

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE PROVISION)
OF FOUR-PARTY SERVICE AND EIGHT-)
PARTY SERVICE BY ALLTEL, KENTUCKY,) CASE NO. 91-170
INC.)

O R D E R

As a direct result of an Order issued on April 1, 1991 in Case No. 90-167,¹ the Commission established this case by Order dated May 30, 1991 to investigate the reasonableness of eliminating all four-party and eight-party service of Alltel Kentucky, Inc. ("Alltel") in Kentucky.

In its Order, the Commission required that Alltel file information regarding it's four-party and eight-party service in Kentucky including a full description of the service, detailed construction plans to modernize all exchanges which have the service, the earliest date the service could be eliminated, and the estimated impact on local service of elimination of the service, including calculations and assumptions supporting the estimates.

On June 17, 1991, Alltel filed it's response. Alltel's currently approved tariff shows that only four-party service is offered in it's Mt. Washington and Shepardsville exchanges.

¹ Case No. 90-167, An Investigation of Contel of Kentucky, Inc.'s Provision of Telephone Service and Service Quality.

Eight-party service is not offered by Alltel. Although there are 130 customers currently classified as four-party in it's two exchanges, none of these customers actually have service with more than two parties on a line. Alltel did not file any information regarding the other points made in the May Order. Instead, Alltel's proposed resolution was to file an amended tariff page deleting any four-party service offering from it's current tariff and make it's previously quoted four-party residential rate in the Mt. Washington and Shepardsville exchanges the tariffed rate for two-party service in these exchanges. This in effect created a revenue neutral tariff change.

The Commission is not in disagreement with Alltel's approach. Given the existing circumstances, this approach negates the need for expensive construction to modernize additional local service charges. However, the Commission is concerned that circumstances under which Alltel now offers service may change in the future, requiring the company to use it's four-party capabilities to again offer the service. Therefore, the Commission will require Alltel to provide information as to how this situation will be avoided in the future, including Alltel's most recent 5-year construction budget detailing any modernization plans targeted to eliminating four-party facilities.

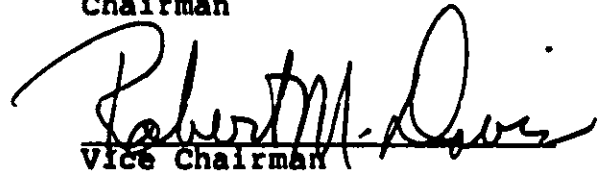
Accordingly, IT IS THEREFORE ORDERED that, within 30 days of the date of this Order, Alltel shall file a detailed 5-year construction budget showing it's plans for the elimination of four-party service facilities.

Done at Frankfort, Kentucky, this 15th day of July, 1991.

PUBLIC SERVICE COMMISSION

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Chairman

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Vice Chairman

Commissioner

ATTEST:

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Executive Director