

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GENERAL ADJUSTMENT OF RATES)
OF GENERAL TELEPHONE COMPANY) CASE NO. 9678

O R D E R

On December 16, 1986, the Attorney General ("AG"), by and through his Utility and Rate Intervention Division, filed a motion to exclude depreciation rescription rates from consideration in the rate case. The AG contends that General Telephone Company of the South ("GenTel") and the Commission staff are relying on evidence in a separate proceeding to make a pro forma adjustment to the test year depreciation expense and that this is violative of the intervenor's due process rights.

GenTel filed its response to the motion on January 8, 1987, claiming that the AG had ample opportunity to participate in the depreciation rescription proceedings. GenTel provided the AG a copy of its 1986 depreciation study on June 27, 1986, and also forwarded subsequent filings to the AG. On October 10, 1986, the Commission staff furnished the AG a copy of its proposal of a three-way settlement conference between staff, FCC staff and GenTel. This proposal included the time, date, and place of the conference. GenTel further states that the AG will have an opportunity to be heard during the hearings concerning the

inclusion into the revenue requirement of the newly prescribed depreciation rates.

Upon consideration of these filings, and being advised the Commission finds that:

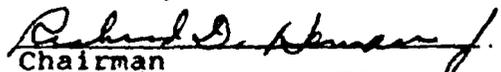
1. The AG had an opportunity to participate in the GenTel depreciation rescription proceedings in that he received a copy of the 1986 depreciation study and subsequent filing in the depreciation study, and a copy of the proposal for the three-way settlement conference. The AG at no time indicated his intention to participate nor did he object to the proceeding.

2. The AG, as an intervenor, is permitted to participate to the fullest extent in the discovery process and at the hearing, including an opportunity to be heard concerning the rescription depreciation rates.

IT IS THEREFORE ORDERED that the motion by the AG for the exclusion of the depreciation rescription rates from consideration in the current rate case be denied.

Done at Frankfort, Kentucky, this 23rd day of January, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Executive Director


Commissioner