cost study based on the presumption that special construction will be required in almost all new systems?

a. If so, were the costs developed in the same manner as in other situations where special construction is required? If not, please identify the differences and explain why this should not be considered rate discrimination.

b. If not, in the proposed MegaLink tariff filing, the tariff contains provisions in section B7.1.1.F that specifically require the application of special construction charges if new

facilities are required. Does the proposed LightGate tariff contain a similar provision? If not, why not?

9. Please identify all other SCB tariff offerings that contain components that are functionally equivalent to components contained in the LightGate tariff and indicate whether there are limitations on the use of these services depending upon customer classification.

10. Provide an estimate of the expected usage of the LightGate Service by unregulated affiliates and identify these affiliates.

11. Describe the theoretical basis for the pricing of LightGate service.

12. Describe the assumptions used in pricing LightGate service.

13. Provide information on the projected demand for LightGate service.

14. Describe the conclusions to be drawn from the three charts provided with Cruse Braswell's letter of September 8, 1988.

Done at Frankfort, Kentucky, this 6th day of January, 1989.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director