

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GTE SOUTH INCORPORATED FOR AUTHORITY TO)
BECOME A CATEGORY A TOLL PROVIDER IN THE) CASE NO. 93-194
STATE OF KENTUCKY)

O R D E R

IT IS HEREBY ORDERED that GTE South Incorporated ("GTE") shall file the original and 12 copies of the following information with the Commission no later than September 27, 1993, with a copy to all parties of record. 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. Where information requested herein has been provided along with the original application, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. If GTE cannot provide the information by the stated date, it should submit a motion for an extension of time setting the reason a delay is necessary and a date by which the information will be furnished. Such a motion will be considered by the Commission.

1. Provide copies of any studies that indicate what percentage share of the toll market GTE will carry as a Category A

provider. If no studies have been performed, explain why and state the percentage share of the market GTE anticipates it will serve. Provide this information for the entire market, the market located within GTE's franchise area and the market located outside GTE's franchise area.

2. GTE indicated in its response to Question 3 of the Commission's Order dated August 9, 1993 that it will not incur any significant additional increases in operating expenses as a result of the proposed plan as long as it operates as a Category A toll provider solely within its franchised area. Explain how GTE proposes to cover increases in operating expenses if it does in fact provide toll service outside its franchise area.

3. GTE indicated in its response to Question 4 of the Commission's Order dated August 9, 1993 that if it provides toll service outside its franchise area additional network construction would be required. Describe the type of construction that would be required and explain whether the cost of this construction would exclusively be paid for by toll rates. Will local rates be impacted in any way by such construction?

4. GTE will not receive any "make whole" payments from South Central Bell 24 months after 1+ presubscription is implemented. How does GTE propose to recover any shortfall in revenues if it is still experiencing a net loss in revenues at that time? Should local rates increase if GTE has a net loss in revenues after 1+ presubscription is implemented?

6. GTE indicated in its response to Question 1 of the Commission's Order dated August 9, 1993 that it eventually intends to differentiate its toll products by offering unique, innovative toll packages which will be of added benefit to the end-user. Does GTE anticipate that any of these packages will be available on a local basis in conjunction with an area calling service plan?

PUBLIC SERVICE COMMISSION

S. E. Lusk
For the Commission

Do Mills
Executive Director

¹ Case No. 93-081, The Tariff Filing of GTE South Incorporated to Establish Rates and Charges For Local Calling Plans.