

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH CENTRAL BELL TELEPHONE)
COMPANY'S PROPOSED RESTRUCTURING) CASE NO. 89-285
AND REPRICING OF E-911 TARIFF)

O R D E R

Introduction

On September 21, 1989, South Central Bell Telephone Company ("South Central Bell") filed a notice of intent to file revisions to its tariff for Enhanced Universal Emergency Number Service ("E911"). On October 18, 1989, the Attorney General of the Commonwealth of Kentucky, by and through his Utility and Rate Intervention Division, filed a motion for full intervention. The motion was granted on October 24, 1989.

On October 20, 1989, South Central Bell made its E911 tariff filing, which included adjustments to E911 rates and charges. Also, South Central Bell filed a motion for deviation from the requirements of 807 KAR 5:001, Section 10(1)(a) and (c), and 807 KAR 5:011, Section 10(1)(c).

Discussion

E911 is an exchange telecommunications service whereby an agent designated by the E911 customer may receive telephone calls dialed to the number 911. E911 customers are governmental units or agents of governmental units. Customers must be legally authorized to subscribe to the service and have public safety

responsibility by law to respond to telephone calls from the public for emergency police, fire, or other emergency services within exchange central office areas arranged for 911 calling. At present, 10 municipalities subscribe to or are under contract for E911 service and would be affected by the tariff filing. Additional governmental units or agents of governmental units are potential customers that could be affected by the tariff filing.

The proposed rates are based on a Kentucky-specific E911 cost study. As a result of the cost study, South Central Bell proposes to reduce monthly recurring rates and increase non-recurring charges. Therefore, existing customers will pay reduced rates. New customers will pay higher non-recurring charges, but these charges will be offset by reduced monthly rates. Also, South Central Bell proposes two new rate elements that are applicable when service is jointly provided by South Central Bell and another telephone company, and each bills the customer separately for the services each has provided. At present, no joint service provision exists but may occur in the future.

The proposed rate changes will result in an overall revenue reduction through 1992. The total percentage increase to non-recurring charges is 17.8 percent, and the total percentage decrease to recurring rates is 20.5 percent. The percent change any individual customer will experience will vary depending on the mix of applicable rate elements. South Central Bell estimates a total revenue reduction through 1992 of \$205,093. The expected revenue reduction in 1989 is \$41,252, and the expected revenue reduction for the period 1990-1992 is \$164,841.

The Commission has examined the tariff filing and related cost and revenue documentation and finds that the proposed rates are fair, just, and reasonable. Therefore, no further investigation or public hearing is necessary.

807 KAR 5:001, Section 10(1)(a), requires a financial exhibit to be filed with an application for rate adjustments, and 807 KAR 5:001, Section 10(1)(c), requires a description of the applicant's property. The 807 KAR 5:011, Section 10(1)(c), relates to adjustments to non-recurring charges. South Central Bell moves the Commission to grant a deviation from these rules on the grounds that the tariff filing is not in the form of a general rate case, the information is generally available in Case Nos. 10105¹ and 89-076,² and the revenue change is de minimis. The Commission finds that the motion should be granted.

IT IS ORDERED that:

1. South Central Bell's E911 tariff filing be and it hereby is approved.
2. South Central Bell's motion for deviation from the requirements of 807 KAR 5:001, Section 10(1)(a) and (c), and 807 KAR 5:011, Section 10(1)(c), be and it hereby is granted.

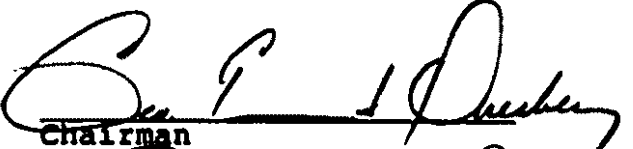
¹ Case No. 10105, Investigation of the Kentucky Intrastate Rates of South Central Bell Telephone Company.

² Case No. 89-076, South Central Bell Telephone Company's Experimental Incentive Regulation Plan.

3. Within 30 days from the date of this Order, South Central Bell shall file revised tariff pages to implement the decision contained herein.

Done at Frankfort, Kentucky, this 22nd day of November, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director