

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED RESTRUCTURING AND	)	
REPRICING OF SOUTH CENTRAL BELL	)	
TELEPHONE COMPANY'S PRIVATE LINE	)	
SERVICES TARIFF AND ACCESS SERVICES	)	CASE NO. 10477
TARIFF	)	

O R D E R

IT IS ORDERED that South Central Bell Telephone Company ("South Central Bell") 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 March 10, 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 jurisdictional separation study in sufficient detail to show total interstate and intrastate and interLATA and intraLATA revenue requirement by principle service category. In responding to this item, South Central Bell should take instruction from the record and Order in Case No. 10171, The Tariff Application of GTE South Incorporated (Access Services).

2. Provide a schedule showing the shift between interLATA and intraLATA revenues that would result from the proposed tariff changes.

3. Please reference the Existing and Proposed Private Line Price Outs.

a. Identify the time period used to determine the "Quantity in Service." Are these quantities actual or projected?

b. Identify the time period used to determine the "Quantity in Movement." Are these quantities actual or projected?

4. Please reference the Existing and Proposed Special Access Price Outs. Identify the time period used to determine "Test Period Demand." Are these demand quantities actual or projected?

5. Please reference the Special Access USOC Detail Sheets. Provide a narrative describing the theoretical basis used to determine costs, such as whether embedded, current, or replacement costs were used and whether costs were determined on an incremental or fully distributed basis.

6. Please reference the Existing and Proposed Carrier Common Line Price Out.

a. Terminating carrier common line minutes exceed originating minutes by a wide margin. In general, it is expected that originating minutes will slightly exceed terminating minutes, however, it may be possible for the reverse to occur if, for example, terminating calls in a region exceed originating calls, or if a significant amount of originating bypass is occurring. Please explain. If a special study of this situation has been made, please provide.

b. The ratio of non-premium terminating minutes over non-premium originating minutes is significantly different than the ratio of premium terminating minutes over premium originating minutes. Although a perfect correlation is not to be expected, what difference in characteristics between premium and non-premium access would account for such a large difference in ratios? For instance, is it possible that distortions in the percent interstate usage ratios reported by the interexchange carriers is partly responsible for the difference?

c. Please provide monthly break-downs of actual carrier common line minutes for the time period November 1985 to October 1988. If possible, please separate these minutes into premium originating, premium terminating, non-premium originating, and non-premium terminating.

d. The section containing the existing rates has the notation "Actual Usage," while the section containing the proposed rates has "Includes Effect of Stimulation." However, minutes in both sections are identical. Please explain.

e. Please explain why it is preferable to spread the rate reduction over both originating and terminating carrier common line charges, instead of reducing originating access only.

f. Please explain why the reduction should be in carrier common line charges, rather than a reduction in ULAS revenue requirements.

7. What is the economic theoretical basis of the proposed price changes?

8. How would the proposed price changes result in a more equitable pricing framework?

9. In the Cost Support Information, how were the demand projections determined? Please provide all assumptions that were used and the sources for the data. If a model was used, provide information on it.

10. Do the proposed price changes result in substantial shifts of cost burdens among classes of customers?

Done at Frankfort, Kentucky, this 24th day of February, 1989.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Executive Director