

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 October 6, 1989, the Commission entered an Order that approved the repricing and restructuring of rates and charges for private line and special access services. As a result, South Central Bell Telephone Company ("South Central Bell") received a net revenue increase of approximately \$1,982,000. In the same Order, the Commission required an offsetting revenue reduction to achieve revenue neutrality. However, the Commission did not approve South Central Bell's proposed reductions to carrier common line charges. Instead, the Commission required rate reductions based on the schedule of priorities adopted in Case No. 10105;¹ i.e., the Commission required reduced service charges in the form of lower trouble isolation charges.

On November 6, 1989, AT&T Communications of the South Central States, Inc. ("AT&T") filed a petition for rehearing on the decision to reduce service charges rather than carrier common line charges. The Commission granted rehearing on November 28, 1989, in order to consider any additional evidence that AT&T might

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

introduce concerning the issue. On December 18, 1989, AT&T filed additional testimony and South Central Bell filed comments.²

The thrust of AT&T's petition for rehearing and additional testimony are the same. In part, AT&T contends that the parties did not have an adequate opportunity to address alternatives to reduced carrier common line charges. This is not the case, as witnesses were cross-examined at a public hearing concerning reasonable alternatives, including the ordered alternative.³ Otherwise, AT&T's arguments advocate its preference for reduced carrier common line charges without adding any substance to the record. Generally, South Central Bell contends that the Commission exercised reasonable discretion in its decision.

South Central Bell's application involved a revenue increase to private line services of approximately \$1,259,000 and a revenue increase to special access services of approximately \$723,000. The latter represents increased cost to interLATA⁴ carriers, including AT&T. Therefore, on reconsideration, the Commission will allow South Central Bell to reduce carrier common line charges in the amount \$723,000, applied to originating carrier common line charges. This action will neutralize the impact of this case on interLATA carriers.

² On December 20, 1989, South Central Bell amended its comments to change the title but not the substance.

³ Transcript of Evidence, pages 70-72.

⁴ Local Access and Transport Area.

The Commission, having considered the additional testimony and comments, and being sufficiently advised, HEREBY ORDERS that:

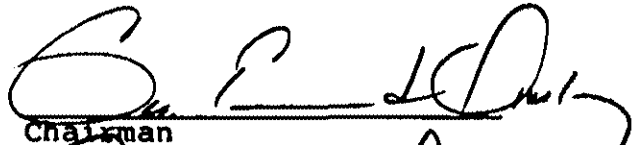
1. No further public hearing or other investigation is necessary in this case.

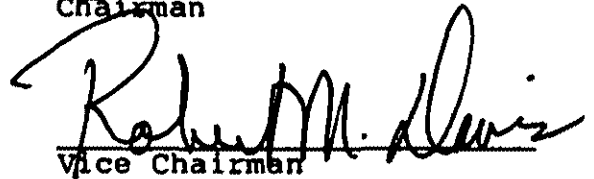
2. South Central Bell shall reduce trouble determination charges in the amount of \$1,259,000, consistent with the schedule of priorities adopted in Case No. 10105, effective February 15, 1990.

3. South Central Bell shall reduce originating carrier common line charges in the amount of \$723,000, effective February 15, 1990.

Done at Frankfort, Kentucky, this 23rd day of January, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director