

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DETARIFFING THE INSTALLATION) ADMINISTRATIVE
AND MAINTENANCE OF INSIDE WIRE) CASE NO. 305

O R D E R

Introduction and Discussion

On December 24, 1986, the Commission released an Order in this case that required local exchange carriers to file inside wire cost allocation plans, inside wire revenue and expense information, and local exchange rate reductions. On January 30, 1987, Continental Telephone Company of Kentucky ("Continental") filed an inside wire implementation plan and associated tariff changes. On May 1, 1987, the Commission released an Order approving Continental's inside wire implementation plan and local exchange rate reductions, on an interim basis, effective March 1, 1987, as requested by Continental. On May 21, 1987, Continental filed a petition for reconsideration.

Continental requests that the Commission modify its Order of May 1, 1987, to authorize an effective date of May 22, 1987, on the grounds that:

The Commission's Order of May 1, 1987, requires Continental to give to its customers the benefit of the "reduced costs" of detariffing the installation and maintenance of inside wire retroactive to March 1, 1987, even though Continental will not in fact experience any benefit until it ceases providing maintenance and converts maintenance to the "nonregulated" side of its operations, which can occur no earlier than May 22, 1987.¹

Furthermore:

The implementation of the tariff reduction retroactively to March 1, 1987, without the opportunity to collect corresponding charges for providing inside wire maintenance, will result in a loss of revenue to Continental plus the expense associated with administering a refund.²

Findings and Orders

The Commission, having considered the evidence of record and being advised, is of the opinion that Continental's petition for reconsideration should be granted.

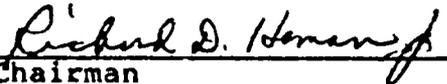
IT IS THEREFORE ORDERED that the Commission's Order of May 1, 1987, be and it hereby is modified to authorize an effective date of May 22, 1987.

¹ Petition for Reconsideration, page 3.

² Ibid.

Done at Frankfort, Kentucky, this 8th day of June, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director