

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                               |   |                |
|-------------------------------|---|----------------|
| INVESTIGATION OF PROGRAMS TO  | ) | ADMINISTRATIVE |
| FURTHER THE GOAL OF UNIVERSAL | ) | CASE NO.       |
| TELEPHONE SERVICE             | ) | 312            |

O R D E R

On August 5, 1987, the Public Service Commission ("Commission") initiated this investigation to further the goal of universal telephone service. All Local Exchange Companies ("LECs") and interLATA long-distance carriers under the Commission's jurisdiction were made parties to this proceeding. The following parties were granted intervenor status: Utility Rate Cutters; the Attorney General; Joyce Reeves, Office of Kentucky Legal Services Programs, Inc.; the Cabinet for Human Resources; and the Commission on Deaf and Hearing Impaired. The Order described the Commission's history of commitment to the goal of universal service.

On March 14, 1988, the Commission issued an Order deferring a decision on Lifeline for one year. The Order stated that the Commission was of the opinion that deferring a decision for one year would provide it and the LECs the opportunity to gather information on the impact of the Link-Up Kentucky Program on universal service and to better assess the need for Lifeline service.

During the calendar year 1988, 8,976 households were provided telephone service under the Link-Up Program. Due to the large response the Commission continued its deferral for another year.

In 1989 the number was 7,472, for a total of 16,448 households. Based on the Federal Communications Commission Report on Telephone Subscribership dated May, 1989, the penetration rate in Kentucky has increased from 86.5 percent in 1987 to 87.5 percent in 1988. This increase is due at least partially to the Link-Up Kentucky Program.

The Commission has decided to close this case without further investigation of a Lifeline Program. In the Commission's opinion the Link-Up Kentucky Program has been successful in increasing Kentucky's penetration rate and will continue to be so. In addition, the Commission believes that it is the initial connection charge that serves as the primary barrier to people joining the network rather than the monthly service charge. For these reasons the Commission does not think it is necessary at this time to address the issues associated with establishing a Lifeline Program. This decision should not be construed as a finding that Lifeline options are not in the public interest or that Lifeline options will not be considered in the future.

To ensure continued success of the Link-Up Kentucky Program the Commission encourages the LECs to aggressively publicize the availability of the program to potential applicants.

The Commission has also evaluated the need for continuation of collection of the demographic data on a quarterly basis and has concluded it is no longer necessary. In order to keep the Commission adequately informed on the progress of the Link-Up Program, the Commission directs each LEC to include information in its annual report describing its programs to publicize the availability

of Link-Up and to provide the total number of new connections and disconnections of Link-Up participants on an annual basis. This will allow the Commission to determine the net increase in the number of subscribers due to Link-Up.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, HEREBY ORDERS that:

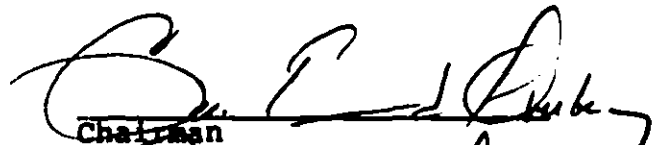
1. The obligation to provide the data as specified in Appendix A of the Commission's March 14, 1988 Order shall cease on June 30, 1990. The final quarterly report shall be due July 15, 1990 with the exception of SCB whose final quarterly report shall be due July 30, 1990.

2. Each LEC shall include information in its annual report filed with the Commission describing its programs to publicize the availability of the Link-Up Program and providing the number of new connections and disconnections of Link-Up participants for the calendar year.

3. The proceeding is closed.

Done at Frankfort, Kentucky, this 21st day of May, 1990.

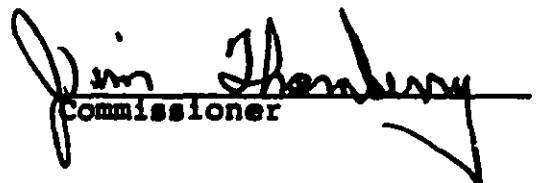
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

ATTEST:

  
Executive Director

  
Commissioner