

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED INTEGRATED SERVICES DIGITAL)
NETWORK (ISDN) TARIFF OF GTE SOUTH) CASE NO. 92-165
INCORPORATED)

O R D E R

On March 30, 1992, GTE South Incorporated ("GTE South") filed a proposed tariff with the Commission for the purpose of establishing rates and charges for Integrated Services Digital Network ("ISDN") Basic Rate Interface and Primary Rate Interface Services. On April 14, 1992, the Commission issued an Order suspending the proposed tariff until September 27, 1992.

IT IS ORDERED that GTE South shall file the original and 12 copies of the following information with the Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

The information requested is due no later than June 9, 1992. If the information cannot be provided by this date, a motion for an extension of time must be submitted stating the reason for the

delay and the date by which the information can be furnished. Such motion will be considered by the Commission.

1. In Section V of the executive summary on page 7 and Exhibit 8 on page 38, provide Bellcore's model, as well as written documentation.

a. Describe all assumptions, estimation procedures and results and data used in the model, including dates, sources and range for time series.

b. Has the model been recalibrated or altered in any way to reflect GTE South specific characteristics, which may be different from Bellcore? If so, provide a complete explanation of any changes. If not, explain why not.

c. In general, when was the model created and when was the last time that the model equations and assumptions were updated?

2. Page 38, Exhibit 8, states that "The overall objective of SCIS is to have the total investment of the office come as closely as possible to the vendor's list price."

a. Is there more than one possible vendor in the market available to GTE South?

b. Describe the vendor selection process.

c. What are the consequences of having an investment be above or below the vendor's list price?

d. Who are the vendors and to what items do the list prices refer?

e. Explain the term "office."

f. Does GTE South pay the vendor's list price for items purchased? Is GTE South able to obtain some sort of quantity discount from vendors or negotiate a lower price? If so, what are the price differences?

3. For Exhibit 1A:

a. Explain minimum line cost and how \$267.97 is derived.

b. Explain the derivation of each factor on lines 14 and 32-37.

c. Provide the number of forecasted DSL's and how the forecasts have been derived.

4. Explain "getting started costs" and do these costs refer to the installation of new equipment? Explain if any existing equipment can be used.

5. Explain the term "DSL."

6. Explain how total forecasted take rates and revenues were forecasted for ISDN access, B-voice channel, B-CSD channel, B-voice/CSD channel, B-packet switched data channel and D-packet switched data channel; provide models and explanations.

7. Explain why GTE South uses 10.61 percent as its cost of money rather than 12.75 percent, the return on equity?

Done at Frankfort, Kentucky, this 19th day of May, 1992.

PUBLIC SERVICE COMMISSION

ATTEST:


Executive Director


For the Commission