

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

NOTICE OF SOUTH CENTRAL BELL TELEPHONE)
COMPANY OF AN ADJUSTMENT IN ITS INTRA-) CASE NO.
STATE RATES AND CHARGES) 8847

and

THE VOLUME USAGE MEASURED RATE SERVICE)
AND MULTILINE SERVICE TARIFF FILING OF) CASE NO.
SOUTH CENTRAL BELL TELEPHONE COMPANY) 8879

O R D E R

On September 8, 1983, General Telephone Company of Kentucky ("General Telephone"), by counsel, filed its Motion for Leave to Intervene. The Motion states, among other things, that General Telephone and South Central Bell Telephone Company ("South Central Bell") are currently parties to a division of toll revenues agreement under which General Telephone derives its intrastate toll revenues through settlement with South Central Bell, and that South Central Bell has advised that it intends to cancel this arrangement effective January 1, 1984, but is proposing that a uniform system of intra-LATA toll rates be retained through which it is proposed that General Telephone will receive a portion of its intrastate toll revenues. The Motion further states that the level of toll revenues so derived directly impacts the revenue requirement of General Telephone which must be obtained from local ratepayers and that General Telephone seeks intervention to assure that an adequate portion of South Central Bell's intrastate revenue requirement, as determined herein, is allocated to and recovered from intrastate toll services so that a reasonable return is produced by the rates for such services.

On September 15, 1983, South Central Bell, by counsel, filed its Response stating that it filed its intrastate toll rates on July 29, 1983, in light of the access charges information available at that time and in its Notice, the Company emphasized, in paragraph 15, that "should the FCC make significant changes in the level of or method used to compute access charges, and thereby cause a change in the estimated amount of revenue resulting from carrier access charges, the proposed toll reduction and other rates would need to be adjusted accordingly". The Motion further states that, in view of action by the Federal Communications Commission, it now appears that adjustments in South Central Bell's toll schedule will need to be made. Upon determination of intrastate access charges and following consultation with Kentucky independent telephone companies, those adjustments will be filed with the Commission in October. Finally, the Response states that South Central Bell is concerned about the number of intervenors and the volume of data requests. Accordingly, South Central Bell requests that intervention be denied.

On September 23, 1983, General Telephone filed its Reply to Objection of South Central Bell to Intervene stating, among other things, that South Central Bell acknowledges that it proposes to decrease toll rates as a result of the requirement of the implementation of a system of access charges, that it will be necessary for General Telephone to implement a system of access charges to recover the costs formerly recovered through the division of toll revenue process and that in order to recover those costs it must receive a fair proportion of revenue

from other sources. The Reply further states that a Commission decision which fixed the level of toll rates without consideration of these matters would effectively preclude any consideration of this element (compensation) in the access charges to be filed by General Telephone. The Reply also states that General Telephone's intervention is for the limited purpose of toll rate design and that any data requests would be limited to that issue.


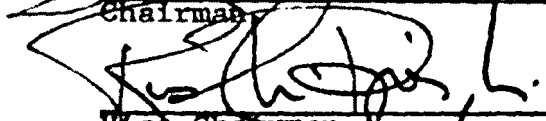
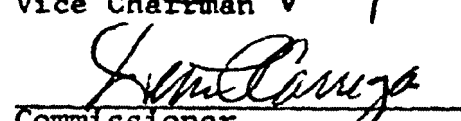
The Commission, having considered the Motion, Response and Reply and being advised, is of the opinion and finds that for good cause shown the Motion should be sustained for the limited purpose of toll rate design.

IT IS THEREFORE ORDERED that the Motion of General Telephone be and it hereby is sustained for the limited purpose of toll rate design.

IT IS FURTHER ORDERED that General Telephone shall adhere to the Commission's Order of Procedure entered August 10, 1983, and its Supplemental Order of Procedure entered August 25, 1983.

Done at Frankfort, Kentucky, this 13th day of October, 1983.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary