

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF CINCINNATI BELL)
TELEPHONE COMPANY OF AN) CASE NO. 9353
ADJUSTMENT IN ITS INTRA-)
STATE RATES AND CHARGES)

O R D E R

IT IS ORDERED that Cincinnati Bell Telephone Company ("Cincinnati Bell") shall file an original and 15 copies of the following information with the Commission with a copy to all parties of record no later than two weeks after the filing of its notice. Each copy of the data requested should be placed in a bound volume with each item tabbed. Where a number of sheets are required for an item, each sheet should be appropriately indexed; for example, Item 1(a), Sheet 2 of 6. Careful attention should be given to copied material to insure that it is legible. Moreover, Cincinnati Bell shall furnish the name of the witness who will be available at the public hearing for responding to questions concerning each area of information requested herein. When information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

Staff Request No. 1

1. An income statement (show net income for the applicant's Kentucky intrastate operations for the test year.
2. The following monthly balances and a calculation of the 13-month average data for the test year operations of the total company, Kentucky combined and intrastate:
 - A. Plant in service
 - B. Plant purchased or sold
 - C. Property held for future use
 - D. Construction in progress--separate this balance into CWIP that Interest During Construction is calculated on and other CWIP.
 - E. Depreciation reserve
 - F. Materials and supplies
 - G. Unamortized investment credit-Pre-Revenue Act of 1971
 - H. Unamortized investment credit-Revenue Act of 1971
 - I. Accumulated deferred income taxes
3. Provide the following information for each item of telephone property held for future use at the end of the test year for Kentucky combined:
 - A. Description of property
 - B. Location

- C. Date purchased
 - D. Cost
 - E. Estimated date to be placed in service
 - F. Brief description of intended use
4. The detailed work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment including the reason why each adjustment is required. Explain all components used in each calculation and provide all documentation and back-up schedules used in calculations. Index each calculation to the accounting, pro forma, end-of-period and proposed rate adjustment which it supports.
 5. Provide a detailed analysis of all intrastate charges booked during the test period for advertising expenditures. This analysis should include a complete breakdown of Accounty 642 - Advertising as shown in Format 5 attached, and further should show any other advertising expenditures included in any other expense subaccounts. The analysis should, moreover, be specific as to the purpose of the expenditures and the expected benefit to be derived. Expenses allocated from either the parent company or from Cincinnati Bell headquarters should be so identified.

6. A. Provide an analysis of Account 675 - Other Expenses for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 6A and further provide all detailed working papers supporting this analysis. As a minimum, the work papers should show the date, vendor, dollar amount and a brief description of each expenditure for amounts of \$500 or more.
- B. A detailed analysis of all charitable and political contributions expenses charged to intrastate operations during the test period. The analysis should indicate the amount of the expenditure, the recipient of the donation and the specific amount charged. Expenses allocated from either the parent or from Cincinnati Bell headquarters should be so identified.
- C. Provide an analysis of Account 323 - Miscellaneous Income Charges for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 6C, and further provide all detailed working papers supporting this analysis. As a minimum the work papers should show the date, vendor, dollar amount and a brief description of each expenditure for amounts of \$500 or more.

7. A statement describing the applicant's lobbying activities and a schedule showing the name of the individual, his salary, and all company-paid or reimbursed expenses or allowances and the account charged for all personnel for whom a principal function is that of lobbying, whether it be lobbying on the local, state, or national level.
8. The dollar amount of employee concession telephone service for the 12 months of the test year as shown in Format 8 attached.
9. A calculation of the rate or rates used to capitalize interest during the construction for the test year. Provide a narrative explanation of each component entering into the calculation of this rate.
10. The amount of expenses included in the test period Kentucky intrastate operating expenses for each Kentucky general rate case by case number as set out below. Moreover, provide the total Kentucky-intrastate expenditures to date for each of the three previous rate cases before the Commission, as follows:

External Internal

C.N. Legal expenses All other Total Costs Costs Total

11. The total factor productivity ratios for the test period and the five preceding years. Include a full description of the method used by Cincinnati Bell to calculate total factor productivity.

12. Any information as soon as it is known, which would have a material effect on net operating income, rate base and the cost of a capital which occurred after the test period and was not incorporated in the file testimony and exhibits.
13. Provide the revenue requirements that would be necessary for Cincinnati Bell's Kentucky jurisdictional operations under the "usage method of separations." This requirement is to be determined using the same ratemaking assumptions as that proposed in your Case under the revenue split method. Provide all work papers and an explanation of all allocation factors used in determining the revenue requirement. Identify all and show separated items of the requirement in the rate base, operating expenses, pro forma adjustments, rate of return, etc.

CINCINNATI BELL

Case No. 9353

KENTUCKY COMBINED OPERATIONS
ACCOUNT 642 - ADVERTISING
FOR THE TEST YEAR ENDING

<u>Line</u> <u>No.</u>	<u>Item</u> (a)	<u>Sales</u> <u>Advertising</u> (b)	<u>Institutional</u> <u>Advertising</u> (c)	<u>Rate</u> <u>Case</u> (d)	<u>Total</u> (e)
1.	Newspapers and periodicals				
2.	Booklets and pamphlets				
3.	Bill inserts				
4.	Displays, exhibits, posters, and placards				
5.	Motion pictures				
6.	Radio				
7.	Television				
8.	Salaries and wages				
9.	Other advertising				
10.	Other expenses				
11.	Total				

CINCINNATI BELL

CASE NO. 9353

KENTUCKY COMBINED OPERATIONS
SUMMARY OF ACCOUNT NO. 675 - OTHER EXPENSES
FOR THE TEST YEAR ENDING

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1.	Valuations, inventories, and appraisals	
2.	Business Information System (BIS) expense	
3.	Purchase of employees service emblems	
4.	Membership fees and dues	
5.	Directors' fees and expenses	
6.	Printing Annual Report	
7.	FCC Filing and Grant Fees	
8.	Company apportioned amounts for various items	
9.	Other items (itemize)	
10.	-	
11.	-	
12.	Total	

CINCINNATI BELL

Case No. 9353

KENTUCKY COMBINED OPERATIONS
ACCOUNT NO. 323 - MISCELLANEOUS INCOME CHARGES
INCLUDED IN OPERATING EXPENSES

<u>Line</u> <u>No.</u>	<u>Item</u> (a)	<u>Amount</u> (b)
1.	Contributions (a)	
2.	Membership fees and dues (a)	
3.	Abandoned construction projects	
4.	Other (itemize)	
5.	Total	

(a) Detail attached

CINCINNATI BELL

COMMONWEALTH OF KENTUCKY

Case No. 9353

EMPLOYEE CONCESSION TELEPHONE SERVICE
TEST YEAR ENDING

	<u>No. of People</u>	<u>Local</u>		<u>Toll</u>	
		<u>Main Stations</u>	<u>Other Services</u>	<u>Intrastate</u>	<u>Interstate</u>
<u>Kentucky Revenue Loss</u>					
General Office Personnel (By percentage allowance)					
Kentucky Operations (By percentage allowance)					
Allowance Provided Employees Served by Other Telephone Companies					
Retired and Disabled Employees (By percentage allowance)					
Other					