

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE SALE AND DETARIFFING OF)
EMBEDDED CUSTOMER PREMISES) ADM. CASE NO. 269
EQUIPMENT) PHASE IV

In the Matter of:

DETARIFFING THE INSTALLATION)
AND MAINTENANCE OF INSIDE WIRING) ADM. CASE NO. 305

In the Matter of:

DETARIFFING BILLING AND)
COLLECTION SERVICES) ADM. CASE NO. 306

O R D E R

INTRODUCTION

On August 11, 1986, South Central Bell Telephone Company ("SCB") filed a motion with the Commission requesting that:

1. Administrative Cases No. 269, 305 and 306 be consolidated for hearing purposes.
2. Parties be allowed to file consolidated testimony in Administrative Cases No. 269 and 306 on or before September 15, 1986.
3. An extension of time be granted to September 15, 1986, for the filing of its study of billing and collection accounts requested by the Commission in Administrative Case No. 306.
4. A task force be created on billing and collection issues.

Subsequently, on August 18, 1986, AT&T Communications of the South Central States, Inc., ("AT&T") filed a response to SCB's motion.

DISCUSSION

Motion to Consolidate Administrative Cases No. 269, 305 and 306 for Hearing Purposes

SCB's motion for consolidation of Administrative Cases No. 269, 305 and 306 for hearing purposes is based on the existence of issues common to each case. AT&T's response opposes consolidation due to the existence of issues specific to each case.

In the opinion of the Commission, Administrative Cases No. 269, 305 and 306 should be consolidated for the purpose of hearing issues common to each case, as specified in SCB's motion. These issues include:

1. What are the appropriate considerations for determining whether a product or service should be detariffed?
2. What accounting procedures should be used to remove investment, revenue and expense from regulation?
3. What corporate structures and what cost allocation process is appropriate for the offering of detariffed or deregulated products and services?

The Commission advises all parties that consolidation of Administrative Cases No. 269, 305 and 306 for the purpose of hearing the issues enumerated above does not preclude the separate hearing of issues specific to each case.

Motion for Consolidated Testimony

SCB's motion for consolidated testimony is predicated upon an affirmative decision to consolidate Administrative Cases No. 269, 305 and 306 for the hearing of common issues. Therefore, in the opinion of the Commission, SCB's motion for consolidated testimony should be granted, with such testimony restricted to the issues enumerated above.

In addition, SCB requests that consolidated testimony be due on or before September 15, 1986. The Commission finds no objection to this filing date.

AT&T requests that it, and presumably other intervenors, be granted to September 25, 1986, to file any consolidated testimony required by the Commission. The Commission finds no objection to this filing date for intervenors, since a 10-day lag between local exchange carrier and intervenor filings of testimony is consistent with procedural orders previously entered in Administrative Cases No. 269, 305 and 306.

Motion for an Extension of Time to File Billing and Collection Data

In the opinion of the Commission, SCB's motion for an extension of time to September 15, 1986, to file billing and collection data as requested by the Commission in Administrative Case No. 306 should be granted, as SCB cannot complete the necessary analysis of billing and collection accounts prior to that date and, furthermore, since no party has objected to an extension of time.

Motion for Creation of a Task Force on Accounting and Cost Allocation Issues

SCB proposes that the Commission create a task force or ad hoc committee to consider various cost allocation and cost accounting plans. AT&T does not oppose the creation of a task force, nor has any other party filed an objection to the creation of a task force.

In the opinion of the Commission, a task force to consider various cost allocation and cost accounting plans, composed of Commission staff members, representatives of the telecommunications industry, and other interested parties, could be beneficial in terms of long-term regulatory practice and, therefore, will create a task force in the near future. However, the Commission advises all parties that the resolution of issues in Administrative Cases No. 269, 305 and 306 should not be construed to be in any way contingent on a task force report or other representations emanating from a task force. These cases will proceed on their own merits to the maximum extent possible.

FINDINGS AND ORDERS

The Commission, having considered the motions and being advised, is of the opinion and finds that:

1. SCB's motion to consolidate Administrative Cases No. 269, 305 and 306 for the purpose of hearing common issues should be granted.

2. SCB's motion for consolidated testimony in Administrative Cases No. 269, 305 and 306 should be granted and extended to other local exchange carriers with testimony limited to the issues specified in this Order and filed on or before September 15, 1986.

3. SCB's motion for an extension of time to September 15, 1986, to file data required in Administrative Case No. 306 should be granted.

4. SCB's motion for the creation of a task force on cost allocation and cost accounting issues should be granted.

5. AT&T's motion for an extension of time to file consolidated testimony in Administrative Cases No. 269, 305 and 306 to September 25, 1986, should be granted and extended to other intervenors.

IT IS THEREFORE ORDERED that:

1. SCB's motion to consolidate Administrative Cases No. 269, 305 and 306 for the purpose of hearing common issues be and it hereby is granted.

2. SCB's motion for consolidated testimony in Administrative Cases No. 269, 305 and 306 be and it hereby is granted and extended to other local exchange carriers, with testimony to be limited to the issues enumerated in this Order and filed on or before September 15, 1986.

3. SCB's motion for an extension of time to September 15, 1986, to file data required in Administrative Case No. 306 be and it hereby is granted.

4. SCB's motion for the creation of a task force on cost allocation and cost accounting issues be and it hereby is granted.

5. AT&T's motion for an extension of time to file consolidated testimony in Administrative Cases No. 269, 305 and 306 be and it hereby is granted and extended to other intervenors.

Done at Frankfort, Kentucky, this 4th day of September, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Weman, Jr.
Chairman

Richard D. Weman, Jr.
Vice Chairman

Spencer N. Williams, Jr.
Commissioner

ATTEST:

Executive Director