

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE EFFECTS OF THE FEDERAL TAX REFORM)
ACT OF 1986 ON THE RATES OF SOUTH) CASE NO. 9803
CENTRAL BELL TELEPHONE COMPANY)

O R D E R

On January 15, 1987, South Central Bell ("SCB") filed a Motion for Modification of the December 11, 1986, Order. The Motion addresses SCB's desire to consider the effects of depreciation represcription in conjunction with the Tax Reform Act ("TRA") of 1986, and to extend the compliance date for SCB's testimony and documentation in the case until April 1, 1987.

The Commission's Order of December 11, 1986, announces a proceeding which will ultimately attempt to resolve the difficult questions created by the TRA. The Commission recognizes that SCB has the right, and will be afforded the opportunity, to present any factual, financial, or legal concerns it may have with this proceeding. However, because of the breadth of this investigation and the number of parties involved, it is necessary to limit the issues to be considered. The Commission's Order of December 11, 1986, confines this investigation to a consistent, well-defined scope. The information as it relates to the specific changes occasioned by the TRA should be filed as the December 11, 1986, Order requires. However, simply because the Commission deems

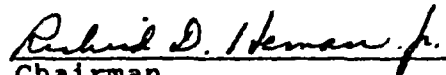
certain information necessary does not preclude the filing of other information SCB believes is pertinent.


For these reasons, the Commission ORDERS that:

- (1) SCB's motion for modification of the December 11, 1986, Order be denied;
- (2) SCB may file any additional information it deems relevant;
- (3) SCB may file alternative proposals for the resolution of this investigation.
- (4) SCB's motion for extention of the compliance date to April 1, 1987, be denied.

Done at Frankfort, Kentucky, this 26th day of January, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director