

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) CASE NO. 10477
SERVICES TARIFF AND ACCESS SERVICES)
TARIFF)

O R D E R

On April 17, 1989, the Commission released an Order in this case that, in part, ruled on a motion filed by AT&T Communications of the South Central States, Inc. ("AT&T") to compel South Central Bell Telephone Company ("South Central Bell") to respond to data requests. On April 26, 1989, South Central Bell filed a motion for reconsideration of the Order. On April 28, 1989, AT&T filed a response to South Central Bell's motion. On May 3, 1989, South Central Bell filed a response to AT&T's comments.

South Central Bell moves the Commission to reconsider its decision to compel responses to AT&T's data request Item Nos. 3 and 7. AT&T contends that South Central Bell should provide responses, as the Commission ordered. In addition, AT&T contends that South Central Bell's answers to its data request Item No. 4 are not responsive, even though the Commission compelled a response.

Item No. 3 is a request for "booked intrastate special access and intraLATA¹ private line revenues, separately for 1986, 1987,

¹ Local Access and Transport Area.

1988, and forecasted for 1989."² In the April 17, 1989 Order, the Commission found that historical revenues are available to AT&T from public records on file with the Commission and ordered South Central Bell to provide forecasted revenues, to the extent that the information is prepared and available. In addition, the Commission ordered South Central Bell to provide its demand price-out.

South Central Bell contends that the demand price-out is proprietary and contains commercially sensitive information. Furthermore, South Central Bell contends that the Commission has not required it to provide demand price-out information to intervenors in other cases. AT&T responds that the information sought in Item No. 3 is necessary to evaluate South Central Bell's tariff filing.

On reconsideration, the Commission will not compel South Central Bell to provide demand price-out information, as such information is beyond the scope of AT&T's data request. Furthermore, such information has not been provided to intervenors in other cases due to its commercially sensitive nature.

Item No. 4 is a multipart item involving reconciliations between documents in the record of this case and certain mathematical calculations. AT&T contends that South Central Bell's answers are not responsive. South Central Bell contends

² First Set of Data Requests of AT&T to South Central Bell, filed February 24, 1989.

that it does not have the information necessary to provide meaningful answers. The axis of the dispute is that AT&T seeks information on the impact of rate changes made in 1989 to cost and revenue relationships contained in South Central's Bell's 1987 embedded direct analysis, which is the most recent available embedded direct analysis.

The Commission has reviewed AT&T's questions and South Central Bell's answers, and finds that the answers are not responsive. Therefore, South Central Bell should provide a supplemental response to Item No. 4 within 10 days from the date of this Order, using whatever assumptions it considers appropriate to control for differences between the time periods involved. The validity of the answers and assumptions used to develop the answers can be examined at hearing. As always, the Commission will give appropriate weight to the evidence and make a final determination.

Item No. 7 is a request for "carrier common line switched access terminating and originating volumes for the years 1987, 1988, and forecasted volumes for 1989 and 1990."³ South Central Bell contends that the information is proprietary and could be used to its competitive disadvantage. AT&T contends that the information is necessary to determine whether South Central Bell's tariff filing is revenue neutral. Also, AT&T contends that access

³ Ibid.

services are monopoly services for which there are no competitive alternatives to South Central Bell.

The Commission will note that historical carrier common line usage is a part of the public record in this case.⁴ Also, AT&T is correct that South Central Bell is a monopoly provider of access services. In the instant situation, AT&T purchases access services from South Central Bell in a customer relationship and does not compete with South Central Bell to provide access services to other users. Therefore, the Commission will not vacate its Order to compel on this item and will require South Central Bell to provide a response within 10 days from the date of this Order, to the extent the information is prepared and available.

In a related matter, on February 24, 1989, the Commission ordered a jurisdictional separations analysis from South Central Bell. On March 10, 1989, South Central Bell responded that the information was not available, but indicated that it would prepare the information and make progress reports to the Commission.⁵ To date the information has not been filed, even though the Commission considers it essential to the resolution of this case. Therefore, on its own motion, the Commission will allow South Central Bell to file the information within 10 days from the date of this Order.

⁴ Responses of South Central Bell to the Commission's Request for Information, filed March 10, 1989, Item No. 66.

⁵ Ibid., Item No. 1.

On May 9, 1989, South Central Bell filed a motion to reschedule a hearing which is currently scheduled for May 17, 1989 citing as reason for the delay the numerous pending cases in which it is participating. Further, South Central Bell stated that it will extend to October 15, 1989 its statutory right to implement the tariff pursuant to KRS 278.190, if the motion to reschedule the hearing is granted. The Commission, being sufficiently advised, finds that the motion to reschedule the hearing should be granted. An Order establishing the hearing date will shortly follow.

Accordingly, it is HEREBY ORDERED that:

1. South Central Bell shall file a supplemental response to AT&T data request Item No. 4 within 10 days from the date of this Order.

2. South Central Bell shall file a response to AT&T data request Item No. 7 within 10 days from the date of this Order.

3. South Central Bell shall file a response to the Commission's data request Item No. 1 within 10 days from the date of this Order.

4. South Central Bell's motion to reschedule the May 17, 1989 hearing and extend its suspension period to 10 months is granted.

Done at Frankfort, Kentucky, this 10th day of May, 1989.

ATTEST:

Executive Director

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner