

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GENERAL TELEPHONE COMPANY OF THE)
SOUTH'S PROVISION OF COUNTYWIDE)
TELEPHONE SERVICE TO GREENUP COUNTY,) CASE NO. 9824
KENTUCKY, PURSUANT TO KRS 278.545)

O R D E R

As enacted by the General Assembly of the Commonwealth of Kentucky and effective July 15, 1986, KRS 278.545 states that:

(2) If a major telephone company serves all subscribers in a county but does not provide countywide service, and if at least two thousand (2,000) subscribers are not able to telephone the county seat of the county without paying toll charges, then the public service commission shall by order require provision of countywide local exchange telephone service within the county no later than October 1, 1987.

As used above, a "major telephone company" means a telephone company with annual gross operating revenues of one hundred million dollars (\$100,000,000) or more.

Upon review of the records of the Commission and applying the above referenced criteria, it has been determined that General Telephone Company of the South ("General") and its service area of Greenup County, Kentucky, meet the conditions as set forth in KRS 278.545. Therefore, General is required to provide countywide extended area service ("CWEAS") to the subscribers of Greenup County, by no later than October 1, 1987.

The Commission will require General to file within 60 days of the date of this Order its engineering plans for implementing CWEAS in Greenup County by the October 1, 1987, deadline. In particular, General should include an explanation of how it plans to engineer CWEAS for those Greenup County subscribers who are served by the Ashland and Meades exchanges. Also included in these plans should be:

1. A summary of the results of the interexchange traffic study conducted to determine the network modifications necessary to implement the CWEAS service.
2. Alternative engineering plans considered.
3. The associated cost studies for the plans considered. The cost study should include, but not be limited to, estimates of central office and trunk equipment needed for the 10-year period after CWEAS is implemented.
4. The rate regroupings, by exchange, that will result from implementation of CWEAS.
5. The incremental costs required to provide CWEAS rather than toll. Incremental costs should include the cost of all related equipment, traffic studies, engineering studies and all associated expenses and revenue losses, including projected

toll losses resulting from implementation of this new service. The company should consider any cost savings and added revenues which may result from rate regroupings attributable to the CWEAS for the same 10-year period used for considering equipment additions.

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

(1) Pursuant to KRS 278.545 General is required to provide countywide extended area service to the subscribers of Greenup County, Kentucky, by October 1, 1987.

(2) General should file the information requested in this Order within 60 days of the date of this Order.

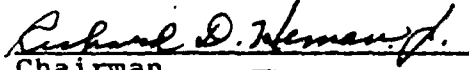
IT IS THEREFORE ORDERED that:


(1) Pursuant to KRS 278.545 General shall provide countywide extended area service to the subscribers of Greenup County, Kentucky, by October 1, 1987.

(2) General shall file the information requested in this Order within 60 days of the date of this Order.

Done at Frankfort, Kentucky, this 23rd day of December, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director