

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH CENTRAL BELL TELEPHONE COMPANY'S)
SPECIAL SERVICE CONTRACT ARRANGEMENT FOR) CASE NO. 90-140
DIGITAL ESSX SERVICE WITH ALLIANT HEALTH)
SYSTEM)

O R D E R

On November 17, 1995, BellSouth Telecommunications, Inc. ("BellSouth") filed a motion with the Commission for relief from a mandate contained in the November 21, 1990 Order in this proceeding. The Commission approved BellSouth's contract arrangement for digital ESSX service with Alliant Health System provided BellSouth shareholders absorb all intra-state cost recovery deficits to protect regulated ratepayers from bearing the burden of unrecovered intra-state costs. BellSouth was ordered to track and report costs associated with this contract. No party has filed a response to BellSouth's motion.

BellSouth contends that under price cap regulation, its shareholders absorb any shortfall relative to pricing decisions. Therefore, tracking and reporting of costs is no longer necessary.

The Commission, having considered BellSouth's motion and having been otherwise sufficiently advised, HEREBY ORDERS that BellSouth be relieved from the order to separately track and report

costs associated with the Alliant Health System's ESSX service contract.

Done at Frankfort, Kentucky, this 3rd day of January, 1996.

PUBLIC SERVICE COMMISSION

Linda K. Breathitt
Chairman

Vice Chairman

Robert M. Davis
Commissioner

ATTEST:

Don Mills
Executive Director

